

# ***Tea Industry Trend Watch - Year End 2019*** **And Looking Forward to 2020**

Tea industry trends and market insight.

Published by The Tea House Times for TeaCourse.com

Tea Industry Trend Watch is prepared by the publisher and associates of The Tea House Times who walk, exhibit, speak at, and report on numerous food, beverage, and gift shows throughout the year to experience and share first hand observations of what's trending and representative of the industry. Each report includes an inside look at what is seen each year by The Tea House Times and incorporates additional supporting information, innovation, and intel from key organizations of the tea industry.

Yearly archived reports are available at TeaCourse.com as a part of continuing education and industry awareness and perception. It is very interesting to compare trends and growth in the tea industry over the years.

This report is broken down as follows:

- The Tea House Times Perspective
- Key Tea Industry Organizations – Perspectives and Market Data
- Trade Show Perspectives

## **THE TEA HOUSE TIMES PERSPECTIVE**

Prepared by Gail Gastelu, owner/publisher, [The Tea House Times](http://TheTeaHouseTimes.com).

The Tea House Times, LLC, as media and education for the tea industry, has a unique ability to connect quickly and easily to all branches of this beverage category and various markets it serves. An important growth avenue for the tea industry is through building and nurturing relationships among tea and coffee retailers, restaurants, and hotels, while continuing to strengthen connections to businesses and consumers and working together as an industry to promote the positive and healthy aspects of consuming tea and enjoying the social aspect too.

From The Tea House Times' perspective, 2019 was a year full of functional beverage alternatives. Including tea!! When we say functional, we mean a beverage that has known characteristics or components which are extra healthy or add some sort of healthful component to one's diet. Think coconut water and combinations of coconut water with matcha for instance. These were very hot and available in powdered form and ready to drink and teabags too. Charcoal may sound strange, but it made its way into toothpaste and tea as well. Vitamins, collagen, you name it....all good things seem to pair well with tea. On its own, tea is super healthy but that does not stop companies from adding more things to boost consumer interest.

What about CBD in edibles or beverages such as tea? We'd rather not advise on this topic, however, authorities tell us it is still not permissible to include CBD in food or beverages and those companies already doing so are doing it at risk.

As for 2020, here at The Tea House Times, we like to think of it as hindsight. With 20/20 vision, perhaps the tea industry will look to its past and take a good clear look at where it should be headed. What can a tea company do to stand out from competitors? What can a tea importer do to enhance its business beyond perhaps adding value through creating popular tea blends or flavored teas? What can a restaurant do to enhance its beverage program and increase profits? The answers are clear if you take the time to look back on successes and failures, pay attention to trends and competition, and do your own market research. Most importantly ... attend tea industry events because the most interested people who are much attached to tea either personally or professionally, will come right to you and happily share what they enjoy. Remember...in the USA iced tea still reigns supreme. Flavored teas still top single origin. One day people will embrace tea as they do wine; with an understanding of how terroir – place, climate, and handling all come in to play to determine the flavor properties. And on that note, you will appreciate some comments within this document from the Global Tea Initiative at UC Davis....their January Colloquium was in partnership with the Robert Mondavi Institute of Wine. Imagine what a great experience to compare wine and tea. It certainly leads to better understanding for the general public.

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Key Tea Industry Organizations – Perspectives and Market Data are provided this year thanks to The Tea House Times (<https://www.TheTeaHouseTimes.com>), Tea Association of the USA (<http://www.teausa.org>), Tea and Herbal Association of Canada (<http://www.tea.ca>), UK Tea & Infusions Association (<http://www.tea.co.uk>), Global Tea Initiative for the Study of Tea Culture and Science (<http://globaltea.ucdavis.edu>), SIAL Canada (<http://www.sialcanada.com/en>), World Tea Expo (<http://www.WorldTeaExpo.com>), TeaTradeShow.com (<https://www.TeaTradeShow.com>), and The Tea House Times' online continuing education website at <http://www.TeaCourse.com> where you will also find Tea Industry Trend Watch Year End archived reports from years prior.

## **KEY TEA INDUSTRY ORGANIZATIONS PERSPECTIVES & MARKET DATA**

### **TEA ASSOCIATION OF THE USA**

Prepared by Peter F. Goggi, President, [Tea Association of the U.S.A., Inc.](http://www.teausa.org)

*Review of 2019 and Predictions for 2020*

The Tea market will continue to face four key issues in 2020.

1. Supply and Demand

Supply continues to outstrip demand and history has proven that if tea prices rise, the producers will manufacture more tea to take advantage of the higher prices. Producers, by skipping pruning cycles or plucking a little further down on the bush have an almost immediate ability to turn on a volume tap of 20% more tea. The result of more availability and poorer quality: lower prices. Escaping the clutches of this boom/bust cycle will be one of the keys to the long term survival of the business. There are only two solutions: improve consumption or reduce production.

## 2. Free and Unencumbered Trade

International trade is becoming much more of a challenge to the entire supply chain.

- a. Lack of harmonization of crop chemical tolerances
- b. Political vs. Science based reactions (see Glyphosate decisions)
- c. Country of origin labeling
- d. Tariffs

Economic growth and stability cannot be achieved long term without free trade. The industry must work together to address the above issues.

## 3. Sustainability

The Tea Association of the U.S.A. sees sustainability as a three pronged strategy

- a. Ecological Sustainability
- b. Social Sustainability
- c. Economic Sustainability

I submit that tea has demonstrated a strong commitment to ecological sustainability and it is the latter two that need action. Economic sustainability is the biggest threat. Producers (generally) are not making money. The realized prices of tea have not moved since the 1950's, when taking inflation into account. This marginalizes workers at origin and allows for unsustainable economic models, impacting the means for people to maintain the social fabric in the towns and villages where they live. Meanwhile, large retailers advertise and speak about sustainability, yet do nothing about allowing the price of the product in their stores to rise, disallowing the opportunity for the producers to realize a reasonable margin. The time is come to put pressure on retailers to ensure that EVERY player in the supply chain receives fair value for the work they do.

## 4. The Goodness of Tea

The number of positive attributes regarding tea continues to be buttressed by research and demonstrates why this great product should be consumed by EVERYONE! Yet, we continue to battle those negative articles on tea which usually are based on false assumptions or purported facts. This "ClickBait Culture" serves only those who want to attract attention and encourage a visitor to click on their link or their particular web page. Further we see recycled stories from YEARS ago, that have long been disproven, continue to make their way into the news cycle. This attitude of whoever gets there first, or whoever publishes first, drives inaccuracies and turns the news reporter into newsmakers. This cannot continue. Tea needs to be celebrated for its healthful properties, not used as ammunition in some idiotic arsenal.

So, while we continue to face these challenges, I remain wholly optimistic. The tea supply chain is resilient; producers generally want to produce good product and consumers want to receive good value.

These are not conflicting goals. A great model to use is that of Specialty Tea. Quality, Uniqueness, Terroir “Stories” and Price/Margin make this a great business. The challenge is how to adapt this model across the tea supply chain.

Fundamentally, we need to set expectations with consumers, demand fair return for all in the supply chain and continue to shout from the rooftops about the goodness of tea, both for our world and our health.

## **TEA AND HERBAL ASSOCIATION OF CANADA**

Prepared by Shabnam Weber, President, [Tea and Herbal Association of Canada](#)

2019 posed challenges, but many of which we’ve seen over the past years. The issue of supply and demand, fair pricing and climate change rule high in everyone’s conversation. As botanicals gain in popularity in North America and Europe, *Camellia sinensis* tries to maintain its foothold. And how we’ll create a circular economy with a sustainable industry is a priority throughout the supply chain.

We saw an increase in functional teas in 2019 and I believe we’ll see more of that ahead. The trend of conscious eating is feeding this and I don’t anticipate that declining in 2020. In fact, the number one food trend of 2020 is plant based food. And what is tea...if not the ultimate plant based food??

I am eternally optimistic when it comes to our industry. As new generations set the path for what they want from companies, I look at their priorities and think: we can check every single one of these boxes. Interconnectivity, deeper relationships, social responsibility and diversity rank high on who this new generation is. And if we set the path now, tea can become their beverage of choice.

More>>

# UK TEA & INFUSIONS ASSOCIATION

Prepared by Dr. Sharon Hall, Chief Executive, UK Tea & Infusions Association, London

[www.tea.co.uk](http://www.tea.co.uk), [UK Tea & Infusions Association](#)

2019 saw more media focus on the decline in tea sales. In the UK, black tea, usually served with milk, still holds the lion-share of the tea and infusions category. The change in volume sales needs to be seen within the context of an increasingly crowded beverages market. Our biggest competitor is water, in all its many varied and flavoured forms; with some boasting added benefits over just hydration. It is in this space that Cold Brew infusions are continuing to grow in popularity in the UK, with consumers looking for ways to make drinking water on the go, from their reusable bottles, more appealing.

The popularity of 'benefit blends' also continues to grow. In this category, herbal and fruit infusions are stealing a march, with sleep-promoting blends out-performing other functional offerings. This also indicates that health and wellness are still strong drivers for consumer choice and this is definitely an opportunity for tea; the original benefit blend!

The next generation of consumers is more driven by social responsibility. They want to know the provenance of the product they buy, as well as its sustainability credentials, along the whole supply chain. Communicating on such topics, as well as connecting younger consumers with the origins of tea, could be influential. Combining this with the promotion of tea's wellness benefits and highlighting the vast range of choices available could be one way to bring tea back into their line of sight and to secure a sustainable future for the category.

## GLOBAL TEA INITIATIVE

Prepared by Katharine P. Burnett, Founding Director, [Global Tea Initiative for the Study of Tea Culture and Science](#) - Associate Professor, Art History - University of California, Davis

From my perspective as a professor at a public Research University, I have no statistics to offer, but I can note some significant trends. My team-taught First Year Seminar in Global Tea Culture and Science (offered for the 3<sup>rd</sup> year in a row) is over-enrolled again with a great group of bright and eager students. The official campus student-run Global Tea Club, which was founded once students discovered that there was a Global Tea Initiative for Tea Culture and Science (GTI) on campus, has an avid membership (undergraduate and graduate students) that meets bi-weekly for talks, tea tastings, and events. This club has provided leadership and a model for Global Tea Clubs at other US campuses. Good news for the tea industry: this indicates the 18-22 year-old set is eager to learn more and share more about tea.

At the graduate level, not only are our students conducting tea-related research in faculty labs – and then publishing their findings, but also they are starting to develop their own MFA and PhD theses on tea in the humanities and social sciences, inherently a much slower process. As we investigate the culture and society of tea, we help explain it to the public, and thereby, also help extend the culture around the world.

At the faculty level, tea-related research on my campus is expanding ever further across the disciplines. With industry support, one of my colleagues in Chemistry is pursuing a research project on the chemical measurements of microbial biomarkers associated with sustainable propagation and growth of tea in California. A multi-disciplinary group of GTI members are participating in a multi-institute USDA research grant application, a grant that also indicates the attention that tea is increasingly receiving at an advanced and rigorous level in the academy. As we further understand and explain our findings for the academy and then the consumer, this benefits the tea industry.

Although I am an art historian, as founder of the GTI, I found myself presenting a talk at the World Green Tea Conference/World O-CHA, Shizuoka, Japan, November 2019, on “The role of GTI in expanding the global green tea market and its effects on sustaining tea farming.” The talk was successfully received. Because I travel to tea farms and tea research institutes around the world, talking with, listening to, and learning from farmers, industry members, and researchers across the disciplines, I have learned much about tea outside of my own area of expertise (the history of the art and culture of China). What are some of the things that I have learned?

From one of the world’s most knowledgeable and esteemed members of the international food and beverage industry, I learned that when he assigns an astronomically high price point to extraordinary products – which also have a good backstory, they sell. And sell out. As a frustrated consumer in the grocery aisle, I observed the lack of helpful explanations and stories about the fine teas on offer. If they were there, the consumer would be able to know, enjoy, and remember what was so notable about them, and then come back more confidently for more, and at a higher price point. Anecdotally, I discovered that when I make myself a bowl of *matcha* when I am coming down with flu-like symptoms, I never get (that) sick! And yet, where is the research backing up this phenomenon?

It strikes me that the tea industry is leaving money on the table. Although sales in the US are presently at a robust \$12b, the wine, coffee, and beer industries are each at \$70b, \$80b, \$114b respectively. Yet, tea is the world’s most consumed prepared beverage. What’s wrong with this picture? As much as we all enjoy these other beverages, they don’t have the virtue of “health” to point to as one of the great reasons to drink them. The tea industry has been basking in the glow of tea folklore, which is fine as far as it goes, but as a consequence, financially it is losing out. Imagine where the industry would be if this health attribute (and of course, many others) were verified scientifically? To be sure, scientists on my campus and others around the world are working hard on proving many of the claims that are out there, but imagine: With tea as a proven cure for the common cold, might the tea industry zoom up to the levels of its peer beverages, where quite frankly, it belongs? The industry needs to fund these projects and more – at trusted research institutions like UC Davis – and then take advantage of verified claims. And help the consumer.

What’s to look forward to? GTI continues to transform into the Global Tea Institute at UC Davis. GTI’s 6<sup>th</sup> Annual Colloquium, *The Stories We Tell: Legends, Myth and Anecdotes about Tea*, is slated for January 28 and 29, 2021. A Call for Papers (CFP) will be issued soon at [globaltea.ucdavis.edu](http://globaltea.ucdavis.edu). All of GTI’s colloquial address aspects of tea culture and science across the disciplines and from the perspective of the tea industry. Stay tuned!

## TRADE SHOW PERSPECTIVES

The strength that the tea industry needs to support and enhance expected growth is partly fulfilled by a trade show, partly fulfilled by trade media, trade organizations and trade associations and the education these leaders provide, along with the tea community overall. It is important to continue to visit coffee and tea specific trade shows for insight into what's new and trending each year. Trade show perspectives follow >

### TEATRADESHOW.COM

Prepared by Gail Gastelu, owner of The Tea House Times/producer of [TeaTradeShow.com](http://TeaTradeShow.com)

As important as it is that we all maintain face to face communications, we are living in a world where digital has become mainstream and necessary to reach a broader audience, more frequently. The online or virtual world of buying, too, has expanded greatly and brought about new opportunities for anyone to get into the tea business and to do business from anywhere. TeaTradeShow.com has been successful over the last year in connecting buyers to suppliers all day, every day. An online learning platform ensures greater understanding and better connections too.

Exhibitors at TeaTradeShow.com have shared news of new products such as a line of new teas to represent national parks, new tea time food staples such as lemon curd, trending flavors in tea, and special Ayurveda teas or functional teas and herbal blends in addition to specialty teas around the world. Our country of origin exhibitors have shared links to their exporters. Buyers who visit TTS have been able to stay up on what's trending from the comfort of their home or office 24/7 and learn something new about tea as well. We anticipate 2020 to be a great year of connecting buyers to suppliers in a modern, convenient way where information may be shared more quickly and efficiently.. virtually.. rather than waiting for an in person trade show.

### WORLD TEA EXPO

Prepared for [World Tea Expo](#) by Beth Dobos, Content Producer of World Tea News

With regard to tea trends from 2019, I observed a strong increase in the number of products containing cannabidiol (CBD). I also saw new infusions made from plants other than *Camellia sinensis*, such as avocado leaves and cascara (the peel surrounding coffee beans).

Trending among tea companies was an effort towards social and environmental responsibility as evidenced in the companies' B Corp Certifications. Large tea companies also became more transparent, revealing where they source their teas.



Across the United States in the retail sector, tea houses are focusing on creating a sense of community within their walls, whether the teahouse is based in North Carolina or Seattle. Several also offer tea education in different forms, be it tea tasting or courses people can attend so the general public can become more familiar with tea.

## **SIAL CANADA**

Prepared by Steven Allison for [SIAL CANADA](#)

Managing the Buyer Program at a major international food and beverage expo like SIAL Canada gives me a unique window into the year's tea trends. My primary job is understanding what's selling and who's buying, and as a an oolong-obsessed tea junkie myself, I always pay close attention to what's happening with the noble leaf. In short, 2019 looked to me like the year we finally decided to go our own way: eschewing both the example of 3<sup>rd</sup> wave coffee and traditions imported from abroad.

Spiced teas, flavored teas, good-for-you teas, teas for men, themed teas, just about everything but classic, straight, traditionally cultivated teas seemed to earn all the buzz. A decade ago, the artisan was the small farmer, working to revive some 1,000-year-old technique- for a price. Now, the artisan is the blender, the packager, the medical practitioner, the person who can give us what we want, instead of teaching us what we should want. Some may lament the loss of such ancient cultures; I for one, celebrate the birth of new ways of enjoying tea for all.

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