Status Report on CFC funded Project in India

DEVELOPMENT, PRODUCTION
AND TRADE OF ORGANIC TEA (PHASE II)

Presentation made during the 19th Session of FAO-IGG Tea
12-14 May 2010, NEW DELHI
by

Roshni Sen,
Deputy Chairman, Tea Board of India
Objective & Scope

• Development of appropriate technology, skills and systems of organic tea production for new organic tea farms as also for developing a package of practices for conversion of existing tea plantations to organic tea farms.
• Development of acceptable international standards for the export of organic tea
• Assessment of the global demand for organic tea and development of appropriate marketing strategies.
• Establishment of Capacity Building and Resource centres for knowledge transfer and imparting training.
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Project Summary

- **PROJECT EXECUTING AGENCY (PEA)**: The International Federation of Organic Agriculture Movements (IFOAM)
- **SUPERVISORY BODY**: The FAO Intergovernmental Group on Tea
- **IMPLEMENTING AGENCY**: Tea Board of India
- **DURATION**: Three years from October 2008

**PROJECT COSTS AND FINANCING**

- **Total cost**: US$ 4.05 million  
  - **CFC’s support**: US$1.6 million (40%).  
  - The remainder (60%) to be borne by the Tea Board of India and the participating owners of model tea farms.
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### Allocation of Project outlay

<table>
<thead>
<tr>
<th>Project component</th>
<th>(USD)</th>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Grant CFC</td>
<td>Loan CFC</td>
<td>Tea Board &amp; Model Farms</td>
<td>Total (USD)</td>
<td></td>
</tr>
<tr>
<td>1. Capacity Building</td>
<td>316,251</td>
<td>0</td>
<td>82,771</td>
<td>399,022</td>
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</tr>
<tr>
<td>2. Establishment of Models farms</td>
<td>0</td>
<td>965,888</td>
<td>1,892,850</td>
<td>2,858,738</td>
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<tr>
<td>3. R &amp; D on Model farms</td>
<td>211,487</td>
<td>0</td>
<td>345,582</td>
<td>557,069</td>
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<tr>
<td>4. Market Development</td>
<td>52,729</td>
<td>0</td>
<td>116,816</td>
<td>169,545</td>
<td></td>
</tr>
<tr>
<td>5. Organization and Management</td>
<td>63,459</td>
<td>0</td>
<td>0</td>
<td>63,459</td>
<td></td>
</tr>
<tr>
<td>Grand Total</td>
<td>643,926</td>
<td>965,888</td>
<td>2,438,019</td>
<td>4,047,833</td>
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</tr>
</tbody>
</table>
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Project Associates

• THREE (3) TEA RESEARCH INSTITUTES
  • overall focus will be on the development of the essential parameters for organic tea production and processing
  • The research effort would be broadly directed at covering a range of activities that would include soil management, development of bio-organic fertilisers, pest and disease management and the conversion of existing tea gardens to organic gardens.

• FOUR (4) MODEL TEA FARMS COVERING 320 ha:
  • The research effort on model farms is a joint venture on existing tea plantations
  • Tea Research Association -- Jorhat (Assam)
  • UPASI Tea Research Foundation (South India)
  • Darjeeling Tea Research & Development Center (Darjeeling)
  • Maud (Assam) 100 Ha
  • Ambootia (Darjeeling) 100 Ha
  • Kundalay (Munnar-S.india) 100 Ha
  • UPASI TRF (Coonoor - small growers’ farm) 20 Ha.
National Programme for Organic Production

• The national programme for Organic Production (NPOP), was launched in June, 2004 by the Govt. of India (GOI) for ensuring orderly development of organic agriculture in India.

• The NPOP governs the standards for organic production, systems criteria and procedures for accreditation of inspection and certification bodies, the national organic logo and the regulations governing its use. The standards and procedures have been formulated in harmony with international standards such as those of Codex and IFOAM.
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Work done so far

• Physical Progress in Model Farms
  1. New Planting: 80% 16 ha against the target of 20 ha
  2. Replanting: 60% 27 ha against the target of 45 ha
  3. Rejuvenation: 62% 53 ha against the target of 85 ha
  4. Conversion from existing tea area: 100% 170 ha against the target of 170 ha

• R&D Experiments in Model Farms and Research institutes
  1) Soil Health & Agro aspects 10 trials
  2) Plant Nutrition 14 trials
  3) Plant Protection 9 trials
  4) Growth formulations and others 9 trials
  Total Trials laid out 42
Work done so far

- **Training**
  - 20 scientists, managerial persons have been trained in 2009 on all aspects of organic farming.
  - 70 training programmes and demonstrations are planned for 2010.

- **Capacity Building**
  Three Capacity Building and information centers being set up at
  - Maud Tea Estate in Assam (North India)
  - UPASI Tea Research foundation (South India)
  - Tea Park at Siliguri (North India)
  - The centers are expected to be fully functional by the end of 2010
Market Assessment and findings

- In April 2009, the IFOAM awarded a contract to assess the U.S. consumer market for organic tea products. The research team submitted its report in August 2009. The key findings are:
- Both organic foods market and tea market are expanding rapidly in the U.S.
- The majority of target market is NOT aware of organic tea product.
- More than 55% of people knowing organic tea have purchased it.
- Consumers’ satisfaction with organic tea is tied up with their purchase amount.
- Most consumers (at least more than 65%) do NOT want to pay more than 1.5 times of regular tea price for organic tea.
- Female consumers and less educated consumers rely heavily on Word of Mouth as a information source for organic tea.
- Grocery is the most effective place to sell organic tea product.
- Advertising plays a big role in promotion of organic green tea.
- Neither organic black tea nor organic green tea is viewed differently across different demographic groups.
- The awareness of organic black tea is NOT necessary associated with the awareness of organic green tea, and vise-versa.
Market Development activities

• Participation at Biofach, Nuremberg Feb 2009 and Feb 2010, the largest organic exhibition in Europe along with exporters of organic tea. In the exhibition, sampling and distribution of organic tea was done, awareness programmes conducted, and a forum for buyer-seller interaction was created.

• Distribution of organic tea samples during Foodex, Japan in March 2010, and creating awareness about organic tea

• Facilitating a large number of units in getting organic tea certification. Organic tea producers are assisted in getting their produce certified as organic tea. 50% of the total cost of certification subject to a ceiling of INR 1,00,000 is borne by Tea Board.

• Due to sustained efforts, production of certified organic Tea in India is now around 10 million kgs and bulk of it is exported.
Thank you

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