



***BTC TRADE FOR DEVELOPMENT***



## ***SUSTAINABLE TEA***

***THE AVAILABILITY OF SUSTAINABLE TEA  
IN THE ASSORTMENTS OF BELGIAN SUPERMARKETS***

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# Introduction

## Objective

This study aims to give an overview of the current and future availability of sustainable tea in the assortments of major Belgian supermarkets.

## Definitions

Tea has been divided into three product groups: black tea, flavoured black tea and herbal tea. This study focuses on the regular packages that contain between 20 and 25 tea bags per package.

### *Sustainable*

The word 'sustainable' can be interpreted in various ways. In this study, we include all of the above tea variations that carry a sustainable label, such as UTZ, Rainforest Alliance, Max Havelaar/Fairtrade, or a bio label such as EU organic or Agriculture Biologique (AB).

It is important to mention that there is no certification for herbs yet. This means that some herbal tea cannot be certified. Other herbal teas that include a combination of rooibos and/or green tea with herbs may be certified since most sustainable labels do not require the tea to be 100% sustainable.

## Product classification

For statistical purposes, the following statistical HS codes have been included in the research:

HS code	Definition
090210	Green tea (not fermented) in packages not exceeding 3kg
090220	Green tea (not fermented) in packages exceeding 3kg
090230	Black tea (fermented) and partly fermented tea in packages not exceeding 3kg
090240	Black tea (fermented) and partly fermented tea in packages exceeding 3kg

The HS codes are used to calculate international trade statistics such as imports and exports. For this purpose, ITC Trade Map figures have been used.

However, as a result of high levels of transit trade in the EU and the fact that EU companies are usually not obliged to declare imports/exports below €100 thousand if the goods stay within the EU, these figures must be interpreted very carefully and should only be used as an indication of the market and its developments.

## Research methodology

A major part of the research consisted of store visits to 1 or 2 branches of the twelve major Belgian supermarket chains, conducted in the period 22-24 November 2011.

During these store visits, the availability of tea with a sustainable label in the assortment of each supermarket was calculated by counting how many of the available tea brands carried a sustainable label. All supermarket chains have received the results of the store visits. The majority of the supermarkets have responded to the results and confirmed them.

Furthermore this report is the result of:

- > Desk research.
- > Primary research such as:
  - Interviews with store managers, CSR managers and buyers from Belgian supermarket chains.
  - Interviews with certification bodies, such as Rainforest Alliance and UTZ.
  - Interviews with other experts in the field of tea and sustainability, such as the European Tea Committee and suppliers of tea to the Belgian market.

# 1. Tea in Belgium

## 1.1 Consumption

Belgian tea consumption is quite small, amounting to around 0.14 kg or 4.9 oz per capita in 2009. This level is significantly lower than the EU average of 0.48 kg or 17 oz per capita.

Green tea consumption amounted to 715 tonnes in 2010, which increased by 1.7% per year between 2006 and 2010<sup>1</sup>.

## 1.2 Imports

Belgium is the 25th largest tea importer in the world. It is also the 7<sup>th</sup> largest importer in the EU (behind the Netherlands and Italy, but ahead of Ireland). This low position can be explained by the fact that Belgium is largely not a tea consuming nation and that there are few tea processing plants in the country.

In 2010, the value of Belgian tea imports was at around €39 million, or a volume of 11.2 tonnes. For more information, refer to Table I<sup>2</sup>.

**Table I Tea imports in the EU, per country, 2007-2010, in € million**

Country	Import value 2007	Import value 2008	Import value 2009	Import value 2010
UK	224	249	264	317
Germany	112	123	108	127
France	95	102	96	116
Poland	50	71	79	99
Netherlands	53	51	55	59
Italy	41	41	43	50
<b>Belgium</b>	<b>33</b>	<b>38</b>	<b>34</b>	<b>39</b>
Ireland	27	32	34	35

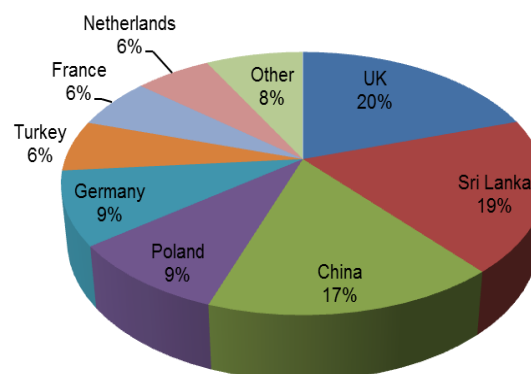
Source: ITC Trade Map (2011)

Imports from developing countries accounted for one-third of total Belgian tea imports. Total Belgian tea imports increased by almost 6% on average per year between 2007 and 2010. Imports from developing countries increased significantly more in the same timeframe, by almost 26%.

## 1.3 Supplying markets

The UK, Sri Lanka and China are the leading suppliers of tea to Belgium. They account for 55% of Belgian tea imports. For more information, refer to Figure I.

**Figure I Supplying markets of tea to Belgium, 2010, in %**





Source: ITC Trade Map (2011)


## 1.4 Exports

Belgium is not a major trading hub for tea in general. It is, however, a major trading hub for green tea in the EU, its imports being among the highest in the EU.<sup>3</sup> The country is also an EU re-exporter, exporting to its neighbouring countries, particularly France (33%), the Netherlands (15%) and Germany (15%).

## 1.5 Trends

 An increasing trend in Belgium is that young people are consuming less coffee in favour of more fashionable (tea based-) drinks, which are seen as more healthy. Increasing consumption of herbal tea could occur at the expense of black tea consumption.

 However, while the total black tea market is showing decline, premium black teas remain popular in Belgium.

 Belgium has a coffee-drinking culture. Despite the waning volume consumption of coffee, tea consumption did not increase in 2009 or 2010<sup>4</sup>.

Belgians who drink both coffee and tea were more tempted by the broader choices in coffee variations than by the new sophisticated tea variants<sup>5</sup>.



## 2. Tea in Belgian supermarkets

### 2.1 Leading tea processors

Unilever has a large tea processing factory in Belgium; they produce tea for the Lipton brand (<http://www.lipton.com/be/>). 95% of their production is exported, mainly to other European countries. They have an extensive sustainability policy and mainly make use of the Rainforest Alliance label.

Of all herbal tea varieties, 7.3% had the Rainforest Alliance label, 2.1% was UTZ certified, 1.9% was Fairtrade and 1.6% carried the BIO and Fairtrade label. Fairtrade and BIO and a combination of AB and BIO were carried by lower than 1% of the herbal tea varieties.

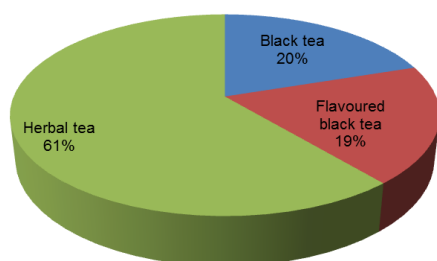
The Rainforest Alliance works to conserve biodiversity and ensure sustainable livelihoods by transforming land-use practices, business practices and consumer behaviour.

### 2.2 Leading brands

Leading tea brands in Belgium are Lipton, Pickwick and Twinings. Lipton is the absolute market leader at a 26% retail value share in 2010<sup>6</sup>. Each brand is equally represented within the three different product groups.

Herbal tea is by far the largest product group within the tea assortments of major Belgian supermarkets, representing almost two-thirds of the total tea assortment. For more information, refer to Figure II.

**Figure II Product groups within the tea assortment of the major Belgian supermarkets, November 2011, in %**



Source: Estimation of store visits (November 2011)

### 2.3 Sustainable tea

Of all black tea varieties sold in major Belgian supermarkets, around 21% had the Rainforest Alliance label. 6.9% was UTZ certified, 3.9% had the Fairtrade label and 1.5% carried both the Fairtrade and BIO label.<sup>7</sup>

Of all flavoured black tea varieties, UTZ certification was the most common at above 11% of the total share. Only 1.0% of flavoured black tea carried the BIO and Fairtrade label. All other tea in this segment was unlabelled.



The Max Havelaar/Fairtrade label enables consumers to recognise products that are manufactured under good conditions. It ensures that producers in developing countries receive a minimum price for their products.



Bio/organic labels focus on the production and processing of agricultural products that provide a guarantee of adherence to organic standards. Organic products are products that come from farmers who do not use chemical products or pesticides.



## 2.4. Market Shares of major supermarkets in Belgium

To estimate the availability of sustainable tea in major Belgian supermarkets, an indication is given of the share of sustainable tea in the average assortments of the twelve major supermarket chains in Belgium, which are:

- > Colruyt  
Market share 22.8%
- > Delhaize  
Market share 22.6%
- > Carrefour  
Market share 19.8%
- > Aldi  
Market share 11.2%
- > Lidl  
Market share 5.6%
- > Cora  
Market share 3%
- > Makro  
Market share 2.8%
- > Spar  
Market share 2.8%
- > Champion  
Market share 2.2%
- > Intermarché  
Market share 1.7%
- > Match  
Market share 1.6%
- > Smatch  
Market share <1%

Colruyt, Delhaize, Carrefour, Aldi and Lidl dominate the Belgian retail market, holding a market share of around 76% in 2010<sup>8</sup>.

## 2.5. Sustainable tea in Belgian supermarkets

Figure III gives an overview of the average availability of sustainable tea in the assortment, per supermarket, divided into three product groups: black tea, flavoured black tea and herbal tea.

Figure IV gives an overview of the average availability of sustainable private label tea in the assortment, per supermarket and product group.

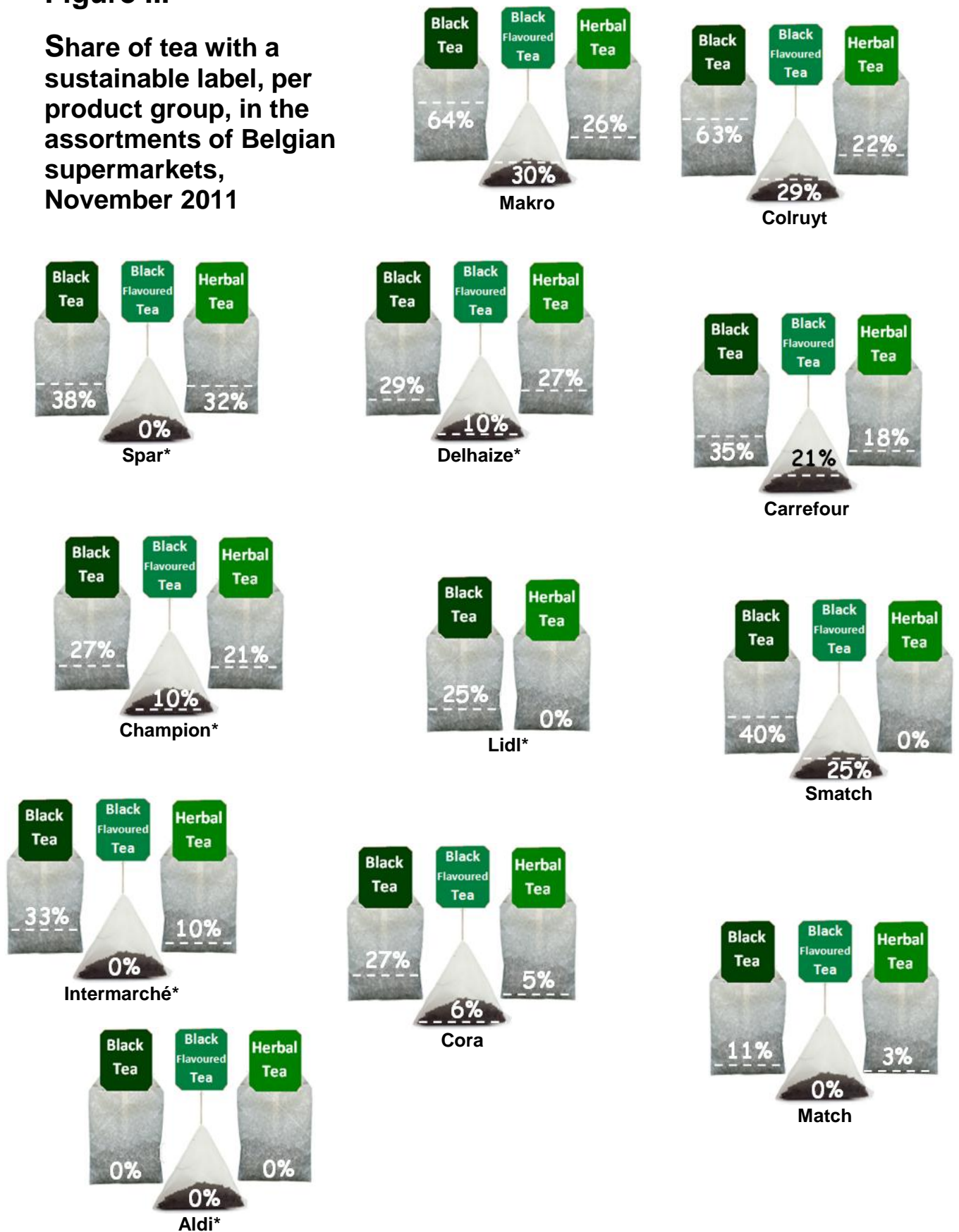
The percentages in Figure III and IV represent, per product group, the estimated share of tea with a sustainable label, in the assortment, per supermarket.



Tea plantation in Kerala, India ©Raphaël Fauveau

**Figure III**

**Share of tea with a sustainable label, per product group, in the assortments of Belgian supermarkets, November 2011**

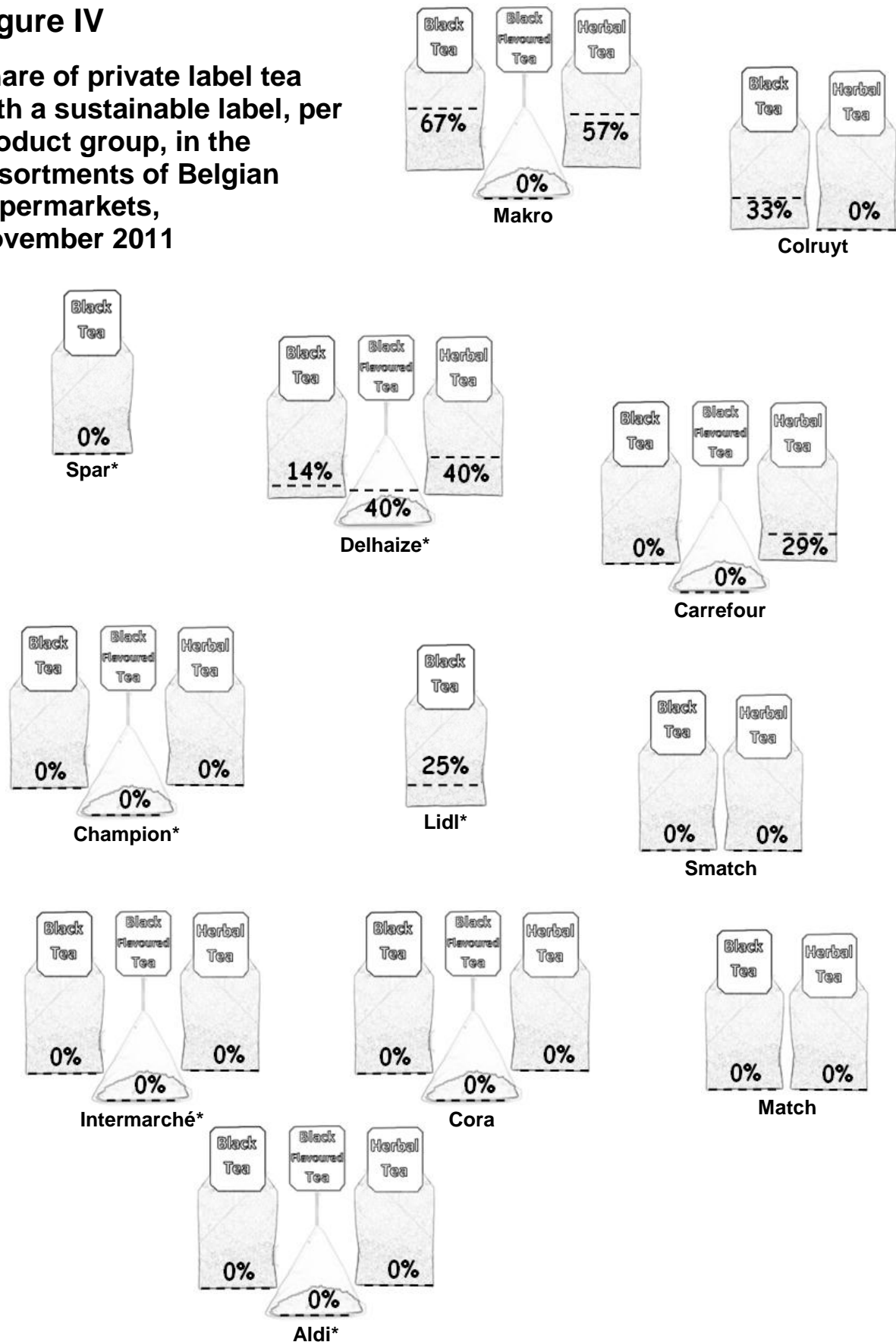


\*Confirmed by supermarket



**Figure IV**

**Share of private label tea with a sustainable label, per product group, in the assortments of Belgian supermarkets, November 2011**



\*Confirmed by supermarket

### 2.5.1 Share of sustainable tea products per supermarket

#### *Black tea*

The average share of sustainable black tea in the assortments of major supermarkets in Belgium is 35%.

The percentages vary greatly per supermarket. Makro (64%) and Colruyt (63%) come out top while Smatch and Spar come third and fourth at 40% and 38%.

After that, there is a big group hovering around 30%: Carrefour (35%), Intermarché (33%), Delhaize (29%), Champion (27%) and Cora (27%). In Lidl stores, 25% of the black tea was sustainable, Match offered 11% sustainable black tea and Aldi sold none.

#### *Flavoured black tea*

The average share of sustainable flavoured black tea is 12%. Here the percentages also vary greatly between supermarkets. Makro offers the most sustainable packages (30%), followed by Colruyt (29%), Smatch (25%) and Carrefour (21%). Delhaize (10%), Champion (9.5%) and Cora (5.6%) lag behind. Other supermarkets in the survey did not sell sustainable flavoured black tea.

#### *Herbal tea*

The average share of sustainable herbal tea is 15%. Spar offers the largest percentage of sustainable herbal tea to its customers (32%), followed by Delhaize (27%), Makro (26%), Colruyt (22%), Champion (21%) and Carrefour (18%).

Intermarché, Cora and Match offered only 9.5%, 4.5% and 3.4% sustainable herbal tea. The other supermarkets did not sell any sustainable herbal tea.

#### **CSR manager United Coffee:**

*"Sustainable black tea is more common than any other tea variation. This is mainly due to the pureness of the ingredients. Some additional flavours cannot be labelled as sustainable yet as there are no standards set for these products. There are no sustainable standards for herbs at all."*

#### *Shelve space*

Sustainable tea was remarkably evenly distributed among the non-sustainable tea

variations. Very rarely was sustainable tea only available in a separate 'sustainable corner'<sup>9</sup>.

Refer to Table II for an overview of sustainability labels available in the tea assortment of major Belgian supermarkets.

**Table II Sustainability labels for tea per supermarket, November 2011**

Supermarket	UTZ	Rainforest Alliance	Max Havelaar/Fairtrade	Bio label
Aldi				
Carrefour	X	X		X
Champion	X	X	X	X
Colruyt	X	X		
Cora	X	X		
Delhaize		X	X	X
Intermarché		X		
Lidl			X	
Makro	X	X	X	
Match		X		
Smatch	X	X		
Spar	X	X		

Source: store visits in November 2011

### 2.5.2 Share of sustainable tea products in private labels per supermarket

Makro has by far the largest percentage of sustainable black tea in their private label assortment (67%). Colruyt also sells sustainable black tea under their private label (33%), as does Lidl (25%) and Delhaize (14%). The other supermarkets do not sell sustainable private label black tea.

Delhaize was the only supermarket that offered sustainable flavoured black tea under their private label (40%).

Makro offered the most sustainable herbal tea in their private label assortment (57%). Delhaize came second at 40% and Carrefour had 29%. Other supermarkets did not offer any sustainable private label herbal tea.

### 2.6 Future expectations

Currently, demand for sustainable tea is limited to a small group of consumers. Belgium's largest tea processor and most popular tea brand, Lipton, is currently in the midst of a large campaign to certify all their tea with the Rainforest Alliance label. Their main motivation is to become a sustainable organisation. They do, however, predict a growth in awareness among consumers that will lead towards higher demand for sustainable tea.

There is slightly bigger demand for sustainable herbal tea than there is for other sustainable tea variations. This is mainly due to the fact that

sustainability-conscious consumers are generally also concerned about health issues. Within this group, it is well known that herbal tea is generally better for your health than black tea.

Lipton and Pickwick are currently working on increasing their share of sustainable tea, which became very obvious during the store visits. Some tea variations were sustainable in one supermarket, but carried no label in the other. Interviews with producers revealed that the labelled packages are so new that the old ones have not yet sold out in some supermarkets.

Because many supermarkets and producers are increasingly interested in sustainable tea, it is becoming more and more available to consumers. Although the consumers who buy sustainable tea are not buying this tea because of its sustainability, the sales of sustainable tea in Belgium are increasing rapidly.

#### **Lipton**

*All Lipton Yellow Label teabags on the West European market are currently labelled with the Rainforest Alliance label. We aim to certify all Lipton teabags around the world by 2015. Our main concern is the availability of sustainable tea leaves.*

*Our decision to work with the RA label and not, for example, Fairtrade, is that we find the RA label covers all aspects of the tea growing process, from environmental to humanitarian issues<sup>10</sup>.*

#### **Spar**

*Supermarket chain Spar has left many of the decisions regarding stocks up to its franchises. This means that the products offered in Spar supermarkets vary greatly between different locations. In general, it can be said that consumers mostly have a choice between a sustainable and non-sustainable product.*

*Spar holding is also making sustainable options increasingly available to its franchises<sup>11</sup>.*

#### **Colruyt**

*Colruyt has been investing in a sustainable development policy since 1990, which includes various areas: product sourcing, retail investments and consumption at consumer level. They are already well advanced in improving sustainability and the availability of sustainable products in their assortment is just a part of their sustainable development policy. Colruyt has a clear objective to further improve their sustainability at different levels (ecological, social and economic).*

*In 2005, Colruyt started with the 'Colibri for education' project. Herewith, they launched a range of private label products with the Colibri label, including all typical products from developing countries, as well as tea.*

*The Colibri products carry at least one sustainable label such as Rainforest Alliance, Max Havelaar/Fairtrade or a bio label. Furthermore, Colruyt invests 5% of the price of the products in education projects in developing countries. The supermarket chain is planning to extend their range of Colibri products even more as they expect demand for sustainable products to rise<sup>13</sup>.*



Tea plantation in Kerala, India ©Raphaël Fauveau

### **Intermarché**

*The assortment of Intermarché supermarkets can differ per store, as the store managers are not only buying from a centralised purchasing department, but can also order directly with suppliers.*

*Intermarché introduced Fairtrade products into their assortment several years ago. Nowadays over 120 products with the Fairtrade label can be found on their shelves, including tea.*



*Intermarché also made a commitment to make their own brand 'Selection de Musketiers' more environmental friendly.*

*The objective of Intermarché for 2012-2014 is to expand the offer of sustainable products and create more awareness about sustainability among their clients. At the beginning of 2012, they are planning to work directly with a supplier of sustainable products so that the centralised purchasing department can offer a wider range of sustainable products<sup>14</sup>.*

### **Delhaize**

*Supermarket chain Delhaize participated in the Belgian Fairtrade week in October 2011 by promoting Fairtrade products in their supermarkets and launching new Fairtrade products in their assortment. Among these new products were four tea products with brightly coloured packages and matching labels so they could be recognised better.*



*During the first semester of 2011, sales of Fairtrade products in Delhaize supermarkets increased by 10% compared to the same period in 2010. Delhaize plans to broaden their Fairtrade assortment<sup>12</sup>.*



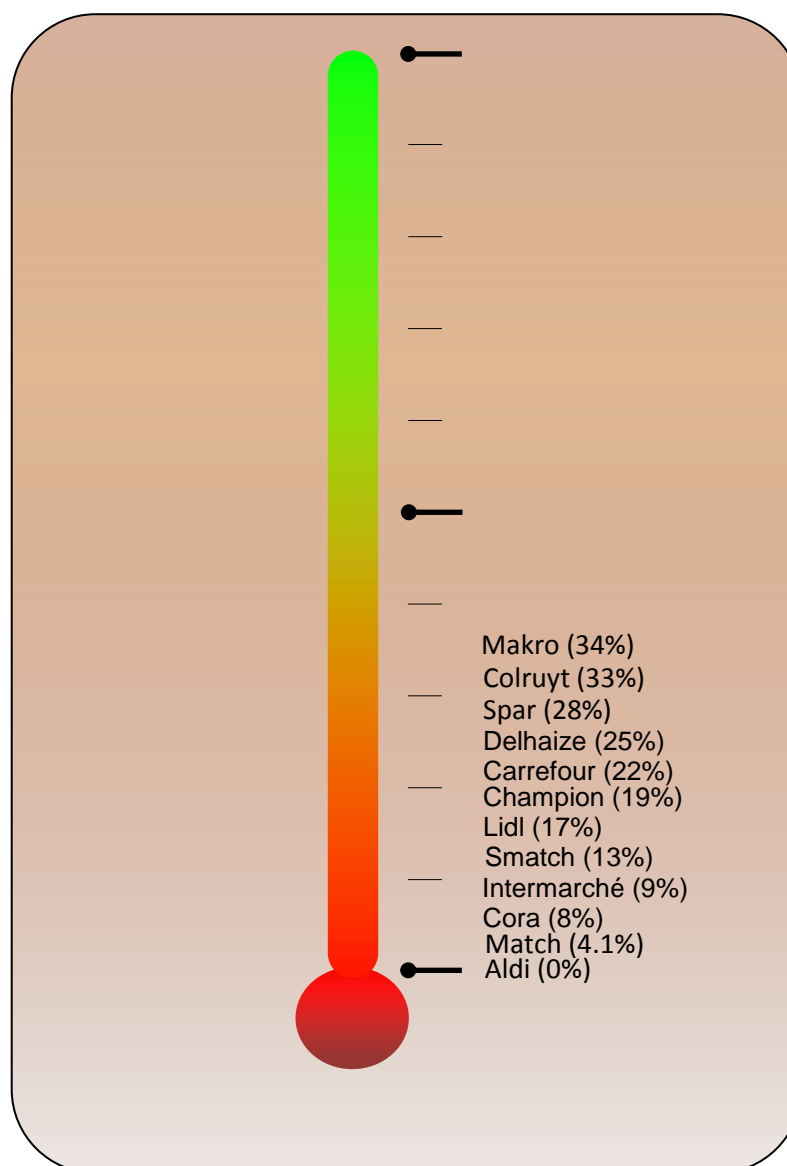
© Tea leaves by Romain Guy



### 3. Conclusion

Which Belgian supermarkets currently have the most sustainable tea assortment? Take a look at the sustainability meter below and decide for yourself!

The percentages include all three tea product groups (black tea, flavoured black tea and herbal tea) and represent, per supermarket, the average share of the total tea assortment that carries a sustainable label.



## Sources

- 
- <sup>1</sup> CBI Market Survey: 'Green tea in Belgium' (2011)
- <sup>2</sup> ITC Trade Map (2010)
- <sup>3</sup> CBI Market Survey: 'Green tea in Belgium' (2011)
- <sup>4</sup> Interview European Tea Committee (2011)
- <sup>5</sup> Summary 'Tea in Belgium' report by Euromonitor (2011)
- <sup>6</sup> Summary 'Tea in Belgium' report by Euromonitor (2011)
- <sup>7</sup> Store visits November 22-24 (2011)
- <sup>8</sup> <http://www.retaildetail.eu> (2011)
- <sup>9</sup> Store visits November 22-24 (2011)
- <sup>10</sup> Interview with Lipton
- <sup>11</sup> Interview with purchaser of Spar
- <sup>12</sup> Delhaize website (2011)
- <sup>13</sup> Interview with SCR managers from Colruyt
- <sup>14</sup> Interview with sales developer of Intermarché

## Useful Sources

- European Tea Committee - <http://www.etc-online.org>
- Lipton Belgium: <http://www.lipton.be>
- Max Havelaar Belgium - <http://www.maxhavelaar.be>
- MVO Vlaanderen - <http://www.mvovlaanderen.be>
- Oxfam Wereldwinkels - <http://www.oxfamwereldwinkels.be>
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- Rainforest Alliance - <http://www.rainforest-alliance.org>
- Websites of Belgian supermarkets.