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联合国粮食及农业组织 Food and Agriculture Organization of the United Nations Organisation des Nations Unies pour l'alimentation et l'agriculture Продовольственная и сельскохозяйственная организация Объединенных Наций Organización de las Naciones Unidas para la Alimentación y la Agricultura منظمة الأغذية والزراعة للأمم المتحدة

COMMITTEE ON COMMODITY PROBLEMS

INTERGOVERNMENTAL GROUP ON TEA

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A BRIEF ON INDONESIAN TEA IN 2014, ESTIMATION 2015 AND OUTLOOK 2016

Innovation and creativity in the tea industry in Indonesia has been a significant development in recent years, there are more types of tea produced and well known with its uniqueness in the form of orthodox and CTC black tea, panning and steaming green tea, jasmine tea, oolong tea, white tea, yellow tea, red tea, instant tea, tea bags and RTD which are traded in more than 40 brand names domestically, as well as the functional teas produced from pharmaceutical industry. The RTD's traded at this moment are more than 20 brand names whereby there was only one in 1977 – 1978.

Most of black tea and green tea produced by State owned Enterprise and Private owned Enteprise in bulk are certified by RA, ETP, UTZ, Fair Trade, JAS, Organic, BTA, MRL and have successfully exported to more than 40 countries in Europe, America, Asia, Africa and Australia, and every year contribute the foreign currency earning. The value of tea export is reaching the highest up to US $ 178,5 million in 2010 whereby in the following years is decreasing to USD 166,7 million in 2011, USD 156,7 million in 2012, USD 157,5 million in 2013 to USD 134,5 million in 2014, less than USD 134 million in 2015 and it is predicted will increase in 2016.

Foreign currency earning from tea export is increasing from year to year with total amount of USD 95,8 milllion (in the 2003), USD 98,5 million (in 2004), USD 102,2 million (in 2005), USD 95,3 million (in 2006), 126,6 million USD (in 2007), USD 158,9 million (in 2008), USD 171,6 million (in 2009), USD 178,5 million (in 2010), USD 166,7 million (in 2011) and down to USD 156.7 million (in 2012), USD 157,5 million (in 2013), USD 134,5 million in 2014, less than USD 134 million in 2015 with average price at Auction ranging from USD cents 95.49 /kg in 2003 to USD 198,0 cents/kg in 2013, USD 167 cents/kg in 2014, USD 153 cents/kg in 2015 and predicted less than 170 cents USD/kg in 2016.

Unfortunately, the tea production volume is decreasing from 169,819 ton made tea in 2003, becoming 164.000 ton (in 2004), 156.000 ton (in 2005), 146.000 ton (in 2006), 150.223 ton (in 2007), 153.971 ton (in 2008), 156.901 ton (in 2009), 156.604 ton (in 2010), 150.776 (in 2011), 150.949 (in 2012), 152.674 (in 2013), 132.000 ton (in 2014) and less 130.00 ton (in 2015) due to long dry season. If the wheather and climate are permitting it is predicted that in 2016 and there is a significant efforts to improve the productivity as well as the tea quality produced the total production in Indonesia will increase and the volume of tea import will be decreased.

The decrease on tea production is mainly due to the decrease of tea area from 157.000 ha (in year 1998), become 150.938 ha (in 2001), 150.723 ha (in 2002), 143.620 ha (in 2003), 142.086 ha (in 2004), 135.281 ha (in 2006), 133.734 ha (in 2007), 127.712 ha (in 2008), 123.506 ha (in 2009), 122.898 ha (in 2010), 123.938 ha (in 2011), 124.294 ha (in 2012), 128.160 ha (in 2013), 125.000 ha (in 2014), 122,000 ha (in 2015) and in 2016 is estimated the tea area will be the same as in 2015.

The decrease of tea production is also caused by the conversion to other crops, sub-optimal productivity due to lower standard in their maintenance, the old plant should be replanted and the effect of the climate change.

The imported tea is increasing from 50 ton in 1996 becoming 8.700 ton (in 2007), 6.625 ton (in 2008), 7.169 ton (in 2009), 10,870 ton (in 2010), 19.812 ton (in 2011), 24.397 ton (in 2012), 20,579 ton (in 2013), 14.662 ton (in 2014), estimated less than 14.000 ton (in 2015) with its value from USD 50,000 (in 1996) becoming USD 11,990 million (in 2008), USD 12,537 million (in 2009), USD 18,550 million (in 2010), USD 27,318 million (in 2011), USD 33,249 million (in 2012), USD 29,342 million (in 2013) and USD 24,430 (in 2014).

The black tea price is increasing from year 2003 to 2013, the trend is increasing from 95,46 cents US/kg (in 2003), 103,01 cents US/kg (in 2004), 103.73 cents $ US/kg (in 2005), 134,04 cents US/kg (in 2006), 132,92 cents US/kg (in 2007), 150,85 cents US/kg (in 2008), 182.49 cents US/kg (in 2009), 181.69 cents US/kg (in 2010), 160,75 cents US/kg (in 2011), 196,53 cents US/kg (in 2012), 198,0 cents US/kg (in 2013) and declining becoming USD 167 cents/kg in 2014, USD 153 cents/kg in 2015 and estimated less than 175 cents US/kg in 2016.

The fluctuation of tea price situation has affected the tea grower to maintain again their farm with GAP and GMP and searching alternatives to cut the cost of production which is increasing steadily from time to time, while expecting the profit and sustainability of existing their tea plantations.