



# **CBI Product Factsheet:**

## **Tea in Ireland**

## Introduction

Tea drinking is one of Ireland's most loved rituals. The Irish are among the highest per capita consumers of tea in the world. 'crush, tear and curl' (CTC) black teas of high quality are preferred by the Irish, who tend to be very loyal to their brands. East Africa (particularly Kenya) and North India (Assam) are the most important tea producing countries with respect to tea sold in Ireland.

## Product Definition

The word 'tea' refers to a hot beverage that is prepared by infusing or brewing the dried leaves of the *Camellia sinensis* plant. There are at least six different types of tea: green, white, yellow, oolong, black, and dark post-fermented tea (or black tea for the Chinese). The most commonly found on the market are black, green, oolong and white tea (see table 1).



Oxidation is the distinguishing factor that determines whether tea leaves will become black, oolong, green or white tea. It is a chemical process that results in the browning of tea leaves and the production of flavour and aroma compounds in finished teas. During the oxidation process (sometimes also referred to as 'fermentation'), the flavours and aromas of tea become fuller and deeper. In general, black tea is fully oxidised, oolong is partially oxidised, green tea is processed to stop oxidation (only minimal oxidation or no oxidation at all occurs) and white tea is unoxidised.



**Table 1: the most common teas and their flavours**

Tea	Description	Flavour
<b>Black tea</b>	Black tea is the most common type of tea in the Western world. Black tea is almost always fully oxidised.	Black tea is noted for its full, bold flavour and its ability to pair well with many Western foods, particularly sweets and creamy foods.
<b>Green Tea</b>	Green tea is processed to quickly stop fermentation (minimal oxidation occurs). Japanese green teas are typically steamed. Chinese-style teas are typically processed with dry heat.	Japanese-style green teas tend to have strong vegetal, grassy or oceanic/seaweed notes and a slight citrus undertone. Examples include Sencha and Matcha tea. Chinese-often have a mellower, sweeter flavour profile with notes of nuts, flowers, wood and/or vanilla.
<b>Oolong tea</b>	Oolong tea is rolled by hand or machine and pan fired, and then heated. Many oolongs are roasted afterwards to further develop their flavours and aromas.	Depending on their processing, oolongs may have flavours and aromas of honey, orchids and other flowers, lychee and other fruits, wood, butter or cream, vanilla and/or coconut.

<b>White tea</b>	White tea is a light tea grown and harvested primarily in China (Fujian and Zhejiang province). The name relates to the whitish appearance of the plant. The tea is pale yellow.	White tea has a light, delicate, slightly sweet flavour.
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Most teas are sold to consumers as *blends*: mixtures of teas from several different origins to achieve a certain flavour profile. Most branded teas in Europe use 20 or more origins to achieve their desired taste and price level. However specialised tea (and coffee) shops are increasingly selling single origin teas.

### Irish flavour preferences

Irish consumers mostly drink 'crush, tear and curl' (CTC); a method of processing tea leaves, which is well suited for teabags) black teas of high quality. Much of the tea consumed is an Assam blend originating from Eastern Africa and North India. Irish consumers prefer dark black teas, as they often drink their tea with milk. Teabag tea is very popular in Ireland, with about 95% of all tea sold in teabags.

### Codes used in customs & international trade

The statistical data in this document is based on Combined Nomenclature (CN) codes. The CN uses Harmonized System (HS) codes to classify products. When not differently specified, statistics include these four types of coffee beans. The HS codes included in this study can be found below. There are no separate HS codes for oolong and white tea. They fall within the categories of fermented and unfermented teas, respectively.

HS Code	Description
090240	Black tea (fermented) & partly fermented tea in packages exceeding 3 kg
090230	Black tea (fermented) & partly fermented tea in packages not exceeding 3 kg
090220	Green tea (not fermented) in packages exceeding 3 kg
090210	Green tea (not fermented) in packages not exceeding 3 kg

## Product Specification

### Quality: Grading and classification

The factors affecting tea quality can be distinguished as follows:

- Genetic: tea quality is determined primarily by the genetic properties of the tea plant/bush: China type, Assam type or hybrid.
- Environmental: the quality of tea is affected by elevation (high altitude), soil and [climate](#) (including temperature, humidity, sunshine duration, and rainfall).
- Field operations: pruning, fertilising, shading and plucking also play an important role in determining the quality and flavour of tea.
- Processing of plucked tea leaves: [orthodox versus 'crush, tear and curl' \(CTC\) tea](#).

There are four basic grades in orthodox tea production: whole-leaf, broken-leaf, fannings and dust. These categories specify and indicate the different leaf sizes and associated strengths. Whole-leaf and broken grades are used predominantly for loose (specialty) teas, while fannings and dust are the preferred grades for CTC and other teabags.

The quality of tea is generally assessed by tea tasters (at auctions or from private buyers). Additional information is provided in the [Compendium of Guidelines for Tea, drafted by the](#) European Tea Committee.

There is growing international interest in the enforcement of minimum quality standards for internationally traded tea. The difficulty is agreeing on internationally acceptable quality standards. Exemplary tea grading specifications can be found on the [website](#) of Rate Tea.

### Labelling

Consumer products containing tea [are required to be labelled](#) with the following characteristics:

- Name of the product
- Physical condition or the specific treatment undergone (oxidised or not, etc.)
- List of ingredients, including additives (such as herbs for herbal teas)
- Nutritional values, for products containing ingredients that alter nutritional value (e.g. candied fruit pieces, coconut chips)
- Presence of substances known for their ability to spark allergic reactions and intolerances should always be indicated

- Net quantity
- Expiry date preceded by the words 'best before'
- The name or business name and address of the manufacturer or packer, or of a seller established in Europe
- Place of origin or provenance.

## Packaging

Tea is packaged in food grade foil lined paper sacks, plywood chests are hardly used anymore. The tea sacks are normally packed in 20 sacks to a pallet that weighs between 700 kg to 1,500 kg. On bulk packaging the lot number (identification number), net and gross weight (quantity of content), whether the bag contains green or black tea (ingredient list), and more specifically, for instance the name of the tea factory tea (statement of identity) and the country of origin are required.

### Common packaging methods



## What requirements should tea meet to be allowed on the Irish market?

Ireland is a member of the European Union and therefore, tea exported to Ireland must comply with European food safety legislation. The European market (which includes the Irish market) has strict demands with regard to the safety and quality of food. These demands include legislation on food safety, maximum residue levels (MRLs), contaminants, consumer labelling and extraction solvents.

## What legal requirements must my product comply with?

Compliance with European legislation is the most important criterion that European buyers have when purchasing tea. Only suppliers that are able to adhere to the high European requirements regard the quality and safety of food will be allowed to enter the European market (and thus in Ireland). Compliance with the maximum permitted residue levels (MRLs) and legislation regarding contaminants is considered the most important in this regard.

### Tips:

- Direct information on the relevant legal requirements is available on the [website](#) of the European Union's Export Helpdesk.
- For more information on requirements for tea on the European market, please read our study on [buyer requirements for tea on the European market](#).
- Use the [European Union MRL database](#) to find the MRLs that are relevant for your tea. Select your product or the pesticide you use and the database will show the list of the MRLs associated with it, including the legal maximum MRLs.
- The International Trade Centre's [Standards Map](#) provides additional information on voluntary standards.

## What additional buyer requirements do buyers often have?

In addition to legally binding requirements, sustainability has become an increasingly important condition for market access. In Ireland, all of the leading tea brands have adopted ethical policies and/or embrace one or more certification initiatives, especially those of the Rainforest Alliance and Ethical Tea Partnership (ETP).

**Tip:**

- Consult with buyers regarding the labels that are preferred in Ireland. The Rainforest Alliance label is the most popular in Ireland, as it is the label selected by Unilever Ireland for its leading brand, Lyons tea.

**Niche sustainability concepts**

Although Irish consumers are quite loyal to their brands, sustainability is becoming increasingly important. In addition to the mainstream Rainforest Alliance tea, Ireland has a niche market for organically produced teas and teas produced according to the principles of fair trade.

**Box 1. Sustainability initiatives of individual tea packing companies operating in Ireland**

In Ireland, the leading brands have adopted ethical policies (based largely on the principles of fair trade) and/or embrace one or more certification initiatives:

- Lyons Tea (Unilever) – [Lyons tea: sustainability](#) with Rainforest Alliance Certification. See also Unilever’s [Sustainable Living](#).
- Barry's Tea Ltd – [Ethics](#) and [organic green tea](#)
- Bewley's Tea – [Ethical commitment](#) including Fairtrade certification
- Thompson Family Teas (Punjana) – [Ethical sourcing](#)
- Tetley – [Sustainability](#) with Rainforest Alliance certification
- Robert Roberts – [Our ethics](#)
- The Irish Tea Company – [as many organic teas as possible](#)

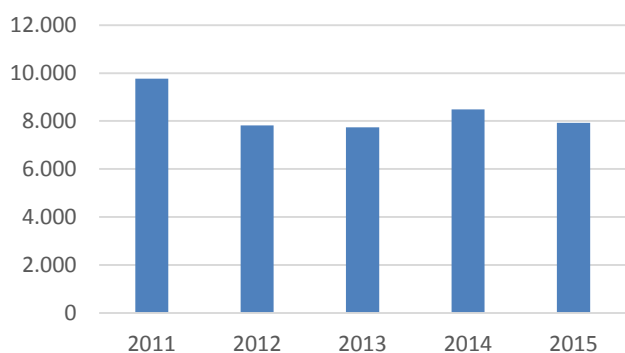
**What is the demand for tea in Ireland?**

Unless stated otherwise, the import, export and consumption figures presented below are based on the selected HS codes (see the *Product Description* section).

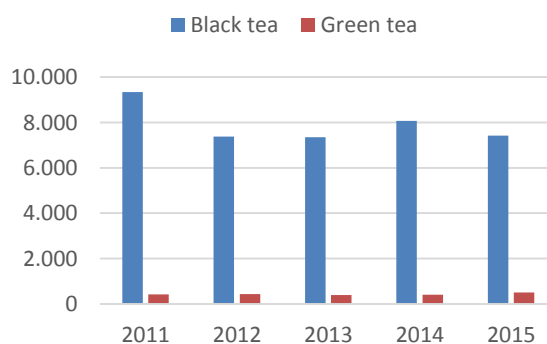
**Increasing green tea imports**

In 2015, tea imports in Ireland (both packed and bulk) amounted to about 8 thousand tonnes with a value of almost €34 million. Compared to major European tea importers (United Kingdom, Germany, Poland), Ireland is a relatively minor tea importer. The total volume of imported tea has decreased by an average of 5.1% per year since 2011. The value of imported tea, however, has only declined by 1.2% per year since 2011.

Ireland predominantly imports black tea. Of all tea imports in 2015, 94% consisted of black tea (about 7.5 thousand tonnes) and only 6% consisted of green tea (about 500 tonnes). Black tea imports have shown an average annual decrease of 5.6% since 2011, whereas green tea imports have shown an average annual increase of 4.1% since 2011. Despite the increasing imports of green tea, total tea imports have decreased over the period 2011 to 2015.

**Figure 1: Total volume of Irish tea imports in tonnes, 2011–2015**

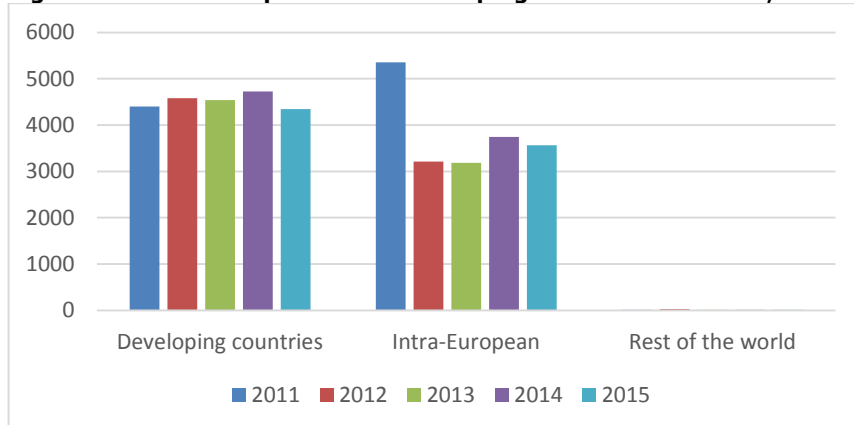
Source: Eurostat, 2016

**Figure 2: Volume of Irish black and green tea imports in tonnes, 2011–2015**

Source: Eurostat, 2016

Imports from developing countries are very important for the Irish tea market as 55% of all tea imports were sourced in developing countries in 2015. Since 2011, Irish tea imports from developing countries have decreased by only 0.3% per year, compared to an annual decrease of 9.7% of tea imports from European countries. Despite a strong decrease of imports from European countries, 45% of Irish tea imports still come from European countries. This tea is originally sourced outside of Europe and re-exported to Ireland.

**Figure 3: Irish tea imports from developing countries in tonnes, 2011–2015**



Source: Eurostat, 2016

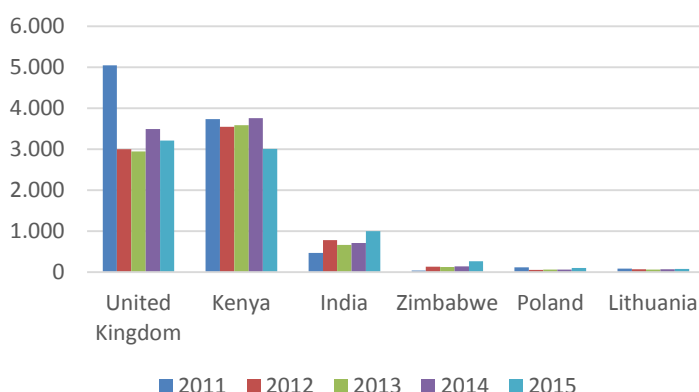
**Tip:**

- When exporting teas (higher or lower value teas), look for opportunities in direct trade with Ireland, hereby bypassing the auctions. Through these private sales, you may obtain a price increase of 10 kg. This is quite common for specialty tea and for buyers with specific requirements.
- Benefit from the trade within Europe to market your tea in Ireland via re-exports from the United Kingdom.

**Kenya as the leading supplier**

In 2015, the United Kingdom (40%) and Kenya (38%) were the largest exporters of tea to Ireland, followed by India (13%), as is indicated in Figure 4. The large share of tea imports from the United Kingdom can be explained by the fact that [Lyons tea](#) (a Unilever brand with the largest market share in Ireland) is packed in the United Kingdom.

**Figure 4: Leading six supplying countries to the Irish tea market in tonnes, 2011–2015**



Source: Eurostat, 2016

Even though Ireland has long-standing relationships with its suppliers, the opportunities available to suppliers can vary widely from one year to the next, depending upon the quality of the global harvest (for instance, in terms of volume and/or compliance with food-safety requirements, including pesticides), as well as according to price and consumer trends.

**Tips:**

- Keep updated about developments in the global market as they can have an impact on your competitive position. Refer to price and crop reports and talk to experts.
- Importing countries may shift their focus regarding the origin of supply. Therefore, a long term and professional cooperation is a good way to increase your presence in a particular market and consolidate your position.

### Bulk versus consumer packaging

Large Irish tea brands are packaged and blended in Ireland for the domestic market (consisting primarily of teabags). For this reason, Ireland mainly imports bulk tea (about 68% of total tea imports in 2015). Developing countries supply hardly any consumer-packaged tea to Ireland (1.6% of all imported consumer-packaged tea, with China accounting for 1%). Opportunities for exporters from developing countries with regard to supplying value-added teas depend heavily on the type of tea/level of processing, blending and flavouring and the country's experience with sophisticated packaging.

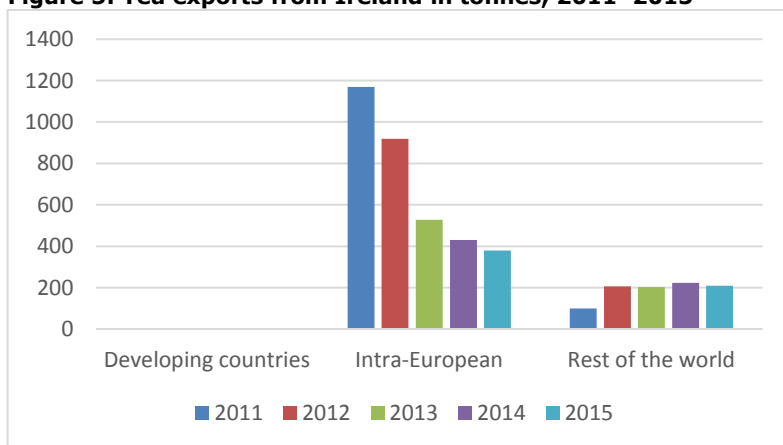
#### Tips:

- Although it is not a simple endeavour, exporters in producing countries could try to sell blended or other teas in consumer packages (e.g. teabags). For example an exporter could supply private-label products for particular supermarkets (or chains) at prices that are higher than those for bulk tea. Sri Lanka has a long history of capturing more value in the supply chain through value-added production (Ceylon tea) and high-quality tea.
- Note that adequate packaging is extremely challenging. For example, consumer teas are increasingly being packed in pyramid-shaped tea bags.
- Flavouring (e.g. Earl Grey, lemon, orange etc.) and mixing with herbs, fruits, spices etc. is also often required, as many buyers want a complete assortment of consumer teas. Also Darjeeling, Ceylon or Rooibos is sometimes required for a full assortment.

### Decreasing tea exports within Europe

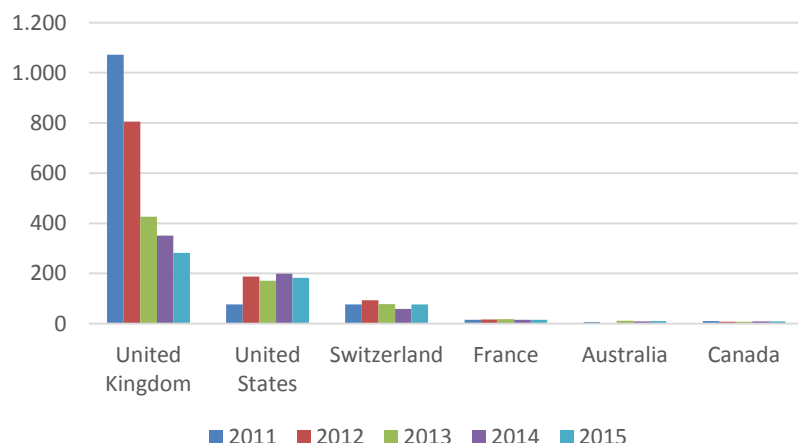
In 2015, tea exports from Ireland amounted to 589 tonnes with a value of €5 million, making Ireland only a small exporter of tea in Europe. Since 2011, tea export volumes from Ireland have shown an average annual decrease of 17.5%. Almost two-thirds (about 64%) of tea exports are destined for other European countries, most notably the United Kingdom (48%), Switzerland (13.1%) and France (2.5%). The remaining 36% of tea exports is primarily destined for the United States (about 31%). Irish immigrants in the United States and the United Kingdom prefer to consume recognisable Irish brands.

**Figure 5: Tea exports from Ireland in tonnes, 2011–2015**



Source: Eurostat, 2016

**Figure 6: Leading six export destination for tea from Ireland in tonnes, 2011–2015**



#### Tips:

- Although not an easy task, consider exporting directly to the exporting partners of Ireland. Create an account for databases such as [Eurostat](#) and [ITC](#) to get a better understanding of trade flows between European countries and your own country.
- For more information about trade statistics on the European tea market, please refer to our study on [European trade statistics for tea](#).

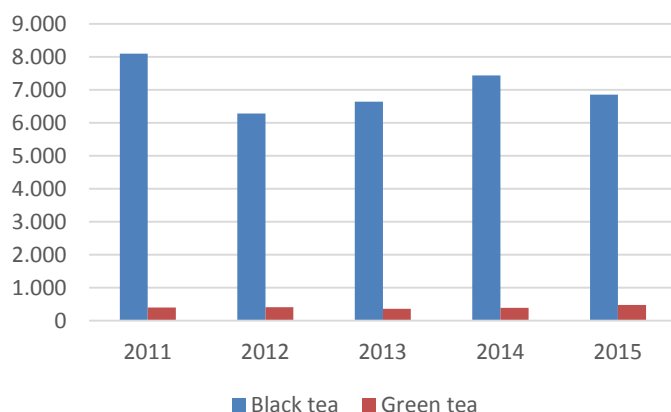
## Tea consumption in Ireland

It is possible that the consumption figures can vary (slightly) from other consumption statistics on the Irish tea market. This can be credited to the fact that consumption figures are calculated using import and export figures. This calculation does not take into consideration carry-over stocks and possible faulty registration of trade data.

### Mature market with high per capita consumption

Ireland is the sixth largest tea consuming country in the European Union. Tea consumption amounted to about 7.3 thousand tonnes in 2015. The Irish per capita consumption is the highest in the European Union and second highest in the world. It is about 5–6 times higher than the global average ([Irish Tea Trade Association](#)), amounting to over 2 kilograms per person in 2013 ([Quartz](#), 2014). According to industry experts, the Irish tea market is largely dominated by black tea in teabags. The market for loose-leaf tea is very small (accounting for about 3%–4% of all tea sales), but stable.

**Figure 7: Apparent tea consumption in tonnes in Ireland, 2011–2015**



Source: Eurostat, 2016

### Strong tea-drinking tradition

The Irish tea market becomes increasingly under pressure from other hot beverages, especially fresh coffee products. However, it is expected that sales of black tea will hold their own being such a traditionally strong tea variety, but will



struggle to see growth. Speciality tea products such as orthodox teas (whole leaf, single estate), flavoured, wellness and/or sustainable teas, are expected to see moderate growth.

**Tips:**

- Opportunities lie in categories of tea, such as black specialty (loose) teas, green teas, decaffeinated and Earl Grey teas. These currently occupy a small portion of the market and are expected to grow a little.
- Focus on quality and price. The Irish consumers are loyal to their brands and trust tea to be a natural product.
- Contact the [Irish Tea Trade Association](#) to find out more about the Irish tea market, its developments and its major players.

## What trends offer opportunities on the Irish market for tea?

### Tea fits the health trend

On their websites, the leading tea brands in Ireland pay considerable attention to the health-related aspects of tea. This trend includes the health benefits associated with hydration, caffeine and calories.

**Tips:**

- Focus on CTC high quality black tea, given its massive share of the market. Dark (East African) teas are particular popular. Another option would be to focus on speciality teas (e.g. orthodox, mild green tea). Although these teas account for only a tiny portion of the Irish market, they have considerable growth potential.

### Convenience in addition to quality

Irish people drink black CTC tea of high quality. 95% of the tea is sold in tea bags, most of it in 3.125 grams of tea per bag in boxes of 80 bags and a total of 250 grams of tea ([Irish Tea Trade Association](#)). Most of the tea is bought in supermarkets and smaller convenience stores.

**Tip:**

- Specialty teas may be an additional unique selling point over CTC black teas. It is important to have a good understanding of what grades or qualities are used for specialty teas when considering entering this market.
- You will have to acquire new processing equipment, if you do not produce orthodox teas so far.

### New materials and shapes for tea bags

The well-known traditional teabags made of filter paper are now often being replaced by staple-less bags made commercially compostable or certified biodegradable materials. Pyramid-shaped teabags have also become more popular, as they allow more room for whole-leaf tea to expand, thereby yielding a better, more flavourful brew.

**Tip:**

- Exporters of speciality teas in consumer packaging should consider using these innovative bags (see also this [article](#) about different shapes of teabags).
- For more information on trends in the European tea market, refer to our study on [trends in the European tea market](#).

## What do the trade channels and interesting market segments look like in Ireland for tea?

Tea is either traded through auctions or through private sales. Producers in China, Vietnam and Argentina sell their teas mostly through private sales. Other producing countries such as Kenya, Sri Lanka, Indonesia and India have an auction system in place. Understanding the total tea value chain may help exporters to estimate their risks and opportunities and adapt their marketing strategy accordingly.

## Multinationals dominate the market

The international tea trade is largely in the hands of multinational companies. The leading companies in Ireland (Unilever and [Barry's Tea](#)) have Irish and British roots. Unilever Ireland Ltd continued to lead the Irish tea market in 2015 with an overall value share of 28% amounting to actual sales of €33 million. Unilever owns the [Lyons brand](#), which is the number-one selling brand of tea in Ireland. Lyons Tea and Barry's Tea are strong rivals. As a consequence, these brands have invested heavily in branding and advertising to maintain their leadership within the tea market (particularly for black tea).

In terms of brands, Lyons (now fully certified by the Rainforest Alliance) remains the largest player, with a 36% share, with Barry's not far behind (at 27%). Private-label brands account for another 15%, with Bewley's at 7%. Other brands include Tetley (6%), Punjani (4%) and Rob Roberts (3%) (Source: [Irish Times](#), 2014).

### Tip:

- Stay up-to-date about the current developments in the tea sector in terms of production, imports and exports, both in quantities and values. Refer for example to the (paid) [Statistical Research Services](#) of the International Tea Committee ([ITC](#)) and your own Tea Board.

Tea is mainly consumed at home. This means that the retail channel is the most dominant force in the Irish tea market. The main supermarkets in Ireland are [Dunnes Stores](#), [Tesco](#), [SuperValu](#), [Centra](#) and fast growing [Aldi](#) and [Lidl](#). The first four sell all the main tea brands that are packed in Ireland. Another main market channel is convenience stores.

### Tip:

- Large buyers including retailers are in a good position to help you with access to finance. Also look for other forms of finance such as grants and funds. A large contributor to tea projects in developing countries is the [Common Fund for Commodities](#).

## Useful sources

- Irish Tea Trade Association - <http://www.irishteatrade.ie/> - official representative body for tea packers in Ireland
- International Tea Committee - <http://inttea.com> - non-profit provider of global tea statistics (based in United Kingdom)
- Tea 2030 - <http://tea2030.tumblr.com> - global collaboration from leading stakeholders across the tea value chain
- Organic Farming in Europe - <http://ec.europa.eu/agriculture/organic>
- Fairtrade Labelling Organisations International (FLO) - <http://www.fairtrade.net>
- UTZ Certified - <http://www.utzcertified.org>
- Rainforest Alliance - <http://www.rainforest-alliance.org>
- Ethical Tea Partnership - <http://www.ethicalteapartnership.org> - non-governmental organisation (NGO) supporting farmers in sustainable farming and trade
- The Sustainable Trade Initiative - [www.idhsustainabletrade.com/tea](http://www.idhsustainabletrade.com/tea) - major tea brands and packers join forces for sustainable tea sourcing & trade
- Information on packaging can be found at the website of ITC on export packaging: <http://www.intracen.org/itc/exporters/packaging>

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