

May 2010



منظمة الأغذية
والزراعة
للأمم المتحدة

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
Agricultura
y la
Alimentación

COMMITTEE ON COMMODITY PROBLEMS

INTERGOVERNMENTAL GROUP ON TEA

Nineteenth Session

New Delhi, India, 12 – 14 May 2010

MARKET DEVELOPMENTS IN SELECTED COUNTRIES – SRI LANKA

Sri Lanka Tea Industry

By

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Director (Promotion)

Sri Lanka Tea Board



Sri Lanka Tea Board



PREAMBLE

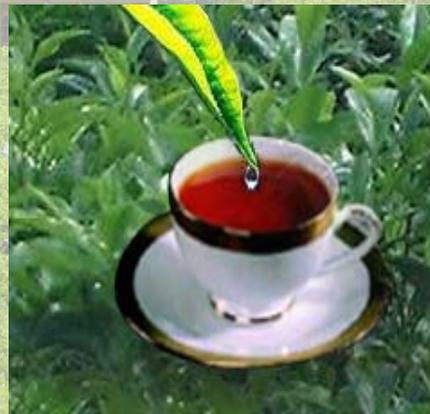
- H.E. Mahinda Rajapaksa, President of Sri Lanka eradicated terrorism ending 03 long decades of conflict & is working towards re-construction, re-habilitation, re-settlement & re-conciliation for all.
- Country reaches a crucial milestone with dawn of peace.
- Opportunities due to peace dividends unlimited.

PEACE DIVIDENDS

- Lesser disruptions in plantation sector.
- Smoother internal transportation.
- Conducive insurance terms.
- Friendlier shipping environment.
- Better development opportunities.
- Increased investments in the industry.
- More opportunities for sustainable growth.



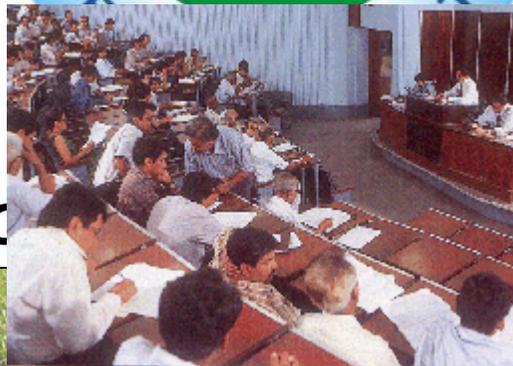
“CEYLON TEA” CONNOISSEUR’S CHOICE



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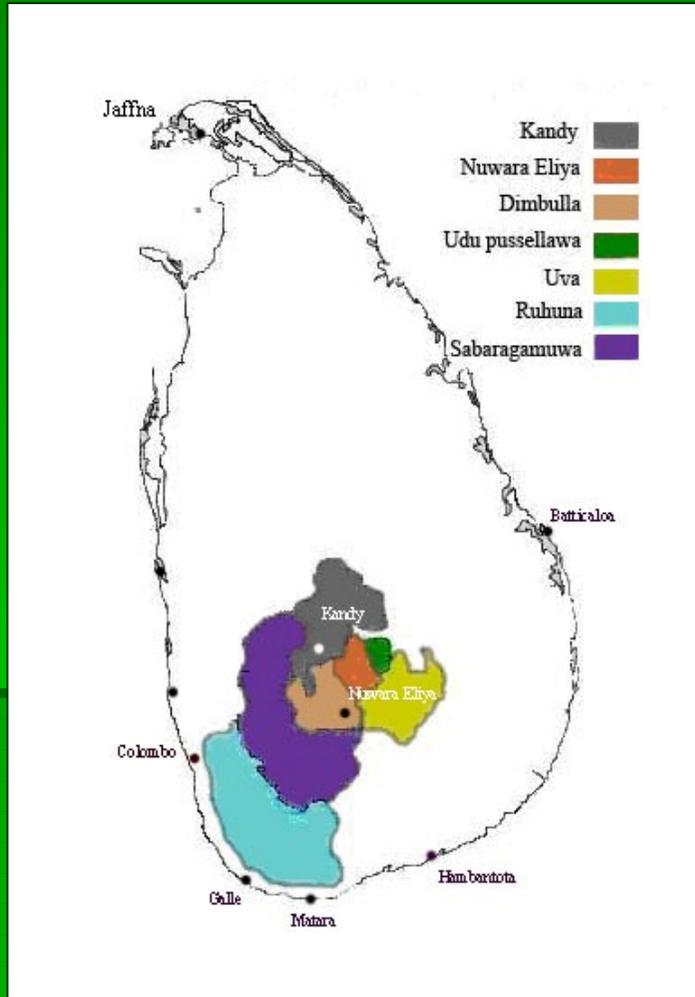
SRI LANKA - ONLY BILLION DOLLAR TEA EXPORT INDUSTRY IN THE WORLD

- Leader in sustainable auction prices.
- Accolade for first ever Ozone friendly tea.
- Expeditious conversion from crop to cash.
- Clean as ever in pesticide residues.
- Largest manufacturer of orthodox black tea.
- Leader in value added tea.
- Biggest single origin tea auction system.
- Equitable, reliable, transparent tea auction system.
- High domestic per capita consumption in Asia.
- Reliability "tea" in Quality.
- Strictly adheres ISO 9001 across supply chain.



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AGRO-CLIMATIC TEA GROWING REGIONS OF SRI LANKA



From Sea Level

High Grown – Above 4000ft.

Medium Grown – 2,000-4,000ft.

Low Grown – Below 2,000ft.



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SRI LANKA TEA PRODUCTION ELEVATION WISE (Mn. KGS)

Year	High Grown	(%)	Mid Grown	(%)	Low Grown	(%)	Total
2005	80.3	25	55.1	18	181.7	57	317.1
2006	74.7	24	51.6	17	184.5	59	310.8
2007	72.5	24	54.4	17	177.7	59	304.6
2008	84.4	26	49.0	15	185.3	59	318.7
2009	72.8	25	44.7	15	173.1	60	290.6



CATEGORY-WISE TEA PRODUCTION (Mn.KGS)

	2005	(%)	2006	(%)	2007	(%)	2008	(%)	2009	(%)
Orthodox	297	93	288	93	283	93	297	93	271	93
CTC	16	5	18	5	16	5	17	5	16	5
Green Tea	2	1	3	1	4	1	3	1	2	1
Others	2	1	2	1	2	1	2	1	2	1
Total	317		311		305		319		291	



AREA OF TEA PLANTED IN SRI LANKA

Elevation	Extent (Ha)	Share
High Grown	41,137	19%
Mid Grown	71,018	32%
Low Grown	109,814	49%
Total	221,969	



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SRI LANKA TEA EXPORTS

(Mn. KGS)

	2005	2006	2007	2008	2009
Bulk	175.4	197.8	179.9	178.0	164.6
Pkts	89.1	79.4	72.7	84.3	75.5
Tea Bags	18.0	19.1	22.0	20.3	18.7
Others	16.3	18.6	19.7	18.6	21.2
Re-Exports	11.5	12.5	15.6	18.6	10.6
Total	310.3	327.4	309.9	319.8	290.6
Value Billion USD	0.811	0.882	1.01	1.26	1.18



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RE-EXPORTS

(CEYLON TEA BLENDED WITH OTHER ORIGINS)

Year	Qty (MT)	Value (Rs. Mn)	Value (USD Mn)
2005	11,456	4,154	41.33
2006	12,499	5,330	51.20
2007	15,597	6,617	59.80
2008	18,577	10,683	98.61
2009	10,574	5,089	44.27



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TEA IMPORTS TO SRI LANKA

(Mn. KGS)

Year	Qty	Value (Rs. Mn)	Value (USD Mn)
2005	7.80	1,385	13.78
2006	10.70	2,183	20.99
2007	11.60	2,615	23.63
2008	14.80	3,751	34.62
2009	9.96	2,979	25.91



DOMESTIC CONSUMPTION

(Approximately)

Year	Qty. (Mn. Kgs)
2005	27.5
2006	27.5
2007	28.0
2008	28.5
2009	29.0



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MAJOR DESTINATIONS FOR CEYLON TEA

2007			2008			2009		
Country	Qty.	%	Country	Qty.	%	Country	Qty.	%
Russia	48.7	16.6	Russia	45.4	15.1	Russia	42.4	15.1
UAE	43.7	14.9	UAE	45.2	15.0	UAE	30.0	10.7
Iran	31.2	10.6	Iran	31	10.3	Syria	29.4	10.5
Syria	27	9.2	Syria	26	8.6	Iran	27.7	9.9
Turkey	14.5	4.9	Turkey	15.9	5.3	Turkey	15.7	5.6
Japan	10	3.4	Jordan	14	4.7	Jordan	13.4	4.8
Libya	9	3.1	Iraq	11.5	3.8	Kuwait	10.1	3.6
Iraq	8.9	3.0	Japan	10	3.3	Iraq	9.8	3.5
S.Arabia	8.5	2.9	Ukraine	7.7	2.6	Japan	9.5	3.4
Ukraine	7.3	2.5	Kuwait	7.5	0.2	Libya	8.1	2.9

Qty – MT / Percentage from total Ceylon Tea Exports



DISTRIBUTION CHANNELS

<u>Type</u>	<u>Percentage</u>
■ Supermarkets	- 25%
■ Grocery retailing	- 30%
■ Convenience stores	- 30%
■ Tea Shops / Tea Houses	- 5%
■ Others	- 10%



CORPORATE SOCIAL RESPONSIBILITY PROGRAMS

1. United Nations Global Compact Awards.
2. ILO Compatibility.
3. Environmentally Friendly Industry.
4. Housing, Infra-structure, Health & Education free for Plantation Families.
5. Significant reduction of maternal & infant mortality rates in plantation sector even below the national average.



THANK YOU.



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