

Tea Report



2022

SOARING AND
SOUGHT-AFTER:
DEMAND FOR TEA AS
STRONG AS EVER!





What we talk... is tea.

The German Tea & Herbal Infusions Association brings together all the main players in the German tea industry and our members' interests remain our top priority. SMEs make up most of our membership, collectively comprising over 5,000 jobs and almost a billion Euros in sales. We fly the flag for tea, herbal and fruit infusions as healthy beverages that offer wonderful natural diversity and make key contributions to a daily balanced diet.

Our aim is to keep consumers informed and protect their interests while advocating for legislation that takes consumer protection and economic issues equally into account. We hope that our efforts and the commitment of our members can pave the way for international quality and social standards, which will also help the production of tea in the countries of origin evolve positively and sustainably. We also firmly believe that the love of tea can help unite and inspire people worldwide like nothing else.

Once a year, we compile this Tea Report to sum up the achievements of the German and international tea industry. Thank you for your interest and enjoy reading!





Tea is
Trend



A record-breaking year for tea

As the current Tea Report reflects, the German Tea & Herbal Infusions Association and its members can look back on 2021 as an exceptionally good year despite- and even thanks to- the global pandemic. As COVID-19 took hold, the year saw German demand for teas*, herbal and fruit infusions soar, with almost 95,000 cups drunk here each minute. Meanwhile, the already high annual per capita consumption rose still further by 1.5 litres to 71.5 litres in 2021. Over half the total, 42.7 litres, was herbal and fruit infusions, with black and green teas making up the remaining 28.8 litres and crossing the 20,000-plus tonne mark for the first time. And all this record-breaking happened for good reasons.

Whatever your expectations, teas and their dazzling diversity are well-placed to meet them. Little wonder, perhaps, that more and more people are coming to appreciate tea as a healthy and natural beverage and a key part of a balanced diet. The new normal of lockdowns and working from home has given all of us even more occasions to drink different teas and cemented their perception, whether tea, herbal or fruit infusions, as traditional and trendy. Tea is often sought-after by those seeking more mindfulness in everyday life and keen to explore new spheres of enjoyment. And more and more influencers are spotlighting teas as „fancy“ lifestyle products for their followers too. One of the top buzz words in the tea world nowadays is organic- which manufacturers see as a welcome trend.

So as we look back on a year in the German tea industry, with innovative products emerging and consumer acclaim across the board, things look set to go from strength to strength, despite numerous uncertainties, including the global pandemic. We hope that you, too, will celebrate what are gratifyingly positive figures, outlooks and insights in the Tea Report 2022.

* Unless otherwise indicated, the term „tea“ in the following content includes both „*Camellia sinensis*“ (both black and green tea) and herbal and fruit infusions.

Enjoying a cuppa has never been cooler

Top of mind for more and more buyers is leading a healthier, nutritionally balanced, more mindful, sustainable and tangibly enjoyable life; something their purchasing behaviour increasingly reflects. And over the past two years, the global COVID-19 pandemic has seen these trends intensify.

With a diverse range of carefully manufactured products, the German tea industry is not only keeping pace with these trends, but innovating to help them progress and evolve. And above all, with all things organic. As a proportion of the total, the organic share of teas in Germany is now twice as high as the average for all organic foodstuffs nationwide.

For consumers of all ages, teas are valuable beverages and peerless pick-me-ups that tick all the right boxes. Whatever the variety, enjoying tea, herbal and fruit infusions not only enriches life, but adds the magic to special moments. More and more often, teas are the go-to drinks at parties or other venues of choice. In short, having a cup has never been cooler.



Reasons to be cheerful

Good news for Germany's tea fans. The forecasts in the Tea Report 2021 reaffirm that the national industry remains strong as had been hoped for and the bonds forged through traditional partnerships with producers in the countries of origin have proved their worth, despite the crisis. In fact, far from impeding success, business has continued to thrive, even amid the pandemic and the related supply chain disruptions!

Tea drinking is really taking off in homes and home offices. And despite lockdowns hindering hotel and restaurant business in 2021, they have finally been able to reopen in 2022, whereupon unmistakable signs of recovery have emerged.

For the German Tea & Herbal Infusions Association, positive growth in 2021 gives many reasons for optimism. Sales are expected to stabilize or even outperform pre-pandemic levels as consumers vote with their teacups. Across all supply channels, rest assured that the German tea industry remains ready to go the extra mile to keep teaholics, old and new, happy and stocked up with the world's second-favourite drink after water.



Surpassing expectations! The total per capita tea consumption in Germany in 2021 reached new heights, extending the previous record from 70 to 71.5 litres.



Tea grows for all segments

With almost 62,000 tonnes consumed, Germany's love affair with teas of all kinds has never been stronger. The impressive 41,100 tonnes of herbal and fruit infusions enjoyed in 2020 grew by 2.1% and peaked even higher at just under 42,000 tonnes. As for black and green teas (respectively in a 75% to 25% ratio), another nationwide first saw total 2021 consumption exceed the 20,000-tonne mark, following an impressive 19,500 tonnes drunk in 2020. Although loose leaf teas continued to hold sway, preferred to teabags at a ratio of 55% to 45%, the latter option is becoming increasingly popular, reflecting how solutions of practical convenience are now the priority.



In 2021, a total of around 50 billion cups of tea were enjoyed in Germany. Just under 19 billion were black and green tea, alongside over 31 billion cups of herbal and fruit infusions.

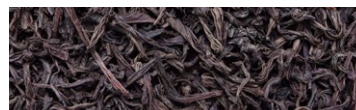
39.2%
Herbal and fruit infusions
-blends-



28.5%
Herbal and fruit tea
-single varieties-



24.2%
Black tea



8.1%
Green tea



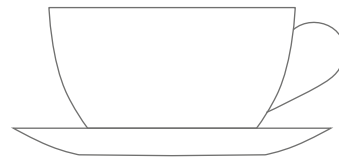
The tea lovers that top the pile

The rate of tea consumption may have rebounded throughout Germany in 2021, but the East Frisians still lead the way. And not just nationally but globally. An impressive annual consumption of 300 litres per capita (compared to 28.8 litres nationwide) means they are (and remain) the world champions of tea drinking. Even nations famed for their tea fervour, like Ireland and Great Britain, remain far behind.

Meanwhile, herbal and fruit infusions retain their popularity, including in neighbouring Austria and Switzerland, reflecting their long tradition in Germany and enduring consumer appeal.

300

East Frisia



221

Ireland

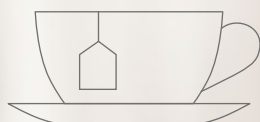


169

Great Britain



45%



55%



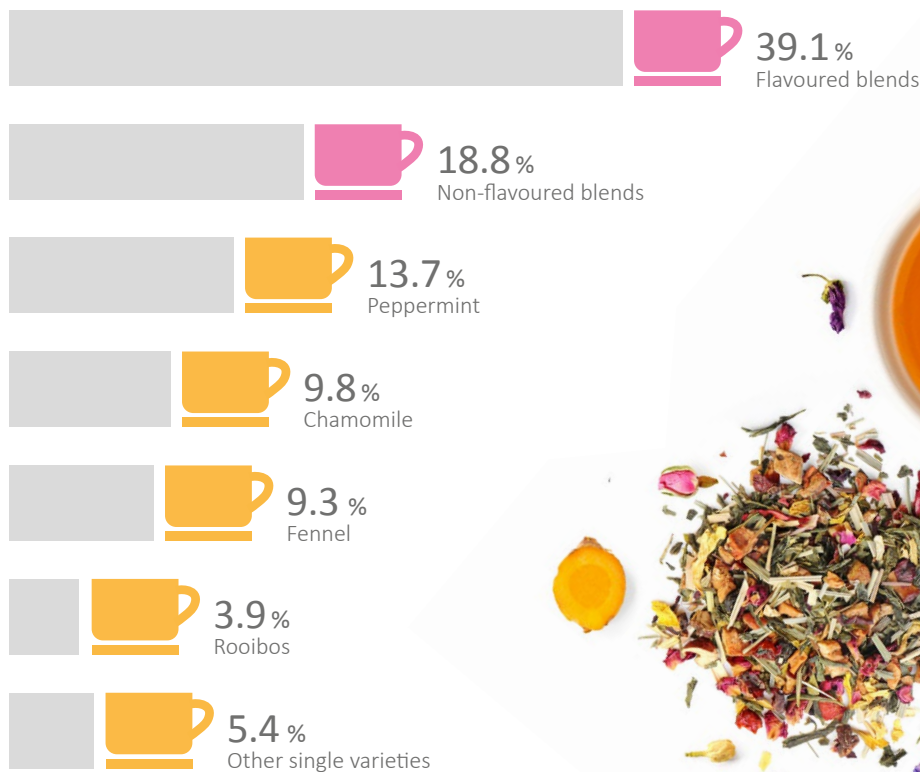
When loose leaf and bagged teas are compared, the proportions are 55% to 45% for black and green teas, but for herbal and fruit infusions, the story is very different. A full 90% of these varieties are bagged, with only 10% sold as loose leaf.



Herbal and fruit infusions really taking off

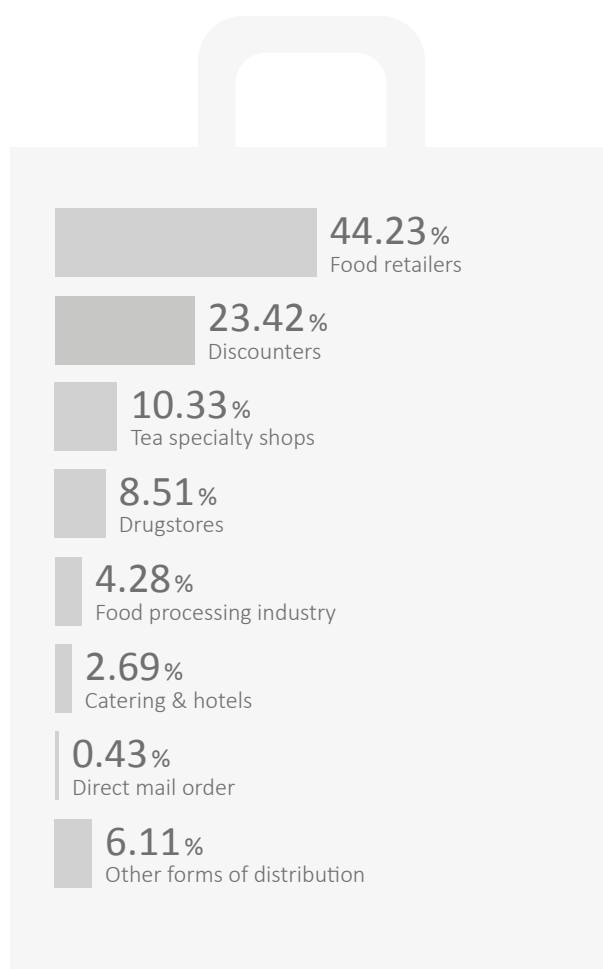
Flavoured blends remain the go-to choice for herbal and fruit infusions with 90% of teas sold in ready-to-use bags. And younger tea drinkers in particular appreciate a wide product choice when selecting varieties that resonate with them and their lifestyles. Small wonder that sales rose again in the second year of the pandemic. As usual, the more variety the better- never more so than

trendy cold brews, iced teas and ready-to-drink varieties, for example. For single varieties, despite overall demand declining, ever-present „classics“ like peppermint and chamomile still get the vote for many. And while rooibos fell off the radar a little in the pandemic, it has since rebounded to record positive sales again for the first time.



The tea touch points that consumers appreciate

Even if temporary, lockdowns and the resulting shift in buyer behaviour have undeniably impacted tea sales in multiple distribution channels. Shoppers and impulse buyers looking for retail therapy had to make do with food outlets - but even then, tea shops held their own. Having special, rare and garden teas, not to mention abundant inside knowledge, can still make the difference for customers. Herbal and fruit infusions, conversely, were normally sought out and bought in drugstores. What also underpinned the high growth in tea sales were ample stocks of tea, herbal and fruit infusions across all distribution channels.



German teas are appreciated worldwide

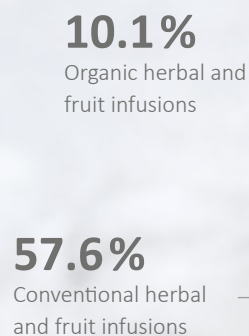
Acclaim for the teas, herbal and fruit infusions from German manufacturers goes above and beyond the domestic market. Dependable high quality and numerous innovative products developed by the German tea industry have also won over tea aficionados worldwide. Germany exported more than 22,000 tonnes of tea (*Camellia sinensis*) to 108 different countries in total in 2021, 68% of which was EU-bound (an increase of 6%). Exports from the German tea industry also remain on the up, with total tea exports outstripping domestic consumption in Germany in 2021.





Joy and fantasy

Consumers crave it. The German tea industry delivers it. Constant variety and reinventing of themes has successfully sparked a fresh passion for tea, herbal and fruit infusions, breaking new ground and setting new trends or further developing existing concepts. Efforts to dream up new variations on tea have seen cold brews, iced teas, bubble teas and ready-to-drink varieties emerge, all of which can help win over the younger generation to the wider world of teas. The treasure trove of tea ingredients open to producers includes 400 different parts of plants from around 300 plant species: ample inspiration for them to innovate and devise irresistible tea creations that provide endless enjoyment.



Sales of organic herbal and fruit infusions now make up over 10% of all tea sales and just under 15% of all herbal and fruit infusions sold (total 41,944 tonnes).

At the highest level

Developing all things new and retaining the tried and tested - tea industry success depends on experienced tea tasters, who confirm consumers' trust. They bring experience and the finest sensory skills to ensure natural raw materials can reliably elicit cups of consistent quality tea for customers.

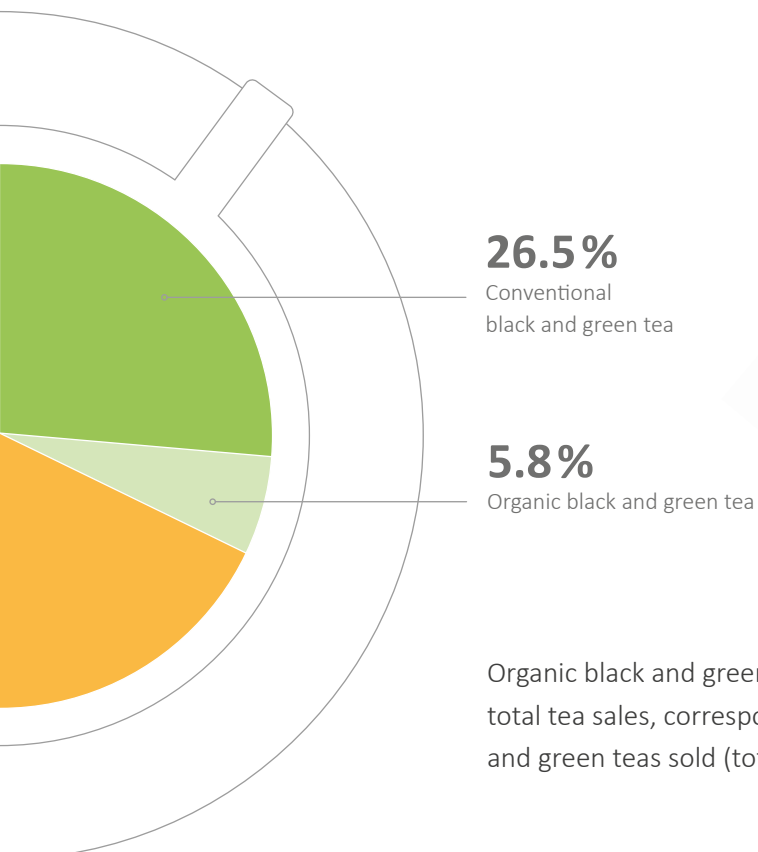


Organics on the rise

Sales of organic quality teas, herbal and fruit infusions surged in 2021, with 15.9% of all teas sold bearing the organic label. The proportion of organic herbal and fruit infusions also rose by 10.4% from 2020 to 2021, reflecting a growing shift on the part of consumers to more sustainable approaches.



More organic than ever! In 2021, the proportion of teas, herbal and fruit infusions of organic origin was more than double the average organic share of the entire food market in Germany.



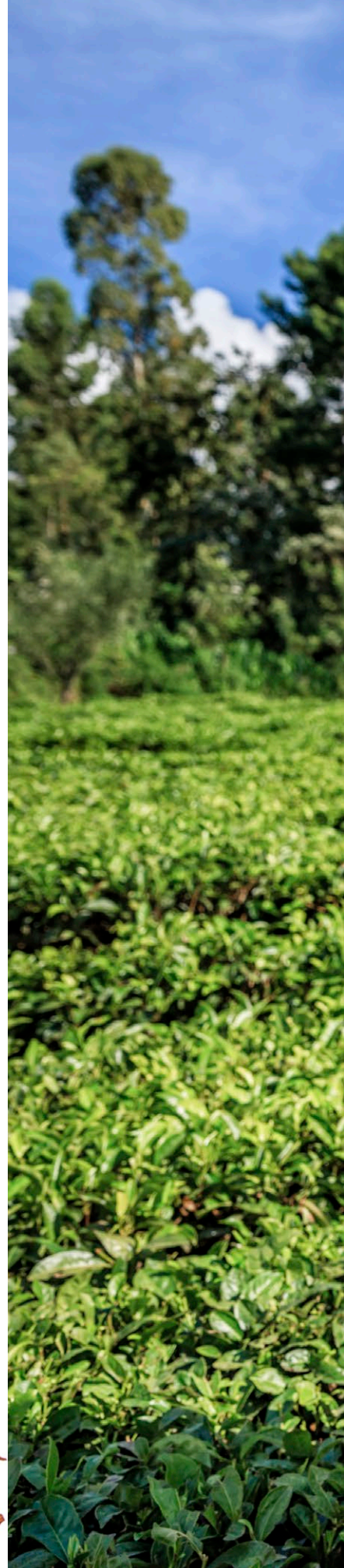
Organic black and green teas comprise 5.8% of total tea sales, corresponding to 17.8% of all black and green teas sold (total 20,010 tonnes).

German tea imports

As import volumes reflect, the German tea industry is firmly on a growth track. Black and green tea import volumes (*Camellia sinensis*) rose from 40,984.6 tonnes in 2020 to 47,501.2 tonnes in 2021, a significant increase of over 6,500 tonnes or 15.9%. Green tea imports, meanwhile, soared by a remarkable 42% and black tea imports by 7.8%. This reaffirmed the ability of German manufacturers to weather the storm, despite ongoing harvest, transport and logistics difficulties worldwide.

Sales of rooibos rebound

Rooibos teas turned the declining sales of recent years on their head by achieving significant year-on-year growth of 28.3% in 2021. This aromatic tea, reddish-brown in colour, is only grown in the Cape region of South Africa. Rooibos, also known as red bush, contains zero caffeine and is rich in minerals. In fact, numerous positive properties like these make it ideal as part of a balanced and enjoyable diet. Consumers seem to agree, which explains its resurgent popularity.





India enjoyed an overall market share of 26.56% in 2021, consolidating its position as the number one tea supplier for the German market by over one percentage point year on year. India was also the top supplier of black teas with 32.55%.

China lies again in second place, with a market share of 20.15%. And while it continues to lead the way as the top supplier of green tea, at just under 56 percent, green teas originating from elsewhere in Asia continue to gain ground.

After gaining the previous year, imports from Sri Lanka declined slightly in 2021. Overall, **Sri Lanka** maintains a market share of just under 15%.

Africa continues to grow. An increase of 0.4 percentage points compared to 2020 reflects the growing importance of imports from African producers, with record levels of tea delivered to Germany from Kenya in 2021.

- Green Tea
- Black Tea





A love letter

So what is it about herbal and fruit infusions that make them so irresistible for consumers, also among our neighbours in Austria and Switzerland? Perhaps it's because the feeling is mutual. Even now, manually harvesting the raw materials for single varieties and blends is often the only (and default) option. Worldwide, 70% of the plants or parts of plants are harvested in wild collections by people for people, with the rest cultivated in fields. What's more, only a fifth or so of the ingredients come from EU countries, with the remainder sourced from all corners of the globe. In other words, those buying and enjoying such teas are often creating jobs and sustaining livelihoods in the process, in countries in desperate need. The main herbs locally grown are peppermint and chamomile. Both popular and appreciated, these regional specialities are bulk-sourced from Bavaria, Saxony, Saxony-Anhalt and Thuringia.



Time and time again

Exceptional natural diversity makes herbal and fruit infusions a must when it comes to meeting daily nutritional needs. Add to that a virtually never-ending flow of new creations that draws on abundant and varied raw materials from all five continents. No wonder they entice people to discover, enjoy and quench their thirst. With or without caffeine, low in calories, functional, naturally relaxing or steeped in style: herbal and fruit infusions are versatility personified. And that's something consumers love!



German tea exports

In 2021, the German tea industry saw international demand for its products remain high and climb even further in some cases, particularly within the EU. Namely, 22,314.8 tonnes of tea previously imported and refined here were subsequently exported to a total of 108 different countries. This equates to an increase of 2.28% compared to the previous year and saw deliveries made to

each of our 26 EU neighbours as well as 82 other countries. Overall EU exports grew by 864.5 tonnes - an increase of 6%, with France remaining the top market for the fourth time in a row. And the love affair between French consumers and German tea creations looks set to run and run, as exports to France rose by 8% (312 tonnes).



German tea imports
47,501.2 tonnes
to **80** countries

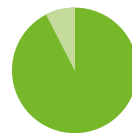
Germany

Exports and personal consumption

Records continued to tumble in 2021, as global tea production rose to almost 6.5 million tonnes (compared to 6.013 million tonnes the previous year). This 7% growth testifies to the increasing importance of tea to help meet daily nutritional

needs and a go-to personal treat. The lion's share of global tea production continues to come from China, which saw its export share rise moderately by 1.2%.

German tea exports
22,314.8 tonnes
 to **108** countries



Kenya, meanwhile, consolidated its top spot for global tea exports by a wide margin in 2021. Contributing 29.6% of world exports, the African country once again led the way and boosted its exports by almost 40,000 tonnes year on year, well over 90% of which were black teas.



The No.1 global tea producer **China** also boosted its exports by around 20,000 tonnes, mainly with green tea (comprising over 85% of all tea exports).



Sri Lanka, which recorded a pandemic-induced export deficit in 2020, saw tea exports successfully rebound in 2021, recording a gain of 7.7%.



India's tea exports continued to decline in the second year of the pandemic. Overall, export figures for 2021 were 14,000 tonnes down (a drop of 6.7%) compared to the previous year.

Collectively, exports from all other producing countries comprised 25,4% of the overall total.

- Export
- For own consumption





Other countries 18.36%
1,188,152 tonnes

Sri Lanka 4.63%
299,339 tonnes

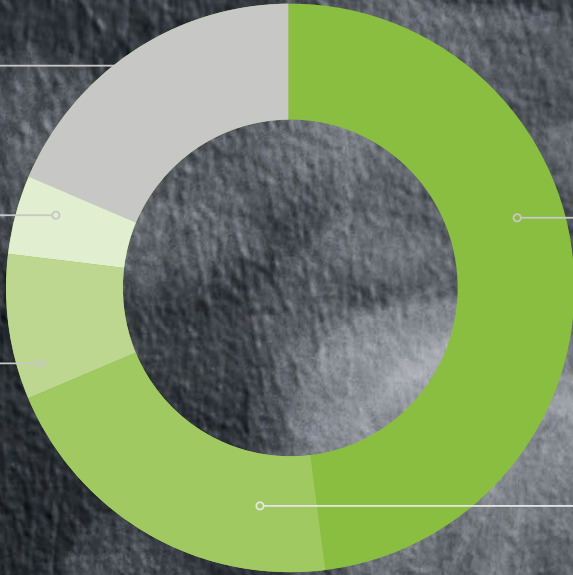
Kenya 8.24%
533,000 tonnes

The „fab” 4

China, India, Kenya and Sri Lanka remained the top four global tea producers in that order in 2021. While China expanded its share slightly in first place, Sri Lanka remained largely stable.



More than two thirds of the world’s tea was produced in China and India, the two largest tea-growing countries worldwide.



China 48.23%
3,120,000 tonnes

India 20.54%
1,329,040 tonnes



Tea as the spice of life




Whether it's colours, flavours, growing regions or ways to prepare it, tea is astonishingly diverse and this is something aficionados really appreciate and enjoy when taking time out for their favourite beverage. Black teas, along with herbal and fruit infusions, enrich and add colour to our lives with enjoyable and endlessly varied creations. And devotees need no second invitation to try new products such as kombucha, a fermented tea-based drink. A healthy market has emerged for

teas in myriad and sometimes head-turning colours, chilled or iced teas served with style and ready-to-drink cool teas to enjoy anywhere. But traditional tried-and-tested infusions like peppermint or ginger are also back in vogue. And increasingly, German tea manufacturers are prioritising online marketing of their products and packaging solutions for the target audience. Overall, the tea market has picked up across the board.



For tea buyers, when it comes to making up their minds, sustainability, reliability and organic quality are important, but inspiration and innovation are equally crucial. And the latter two are where teas, herbal and fruit infusions tend to win out, according to consumer perception.



A decorative border of dried tea leaves and various flowers (red, pink, yellow) is scattered across the top and right sides of the page. The background is plain white.

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Sources: German Tea & Herbal Infusions Association (tea), Hamburg; Federal Statistical Office (DESTATIS), Wiesbaden and International Tea Committee (ITC), London (UK):

tea: Pages 8, 9, 10, 11, 12, 13 & 23 | ITC: Pages 15, 19 on the right, 20 & 21 | DESTATIS: Pages 18 & 19 | tea & ITC: page 9 top right