

Tea Report 2021

Tea sends positive signals

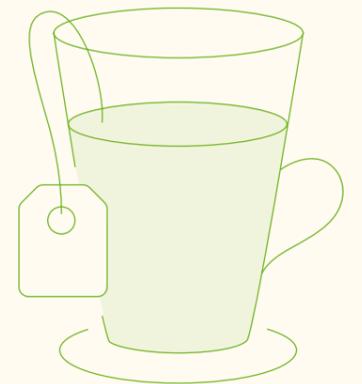


A tea year like no other.

In this Tea Report the German Tea & Herbal Infusions Association looks back on a year which, in many respects, is beyond comparison. 2020 has gone down in history as the first COVID-19 year and of course did not fail to make an impact on the tea industry as well. Yet despite all the pitfalls that were to be circumnavigated during the pandemic, tea always gave hope and ensured confidence. Whether faced with lockdowns to complete isolation, supply difficulties or logistics problems German tea producers were able to consistently maintain delivery quantities and quality standards due to close contacts to their partners in the countries of origin and their prudent course of action. At least with regard to their beloved tea in all its variety, consumers have not noticed anything arising from the consequences of the pandemic.

At the same time, a positive trend is emerging and being enhanced even more by the pandemic: As natural food products and as part of a consciously balanced diet, tea, herbal and fruit infusions have become even more popular with consumers in Germany.

Look forward to a Tea Report like no other and enjoy a detailed look into the German and the international world of tea.



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Unless otherwise stated, the term “tea” refers to both “*Camellia sinensis*” (inter alia black and green tea) and herbal and fruit infusions.

You can rely on tea

Fresh products, a healthy diet, natural ingredients and functionality have become increasingly important for consumers during the pandemic, according to surveys of food manufacturers. In times of home office, home schooling and gastronomy lockdowns, more home cooking and more conscious food choices were made, especially by younger consumers.

With the high quality standards of its natural foods, the German tea industry can perfectly meet these

consumer demands. In addition, there is the almost unlimited variety of teas and herbal and fruit infusions, which encourages new creations and provides for a welcome change. This is where the innovative spirit of many German tea companies pays off. Thus, tea continues to be part of a conscious lifestyle for all age groups and offers the widest range of functions day after day – from low-calorie thirst-quencher, to favourite everyday beverage and to enjoyable “me moments” in times of the pandemic



Strong despite the pandemic

Even though the past pandemic year did not leave the tea industry unscathed, it nevertheless held its ground strongly. Demand from the key distribution channels such as discounters, grocery stores and drugstores increased noticeably, despite the fact that tea is not a typical hoarding item. So far, tea companies have been able to avoid delivery bottlenecks through foresighted warehousing and increased commitment on all supply levels.

In contrast, demand from the hotel and catering sectors almost came to a standstill. Extensive shutdowns and the cancellations of tourist and business-related travel made an impact here. Even though current developments show that a recovery is in sight, it will take time.

However, the consequences of the pandemic are already foreseeable, although tea producers are doing their utmost to continue to keep them as low as possible in the current unstable situation. The industry's credo is that consumers should be able to enjoy their favourite beverage in the usual variety and quality despite all adversities. But it is already clear that crop shortfalls, difficult working conditions affect large tea gardens as well as wild collections, lockdowns in the countries of origin and worldwide logistic problems due to interrupted supply chains are making the sourcing of raw materials even more challenging. For the German tea industry, therefore the motto still stands: do not wait and see, remain active for tea fans.

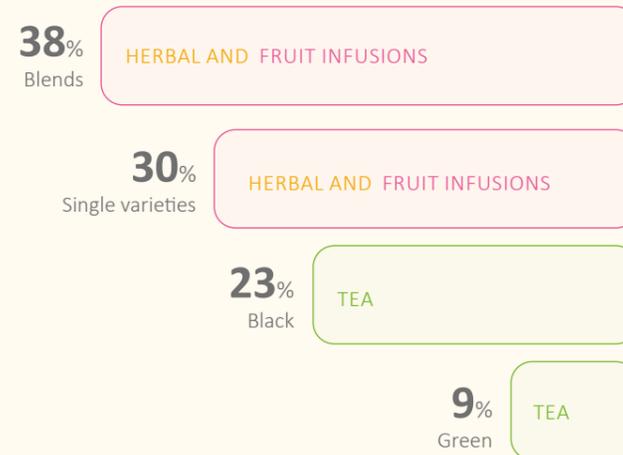


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Strong message! Against all odds, in the pandemic year 2020 German green tea exports rose by 1.5% in comparison to 2019.

Tea as drink of the hour

It was good to see a growing demand for teas, herbal and fruit infusions once again in 2020. The per capita consumption of herbal and fruit infusions now rose to roughly 42 litres per year; whereas tea (Camellia sinensis) reached a solid 28 litres. This corresponds to a consumption of 41,081 tonnes of herbal and fruit infusions (67.8%), and 19,523 tonnes of black and green tea (32.2%). In comparison: In 2019 roughly 40,000 tonnes of herbal and fruit infusions and around 19,200 tonnes of black and green tea were consumed.



Record high for tea in the north.

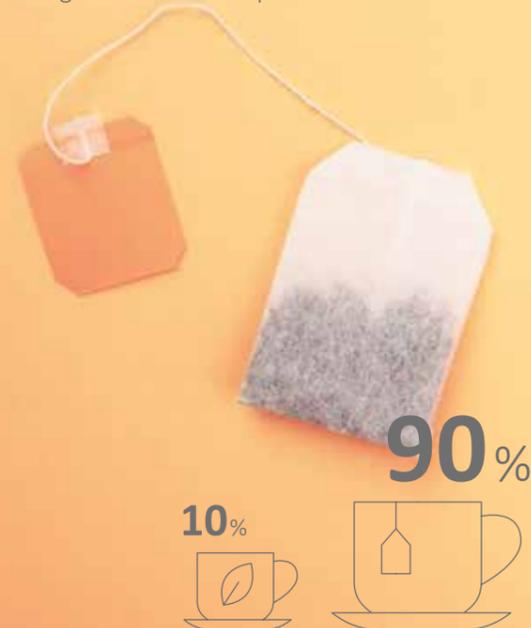
A record in enjoyable pleasure has once again been set by the people in East Frisia. With a per capita consumption of 300 litres of black tea in 2020 they have taken the crown again as world champions in tea drinking. Ireland and Great Britain followed in second and third place.

When looking at the entire German-speaking region, it stands out that herbal and fruit infusions enjoy great popularity here. In Germany, Austria and Switzerland they continue to remain an integral part of tea culture.



Leaf or bag

In the case of herbal and fruit infusions, the tea bag lies ahead at 90 per cent.



In contrast, with black and green tea loose leaf remains the clear favourite at 60 per cent.



Around 70 litres of tea a year were drunk in Germany, thereof a solid 28 litres of black and green tea, and roughly 42 litres of herbal and fruit infusions.

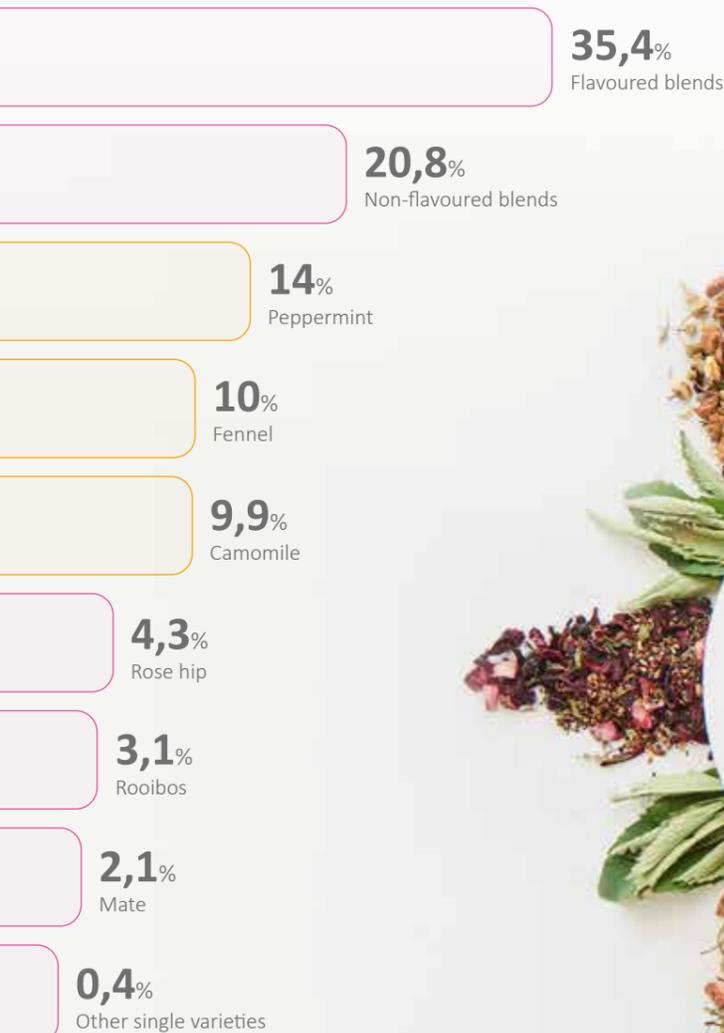
In 1610, for the first time in Europe, a consignment of tea was unloaded in the port of Amsterdam. From here it quickly reached the tea-loving East Frisians. The typical East Frisian tea time can therefore look back on over 400 years of tradition.

More figures at www.teeverband.de/presse/marktzahlen/id-2020/

For every wish there is a tea

Tea drinkers love variety! In the case of herbal and fruit infusions, especially blends that satisfy the desire for change in taste. Whether flavoured or non-flavoured – blends were once again in great demand last year. Younger consumers in particular are eager to try something new to make the daily diet not only balanced, but

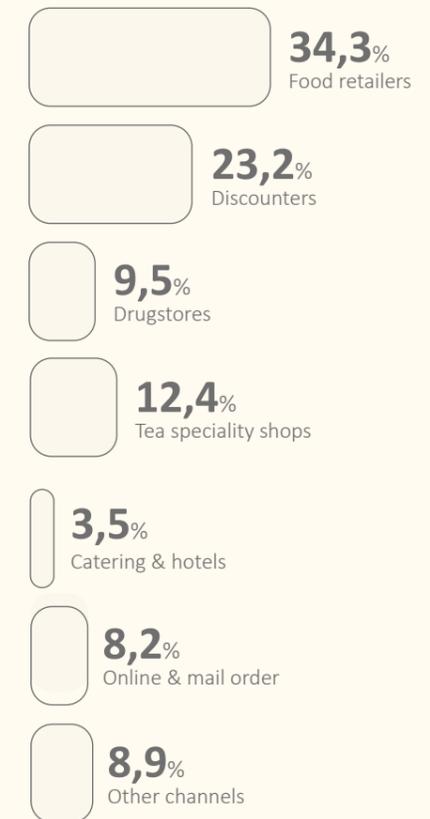
also more varied. This wish as well as the desire for more organic products is happily met by the tea industry with even more offers and complex blends. Whereas among the single varieties peppermint, fennel and camomile continue to be popular with buyers, rooibos is less in demand.



MARKET SEGMENTS

Where tea is sold over the counter.

What is meant here is the sales counter or retail shelf, because in catering, hotels or canteens practically nothing at all could be realized due to the lockdowns. Nevertheless, tea was able to hold its ground and demand increased by 3%. What stands out: When purchasing their teas consumers continue to value being advised in a speciality shop; in terms of sales of herbal and fruit infusions, especially drugstores report growth figures. Broken down according to distribution channels, the following picture emerges for the overall tea market (*Camellia sinensis*) and for herbal and fruit infusions (total of 60,604 tonnes):



i With a ratio of 73% to 27%, black tea remains the absolute favourite for Germans ahead of green tea.



From Germany to the world.

German tea specialities are popular worldwide and extremely esteemed due to their high quality. 108 different countries were supplied by the German tea trade. 65% of exported tea went to the EU, a figure that almost equals the previous year's level. France is the top export market for the third time in a row. 3,891 tonnes of tea were delivered from here to the land of the gourmets, which signifies a plus 3% in comparison to 2019. The largest single third-country market overseas remains the USA. They imported 2,902 tonnes of tea from Germany.

Creative and innovative.

Over 400 different parts of around 300 different plant species are the nearly inexhaustible basis for constant new taste creations. With its compositions the German tea industry provides welcome changes, arouses interest or needs, and sets trends that prevail. The best example: New, tea-based cold beverages specially created for preparation with cold water are a tremendous hit with younger tea drinkers as an enjoyable and practically calorie-free refreshment.



Taste experts

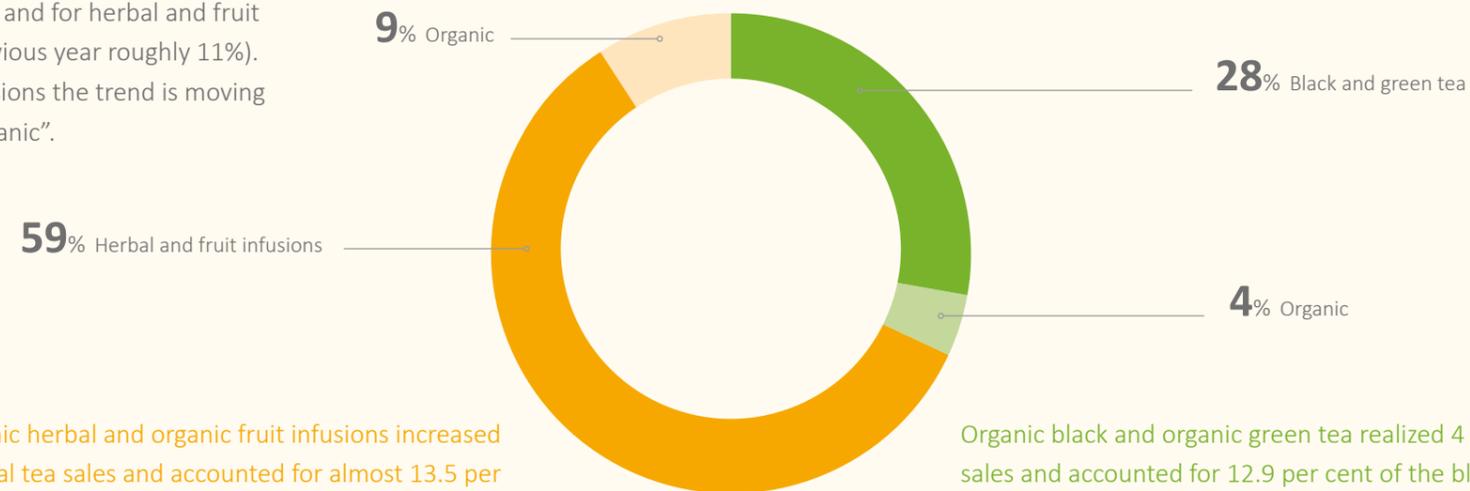
Experienced tea tasters are the heart of the German tea industry. Their creations are valued all over the world. The major challenge for tea tasters is to take the natural products tea, herbs and fruits, which are constantly subject to natural variations in the course of cultivation, and create reliably consistent taste compositions year after year.



i Rare experts: Throughout Germany there are only about 20-30 senior tea tasters.

Organic booms

The respective share of organic teas also continued to grow. In the case of tea (*Camellia sinensis*) its percentage in 2020 reached 12.9% (previous year 12%), and for herbal and fruit infusions it even rose to 13.5% (previous year roughly 11%). Particularly for herbal and fruit infusions the trend is moving even further in the direction of "organic".



The sales of organic herbal and organic fruit infusions increased to 9 per cent of total tea sales and accounted for almost 13.5 per cent of herbal and fruit infusions sold (41,081 t).

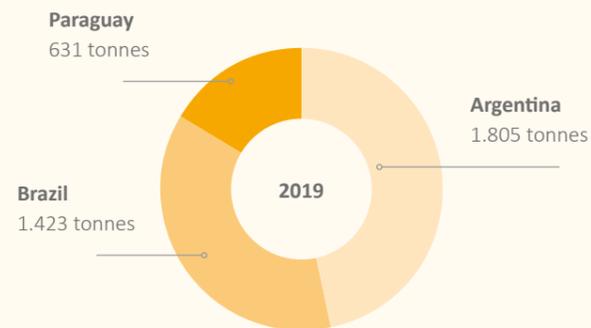
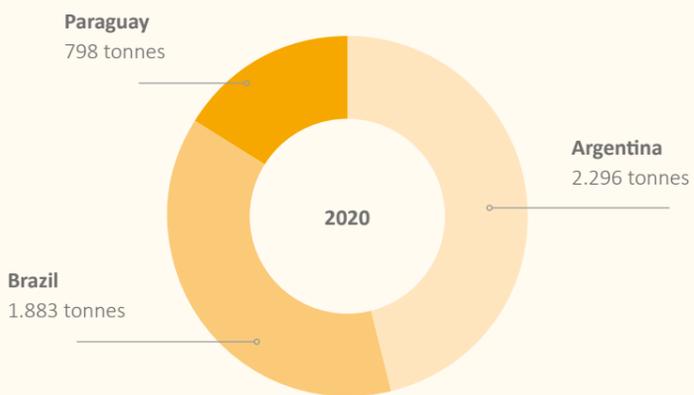
Organic black and organic green tea realized 4 per cent of total tea sales and accounted for 12.9 per cent of the black and green teas sold (19,523 t).

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 Plenty of interest in caffeine alternatives!
 Germany is the biggest importer of mate in the EU.

Mate grows and grows

If caffeine, then also from mate, many consumers seemed to think and led this herbal infusion to an opulent 46% in sales growth from 2019 to 2020. In South America mate has always traditionally been one of the most popular beverages and has now also established itself here as an alternative to other caffeinated drinks – especially with younger consumers. The main export countries are still Argentina, Brazil and Paraguay.

The situation currently looks different for rooibos. Here imports declined substantially as a consequence of a prolonged drought in South Africa.



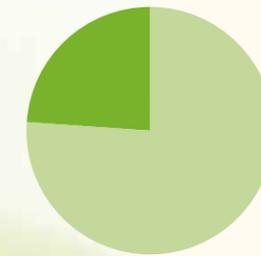
Imports to Germany

There was only a slight decline in tea imports to Germany in 2020. In view of the pandemic-related transport and logistics difficulties quite surprising. However, thanks to foresighted stockpiling and warehousing the situation could be absorbed without any consequences for consumers. A total of 40,985 tonnes of tea were imported to Germany in 2020.

● Green tea
 ● Black tea



No surprise! In the case of black teas, **India** once again ranks No. 1 on the German market with an import share of 29%.



Big in green tea! With 6,128.5 tonnes, **China** is the biggest green tea supplier (63%) to the German market.



Import winner! **Sri Lanka** had an import share of 19.67% (plus 4.17%) in 2020 and is now the second-largest supplier to the German market.



Africa loses and wins! Around 500 tonnes less tea from African countries were exported to Germany, nevertheless the total import share rose by roughly 1.2%.



Indonesia supplies almost 10% of our green teas.

More figures at www.teeverband.de/presse/marktzahlen/id-2020/



Fascinating variety

Herbal and fruit infusions keep surprising consumers with new taste sensations. With not only bringing ingredients from all five continents into the tea cup, they also invite tea tasters to come up with constant new creations – depending on the ingredients, with or without caffeine. For many people, herbal and fruit infusions are not only functional foods and low-calorie thirst-quenchers but are also an expression of a sustainable lifestyle.



SALES

The world in a cup

Herbal and fruit infusions unite tradition and innovation in a natural way. Their ingredients come to us from all over the world to be refined and blended here with one another. About 20% of the ingredients originate from countries in the EU, all other raw materials come to us from around the globe. Manual labour is still the standard when harvesting today. Only 30% of the plants are cultivated on fields. The majority comes from wild collections, some of which are still gathered by individual people. Some raw materials, for instance peppermint and camomile, partly originate from local cultivation. They are traditionally cultivated here in Germany, mainly in Bavaria, Saxony, Saxony-Anhalt and Thuringia.





Exports from Germany

German tea specialities are popular worldwide and extremely esteemed due to their high quality. 108 different countries were supplied by the German tea trade. 65% of exported tea went to the EU, a figure that almost equals the previous year's level. France is the top export market for the third time in a row. 3,891

tonnes of tea were delivered from here to the land of the gourmets, which signifies a plus 3% in comparison to 2019. The largest single third-country market overseas remains the USA. They imported 2,902 tonnes of tea from Germany.

More figures at www.teeverband.de/presse/marktzahlen/id-2020/

Consume and export.

Following the record year 2019, in which over 6 million tonnes (almost 6.15 m tonnes) were produced worldwide for the first time, the amount decreased slightly again in 2020 to roughly 6.013m tonnes. This, among other factors, was also a consequence of the pandemic. The export ratio has remained almost the same, in other words the proportion of tea being consumed in the countries of origin remained consistently high. In comparison: With an export ratio at over 47% in 2004, in 2020 it dropped to just over 30%. The world export champion among the tea-growing countries continues to be Kenya. From Kenya 91% of the quantity produced was exported.



- Export
- Own consumption



Kenya is the undisputed world champion in overall tea exports. Kenya predominantly produces black tea (over 90 per cent).



China is the world's biggest producer of tea, but only ranks second in terms of exports, as most of the tea remains in the country.



Sri Lanka's exports take third place.



India keeps 82 per cent for its own consumption.



In **Indonesia**, 67 per cent, two thirds of tea production, are consumed domestically.

More figures at www.teeverband.de/presse/marktzahlen/id-2020/

The major tea nations

No surprise in the club of the biggest tea-producing countries. China took the lead once again in 2020 with 2,740,000 tonnes. It was followed by India (1,255,600 tonnes), Kenya (569,536 tonnes) and Sri Lanka (278,489 tonnes). Kenya was the only country – following a decline in production in 2019 – that was able to increase the quantity produced in 2020 by a considerable 110,000 tonnes: from 458,853 to an absolute all-time high of 569,536 tonnes, equivalent to a substantial 24% gain.

In China, production took a downward turn (minus 2.1%) for the first time in decades. India also reported a decrease in tea production of roughly minus 10% for the first time since 2010.

Other Countries 19,4%

1.169.186

Sri Lanka 4,6%

278.489

Kenya 9,5%

569.536

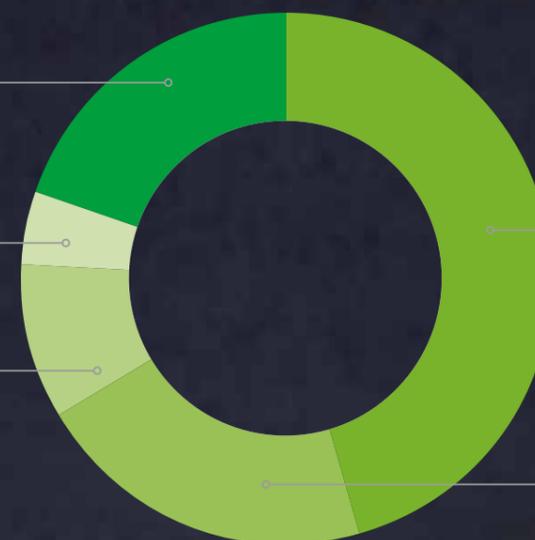
China 45,6%

2.740.000

India 20,9%

1.255.600

ORIGIN



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A total of 6,012,811 tonnes of black and green tea were produced in 2020, which almost equals the weight of 600 Eiffel Towers.



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Sources: Deutscher Tee und Kräutertee & Verband e. V., Hamburg: pp. 6, 8, 10, 11, 14, 15; Deutscher Tee und Kräutertee & Verband e. V., Hamburg, and International Tea Committee (ITC), London: p. 7; German Federal Statistical Office (DESTATIS), Wiesbaden and Deutscher Tee & Kräutertee Verband e. V., Hamburg: p. 9; EUROSTAT Brussels: p. 12; DESTATIS: pp. 13, 16; ITC, London: pp. 17, 18, 19.