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

İşil Alkan, Ömür Köprüli, Bora Alkan

Department of Economics, Faculty of Economics and Administrative Sciences, Department of Accounting, Terme Technical Vocational School of Higher Education, Ondokuz Mayıs University, Turkey

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

Key words: Tea production · Tea trade · Turkey

INTRODUCTION

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

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

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

MATERIALS AND METHODS

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

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

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

Corresponding Author: İşil Alkan, Department of Economics, Faculty of Economics and Administrative Sciences, Ondokuz Mayıs University, Turkey
purpose [5]. Moreover, Heiss and Heiss R.J. [6] have emphasized the use of tea not only as a beverage but also for its medical properties by the time of Shang dynasty (1766–1050 BC) in Yunnan Province.

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

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

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

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

Tea production in the world is realized on tropical and subtropical climates and regions on which precipitation is coordinate according to months and summers and winters are lukewarm. In addition to these facts, it also requires sour and humid land structure. In conjunction with the increase of tea cultivation and the evolution of tea processing in India and Sri Lanka, tea has been an important subject in the world trade. Tea agriculture has expanded to Southeast Asia and west ends of Asia (Turkey, Iran, Russia) and South America later on [3].

Tea production areas are utmost on the continent of Asia in the world. Tea harvested area is 2,541,416 ha on Asia continent as of 2007. Africa (2,578,820 ha), America (44,946 ha), Oceania (7,000 ha) and Europe (1,045 ha) continents are following Asia continent successively [11]. The maximum tea production by amount is again performed on Asia continent with 3,267,436 tonnes in 2007. Africa (496,833 tonnes), America (97,315 tonnes), Oceania (9,000 tonnes) and Europe (755 tonnes) continents are following Asia continent [11]. When world tea production figures between 2000 and 2007 are analysed, it is seen that China is the major tea producer of the world. India, Kenya and Sri Lanka are following China as of 2007 (Table 1).

World tea market is directed by the companies of the major exporter and producer countries. Tea companies (nine of them are English) in India having 90,000 ha tea area are realizing the 7% of tea production and 9% of tea export. Also, seven English companies are realizing 7% of the tea production and 3% of the tea export in Kenya [3].

World tea export is 1,629,184 tonnes in 2006 and 61% of world export is performed by leading four countries; China, Kenya, Sri Lanka and India. Kenya is the top exporter with the 325,066 tonnes of export volume (Table 2).

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

Major tea exporter of the world is Russian Federation (172,860 tonnes) as of 2006. United Kingdom (161,981 tonnes) is in the second, Pakistan (127,071 tonnes) is in the third, United States of America (107,572 tonnes) is in the fourth, Morocco (50,697 tonnes) is in the fifth and Japan (48,123 tonnes) is in the sixth rank. Total world tea import is 1,470,641 tonnes and Asia and Europe continents realizes 74% of this sum [12]. Countries of European Union are not producers, they are only the importers if figures are carefully analyzed.

Foremost subjects are the smell, taste and the colour of tea for tea importers. These components are very effective in determining the demand amount. Therefore, there has been sections including the general features of tea in laws of developed countries and these contents are of basic importance in import. Tea collection way is the another considerable factor for tea importers, preferred collection way is double-leaved and buttoned [3].
Tea exchanges are of great importance in world tea market. Especially, tea producer countries having market economies, have tea exchanges to provide the pure competition conditions, make quality stand in the forefront and to secure a rational course to the sector. Price of tea differs according to their qualities and features by the courtesy of tea exchanges. Exchanges get a lot of consumer and producer together surely and provides fair and proper trade. The first tea exchange has been performed in 1700’s by East India Company in London. Several tea exchanges in various countries are itemized below (Table 3) according to their year of organization and their dry tea process amounts in 1995 [13].

**Tea Production and Trade in Turkey:** Tea cultivation is realized predominantly on Eastern Black Sea Region. Tea agriculture is being performed in the form of small family business. Although first studies have been done in 1888,
Table 4: Shares of major tea producer provinces in total tea production, in total tea harvested area in Turkey and the number of producers in each as of 2008 [14].

<table>
<thead>
<tr>
<th>Province</th>
<th>Production share %</th>
<th>Area share %</th>
<th>Number of producers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rize</td>
<td>67</td>
<td>66</td>
<td>124,000</td>
</tr>
<tr>
<td>Trabzon</td>
<td>21</td>
<td>20</td>
<td>47,000</td>
</tr>
<tr>
<td>Artvin</td>
<td>10</td>
<td>11</td>
<td>19,000</td>
</tr>
<tr>
<td>Giresun</td>
<td>2</td>
<td>3</td>
<td>9,000</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100</td>
<td>199,000</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Years</th>
<th>Packed Tea Export (tonnes)</th>
<th>Unpacked Tea Export (tonnes)</th>
<th>Total Tea Export (tonnes)</th>
<th>Price (thousand $)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1998</td>
<td>983,000</td>
<td>15,985</td>
<td>1,668</td>
<td>12,098</td>
</tr>
<tr>
<td>1999</td>
<td>915,000</td>
<td>3,092</td>
<td>4,107</td>
<td>3,145</td>
</tr>
<tr>
<td>2000</td>
<td>1,166</td>
<td>5,364</td>
<td>6,530</td>
<td>4,541</td>
</tr>
<tr>
<td>2001</td>
<td>1,351</td>
<td>3,419</td>
<td>4,770</td>
<td>3,681</td>
</tr>
<tr>
<td>2002</td>
<td>1,630</td>
<td>3,531</td>
<td>5,161</td>
<td>4,090</td>
</tr>
<tr>
<td>2003</td>
<td>1,892</td>
<td>5,151</td>
<td>7,043</td>
<td>5,389</td>
</tr>
<tr>
<td>2004</td>
<td>1,770</td>
<td>3,310</td>
<td>5,080</td>
<td>4,339</td>
</tr>
<tr>
<td>2005</td>
<td>1,789</td>
<td>3,895</td>
<td>5,684</td>
<td>4,466</td>
</tr>
<tr>
<td>2006</td>
<td>2,159</td>
<td>680,000</td>
<td>2,839</td>
<td>4,936</td>
</tr>
<tr>
<td>2007</td>
<td>2,462</td>
<td>175,000</td>
<td>2,638</td>
<td>5,548</td>
</tr>
<tr>
<td>2008</td>
<td>3,960</td>
<td>17,000</td>
<td>3,107</td>
<td>9,658</td>
</tr>
</tbody>
</table>

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

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

Tea harvested area in Turkey is 75,800 ha as of 2008. 49,800 ha of this area is in Rize, 15,500 ha of it is in Trabzon, 8,600 ha of it is in Artvin and 1,900 ha of it is in Giresun. Tea production area was 76,600 ha in 2007, as seen on figures tea areas are reducing [14]. The reduce is outstanding especially in Giresun, Ordu and Trabzon provinces. Key factors of this fall are the declines in agricultural areas as the results of nationalisations made in the region (dam facility in Artvin province, Black Sea coast road construction) and orientation of producers to different crops due to the decrease in the yield of tea production.

Tea consumption is in the escalation trend in Turkey. It has accelerated from 1970’s within the increase in population. Total tea consumption is 86,965 tonnes in 1980, it has raised to 133.000 tonnes in 1990, 151.000 tonnes in 1995 and 162,300 tonnes in 1998. And finally as of 2001, this figure has been calculated as 170,000 tonnes. While consumption per capita is 0,54 kg in 1965, it has raised to 2,62 kg in 1985 [3]. According to the 2002 year data of FAO, the most tea consuming country is Turkey (2,4 kg/ 85 oz). United Kingdom (2,3 kg/ 81 oz), Ireland (1,5 kg/ 53 oz), Morocco (1,4 kg/ 49 oz) and Iran (1,2 kg/ 42 oz) are following Turkey.

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

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

RESULTS AND DISCUSSION

Millions of livelihoods depend on tea cultivation and processing in the world. Also in Turkey, tea is one of the major means of living for thousands of people in Eastern Black Sea Region. However, Turkey as being the sixth
among the leading tea producers in the world has
insignificant export volumes. Turkish tea has to
respond to the standard of quality and has to be
produced towards consumer’s demand for the escalation
in domestic consumption and for the export of
consumption excess. Therefore, dry tea has to be
produced in concordance with food codex. Moreover,
offices advertising Turkish tea on abroad have to be
established.

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

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

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

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

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