

tea trends

BY LAURA EVERAGE



tea's time

YOU'VE HEARD IT BEFORE, BUT IT BEARS REPEATING: TEA IS HOT.

Just a decade ago, the specialty tea industry struggled to shed its somewhat staid image and gain ground in a beverage category dominated by soft drinks, water and coffee. Now, according to NASFT's 2006 State of the Specialty Food Industry report, specialty tea sales have reached \$822 million. Specialty tea accounts for 29.2 percent of sales in the overall tea category, which was a \$2.8-billion market last year.

From health to convenience, the specialty tea industry is vibrant with offerings that run the gamut from hot to cold, black to white, and bulk to bagged—an array that provides retailers with numerous opportunities to build sales and boost customer loyalty.

The Drivers

One of the biggest drivers of tea's growth has been its healthful properties (See sidebar, p. 24). "Many of our customers are being told by their doctors to cut down on sugar and caffeine and switch to tea," says Jaime Kubik, buyer for Cardullo's Gourmet Shop, a Cambridge, Mass., specialty food store that boasts 600 types of tea.

Consumers are also traveling more, experiencing flavor profiles of varied cuisines. Their sophisticated palates demand high-quality foods and beverages—tea included. "Many of our customers are familiar with the

The next big thing: Pu-erh, a rare Chinese black tea, is strong enough to appeal to ex-coffee drinkers.

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Mariage Freres line of teas from France, having tasted it during their travels," notes Sara Feinberg, buyer and manager of the Berkeley, Calif. location of The Pasta Shop, a European-style specialty market.

Consumers desire teas flavored with interesting combinations. According to Michael Harney of Harney & Sons Fine Teas, a Millerton, N.Y., producer, savory flavors such as lemongrass, ginger or coconut, as well as a pomegranate oolong are booming.

Bill Waddington, who runs two Tea Source stores in the St. Paul, Minn. area, observes that shoppers are increasingly requesting high-end teas. "They know the

region the tea is from," he says. "That was not happening five years ago."

Consumers have become more socially conscious about how the products they choose affect the environment, tea growers and workers. As a result, organic and Fair Trade teas are finding a growing niche in the U.S. and establishing themselves as a segment of the worldwide tea industry with more plantations undergoing certification. "Organic is a mainstay and a growing part of our business," reports Benjamin Harrison of Rishi Tea, Milwaukee, Wisc.

Devan Shah, owner of two Chado Tea Shops in the Los Angeles area and Pico River, Calif.'s International Tea Importers,

which brings in more than 500 varieties of tea, says, "Fair Trade teas have become popular in certain pockets, often university areas where the college students are more aware of these issues."

Green, White and Black

Seattle's Sage Group International, a specialty tea industry think tank that provides product development, strategic consulting, and business support services to tea and natural product markets, predicts that green tea will outsell black by 2010. According to its current Specialty Tea is 'Hot' Report, "Green tea sales increases remain in the

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Reading Tea Leaves

BLACK: Made from leaves that have been fully oxidized; hearty deep rich flavor in a colored amber brew. Black teas have a fuller and richer flavor than unprocessed green teas. Called *hongcha* or "red tea," in China. (Chinese reserve the name 'black' for *Pu-erh* tea).

GREEN: Not fermented. Leaves undergo three treatments: roasting, rolling and firing. Leaves are hand-rolled into various shapes—sticks, balls, twists or into the form of a leaf. Nearly all come from China or Japan.

WHITE: Made from leaf buds that are covered with whitish hairs. New buds are plucked before they open in early spring, then withered and dried slowly at low temperatures. Leaf buds are not rolled and only slightly oxidized. Mild flavor and natural sweetness. Produced mainly in China.

YELLOW: A specialty of China. Small or large leaf varieties are differentiated by whether a young or old leaf is used. The leaf is rather yellow and so is the liquor it yields. Chinese tea literature offers two definitions of this rare type of tea. It is sometimes defined as a tea that is barely fired, then stored; other times it is simply used as another name for tribute teas intended for the Emperor, yellow being the imperial color.

OOLONG: Semi-oxidized tea, principally from China or Taiwan. Complex flavor and an aroma more delicate than black tea and more powerful than green. Oolong tea may be light and fragrant (known as "green" oolong) or deep and roasted (known as "dark" oolong) or in between.

Source: Tea Dictionary, by James Norwood Pratt

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double digits for many distribution channels and research dollars targeted at green outweigh those for black inordinately."

"The demand for green tea continues to accelerate," says Tea Source's Waddington, who notes that green teas with flavors or scents are serving a valuable introductory role to stronger varieties. "They're more accessible to the palate and then consumers can explore traditional green tea from there."

"We have hard-core green tea drinkers,

but for the most part our customers still want a green tea that is blended with flavors familiar to them, such as tropical fruits or even mint," says Denise Steinbock, spokesperson for the two-store Tempest Tea chain in Dallas.

White tea's takeoff has been one of the biggest surprises for James Norwood Pratt, a leading tea authority and author of the *New Tea Lover's Treasury*. "There has been enormous interest, even from companies such as Snapple® who have introduced a bottled white tea beverage," he says.

Drinking to Health

Here are some health benefits associated with tea:

ANTIOXIDANTS: Contains natural antioxidants—reportedly more than vitamin C—believed to help fight cancer and other diseases.

ANTIVIRAL AND ANTIBACTERIAL PROPERTIES: May inhibit common throat and stomach infections and even help suppress influenza virus.

HEALTHY GUMS AND TEETH: Inhibits tooth decay and plaque as a source of fluoride.

CHOLESTEROL AND HEART DISEASE: Green tea has been credited with helping to lower cholesterol and the risk of heart disease.

STROKE PREVENTION: The high flavonoid content in black tea is linked to helping prevent strokes.

SKIN DAMAGE: Green tea appears to protect the skin from sun damage and the consequent signs of aging.

ZINC: Tea is a rich source of zinc, a mineral that boosts the immune system.

CALCIUM: Relatively high amounts of calcium are found in tea, important for fighting osteoporosis, high blood pressure and arthritis.

B-COMPLEX VITAMINS: B1 improves heart health, mental abilities and can help control diabetes; B2 protects against free radical damage and contributes to general energy levels. B6 is an overall immunity booster and soothes nervous disorders.



Indigenous to South Africa, Rooibos, or red tea, is a caffeine-free herbal infusion high in antioxidants.

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Helping propel the buzz is white tea's antioxidant properties, reportedly higher than those of green tea.

Yet industry professionals remind retailers to not count out black teas. "Even with all the 'new' teas, black teas continue to have a consistent clientele. English Breakfast is tried and true, and many black

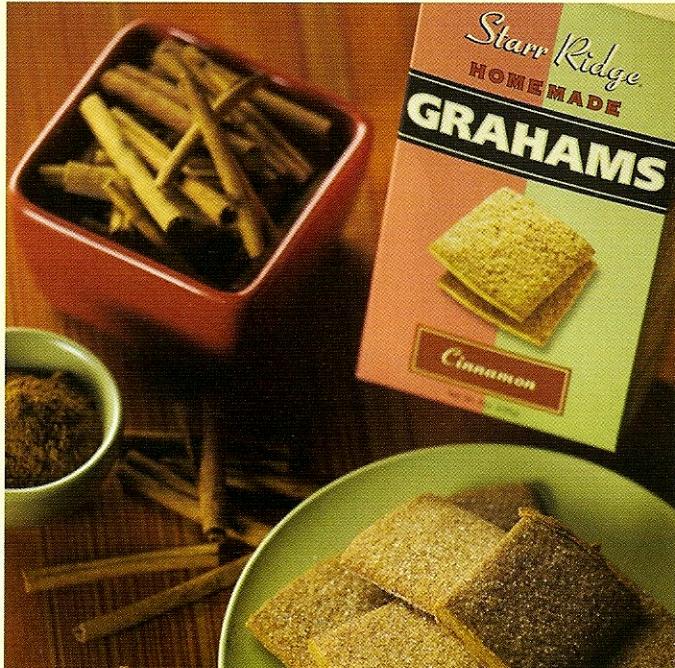
teas will always be a staple of the business," notes Feinberg.

The Rarest of All

Slowly emerging as a new tea category is one of the rarest of all varieties—yellow tea. A tea that has a long, but not well-known, history, yellow is one of six families of tea in

China and is believed to have the most antioxidants due to its production process, which contains no fermenting or oxidation. Shah has recently started to roll out yellow tea. "I have had so many inquiries since I brought it in—even from the ready-to-drink market," he says.

Additionally, *Pu-erh*, a strong Chinese black tea that, according to Pratt, is considered "one of the most prized possessions in the tea world," is entering shoppers' consciousness and is anticipated to boom.



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Major Tea-Growing Countries

CHINA: Considered the birthplace of tea. The majority of production is green tea, however *Keemun* is a popular black tea often used for blending and as a base for iced tea. Other teas include *Yunnan*, *Fujian*, *Ti Kuan Yin* and *Lapsong Souchong*.

INDIA: The largest producer and consumer of tea. Ninety-nine percent of tea processed in the country is black. Some of the finest teas come from the northern region and include Darjeeling and Assam.

SRI LANKA: Third largest tea producer and largest exporter. The majority of teas are black. They are identifiable as twisted, wiry, long leaves with a brightness in flavor which makes them good for blending.

TAIWAN: Known for Formosa Oolong, often considered the champagne of tea, with flavor notes of chestnut, honey and peaches. Also produces Gunpowder, in which leaves are rolled into pellets.

JAPAN: Primarily produces green tea, including *Sencha*, *Gen Mai Cha*, *Hojicha* and *Matcha*. The *Gen Mai Cha* is a blend of green *Sencha* tea with fire-roasted rice. *Hojicha* is an unrolled green leaf that is oven roasted to produce an earthy aroma and nutty taste.

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"I think Pu-erh will be the next hot thing, but it can be a big education leap for customers," says Waddington, who adds that the flavor, which ranges from light to intensely earthy, can be "quite startling to a customer the first time they drink it." At Tea Source, Pu-erh tea is popular with ex-coffee drinkers. "A

strongly brewed Pu-erh has no bitterness or acidity, but a strength that is more closely related to coffee than other teas," he adds.

Harney cites growth among what he calls 'connoisseur' teas. "People have experienced Earl Grey, and they're moving on to teas such as *Lung Ching* (Dragon Well) or other single-garden teas."

Oolong teas are enjoying a resurgence. "We've been selling them for years, but recently there has been interest in this tea's distinctive aroma, flavor and color," Harney continues.

Rishi's Harrison agrees, "Oolong is a category that people should look at again, both at the mainstream and top-tier level."

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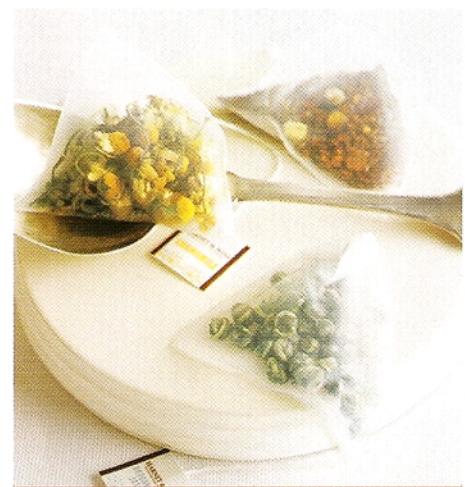
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Beyond the Bag

Tea bags have long offered convenience, but have not always provided quality in the cup. Through pyramid packaging or sachets, specialty tea companies are now able to offer loose-leaf quality in a bag. "Once people know the same high-quality loose-leaf teas are bagged in sachets, it is hard not to make the switch," says Michael Harney of Harney & Sons Fine Teas.

The mass market is following the lead with a rollout by Unilever's Lipton of long-leaf teas enveloped by nylon mesh bags, which began selling in supermarkets nationwide in October.

Rishi Tea has enjoyed success with its launch of tea powders packaged in tea sticks. Rishi's Benjamin Harrison notes, "Because you are ingesting the whole tea leaf, rather than steeping it, you get a higher dose of polyphenols, vitamins and minerals—as much as three times more than from normally brewed tea." ■

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Recent Product Introductions

THE REPUBLIC OF TEA'S BE WELL RED TEAS:

Nine herbal beverages crafted with a base of organic South African Rooibos and combined with beneficial herbs tailored for clear skin, regularity, energy, PMS/menopause, rest, weight control, detoxification, scratchy throat and digestion.

NUMI'S EXOTIC LINE OF FLOWERING TEAS IN BOXES:

From the Leaves of Art Collection; contains white, green, black and oolong teas.

ITO EN'S EXPANDED NATURAL FRUIT TEAS LINE:

New flavors include Tea Mango, Tea Peach, Tea Raspberry, Tea Apricot, Tea

Cranberry, Green Tea Blueberry and Green Tea Apple.

HONEST TEA'S ORGANIC FAIR TRADE-CERTIFIED UNSWEETENED, READY-TO-DRINK TEAS: Just Black and Just Green are unsweetened and contain zero calories.

ADAGIO TEA'S NEW BLACK, WHITE AND JASMINE BOTTLED TEAS: Made using only water, tea leaves and vitamin C.

SERENDIPITEA'S NEW WHITE TEA BLENDS:

White Tea blended with mint (Wuyi Peak); spices (White Heat); lavender (White Lavender); and apples (Snow White).

RISHI TEA POWDERS: Packaged in sticks, 12 per pack; each stick is dosed to work with 16.9 ounces of water.

HARNEY & SONS' CLASSIC TEAS IN SACHETS: A 20-count tin includes English Breakfast, Citron Green, Chamomile, Dragon Pearl Jasmine and Peppermint.

STASH TEA: Ginger Peach Green with Matcha, Pomegranate Raspberry Green with Matcha, Fusion Breakfast Green and Black, Organic White Tea with Mint, Chai White Tea, White Tea (organic) and Decaf Pumpkin Spice.

Rishi Tea's tea powder sticks offer convenient iced teas with a higher dose of vitamins and minerals.



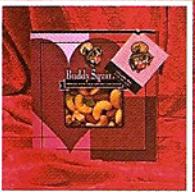
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An Expanded Definition

Following the success of chai, the popular Indian drink with a base of strong black tea flavored with spices such as cinnamon and cardamom, there is growth in many periphery segments of the tea category. For instance, South African Rooibos, known as red tea, is a member of a plant family used to make tisane, an herbal infusion not made from the leaves of the tea bush. It has found a foothold with many consumers.

Matcha, a powdered green tea used in Japanese tea ceremonies, is renown for a high concentration of vitamins and antioxidants. Lately it has become a popular ingredient in lattes, iced drinks and smoothies, helping it gain cache among younger consumers. "Young shoppers are driving the demand, but it isn't necessarily because of its great health benefits," explains Steinbock, who offers matcha lemonade as well as traditional matcha. "Many get matcha in their hot teas or bubble teas because it is a hip thing to do."

Mate, an ancient South American drink, has also seen growing interest. While not a true tea, mate is a highly caffeinated infusion prepared by steeping yerba mate leaves that have been dried, chopped and ground into a powdery mixture in hot water. "Mate continues to be a strong leader in sales, mainly because of its high levels of antioxidants," says Kubik.

The Tea Wave

The specialty tea industry is expected to grow well beyond past expectations. According to the Specialty Tea is "Hot" Report, green, ready-to-drink and flavored specialty teas will drive most of this 'tea wave' followed closely by better-quality offerings in tea bags, organics, chai and herbal "teas" of every type.

With the help of media attention, a bit of marketing creativity, and continued consumer education, tea is destined to become a category that strikes a chord with even more consumers. ■

Laura Everage is a freelance writer specializing in food and beverages and was former managing editor of The Gourmet Retailer.