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EAC –EU Market Access Upgrade (MARKUP)

Anne Chepkoech , National Coordinator

JUMUIYA YA AFRIKA MASHARIKI

This project is funded by the European Union

MARK UP - The Market Access Upgrade Programme

- A regional development initiative that aims:
  - To contribute to the economic growth of the East African Community (EAC)
  - To support increased exports of agribusiness and horticultural products,
  - To promote regional integration and access to the European market.
    - Focus: SMEs in EAC
    - Value chains: Coffee, Tea Cocoa, spices, and Avocado,& other horticultural crops.

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EAC Market Access Upgrade: Partners

- Jointly designed by the European Union, the EAC Secretariat and the governments of all five countries

- Implemented by the International Trade Centre (ITC), (GIZ), United Nations Industrial Development Organization (UNIDO) and other national partners.

- This four-year programme is funded from the Regional Indicative Programme for EAC under the 11th European Development Fund.

EAC JUMUIYA YA AFRIKA MASHARIKI

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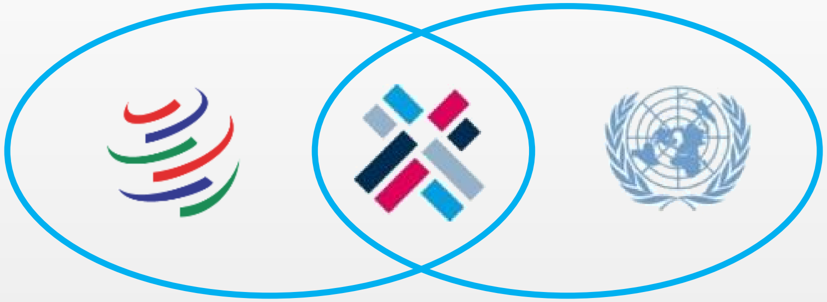
Implementing partner: ITC

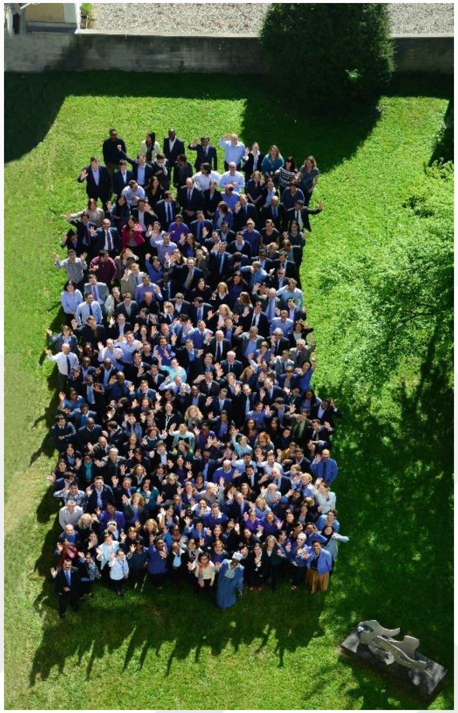
Established in 1964 in Geneva, Switzerland

Joint technical cooperation agency of the United Nations (UN) and the World Trade Organization (WTO)

Universal membership



Arancha González, Executive Director



ITC staff on 50th anniversary

PROGRAMME OVERALL OBJECTIVE (IMPACT)

Contribute to economic development in the EAC through boosting trade and regional integration

PROGRAMME SPECIFIC OBJECTIVE (OUTCOME)

Improved EU and regional market access for EAC countries in selected sub-sectors

EAC: RESULT 1
Enhanced capacity to advocate for the removal of sector trade barriers

1.1
Improving Policy advocacy on barriers for intra-regional and EAC-EU trade

1.2
Strengthening Trade Facilitation portals

EAC: RESULT 3
Enhanced Export Competitiveness for sector SMEs

3.1
Improving awareness of market requirements

3.2
Improving compliance with standards and standards requirements

3.3
Increasing value addition

3.4
Improving access to finance to SMES

EAC: RESULT 4
Business Development capacities improved for sector SMEs

4.1
Strengthening trade and Investment Support institutions

4.2
Developing export and investment linkages with EU and EAC

4.3
Improving SMEs export and business capacities

TZ: RESULT 1
Enhanced awareness on sector enablers through market analysis and research

TZ 1.1
Providing market analysis and research

TZ 1.2
Improving information on EU destination markets

Sector coverage

East African Community
One People, One Destiny

UGANDA	RWANDA	BURUNDI	KENYA	TANZANIA
COFFEE	COFFEE	COFFEE	COFFEE	COFFEE
COCOA	HORTICULTURE	HORTICULTURE		
		TEA	TEA	TEA
			AVOCADO	AVOCADO
				SPICES

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SMEs can participate in MARKUP activities through EOI

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"EU – Market Access Upgrade Programme for the EAC" (MARKUP)

Market-Led East Africa Tea Supply Analysis

By Joseph Kamanu,

Regional Tea Expert,

ITC

MARKUP

EU-EAC MARKET ACCESS UPGRADE PROGRAMME

This project is funded by the European Union

Background

Export Potential Assessment by ITC revealed coffee, tea, spices and avocado to be internationally competitive and offer good prospects of export success in the EAC and EU markets

Much development effort has been focused over the last few years on the farmers and production, so far little attention has been given to the market-facing elements of the value chains

Increasing offer that conforms to export and inter-regional trade requirements so that domestic price volatility is reduced during seasonal harvest and achieving higher value addition and competitiveness with imports.

Financing is a core part of any business seeking to expand or improve production and meet with buyer's requirements

Objectives of the Supply & Demand Assessment

To Conduct a regional market-led assessment with tea trade associations to define and validate a sector action plan focused on value addition and export development.

The intention of this supply and demand analysis for the tea sectors of Kenya, Tanzania and Burundi is to provide informed analysis to a sector action plan that can serve;

- To guide the subsequent MARKUP project activities in the result areas listed in the work-plan,
- For use by the regional and national regulatory and industry representative bodies in support of their own tea sector strategy implementation and industry development support.

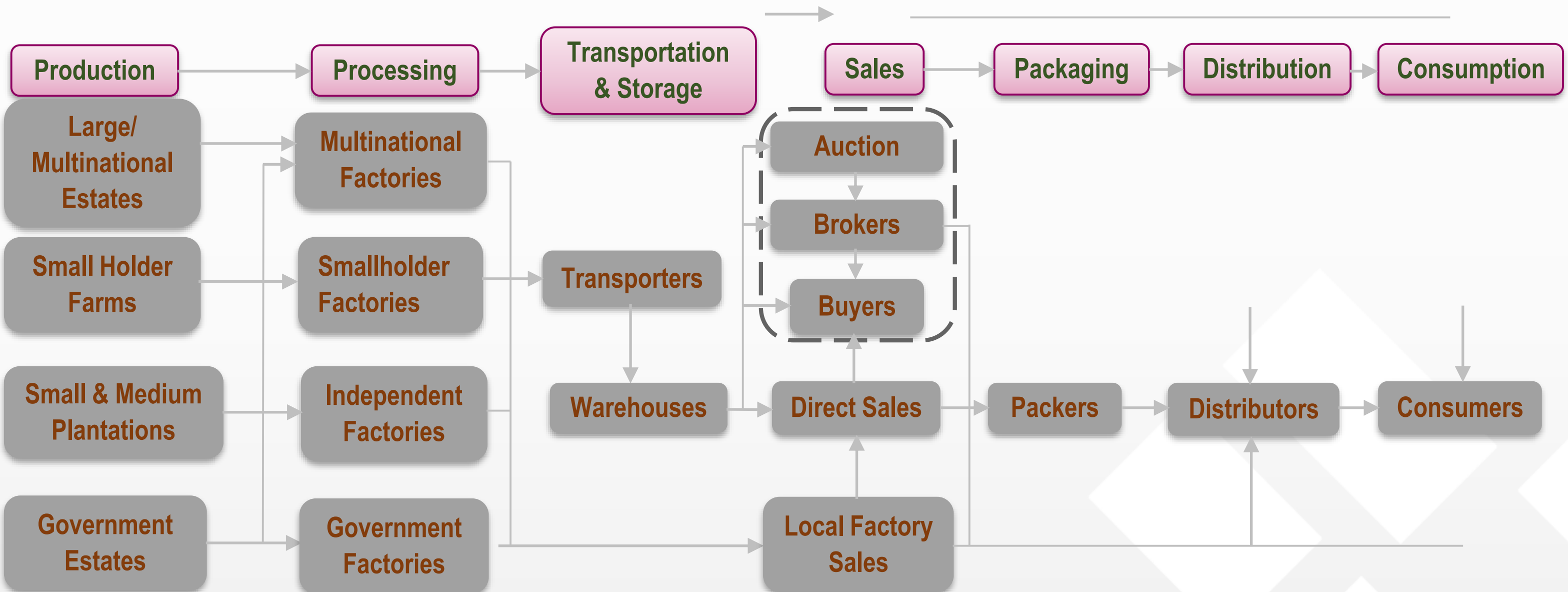
Terms of Reference

- Short description of international tea trends for EAC tea,
- Describe structure, roles and functions of EATTA and the auction,
- General background to the industries in each country with reference to tea production, processing and trade,
- Description of the industry governance; institutions, their mandate & function, policies & strategies and regulatory mechanisms,
- Description of the value chain & actors from production, through post-harvest processing and packing to marketing and consumption,
- Overview of (i) the strengths and advantages and (ii) the constraints and challenges, for improvement of market access/development and value addition,
- Provide prioritized list of opportunities in relation to market access/development and value addition at regional, country, industry and for MARKUP,
- Establish benchmarks for the performance of tea factories in terms of their resource efficiency (water, electricity, firewood, diesel, tea leaves & waste)

Technical Approach and Methodology

- Value chain analysis in five stages as follows;
  1. Desk review,
  2. Value chain mapping,
  3. Data collection and analysis,
  4. Analysis of challenges and constraints,
  5. Analysis of opportunities.
- Benchmarking of factory performance for resource efficiency,
- Reporting;
  - Draft report,
  - Validation & feedback,
  - Final report.

Regional Tea Value Chain Outline



Policy	Ministries Responsible for Agriculture
Regulatory	Office of Tea Burundi, Tea Directorate (Kenya) & Tea Board of Tanzania
Research	Tea Research Institute (Kenya) & Tea Research Institute of Tanzania
Representation	East African Tea Traders Association (EATTA), Producer and Trade Associations
Others	Development Partners (NGOs), VSCs, Certifying Bodies, Auditors & Consultants

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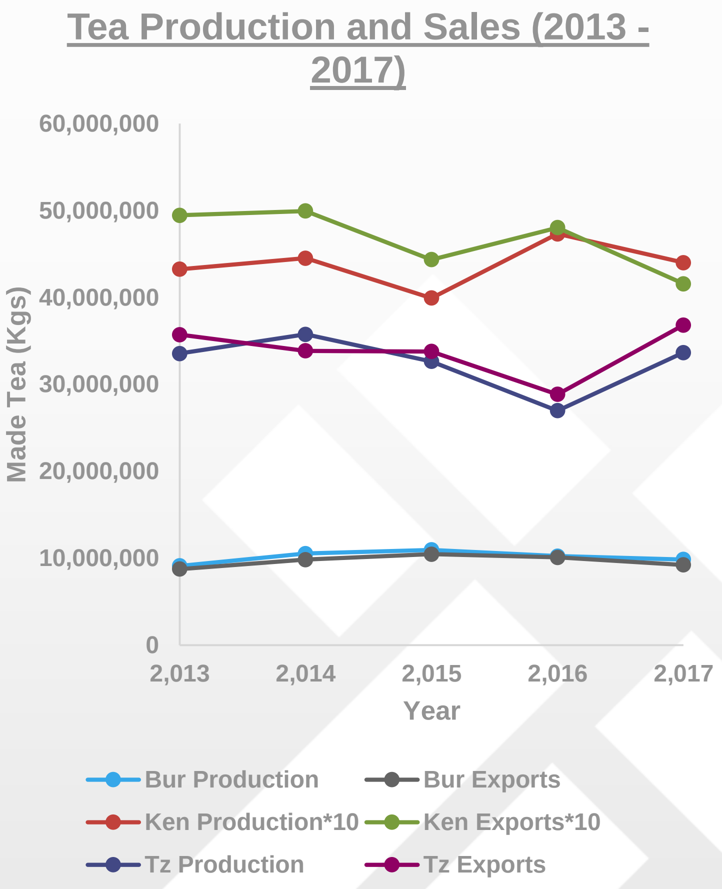
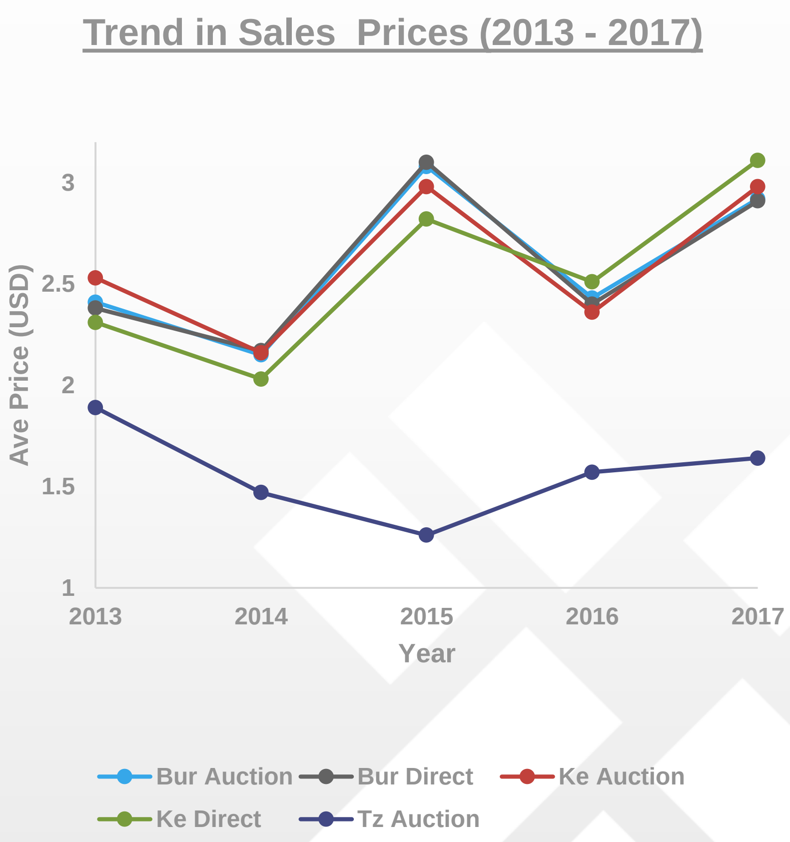
Tea Production and Sales 2013 - 2017

Year	Bur Production	Bur Exports	Ken Production*10	Ken Exports*10	Tz Production	Tz Exports
2,013	9,111,000	8,741,315	43,245,270	49,434,698	33,532,468	35,708,000
2,014	10,531,000	9,836,296	44,510,473	49,937,962	35,749,769	33,860,000
2,015	10,952,000	10,454,239	39,921,136	44,346,122	32,628,387	33,787,000
2,016	10,239,000	10,083,697	47,301,132	48,033,023	26,975,387	28,853,000
2,017	9,846,000	9,220,278	43,985,774	41,571,528	33,654,396	36,824,000



Tea Sales Prices (2013 -2017)

Year	Bur Auction	Bur Direct	Ke Auction	Ke Direct	Tz Auction
2013	2.41	2.38	2.53	2.31	1.89
2014	2.15	2.17	2.16	2.03	1.47
2015	3.08	3.1	2.98	2.82	1.26
2016	2.43	2.4	2.36	2.51	1.57
2017	2.92	2.91	2.98	3.11	1.64



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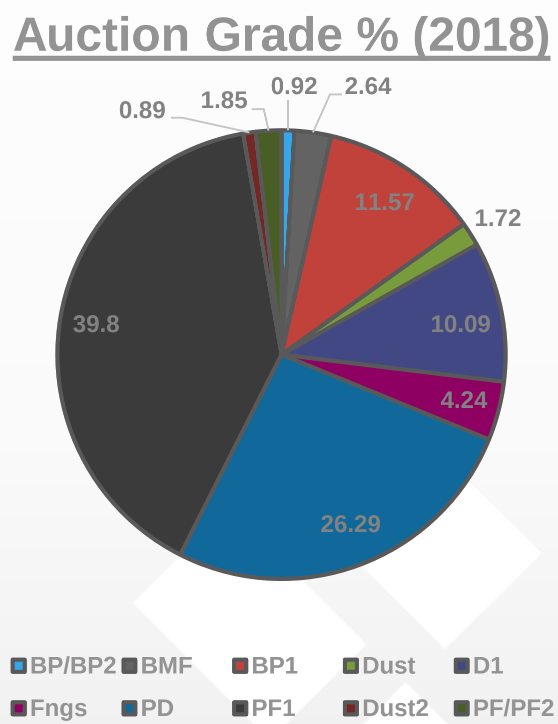
Auction Grades Distribution and Sales (2018)

Grade	Quantity	Grade (%)	Price (USD)	Total Value (USD)
PF1	182,378,184	39.80	2.65	483,302,187.60
PD	120,477,454	26.29	2.50	301,193,635.00
BP1	53,032,911	11.57	2.44	129,400,302.84
D1	46,260,228	10.09	2.54	117,500,979.12
Primary	**402,148,777**	**87.76**	**2.56**	**1,031,397,104.56**
Fngs	19,428,301	4.24	1.46	28,365,319.46
BMF	12,089,327	2.64	1.07	12,935,579.89
Dust	7,860,615	1.72	1.69	13,284,439.35
PF	7,466,579	1.63	1.57	11,722,529.03
Dust2	4,061,454	0.89	1.39	5,645,421.06
BP	4,020,090	0.88	1.71	6,874,353.90
PF2	1,008,241	0.22	1.43	1,441,784.63
BP2	178,620	0.04	1.21	216,130.20
Secondary	**56,113,227**	**12.24**	**1.43**	**80,485,557.52**
Total/Ave	**458,262,004**	**100.00**	**2.43**	**1,111,882,662.08**



International Trends for EA Tea

- Over 94% of tea exported; less than 6% for domestic market,
- High demand internationally due to quality, variety and consistent supply,
- Accounts for over 30% of tea exported; central in global market,
- Dominant in specific countries; Sudan – 98%, Egypt – 90%, Pakistan – 75%, UK – 70%,
- Demand steady, but prices fluctuating on volumes,
- Demand high for clean quality primary grades for tea bags,
- Emerging demand for new tea varieties; green, purple, flavours, infusions,

Purchasing Preferences and Practices

Demand for bulk CTC black tea through auction or direct sales depend on quality and quantity offered;

- Quality is determined by many factors, but mainly area of growing; altitude, topography, soils, weather (rainfall amount & pattern, sunshine, sun days etc.), and husbandry practices in farm and processing practices in factory,
- Quantity is affected mainly by weather (rainfall), prices realized & quantities in other auction centres,

Purchases influenced by region of consumption and way of making tea;

- Local markets; tea is made by boiling, hence market for loose teas. It is a basic item with small budget of household; not much care for quality; purchase 2nd grades an PF1 and blended teas, high competition from other beverages, taken with milk and sugar; their prices affect tea purchases,
- Middle East; prefer very black and clean leaf with strong liquor;
- Europe; prefer bright coloury, primary grades or tea bags
- North America; premium teas for tea bags and green tea.

Notable trend in health conscious consumers for; purple, green and instant teas as well as herbal infusions; by young generation, affluent, international staff and tourists

Strengths and Advantages of Tea industry

- All year round supply; buyers can meet annual demand in one region,
- Different qualities; meet blending requirements,
- Biggest auction centre by volume and yet little out lots,
- High level of traceability at auction and at factories,
- Well coordinated supply chain,
- Mutual trust built over many years and supervision by one body, EATTA,
- Auction at port city of Mombasa with requisite facilities,
- Transparency in tea trading and guaranteed payment to producers,
- Low or no levels of pesticides; safe product,
- High proportion produce by smallholder farmers in rural areas,
- Voluntary commodity certification; assurance to buyers & consumers,

Constraints and Challenges in Tea Trade

- Large quantity of one type of tea (black tea) offered in bulk in a single market,
- High variation in quantities as tea growing is rain fed,
- Instability in prices due to variation in quantities and other forces of supply and demand elsewhere,
- High variation in quality due to seasonal changes,
- Effect of other world events, e.g. sanctions to Iran and Sudan by USA,
- Interference by politics & Political events in the region countries,
- High expenses due to poor infrastructure, especially high cost of credit finance,
- Restrictions in export markets on moisture content, MRL, GMP, duties,
- Few buyers; first four buyers account for over 80% and difficult of getting new markets,
- High cost for value addition and product/market diversification,
- Long credit periods required by overseas buyers,

Regional Opportunities for Market Access and Development

- Education and training; develop and administer curriculum to professionalize tea business,
- Improved service delivery to the industry through added value,
- Automation of auction and selling process (ongoing),
- Market and product development; new markets and products,
- Promotion of SME in tea business; innovative products for SMEs,
- Monitoring of production and processing for quality improvement and assurance,
- Development and promotion of purple and speciality teas,
- Harmonization of tea standards (EAS) in the region,
- Synchronise multiple voluntary certification standards,
- Africa free trade area

Industry Opportunities for Market Access and Development

- Contract blending and packaging to utilize available capacity,
- Open and increase storage space at other ports; Dar es Salaam, Nairobi and Naivasha,
- Promotion to non-traditional markets,
- Increase proportion of tea that is exported in value added form,
- Promote mark of origin to retain the superior quality of tea,
- Participation in international trade fairs, exhibitions and conferences to promote tea and tea products,
- Implementation of quality improvement practices, quality and food safety,
- Establishment of a common user facility that can be used by SMEs,
- Develop profile of MSMEs, register and support package to reach markets,
- Promotion of health benefits of purple tea,
- Expand knowledge and establish standard, nomenclature, good manufacturing standards, guidance (code of practice) and certification for speciality tea products;

MARKUP Opportunities for Market Access and Development

- Organize benchmarking visits for MSMEs and Speciality tea marketing staff to tea producing and consuming countries,
- Capacity building of staff of the regional business support organizations (TISIs);
- Capacity building of staff of the national and industry business support organizations (TISIs),
- Build capacity of the regional, national and industry TISIs to offer better services to members,
- Capacity building of regional, national and industry TISIs on ITC online market tools,
- Promotion of tea in the international tea markets especially purple and speciality tea,
- Support to rationalize trade regulations within the region and in the destination markets,
- Support in setting standards, nomenclature and procedures for manufacture and advancing research on specialty teas,
- Capacity building in business planning, marketing, financial management and quality control,
- Capacity building in standards, nomenclature and procedures for manufacture on specialty teas,
- Creating linkages and networking to financial providers, technology, machinery supplies and markets for speciality tea,

Resource Efficiency Benchmarking Exercise

Purpose

- Establish factory performances in RE
- Collect data to develop RE benchmarks

Methodology

- Data collection using Excel Tool on resources used per month in 2018

Target population

- Smallholder, independent and multinational tea factories in Burundi, Kenya and Tanzania.

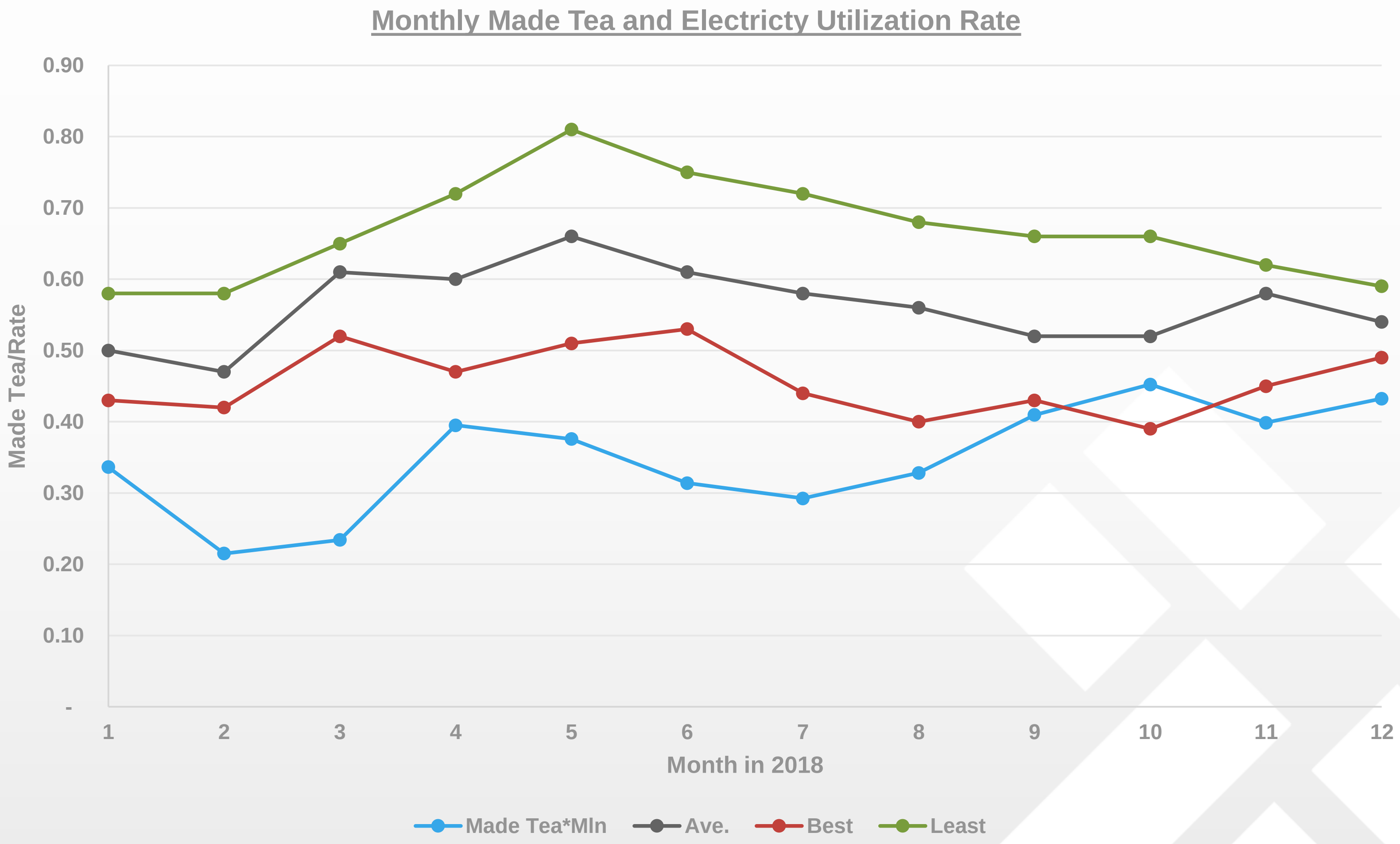
Achievement

- 10 factories analysed; Burundi - 2 Kenya – 5, Tanzania – 3,

Findings;

- Electricity; Very high variation in monthly utilization rates, narrower range in annual rates

Monthly Electricity Utilization Rate



Resources Utilization Efficiency

Resource	Unit of Measure	Best	Lowest	Average
Electricity	KWH/Kg	0.49	0.62	0.56
Fuels	Ltrs/100 Kgs	0.34	0.63	0.32
Biomass	CBM/100 Kgs	0.26	0.40	0.35
Waste	Kgs/100 Kgs	0.58	1.04	0.47

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Tea Demand Analysis for East Africa

For the Market Access Upgrade Programme (MARKUP)

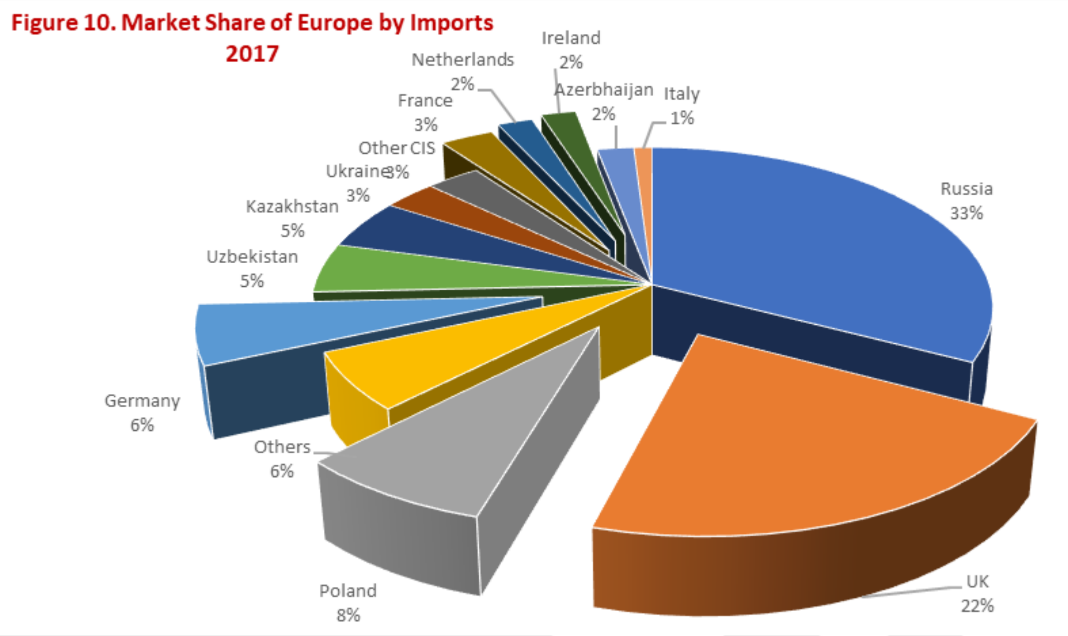
Angela Pryce, Tea Consultant for International Trade Centre

JUMUIYA YA AFRIKA MASHARIKI

This project is funded by the European Union

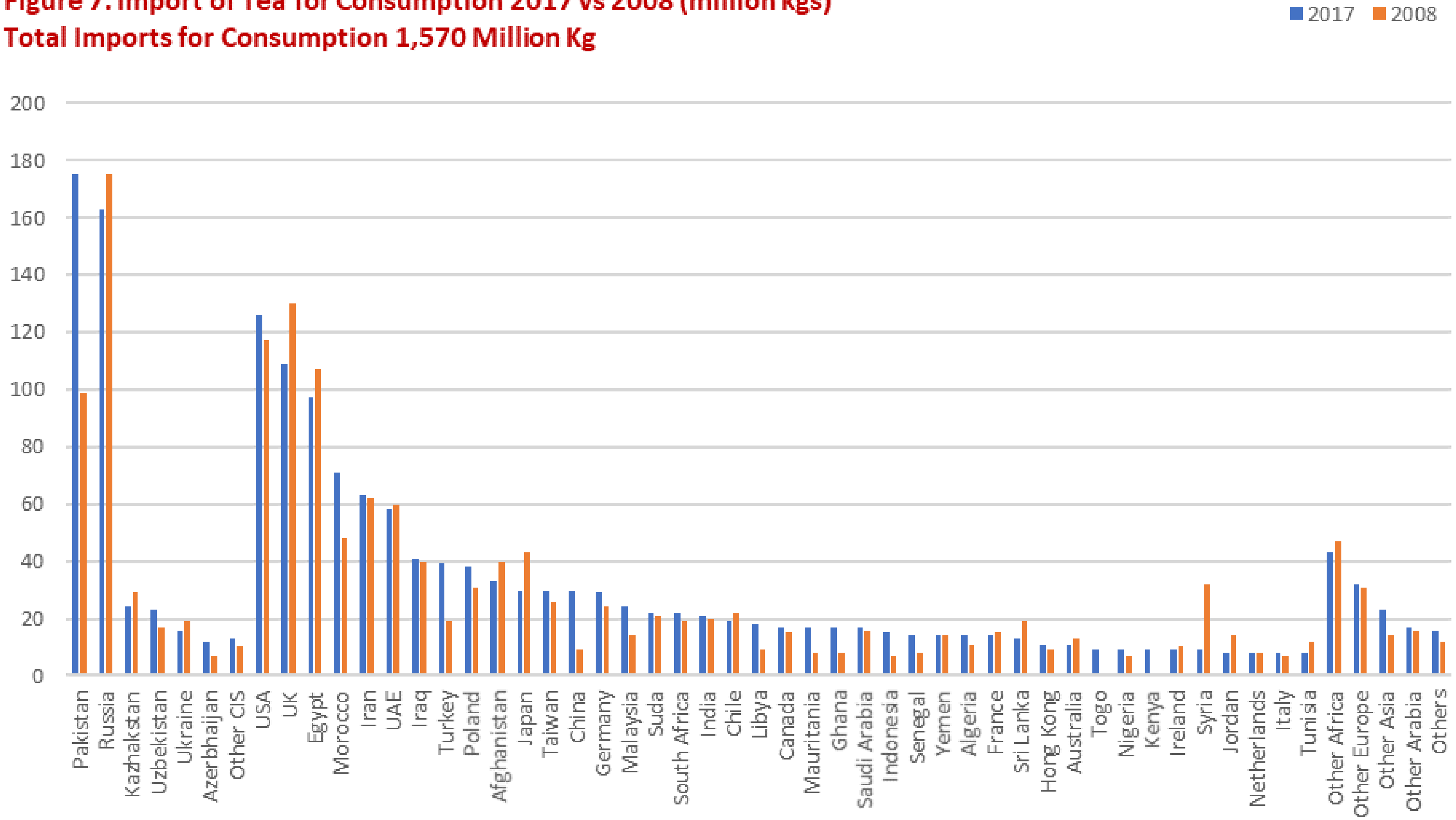
European Market
Import volume, value and per capita consumption

- Single largest continent in terms of tea exports for consumption, 30% of global tea imports
- Net tea importer
- Within Europe, Russia and UK dominate in terms of demand (CTC black tea), though both have declined since 2008
- Notable European markets in growth over the same period includes Turkey (+51%), Poland (+18%), Germany (+17%) and Italy (+13%) however all are from a much smaller base.



Import of Tea for Consumption 2017 vs 2008 (million kgs)

Figure 7. Import of Tea for Consumption 2017 vs 2008 (million kgs)
Total Imports for Consumption 1,570 Million Kg



Source: International Tea Committee, Annual Bullitin of Statistics 2018, pgs. 76-77

European Union trade stats by tea type

- Black tea remains the most popular tea type within most European markets representing over 95% of market share in markets such as UK and Ireland, and reflecting the local style of tea drinking (black tea with milk).
- In markets such as Germany, France and Netherlands whilst black tea is still the preferred option, the proportion is much lower, and is indicative of the preference for lighter teas and speciality types.

	Total Imports	Black tea		Green tea		Re-exports	
UK	127773	122840	96%	4932	4%	19432	15%
Germany	53493	38586	72%	14907	28%	24904	47%
Poland	38097	32371	85%	5726	15%	-	-
Netherlands	21169	17648	83%	3521	17%	13197	62%
France	17428	8384	48%	9044	52%	3438	20%
Ireland	9655	9211	95%	444	5%	861	9%

Source: International Tea Committee, Annual Bulletin of Statistics 2018. Import figures in column B, are before re-exports. No re-export figs listed for Poland

Retails Sales Key European Markets By category volume and value

Figure 9. Retail sales of tea by category volume 2018

	UK			Germany			Poland			Netherlands			France		
	tonnes	% share	2013-18	tonnes	% share	2013-18	tonnes	% share	2013-18	tonnes	% share	2013-18	tonnes	% share	2013-18
Black tea	75862.7	89%		13292	24%		17884.8	63%		4279.7	53%		5192.8	35%	
- Loose black tea	1927.6	2%	-6.4%	7674.5	14%	-2.40%	2222.2	8%	-17.5%	367.8	5%	19.7%	1181.1	8%	4.10%
- Teabags black	73935.1	87%	-14.0%	5617.6	10%	-0.10%	15662.6	55%	-6.3%	3911.9	48%	-22.8%	4011.7	27%	6.80%
Fruit/Herbal	4611.7	5%	33.4%	34924.4	62%	7.90%	7805.2	27%	9.4%	1950.4	24%	5.4%	5850.9	39%	17.70%
Green tea	2298.5	3%	58.8%	4464.9	8%	11.40%	2325.3	8%	18.8%	855.8	11%	16.5%	2995.4	20%	29.80%
Instant tea	1198.6	1%	0.6%	96.9	0%	-4.40%	-	-	-	525	6%	270.3%	669.6	4%	-0.20%
Other tea	882.9	1%	17.4%	3117.6	6%	-8.70%	528	2%	-18.1%	511	6%	7.8%	262	2%	6.60%
	84854.3		**-10.5%**	**55895.8**		**4.70%**	**28543.3**		**-2.1%**	**8121.8**		**-5.3%**	**14970.7**		**14.40%**

Retail sales of tea by category value 2018

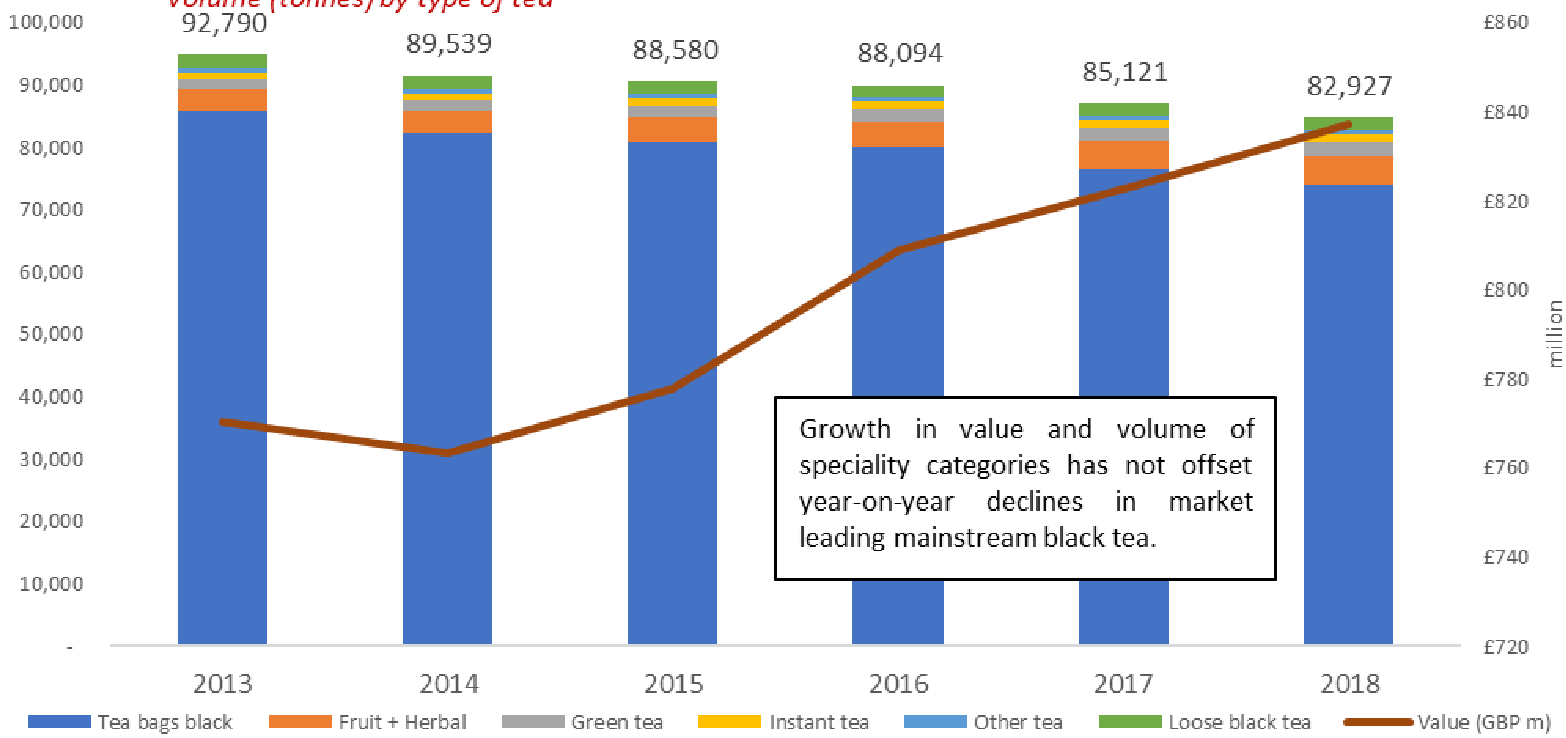
	UK			Germany			Poland			Netherlands			France		
	GBP m	% share	2013-18	EUR m	% share	2013-18	PLN m	% share	2013-18	EUR m	% share	2013-18	EUR m	% share	2013-18
Black tea	575.6	67%		355.2	21%		1317.7	54%		52.7	27%		186.1	30%	
Loose black tea	20.5	2%	6.3%	211.7	13%	5.60%	126.4	5%	-11.5%	6.4	3%	23.5%	40.2	7%	9.4%
Teabags black	555.1	65%	-4.6%	143.5	9%	8.60%	1181.2	49%	6.7%	46.3	24%	-17.2%	145.9	24%	11.1%
Fruit/Herbal	172.7	20%	46.3%	1032.1	61%	15.10%	721.5	30%	26.6%	83.1	42%	8.8%	262.6	43%	33.4%
Green tea	63.3	7%	103.3%	142.2	8%	21.20%	302.4	12%	29.7%	36.4	19%	25.1%	144.2	23%	37.2%
Instant tea	17.1	2%	0.3%	1.1	0%	1.40%	-	-	-	5.8	3%	276.2%	12.5	2%	-4.7%
Other tea	29.2	3%	30.7%	156	9%	-7.40%	86.1	4%	-11.2%	18.3	9%	14.9%	9.2	1%	11.9%
	858		**8.6%**	**1686.6**		**11.30%**	**2427.7**		**12.3%**	**196.4**		**6.6%**	**614.6**		**25.1%**

Source; Euromonitor International from official statistics, trade associations and press, company research, store checks, trade interviews, trade sources

Retail Sales UK

Figure 15. UK retail tea market, Jan-13 to Dec 18

Volume (tonnes) by type of tea



Growth in value and volume of speciality categories has not offset year-on-year declines in market leading mainstream black tea.

Volume by tea type	2013 - 2018	2017 - 2018
Total	(10.6%)	(2.6%)
Loose black tea	(6.4%)	(0.8%)
Other tea	17.4%	5.6%
Green Tea	58.8%	6.5%
Fruit + Herbal	33.4%	5.8%
Instant tea	0.6%	(0.9%)
Ordinary tea bags	(14.0%)	(3.5%)

The % volume decline is far greater than % value decline in ordinary black tea indicating higher unit prices

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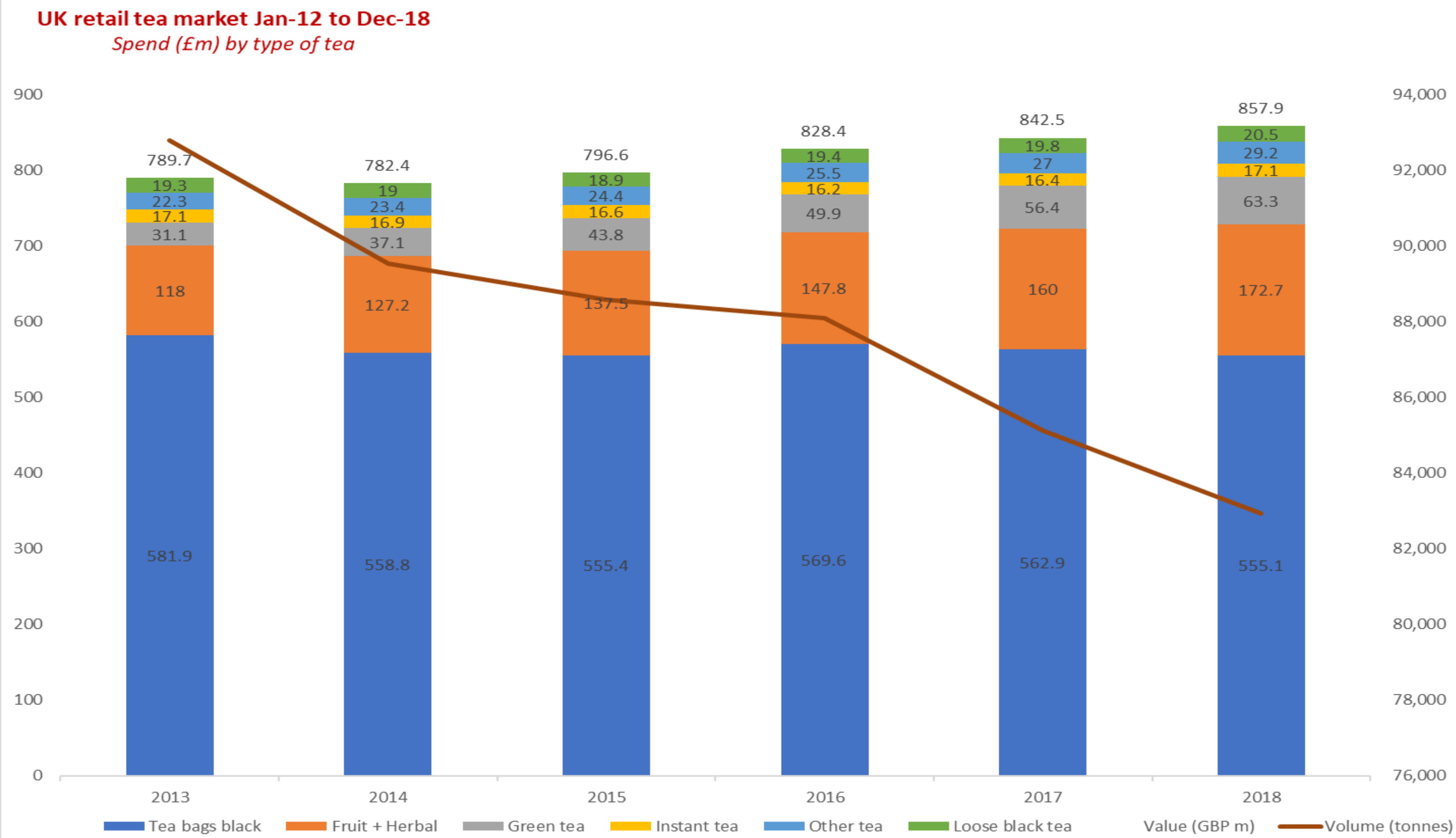
Retail Sales UK



Source: Euromonitor Tea in the United Kingdom

As black teabags have declined loose, green and herbal have gained share. Exhibiting above average growth and mitigating the market declines in black tea

Spend by tea type	2013 - 2018	2017 - 2018
Total	8.7%	1.8%
Loose black tea	6.2%	3.5%
Other tea	30.9%	8.1%
Green Tea	103.5	12.2%
Fruit + Herbal	46.4	7.9%
Instant tea	0.0	4.3%
Ordinary tea bags	(4.6%)	(1.4%)

Ordinary teabags are black tea which has been declining in consumption

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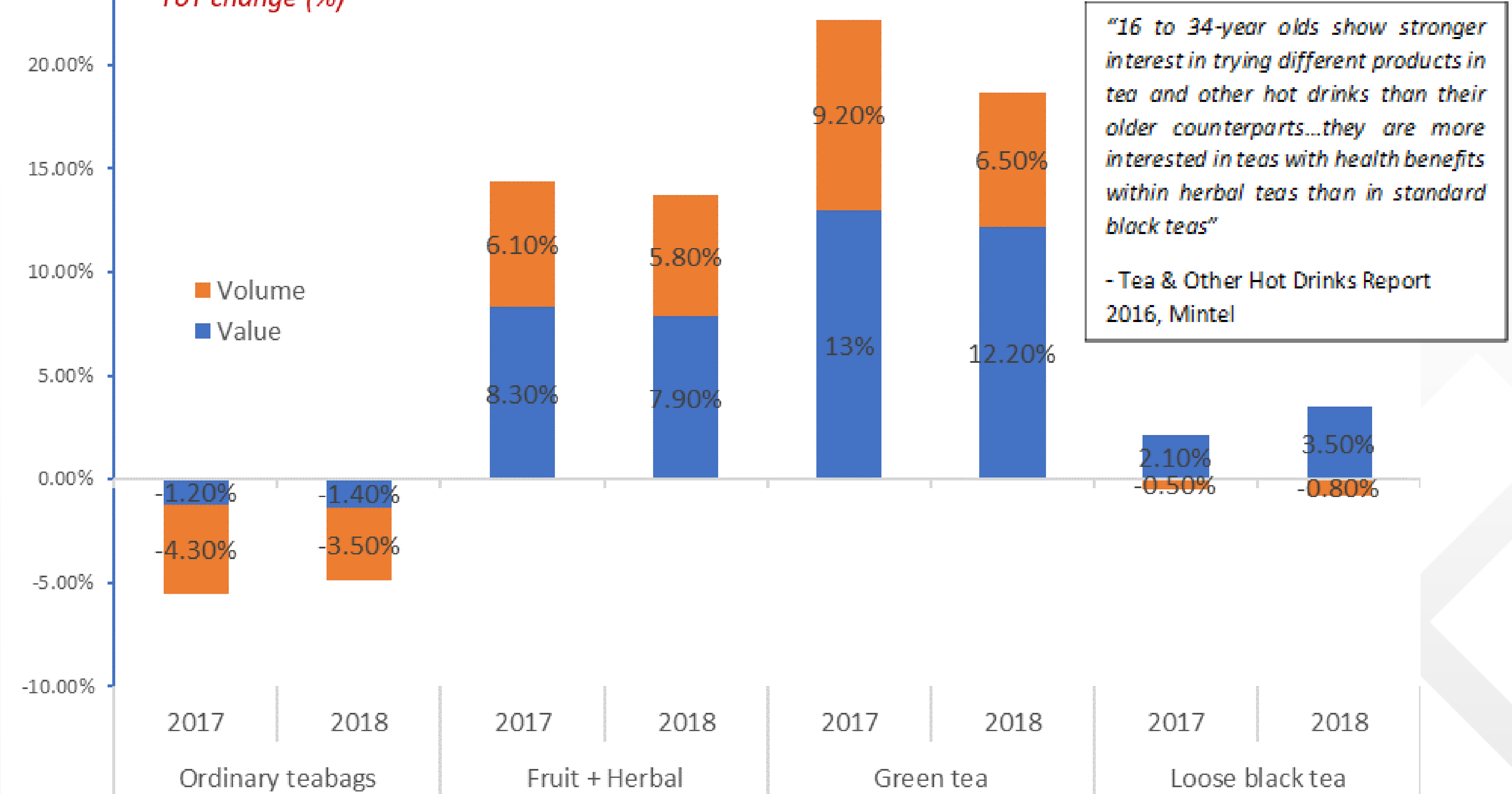
UK Tea Market Growth Rate

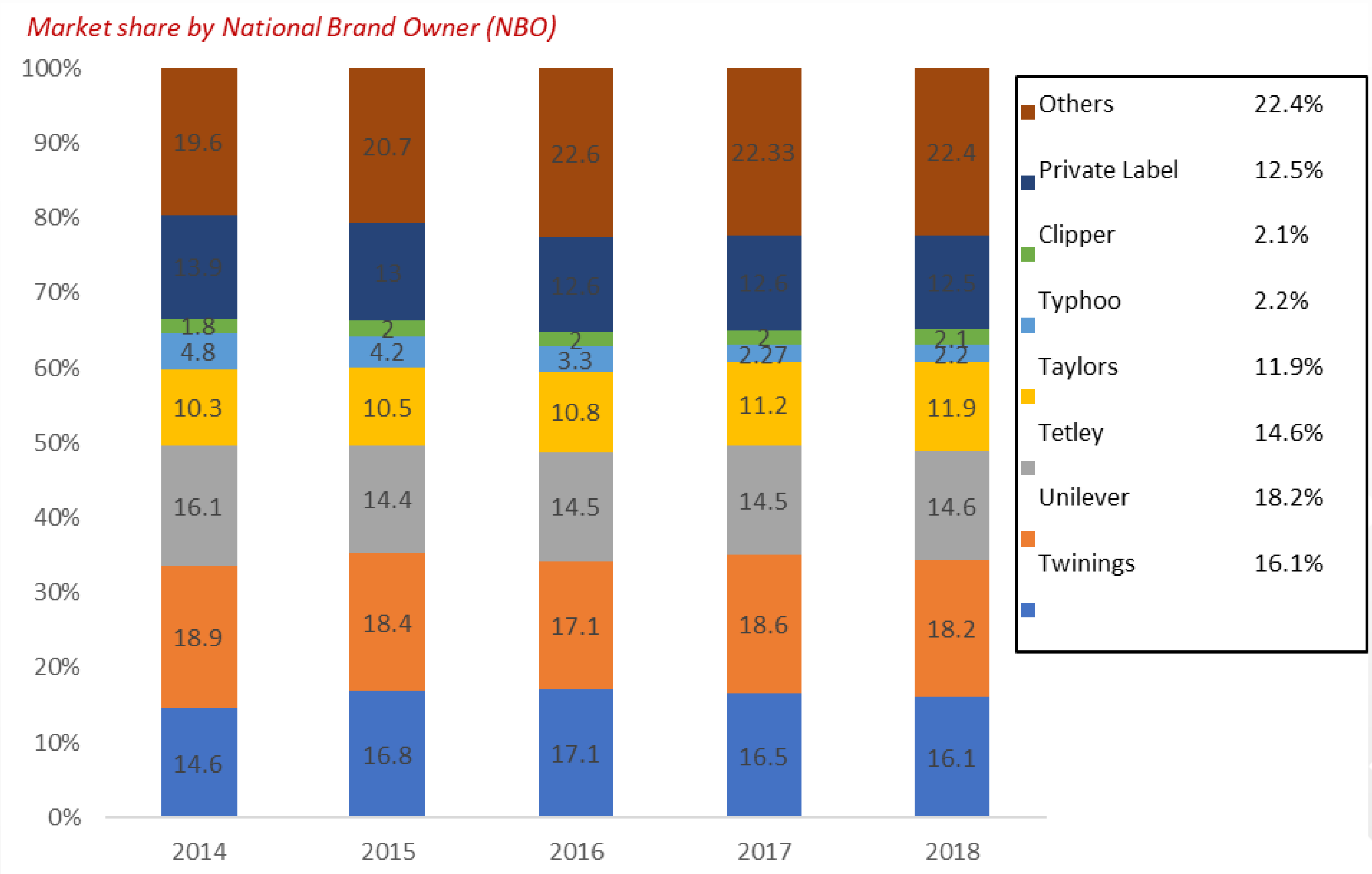
Figure 16. UK tea market growth rate for value and volume, LTM 2017 and 2018

YoY change (%)



Market share value %	66.8%	64.7%	19.0%	20.1%	6.7%	7.4%	2.4%	2.4%

UK retail market by brand



UK retail market, NPD pipeline

	2014	2015	2016	2017	2018
Twinings	• Sweet green tea range • 'Discover Collection'	• Green tea range extention (e.g. gingerbread chai) • New pack design	• Queen's 90th Birthday tea	• 3 Fruit infusions	• Vitamin enriched Superblends, 7 SKUs • Cold-brew herbal teabags, 6 SKUs
Unilever	• Fruit & Herbal Infusions Range	• Nespresso-compatible tea pods • Speciality Range • New pack design	• Green, fruit and herbal range extention	• Pure Leaf (premium whole leaf) range launched • Pukka Herbal brand acquisition	• PG Tips Non-Dairy black tea blend (perfect for addition of non-dairy milks)
Tetley	• Teapigs launched Matcha tea range	• Super Green Tea Range	• Black teas added to functional range	• Super Green Tea Sunshine with added VitD	• Cold Brew herbal teabags 4 SKUs
Taylors	• New pack design for Yorkshire Gold • Kew Gardens tea range	• Taylor's of Harrogate re-designed 'Classics Speciality Tea' range	• 3 speciality black Yorkshire teas	• 3 Flavoured green teas	• Biscuit Brew
Typhoo	• Premium launches 'Typhoo Gold' and 'Typhoo Extra Strong'	• Heath & Heather packaging redesign	• Heath & Heather super teas		• Typhoo updated branding

Global consumer trends - Wellness

> *Generation Z are drinking more than 20% less per capita than Millennials did at the same age*
>
> - Berenberg

- Reduction in alcohol consumption
  - Low/No-alcoholic beers, wines and spirits
- Alternative intoxication
  - CBD oil and tea making an appearance within food and drink sector
- The premiumisation of water
  - Brewed and fermented accompaniment to foos
- Rise in functional ingredients
  - Kombucha and Kefir, fermented tea
  - Wellness blends
- Decline in sugary drink markets
  - Impact of sugar tax

> *Our consumers are looking for beverages with functional benefits, and Evolution Fresh Organic Kombucha is just what they are asking for— a delicious and refreshing pick-me-up that also supports digestive wellness.*
>
> - Ryan Ziegelmann
>
> President of Starbucks' Evolution Fresh. CNN 10th August 2018

> *Health-conscious decisions have created wider fragmentation of the beverages market. Plant-based and fermented drinks, along with homemade smoothies and juices, are stealing share from branded goods.*
>
> - Kantar

ITC

TRADE IMPACT FOR GOOD

Global consumer trends - Wellness

Copenhagen Sparkling tea; Bla 0%; Rod 4%; Gron 5%; Vinter 5%. RRP £18/75cl
Seedlip; Grove; Garden; Spice. RRP £27.99/70cl

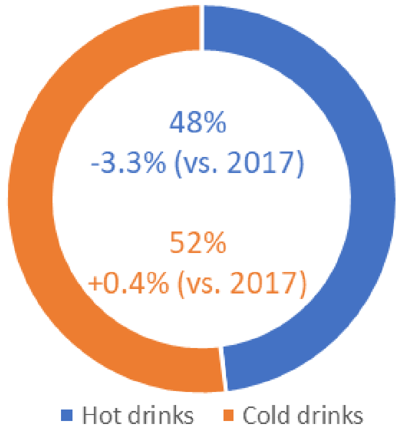
Jarr Kombucha; Ginger; Passionfruit; Original. RRP £5.99/473ml.
No1 Kombucha; Ginger & Turmeric, Passionfruit & Goji and Raspberry, Pomegranate & Hibiscus. RRP £1.95/275ml.
Starbucks Evolution; 6 SKUs including ginger lemon honeycrisp; pink grapefruit; mango pineapple. RRP $3.99/15oz.

ITC

TRADE IMPACT FOR GOOD

Global consumer trends - Convenience

- Less time eating and drinking at home has led to a decline in at-home beverage consumption, hitting hot drinks hardest
- Cold brew
    - Cold brew teabags NPD from major brands – herb and tea. Add to water bottles
    - Cold brewing techniques and equipment
    - Fine dining scene serving cold brew and ambient brew tea as an accompaniment to food
- Ready-to-drink
    - Major recent Fuze tea launches from Coca Cola brand
    - PepsiCo owned Suntori dominates the Asian markets with pure-tea bottled RTD, now visible in the US premium market though opportunities within other regions



Source: Kantar Worldpanel

Over the past few years we've seen a real explosion in Brits' love of iced tea, with sales out-of-home growing double digit..we are proudly introducing a fast-brewing, authentic cold brew, that taps into our nation's love of tea and gives shoppers a revolutionary, thirst-quenching and all-natural way to enjoy their favourite beverage

- Fiachra Moloney, Tea Marketing Director, Unilever UK,

Global consumer trends - Convenience

Twinings Cold Infuse: 6 variants including Watermelon, Strawberry & Mint. RRP £3.79 (12 teabags in a pack)
Liptons Real Iced Tea: 5 variants including Black Tea with Strawberry & Rhubarb, Green Tea with Mint. RRP £3.79 (15 teabags in a pack)
Tetley Cold Infusions: 4 variants including Raspberry & Cranbury. RRP £2.49 (12 teabags in a pack)

Hario water filter bottles, 300ml and 750ml Mint. RRP £23.00 and £30.00). Widely available in US, EU and Asia
Chattea PET plastic filter. RRP £1.30. Not available outside of Japan, but within Japan widely sold in convenience stores and supermarkets
Cold-brewing techniques have reached the high-end restaurant scene, Tea served in wine glasses Fera, Claridges.

Global Consumer Trends - Sustainability

- Rethinking plastics
  - Companies developing biodegradable materials as alternatives
  - Providing clear recycling guidelines on pack
  - Plastic-free teabags
- Waste reduction
- Carbon-free foods
  - carbon-neutral tea estates becoming more visible
  - Cookstove projects to reduce fuel consumption
  - Lots of other great efficiency projects happening to reduce energy consumption at estate level
    - Starting to be reflected by brands (e.g. Taylors committed to be carbon-neutral by 2020)
- Links to source
  - Who Picked my Tea Campaign – Tradecraft. Larger brands now publicising source
  - Independents leading with provenance in many cases

Global Consumer Trends - Sustainability

Through various initiatives including the installation of two solar power plants at their company headquarters, Dilmah successfully achieved Carbon Neutral facility by 2017.
Pukka calculated that the agricultural supply chain makes up 11% of their carbon footprint, the brand is working with growers to promote agroforestry practices such as planting trees and complimentary crops that yield a second income.

Potential Market Opportunities for EAC

- **Purple tea, health and innovation**
- **Value-addition in region and/or vacuum packed fresh tea**
- **Ready to Drink or Bottled cold brew**
- **Drive higher tea consumption within EAC countries**
- **Engage with wholesale buyers and selected brands**
- **Direct trade, via specialist tea retailers and/or online channel**

End

Thank You very much /Ahsante Sana

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