



CBI Product Factsheet:

Tea in Poland

Introduction

Poland has amongst the highest per capita tea-consumption rates in Europe. Although Polish consumers regard tea (particularly black tea) as a necessity, consumer preferences are changing. As mainstream black and green teas are losing market share, demand is increasing for new premium tea products (e.g. teas with distinctive fruit and herbal flavours and high-quality speciality teas). Poland is increasingly functioning as an export hub. The rapidly increasing export market for black tea could become another growth market for exporters.

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).



Flavours of tea

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'), 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 or no oxidation at all occurs) and white tea is unoxidised.



Table 1: the most common teas and their flavours

Tea	Description	Flavour
Black tea	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.
Green Tea	Green tea is processed to quickly stop oxidation (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.
Oolong tea	Oolong tea is rolled by hand or machine and	Depending on their processing, oolongs may have flavours

	pan fired, and then heated. Many oolongs are roasted afterwards to further develop their flavours and aromas.	and aromas of honey, orchids and other flowers, lychee and other fruits, wood, butter or cream, vanilla and/or coconut.
White tea	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.

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.

Polish flavour preferences

Polish people tend to drink tea with every meal. The average Polish consumer has less buying power than the average West European consumer. Black tea consumption is more popular than speciality tea. However, as more Polish citizens become wealthier, there is a growing interest for speciality premium teas.

Codes used in customs & international trade

The statistical data in this document is based on Combined Nomenclature (CN) codes. The CN uses Harmonised 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-leaf grades are used predominantly for loose (specialty) teas, while fannings and dust are the preferred grades for CTC and other tea bags.

The quality of tea is generally assessed by tea tasters (at auctions or from private buyers). Additional information is available 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 product 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 specific, 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 Polish market?

Poland is a member of the European Union and therefore tea exported to Poland must comply with European food safety legislation. The European market (which includes the Polish 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 with regard to the quality and safety of food safety will be allowed to enter the European market (and thus in Poland). Compliance with the maximum permitted residue levels (MRLs) and legislation regarding contaminants is considered 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.
- Note that sending a shipment that does not comply with European legislation is subject to severe financial or other consequences. If incompliance is detected, shipments are sometimes sent back to the country of origin. In some cases, however, the authorities decide that the whole shipment must be destroyed. Based on the experiences of European buyers, this situation is quite common in Poland.
- For more information on requirements for tea on the European market, please read our study on [buyer requirements for tea on the European market](#).
- The International Trade Centre's [Standards Map](#) contains 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. Mainstream certification is currently a common request in the Polish mass-market segment, due to the dominant position of large international companies. The market share of [Rainforest Alliance](#) tea has increased considerably in Poland since Unilever, the leading brand which controls about one-third of the total tea market, adopted the label.

Tip:

- Consult with your buyers about the labels that are preferred in the Polish market. Because Unilever brands Lipton and Saga adopted the Rainforest Alliance label, this label is currently dominant in Poland.

Niche sustainability concepts

In Poland, growth is expected for niche labels, especially with regard to organic tea. The organic food segment is the most rapidly growing segment in the Polish food market. Tea suppliers are therefore advised to follow certification trends closely.

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

Large tea packing companies in Poland and their sustainability or ethical policies are:

- Lipton and Saga (Unilever Polska SA) – [Sustainable Living](#) with Rainforest Alliance certification
- Tetley (Tata Global Beverages Polska) – [Ethical Tea Partnership](#) (in Polish) and Rainforest Alliance certification
- Herbapol Lublin SA – [Social Responsibility](#), with some organic fruit, herbal and green teas
- Dilmah – [website](#) with a line of organic tea and infusions, along with some Rainforest Alliance and ETP certified tea gardens
- Mokate, with the brand Minutka – [Certificates](#)
- Pukala – [certificates](#) with organic certification.

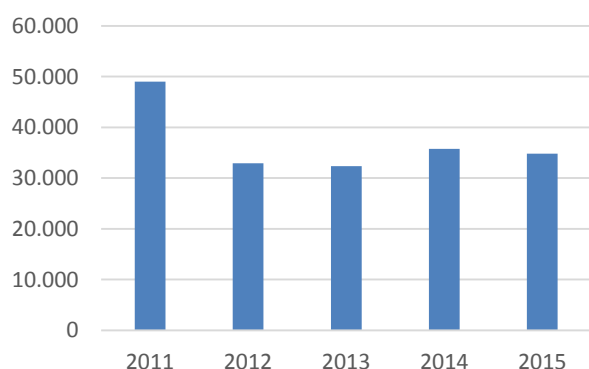
What is the demand for tea in Poland?

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

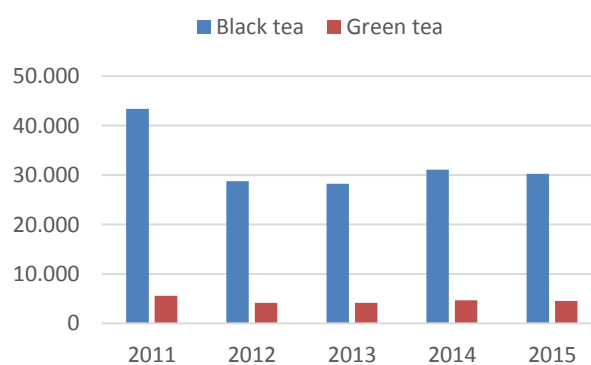
Tea imports are slightly increasing again

Poland is the third largest tea importer in Europe, only behind the United Kingdom (largest tea importer in Europe) and Germany. In fact, Poland is by far the largest importing country in Eastern Europe. In 2015, total tea imports in Poland amounted to almost 35 thousand tonnes, with a value of about €97 million. Between 2011 and 2015, the volume of tea imports in Poland has shown an average annual decrease of 8.2%. However, after a large fall in imports in 2012, tea imports have been slightly growing again.

Tea imports in Poland have been dominated by black tea. In 2015, black tea imports accounted for about 87% (over 30 thousand tonnes) compared to 13% of green tea imports (about five thousand tonnes). Black tea imports have shown an average annual decrease of 8.6% which is higher than the average annual decrease of green tea (5.2%) since 2011. In 2015, imports from developing countries consisted of about 87% black tea and about 16% green tea.

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

Source: Eurostat, 2016

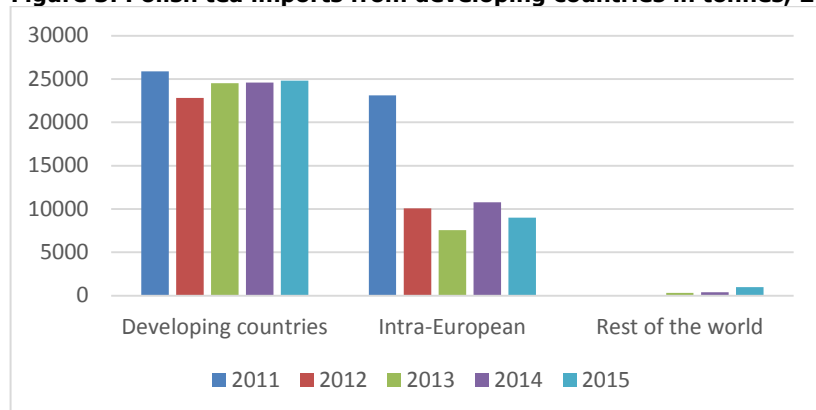
Figure 2: Volume of Polish black and green tea imports in tonnes, 2011–2015

Source: Eurostat, 2016

Tea imports from developing countries have traditionally been very important in Poland, but trade within Europe was almost equally important in 2011. However, from 2012 onwards, developing country suppliers have become more important compared to trade within Europe. In 2015, tea imports from developing countries accounted for about 71% of

tea imports, compared to 26% of intra-European trade. Whereas supply from developing countries has been quite stable since 2011 (a decrease of 1.1% annually), tea imports through within Europe suffered an annual decrease of 21%.

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



Source: Eurostat, 2016

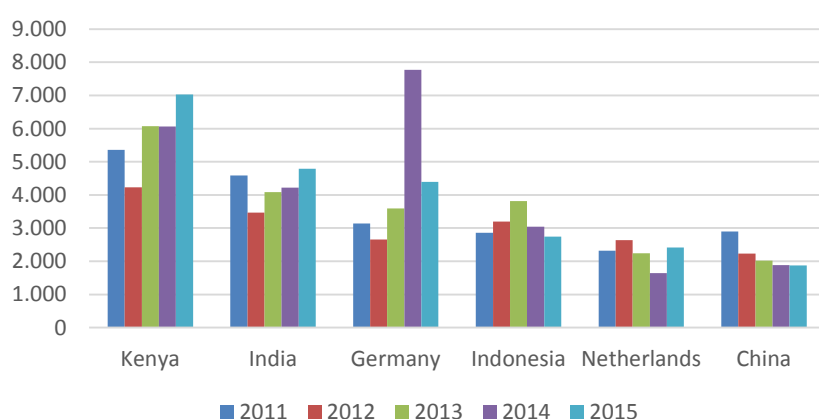
Tips:

- When exporting teas (higher or lower value teas), look for opportunities in direct trade with Poland, hereby bypassing the auctions. Through these private sales, you may obtain a price increase. This is quite common for specialty tea and for buyers with specific requirements.
- Benefit from intra-European trade between Germany and/or the Netherlands and Poland to market your tea in Poland.

Large supplying countries remain the same

In 2015, Kenya was the largest tea exporter to Poland again (accounting for about 20%). Since 2011, with the exception of 2014, Kenya has been the largest supplier to the Polish tea market. Kenya is followed by India (14%), Germany (13%), Indonesia (8%), the Netherlands (7%) and China (5%). For a long time, these countries have been dominant suppliers to the Polish tea market, but the imported volume is subject to change. Therefore, opportunities may vary widely from one year to the next, depending on the quality of the global harvest, as well as on price and consumer trends.

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



Tip:

- 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.

Bulk tea imports are dominant

Given Poland's status as a major trader and processor of tea, the largest share of its imports consists of bulk tea (89% in 2015). However, some developing countries also supply value-added consumer-packaged tea (e.g. teabags) to Poland. In 2015, Sri Lanka accounted for 28% of all consumer-packaged tea imports to Poland. Opportunities for exporters from

developing countries with regard to supplying value-added teas depend heavily on the type of tea and/or level of processing and the country's experience with sophisticated packaging.

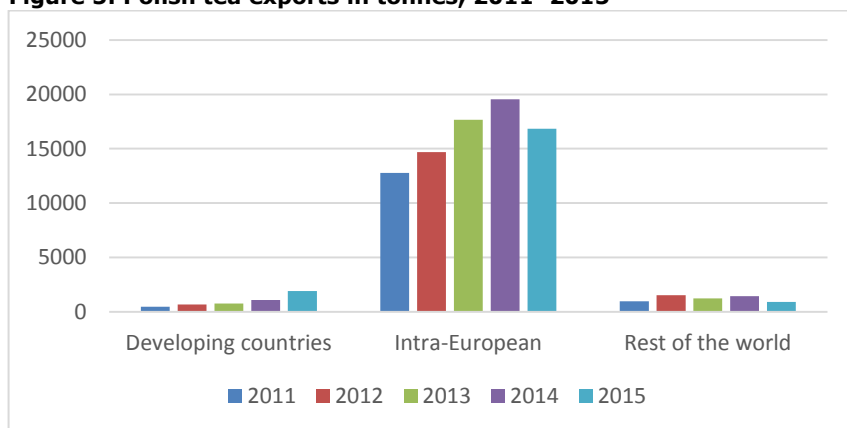
Tips:

- Although it is not a simple endeavour, exporters in producing countries can 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 it is necessary to be able to offer a complete variety of consumer teas.
- Note that adequate packaging is extremely challenging. For example, consumer teas are increasingly being packed in pyramid-shaped tea bags.

Increased exports within Europe

Poland has developed itself into a tea export hub in Europe and is currently the third largest tea exporter in Europe, after Germany (largest tea exporter in Europe) and the United Kingdom. In 2015, total tea exports (bulk and packaged) from Poland amounted to a volume of about 20 thousand tonnes, with a value of €126 million. Since 2011, tea export volumes have increased by an average of 8.5% per year and the value has increased by 12.5% annually. Most tea exported from Poland goes to other European countries (about 86% in 2015), primarily to Belgium and France.

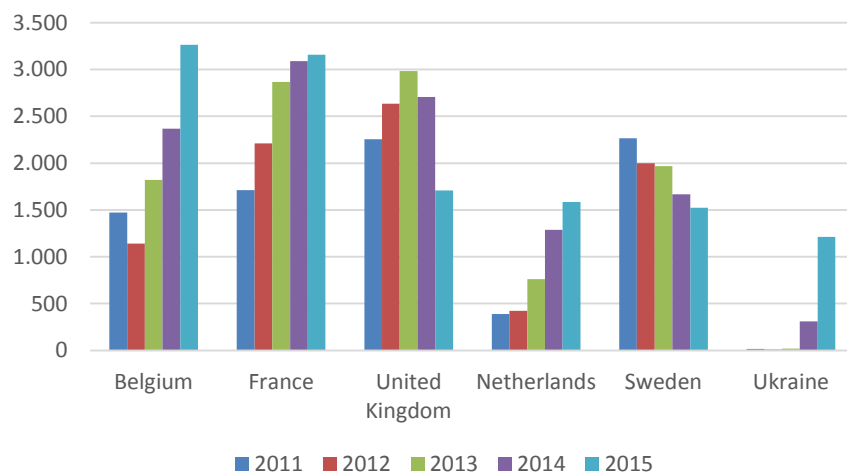
Figure 5: Polish tea exports in tonnes, 2011–2015



Source: Eurostat, 2016

Poland is increasingly packaging and blending tea. As an emerging economy, Poland has a high per capita tea consumption, relatively inexpensive labour, a well-established packaging industry and a central location near other emerging economies. Many European tea companies have established affiliates in Poland, repacking the imported bulk tea into consumer packages (e.g. teabags). Most of the tea exports from Poland are destined for western and northern European countries.

Figure 6: Leading six export destinations for tea from Poland in tonnes, 2011–2015



Source: Eurostat, 2016

Tips:

- Benefit from Poland's strategic market position to market your tea in other western and northern European countries.
- Explore opportunities to work together with European tea packing companies. You can search [this directory](#) to find a list of Polish exporters.

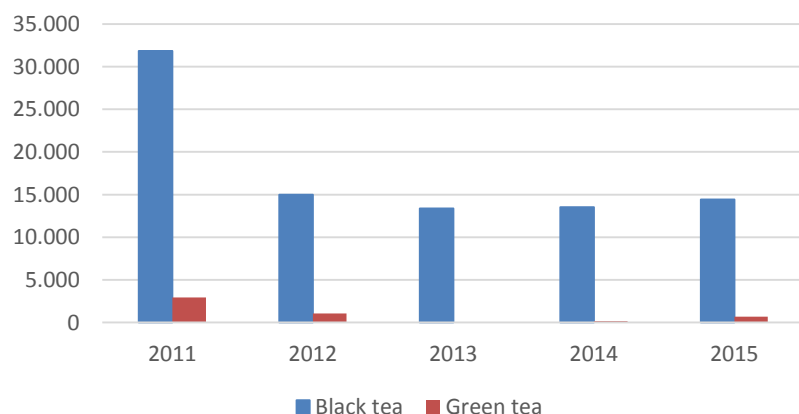
Tea consumption in Poland

Consumption figures may vary from other consumption statistics for the Polish 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.

Polish consumers favour black tea

Poland is the third largest tea consumer in Europe with tea consumption amounting to about 15 thousand tonnes in 2015. The per capita consumption is estimated at around 1 kilogram per year. According to the Eurostat figures, the consumption of black tea has experienced a particularly rapid decline since 2011, although the experts and traders interviewed noted that they had not noticed such a steep decline in consumption. However, the recorded decline might be due to the increasing competition from coffee and other beverages. In the past decade, coffee sales have surged by 80%.

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



Source: Eurostat, 2016

In terms of overall retail tea sales, black tea still constitutes the largest segment on the Polish tea market (amounting 58.9% in 2012). Herbal tea followed with a share of 14.2%, with Earl Grey tea in third place (10.2%). Other smaller segments include green tea (8.1%) and fruit tea (7.1%). Over the last years, there has been an increasing interest in green tea, fruit and herbal teas. This is in line with the health and wellness trend among Polish consumers.

Tip:

- Consider emphasising the introduction of new, interesting flavour combinations involving fruit and herbal teas, in order to achieve further growth. In Poland, hibiscus tea and raspberry tea are very popular.

Growth in niche markets expected

The tea market in Poland is saturated. The worst performing products are expected to be loose black standard tea (-4% annually) and black standard teabags (-2% annually). Poland nevertheless does offer opportunities for growth. Leading players continue to introduce novelties and innovative products. Rising incomes, stable prices, the expansion of modern retail networks, and the health and wellness trends are resulting in an increasing demand for premium products.

Tips:

- You have good opportunities supplying specialities that are traded in smaller volumes. Think of high quality orthodox teas (whole leaf, single estate), flavoured, wellness and/or sustainable products.
- If you export speciality teas in consumer packaging, consider exporting teas in innovative bags such as pyramid shaped tea bags. These bags leave more room for whole leaf tea to expand and to give a better, more flavourful brew.

What trends offer opportunities on the Polish market for tea?

Increasing interest in premium products

The tea market in Poland is characterised by maturity and saturation with regard to traditional (mainstream) black tea. However, due to higher incomes and changing customer demands, the market for premium tea is growing. Consumers are becoming more interested in naturally healthy teas, with green and herbal tea (blends) being considered healthier than black tea. New flavour combinations have been successfully introduced within the segments of fruit and herbal teas. At the same time, consumers tend to look for more sophisticated, individual tea flavours and high-quality premium black teas.

Tips:

- Premium teas may be an additional unique selling point over mainstream black teas. It is important to have a good understanding of what ingredients are used for specialty teas when considering entering this market. In some cases you will have to acquire new ingredients, such as hibiscus and raspberry, and therefore use different supply chains.
- Premium teas are generally not sold by retailers, but rather in speciality stores or the out-of-home market. If you want to enter the premium market, look for a small packer specialised in this market segment.

More certified tea

Sustainability has become a major focus of the European food industry. In mainstream markets with such labels as [UTZ Certified](#) and [Rainforest Alliance](#), certification is increasingly being used as a marketing tool. Growth is also expected in niche labels. For example, the organic-food segment is the most rapidly growing food segment on the Polish food market. In 2015, Polish consumers spent 20% more on organic products than in 2014. The potential development is considered to be huge as organic food is still a small niche in Poland.

Tips:

- Talk to your buyer to identify the preferred label(s) for the Polish market and your segment.
- Consider having your tea certified, as tea with certification should become more popular in Poland. For more insights into the differences between certification labels, please read our study on [certified tea in Europe](#).

New materials and shapes for tea bags

The well-known traditional filter paper sachets are now often replaced by bags made of nylon, non-woven commercially compostable or certified biodegradable materials. In addition, pyramid-shaped tea bags have become more popular, leaving more room for whole leaf tea to expand and to give 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 tea market, refer to our study on [trends in tea on the European market](#)

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

Tea is either traded through auctions or through private sales, mostly depending on the country of origin. Producers from China, Vietnam and Argentina sell their teas via 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

In 2015, tea remained one of the most important hot beverages in Poland. It is an essential everyday product. In Poland, tea is consumed primarily in the home. Consequently, most tea is sold through the retail channel. The Polish retail channel consists of multinational supermarket chains, smaller supermarket chains and independent grocery stores and specialist tea (and coffee) sellers who may also sell online.

The multinational supermarket chains are dominant in the Polish tea market. In 2015, [Unilever Polska](#) (with the brands [Saga Tea](#) and [Lipton](#)), was the largest tea company in Poland. It recorded a 31% share of retail sales value in 2015. The second strongest player was Tata Global Beverages, with a value share of 7%. Both companies have enormous marketing budgets, and they invest heavily in promotion. As a result, multinationals are likely to continue to dominate the tea market over the next years.

Tips:

- Large buyers 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](#).
- The Polish are formal in their professional communication. Trust is very important when they choose an exporting partner. Be prepared to invest in a trustworthy relationship.
- For Polish buyers, especially larger ones, good supply chain management is important. Smallholder tea suppliers are advised to integrate information technology and share and offer flexibility in their supply chain management. Read more about these practices in a [case study](#) for Kenya.
- For more information about the Polish retail sector, read this [online overview](#).
- Please read our study on [market channels and segments in the European tea market](#) for additional information.

Useful sources

- International Tea Committee - <http://inttea.com> - non-profit provider of global tea statistics (based in the 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>
- The Sustainable Trade Initiative - 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 International Trade Centre on export packaging: <http://www.intracen.org/itc/exporters/packaging>