



2022 International Tea Day Celebration

Celebrating tea around the world, from field to cup

Concept note

Over the past two years, the world has faced a number of challenges that have threatened our common prosperity and the achievement of the Sustainable Development Goals (SDGs). In such a difficult period, we need to unite around our common values – those that bind us together in a world of cultural diversity. We could start from the very simple gesture of getting together around a cup of tea.

The importance of tea goes beyond the simple gesture of pouring hot water over tea leaves. It brings people together to share experiences, life stories and ideas for a brighter and more prosperous future. Tea is the world's most consumed drink, after water. It is loved by millions from China to Argentina and from India to England - each culture with its own tradition.

This year's celebration of the International Tea Day comes at a time when we need to find renewed commitment to our common objectives, including that of leaving no one behind, and tea can play a key role.

During the COVID-19 pandemic, tea brought comfort to millions around the world, and the demand for the product saw a remarkable increase, spurred by purchases for in-home consumption. Market information collected by the FAO Intergovernmental Group on Tea (IGG/Tea) showed that tea consumption expanded in all markets, even those that recorded a declining trend in per capita consumption over recent years. More importantly, the data showed a surge in the demand for tea by the youth segment of the market. The surveys highlighted that young people rediscovered their love for tea during lockdown due to the hydration benefits and the “feel good” factor. In general, consumers said that they were drinking tea for comfort and relaxation and to “feel good”. An increasing body of scientific evidence shows a positive association between tea consumption and health benefits. Hence, drinking tea is a healthy social activity.

The tea sector is also an engine for economic growth for many low income countries, and particularly the least developed countries. The sector can help improve lives and restore the livelihoods of millions who have been impacted by the successive shocks of the past two years. Tea can help rebuild better. The sector contributes to rural development, poverty reduction and food security, representing, in several instances, a major source of income and employment for millions of poor families. Global tea production amounts to over USD 17 billion annually, while world tea trade is estimated at about USD 9.5 billion, accounting for an important source of export earnings. One key characteristic of tea is that smallholders are responsible for an estimated 60 percent of world tea production. Importantly, tea generates productive jobs and empowers individuals, especially women and their communities.



Still, the tea sector faces a number of challenges, which can be encompassed in two broad categories: sustainability and market price volatility.

Tea needs to achieve greater sustainability at every level, from tea leaf to cup. Environmental sustainability involves the use of innovation and production methods that preserve resources for present and future generations. Sustainability also needs to capture the social side of the sector, by empowering women and ensuring that production throughout the value chain is respectful of social norms and standards. Finally, yet importantly, sustainability requires that the economic activity throughout the tea value chain is remunerative for all, and particularly for smallholders and labourers.

Price volatility and levels are other major challenges that have underpinned the tea sector. International tea prices, in real terms (that is adjusted for inflation), have been declining for the past four decades, reflecting a tendency for technical improvements to increase yields and production faster than population and income growth increased demand. In order for small-scale tea farm operations to remain viable within a rather competitive market environment, they need to constantly innovate and look at ways of doing things better. Marketing options that have been explored, particularly by the FAO IGG/Tea, include raising the value of tea products through standards, specialty teas, product innovation and generic promotion. The tea sector must demonstrate its value in order to justify higher prices.

Preserving the unique smallholder character of the tea sector is important. Tea cultivation is attractive to smallholders in many low income countries because it creates jobs and income throughout the year and requires relatively little investment, while the risk of crop failure is generally small. However, actions are required to tackle some of the issues impacting smallholders. These include low farm prices, poor extension services, limited market channels and poor access to credit and technology. There is a pressing need to strengthen the smallholders' business ecosystem. Tea smallholder growers can suffer the most if not well protected.

Clearly, the challenges facing the sector are quite important. We need to do things differently, by embracing new and innovative methods that generate positive outcomes for all. This is the only way for the tea sector to succeed in balancing the need for growth and the requirements of sustainability at all stages of the value chain.

The celebration of the International Tea Day aims to raise awareness of centuries-old traditions and the deep cultural and economic significance of tea around the globe. It is an occasion to reaffirm the commitment of all stakeholders of the tea value chain to a sustainable and inclusive sector, bearing in mind the key role of smallholders' tea producers, and the need to boost investment and forge effective partnerships and concrete enterprises to further develop the tea sector.

Happy International Tea Day!

