The Future of Tea is Green & Herbal

Tea is the most widely consumed beverage in the world and the market is growing rapidly.

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Tea is the most widely consumed beverage in the world and the market for tea is large and growing rapidly. Tea production is estimated at $15.4 billion in 2013. While production of black teas is growing 3.9% annually, production of green teas is growing 11% annually and herbal teas production is growing more than 15% each year.

Rising consumer awareness about the health hazards of carbonated drinks is leading to a shift toward teas of all types. Another major driver is the increasing awareness by consumers that certain types of tea can both prevent and cure various diseases. Aging populations in Japan, Europe and the U.S. also are increasing demand for tea because of its anti-aging properties.

As a result of these trends, tea is now found everywhere, including supermarkets, health and natural foods stores, drug stores, mass merchandisers and tea rooms, among others. New tea brands and products are appearing weekly. And pharmaceutical products based on tea are under development.

Health Benefits
Besides being a popular beverage, Teas of various kinds can both prevent and cure diseases. This includes heart disease, cancer, diabetes, dementia, oral disease and aging, among others.

One reason is that tea is very rich in polyphenolic constituents, which have high anti-inflammatory, antioxidant and anti-mutagenic properties. For example, a typical cup of

brewed green tea contains between 80 and 100 mg of polyphenols, with the catechin EGCG (a type of natural phenol) accounting for about 25 to 30 mg. Various studies have demonstrated that EGCG can inhibit carcinogenesis and prevent metastasis in established tumors.

Tea Trading

Today, the international tea trade is largely in hands of multinational companies with British and Dutch roots (e.g., Unilever, Twinings and Tata Global Beverages). The tea supply chain is characterized by very strong vertical integration. At the global level, 85% of production is sold by multinationals. Direct links between manufacturers and producers are common. For example, the main packers, Unilever and Tata Tea, are key players in the consumer market. They dominate the trade, have a strong influence on transport companies and source part of their supplies from their own plantations.

Despite this high level of concentration, numerous opportunities are developing in the green and herbal segments of the tea market. Companies taking advantage of these trends include Numi Organic Tea (known for its assortment of organic and fair trade certified teas and herbal teasans), Rishi Tea (blends, packages and distributes high-end teas), Traditional Medicinals (pioneering the OTC medicinal herb category) and Teavana (a specialty retailer of loose-leaf teas, acquired by Starbucks in 2012).

Tea Time

Also driving demand for green and herbal teas is a revival of the tea room. There are currently more than 3,000 tea rooms and tea retailers in the U.S. Further, the concept of a tea room is changing dramatically. Tea is the antithesis of what current culture is all about. Tea is a beverage and ritual that makes people slowdown. People are looking for that kind of respite and retreat in the world.

This article has been excerpted from a recent report on the global tea market during the 2013 to 2018 period. For further information contact: Amadee+Company, Inc. at amadeeandcompany@gmail.com or 305-450-1875.

Amadee Bender has 35 years experience in market research and competitive analysis across many industries and products in the Health and Technology sectors. He also taught at the university level for 25 years, most recently as an assistant professor in the School of Management at New York Institute of Technology.

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