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Firsd Tea 2023 Sustainability Perspectives

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

CONDUCTED IN PARTNERSHIP WITH

Tea & Coffee Trade Journal

ADMINISTERED BY

Crothers Consulting





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Introduction

When we planned our first-of-its-kind sustainability perspectives survey in 2021, we embarked on a mission to understand how professionals within tea and related industries perceived sustainability. We discovered overwhelming apprehension about the risk of climate change on operations, cautious hope for the future, and an under-prioritization of sustainability when selecting teas to offer consumers.

But to truly grasp industry views on sustainability, we knew we had to do more than one survey. We needed to continue listening and tracking how collected data either yielded the same patterns or evolved into changing trends.

That's why Firsd Tea, the U.S. subsidiary of Zhejiang Tea Group, again partnered with Tea & Coffee Trade Journal to survey professionals in tea and related industries to understand how they currently view sustainability efforts within the sector and their outlooks for the future. This report picks up on our last one to explore the following topics in depth.

Progress on sustainability factors: Most respondents in 2023 viewed tea as performing very well or somewhat well regarding reducing its environmental impact (75%), workers' rights (64%), gender equity (58%), and improving the livelihood of smallholder farmers (66%) when compared with coffee and cocoa sectors.

Worries about climate change: Most survey-takers remain worried about the effects of climate change on their business operations (80% in 2022 vs. 75% in 2023). Tea is still considered the most sensitive industry to the effects of climate change by most professionals in tea and related industries (93% in 2022 vs. 95% in 2023).

Organic certification: Most respondents in tea and related industries still agree Organic Certification is the most important standard to consumers (84% in 2022 vs. 88% in 2023). However, survey-takers now report Non-GMO Certification (58% in 2022 vs. 81% in 2023) as more important to consumers than Fair Trade (68% in 2022 and 2023).

Current state and the future: Most respondents in tea and related industries report improved outlooks on progress made in sustainability from 10 years ago, the current state of sustainability in tea, and the trajectory for the next 10 years.

Our hope is for this study to continue to outline a roadmap for understanding how the tea industry sees sustainability and can encourage more investigation into opportunities for achieving a more sustainable sector.

The Current State & Future Outlook



When asked to rank how the tea industry performed with sustainability 10 YEARS AGO on a scale of 1 to 10, with 1 being the worst and 10 being the best, the average score was **4.9 (+0.9 vs. 2022)**



When asked to rank how the tea industry performs with sustainability CURRENTLY on a scale of 1 to 10, with 1 being the worst and 10 being the best, the average score was just under **6.38 (+1.38 vs. 2022)**



When asked to rank how the tea industry will perform with sustainability 10 YEARS FROM NOW on a scale of 1 to 10, with 1 being the worst and 10 being the best, the average score was **7.79 (+0.89 vs. 2022)**

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

- **Consumer Demand** - "All actors in the supply chain need buy in. Consumers want [sustainability], but don't want to pay for it. This forces producers to comply with standards without getting increased pricing."
- **Quality of Life for Workers at Origin** - "Paying a living income to the industry, especially smallholders, will help promote sustainability practices."
- **Better Farming Education** - "More education and training to farmers."
- **Environmentally Responsible Practices** - "Using more eco-friendly methods of farming and processing."
- **Improve Regulatory Programs** - "... sustainability certification programs need to engage with the local laws, tea research bodies, and technological experts. By doing so, they can provide meaningful benefits to tea farmers and ensure their economic sustainability."

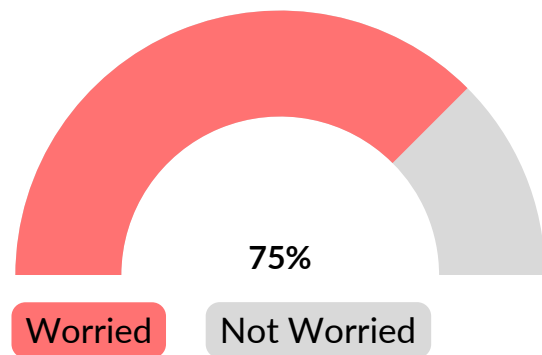


Most respondents now have an **improved outlook on progress made in sustainability in the last 10 years**. They also view **present-day efforts more favorably** and **predict an increased improvement trajectory in the next 10 years**.

Tea & Climate Change

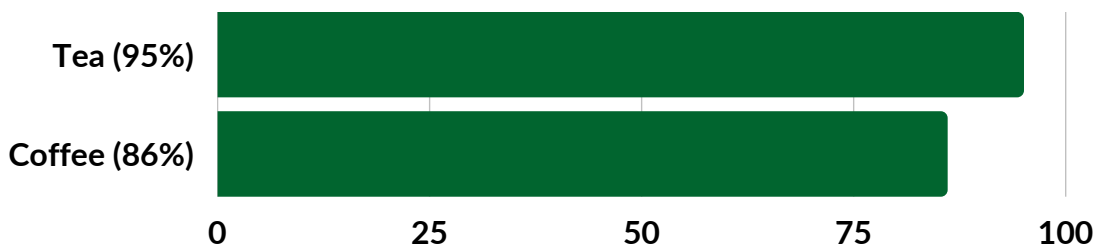
Most professionals in tea and related industries remain aware of and concerned about the environment at a personal level. **75% (vs. 80% in 2022) of respondents said they were worried about climate change's effects on their business operations.**

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



When it comes to specific climate change threats on tea production, most respondents said **changing rain patterns (95% in 2022 vs. 100% in 2023) and extreme heat (91% in 2022 vs. 97% in 2023) are the biggest climate change risk factors with pest problems close in third (89% in 2022 vs. 96% in 2023).** Paralleling worries about the effects of climate change on business operations, **95% (vs. 93 in 2022) of respondents said that tea is a very or somewhat sensitive industry to the effects of climate change followed by coffee at 86% (vs. 82% in 2022).**

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

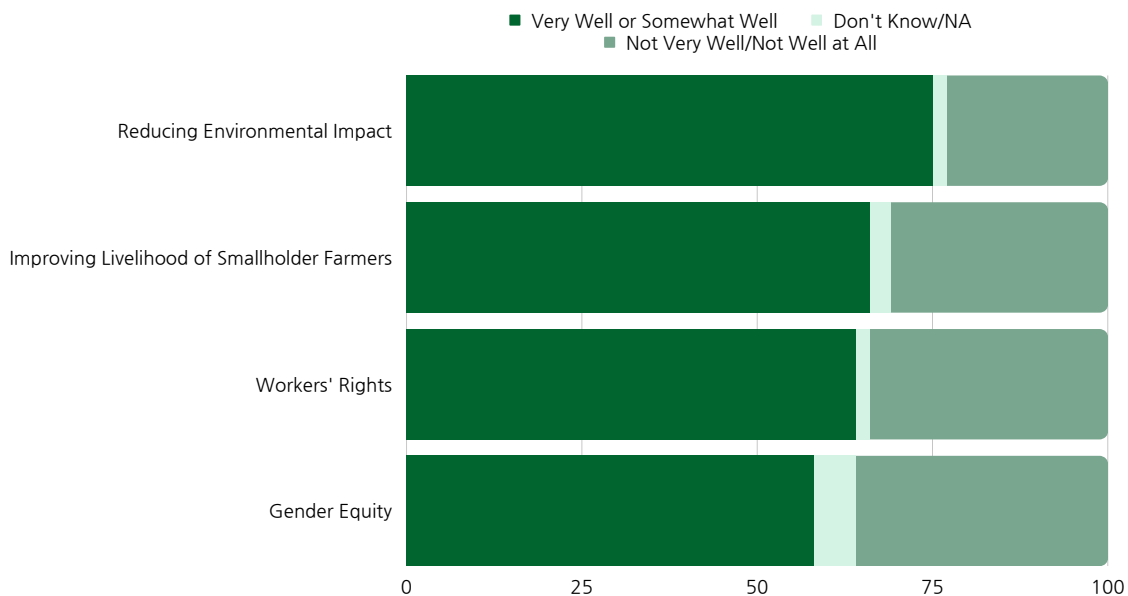


Tea Sustainability Factors

Viewing how respondents in tea and related industries see the sector's performance with different tea sustainability areas reveals significant differences from our previous survey. **Though most respondents (73%) say that tea generally implements sustainability very well or somewhat well, the margins get narrower when compared with coffee (68%) in 2023.**

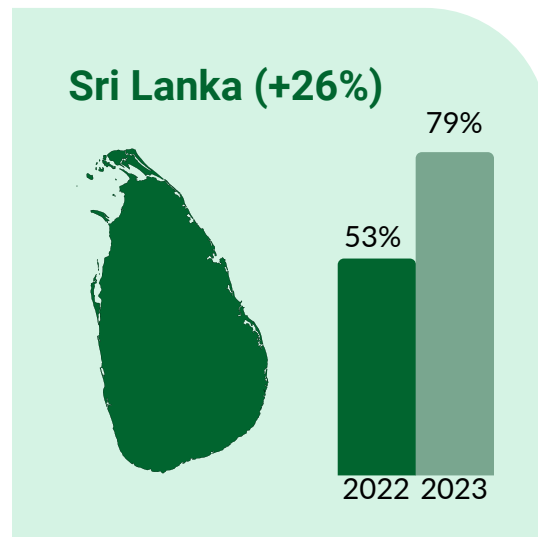
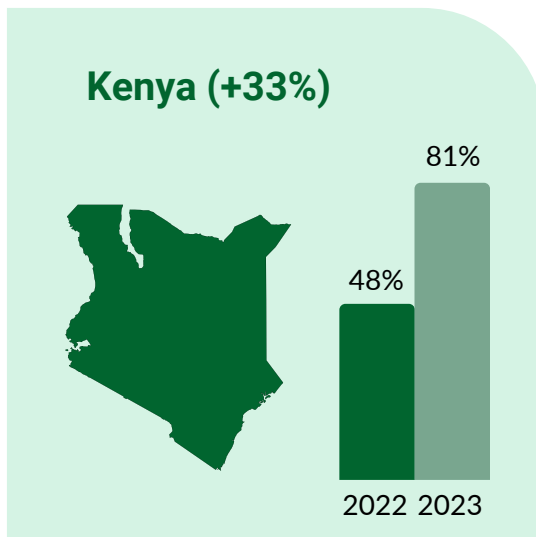
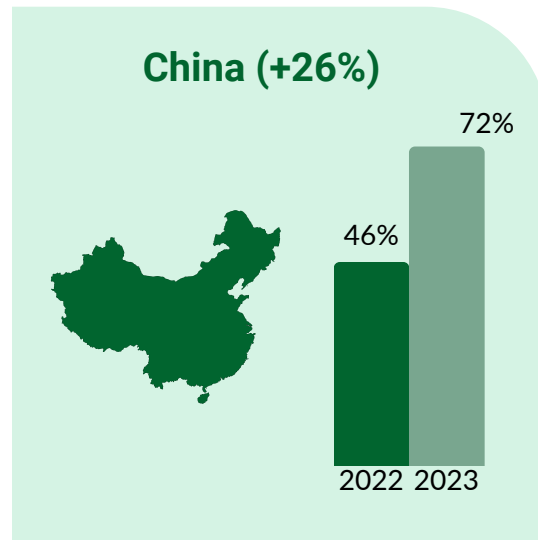
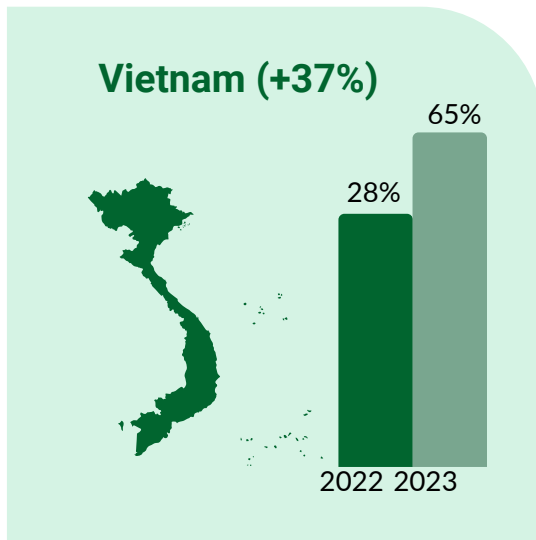
This year's study lacks comparative questions from 2022, but 2023's survey yielded some definitive answers when respondents were asked about the tea industry's performance with more specific sustainability factors. Respondents generally believe **tea performs very well or somewhat well with reducing its environmental impact (75%), improving the livelihood of smallholder farmers (66%), workers' rights (64%), and gender equity (58%) when compared with coffee and cocoa sectors.**

The tea industry's performance when it comes to reducing environmental impact, improving the livelihood of smallholder farmers, workers' rights, and gender equity.



Origin Sustainability Reputations

Respondents were once again asked to rank how effectively countries with substantial domestic tea production implement sustainable practices. Japan still remained No. 1 (96%), but remarkable differences did surface from 2022. Though every country witnessed positive increases among survey-takers, **Vietnam (+37%)**, **Kenya (+33%)**, **China (+26%)**, and **Sri Lanka (+26%)** saw outstanding improvements in 2023 from the 2022 study.



Certifications & Sustainability

When asked what standards respondents in tea and related industries believe are most important to consumers, the results reinforce our previous study—**95% say Organic Certification leads the way vs. 85% in 2022.**

However, it's important to note that **Non-GMO now surpasses Fair Trade as the No. 2 most important standard to consumers in the eyes of tea and related industry professionals (81% to 68%, respectively).** Rainforest Alliance (53%) maintains fourth place, while respondents in tea and related industries mostly regarded Demeter Biodynamic and Elephant Friendly certifications as irrelevant to consumers.



95% of respondents in tea and related industries believe **organic certification** is the most important sustainability standard to consumers.

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

Purchasing Drivers & Beliefs About Consumers

Professionals in tea and related industries were again asked for their opinions about what specific sustainability issues consumers care about. **Unlike 2022's study that found respondents overwhelmingly regarded the environment/carbon footprint as the most important sustainability issue to their consumers (84%), 2023's survey yielded mixed results.**



Though most respondents remain worried about climate change, **they continue to rank "Sustainability" as a low-priority factor when selecting teas for their businesses.**

In 2023, respondents still listed **flavor (96%), leaf grade (91%) and origin/terroir (90%)** as the top three characteristics that contributed to their decisions to stock particular tea types.

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

Key Considerations

Respondents in tea and related industries are **still worried about the effects of climate change on production (75% of respondents)**.

Respondents in tea and related industries have an **improved outlook on progress that has been made on sustainability from 10 years ago (+0.9 vs. 2022), the current state of sustainability in tea (+1.38 vs. 2022) and expected improvement in the next 10 years (+0.89 vs. 2022)**.

Survey-takers now report tea performs very well or somewhat well regarding **reducing its environmental impact (75%), workers' rights (64%), gender equity (58%), and improving the livelihood of smallholder farmers (66%)**.

Respondents in tea and related industries still believe **Organic Certification is the most important standard to consumers (95% of respondents), and Non-GMO has surpassed Fair Trade as the second-most important standard**.

Changing rain patterns and extreme heat remain the biggest climate change risk factors (100% and 97%, respectively) for respondents in tea and related industries.

Though professionals in tea and related industries still say tea growers in Japan implement the most sustainable practices, **Vietnam(+37% over 2022), Kenya (+33% over 2022), China (+26% over 2022), and Sri Lanka (+26% over 2022) showed significant increases**.

Respondents in tea and related industries still say **the tea industry is very or somewhat sensitive to the effects of climate change (95%)**.

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

Survey Methodology

Overview

This report derives its findings from a three-month long survey administered by Crothers Consulting to 100 voluntary respondents conducting business in tea and related industries (e.g. coffee, sugar cane, wine and cocoa) on behalf of Firsd Tea. Survey responses were primarily generated by website posting and subscriber outreach by Firsd Tea and The Tea & Coffee Trade Journal, direct messaging on platforms such as LinkedIn and word-of-mouth networking. Industry-specific organizations including the Tea and Herbal Association of Canada also promoted the survey by sharing it with virtual conference-goers.

Gender Data

Male: **63%**
 Female: **29%**
 Prefer Not to Say: **7%**
 Non-Binary: **1%**

Age Data

18-24: **2%**
 25-34: **14%**
 35-44: **37%**
 45-54: **28%**
 55-64: **14%**
 65 and Over: **4%**
 Unspecified: **1%**

Highest Education Level Data

Graduate Degree: **47%**
 College Degree: **43%**
 Some College: **8%**
 High School: **1%**
 <High School: **1%**

Respondent Business Data

Wholesale: **12%**
 Marketing/Sales: **15%**
 Importing: **14%**
 Retail: **16%**
 Exporting: **12%**
 Other: **31%**

Respondent Business Area Data

USA: **24%**
 India: **9%**
 UK: **8%**
 Other: **59%**

Respondent Industry Data

Tea: **64%**
 Coffee: **28%**
 Other: **8%**

About the Sponsors & Partners



About Firsd Tea

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

Learn more [here](#).



About *Tea & Coffee Trade Journal*

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

Learn more [here](#).

Questions?
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