

TeaBits

Volume 13, Issue 1

Spring Issue 2006

“Drink your tea slowly and reverently, as if it is the axis on which the world earth revolves - slowly, evenly, without rushing toward the future.”

- Thich Nhat Hanh,
Nobel Peace Prize
Nominee - 1967

Inside this issue:

2006 STI Tea Certification	1-3
STI Certification Sponsors	4
Upcoming Events	5
NEW! Healthy Beverage Guidelines	6-7
2006 Trends in Tea	8-12
Tea in the City	13
US Tea Farm	14-15
Green Tea May Keep Brain Healthy	16

STI Tea Certification Program off to a Roaring Start for 2006

Written by
Joseph P. Simrany

The Specialty Tea Institute launched the Tea Certification Program in June 2004 and from those humble beginnings it has blossomed into one of the most important tea education programs ever conceived. The rationale for creating the program remains the same today as it was then; to standardize information about tea in order to provide the trade and consumers with a better understanding of the product which, in turn, would lead to increased consumption.

So far this year Level I & II, the foundation courses, were offered in San Francisco in January at the same time as the Fancy Food Show. Level III, the first of the Professional Series, was also launched during this session. Reaction to the program was very positive and the message was crystal clear; “When will additional course material be available?”

The Foundation courses were offered again at the World Tea Expo to two sold out classes of 120 + students each. The only complaint was why didn't we offer Level III as well.

Just recently, all three courses were offered again in Charlotte, NC at the same time as the SCAA Trade Show. Here, because of a lack of space at the Convention Center, the STI program was held at an upscale restaurant on the 27th floor penthouse of a high-rise building in Charlotte. Once again Level I & II were virtually sold out and Level III was well attended. Level III focuses on the Black Teas of China, India, Sri Lanka and the world. Because this professional course involves extensive tasting of tea, the courses are purposely kept smaller to allow free interaction between the instructors and students.

Before leaving Charlotte, we had a meeting with the SCAA organizers about ways to increase awareness of the STI Tea Certification program at next years show in Long Beach, CA. We proposed and they accepted integrating the tea certification courses into their overall educational



photo: Yoon-Hee Kim / TheClassics@msn.com



photo: Yoon-Hee Kim / TheClassics@msn.com



photo: Yoon-Hee Kim / TheClassics@msn.com

Photos from STI Certification
in Las Vegas, March 2006
Courtesy of Yoon Hee Kim

Cont'd Pg 2

Right: Lydia Kung leading a seminar in Charlotte, April 2006.
Below: Joe Simrany presenting a tea painting to STI's Honoree, Mike Spillane during Charlotte event



content by establishing a separate Tea Track. As a result, we anticipate the need to acquire a substantially larger meeting space to accommodate the expected increase of students. To minimize conflicts with the coffee program, we plan to start our program a day or two earlier than theirs.



Courtesy of Kisha Omer

The final (planned) session of the year will take place at the beginning of July in New York City where only Level I & II will be offered. The logistics of offering multiple courses at multiple locations has posed some formidable challenges to STI resulting in restrictions in the number offered at any particular location. Given the demand for these programs, STI is working on solutions which will be discussed shortly.

During April & May 2006, STI has also made available our very first corporate Certification Program in which one of our member companies is sending 70 of their employees/representatives to one of 4 geographically dispersed locations throughout the United States. Both Levels I & II will be offered and it is an excellent way to indoctrinate your team in the basics of tea. This is a particularly good idea if you have a young team or utilize outside agents such as distributors or brokers. It could provide your company with a competitive edge that will only grow stronger as their team's knowledge of tea increases.

A meeting of the STI Advisory Board was held in Las Vegas in March and again two weeks later in Charlotte. The primary purpose

Cont'd Pg 3

A Special Thank You to Our Certification Program Volunteers ***San Francisco***

Christine Accurso	Yoon Hee Kim
Anna Wulfsong Belt	Mark L. Curran
Donna Fellman	Maholtra
Heather Gates	Dave Plaskett
Hal Green	Scott Svihula

Las Vegas

Danielle Beaudette	Phil Parda
Anna Wulfsong Belt	Rebecca Sheeran
Nicole Fountain	Joe Simrany
Sanjay Gupta	Mike Spillane
Yoon Hee Kim	Scott Svihula
Peter Kreibich	Andrew Wertheim

Charlotte

Mane Alves	Bill Larkin
Nate Arkush	Judy Larkin
Laurie Cartier	Phil Parda
Ananda Chatterjee	Patricia Peterson
Cindy Gold	Paul Rosen
Dave Green	Jane Sandler
Peter Kreibich	



Tea Association of the USA 2006 Annual Golf Outing

Tuesday June 13, 2006

Essex Fells Country Club - Essex Fells, NJ



One of the most popular events sponsored by the Tea Association is the Annual Outing. Again by popular demand, the event will be held at the beautiful Essex Fells Country Club in Essex Fells, New Jersey.

The many veterans of past outings are already aware of how attractive and challenging this course is and what a great opportunity it affords to meet with all of your business associates. For first timers, the joy of discovery lies before you. Mark your calendars now, break out the training videos, polish up those clubs and get ready to welcome the summer of 2006!

If golf isn't your cup of tea, how about a quiet day away from the office to recharge your batteries, re-energize those creative juices, or meeting and greeting potential customers.

For complete event details and registration material, please visit:

<http://www.teausa.com/general/golf/2006/>

Questions? Contact Alyssa Giannini at AGiannini@teausa.org or (212) 986-9415



Above: Attendees networking during a tea break at the STI Certification in San Francisco, January 2006

Below: Lydia Kung leading a Level 3 Seminar during the Certification Program in San Francisco.

Courtesy of Kisha Omer



was to discuss the logistical challenges posed by the Certification Program and what could be done to overcome them and speed up the implementation and scope of the program. We had excellent discussions with many good recommendations flowing from these meetings. While specific proposals need to be submitted before the recommendations could be implemented, significant actions have already been taken. They include:

- Shashank Goel's term as Chairman of the Advisory Board is up in July. To ensure continuity of the programs he will remain on the Board for two more years. Richard Guzauskas, former Chairman of the Education Committee, has accepted the appointment to Chairman of the Advisory board effective July 8, 2006.
- To fill the void left in the Education Committee, Donna Fellman, Director of the Tea Education Alliance – a private company located in Colorado, who is a member of STI and a respected instructor at past Certification Programs, has accepted the appointment as the next Chairman. Importantly, the Board agreed that, given the amount of work required from this position, that it should be a paid consultant position. A contract is in the process of being drawn up as well as expectations for the job. Fellman's role in this position will be to create guidelines and substance for the Certification Program and to oversee the rapid development of the remaining core courses of instruction. An important part of that job will be to map out a plan to overcome the logistical issues that have surfaced as a result of our experience to date.
- One of the most obvious ways to address the logistical constraints is to empower other Tea Schools to offer the STI basic foundation program. This will certainly be one of the more important priorities of the new Chairman to tackle. This will

not take the place of STI sponsored programs but will supplement the overall effort increasing the scope and frequency of the program. Other possibilities include utilization of the Internet to offer basic instruction.

These are truly exciting times for the Specialty Tea Institute and for the Specialty Tea Industry itself. We are faced with an incredible opportunity to significantly ratchet up demand for Specialty Tea through our popular and in demand educational programs.

Our sincere thanks to our entire STI Advisory Board and to the Tea Association Board of Directors for recognizing the importance of the Tea Certification Program and for allowing it to be fully developed. Also, to our many Specialty Tea sponsors who, through their generous contributions, have provided the financial resources to allow us to take those actions to expedite the expansion of our efforts. Finally, our deep gratitude to the many volunteers who have assisted us at past Certification programs who are absolutely indispensable to the success of those programs.

We have often said that the Tea Industry is a very special industry and the people who make up this industry are similarly special. Perhaps this is most evident in the work of the hundreds of volunteers who have made and will continue to make the STI Certification Program possible.

MORE (HIC) TEA, PLEASE

G-and-T will soon stand for gin and tea. Darjeeling tea is one flavor in a new line of seasonal gins rolling out this spring. House Spirits, a distillery in Corvallis, Ore., known for its Medoyeff Vodka, concocted the idea with Michael Heberoy, the young chef behind Gotham Bldg Tavern restaurant in Portland, Ore. First up: GBT Summer Gin, flavored with tarragon, lavender, cucumber, verbena, and orange peel, a twist on Pimm's Cup, a British mixed drink. Come fall, the collaborators will unleash GBT Winter Gin, steeped with a mix of Darjeeling, toasted carob, nutmeg, fenugreek, cranberries, and coriander. The gins are expected to sell for between \$35 and \$40 per bottle.

*Written by Reena Jana for **Business Week** (March 2006)*



THANK YOU

To Our STI Certification Program Sponsors

Without your generosity, these events would not be possible.

San Francisco

Exclusive Event Sponsor

The Republic of Tea

Networking Reception

International Tea Importers

2006 Brewing Equipment Sponsor

FETCO Corporation

2006 Water Supplier Sponsor

Cirqua Customized Water

Tea Breaks

Den's Teas

Ito En

Mighty Leaf Tea

Revolution Tea

Attendee Badge Sponsor

International Tea Importers

Writing Tablet Sponsor

Fresh Cup Magazine

Gift Bags

FloraPharm Tea USA

Binder Sponsors

Harney & Sons Fine Teas

Sipping Tea - Celebrating Me

Special Teas

World Tea Expo

Zhong Gua Cha

Las Vegas

2006 Brewing Equipment Sponsor

FETCO Corporation

2006 Water Supplier Sponsor

Cirqua Customized Water

Attendee Badge Sponsor

IMA North America

Gift Bags

Culinary Teas LLC

FloraPharm Tea USA

SerendipiTea

Writing Tablet Sponsor

Fresh Cup Magazine

Binder Sponsors

BUNN Corporation

International Tea Importers

Kentea Limited

Metropolitan Tea Company

Plantextrakt Inc.

Sipping Tea - Celebrating Me

Zhong Gua Cha

Charlotte

2006 Brewing Equipment Sponsor

FETCO Corporation

2006 Water Supplier Sponsor

Cirqua Customized Water

Official Charlotte Mint Museum Reception Sponsor

Haelssen & Lyon North America

Welcome Breakfast & Tea Sponsor

Twiga Imports, Inc.

Awards Luncheon Sponsor - Friday

Bewley's USA

Networking Luncheon Sponsor - Saturday

Henry P. Thomson, Inc.

Tea Break Sponsors

Ahmad Tea USA

GlobeTrends, Inc.

RTD Break Sponsors

Delta Blues Iced Tea Company

Ito En

Souvenir Gift Bag Sponsors

FloraPharm Tea USA

Frontier Natural Products Corp.

MiniMinut Products, Ltd.

Stash Tea Company

Twiga Imports, Inc.

Symposium Binder Sponsors

Barnes & Watson Fine Teas

Blue Pacific Flavors

International Tea Importers

Kentea Limited

The Metropolitan Tea Company

Plantextrakt, Inc.

SpecialTeas, Inc.

Take Up The Cup

Universal Commodities (Tea) Trading, Inc.

Wilbur Curtis Co., Inc.

Zhong Guo Cha

UPCOMING EVENTS

2006 Tea Association Annual Golf Outing

Essex Fells Country Club, Essex Fells, NJ

June 13, 2006

For complete details, visit:

<http://www.teausa.com/general/golf/2006/>

STI Tea Certification Program

Foundations of Tea Level 1 & Level 2

New York City

July 8-9, 2006

For complete details, visit:

<http://www.teausa.com/general/teacertificate/2006/nyc/>

2006 Tea Association Holiday Dinner

New York City

December 4, 2006

Details TBA

Tea is one of Top Sips According to New Healthy Beverage Recommendations

Nutrition isn't just about what you eat – it's about what you drink. In the March issue of the *American Journal of Clinical Nutrition* a panel of leading nutrition, obesity and hydration experts released the first-ever guidelines on what and how much consumers should drink as part of a healthy diet. This advice may help curb the excess calories that are consumed from liquid beverages in the U.S. diet.

Currently, it is estimated that Americans consume over 20 percent of total calories or over 400 calories per day from liquid sources. The majority of these calories represent nutrient-poor, calorie-rich choices. Some research studies suggest that the calories consumed through beverages are not as filling or satiating as the same number of calories from solids, another factor contributing to over consumption of calories, and potential weight gain.

The panel ranked beverages according to their nutrient density or nutrients per calorie, and based on the scientific evidence suggesting that the beverage provides a health benefit or a health risk, such as potentially reducing the risk of certain diseases or contributing to obesity. Water was the top-ranked followed closely by unsweetened tea or coffee. Sweetened beverages such as soda or fruit punch were ranked lowest. Here is their ranking, in order of healthiest to least healthy beverage. The guidance is based on a 2,200 calorie per day diet.

- Level I: Water (20-50 ounces)
- Level II: Unsweetened coffee and tea (0-40 ounces)
- Level III: Nonfat or low-fat milk and fortified soy beverages (0-16 ounces)
- Level IV: Calorie-free sweetened beverages (0-32 ounces)
- Level V: 100% fruit and vegetable juices, whole milk, sports drinks (0-8 ounces)
- Level VI: Calorically sweetened beverages with virtually no nutrients such as soda and fruit punch (0-8 ounces)

Tea Offers Potential Health Benefits: Reports Panel

According to the panel, black, green and oolong tea provide a variety of flavonoid antioxidants and other micro-nutrients. The panel reported that some studies show that daily consumption of three or more servings of tea may reduce the risk of cardiovascular disease. Tea has been linked to other potential health benefits such as increased bone density, reduced tooth decay and cavities and reduced kidney stones.

Based on tea's potential contributions to health, and its position as a non-caloric beverage, the group recommends consuming up to 40 ounces, or five 8-ounce servings, of unsweetened tea per day. They note however, that adding milk, cream, sugar or other sweeteners to tea add calories to the beverage and should be factored in when calculating the amount to be consumed.

Although research shows that all beverages help hydrate, regardless of caffeine content, the panel points out that it is still prudent to moderate caffeine because too much may lead to increased anxiousness and changes in mood. The panel recommends limiting caffeine intake to 400 milligrams per day. A serving of tea provides about 50 milligrams of caffeine so several servings of tea can be enjoyed each day without exceeding the panel's caffeine limit.

Beverage Experts

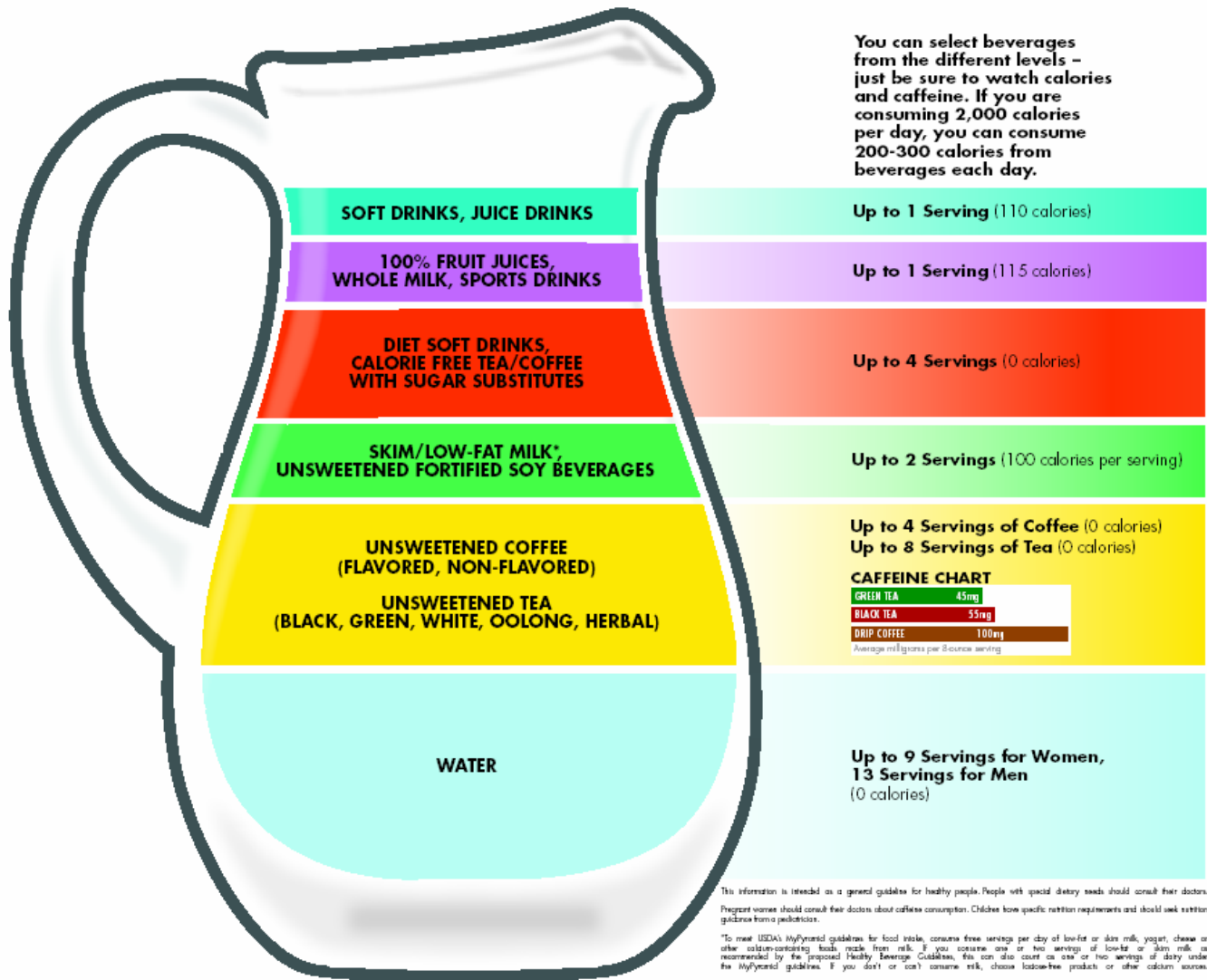
The beverage panel consisted of experts in the fields of nutrition, epidemiology, obesity, hydration and phytochemicals from several leading institutions, including Harvard School of Public Health, Johns Hopkins, the University of North Carolina, Louisiana State University, University of Connecticut, and Oregon State University.

Reference: Popkin BM, Armstrong LE, Bray GM et al. A new proposed guidance system for beverage consumption in the United States. Am J Clin Nutr 2006: 83

THE DAILY HEALTHY BEVERAGE GUIDELINES

Proposed by a panel of nutritional experts
YOU ARE WHAT YOU DRINK

The proposed Healthy Beverage Guidelines were created by a panel of nutrition experts to help Americans make smart beverage choices. According to these proposed Guidelines, women should drink 9 eight-ounce servings of beverages each day and men should drink 13. To make the most of your daily beverage allotment, choose beverages from the different levels in the pitcher. Remember that beverages should not make up more than 10-15 percent of your total daily calories and that you should limit caffeine consumption to 400 milligrams per day. Contrary to popular belief, studies prove that caffeine consumption in moderation is NOT dehydrating. Based on the proposed Guidelines, you should choose most of your beverages from the bottom levels of the pitcher and consume the beverages in the upper levels in moderation. Each beverage is ranked from bottom to top by its average calories, nutrient content and potential health benefits



This information is intended as a general guideline for healthy people. People with special dietary needs should consult their doctors. Pregnant women should consult their doctors about caffeine consumption. Children have specific nutrition requirements and should seek nutrition guidance from a pediatrician.

*To meet USDA's MyPyramid guidelines for food intake, consume three servings per day of low-fat or skim milk, yogurt, cheese or other calcium-containing foods, mostly from milk. If you consume one or two servings of low-fat or skim milk as recommended by the proposed Healthy Beverage Guidelines, this can also count as one or two servings of dairy under the MyPyramid guidelines. If you don't or can't consume milk, choose lactose-free products or other calcium sources.

Those who choose to drink alcoholic beverages should do so sensibly and in moderation up to one drink per day for women and up to two drinks per day for men.

For the panel's complete recommendations on beverage consumption, see the March 2004 issue of the American Journal of Clinical Nutrition. The panel was funded through an unrestricted grant from the Unilever Health Institute North America. The Unilever Health Institute, Lipton and Unilever had no power to influence or veto the panel's decisions.

This poster is provided courtesy of LIFTECH TEA.

TRENDS TRENDS TRENDS TRENDS

Which trend will rock your world in '06?

By Bob Messenger, Editor of Stagnito's *Rollout!*

A Daily Journal for Product Developers

Okay, let's get "trans fats" out of the way first. This is not really a trend, the new labeling requirements almost makes it mandatory for companies to show the American consumer they are doing something about trans fats, which, based on whatever media is reporting it, may be the devil incarnate as fats go. In fact, some of the reporting has bordered on hysterical. But the truth remains - many of your company's products are going to be judged differently this year. In fact, I predict that companies who do nothing about trans fats in their products will be "outed" and pressured by various media, local and national, until they either do something or risk bottom line failure.

As for real trends, I see two rocking your world in 2006 - wellness and convenience. No, these are not new trends, but they clearly are trends whose growth potential is still at the "tip of the iceberg" stage. Both will weigh heavily with Americans this year, and, in my estimation, neither can be ignored.

Think about this: the first wave of America's baby boomers have just crossed into their 60s. They care about wellness and they will turn more and more towards food and drink in an effort to effectively manage their health and nutritional needs. The time is fast coming when this will include actual medicinal benefits in their foods of choice.

As for convenience, in my book it is the holy grail of consumerism. Americans don't want "complicated" in their lives. That goes for food. It better be easy to open, prepare and consume in a hurry, or it will fall off their radar screens.

RTD Tea? Some Brands Get it Right; Others Reach

By Jennifer Zegler, Assistant Editor of Stagnito's *Rollout!*

A Daily Journal for Product Developers

Inspired by Atlanta Journal Constitution's article (see pages 9-10) about the Ready to Drink category and some samples sitting on my desk, I thought I'd have a little tea chat. I must admit that I've always been a tea over pop person. While I'll always be loyal to my mom's backyard brewed sun tea, in the ready to drink category some brands get it while others just over do it.

I'm not a Nestea fan because of it's overly artificially sweetened after-taste, but I could hook myself up to an IV of Arizona's Green Tea with Honey and Ginseng. I also have a weakness for Starbucks Chai Tea, hot or iced, it's delicious! Since my high school lunches always consisted of a Snapple Raspberry Iced Tea, I'm over that bottled beverage. On a recent trip to Austin, Texas, I discovered Sweet Leaf Tea, which has an impeccable spiced flavor.

Last week I received samples of New Leaf bottled teas. The company adds unique flavors like honeydew melon and grapefruit to white tea while also offering standards like green tea with ginseng. Although it requires chilling (my own fault entirely), the flavors are a perfect combination and is quite refreshing.

As the article points out, many brands have turned to touting the health benefits of the tea on the package. According to the article, Arizona is brewing plans for a blend of already healthy green tea with the super fruit, blueberry. I have an aunt who will buy anything with antioxidant slapped on it so I predict this Arizona blend will be a hit.

All in all I'll applaud the growth in the R-T-D Tea category. Walking into a store it's hard to make a choice anymore, but I'm glad that the options keep growing and that more companies are staying away from the artificial sweetness flavor. Keep touting the antioxidants and it's only a matter of time before people twist optn some R-T-D tea instead of pop.



TRENDS TRENDS TRENDS TRENDS

TRENDS TRENDS TRENDS TRENDS

Tea for Strength

Health findings make familiar drink a hot sip

By Caroline Wilbert, *The Atlanta Journal Constitution*

Remember when tea was just supposed to taste good?

Now many consumers are starting to consider tea, especially green tea, a health drink — something with antioxidants that can make you feel better and possibly prevent cancer or a heart attack. Though research on specific health benefits still is preliminary, beverage companies are boosting tea sales by playing to that perception.

Ready-to-drink tea — that's tea that comes in a bottle or a can and doesn't need to be brewed — grew 10 percent in the first half of 2005, according to Beverage Digest. For the beverage industry, this is particularly significant because sales of sugary soft drinks are down and companies are searching for new growth areas.

"Green tea has gone from niche to mainstream," say Stacy Reichert, a vice president at Pepsi who heads the company's Lipton unit. Pepsi produces Lipton ready-to-drink tea through a partnership with Unilever.

Pepsi repositioned its Lipton teas this year as healthful products, a strategy that seems to be working. Sales volume for Lipton bottled teas grew 35 percent in the first half of the year.

The timing was just right, Reichert said. "By the time we were ready to launch, antioxidants already meant something to people," she said.

Antioxidants are substances such as Vitamin C that combat so-called free radicals in the body, which can contribute to cancer, diseases associated with aging and other medical problems. Antioxidants naturally occur in many foods, such as vegetables and fruits.

The Lipton bottle is now decorated with a picture of a green leaf, an image meant to convey "all this healthfulness comes naturally from the leaf," Reichert said. It also bears a seal noting the drink's antioxidant content.



An advertising campaign focuses on the health benefits of tea, including an ad that shows two fit guys, one drinking a bottle of Lipton tea and one holding up a huge stalk of broccoli. The copy says: "If you're going to have your antioxidants, at least enjoy them."

After green, maybe white.

Lipton's success is hardly isolated. Ferolito, Vultaggio & Sons, the No. 2 ready-to-drink tea player behind Pepsi in terms of sales, says its biggest seller is Arizona green tea, which comes in pretty, Asian-inspired green bottles. It also has a new Arizona blueberry white tea in a bottle touting its antioxidants in blue letters. The company's tea sales increased 48 percent in the first half of the year.

Start-ups are jumping into the market, too. Healthy Beverage Co., maker of Steaz Green Tea Soda, hopes to hook people who like the fizz of a soft drink but want the health benefits of green tea. It expects to sell \$3 million worth of the organic soda this year, up from \$1 million in 2003, the first year it was on the market.

Eric Schnell, a co-founder of the Newton, PA company, says he and his partner came up with the idea after noticing "people are leaving soda to drink tea and juices."

Other niche products and players include Honest Tea, Sweet Leaf Tea, Revolution Tea and Ito En, a Japanese company with a fast-growing U.S. division

Cont'd Pg 10



TRENDS TRENDS TRENDS TRENDS

TRENDS TRENDS TRENDS TRENDS

that sells bottles of Teas' Tea and cans of Sencha Shot.

More tea offerings are no doubt on the way.

"The tea category is about to get an infusion of focus and new products, many with health and wellness ingredients or attributes," said John Sicher, editor and publisher of Beverage Digest.

At Pepsi headquarters in Purchase, NY, Reichert is looking for the next big thing. Her office is stocked with red teas, green teas, white teas and all-natural teas. She is planning an outing to a hip teahouse in New York City owned by Ito En.

"I think white has the potential to be the new green," she said, explaining that white tea may have more antioxidants than green tea.

Joe Simrany, President of the Tea Association of the USA, said Americans long have had a vague association between tea and health, such as a memory of mom giving them hot tea for a cold. However, only in the past 15 years has real research been done on the health benefits of tea. Much of the results has landed in the media, and about five years ago beverage companies got serious about marketing their teas as having antioxidants, he said.

Not everyone is jumping onto the health bandwagon. Atlanta-based Coca-Cola has continued to market its Nestea line, which it sells through a partnership with Nestle, as a refreshing, tasty drink. Nestea's volume declined in the first half of 2005, even as the tea category grew as a whole.

"We don't make health claims on ready-to-drink teas because we don't think the science supports a significant health benefit for most ready-to-drink teas," Coke spokesman Ray Crockett said.

But don't count Coke out of the healthy tea game. "There are health benefits associated with tea, and we are looking at that in the future," Crockett said. Coke has been working on a product called Enviga, which is reportedly tea infused with nutrients that burn calories.

Measuring the flavonoids

Sorting out the research is not easy.

Jeffrey Blumberg, the senior scientist and director of the Antioxidant Research Laboratory at Tufts University in Massachusetts, said there is strong data showing green tea is good for the heart, moderately developed research linking green tea to cancer prevention, and preliminary findings that green tea will help with dental health, weight loss and osteoporosis. The FDA has not yet given any tea firm the OK to make specific health claims about green tea.

More research on humans is needed, Blumberg said.

Evidence for bottled teas is weaker than for freshly brewed teas. Green teas are healthful because they have certain flavonoids, natural chemical found in plants, he said. Flavonoids are a kind of antioxidant. The problem, Blumberg said is, "there are little or no flavonoids in bottled tea."

Simrany acknowledged there may be fewer antioxidants in bottle tea than in freshly brewed tea. "Everything is relative," he said. "But with the taste and convenience and availability and health benefits, you can't beat ready-to-drink tea. It is better than water."

Reichert at Pepsi said, "While it's true that a hot cup of tea has a higher concentration of antioxidants than bottled teas, our teas still deliver substantial levels of antioxidants. We'd never include the seal on our packaging if that were not the case."

Food marketing expert John Stanton, a professor at Saint Joseph's University in Philadelphia, said he is wary of health marketing generally because scientists often change their minds about what is good for people. "Perception really is reality," Stanton said. "The problem is when that perception and that reality is based on something that doesn't have a strong foundation."

He said the low-carbohydrate diet wasn't based on good science. The fad waned, and Atkins Nutritionals landed in bankruptcy last year.

"If I was in business, I would make the best possible tasting tea," he said, "and then if I could make the claim that green tea is good for you, I would add that."



TRENDS TRENDS TRENDS TRENDS

TRENDS TRENDS TRENDS TRENDS

Specialty Food for the Powerful Twenty-Somethings

By Denise Purcell

Managing Editor, *Specialty Food Magazine*

Coming of age with the Food Network, Starbucks and the Internet, twenty-somethings are being billed as the most food-savvy generation yet—poised to be the largest consumer superpower since the Baby Boomers.

Specialty retailers who discount this age group as being on the periphery of their traditional clientele are missing out. Twenty-somethings' sophisticated, adventurous spirit already draws them to some specialty categories such as snacks, treats and ethnic foods. Furthering their knowledge of a wider range of products could grow purchases from indulgences to ingredients, allowing merchants to develop this lucrative demographic.

40 Million Strong

The over-45 age group has traditionally been viewed as the quintessential target consumers for specialty foods due to its size and high income level. However, recent research such as Specialty Food Magazine's Today's Specialty Food Consumer 2005 reveals that the typical specialty food shopper is skewing younger overall. According to the research, shoppers aged 25 to 44 are the most likely to purchase specialty foods.

The twenty-something (sometimes called Generation Y in marketing-speak) generation's magnitude gives it staggering market potential. The young adult segment, defined as 15- to 34-year-olds, is currently composed of 79 million people, explains David Morrison, president of TWENTYSOMETHING™ INC., a consulting and marketing research firm in Radnor, Pa. (To add perspective, the Baby Boomer market is now 77 million strong.) There are an estimated 43 million 18- to 28-year-olds in the U.S., a group that is growing nearly twice as fast as the general population.

This segment has economic power unheard of among prior generations: It is estimated that they spend upwards of \$150 billion annually on consumer goods.

Experience and Experimentation

Young adults are neither intimidated by food nor hesitant to spend money on it. This age group has enjoyed travel opportunities, frequents restaurants regularly and is accustomed to everyday luxuries such as a \$4 latte. "GenYers will have the most dramatic impact on the food industry," notes Elizabeth Sloan, president of California's Sloan Trends and Solutions, in a recent Food Technology article. "They are the most culinary-aware generation in history."

Twenty-somethings are an experiential—and experimental—group. Likely to have been raised in ethnically diverse environments—with one in four a non-Caucasian, according to U.S. Census figures—the segment possesses a sense of adventure and interest in other cultures evident in their food purchasing choices. Internet access also has played a major role in molding the generation's view of the world. Web-savvy twenty-somethings share a "global village" mindset, notes Morrison. "This market views the world as its personal playground," he continues—a notion that compels them to seek out what is new and exciting.

That drive draws them to exotic and ethnic foods. According to Packaged Facts, Chinese, Mexican, Japanese, Italian and Indian top their list of favorite cuisines. The group is currently trending toward Latin American foods, specifically Cuban or Peruvian fare, in demand because of the influence of the Hispanic culture. Sushi, on the other hand, is largely considered "sooo 1980s," Morrison remarks.

While the generation is far from monolithic, key demographic segments, from college students to young professionals to older twenty-somethings starting families, are linked by a search for products that are innovative, high quality, healthful, tasty and fun. These desires are also reflected in their attitudes about wine. Twenty-somethings don't respond to a staid approach, evidenced in the launch of magazines such as Wine X Magazine: Oenology for Twentysome-things, which dispels perceived wine snobbery with columns such as "Rage" and "Sex, Wine and Rock 'n Roll."

Cont'd Pg 12



TRENDS TRENDS TRENDS TRENDS

TRENDS TRENDS TRENDS TRENDS

Personal Treats, Cool Innovations

Specialty Food Magazine's research shows that the typical specialty food shopper is affluent, earning more than \$100,000 a year. Since younger age groups usually have yet to realize their income potential, less expensive items have an appeal. Twenty-somethings have a penchant for small luxuries. For example, shoppers aged 18-24 buy more chocolate than those aged 55-64, 67 percent versus 57 percent, respectively. Younger respondents are more likely than older adults to buy specialty foods as a personal, special treat.

Among everyday items, younger consumers seek out specialty beverages, including ever-popular teas and coffees, but also uncommon specialty sodas, such as classic Mexican soft drinks, says TWENTYSOMETHING's Morrison. Candy, salty snacks and treats such as Italian gelato are also popular. Packaged products that reflect an air of coolness are fashionable, especially innovative packaging that satisfies the perpetual craving for new experiences. One example, notes Chuck Richards, owner of Charlotte, N.C.'s Reid's Fine Foods, is the DUO Adjustable Oil and Vinegar Dispenser, featuring a rotating head that allows users to determine the exact ratio of olive oil to vinegar they desire.



GI, antioxidants to lead 2006 health trends, says AC Nielsen

Foods with a low glycemic index and products containing antioxidants will enjoy good growth this year as consumers continue to "obsess over their health," according to a new study by consumer tracker AC Nielsen.

January 31, 2006 - The market researcher this week published its predictions for 2006, using a combination of purchase data and behavior data to forecast the nation's new health trends.

By tracking product label health claims, AC Nielsen revealed that although an increasing number of products carry labels such as 'low fat' and 'low sodium,' it is low glycemic index (GI) foods that will be most popular this year, continuing on from the "big jump" they experienced between 2004 and 2005.

The glycaemic index measures how quickly certain foods release carbohydrates into the body, which then raise consumers' blood glucose levels. High GI foods cause blood sugar levels to rise more rapidly.

Scientific evidence has increased to show low GI foods can help control weight and more certainly, help reduce the risk of diabetes and related conditions by raising blood sugar more steadily. Some health professionals and even food retailers have hailed the GI system as a more sensible version of the low-carb Atkins diet.

And according to AC Nielsen, low GI foods are set to be most popular this year with consumers who tend to neglect their health.

The study revealed that 50 percent of Americans are "health neglectors," who care little about their health and tend to be overweight. This group of consumers loves convenience foods, said the study.

"Any new food trend needs to get at least some traction among this mainstream group to truly break out," said the report. "Sales of GI products among the neglectors market segment demonstrated an increase of almost 150 percent from December 2004 to December 2005, which is one of the biggest jumps among all health-related claims. While dollar sales of GI products are relatively small, this signifies the potential emergence of a blockbuster trend to keep an eye on."

Antioxidants are also set to "hit the mainstream in a big way," with 'health neglectors' consuming 52 percent more antioxidant-containing products year-over-year in the period under review.

"Health activists," an educated, affluent health-aware group with money to buy expensive health foods, also showed an increased interest in antioxidants, according to the report. "Spending on antioxidants in health activists' markets was estimated to be among the highest of all health-related categories in terms of year-over-year growth," said the study, which also revealed that the antioxidant segment is led by liquid tea, with sales for the product up 1000 percent year-over-year. Organic products were also popular with the 'healthy' consumer group, with sales increasing 17 percent per year during the review period.

Article Source: FoodNavigator-usa.com

TRENDS TRENDS TRENDS TRENDS

TEA IN THE CITY: NEW YORK

New Guide Available Now!

Perryville, Kentucky - Now you can sip and shop your way through New York City with a new guide that covers all things tea. *Tea in the City: New York*, available April 2006, includes insider tips, maps and historical information surrounding tea-drinking establishments and tea retailers in Manhattan and the boroughs.

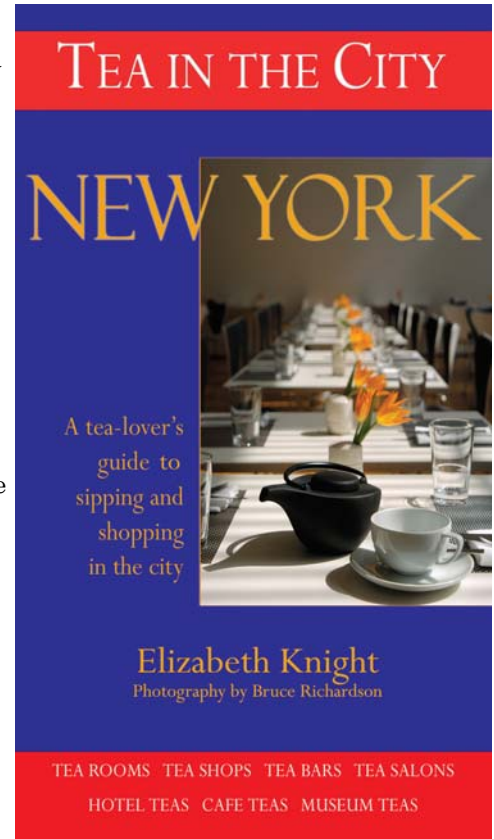
Authored by tea and hospitality authority Elizabeth Knight and paired with scores of colorful photos by Bruce Richardson, this handsome new publication leads tea lovers and tourists on a refreshing tour of more than 100 of New York City's "must-sip places." From traditional tea rooms to bubble tea cafes, and English Breakfast tea to Tibetan Bocha, this essential pocket guide explores the diversity of tea in New York City, allowing readers to experience each venue before making a visit. Detailed maps, subway stops and other time-saving tips also are convenient features for travelers and locals carrying this guide.

"From grand hotels to humble dim sum parlors, this concise, colorful book offers a definitive guide to the best places serving your favorite beverage," said *Zagat Survey* Senior Editor, Troy Segal. "Its lively text and lovely photos also make it a pleasure to peruse."

Tea in the City: New York is the first in a series of new tea guides published by Benjamin Press, to be followed by *Tea in the City: London* (July 2006) and *Tea in the City: Paris* (March 2007). For inquiries on purchasing the guides, resellers may contact Benjamin Press, the publishing division of Elmwood Inn Fine Teas, at 800-765-2139 or www.benjaminpress.com. Also look for *Tea in the City: New York* in stores or online at amazon.com in April 2006.

"From grand hotels to humble dim sum parlors, this concise, colorful book offers a definitive guide to the best places serving your favorite beverage. Its lively text and lovely photos also make it a pleasure to peruse."

- Troy Segal, Senior Editor
ZAGAT SURVEY



Tea, anyone?

Lone US Tea Farm Infused With Big Dreams

By Harriet McLeod for *Reuters* 2006

CHARLESTON, South Carolina (Reuters) - Something special is brewing on the tiny rural island of Wadmalaw. Among the old frame houses, boat landings, live oaks draped in Spanish moss and 19th-century churches, is the only tea farm in the United States.

And if all goes as planned, the Charleston Tea Plantation will soon expand and an American tea now available only locally will go national.

The plantation, about 20 miles southeast of Charleston, covers 127 acres, 30 of which are planted in row after row of bright green tea bushes.

"In the world of tea, this is tiny," said David Bigelow, co-chairman of family-managed specialty tea maker R.C. Bigelow Inc., which bought the plantation for \$1.28 million at a court auction in 2003.

"That doesn't alter the fact that for Americans coming to see it, it's 'Wow, look at all these beautiful tea plants!' It's a phenomenal facility and really the only one of its kind in North America," he said.

Bigelow plans to double the size of the farm in five years -- the time it takes for tea plants to mature.

Plantation manager Bill Hall, a third-generation tea taster, said current sales are limited to local supermarkets and mail order.

"Bigelow could get it in every supermarket in America, but the problem is we have to have enough to provide," Hall said. "We don't want to get into a situation where the supermarkets are saying send us more tea and we say we haven't got it."

Grown in hot, humid climates in 34 countries, tea is one of the world's largest agricultural products and the second-most consumed beverage on the planet, after water, with production in 2004 of a record 3.2 million tons.

PLANT INTRODUCTION

The United States bought 99,000 tons of tea in 2004, the Food and Agriculture Organization of the United Nations reported. Britain, with a population one-fifth that of the United States, imports more than 140,000 tons of tea annually, while Ireland claims the highest per capita consumption at five cups of tea per day.

The tea plant, *Camellia sinensis*, was introduced to the United States in the late 1790s by French explorer and botanist Andre Michaux, who planted it as an ornamental shrub near Charleston at Middleton Barony, now known as Middleton Place Plantation.



Cont'd Pg 15

Two sizable commercial plantings in South Carolina failed in the 19th century before wealthy philanthropist Charles Shepard established Pinehurst Tea Plantation in 1888 in Summerville, near Charleston.

His oolong tea took first prize at the 1904 St. Louis World's Fair, an exposition that also popularized iced tea -- the way 85 percent of Americans prefer to drink it today.

After Shepard's death in 1915, the plantation was abandoned until 1960, when the Thomas J. Lipton Co. bought it, transplanted the tea bushes to Wadmalaw Island and ran it as a research station.

In 1987, Bill Hall and horticulturist Mack Fleming bought the farm, and together began to produce and market American Classic Tea, a black tea brand Bigelow plans to continue.

"Traditionally, around the world, tea is planted on hillsides," said Hall. "We're flat as a pancake, but we have sandy soil and ditches next to each field so the water drains away. The plants have been here in South Carolina for over 100 years and they're happy here."

Wadmalaw Island, about 10 miles long and 6 miles wide, is bordered by two creeks and by the North Edisto and the Wadmalaw rivers.

Harvest season is mid-April through October, said Hall, a Canadian whose father and grandfather were also tea tasters, and the harvest is conducted by a machine that farm workers call The Green Giant.

"Most of the tea around the world is harvested by hand," he said. "A tea-picker in India or Sri Lanka, their average salary could be about \$5 a week. We couldn't find anyone in South Carolina who would do that."

American Classic is blended from the 320 varieties of camellia sinensis on the plantation, said Hall. And, even when all the acreage is planted, it will be a specialty tea, and not available in mass quantities.

The plantation would not disclose its annual revenues.

The owners are committed to taking American Classic national, Hall said, but "to supply America with tea, we would need about five islands the size of Wadmalaw completely covered side-to-side, end-to-end with tea."

Bigelow said there had been a sea change in people's taste in tea. Black tea now amounts to less than 50 percent of demand while specialty teas, green tea in particular, are in fashion.

"And, men are coming to tea now," said Bigelow, who has drafted Joe Torre, manager of the New York Yankees baseball team, as an advertising spokesman.

"Tea comes in a huge variety of flavors. If you start looking at them like wine and look for the nuances, you suddenly wake up and say this is remarkable. Tea is not tea is not tea," said Bigelow, who described American Classic as "somewhere between a black and an oolong."



Green Tea May Keep Brain Healthy

By Sue Mueller



Drinking green tea daily may help reduce the risk of dementia, suggests a Japanese study appearing in the American Journal of Clinical Nutrition.

The study found that the amount of green tea consumed was inversely related to the risk of having cognitive impairment in the aging process.

For the study, Dr. Shinichi Kuriyama of Tohoku University Graduate School of Medicine and colleagues surveyed 1,003 men and women ages 70 or older for their dietary practice in the previous month, their overall physical health and lifestyle. They also evaluated subjects' cognitive functions such as language use, attention and memory using a standard test.

They found that those who drank two or more cups of green tea per day were 50 percent less likely to show cognitive impairment than those who drank three cups or less per week. The risk for those who drank one cup per day fell somewhere in between.

Previous lab and animal studies have also indicated that certain compounds of green tea may help to protect against the damages that are linked with conditions such as Alzheimer's and Parkinson's disease.

The current findings do not mean that drinking green tea results in lower risk of dementia because the study did not establish a causal relationship between drinking green tea and cognitive capacity.

There may be some other factors associated with green tea drinking such as overall lifestyle and diet that may have an impact on mental health.

Written by Sue Mueller - For Your Health, www.bigelowtea.com

Thank you for taking the time to read this issue of *TeaBits*. We invite you to write us. Please let us know what information you would like to see in future issues, what tips you'd like to share, or what ongoing dilemmas you are facing in the industry.

Your comments and suggestions are openly welcomed.

Sincerely,

Alyssa Giannini

Editor

agiannini@teausa.org:

P:(212) 986-9415 / F:(212)697-8658

NEWSLETTER OF THE TEA ASSOCIATION OF THE USA, THE TEA COUNCIL OF THE USA & THE SPECIALTY TEA INSTITUTE

420 Lexington Avenue
Suite 825
New York, NY 10170



SPECIALTY
TEA
INSTITUTE

