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Tea Exporters Association

Sri Lanka

NEWSLETTER

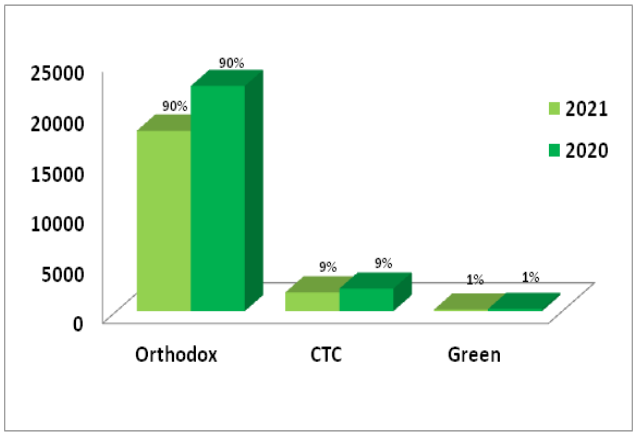
DECEMBER 2021

Tea Exporters Association Sri Lanka
December 2021

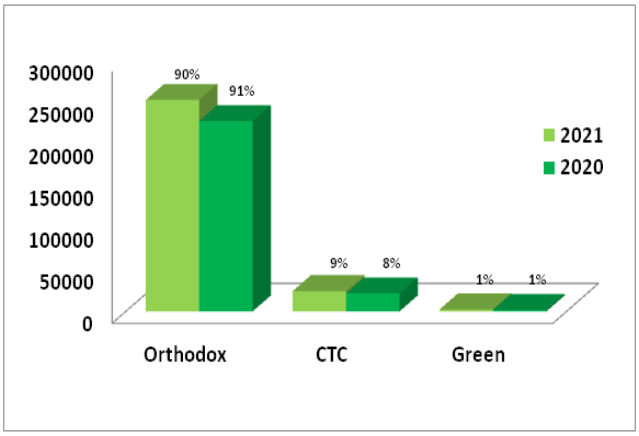
TEA wishes its' Members and Readers a Very Happy and Prosperous 2022!

SRI LANKA TEA PRODUCTION

NOVEMBER 2021/2020 - in MT



JANUARY TO NOVEMBER 2021/2020 - in MT



(SLTB)

SRI LANKA TEA EXPORTS

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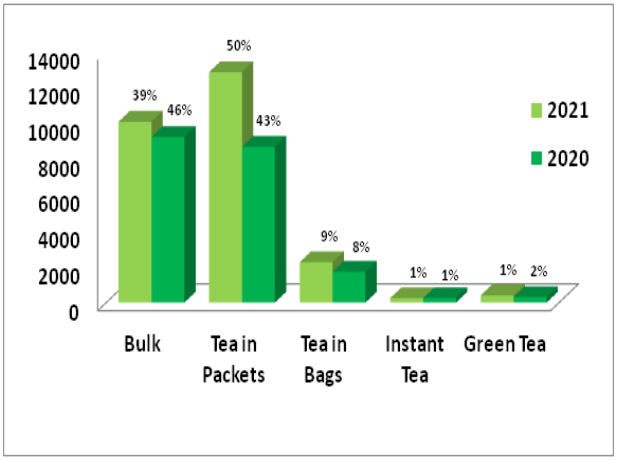

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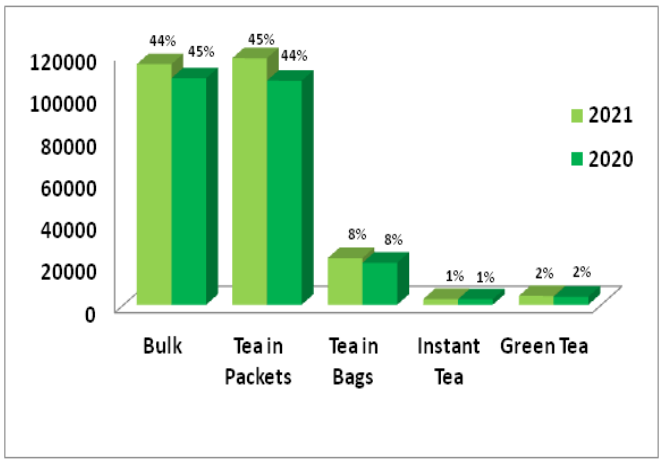

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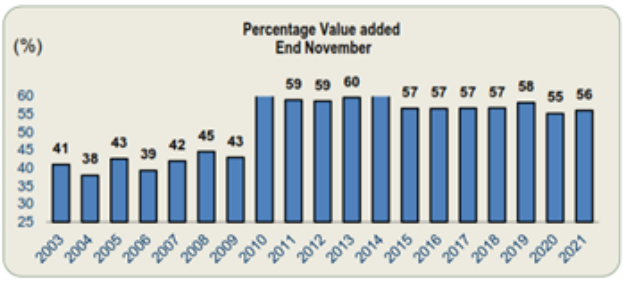
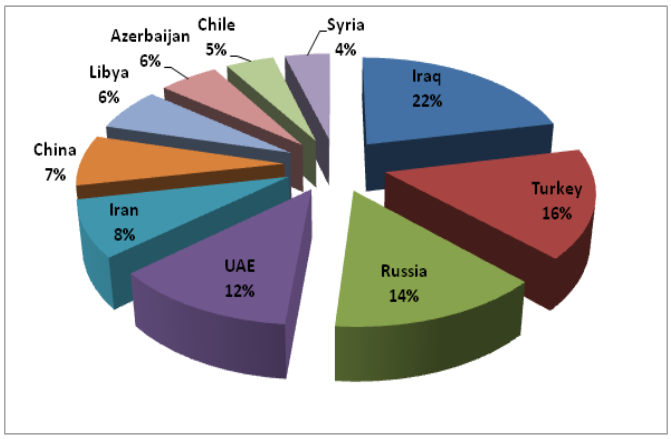


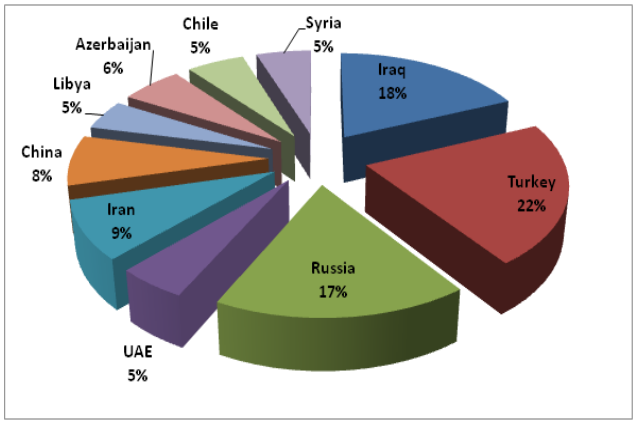
(Asia Siyaka Commodities PLC)

MAJOR IMPORTERS OF SRI LANKA TEA

JANUARY TO NOVEMBER 2021



JANUARY TO NOVEMBER 2020



(SL Customs - courtesy Forbes & Walker Tea Brokers)

World Tea Crop

The latest tea crop figures of some leading tea producing countries are furnished below (in million Kg).

Country	Period	2020	2021	Variance
Bangladesh	January to November	79.43	89.57	10.14
North India	January to November	981.90	1043.70	61.80
South India	January to November	201.60	220.80	19.20
Malawi	January to October	38.53	45.39	6.86
Kenya	January to October	467.40	434.60	(32.80)

(Forbes & Walker Tea Brokers)

Summary of developments in the major producing countries - December 2021

As the year drew to a close, global production in 2021 appears to be marginally higher than the previous year with increased CTC availability in India, higher Orthodox production in China and Sri Lanka and the customary growth of Green Tea in China. However, it must be noted that production in both India and Sri Lanka had been affected during 2020.

Boosted by a return to heavy purchasing by Morocco in recent months, cumulative exports from China up to November is at a higher level than in both 2019 and 2020. Several other destinations such as Uzbekistan, Russian Federation, Hong Kong, Ghana, Mauritania, Germany and USA also have increased their purchases from China during the year.

Estimated production figures in India indicate that production for the month of November in both North and South are lower than during the corresponding month in the two previous years. Tea Board of India is understood to be embarking upon a plantation development drive for small tea growers aimed at productivity increase and quality improvement.

Auction prices in Mombasa during December were not as healthy as in the previous month even though Pakistan and Egypt continued their heavy purchases. Buoyed by increased purchases by Pakistan, Egypt and Russian Federation, cumulative exports up to October reflect a growth of 10% in comparison with the two previous years.

World Tea Auction Centers

Mombasa

Good demand remained in place in the first week but the best BP1's were a noticeably weak feature along with PF1's which eased in value. However, PD's and Dust 1's fared well at the auction where all major buyers were active at slightly lower price levels than the previous week. Though demand was steady, 18% of the catalogued teas were withdrawn the following week with prices declining significantly for all Dust varieties and Egypt was the leading buyer. Egypt continued to lead the way and demand remained sound but prices eased for most teas at the final auction of the month.

Colombo

Western brokens attracted good demand whilst most low-grown teas and Dust 1's of High and Medium elevations were firm to dearer at the first sale of the month. There was good demand for most teas at the next auction though Dust 1's lost ground. Final auction of the month saw demand strengthening with no auction scheduled the week after and reduced volumes expected to be on offer at coming sales.

Kolkata

There was irregular demand at the first sale of the month with prices tending easier. Though all major domestic buyers were active, prices for both Leaf and Dust grades declined further at the next auction. However, teas manufactured earlier in the year found greater demand. An easier market prevailed the week after for Leaf teas but Dust teas gained more interest. Final auction of the year saw limited demand for all teas.

Guwahathi

Though demand remained steady, prices eased a bit at the first auction of the month. Except for good liquoring Dust teas that were not widely available, all other teas were easier at the next sale. Leaf teas attracted less demand the week after and overall prices were easier. Even though quantities offered were lower at the final sale of the year, prices eased further.

Kochi

CTC teas enjoyed good demand whilst orthodox Brokens were firm to occasionally dearer at the first sale of the month where the CIS and Middle East were active. All Dust teas other than the browner, plainer types were firm to dearer the following week but rest of the teas were easier. Both CTC and Orthodox teas attracted improved demand the week after with strong purchases made by all segments of the local industry helped by the fact that no auction would be taking place the week after.

Chittagong

There was weaker demand that led to many withdrawals at the first sale of the month. Better demand was seen the week after with Brokens and Dust grades firm to dearer and Fannings enjoying a strong market. There was less demand for most teas other than the good liquoring Fannings and Dust teas at the next sale.

Jakarta

There was good demand at slightly improved price levels for both CTC and Orthodox teas at the first auction of the month. However, in spite of good demand, prices declined for all teas at the next sale. A limited number of lines of both CTC and Orthodox teas drew good demand but other prices eased the week after.

Limbe

The market remained barely steady at the first auction of the month. There was less demand the week after but there was an improvement in the overall average price. This trend continued at the next auction. Most teas were withdrawn at the final auction of the month as a result of poor demand.

(International Tea Committee and Courtesy: Forbes & Walker Tea Brokers)

Challengers ahead for Indian tea

The Indian tea industry, which is likely to end the calendar year 2021 with a 40-45 million kg drop in production over 2019 and a steep decline in exports, may continue to face challenging times moving forward if consumption – both domestic and exports – does not pick up soon.

According to Tea Board of India data, the country's total tea production was 1390.08 million kg in calendar 2019. North India (which includes gardens in Assam and West Bengal) accounted for nearly 84 per cent of this at 1171.09 million kg, while the remaining 218.99 million kg came from South Indian gardens.

The industry compares the current year with the pre-pandemic 2019 since 2020 is considered more as a year of aberration year due to the steep decline in production due to COVID induced lockdown during the peak plucking months, and the sharp surge in prices. While the data for November and December are still not available on the Tea Board website, industry, however, estimates an overall decline of around 40-45 million kg this calendar year.

According to Sujit Patra, Secretary, Indian Tea Association (ITA), the crop is down by nearly 39 million kg till October this year. North India production is estimated to be lower by around 65 million kg, while in South India is up by around 25 million kg till October this year. In November again, the crop in North India is estimated to be lower by around 20-25 per cent over same period in 2019.

"Export is at an all- time low due to a combination of factors including higher shipment costs, pending resolution of the Iran payment crisis and problems around container availability among others. Price wise, auction offerings have gone up and quality tea is fetching good prices but it is difficult to estimate how the crop will be next year and what kind of demand will be there," Patra told Business Line.

There has also been a surge in imports of cheaper teas which is likely to hurt the tea producers. Though a majority of tea imported is for re-exports, a fair chunk gets absorbed in the domestic market.

Tea imports during January-August this year increased by 34 per cent to 16.97 million kg against 12.65 million kg in the year-ago period. Total imports last year were up by 50 per cent at 23.79 million kg against 15.85 million kg in 2019.
The average price of North Indian teas during mid-December for all auction centres was up by nearly 10 per cent at 188.27 ($ 2.51) a kg this year against 171.65 ($ 2.29) a kg last year. Prices were up by nearly 26 per cent against 149.48 ($ 2.00) during same period in 2019.

While FY2021 proved to be one of the best years in recent times for the bulk tea industry, sustainability of the same appears unlikely, said a report titled 'Tea Industry at the cross roads' released jointly by ASSOCHAM East and ICRA recently.

For the long term sustainability of the industry, tea prices must consistently remain materially higher than the cost of production, the report said. The industry should undertake several measures to ensure profitability of bulk tea players on a sustainable basis. This would include ramping up of exports not just to the traditional markets but some of the potential markets. There is also a need to boost consumption and this can be done by undertaking generic promotion campaigns to create awareness.

The tea industry should also lay emphasis on quality of produce and should control volume of end season teas, which are typically of inferior quality, the report said.

The increase in cost has far outweighed the increase in prices of tea in North Indian auctions, which has remained largely range bound between CY2012 to CY2019 (average increase of only around 1.7 per cent) before witnessing a sharp jump of around 32 per cent in CY2020 on the back of 12 per cent decline in production on the back of Covid-19 related restrictions as well as adverse weather conditions.

"While FY21 turned out to be a good year for the industry, sustainability of the performance, as production returns to normal levels, leading to moderation in prices, remains to be seen," the report said.

According to a joint report titled "Tea Industry at the crossroads" released by ASSOCHAM East and ICRA on in December 2021 the labour wage has been increased effective end-February 2021, and production returning to largely normal levels has led to pressure on prices. Consequently, the industry is likely to face another challenging year in FY22.

Speaking at the launch of the report, Manish Dalmia, Chairman ASSOCHAM Tea Sector Council East said, "The changing dynamics in the tea sector calls for greater collaboration between various stakeholders to transform the tea industry and make it more sustainable and environment friendly. ASSOCHAM endeavors to facilitate dialogues and partnerships to build a strong economic agenda. We will continue to create platforms to facilitate cross industry engagements. I am confident that the report released today will benefit the Tea industry which is amongst the foremost revenue as well as wage-earner for the country".

Ravi Agarwal, Chairman ASSOCHAM East said, "Tea sector has had a significant impact on the economy of this region and still plays a major role in the livelihood of millions. To ensure sustainable growth for the sector, we must look at the changing dynamics, future global trends and availability of local support to enhance productivity. I am sure this report prepared with ICRA as a knowledge partner will go a long way in fostering a balanced social and economic growth for this important sector."

Perminder Jeet Kaur, Director East, ASSOCHAM stated that the study shall help identify factors essential for sustainable growth of the sector. Globally the tea Sector is undergoing change; climate is fast emerging as a critical factor impacting Indian Tea. Another aspect is balancing the human element with modernization and technology adaptation for quality production.

(Economic Times/ Hindu Business)

Government to spend Rs. 1,000 crore on Tea sector

The Centre will spend nearly Rs 1,000 crore for the Indian tea industry with focus on the small tea sector that contributes close to 50 per cent of the total tea produced in the country, a source in the tea board of India said. The sum allotted under the 15th finance commission for "tea development and promotion scheme" will be spent between November 2021 and March 2026.

"In all, an outlay of Rs 967.78 crore has been sanctioned for the scheme. The objective is to improve the production, productivity and quality of Indian teas so that the brew remains competitive in global markets. The plan involves steps for better realization of prices, enhanced export share and transparency in the entire supply chain," said a source in the tea board.

The board has identified seven major components covered under the scheme, such as development of small tea plantations, welfare of workers that includes the wards of the small tea growers, market promotion, sector-specific plan for the Northeast, research and development, regulatory functions and reforms in the tea auction system.

In small tea sector, funds would be available to encourage mechanization, setting up factories of farmer-producer organizations (FPOs), workshop and training and also for the studies of children of the small growers.

"It is a major announcement that can largely help the small tea sector that has come up during the past two decades. Along with tea estates, this sector is steadily contributing to tea production. Over the past couple of years, around half of the tea in India comes from small tea plantations. We hope growers and other stakeholders will benefit from the scheme," said Bijoygopal Chakraborty, president of the Confederation of Indian Small Tea Growers' Associations.

According to him, there are around 2.5 lakh small growers in India. Among them, 1.3 lakh are in Assam and 50,000-odd in Bengal.

Under the scheme, growers can also get aid for infrastructure in their factories, from machinery to storage sheds. "Factories can also get funds to be used as a revolving corpus," said a source.

Under the scheme, the Centre has also put impetus to increase area for organic tea.

"The demand for organic tea, like the brew produced in Darjeeling, is increasing. That is why options for assistance have been included in this scheme, both for tea estates and growers. They can get funds for conversion of their plantations and for setting up organic factories," said a tea board official.

(Indian Telegraph)

Centre to withdraw replantation subsidy for plantations

The Centre's decision to withdraw the replantation subsidy has come as a big blow to integrated tea plantation companies, while small tea growers (STGs), not regulated by the Tea Plantation Act, have started eating into the business of the large tea planters having the cost advantage of producing tea.

The Ministry of Commerce provided a 25% replantation subsidy, as tea bushes productivity remains for maximum period of 20 years. But replantation follows a 7-8 years gestation involving a high cost factor prompting the government to withdraw the subsidy. A Tea Board of India official said, even as the subsidy has been stopped, the government has provided market access assistance under the guidelines for tea development and promotion, aiming greater foreign exchange earnings from tea.

Azam Monem, Director, Mcloed Russels, told FE the scheme guideline for tea development and promotion has been framed towards helping the STGs but it would not help the large tea producers. "The scheme has been framed for market development but doesn't help for development of tea," Monem said.

Large Indian tea producers account for 25% of the global tea production and employ around 35 lakh people. The replantation subsidy provided from 2008 up to 2021 in a cyclic order helped large players to produce quality tea leaves. But STGs spend less for garden up keep not withstanding quality parameters and added to that the erratic climatic condition which is playing havoc on the tea bushes.

However, large tea producers, during 2010-2011, considered buying tea leaves from STGs and themselves processing it for sale as a viable business model offsetting the cost pressure on them. According to Monem, STGs only have to pay cash wages, but large players besides paying cash wages has to provide for ration, housing, provident fund and others, translating to a daily payout of Rs 400 per worker, just double that STGs incur at present. "There is a dual economy running within the tea industry," he said.

An ICRA- Assocham report says, consistent production increase from STGs since 2010 has turned detrimental to large players. Monem added in 2008 when India produced 950 million kgs a year, the STGs share was 250 million kgs. But in 2021 out of India's production of 1400 million kgs, STGs share has come to 700 million kgs.

The surfeit of teas primarily of the plainer category, from STG segment has led to pressure on auction averages, particularly of the CTC variety, mostly consumed domestically unlike orthodox that are exported. In case of North Indian tea auction the cost increase has far outweighed the price increase largely remaining range bound at an average of Rs 120. Average price increase between 2012 and 2019 was only 1.7% before witnessing a 32% jump in calendar year 2020 on the back of 12% decline in production. But operating profit before depreciation interest and tax (OPBDIT) went a little above 5% in FY 21 down from a from a high of close to 15% in FY13 and FY 14. Operating margins were above 10% in FY 21, the year considered to be remunerative for the tea industry, though in FY 13 and FY14 it ruled at a high of above 15%, the ICRA-Assocham report say.

(Financial Express)

Full moon tea leaf plucking - How India's most exotic teas are picked

The West Bengal Okayti Tea Estate, Darjeeling, recently organized moonlight plucking where a group of skilled workers plucked leaves under full moonlight to harvest the best of flavours and aromas.

Planted in the early 1870s, Okayti was formerly called Rangdoo. Within a few years, the tea produced at Rangdoo acquired enormous fame for its distinct flavour.

For the full moon tea leaf plucking, special sections were selected beforehand; it is often the bushes planted at the highest elevation section of the estate that receive maximum moonlight are selected. The plucking started at midnight, when all the nutrients were pulled to the desired place with transpiration paused for the time being. The pluckers balanced themselves amidst tea bushes flocking from one to another to pluck barely a kilogram or two of pristine leaves. Moonlight teas are considered the most flavorful teas with unmatched aromas.

The steep slopes, subtropical climate and the right kind of soil of Okayti have been producing tea of outstanding quality. Okayti tea has an impressive history of being served to royal tea connoisseurs. Spread over 447 hectares of marvelously scenic landscape in the Himalayas, it is one of the highest elevation tea estates of Darjeeling.

Okayti tea is flaunted and sold at TWG, Harrods of London, Fortnum and Mason, the most exclusive and luxurious teahouses of the world. Its single-estate premium teas are highly regarded in European as well as American markets for their enticingly well-balanced flavours.

Under a new management, Okayti launched the first-ever series of premium Okayti tea in pure cotton teabags. After several tasting sessions and feedback, the cotton teabags were unanimously voted for as it is eco-friendly, sustainable and because the cotton fabric does not interfere with the aroma and flavours of the tea.

Okayti is a heritage brand and the new management team is making sure that the quality of tea and its packaging is as per the international standard. The teas go through several quality checks and are stored in weatherproof warehouses, to make sure that they reach the tea lovers' cup fresh and brisk.

(ANI/News Voir)

Bharath auction aims at better price recovery

The Tea Board has said a new pan-India auction mode, “Bharath Auction”, will be rolled out from the first sale of 2022 across all auction centres - Coonoor, Coimbatore and Kochi besides Tea serve - in South India.

It said auctions will be conducted under new pan-India model and new rules with major changes relating to the bidding logic, reserve price, bid history and price rediscovery session.

However, buyers across various auction centres have raised objections to some of the provisions of the auction. They have termed some of the provisions as “anomalies and practically impossible” for their working.

"Although the Board had wanted to roll out the model a few months ago, we had represented to it to begin the new model in January because of the low volume due to winter and the concomitant high demand. This will help the players in the trade evaluate the functioning of the system and adjust their strategies for effective participation," past Chairman of Coonoor Tea Trade Association L Vairavan told Hindu Business Line.

'Bharath auction' is just a new nomenclature for the 'Japanese auction' system envisaged by the Tea Board to replace the prevailing English auction model for better price recovery among all players in the trade.

Some of the major changes in the Bharath Auction relate to the bidding logic, reserve price, bid history and price rediscovery session. The bidding logic enables the auto increase in bids over the base price in specified timing of five seconds. In the past, buyers have to show incremental bids.

In the new reserve price system, 15 minutes before the start of the session, the reserve price can be altered against the existing dynamic method of altering the reserve price while the session was on.

The entire bid history will henceforth be available to help sellers track those buyers who had shown interest in their teas.

In the price re-discovery session which will be held at the end of the auction, teas which had remained unsold (out-lot) would be re-offered. This reduces the mandatory long wait for cataloguing as in the prevailing system.

(Hindu Business)

Darjeeling Tea records lowest production in 2021

Production of Darjeeling tea, one of the most popular tea varieties globally, has shrunk to 6.5 million kg in 2021, the lowest on record and just half of the 13 million kg produced two decades ago.

Climate change, closure of gardens, high level of absenteeism among tea workers, losing export markets due to agitation in the hills in 2017 and little effort to promote the Darjeeling tea in the domestic market have led to the fall. Planters fear that if the government does not come up with a revival package, then Darjeeling tea, the flag bearer of the Indian tea industry, will get lost in history just like the teas from Himachal Pradesh's Palampur.

(Economic Times)

India Tea Production - November 2021

MONTH	All India			
	2021	2020	2019	+/- (21 / 20)
Jan	15.89	16.06	14.22	-0.17
Feb	17.5	14.54	14.8	2.96
Mar	66.45	43.74	74.59	22.71
Apr	73.44	39.02	84.49	34.42
May	101.73	96.38	134.32	5.35
June	168.84	138.52	150.54	30.32
July	179.01	161.01	176.23	18
Aug	169.63	159.8	172.23	9.83
Sep	163.79	188.03	185.8	-24.24
Oct	188.61	175.78	177.06	12.83
Nov	119.64	149	139.39	-29.36
Jan-Nov	**1264.53**	**1181.88**	**1323.67**	82.65
Dec		73.93	67.04	
Jan - Dec		**1255.81**	**1390.71**	

India Tea Exports lower by 8% - value up by 11%

Country	Jan-Oct,2021		Jan-Oct, 2020	
	Qty (M.Kgs)	Unit Price ($/Kg)	Qty (M.Kgs)	Unit Price ($/Kg)
Russian Fed	27.77	2.44	31.43	2.25
Ukraine	1.56	2.57	2.52	2.33
Kazakhstan	5.51	2.75	7.04	2.75
Other CIS	1.31	2.76	1.4	2.52
Total CIS	**36.15**	**2.51**	**42.39**	**2.34**
United Kingdom	7.95	4.36	8.02	4.03
Netherlands	2.10	6.40	2.75	5.48
Germany	7.79	4.47	6.88	3.63
Ireland	1.48	8.09	1.15	8.02
Poland	4.25	2.89	4.94	2.88
U.S.A	11.82	5.88	9.29	5.09
Canada	1.50	9.22	1.55	5.41
U.A.E	12.22	3.40	9.19	3.13
Iran	21.00	3.43	29.16	3.60
Saudi Arabia	3.34	4.03	4.02	3.82
EGYPT (A.R.E)	0.40	2.05	1.54	1.77
Afghanistan	0.64	2.20	1.39	1.66
Bangladesh	0.24	5.21	0.18	3.94
China	5.04	2.53	8.61	2.23
Singapore	1.34	5.44	0.92	3.71
Sri Lanka	1.48	3.13	1.38	2.31
Kenya	0.82	2.68	0.46	2.20
Japan	2.79	5.84	2.91	5.75
Pakistan	NA	NA	NA	NA
Australia	1.91	5.85	2.13	5.30
Other countries	32.94	3.37	33.33	3.11
Total	**157.2**	**3.67**	**172.19**	**3.28**

According to the Tea Board's latest data, Indian teas fetched an average export price of 270.52 a kg during January-October 2021 as against 243.12 a kg in the same period previous year. "Exporters had to raise the price in view of the sharp increase in the cost of sea containers", Vairavan Lakshmanan, an exporter said. However, the higher price caused hesitancy among importers to purchase more volume.

According to the Tea Board, the volumes shipped dropped to 157.20 million kg from 172.19 million kg in January-October 2020, posting a decline of 8.71 per cent. "The imposition of lockdown in various stages in many countries in the wake of Omicron had affected tea shipments further in November and December", Vairavan said.

However, in view of higher price, the overall earnings rose despite a fall in volume shipped. According to Tea Board, the overall earnings from exports increased to 4,252.55 crore (USD 570 million) from 4,186.23 crore (USD 562 million) in January-October 2020, marking a gain of 1.58 per cent.

(Tea Board of India)

Smallholder KTDA tea farmers have faster access to cash

The payments for green leaf deliveries have previously been made on the third week of the following month, and the change responds to farmers' requests for faster remittance.

The change in payment dates to first week of following month is the latest development in the reforms journey initiated by the board that took over at KTDA in July 2021 and has been keen to deliver maximum value to growers.

“KTDA Holdings board has introduced this new payment system to help farmers access cash from their tea deliveries early enough to meet their daily needs and monthly obligations,” KTDA Holdings Chairman David Ichoho said.

The change in payment regime is also aligned with other financial obligations which normally happen at the end of the month like salaries, rent etc.

The delay in payments has seen cash-strapped farmers sometimes resort to leaf hawking to unlock earlier access to money, and the change by KTDA is now expected to eradicate the practice.

Mr Ichoho also noted the change is in line with the tea reforms adding that the board and management are listening and are responsive to farmers’ needs.

“We continue to push for real changes in the lives of tea farmers. Despite some resistance, we have continued to implement the reforms as mandated by our farmers,” he said.

Among other changes introduced by the new board is the reserve price for teas from KTDA-managed factories. KTDA introduced a reserve price of USD2.43 per kilo of made tea on July 10, informed by a deteriorating market that had seen selling prices nearly slip below the cost of production. Since then, the prices of KTDA teas at the auction have rallied from USD1.9 – before the introduction of the reserve price – to a multi-year high of USD3.11 in early December.

Other changes introduced by the board include an increase in monthly pay to Ksh 20 per kilo for growers in regions five, six and seven, and Ksh 21 for regions one to four; the successful lobbying for a Ksh1 billion fertilizer subsidy from the State; and a reduction of interest rates charged by Greenland Fedha (KTDA’s microfinance institution) to 8% per annum to boost affordable credit access and reduce the burden of the loans for tea farmers.

(The Star)

Legal battles block reforms

Legal suits lodged by the former Kenya Tea Development Authority (KTDA) directors are blocking the full implementation of the reforms in the small-scale holder tea sector, Agriculture CS Peter Munya has said.

Speaking at Gitwe village, Gatundu South Constituency during a thanksgiving ceremony for KTDA National Chairman David Ichoho, Munya said in the past six months, some of the reforms have been implemented ending the suffering the small scale growers had been going through for decades.

The last bonus payment was low, but we project to have a hefty one come next year as the tea prices are getting better after we introduced the reserved price of not less than Sh243 ($ 2.43) per kilo gram at the auction,” said Munya.

A forensic audit ordered at the KTDA headquarters and factories will help in identifying what has been happening over the years and which subsidiary companies are profitable and those making losses, he added.

"The Tea Board of Kenya (TBK) will be on the ground to inspect the weighing equipment at the buying centres which has been identified as an avenue of pilferage in the sector. There are people who are not registered tea farmers, yet they get a monthly payment and annual bonus," observed Munya.

KTDA Company Secretary Patrick Ngunjiri said there are more than nine suits lodged by the former factory officials designed to block the implementation of reforms.

(The Standard)

Coffee, tea are giving way for herbs in Kiambu

Kiambu county in Kenya has for long been associated with coffee and tea as the two major cash crops that have generated billions for the region in the yesteryears.

However, with the growing population and urbanization, the available land for farming is shrinking, calling for innovative ways of farming in order to make a meaningful income.

As such, the County is now venturing into the growing of herbs and spices that have proved to be more lucrative than coffee and tea and require a smaller piece of land.

Mr Nderitu, who is the Director of Grow Bio-intensive Agriculture Center of Kenya (GBIACK), a firm that not only grows these herbs but also does value addition says returns from a quarter of an acre of herbs are more than what a farmer can get from 3.5 acres of coffee.

"From a quarter of an acre of herbs, I make Sh240,000 ($ 2,162) a month. This is more than what a coffee farmer would make," said Mr Nderitu who has a shop that sells the products coming out of his farm.

Mr Nderitu grows over 20 herbs and spices on his farm including chia, basil, fennel, thyme, rosemary, tarragon, mint and oregano.

GBIACK initiatives aim at eradicating poverty and improving the living standards of resource-poor communities by promoting ecologically viable development strategies for sustainable and quality livelihoods.

As the Covid-19 pandemic disrupted most businesses reducing sales and profits margins, herbs and spices farmers in Kiambu counted that as a blessing since it grew demand and prices as the majority of Kenyans sought it to boost their immunity.

"The Covid-19 pandemic saw demand for herbs increase as it was believed that their consumption boosted immunity, the orders were overwhelming," he said.

The growers argue that with current pressure on land that has led to subdivisions, they are able to cultivate herbs and spices in small pieces of land and still get enough yield to sustain their livelihoods.

In an acre of land, one can produce up to 1.2 tons of herbs which is enough to give back good returns to the farmer.

Those diagnosed with lifestyle diseases are the key market for the farmers as their daily diet requires a certain type of herb to tackle a given condition.

Herbs farmers in the Kiambu region have partnered with organic promoting organizations such as Participatory Ecological Land Use Management (PELUM), which has secured more market for the herbs and helped them increase their returns.

PELUM builds the capacity of members and partners to respond appropriately to community needs as they work to empower the groups they work with. It also lobbies (directly) for change and formulation of policies in favor of Small scale farmers.

The G-BIACK center sits on one acre of land and is designed as a model farm for small-scale holders. The center has over 160 double-dug beds, all planted with different types of food crops that are organically grown.

(Business Daily)

County leaders oppose plans by Unilever to sell Sh500b tea estate

Kericho county leaders have opposed the decision by Unilever to sell its global tea business, including its tea estates . Unilever holds an estimated 36,000 acres on a 99-year leasehold in the county.

Unilever Chief Executive Officer Alan Jope said the decision to sell Ekaterra was part of the growth strategy for the company.

However, Kericho Governor Paul Chepkwony, Senator Aaron Cheruiyot and Kipkelion East MP Joseph Limo, in separate statements, opposed the sale agreement.

In a letter dated November 9, tabled in the Senate, Cheruiyot demanded that Agriculture Cabinet Secretary Peter Munya states the policy to be put in place to curb the sale of land under the custody of multinational tea firms without the involvement of the national and county governments.

The sale of Unilever tea arm follows a similar “unilateral” sale by James Finlay tea company of 1,154-acre Lemotit flower farm to Black Tulip Group.

Cheruiyot wants the government to resurvey land held by multinational tea companies in Kericho and Bomet counties to establish the actual acreage they occupy.

Governor Chepkwony said his administration will challenge the two land sales in Kenyan law courts, England and The Netherlands where the tea firm’s headquarters are located.

“Disposing of the land under leasehold without involving the people of the county violates the Constitution,” he said.

Limo said the 2010 Constitution made mechanisms to stop historical injustices by, among others, reducing the leasehold held by the companies from 999 years to 99 years.

“By the Constitution and land laws, express approval of the county government of Kericho is required before the company engages in any dealing on the land,” he said.

The legislator said “prohibition on such dealings are also contained in the English common law that applies to Kenya.”

(Standard Media)

Bangladesh plans to produce 100m kg tea in 2021

A record tea yield of 14.5 million kg in October has emboldened officials in Bangladesh for the first time to eye an annual production of 100 million kg this year.

Low prices at auctions, however, have the tea estate owners languishing in losses despite the rise in production. To ensure fair prices, traders demand an end to tea smuggling into the country.

Bangladesh adopted the Roadmap to Development: Bangladesh Tea Industry in 2017, setting 140 million kg production in 2025 as a target.

According to the Bangladesh Tea Board, the previous monthly production record was 13.4 million kg in 2019.

October’s record haul accumulated to 79.3 million kg tea produced this year, exceeding the 2021 target of 77.7 million kg with two months to spare.

In 2020, Bangladesh produced 86.3 million kg tea, which was lower than the 2019 haul of 96 million kg

Tea estates in Bangladesh grew more than 12.3 million kg each month from June to October this year. The rate puts the possibility of reaching the 100 million kg milestone within touching distance.

Bangladesh Tea Board Chairman Maj. Gen Md Ashraful Islam said such yields have been possible due to higher-than-normal rainfall.

“Weather was favourable in September-October this year. It rained as needed, when we needed it,” said Jahar Tarafder, general secretary at the Tea Traders and Planters Association of Bangladesh in Sreemangal.

The demand for tea is going up every year. The Tea Board said the demand was 86 million kg in 2017 when Bangladesh produced almost 79 million kg. It rose to 90.45 million kg in 2018 before climbing to 95 million kg the following year.

It dropped to 84 million kg last year amid the pandemic but the export leapt to 2.17 million kg in 2020 from 600,000 kg in 2019.

However, only 500,000 kg tea was exported until October this year.

Chairman of Bangladeshiyo Cha Sangsad or BCS, an association of tea estate owners, said they lean less towards export as buyers propose almost half of their asking price.

“The production cost exceeds Tk 200 a kg in many estates. The average selling price of each kg hovers around Tk 170-180 as per quality.” According to Tea Board accounts, the average auction price of tea leaves in 2018-19 fiscal was Tk 297, but it plunged to Tk 169 the following year. This year it is being auctioned at Tk 197 per kg.

He said tea leaves are being smuggled inside the country through the border, which is causing losses to the estate owners.

“The market would have been competitive if they arrived legally.”

“New trees have to be planted in place of older ones to increase production. To get more tea, we need a plan involving long-term loans on low interest from lenders. We can then achieve the export targets fulfilling the demand of the country.”

Asked about steps to help the tea industry, BCS said the authorities announced 4 percent incentives on export for the sector a month ago.

(Bangladesh Business News)

Uganda helping farmers to upgrade tea industry

Uganda’s tea industry is the most important third export by value after coffee and fish.

Given its potential to generate export revenue, tea is earmarked among the 10 priority crops in the agricultural sector Development Strategy and Investment Plan (DSIP). The other crops are maize, coffee, beans, cassava, bananas, cotton, fruits, Irish potatoes, and rice. Tea experts forecast that if the industry continues unregulated, it will continue causing losses to producers.

Ronald Kawooya, the leader of Tea Research and Development Program at Rwebitaba Zonal Agricultural Research and Development Institute (ZARDI) in Fort Portal City, said stringent control is crucial to save the industry. Kawooya says there are structural challenges that need to be aligned properly to compete favourably with other producers, for instance, Kenya.

Uganda has no stand-alone tea policy and regulatory authority to coordinate extension services, research, value addition and quality issues. The sub-sector derives its policies from the policy development network known as Plan for Modernization of Agriculture. According to the Naads secretariat, there is an increased uptake of tea growing in Uganda.

Following President Museveni's Poverty Eradication campaigns, from 2015 to date, Naads has distributed close to 500 million tea seedlings to farmers while expanding in non-traditional growing areas of Nebbi and Zombo. The major challenge arises from the fact that the industry is mainly a private affair with tea estates producing 54 per cent of the tea while the smallholder tea growers contribute the rest. Kawooya explains that the neglect by the government has left tea estates to operate on their own accord.

"There is limited supervision right from the nursery bed operators to quality issues," Kawooya says. Another bottleneck arises from the fact that the extension services are limited. Tea research, for instance, is carried out at Rwebitaba with minimal staff. There is also limited room for expansion by the farmers which calls for more support to smallholder farmers especially in highland areas.

But tea prices have been faltering without considerable consideration on the cost of production, the grade of the tea and a reasonable return to the tea farmer. Arthur Muguzi, the Chairman of the Igara Growers Tea Factory says farmers and tea factories have not benefited from international trade because of several trade barriers. Ugandan tea is sold through auction at Mombasa. A kilo gram of fresh tea leaves is sold at Shs320 in Uganda including Shs100 for the pluckers. This is lower compared to the costs of production.

Kawooya says that to ensure sustainability of the sector and continuous supply of high quality tea, a policy is necessary.

"The low tea price is a threat to the livelihoods of more than 1,000,000 people who directly derive their livelihood from tea growing," he says.

"The smallholder farmers face a big challenge in coping up and end up selling their tea to anyone who comes to buy. It is important for the government to invest in tea processing plants within tea growing areas to entice farmers," Kawooya says.

According to Khadija Nakakande, the head of communication and public relations at the Naads Secretariat, the government is constructing tea factories in Kabale and Kisoro.

There is over concentration of processing facilities which leads to stiff competition for green leaf especially during the dry seasons. To establish a tea factory in Uganda, one is required by law to have at least 650 hectares of tea for a single line machine. But some companies fall short of that requirement. This leads to night tea hawking to obtain raw materials. "You cannot guarantee quality with tea hawking. If one factory rejects tea from a farmer, he can take it to another without any penalties," Kawooya says.

The tea seed system is also not managed properly as one can move seedlings from one place to another without any implications yet livestock movement requires permits.

"There is no way you can control the diseases without tight controls on seedling movement. Quality starts from the nursery," Kawooya says, explaining that there are nursery operators that use chemicals for seedlings. There are no local standards for tea processing, grading and bagging. Kawooya says this impedes attractive prices. Only three factories are listed by the Uganda Tea Development Agency as having obtained international certifications. Kayonza possesses the Rainforest Alliance certificate whereas Igara and Buhweju are in the final stages of acquiring the same.

(The Monitor Uganda)

Turks drink more tea

Turkey has broken its own record in tea consumption with an increase from 3.5 to 4 kilograms per person annually amid the coronavirus pandemic, according to a report by the International Tea Committee.

Consumption at cafes or tea houses declined due to lockdowns and curfews, but the pandemic did not stop tea consumption from exceeding previous levels.

Some 275,000 tons of the processed tea produced in the country in 2020 were totally consumed, the report

"When it comes to drinking tea, we are the top country in the world," Mehmet Erdoğan, the head of commodity exchange in the Black Sea province of Rize, also known as the "tea capital of Turkey," told Demirören News Agency recently.

"On average, a person drinks three to five glasses of tea," he added.

According to official data, a Turk drinks some 1,300 cups of tea per year, which also supports Erdoğan's claim . He is proud of the result because the production and the consumption of tea "did not lose its war with the pandemic." "People continued to drink at their houses."

(Turkish Daily)

Vietnam enhanced quality of green tea

The Vietnamese green tea industry has a long journey of improvement and development. Heretofore, Vietnamese tea products had a "bad tea reputation" due to excessive use of pesticides and low quality.

In the past, the Vietnamese green tea industry was disorganized, sanitation standards were poor, and lack of advanced manufacturing methods. Many tea companies used old Russian manufacturing machine systems for since the Economic Reform period.

In recent years, the Ministry of Agriculture and Rural Development of the Socialist Republic Vietnam has published many policies to develop the green tea industry sustainably [1]. For example, the department announced agrochemical substances that are allowed or banned in growing tea plants. Many tea companies in Vietnam have imported the tea processing machinery from India – one of the biggest tea manufacturers in the world.

On the other hand, the Vietnamese green tea industry has attempted to change the image. We've been improving our processing technologies, and then, we obtain certifications such as the Rainforest Alliance [2], VietGAP – a Vietnamese tea production standard. Nowadays, Vietnamese green tea products are varied. We have not only commodity tea types but also specialty tea.

As a result, green tea cultivation, processing, and business have all advanced significantly in recent years. In the last five years, the total area used for tea cultivation has stayed about 130,000 hectares. Vietnam has become the 5th tea exporter in the world since 2018. Tea products of Vietnam are exported to 74 countries and territories.

According to data announced by the General Department of Customs, Vietnam exports totaled roughly 137.4 thousand tons, equivalent to 236 million USD in 2019. However, in 2020, due to the Covid-19 pandemic, tea exports decreased 1.8% compared to 2019, reaching 135 thousand tons. As a result, the value of tea exports was 218 million USD, down 7.8%. Green tea contributed 48% of the total (including flavored green tea and Oolong).[3]

According to the Vietnam Tea Association, tea productivity, output, and export volume have continuously increased over the past years. The positive results come from the policies of the Vietnamese government applied before.

Vietnamese green tea products are varied because tea companies have manufactured many types and packaging designs. One of the most crucial factors is that Vietnamese green tea has been grown in an organic orientation. It is to reduce the excessive use of pesticides in order to meet the standards of difficult markets such as the EU.

After the EVFTA Agreement takes effect, tea import taxes in EU nations are completely eliminated. It provides a great opportunity for Vietnamese tea exporters to expand their market share in the worldwide tea market.

(Vietnam News)

Mechanical plucking & Commodity tea

Harvesting the iconic “two leaf and a bud” tea shoots by hand has been the norm in the tea industry for centuries. It requires nimble fingers and patient skill to select the shoots that are of just the right age, to ignore the immature shoots and discard the over mature leaves. Selective hand plucking – if done correctly – gives a high-quality tea in your cup; if rushed, the plucking of immature shoots reduces yield and including over mature leaves reduces cup quality. This much is simple.

Today, however, the tea industry faces many complex problems. It is a familiar face of global agriculture that trade encourages the producer to grow more, leading to oversupply, lower prices and reduced income.

Since the 1960s, technical advances in tea breeding, crop husbandry, nutrition and field management led to spectacular increases in productivity. Green leaf yield per acre increased three to five-fold, global tea production leapt from one million tonnes a year to over six million. Tea auction prices (in real terms, allowing for inflation) dropped, but producers thrived by shaving their margins, selling more volume at a lower unit price. These low wholesale tea prices and inexpensive containerized shipping enabled supermarkets to commoditize tea-bag black tea and promote it very successfully as a loss leader.

Fast forward 60 years and those commodity tea producers now face a different world: locked into low prices but with costs of production accelerating due primarily to the cost of hand plucking. Increasingly, to stay in business, tea producers are turning to low labor mechanical harvesting. No official figures are available, but experience suggests that at least 70 percent of all tea bushes globally are now harvested by

motorized machine or with some mechanical aid – hand shears or a sickle – to speed up human fingers. This change has been rapid, and it stood at perhaps only five percent in 1980 (principally in Japan and the USSR), and it has been controversial. So, what have been the drivers?

As costs of production (COP) rise to match and often exceed auction prices, commodity tea producers face a stark reality with an inevitable choice: mechanize or face bankruptcy. To attract any workers remaining in rural areas, wages have to shadow city rates. Labor is typically the major cost for making a kilogram of commodity tea, and a large hand plucked tea estate in India, Sri Lanka or Africa requires 1,000 to 1,500 pluckers. The field inputs for growing the bushes, plus factory labor, electricity and fuel for processing, bulk packing, management costs, maintenance and depreciation all add up to just half of the total cost of that kilogram; the other 50 percent is the (ever increasing) cost of plucking labor.

In countries plucking to a higher standard, the labor cost is increased further. Faced with lower prices, higher wage costs, a shortage of labor, and rampant absenteeism (routinely 30 percent of work days are lost in Darjeeling), tea producers have learned to pluck less selectively to a lower leaf standard, which allows a greater daily harvest per plucker (a win for the plucker who, being paid by the kilogram, receives better income), and less pluckers employed overall (a win for the producer).

The reality that reciprocating blade mechanized harvesting cannot match the leaf standard of selective hand plucking is irrelevant as the commodity trade has already factored lower quality into its model.

While commodity tea can still find a buyer when its raw material is machine harvested down to the fourth leaf (well under 60 percent at a two leaf and a bud standard), the trending specialty tea sector still requires a high standard of green leaf – typically fine plucked to at least 85 percent as two leaves and a bud. Their higher selling prices, smaller volumes and shorter value chain allows specialty tea producers to reward skilled hand pluckers with significantly higher wages. A few specialty tea producers in traditional tea countries (Kenya, Malawi, India, Sri Lanka and Thailand) now routinely hand pluck to a 90 to 100 percent fine standard and justifiably sell their teas at prices from five to 50 times higher than commodity teas.

The large margins available for specialty tea has over past 15 years encouraged farmers and amateurs in many non-traditional tea countries to try their hand. Tea is now being grown in 18 U.S. states, and there are currently around 100 tea gardens emerging in Europe. The last few years have seen the founding of both the US League of Tea Growers and the European Tea Growers Association. However, while growing tea outside its subtropical home can produce some spectacular aroma and flavor, the inherently short growing season and low yields of these marginal regions, combined with the high labor wages required for selective hand plucking, stretch their commercial viability very thinly. Skilled pluckers in Africa and Asia will be paid from U.S. $2 to $5 per day. In Europe and The United States, the rates are from U.S. $12 to $15 per hour, which makes the leaf plucking labor cost alone from U.S. $86 to $107 per kilogram of finished tea. Making a marginal-country specialty tea company commercially viable is certainly no cinch.

(Tea Craft)

Twinings USA announces new Drink in Life campaign

Twinings, a leading wellbeing drinks brand, is blending positivity and vibrancy in its new “Drink in Life” campaign, inviting consumers to share in the optimism of the reinvigorated brand.

“Drink in Life” demonstrates how these new products help consumers feel good, live well and enjoy life. Twinings’ Super blends are at the heart of the “Drink in Life” campaign, with four new flavors that are fortified with vitamins and functional additives.

“Our ‘Drink in Life’ campaign is rooted in the idea that taking even the smallest step counts when it comes to reaching your wellness goals and contributing to your overall health,” said Mike Currie, VP of Marketing at Twinings North America. “Twinings is committed to delivering quality teas with exceptional taste and aroma that make consumers feel good – both inside and out – with every sip.”

The "Drink in Life" campaign features Twinings' new Super blends collection, which are wellbeing-focused teas that include functional additives and ingredients. Super blends offers consumers a simple way to approach their overall wellbeing by providing physical and mental benefits, according to the brand.* With a signature blend of tradition and innovation, Twinings aims to deliver delicious wellbeing drinks that nourish the mind, body and soul.* The Super blends collection is available in four premium flavours, with additional flavours slated for 2022.

Twinings inspires consumers to "Drink in Life" with its full portfolio of wellness drinks, which includes its Super blends collection in addition to products that contain Probiotics and Adaptogens such as Calm,

Detox, and Boost. Each cup of Twinings' Probiotic tea delivers 250 million CFU of probiotics that have been shown to help with effective digestion support. As part of an active and healthy lifestyle, Twinings' Adaptogen teas can reportedly provide comfort and relaxation, work in harmony with the body's natural detoxification process and help rev up metabolism.

In addition to its rigorous product development process, social responsibility remains top of mind for Twinings. The company's Sourced with Care programme aims to improve the lives of its growing communities with efforts that deliver tangible benefits for those involved in Twinings' supply chain. Examples include empowering women and youth, improving access to water and sanitation, and enhancing livelihoods and land.

The "Drink in Life" campaign will be supported by a multifaceted marketing campaign inclusive of connected television, digital campaigns and in-store point-of-sale materials.

(Tea & Coffee TJ)

Fair trade Trends for 2022-USA

Fair trade America has released five key trends that will impact how brands source ingredients and work to have a larger impact on people and the planet in 2022.

Shoppers are increasingly looking for ethically-sourced products. More than half of respondents to Fair trade's biennial Fair trade

Consumer Insights report , conducted by Globe Scan, confirmed they have changed their purchasing choices within the past year to make a difference on economic, social, environmental or political issues, indicating people increasingly see their everyday shopping as an important way to make a difference.

Fair trade America predicts this consumer attitude will play out in the following ways in 2022:

Consumers will continue to demand companies focus more on sustainability.

As climate change continues to worsen, consumers are looking to brands to provide sustainably sourced and produced products they can feel good about purchasing. In fact, more than a quarter of consumers say they always or usually base their purchases on sustainability, which is an increase of 11 points over the last 14 years and up 4 points from 2019.

Companies certified by Fair trade International follow Standards set in accordance with the ISEAL Code of Good Practice on Standard Setting, and about 30% of those Standards aim to minimise farmers' impact on the planet, while still meeting them where they are both in terms of their geographical realities and their business growth. Fair trade Standards ban the use of dangerous pesticides and GMO seeds, protect natural resources and encourage eco-friendly cultivation. Fair trade also incentivizes organic farming through an increased Premium and Minimum Price.

Advocacy for human rights and fair wages will go global in scale.

In 2021, 73% of Fair trade shoppers were willing to pay more for a product to ensure farmers and producers were paid a fair price; specifically, up to 35% more per pound for Fair trade coffee and 30% more per bar for Fair trade chocolate. About three quarters of consumers familiar with Fair trade agree that when they buy certified products, they "feel part of a community standing up for fairness and justice."

Large companies are re-examining their supply chains to ensure they are meeting these consumer demands. Earlier this year, Unilever announced a commitment to ensuring that workers who directly supply its goods and services across 190 countries will receive a living wage by 2030.

Shopping for everyday goods online will remain the new norm.

While the world is slowly reopening amid the pandemic, Covid led more US consumers to make purchases online, and that is a trend that will continue into 2022. In 2020, US ecommerce grew by 32.4% with a total spend of $791.70 billion, according to Digital Commerce 360. This digitalization makes it easier for shoppers to compare products and learn whether or not a company's sourcing and manufacturing practices align with their values.

Shoppers will seek out organizations and companies that promote gender equality.

Frequent Fair trade shoppers care more than average about women's causes, according to Globe Scan survey data, which is not surprising given that female producers worldwide are still fighting for equal rights and opportunities. A large proportion of the world's food is farmed by women, yet there is a significant "gender gap" in agriculture leaving female farmers with less access than their male counterparts to resources like land, information, credit, training and supplies.

More mission-focused brands + brand transparency.

There is a clear consumer desire to support brands that are not only taking care of their own teams and suppliers, but also contributing to making the world a better place. A study by Zeno Group found that consumers are up to six times more likely to buy from companies with a strong purpose. Additionally, 71% of consumers indicated that traceability is very important to them and that they are willing to pay a premium for brands that provide it, according to IBM Research Insights. This means companies have an opportunity to attract new customers and drive loyalty with existing shoppers by authentically developing a transparent supply chain and by celebrating how they work to benefit people and the planet.

More than 75% of consumers familiar with Fair trade agree that the Fair trade label makes it easy to decide if a product is ethically and responsibly produced. While many companies today are mission-based, larger organizations are also meeting this consumer demand by partnering with Fair trade to certify new product lines and/or ingredients.

"We are energized by how consumers are showing a readiness to advocate for people and the planet through their own everyday choices," said Peg Willingham, executive director, Fair trade America. "At Fair trade America, we will continue to partner with and support companies who want to balance the power of global trade to benefit the farmers and workers behind our favorite products, and I'm looking forward to seeing how brands take on this cause in 2022 and beyond."

(Tea & Coffee TJ)

Tea Review - USA 2021

Overall, the tea market grew in 2021. In reviewing tea import figures through September, total tea imports are up over eight percent, with black tea exceeding 2020 by more than nine percent. As reported last year, a qualitative study sponsored by the Tea Association of the U.S.A. reported that consumers turned to tea during those difficult times. This trend continued in 2021 with tea's perception as being an enabler for de-stressing, as well as providing a feeling of "centeredness" during these anxious times. This complements tea's perception as a plant-based, healthful drink, consumed for its variety of benefits, rooted in its high flavonoid content. In fact, several new research papers were published in 2020 and 2021, illustrating tea's extraordinary ability to act as a booster of human immune systems.

Further, consumers seem to truly embrace the entire process of brewing tea in their home. It is known that personal "tea ceremonies" – whether using a family recipe, a "mom's" kettle or a certain mug – in and of itself calms and relaxes. This coupled with tea's natural ability to induce a "relaxed but ready" mental state, heightens the feeling of serenity and internal quiet, mental states that were at a premium during this past year.

While tea consumption generally benefited positively, COVID-19 impacted businesses, forcing different ways of working in companies and supply chains.

Inventory declines were one of the results of the shipping imbalances caused by our emergence from isolation. Container vessels were stuck offshore while ports struggled to move cargo onto trailers for delivery to customers. Ocean freight companies raised rates to unconscionable levels with some export regions, particularly Asia, seeing the cost of a FEU going from US$3,000 to US$17,000. Further, a container imbalance prevented a faster recovery. The situation was so dire that the Federal Maritime Commission (FMC) and even President Joe Biden got involved in an attempt to get supply chains back to some semblance of normalcy. Our participation in a Freight Coalition consortium assisted us in helping to apply pressure and notice to key players in the government and maritime bureaucracies to act on consumers behalf.

Tariffs on tea from China continued as a holdover from President Donald Trump's administration and continues under President Biden. We continue to advocate for removal of this tariff on Chinese tea.
2020 proved devastating to the foodservice market, which was hugely impacted by COVID. The accompanying stay-at-home orders, prohibition of indoor dining and social distancing requirements kept people far away from their favorite restaurants, delis and convenience stores. The entire restaurant, hotel and event categories of businesses, along with the airline industry, kept people, not only close to home, but IN their homes. It is estimated that 2020 loss of revenues was somewhere between 50 to 70 percent. Fortunately, this sector began to come back in 2021 as vaccination rates increased, domestic travel resumed and federal and state governments eased restrictions.

Specialty Tea

Specialty tea continues its rise in both pounds and dollars, bolstered by continued growth with in-home delivery and in-home consumption of tea. While Millennials and Gen Z's led the way, consumers across all demographics continued to consume tea for its variety of origins, types and flavors. Tea generates interest in environment, flavors, origins, bush to brand and sustainability – particularly in these high quality, higher priced teas. Artisanal teas remain of high interest and continue to grow at a fast clip. Consumers are becoming more engaged with their teas and want to learn more and more about where their teas come from; how they are harvested and manufactured; how the product supports the livelihoods of those making it; and, how friendly the product is to the environment. Specialty tea buyers, in particular, seek to engage with their products of choice. They want to know that the dollars they spend are going to support the grower, tea workers and the "brand" as a reward for a job well done in manufacturing quality products.

Ready-to-Drink (RTD) Tea

The ready-to-drink (RTD) tea category continued its growth. Estimates are that 2021 exhibited circa three to four percent growth in volume and five to six percent in dollars. Challenges for RTD remain clear: Competition across other categories – e.g., health, refreshment and hydration – will challenge this category's ability to innovate and compete in order to continue volume and dollar growth. While more expensive than bagged tea on a per-serving basis, consumers continue to reach for RTD teas for their flexibility and convenience, and as a healthier alternative to sugary beverages. We continue to see separation and segmentation between premium, high quality RTDs and the value, CSD replacement segment. Innovation, flavor variety and healthful positioning will continue to be legs of growth.

Traditional Tea

Traditional tea (Grocery/DMM and Drug/Mass Merchandisers) fought hard to maintain the gains from 2020. Tea bag sales grew some 18 percent last year and preserving that expansion was a focus of most companies. Communication to consumers through traditional media and social media was at a much higher level than previous years, which speaks to the improved bottom lines and need for re-investment in brands. As the foodservice sector expanded and out of home consumption increased, pressure on keeping gains was clear. Increased per capita consumption occurred across all other sectors, and traditional purveyors are working hard to keep their progress.

As an industry, we are challenged to continue educating the consumer in the difference between true teas (Camellia sinensis) from herbals and other botanicals, neither of which have the same level of AOX or overall healthful qualities. Our messaging across all forms of tea through our social media initiatives highlight the benefits of "true tea" and should be amplified by all tea companies.

The cultivation of Camellia sinensis continues to expand in the United States, serving both to answer the call of locally grown and farm-to-table trends, as well as providing alternate, sustainable crops for growers. It is still very early days and any thought of a U.S.-based tea supply for mainstream teas is at least several decades away. However, if margins become attractive enough, more resources may be brought to bear and faster YOY volume gains could be seen.

COVID-19 Transformed the Way Consumers Eat and View Food

As a result of the pandemic, 78 percent of RDNs believe that consumer eating habits are shifting away from the traditional three meals a day to more frequent snacking. In addition, with anxiety about health, wellness and the challenging economy looming in consumers' minds, RDNs predict the top purchase drivers of 2021 will be foods and beverages that:

1. Support immunity
2. Are affordable and value-based
3. Promote comfort and emotional well-being

Tea not only benefited from COVID in 2021, it hits the bulls eye of these drivers by being beneficial to our immune system; readily available and of good value; and an enabler in achieving emotional well-being. Tea will continue to be one of the go-to products in 2021.

Further, WebMD continues to list tea as one of its 10 Super foods offering Super Health Protection as do Dietitians and Nutritionists.

2022 Predictions for the Industry

- Tea Will Continue to Grow across all sectors.
- Whole Leaf Teas / Specialty Tea – Whole leaf teas and naturally flavored teas are not only continuing to increase in popularity among consumers, especially millennials, but across all demographics. Consumers who are looking for the "story" behind their favorite products have a treasure trove of history, environment and tradition to investigate with tea.

Tea has so much to offer to its consumers. Tea's supply chain is resilient; producers generally want to produce good product and consumers want to receive good value.

(Tea Association of USA)

Tea Association of the U.S.A. Inc.

New Food safety rules worry suppliers to China

Makers of Irish whiskey, Belgian chocolate and European coffee brands are scrambling to comply with new Chinese food and beverage regulations, with many fearful their goods will be unable to enter the giant market as a Jan. 1 deadline.

China's customs authority published new food safety rules in April stipulating all food manufacturing, processing and storage facilities abroad need to be registered by year-end for their goods to access the Chinese market.

But detailed procedures explaining how to get the required registration codes were only issued in October, while a website for companies allowed to self-register went online last month.

"We're heading for major disruptions after Jan. 1," said a Beijing-based diplomat from a European country who is assisting food producers with the new measures.

China's food imports have surged in recent years amid growing demand from a huge middle class. They were worth $89 billion in 2019, according to a report by the United States Department of Agriculture, making China the world's sixth largest food importer.

China has tried to implement new rules covering food imports for years, triggering opposition from exporters. The General Administration of Customs of China(GACC), overseeing the latest implementation of the rules, has provided little explanation for why all foods, even those considered low-risk such as wine, flour and olive oil are covered by the requirements.

Experts say it is an effort to better oversee the large volumes of food arriving at Chinese ports, and place responsibility for food safety with manufacturers rather than the government.

Last week, GACC agreed that implementation should only apply to goods produced on or after Jan. 1, effectively granting a delay for products already shipped, said the European diplomat, though it has not yet published an official notification.

Still, several diplomats and exporters said they saw the rules as a trade barrier for overseas products.

"We have never had anything this draconian out of China," said Andy Anderson, executive director of the Western United States Agricultural Trade Association (WUSATA), a trade group that promotes U.S. food exports.

Food, especially chilled and frozen food, has already faced severe delays clearing Customs in China in the last year due to coronavirus testing and disinfection measures.

Foods including unroasted coffee beans, cooking oil, milled grains and nuts are among 14 new categories deemed high risk that were required to be registered by the end of October by food authorities of the exporting countries.

Facilities making low-risk foods can register themselves on a website that launched in November but has not always worked.

The rules only apply to facilities making finished products to be exported to China, but it provides little flexibility to change sourcing or labels.

Some U.S. spirits companies have registered but are still unclear on labeling requirements, said Robert Maron, VP International Trade at the Distilled Spirits Council of the United States.

"There is not a lot of time to understand what the requirements are and I think that is the main concern from our membership," he said.

It is not clear what will happen if goods arrive without the required registration codes stuck onto packaging.

"For the moment, the information we got from (Chinese) authorities is that there won't be a grace period," he added.

(Reuters)

British companies found it difficult to trade with the EU under Brexit terms

The British Chambers of Commerce said 45% of companies surveyed in October found it very or relatively difficult to trade goods with the EU, up from 30% in January when the Trade and Cooperation Agreement (TCA) came into effect. For British exporting companies, the figure was 60%.

“These data certainly do illustrate that the issues with the TCA are not ‘teething problems’ but more structural defects that, whilst fixable, if not attended to will lead to long term damage to our import and export sectors,” said Shevaun Haviland, Director General of the British Chambers of Commerce.

The proportion of businesses reporting difficulty in trading services with the EU also increased, to 23% from 14%.
The survey findings chime with official data that show Britain’s exporters have struggled by international standards since the world’s No.5 economy left the EU’s economic system.

In October, Britain was the only country out of the Group of Seven whose goods exports had not recovered to their average level of 2018.

Supporters of Brexit say Britain will, in the long run, be better able to tap into faster-growing markets than when it was in the EU. Many economists are skeptical that this will make up for lost trade with the bloc.

The survey of around 1,000 businesses – with a heavy weighting of manufacturers at 41% of respondents – was conducted between 7 and October 31.

(UK News)

EU import tolerances for pesticide substances cause headaches for African food producers

Under its flagship food policy, the Farm to Fork Strategy, the EU has committed to taking into account environmental aspects when assessing requests for import tolerances for pesticide substances no longer approved in the bloc, while respecting WTO standards and obligations.

Therefore, the Commission’s priority will be given to environmental issues of global concern that go beyond national boundaries.

As explained by a Commission official, this means in practice that the same EU legislation setting maximum residue levels – including also import tolerances – applies to all food whether domestically produced or imported regardless of the country of origin of the food.

Apart from the environmental grounds, such a move is also intended to meet the request from European food producers, who have asked, in order to remain competitive, that imported products should meet the same environmental standards they have to comply with under the Green Deal.

The new stance on pesticide residues has implications on African farmers who believe the requirement to meet these targets if they want to sell their products to Europe could become a major hurdle to trade.

“The situation is very sensitive and we cannot run away from it,” the CEO of Kenya’s Fresh Produce Consortium, Okisegere Ojepat, told Euro News.

As the African continent is largely in the tropical zone, local farmers are quite exposed to plant pests. East Africa last year experienced the worst locust plague in decades, with the Horn of Africa invaded by swarms of insects that destroyed entire crop harvests.

According to Ojepat, the EU is pushing Africa to implement their own specific targets without offering sufficient alternatives.

“[The EU] is saying ‘close that door’ without showing our people where the exit door is, while they should be able to offer solutions and alternatives that work equivalent,” he complained.

The Commission has started the procedure to reduce maximum residue levels (MRLs) for clothianidin and thiamethoxam to the limit of quantification, meaning to technical zero.

The draft proposal was supposed to be presented by the Commission before the end of the year (2021) but was ultimately pushed back to the first half of 2022.

Environmental organizations welcomed the Farm to Fork’s commitment of the Commission to delete import tolerances, starting with clothianidin and thiamethoxam.

“We now call on member states and the Commission to speed up and act more coherently. This means moving from a one-substance approach that would take decades to an overall zero-tolerance policy of import tolerances for EU banned pesticides,” a spokesperson from Pesticide Action Network Europe (PAN Europe) told EURACTIV.

According to a Commission source, two groups of substances, in particular, will be identified as global environmental concerns in assessing requests for import tolerances for pesticide substances.

The first is about substances contributing to the worldwide decline of pollinators, as some active substances in the group of neonicotinoids have been assessed as particularly toxic for bees, then contributing significantly to the decline in insect pollination.

According to the Commission, neonicotinoids are not the only factors posing a threat to bees but they are known to contribute significantly to the decline of bee populations worldwide.

The second group concerns substances that are persistent, bio accumulative and toxic in the environment or very persistent and very bio accumulating.

For Kenyan farmers applying the EU's environmental standards to African food production could worsen the situation in Africa, as the continent is still struggling to ensure food security.

"The ambitious Green Deal looks a good document for the EU, but not for Africa," he said, adding that the Black Continent accounts for less than 5% of total pesticides used in the world.

But the race for sustainability could end up suffocating the UN's Sustainable developments goals (SDGs) undermining the ability to produce sufficient food, according to Head of Kenyan grower association.

"Europe has gone through a green revolution, so has Asia: they're both starting from somewhere, while Africa has not even found clearly what needs to be done," he said.

He added that if the Green Deal is going to be implemented as it is, problems of Africa will directly affect Europe because of migration and insecurity aspects.

Although the best solution would be dialogue, he complained that, however, agriculture is not high on the agenda of the sixth EU-African Union summit, which will take place in Brussels on 17-18 February.

"Let's sit and talk. We are trading partners and the best way to engage with partners is to talk and not to be prescriptive," he concluded

(Euro News)

EU squabble over glyphosate approval

As the EU considers renewing its approval for the controversial herbicide glyphosate, the industry is defending the assessment procedure while environmental campaigners have denounced it for not being based on "sound science".

While glyphosate as an active substance in plant protection products is currently authorized in the EU, approval is set to expire in December 2022. In late 2019, a renewal process was launched to decide whether the approval should be prolonged.

Currently, the use of glyphosate is widespread in the EU, with the substance representing a third of the herbicide volume sold in Europe in 2017 according to a study published in 2020.

The question of renewal remains highly controversial as views diverge over glyphosate's impact on health and the environment.

In a 2015 assessment, the International Agency for Research on Cancer (IARC), which forms part of the World Health Organization, concluded that the substance was "probably carcinogenic", that is, a driver of cancer for humans.

During the previous EU approval procedure, however, the European Food Safety Authority (EFSA) and the European Chemicals Agency, (ECHA), concluded that "there is no evidence to link glyphosate to cancer in humans, based on the available information".

The UN's Food and Agriculture Organization (FAO) has also approved the substance as "unlikely to pose a carcinogenic risk to humans from exposure through the diet."

Both EFSA and ECHA are now assessing the renewal of their approval and concluded parallel public consultations on the issue on 22 November with a total of 416 submissions collected.

Comments and data submitted will now be considered by the Assessment Group as well as the ECHA's Risk Assessment Committee, a spokesperson from EFSA told EURACTIV.

Once the committee gives its opinion on the health risks of glyphosate, this will "be used by EFSA and representatives of EU member state competent authorities to finalize the peer review of the pesticide risk assessment," they added, saying this was expected to happen during the second half of 2022.

The plant protection industry stresses that much scientific data has been collected and assessed over the years by European safety authorities, concluding that the herbicide is safe.

"The scientific community and academia continued to do studies to investigate new aspects that were not covered in the evaluations before," said Viriginie Ducrot from the Glyphosate Renewal Group (GRG).

Health and environmental campaigners, however, have criticized the assessment procedure. In an open letter sent to the Health Commissioner Stella Kyriakides on 13 October, 41 NGOs voiced "concerns (…) in particular about the credibility of the studies that have been provided by industry" to justify the renewal.

"We have seen in the past that there was a lot of industry-based scientific assessment and evidence, while there was no access to scrutiny from the outside world," Marco Contiero, policy director on Agriculture at Greenpeace, one of the signatories, told media.

From Contiero's perspective, the assessment process also does not sufficiently consider possible health threats that could arise from long-term exposure to small amounts of glyphosate, which is "much more complex to evaluate" than short-term, acute toxicity.

In her reply to the NGO letter, Kyriakides defended the process as all available information is considered to ensure rigorous and scientifically-robust assessment.

The Commission highlights that all studies are considered during the renewal process, both old and new, inviting NGOs to address their concerns as part of the peer-review process.

In exceptional circumstances of serious controversies or conflicting results, the EU executive may request EFSA to commission scientific studies with the objective of verifying evidence used in its risk assessment procedure.

But given that the peer review process of glyphosate has only started recently, "it seems premature to conclude at this point in time that there is a need for such verification studies", Kyriakides's reply reads.

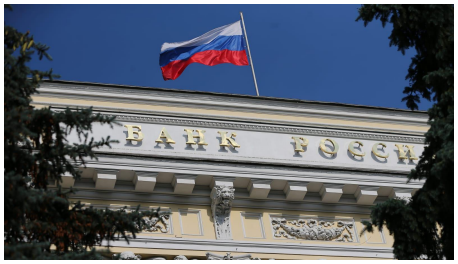
(Euro News)

Russia raises interest rates amidst high inflation

Russia's Central Bank has raised interest rates for the seventh consecutive time as the country struggles to tame surging inflation, which has jumped to above double the official target.

The regulator hiked its key rate by a full percentage point by end of 2021 , taking borrowing costs to 8.5%, their highest level in four years.

Inflation has risen sharply through 2021 and is now running at 8.4% — or more than twice the bank's official 4% target — and the bank has taken an aggressive approach in its battle to stop price rises from running out of control.



Rate increases of a full percentage point are rare, but recent decision was the second such hike in the past six months — an indication of how serious the Central Bank is taking the inflation problem.

President Vladimir Putin has said inflation is the top issue facing Russian households, who are already strained by eight years of economic crisis and low growth, while governor Elvira Nabiullina has called rising prices an “economic disaster.”

The Kremlin’s economic policy of trying to shield the Russian economy from possible sanctions and pull back from the global economy has pushed living standards down for Russian households — more than 40% of which say they have no savings cushion whatsoever.

Price rises have repeatedly surpassed economists’ expectations this year, and analysts are now warning of future increases in food prices early in 2022 due to a weaker-than-expected agricultural season in Russia.

In its statement announcing the rate hike, the Central Bank warned of a possible “substantial and prolonged upward deviation of inflation from the target” of 4% a year, pointing to the “dominating influence of inflationary factors” in the economy.

A survey published, hours before the Central Bank announced its rate hike, showed inflation expectations for the year ahead — an indicator closely watched by the regulator — had shot up to almost 15%. Another measure showed Russians believe inflation is running at almost 18% — twice the official level recorded by the country’s statistics agency.

Nabiullina has repeatedly warned of a possible inflationary spiral, where Russians’ fears of inflation push them to bring forward purchases as they fear future price rises, thus artificially pushing up demand and causing prices to rise even more.

The Central Bank said it would consider more rate hikes in early 2022 if inflation does not start to come down.

After a rapid recovery from the initial phase of the coronavirus, Russia’s economy has again started to slow under the pressure of inflation, new coronavirus restrictions and the global supply chain crunch.

Nabiullina also said Russia’s historically low unemployment rate and labor shortages could add inflationary pressure in the coming months.

“Demand for the labor force is growing in many industries. At the same time, many sectors show labor shortages,” she said in a statement, adding that if Russia is to hit its ambitious growth targets in the coming years, it will need to rapidly boost productivity.

(Moscow Times)

Belarus readies for western sanctions

Belarusian banks are preparing for tougher Western sanctions by signing up to Russia’s alternative to the SWIFT, the international financial messaging network that underpins the global banking system.

Russia’s System for Transfer of Financial Messages (SPFS) has more than 400 domestic users — practically every licensed Russian lender — but is used by only 38 banks from nine other countries. Developed in 2014, SPFS is designed to keep banking transactions in the event of Western sanctions disconnecting Russia from SWIFT.

Denis Baryshkov, who heads the Russian Central Bank’s national payment system development and regulation division, said Belarusian banks have integrated with SPFS and will start using it in 2022.

“It can be said that Belarusian banks have already begun to prepare for disconnection from the international payment system,” a newspaper wrote.

While Russia's SPFS can be three times cheaper than SWIFT, the network itself is only operational during weekday working hours and its messages are limited to 20kb in size. SWIFT, meanwhile, works 24/7 and allows 10mb to be transmitted across its network.

The Belgium-based Society for Worldwide Interbank Financial Telecommunications (SWIFT) network also links more than 11,000 banks operating in at least 200 countries and territories around the world.

The system, which facilitates secure and fast communications between financial institutions is often mislabeled a "payments system," but it is actually a notification and communications network.

Russian officials and banking figures have talked up the dangers of being disconnected as the idea has gained popularity following a range of actions that has caused relations between Moscow and the West fall to Cold War-era lows.

(Moscow Times)

Financial News

US Dollar

The Federal Reserve announced it would end its pandemic-era bond purchases in March and pave the way for three quarter-percentage-point interest rate hikes by the end of 2022 as the economy nears full employment and the U.S. central bank copes with a surge of inflation.

"The economy no longer needs increasing amounts of policy support," Fed Chair Jerome Powell said in a news conference in which he contrasted the near-depression conditions at the onset of the coronavirus pandemic in 2020 with today's environment of rising prices and wages and rapid improvement in the job market.

The pace of inflation is uncomfortably high, he said after the end of the Fed's latest two-day policy meeting, and "in my view, we are making rapid progress toward maximum employment," a combination of circumstances that has now convinced all Fed officials, even the most dovish, that it is time to exit more fully the pandemic policies put in place two years ago.

The scenario laid out by the central bank in its new policy statement and economic projections envisions the pandemic, despite the spread of the Omicron variant, giving way to a particularly benign set of economic conditions - a "soft landing" in which inflation eases largely on its own, interest rates increase comparatively slowly, and the unemployment rate is pinned to a low 3.5% level for three years.

Russian Ruble

Currency pair US Dollar/Russian Ruble (USD/RUB) continues to move as part of the growth and left the descending channel. At the time of the forecast in December , the exchange rate of the US Dollar to the Russian Ruble was 74.85. Moving averages indicate a short-term bullish trend. Prices have broken the area between the signal lines upward, which indicates pressure from buyers of the US currency and a potential continuation of the fall of the US Dollar against the Russian Ruble. As part of the dollar exchange rate forecast for January 2022, we should expect an attempt to develop a price correction and test the support level near the area of 74.45 rubles per US dollar. Then, an upward rebound and continued growth of the currency pair to the area above the level of 75.95.

An additional signal in favor of the growth of the USD/RUB currency pair on January 2022 will be a test of the trend line on the relative strength index (RSI). The second signal will be a rebound from the upper border of the descending channel. Cancellation of the option to raise the USD/RUB pair on Forex will be a fall and a breakdown of the level of 73.55 rubles per dollar. This will indicate a breakdown of the support area and the continuation of the fall of the Dollar/Ruble pair to an area below the level of 71.25.

Confirmation of the rise in the pair will be the breakdown of the resistance area and the closing of asset quotes above the level of 75.75, which will indicate a breakdown of the upper garnish of the downward correction channel.

Chinese Yuan

Fitch Ratings believes the Chinese yuan will weaken in 2022 as softer external demand for Chinese products and a diverging trend of monetary policy stances between China and the US will support the US dollar against the yuan.

Recent yuan strength has defied the wider trend of US dollar appreciation. The yuan has gained steadily since its low point reached in May 2020 in the early stages of Covid-19, while the CFETS index of the yuan's trade-weighted exchange rate is at its highest since the index was launched in late-2015.

Chinese policymakers have been sounding increasingly uncomfortable with yuan appreciation. They have recently stepped up efforts to stem the trend, including a hike in the foreign-exchange reserve requirement ratio for commercial banks, and ramped up net purchases of FX by the PBoC in November.

The yuan's strength reflects strong export growth, which has pushed the current account (as a share of GDP) higher since the onset of the pandemic. A decline in overseas travel by Chinese residents has also boosted the services balance.

However, two factors point to a weakening yuan in coming months.

First, the current account surplus - which tends to lead movements in the yuan - has started to narrow. We expect further reduction in the surplus as external demand for Chinese products should soften.

Second, the diverging trend of monetary policy between the US and China will reduce the money-market interest-rate spread and build depreciation pressure on the yuan. The spread has historically accounted relatively well for movements in the dollar-yuan exchange rate. We expect the PBOC to cut its de facto policy rate (the 1yr MLF rate) in March 2022 while the Fed will start hiking rates.

We expect the yuan to weaken to 6.7 against the dollar by end-2022, versus 6.37 currently.

Turkish Lira

Turkey's annual inflation jumped far more than expected to 36.08% year-on-year in December, the highest since September 2002, data showed recently reflecting a plummet in value of the lira late last year.

Month-on-month, consumer prices rose 13.58%, the Turkish Statistical Institute said, compared to a Reuters poll forecast of 9%. The annual inflation forecast was 30.6%.

The lira was trading at 13.6 against the dollar after the data, 3% weaker on the day but off an early low of 13.92. It shed 44% of its value last year after a volatile November and December.

The producer price index rose 19.08% month-on-month in December for an annual rise of 79.89%, the data showed, reflecting soaring in import prices due to the currency crash.

It was the highest CPI annual since the 37.0% of September 2002, before President Tayyip Erdogan's AK Party first came to power in November of that year. The forecasts of 13 economists ranged between 26.4% and 37.3%.

Consumer prices were led higher by transport prices, which soared 53.66% year-on-year, while heavily weighted food and drinks prices jumped 43.8%.

(Reuters/ CNBC/Fitch Ratings)

French champagne must comply with new Russian law from 2022

President Vladimir Putin signed the legislation in June, making it illegal for imported champagnes to use the Russian translation, "Shampanskoe," on their bottles.

French producers can still use the word in French, but will have to write "sparkling wine" in Cyrillic on the back of bottles – a heresy for houses that claim nothing can match their unique splendour.

They have fought for years to safeguard their AOC, or Controlled Appellation of Origin, for exclusive worldwide use under the provisions of the 1958 Lisbon Agreement on distinctive geographical indications.

But Russia is among several countries – including the United States – that are not signatories, and talks aimed at convincing Moscow to repeal the law have failed so far.

In October, however, France managed to secure a two-month moratorium that would allow them to sell stocks already sent to Russia while removing "Shampanskoe" from their export labels.

"It allowed us to ensure that non-conforming bottles sent before July could be sold," the Comite Champagne industry body said in a statement.

Talks continue in the meantime, an official in the French trade ministry, who asked not to be identified by name, told AFP.

"We remain mobilized, with the European Commission, to keep working on this matter and defend our wine and spirits industry, including champagne," the official said.

Russia is the 15th-largest export market for French champagne, with 1.8 million bottles sold in the country in 2019 – or 1.5 percent of overall sales.

But for the Comite Champagne, "it's a promising and high-value market."

"Russian consumers appreciate prestigious vintages and also enjoy champagne while visiting France," it said.

(Beverage News)

Political instability in Libya worries UN

Maintaining calm on the ground in Libya is vital following the decision to postpone the Dec. 24 presidential elections, which are part of the United Nations-led political process, President of the U.N. General Assembly said recently.

“In Libya the holding of elections in a fair, credible and independent manner, recognition of the election results by all parties and the exercise of authority by the new government throughout the country, are critical in terms of ensuring the unity and integrity of Libya,” he underlined on Twitter.

He highlighted that the elections must be held on a “solid legal basis, that is reached through the broadest possible consensus, among all relevant institutions, in accordance with the Libyan Political Agreement.”

“At this stage, it is important that, the calm on the ground is preserved and all aspects related to elections are decided by Libyans, through a legal framework and on the basis of common understanding,” he urged.

He added that until the formation of a new government following the elections, vulnerable power vacuums and calls of political illegitimacy should be avoided for the well-being of the people of Libya.

“All Libyan parties, should act with a sense of responsibility and prudence,” he stressed.

The poll was meant to take place just over a year after a landmark east-west cease-fire in a country that has been ravaged by a decade of conflict since the 2011 revolt that overthrew dictator Mohammad Gadhafi.

But the run-up to the country's first-ever presidential election has been overshadowed by angry disputes over its legality and the candidacies of several controversial figures, including Gadhafi's son, Seif al-Islam Gadhafi.

One point of contention was a presidential elections law controversially passed by Parliament Speaker Aguila Saleh, which critics say bypassed due process and favored his ally, Haftar.

The law was strongly opposed by factions in western Libya, where Haftar had waged a yearlong battle to seize Tripoli.

The electoral board has suggested pushing the vote back by a month to Jan. 24, but given the enmity between the eastern-based parliament and authorities in Tripoli, agreeing on a new date will be far from easy.

The delay is also embarrassing for the U.N., which piloted the October 2020 cease-fire and initiated a dialogue process intended to help stabilize the country.

(Daily Sabah)

Maersk to acquire Chinese logistics company

Danish shipping giant AP Moeller-Maersk has announced , it has agreed to acquire LF Logistics, a subsidiary of Chinese supply chain manager Li & Fung, for $3.6 billion (€3.2bn) as it seeks to expand beyond its core ocean freight business.

Maersk is now taking another significant step to provide the customers with integrated logistics... shifting the balance significantly towards global logistics and integrated end-to-end services and solutions,” Maersk said in a statement.

The deal, which is to be finalized next year, “will allow us to offer truly global door-to-door supply chain solutions,” the statement said.

In November, the Danish group had already acquired German air freight company Senator International. Maersk, which sold its oil division in 2017 to Total Energies, is seeking to refocus its business on transport and logistics.

LF Logistics employs 10,000 people and has 223 warehouses in 14 countries in the Asia-Pacific region. With operations in 130 countries, Maersk employs around 80,000 people worldwide.

As a result of the coronavirus pandemic, demand for shipping has surged since mid-2020, in particular from Asia to the United States and Europe.

Additionally, many companies are still in the process of replenishing their stocks which had become sharply depleted during the first months of the COVID crisis.

(Times of Malta)

MSC overtakes Maersk

After more than two decades at the top of the containership sector, Maersk has finally lost its crown when measured by total capacity operated.

Figures released by Alpha liner show that its 2M alliance partner and closest rival Mediterranean Shipping Co. (MSC) has finally taken the pole position and now operates 4,284,728 TEU, compared to Maersk’s 4,282,840 TEU.

The two lines have been neck-and-neck for the past several weeks, with MSC only now slipping into the top slot by less than 2,000 TEU.

At the start of 2021, the capacity of the MSC fleet stood at 3.8 million TEU. Six months later, it had swelled to over four million TEU with the growth spurt continuing today.

MSC is set to widen the gap too. Its’ order book of over one million TEU far outstrips the 250,000 TEU Maersk has on order and will take MSC’s fleet capacity past the five million-TEU-mark.

It is only in owned tonnage that Maersk will keep its top title, with 2.4 million TEU of capacity held under its own name. MSC’s charter fleet is much bigger and it owns just 1.5 million TEU of its capacity.

(Daily FT)