

The “Secret” to Sustainability of the Global Tea Industry

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“Secret” to Sustainability

□ Background

- The Global Tea Industry is poised for a period of unprecedented Growth
 - However, we cannot take that growth for granted
 - Purpose of this paper is to review the drivers & obstacles to growth & evaluate how to deal with each
 - Actions should come from within the industry as opposed to being forced through third party initiatives
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Drivers of Growth

- Health Benefits of Tea
 - Tea as a Trendy Beverage
 - Tea as a Natural Product
 - Tea as a Fighter of Obesity
 - Appeal of Specialty Tea
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Potential Obstacles to Growth

- ❑ Concern About Pesticide Residues
 - ❑ Importance of Food & Worker Safety
 - ❑ Other Social Welfare Issues
 - ❑ Concern for the Environment
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Conclusions

□ Perception = Reality

- Allegations may not be based on fact, but....
 - Re-examine operations to ensure that we are doing the right thing within the realm of reason
 - Get creative – seek outside funding
 - Consequences of having to close an operation should help to emphasize the wisdom of support
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Conclusions

- Attention to Food Safety
 - Use of Agro Chemicals
 - Obligations of Tea Producers
 - Obligations of Tea Consuming Countries
 - Security of the workplace
 - Storage & Transportation
 - Shipping
 - Need for Traceability
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Conclusions

- Establish a Universal Code of Conduct
 - Global Harmonization may be an Impossible Dream
 - A document of minimum Standards may be more Achievable
 - Signatories would identify themselves as preferred suppliers
 - Working Group of FAO Attendee would be an excellent starting Point
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Conclusions

- Create a non-profit organization to Monitor Compliance
 - Possible expansion of the role of the ITC
 - Another option is to form a new organization like the Coffee Industry did
 - Role of this organization would be less of a policeman and more of a Facilitator, Communicator, and Coordinator
 - Could diminish the need for outside certifying bodies
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Conclusions

- Possible Reexamination of the Traditional Auction System
 - Progress is already being made in this area by India as they explore electronic versions
 - Many small lots of homogeneous teas could be combined into larger categories to allow more time to optimize bids
 - Specialty teas would continue to follow traditional procedures
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Conclusions

- Adoption of Creative Promotion Techniques
 - The separation of countries as either Tea Producers or Tea Consumers is no longer appropriate as all are consumers
 - Each country needs to apply creative low-cost promotion techniques to maximize consumption
 - Shared marketing experiences are critical to expediting this process
 - The entire Industry Benefits
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Conclusions

- Creation of Low Cost Programs to Improve the Quality of Life on Tea Estates
 - Life on the Tea Estates should be a beautiful experience
 - Many low cost initiatives can be implemented to introduce the concept of fun and involvement for both workers & management
 - Tea Tourism should be expanded to provide more funding to the Estates to implement more programs
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Conclusions

□ Promotion From Within

- Primary Goal of Estate Management is to produce quality tea
 - Key to Achievement of this goal is to employ skilled, involved, happy workers
 - A Policy of promotion from within for qualified workers could open up areas of opportunity that could conceivably see a field worker aspire to an administrative, health care, teaching position etc.
 - This could help solve the long term retention problem
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Conclusions

- Meaningful Government Involvement
 - New Laws could stifle innovation
 - Involvement is still important
 - Establishment of Tea Boards
 - Support of Agricultural Extension Services
 - Contributions to Infrastructure improvements
 - Grants for Housing
 - Subsidies for Food, Education & Medical Care
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**The Future of the Tea Industry
is Very Promising!**

**It is up to each of us to Ensure
that it Reaches its Potential!**

Thank You & Good Luck to All of US
