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منظمة
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COMMITTEE ON COMMODITY PROBLEMS

INTERGOVERNMENTAL GROUP ON TEA

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CURRENT SITUATION OF TEA PRODUCTION AND MARKETING IN CHINA

Tea Production

1. Production capacity

In 2014, the Chinese tea plantation area is 2.72 million hectares, the producing area is 2.08 million hectares, with a year-on-year growth of 10.17% and 12.00%, respectively. The total production in 2014 is 2.10 million tons, with a year-on-year growth of 9.12%. The total output value is 127.0 billion RMB yuan, which has increased 27.32%. The plantation area, the production and the output value of Chinese tea showed an increasing trend in recent five years generally (Figure 1 and Figure 2).

Figure 1. The changes of tea plantation area and production in 2010-2014

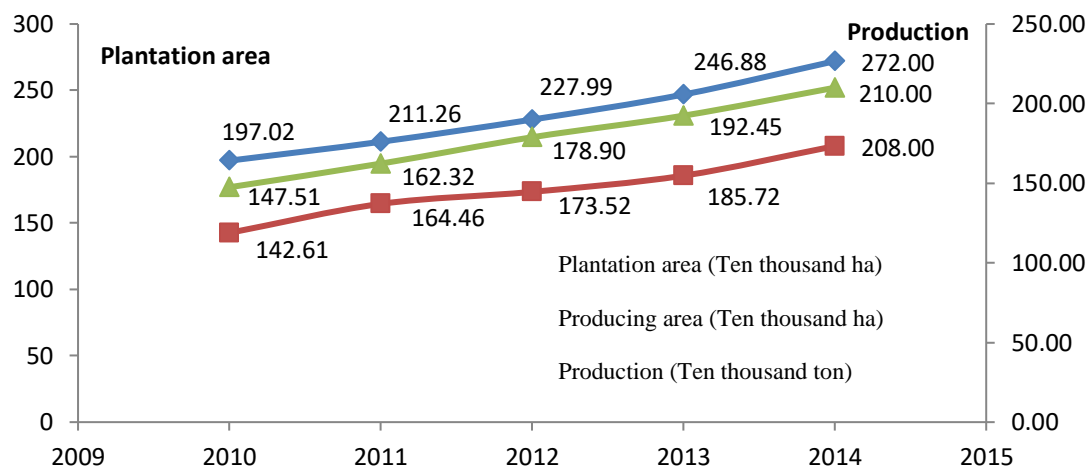
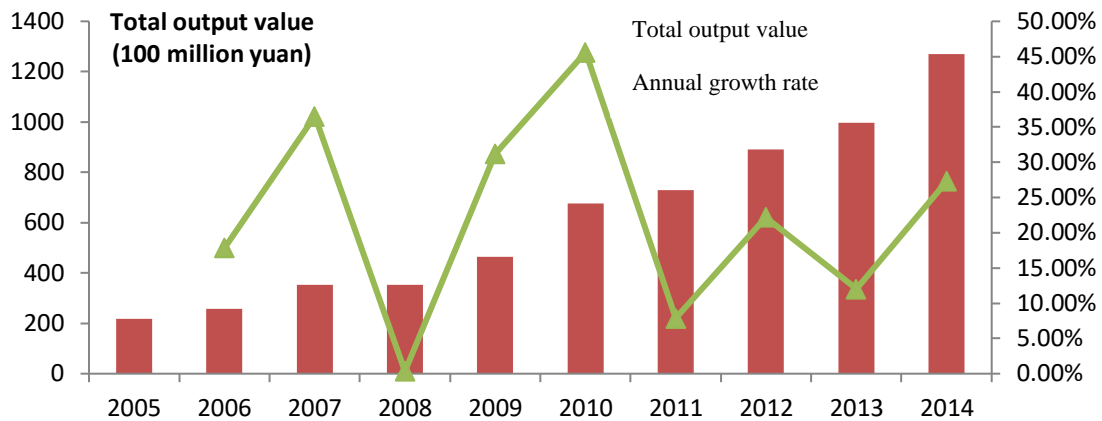
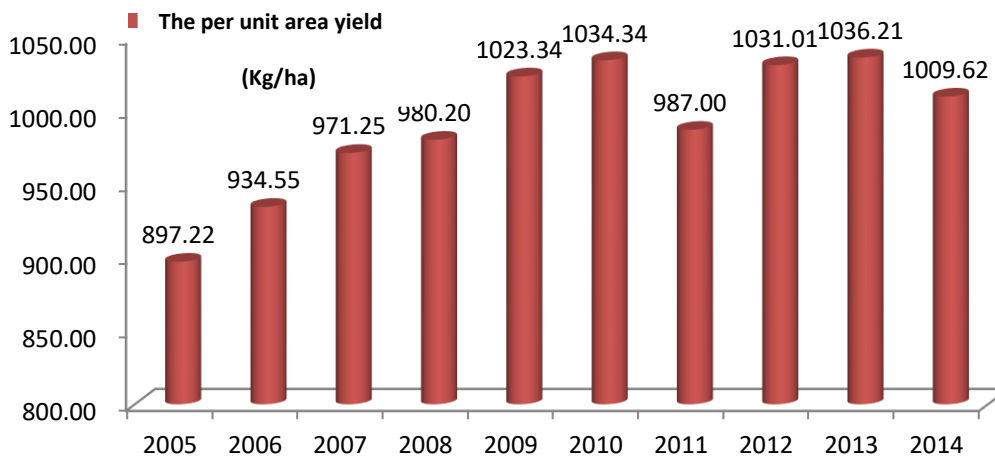


Figure 2. The total output value and its annual growth rate in 2005-2014



The per unit area yield had been increasing from 2005 to 2010, the yield was 1034.34 kilogram per hectare in 2010. As for 2011, the yield was decreased to 987.00 kilogram per hectare due to the disastrous weather such as cold spell in later spring or drought. The amount of abandoned plucking tea gardens is increasing in recent two years due to the effects of market demand and prime cost, The per unit area yield is stabilized at around 1000 kilogram per hectare (Figure 3).

Figure 3. The per unit area yield in the past decade

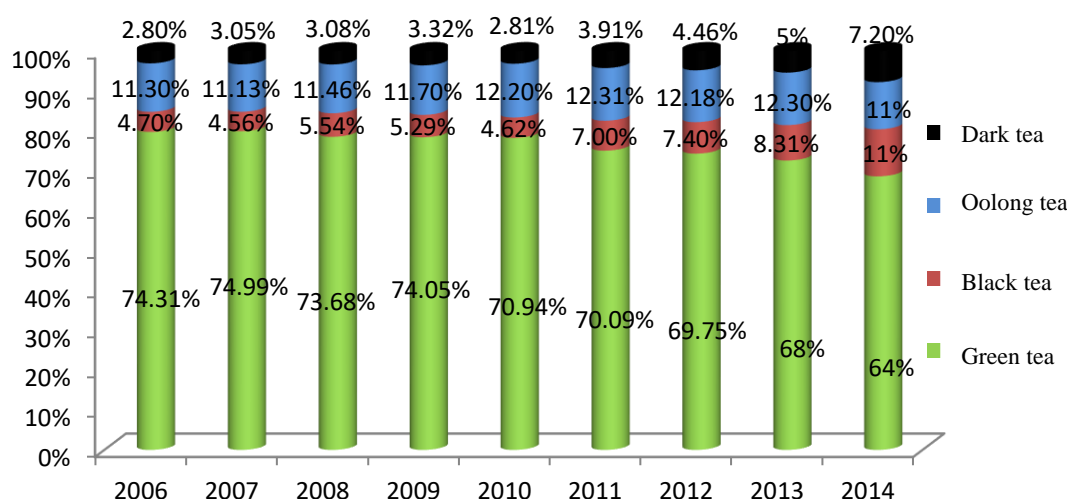


2. Product structure

Affected by market demand, the structure of Chinese tea industry has been adjusting itself. The developments of various kinds of tea, such as green tea, oolong tea, black tea, dark tea and scented tea, are formed a comprehensive and harmonious pattern progressively. In 2004 the productions of green tea, oolong tea and black tea are 1.344 million tons, 0.231 million tons and 0.231 million respectively, the proportions of these three are 64%, 11%, and 11%, respectively. Green tea still maintains the absolute dominance, oolong tea and black tea are running neck and neck. According to Table 1 and Figure 4, the production of oolong tea decreases in recent two years affected by market adjustment. In the main time, black tea production is in continuous growth, the production of 2014 is 0.231 million tons which has doubled compared to 2011 and the proportion has been increasing form 7% to 11%. The production of dark tea grows rapidly as well, which increases from 64, 000 tons to 151,000 tons. The productions of other kinds of tea are steady comparatively.

Table 1. The productions and proportions of various kinds of tea in 2000-2014

Category		2006	2010	2011	2012	2013	2014
Green tea	Production(MT)	0.764	1.046	1.138	1.248	1.314	1.344
	Proportion (%)	74.31	70.94	70.09	69.72	68	64.00
Black tea	Production(MT)	0.048	0.068	0.114	0.132	0.160	0.231
	Proportion (%)	4.70	4.62	7.00	7.4	8.31	11.00
Oolong tea	Production(MT)	0.116	0.180	0.199	0.218	0.237	0.231
	Proportion (%)	11.30	12.20	12.31	12.2	12.3	11.00
Dark tea	Production(MT)	0.028	0.041	0.064	0.079	0.092	0.151
	Proportion (%)	2.80	2.81	3.91	4.5	4.78	7.20
Others tea	Production(MT)	0.071	0.139	0.109	0.112	0.110	0.143
	Proportion (%)	6.89	9.43	6.69	6.24	5.73	6.8

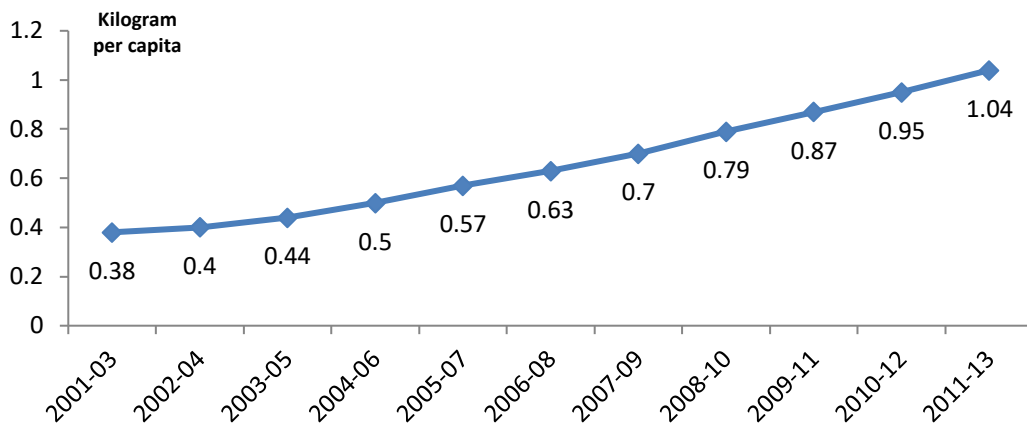
Figure 4. The product structure of Chinese tea in 2006-2014

Tea Marketing

1. Domestic consumption

China is the largest tea consumption country, the domestic consumption is increasing with the improvement of living standards of residents. The statistics of ITC show that the annual per capita tea consumption is 0.37 kilogram in 2000-2002, it increases to 1.04 kilogram in 2011-2013 with an annual growth rate of 10.89%. However, there is still a big gap between China and other countries such as Kuwait, Ireland, Turkey, Afghanistan and Britain. China still has lots of space to enhance its domestic consumption quantity of tea.

Figure 5. The trend of the per capita tea consumption in the past decade



2. Exportation trade

In recent years, the Chinese tea export value has been rising constantly, however the export quantity fluctuates significantly, the exportation trade remains stagnant. In 2011 and 2013, the quantity of Chinese tea were both over 0.32 million tons. But in 2012 and 2014, the export quantity decreased. In 2014, the total export quantity was 0.301 million tons with a year-on-year decrease of 7.5%. The export quantity of green tea was 0.249 million tons with a year-on-year decrease of 5.8%, the black tea was 28000 tons with a decrease of 15.6%, the oolong tea was 15000 tons with a decrease of 9.7%, the scented tea was 6000 tons with a decrease of 15.7%, the pu-er tea (dark tea) was 3400 tons with a decrease of 25%. The export value shows a trend of growth due to the increasing unit price of tea. For the last decade, the average annual growth rate of Chinese tea export value reached to 11.31%. In 2014, the export value was 12.7 billion dollar with a year-on-year increase of 2.21% (Figure 6).

Figure 6. The trend of tea exportation in the past decade

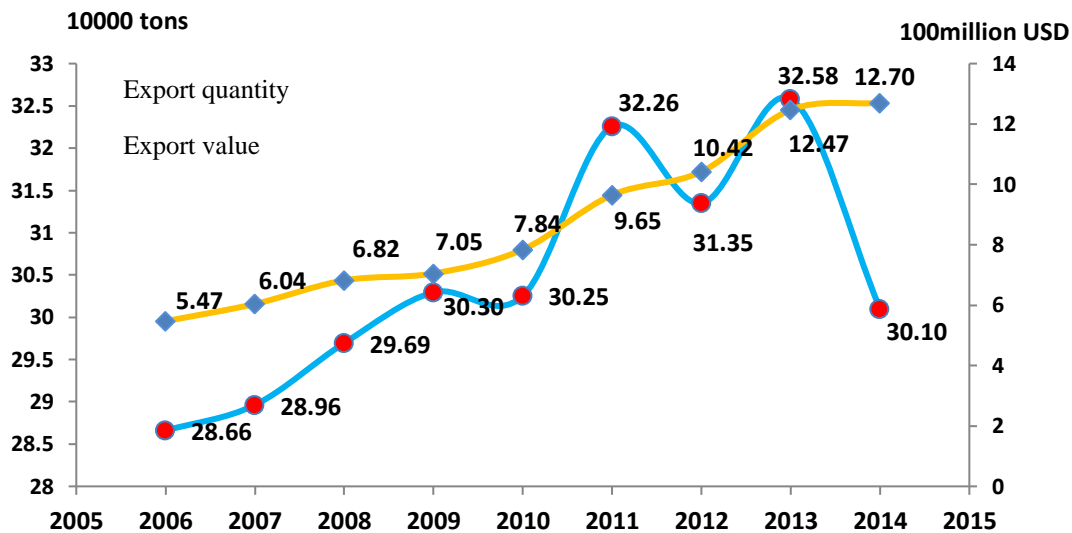
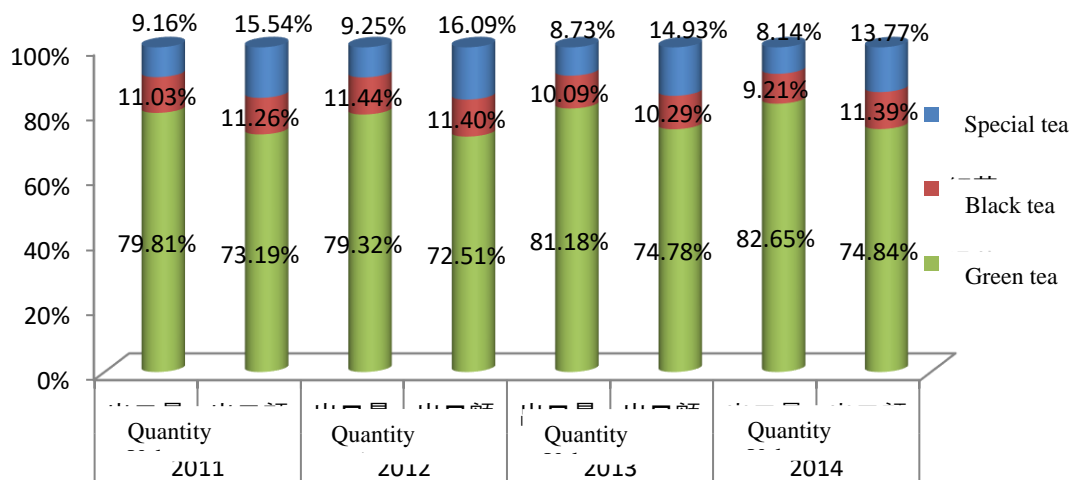


Figure 7. The structural change of Chinese tea exportation in recent years

The structural change of Chinese tea exportation in recent years is shown on Figure 7. Green tea is still the major product for export in China, which makes up three quarters of the world green tea exportation. The export quantity of black tea is decreasing gradually, there is only 28000 tons black tea exported in 2014 and the proportion becomes 9.21%. The other kinds of special tea such as oolong tea and pu-er tea has become an important part of Chinese tea exportation. But the total export quantity of special tea is still relatively low compared to green tea. The annual average export quantity of special tea is 34100 tons during 2006 to 2010, however the number decreases to 27900 tons during 2011 to 2014. The special tea has not achieved major breakthrough in the international export market. Under the precondition of stabilizing the green tea export market, China needs to further exploit markets for Chinese black tea and other kinds of tea in order to increase the total export quantity. In recent years, China's tea export markets have no obvious change, the top five importer of Chinese tea are Morocco, Uzbekistan, Togo, Japan and America. 70% importers are developing countries and regions. Morocco heads the list for a long time and it accounts for 17% of the gross Chinese tea export quantity.