

## 9 tips for doing business with European tea buyers

European tea buyers want to work with suppliers that are reliable and good communicators. They expect you to have a good understanding of market dynamics and demands, especially in terms of food quality and safety requirements. There are numerous different players to look for (e.g. tea traders, tea importers and tea packers). Use these tips to help you analyse their needs, meet their demands and be successful in Europe.

### 1. Comply with buyer requirements

Complying with buyer requirements is essential for accessing the European tea market. It starts with meeting mandatory European Union legislation. Buyers will expect you to meet food safety legislation and have implemented a quality/food safety management system.

Can you submit laboratory residue analysis of your teas? Can you ensure that the products you supply are safe at the time of human consumption? Because the most demanding requirement for many tea suppliers is the EU legislation on maximum residue levels (MRLs).

Make sure you can submit a laboratory residue analysis. This is the first requirement a buyer will be looking for. It will also give you an advantage. But be aware: not all laboratories in exporting countries have the same detection levels as their European counterparts.

If you have not already done so, invest in quality/food safety management system to help you demonstrate your ability to control food safety hazards. In addition, get certification for quality control and traceability. A thorough approach to compliance proves reliability and is welcomed by potential buyers.

In addition to compliance to European Union legislation, buyers often expect you to uphold Corporate Social Responsibility (CSR) policies. These relate to a variety of environmental and social issues (see below). The expectations can differ per country and market segment.

#### Tips:

- Read our study about [buyer requirements on the European tea market](#).
- Visit the website of the EU Export Helpdesk for more [specific information about European Union legislation](#).
- For more information about private standards such as CSR standards see [ITC Standards Map](#).

### 2. Choose your buyers carefully

Who should you choose to do business with? A tea trader or tea packer? It can make quite a difference whether you choose to sell to a tea trader, tea importer or tea packer. So choose your buyer carefully and make sure you can supply the products they are looking for.

One tea trader will import a complete range of CTC (Crush-Tear-Curl) and orthodox teas as well as mainstream and specialty teas. Another tea trader will specialise in organic or specialty teas for instance.

A more general tea importer is potentially interested in all possible grades and qualities of tea. Whilst a tea packer is usually only interested in a very specific (small) range of teas, and in most cases, almost exclusively in tea-bag grades of tea.

Determine which category your potential buyer belongs to, and make sure your products match what he/she is looking for.

**Tip:**

- Read our [tips for finding buyers on the European tea market](#).

### **3. Send representative samples to your potential buyer**

There are many grades, types and qualities of tea. For this reason, business transactions in the tea market are always based on samples. These samples give potential buyers the opportunity to determine whether or not your tea matches their quality requirements before they commit to buying.

When you send a sample, make sure that it fully represents the tea you are planning on supplying. If you do not have the same tea in stock, make sure you label it as a 'type sample'.

Be honest and transparent about your samples and tea quality. If you are not, you run the risk of losing their trust. If you can't match the sample quality in some respect, tell your buyer sooner rather than later.

**Tip:**

- Consult the ISO Standards Catalogue for [ISO standard 1839/1980 Tea - sampling](#).

### **4. Offers and quotation**

Monitor prices at the relevant tea auctions in Kenya, Malawi, Indonesia, India etc. These prices serve as a reference for the price of mainstream bulk tea qualities (mainly CTC). For most other qualities, prices are negotiated between you and the buyer.

When you have reached an agreement with a buyer, you need to confirm the terms of your agreement using a contract, signed by both parties. You must include terms on price, quality, quantity, shipment and destination, amongst others.

In the tea trade, it is usual to quote in US Dollars, even when conducting business with European buyers. It is a good idea therefore, to watch the exchange rates of US Dollars against the Euro and your own currency, closely.

**Tips:**

- For the latest tea prices visit the websites of the Kenyan tea auction (see the [weekly reports of Van Rees bv](#) and the [market reports of Africa Tea Brokers Ltd.](#)) and the websites of the [Malawi](#), [Indonesian](#) and [Indian](#) tea auctions.
- Watch exchange rates closely. You can for example use the XE website for [live exchange rates](#).

## **5. Respect contractual agreements**

If you want to establish longstanding and reliable relationships with your buyers, it is very important to respect your contractual obligations, even in challenging market conditions. If you do this, your buyers will honour their side of the agreements too, and come back with repeat custom (see below).

## **6. Use marketing tools properly**

Trust and credibility are major challenges for exporters in tea-producing countries. The right marketing can help you to overcome these challenges. However, be aware that poor marketing tools can actually do more harm than good.

Websites are an essential part of product marketing. High-quality websites are associated with modern, professional organisations. Websites offer you the opportunity to display and advertise your products, so make sure your company has a website which contains the following aspects:

- Tea varieties
- Tea grades
- Altitude
- Tea processing
- Sensory characteristics
- Origin
- Availability
- Packaging
- Certificates. Mention the year of certification and explain how it contributes to sound products and services. Certificates relating to food safety are crucial for many buyers, as are certificates relating to quality management, the environment and ethical aspects.
- A story about the origins of your products. This will help you to promote your company and develop your brand.
- Your company's mission
- Your company's history
- The reasons behind your choice of tea(s)
- Quality and delivery reliability. Make sure you explain how your company has implemented and monitors processes in terms of quality, and specifically MRLs (maximum residue levels).

### **Tips:**

- Tell your story.

- Use online video sharing platforms such as [YouTube](#) to promote your business. This is the perfect way of highlighting your company's mission, history and the story behind your choice of teas.
- Use social media to get acquainted with European buyers. Buyers are often active on social networks e.g. [Facebook](#) or [LinkedIn](#).
- Beware, that for two-way communication, European buyers prefer e-mail, phone and face-to-face contact.
- See our [tips about finding European tea buyers](#).

## **7. Adopt Corporate Social Responsibility (CSR) policies**

Many tea buyers are interested in issues that have little to do with the quality of your product. These are buyers who are looking for an interesting and marketable story, frequently linked to strong Corporate Social Responsibility (CSR) policies. This is especially true to the speciality tea segment, but not exclusively.

Even though a strong story can sometimes avoid the need for certification, CSR in the tea sector is often linked to certification schemes addressing social and environmental aspects. The main certifications for tea are:

- [UTZ Certified](#)
- [Rainforest Alliance](#)
- [Ethical tea Partnership](#)
- [Organic](#)
- [Fairtrade Labelling Organisations International \(FLO\)](#).

The demand for this kind of certification is increasing at a fast pace in Europe, affecting both mainstream and speciality teas.

It is important to discuss certification needs with your (potential) buyer and research your target market(s) before engaging in costly and time-consuming certification processes. Also make sure to contact local representatives of the different certification schemes to ask for information, offers for certification services and training possibilities.

### **Tips:**

- Read our study on [buyer requirements in European the tea sector](#).
- Take a look at the websites of [UTZ Certified](#), [Rainforest Alliance](#), [Ethical tea Partnership](#), [Organic](#), [Fairtrade Labelling Organisations International \(FLO\)](#)
- For more information about private standards such as Corporate Social Responsibility (CSR) standards see the [ITC Standards Map](#).

## **8. Communicate clearly and transparently**

In the competitive tea sector, buyers appreciate suppliers who are reliable, transparent and good communicators. Buyers will consider you to be reliable if you keep to your agreements and delivery times.

Be transparent. This means developing an open relationship in which you discuss risks properly, address them and offer solutions.

Good communication means involving your buyer(s) in your considerations, and providing them with clear and prompt information, especially regarding price, contracts, quality and shipment issues.

**Tips:**

- Poor communication can seriously jeopardise your business, while good communication can bring many benefits.
- Answer e-mails within one or two days.
- Make sure you phone your buyer periodically to discuss issues properly, not only when problems arise.
- It is also advisable to send your buyers regular newsletters (e.g. four times/year) with information, forecasts and news about the tea in your specific area.
- If a problem arises, tell your buyer immediately! In fact, they may even be able to help.

**9. Acknowledge cultural differences**

Europe is made up of many different countries, and each country has its own business practices, industry profiles, consumer preferences and languages. Be prepared to work with cultural differences and get to know your markets before doing business with them.

**Tips:**

- Study [cultural and business etiquette throughout Europe](http://www.businessculture.org) at [www.businessculture.org](http://www.businessculture.org).
- Read this overview provided by [Passport to Trade 2.0](#) for insights into the different business cultures across Europe.
- Visit the [Kwintessential Etiquette Guide](#) for a country-by-country guide to languages, cultures, etiquettes and taboos throughout Europe.