

Latest Advances in World Tea Production and Trade, Turkey's Aspect

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Abstract: Tea has been one of the main agricultural export items for many developing countries such as Sri Lanka, India, China and Turkey. In addition to cultivation, tea picking and processing have provided job opportunities to millions of people in tea growing countries. Therefore, not only as an economic sector but also due to its social dimensions, tea sector have been vital for these countries. The aim of this paper is to figure out the importance of tea sector all over the world among major producers. Furthermore, the latest developments in the sector and international competitiveness have been emphasized. Finally, tea production, consumption and export levels for Turkey have been highlighted in comparison to other major producer countries.

Key words: Tea production • Tea trade • Turkey

INTRODUCTION

Tea, as the second most popular drink in the world after water [1], is a very important commodity for some of the developing countries in terms of jobs and export earnings. Dry tea is being marketed as “Black Tea” or “Green Tea” worldwide. The main difference between black and green tea is its processing style. Black tea is consumed in all countries in the world. The share of black tea in world tea production is 97%. Green tea is alike linden tree and it is especially cultivated in China and Japan and its share in world tea production is 3% [2].

Tea agriculture and production is mostly performed on underdeveloped and developing countries in the world. Production is realized on averagely 25 countries with more than 1500 tea varieties [3]. According to the FAO statistics, Turkey ranks sixth in the world production of tea after China, India, Sri Lanka, Kenya and Indonesia. Major tea producer countries are both the exporters except Turkey.

The aim of this paper is to present the importance of tea production and trade with export and import rates among the major producers including Turkey. Moreover, recent regulations of tea production in the world and Turkey's contribution to this process have been highlighted.

MATERIALS AND METHODS

Major figures in this study have been obtained from the sources of FAO (Food and Agriculture Organization) and ÇAYKUR (General Directorate of Tea Enterprises). Moreover, the related literatures have been used. Statistical methods such as means and percentages have been used in the study.

The Brief History of Tea Production in the World and in Turkey: The first information gathered about tea was written by Confucius in 500 BC. Confucius had mentioned the positive effects of drinking tea on human health and the benefits of growing tea plant [4]. Therefore, it is believed that the culture of tea planting and drinking had been started in China.

Tea has been first carried westwards during 5th century by Turkish Traders, who used it in barter trade for Chinese produce. By the end of 6th century, tea had become so popular that it was no longer considered a medicinal drink but a refreshing beverage. Tea cultivation has first introduced in Batum (Republic of Georgia), neighboring Eastern Black sea region of Turkey by Russians in the last quarter of 19th century after importing seedlings from China. They had successfully established commercial tea planting here and the industry had slowly expanded with opening of large acreage of lands for the

purpose [5]. Moreover, Heiss and Heiss R.J. [6] have emphasized the use of tea not only as a beverage but also for its medical properties by the time of Shang dynasty (1766-1050 BC) in Yunnan Province.

The consumption of tea in Turkey had been observed since 1600s provided by the re-export of tea from European countries. Furthermore, first known experimentation about tea cultivation has been made in 1888 in Bursa with tea seeds brought from Japan [7]. The possibility of tea cultivation in Turkey has been first determined by Ali Rýza Erten in 1917 around Rize province [8]. However, cultivation of tea has been first started by a law in 1924 [9]. In the same year the Tea Research Institute has been established. Afterwards research studies has begun to be conducted and tea cultivation has begun on a commercial base. The distribution and processing of tea has been given to state authority in 1949.

In 1971, ÇAYKUR has been established [10] as an economic enterprise, (General Directorate of Tea Enterprises) with full authorization as a state monopoly in the tea business. In 1984, the regulation of the monopoly in the tea sector has been abolished and private enterprises have been also given the rights of procurement, processing and marketing.

One of the most important developments in tea sector has been the issuance of Tea Standards in 1986 which regulates the definition and basic requirements for black tea. This regulation has been also replaced with Turkish Food Code-Black Tea Notification in 1996 with the obligation for farmers to produce and pack tea as per standards [5]. In 2006, 20% of total Turkish tea exports have been in packaged form and 80% have been in bulk [9]. Turkey with insufficient production for domestic demand until 1963 has now been one of the major tea producers not only exporting tea but also producing tea bags to many countries.

World Tea Production and Trade: China is the native country and the first cultivation place of the tea plant. In fact the origin of the tea agriculture in countries which are leaders on tea production is so new; for instance 1823 in India, 1824 in Sri Lanka [2].

Tea production in the world is realized on tropical and subtropical climates and regions on which precipitation is coordinate according to months and summers and winters are lukewarm. In addition to these facts, it also requires sour and humid land structure. In conjunction with the increase of tea cultivation and the evolution of tea processing in India and Sri Lanka, tea has been an

important subject in the world trade. Tea agriculture has expanded to Southeast Asia and west ends of Asia (Turkey, Iran, Russia) and South America later on [3].

Tea production areas are utmost on the continent of Asia in the world. Tea harvested area is 2.545.416 ha on Asia continent as of 2007. Africa (257.820 ha), America (44.945 ha), Ocenia (7.000 ha) and Europe (1.045 ha) continents are following Asia continent successively [11].

The maximum tea production by amount is again performed on Asia continent with 3.267.436 tonnes in 2007. Africa (496.833 tonnes), America (97.315 tonnes), Ocenia (9.000 tonnes) and Europe (755 tonnes) continents are following Asia continent [11]. When world tea production figures between 2000 and 2007 are analysed, it is seen that China is the major tea producer of the world. India, Kenya and Sri Lanka are following China as of 2007 (Table 1).

World tea market is directed by the companies of the major exporter and producer countries. Ten companies (nine of them are English) in India having 90.000 ha tea area are realizing the $\frac{1}{3}$ of tea production and $\frac{3}{4}$ of tea export. Also, seven English companies are realizing $\frac{1}{2}$ of the tea production and $\frac{2}{3}$ of the tea export in Kenya [3].

World tea export is 1.629.184 tonnes in 2006 and 61% of world export is performed by leading four countries; China, Kenya, Sri Lanka and India. Kenya is the top exporter with the 325.066 tonnes of export volume (Table 2).

As seen on Table 1, China and India shares the first two ranks in tea production. However, these countries get behind Kenya in export. The cause of this situation is China's and India's high domestic consumption rates.

Major tea exporter of the world is Russian Federation (172.860 tonnes) as of 2006. United Kingdom (161.981 tonnes) is in the second, Pakistan (127.071 tonnes) is in the third, United States of America (107.572 tonnes) is in the fourth, Morocco (50.607 tonnes) is in the fifth and Japan (48.123 tonnes) is in the sixth rank. Total world tea import is 1.470.641 tonnes and Asia and Europe continents realizes 74% of this sum [12]. Countries of European Union are not producers, they are only the importers if figures are carefully analyzed.

Foremost subjects are the smell, taste and the colour of tea for tea importers. These components are very effective in determining the demand amount. Therefore, there has been sections including the general features of tea in laws of developed countries and these contents are of basic importance in import. Tea collection way is the another considerable factor for tea importers, preferred collection way is double-leaved and buttoned [3].

Table 1: Leading tea producer countries and their production amounts (tonnes) [11]

	2000	2001	2002	2003	2004	2005	2006	2007
China	703.673	721.536	765.719	788.815	855.422	953.660	1.049.345	1.186.500
India	826.000	847.000	854.000	838.000	857.000	830.750	892.730	949.220
Kerya	236.286	294.620	287.045	293.670	324.600	328.500	310.580	315.000
Sri Lanka	305.840	295.090	310.000	303.230	308.090	317.200	310.800	304.600
Indonesia	162.586	163.068	162.194	169.818	171.200	177.700	185.000	192.000
Turkey	138.770	142.900	135.000	153.800	201.663	217.520	204.600	191.605
Vietnam	69.900	75.700	94.200	104.300	119.500	132.525	142.300	153.000
Japan	85.000	85.000	84.000	91.900	100.700	100.000	91.800	95.000
Argentina	74.256	71.117	70.457	69.866	70.389	67.871	72.129	72.000
Bangladesh	46.000	52.000	58.000	57.500	57.580	57.580	58.000	58.500
Malawi	42.400	36.800	39.200	41.693	50.090	38.000	38.387	39.000
Tanzanya	23.600	25.500	24.700	27.600	30.100	30.700	30.300	31.000
<i>World</i>	<i>2.963.588</i>	<i>3.073.072</i>	<i>3.192.030</i>	<i>3.228.676</i>	<i>3.401.088</i>	<i>3.550.194</i>	<i>3.667.786</i>	<i>3.871.339</i>

Table 2: Leading tea exporter countries and their export amounts (tonnes) [12]

	2000	2001	2002	2003	2004	2005	2006
Kerya	217.281	207.244	288.300	293.751	284.309	347.971	325.066
China	230.696	252.204	254.875	262.663	282.643	288.814	288.625
Sri Lanka	287.005	293.524	290.500	297.003	298.909	307.793	204.240
India	200.868	177.603	181.617	174.246	174.728	159.121	181.326
Vietnam	55.600	67.900	77.000	58.600	104.000	88.000	105.000
Indonesia	105.581	99.797	100.185	88.176	98.572	102.294	95.339
Argentina	49.999	58.110	57.643	59.062	67.819	68.270	72.056
<i>World</i>	<i>1.464.330</i>	<i>1.450.128</i>	<i>1.580.485</i>	<i>1.529.678</i>	<i>1.634.575</i>	<i>1.716.261</i>	<i>1.629.184</i>

Table 3: World Tea Exchanges [13]

Exchange Center	Country	Year of Organization	Amount sold in 1995 (tonnes)
London	England	1835	29.468
Calcutta	India	1861	92.673
Colombo	Sri Lanka	1883	229.436
Cochin	India	1947	57.971
Chittagong	Bangladesh	1949	40.819
Mombasa	Kerya	1956	173.757
Coonor	India	1963	54.008
Amritsar	India	1964	605.000
Limbe	Malawi	1970	10.975
Guwahati	India	1970	129.867
Jakarta	Indonesia	1972	13.343
Siliguri	India	1976	75.607
Coimbatore	India	1980	17.749

Tea exchanges are of great importance in world tea market. Especially, tea producer countries having market economies, have tea exchanges to provide the pure competition conditions, make quality stand in the forefront and to secure a rational course to the sector. Price of tea differs according to their qualities and features by the courtesy of tea exchanges. Exchanges get a lot of consumer and producer together surely and provides fair and proper trade. The first tea exchange has been

performed in 1700's by East India Company in London. Several tea exchanges in various countries are itemized below (Table 3) according to their year of organization and their dry tea process amounts in 1995 [13].

Tea Production and Trade in Turkey: Tea cultivation is realized predominantly on Eastern Black Sea Region. Tea agriculture is being performed in the form of small family business. Although first studies have been done in 1888,

Table 4: Shares of major tea producer provinces in total tea production, in total tea harvested area in Turkey and the number of producers in each as of 2008 [14]

Province	Production share %	Area share %	Number of producers
Rize	67	66	124.000
Trabzon	21	20	47.000
Artvin	10	11	19.000
Giresun	2	3	9.000
Total	100	100	199.000

Table 5: Tea export of Turkey between 1998 and 2008b [15].

Years	Packed Tea Export (tonnes)	Unpacked Tea Export (tonnes)	Total Tea Export (tonnes)	Price (thousand \$)
1998	983.000	15.985	16.968	12.418
1999	915.000	3.092	4.007	3.145
2000	1.166	5.364	6.530	4.541
2001	1.351	3.419	4.770	3.681
2002	1.630	3.531	5.161	4.090
2003	1.892	5.151	7.043	5.389
2004	1.770	3.310	5.080	4.339
2005	1.789	3.895	5.684	5.466
2006	2.159	680.000	2.839	4.936
2007	2.462	175.000	2.638	5.548
2008	3.090	17.000	3.107	9.658

tea production has come into being in 1939 economically. And beginning from 1939 the production has been encouraged. Tea plant is being cultivated on the area from Arakly district of Trabzon province reaching out to Georgia boundary [3].

Tea agriculture is most intensively done on Rize province in Turkey. Families' means of living is generally dependent on tea farming in this province. Region conditions are complicating the cultivation of alternative crops to tea and bringing the tea as a unique crop. In 2008, 67% of damp tea leaf production has been realized in Rize. And again, 66% of total tea harvested area is in Rize (Table 4).

Tea harvested area in Turkey is 75.800 ha as of 2008. 49.800 ha of this area is in Rize, 15.500 ha of it is in Trabzon, 8.600 ha of it is in Artvin and 1.900 ha of it is in Giresun. Tea production area was 76.600 ha in 2007, as seen on figures tea areas are reducing [14]. The reduce is outstanding especially in Giresun, Ordu and Trabzon provinces. Key factors of this fall are the declines in agricultural areas as the results of nationalisations made in the region (dam facility in Artvin province, Black Sea coast road construction) and orientation of producers to different crops due to the decrease in the yield of tea production.

Tea consumption is in the escalation trend in Turkey. It has accelerated from 1970's within the increase in population. Total tea consumption is 86.965 tonnes in

1980, it has raised to 133.000 tonnes in 1990, 151.000 tonnes in 1995 and 162.300 tonnes in 1998. And finally as of 2001, this figure has been calculated as 170.000 tonnes. While consumption per capita is 0,54 kg in 1965, it has raised to 2,62 kg in 1985 [3]. According to the 2002 year datas of FAO, the most tea consuming country is Turkey (2,4 kg/ 85 oz). United Kingdom (2,3 kg/ 81 oz), Ireland (1,5 kg/ 53 oz), Morocco (1,4 kg/ 49 oz) and Iran (1,2 kg/ 42 oz) are following Turkey.

Çaykur is realizing the 97% of total tea export in Turkey in recent years. Tea export is 2.637 tonnes in 2007 and 3.107 tonnes in 2008 (Table 5). As understood from figures; Turkey, as being in the sixth rank in world tea production has no say in world tea export. Tea production is generally done for domestic consumption [15].

Turkey's tea import is rather inconsiderable as its export. Tea import of Turkey is 3.315 tonnes in 2005 and 2.826 tonnes in 2006 [12]. Principal cause of this scarcity is high tariff rates. Major amount of Turkey's import has been done from Sri Lanka. However, import done from Iran has been increased in recent years [3].

RESULTS AND DISCUSSION

Millions of livelihoods depend on tea cultivation and processing in the world. Also in Turkey, tea is one of the major means of living for thousands of people in Eastern Black Sea Region. However, Turkey as being the sixth

among the leading tea producers in the world has inconsiderable export volumes. Turkish tea has to correspond to the standard of quality and has to be produced towards consumer's demand for the escalation in domestic consumption and for the export of consumption excess. Therefore, dry tea has to be produced in concordance with food codex. Moreover, offices advertising Turkish tea on abroad have to be established.

Market conditions are varying rapidly in the world. In order to accord with these conditions, full weight must be given to research and development studies.

The absence of Tea Exchange and Tea Board is detrimental in terms of producers. For providing the pure competition conditions, making quality stand in the forefront and securing a rational course to the sector, Tea Exchange must be founded in Turkey. In addition to the tea exchange, an autonomous Tea Board has to be established for settling strategies about tea policies.

Tea producers are not organized duly in Turkey. Organization must be provided and education activities for farmers has to be increased.

Effective struggle has to be conducted against smuggled tea. Especially on Eastern and Southeastern Anatolia smuggled tea consumption is prevalent, to prevent this situation campaigns advertising local tea have to be organized.

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