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of  
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United  
Nations

Organisation  
des  
Nations  
Unies  
pour  
l'alimentation  
et  
l'agriculture

Organización  
de las  
Naciones  
Unidas  
para la  
Agricultura  
y la  
Alimentación

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## COMMITTEE ON COMMODITY PROBLEMS

### INTERGOVERNMENTAL GROUP ON TEA

#### Sixteenth Session

Bali, Indonesia, 20 – 22 July 2005

### PROVISIONAL AGENDA AND AGENDA NOTES

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- A. Election of Chairperson and Vice-Chairpersons
- B. Adoption of Provisional Agenda and Timetable

#### II. MARKET DEVELOPMENT AND OUTLOOK

- A. Current Market Situation and Medium-Term Outlook
- B. Market Studies of Pakistan and the Near East

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- B. Common Fund for Commodities project updates and proposals

#### V. ACTIVITIES IN OTHER ORGANIZATIONS

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- A. Any other business
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- C. Adoption of the Report

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## **AGENDA NOTES**

The Sixteenth Session of the Intergovernmental Group on Tea will be hosted by the Government of Indonesia through the Indonesia Tea Association and will be held in Bali from 20 to 22 July 2005.

### **I. ORGANIZATIONAL MATTERS**

#### **A. ELECTION OF CHAIRPERSON AND VICE-CHAIRPERSONS**

1. The Group will elect a Chairperson and two Vice-Chairpersons. At the Fifteenth Session, it elected Mr George Pelpola (Sri Lanka) as Chairperson, Mr Hagen Streichert (Germany) as First Vice-Chairperson, and Mr Rachmat Badruddin (Indonesia) and Joseph Kinyua (Kenya) as Second Vice-Chairpersons.

#### **B. ADOPTION OF PROVISIONAL AGENDA AND TIMETABLE**

### **II. MARKET DEVELOPMENT AND OUTLOOK**

#### **A. CURRENT MARKET SITUATION AND MEDIUM-TERM OUTLOOK**

2. The Group will review the current market situation and medium-term outlook of the world tea market with the assistance of document CCP: TE 05/2. The document examines both the current and longer term prospects for production, consumption and trade of tea, and the likely impact on the world market. Delegates are requested to update market information pertaining to their country, and discuss possible strategies for the sustainable development of the world tea economy.

#### **B. MARKET STUDIES OF PAKISTAN AND THE NEAR EAST**

3. At its last session, the Group recognized the importance of continued monitoring and evaluation of tea markets, particularly potential growth markets. Hence, the Group requested that the Secretariat study the tea markets of Pakistan and selected Near Eastern countries, the selection of which would of necessity be limited by the resources available to the Secretariat. Document CCP: TE 05/3 contains an executive summary of these market studies for the review of the Group.

### **III. FACTORS AFFECTING DEMAND**

#### **A. VALUE CHAIN ANALYSIS OF SELECTED TEA MARKETS**

4. At its last session, the Group requested that a study on the tea value chain of selected countries where data were available, be undertaken to assess the efficiency of the chain by looking at the price spreads along the marketing chain. Document CCP: TE 05/4 provides the result of the value chain analysis done by the Secretariat. Delegates are requested to comment on the study and suggest ways of improving/obtaining data for more detailed analysis particularly at the processing level.

#### **B. APPLICATION OF PRICE TRANSMISSION ANALYSIS ON SELECTED TEA MARKETS**

5. At its last session, the Group examined the extent of price transmission between export and producer levels and its implications. The absence of market integration or of complete pass-through of price changes from one market to another has important implications for economic

welfare. Incomplete price transmission arising either due to transaction costs such as poor transport and communication infrastructure, or due to trade and other policies, results in a reduction in the price information available to producers and consequently, may lead to decisions that contribute to inefficient outcomes. Document CCP: TE 05/5 will provide the results of the price transmission study done by the Secretariat. The document focuses on quantifying the completeness and the speed by which world tea market price signals are passed through to the domestic markets, thus signalling potential failures in markets and providing valuable information for policy prescriptions. Delegates are requested to review and comment on these results.

### **C. TEA PROMOTION ACTIVITIES**

6. The Group will review global initiatives on tea promotion undertaken by member countries with the assistance of document CCP: TE 05/6, including various options that the Group may consider for the use of the Tea Mark. A decision is required from the Group as to the best option for the use of the Mark, including an exit strategy.

## **IV. INTERGOVERNMENTAL ACTION**

### **A. REPORT OF THE WORKING GROUP ON MAXIMUM RESIDUE LEVELS (MRLS)**

7. At its last session, the Group recognized the need for harmonizing MRL standards in international trade. In this connection, a Working Group comprising scientists from tea producing and consuming countries was established to gather available scientific data on pesticide residues for individual countries. Document CCP: TE 05/7 will constitute the report of the Working Group. The Joint FAO/WHO Meeting on Pesticide Residues (JMPR) will guide the Group on the process of estimating MRLs and its relation to CODEX MRL establishment (document CCP: TE 05/8). Delegates are requested to review the documents and advise on the future course of action.

### **B. COMMON FUND FOR COMMODITIES PROJECT UPDATES AND PROPOSALS**

8. The Group will review Common Fund for Commodities project updates and consider project profiles for submission to the Common Fund for Commodities for funding.

## **V. ACTIVITIES IN OTHER ORGANIZATIONS**

9. Other organizations will be invited to inform the Group of their activities on tea.

## **VI. OTHER MATTERS**

### **A. ANY OTHER BUSINESS**

### **B. DATE AND PLACE OF THE SEVENTEENTH SESSION**

### **C. ADOPTION OF THE REPORT**