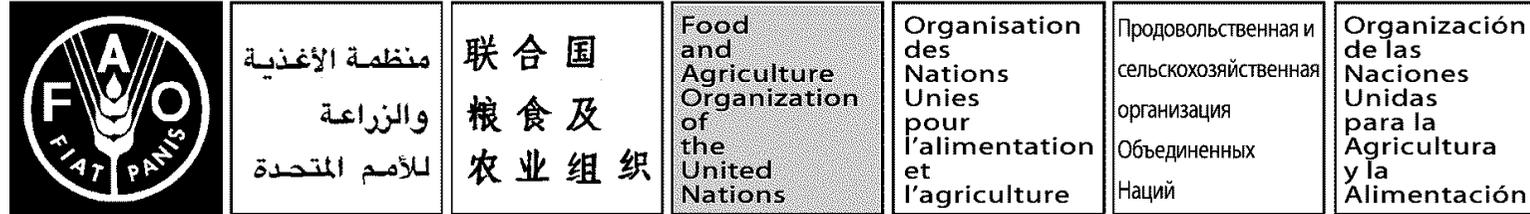


May 2010



COMMITTEE ON COMMODITY PROBLEMS

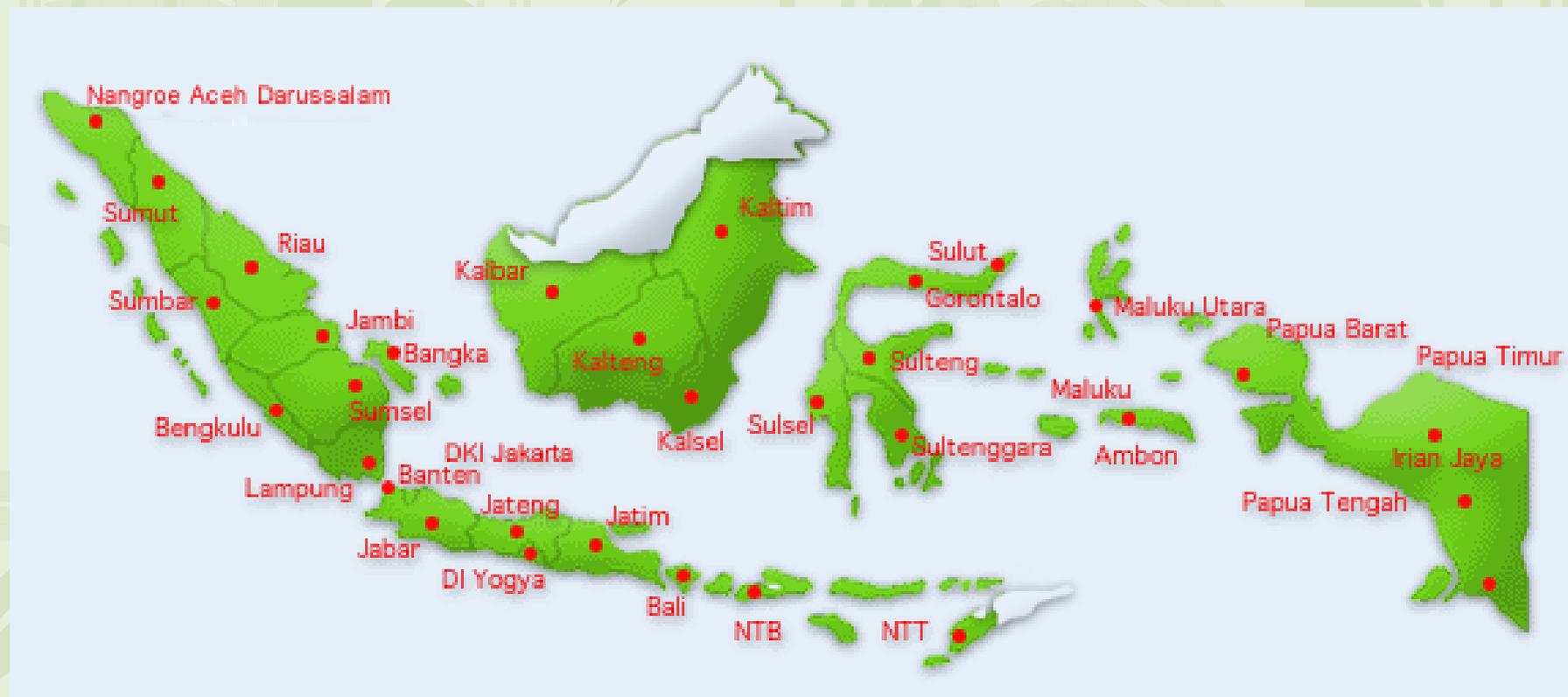
INTERGOVERNMENTAL GROUP ON TEA

Nineteenth Session

New Delhi, India, 12 – 14 May 2010

MARKET DEVELOPMENTS IN SELECTED COUNTRIES – INDONESIA

MARKET DEVELOPMENT IN INDONESIA



Area and Production

| Year | Area (Ha) | | | | Production (Ton) | Yield (Kg/Ha) |
|--------|-----------|---------|---------|---------|------------------|---------------|
| | Immatured | Matured | Damaged | Total | | |
| 2000 | 23,898 | 114,491 | 15,286 | 153,675 | 162,587 | 1,420 |
| 2001 | 29,550 | 109,497 | 11,825 | 150,872 | 166,868 | 1,524 |
| 2002 | 25,839 | 112,415 | 12,453 | 150,707 | 165,194 | 1,470 |
| 2003 | 13,439 | 121,339 | 8,826 | 143,604 | 169,821 | 1,400 |
| 2004 | 12,291 | 115,156 | 16,518 | 143,965 | 167,136 | 1,451 |
| 2005 | 9,105 | 114,404 | 17,029 | 140,538 | 167,276 | 1,462 |
| 2006 | 8,730 | 111,055 | 15,806 | 135,591 | 146,847 | 1,322 |
| 2007 | 7,422 | 110,524 | 15,787 | 133,733 | 150,223 | 1,360 |
| 2008 | 5,425 | 106,393 | 15,894 | 127,712 | 153,971 | 1,447 |
| 2009* | 4,941 | 105,600 | 16,870 | 127,411 | 151,250 | 1,432 |
| 2010** | 5,517 | 105,168 | 16,699 | 127,384 | 149,764 | 1,424 |

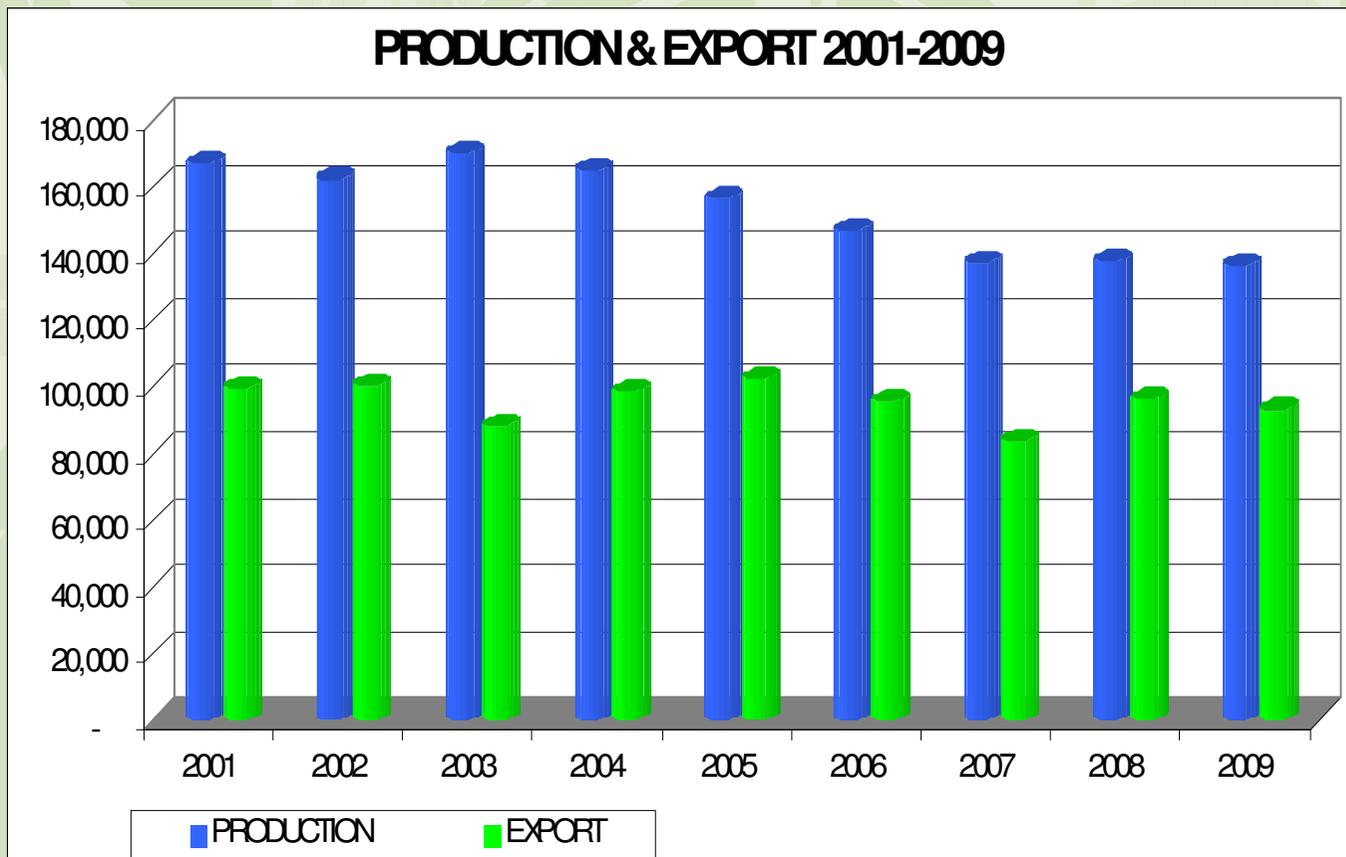
* Preliminary Figures

** Estimated Figures

- **Area tends to decrease, however yield after reached lowest level in 2006, slightly increased in 2007 and 2008.**

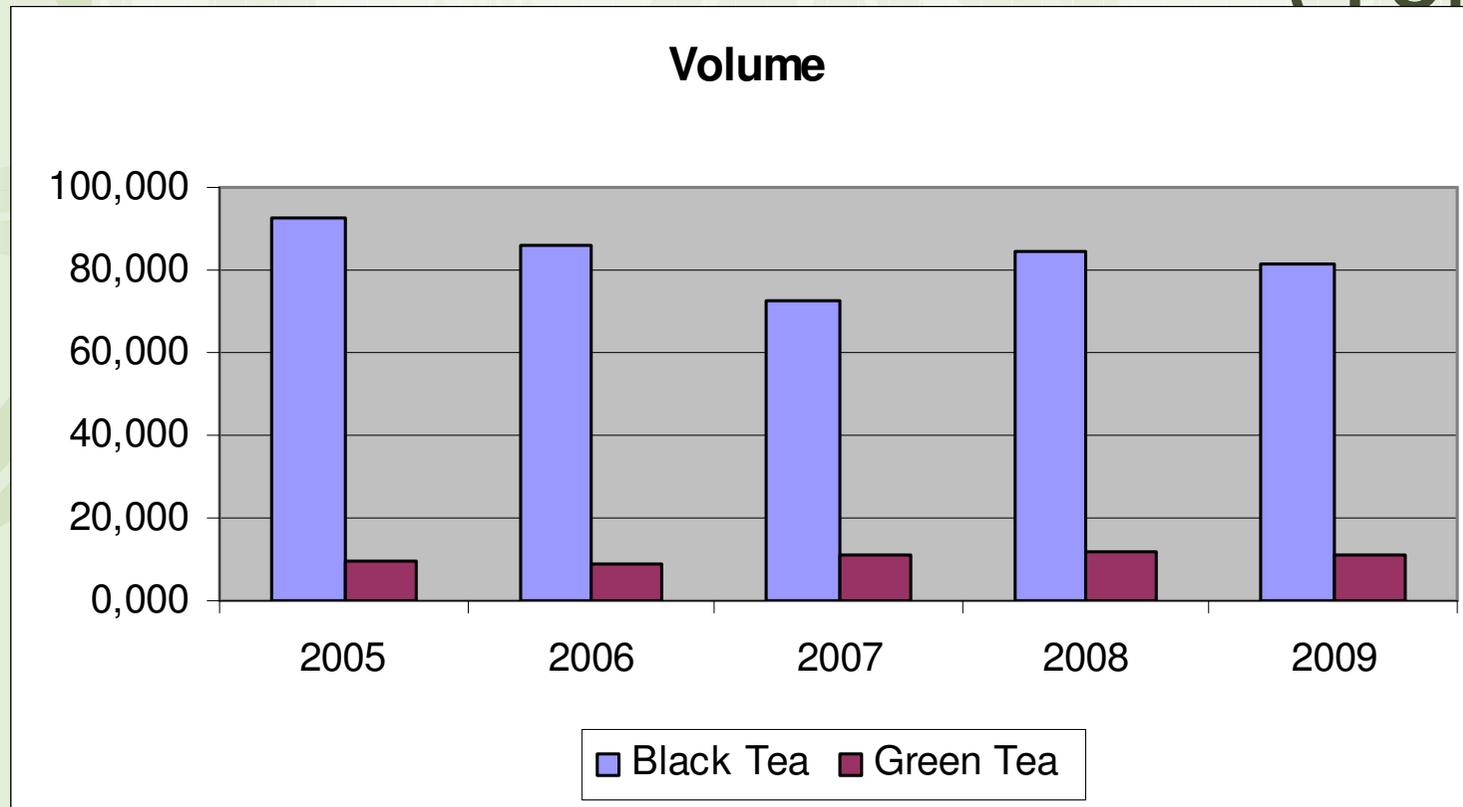
AREA BY PROVINCE

| No | PROVINCE | Area (Ha) | | | | | | | | |
|--------------|-------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009* | 2010** |
| 1 | N A D | - | - | - | - | 8.574 | - | - | - | - |
| 2 | SUMUT | 10.378 | 9.009 | 9.160 | 8.779 | 205 | 8.897 | 5.715 | 5.714 | 5.714 |
| 3 | SUMBAR | 5.383 | 4.971 | 5.240 | 4.202 | 2.697 | 4.817 | 4.928 | 4.898 | 4.574 |
| 4 | RIAU | - | - | - | - | - | - | - | - | - |
| 5 | KEP. RIAU | - | - | - | - | - | - | - | - | - |
| 6 | JAMBI | 2.625 | 2.625 | 2.625 | 2.625 | 2.625 | 2.625 | 2.625 | 2.625 | 2.600 |
| 7 | SUMSEL | 1.521 | 1.535 | 1.571 | 1.571 | 1.470 | 1.470 | 1.470 | 1.470 | 1.470 |
| 8 | BABEL | 2 | 2 | 1 | - | - | - | - | - | - |
| 9 | BENGKULU | 1.481 | 1.499 | 2.834 | 2.834 | 1.417 | 1.118 | 1.133 | 986 | 1.108 |
| 10 | LAMPUNG | 71 | 71 | 81 | 47 | - | - | - | - | - |
| 11 | DKI JAKARTA | - | - | - | - | - | - | - | - | - |
| 12 | JABAR | 110.876 | 106.149 | 105.976 | 103.573 | 104.314 | 101.080 | 99.942 | 99.793 | 99.959 |
| 13 | BANTEN | 32 | - | - | - | 24 | - | - | - | - |
| 14 | JATENG | 11.715 | 11.113 | 11.055 | 11.068 | 10.366 | 9.239 | 9.194 | 9.227 | 9.206 |
| 15 | D.I.Y | 310 | 310 | 310 | 300 | 192 | 136 | 86 | 91 | 136 |
| 16 | JATIM | 4.426 | 4.433 | 3.242 | 3.660 | 1.819 | 2.460 | 2.465 | 2.453 | 2.463 |
| 17 | BALI | - | - | - | - | - | - | - | - | - |
| 18 | N T B | - | - | - | - | - | - | - | - | - |
| 19 | N T T | - | - | - | - | - | - | - | - | - |
| 20 | KALBAR | - | - | - | - | - | - | - | - | - |
| 21 | KALTENG | - | - | - | - | - | - | - | - | - |
| 22 | KALSEL | - | - | - | - | - | - | - | - | - |
| 23 | KALTIM | - | - | - | - | - | 2 | 25 | 25 | 25 |
| 24 | SULUT | - | - | - | - | - | - | - | - | - |
| 25 | GORONTALO | - | - | - | - | - | - | - | - | - |
| 26 | SULTENG | 1.760 | 1.760 | 1.760 | 1.760 | 1.760 | 1.760 | - | - | - |
| 27 | SULSEL | 127 | 127 | 119 | 119 | 128 | 129 | 129 | 129 | 129 |
| 28 | SULBAR | - | - | - | - | - | - | - | - | - |
| 29 | SULTRA | - | - | - | - | - | - | - | - | - |
| 30 | MALUKU | - | - | - | - | - | - | - | - | - |
| 31 | MALUKU UTR | - | - | - | - | - | - | - | - | - |
| 32 | PAPUA | - | - | - | - | - | - | - | - | - |
| 33 | IRJA BARAT | - | - | - | - | - | - | - | - | - |
| Total | | 150.707 | 143.604 | 143.965 | 140.538 | 135.591 | 133.733 | 127.712 | 127.411 | 127.384 |



- **Since in 2001 export fluctuated but production declined**

Export Black and Green Tea (Tonnes)



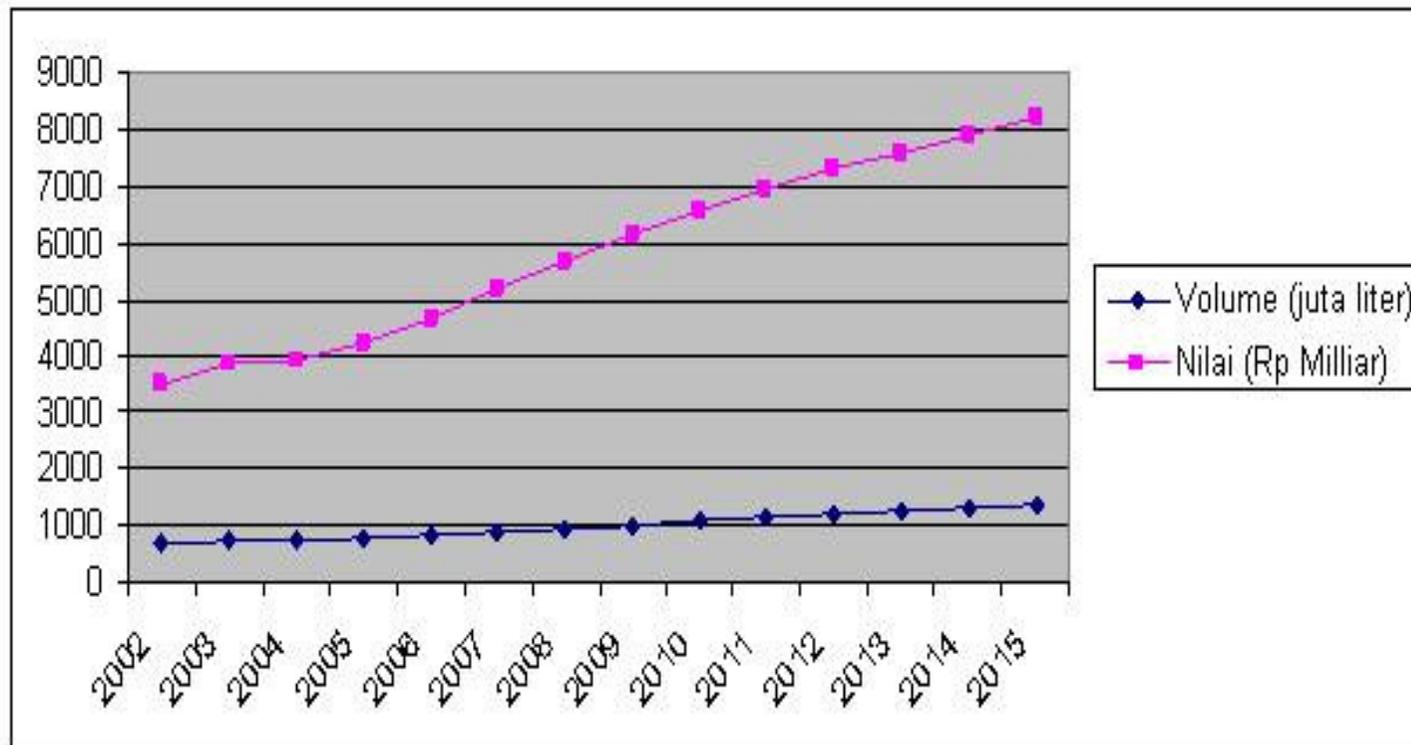
Export increased about 15 % in 2008 but decreased about 4 % in 2009

Indonesian Tea Extract

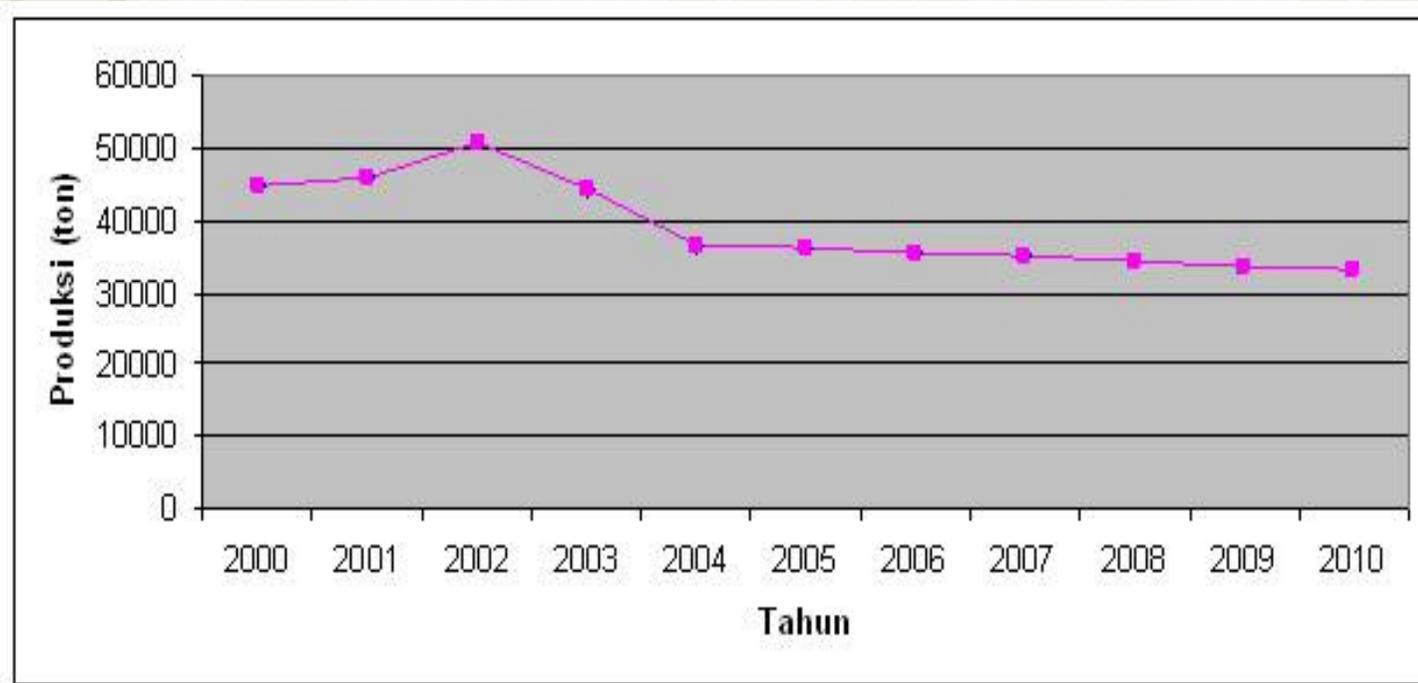
- ❖ Production : 600 ton
- ❖ Import : 560 ton
- ❖ Export : 200 ton
- ❖ Consumption : 960 ton
 - ❖ RTD Tea : 435 ton (45%)
 - ❖ Branding instant tea : 223 ton (23%)
 - ❖ Others (pharmacy etc) : 302 ton (31%)

Growth and Prospect of RTD in domestic market

- **Period : 2002-2007**
 - **Growth of sold volume : 6,6%/year (Estimated: 2008-2015: 5% / year)**
 - **Growth of sold value: 9,75% /year (Estimated: 2008-2015: 6% / year)**

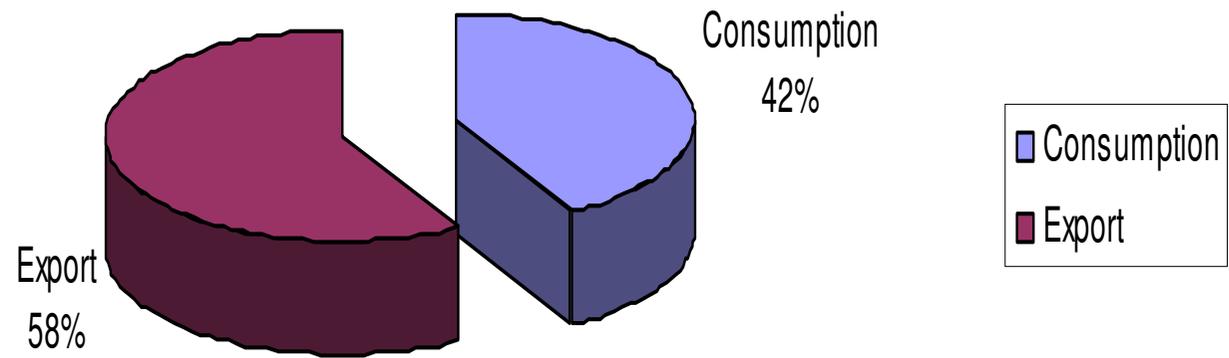


GROWTH OF TEA BAGS PRODUCTION



Tea bag production did not show movement

Consumption and Export



PRODUCTION OF TEA BAGS

| YEAR | TEA BAGS (TON) |
|------|----------------|
| 1996 | 11.610 |
| 1997 | 11.987 |
| 1998 | 11.497 |
| 1999 | 43.569 |
| 2000 | 44.583 |
| 2001 | 45.986 |
| 2002 | 50.585 |
| 2003 | 44.235 |
| 2004 | 36.515 |

Source: ATI, BPS pers comm.

Market Chain

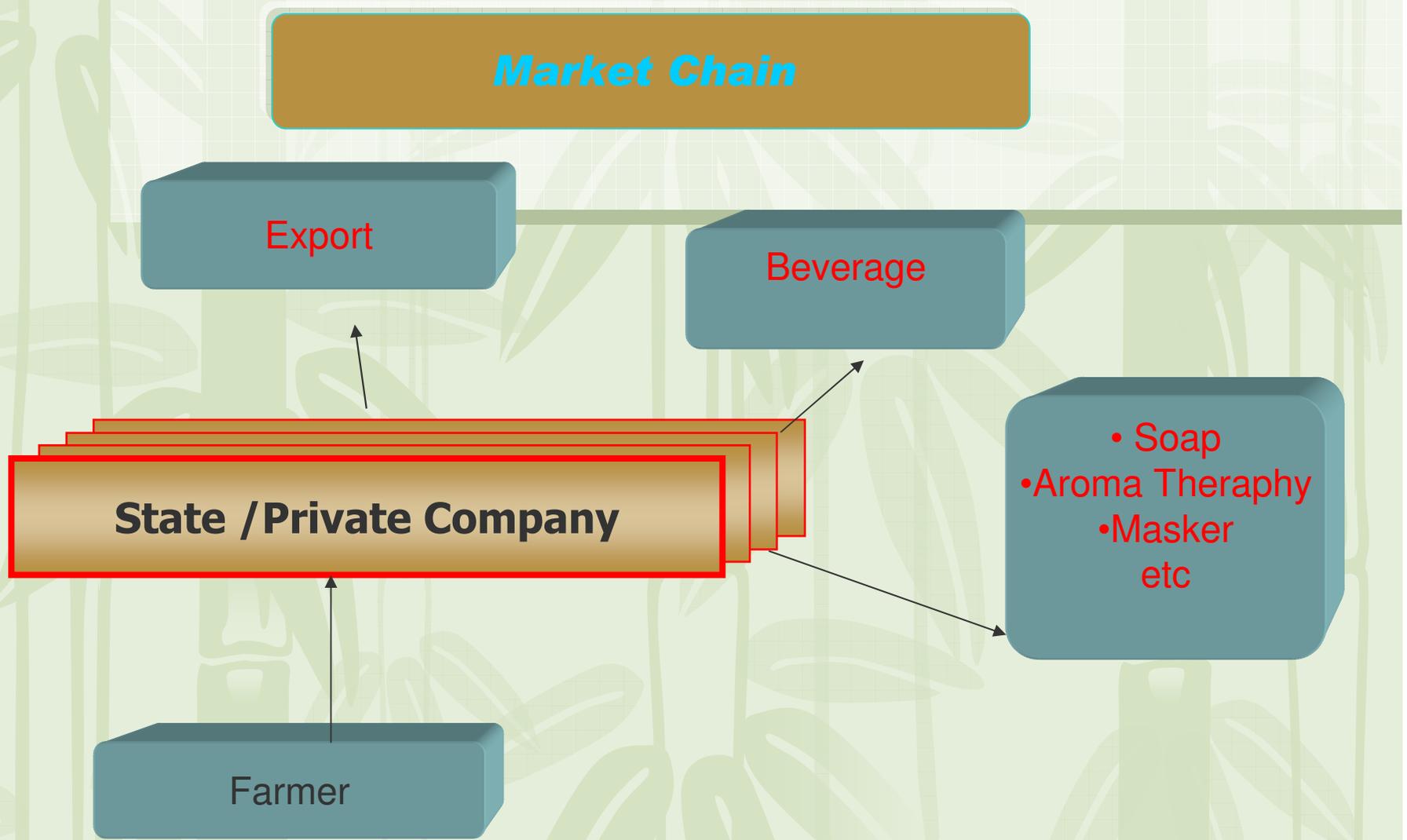
Export

Beverage

State / Private Company

- Soap
- Aroma Therapy
- Masker etc

Farmer



Marketing Strategy

Market Intelligent

**Improvement
Competitiveness**

Exhibition

Product Campaign

International Cooperation

Global



Committed to Quality

Indonesia is adopting the ISO 3720 as the minimal standards for Black Tea.

Indonesia agreed to encourage any effort to educate the people to consume good quality tea

Food Safety and MRLs Issues

- ❖ New methods in Residue analyses can be adopted from “brewing” after series of residues determination of all kind pesticides have been conducted either their impact to biological agent (toxicological test) and environmental test. And it would be a long period to have the new results, and a new standards for every countries either in consuming (importing) and producing countries.

TOWARD GIs Tea

Efforts have been being made to socialize the Geopraghical Indocations among other through a one day seminar by the Indonesia Tea Association for their members in 2009. In this coming end of May 2010 there will be an exhibition related with the G.I. held by the Ministry of Law and Property Rights in Jakarta Convention Centre. Therefore Geographical Indication has been adopted by Indonesian authority to accept the G.I. concept and its implementation.

Organic Specialty Certified Tea

- ❖ Demand has to be identified to have proportional price and avoid oversupply
- ❖ Many challenges for Sustainability



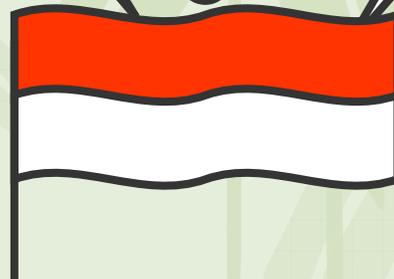
**Government and Stakeholders
Support**

Campaign for Good Image

**Good
Agricultural
Practicess**

**Environment
Sustainability**

**Millenium
Development
Goals**



Integrated Promotion

Ministry of Agriculture, Ministry of Industry, Ministry of Cooperative and Small Medium Enterprises, Ministry of Trade

Tea Board and Stakeholders

Provincial and District
Services

Company, Small, Medium and Micro Enterprises

More than 100 events every year for promotion ←

International, National and Provincial Level

Partnership Development for Tea Sustainability

National Reference Group

New Model to Improve Quality and Price

**Technical Supervisor, Farmers and Company
(Buyer)**

Technical
Supervisor

Farmers Group

Company

Product Library :

Traditional beverage (original, mixed with ginger)

RTD (Original Tea, Mixed with fruit : Orange, apple, guava, milk)

Candy

Biscuit

Soap

Aroma Therapy

Masker

Tea and Ceremony



Tea Festival
Annual Event

Tea and Thirsty



Tea and Beauty



Tea Lover



Tea and Therapy

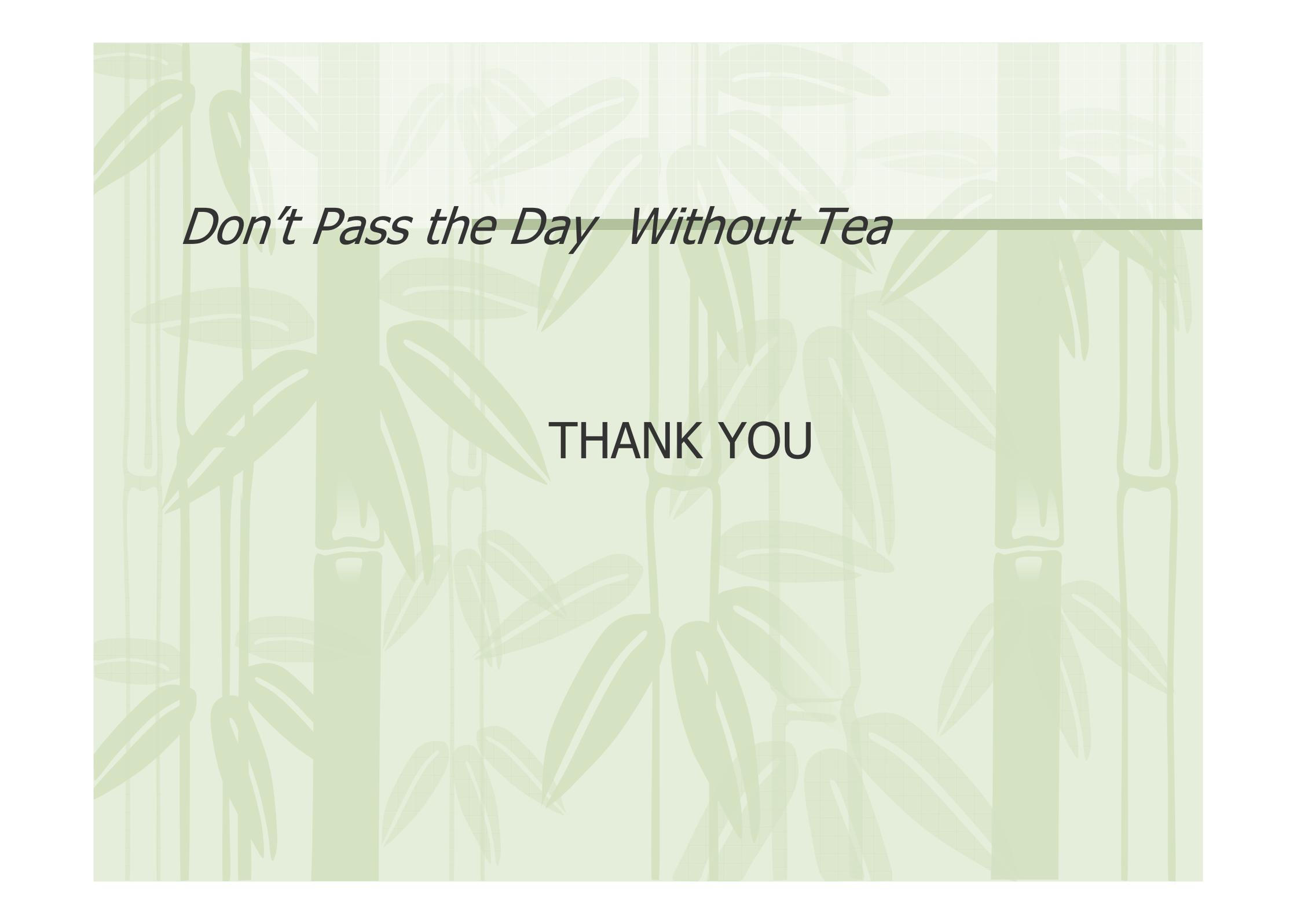


Healthy life with Tea



Tea and Tradition Sustainability



The background of the slide is a light green color with a faint, repeating pattern of bamboo stalks and leaves. The bamboo stalks are vertical and have distinct nodes. The leaves are elongated and pointed, with some showing lighter green veins. The overall effect is a subtle, naturalistic pattern.

Don't Pass the Day Without Tea

THANK YOU