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Nepali tea faces crisis as Indian ban nears

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13 October 2012, Jhapa: Nepali tea growers are headed into a huge market crisis with India all set to ban the import of tea leaves produced with the use of pesticides and chemicals. India, which consumes two thirds of Nepali tea leaves, signed an agreement with the World Trade Organization (WTO) in 2007 under which it is to import only tea leaves produced through application of the Integrated Pest Management (IPM) method.

After signing the agreement, India had expressed its commitment to stop importing from January, 2013 onwards any tea leaves not produced as per the IMP method. With the cut-off date set by India less than three months away, Nepali tea growers fear a market crisis. Indian customers have already informed Nepali growers that they will not buy Nepali tea leaves from next year.

"The largest chunk of Nepali tea leaves is produced without following the IPM method," said Ramesh Prasad Poudel, chairman of Nepali Tea Producers' Association. "So, we will not be able to export our tea products to India from next year."

"We have no option left. We will have to follow the IMP method," Poudel added. India has not yet formally notified Nepal about the likely ban, and Poudel says the Indians do not feel any need to do so since only one percent of its tea requirement is met by Nepali production. "India will not face any problem if it stops importing Nepali tea leaves," says Khadka. "So, India will not officially notify us about it."

According to Indra Adhikari, Eastern Region chief of the Tea and Coffee Development Board, pesticides and chemicals have been classified into four hazard groups in the IPM method.

If they are to follow this method, tea growers need to use only non-hazardous pesticides and should not pick the tea leaves for a certain period after the application of chemicals. "Pesticides and chemicals can be used only after technical studies have been conducted on them," he said. "This is the main thrust of the IPM method."

However, Nepali growers have been using pesticides and chemicals without conducting any technical tests. "Nepali tea leaves reek of pesticide even when they are brought to us for processing," said a tea industry operator. "Tea growers should have been careful about this much earlier. Now, a crisis over markets is unavoidable."

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