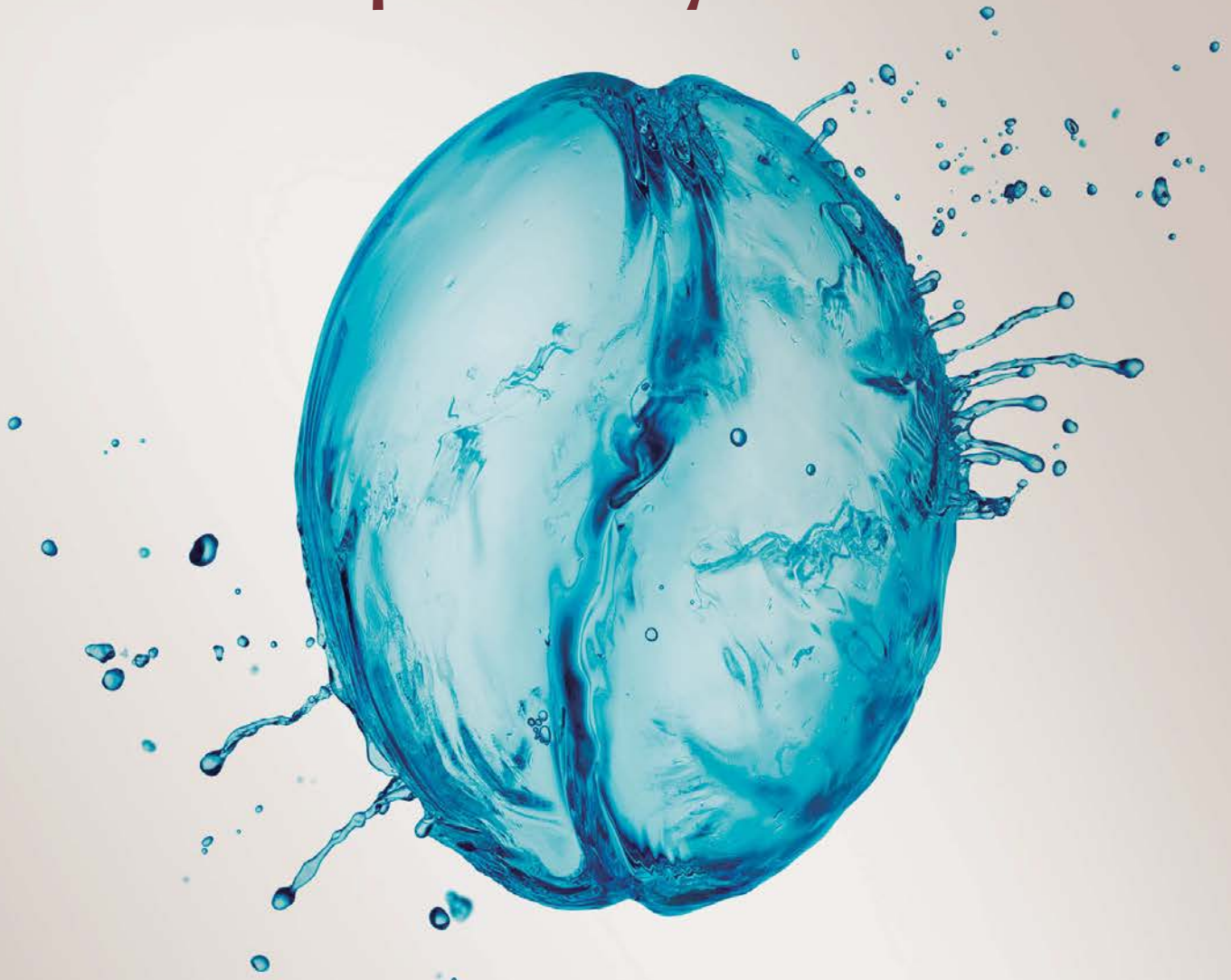


## The Global Tea Industry Amid Covid-19

- Verifying Origin Tea Claims
- Origin Highlight: Nuwara Eliya
- Sustainable Packaging and the Pandemic
- Does Cold Brew Pose a Microbial Risk?

# Made from earth, perfected by water



100% COLOMBIAN COFFEE

One of the best-decaffeinated coffees in the world, due to its natural decaffeination process **Swiss Water®**. This 100% chemical free process uses pure water to gently removes up to 99.9% of caffeine, keeping the attributes of the highest-quality green coffee beans.



## Buencafé®

100% Colombian  
freeze dried coffee



Give us a call +57 (6) 8500700 ext. 7327 or visit [www.buencafe.com](http://www.buencafe.com)  
and let's make business together.




\*Trademark registered by the Colombian Coffee Growers Federation - FoNC  
SWISS WATER AND SWISS WATER LOGO are registered trademarks of Swiss Water Decaffeinated Coffee Inc., used under license.




# C O N T E N T S

February 2021 Vol. 193/No. 2


## FEATURES

- 12** The Global Tea Industry Amid Covid-19  
By Dr Nikhil Ghosh Hajra 

- 18** Authenticating Origin Teas  
By Barbara Dufrêne 

- 22** Origin Highlight: Nuwara Eliya, Sri Lanka  
By Yumi Nakatsugawa 

- 28** Sustainable Packaging Remains a Top Priority for Consumers and Brands Alike  
By Anne-Marie Hardie  

- 32** Cold Brew Coffee – A Microbial Hazard?  
By Dr Dirk W Lachenmeier, Dr Daniela Noack, Julia Röhnisch, and Hatice Yasemin Seren 

- 34** The Growing Need for Calm  
By Matthew Barry  

## DEPARTMENTS

- 5** Editor's Letter
- 6** New & Notable 
- 11** Calendar of Events 
- 36** Green Coffee Report 
- 38** Company News 
- 40** People News 
- 42** Straight from the Cup   
**Peter F Goggi, President,**  
*Tea Association of the USA*



12



18



22



28



32

## CONTACTS

**Founding Editor**  
William H Ukers (1873-1945)

**Editorial Director**  
Sarah McRitchie  
sarah@bellpublishing.com

**Editor**  
Vanessa L Facenda  
vanessa@bellpublishing.com

**Specialties Editor**  
Donald N Schoenholt

**Art Editor**  
Sue Burke  
prepress@bellpublishing.com

**Digital Editor**  
Alex Rivers  
arivers@bellpublishing.com

### Contributing Writers

Matthew Barry  
Barbara Dufrêne  
Peter F Goggi  
Nikhil Ghosh Hajra  
Anne-Marie Hardie  
Dirk W Lachenmeier  
Yumi Nakatsugawa  
Daniela Noack  
Julia Röhnisch  
Hatice Yasemin Seren

**Group Sales Manager**  
Mark Neilson  
mark@bellpublishing.com

**Head of Sales**  
Steve Crowhurst  
steve@bellpublishing.com

**Assistant Events Manager**  
Kyra O'Sheen  
kyraosheen@bellpublishing.com

**Accounts Payable**  
Yee Yau (Miss)  
yee@bellpublishing.com

**Publishing Director**  
Neil McRitchie  
neil@bellpublishing.com

**Taiwan Sales Agent**  
Worldwide Services Co Ltd  
11F-B No 540, Wen Hsin Road,  
Section 1  
Taichung 40848, Taiwan  
Email: wilson@acw.com.tw  
Tel: +886 4 2325 1784  
Web: acw.com.tw

**Tea & Coffee Trade Journal**  
**Editorial & Sales Office:**  
The Maltings, 57 Bath Street,  
Gravesend, Kent DA11 0DF, UK  
Tel: +44 1474 532202  
Web: www.teaandcoffee.net



**2021 UKERS' 66TH EDITION**  
**TEA & COFFEE**  
GLOBAL DIRECTORY  
& BUYER'S GUIDE

 Designates a tea story  Designates a coffee story

# 200 HIGH SPEED!

200 TEA BAGS PER MINUTE



# COST REDUCTION!

USE INEXPENSIVE,  
REGULAR ROLL FILTER,  
TAG PAPER AND THREAD

# HIGH PRODUCTIVITY!

FULLY AUTOMATIC  
OPERATION WITH  
MINIMAL DOWN TIME



HIGH SPEED TRIANGULAR TEABAG MACHINE

# Twinkle™



TPB-200ES-16



**TSUBAKIMOTO KOGYO CO., LTD.**

Taiyo Life Shinagawa Bldg. 29F, 16-2 Konan 2-Chome, Minato-ku, Tokyo, 108-8222, Japan  
TEL: +81-3-6718-0137 FAX: +81-3-6718-1856 [www.tsubaki.co.jp/english](http://www.tsubaki.co.jp/english)



# Reaching a Milestone



Vanessa L Facenda

**H**appy New Year! Well, as I write this column, it is already mid-January 2021, which is unfathomable. Perhaps it is difficult to believe that it's 2021 because the onset of the new year feels eerily similar to most of 2020... But there's reason for optimism as, although still in the early stages, Covid-19 vaccinations are ramping up around the world, so maybe by mid-year, life will return to normal – well, a “new normal.”

At *Tea & Coffee Trade Journal*, we also have reason to celebrate — this is our first official issue of 2021, which marks our 120<sup>th</sup> anniversary! William H Ukers founded the magazine in New York City in 1901. At the time, it was a weekly publication, of which the cover was always blue. Hence, it was referred to as the “Blue Book of the Trade” according to our specialties editor and resident *T&CTJ* historian, Donald N Schoenholt, who noted that it switched from a weekly to a monthly magazine in 1904. Our cover looks slightly different as we've replaced our long-time tagline with “Celebrating 120 Years” and the years, which will appear on our covers all year.

We have a commemorative issue planned for later this year – more details to come! In the interim, if anyone has any old copies (early to mid-20<sup>th</sup> century), I would appreciate it if you could reach out and, if possible, send a scan of the cover or of a story to me (to be used in the commemorative issue).

We do have new “things” planned for the magazine

and our website in 2021, which will be revealed as the year progresses, and we will continue to distribute *T&CTJ* and have a presence at key industry conferences, conventions and trade shows, when we can safely attend them again.

We also have many in-depth, insightful and highly topical stories scheduled for this year from our contributing writers. Many are long-time contributors, such as Brett Anderhub, Matthew Barry, Barbara Dufrêne, Anne-Marie Hardie, Yumi Nakatsugawa, and Spencer Turer, as well as new writers, such as Dr Nikhil Ghosh Hajra, former project director of the Tea Board of India, who, in a special report for *T&CTJ*, assesses the impact of the pandemic on the global tea industry both in the short-term and long-term, and Dr Dirk Lachenmeier (and several colleagues), who, following a series of tests using samples from coffeehouses in Germany, has authored a piece on the potential microbial risk cold brew coffee poses.

A new year brings a renewed sense of hope, which we all need more than ever. But as I said in closing throughout all of 2020, and will continue to say in 2021 until we are able to travel freely and safely, and see each other in person again, stay safe and be well!

Vanessa L Facenda Editor

vanessa@bellpublishing.com

## FOR SUBSCRIPTION & CIRCULATION ENQUIRIES CONTACT:

subscriptions@bellpublishing.com

### Subscription Rates

UK: £110 (1 year), £198 (2 years)  
Europe: £110 (1 year), £198 (2 years)  
USA: \$125 (1 year), \$225 (2 years)  
Rest of World: \$178 (1 year), \$322 (2 years)  
Digital Only (1 year): £99/\$125

Published by Bell Publishing Ltd. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means without the prior written permission of Bell Publishing Ltd.



Celebrating 20 years of magazines and events, Bell Publishing Ltd, Gravesend, Kent, UK produces *Tea & Coffee Trade Journal*, *Dairy Industries International*, *Confectionery Production*, *Food & Drink Technology*, *CanTech International* and *SweetsandSavourySnacksWorld.com* as well as the *Ukers' Tea & Coffee Global Directory & Buyers' Guide*.

## UKERS' ANNUAL DIRECTORY & BUYERS' GUIDE

Each year, *Tea & Coffee Trade Journal* publishes the *Ukers' Tea & Coffee Global Directory & Buyers' Guide*, a comprehensive reference guide to the industry and its allied industries. Qualified companies are entitled to a free listing. Visit [www.teaandcoffee.net/ukers](http://www.teaandcoffee.net/ukers) to complete a listing form or reserve your copy.

**TEA & COFFEE TRADE JOURNAL** (ISSN 0040-0343 print; ISSN 2331-8546 online) is published monthly by Bell Publishing Ltd.  
© Copyright 2021 by Bell Publishing Ltd.  
Printed in the UK by Buxton Press.

**Member:** National Coffee Association, Green Coffee Association, Pacific Coast Coffee Association, Coffee Association of Canada, Specialty Coffee Association, Specialty Tea Institute, Tea Association of USA, Tea Council of Canada.



## EDITORIAL ADVISORY BOARD MEMBERS

**Brett Anderhub**  
Senior Vice President,  
Rekerdres & Sons Insurance  
Agency

**David De Candia**  
Global Director of Tea,  
The Coffee Bean & Tea Leaf

**Stephen Hurst**  
Managing Director,  
Mercanta The Coffee Hunters

**Massimiliano Pogliano**  
CEO, illycaffè

**Spencer Turer**  
Vice President,  
Coffee Enterprises



# NEW & NOTABLE

TEA & COFFEE REPORTS BREWING WORLDWIDE

## Sintercafe Focused on Learning How to Navigate Today's Reality

This past November, the global coffee community virtually gathered together at Sintercafe to share insights, challenges and opportunities in this evolving world. The impact of the pandemic was threaded through every conversation, as leaders reflected on the current state of the coffee industry and the best way to move forward.

"When reflecting on Covid-19, the most important thing to consider is the long-term exit," said Andre Illy, chairman, illycaffè. "We have to consider that the cause of Covid is the same cause as climate change and other imbalances." He emphasised that we cannot continue with the same paradigm that we had prior to Covid-19. "We need to develop a sustainable society, one where we can satisfy our needs without compromising the needs of future generations," he said. This included the importance of consuming only resources that can be renewed and replenishing the sources that were depleted in the past.

Despite these extreme challenges that the pandemic has created, Carlos Ortiz, global manager, Volcafe Way, said it has helped align agendas and priorities, with different sectors across all countries coming together to share information. "Initially the virus brought us further away from the partners – we stopped visiting origins – and it was challenging to strengthen the relationships with the producers," shared Ortiz. "Now, with remote technology, we can invite more people to listen and join the discussions." At the same time, coffee families are becoming more involved in their operations, strengthening the relationship between the families and the field team. "The virus reminded us that we are in this together and we need to take care of each other."

There was a general consensus about the necessity of understand-



Image courtesy of Btam de Hoog

ing and learning how to navigate today's reality. Scott Clemons, chief investment strategist, Brown Brothers Harriman and Co, delved into an exploration of the post-election economic and financial landscape. "Confidence drives the willingness of consumers to spend money. Companies are learning how to more thoroughly integrate technology, into business as usual, optimise how to use fixed assets, they are figuring out how to use a flexible workforce," he said. For now, Clemons stressed, it is about restoring consumer's confidence, which will in turn result in investing money back into the economy.

In 2020, we saw a world where crises overlap, stressed Janina Grabs, post-doctoral researcher, Environmental Policy Lab, Department of Humanities, ETH, Zurich. The coffee sector was impacted by Covid, climate change and low coffee prices, which continue to result in core challenges including migration, poverty, and environmental degradation. These compound crises are likely to become our new normal, and so she posed the question, how

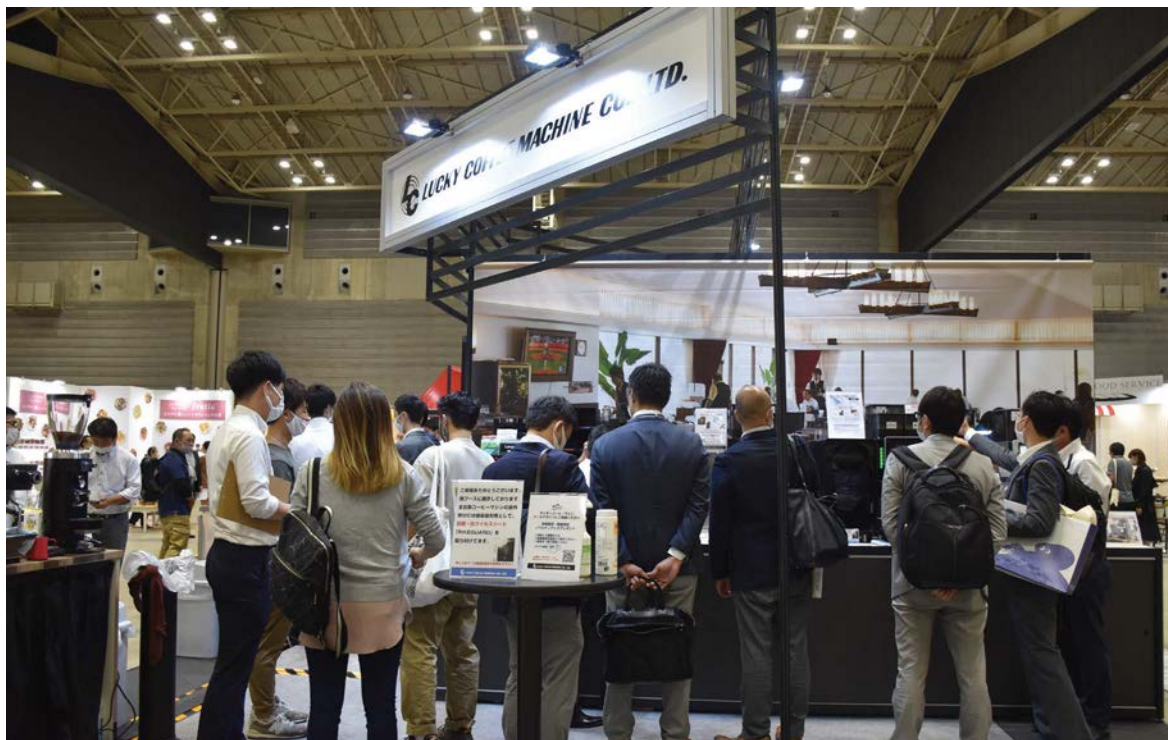
does the coffee industry approach sustainability outcomes in the new reality. She stressed that the focus needs to be on building resiliency and supporting the farmers through crop diversification, new varieties, and other measures that can aid with social stability and safety. "There is no one farmer – we may need to look at having a differentiated approach in order to support a sustainable and ideally prosperous enterprise in different areas," said Grabs. "This is an ongoing conversation."

Throughout the event there was a strong emphasis on the necessity of moving forward and to cease using the past as a barometer for the present. "We are not going to make as many trips to sit and interact in coffee shops for several years," said Michael Schaefer, global lead, food and beverage, Euromonitor International. "For every player there is a vital and important need to think on how to do this differently and create new ways to interact with the customer."

Anne-Marie Hardie



## After Three Month Postponement, Caferes Japan was Held “In-Person”



The 8<sup>th</sup> Caferes Japan was conducted on 5 - 8 October in Pacifico Yokohama, Japan. The three-day exhibition was postponed for three months due to the spread of Covid-19. However, the organiser, TSO International Co Ltd decided to hold the event without further delay or cancellation.

Caferes Japan consists of Tokyo Café Show, Pizza & Pasta Show, International Tea Show, and Café Design & Display Show. Furthermore, three other exhibitions: Wellness Life Japan, Rice Expo and Japan Bakery Show were jointly organised. Consequently, the exhibition integrated a large variety of food and beverages into the trade show, which had 614 exhibitors and

attracted 33,745 visitors last time in July 2019.

The numbers decreased to about 300 exhibitors and 19,840 visitors in 2020, because participation from overseas was almost impossible under the current situation. However, the show demonstrated the importance and strong requirement in the food and catering industry to introduce or experience new products responding to the latest trends or changing requirements – for example, plant-based food and beverage items.

Three competitions were conducted including the Barista Grand Prix and the Caferes Design Award. A total of 40 seminars and demon-

strations took place over the three days on premise. In addition, some Zoom tours of the venue and online seminars were offered for those who avoided physical attendance.

All visitors had a mandatory alcohol disinfectant sprayed to their hands and had their body temperature monitored at the entrance, and everyone in the exhibition halls were required to wear face masks or face shields as much as possible.

A newly established Nepal tea importer, linkgarden Co, Ltd, participated in the exhibition for the first time. The owner, Masaaki Hoshino, incorporated linkgarden in 2018, started to import Nepal tea and has been selling them through an online shop under the brand name, linktea.

In order to familiarise the brand, expand sales and see the reaction of visitors, Hoshino joined the International Tea Show since other major beverage trade shows were cancelled in 2020. Hoshino hopes to continue his efforts to find quality tea from Nepal and make the linktea brand more popular in the future.

The 9<sup>th</sup> Caferes Japan is scheduled to take place 9–11 June 2021 at the Tokyo Big Sight.



Yumi Nakatsugawa



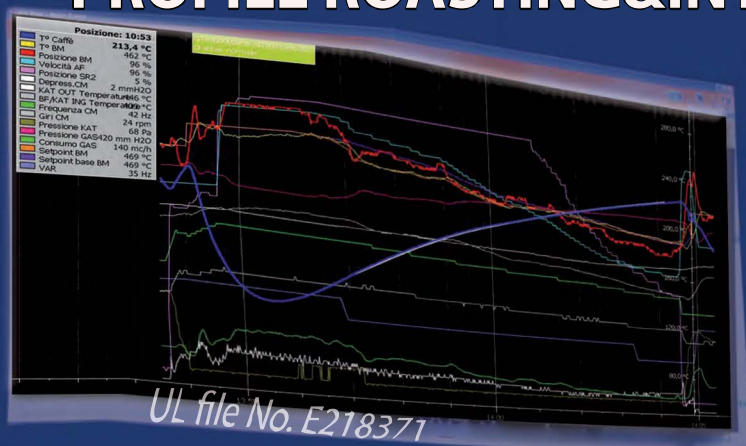




**We excel in**

**“ PROFILE ROASTING&INTEGRATED program”**

**for dumping and  
tracking of green coffee,  
roaster control, roasted  
inventory,  
computerized grinding  
and degassing control**



# **scolari engineering**



ITALY  
USA-CANADA  
SPAIN  
JAPAN  
KOREA  
INDONESIA  
BRASIL

[sales@scolarieng.com](mailto:sales@scolarieng.com)  
[usa@scolarieng.com](mailto:usa@scolarieng.com)  
[espana@scolarieng.com](mailto:espana@scolarieng.com)  
[japan@scolarieng.com](mailto:japan@scolarieng.com)  
[korea@scolarieng.com](mailto:korea@scolarieng.com)  
[indonesia@scolarieng.com](mailto:indonesia@scolarieng.com)  
[brasil@scolarieng.com](mailto:brasil@scolarieng.com)





## Pack Expo Connects Tackled Packaging Challenges During the Pandemic

PMMI, The Association for Packaging and Processing Technologies, which produces Pack Expo International and Pack Expo Las Vegas, among a variety of other shows, launched its first virtual trade show, Pack Expo Connects, which took place over the course of five days (9-13 November 2020).

Quite comprehensive, Pack Expo Connects offered approximately 700 "exhibitors," nearly 2,700 live demos and more than 60 educational sessions. Attendees could also organise their daily schedules through the "My Connects Planner," and there were also video tutorials as well as a resource centre. The presentations were all pre-recorded videos but were accompanied by live Q&A chats. Participants could also replay a presentation immediately after it took place, which was a beneficial tool to have. The exhibits and content are also available (for participants) through 31 March.

At the media briefing, Jorge Izquierdo, vice president, market development, PMMI, noted that "2020 started great for the packaging industry with strong orders, then Covid happened. Because of the role packaging plays in F&B, we are considered an essential business so manufacturing remained open (about three percent closures). March and April were the worst months for industry."

He added that even during the pandemic, the packaging industry is meeting demands while trying to meet challenges facing the industry.

Pack Expo Connects presentations focused heavily on how Covid has been interrupting the supply chain, affecting product sourcing, inventory issues, shipping/logistics, and stressed the importance of protecting employees' safety first and foremost. Sustainable packaging amid the new reality – as people struggle to find what the new normal will be – was also a dominant topic.

In a session titled, "Navigating the Challenging Path to More Sustainable Packaging," Fabio Peyer of Amcor Packaging shared that CPG companies have to compromise when moving to PE-based packaging (recyclable flexible packaging). "Circular goals are often at odds with recyclable packaging reality."

In his presentation, "Sustainability Considerations in the Evolving Normal," Todd Meussling, senior manager, market development, Fresh-Lock, explained that after 2020, there are shifting perceptions of plastic. For example, single-use plastics, once frowned upon, have been the only options during Covid. He asked, "is sustainability still the priority?", pointing out that 43 percent of consumers deemed being less sustainable a necessary evil [amid Covid]. Meussling said that post-pandemic, sustainability will be about plastic management. "It's about deciding what sustainability means to you."

Tom Reimer, director of education at the International Society of Beverage Technologists' (ISBT) Beverage Institute, offered an overview

of the overall non-alcoholic beverage industry, noting that packaging needs have not changed, but they have evolved and become more complex. "Packaging must both protect the product and draw the attention of the consumer," said Reimer. "Packaging innovation has gained in importance as the marketplace has gotten more crowded as a means to distinguish both categories and brands."

He added that as the number of beverage categories has proliferated, so have packaging alternatives. For example, when "multi-packs" debuted in the 1970s, they were six-packs. Today, multi-packs are available in a variety of sizes such as 6-, 12-, 15-, 24- and 30-packs, as well as new configurations. There has also been a proliferation of PET bottle sizes from their two litre debut in the 1970s to three litres, 12oz/500ml, 16oz, 20oz, 32oz, 34oz, as well as 96oz. Within PET, there are now proprietary shapes and interactive packages.

Reimer also discussed food safety, noting, "Whether it's ingredients, processing, packaging or distribution, beverages need to be handled in an appropriate way to ensure a safe product to the consumer." He added that this is an area of growing regulatory and consumer concern.

Pack Expo Las Vegas, currently still scheduled to be an in-person event, will take place 27-29 September 2021.

Vanessa L Facenda



## MADE FOR TRUE COFFEE LOVERS

Special Decaf Coffee made with our unique Mountain Water Process

www.descamex.com.mx

exports@descamex.com.mx

USA & Canada Toll free 1 844 472-8429

Tel. +52 (271)716 3123

# CHAPUT

Drink Different

perfect brew  
in 10 seconds



**OHKI**

For more on our products

<https://www.ohki-okilon.co.jp/ct>





**FEBRUARY 2021****PLMA Live! Presents Private Label Week DIGITAL**

1 – 5

[www.plma.com](http://www.plma.com)**African Fine Coffees Association (AFCA) Conference & Exhibition\***

17 – 19

Addis Ababa, Ethiopia

[www.afca.coffee/conference](http://www.afca.coffee/conference)**Interpack CANCELLED  
Rescheduled for May 2023**

Düsseldorf, Germany

[www.interpack.com](http://www.interpack.com)**MARCH 2021****Natural Products Expo Spark Change (Virtual Event)**

2 – 4

[www.npevirtual.com](http://www.npevirtual.com)**National Coffee Association (NCA) VIRTUAL Convention**

3 – 5

[www.ncausa.org](http://www.ncausa.org)**FoodEx Japan\***

9 – 12

Makuhari Messe, Japan

[www.jma.or.jp/foodex](http://www.jma.or.jp/foodex)**APRIL 2021****BevTech\***

26 &amp; 30

Orlando, Florida

[www.bevtech.org](http://www.bevtech.org)**MAY 2021****National Restaurant Association (NRA) Show\***

22 – 25

Chicago, Illinois

[www.nationalrestaurantshow.com](http://www.nationalrestaurantshow.com)**Natural Products Expo West (In-Person & Virtual Event)**

24 – 27

Anaheim, California

[www.expowest.com](http://www.expowest.com)**JUNE 2021****Coffee Shop Innovations Expo**

15 – 16

London, England

[www.coffeeshopexpo.co.uk](http://www.coffeeshopexpo.co.uk)**Coffee Fest San Antonio**

18 – 19

San Antonio, Texas

[www.coffeefest.com](http://www.coffeefest.com)**Specialty Coffee Association (SCA) World of Coffee**

24 – 26

Athens, Greece

[www.worldofcoffee.org](http://www.worldofcoffee.org)**JULY 2021****Natural Products Expo Spark Change (Virtual Event)**

14

[www.npevirtual.com](http://www.npevirtual.com)**World Tea Conference & Expo**

14 – 16

Denver, Colorado

[www.worldteaexpo.com](http://www.worldteaexpo.com)**Coffee Fest New York**

18 – 20

New York, New York

[www.coffeefest.com](http://www.coffeefest.com)**AUGUST 2021****10<sup>th</sup> Annual Los Angeles Tea Festival**

14 – 15

Los Angeles, California

[www.teafestivalla.com](http://www.teafestivalla.com)**Coffee Fest Anaheim**

22 – 24

Anaheim, California

[www.coffeefest.com](http://www.coffeefest.com)**SEPTEMBER 2021****Melbourne International Coffee Expo (MICE)**

9 – 11

Melbourne, Australia

[www.internationalcoffeeexpo.com](http://www.internationalcoffeeexpo.com)**Anuga**

9 – 13

Cologne, Germany

[www.anuga.com](http://www.anuga.com)**Le Paris Café Festival**

18 – 20 (Rescheduled from March)

Paris, France

[www.pariscafefestival.com](http://www.pariscafefestival.com)**Canadian Coffee & Tea Show**

19 – 20

Toronto, Ontario

[www.coffeeteashow.ca](http://www.coffeeteashow.ca)**Natural Products Expo East (In-Person & Virtual Event)**

22 – 25

Philadelphia, Pennsylvania

[www.expoeast.com](http://www.expoeast.com)**London Coffee Festival**

23 – 26 (Rescheduled from April)

London, England

[www.londoncoffeefestival.com](http://www.londoncoffeefestival.com)**North American Tea Conference**

28 – 30

Queens Landing, Ontario

[www.tea.ca](http://www.tea.ca)**SCA Expo (Rescheduled from April)**

30 September – 3 October

New Orleans, Louisiana

[www.sca.coffee](http://www.sca.coffee)**OCTOBER 2021****New York Coffee Festival**

8 – 10

New York, New York

[www.newyorkcoffeefestival.com](http://www.newyorkcoffeefestival.com)**NOVEMBER 2021****Amsterdam Coffee Festival**

5 – 7 (Rescheduled from March)

Amsterdam, Netherlands

[www.amsterdamcoffeefestival.com](http://www.amsterdamcoffeefestival.com)**50<sup>th</sup> Kona Coffee Cultural Festival**

5 – 14

Kona, Hawaii

[www.konacoffeefest.com](http://www.konacoffeefest.com)**Gulfood Manufacturing**

7 – 9

Dubai, United Arab Emirates

[www.gulfoodmanufacturing.com](http://www.gulfoodmanufacturing.com)**Natural Products Expo Spark Change (Virtual Event)**

10

[www.npevirtual.com](http://www.npevirtual.com)*\*Still scheduled to take place at press time.*

Get the latest updates  
at [www.teaandcoffee.net/events/](http://www.teaandcoffee.net/events/)



Covid-19 has impacted every tea-producing country in some capacity. In a special report for *T&CTJ*, former project director of the Tea Board of India, Dr Nikhil Ghosh Hajra, examines the repercussions of the pandemic on the global tea industry both in the short-term and long-term.

*All images courtesy of Dr Nikhil Ghosh Hajra*

**T**ea is the most widely consumed beverage in the world after water. It is grown on almost 3.8 million hectares in more than 58 countries. Global tea production has increased at an average annual growth rate of 4.7 percent over the past decade, reaching 5.89 million tonnes in 2018. Tea production employs 13 million people, nine million of whom are smallholder farmers, while the remainder work on tea estates. The global tea market reached a volume of 6.2 million tonnes (mt) and export sales (1.85 mt) of tea, estimated at USD \$6.4 billion.

The infectious novel coronavirus disease 2019 (Covid-19) has affected 210 countries and territories around the world and international conveyances

(worldometers.info). The World Health Organisation (WHO) officially declared the coronavirus a global pandemic in early 2020. This prevarication cost the tea industry dearly. The announcement of the pandemic initiated aggressive containment strategies by governments that coincided with the most important quality harvest periods in several countries. Tea producers across the globe have been greatly affected due to national lockdowns and social distancing policies. Further, restrictions on export and import among different countries (Table 1) are creating uncertainty in the tea market.

### Impact of Covid on India

Covid-19 is an unprecedented challenge for India – its large population and the economy's dependence on informal labour make lockdowns and other social distancing measures hugely disruptive. India declared a three-week nationwide lockdown until mid-April in the initial phase, which was subsequently extended until 3 May 2020 to achieve satisfactory containment of the virus spread. India's tea output likely dropped by 120 million kg or nine percent in 2020 as the lockdown initially forced plantations to suspend plucking during the opening harvest (in March) – the prized first flush – and then operate with about



half the workforce according to Prabhat Bezboruah, chairman, the Tea Board of India.

First flush tea, made from the tiny young buds plucked after winter dormancy – their cups are full of aromas – is what brings to Darjeeling the reputation of “the champagne of teas.” Its light body full of delicate flavours draws the highest prices of the year for the manufacturers. The lower elevation gardens had begun producing first flush towards the end of February 2020, while the ones at higher elevation had only just begun manufacturing when the shutdown came. Darjeeling tea planters lost first flush production, a premium variety, by around 30 percent. Thirty to forty percent of the industry’s annual revenue (which constitutes 20-25 percent of Darjeeling’s total production, around 8 million kg) is generated from the sale of first flush, which is produced mostly between 15 March and 15 April.

The major buyers of Darjeeling teas are Germany, the United Kingdom, the United States and Japan. As the pandemic continues in these countries, there is a lot of economic uncertainty, which has impacted Darjeeling tea exports. In North India (which includes Assam) the annual average price of tea at the auctions in 2019 was Rs INR (Indian rupees) 152.26 per kg. The total revenue loss of Assam tea industry due to lockdown was around 80 million kg x Rs INR 152.26 per kg = Rs INR 1,218 crore (1 USD = INR 75.54) (source Tea Board of India). Different Indian tea associations estimated the loss would be to the tune of around Rs 2100 crore for March to May.

The months of April and May were the most productive and qualitative months during 2019, making 6.3 and 9.3 percent of the total annual production.

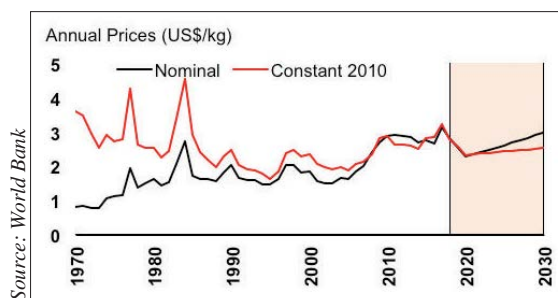
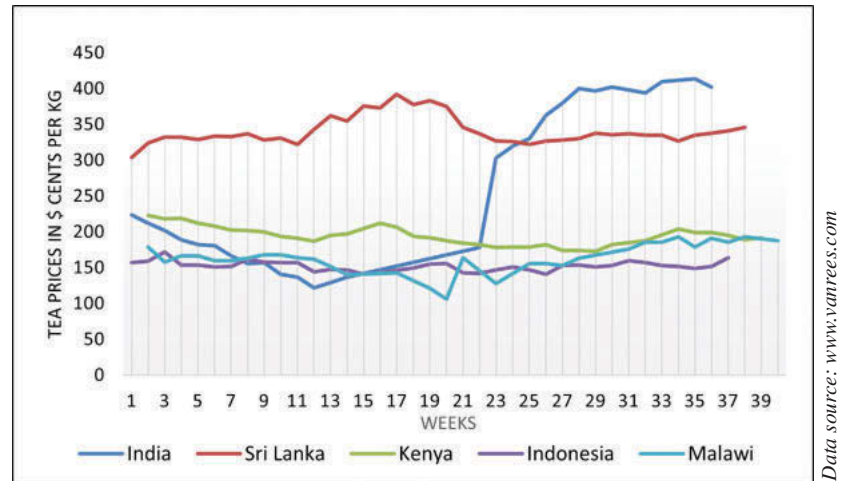


Figure 1. Weekly auction prices FOB of India and some other tea producing countries during 2020

Figure 2. Annual price and price forecasts of tea

Major loss has been attributed to “skiffing” or removal of overgrown leaves unfit for plucking. But every cloud has a silver lining. The average monthly auction prices were gradually increased from INR 188.77/kg in June to INR 260.63 in August and has shown declining trends fetching INR 252.87 in September and INR 206.26 in October 2020. The auction prices were 2.5 times more since lockdown, which have impacted the gross margins in the September quarter. The price rise would certainly provide some relief to ▶

Table 1. Top 15 Exporting and Importing Countries with Value and Percent of Global Export and Import during 2019

Exporting countries	Tea export value (million USD)	Share in global export (%)	Importing countries	Tea import value (million USD)	Share in global import (%)
China	2026	31.8	United States	488.4	8.5
India	803	12.6	Russia	425.7	7.4
Sri Lanka	721	11.3	United Kingdom	356.5	6.2
Kenya	361	5.7	Vietnam	249.4	4.3
Poland	255	4	Saudi Arabia	236.6	4.1
Germany	244	3.8	Iran	234.1	4.1
UAE	162	2.5	Morocco	232	4
UK	138	2.2	Germany	220.5	3.8
Japan	137	2.2	China	187.3	3.3
Taiwan	125	2	Hong Kong	186.4	3.2
United States	112	1.8	Japan	179.8	3.1
Russia	102	1.6	France	166.9	2.9
Indonesia	101	1.6	Netherlands	153.8	2.7
Vietnam	99	1.6	Canada	138.8	2.4
Netherlands	92	1.4	Poland	122.8	2.1

**Figure 3: Graphical representation of Technovio's latest market research report titled *Global Tea Market 2020-2024***



Source: Business Wire

the Indian tea industry which has been struggling with consistent increasing production costs since 2014. The FOB (Freight on Board) price 2020 started decreasing after first three weeks and it has come down to USD cents 122/kg (week 16) from 224/kg (week 5) and then price increased from the 23<sup>rd</sup> week in June (USD cents 383/kg). The price shot up to USD cents 414/kg in 39 weeks in September (Figure 1, page 13). However, factors such as low lifting by buyers, quality parameters, demand and supply gap, etc have all played a major role.

Indian tea exports may have fallen six to eight percent in 2020 owing to the Covid-19 pandemic, which has paralyzed logistics. It is estimated that because of the loss of the first flush there could be a shortfall of 16-20 million kg this year in export volumes. Moreover, if the production and quality in the second flush, beginning in May onwards, is also affected, the export shortfall may worsen. A shortfall of 20 million kg would translate into a trade deficit of over USD \$64 million as per 2019's unit price.

Indian exporters are more concerned about the import of black tea since they have been badly hit by the Covid-19 outbreak. For example, during 2019, the CIS (Commonwealth of Independent States) countries, including Russia, imported about 50 million kg of Indian tea followed by Iran at about 40 million kg, China 12 million kg, USA 11 million kg, UK and UAE 10 million kg each, and Germany eight million kg. Also, the major exporting destinations of Indian organic teas are US, UK and Germany. These countries are struggling with the pandemic and their economies are taking a hit, which has added to the woes of the Indian exports.

The pandemic blow comes just at a time when unit prices of Indian tea were on the rise for its better quality. The unit price in the UK improved from \$2.96 per kg to \$3.07 per kg in 2019, while in Iran the price improved from \$3.73 to \$3.91 per kg. In Ireland as well, the price soared from \$6.62 to \$8.72 per kg in 2019. [All figures in USD]

After considering the impact of Covid-19 across

the world, the Indian tea market is expected to grow at a CAGR of 4.2 percent between 2020-2025 according to EMR market research firm ([www.expertmarketresearch.com/reports/indian-tea-market](http://www.expertmarketresearch.com/reports/indian-tea-market)). The market research company, Report Linker ([www.reportlinker.com/](http://www.reportlinker.com/)) recently assessed the impact of Covid-19 on the basis of type, flavour, distribution channel, and reported that the India green tea market was valued at USD \$1,247.36 million in 2018 and is projected to reach USD \$2,112.47 million by 2027 with an expected CAGR of 6.1 percent during the forecast period.

### Impact of Covid on Other Tea Origins

In China, however, the spread of Covid-19 in tea-growing areas created significant economic setbacks and business shutdowns in tea operations. The factories and offices were mostly closed, and teas in and out came to a standstill. Fortunately, the brunt of the virus came at a time before most spring harvests, especially for teas for the global market. Operations in the ports were in full form and business returned to normal from the end of February. Most of the teas for export are harvested later in the season. However, shipments of tea from mid-March resumed and business returning to normal (Walker, J. 2020. *Tea & Coffee Trade Journal* 192(5): 22-25). However, the country fared better from an export standpoint. There were delays caused by CIQ (China Inspection and Quarantine) and transport related issues, but overall, exports continued their upward trend in value, despite a slight decline in volume (1.65 percent to June).

Sri Lanka ordered a lockdown on 20 March 2020. Initially, a nationwide blanket curfew was imposed but it was later eased for about two-thirds of the country and was mostly confined to night-time. The government had ordered partial opening of offices and businesses mid-May. From early June, the restrictions were further relaxed with public transport being allowed. However, Sri Lanka has remained under that countrywide curfew since it was first implemented last March. The tea industry suffered a setback during the



pandemic with some of the workers affected seriously without wages. Sri Lanka's tea export industry is one of the country's leading foreign exchange earners. To cope with the present problem, increasing the export earnings from tea and bringing down the cost of production are options to overcome the current crisis.

Sri Lanka's renowned tea industry dodged a potentially devastating Covid-19 shutdown by swapping a 19<sup>th</sup> century way of buying and selling with 21<sup>st</sup> century digital innovation. Industry leaders quickly deployed a virtual e-auction system that keeps buyers and sellers of the world's widely consumed beverage safely apart and socially distanced. Further, the e-auction system has transformed the lives of almost two million people in the Sri Lankan tea industry by sheltering them from the consequences of Covid-19 shutdown. The average FOB price varies from USD cents 322 to 392/kg which was higher than Kenya, Indonesia, Malawi and until the 24<sup>th</sup> week, of India (Figure 1, page 13).

In Turkey, tea is harvested in three flushes in a year, due to climate and growers depend on seasonal workers. Last year's spring flush was interrupted by a 28 March lockdown to prevent the spread of the coronavirus. Turkey usually depends on migrant workers from neighbouring Georgia and Azerbaijan, and continues to face border restrictions. The failure in plucking leaves may make it difficult to meet even domestic demand. Turkey consumes an average of 3.5 kg of tea per person in a year which is more than any other country in the world. However, locals were hired from the city of Findikli in Rize Province for plucking. The provinces of Rize, Trabzon, Artvin and Giresun

produce around 260,000 metric tonnes of tea annually; most of it sold domestically. Due to non-availability of sufficient pluckers, much of the domestic teas has been left unplucked. Sri Lanka was the main beneficiary of this, as imports of Ceylon teas went up. Çaykur, the state-owned producer that purchases tea from 200,000 independent farmers who supply 60 percent of the requirement, is in fact running a deficit and facing additional costs due to the pandemic.

In Nepal, which went into a lockdown around the same time as India, the spring tea (beginning of summer) production ceased. In Taiwan too, the pandemic has been kept largely under control. Like China, they are putting stricter safety rules in the tea production processes.

Covid-19 has impacted Indonesia's tea industry on all fronts. The infection spread to all 34 provinces between March and April. Tea production continues with social distancing and other safety measures. PT Kharisma Pemasaran Bersama Nusantara (KPNB) is the marketing agent that conducts the Jakarta Tea Auction every Wednesday, and they switched to an online auction on 25 March. But the teleworking was severely hampered due to the imposition of lockdown. The main problems of the tea trade due to the Covid-19 in Indonesia are on the logistics side. Quarantine, customs, port and shipping companies all are operating slower than their normal efficiency.

Kenya is the world's second leading tea exporter after China, and most of its produce is shipped to Pakistan, Egypt, the United Arab Emirates and the UK. Kenya's tea industry, in fact, has seen minimal interruption to harvest since March but



The pandemic has affected every tea origin around the world in some capacity.





Pluckers must wear masks and continue to practice social distancing measures.

experienced some transportation disruptions from the tea-producing areas to the port of Mombasa where it is auctioned and loaded onto freight containers destined for the Arabian Sea. Since tea is an essential commodity in Kenya, manufacturing has not been affected and factories have been operating as normal. Additional shifts at the factory started and workers arrive in the evening before curfew and leave in the morning after the curfew is lifted. The price varies from USD cents 173 to 223/kg. Rating agency ICRA report said while the Kenyan production significantly increased by 34 percent year-on-year in eight months of 2020, the shortfalls in production (19 percent and 16 percent from India and Sri Lanka respectively) are

likely to result in an overall decline in global tea production in 2020 ([www.icraresearch.in/Research/ViewResearchReport/3296](http://www.icraresearch.in/Research/ViewResearchReport/3296)).

In Malawi, tea producers are experiencing adverse effects on the operation of the tea market and

cash flow due to low traffic on sales and movement of goods. The producers are also bracing to meet financial obligations, especially to pay wages and payments to the smallholders towards supply of green leaf ([www.idhsustainabletrade.com](http://www.idhsustainabletrade.com)).

There has been little impact on tea production in Argentina due to automation of the sector that requires very few people to harvest and produce the 80 million kg of processed tea per year. Tea is harvested from November through April – fortunate timing in a world upended by the coronavirus. Argentina had sold and was fulfilling contracts as the pandemic struck. The United States imports more than 70 percent Argentine tea for the production of iced tea, the major quantity of that being consumed in the foodservice channel. Last year the US purchased \$71 million of the \$90.5 million of Argentina's tea exports (\$69.7 of the \$71 million was consumed domestically, and the remainder was re-exported as blended tea). A review of the USDA's Global Agricultural Trade System (GATS) data indicates a significant shortfall through July 2020 compared to the same period in 2019.

First flush Darjeeling is considered the "champagne of teas."



## Covid's Impact on Future Tea Markets

As per a World Bank report, almost all commodity prices saw sharp declines during the period from January to April 2020 as the Covid-19 pandemic worsened. The prices of most commodities have fallen especially those that are related to the transportation industry (*Commodity Markets Outlook*, April 2020, 100p). The pandemic has affected both the demand



and supply of commodities through the impact of mitigation measures on activity and supply chain. Tea prices declined nine percent in the first quarter of 2020 (January to March, quarter-on-quarter or q/q) and were 3.4 percent lower than 2019 (q/q), mostly in response to a plunge in Kolkata and (less so) Mombasa auctions, which reached 13- and 6-year lows, respectively.

The decline in tea prices reflects ample supplies in Kenya, disruptions of tea shipments to various importing countries, disappointing demand including a lockdown in India, especially during the second part of 1Q 2020. The World Bank further reported that tea prices (auction average) were expected to drop 10 percent in 2020, mostly due to weak demand before gaining three percent in 2021 (Figure 2, page 13). John Baffes (*Commodity Markets in the Context of Covid-19: Developments, Outlook, and Risks*, World Bank Group, GRC Live Broadcast, 17 June 2020) listed the following long-term implications on the global commodity markets, which will affect both commodity exporters and importers in the context of Covid-19. They include:

- Increasing transport costs due to additional checks
- Permanent unwinding of supply chains
- Increasing substitution among commodities
- Changing consumer behaviour
- Restrictive policy responses.

However, a report on the global tea market on the impact of Covid-19 assessed the market to reach a volume of 7.58 million tonnes by 2024, and expects the market will be USD \$235.75 billion (calculated in retail prices) until 2024, thus increasing at a CAGR of 6.8 percent/annum for the period 2019 to 2024 (www.researchmarket.com). This is a decrease, compared to the growth of about 8.7 percent per year, registered between 2014 and 2018. Over the last few years the tea market has evolved in line with consumers' changing behaviour. Consumers are looking for high quality tea that gives them specific health benefits.

Technavio's latest market study indicates that the global tea market poised to grow by USD \$13.24 billion between 2020 and 2024, progressing at a CAGR of five percent during the forecast period (Figure 3, page 14). The rising tea consumption is the key factor for driving the growth of the market during the forecast period (www.technavio.com/report/tea). Further, the global tea market was valued at over 52 billion US dollars in 2018 and is expected to rise to over \$81 billion by 2026 (Emma Bedford, www.statista.com). IMARC group predicts the global tea market will exhibit moderate growth (CAGR of 4.5 percent) during the next five years (2020-25) (www.imarcgroup.com/tea-market).



In some countries, factory workers arrive before curfews begin and stay until they end.

The impact of Covid-19 on tea markets may persist for an extended period. In the short term, the deepening economic contraction may further reduce demand for tea, causing additional declines in prices. Continuing mitigation measures may increasingly impact tea supply chains. It would take some more time for the supply chain to stabilize.

It is true that the pandemic has exposed the flaws in supply chains across every industry and this has prompted companies to change their respective business models and policies. This would facilitate equipping the industry to handle any future worldwide disruption. However, a large section of the Indian tea arena is optimistic since there is strong demand for Assam and Darjeeling tea from the Europe and other countries. Transportation logistics are also gradually taking shape to facilitate export.

The tea market has evolved dramatically in the past few years in line with consumers' changing behaviour. Known immunity-boosting capacity along with affordability of tea will give it continuous buoyancy. In addition, the perception of tea has also changed, as it is viewed by younger consumers as a sensual and wellness drink. Further, a shift towards the consumption of organic tea acts as an emerging trend which is having a positive impact on the growth of the tea market. 🍵

As former project director of the Tea Board of India and Tea Consultant, **Dr Nikhil Ghosh Hajra** provides professional support to the stakeholders. He is the author of tea books including *Tea Cultivation: A Comprehensive Treatise* and *Organic Tea: Cultivation and Marketing*, as well as more than 100 research papers. He may be reached at [nghoshhajra@gmail.com](mailto:nghoshhajra@gmail.com).



# Authenticating Origin Teas

The concept of enshrining the geographical origin of an agricultural food or beverage product as the premium quality criterium implies the need for means of substantiating that claim.

By Barbara Dufrêne

*All images courtesy of Barbara Dufrêne*

Global tea production has been expanding hugely in the new millennium, with the origin countries gobbling more and more of their own crops and many consuming countries seeing a steady growth too. For centuries, affluent and knowledgeable Western tea consumers have been attached to a small selection of regional premium origin teas. Most of them are harvested in former colonial tea estates located in high mountain areas in India's Darjeeling district, in Sri Lanka's high central mountains, and in the highlands of Kenya and Rwanda, all beautifully fragrant black leaf teas from early spring crops.



Tea field in Darjeeling, India, a Protected Geographic Indication (PGI)





(Left) Fujian Wulong tea  
(Below) Protected Designation of Origin (PDO) logo, also known as Protected Geographic Indication (PGI) or Protected Origin Appellation (POA)



## China Sets the Pace for Diversification

China's return to the market beginning in the 1980s not only shattered the traditional Western consumption patterns, but turned them upside down. Since then, China has tabled a fully diversified offer of additional tea families, namely green, oolong, white and dark teas, together with a wide selection of hitherto unknown region-specific origin teas, made from equally previously unknown tea bush varieties.

While China's green teas paved the way for green teas from Japan and South Korea, many of the traditional black tea producers were tempted into diversifying their long-standing processing methods and were keen to experiment with new botanical varieties and new tea categories.

Suddenly, one could find white teas from Kenya, oolongs from Darjeeling, and green teas from India on the market complementing their century-old fine black teas, whilst Japan and South Korea have started to rediscover the attractiveness of their premium black teas. There seems to be a gradual returning trend that puts the focus back on the traditional regional heritage teas, to re-enhance their state-of-the-art excellence, by returning to the roots of the original processing methods, which remain the founding stones of the fame and reputation of these heritage harvests.

"Discovering the immense variety of China's teas has been a fascinating challenge for us here in Darjeeling, but after all, we are in India, and our teas are unique," said Shiv Saria, who owns several Darjeeling tea estates.

Fine teas like fine wines have usually been identified

and named according to their growing areas, of which many are located high up in the mountains where good soil, clean air and a favourable weather pattern provide ideal growing conditions. This fits with the Himalaya foothills, from Darjeeling, to the high plateaus of Assam, Burma, Yunnan, Laos and North Vietnam, the cradle of the tea tree. This also fits with the high central mountains in the heart of Taiwan and of Sri Lanka, as well as with the slopes of Japan's volcanoes, such as Mount Fuji and Mount Sakurashima. There are also other areas that offer a specific topography, soil and climatic environment, which allow the tea plant to prosper exceptionally well, like certain coastal plains and river valleys.

## Protecting the Terroir of Tea

It seems well established that these premium growing locations go together with certain tea plant varieties that have been developing particularly well in a specific geographical environment, also called "terroir."

Such plant and terroir specific combinations will trigger the right criteria for a Protected Geographical Indication (PGI) or a Protected Origin Appellation (POA). For example, China's Zhejiang Longjing green teas and India's Darjeeling black teas are among the first to be granted the European Union quality logo in May and November 2011, respectively. Engineering the protection and promotion for regional terroir teas has been undertaken by the national services of the Ministries of Agriculture for many famous Chinese teas and several premium highly fragrant botanical varieties from limited growing areas

# TEA DRIVEN INNOVATION



What makes IMA your unique partner today goes beyond 50 years of experience and sector-specific knowledge. It encompasses more than a cluster of expert brands providing a comprehensive variety of services across the world. Much more than the broadest range of tea bagging equipment for all needs and all budgets.

IMA is simply more than a combination of services, companies, expertise and machines. IMA is the partner who will bring your ideas to life with innovative solutions, unlike any other.



EQUIPMENT OVERHAUL  
SERVICE



GLOBAL COVERAGE



FANNINGS OR LONG LEAF  
TEA PACKAGING



WIDE CHOICE OF BAGS



EXTENSIVE PACKAGING  
VARIETY



in Japan, Taiwan and Korea.

More EU PGI teas are in the pipeline, with a list of 26 origin teas from China on file for a PGI registration scheduled for 2021, with another list coming four years from now. Similar arrangements have been made with Japan, but to date only one Gyokuro tea, from Yame, Kagoshima, Kyushu Island has been listed. “Because of the many small tea gardens, changing weather patterns and multi-faceted landscape, we have an ingrained tradition of blending even the premium teas. Therefore, the single origin terroir concept is not an easy fit with Japanese premium teas,” said Kotaro Tanimoto of the Japan Tea Export council.

While the location/growing area/geographical origin is considered the main quality criterium for origin teas, the botanical variety also comes in to complete the product profile. Premium quality also takes into account the maturity and age of the tea bush and finally the seasonal picking period, with spring being the favourite moment. Last, the processing of the leaf and the final grading are an important part of the quality profile. Western tea lovers’ have become more knowledgeable in their craving for premium origin teas. Hence, such a global market that is moving with the trends requires operational tools to guarantee the authenticity of these rare and expensive cups, to keep fake and imitation teas at bay and ensure that there is no blending in of low-quality additions.

### Using Science to Authenticate Teas

All is fine for those who source directly and have a transparent supply chain under full control. For those wishing to make sure that the costly teas they purchase are fully authentic, there is a need for appropriate methods and cost-efficient tools to first ascertain their respective places of origin, and if required, the tea bush variety, the process and the harvesting period. In the early 2000s, it appeared that statistical data evidenced an annual trade volume of around 40,000 metric tonnes (mt) of Darjeeling teas, whilst the declared production volume was around 12,000 mt, a discrepancy that made eyebrows raise and people ask, how come?

To preserve the tea’s reputation, the Tea Board of India pushed for a certificate of origin and a full traceability. With Germany being the biggest consumer market for Darjeeling tea, the cup quality was further assessed through official tasting panels. The same method was applied to high-grown teas from Sri Lanka, from the Uva region, which develop a distinctive taste profile with their double-sided exposure to the monsoon flows.

More statistics brought further evidence of intriguing trade flows, such as from Vietnam to China’s Yunnan province and to Taiwan, and from China



A lishan high mountain tea from Taiwan

to Japan, which were boosting the local production figures for premium Puer and oolong teas. During the past decade, science started to explore various methods of authenticating origin teas to protect the reputation and trade value of such high-quality teas and furthermore to protect the consumer against adulterated and fake cups.

One approach investigates how to unravel the genomics of the tea plant, which appears to be highly complex. With research taking time and being expensive, the objectives target mainly the improvement of plant resistance and yield. However, there are newly developed methods that allow premium varieties to be fingerprinted, which might allow the future compilation of a “library of genetic tea cultivar profiles,” as a highly useful authentication tool.

Recent Chinese studies have aimed to build models that assess geographical origins based on the identification of certain minerals and their concentration as they occur in the soil of terroir tea growing areas, and which, consequently, are present in tea leaves. Such multi-element analysis coupled with chemometrics have demonstrated significant differences between the various origin growing areas.

Tea research and tea science are deeply involved in vital issues such as coping with climate change, pest control and socially responsible labour conditions. The growing demand for premium origin teas and their great diversity adds on the important task of ensuring fair competition through reliable and cost-effective analytic controls. 🍵

**Barbara Dufrêne** is the former Secretary General of the European Tea Committee and editor of *La Nouvelle du Thé*. She may be reached at: [b-dufrêne@orange.fr](mailto:b-dufrêne@orange.fr).



Tea grown in the Nuwara Eliya district of Sri Lanka is praised for its high quality, colour and fragrant flavour, as well as for its complicated history, complete with a romantic yet tragic legend. Annual production is low making the tea even more coveted.

By Yumi Nakatsugawa

*All images courtesy of Yumi Nakatsugawa*

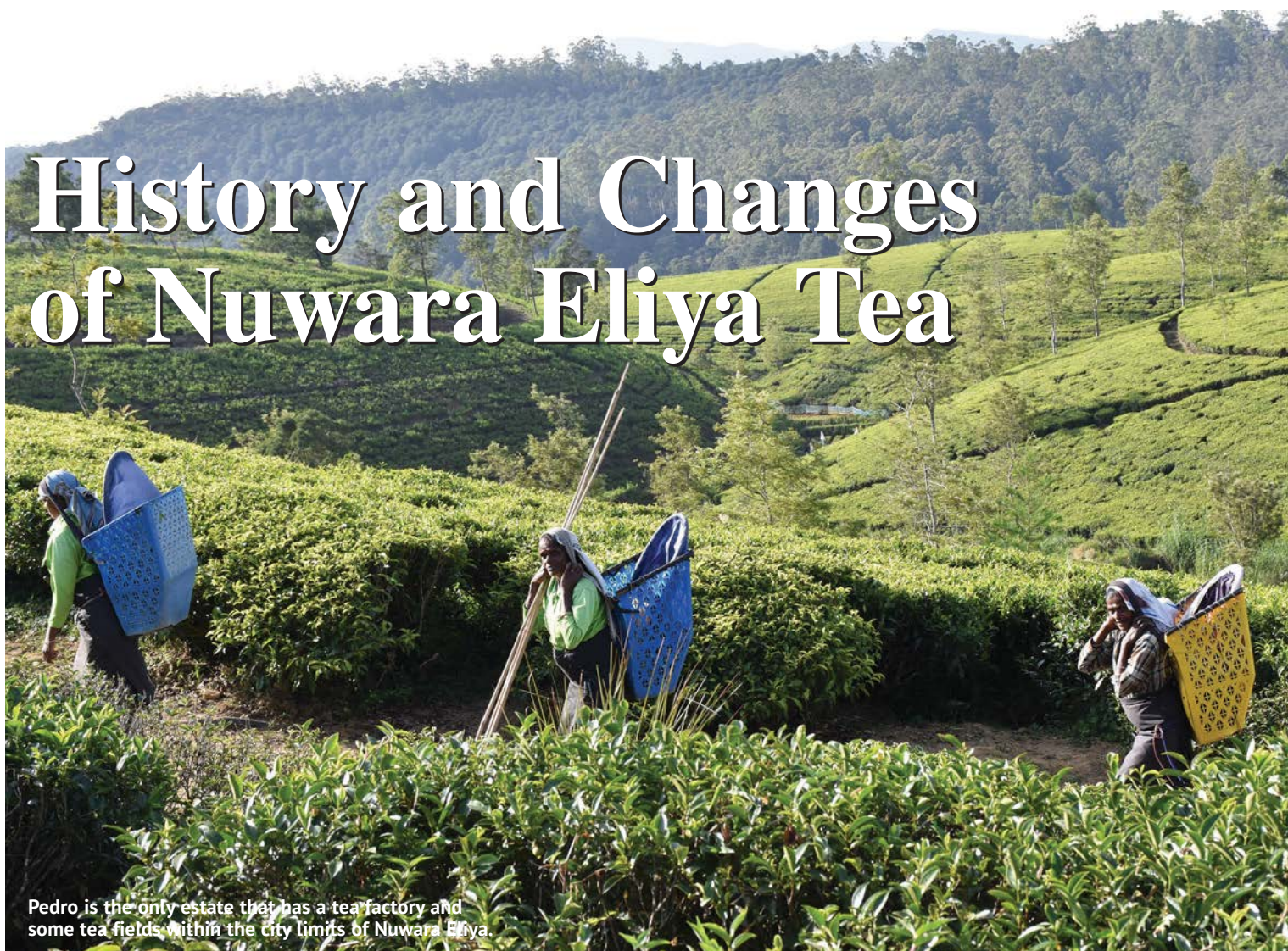
Nuwara Eliya is one of the highest quality tea-producing districts in Sri Lanka, its tea is often praised as the “Champagne of Ceylon Tea.” The unique character that appears in its quality season is described as a citrus-like, fragrant flavour with light and yellowish liquor colour. Freshly manufactured pure Nuwara Eliya tea is a favourite among Ceylon tea lovers, especially in early summer,

as its bright aroma along with somewhat stimulating infusion is the most refreshing beverage amid the mild afternoon breeze.

The city of Nuwara Eliya is located in the central highland of Sri Lanka, at an altitude of 1,868 meters. Its cool climate attracted British planters in their colonial days (1815-1948), who established not only plantations but also a golf club, racecourse, as well as some buildings of old British Colonial style architecture. *Nuwara Eliya*, which literally means “the city on the plateau,” is often called “Little England,” and still fascinates visitors from all over the country as well as from overseas, with its distinguished atmosphere.

Despite its fame, the production of Nuwara Eliya tea is rather limited, since only three black tea factories, namely Pedro, Court Lodge and Concordia, along with a green tea factory in Park Estate, are currently operating in the district. These four tea plantations had been under the management of the Nuwara Eliya Tea Estates Company Limited, a London-

# History and Changes of Nuwara Eliya Tea



Pedro is the only estate that has a tea factory and some tea fields within the city limits of Nuwara Eliya.



based enterprise, from the 1890s until 1972, when large plantations managed by the foreign-registered companies were nationalised under the Land Reform Act.

In more than 150 years of tea production in Sri Lanka, plantations often experienced mergers, buying and selling. In addition, large plantations were nationalised in 1970s, then privatised in 1992. As a result, the names of tea estates or factories and their selling marks (trademarks or brands) at the Colombo Tea Auction are sometimes different. Furthermore, some estates or factories use two or more selling marks, which reflects their history or marketing strategies in some cases. According to the Colombo Tea Auction catalogue, mainly five selling marks are offered under the Nuwara Eliya category: Lovers Leap and Mahagastotte from the Pedro Estate, Court Lodge mark from the Court Lodge Estate, Kenmare and Hethersett marks from the Concordia Estate. The Park Estate uses Tommagong mark when they sell their black tea. Since 29 January 2014, the Park tea factory has been leased to Dilmah Ceylon Tea Company plc and they additionally installed green tea processing machinery.

However, when the Sri Lanka Tea Board (SLTB) gathers the statistics of the “Sub District Average Prices” (comprising of 38 sub-districts), two more estates are included in the Nuwara Eliya sub district: the Nuwara Eliya Estate (selling mark: Inverness) and Labookellie Estate (selling mark: Labookellie). Both estates are located just outside of the northwestern boundary of Nuwara Eliya city. However, Inverness and Labookellie marks are sold in Western High category at the Colombo Tea Auction. In other statistics of the SLTB, the National Elevational Averages show production and average prices in five larger areas consisting of Western High, Western Medium, Uva (Eastern) High, Uva Medium and Low-grown. The Pedro Estate is included in Western High, whereas the Court Lodge, Concordia and Park Estates are covered under Uva High Grown.

### From Nationalised to Privatised

During the nationalised period from the 1970s until 1992, large plantations including tea, rubber and coconut were managed by the two giant state-owned organisations, the Sri Lanka State Plantations Corporation (SLSPC or SPC) and the Janatha Estates Development Board (JEDB). All four estates in Nuwara Eliya region were vested to SPC but split



**Tea bushes planted by Prince Philip, Duke of Edinburgh.**

into different Regional Plantation Companies (RPC) in 1992. Now the Pedro Estate belongs to the Kelani Valley Plantations plc managed by the Hayleys Group, and the Court Lodge, Park and Concordia Estates are run by the Uda Pussellawa Plantations plc directed by the Finlays Group.

Pedro is the only estate that has the tea factory and some tea fields within the city of Nuwara Eliya. The estate was named after the highest peak in the island, Pidurutalagala, which is at an altitude of 2,524 meters and overlooks Nuwara Eliya from north east. The name was shortened by the British to Mount Pedro, and its summit is now designated as a heavy security zone accommodating the country's communication system and strictly protected by a large military base. Established in 1886, Pedro has its factory at an elevation of 1,820 meters above sea level. The estate covers 668 hectares in total, and 525.9 hectares under tea, comprising 338 hectares of seedlings and 187.9 hectares of cultivars. The main planting variety is PK2 – considered to be the best in the Nuwara Eliya region – which originated from the Park Estate. The factory manufactures about 800 metric tonnes (mt) of black tea annually, 80 percent of which are from its own leaf, and the remaining 20 percent are inter-estate crop among the same Kelani Valley plantations such as Oliphant or Glassaugh Estates.

In the quality season from January to March, the factory processes exclusively the estate crop and green leaf from the Oliphant Estate where 100 percent Chinese varieties are grown. The Oliphant used to have its own tea factory that was converted to a green tea processing unit in 1990s, but it was not successful and then closed. Now the Oliphant Estate is considered as a division of the Pedro. ▶

# BACK TO NATURE

TERRAFILT® NHS - INDUSTRIAL & HOME COMPOSTABLE Filter Papers



**INDUSTRIAL & HOME COMPOSTABLE**

In Accordance with Standards:

OK Compost Industrial: EN 13432

OK Compost Home: NF T 51-800 Scheme OK 2 Ed.D



**TERRANOVA**PAPERS

Miquel y Costas Group



The manufacturing style at the Nuwara Eliya Tea Estate is changing due to increasing demand from China.



### The Legend of Lovers Leap

The Lovers Leap selling mark is based on an old legend: Once upon a time, a Sri Lankan royal prince got lost while hunting in the jungle, but he was saved by a village girl and they fell in love. However, the King didn't allow their marriage, so they ran away together to the mountain in Nuwara Eliya. When the King's soldiers found the prince and tried to bring him back, the lovers jumped from a waterfall, which led to their eternal unity. The waterfall has been called Lovers Leap since then, and the Pedro Estate named a division as well as its selling mark after the waterfall.

During their quality season from January to March, when it is very cold and dry, people still claim to hear the ghost of the girl singing at night. It could be the sound of strong wind, which enhances the quality of tea leaf. Furthermore, in the Lovers Leap division, there is a small but memorable plot where tea bushes were planted by Prince Philip, the Duke of Edinburgh, in April 1954. These bushes have been carefully looked after and their leaves are manufactured in a special way. Tea from these bushes was served at the grand banquet celebrating the Diamond Jubilee of Queen Elizabeth II in 2012.

The Pedro tea factory is located near the eastern border of Nuwara Eliya city, just before entering the neighbouring town, Kandapola. From the Pedro tea factory heading east, there is Court Lodge first, next is Park, and then the Concordia Estates. The local market is located in Kandapola. The name literally means

“mountain (kanda) market (pola)” and has little British influence unlike Nuwara Eliya city. Its climate is drier than that of Nuwara Eliya, especially in the southwestern monsoon season from May to September. Since the rain clouds from the southwest are blocked by the central mountains including the Pidurutalagala, the dry winds blow towards the eastern side.

The Court Lodge Estate was established in 1890, and covers 294 hectares in total, and 262 hectares under tea. Approximately half of the field is in Nuwara Eliya, and the rest is in Kandapola. About 66 percent of the tea bushes are cultivars, of which 95 percent are PK2. The Court Lodge factory is on the Kandapola side at an altitude of 2,012 meters, which manufactures about 400 mt of black tea a year. In addition to its main selling mark, Court Lodge, it has recommenced using Summer Hill as the secondary mark in March 2020.

The Concordia Estate was established in 1880, covers 500 hectares of total land, and 350 hectares under tea: 30 percent of them are seedling, and 70 percent are cultivars such as PK2, Hethersett10, TRI2025. The factory is located 2,000 meters above the sea and produces about 550 tonnes per annum. About 90 percent of the tea is sold as Kenmare, and Hethersett is still used as the secondary mark. The Hethersett mark was originally used for the tea manufactured in the neighbouring Hethersett tea factory, which became dormant in 1973.

When the large plantations were privatised, the Uda Pussellawa Plantations were initially managed by the Aitken Spence & Co, Ltd, ►

# 2021 UKERS'

# TEA & COFFEE

66TH EDITION



[www.teaandcoffee.net](http://www.teaandcoffee.net)

## GLOBAL DIRECTORY & BUYER'S GUIDE

- UKERS has been the number one reference tool in the tea and coffee industries worldwide for almost 75 years. UKERS readers and users are coffee roasters, tea packers, exporters, importers, brokers, packaging specialists, equipment and machinery supplier, speciality gourmet retailers, industry newcomers and anyone with an interest in this expanding industry.

- With over 5,000 individual company listings from over 100 countries worldwide the UKERS guide is a 'must have' data resource.

- Entries include information such as Company names, Addresses, Telephone numbers, Contact details, E-mail and Website addresses.

- Section One:  
Global Directory by Country
- Section Two:  
Supplies & Services by Category
- Section Three:  
A-Z Company Contact Information
- Section Four:  
Facts, Figures & Findings
- Section Five:  
Glossary of Coffee & Tea Terms

**If your company are involved in the worldwide tea and coffee Industries then you can gain a FREE company listing in this annual global directory.**

**To add or amend your company listing, go to [www.bellpublishing.com/zmember/ukers/register](http://www.bellpublishing.com/zmember/ukers/register)**

**To secure your advertising position in the 2021 UKERS Global Directory & Buyers Guide, please contact Steve Crowhurst on +44(0)1474 532202 or Email: [steve@bellpublishing.com](mailto:steve@bellpublishing.com)**





from 1992 to 1996. Aitken Spence is involved in various business fields including travel and hotel management in and outside of Sri Lanka. It converted the Hethersett factory to a luxury, 54-room hotel in 1996, which it continues to manage. The unique accommodation is now known as the Heritance Tea Factory, a five-star hotel, and has become one of the most popular hotels in the hill-country.

### Green Tea Production

The green tea factory in the Park Estate is now operated by the Ceylon Tea Farmers (Pvt) Ltd, a Dilmah Group company, as a 100 percent bought leaf manufacturer. The factory is 1,980 meters above sea level, which buys green leaf about 60 percent from the Park Estate, and 40 percent from the Edinburgh Estate plucked from the PK2 variety. They have both steam and pan-fried facilities and produce about 300 metric tonnes of green tea per year. Currently, they fulfill 100 percent of Dilmah's requirement which is approximately 40 to 45 percent of the current production, the rest is sold to other traders privately. The Park Estate grows Assamica varieties as well, which are more suitable for black tea. Therefore, those green leaf from the Park Estate had been manufactured either in the Court Lodge or the Concordia factories till June 2020.

However, due to the sudden plunge of the green tea market, the Park factory resumed manufacturing black tea since June 2020 for the first time in six years. Consequently, the Tommagong mark also has reappeared in the Colombo Tea Auction. Now it produces both green and black tea by purchasing green leaf from the Park and Edinburgh Estates, which discontinued the Park Estate mark, and



provides some green leaf to the Court Lodge and Concordia factories.

### Nuwara Eliya Estate's History

Black tea production in Nuwara Eliya category in the Colombo Tea Auction is currently more or less 1,800 mt per year, accounting for merely 0.6 percent of the national production, which was 300,134 mt in 2019. Furthermore, its manufacturing style has been changing due to the increasing demand from China. During the quality season, it makes the maximum effort to produce flavourful teas, and the rest of the year tends to manufacture more leafy grades.

As a supplementary note, the Nuwara Eliya Estate has a different history and its Inverness mark regularly secures the top price in the weekly tea auction among the leafy grades in the "Western High" category. Tea cultivation there started in 1964 by eight Sri Lankan planters, and the factory began operation in 1978, in which rotorvane machines were never installed. After SPC's management, the estate was included in the Kelani Valley Plantations. Total land covers 176 hectares, and 172 hectares under tea with 100 percent cultivars which are PK2 (72 percent), Walaha Yellow (18 percent), TRI2024 and 2025 (10 percent). It produces 318 mt of leafy black tea annually, which constantly attracts buyers such as Mabroc Teas (Pvt) Ltd. ☕

Until this past June, green leaf from the Park Estate was manufactured at the Court Lodge (above) or Concordia factories (below).



**Yumi Nakatsugawa** is a freelance writer specialising in food and restaurant management. While freelancing, she developed a love of black tea as well as tea-producing countries and tea people. Her passion for black tea has brought her to Sri Lanka, India, Kenya, Indonesia, Nepal, Malaysia, and Papua New Guinea to see tea production firsthand. Based in Japan, Yumi may be reached at: [ym\\_n@nifty.com](mailto:ym_n@nifty.com).

Because of Covid, companies and consumers had to return to using single-use packaging.



# Sustainable Packaging Remains a Top Priority for Consumers and Brands Alike

2020 began with a cry for change. The world was on fire, literally in the case of Australia, and young climate advocate Greta Thunberg called upon the world to take action.

Sustainability was made a top priority with all levels of the tea and coffee industry taking a hard look at their packaging, and how to improve it. For the café sector, this included mitigating the negative impact of disposable cups with a focus on how to increase consumer engagement in reusable cup programs. Big players, including McDonalds and Starbucks, had plans to launch reusable cup drop-off programs partnering with companies like CupClub and Muuse. However, all initiatives came to a screeching halt as the Covid-19 virus spread at a rapid pace and companies and consumers alike were concerned with their safety.

“2020 was supposed to be a year of climate action, instead we were blind-sided with the onset Covid-19,” Deborah Kaufman, senior account manager, Euromonitor International. According

Covid-19 may have temporarily halted companies’ sustainable initiatives as well as consumers’ sustainable efforts in 2020, but acknowledging the need for sustainable packaging and the motivation to effect change remains a top concern for both.

By Anne-Marie Hardie

to the London-based market intelligence firm, prior the lockdown and Covid-19’s impact on food and nutrition values, 64.3 percent of consumers wanted to reduce their plastic use. However, single-use consumption elevated in the onset of the pandemic. The use of single-use plastic increased between 250 and 300 percent during the pandemic as consumers favoured health and safety over sustainability, per the International



Solid Waste Association, Vienna, Austria. Disposable masks and plastic gloves were now added to the waste stream as consumers attempted to adapt to this new normal.

Prior to the onset of the pandemic, Joel Gregoire, associate director, food and drink for market research firm Mintel Canada, reported that the number one concern for consumers when it came to food and sustainability was packaging waste. With the temporary suspension of reusable cup programs and a shift in consumer behaviours (more take out, online shopping, etc), there is no question that there was an increase in the amount of packaging over this past year.

Almost a year later, most areas in the world are in the midst of another spike of Covid-19 with several countries re-entering lockdowns. But what has happened to plastics? Has the drive towards adopting sustainable solutions and reducing the amount of single use plastic diminished? “The one thing we asked over this past year was whether the concern about the pandemic changed their priorities, particularly, caring about the environment,” said Gregoire. “I would have thought that it would have gone down, but what we did see is that the majority of Canadians were either equally as concerned or more concerned about the environment since the pandemic.”

Despite this resurgence of Covid-19, consumers are responding differently, including actively choosing companies that are taking positive actions towards minimising the impact on the environment. “Surprisingly, sustainability is more important than ever; the outbreak has affected consumers’ values, elevating interest in sustainability as well as broader social issues,” said Kaufman.

In fact, consumers appear to be demanding more from companies, wanting them to play a greater role in protecting vulnerable communities and the planet. “Do people still care about the environment? The data says yes,” said Gregoire. “There is a huge concern about packaging waste, this may partially be due to the fact that it is visually quantifiable. In fact, it is an issue that is discussed across all demographics.”



Image courtesy of Club Coffee

Although the pandemic has yet to wane, companies and consumers are re-igniting their sustainability efforts.

## Relaunching Sustainable Initiatives

Companies worldwide are both reinstating their sustainability agenda and introducing new initiatives to both reduce the amount of waste and support their local communities. “As the path for sustainability changes and evolves, we all learning to see where the challenges lie and consider what we need to do to address them,” said Todd Meussling, senior manager, market development at Fresh-Lock, Appleton, Wisconsin.

In June 2020, United States Representative Haley Stevens of Michigan and Representative Anthony Gonzales of Ohio introduced their Plastic Waste Reduction, Recycling Act to Congress, which was developed to improve the global competitiveness of the US plastic recycling industry while also reducing the amount of plastic waste. The legislation encourages brands to add recycled content to their packaging and reduce solid waste. This includes reinvesting in the domestic recycling infrastructure.

“Consumers are now having second thoughts on the use of plastics, especially since in many regions, single use is the only option,” said Meussling. “[In terms of] post-Covid environmentalists, these individuals are most likely to be concerned with one or several of the following: reducing their single use plastics, reducing their carbon footprint, ➤



Image courtesy of Tim Hortons

**Tim Hortons had to postpone its February 2020 plans to distribute nearly two million reusable cups.**

or buying from companies that are behaving more sustainably.”

The lockdown increased consumer’s awareness about how a shift in behaviour could positively impact the environment. In fact, the Camden Clean Air Initiative, Camden Town, London was inspired by the positive environmental impact that was noted due to the reduced emissions in the Camden area. The company has launched ten long-term programs all focused on the end goal of achieving a cleaner Camden.

In addition to reducing the amount of vehicle transmissions, the Kings Cross Estate region made a commitment to zero waste to landfill and 50 percent of waste recycled. The region identified that coffee cups made up a staggering 10 percent of this disposable waste. To help resolve this issue, UK developer Argent LLP partnered with CupClub to help

on-board businesses across the King Cross region into the CupClub (reusable cup) program. “The vision for Kings Cross is to introduce reuse across the Estate,” said Safia Qureshi, founder, CEO, CupClub, London. “Our plan is to have a media launch in early 2021 to talk about the businesses that are involved as part of the zero-waste campaign, including putting Kings Cross and the Camden area as a destination where we are able to show the general public and anyone that can visit us what zero waste really looks like.”

## Alternative Options to Reduce Waste

Tim Hortons is another company that is taking a hard look at the number of disposable cups that enter the waste stream. In February 2020, it had planned to distribute nearly two million reusable cups to help shift Canadian perceptions and habits in coffee cup use. However, this program was paused due to the impact of the pandemic. Concern about disposable waste did not dissipate, but the company knew that it needed to look at alternatives until the concerns about the pandemic were alleviated. This past fall it announced several new programs focused on reducing waste. This included ceasing the practice of double cupping in Canada, offering guests a recyclable cardboard



**Zwirner an der Wutach**

Quality · Reliability · Tradition · Since 1886



## Tea Bag Thread

**for all types of  
teapacking machines**

**Zwirner a. d. Wutach GmbH**  
Bundesstrasse 6 · 79780 Stühlingen · Germany  
Phone +49 7744 9396-0 · info@zwirner-wutach.com  
**www.zwirner-wutach.com**

# Asia CanTech 2021

## Back to Bangkok 25 – 27 October

The annual Conference and Exhibition that puts can makers and fillers from across Asia in touch with their global suppliers

Organised by

[www.asia-can.com](http://www.asia-can.com)

WORLDWIDE EXPO LTD

CanTech INTERNATIONAL



sleeve instead with the hope to eliminate 200 million disposable cups per year.

To increase engagement in reusable containers, Tim Hortons, in partnership with Loop will be launching a reusable container program. The program will provide consumers with the option to pay a deposit on a reusable container, which would then be refunded once it is returned to a designated drop off location. The containers would then be professionally sanitized and cleaned by Loop so that they could be used again. The goal is to launch the pilot program in 2021 at select Toronto restaurants.

“During Covid, we have seen that consumers have relied more on single-use cups and containers due to health restrictions. This initiative by Tim Hortons signals that getting back to adopting reusable containers will be important when those restrictions are lifted,” said Tom Szaky, TerraCycle and Loop CEO. “This partnership with Tim Hortons will allow guests to easily bring reusability into their daily lives, and whether they choose to eat in or takeaway, they will be able to get some of their favourite food and drinks in a reusable container.”

The lack of infrastructure with regard to recycling and composting still makes it challenging to divert the packaging out of the waste stream. To respond to this, brands are looking at alternatives for their packaging including investing in reusable programs, using

mono-materials, biofilms and packaging with recycled content. “Overall, the industry is moving forward,” said Meussling. “This needs to be driven by brands. They are the important part in advancing the technologies in flexibility packaging. Innovation, efforts and desires are out there, we just need to find out how to make it work in the new normal.”

The key is making sure that the packaging solution responds to consumers’ environmental concerns without compromising their overall experience. “Companies are in a tricky spot when it comes to the environment and meeting consumers’ expectations,” said Gregoire. “From an environmental perspective you don’t want to sacrifice on the experience in order to deliver a more sustainable product; however, brands need to also ensure that they live their message and are authentic about it.” This includes communicating any positive actions that brands are taking to diminish their impact on the environment, including offering consumers reusable, recyclable, and compostable alternatives. ☕

Anne-Marie Hardie is a freelance writer, professor and speaker based in Barrie, Ontario. She may be reached at: [annemariehardie1@gmail.com](mailto:annemariehardie1@gmail.com).

Images courtesy of Fresh-Lock



Flexible packaging can now be fully recyclable if each component of the pouch meets individual requirements for packaging functionality, product protection and recyclability.

# Cold Brew Coffee – A Microbial Hazard?

FEBRUARY 2021



moulds, and lactic and acetic acid-producing bacteria can multiply during the long extraction process and the subsequent storage. Besides the spoilage agents mentioned, pathogenic germs such as *Salmonella* or *Listeria* must be taken into account. Possible sources of contamination should be identified to ensure the microbial stability of cold brew coffee. For example, the equipment, containers, ingredients used as well as the personnel may contribute to microbial contamination and thus compromise food safety. Therefore, cold brew coffee must receive special consideration in the HACCP (Hazard Analysis Critical Control Point) concept.

### Cold Brew Coffee Test Results

In summer 2020, a total of 23 different cold brew coffee samples were collected from coffee shops, including those with an affiliated roasting house, in southern Germany. These samples were examined for a wide range of micro-organisms that have been reported as causing spoilage or health risks such as aerobic lactic acid bacteria, yeasts, hygiene indicators such as *Enterobacteriaceae*, *Pseudomonas* spp and coagulase positive *Staphylococcus*, potentially pathogenic germs such as presumptive *Bacillus cereus* and pathogens *Listeria monocytogenes* and *Salmonella* spp as well as for moulds.

An increased microbial load was found in two samples (nine percent). One of the samples showed a clearly increased bacterial count of potential spoilage organisms, namely lactic acid bacteria and yeasts. In another sample, contamination with presumptive *Bacillus cereus* was detected. This was a cold brew coffee with a storage time of five days.

Two forms of gastrointestinal diseases (the emetic and the diarrheal syndrome) can be caused by *Bacillus cereus* since they belong to opportunistic food-borne pathogens, producing several toxins that have been associated with food poisoning, though mostly corresponding with a considerably higher microbial load.

### Microbial Test Conclusion

Fortunately, only a small proportion of the samples examined showed microbial contamination. However, the survey has shown that compliance with the hygiene requirements for the production of cold brew coffee should be regularly monitored. The risk of microbial contamination of cold brew coffee is to be compared with that of non-alcoholic

beverages on draft from beverage dispensing systems. To identify a possible source of contamination a step-by-step control is necessary with particular attention to the ingredients and the extraction process, as well as to the storage conditions of the final product.

In general, it is recommended that cold brew coffee is freshly made and consumed the same day. A long storage period (several days to weeks) of cold brew coffee leads to an increased risk of microbial contamination and affects the taste. In this context, cold brew coffee should be compared with filter coffee: filtered coffee would never be stored for such a long time but rather be discarded after a few hours due to its stale taste. The same should be done with cold brew coffee at the end of the working day unless microbial safety and product quality are otherwise ensured. ☕



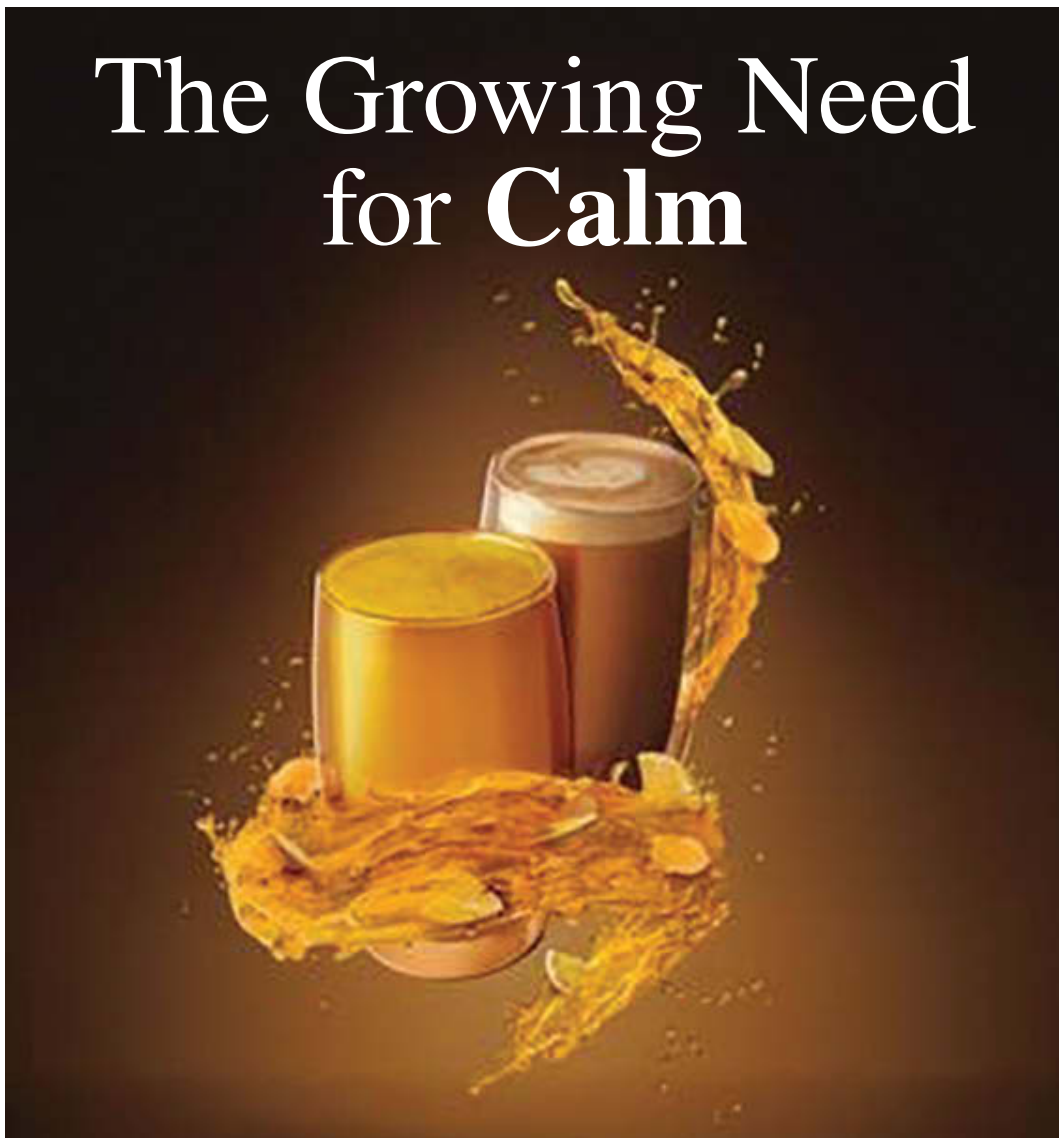
(Above) Cold brew is highly susceptible to spoilage agents and pathogenic germs. (Below) Cupping samples for microbial tests.



Dr Dirk W Lachenmeier is director of the official coffee control laboratory at CVUA Karlsruhe. Dr Daniela Noack heads the non-animal food microbiology laboratory at CVUA Karlsruhe. Julia Röhnisch and Hatice Yasemin Seren (Master of Science, Food Chemistry) are currently trainees in food law at CVUA Karlsruhe.

The winter beverage line-up for Peet's Coffee includes a Golden Tonic (tea) and Golden Latte (coffee) that feature ginger and turmeric.

# The Growing Need for Calm



**T**he functionalities consumers look for in a beverage have changed a great deal since Covid-19 began. Certain benefits, like immune support, skyrocketed in popularity.

Meanwhile, once-promising emergent functionalities, like nootropics, have been put on hold as other concerns move to the forefront.

Calming is one functionality that was in high demand before the pandemic and has only gotten stronger. Global stress levels, already quite high, spiked in 2020, translating into continued increases in preferences for beverages that can provide calming benefits such as relaxing teas, in particular.

## Defining Calming Functional Drinks

Calming is a challenging functionality to define as there are numerous and contradictory ways that a beverage can speak to this positioning. Certain products are explicitly aimed at sleep

The global pandemic has increased the already-strong demand for calming beverages.

By Matthew Barry

while others provide stress relief earlier in the day without inducing drowsiness.

Even many energising products can have calming features if they emphasise that the energy provided is moderated to avoid jitteriness or spikes in anxiety.

All such products are often referred to using interchangeable terms like “relaxation,” “calming” or “stress relieving.” This confusion is part of the reason why this segment has not caught on with consumers to the same extent as clearer functional benefits like “hydrating” or “high protein.”



## The Stress Relief Challenge

There was already great interest in calming as a functionality in beverages prior to the pandemic. Euromonitor International's Health and Nutrition Survey 2020 showed that stress and anxiety issues were the second most commonly reported health issue for consumers around the world, trailing only vision problems.

Covid-19 significantly amplified the need for this functionality. In addition to new stressors, many people lost their coping mechanisms as well. Seeing friends, travelling and even going to the gym were all sharply curtailed exactly at the time when people could have used these mental stress relievers the most.

## An Exception to SKU Rationalisation

This perfect storm of mental health triggers means that consumers have never been more interested in products that can help provide peace of mind. At a time when drinks companies are ruthlessly paring down their SKU counts and focusing on shoring up supply chains, PepsiCo announced a new calming drink known as Driftwell.

Tea is well-positioned to speak to this moment in beverages as the segment can target these functionalities in a natural way. Herbal teas, especially, start with an advantage since ingredients like chamomile and valerian have been used for centuries, putting their safety and efficacy beyond doubt. The key will be effective targeting at specific calming need states ("after work stress relief" rather than generic "relaxation") through creative blending of natural ingredients.

Tea ingredients will also start showing up in other beverages. Driftwell, for example, is a functional water but uses L-theanine as its active calming ingredient. The proven natural benefits of tea will appeal to all beverages operating in this space, and many category-blurring products should be expected.

Coffees have a smaller role to play but still a significant one. There are many ways that the energy boost of coffee can potentially be modified to provide a more subtle boost (L-theanine or CBD, for example).

Bulletproof Coffee, one of the most recognised coffee brands operating in the functional space, recently closed a new funding round, citing four functionalities that consumers were looking for in its products: energy, immune support, stress relief and sleep.



## A Calmer Future?

Interest in immunity-positioned beverages will likely fade once the pandemic recedes, but calming products are expected to remain a priority among consumers. The long-term trend prior to Covid-19 was already pushing toward higher demand, and many of the economic and social disruptions of Covid-19 will linger.

There will be a new wave of calming beverages hitting the market in the years to come. Teas, especially herbal, start with a major advantage, but new categories like functional waters could capture more calming occasions. Coffee and teas will need to remind consumers of their proven effectiveness in the face of these new challengers, as well as look for cross-category potential through products that use traditional ingredients in new and innovative ways.

Certain functionalities like hydration, energy and immunity, among others, can be fully addressed in a beverage, but calming drinks are only a small portion of a broader stress relief strategy. These products cannot solve the mental health burdens of the pandemic on their own.

That does not mean, however, that calming beverages do not still have an important role to play. The right calming beverage can provide a much-needed dose of calm in these chaotic times and that is where the industry should stay focused. ☕



**Herbal teas have an advantage in the calming beverages arena.**

**Matthew Barry** is beverages consultant at London-based Euromonitor International. He is based in the Chicago, Illinois office. He may be reached at: [matthew.barry@euromonitor.com](mailto:matthew.barry@euromonitor.com).



# December 2020 Green Coffee Report

Per the International Coffee Organisation's (ICO) latest report, prices for Arabica group indicators grew in December, with the largest increase occurring for Brazilian Naturals. However, likely due to the impact of the Covid-19 pandemic, imports by ICO importing members and the United States decreased by 4.5 percent to 129.98 million bags in coffee year 2019-20. Both green and roasted imports declined in coffee year 2019-20, while imports of soluble coffee and re-exports by ICO importing members and the United States rose.

The monthly average of the ICO composite indicator rose by 4.6 percent to 114.74 US cents/lb in December 2020. The daily composite indicator fell to a low of 110.35 US cents/lb on 9 December before climbing back up to 116.98 on 17 December. The daily price remained at a similar level for the remainder of the month until reaching a high of 119.21 US cents/lb on 31 December. Prices in December were supported by sustained demand as evidenced by a continued draw-down in green coffee stocks in large importing countries, such as the USA, as well as the depreciation of the US dollar. Additionally, while exports from Brazil have surged due to the sizeable 2020-21 crop, this was partially offset by a decline in shipments from other Arabica producers, reducing the downward



pressure on prices.

Prices for all Arabica group indicators rose in December 2020. The average price for Colombian Milds rose by 5.7 percent to 170.44 US cents/lb – the highest monthly average since November 2016 when it averaged 177.85 US cents/lb. After declining in October and November 2020, the average price for Other Milds rose by 4.7 percent to 157.81 US cents/lb. As a result, the differential between Colombia Milds and Other Milds rose by 20.5 percent to 12.63 US cents/lb, which is the largest difference since June 2012 when it reached 15.98 US cents/lb.

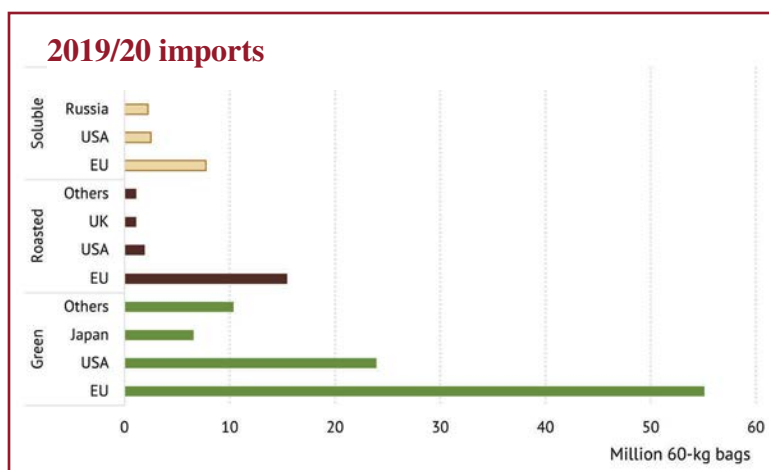
The average price for Brazilian Naturals grew by eight percent to 114.96 US cents/lb, while Robusta prices averaged 72.04 US cents/lb, 0.5 percent lower than in November 2020. The average arbitrage in November, as measured on the New York and London futures markets, rose by 17.8 percent to 62.05 US cents/lb. Stocks of certified Arabica increased by 8.6 percent

to 1.52 million bags in December 2020, which is the third consecutive month of increase. Certified Robusta stocks amounted to 2.31 million bags; 3.1 percent higher than in November 2020.

The volatility of the ICO composite indicator price increased by 1.9 percentage points to 8.4 percent as the volatility for all Arabica indicators increased, while the volatility for Robusta prices was 6.1 percent, unchanged from November 2020. The volatility for Colombian Milds rose by 2.4 percentage points to 8.6 percent, for Other Milds by 2.2 percentage points to 9.2 percent, and for Brazilian Naturals by 2.8 percentage points to 12.2 percent in December 2020.

## Re-exports of Roasted Coffee Fall

Global exports in November 2020 reached 10.15 million bags, which represents an increase of 5.7 percent compared to November 2019. Robusta shipments totalled 3.31 million bags, 10.7 percent lower than in November 2019 when they reached a record 3.7 million bags. Shipments of Arabica rose by 16 percent to 6.84 million bags. Brazilian Naturals saw the largest increase, growing 29.9 percent to 4.21 million bags, reflecting the on-year Arabica crop from Brazil. Colombian Milds increased by 3.6 percent to 1.32 million bags, as exports from Colombia grew by 8.8 percent to 1.26 million bags despite lower production in November 2020 versus November 2019. However, shipments of Other Milds fell by 5.1 percent to





1.3 million bags as exports from Honduras dropped 48 percent to 55,500 bags.

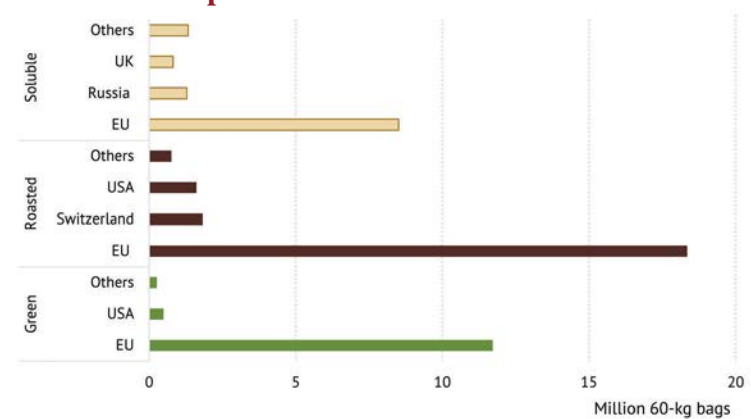
In the first two months of coffee year 2020-21, total exports were 6.5 percent higher at 20.2 million bags, compared to 18.97 million bags for the same period last year. Shipments for all groups declined except Brazilian Naturals, which rose by 23.1 percent to 8.31 million bags. Exports of Colombian Milds decreased by 4.5 percent to 2.48 million bags, Other Milds fell by five percent to 2.75 million bags, and Robusta declined by one percent to 6.66 million bags. This growth came primarily from shipments of green Arabica, which reached 12.56 million bags, 11.9 percent higher than the first two months of coffee year 2019-20. Green Robusta exports increased by 1.1 percent to 5.79 million bags.

In contrast, exports of roasted coffee from producing countries fell by 5.5 percent to 103,800 bags, and shipments of soluble coffee decreased by 8.2 percent to 1.75 million bags. Imports from all origins by ICO importing members and the United States, decreased by 2.8 percent to 10.58 million bags in September 2020. In coffee year 2019-20, their total imports declined by 4.5 percent to 129.98 million bags.

Imports by the EU in coffee year 2019-20 fell by 2.6 percent to 78.32 million bags with Brazil, Vietnam, and intra-EU trade as the main origins. Imports by the United States declined by 10 percent to 28.36 million bags, and Brazil, Colombia and Vietnam were the main source. Japan's imports decreased by 10 percent to 7.34 million bags with Brazil, Vietnam and Colombia as the top three origins. Imports by the Russian Federation grew by 7.6 percent to 6.22 million bags, while those of the United Kingdom declined by 13.4 percent to five million bags. Imports by Switzerland, Norway and Tunisia increased by nine percent to 3.41 million bags, 0.4 percent to 802,400 bags and 6.2 percent to 527,000 bags, respectively.

Green coffee imports by ICO

## 2019/20 Re-Exports



Graphs courtesy of the International Coffee Organisation



members and the US decreased by 5.4 percent to 95.98 million bags in coffee year 2019-20 while roasted imports declined by 3.7 percent to 19.6 million bags. However, imports of soluble coffee increased by one percent to 14.41 million bags. Although roasted coffee imports declined for most ICO members and the US, Switzerland's roasted coffee imports rose by 9.6 percent to 257,000 bags with Italy, Germany and the Netherlands as the main origins.

In contrast, soluble imports rose for the US and all ICO Members except the EU and the United Kingdom. Soluble imports by the EU fell by 2.2 percent to 7.73 million bags while those of the UK decreased by 7.4 percent to 1.14 million bags. Re-exports by ICO importing members and the US, increased by 8.3 percent to 4.31 million bags in September 2020. In coffee year 2019-20, their total re-exports rose by 0.4 percent to 46.93 million bags.

Re-exports by the EU in coffee year 2019-20 fell by 0.3 percent to 38.56 million bags, while those of the US declined six percent to 2.66 million bags. Re-exports from the UK fell by 24.6 percent to 1.45 million bags. However, re-exports by all other ICO importing Members increased. Japan's re-exports more than doubled to 309,700 bags due to strong growth in soluble re-exports, particularly to the Russian Federation, Japan, and China. Re-exports from Norway grew by 46.3 percent to 20,700 bags on increased shipments to the EU, notably Denmark, Sweden,

and the United Kingdom. The Russian Federation's re-exports rose by 45.7 percent to 1.59 million bags as both roasted and soluble shipments increased.

The main destinations for the Russian Federation's roasted re-exports were Belarus, the Ukraine and Georgia and for soluble re-exports were Belarus, Kazakhstan and Uzbekistan. Re-exports from Switzerland increased by 14 percent to 2.34 million bags with much of the growth from re-exports of roasted coffee to France, USA and Germany as well as newer markets like the Republic of Korea and Indonesia. Tunisia's re-exports grew by 6.1 percent to 157 bags.

In coffee year 2019-20, re-exports of roasted coffee from the ICO importing members and the US decreased by 0.1 percent to 22.54 million bags as increases in re-exports of soluble coffee offset declines in roasted coffee. The EU's re-exports of roasted coffee decreased by 1.2 percent to 18.35 million bags, while those of the USA fell by 3.9 percent to 1.61 million bags.

However, Switzerland's re-exports of roasted coffee rose by 14.8 percent to 1.82 million bags. Re-exports of soluble coffee increased by 0.7 percent to 11.93 million bags. Soluble re-exports from the EU rose by 0.6 percent to 8.5 million bags, and those from the Russian Federation grew by 35.5 percent to 1.28 million bags. However, re-exports from the UK fell by 32.4 percent to 813,000 bags. ☞



## Sucafina Acquires Majority Interest in Complete Coffee

In January, Sucafina, a sustainable farm-to-roaster coffee company, agreed to take a majority interest in Complete Coffee Ltd (CCL) alongside the Breminer family, which will retain participation in the company. The new partnership will provide added value for CCL's customers, expanding coffee offerings in soluble, specialty and mainstream green coffees. CCL will have immediate access to Sucafina's extensive global network of coffee supply chains and expertise.

UK-based Complete Coffee Ltd has grown substantially over the years since its founding in 1929 as Alan J Ridge & Co Ltd, its merger with Ernest A Breminer Ltd in 1943, and acquisition of Priory Tea and

Coffee in 1986. Under the leadership of the Breminer family and its current chairman, Ian Breminer, CCL has a long and storied reputation in the global coffee industry, trading soluble and green coffees to a variety of domestic and international clients.

"Although the company trades internationally, our biggest market is the United Kingdom. This partnership with Sucafina will enable us to bring economies of scale, many new origins, as well as risk management and finance strength to enhance our offers to our UK clientele," said Ian Breminer, who will continue to lead CCL as it enters this new phase alongside Sucafina.

Cory Bush, managing director of

CCL, said, "We anticipate adding people and resources over the course of 2021 to help accommodate our plans for the United Kingdom. Sucafina is also looking at additional acquisitions in other geographies as part of our strategic growth plans."

Sucafina SA, headquartered in Geneva, Switzerland, is poised to contribute greatly to and share in these plans. "Both Sucafina and CCL have grown from strong family-owned beginnings that are based on shared values," said Sucafina CEO Nicolas A Tamari. "We welcome CCL to the Sucafina family and look forward to working together to serve the entirety of the British coffee market."

## BKON Secures USD \$3M Investment Led by GoodWest Industries

BKON, creator of the transformative extraction process called RAIN (Reverse Atmospheric Infusion) has secured a USD \$3 million Series-A investment led by GoodWest Industries, a national aseptic beverage packaging company based in Douglassville, Pennsylvania.

"The industry demand for RAIN brewed cold coffee has grown significantly this year as a result of our shelf-stable breakthrough," said Dean Vastardis, CEO and co-founder of BKON. "With this investment, BKON is expanding its production capacity and enhancing its extraction capabilities so brands can commercialise higher strength coffee concentrates with RAIN's proprietary flavour advantages."

The next generation of BKON's industrial Storm brewing system will quadruple the output of its facility and extend BKON's licensing business for international expansion. Increased concentration levels will come with the benefit of precise and consistent flavour experiences when diluted. In addition, the Storm-XL will enable the commercialisation of Coldstretto as a means for innovating cold espresso drinks and cold ristretto consumer products.

Awarded 25 patents, BKON's RAIN innovation has transformed the flavour quality and scalability of

cold coffee beverages. Originally a basement start-up, BKON is now helping a growing number of America's leading coffee brands innovate their cold coffee business from its New Jersey production facility and headquarters.

Comprising over \$25 billion in annual sales, cold coffee is the most consumed natural refreshment beverage and the largest functional beverage in America. Yet, while cold coffee's +7 percent compounded annual growth rate is expected to continue, factors are obstructing a greater potential.

"The quality limitations of shelf stable coffee have forced roasters to either compromise flavour or surrender to the constraints and added costs of refrigerated supply chains," said Lou Vastardis, BKON co-founder and chief of sales & marketing. "BKON's innovation leap eliminates these obstacles, so brands can scale cold coffee as successfully as they have their whole and ground bean business."

Despite the Covid disruption, BKON grew its cold coffee brewing business by 300 percent in 2020 with 16 regional and national specialty coffee brands, including Allegro Coffee, a subsidiary of Whole Foods Market.

"In all my years of experience, I



have never witnessed a company execute its commercialisation plans with the vigour and win record like BKON," said Rick Lawlor, executive chairman of GoodWest Industries. "GoodWest was eager to lead this investment in order to accelerate BKON's continued growth."

As a new addition to BKON's board of directors, Lawlor brings a deep understanding of manufacturing and a track record in growing successful enterprises. Prior to his executive chairman appointment, Lawlor served as GoodWest's chief executive officer where he led significant revenue growth over the past four years.

"BKON's recent growth reflects the industry's recognition that the market is in need of cold coffee innovation," said Dean Vastardis. "Seeing this opportunity and witnessing our growth trajectory, GoodWest and our investor base are accelerating their support for BKON's visionary beverage category aspirations."



## Bigelow Tea Opens New Orange, Connecticut Warehouse

Bigelow Tea held a ribbon cutting on 21 December to officially open its new warehouse location in Orange, Connecticut.

Fairfield-based Bigelow announced earlier in 2020 that it was expanding its presence in Connecticut with the leasing of a new 41,600 square-foot warehouse. The new space will be used to expand the company's storage and distribution capacity.

Cindi Bigelow, third-generation president and CEO of the family-owned company, which manufactures "Constant Comment®" and more than 150 varieties of tea, said, "I am happy to continue to grow in the state that I love and call home

and am looking forward to being part of the Orange community."

First Selectman of Orange, James Zeoli, is also looking forward to Bigelow's arrival, "We are excited to welcome Bigelow Tea to the growing list of companies who have a presence here in Orange. As a family-owned company with a long history of community outreach and engagement, they are a perfect addition to our town."

CT Department of Economic and Community Development Commissioner David Lehman added, "Bigelow Tea is an iconic company, here and abroad. We are thrilled that Fairfield is the international world headquarters and that the

company has expanded in Orange. Bigelow has been the paradigm for corporate social responsibility and conscious capitalism."

In addition to Cindi Bigelow, selectman Zeoli and Commissioner Lehman, other distinguished guests in attendance at the ribbon cutting included Lieutenant Governor Susan Bysiewicz, State Senator James Maroney, State Representatives Kathy Kennedy and Charles Ferraro, State Representative-elect Mary Weland, and Orange Chamber of Commerce president Ted Novicki.



## Tea Chai Té Opens Newest Portland Location

Tea Chai Té rang in the new year with a new location. The Portland, Oregon-based tea company celebrated the grand opening of its fourth location on 8 January. The newest outlet is located at 3917 N Mississippi Avenue.

"After all the chaos the Covid-19 pandemic has caused, to be able to give our staff more hours and add more jobs at this time is definitely a blessing," said Angela Valdes, co-owner of Tea Chai Té. "Keeping our staff's incomes going is a top priority for us—in addition to their health and safety—as we navigate these troubling times. Opening our fourth location feels like an unexpected gift, and we hope that our staff, customers, and community all feel the love and appreciation we're putting into this new shop. Without them, these last 17 years of serving tea and peaceful moments could never have been possible."

A Portland institution, Tea Chai Té first opened the doors to its flagship location on NW 23<sup>rd</sup> Avenue in the Nob Hill neighbourhood 17 years ago this past December. Since that time, it has expanded, becoming a neighbourhood favourite in Sellwood and on East Burnside as well, according to the company. It was named Best Tea Shop in Willamette Week's 2020

Best of Portland readers' poll.

Tea Chai Té has over 120 high-quality teas, giving customers a uniquely large selection of tea in Portland in what the company calls a casual, relaxing, and inviting setting. The company is also well known for its many options of bubble tea and six varieties of kombucha from its sister company, Happy Mountain Kombucha. While Covid-19 is still prevalent, all appropriate safety precautions are in place at Tea Chai Té locations. Sneeze guards

are installed at the counter of each shop; staff and customers are all required to wear masks inside when not actively drinking tea; hand sanitiser is available at each table and counter; and markers are placed to remind customers to social distance.

Trying to add some levity to current difficult climate, Tea Chai Té is offering a 15 percent discount to anyone who orders their drinks ahead of time at [teachaite.com](http://teachaite.com) using the code COVIDSUCKS.



## New Haitian Coffee Brand Launches in the US

New Haitian brand Caribbrew is bringing the centuries-old coffee and cocoa flavours and aromas of the Caribbean to the USA.

Haitian coffee has its roots dating back to the 18<sup>th</sup> century. Coffee and cocoa production continue to be some of the primary exports for the Haitian economy and fairtrade practices have stimulated the interest in harvesting from this region of the world. Caribbrew says that it is its social impact and direct trade approach that makes its products unique. The brand has solid partnerships with associations of small-scale coffee farmers in Haiti to grow the best Arabica beans and create long-term sustainable jobs.

Caribbrew also believes its artsy

cultural packaging beautifully coincides with the unique Caribbean-inspired flavours of its coffee. Coffee connoisseurs will also be able to take advantage of the benefits of Caribbrew's coffee-based skincare products.

All Caribbrew's products are cruelty-free, vegan and handmade with the best ingredients, according to the company. As the brand likes to say, its coffee keeps consumers 'woke' by sourcing responsibly, creating opportunities for everyone in the supply chain, and keeping consumers pleasantly awake on a busy day.

For more information, visit: [caribbrew.com](http://caribbrew.com).





### JDE Peet's Appoints Fabien Simon as CEO

JDE Peet's, the world's largest pure-play coffee and tea group by revenue, announced the appointment of Fabien Simon as chief executive officer, effective 7 September 2020. He is based in Amsterdam.



Fabien Simon

Simon, who has served as a director of the company since its listing, has extensive experience within the company and sector. He spearheaded the successful listing of JDE Peet's on the Euronext Amsterdam stock exchange in May 2020, raising €2.58 billion in Europe's largest IPO of the year. Between August 2014 and January 2019, he was CFO of Jacobs Douwe Egberts (JDE) and led its M&A strategy and multiple large-scale integrations.

"No one knows this business better than Fabien," said Olivier Goudet, chairman of JDE Peet's and CEO & managing partner of JAB. "Not only did Fabien lead the successful IPO of JDE Peet's, but he also oversaw the very creation of JDE and its transformation into a global coffee and tea powerhouse."

Simon's appointment follows the strong performance of JDE Peet's in the first half of 2020, during which time the company demonstrated the resilience of its business and brands despite the unprecedented economic and social disruption of Covid-19.

"JDE Peet's is a rare business with a proven track record of performance across economic, market and consumer cycles," said Simon. "It is a privilege to lead this company into its next phase of growth, building on our unique

portfolio of brands, products and channels to meet the needs of our customers and capitalise on the myriad opportunities to gain market share in coffee and tea globally. I look forward to leading this incredible business for years to come."

Simon succeeds Casey Keller who decided to return to the United States to be with his family who were unable to relocate to Amsterdam due to health and safety implications related to the pandemic. Goudet remarked, "On behalf of the Board, I would like to thank Casey for his contributions to this organization. Casey joined Peet's Coffee as CEO in 2018 and, under his leadership, achieved strong growth and record market share gains. He then took the helm of JDE Peet's and demonstrated remarkable leadership and great results amidst an extraordinary operating environment. We wish him and his family the very best."

### Starbucks Appoints Mellody Hobson as Chair of the Board

Starbucks Corporation announced that Mellody Hobson will serve as the company's next non-executive chair of its board of directors starting in March. Hobson, who joined the board as an independent director in 2005 and was appointed as the board's independent vice chair in 2018, will succeed Myron (Mike) E Ullman, III. Ullman, who has served on the board since 2003 and as its chair since 2018, will retire in March. Hobson will assume the role of chair in connection with the Starbucks Annual Shareholders Meeting.

"Mellody has been a trusted advisor to me and the company

for more than 20 years. She is a fearless leader defined by her grace and wisdom," said Howard Schultz, Starbucks' modern day founder and chairman emeritus. "She has long embraced the purpose of Starbucks and, along with the leadership team, will continue to re-imagine Starbucks future through the foundation of its past. My heart is full and thankful that Starbucks will have Mellody's leadership as chair."

In addition to serving over 15 years on the Starbucks board of directors, Hobson is the co-CEO of Ariel Investments LLC, a global value-based asset management firm. In this role, she is responsible for management, strategic planning and growth for all areas of Ariel Investments outside of research and portfolio management. Additionally, she serves as chairperson of the company's publicly traded mutual funds. Prior to being named co-CEO, Hobson spent nearly two decades as the firm's president. Beyond Starbucks, she has brought invaluable experience to boardrooms across the nation. She currently serves as a director of JPMorgan Chase, and is a past director of Estée Lauder Companies and served as chairperson of DreamWorks Animation until the company's sale.

"I am thrilled and honoured to take on the role of chair," said Hobson. "Over nearly two decades, I have seen the company continue to elevate and transform its business – adapting to various market environments and evolving consumer trends. I look forward to working with the board and talented leadership team on accelerating our strategy, supporting our valued partners, and continuing to create significant value for all of our stakeholders." Hobson continued, "On behalf of the board, I would also like to thank Mike for his strong leadership, and all of his invaluable contributions."

Hobson also serves as chairman of After School Matters, a Chicago non-profit that provides area teens with high-quality after school and summer



Mellody Hobson



programs. Additionally, she is vice chair of World Business Chicago; co-chair of the Lucas Museum of Narrative Art; and a board member of the George Lucas Education Foundation and the Los Angeles County Museum of Art (LACMA). She is a member of The Rockefeller Foundation Board of Trustees and serves on the executive committee of the Investment Company Institute.

Hobson earned her BA from Princeton University's School of Public and International Affairs. In 2019, she was awarded the University's highest honour, the Woodrow Wilson Award, presented annually to a Princeton graduate whose career embodies a commitment to national service. She has also received honorary doctorate degrees from Howard University, Johns Hopkins University, St. Mary's College, and the University of Southern California. In 2015, *Time Magazine* named her one of the "100 Most Influential People" in the world.

Commenting on his retirement, Ullman said, "It has been remarkable to be a part of the Starbucks board for nearly 18 years as this enduring company has grown with a mindset of prioritising its people and its customers. It also has been an honour to serve as the chair of the Starbucks board, and to support and oversee the relationships of trust built with our stakeholders. With its Mission and Values as its guide, I am confident in the future of the company."

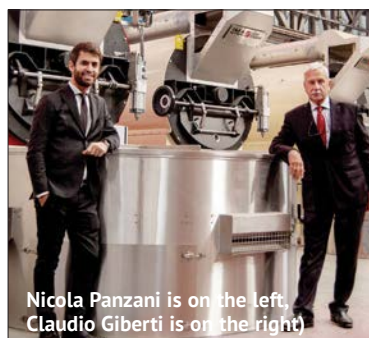
### Nicola Panzani Named CEO of IMA Coffee Petroncini

Nicola Panzani has been appointed as the new CEO of IMA Coffee Petroncini, guiding the company towards new important goals, the product of important synergies. He succeeds Claudio Giberti, who had been CEO of the Ferrara, Italy based company since 1990.

Panzani started at IMA as project manager in 2017, and in 2018 he assumed the position of strategic marketing manager. He most recently served as sales director of IMA Coffee where Panzani

actively contributed to building the IMA Coffee Hub and developing important synergies in the coffee world.

"Commitment and continuous research have worked as essential tools that have enabled Petroncini to reach a very important milestone over the past year: 100 years creating solutions for the coffee industry," said Giberti, who has assumed the position of director of special R&D projects at IMA Coffee Petroncini. "I'm really glad to pass on this leading role to a very talented person, whom I deeply trust. [Nicola] will guide the company towards newer, broader horizons."



Nicola Panzani is on the left. Claudio Giberti is on the right.

Commenting on his new CEO role, Nicola Panzani said, "Since the establishment of the IMA Coffee Hub in 2017, the company has been growing exponentially. Thanks to the support of IMA, which has studied, examined and grasped the keys to the company's success, Petroncini now has all the resources to embark on new pathways in the projects in which it excels and to explore new markets and new technologies to keep on evolving. I'm so proud to be part of this big and innovative company."

### Ellen Nielsen Assumes General Manager Position at Probat

Ellen Nielsen was appointed as the new general manager of Probat Inc, the Probat Group of companies in the United States, based in Lincolnshire, Illinois, effective 1 November 2020. She succeeds John F Fortin who served as president of the Probat Group of companies in the US for the past five years.

In 2012, Nielsen started her career as chief financial officer (CFO) at Probat. "I will continue and further expand Probat's business strategy of increasing market share through the creation of an enhanced value-added proposition to the customer. I strongly believe that I will be able to achieve this by drawing on the sound expertise and outstanding technological capabilities of the Probat Group," she said.

Prior to joining the company, Nielsen covered different executive financial roles at several companies to assist banks in turnaround situations. The devoted mother of two holds a bachelor's degree in accounting (BS) from Lewis University in Romeoville, IL, and a master's degree in business administration (MBA) from the University of Chicago.

Wim Abbing, chairman of the board of directors and CEO Probat Group thanked Fortin for his lasting commitment at Probat, Inc. and looks forward to continuing to work with Nielsen, "With his great achievements John Fortin has played a significant role in the growth and sustainable development of the company. He considerably reinforced our service activity by integrating ED Industrial into the Probat Group of companies in the US and successfully revitalised the Burns brand, to name just two of his accomplishments as president of Probat. We wish him all the best for the future. Ellen Nielsen's track record as CFO at Probat and her in-depth knowledge of the company now give us the confidence that the commercial success of the company will also be well secured into the future." 🍵





# Teapot of a Pandemic

If you were to concoct the worst blend possible for your teapot, you would use old, aged and musty teas. Add some bad water, brew in a cracked teapot and steep for one hour. The resultant beverage parallels how I feel about 2020 and what a horrible year it brewed up for all of us!

Like any dark cloud, a silver lining is soon to be seen. The vaccine is arriving and, hopefully, in a few months, we will all have access to this life-saving medical miracle.



For the industry, Covid-19 has had interesting impacts. For starters, we know that the foodservice sector was decimated, killing sales in the restaurant and office environments. While those operating in this marketplace were hurt, mainstream companies selling through grocery and mass merchandise outlets saw sales increase some 18 percent. Further, and while quantitative data is limited, we surmise that specialty tea also continued its history of growth.

Concurrently, research has come out that indicates that tea may play a role by inhibiting the mechanisms used by Covid-19 in the human body. Does this mean tea cures Covid? Absolutely not, but it once again underscores tea as a powerful, natural food that when consumed daily can improve human health.

## Trending Forward Positively

As I look forward to 2021, there are a few trends that 2020 started that will continue. Tea's position as a healthy, good tasting beverage will continue to underscore growth. The overall surge in tea consumption, particularly in the key millennial and Gen Z demographics, will remain and even continue to grow. The interest in where our tea comes from, countries and terroirs, will help consumers engage with this great product, and the industry as a whole will recover in all sectors once herd immunity and a return to "normal" takes place.

Tea's innate ability to help us relax, centre ourselves and connect with one another has never been more necessary. While we are very quick to curse the darkness caused by this hideous virus, we should also be proud that we are part of a great industry whose product shines a bright light of taste, health and healing.

I am looking forward to a much better year in 2021, teacup proudly in hand!

Please stay well and stay safe!

*Peter F Goggi, president,  
Tea Association of the USA ☕*

**Peter F Goggi** is no stranger to tea. He began his career at Unilever and spent over 30 years working with Lipton Tea as part of Royal Estates Tea Co, and eventually served as president. During those years, he was responsible for all teas purchased for Unilever's tea businesses in North and South America and oversaw all blend formulations and tea quality assurance. Goggi was the first American-born tea taster in the history of TJ Lipton/Unilever and was also featured on The History Channel's Modern Marvels. In 2011, he retired from Unilever after 32 years and joined the New York-based Tea Association of the USA as president. In this role, Goggi has implemented a new strategic plan; supports driving the tea and health message of the Tea Council; and has executed the growth agenda for the Specialty Tea Institute.

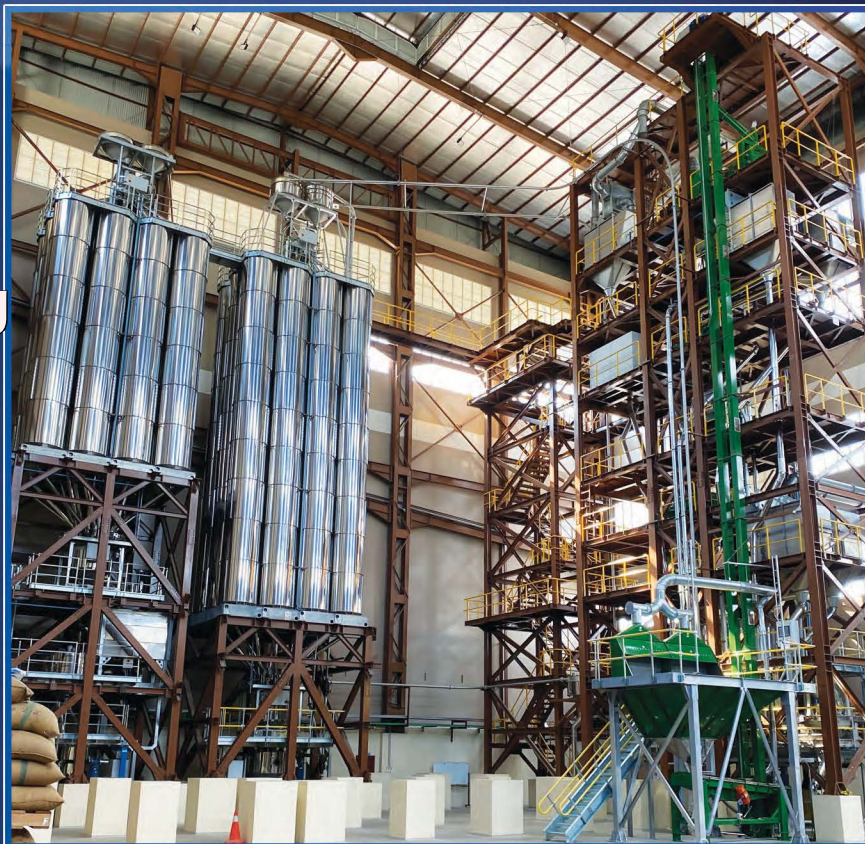


Views expressed in Straight from the Cup (SFTC) are not necessarily those of *Tea & Coffee Trade Journal* or Bell Publishing Ltd. If interested in authoring an SFTC column, please contact Vanessa L Facenda for full details or questions concerning submissions: [vanessa@bellpublishing.com](mailto:vanessa@bellpublishing.com). Articles must discuss or analyse a relevant issue, trend or event within the coffee or tea industry, not promote a company or its products.



**Database SDB  
CLIENT / SERVER  
ARCHITECTURE  
Scolari Engineering**

**System for  
Integrated  
Automation in green,  
roasted bean and  
ground area**



# **scolari engineering**



ITALY  
USA-CANADA  
SPAIN  
JAPAN  
KOREA  
INDONESIA  
BRASIL

[sales@scolarieng.com](mailto:sales@scolarieng.com)  
[usa@scolarieng.com](mailto:usa@scolarieng.com)  
[espana@scolarieng.com](mailto:espana@scolarieng.com)  
[japan@scolarieng.com](mailto:japan@scolarieng.com)  
[korea@scolarieng.com](mailto:korea@scolarieng.com)  
[indonesia@scolarieng.com](mailto:indonesia@scolarieng.com)  
[brasil@scolarieng.com](mailto:brasil@scolarieng.com)







With us, your  
**SUCCESSFUL TEA BRAND**  
 is in the bag – or box, tin, can ...

You wish to launch an eco-friendly tea product?

Develop your successful tea brand with our unparalleled selection of first-class teas and fruit and herbal infusions as well as your customised packaging.

For several years now, we have gained expertise in producing tea products with packaging from naturally renewable resources.

When it comes to packaging premium teas, you could say that Hälsen & Lyon ticks all the boxes.



*Hälsen & Lyon*  
 est. 1879

THE WORLD OF TEA UNDER ONE ROOF