

Text of the speech delivered by Mr.N.Dharmaraj, President-UPASI at the inaugural session of India International Tea Convention held on 22nd September 2016

1. Ms.Rita Teatota, Commerce Secretary, Government of India, Mr.Nico Roozen, Founder and Director, Solidaridad, Mr. Bidyananda Barkakoty, Vice Chairman, Tea Board of India, Mr.Vivek Goenka, Vice Chairman, Indian Tea Association, Mr. Paulrasu, Executive Director, Tea Board, Coonoor, delegates to the convention from India and Abroad, Ladies and gentlemen,

2. Misty meadows, rolling green hills, velvety plantations and a history replete with romance-that just about sums up the Indian tea plantation industry.

3. When the first tea estate in India was opened in the picturesque Nilgiri mountains, just a few miles from here in 1854 what was becoming seminal was not the cotyledons of a tea seed, but the birth of an industry that would fill all the land between the Arabian sea and the western ghats, and the lap of the Himalayan hills and its plateaus, so remarkably affecting the lives of hundreds of thousands of people, over the last century and a half- a saga epitomizing the sacrifices of all the people who sustained it, from the resilient workmen who toiled the land to the adventurous men who managed them, setting a model of organized agriculture that has very little parallel in the annals of world trade.

4. As an assigned and humble representative of this magnificent Industry and as host for this event I have great pleasure in welcoming you all this evening to the India International Tea Convention 2016, being held first time in a plantation locale.

5. Our special welcome to Ms Teatota, for her august presence amidst what I know to be an extremely hectic schedule. I extend a warm welcome to Mr.Nico Roozen. It's not a coincidence that Mr Roozen who has a life time of Sustainability initiatives behind him, is here with us, on a convention whose theme is " Let's team up for sustainability. Warm welcome to Mr Barkakoty and Mr Goenka, veterans of the Tea industry.

6. We are thankful to the delegates from India and abroad for their overwhelming response and participation. On behalf of the organising committee I extend a very warm and cordial welcome to you all.

7. Permit me to give you an overview of the issues that will engage us over the next 2 days.

8. The role played by traders and packers and tea brokers who support a 1.2 billion production domestic tea industry, in lending logistical and financial stability as well as fostering higher consumption is most praiseworthy and they will continue to be a key driver of the Tea industry in India.

9. Despite having a large and robust domestic market, considering the size of its production, Indian Tea will always need a focussed export market. Out of the Indian production of 1250 M kgs about 250 M kgs gets exported. For S. India which forms 20 % of the national production but has a 40 % share of Indian exports, Exports will always assume special significance. Whilst sustaining our traditional markets we are constantly looking to developing business in new geographies.

10. Tea plantations in India have bestowed a huge commitment to employment and rural infrastructure. It provides round the year employment to 24 lakh people directly and at least 2-3 times that number indirectly. Of this, 60 per cent are women and close to 50 per cent in the reserved category. Tea plantations are unique in that wage and wage related

costs occupy 60 % of its cost of production - a far cry from the general industry average of 10 to 20 %.

- Plantations have arguably the best human development index for any agrarian community in the world commensurate with its depth and range of social and welfare cover.

11. Tea Plantation support a diverse Eco system, of both flora and fauna. Plantations with their multi layer vegetation which include the shade trees and cover crops ,also contribute to high levels of carbon sequestration. Prevalence of good agricultural practices contribute to long term soil and water conservation.

- Tea plantations are addressing issues relating to healthy environment management, good agricultural practices, employee obligations, community welfare, all of which together form the sustainability platform. Besides its ethical and moral dimensions, this provides a great connect with the consumer.
- Sustainability commitment in the product value chain as a consumer connect will reign amongst one of the top mega trends in the business today and in times to come.
- No doubt these attributes need validation and hence the role of certifying agencies, become important. Many of the Tea plantations in India have been certified by leading certifying Agencies such as the Rain Forest Alliance, Ethical Tea Partnership, UTZ etc. The Tea Board of India is championing the Trustea verification programme, which is supported by Solidaridad and IDH and is fast gaining acceptance. 40 % of the South Indian Tea is now officially verified.

12. Indian tea plantations are now following the plant protection code (PPC) which makes it obligatory to use only approved agro chemicals. The industry managed research stations like UPASI Tea Research Foundation and TRA of Tocklai are regularly screening tea samples from member gardens for residue analysis of pesticides and heavy metals to ensure conformity to the EU and FSSAI specifications. Integrated Pest Management schedules, pest surveillance to understand Economic threshold levels, adherence to safe harvesting intervals and ground discipline on dilution rates and spray volumes and advancement in the field of biological control are all ensuring minimum usage of pesticides.

13. Tea consumption in India has been growing at 2.5 per cent, thanks to the increasing awareness on the health benefits of tea. The green tea market share has also been on the rise particularly on the health and wellness platform. However, the industry globally, has not been able to directly cash in on the research work done worldwide on the health benefits of tea, especially as a supplier of Flavonoids, a key anti oxidant source.

- Despite being the largest consumed beverage next to water, there is an intense competition globally and nationally for share of throat, from other more fashionable beverages including herbal infusions. Tea has also largely remained a common man's drink. There is still resistance at the retail level to pay higher prices. The growth of private label or store labels have put huge pressure on traditional packers to cut costs, raw materials cost in particular.

14. To insulate itself from supply/demand led price fluctuations, Plantations must value add at least in part and as part of a broad based marketing portfolio. Mass branding is a

competitive scenario but there is scope for quality and product differentiation, leveraging on the growth of the specialty segment. This include single estate teas and high quality grades and also cashing in on the new delivery models of online marketing, tea lounges and tea cafes. Tea extract is also emerging trend as different from the current extraction which is restricted to instant tea.

15. climate change, both in terms of failed as well as erratic rainfall and higher temperatures is a stark reality, affecting current production and with deleterious effects on the water table affecting long term crop productivity. sporadic and intense pest and disease following these changing weather pattern is also beginning to cause significant crop loss.

- All these factors, singly or in combination has put enormous pressure on the financial sustainability of the tea industry. The ownership of tea companies have undergone changes and they are all now part of multi business groups. Therefore return on investment alone will drive investment and input decisions.

17. The convention will also feature a guided Tea Tasting session wherein participants will be introduced to teas from various growing regions in India and from the various Agro climatic zones of South India as well as the Award winning teas of the Golden Leaf India Awards (TGLIA) Competition, the first ever structured tea quality competition in the world, which has enabled producers to discover their capability to produce world class teas.

18. Considering the range of topics covered by the convention, it is expected that the Participants, will be able to enhance the level of understanding on these matters across all stakeholders viz ., producers, brokers, traders, packers and the government and thereby facilitate policy formulation both at the industry and governmental levels. The Convention will also provide a platform for networking between sellers and buyers both nationally and internationally to further business opportunities.

19. Most of all, It's our earnest hope that all our delegates and participants will have enjoyable couple of days stay in the Nilgiris, the queen of hills. May your cup of cheer be as fragrant and aromatic as the Nilgiris tea and may your memories have the lingering notes of dusk flower.
