WORKING GROUP ON ORGANIC TEA

Intersessional Meeting of the Intergovernmental Group on Tea

Rome, 5-6 May 2014

Report of the Working Group on Organic Tea

2nd Intersessional Meeting

6 May 2014

Members of the working Group:

India, China,

Bangladesh, Japan, Sri Lanka

BACKGROUND

- The IGG during its 20th Session held on Jan 30 – 1 Feb, 2012 in Colombo, Sri Lanka, constituted a Working Group for the harmonious development of Organic tea sector.
- The following were the **Issues to be dealt with by the Working Group**
- Generate market info & Develop market strategies
- Technical requirements
- Certification processes for tea production
- Collect and share info on production, package of practice, R &D
- Consider organic tea as low energy input for financial gain through carbon trading
- Join the organic movement for sustainability
- During the first inter-sessional meeting in September, 2012 in Washington Dc USA, the Working Group on organic Tea deliberated the on the above issues.

Progress so far

1. Generation of market information & Development of market strategies

- Given the difficulties in collection of market info from various countries, the WG in its previous meeting recommended that an exercise be undertaken by the IGG-Tea Secretariat in collaboration with the member countries.
- Under the aegis of the CFC sponsored Organic Tea Development Project two market survey reports have been prepared. The first report covers the market potential for organic tea in USA and the second one in India. The salient findings and the recommended marketing strategies for these two markets are indicted in the background paper No. IGG:TE ISM 14/6.

Progress so far……..

2.**Technical requirements**

- The technical requirements have been sufficiently codified under the CFC funded projects - in China and India.
- In India, CFC project has been completed in September 2013 & full report covering various aspects of black organic tea cultivation has been submitted to CFC in April 2014. China submitted its report for green tea in 2012.
- The technical requirements as recommended in the report of India & China could be made available to the member countries for adoption with suitable adjustments suiting to the local conditions.

Progress so far:
3.**Certification processes for tea production**

- The WG during its previous meeting having recognized that several developed countries have put in place their own National Standards for organic agriculture, recommended that IGG-Secretariat may collate common features of such National Standards and the same be made available to organic tea producing counties for enabling them to align their standards in order to gain equivalency in the importing countries.
- The *International Requirements for Organic Certification Bodies (IROCB)* for equivalence of certification performance requirements and the *Guide for Assessing Equivalence of Organic Standards and Technical Regulations (EquiTool)*, which includes the Common Objectives and Requirements for Organic Standards (COROS) as a practical equivalence instru-ment.
- These tools provide a means to move from resource-intense, side-by-side comparisons of technical requirements to a standardized and streamlined approach based on common objectives and related basic requirements.

Certification processes for organic agriculture in India

- In order to provide a focused and well directed development of organic agriculture and quality products, a National Programme for Organic Production (NPOP) has been notified by Govt. of India under the Foreign Trade and Development Act.
- The NPOP provides information on
  - standards of organic production,
  - systems criteria and procedure for accreditation of inspecting and certifying bodies,
  - the national organic logo and the regulations governing its use.
- The standards and procedures have been formulated in harmony with international standards and keeping Indian requirement s in mind.

Certification processes for organic agriculture in India

- The Indian NPOP standards for production and accreditation system have been recognized by European Commission and Switzerland as equivalent to their country standards.
- USDA has recognized NPOP conformity assessment procedures of accreditation as equivalent to that of US.
- With these recognitions, Indian organic products duly certified by the accredited certification bodies of India are accepted by the importing countries.
- In India, Agricultural and Processed Food Products Export Development Authority (www.apeda.gov.in) is the nodal agency for regulating the certification of organic products as per National Standards for Organic Production.
- Based on NPOP standards, certification agencies inspect and certify organic farms and organic food products.
- The performance of the certification agencies is closely monitored to ensures that the certified organic products are genuine and that consumers get the best worth of it.

Certification processes for organic agriculture in India

- Currently, India ranks 10th among the top ten countries in terms of cultivable land under organic certification.
- The total area under organic certification in 2012-13 was 5.21 million hectare comprising 0.50 million hectare of cultivable area and the rest 4.71 million hectare of forest and wild area for collection of minor forest produces.
- Around 1.34 million MT of certified organic products were produced during 2012-13 which included all varieties of food products namely Sugarcane, Cotton, Basmati rice, Pulses, Tea, Spices, Coffee, Oil Seeds, Fruits and their value added products.
- India exported 135 products during 2012-13 valued value around 374 million US $ to EU, US, Switzerland, Canada, South East Asian countries and South Africa.
- Organic Tea constituted 2% of the total organic products exported in 2012-13.

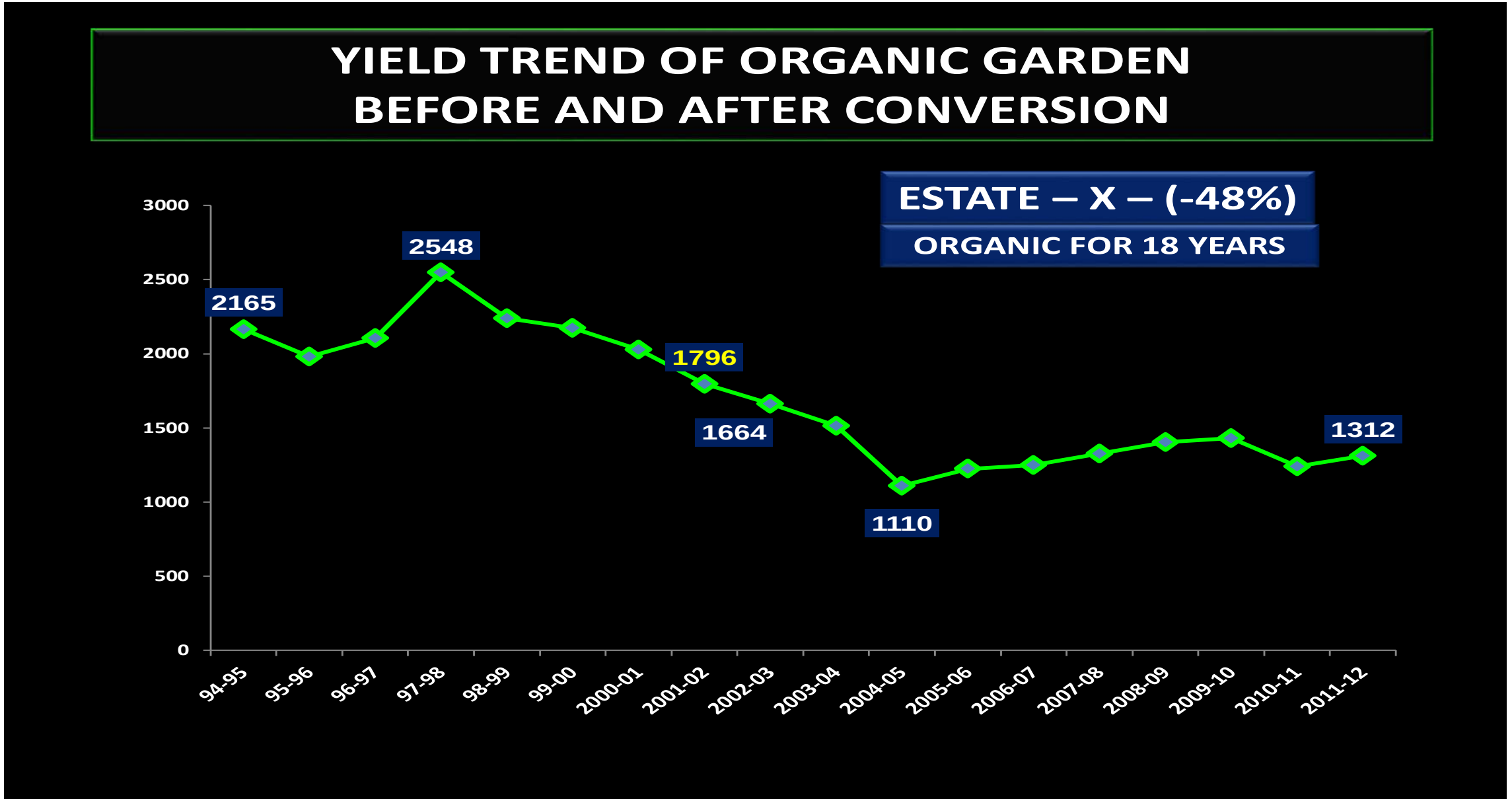
Progress so far
4.Collect and share info on production, package of practice, R&D

- Under the CFC project, package of practices for green and black tea have been developed with R & D support from TRIs.
- The package of practices could be made available to member countries for adoption with suitable adjustments suiting to their local conditions.
- Current status of production of black organic tea in India(2013)
- No. of. Certified organic teagardens: 77 up by 24 from 2007
- Area under organic tea in Ha: 15726 up by 5518 ha from 2007
- Production of organic tea in million kg: 11 up by 3.5 m.kg from 2007
- China in 2011 : Area 45000 ha ; Production:35 million kg

Experience in India

- Only 1% of the total tea produced in India is Organic tea
- Production is gaining momentum in the small sector
- Crop loss is a major challenge- up to 40% reduction after conversion to organic
- High cost of Production mainly due to man days required when compared to non organic tea (more than 60%)
- Price not rewarding the the additional effort put in
  - Consumers are not prepared to pay more than 20-40% (survey report on India) and not more than 1.5 times of regular tea price

YIELD TREND OF ORGANIC GARDEN BEFORE AND AFTER CONVERSION



Declining Yield trend observed in organic gardens before and after conversion : Yield kg made tea per hectare

Estates	Area in ha.	Before conversion	After conversion	% of reduction
A	245.36	2548	1312	48.5
B	245.00	2023	1318	34.8
C	143.00	2160	819	62.1
D	105.01	2486	1125	54.7
E	43.60	3226	2285	29.2
F	213.00	2297	1135	50.6
G	188.00	2507	1621	35.3
H	86.00	2025	1468	27.5
Average	1269	2337	1302	44.3

ORGANIC Vs NON ORGANIC TEA – Cost per ha and kg of tea in South India In INR

S.no	Cost component	Organic	Inorganic
		Cost per kg	Cost per kg
1	Total variable cost	77.66	35.41
2	Total fixed cost	34.15	16.62
3	Manufacturing cost	24.50	24.50
4	overhead expenses	16.67	16.00
	Total Cost	152.98	92.53
	% increase over Non organic	65%	

Progress so far
5&6 Consider organic tea as low energy input for financial gain through carbon trading and join the organic movement for sustainability

- TRI CAAS is focussing on two critical issues
  - 1.Carbon sequestration in organic tea soils and its quantification
  - 2.Mitigation of green house gases- mainly on N_2O and CO_2 emission in organic tea fields compared to the conventional ones and its quantification

  The results indicate that the carbon sequestered in the organic soil is one percent more annually than the non organic soil.

  The biomass carbon to total organic carbon was significantly higher and at the same time nitrous oxide emission was lower in organic fields.

  Further research work is ongoing to calculate carbon credit and low carbon certification regulation under organic management.

  For more details reference be made to the background note No: IGG:TE ISM 14/6

Way forward

- Given the limitations observed with regard to conversion of non organic tea plantations to organic gardens – ***crop reduction and high cost of cultivation owing to increase man days requirement*** –
- the working group felt that to begin with it may be worthwhile to encourage the non organic gardens to adopt **green farming methods**
- **-** gradual reduction of chemical fertilizers and supplementing with organic manures and
- reduction of pesticide load by adopting IPM (Integrated Pest Management) practices so that the usage of pesticides could be phased out gradually.
- It was also felt that the marketing issues could be dealt with by the Working group on Trade and Quality with the assistance from IGG-Tea Secretariate and the Task force on Statistics may monitor the organic tea demand world over.


Thank you