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منظمة الأغذية
والزراعة
للأمم المتحدة

联合国
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Food
and
Agriculture
Organization
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Organisation
des
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Продовольственная и
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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 DELIVERED BY HONOURABLE KAREKE MBIUKI, MP,
ASSISTANT MINISTER FOR AGRICULTURE OF KENYA AND
OUTGOING FIRST VICE-CHAIRPERSON OF THE
INTERGOVERNMENTAL GROUP ON TEA**

SPEECH DELIVERED BY HON. KAREKE MBIUKI, MP, ASSISTANT MINISTER FOR AGRICULTURE (KENYA) AND THE OUTGOING FIRST VICE-CHAIRPERSON OF FAO/IGG DURING THE 19th SESSION OF THE FAO-IGG ON TEA HELD AT THE TAJ PALACE HOTEL, NEW DELHI, INDIA FROM 12TH - 14TH MAY 2010

The Minister for Industry and Commerce, India

Outgoing Chairperson of FAO/ IGG

Chairman, Tea Board of India

Heads of Delegations & Conference Delegates

Diplomatic Corps

Mr. Kaison Chang & FAO-IGG Secretariat

Members of the National Organising Committee

Representatives of International Organizations

Distinguished Guests

Ladies and Gentlemen,

It gives me great pleasure to join global tea leaders during this 19th Session of the Intergovernmental Group on Tea. Kenya was privileged to host the 17th Session and participated as the First Vice-Chairperson of FAO/IGG in the last two years.

I wish to take this opportunity to thank all the delegates for the support you have extended in the implementation of the resolutions made in the 18th Session of the FAO/IGG. I also wish to acknowledge in a special way the contributions from China and Canada who served as the Chairperson and Second Vice-Chairpersons of the 18th Session respectively.

First of all, I would like to thank the Government of India for generously accepting to host the 19th Session of the Intergovernmental Group on Tea. India produces and consumes more tea than any other country in the world; this includes the famous Assam tea and Darjeeling tea. Indeed, India is one of the largest tea producers and a tea-drinking nation in the world.

It is, therefore, a great pleasure for the 19th Session to be hosted by this nation.

Ladies and Gentlemen,

In Kenya, like many countries represented here, agriculture remains the mainstay of the economy, accounting for 26 % of the Gross Domestic Product (GDP) and tea industry is one of its strongest pillars. This is because tea makes an important contribution to the Kenyan economy, accounting for 14% of the agricultural Gross Domestic Product (AgGDP), which is equivalent to 4% of the Gross Domestic Product (GDP).

It is important to note that the production of Kenya tea has stabilized at 350 million Kgs but there could be fluctuations on the quantity produced arising out of weather conditions which is attributed to the effects

climate change. This production amounts to 10% of the world's tea production and 22% of global tea exports making Kenya the second largest tea producer and leading exporter of tea in the world.

Ladies and Gentlemen,

As you may recall, during the 18th Session of the IGG held in Hangzhou, China, several issues affecting the tea industry were discussed and crucial decisions were arrived at. Indeed some of the issues have significant impact on the tea industry for example, Maximum Residue Levels (MRLs), Geographical Indications (GIs), tea trade and quality.

The Session reviewed a study on tea markets in China, as well as the potential for organic teas. The group noted the importance of promoting tea consumption in producing countries as the potential existed in these countries. Kenya will be presenting a report on the market study of East Africa through the Tea Board of Kenya as recommended during the 18th session for consideration by the Group.

Ladies and Gentlemen,

During the last Session, the group noted that the trend towards establishing Geographical Indications (GI) in tea producing countries had intensified in recent years. Kenya is a member of GI Working Group and as in deed made much progress in the development of G1 Mark for Kenya tea. A draft GI Bill has already been published which is awaiting legislation and enactment. It is expected that this will give a momentum for development of GIs in tea. Kenya is compiling chemical and other tea properties from the various regions so as to develop the tea profiles.

Kenya looks forward to getting technical assistance from FAO/ IGG and the World Intellectual Property Organization (WIPO) and benchmarking with other countries. Kenya is also working on Mark of Origin of its tea as a measure to guarantee quality to consumers leading to higher demand and better prices.

On tea trade and quality, I wish to note that Kenya enacted specifications for Tea Standards in 1978, under the Kenya Bureau of Standards (KEBS) which specified the parameters for tea quality. In 2008, Kenya revised the standards by incorporating the requirements of **ISO 3720** and published new standards **KS 65-2008** hence Kenya fully complies with the requirements of **ISO 3720** and all teas from Kenya are regularly checked to ensure compliance.

Ladies and Gentlemen,

The global drop in oil prices has not had any significant downward effect on local oil prices and as a result the cost of energy is still high and this accounts for over 30% of the total cost of production. As a result tea factories have converted to wood fuel in an attempt to lower the cost of production which may have a negative effect on the environment in the medium term. In this connection, Kenya is in the process of making a project proposal to the Common Fund for Commodities (CFC) on the development of bio fuel energy for drying of tea as an environmental conservation measure.

To further reduce the cost of production, Kenya intends to increase production of tea per unit area through replanting of old fields with new superior clones from Tea Research Foundation of Kenya (TRFK) and

strengthening the Research – Extension Linkages in order to enhance technology transfer. In addition, Kenya has enacted a Code of Practice which will ensure adherence to Good Agricultural and Manufacturing Practices to enhance and sustain quality of tea.

Ladies and Gentlemen,

The effect of climate change has been noticeable in tea growing areas under study by the Tea Research Foundation of Kenya. The effects of climate change includes: modification of precipitation, prolonged droughts, increasing extreme weather events eg. Hail and frost, increased pests and diseases among others. It is important to note that whenever drought occurs, tea production declines, leading to green leaf loss and a severe reduction in farmers' income.

In this regard therefore, there is need for comprehensive studies on the effects of climate change on tea production by FAO/IGG in liaison with relevant UN Bodies to determine the likely impact scenario on the global tea supply and the livelihoods of the producers.

Ladies and Gentlemen,

Over the years the Kenyan Tea Industry has experienced various challenges which include;

- High cost of production leading to diminishing returns to producers. This has been due to high labour costs which account for 60-70% of total costs. High cost of electricity and furnace oil also lead to high processing costs.

- Low yields among the small scale growers.
- Un-economical land units.

Ladies and Gentlemen,

I am glad to note that from the 18th Session, several activities have taken place towards implementation of the decisions of the session and a progress report will be made in this forum.

Ladies and Gentlemen,

In Conclusion, I wish to once again thank the outgoing chairperson, Prof. Zongmao Chen from China and the Second Vice- chairperson from Canada for the support and cooperation as well as all the delegates for bestowing honour on Kenya as the First Vice-chairperson. Kenya pledges support to FAO/IGG for continued work and development of the tea industry.

I also wish to appreciate the opportunity offered by FAO through the IGG, to the tea industry leaders and experts to regularly come together and deliberate on issues of common interest.

Fürthermore, Kenya supports the need for the tea producers to work together under one umbrella to champion their interests and those of the consumers.

Ladies and Gentlemen,

Lastly, I wish also to recognise the tireless efforts of the FAO/IGG team led by Mr. Kaison Chang with his team and the National Organising Committee of India under the Tea Board of India for ably organising the 19th Session.

THANK YOU ALL AND MAY GOD BLESS YOU.