

# 236<sup>th</sup> Experiments & Extension Forum

## Keynote Address

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**I Sarath B Abeysinghe**  
Director, Tea Research Institute

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## Glyphosate for Tea and Rubber Sectors

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- On 11<sup>th</sup> July 2018 Gazette Notification was published by ROP to rescind the Gazette Notification which cancelled the license issued in respect of pesticides containing Glyphosate in 2015 October.
- On 18<sup>th</sup> June 2018 Gazette Notification was published under the imports and exports (control) act giving import license to **import Glyphosate for three years**.
- Glyphosate will be imported by three companies and packaging and distribution will be done by Ceypetco.
- Based on TRI recommendations, RPCs can obtain their quota from Ceypetco warehouses
- TSHDA will issue tokens for the smallholders to obtain their quota through tea societies.
- Action has been taken to make Glyphosate available in October 2018.



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## Pesticide Residue Detections in Sri Lankan Teas

Detection of MCPA, Hexaconazole in Japan and Diuron, Anthraquinone in EU continued during first half of 2018.

TRI consulted MHLW, Japan to revise MRLs of MCPA and Hexaconazole.

TRI was requested to conduct trials following GLP principles and submit data to revise MRLs.

Declining and regional field trials are being conducted for MCPA and Hexaconazole.

As at present, MRLs remain as:

MCPA: 0.01 ppm (Japan) and 0.1 ppm (EU)

Hexaconazole: 0.01 ppm (Japan) and 0.05 ppm (EU)

Diuron: 1.0 ppm (Japan) and 0.05 ppm (EU)

Anthraquinone: 0.02 ppm (EU)



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## Baseline Data on Sugar Levels in Made Tea

1. Collection of 300 made teas from tea factories in the low grown areas were completed.
2. Analysis of sugar levels using HPLC is being done. NIR method is being refined.
3. SLTB will use the baseline data for regulatory purposes in consultation with stakeholders.



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## Implementation of the Seed Act in the tea industry

- Seed Act No. 22 of 2003 provides provisions for tea nursery certification and now it is in force.
- TRI provided specifications and standards for planting materials in PN 2 circular. These specifications were incorporated in the certification programme
- It is requirement that all commercial tea nurseries to be registered at the DOA and planting material to be certified.
- RPCs and other organizations having commercial nurseries should consult the Seed Certification Service at DOA.



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## Current Market Situation and Medium Term Outlook

Source of information:

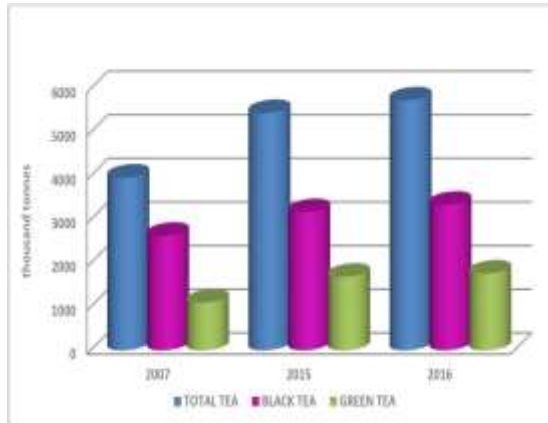
1. Member countries
2. FAOSTAT
3. International Tea Committee (ITC)

Intergovernmental Group on Tea (IGG)  
Food and Agriculture Organization May 2018



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## World Tea Production



4.4% Annual Increase Rate  
Black tea-3% Green Tea 5.4%  
Total Production 5.7MnT

China – 42.6% World Production  
2007 – 1.17MnT 2016 - 2.44MnT  
8% Annual Increase Rate

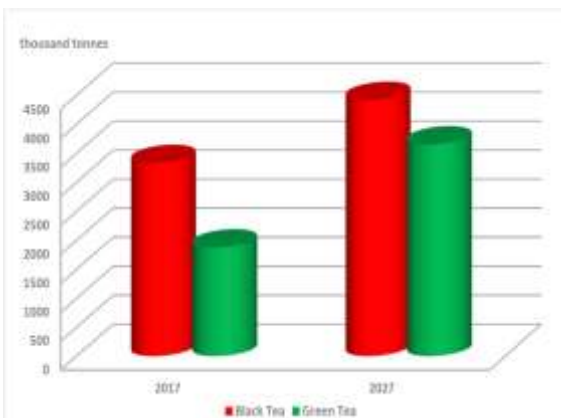
India – 22.3% World Production  
Kenya (8%)  
Sri Lanka (5%)  
Turkey (5%)

Kenya – 3.1% Annual increase  
**Sri Lanka - 0.12% Annual increase**



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## Projected Production



World black tea production will increase 2.2% to reach 4.42MnT – Major increases expected from China, Kenya and Sri Lanka

World green tea production will increase 7.5% annual rate to reach 3.65MnT

China green tea output expected to double from 1.53MnT to 3.31MnT in 2027

Production increase is expected through increase productivity – Replanting with higher yielding varieties and better agricultural practices



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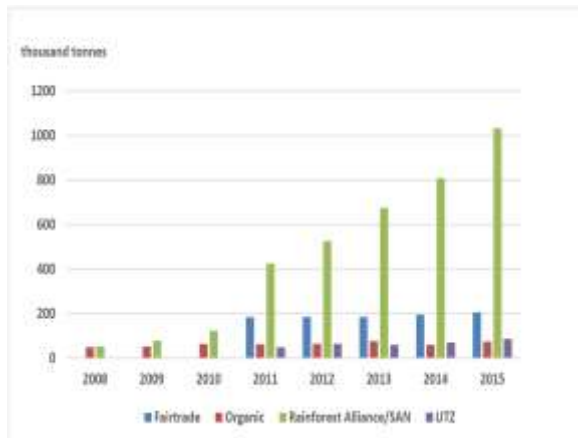
## Actual and Projected Production – Black Tea

Country	Production			
	Production 2017	Projected 2027	Growth Rates (%)	
			2008/2017	2018/2027
Kenya	439850	605915	3.1	2.7
Argentina	79000	100782	-0.4	2.2
Turkey	310500	429308	4.9	3.2
India	1260000	1617871	3.4	1.4
<b>Sri Lanka</b>	<b>305000</b>	<b>370379</b>	<b>0.1</b>	<b>1.6</b>
China	310000	554331	19.1	5.6
Indonesia	110195	108673	-1.7	-0.6
Vietnam	86000	100564	-3.7	1.3
<b>WORLD</b>	<b>3333316</b>	<b>4420015</b>	<b>3.1</b>	<b>2.2</b>



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## Tea Production by Standards

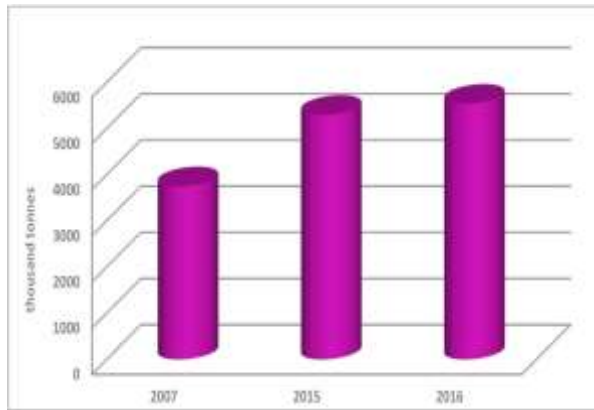


More than 16.5% of the Global tea area is certified and approximately 25% of the tea comes from certified tea lands



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## World Tea Consumption



World tea consumption increase by 4.5%

China – Consumption expand annual rate of 10% to reach 2.1MnT or 38.6% world production

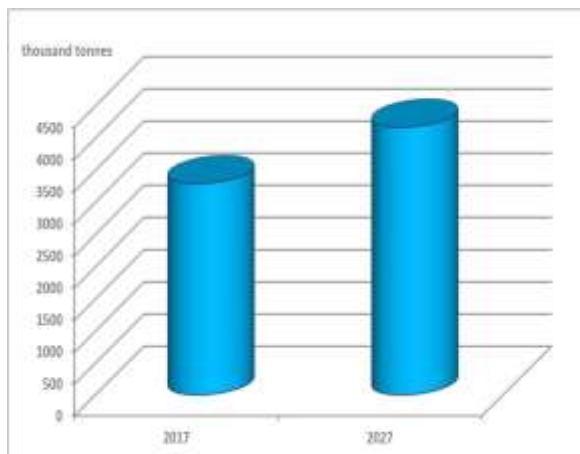
India – Consumption is 1.05MnT second largest consumer – 19% global tea production

75% of global production is consumed locally – population growth urbanization and rising income



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## Projected Consumption – Black Tea



Black tea consumption is projected to grow 2.5% annually to reach 4.17MnT in 2027.

Largest expansion in China. 5.9% over 10 years.

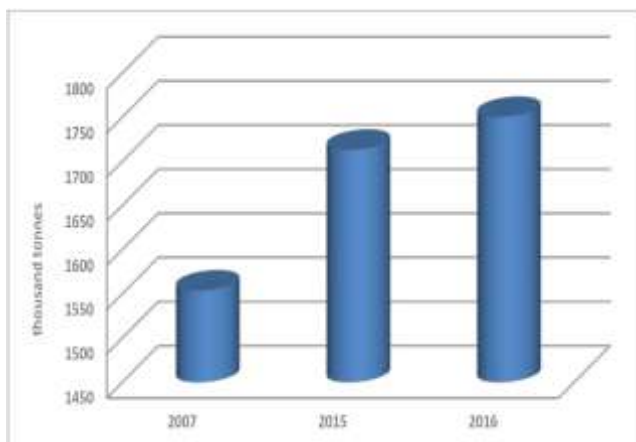
Higher growth is expected in African countries whereas moderate growth expected in Asian region. Sri Lanka 3.3%

Low or negative growth is expected in western countries



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## World Tea Exports



World tea exports increased by 1.4% to reach 1.75MnT

Black tea – Annual Growth 1%

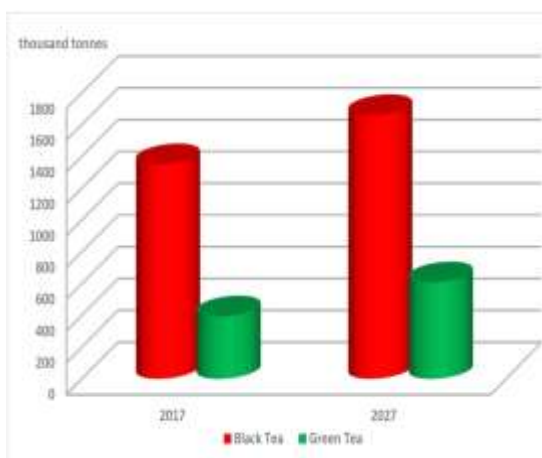
Green Tea – Annual Growth 3.4%

China and India lower annual growth



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## Projected Exports



Black tea exports to reach 1.66MnT in 2027.

+ve but weak in African countries (0.9%) Kenya 2.89%

-ve growth rate in Asian countries except Vietnam (2.6%)

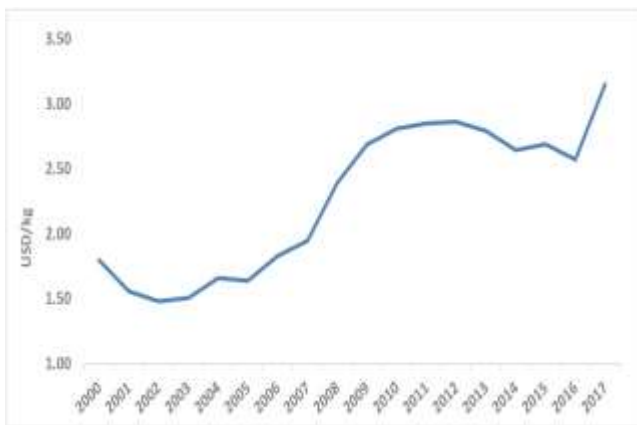
Major exporting countries Kenya India, Sri Lanka, Argentina

Green tea exports projected to grow by 5% annually. China expected to dominate. Vietnam Indonesia and Japan to follow



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## World Tea Prices



World tea prices remain firm.

In 2016 prices fell by 14% - Weak economy growth due to lower oil prices

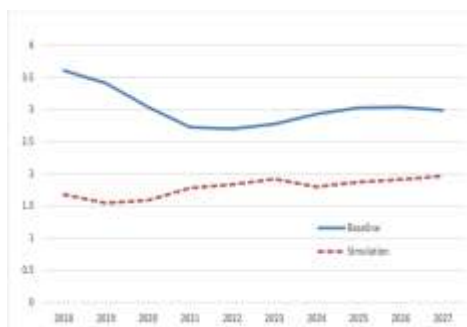
In 2017 prices increased by 22,6% due to tighter supplies

Economic growth → large middle class → upgrade purchase from unpackaged tea to packed and bagged specialty teas



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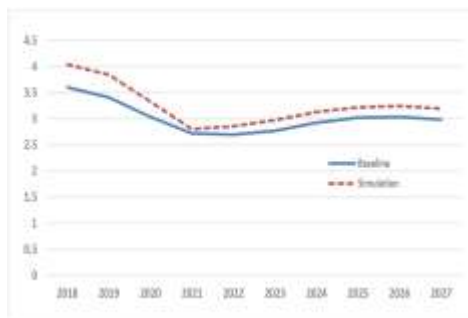
## Effect on Prices of 5% Production Increase



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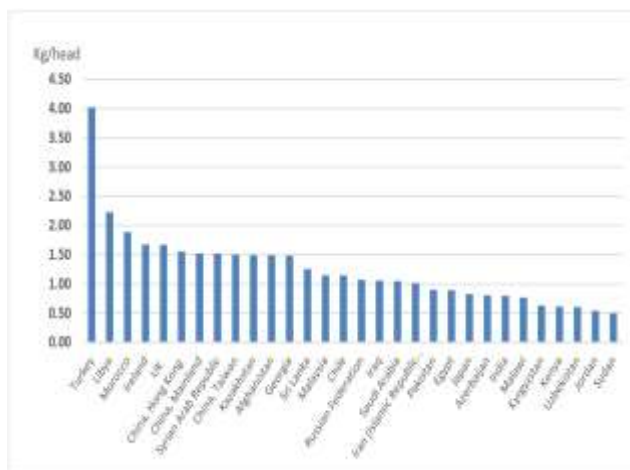


## Effect on prices of a 5% consumption Increase



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## Top Per Capita Tea Consuming Countries



18 countries have per capita consumption levels below the groups average indicating a vast untapped market potential

Eg. Kenya, India

All countries in Africa domestic consumption is low



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*Thank you*

