



COMMITTEE ON COMMODITY PROBLEMS

INTERGOVERNMENTAL GROUP ON TEA

Twenty-second Session

Naivasha, Kenya, 25-27 May 2016

REPORT OF THE INTERSESSIONAL MEETING OF THE INTERGOVERNMENTAL GROUP ON TEA Milan, Italy, 15-16 October 2015

I. BACKGROUND AND INTRODUCTION

To help member countries of the Intergovernmental Group (IGG) on Tea cope with the dynamic nature of the world tea economy and address the vagaries of the market, an intersessional meeting was arranged, to bridge the gap between sessions of the IGG. The 21st session of the Group was held in Bandung, Indonesia, in November 2014, and the 22nd session is scheduled to be held in Naivasha, Kenya, in late May 2016.

The intersessional meeting was hosted by the Tea Association of Italy. It was held on the Expo Milan premises and 38 participants representing 13 countries and 1 observer organization attended.

The Co-Chairpersons and/or the Chairperson of each of the seven Working Groups (WGs) reported on progress made since November 2014. The WGs broke out into groups to discuss issues pertinent to each WG, and each WG reported its future action plans and recommendations to the plenary session on 16 October. The objectives assigned to each of the other WGs were met and were as follows:

Working Group on Maximum Residue Levels (MRLs)

- The IGG/Tea decided that the Working Group on MRLs in the Brew be dissolved after the submission and endorsement of the policy document by CCPR. Hence, the WG needs to prepare a policy document outlining the methodology and other technical requirements to enable regulators of the CCPR to accept residues in the brew as the basis for risk assessment. This document would need to be discussed and endorsed for submission to the CCPR;
- Assess the status of field trials required for setting Codex MRLs and submit the list for advance notification to FAO-IGG and the National Codex Points;
- Update the priority list based on new information on risk assessment, replacements, or potential use in tea;
- Assess the status and development of required infrastructure and new methods to cope with changing situations and costs;
- Devise a communication plan for quick information exchange and advance notification for simultaneous data submission by members and seek manufacturers' support;

- Data submission to include brew factor based risk assessment for all teas traded globally except Matcha tea; and
- To share available information on anthraquinone and risk assessment in tea and tea brew.

Working Group Tea Trade and Quality

- Introduce a self-regulating code of conduct to continue compliance of ISO 3720 minimum quality standard;
- Collate all existing literature on additional quality benefits on tea if conforming to ISO 3720 or above;
- Formulate a road-map to undertake further research on ISO 3720 compliant vis-a-vis non-compliant teas on the connectivity to quality and food safety parameters (establish a business model for higher safety levels);
- Develop a closer synergy between the Working Group on Tea Trade and Quality and ISO for a combined collation of information and data;
- Arrange a workshop among ISO 3720 compliant and non-compliant member countries;
- Initiate a pragmatic programme to prevail upon the governments of consumer countries, tea trade and consumers of importing countries to demand tea complying with ISO 3720 parameters or above in view of better quality and safety extended to producer countries;
- Identify donor funding/technical assistance for countries requiring support in the implementation of ISO 3720 minimum quality standard;
- In recognition of the establishment of a minimum quality standard for green tea and the significant growth in the production and demand for green tea globally, introduce a self-regulating code of conduct conforming to ISO 11287 minimum quality standard for green tea manufacturing;
- Discuss the need for defining a uniformed global sustainability standard governing the tea value chain; and
- Add a “promotion” element as tea education, promotional events and even tea competitions are gaining increasing popularity and are incorporated in communication strategies to educate and promote tea.

Working Group on Organic Tea

- Given the limitations observed with regard to conversion of non-organic tea plantations to organic gardens, due to the apparent decline in crop production and high cost of cultivation, it might be worthwhile to encourage the non-organic gardens to adopt green farming methods as a way forward;
- Green farming would lead to the gradual reduction of chemical fertilizers through supplementing with organic manures;
- Reduction of pesticide load by adopting integrated pest management (IPM) practices so that the usage of pesticides could be phased out gradually; and
- Marketing issues could be dealt with by the WG on Tea Trade and Quality with the assistance from IGG/Tea Secretariat, and the Task Force on Statistics could monitor the world organic tea demand.

Working Group on Climate Change

- The IGG/Tea decided that members of the WG continue work to further strengthen (bridging data gaps) databases;
- The Intergovernmental Panel on Climate Change (IPCC) A1B scenario data will be taken for spatial trend analysis. Efforts will be made to use the IPCC AR 5 scenarios;
- Studies are to continue on locally released clones/cultivars for elevated carbon dioxide and temperature under different moisture regimes and a strategy developed and adopted to promote clones expected to produce economically

- Vulnerability analyses (regional suitability using a GIS platform) are to be performed by all WG members, including any new areas available for cultivation of tea in the respective countries;
- Agronomic adaptation strategies are to be further fine-tuned and Decision Support System (DSS) work to be linked accordingly by all members of the WG on conceptualized framework;
- A mechanism for regional weather forecast, pests and diseases and advisories based on the forecasts is to be developed; and
- The WG decided to prepare a booklet explaining country-specific adaptation strategies to combat climate change and how to use the different forecasts as well as the DSS.

Working Group on Smallholders

- The WG proposed that a tea smallholders confederation be established to facilitate active communication with small tea growers in producing countries. Indonesia and India were to conceptualize and propose the structure, composition, roles and functions of the confederation, as well as its terms of reference;
- The confederation should work with established brands in consuming countries to market smallholder tea; and
- The WG should appoint a strong international business consultant to establish a road map towards its achievement, involving institutions such as the World Bank, as well as the media to promote it.

Task Force on Statistics

- The IGG/Tea decided that focal points were to be designated to work with the Secretariat for matters of statistics, analysis and projections;
- Each institution or ministry is to allocate a budget for the participation of focal points in the various fora organized by the Secretariat, namely the: capacity building workshops; inter-sessional meetings; and main sessions of the IGG/Tea;
- To the extent possible, the focal points would need to be part of the official delegation attending the IGG/Tea meetings;
- Focal points should be more active in providing data and inputs to the Secretariat, as agreed at the 20th Session of the IGG/Tea; and
- The Secretariat is ready to organize training for focal points during the period when the medium-term outlook for tea is developed, provided the cost is covered by the respective Member countries.

II. REPORTS OF THE INDIVIDUAL WORKING GROUPS ADOPTED BY THE PLENARY

A. WORKING GROUPS ON MRLs/MRLs IN THE BREW

The WG on MRLs/MRLs in the Brew updated the list of chemicals according to feedback from countries, as follows:

Priority list of chemicals

Pesticides	Data Availability	No of trials & Country	National MRLs [MRL (Country)]	Data submitted to Codex & date
Acetamiprid	Yes	4(Japan) 4 (India) 8 (China)	40 (Jp), 50 (US)	
Bifenthrin	Yes	6(Japan) 2(India)	30 (Jp) , 30 (US)	30 (2011)
Buprofezin	Submitted to EU	6(Japan)	30 (Jp), 20 (US)	30 (codex, Green Tea)
Chlorfenapyr	Yes	2(Japan) 10 (China)	0.01 (US), 40 (Jp)	
Chlorfluazuron	Yes	8 (Sri Lanka) 2(Japan)	10 (Jp)	Not submitted
Chlorpyrifos	Yes	2(Japan) 6 (India)	10 (Jp)	2 (2005)
Chromafenozide	Limited	2(Japan)	20 (Jp)	
Clothianidin	Yes	3(Japan) 2 (India)	50 (Jp), 70 (US)	0.7 (2011)
Cypermethrin	Yes	2(Japan) 4(India)	20 (Jp)	15 (2012)
Dimethoate	Limited		1 (Jp)	
Pesticides	Data Availability	No of trials & Country	National MRLs [MRL (Country)]	Data submitted to Codex & date
Emamectin Benzoate	In progress	2(Japan) 2(India)	0.5 (Jp)	
Fenpropathrin	Yes	2(Japan) 2 (India)	25 (Jp), 2 (US)	2 (2007)
Fenpyroximate	Yes	2(Japan) 4 (India)	40 (Jp), 20 (US), 0.1 (Argentina)	
Fipronil	Yes	8 (Sri Lanka)	0.002 (Jp)	Not submitted
Flubendiamide	Yes	2(Japan) 2 (India)	50 (Jp)	50 (2011)
Flufenoxuron	Yes	2(Japan)	15 (Jp)	(8trials, 2014)
Imidacloprid	Yes	2(Japan) 8 (Sri Lanka) 2 (India)	10 (Jp)	(8trials, 2015)
Permethrin	Limited	2(Japan)	20 (Jp)	
Propargite	Yes	2(Japan) 6(India)	5 (Jp), 10 (US),10 (India), 1 (Argentina)	5 (2004)
Spiromesifen	Yes	2(Japan)	30 (Jp), 40 (US), 60 (Canada)	
Thiacloprid	Yes	4 (Japan) 2 (India) 8 (Registrant)	30 (Jp)	
Thiamethoxam	Yes	4 (Japan) 4 (India)	20 (Jp), 20 (US)	20 (2011)
λ-Cyhalothrin	Yes	2(Japan) 4 (India)	15 (Jp)	

Indoxycarb	Yes	8(China)		5 (2013)
Dichorvos			0.1 (Jp)	
Novaluron	To be generated			
Abamectin				
Acequinocyl	In progress	4(Japan)	0.5 (Argentina) 40 (Jp)	
Chlofentezine		2(Japan)	20 (Jp)	
Dicofol	Yes	8(India)	3(Jp) 5 (India) 50(US)	50 (1997) Revoked 40 (2011)
Ethion	Yes	12(India)	0.3(Jp), 5 (India)	
Etoxazole	Yes	4(Japan)	15 (Jp), 15 (US)	
Hexythiazox	Yes	Registration for tea deleted (Jp)	35 (Jp) 1 (Argentina)	15 (2012) Codex MRL is established with the 8 field trials conducted in India.
Milbemectin	Limited	2(Japan)	0.7 (Jp)	
Permethrin	Limited	2(Japan)	20 (Jp)	
Polysulphide sulphur	Exempted			
Pesticides	Data Availability	No of trials & Country	National MRLs [MRL (Country)]	Data submitted to Codex & date
2,4-D	Limited	1 (India)		
Diuron	In progress	Not registered in Japan	1 (Jp)	
Glufosinate-ammonium	Limited	Not registered in Japan	0.01 (India) 0.3 (Jp)	
Glyphosate	Yes	2 (Japan)	0.5 (Argentina) 1 (US) – Leaf 7 (US) – Powder 1 (Jp)	
MCPA	Yes	8 (Sri Lanka)		Not submitted
Metolachlor				
Oxyfluorfen	Limited	1 (India)		
Paraquat	Yes	8 (Japan) 2 (India)	0.3 (Jp)	0.2 (2006)
Azoxystrobin	Yes	4 (Japan)	10 (Jp), 20 (US)	
Bitertanol	Yes	8 (Sri Lanka)	0.1 (Jp)	Not submitted
Chlorothalonil	Limited	2 (Japan)	10 (Jp)	
Copper hydroxide	Yes	2 (India), not required in Japan	150 (India) as copper (ML), exempted (Japan)	Joint application with India

Copper Oxychloride	Yes	8 (Sri Lanka) 4 (Japan) 2 (India)	150 (India) as copper (ML), exempted (US, Japan)	Joint application with India
Copper oxide	Yes		Exempted (US, Japan)	
Difenoconazol	Limited	2 (Japan)	10 (Jp)	
Hexaconazole	Yes	8 (Sri Lanka) 3 (India)	0.05 (Jp)	Not submitted
Propiconazole	Yes	8 (Sri Lanka) 3 (India)	0.1 (Jp), 4 (Canada)	?
Pyraclostrobin		8 (Sri Lanka) 2 (Japan)	5 (Jp)	Not submitted
Tebuconazole	In progress	4 (Sri Lanka) 2 (Japan) 1 (India)	50 (Jp)	Not submitted
Thiophanate-methyl	Limited	2 (Japan)	7 (Jp)	Not submitted
Trifloxystrobin	Limited	3 (Japan)	5 (Jp)	Note submitted
Carboxim	To be done			
Tolfenpyrad	Available	8(China) 4 (Jp)	20 (Jp), 50 (US)	30 (Codex, Green Tea)

Note: 1/ Members of the WG did not have information on whether sufficient field trial data were already available for this compound. Therefore, they are to provide the WG with this information.

Future Actions

- To assess the status of field trials required for setting Codex MRLs and submission of the list for advance notification to FAO-IGG and National Codex Points.
- To update the priority list based with new information on Risk assessment, Replacements or Potential use in Tea
- To share information with consuming countries on MRL restrictions.
- To assess the status and development of infrastructure and new methods required to cope with changing situations and cost.
- Communication plan for quick information exchange, advance notification for simultaneous data submission by members, seek manufacturers' support and to negate adverse publicity.
- Data submission to include brew factor based risk assessment for all teas traded globally, except *Matcha Tea*.
- To share available information on anthraquinone, nicotine and other contaminants and to undertake a study to generate data on occurrence in tea. India, Indonesia, China, Kenya, Sri Lanka, Japan, UK and Germany agreed to participate in this collaborative study.
- Explore a potential representation in CODEX for tea to give agreed position a voice
- Share information on development of pest resistance.
- The guidance document on brew factor based risk assessment for fixing MRLs in tea will be submitted to the CCPR within one month.

B. WORKING GROUP ON TEA TRADE AND QUALITY

Future Actions and Resolutions

- Introduction of a self-regulating code of conduct to continue compliance of ISO 3720 minimum quality standard.
- Collation of all existing literature on additional quality benefits of tea if conforming to ISO 3720.
- Formulation of a road-map to undertake further research on ISO 3720 compliant vis-à-vis non-compliant teas on the connectivity to quality and food safety parameters (establish a business model for higher safety levels).
- A closer synergy between the WG on Tea Trade and Quality and ISO for a combined collation of information and data.
- Proposal to arrange a workshop among ISO 3720 compliant and non-compliant member countries.
- Initiate a pragmatic program to encourage tea trade and consumers of importing countries to demand tea complying with ISO 3720 parameters in view of better quality and safety.
- Identifying donor funding/technical assistance for countries requiring support in the implementation of ISO 3720 minimum quality standard.
- The WG recognizes the establishment of a minimum quality standard for green tea and the significant growth in the production and demand for green tea globally and therefore proposes to recommend the introduction of a self-regulating code of conduct conforming to ISO 11287 minimum quality standards for green tea manufacturing.
- The need for defining a uniform global sustainability standard governing the tea value chain.
- Adding a “Promotion” element as tea education, promotional events and even tea competitions are getting more and more popular and are incorporated in communication strategies to educate and promote tea.
- Proposes to have an International Tea Day. The procedures and modalities would have to be worked out. The consumer member countries strongly supported the proposal, and the Focal Point for Communication (Canada) would coordinate this initiative with the Secretariat.

C. WORKING GROUP ON ORGANIC TEA

The Intersessional Meeting agreed that the WG on Organic should expand its mandate to encompass green farming methods and gradual reduction of pesticides and chemical fertilizers, rather than be restricted to organic tea.

Future Actions and Resolutions

- Research and development has to be undertaken to steadily improve tea production using green farming methods:
 - Nutritional requirement for supplementing fertilizers and Research on adding value to increase yields by supplementing nutrition should continue.
 - Joint research and development, and information sharing among organic tea producing countries to be coordinated by the WG on Green Farming, with assistance from the IGG Secretariat.
- Market promotion internationally:
 - The WG on Green Farming will monitor world organic tea demand, in collaboration with the WG on Tea Trade and Quality, with assistance from the IGG/Tea Secretariat and the Task Force on Statistics, where necessary.
 - Identification of niche markets that could compensate the farmer for reduced yields and higher costs of production.
 - Promote organic tea in the media.
- Certification:

- Work towards achieving organic tea standards and certification that are recognized internationally.

D. WORKING GROUP ON CLIMATE CHANGE

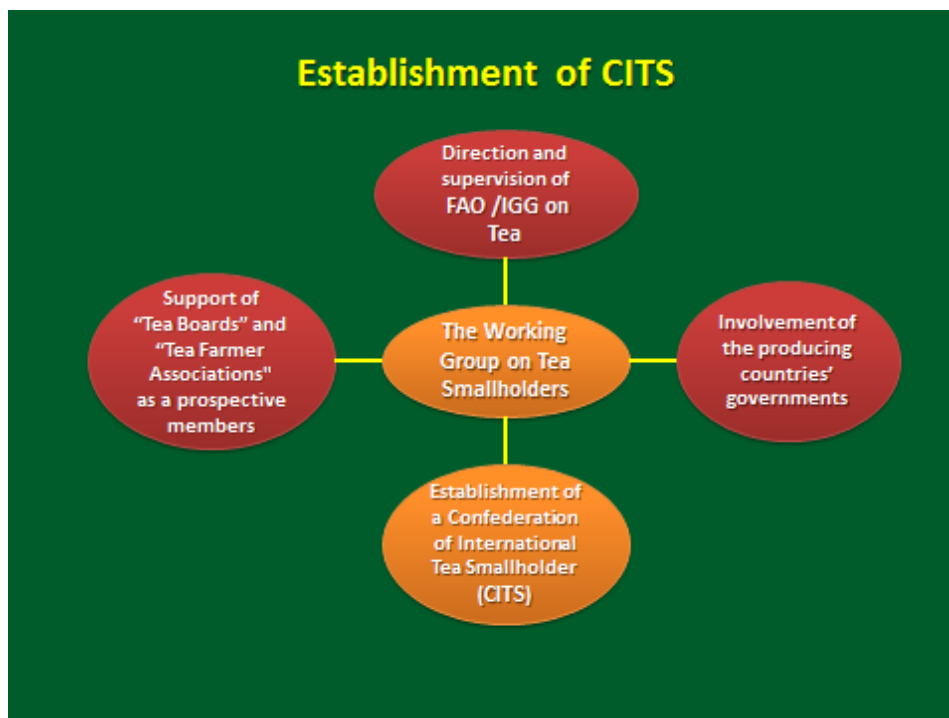
Future Actions and Resolutions

- Data collection and analysis to be continued.
- Analysis of vulnerability /suitability with IPCC, AR 5 scenarios to continue.
- Collate and combine adaptation strategies common to all WG countries along with country specific strategies.
- Publish a booklet on adaptation strategies common to all countries in English and release it in the next IGG/Tea meeting.
- Translation of the booklet into different country specific languages.
- Implementation of adaptation strategies on pilot scale in each country and impact analysis.

E. WORKING GROUP ON SMALLHOLDERS

Future Actions and Resolutions

An organized international set up was necessary to strengthen the participation of small growers in the tea value chain. Hence, the formation of the Confederation of International Tea Smallholders (CITS) was mooted with the following establishment structure and goals:



Proposed Goals of CITS

- To provide a forum for the development of policies and solutions to strengthen the global tea smallholder sector by acting as a convener, catalyst and source of reference, so as to improve the consistency of tea policymaking on a global level.
- Market access
 - To enhance market access by providing statistics, research results, studies and other information on the world tea economy, which would reduce transaction costs to the

beneficiaries of the tea supply chain. This would also enable economic decisions to be taken, based on accurate and timely information.

- Development of communications, public outreach and dissemination of knowledge.
 - To encourage the development of communications, public outreach and dissemination of knowledge on the world tea economy, through project activities, microcredit programmes, workshops, training, and other fora of knowledge sharing; and seeking finance for these activities.
- Sustainable tea smallholder sector.
 - To promote the development of a sustainable global tea smallholder sector, thereby contributing to its environmental sustainability, as well as generating increased income and employment, and improved living standards and working conditions in member countries.
- In order to take forward the proposal, the support of a consultant is necessary. The issue that needs to be addressed in this regard is funding.
- The consultant should assist in developing a marketing arrangement with the help of producers' and consuming countries' associations involved in tea matters to market the teas of small grower sector directly, at least covering the cost of production.

F. TASK FORCE ON STATISTICS AND PROJECTIONS

Future Actions and Resolutions

- Providing accurate statistics to facilitate planning in member countries was important, but most countries do not submit their statistics regularly and on time. Timely and accurate data, sent regularly is crucial to the functioning of a reliable and consistent database and World Tea Model.
- Given that most members of the Task Force who had been trained on the World Tea Model Viewer no longer belonged to the Task Force, new focal points needed to be appointed immediately to minimize disruption of the work of the Task Force and assist the Secretariat on statistics, analysis and projections.
- The following Focal Points were identified:
 - Argentina – Patricia Parra
 - India – the Statistician of the Tea Board of India
 - Indonesia – the Tea Board of Indonesia
 - Kenya – Samuel Ogola until another person was appointed
 - Malawi – Sangwana Hara
- Those countries that have not yet appointed a Focal Point should do so and send the contact details to the Secretariat by the end of November.
- The Secretariat would facilitate a capacity building workshop so members could become familiar with the Tea Model Viewer and could then insert their own projections and simulations.
- Each country should support the activities of the Task Force by allocating resources to finance their own Focal Points, because FAO can only provide the technical assistance required.
- Prepare the next medium term outlook, the Secretariat would require projections for each country, which should be provided to the Secretariat by the end of November 2015.

II. DEVELOPMENTS IN THE TEA FORUM/WEBSITE

Given the lack of progress in developing the website, the IGG agreed to use the electronic forum that had been developed by the Secretariat to more effectively develop the website. In addition, this would facilitate the achievements of the Working Groups' plans of action. It was agreed that the Chairpersons

of each Working Group would coordinate their "*private rooms*". While the Secretariat would continue to administer the forum, Canada, in its new role as Communication Focal Point, would coordinate the inputs from members in a logical manner.

The aim of the Tea Forum was to improve interaction and effectiveness within the industry. It provided a space where members could discuss, interact, disseminate and obtain information on tea as well as exchange knowledge on tea.

Future Actions

- Chairs and Co-Chairs of the Working Groups are to distribute information through the Forum;
- Members are to get involved by posting general information; and
- Members to go to the forum regularly to view new information and start discussion.

III. THE COMMON FUND FOR COMMODITIES PARTNER IN COMMODITY DEVELOPMENT

The CFC provided an institutional presentation on the CFC, with a brief analysis on the financed projects and the eligibility criteria for CFC financing.

IV. THE ROLE OF TEA EXPORT EARNINGS IN FOOD SECURITY

The IGG/Tea has had an on-going concern on the role of tea export earnings in food security, particularly how they impact smallholders. While smallholder tea production is growing worldwide, their situation is problematic because the prices they are paid for fresh tea leaves, more often than not, tend to be below the cost of production, if labour cost is factored in. To better understand the situation, the Secretariat provided the meeting with an analysis of: the historical and current trends in tea production; the role of tea in the national economy; the current food security situation; tea exports and the role of tea export earnings in food security needs to be computed. The socio-economic situation of tea smallholders is not well understood and needs to be studied at the sub-national level, focusing on topics including: holding structure, household structure, holding production, costs of production, small-holder income, value chain structure and margins, etc.

Future Actions

- Work with four or five focus countries to collect data for the socio-economic statistical framework for smallholder tea producers¹.
- Analyse the data with the countries to better understand the ways smallholders can be assisted.
- Implement socio-economic statistical/analysis frameworks in countries with regular updating, monitoring and analysis.

¹ India, Kenya, Malawi, Sri Lanka expressed interest in participating in this exercise.