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منظمة الأغذية
والزراعة
للأمم المتحدة

联合国
粮食及
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Food
and
Agriculture
Organization
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the
United
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Organisation
des
Nations
Unies
pour
l'alimentation
et
l'agriculture

Продовольственная и
сельскохозяйственная
организация
Объединенных
Наций

Organización
de las
Naciones
Unidas
para la
Agricultura
y la
Alimentación

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COMMITTEE ON COMMODITY PROBLEMS

INTERGOVERNMENTAL GROUP ON TEA

Nineteenth Session

New Delhi, India, 12 – 14 May 2010

**SPEECH OF SHRI JYOTIRADITYA M. SCINDIA, HONOURABLE
MINISTER OF STATE FOR COMMERCE AND INDUSTRY,
GOVERNMENT OF INDIA**

DRAFT SPEECH OF SHRI JYOTIRADITYA M. SCINDIA, HON'BLE MINISTER OF STATE FOR COMMERCE & INDUSTRY, GOVT. OF INDIA, AT THE 19TH SESSION OF THE INTER GOVERNMENTAL GROUP (IGG) ON TEA OF FAO ON 12TH MAY, 2010

Shri A.K. Mangotra, Additional Secretary, Department of Commerce, Ministry of Commerce & Industry, Mr. Kaison Chang, Secretary, Inter Government Group on Tea. Food and Agricultural Organization of the U.N., delegates to the 19th Session of the Inter Governmental Group (IGG) on Tea, Ladies and Gentlemen, it gives me great pleasure to be with you this morning. **I extend a hearty welcome to all of you who have honoured us by their presence.**

IGG on Tea provides a platform for intergovernmental consultation for production, consumption, trade and price of tea and facilitates a regular appraisal of the global market situation for policy framing. We hosted the 14th Session of IGG on Tea in 2001. I am happy that the 19th Session of IGG on Tea is again being held in India after a gap of 9 years.

After taking over as the Minister of State for Commerce, I had the opportunity to visit various plantations and hold detailed discussions with the various stakeholders of the industry on the problems and issues confronting the tea industry. **We are one of the largest producer countries and also the largest consumer of tea in the world, accounting for about 28 percent of the world production and 14 percent of the world trade. Our export of the tea is around 20 percent of the domestic production. The country accounts for 1,300 tea factories and 37,000 large and small tea estates. More than two million people depend on tea industry for their livelihood comprising of growers, producers and manufacturers of tea. About 1.2 million people work as tea garden labourers. Woman labourers are in a majority. The tea industry as a matter of social responsibility looks after their shelter, ration and medical needs.**

After Independence, Indian tea industry has come a long way in raising production from 285 million Kgs. in 1951 to 973 million Kgs. in 2008-09. We are the first country to commercially grow tea, making it one of the oldest industries in the country. We are the largest producer of black tea and the largest consumer of tea as well. The production of tea in the last 3 years has remained static in the range of 950 million Kgs., per annum. The consumption is, however, increasing by about 16 million Kgs. per annum. Despite a global recession last year, the export of tea from India has been consistent and we in the Government congratulate to the Indian tea industry.

Our Government has raised the budget allocation to Rs.800 crore in the XI Plan from Rs.350 crore in Xth Plan. A special emphasis has been given to replanting and rejuvenating of old plantations gardens for improving production and productivity for competitive sustenance. The industry too has started making long term investments. To give a boost to exports, Tea Board has undertaken a number of steps to help exporters.

The topography and agro-climatic conditions of the various tea plantations adversely affects the consistency and uniformity of tea quality in India. Tea produced during favourable periods fetches more price. Sri Lanka and Kenya produce uniform quality of tea throughout the year. Sri Lanka, Kenya and China have emerged as major competitors to Indian tea. Countries like Indonesia, Vietnam etc. are also posing threat to Indian tea in the international market because of their ability to export tea at a

low price. Therefore, it is imperative for Indian tea industry to gear up for increasing competition in the world tea trade.

Our extensive interactions with a cross section of the industry and trade revealed that there is an increasing trend in world trade for orthodox teas in important markets. Orthodox tea account for 44% of the total world tea exports and India's share is only 9%. It is, therefore, necessary to increase production of orthodox tea in India to maintain/increase market share. I call upon Indian tea industry to take up the challenge. We in Government assure the industry of our support.

India has been a pioneer in establishing Geographical Indication (GI) in Tea. Darjeeling tea has been the first GI to be registered in several countries of the world either as a GI, Collective Mark or Certification Mark etc. A supply chain integrity system for Darjeeling GI has also been put in place. I am happy to note that Tea Board has successfully commissioned the electronic auction system in all the auction centers in the country. This system will make the auction system transparent, speedier and will not only help in fair price discovery benefiting the producers but also the buyers. This will also result in improved buyer participation as a buyer can access the e-auction system from anywhere in India through the web. I am also happy to note that more than 200 million Kgs., of tea has been sold through e-auction till date and 5 out of 6 centers are 100 % electronic.

In India, more and more areas are being brought under organic tea cultivation. I have been informed that F&AO is funding a project for organic tea improvement, production and marketing in India. We are thankful to FAO for assisting us in this endeavour.

Tea Board functions as an apex body concerned with overall development of the tea sector in India by providing necessary assistance to growers, producers, manufactures and exporters. The Board supports research and developmental activities aimed at increasing production, productivity and quality; facilitation of trade and promotion of exports to ensure maximize returns to the producers including small growers. The Board is obliged to safeguard the interests of the workers and the consumers. The Board acts as the recognized spokesperson on behalf of the tea industry to the Government, media, trade and general public.

Our Government recognizes that no industry can move forward unless it is backed by continuous research and development to meet emerging challenges. The Government of India has been assisting new research projects in India in the fields like Biotechnology Molecular Biology, regulatory research in pesticide residues and field research like improved agricultural practices. Tea Board of India coordinates tea research activities mainly through three tea research institutes in the country. Premier national research institutes have also taken up projects for improving process and practices in the industry. The Indian Space Research Organization (ISRO) has taken up an ambitious project for developing geo-spatial data base for tea through satellite images and GPS. Once operational, this will be a powerful management tool for the tea gardens. I have been informed that the IGG delegates present here, will be deliberating on various important issues like the market development in Tea Trade, Quality, Geographical Indications (GI) and issues related to land and labour etc. I wish them all the success in the venture.

I came to know that the Chinese name for tea is tcha. This original form of the word is still used in the orient and in Russia. In India it is called Chai. I hereby invite for a cup of India Tea-a cup for every mood.

I believe that a well developed, sustainable and globally competitive Indian tea industry is essential, capable of supplying tea of international standards to domestic and world markets that enhances welfare of the entire stakeholder community and contributes substantially to national social and economic progress.

I wish that in the course of the next 3 days, we all will extensively deliberate over the issues and the problems confronting the world tea industry and evolve a unanimous solution to them.

I wish the 19th Session of FAO IGG on Tea a great success.

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