

EVALUATION REPORT

UTZ TEA PROGRAM

SRI LANKA



All UTZ certificate holders surveyed:

3 Farmer groups

9 Tea estates

compared to 2 non-certified estates

Timeframe:

2011
-
2015

Research carried out in

Kandy and Nuwara Eliya regions

THE STUDY

Carried out by Fair & Sustainable Advisory Services (the Netherlands) and Nucleus Foundation (Sri Lanka), this study evaluated the social, economic and environmental outcomes of the UTZ tea program in Sri Lanka. The researchers took a qualitative approach, combining different research methods. They assessed the UTZ program within the local context, from the perspective of different stakeholders, and also looked for unexpected changes.

All UTZ certificate holders were surveyed: 12 certificate holders representing 3 farmer groups (325 members) and 9 tea estates (with 6859 workers) and 2 non-certified estates for comparison purposes.



KEY FINDINGS



BETTER MANAGEMENT PRACTICES

A key change took place in the minds of estate management and workers. Both parties now better appreciated each other's roles. Workers mentioned they can talk to their managers more openly and managers have noticed reduced worker absenteeism.



BETTER CROP

Tea quality has consistently improved due to better care for post-harvest handling (reducing transport time between harvest in field and factory, and adherence to hygiene requirements), as well as Good Manufacturing Practices in the factory (drying, sorting and fermenting).



BETTER FARMING METHODS

Good Agricultural Practices and Good Manufacturing Practices have led to fewer 'clean weeding' practices, better handling of pesticides and fertilizers, and the adoption of better harvesting and plucking methods – resulting in higher yields, better tea-leaf quality and a reduced percentage of rejects.



BETTER LIFE

Female farmers have a better position and feel more appreciated. Estates recognized the important role of female workers in enhancing tea-leaf quality and productivity, with a few estates starting to appoint women as field supervisors. As a result, women have become more vocal and self-confident.

CONTEXT

Tea is the third largest foreign currency earner for Sri Lanka, and 400,000 smallholders and 300,000 workers depend on its production. The country has lost many important tea export markets due to the ruble crisis in Russia and on-going war in the Middle East. The top five markets* that Sri Lanka exports to do not yet look for certification or sustainability, while other important markets** that used to consume orthodox Ceylon tea have moved to crush, tear and curl (CTC) tea from Kenya. Furthermore, increasing labor costs and low productivity have eroded the profitability of the tea sector.

*Commonwealth of Independent States, Russia, United Arab Emirates, Turkey and the Middle East.

** UK, Egypt and Pakistan.

RESEARCH METHODS

✔ Theory of Change ✔ Most Significant Change ✔ Key informant interviews ✔ Household survey ✔ Validation workshop

LEARNINGS



A more transparent premium – tea is usually sold through the Sri Lankan tea auction which does not include the UTZ premium. The premium has to be negotiated separately between buyer and seller. In order to offer a more transparent premium system for all parties, the evaluators recommend to introduce a fixed premium (revised periodically) which is to be added to the knocked down auction price. UTZ will propose this change to stakeholders.



Taking care of the environment – efficient water use, diversification and shade trees have contributed to climate change adaptation. However tea producers have clearly stated the need for more specific guidance and support on climate adaptation practices. UTZ will seek collaboration to start climate change adaptation and mitigation projects in Sri Lanka, as it does in other countries.



Increasing sustainable tea demand – the key recommendation of the report is better promotion of Sri Lankan tea in UTZ markets. While UTZ is not in the position to change market supply and demand dynamics, we will intensify our activities to identify market opportunities for certified Sri Lankan (Ceylon) teas. A list of actions UTZ will take is available on www.utz.org/srilanka-response.

UTZ RESPONSE

A sector that is not profitable is not a sustainable sector.

“UTZ welcomes the outcome of the evaluation and is pleased with the improvements the program has offered tea farmers in Sri Lanka so far. We also share the concerns of certified producers around the low level of certified sales. We continue to be committed to supporting producers, and to increasing market uptake of certified tea. Both are essential for a more sustainable and profitable tea sector.”

To read the full report, go to www.utz.org/reports

Female supervisors were appointed for the first time in UTZ certified estates following training by the Institute of Social Development. Previously all supervisors were male, even though tea pluckers are mostly female.

In the picture is a female supervisor in the UTZ certified Nuwara Eliya estate.

*Photo: Dave Maurice,
Nucleus Foundation*



ABOUT UTZ

UTZ stands for sustainable farming and better opportunities for farmers, their families and our planet.

The UTZ program enables farmers to learn better farming methods, improve working conditions and take better care of their children and the environment. Through the UTZ program farmers grow better crops, generate more income and create better opportunities while safeguarding the environment and securing the earth's natural resources. Now and in the future.

And that tastes a lot better.