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منظمة  
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للأمم المتحدة

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# COMMITTEE ON COMMODITY PROBLEMS

## INTERGOVERNMENTAL GROUP ON TEA

### Twenty-first Session

**Bandung, Indonesia, 5-7 November 2014**

## REPORT OF THE TASK FORCE ON STATISTICS AND PROJECTIONS

### I. Introduction

1. The primary objective of the task force on statistics and projection is to increase transparency and the quality of data collected for the analysis of tea market as well as enhance the participation on Member Countries in the generation of medium-term Outlook for tea. Through the Task Force, the Secretariat provides capacity building for short-term and medium-term analysis of the global tea market.

### II. Action

2. The Secretariat held a capacity building workshop on statistics and projections 13-14 November 2014, which was attended by focal points from Kenya, Sri Lanka, and Tanzania. Participation was below expectations despite interests expressed by several Member countries at the 20th Session of the IGG to attend the workshop. The activities of the Workshop were divided into three main areas. First a thorough review of the methodology and concepts underlying the structure of the FAO Tea model was discussed. This Session was based on a methodology paper prepared by the Secretariat, which served as a basis for the discussion. The core topic explored in the session related to the concept of vintage capital model, which constitutes the basis of the supply response specification for the Indian module of the Tea Model.

3. In the second part of the workshop, participants were introduced to the FAO Tea Database, its main features, application, and how it feeds into the FAO Tea Model. On that basis, Delegates were then shown how the model merges the database and other inputs, such as macroeconomic data, price and income elasticities, and other technical parameters, to solve for a clearing international tea price necessary to generate a medium-term outlook projections. A full explanation of the process was given in that session. Then, a demonstration on how to use the Tea viewer to examine and amend projections values was provided. The Tea Viewer was developed by the Secretariat as an Excel-based interface designed to facilitate the revision of projection numbers and enable focal points to introduce their

changes and proposed revisions to the initial projection values. A full hands-on session on the use of the Tea viewer was delivered. Focal points were able to learn about the main characteristics of the Viewer, including how to view projection results on production, consumption, stocks, trade, prices as well as review the assumptions regarding macroeconomic variables. Focal points were also trained on how to browse through the projection numbers and introduce changes using the various options available in the Viewer.

4. In the last phase of the Workshop, a presentation was delivered on the practice of commodity projections, which reviewed the purpose of undertaking an outlook exercise and discussed several pitfalls and proposed solutions. A Second presentation covered the topic of domestic prices, which enter the model on the demand side component, with a demonstration on how to make use of the web-based FAO Food price analysis tool. Finally, in the last session of the workshop, a presentation about the web-based Tea forum was delivered. Delegates were registered in the Forum and encouraged to use the tool to exchange knowledge and share information on tea statistics and projections.

5. The Task force met again on 6 May 2014, to agree on a specific plan of action for 2014, leading to the meeting in Bandung. The Task force agreed to:

6. Consolidate the collaboration between the focal points and the Secretariat for the generation of medium-term. Some Member Countries are still to nominate new Focal points.

7. Focal points to provide/update projection numbers for production, consumption, trade, and macroeconomic data, if available. Also updated S&U numbers for 2013 should be provided. These should be prepared and sent to the Secretariat no later than 16 June 2014.

8. The focal points to invite other producing and consuming countries to participate in the projections.

### **III. The way forward**

9. Despite an ambitious programme, the Task force on Statistics and Projections faces two majors challenges. First, there are instances where focal points are still to be selected and their names communicated to the Secretariat. Second, resources should be allocate to support the activities of focal points, namely to attend workshops, intersession, and main sessions of the IGG. Resource availability remains a major constraints to the work of the Task force. The secretariat is ready to host focal points during the period when the medium-term outlook for tea is developed, provided the cost is covered by the respective Member countries. From the above, it is recommended that:

- Designate Focal points to work with the Secretariat for matters of statistics, analysis, and projections. Names or the name of the Unit within the Tea Boards/Ministry of Agriculture/Commerce/Plantation Industries etc., should be communicated to the Secretariat.
- Each institution or Ministry to allocate budget for participation of focal points in the capacity building workshops, Intersession, and main Sessions of the IGG.
- To the extent possible, the focal points will need to be part of the official delegation attending the IGG meetings.
- Nominate a Focal point, who will work with the Secretariat to implement the activities of the Task Force.
- Focal points should be more active in providing data and input to the Secretariat, as agreed at the 20th Session of the IGG.