



# COMMITTEE ON COMMODITY PROBLEMS

## Seventy-sixth Session

Rome, 11–13 September 2024

## REPORT OF THE TWENTY-FIFTH SESSION OF THE INTERGOVERNMENTAL GROUP ON TEA

### Executive Summary

The Intergovernmental Group on Tea (IGG/Tea) held its 25th Session in Guwahati, Assam, India from 31 January to 2 February 2024 and addressed the following matters:

1. Current global market situation and medium-term outlook for tea
2. Market developments in selected tea producing and consuming countries
3. Changes in the global tea trade network
4. FAO Strategic Framework 2022-31 and the role and functions of the IGG/Tea
5. The carbon footprint of tea production: a roadmap for future actions
6. Proposal of a global promotional campaign for tea
7. Reports from the Chairs of the various Working Groups
8. Reports on the activities undertaken to celebrate the International Tea Day

### Suggested action by the Committee

The Committee is invited to endorse the Report of the 25th Session of the IGG/Tea.

*Queries on the substantive content of the document may be addressed to:*

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## I. ORGANIZATIONAL MATTERS

1. The Twenty-fifth Session of the Intergovernmental Group on Tea (IGG/Tea) was held in Guwahati, Assam, India from 31 January to 2 February 2024. Seventy (70) delegates representing 10 Members of the Organization, and accounting for 86 percent of global tea production and 70 percent of tea consumption, attended the Session; six non-governmental organizations participated as observers. The list of participants is available at <https://www.fao.org/markets-and-trade/commodities/tea/teaigg25/en/>.

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

2. The Group elected Mr Saurav Pahari (India) as Chairperson, Mr Niraj de Mel (Sri Lanka) as First Vice-Chairperson and Ms Shabnam Weber (Canada) as Second Vice-Chairperson.

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

3. The Group adopted the Provisional Agenda CCP:TE 24/1 Rev.1 and the Provisional Timetable CCP:TE 24/INF.1 for the Session.

### C. OPENING STATEMENT BY THE DIRECTOR-GENERAL

4. The Director-General, Dr QU Dongyu, delivered a statement to the IGG via video message.

## II. MARKET DEVELOPMENTS

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

5. The Group reviewed the current global market situation and emerging issues for tea with the assistance of document CCP:TE 24/2.

6. The Group underlined the significance of market transparency and emphasized the importance of timely and credible market information, particularly in view of the increasing number of risks and uncertainties caused by conflicts, climate variability, pests and diseases, and economic shocks.

7. The Group expressed appreciation for FAO's work and its contribution to enhancing market transparency and requested the secretariat to continue and intensify its efforts to support informed policy decisions and promote policy coordination by providing up-to-date and objective data and information, market assessments and outlooks.

8. The Group noted that world tea production has been expanding, leading to downward pressure on international tea prices. The Group discussed various options to counter this downward pressure, including curtailing tea output, enforcing standards and improving quality. Delegates requested that the IGG/Tea secretariat carry out a study to investigate the potential economic effects of restricting tea production.

### B. MARKET DEVELOPMENTS IN SELECTED COUNTRIES

9. The Group appreciated presentations made by representatives from Australia, Canada, the People's Republic of China, the Republic of India, Italy, Kenya, Malawi, Sri Lanka, the United Kingdom of Great Britain and Northern Ireland and the United States of America, which provided detailed insights on market developments at the country level and emerging trends and challenges.

10. The presentations highlighted the need to continue supporting and promoting tea consumption by strengthening global awareness of the evidence-based health benefits of tea, and highlighting the importance of flavour, quality, product innovation, the use of cutting-edge technology, collaboration

with other beverages sectors, and diversification to attract new segments of consumers, including young people.

11. Delegates recognized that the aspect of taste is becoming increasingly relevant in a new generation of consumers, and it is important to focus on the origin, subregion and diversity in the taste of tea.

### **C. CHANGES IN THE GLOBAL TEA TRADE NETWORK**

12. The Group reviewed the changes in the global tea trade network with the assistance of document CCP:TE 24/3. Members noted the findings on the evolution of connectivity and structural changes in the global tea trade network, highlighting the increased number of trade linkages over the past decade and their possible implications for the industry and policy actions.

13. The Group examined the reasons behind the emergence of large tea trade hubs, including rising demand for tea products in developing and emerging economies as well as regional agreements that facilitate trade. In addition, delegates provided insights into the expansion of trade hubs. Delegates also agreed that tea be considered a priority consumable product.

## **III. EMERGING ISSUES**

### **A. FAO STRATEGIC FRAMEWORK 2022-31 AND THE ROLE AND FUNCTIONS OF THE IGG/TEA**

14. The Group discussed the role and functions of the IGG/Tea, considering the FAO Strategic Framework 2022-31, with the assistance of document CCP:TE 24/4. The expanding scope of technical expertise required to meaningfully address many of the emerging issues in the tea sector and tea markets was noted.

15. The Group acknowledged the proposal made by the secretariat, whereby the FAO Markets and Trade Division (EST), acting as the secretariat, would focus its resources on matters related to tea market monitoring, projections and value-chain analysis. For thematic areas that go beyond the mandate of EST, alternative solutions would be sought, including liaison with relevant units in FAO to undertake the analysis, taking into account the availability of resources.

16. A proposal was made to streamline the work of the IGG/Tea to create more efficient and effective working arrangements to implement decisions taken by the working groups (WGs). This would not preclude any WG with ongoing projects from continuing to discuss and deliver on these. It was agreed to streamline the WGs into two main areas: i) Sustainability and Livelihood; and ii) Advocacy. Each group would have two elected co-Chairs, one from a producing country and one from a consuming country. The aim of these groups would be to work on two projects annually. Reports of the outcomes of the projects would be presented at each annual meeting. For this year, two projects have been suggested:

- i. Under “Sustainability and Livelihood” a project on the carbon footprint of tea, including lifecycle analysis. This year the United Kingdom of Great Britain and Northern Ireland and Canada will also produce a collated report of the alternative uses of tea, with inputs from the other IGG members.
- ii. under “Advocacy”, a project entitled “Tea and health: Developing a global health-based promotional campaign for tea”.

17. Kenya and the United Kingdom of Great Britain and Northern Ireland were elected as co-Chairs of the Sustainability and Livelihood pillar.

18. Sri Lanka and Canada were elected as co-Chairs of the Advocacy pillar.

## **B. ASSESSING THE CARBON FOOTPRINT OF TEA PRODUCTION: CASE STUDIES AND CHALLENGES**

19. The Group examined the carbon footprint of tea production, using document CCP:TE 24/5. As suggested during the last Session, the secretariat undertook a study to explore the available methodologies and empirical tools to assess the carbon footprint of the tea value chain.

20. The Group noted that a comprehensive analysis of the carbon footprint requires a wide range of data pertaining to production, transportation, processing and distribution. In addition, there are a number of methods and empirical tools that can be used to conduct the analysis. A clarification was sought on the FAO recommended methodology for evaluating sequestration in tea plantations. The Group was informed about the proposed FAO methodology and the associated empirical tools that can be applied to undertake a carbon footprint study.

21. The Group decided that the newly formed pillar on Sustainability and Livelihood would identify the various methods and tools, in consideration of the requirements in consumer markets and select the most appropriate approach that would be presented to the Group for validation.

22. The Group acknowledged the need for tea-specific international standards regarding the carbon footprint. It was noted that there should be economic benefits, both for plantations and smallholders.

## **C. TEA AND HEALTH: DEVELOPING A GLOBAL HEALTH-BASED PROMOTIONAL CAMPAIGN FOR TEA**

23. The Group deliberated this item, following a presentation given by the co-Chairs of the working group on Tea and Health, namely Canada, the People's Republic of China and the United Kingdom of Great Britain and Northern Ireland, which is also available as document CCP:TE 24/INF.5.

24. The Group also took note of the proposed strategy to enhance tea consumption, particularly through an emphasis on its benefits for sport, fitness and wellness. Members emphasized the need for clear objectives and agreed targets, supported by adequate resources to implement the strategy at the global level.

25. The Group acknowledged that more needs to be done to promote tea consumption, especially for younger generations.

26. The Group proposed launching a unified campaign, adapted by each country to its specific market, to promote the benefits of drinking tea, thanks to its hydration capacity and to its abundance of flavan-3-ols. Members agreed that International Tea Day 2024 would be an appropriate occasion to launch this campaign. The working group agreed to provide a template for guidance. Any messaging needs to be evidence-based.

## **IV. INTERGOVERNMENTAL ACTION**

### **A. REPORTS FROM THE CHAIRS OF THE WORKING GROUPS**

27. In preparation for the Twenty-fifth Session of the IGG/Tea, the various WGs met to discuss progress on their work programmes. The Chairperson of each WG prepared a short report to reflect their deliberations.

#### ***i. Working group on Maximum Residue Levels (MRLs)***

28. The WG on MRLs reported that the FAO funded project on the sources of anthraquinone contamination in tea production systems was successfully completed and shared via a webinar in

March 2022 and a scientific paper has been published. The study confirmed that environmental contamination of anthraquinone from anthropogenic activities can be substantial. This published work will be used to inform the European Commission regarding the MRL for anthraquinone.

29. The WG on MRLs will continue with the implementation of the work plan, particularly with respect to data generation for fixation of MRLs. In addition, the group will continue to work on updating the priority list of pesticide compounds, both in use and planned for use, among tea producing countries; collect and share data on pest resistance; prepare joint submissions to the joint meeting of pesticide residues (JMPR); continue to collect and share information and conduct studies on other multisource compounds; continue to track changes in MRLs in both producing and consuming countries; and establish contacts with the European Commission Directorate General for Trade to address issues arising from the pace of change in the European Union's MRLs regulations, as part of its efforts to raise awareness about its work and contribute towards building a sustainable tea trade.

30. The WG on MRLs will continue its work through quarterly on-line meetings to address and progress the extensive agenda under its responsibility.

### *ii. Working group on tea trade and quality*

31. The WG on tea trade and quality recognizes the value of mapping the progress being made by producing countries towards the International Organization for Standardization (ISO) 3720 as a benchmark, and requests that this analysis be continued to track progress towards a universal standard, with emphasis on quality and origin.

- ISO 3720 - self-regulating code of conduct: compliant members shared data on their standards and non-compliant members shared practices in their countries to maintain the quality standards.
- The WG proposed establishing a database of the findings to share among the members.
- Formulation of a road map: the health-related beneficial characteristics of black tea (antioxidants activity, immune boosting action, cancer prevention, cardiovascular disease protective action, etc.) to be collated and identified as a marketing tool to promote black tea. Accordingly, members propose to undertake collaborative research.

### *iii. Working group on organic tea*

32. Following the Intersessional meeting of the IGG/Tea held on 21-22 June 2019 in Sochi, the Russian Federation, the Tea Board of India and the Tea Research Association (TRA, Tocklai) took the lead in gathering information from all participating countries to prepare a manual on organic tea cultivation, processing and marketing. A first draft of the manual, which is currently being finalized with the latest inputs and updates, was submitted to the secretariat. The main features of the manual are:

- Practices of organic tea cultivation, comprising aspects such as site selection, planting, production, processing/manufacturing and marketing.
- Comparative economics of organic and conventional tea production.
- Importance of increasing the quality and quantity of organic tea production in order to meet the global demand for organic tea.

Future actions:

- Focus efforts on the organic tea certification process as well as harmonizing the organic tea certification system.
- Establish model plots to execute good agricultural practices of organic tea to farmer/planters by concerned working countries to encourage organic tea farming.
- Enhance networking for organic tea marketing worldwide.

#### *iv. Working group on climate change*

33. The WG reported on progress made in India since the last meeting:
- Data collection and analysis of climatic variables have been further updated and carried out for all the major tea growing regions in the country.
  - Future research will focus on investigating the response of tea cultivars to rising temperatures. An experiment has been initiated wherein a few heat-tolerant cultivars were selected for the study.
  - India continued to work on the identification of region-specific and socio-economically feasible adaptation strategies.
34. Reports by other countries will be submitted to the secretariat in due course.

#### *v. Working group on global tea market analysis and promotion*

35. The WG on global tea market analysis and promotion had nothing to report on this occasion.

#### *vi. Working group on smallholders*

36. The Group agreed to develop an open-access platform for consumers around the world that would generate what could be considered a remunerative price that would ensure a viable income for smallholders, based on where the tea is produced, as presented in document CCP: TE 24/INF.7).
37. Members committed to participating in the development of a price algorithm to achieve the following outputs:
- Detailed calculation of the cost of tea representing different tea types and tea producing regions;
  - Website design.

38. The Group endorsed the proposal to move the headquarters of the Confederation of International Tea Smallholders (CITS) to the Republic of India, on a four-year rotational basis.

#### *vii. Working group on tea & health*

39. The members agreed to develop a common language around the topic of the benefits of tea for sport, fitness and wellness, based on evidence, as well as the importance of flavan-3-ols in healthy diets, targeting the younger generation (Document CCP: TE 24/INF.5).
40. Members committed to include agreed hashtags to amplify the messaging on their respective media platforms as outlined in a promotional plan established by the WG Tea and Health.

### **V. INTERNATIONAL TEA DAY**

41. The secretariat informed the Group about the activities and events organised by FAO to celebrate the International Tea Day since its inauguration in 2020, and particularly in 2022 and 2023.
42. The Group expressed appreciation for the work carried out in promoting International Tea Day.
43. The Group was invited to participate in FAO's celebration of International Tea Day 2024.

## VI. ACTIVITIES IN OTHER ORGANIZATIONS

44. The Observer from the International Tea Committee (ITC) gave an update on the mandate and activities of the Committee, including the evolution of funding sources, highlighting some of the challenges facing the organisation.

45. The Observer from Tea Vision provided an overview of their mission and main activities.

## VII. OTHER MATTERS

### A. ARRANGEMENTS FOR THE NEXT SESSION

46. Sri Lanka kindly offered to host the next session of the IGG/Tea in October/November 2025. The exact date of the Twenty-sixth session will be determined by the Director-General in consultation with the Chairperson.

### B. ANY OTHER BUSINESS

47. The Republic of India reported on the success of the Bi-centenary Assam Tea International Conference (BATIC 2024), which was held in Guwahati, Assam, from 29 to 30 January 2024, as a pre-event to the 25th Session of the IGG/Tea. BATIC 2024 was held to celebrate the 200-year anniversary of the Assam tea industry. The conference was organised by the Tea Research Association (TRA Tocklai), in partnership with the Ministry of Commerce and Industry, Government of India, the Government of Assam and Tea Board India. The conference was attended by more than 400 delegates and showcased the work of the small tea growers of Assam, discussed issues such as climate change & sustainability, new technology and innovation, and promotion of tea. There were two keynote speakers who dealt with the subject of repositioning tea among younger generations in new formats. Three speakers from start-up companies and more than 20 start-up companies working in tea participated in the exhibition organised alongside the conference.

48. Sri Lanka invited delegates to attend the Colombo International Tea Convention 2024, to be held in Colombo, Sri Lanka from 24 to 27 July 2024.

49. Members endorsed the proposal to merge the WG on tea trade & quality with the WG on global tea market analysis and promotion and agreed to name the new group: “Quality, global tea trade and promotion group”.

50. Members also agreed to use a web-based communication platform to share information.

## VIII. ADOPTION OF THE REPORT

51. The Report of the Twenty-fifth Session of the IGG/Tea was adopted by acclamation.