

2022



FirsD Tea 2022 Sustainability Perspectives

A report on perspectives on sustainability from professionals in tea and related industries.



CONDUCTED IN PARTNERSHIP WITH
Tea & Coffee Trade Journal

ADMINISTERED BY
Crothers Consulting



Table of Contents

03 Introduction

07 Certifications & Sustainability

04 The Current State & Future Outlook

08 Purchasing Drivers & Beliefs About Consumers

05 Tea & Climate Change

09 Key Considerations

06 Tea Sustainability Factors

10 Survey Methodology

Introduction



Of all the hot-button issues to emerge in the past 20 years within the tea industry, sustainability is one of the most-referenced and rarely defined. Food and beverage companies selling tea often leverage the word ‘sustainable’ in an effort to convey trustworthiness to consumers. However, with numerous certifications including Organic, Rainforest Alliance and Fair Trade underscoring different sustainability aspects, the tea industry as a whole still lacks a clear grip on what the word ‘sustainability’ means.

Some studies have attempted to track how people view sustainability. However, these surveys often only address consumer perspectives. Although these past efforts have assessed larger segments, they generally ignore people most connected to the supply chain: industry professionals.

Firsd Tea, the U.S. subsidiary of Zhejiang Tea Group, partnered with *Tea & Coffee Trade Journal* to survey professionals in tea and related industries to understand how they currently view sustainability efforts within the sector and their outlooks for the future. This report explores the following topics in depth.

Worries about climate change: 80% of survey-takers are worried about the effects of climate change on their business operations. Tea is considered the most sensitive industry to the effects of climate change by most professionals in tea and related industries (93%).

The environment as a sustainability priority: 84% of respondents said the environment/carbon footprint is the most important sustainability issue to consumers. Of the climate change risk factors, changing rain patterns, unpredictable weather and extreme heat are considered the biggest threats (95%, 94% and 91% respectively).

Organic certification: 85% of respondents in tea and related industries believe Organic Certification is the most important sustainability standard to consumers.

Current state and the future: Most respondents in tea and related industries say some progress has been made on sustainability from 10 years ago and are hopeful for a similar improvement trajectory in the next 10 years.

Purchasing drivers: Flavor, leaf grade and origin are the most important factors for respondents in tea and related industries when deciding to stock a particular tea. Sustainability scored in the bottom three.

This study provides a roadmap for understanding how the tea industry sees sustainability and can lead to further research on opportunities for achieving a more sustainable sector.

The Current State & Future Outlook



When asked to **rank how the tea industry performed with sustainability 10 YEARS AGO** on a scale of 1 to 10, with 1 being the worst and 10 being the best, **the average score was 4.**



When asked to **rank how the tea industry performs with sustainability CURRENTLY** on a scale of 1 to 10, with 1 being the worst and 10 being the best, **the average score was 5.5.**



When asked to **rank how the tea industry will perform with sustainability 10 YEARS FROM NOW** on a scale of 1 to 10, with 1 being the worst and 10 being the best, **the average score was 6.9.**

To gauge opinions of professionals in tea and related industries about improving sustainability efforts, survey respondents were asked how to heal the divide between the ideal world—where tea is cultivated and traded in the most sustainable way possible—and the current world. The top six response themes were:

- **Consumer Education** - *"If we can get consumers to drink better tea, I think that will help to improve tea at all levels, especially at origin...But higher demand for better products would theoretically require more knowledge at every step of the way, thus requiring a more knowledgeable staff at origin who should be paid more for what they do."*
- **Quality of Life for Workers at Origin** - *"I would give farm workers better rights."*
- **Better Farming Practices/Technology** - *"A commitment to integrated pest management, organic practices, and biodiversity."*
- **Producer Education** - *"Educate farmer practices that support sustainable growth. Educate producers how to make a flavorsome product and not to overproduce low quality."*
- **Improve Certifications** - *"Transparency focus instead of certificate focus. It's the "easy way out", and doesn't actually guarantee anything."*

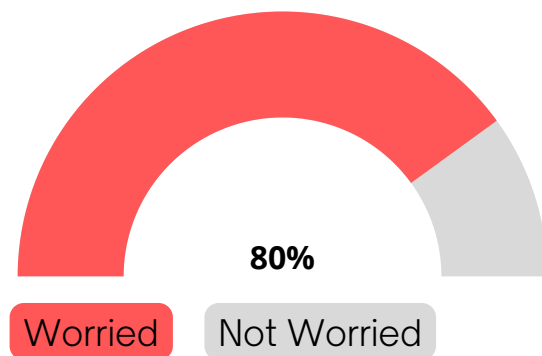


Most respondents believe **incremental progress has been made in sustainability in the last 10 years. They also predict a similar improvement trajectory in the next 10 years.**

Tea & Climate Change

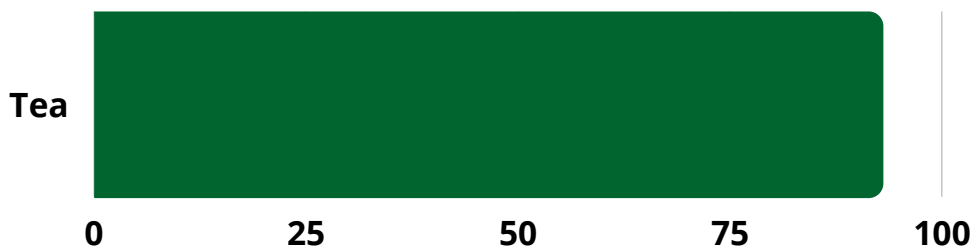
Most professionals in tea and related industries are aware of and concerned about climate change on a global level. However, this rings true for how this segment's respondents view their own companies too. **80% of respondents said they were worried about climate change's effects on their business operations.**

How worried are you about climate change's effects on your business operations?



When it comes to specific climate change threats on tea production, most respondents said **changing rain patterns, unpredictable weather and extreme heat are the biggest climate change risk factors (95%, 94% and 91% respectively)**. Paralleling worries about the effects of climate change on business operations, 93% of respondents said that **tea is a very or somewhat sensitive industry to the effects of climate change.**

In your opinion, how sensitive are the following industries to the environmental impact of climate change on production?

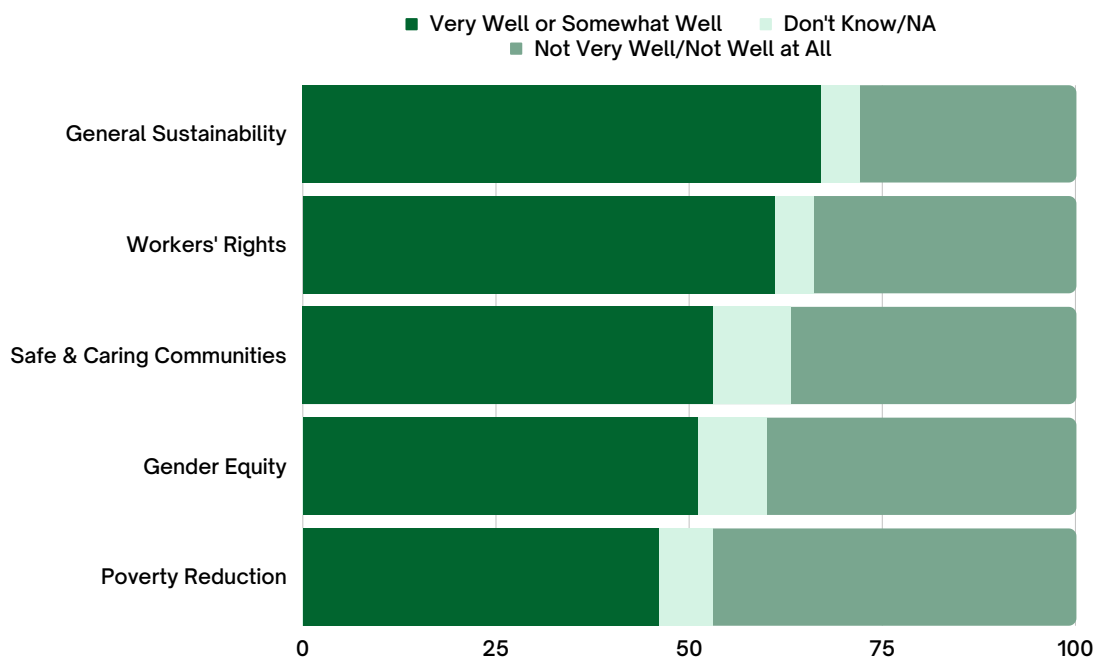


Tea Sustainability Factors

Viewing how respondents in tea and related industries see the sector's performance with different tea sustainability areas reveals some striking comparisons. **Most respondents (67%) say that tea generally implements sustainability very well or somewhat well.**

However, when asked about the tea industry's performance with more specific sustainability factors, the responses become more mixed. Although most respondents believe **tea performs very well or somewhat well with workers' rights (61%), they mostly remain split on the issues of fostering safe and caring communities, gender equity and poverty reduction.**

How does the tea industry perform when it comes to general sustainability practices, workers' rights, gender equity, poverty reduction, and investment in safe and caring communities?



Certifications & Sustainability

When asked what sustainability standards respondents in tea and related industries believe are most important to consumers, **85%** say **Organic Certification** leads the way.

After Organic Certification, respondents believe **Fair Trade (68%), Non-GMO (58%) and Rainforest Alliance (56%) certifications are next in value to consumers.**

Respondents in tea and related industries mostly regarded Demeter Biodynamic and Elephant Friendly certifications as not valuable to consumers.



85% of respondents in tea and related industries believe **organic certification** is the most important sustainability standard to consumers.

When asked to comment on how to heal the divide between an ideal world—where tea is cultivated, traded and consumed in the most sustainable way possible—and the tea industry's sustainability practices today, the concept of **"Improving Certifications"** ranked in the **top six** remarks.

Purchasing Drivers & Beliefs About Consumers

Professionals in tea and related industries were asked about their opinions about what specific sustainability issues consumers care about. Respondents overwhelmingly said that the **environment/carbon footprint was the most important sustainability issue to their consumers (84%).**



84% of respondents in tea and related industries believe **the environment/carbon footprint** is the most important sustainability issue to consumers.

Despite saying the environment/carbon footprint is the most important sustainability issue to most of consumers, respondents listed **flavor (96%), leaf grade (90%) and origin/terroir (88%)** as the top three characteristics that contributed to their decisions to stock particular tea types.

Respondents in tea and related industries ranked "Sustainability" in the bottom three purchasing drivers, edged out by demand, consistency of supply and price.

Key Considerations



Respondents in tea and related industries are **worried about the effects of climate change on production (80% of respondents)**.

Respondents in tea and related industries believe **some progress has been made on sustainability from 10 years ago and believe the next 10 years will witness a similar improvement trajectory**.

Respondents in tea and related industries believe **environment/carbon footprint is the most important sustainability issue to consumers (84% of respondents)**.

Respondents in tea and related industries believe **Organic Certification is the most important sustainability standard to consumers (85% of respondents)**.

Changing rain patterns, unpredictable weather and extreme heat are biggest climate change risk factors (95%, 94% and 91% respectively) for respondents in tea and related industries.

Respondents in tea and related industries say the **tea industry is very or somewhat sensitive to the effects of climate change (93%)**.

Respondents in tea and related industries say that **out of tea, coffee, wine and cocoa sectors, tea performs the best on worker's rights (61% for tea followed by 46% for coffee)**.

Flavor, leaf grade and origin are the most important factors for respondents in tea and related industries when deciding to stock a particular tea.

Survey Methodology

Overview

This report derives its findings from a two-month long survey administered by Crothers Consulting to 95 voluntary respondents conducting business in tea and related industries (e.g. coffee, sugar cane, wine and cocoa) on behalf of Firsd Tea. Survey responses were primarily generated by website posting and subscriber outreach by Firsd Tea and The Tea & Coffee Trade Journal, direct messaging on platforms such as LinkedIn and word-of-mouth networking. Industry-specific organizations including European Specialty Tea Association and Tea and Herbal Association of Canada also promoted the survey by sharing it with their subscribers.

Gender Data

Male: **79%**
 Female: **20%**
 Prefer Not to Say: **1%**

Age Data

18-24: **1%**
 25-34: **10%**
 35-44: **15%**
 45-54: **38%**
 55-64: **23%**
 65 and Over: **9%**
 Unspecified: **4%**

Highest Education Level Data

Graduate Degree: **60.6%**
 College Degree: **29.3%**
 Some College: **7.1%**
 High School: **2%**
 <High School: **1%**

Respondent Business Data

Wholesale: **18%**
 Marketing/Sales: **15%**
 Importing: **14%**
 Retail: **13%**
 Exporting: **12%**
 Other: **28%**

Respondent Business Area Data

USA: **41%**
 India: **18%**
 Canada: **5%**
 UK: **4%**
 Other: **32%**

Respondent Industry Data

Tea: **75%**
 Coffee: **18%**
 Other: **7%**

Survey Methodology (Cont.)



About Firds Tea

Firds Tea is the U.S. subsidiary of parent company, Zhejiang Tea Group, Ltd. (ZJT), China's largest tea exporter and the world leader in green tea exports. Founded in 1950, ZJT has been the largest tea producer and exporter in China for 25 consecutive years. The company has remained one of the leading and most technologically advanced manufacturers and innovators in the Chinese tea industry. ZJT boasts strategic collaboration with the Science Department of Zhejiang University as well as the Hangzhou Tea Research Institute of All China Federation of Supply and Marketing Co-operatives. Zhejiang Tea Group's portfolio of products include EU compliant conventional teas and organic teas (first organic tea producer in China since 1989), decaf teas (one of only two companies in China who have a CO2 decaf facility) and chemical solvent-free tea extractions, including instant teas, tea polyphenols, and EGCG.

Learn more [here](#).



About *Tea & Coffee Trade Journal*

Tea & Coffee Trade Journal has been reporting on the global coffee and tea industries from origin through the supply chain –“seed to cup” –since it was founded by William H Ukers in 1901. Targeting coffee roasters, tea packagers, packers and co-packers, as well as allied services such as importers, exporters and traders, editorial coverage for the publication includes: producing-country special reports and series; sustainability; R&D; roasting, grinding and processing technologies; tea brewing and blending; varietals; single serve; packaging; warehousing and logistics; as well as company profiles, global trends and equipment/machinery. T&CTJ also publishes the annual Ukers' Global Directory and Buyers' Guide, a comprehensive listing of all businesses servicing the tea and coffee trades, and hosts the annual Tea & Coffee World Cup trade show that alternates between Europe and Asia.

Learn more [here](#).

Questions?
Contact us.



www.firsdtea.com

jason.walker@firsdtea.com

