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Potential of the Czech tea market to contribute to sustainable tea production in developing producing countries

Master's thesis

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Declaration

I hereby declare that this thesis entitled: *“Potential of the Czech tea market to contribute to sustainable tea production in developing producing countries”* is my own work and all the sources have been quoted and acknowledged by means of complete references.

In Prague, 26th of April 2017

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Tomáš Heller

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Abstract

Tea, ancient drink with its 5,000 years old history and rich culture, brings more than an every-day commodity, it provides a livelihood for millions of people involved, especially producers. However, the sustainable future for tea has become uncertain in regards to climate, environmental and socio-economic challenges. The main objective of the research was to analyse the Czech tea market and its potential to contribute to the sustainable and ethical production of tea in countries of production through responsible consumption. The research was conducted by 12 face-to-face in-depth semi-structured interviews with tea connoisseurs (n=3), key informants (n=3) and Czech specialty tea traders (n=6). The results were processed based on methods for qualitative data analysis (thematic analysis). Results show that specialty tea supply chain in the Czech Republic is usually short and transparent based on direct trade partnership between Czech specialty tea traders and farmers/producers and tea traders in producing countries. The market with commodity certified tea was found to be represented by two Czech packers (Fairtrade/Organic) and four Czech Organic certified tea packers, rest of the market is represented by international and private brands. Within the specialty teas, which is de facto ethical by its nature, our study identified three concepts of sustainable tea. Considering their share, the volume and increasing position of "commodity certified teas", we concluded that Czech specialty tea market has a moderate sustainability pattern with the growing trend for higher-quality tea. Regarding the need for ethical certifications in specialty tea market, our study concluded that currently practiced closer partnership with farmers, mutual trust between consumers and traders, use of social networks and "story of tea" decrease the need for further institutionalisation, control and formal certifications and audits of the tea supply chain.

Key words: tea production, specialty tea, organic tea, fair trade, ethical trade, fair trade, sustainability, certification, supply chain

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List of abbreviations used in the thesis

B2B (Business-to-business)

BLF (Bought Leaf Factory)

CBI (Centre for the Promotion of import from developing countries, Netherlands Enterprise Agency, Netherlands Ministry of Foreign Affairs)

EU (European Union)

Fairtrade CZ (Fairtrade Czech Republic and Slovakia)

FAO (Food and Agriculture Organisation)

FI (Fairtrade International)

GTH (Global Tea Hut)

HOTPA (Himalayan Orthodox Tea Producers' Association)

IDH (Sustainable Trade Initiative)

IFOAM (International Federation of Organic Agriculture Movements)

ISTA (International Specialty Tea Association)

JDE (Jacobs Douwe Egberts)

KTDA (Kenyan Tea Development Agency)

LOHAS (Lifestyle of Health and Sustainability)

NGO (non-governmental organisation)

NMI (Natural Marketing Institute)

RFA (Rainforest Alliance Certified)

RTD (Ready to drink beverage)

SAN (Sustainable Agriculture Network)

SSI (State of Sustainability Initiatives)

STI (Specialty Tea Institute)

TAK (Traditional Agricultural Knowledge)

TCC (Tropical Commodity Coalition)

UNU (United Nations University)

WFTO (World Fair Trade Organisation)

1 Introduction

Tea (*Camellia sinensis*) is a very popular beverage - second after the water and is consumed all around the world. Currently, tea is produced in more than 35 countries, in tropics and subtropics. Major producers are China, India, Kenya and Sri Lanka (FAOSTAT, 2013). The EU market is responsible only for 5% of the world tea consumption (FAO, 2015).

Nowadays, quality of tea and sustainable supply is not guaranteed for the sector. Numerous social, economic and environmental issues, all together with the diminishing natural resources and rapidly growing population, stay on the root of this situation. With the growing public awareness about the emerging issues associated with tea cultivation, the sector has become increasingly interested in sustainability. One of the various solution offers "certified tea" that includes the three pillars of sustainability, concretely economic viability for farmers, environmental conservation and social responsibility.

Apart from the mass-market certifications (Rainforest Alliance and UTZ Certified), "market niche" also exists, represented by Fair Trade and Organic certifications, sought out especially by ethical consumers (CBI, 2016a). Another approach to sustainability is the move towards "high(er)-quality loose leaf teas" or so-called "specialty teas", which has become recently a modern trend known as premiumisation (Retail Times, 2015).

The "Czech tea culture" of tea shops/rooms known as *"čajovna"* represents this genre of teas since 1990's. However the issues of sustainability and ethical consumption within this field have not been properly discussed in any literature source. Thus our research question arose - Does the Czech tea market contribute to the sustainability of the tea production in developing producing countries? Therefore, the main objective of the thesis is to analyse the Czech tea market and its potential to contribute to the sustainable and ethical production of tea in countries of production through responsible consumption. The particular objectives focus on the supply chain of "commodity certified tea" and "specialty tea". The current position and future potential of specialty tea on the Czech tea market are analysed and discussed in details.

In broader perspectives, the globalisation of the world's economy means that people's food consumption choices affects growers, producers, and workers internationally (O'Connor et al., 2017). Thus the Czech Republic, member of OECD, has a potential, also as a small country, to contribute to sustainable production of tea by means of responsible consumption, which is continuously increasing.

To contribute with such a topic to the scientific audience is unique and the first contribution in this field in the Czech Republic. As a novel study, the findings are destined to involved companies considering widening their tea portfolio to ethically sourced tea, or to non-governmental organisations (NGO) involved in international trade justice, ethical or organic trade and Fair Trade. The thesis presents also a foundation of information for stakeholders in tea supply chain and for future academic research.

Regarding the structure of the thesis, the first chapter deals with the general overview of production and consumption, in the second chapter tea supply chain is described. In the following chapters sustainability issues are presented. The following sections are centred on main certification schemes, projects and initiatives advocating sustainability in the tea sector, followed by the standards, tea grading, processing, and current dilemma concerning specialty teas. The last two chapters of literature review are centred on the ethical consumerism and historical overview of tea sector in the Czech Republic. Finally, the theoretical background is followed by the objectives, description of applied qualitative methodology, main results and their discussion.

2 Literature review

2.1 Tea sector overview

Millions of people are involved in the production and processing of tea, and the majority rely on it for a living. Tea is also an important source of export earnings, often in the world's poorest countries. In 2011, tea export earnings of Kenya and Sri Lanka paid for 51% and 71% of food import bills, respectively (FAO, 2015a).

The common tea plant is the evergreen bush *Camellia sinensis.* There are several varieties of this species of plant, the well-known two representing *Camellia sinensis* var. *assamica* and the second *Camellia sinensis* var. *sinensis*. Traditionally, tea is prepared from its dried young leaves and buds, made into a beverage by steeping the leaves in boiling water. The tea plant is originally native to Southern China, North India, Myanmar and Cambodia (Hicks, 2001). Nowadays the plant is cultivated across the world in tropics and subtropics, with global tea production totalled over 5.35 million metric tonnes in 2013 (FAOSTAT, 2013).

The majority of global production takes place in only few main producing countries. In 2013 China (mainland) was responsible for 38 % of world production, India for 24 %, Kenya for 8%, and Sri Lanka for 7 %. Other important producers are Turkey (4%), Vietnam (4%) and Indonesia (3%) (FAOSTAT, 2013).

According to FAO statistics on tea, approximately 55% of the world production is consumed domestically in the producing countries; only 35% (1,768,500 tonnes) in 2013 was exported to non-producing countries. The major consuming countries are also the main producing countries - China and India accounting for 33% and 21% of global consumption in 2013 respectively (FAO, 2015). The main exporting countries are Kenya (23,5%), China (18,6%), Sri Lanka (17,6%) and India (11,8%) which, counted together, control over 71% of world exports (FAO, 2015).

In 2009, 61% of global production was black tea and 31% was green tea, remaining 8% accounted for oolong, dark, white and yellow tea (Groosman, 2011). Black tea is mainly produced and exported by Kenya and Sri Lanka. Green tea is mainly produced and consumed in China (TCC, 2010). While the most produced and exported tea is still black tea, production and demand for green tea is rapidly increasing. According to FAO (2015), Medium Term Outlook to 2023, production of green tea is projected to grow, in a faster rate, by 8.2% compared to 2.9% annual growth rate for black tea.

Contrary to coffee and cocoa the abundant populations of North America, Western Europe and Japan are not the biggest markets for tea. More than 50% of global tea production is exported to the Middle East, North Africa and the former Soviet Union countries (Groosman, 2011). As green tea is the most common in China, Vietnam and Indonesia, on the markets like Russian Federation, USA, UK, Pakistan and Egypt black tea is still dominating. Surprisingly, according to the American Tea Board, approximately 85-90% of imported tea to the US ends up in ice-tea or ready-to-drink (RTD) beverages (Groosman, 2011).

In general, premium loose leaf tea[1] markets, like Germany (around 60% of sales account for loose teas), France and Belgium (CBI, 2016b) prefer leafy teas of higher quality while classic tea bags are preferred in the USA, UK and Netherlands (TCC, 2010). In the global scale, EU represents a small market, responsible only for 5% of the world tea consumption (FAO, 2015).

United Kingdom, the largest tea market in Western Europe, is also the total front-runner in certified teas[2], and world leader in Fairtrade certification. Globally, in 2015, 17% of tea was estimated to be certified worldwide with the surging trend, especially due to the commitments of large tea packers (CBI, 2016a).

As we will see later in this study, the most common ethical certifications on European tea mass-market are Rainforest Alliance and, to a lesser extent, UTZ used for standard tea bags. Another mainstream initiative that works towards sustainability of tea is Ethical Tea

[1] Loose leaf tea refers to the top two grades of whole-leaf and broken-leaf teas (based on the leaf size) of orthodox processing

[2] "The term "certified tea" refers to teas that adhere to various combinations of social, environmental and economic standards, and that have been independently certified by an accredited third party. The collective term "sustainable" is also used to describe these teas."

Partnership. Fairtrade and Organic certifications are prevailing in the niche market, as well as progressing to the mass-market (CBI, 2016a).

2.2 Tea Supply Chain

2.2.1 Producers

Tea producers were traditionally large estates, but the share of smallholding is on increase, especially since the liberalisation of the market in 1990 (Groosman, 2011). In India for instance, while the average size of a smallholder tea farm is around 1.25 hectares, the average size of a tea estate (plantation) is 250 hectares (Fairtrade Foundation, 2017). According to Tea Board of India in 2013, the share of smallholders and estates was approximately 31% and 69%, respectively. Indian smallholders have a higher average productivity, accounting for 2,367 and 2,035 (estates) of yields in kg of made tea per hectare (FAO, 2015a). In Kenya and Sri Lanka, approximately two-thirds of all tea is produced on smallholdings (IDH, 2010).

It is difficult to put an exact number of people involved directly in tea production but estimates suggest that there are around 13 million people involved in the production of tea worldwide, of which around 9 million are smallholders (Groosman, 2011). In China, 80 million people work in the tea industry as farmers, workers and sales people. India has an estimated million permanent tea workers and two million of seasonal tea labourers, while in Kenya tea supports the livelihoods of an estimated three million people (Fairtrade Foundation, 2017).

Tea is a very labour demanding crop. Plantations employ a significant number of workers to maintain and harvest their tea gardens (Groosman, 2011). In China, also family tea farms hire sometimes seasonal workers, usually from neighbours and local community (Chen, 2009). The work is usually gender specific. Harvesting, generally known as plucking, take the most amount of labour and is done exclusively by female workers. They are usually paid on the base of daily wage, with stipulated minimum amount of leaves to be plucked (TCC, 2010). Male workers are employed generally for applying fertilisers and agrochemicals, carrying heavy loads or pruning. As these are occasional or seasonal activities, men have work in general only for 10-15 days per month. Because of the isolation of tea-growing areas is hard to find an alternative job (Partners in Change, 2007).

A special case represents China, where tea production remains a small family business with special characteristics which cannot be replicated easily. The special local natural environment, the unique cultural tradition and value predicted the high reputation of so-called "*Ten Famous Teas"*, which are produced on "*ten genuine-tea production areas"*. This geographical and cultural superiority, together with developed production and processing techniques, experience in tea farm management and value-added sale is a major determinant of high income of these "*genuine-tea growers"*. However, these endowed tea farmers account only for 300 thousand, less than one percent of the total. The rest of tea growers are "*non-genuine tea growers"* which are divided into two groups: "*full-time tea growers*" and *"part-time tea growers"*, according to the proportion of income from tea to the total income from agriculture. The genuine-tea growers gain a higher added value through high-quality of the tea (processed) as a result of geographical superiority, better production techniques (inherited), rich experience in tea farm management and sale and tea-related tourism services. On the contrary non-genuine tea growers lack these advantages and sell their tea as fresh leaves or as unrefined (unsorted), gaining less added value through more inferior position in the supply chain (Chen, 2009).

2.2.2 Processors

In the tea fields, plucking is done on ten-day basis (0 to 1,200 m) and every three weeks (1,200-2,000 m). Tea can be either "fine plucked", only the flush (two leaves and the bud) or "coarse plucked" (a sprig more than two leaves). After each tea plucker has picked 20-30 kg of leaves, the wicker baskets or gunny sacks are transported to the factory (Hicks, 2009). Tea processing takes place in the producing regions. In order to avoid a deterioration in quality, processing of tea leaves should begin within 5-7 hours after harvesting, what is a challenge especially for smallholders who need to deliver tea to a factory in time. Most plantations have their own processing factories, however small growers usually sell their tea to independent Bought Leaf Factories (BLFs) or to near estate factory. This process is sometimes facilitated by "*tea collectors"* (tea agents), what debilitates the bargaining position of small growers. This represent the first critical node, because the service of factories is not always available or accessible for the growers. The major players on mass-market (Mc Leod Russel, James Finlay, Tata Tea, Unilever and John Keells) have their own tea estates and processing factories in the producing countries (TCC, 2010).

In China, apart from the self-processing by tea growers resulting mostly in tea of high-quality, the majority of the tea is processed in three main types of factories: (1) Primary processing factory[3] - buying fresh tea leaves from growers and producing crude tea (unrefined), (2) Refinery - producing mass-produced tea and some of them high-end tea, (3) Brand tea factory - engaging in primary processing, refining and production of high-end tea (Chen, 2009). (For standards, tea processing, tea types and tea grading; see chapter 2.7).

The price and quality of tea are determined especially on the basis of liquor, aroma/flavour and leaf appearance based on the judgement of a professional tea taster. The processed mass-produced factory tea known as "*made tea*" is sold in packets and chests (Groosman, 2011).

2.2.3 Auctions

Approximately 70% of tea production in the world is traded in bulks via local auctions in place of production (Fairtrade Foundation, 2017). However a trade through direct links (private sales) with tea plantations is on increase especially for certified and specialty teas (CBI, 2016c). The brokers communicate information regarding supply and demand and create a link between tea producers and buyers (TCC, 2010). Unlike the coffee and cocoa trade, there is not a single indicator for tea price. Instead, pricing is dominated by the auction system, where the price of tea is determined on a day-to-day basis, according to the quality and supply from each estate and demand of the day. This is due to the quality of tea which will differ even from the same factory and region on a weekly or monthly basis (Groosman, 2011). The world market price of tea is determined by the average prices of the three important auction centres (Kolkata, India; Colombo, Sri Lanka; Mombasa, Kenya)

[3] The same as Bought Leaf Factory (BLF)-small in size, scattered in villages of tea growing areas

(TCC, 2010). The smaller local auction centres are used for rapid delivery and lower costs. There are six auction centres in India. The last real auction in India for Darjeeling tea (Kolkata) has turned to e-auction in 2016. The main reason were auction volumes declines, owing to direct trades between producers and overseas buyers (The Economic Times, 2016).

Another auction centres are situated in Sri Lanka (Colombo), Indonesia (Jakarta), Malawi (Limbe), eastern Africa (Mombasa) and Bangladesh (Chittagong). Chinese tea is sold at commodity fairs in Guangzhou (also known as Kanton) (Groosman, 2011).

At auctions, buyers look for a particular grade and LOT from particular tea garden of a season, after tasting the tea and evaluating its value. The auctioneer plays an important role. Apart from tasting and evaluating each individual invoice, he uses his knowledge of the world demand and gained marketing skills to judge the marketability of the tea. His judgment to a certain extent determines the selling price of the tea (Groosman, 2011). Hossain et. al. (2016) analysing unique data sets from Chittagong tea auction, consider an auctioneer as a "market maker", whose success depends on *"how well he manages externalities without jeopardizing the trust of the buyers and sellers."*

2.2.4 Brokers

A few companies dominate the sales in each auction centre. The largest tea broker in the world J. Thomas & Co. Pvt. Ltd handles over one-third of all tea auctioned in India. Carritt Moran and Co. Ltd., the world's second largest tea broker, handles 24% of auctioned teas in India. The number of brokers is limited. There are 11 brokers registered in Tea Board of Kenya and four registered brokers in Calcutta (J. Thomas & Co., Carritt Moran & Co., Contemporary Targett and Paramount Tea Marketing). This group of brokers sell together the majority of Darjeeling tea (Groosman, 2011).

New buyers are usually discriminated for various reasons. Firstly, brokers, in general, do not accept bids from buyers they do not know as they feel an increased risk. Secondly, the new buyers are disadvantaged by the fact that the tea has to go to the processing and packaging plants most of which are owned by the other companies competing with them in the same auction (Groosman, 2011).

In general, the fact that only few companies dominate the market, together with possible collusion among brokers, the system does not always act well for small-scale farmers, with limited access to market information (TCC, 2010).

2.2.5 Blenders

In general, tea is exported with minimal processing to importing countries, where it is blended and packed by the tea firms. Although the majority of work is done during growing and processing, the most lucrative part of the tea trade is blending, in other words, most of the profits end up abroad, not in tea producing countries (Groosman, 2011).

The consumer market is represented mostly by popular brands or blenders, producing complex blends containing usually around 20 up to 36 different types of tea (TCC, 2010). They are blended in order to keep constant taste and price level despite the loss of any tea source due to high prices or bad weather conditions. It is a highly guarded commercial secret (CBI, 2016a).

By exporting tea in bulks, producing countries are missing the opportunity to increase export earnings by value-added production. In comparison, branded or packaged teas are reaching prices six times higher than tea exported in bulks (Groosman, 2011).

The exception on the market is Sri Lanka (with its Ceylon tea), which has succeeded in gaining more value-added price. Dilmah is an example of company exporting single source “Ceylon tea” which was produced, processed and packed in Sri Lanka and successfully marketed to 90 countries. This distinguish them from large tea brands, blending tea which originates from various countries worldwide (Van de Wal, 2008).

2.2.6 Retail

The stage of retail takes place in the consumer’s country, hence will look on the Czech tea market more closely. Czech mass market (as well as the European), is represented by the multinational companies with combined market share of 57% (CBI, 2016d). Retail consumption in Europe represents 91% of tea consumption, while out-of-home (cafes/tea bars, restaurants, work place) consumption accounts for 9% (CBI, 2016a). In the Czech Republic consumer-packed tea is dominant and equals about 60% of total imported volume.

Some of the imported tea is blended and packed locally by international companies Tetley, Tata Global Beverages Czech Republic and Jacobs Douwe Egberts, all with their local blending and packaging facilities in the Czech Republic. Apart from these main packers, also Teekanne, Mokate Czech and Unilever CR are important players on the Czech market. The international companies are driven primarily by European food regulations and by private buyer requirements on quality, food safety and sustainability (CBI, 2016d).

Regarding the shopping preferences, 43% of Czech consumers prefer to shop in hypermarkets, and only 17 % prefer supermarkets, smaller shops are preferred by 15% households. However, market research company GFK predicted that hypermarkets in the Czech Republic will lose market share at the expense of smaller, higher quality convenience stores in general retail market, what could be opportunity for higher quality (specialty) products like loose leaf teas (CBI, 2016d).

2.2.7 Consumers

Most consumers in developed countries are disconnected from how the food they consume is produced. The similar situation holds for tea, which has traditionally been perceived as a cheap everyday product. Consumers are usually unaware of true cost and value of their favourite everyday drink. Fortunately, the situation has become better with broad adoption of certification schemes such as Fairtrade, Rainforest Alliance, and UTZ by private brands and retailers. However, to which extend this will help to educate consumers and stimulate demand for higher standard of tea is still ongoing. In order to involve the consumers, one of the leading initiatives - Tea 2030, proposes to increase use of social media and demand for greater transparency. By doing so, consumers will have more access to information about supply chains, which may lead them to demand higher standards (Brouder et al., 2014).

Regarding the demand of Czech tea consumers, the current trend in health and wellness resulted in a strong interest in green tea among Czech consumers in 2015. The demand of previous years for flavoured teas stagnated in 2015. Nevertheless Czech consumers continue to seek naturally healthy teas and fruit/herbal combinations. Per capita consumption in the Czech Republic accounted about 422 grams in 2013 (Ireland 2kg, Netherlands 777g).

2.3 Sustainability issues in the sector

Nowadays, quality of tea and sustainable supply is not guaranteed for the sector. Numerous social, economic, and environmental issues, all together with the diminishing natural resources and rapidly growing populations, stay on the root of this situation. With the growing public awareness in the West countries about social, economic and environmental issues associated with tea cultivation, the sector has become increasingly interested in sustainability (Groosman, 2011). Despite the focal point is the tea farming system, sustainable production and social change are mainly driven by the purchasing policies and practices of companies at the buying and retailing end of the tea value chain (TCC, 2010).

2.3.1 Social issues

The quality and dignity of life in the tea sector is negatively influenced by several social issues. Workers on tea plantations frequently face discrimination, harassment and inequality on gender (FAO, 2015a), together with poor living and working conditions on estates, as identified by (Srinivasan, 2016) in Nilgiri in India. Another issues are limited access to healthcare, safety measures and diminishing representation of workers and small growers in unions and associations (Partners in Change, 2007).

One of the issues influencing impact on labour is the presence of workers organisations. For example in Kenya the main advantage of tea farmers is their organisation, as they are often members of Kenya Tea Development Agency (KTDA), contrary to other smallholders in other countries where such organisation is lacking (Groosman, 2011). KTDA farmers receive 75-80% of the final auction selling price. More than 62,000 farmers have received loans since 2009. Their proper organisation and presence of farmer field schools eased the certification process against RFA (54 factories) and Fairtrade (13 factories). The provided training for sustainable agricultural practice increased yields by 36% in average, and help to receive premiums from certified tea (IFC, 2014).

For instance in China, tea growers associations can be found in all major tea areas, but most tea growers associations are dominated by companies and government at the grassroots level, and tea growers can hardly be part of decision-making process. The same situation is present within tea cooperatives in China, as they are mostly initiated by companies, and major leaders are often from companies or government, many people began to be suspicious (Chen, 2009).

Rights of tea growers in the cooperatives in China remain to be questioned. In China, also many domestic NGO assist in the local tea industry focusing on poverty reduction for local villagers; while most of international NGOs look for value added links within the supply chain, trying to improve the livelihood of growers through advocating international buyers to purchase tea with certain certification (Chen, 2009).

2.3.2 Environmental issues

Tea cultivation has notable environmental effects as Clay (2003) put it: "*The main harmful environmental impact of tea production is habitat conversion.*"

Biodiversity rich forests are still being cut down in order to make a place for new plantations for various crops, including tea, what leads to soil erosion (WWF, 2017). For instance in Kenya, tea plantations were established on land that was prior naturally forested by indigenous tree species. For instance RFA standard promotes maintaining a proportion of indigenous tree species on the property, as the way to pursuit sustainable agriculture (Omondi et al., 2013). The same research conducted in Kenya with RFA certified and non-certified tea plantations concluded, that certified farms had better environmental considerations, nevertheless falling short of the sustainability threshold (Omondi et. al., 2013).

In some countries, like India, Sri Lanka and Vietnam unsuitable application of toxic pesticides influence negatively the environment (Van de Wal, 2008). In addition to pesticides, also fertilizers cause problems. In Pinglin (Taiwan), the excessive fertilisation of tea gardens in order to assure juicy leaves led to pollution of Feitsui reservoir, supplying

Taipei with drinking water. The nitrogen and phosphorus that could not be absorbed by soil, were washed into the reservoir, causing eutrophication. As solution, reservoir technicians have promoted so-called “reasonable fertilisation program” to tea farmers within the reservoir watershed (Chang, 2013).

As known, the majority of tea is grown in monocultures (SSI, 2014), what provide ideal conditions for pests incidence, resulting in the wide application of pesticides harming the ecosystem as well as farmer health and safety (UNU, 2010). In Pinglin (Taiwan), one tea farmer turned from conventional to organic farming after being hospitalized for one week, by only touching a diluted pesticide, convincing also other farmers to turn to organic (Chang, 2013).

Several studies were published to discuss environmental issues and climate change in relation to tea growing practices. Blue Magpie TEAgriculture program focus on eco-tea cultivation and participatory farming in foothill ecosystems in Pinglin Satoyama[4] in Taiwan (Chang, 2013). The main objective was to revitalize local economy by preserving a natural environment and biodiversity through promotion of environmental friendly eco-tea cultivation, providing eco-tours for tourists, creating own brand of “Blue Magpie Tea Wenshan Baozhong oolong” that was successfully marketed at local cafes, as well as in three continents and landed in 15 countries, the Czech Republic inclusive.

Another study by Ashardiono and Cassim (2014) dedicated to sustainability challenges in tea cultivation in Uji area (Kyoto, Japan), proposes traditional agriculture knowledge (TAK)[5], importance of *terroir* (climate, soil, topography and cultivars), parallel to wine grape cultivation, and precision agriculture system, as a solution to adapt to climate change while maintaining the quality and yields. The study concluded that critical bio-climatic indicators derived from wine grape cultivation such as Heliothermal Index, THSW Index, Cool Night Index, Dryness Index and Soil Respiration can be translated into indicators for evaluating

[4] Satoyama-refers to how people manage the foothill ecosystems around their home villages
[5] TAK; generally composed of: (1) cultivation method, (2) soil management practices, (3) socio-economic condition of an area or localities

optimal conditions for growing quality teas. Above mentioned indicators and TAK were proposed as powerful tool for monitoring the impacts and adapting to climate change.

2.3.3 Economic issues

Impact of tea trading on economic situation is frequent topic of discussion especially for small-holder producers. Because of the remoteness of smallholders, and a little time the fresh tea leaves need to be delivered to BLFs, directly or through middleman (leaf agent), tea smallholders lack a bargaining power (Van de Wal, 2008).

In order to improve productivity and empower tea smallholders, Tea Board of India set up a new Directorate in 2013 with technical field officers in all growing regions. The growers are motivated through these officers to organize themselves into self-help groups (SHGs), consisting of 30-50 growers. The SHGs are registered under the Society Act to become legal entities to employ various benefits, provided by Small Grower Directorate of Tea Board of India. Through this collectivization, the growers can move up in the value chain as manufacturers, marketers and business entities of their own teas in a branded and value added form. In this way their teas can be exported at higher price (FAO, 2015a).

Income of workers on plantations is often discussed. The wages of workers are endangered when market prices for tea decrease, as the cost of labour represents about 55% to 73% of made tea production cost. Picking is the most labour demanding activity, which makes up approximately 75% of these costs (Groosman, 2011). The wages are usually very low bordering with country's minimum wage level which normally constitute not even a living wage in tea-producing countries (Van de Wal, 2008).

The living wage has become a very frequent topic. The recognized definition[6] of a living wage as (Anker, 2011) put it: *"Remuneration received for a standard work week by a worker in particular place sufficient to afford a decent standard of living of the worker and her or his family. Elements of a decent standard of living include food, housing, education, healthcare, transport, clothing and other essential needs including provision for unexpected*

[6] Agreed to by: Fairtrade International, Rainforest Alliance, UTZ Certified, Social Accountability International (SAI), two ISEAL members-Forest Stewardship and Goodweave

events." As example, the estimation of a living wage for rural Malawi (January, 2014) was 81.9 USD per month, so 3.6 USD per workday for permanent workers, before consideration of in-kind benefits that reduce the need for cash income (Anker and Anker, 2014).

Malawi, one of the poorest countries where 62% of people live below the World Bank's poverty line employs 50,000 workers in the tea industry. The wages were found to be across all regions below the international extreme poverty line at household level, despite conforming with the legal minimum wage. Within the project Malawi Tea 2020[7], engaging companies along the value chain, buyers, tea traders, packers, retailers, development organisation, certification schemes, trade unions, Tea Association of Malawi, endorsed by the Malawi government committed to the program in 2015. The program aims to deliver six key outcomes, one of the six being significant improvement in wages and benefits for workers committing to a living wage by 2020 (IDH, 2015a).

Another way how to gain more economic value and social benefits while being friendly to environment goes through certification schemes, as we will see in the following chapter.

2.4 Private certification as a tool for improving international commodity value chains

Within the agri-food sector, quality and standards became main elements of modern supply chain management. With economic liberalisation in agricultural production, new regulatory forms and standards have appeared with a focus on health, food safety and environment (Watts and Goodman, 1997).

Third party certification has become recently a significant regulatory mechanism in the global agri-food system, reflecting a broader shift from public to private governance. Traditionally, mostly government (or public) agencies used to be responsible for monitoring food safety and quality standards. However, the globalized agri-food system, the consolidation of food retail industry and the advancement in private retailer standards have caused the shift for this task to , independent, third party certifiers (Hatanaka et al., 2005).

[7] Revitalisation Programme Towards Living Wage

Apart from third party certifiers, other voluntary regulatory schemes also exist as first party (standards set by producer/supplier; e.g. sourcing guidelines and codes), second party (standards set by contractor/organisation; e.g. minimum good practice and sustainability standards) and fourth party (multi-stakeholder set standards; e.g global code for sustainable growing, processing and trading) (Muradian and Pelupessy, 2005). Due to the independence in auditing, third party certification is viewed as more reliable and credible than first or second party certification (Golan et al., 2001).

Regarding the market, third party certifications serve also as a marketing tool. It can be communicated through so-called consumer-facing labels providing product differentiation recognized by consumers (Hatanaka et al., 2005). In the contrary internal codes and business-to-business (B2B) standards are not recognized by the consumers.

Applying this to tea sector, one example of voluntary regulatory scheme, which is not recognized by consumers is for instance the implementation of code of conduct (self-enforcing voluntary code) by Himalayan Orthodox Tea Producers' Association (HOTPA) in order to improve a reputation for Nepali tea and capture more profits. The code consisted of plucking standard and improved agriculture practices (1. stage); aiming to upgrade to organic farming and empowering the farmers by gaining premium price (2.stage) (Mohan, 2016).

Nevertheless in the tea sector, certified tea has become a common practice and is defined as tea that includes the three pillars of sustainability, concretely (1) 'economic viability' for farmers, (2) 'environmental conservation' and (3) 'social responsibility'. Certification provides the written assurance by an independent third party that the quality of the tea and the production process conform with given requirements (Groosman, 2011). In the following chapters we will look at the major private third party certification schemes in the tea industry in more details (Fairtrade, RFA, UTZ), as well as on ETP, which is a membership organisation.

2.4.1 Fairtrade

Fairtrade refers to the Fairtrade International (FI) standards, established in 1997. FI standards determine the rules for the players involved which are governed within their value chains and are based on values like transparency, partnership and participation, democracy and equal exchange (Milberg and Williams, 2008). All players within the value chain: producers (farms and factories), buyers (international traders) and blenders/packers are certified against FI standards and must comply with them (Loconto, 2010). FLOCERT is the third party independent certifier for Fairtrade International, following ISO 17065 norm in all its certification operations (Fairtrade International, 2017a). Regarding tea, both tea estates and smallholders can become certified according to two different sets of standards. Fairtrade is offering four important benefits for producers:

- **Stable price:** Price that covers the cost of sustainable production and living. Fairtrade minimum price is origin-specific, currently 2.40 USD/kg in Sri Lanka, 2.00-2.20 USD/kg in India and 1.70-1.80 USD/kg in Kenya (Fairtrade International, 2017).
- **Fairtrade Premium:** Amount of money paid additionally for every kg of produce (0.50 USD/kg of made tea) to the producer organisation for the community and economic investment. Fairtrade premium differs according to the processing (CTC or Orthodox) and the producer, Hired Labour Company (HL) or Small Producer Organisation (SPO). The premium for teas of all origins (CTC or fannings and dusts processed by orthodox method) amounts for 0.50 USD. For organic and conventional tea processed by orthodox method (except fannings and dust) premium makes 1.10 USD. Premium for instant tea produced of conventional and organic made tea make 15% and 10% of the commercial price, respectively (Fairtrade International, 2017). Producers themselves decide democratically how to use it in case of cooperatives-in case of estates, the use of Fairtrade premium is decided by the “Joint Body” of all workers. Typically they invest it in education,

healthcare, farm improvements or processing facilities (Fairtrade International, 2017c).

- **Partnership:** Producers are involved in decision-making processes that affect their future and jointly can intervene into the management of Fairtrade International. Through the Fairtrade International's Board producers can influence prices, premiums, standards and global strategy (Fairtrade International, 2017b). Recently strong emphasis was given to support worker organisation and representation in order to negotiate with management and make progress towards living wages. The benchmark for a living wage is still lacking, Fairtrade International initiated pilot studies to access its calculation. The second step is to tackle how to introduce it into the industry (Fairtrade Foundation, 2017).
- **Empowerment of farmers and workers:** The key conditions are democratic structure, transparent administration, democratically elected committee which decide on the use of the premium (Fairtrade International, 2017b). An important emphasis is given to representation in trustworthy, effective and independent trade unions in order to voice workers opinion towards estate management and negotiate better working conditions or higher wages. Fairtrade also contains rules for working conditions of workers, their safety and remuneration. Environmental protection makes also a part of the standards for tea (Fairtrade Foundation, 2017).

2.4.2 Organic Certified

The organic agriculture practice is built on the principles of health, ecology, fairness and care (IFOAM, 2017). Organic agriculture is a production system which excludes synthetic pesticides, herbicides, chemical fertilisers, growth regulators and livestock feed additives (Browne et al., 2000). Production techniques such as composting, terracing, intercropping and natural pest control are applied (Loureiro and Lotade, 2005). As natural fertilisers: compost, animal manures, legumes, green manures, off-farm organic waste are used (Browne et al., 2000).

Sustainability and organics are closely linked by sharing common goals. Organic farming represents one form of sustainable agriculture with a maximum dependence on self-regulating agro-ecosystems (Pretty, 1995).

Organic is a holistic certification system which has been introduced into laws of countries worldwide. Organic labelled products must comply with a set of standards that are maintained by a government agency or third party certifier at regional or national level. Nevertheless, these sets of standards vary across countries and certifiers (Loureiro and Lotade, 2005). The organic certification also covers all the stages of the value chain. For organic tea is paid a higher price from buyers, as well as for orthodox processing benefiting the producers by higher revenues (Loconto, 2010).

Standards or quality labels can be also multiplied such as for instance Fairtrade with Organic, combining eco-friendly farming practices and ethical trade regimes, while delivering ecological and social benefits, contributing to increased welfare in general (Parvathi and Waibel, 2013). The study of Browne et al. (2000) focusing on links between ethical trade and organics is confirming the potential for organic production to be ethical, by the addition of social criteria to the standards of the organic regulatory authorities.

The organic certified tea represents a niche market. The Czech Republic uses compulsorily organic logo of the EU and beside has a national organic logo *(Bio zebra)* to communicate the same information to the consumer. It was proposed to use the national logo only for domestic Czech organic food production, however the realisation of this intention is not finished yet (IFOAM EU, 2017).

2.4.3 Rainforest Alliance Certification

Rainforest Alliance Certification (RFA) is one of the Environmental Management System (EMS) that addresses all three pillars of sustainable development as the environment, economic and social issues (Tischner et al., 2010). As third party certifying body, Rainforest Alliance award farmers with certificates proving that farmers have reached and maintained stipulated standards. Standards for RFA are designed by independent non-profit conservation organisations known as the Sustainable Agriculture Network (SAN). Both, individual farms or group of farms can become certified against RFA. The certification cycle is three years and consist of certification audit at the beginning, followed by annual audits. In the third year, the audit decides whether a farm maintains its status (SAN, 2015). A farmer apart from paying the extra cost for social, economic and environmental improvements is also committed to pay direct cost of audits and annual fee. A primary benefit of farmers is the allowance to use the RFA labelling seal on products and promotional materials. Certified products may also receive an additional price premium (Loconto, 2010).

Unilever, the biggest player in the global tea industry has committed to source all its Lipton tea bags from RFA certified sources by the end of 2015 - the commitment was successfully achieved. Currently 66% of Unilever’s tea is now from sustainable sources (Unilever, 2017).

In 2007, RFA was, for instance, adopted by a number of Kenyan tea farms to solve environmental and social problems like poor working conditions, inadequate basic facilities as housing and economic issues like low-income security. The results of the study show that there are important sustainability benefits by adopting the certification, but more efforts are still needed to achieve sustainability. For instance no differences were found between certified and non-certified farms, including access to health services and employee living conditions, in term of house size, number of rooms and poor housing conditions. However almost all employees on certified-farms had access to water in their compounds, but less than half did not on non-certified farms (Omondi et al., 2013).

2.4.4 UTZ Certified

UTZ is a program and label for sustainable farming of coffee, cocoa, tea, herbal tea and hazelnuts. UTZ‘s main mission is to create the world where sustainable farming is the norm. The program enables farmers to learn better farming practices, improve working conditions as well as taking a better care about the involved people and the environment.

The compliance with UTZ‘s standards, required by farms and businesses, is monitored by independent third parties (nearly 60 UTZ approved certification bodies). The requirements include: *„Good Agriculture Practices and farming management, safe and healthy working conditions, the abolition of child labour and protection of the environment.“* (UTZ, 2017a).

The standard is based on two sets of guidelines, being *Code of Conduct* (to cover the growing and harvesting process) and *Chain of Custody* and traceability system (to cover the way from the farm to the shelves) tracing the product and providing an information of how much product has come from UTZ certified farms. This, according to UTZ, ensures the highest level of transparency in the entire supply chain (UTZ, 2017b).

The UTZ certified label appears on over 20,000 different products across 135 countries by world’s leading companies like Jacobs Douwe Egberts (JDE), Lavazza, Tchibo etc. Apart from the challenges which can be addressed by the certification, there are others issues like child labour, low wages and climate change requiring a cross-cutting approach. To tackle these problems UTZ cooperates with producers, NGOs, governments, buyers and others to expand their reach (UTZ, 2017a).

In 2011, JDE, the owner of the Pickwick brand, a small player on the global scale, but important in some European countries sold 40% of its tea under the UTZ certified label. The rest of its tea was under the standards of Ethical Tea Partnership (Rank-a-Brand, 2013) in order to tackle the issues going beyond the scope of auditing, meaning climate change and social issues (Vellema and Van Wijk, 2015).

2.4.5 World Fair Trade Organisation

Another organisation which stands for Fair Trade values is WFTO (The World Fair Trade Organisation). WFTO is global network of organisations representing the Fair Trade supply chain including fair traders, producers, marketers, exporters, importers, wholesalers and retailers demonstrating 100% commitment to Fair Trade values and applying all ten WFTO principles into their supply chain. Compliance with the standards is controlled through peer visits and monitoring audits (WFTO, 2017). Typical example of WFTO tea supply chain can be German company El Puente GmbH, which is considered as 100% Alternative Trade Organisation (ATO) which source tea from own smallholder producers that are not Fairtrade certified. The smallholder associations hold major shares in the factory ownership. Additionally, El Puente contributes to specific development projects for its members (Loconto, 2010).

Ethical Tea Partnership

2.4.6 Ethical Tea Partnership

Regarding the tea sector, the most common and extended initiative is Ethical Tea Partnership (ETP) (which is a non-profit membership organisation) which began in 1997 when large tea companies joined in order to promote sustainability in the sector, rather than competing on ethics (Loconto, 2010). Currently, the partnership consists of about 40 international members (ETP, 2016). The major ones are Tetley, Twinings, The Republic of Tea, TAZO, Taylors of Harrogate and Sara Lee. The founding packers Unilever and James Finley resigned in 2007 in favour of Fairtrade and Rainforest Alliance standards. The ETP tea specific standards were developed from Ethical Trade Initiative base (ETI) standard code (Blowfield, 2004). The ETP standard aims at five areas: employment (minimum age and wage), education, maternity, health and safety, housing and basic rights. In 2009 also environmental components were added to the ETP standard. In general, the standard was based on monitoring (or certification audits) of living and working conditions on tea estates and factories, starting with a self-assessment questionnaire about the practices of producers. Non-conformances are then identified and monitored by ETP every three years. In recent years ETP has further turned to have a capacity building role within the sector. ETP, is not a certifying body itself, but aims to help producers to become certified against Rainforest Alliance, Fairtrade and UTZ certifications (Loconto, 2010).

2.5 Self-regulation by companies towards sustainability

Another way of control is a self-regulation by companies known as CSR (Corporate Social Responsibility) management. The European Commission defined CSR as: *„a concept* *whereby companies decide voluntarily to contribute to a better society and a cleaner environment."* (European Commission, 2001). CSR has become an important part of the modern business strategy and marketing (Ramasamy and Yeung, 2009). But it has been documented, that many companies start to be concerned about CSR only when their reputation struggle (Loussaief et al., 2014). CSR is composed of four main fields: economics, law, ethics and philanthropy. Based on Carroll (1991): These factors lead a company *„to generate profit, obey the law, be ethical, and be a good corporate citizen."*

Since the mid-1990s, Unilever (world's largest seller of black tea) has been working with agricultural experts and NGOs to promote own agricultural sustainability programmes with the objective to secure future supply of its key products, while promoting good agricultural practices, ecological benefits and social responsibility. To approach sustainability of tea production is a major task of this concept (CSR Europe, 2013).

One of the tool of modern management of international tea supply chain is traceability. The traceability system is a mechanism that compiles and keep records of each step of the manufacturing process, from production through the sale to the final product, including suppliers, sellers and production methods (ITO EN, 2012). It serves, for example, for monitoring source of the high-quality tea. In Taiwan for example, tea is a specialty product and through export to Europe and USA has generated a positive reputation. However, in recent years, perception that expensive tea is high-quality tea has caused consumers to be increasingly swindled. Low-quality tea has been very often marketed as high-quality, and imported teas have been sold as Taiwanese. This may threaten the high standard image of Taiwanese teas. Adulteration is only one of various reasons why tea farmers and brands should be encouraged to implement traceability systems (Wang and Yang, 2014).

2.6 Current projects and initiatives towards sustainability

Growing public awareness of problems and hardships associated with tea production is on increase. Besides that, the document from TCC (2010) clearly highlighted different situation in the tea sector: *"In contrast to the coffee and cocoa sector, there are no global governance initiatives such as multi-stakeholder round tables, to improve the social, environmental and economic conditions of tea producers worldwide."*

However, the situation in the tea sector has changed recently with various projects and initiatives dedicated to the sustainability of the tea sector. One of the most important recent project run by Forum for the future is called Tea 2030. The authors characterised the project as follows: "*Tea 2030 is a project bringing together leading organisations across the tea sector to collaborate and help to create a more sustainable future for the tea sector."* The project Tea 2030 brings together key organisations in the global tea industry, including Ethical Tea Partnership (ETP), Fairtrade International (FI), Finlays, IDH – The Sustainable Trade Initiative, Rainforest Alliance, S&D Coffee & Tea, Tata Global Beverages, Twinings, Unilever and Yorkshire Tea and others, supported also by the International Tea Committee.

For the first time in history, some of the key players in the tea sector have gathered with common aim to explore the future for tea in a collaborative project where all parts of the value chain are working together in order to secure the long-term sustainability of the tea sector (Brouder et al., 2014).

The brief overview of other main tea sustainability projects, initiatives and organisations are presented below, see Table 1. Following initiatives and projects are mostly multi-stake holder and B2B standards, which are not recognized by consumers, but the impacts of these projects can be more significant than certain certifications. These initiatives are mostly of national scope, only some encompass a global scale.

Table 1: Sustainability Tea Projects, Initiatives and Organisations

Project/ Initiative/ Organisation	Focuse	Parties involved	References
Tea 2030	**-Objectives:** -To secure the long-term sustainability of the tea sector -Bringing the opportunity for tea to become a 'hero crop', delivering not only a commodity but also major benefits for the millions of people involved, the planet and wider economy -To move from linear supply chain to a 'value network' where all members cooperate to create a more sustainable industry -Address challenges associated with a changing climate, creation of transparent and fair approach to production, supply and distribution -Creating a deeper connection between end consumers and producers -Tea 2030 further identified the key challenges and opportunities that could affect the future of tea	**Implementing organisation:** Forum for the future **Program partners:** Ethical Tea Partnership (ETP), Fairtrade International, Rainforest Alliance, Finlays, IDH – The Sustainable Trade Initiative, S&D Coffee & Tea, Tata Global Beverages, Twinings, Unilever and Yorkshire Tea -**supported by:** International Tea Committee	(Brouder et al., 2014)
Trustea	**-India sustainable tea program** -Ambitious initiative to develop and implement a sustainability code for the Indian domestic tea market -Based on industry realities and globally accepted sustainability principles -The trustea code is designed to evaluate the social, economic, agronomic and environmental performance of Indian Tea Estates, Small Holders and Bought Leaf Factories (BLFs) -Stimulating continuous improvement, and impacting the livelihoods of smallholders and workers. -Since 2016 envisaged Chain of Custody (CoC)- (Digital Traceability System) to be implemented	**Implementors:** Ethical Tea Partnership (ETP) and Solidaridad **Led by:** Tea Board of India **Funded by:** The Sustainable Trade Initiative (IDH), Hindustan Unilever Limited (HUL) and Tata Global Beverages Limited (TGBL)	(Trustea, 2016)

Team Up	- **The world's number one tea and sustainability conference**-each year in London (June), since 2013 - Brings together the whole tea value chain (producers, tea buyers, traders, and retailers together with Ethical Tea Partnership's global team and IDH) to accelerate change across the tea sector - Focusing on how to make progress against the United Nations Sustainable Development Goals and their implications for the tea sector, and how they can help guide the sustainability agenda for tea. -Learning from success and failure, discuss the difficult issues, and inspire each other to increase the impact. **Objectives:** 1. Good livelihoods and quality of life of tea workers, farmers, and their communities 2. Fair and equal opportunities for the people that grow and produce tea 3. Good environmental management practices including climate change adaptation and mitigation	**Initiated by:** Ethical Tea Partnership (ETP) and IDH **Partners:** tea boards and associations, NGOs, certification organisations, specialist implementing agencies, and UN agencies	(IDH, 2016)
Kenya Tea Program	-**Objective:** Aims to transform the Kenyan tea sector through training and certification of 560.000 KTDA smallholder tea farmers (560 KTDA tea factories) towards sustainable agricultural practices -Currently there is 500 KTDA farmer field schools where small scale tea farmers learn how to grow tea more sustainably, and how to grow other crops (cabbages, tomatoes, carrots) in order to increase their food security. -Training on good agriculture practices with Unilever's Lipton Company in 2006 -Training in sustainable agriculture practices to meet requirements for Rainforest Alliance certification	**public-private partnership**: Rainforest Alliance, Unilever and the Kenyan Tea Development Agency (KTDA)	(IDH, 2017)
Malawi Tea 2020	-Ambitious, action-oriented coalition of Malawian tea producers, trade unions, the largest international tea buyers, relevant certification standards, NGOs and donors. -Program is supported by companies all along the value chain -All producers are part of the program through the Tea Association of Malawi (TAML)	**Partners:** Ethical Tea Partnership, Ethical Trading Initiative, Fair Trade, IDH – Sustainable Trade Initiative, Jacobs Douwe Egberts, Malawian Tea Traders Association, Marks and	(Malawi Tea 2020, 2017)

	Objectives: 1**.** A more competitive and profitable industry that is paying a living wage to workers 2**.** A healthier, motivated, and productive workforce, with greater opportunities for women 3. An improved smallholder sector where farmers earn a living income 4. An improved wage-setting process with greater worker representation 5. More sustainable energy use and an improved environment in tea-growing areas	Spencer, Mother Parkers, OTG, Oxfam, Rainforest Alliance, Fairtrade International, Tata Global Beverages, Taylors of Harrogate, Tea Association of Malawi, Tesco, Twinings, Unilever, UTZ, Van Rees, Tata Global Beverages	
UNICEF Partnership in Assam (2014-2017)	-Bringing together all key stakeholders in the tea industry -**Objective:** To tackle child exploitation, abuse and violence across the sector and to reduce their vulnerability to trafficking -To provide training, knowledge and 'life skills' to community members to protect children, make families aware of children's rights. -**Scale:** To reach 25,000 girls and 10,000 community members. Project works with over 350 tea communities across more than 100 estates in three districts in Assam.	**-founder and supporter: - IDH, UNICEF and ETP members:** Tesco, OTG (Meßmer), Tata Global Beverages (Tetley, Tata Tea), and Taylors of Harrogate (Yorkshire Tea); and Typhoo **-state and district government**	(IDH, 2017b) (ETP, 2017)
Smallholder Finance Facility (SFF)	**-Objective:** To improve productivity and thus livelihoods of tea smallholders through co-financing and investment, together with supply chain actors. Aims to invest 50 million USD into upstream supply chain projects during the next 5 years. To provide technical assistance, conditional grants and debt instruments. **To improve farms productivity and profitability through:** -Good agricultural practice (GAP) -Access to quality inputs (fertilizers, pesticides, seeds, etc.) -The rehabilitation and replanting of crops -Providing the finance to implement these activities	IDH FMO-Dutch development bank	(SFF, 2017)

FAO Intergovern-mental Group (IGG) on Tea	-Represents a forum for intergovernmental consultations and studies of all problems connected with tea -Focuse on exchange on trends in production, consumption, trade and prices of tea -Providing regular appraisals of the market situation and short and long term outlooks **-IGG consist of seven working groups (WG):** WG on Maximum Residue Levels (MRLs) WG on MRLs in the Brew Tea Trade and Quality WG on Organic Tea WG on Climate Change WG on Smallholders Task Force on Statistics	FAO delegates, International policy makers, Private sector, International organisations, Observes	(FAO, 2015)

2.7 Standards, tea processing and grading systems

The minimum standard for international trade in tea needs to be based upon objective and scientific criteria (Hicks, 2009). To this purpose, ISO Standards were established for black and green tea separately; ISO 3720:2011 and ISO 11287:2011. These International Standards specify the parts of the plant that are suitable for manufacturing tea for consumption as a beverage. There are also set requirements for certain chemical characteristics. Usually, the quality of tea is assessed by tea tasters, who base their judgements on their previous experience of tea from the producing area and their knowledge of national or regional conditions, and preferences in the consuming country. Tea taster focuses on characteristics such as the appearance of the tea before preparation of a liquor, the appearance of the infused leaf and the appearance, odour and taste of the liquor (ISO, 2011a),(ISO, 2011b).

Above mentioned ISO Standards have been used in international trade and with some adjustments in India, Sri Lanka and Africa. Recently India and Sri Lanka began to call for their own national Standards being inspired by China and Japan (Thoma, 2014). The Chinese tea industry has an approved list of registered *terroir* teas that have to meet a set of specific and precise requirements and prove the ancientness of their traditional characteristics (ISTA, 2015a). A similar system would help to properly evaluate and set standards for all kinds of teas produced in other countries while gaining more profit, stronger position and transparency in the value chain.

According to the different steps of processing and other characteristics, there are essentially at least six different types of “Camellia tea”, which is *black* (fully oxidised), *green* (non/minimally-oxidised), *oolong* (semi-oxidised), *white* (non-oxidised), *yellow* (lightly oxidised) and *dark* (post-fermented) (CBI, 2016a).

There are two principal styles of tea production across the world – the *orthodox* and *CTC* (Crush, Tear, Curl; exclusively for black tea). Orthodox tea refers to loose-leaf tea that is produced using traditional methods consisting of steps like plucking, withering, rolling, oxidation/fermentation and drying. Orthodox processing is done by machine or by hand, usually used for high(er)-quality loose teas, for connoisseurs (Hicks, 2009). CTC method is used for lower quality mass-produced tea bags (entirely for black tea). Tea leaves are mechanically chopped, quickly oxidized and rolled into small pellets. It is a fast and convenient method for mass-produced tea (Teabox, 2017). In green tea production, oxidation is unwanted, hence is stopped after withering, by *fixing* (pan-fired[8], steamed[9], baking, tumblers, sun-drying etc.) then fixed leaves are dried, before other possible steps of processing (World of Tea, 2012).

Tea comes in various grades based on the production process. There are different systems for tea grading, but one particular system, using letters, is commonly used. This grading system is typically only used for black tea (not even for all black teas). Green tea, oolongs, white tea, and black teas from China and Taiwan tend not to use this grading system (Rate Tea, 2013). In practice, orthodox black tea leads to four grades: (1) *whole leaf* (little or no alteration to the tea leaves, high-quality, especially if contain leaf tips), (2) *broken leaves* (medium grade loose teas, smaller broken varieties can be used for tea bags), (3) *fannings* (small particles of tea leftovers, can be manufactured for use in tea bags) and (4) *dust*s (the finest particles of tea leftovers, used for tea bags) (Hicks, 2009).

It is worthy noticing that in China the classification is varied and complicated. In general they divide tea into *basic tea* (six main tea types) and *reprocessed tea* (with herbs, fruit, flavours). The tea production is classified into *mass-produced* (produced mostly by machine, sells cheaper) and *high-end tea* (mostly handmade during the whole procedure, sells much higher) (Chen, 2009).

2.8 The position of specialty teas within the sector - A call for standards

The special sort of tea represents so-called *"specialty tea"*. Diverse characteristics and opinions can be found in available sources. Generally, *"specialty"* or *"premium tea"* is used to define tea of high-quality. Nevertheless, according to the Specialty Tea Institute (STI), the definition of specialty tea differs across countries. As an example, green tea might be

[8] Chinese way of "killing the green" (de-enzyming processes to halt the oxidation)

[9] Japanese way of "killing the green"

considered a specialty tea in the US, but not in Japan, where green tea represents majority of tea consumption. Others claims that, flavoured teas such as Earl Grey, scented teas such as Jasmine, and spiced teas also fall within the specialty tea category (Market Realist, 2015).

Nevertheless, according to Hodge (2016), specialty tea is everything what trader says it is. Currently, the price is not based on the real quality but on marketing, the result of a lack of the standardization. During the last decade, the tea market has seen a bloom in what the industry call *“specialty tea“*. But not all were really special. In the literature or any international standards does not exist any officially respected definition. So far *“specialty tea”* was in the most cases adulterated commodity tea blended with fruits, exotic herbs, flower petals, finally sprayed with artificial flavours. The commodity tea, the base of these blends, was any tea (black, green, oolong, Pu-erh or white) originating from large-scale production, where the main goal is quantity over quality, totally opposite how real *“specialty tea”* should have been defined (Hodge, 2016).

In order to bring more clarity into this topic, the insight of Austin Hodge, founder of the International Specialty Tea Association (ISTA), will be used to reveal this dilemma.

Austin Hodge proposed the following 12 characteristics[10] as the baseline for specialty tea standards (each element should be further described in greater details): *(1) The condition of the leaf, (2) adherence to the plucking standard, (3) uniformity of the leaf, (4) origin, (5) harvest date, (6) cultivar, (7) tea maker, (8) processing, (9) percentage of the moisture remaining in the tea.* According to Hodge, without this information, authenticity becomes impossible to verify, making the quality objectively questionable. Last three characteristics are: *(10) colour, (11) aroma and (12) taste;* the last three demonstrate more subjective evaluation made by the professionally trained tea taster (ISTA, 2015a).

As ISTA (2015b) remarked: *„Agreeing on a core definition for specialty tea would enable the classification also of all the other teas within appropriate categories, ranking them from top to bottom, from premium grade single-origin to various quality grades for mainstream tea.“*

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[10] For a detailed description on every characteristic see (ISTA, 2016).

The differences in prices between commodity and specialty tea demonstrate, what standards for quality would mean for smallholders in Southeast Asia, India and Africa, areas still under the influence of the colonial commodity system (Hodge, 2016). According to the quality and production costs enable the specialty tea grower to price the tea at a minimum of approximately 30 USD per kg compared to 2,26 USD per kg for commodity tea. The prices of top grades of specialty teas can range approximately from 118 USD to 180 USD per kg (Market Realist, 2015).

The persistent awareness of the excellent quality of special *terroir* teas in China has retrieved the premium tea auctions, where small batches reach astronomic prices of more than 20,000 USD for 500 g of a *terroir* spring pick tea, or around 100,000 USD for a 375 g cake of vintage Pu-erh (ISTA, 2015b).

2.9 Ethical consumerism in the Czech Republic

The wide terminology such as (organic, fair trade and local) used to describe ethical consumption - a concept defined by Crane and Matten (2003) as: *"the conscious and deliberate choice to make certain consumption choices due to personal and moral beliefs."*

According to some authors, see Carrington et al. (2014), ethical consumerism is a burgeoning social movement, whose time appears to have arrived. Mainstream consumers increasingly express concerns about the ethical aspects and impacts of their consumption choices upon environment, animals and society (Shaw and Shui, 2002; De Pelsmacker et al., 2005). Ethical consumerism also refers to the use of goods and recycling (Carrier, 2012).

Nowadays, also Czech consumers are more likely to be interested in a quality and origin of the food they consume. A significant number of people prefer products from a reliable source and with ethical origin (Czech Fair Trade Association, 2010).

Fairtrade, organic and local are the three most important concepts of ethical consumption in the Czech Republic. While the fast-growing concept of organic production has relatively long history dated back to early 1990's (Zagata, 2012); the Fairtrade concept is relatively recent in the Czech Republic, the idea became more widely known after the year 2000 (Macak et al., 2014). Together with locally grown food we can include self-provisioning. As found by Smith et al. (2015), in the Czech Republic, a significant minority of middle class households are engaged in everyday practice of food self-provisioning, representing a type of "sustainable consumption" (known as "quiet sustainability").

Despite fair trade and organic have usually been examined separately, they have much in common by sharing similar values. The concept of Fairtrade includes environmental aspects in production processes (Fairtrade International, 2017a) and conversely, organic farming movement has included some social aspects in its principles (principle of care and fairness) (IFOAM, 2017). According to some surveys in the United Kingdom, the same kind of consumers are interested in both (Browne et al., 2000).

However, in the Czech Republic, the sales of Fairtrade are relatively new and insignificant in comparison with the sales of organic food products. But the growth in sales of both has been increasing (Macak et al., 2014). The total turnover[11] of organic food from Czech producers was approximately 3.2 billion CZK, while total consumption[12] was 2.02 billion CZK in 2014 (annual growth rate 3.9% compared with 2013). The annual average expenditure per capita stays under 200 CZK (approx. 7.5 EUR) (ÚZEI, 2016), compared to 100 EUR per capita in Austria (Greenmarketing, 2010).

The greatest share[13] represents the category "Others processed food" (32 %; especially subcategory "Coffee and Tea"- 49%). Organic food was mainly sold on the Czech market through retailers (supermarkets) (31%), organic shops (26%) and wholesalers (14%), another 19 % were represented by direct sales, pharmacies, drug stores and gastronomy facilities. From the subcategory "coffee and tea", only organic tea is imported, while the predominant importer stays South Africa[14], other importers are Japan, China, Sri Lanka, India and Salvador (ÚZEI, 2016).

In respect to the position of Fairtrade products in the Czech Republic, the evidence shown growth in consumption, the Czech consumers spent 203 million CZK in 2014 with annual growth rate of 17% in retail sales with respect to 2013. The main reasons for the

[11] export included
[12] import included
[13] derived from the total turnover of producers
[14] 67% of total import from the sub-category "coffee and tea" in 2014

growth of consumption is increased availability and ascending demand for quality (or luxury) products. Despite the mark of Fairtrade is not exactly a quality certification, Fairtrade products (a lot of them are organic or the amounts of agrochemicals is eliminated to a minimum) are perceived as products of higher quality. Coffee remains the most favourite Fair Trade product on the Czech market with a share (retail sales) of 68%. In 2014, 190 tonnes of coffee was sold, in the value of 138 million CZK. Another most sold products are: 16% cotton products, 7% tea (in value of 14 million CZK), 4.3% processed food, 2.5% cocoa and chocolate, 1.4% cosmetics and 0,9% beverages (Faitrade CZ, 2015). Unfortunately, tea has recorded a decline in consumption from 12% in 2010 to 2% in 2013 (Czech Fair Trade Association, 2010), (Fairtrade CZ, 2014). However in 2014 tea consumption recorded a rise up to 7%. Regarding the awareness, according to INESAN 52% of population are familiar with the notion of Fair Trade (comparing to 39% in 2011). Concretely the Fairtrade label itself is known to 26% of respondents of similar study, which is 5% more than in 2011. (Faitrade CZ, 2015). The major retail chains offering Fairtrade products in the Czech Republic are the following: DM Drogerie, Globus, Interspar, Kaufland, Makro, Marks&Spencer and Tesco (Macak et al., 2014), also Tchibo and Starbucks became new partners (Fairtrade CZ, 2014).

The group of consumers seeking organic and ethical products have a common bond with the consumers known as LOHAS[15] - represented by educated and higher class of society. In the Czech Republic, 5-10% of adult population (1.5-3 million) was estimated to fall within this market, offering a huge market potential (Bio Info, 2010). As Krupa (2013) put it: *"These sustainability trends are certainly a welcome shift – even if they are evolving from a comparatively tiny base level."* Such a consumer-driven trend, if properly harnessed, holds great potential for revolutionary positive change for sustainable supply chains (Krupa, 2013).

[15] Lifestyles of Health and Sustainability; market of LOHAS includes goods and services aligned with health, environment, social justice, ethics, high-quality, organic food, personal development and sustainable life.

2.10 Tea in the Czech Republic: History overview

Tea as a beverage has a fairly long history in the Czech lands. Already at the beginning of the 20th century tea was a favourite drink, special journal "*Přítel čaje*"[16] was published and Tea Shops (so-called *"čajovna"*) were established in Prague as well as in other cities. For instance well known Jokohama (established in 1908) in Vodičkova street in Prague was founded by the traveller, writer and collector of Japanese art pieces Joe Hloucha (1881-1957) (Dedinova, 2011). The inspiration and attractiveness of Czech tea culture was driven by a contemporary trend of Japanese culture within the rich Czech community. Unfortunately the first and second World War followed by communist regime wiped out the "Czech tea culture"(Thoma, 1997).

After the velvet revolution in 1989, a mass import of foreign goods began, from Western countries as well as from the Orient. Oriental ideologies and other movements together with tea culture arrived in the Czech Republic. This sort of movement started to be a counter pole to the onset of consumers' society of the West. While tea, the ancient drink, became old-fashioned in almost all western countries and was replaced by tea bags of low quality. Enthusiastic individuals in the Czech Republic appeared and began to run their own Tea Shops. Musicians, artists, writers, potters and especially young generation gathered and a new community of Czech "tea lovers" was born (Thoma, 1997).

The first association for tea called "*Spolek milců čaje*" was initiated by Luboš Rychvalský and Jiří Šimsa. Soon, the first real Tea Shop "*Dobrá čajovna*" was opened in 1993 on central Wenceslas square in Prague. The concept of "*Dobrá čajovna*[17]"gave the standard for the majority of other Tea Shops in the Czech Republic. Currently, under the brand of "*Dobrá Čajovna*", there are 22 tea shops in the Czech Republic, four in the USA, two in Poland, one in Slovakia and Hungary (Thoma, 2014). In 2011, more than 300 tea shops (tea rooms) were registered in the Czech Republic (Dedinova, 2011). The concept of the meditative environment of Tea Shops, serving such a wide range of teas is considered to be kind of

[16] Translation: Friend of Tea
[17] interior and decoration inspired by Chinese, Japanese and Arab culture

special and unique in Europe (Thoma, 1997). The international annual tea festival[18] *Čajomír* focused on traditional as well as modern way of tea underlines the strong position of Czech tea culture (Cajomir, 2017).

Apart from traditional tea shops, also mass-produced tea has considerably long history. Traditional Czech brand of packed teas has a history going back to 1958 when the company *Balírny Obchodu Praha*, later division JEMČA (*jemnický čaj*) was established. In 1967 company started to produce tea bags called PIGI, which was the long-time bestseller on the Czech market. In 2006 JEMČA a.s. was bought by Tetley (established in London in 1837), which is the affiliated company of the world concern Tata Group, in 2010 restructured and renamed to Tata Global Beverages Czech Republic, a.s (JEMČA, 2016).

Contemporary, Czech tea mass market as well as the European, is represented by the multinational companies. Mainstream certifications are commonly requested and have become almost a must for exporters to the EU market (also Czech Republic). The Rainforest Alliance and UTZ are the most popular labels in the Czech Republic, due to the presence of multinationals including Jacobs Douwe Egberts Czech Republic, Tata Global Beverages Czech Republic and Unilever CR (Lipton), accounting for 15%, 13% and 9% of market share, respectively. Another competitors are Teekanne and Mokate Czech, both accounting for 10% of market share. The strongest Czech domestic packers are Oxalis, Leros, Megafyt Pharma and Mediate (CBI, 2016d).

Focusing on export markets, the largest Czech export markets are its neighbouring (and eastern European) countries, indicating that the Czech Republic is increasingly a gateway to Eastern Europe. The most notable export markets for tea are Poland, Slovakia and Russia, accounting for respectively 40%, 25% and 17% of total tea exports in 2015. Tea exports are expected to increase during the coming years, as the Czech Republic is strengthening its position as a trade hub for eastern European destinations (CBI, 2016d).

The market of specialty and higher-quality teas and certified teas is part of the objective, thus will be discussed in details in following chapters.

[18] be held since 2009

3 Objectives

Research question:

Does the Czech tea market contribute to the sustainability of the tea production in developing producing countries?

In broader perspectives, the globalisation of the world's economy means that people's food consumption choices affects growers, producers, and workers internationally (O'Connor et al., 2017). Thus the Czech Republic, member of OECD, has a potential, also as a small country, to contribute to sustainable production of tea by means of responsible consumption, which is continuously increasing. To contribute with such a topic to the scientific audience will be unique and the first contribution regarding this topic in the Czech Republic. No scientific article contained such a topic in 2016.

Main objective:

To analyse the Czech tea market and its potential to contribute to the sustainable and ethical production of tea in countries of origin through responsible consumption.

The particular objectives:

1. To identify companies, importers, wholesalers and retailers dealing with specialty and certified teas in the Czech Republic and describe the whole tea supply chain.
2. Based on the framework of the current situation of tea market in the Czech Republic, to analyse the position and discuss future potential of specialty teas on the Czech market with special focus on ethical and quality certifications.

4 Methodology

For our research, we applied the qualitative descriptive approach based on one-shot data collection as the main research design.

4.1 Pilot data collection

The essential foundation of information on sustainable tea was provided by reports and sector overviews of The Sustainable Trade Initiative (IDH) and Forum for the Future and their project Tea 2030. An important emphasis was also given to materials from organisations as Fairtrade International, Ethical Tea Partnership, Organic certified, UTZ Certified, Rainforest Alliance, Tea Boards of producing countries, reports of FAO Intergovernmental Group (IGG) on Tea, national tea sector studies, and other projects and initiatives promoting sustainability of tea production.

As a pilot testing of the proposed methodology and more in-depth understanding and triangulation of secondary information, the whole approach was consulted with selected tea connoisseurs and key informants (Annex 1 , Annex 2) from the Czech Republic. Their recommendations were considered, but at the same time critically evaluated by the author.

4.2 General framework and secondary data collection for the first objective

After the initial consultations with experts from the tea sector, main results of the thesis were elaborated through detailed analysis of Czech specialty and certified tea market-firstly by using secondary data from web pages/online shops of main Czech tea companies, importers, wholesalers and retailers (tea shops) and by phone calls (customer services). A brief list of all adequate Czech specialty and certified tea traders (import, wholesale, retail) was created. More detailed analysis was elaborated only for the selected model of specialty tea traders on the Czech market with an extra focus on offered tea types and their origins and presence of certified teas in their product range (Table 3). The results were structured into two main branches, focusing on "specialty tea" and "commodity certified tea". The terms need to be specified.

4.3 Specification of used terms

The term ***"specialty tea"*** is not officially standardized and different sources use it for different teas. For the purpose of this study we adhered to the definition by Austin Hodge from International Specialty Tea Association (ISTA), defining "specialty tea" as tea originating in the production, where the primary goal is quality over quantity, proposing 12 detailed characteristics to define the quality (ISTA, 2015a), (ISTA, 2017). In general, such characteristics have a common link with the definition by CBI (2016b) referring to: *"high-quality orthodox whole leaf tea, often organic and single origin"*. According to the author, this general definition is the most parallel to the majority of teas offered by Czech specialty tea traders, selected for our research.

The term ***"commodity certified tea"*** we used in the study for mass-produced "certified tea", which according to (CBI, 2016a) refers to: *"Teas that adhere to various combinations of social, environmental and economic standards, and that have been independently certified by an accredited third party. The collective term **"sustainable"** is also used to describe these teas. The most relevant tea standards are Rainforest Alliance (RFA), UTZ Certified, Organic, Fairtrade and Ethical Tea Partnership (ETP)."*

The term ***"specialty certified tea"*** was used to specialty teas, which were also certified by above mentioned certifications.

Within the scope of this study we focused on the niche market of Fairtrade, Organic and partially on the brands being members of WFTO. Organic was considered to be a representative of quality/ethical certification and Fairtrade represented an ethical certification, or also quality certification if double certified with Organic. The mainstream certification schemes RFA, UTZ were studied only partially, based on secondary sources, in order to place their position within the Czech tea supply chain.

4.4 Selection of respondents

As a second step, 12 semi-structured in-depth face-to-face interviews were conducted. The interviews were done with three main groups of interviewees, (1) first consisting of tea connoisseurs (n=3) (Annex 1) and (2) second represented by key informants (n=3) (Annex 2), and third (3) consisting of Czech specialty tea traders (n=6) (Annex 3) (import/wholesale/retail), being owners of selected specialty tea shops. The method of selection of Czech specialty tea traders (import/wholesale/retail) was based on purposeful and criterion sampling strategy. The criteria used for selection were: (1) direct links with tea farmers or producers in producing countries and (2) selling specialty and/or certified teas. The group of tea connoisseurs was purposefully selected by the author, based on the observation of their activities regarding specialty tea (writing tea related blogs, organising tea workshops and courses, organising own tea-related projects, participating in the discussions on social networks, selling tea in tea shops or through online sale, visiting farmers in producing countries). The first contacted tea connoisseur was asked to recommend other relevant Czech tea connoisseurs according to the stated criteria. His recommendation went along with the authors pre-selection. Double-check control was applied in order to meet the relevancy of respondents.

For the group of key informants, the participants were selected on the criteria of having experience and information about ethically certified teas on the Czech market. The interviewees were: (1) Head of marketing and trade from Fairtrade Czech Republic and Slovakia (FT CZ), (2) non-governmental organisation (NGO) NaZemi dealing with topics of ethical trading and importing into the Czech Republic.

The overall number of all interviews being 12 was considered as sufficient to reach a theoretical saturation - a stage where additional interviews or observation is not believed to add new information or major improvements to our research question.

4.5 Data collection instruments

For the interviews, list of questions (3 versions): (1) tea connoisseurs, (2) key informants, (3) Czech specialty tea traders (owners of specialty tea shops) were prepared (Annex 4, Annex 5, Annex 6). The questions were concerning tea sustainability issues, Czech tea supply chain and position of certified and specialty teas on the Czech market. List of questions included open-ended and semi close-ended questions. Interviews were recorded and notes were done using paper and pen. The interviewees were asked before to agree on the audio recording. Only one interviewee rejected the recording. Additional spontaneous questions were asked by the author during the interviews, according to the emergent issues. The partial transcription and translation were done from the audio record after the interviews. The obtained data from the interviews were processed anonymously. For broader analysis notes were taken during unofficial discussions and visits of tea shops and used within the study, together with summaries and self-memos as tools for helping the analytical process.

4.6 Data processing

The results were processed based on the methods for qualitative data analysis-concretely thematic analysis. Braun and Clarke (2006) recommend this analysis as appropriate for analysing data obtained from semi-structured interviews. This kind of qualitative analysis emphasises pinpointing, examining, and recording patterns or themes within data. Themes are patterns found across data sets which are important for the description of a phenomenon and are associated with a specific research question. The phases of thematic analysis are consisting of six steps: (1) transcription and becoming familiar with the data, (2) generating initial codes (data reduction and compilation), (3) searching for themes within codes, (4) reviewing themes (level 1 and 2), (5) defining and naming themes and (6) producing the report and relating back to the research question and literature (Braun and Clarke, 2006). For coding process, the manual approach was adopted. Data collection and data analysis occurred concurrently. The data were compiled using Microsoft Office Word 2013 and Microsoft Office Visio 2016 as a graphical tool to display flowcharts.

4.7 Limitations

In the methodology we are aware of several limitations, which might decrease validity and reliability of our results.

First limitation was impossibility to conduct all planned interviews with pre-selected respondents, especially with Czech specialty tea traders because of their refusal in the participation and their time constraints. To conduct few more interviews with certain specialty tea traders could be fruitful, but according to the author it would not influence the outcomes of the research significantly since certain level of saturation was already reached. The majority of Czech specialty tea traders (import/wholesale/retail) are concentrated in the capital city Prague, where the research was conducted. This fact contributes to shared knowledge and access to the same kind of information among tea community (specialty tea traders and connoisseurs). This was observable during the interviews and such a reality could be one of the reason why the saturation point was achieved after 12 interviews, while minimizing the effect of unrealized interviews. On the other hand, this fact of shared knowledge could be a potential limitation itself.

The lists of questions for the interviews were elaborated after plentiful pilot discussions with tea connoisseurs and after individual and detail studies of available sources regarding tea sector, what secured a high reliability of the questions. The complexity of the research topic required considerably long list of questions, what could be discouraging for some respondents. However a shorter list (requiring less time), would not cover the broad topic entirely.

The majority of our respondents (Czech specialty tea traders) were long-term players in the field of import and sale of specialty teas and their good orientation in the market, as well as in the issues in producing countries contributed to the high validity of the responses.

In general, the topic and research question offered broad set of possibilities how to approach it and how to respond to the research question. Notions about terms like "*sustainability"* means different things to different people. One could conceive the contribution to sustainability in terms of real impacts in producing countries and other like a developing trend or potential. The last was case of our study.

Lastly, the broad topic of the thesis hindered a more detailed dedication to some issues in deeper perspectives and points of view.

5 Results

5.1 Czech tea supply chain

5.1.1 Specialty tea supply chain

Within the first objective, Czech tea supply chain (see Figure 1) was studied to trace a category of so-called specialty teas and also the presence of quality and ethical certifications within this category.

It was found that Czech specialty tea sector is dominated by a dozen of main tea importers/wholesalers, few having also their own retail stores (tea shops/rooms) and/or e-shops while wholesaling their tea to plenty of other retail stores, tea shops, tea rooms, restaurants, cafeterias, hotels etc. Some tea rooms are simultaneously tea retail stores importing their own tea directly while operating own e-shops without wholesaling.

The list of the main Czech specialty tea importers/wholesalers/retailers with detailed specification is presented in Annex 3. The same list of specialty tea traders was used also for the selection of our respondents.

The main market channels where the majority of specialty teas on the Czech market is sourced from are: (1) companies, traders in producing countries (directly or through a middleman/partner) and (2) traders, companies, importers in non-producing countries, especially Germany. A Little share of specialty tea (the highest quality) is sourced from farmers (3), in some cases directly or in the majority of the cases through one middleman/partner. The auctions are not used by Czech specialty tea traders to source the tea. The share of the sources in a percentage was roughly estimated by the respondents. The author grouped the estimated percentages into the intervals of minimum and maximum (leaving apart the extreme values): (1) 50-80 %, (2) 10-20% and (3) 1-10%.

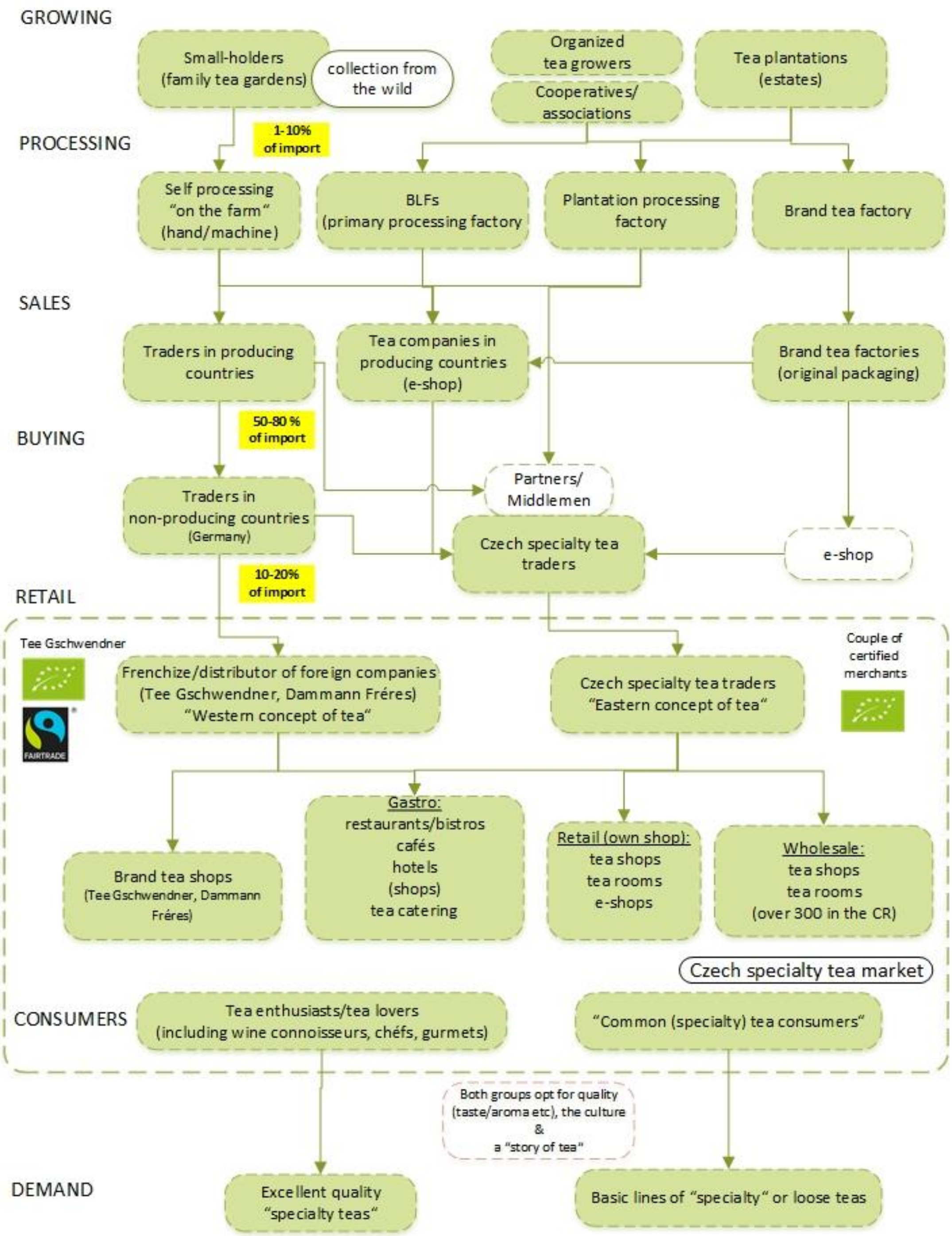

Figure 1: Czech specialty tea supply chain

Regarding the first case, respondents agreed that the importance of such a channel has been growing significantly in recent years. The traders in producing countries were said to be mainly young, devoted, English speaking individuals facilitating a good business communication. Tea is usually selected by Czech traders, based on a tasting of tea samples which were sent previously through post by traders or partners in countries of production. Another common manner of tea selection is through visits of Czech tea traders directly in producing regions, where personal contacts are maintained, tea is selected based on tasting and finally, trading conditions are settled. Such a direct partnership use to be usually long-term, facilitating tea supplies also throughout the year or in years when Czech specialty tea traders do not visit producing regions. The traders in countries of production might also facilitate a direct visit to a tea garden, where the Czech traders can see the production conditions as well as meet the farmers. This practice is becoming very appreciated by Czech traders themselves as well as engaged consumers who are attracted by finding the “story behind the tea” they drink.

Respondents accentuated that in the most cases a role of a middleman (partner) is inevitable to facilitate the contact with tea plantations, tea farmers or with traders who are not English speakers. A middleman plays a role of translator, guide and business facilitator what speed up the whole deal. This allows Czech traders to arrange more contacts and to source required selection of tea during the business journey to countries of production or throughout all the year where a middleman plays a role of direct partner facilitating consignation of tea samples for tasting and dealing procedures. The partnership between Czech traders and farmers, direct, or through a middleman are used mainly by smaller Czech importers focusing mainly on quality, authenticity or rare type teas.

The second most common model, meaning sourcing tea from EU importers, offers other advantages as mentioned during the interviews. Some of them are: lack of complications with customs procedure, relatively low prices (German companies import tea in bulks), a wide selection of tea, fast delivery and communication. Some of the mentioned disadvantages are, sometimes, a lack of freshness and the quality (but it was mentioned by only one respondent). This channel was said to be used especially by some larger Czech specialty tea companies to source certain share of their tea portfolio.

Regarding the third most common channel (3), some Czech traders do have direct partnerships (usually long-term) with farmers. Respondents gave examples of teas from farmers in Taiwan, China or Japan traded as the case in point. Such tea is being of excellent quality and includes also competition grade tea[19] which is imported by few Czech specialty tea traders. One of the respondents sources tea directly from a farmer (China) and thus has a more in-depth partnership. Beside he participates on plucking and processing of the tea and sells his own branded Pu-erh tea cakes.

One of the respondents, who is sourcing tea directly mentioned: *"Sometimes I have a luck to buy a very nice tea directly from the farmer, for an attractive price, but it is really time-consuming and random…One way is to travel to a famous tea village, going from door to door, tasting the tea and when I really like it, I buy it…It is not possible to get all the tea in this way. Another way how to get to the farmer goes through tea markets where the traders are usually relatives of tea farmers, so they can take me to their tea garden where I can see under which conditions their tea is produced…My priority is always tea tasting…To be able to source all the tea I sell, I have my partners (middlemen) who I trust and they do the contacts and send me the tea samples, then I taste them and do the selection."*

The partners (middlemen) of some traders are in some cases Czech or European citizens living in the producing countries (especially in China or Taiwan). It was found as well that one trader with Czech nationality runs his own tea shop in China (Yunnan), shipping his tea worldwide. He could be considered as a partner for some Czech tea traders.

Considering the transport, tea is usually shipped by a cargo airplane using some of the common parcel logistics services. Tea usually arrives to the Czech Republic from producing country within 7-10 days. This is also a reason why the specialty tea on the Czech market is always very fresh, arriving in few weeks after the harvest; opposite to cargo shipping by trader ships which takes 4 weeks to deliver tea from producing countries to Germany

[19] competition grade tea:refers to high-end (specialty) tea that has been awarded or participated at a tea competition

(Hamburg). But for larger importers, like German companies for instance, importing huge bulks of tea, is the only way to be more economical and ecological.

In addition to the Czech specialty tea traders and tea shops/rooms the author found two foreign companies operating their own retail stores, which are also considered within the scope as “specialty tea shops”, being (1) Czech franchise of German company Tee Gschwendner and (2) Dammann Fréres, French company with exclusive representation for distribution in the Czech Republic. The first one is focusing especially on retail, while supplying various shops, bistros, restaurants and cafes. The second besides retailing, does supply for various luxury hotels, restaurants and cafes. Both companies represent so-called “Western concept of tea”, apart from the Czech tea shops/rooms, representing the “Eastern concept of tea” (both concepts are presented in chapter 5.2.1).

The majority of the respondents agreed that good-quality, “specialty”, orthodox tea has begun to be searched and appreciated by increasing number of consumers in last few years. They appreciate and are more and more aware of the quality of the tea, wanting to know more about its culture, while accepting positively higher prices.

Based on the responses, the consumers could be divided into two main groups as (1) common consumers who search for more basic types of “specialty” or “loose leaf teas” (also aromatized) and the second group (2) being represented by tea enthusiasts/tea lovers who opt for excellent-quality tea of higher price level.

5.1.2 Certified commodity tea supply chain

This chapter will be dedicated especially to Fair Trade (Fairtrade International and WFTO), Rainforest Alliance (RFA), UTZ (to lesser extent) and Organic certified tea as the most relevant ethical private certifications for tea available in the Czech Republic.

Research revealed that Fairtrade certified tea is produced only by two Czech producers (Fairtrade licensees) being NGO NaZemi and their private brand Fair Tea and the cafe chain mamacoffee, both representing “loose leaf tea”, certified against Fairtrade and Bio/Organic standards. The rest of the market with Fairtrade certified tea is represented by distributors of foreign companies or their Czech subsidiary firms. These companies are mostly of British, French, German, Spanish, Italian, Dutch, American and Austrian origin.

Those already mentioned companies are usually certified against Fairtrade International (FI) standards. The majority of Czech producers, distributors, companies and subsidiary firms offering Fairtrade, Organic and WFTO certified teas, are listed in Annex 7 and Annex 8.

Another Fair Trade company, being a member of WFTO represents the German brand El Puente[20], imported to the Czech Republic by the Fair&Bio shop and other brands who sell through e-shops. Another brand is the Austrian EZA, which is a member of WFTO as well as FI certified, also offering a selection of teas among other products.

Exploring the position of multinational corporations (Fairtrade certified) on the Czech market, according to Fairtrade Czech Republic and Slovakia (Fairtrade CZ), the highest turnover have private brands of Marks and Spencer, together with Tesco with the line Tesco Finest tea and Segafredo Zanetti with their TICTAC tea, which was recently a supplier for Agip petrol stations. As added by the manager of trade and marketing of Fairtrade CZ: *"Now the situation will change with MOL, a new owner."* Another important company which entered the Czech market in June 2016 with the new line is Jacobs Douwe Egberts (JDE) with their Fairtrade certified Pickwick Professional (6 of 9 are Fairtrade certified, while only 3 represent "Camellia tea"[21]). The Pickwick Professional is available only for gastro sector (professional end-users) e.g. hotels, restaurants, cafes and for institutions/companies. Pickwick Professional is available also through online sale[22], but not in retail stores.

As mentioned by Fairtrade CZ, JDE with their line Pickwick Professional supplies various hotels and hotel chains like Orea, Novotel, Praha City, IBIS and others[23]. Also international fast food chain Burger King have listed Fairtrade certified Pickwick Professional. JDE is a new promising supplier of Fairtrade tea with lot of new partners. Another important distributors of Fairtrade tea is also Miko káva s.r.o. with tea from PURO

[20] WFTO does not offer consumer facing certification, so membership in WFTO is not usually recognized by consumers.
[21] Referring to tea *(Camellia sinensis)*
[22] www.kosik.cz , www.pas.cz, (information by customer service JDE Professional)
[23] Unic hotel, Hotel Moods, Clarion Hotel, CPI Hotels, Hamr (sport centres), Futurama Café, One Café, Prague Catering (information by customer service JDE Professional)

and GEPA supplying the drugstore chain DM, while also cooperating with Office Depot, which does supply for companies.

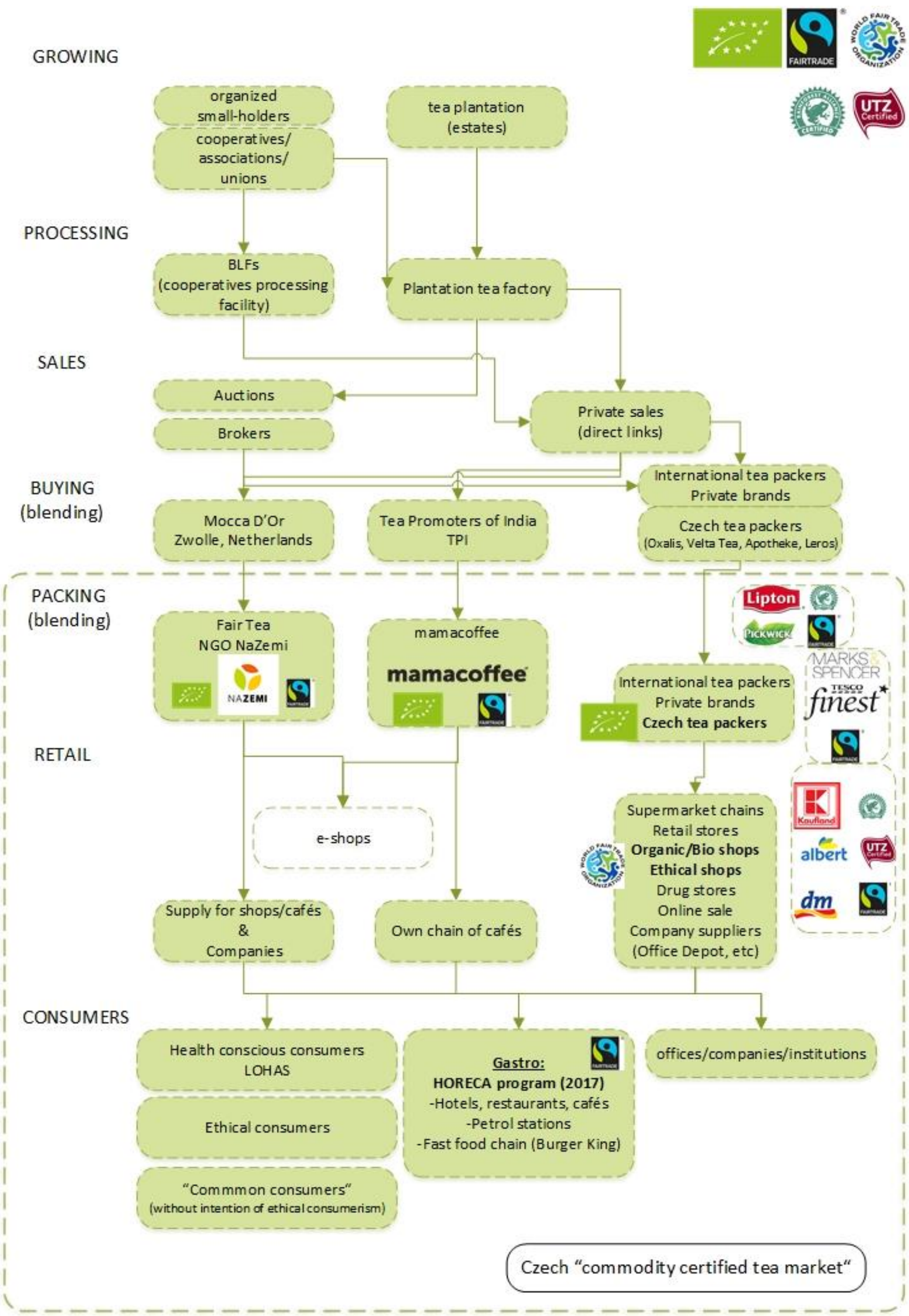

Figure 2: Commodity certified tea supply chain

Regarding the demand from consumers, as mentioned by Fairtrade CZ, the main problem is that significant demand is still lacking. As a manager for trade and marketing Fairtrade CZ added: *"We want the consumers to take Fairtrade certification as an added value and also communicate Fairtrade certification as a competitive advantage for retailers and supermarket chains, in order to rich the masses and increase the sales and so the impact on the producers. This is our main aim."*

There are four main Czech packers of Organic certified tea; two brands focussing especially on herbal medical teas, while "Camellia tea" represents only a small share. These certified packing companies are Apotheke and Sonnentor; the first sold especially in pharmacies and drugstores or through online sale, the second in Organic shops (e.g. Country Life). Oxalis, national tea packer, was presented in our study within the group of specialty teas, however their wide portfolio offers also teas which fall within commodity certified teas. Another Czech certified tea packer is Velta Tea offering two organic certified teas (see Annex 8).

Regarding the mainstream certifications, RFA dominates the Czech mass-market with the Lipton brand by Unilever. Lipton Yellow Label is the brand's bestseller and is sold throughout all the Czech Republic in majority of retail stores. Despite Unilever declares that all their tea bags are sourced from RFA certified sources by 2015 worldwide. The RFA label on the packaging is used only for Lipton Yellow label tea bags[24], the rest of Lipton teas on the Czech market are not labelled on packaging (Lipton CZ, 2017).

UTZ certified tea is present on the Czech market to lesser extent represented by Albert and their UTZ certified line Albert Excellent (Albert CZ, 2017).

5.2 Position of so-called specialty tea on the Czech market

This chapter provides insights into the second particular objective, the position and future potential of specialty tea on the Czech tea market. The position of certified teas within the "specialty tea" category is described in the following chapter 5.3.1. The most important topics will be further summarized in the discussion.

[24] Since 2010, all Lipton Yellow Label tea bags in Europe have been RFA certified.

5.2.1 Czech tea culture in comparison with other non-producing countries

Traders likewise tea connoisseurs/enthusiasts agreed, that Czech tea culture is unique, represented by what author categorise as “Eastern concept of tea”. Some respondents even call it a phenomenon, which does not have any comparison in other non-producing countries. As remarked: *“The only European country where certain tea culture is also present is Germany.”* Other respondent added: *“In Germany, tea culture exists as well but within a big nation the trend is not so significant I think.”*

One of the tea connoisseurs/enthusiasts noted: *“England is traditional tea country, but mainly black tea of average or lower quality from Sri Lanka or India is drunk”* (Interview 2). It was mentioned that also France has a certain tradition in tea which is represented by old brands focusing especially on quality aromatized/blended tea, following the “Western concept of tea”, while also having tea enthusiasts of traditional orthodox teas. *“French like everything that is good, so tea as well.”*

One respondent compared Czech and German market and the consumers, she further stated: *“German market has a little bit different preferences than Czech…When Czech consumer is interested in tea, he/she really knows about the types of the tea, places of origin…In Germany, they drink a tea, but there is not such a cult in orthodox teas…Czech consumers know more about tea and producing areas in general, they travel to countries of origin, tea tourism is a common activity, this is my experience.”*

Regarding the way of preparation and proper teaware, what are key steps to prepare a good cup of tea, it was found that Czech tea rooms serve tea using original tea ware from producing countries mostly *Yixing* clay pots, glass or porcelain pots, porcelain *gaiwan* etc., which are also sold in specialty tea shops. Further, our investigation revealed that a considerable number of Czech craft potters produce author teaware and sell their masterpieces not only on the local market but with big success also in China, Japan, Taiwan, Singapore and other foreign countries. This further demonstrate a considerably strong position of Czech tea culture, also in the global scale.

5.2.2 Position of specialty teas based on sold quantity

To estimate the position of specialty tea shops/rooms (which count more than 250 in the Czech Republic) within the whole Czech tea market, the share of tea sold through specialty tea shops/tea rooms was roughly estimated by Czech specialty tea traders as proportion of the volume (kg) of teas sold through these shops on total sold tea through supermarkets and retail stores. The estimated value varied between 3% and 10%. This raw estimation can provide us a certain basis, but must be taken with caution.

According to one interviewee, these two sorts of products cannot be even compared, because they are totally different commodities. *"It is like comparing coffee and tea. In my opinion, there are much more sorts of tea, considering the quality, than these two which are incomparable in between them".* This fact was supported also by other respondents.

5.2.3 The market competition among Czech specialty tea traders

Having in mind the high number of specialty tea shops and tea rooms in the Czech Republic and in the capital Prague, where the research was conducted, the issue of market competition was raised during the research process.

Majority of the respondents agreed, that there is a traditional market competition with good relationships among traders taking the market as a whole, while few respondents said that they personally do not feel the competition, despite being situated very close to other tea shops and tea rooms, especially in the centre of Prague. The reason for that is their variation in tea portfolio and focus on different groups of consumers. The differentiation of tea portfolio and mutual cooperation was proposed as a way out from the potential competition.

The market competition is especially among the wholesalers and shops, not much among tea rooms which are situated in a certain location, having their own design, staff, certain tea portfolio supplied by wholesalers (Czech specialty tea traders). The business of tea rooms is primarily about the service and location.

However, the specialty tea market is currently perceived as saturated represented by sufficient number of specialty tea traders covering the market. As remarked: *"I have a* *feeling that sometimes there is no more space where to expand in the Czech Republic, potentially abroad."* The expansion abroad refers especially to franchises of *"Dobrá čajovna"* and online sale to foreign markets.

One of the proposals for differentiation among tea rooms while attracting the customers is not to show off the brand of their supplier, but ideally try to source less variety of teas directly or through middlemen from producing countries, with focus on higher-quality and freshness. This trend has been already acquired by few tea rooms.

5.2.4 Unclear terminology used for so called "specialty tea" on the Czech market

Starting with terminology, respondents agree that at the Czech specialty tea market the terms from English written sources like: "specialty tea", "high-end tea" or "artisanal tea" are not used in the country. It was found that the only common used terms are (in translation): "high-quality loose leaf (or whole leaf) tea". The second widely used term in the Czech Republic (also in English written sources) represents "orthodox", which refers to the traditional way of processing in the countries of origin.

In general, the respondents noted, that those three English terms are used only for marketing purposes by some brands or traders, but officially such terms in the tea sector are neither specified nor standardised.

According to Czech traders and connoisseurs, the term "specialty" or "high-end tea" might refer to the competition grades teas, small lots of high-quality teas and teas from the family-gardens in genuine producing areas.

5.2.5 Tea best-sellers from Czech tea shops

Considering the whole market of Czech tea shops and tea rooms, respondents agreed that the consumption of high-quality tea represents only a small community of tea lovers/enthusiasts, but with significantly increasing interest and demand for this category, while the majority of consumers still opt for ordinary and aromatized/blended teas.

It is worth to remark that especially the bigger tea shops/companies offer, apart of higher grades of *"good quality tea"*, also *"lower grades or tea blends" for* common consumers which cannot be considered as "specialty". The respondents mentioned that those tea shops/companies represent a big share of sales, definitely higher than those of real "specialty tea".

Tea best-sellers from specialty tea shops and tea rooms were said to be still aromatized/blended teas for instance Earl Grey, Breakfast blends, Assam, Masala blend or traditional loose leaf teas - Darjeeling, Jasmine Green tea, Sencha, Pu-erh and recently increased demand for green teas in general.

One respondent noted: *"The preferences of consumers develop with time, they start with some more fancy tea, like "masala" for instance or something aromatic, and later they move to more traditional or orthodox teas since they start to go to tea rooms/tea shops…It is also a merit of us, vendors, to educate our customers towards more traditional teas."*

Another mentioned: *"It is important to mention that 70% of our customers are women who really like aroma…men are conservative, they prefer pure green or black, possibly Earl Grey."*

5.2.6 Price, quality, standards and counterfeiting of tea

Regarding the quality and price of tea in countries of production, respondents agreed that quality is decreasing and prices are increasing continuously. The general intention of vendors in producing countries is to sell the average quality for the highest price possible. However the prices of high-quality tea in traditional countries like China, Taiwan and Japan are high and very fair for the farmers and local traders driven by very high demand.

Respondents called it a "healthy market". Also for Czech traders the prices are usually high, with no space for negotiation. However in countries which are not so traditional tea markets like Thailand and Vietnam for instance, there could be a problem of reasonable market price for producers because of lack of demand, while also good quality standard must be adhered in order to be able to sell favourable.

Another issue which rose up is counterfeiting. Incorrect declaration is a problem, referring to all famous teas, for instance: Indian Darjeeling, Taiwanese oolong, Chinese Lung Ting (Dragon Well)[25], Japanese Sencha, Yunnanese Pu-erh[26] etc. Those were only a few

[25] Dragon Well (Lung Ting)-one of the *Ten Famous Teas* from China from West Lake region

[26] See specific sustainability issues of Pu-erh (chapter 5.2.9)

examples. Respondents said that these genres of teas are origin specific and right declaration should be the base.

Some respondents further accentuated that they do not see a problem if a certain genre of tea does not come from its authentic origin but it must be declared in order to inform the consumers. *"Sometimes such a tea ("imitation of the original") is of very good quality or possibly can be even better…tea is produced from the same cultivar, done by Chinese community living in Thailand, for instance, using the same manner of processing …resulting into a very nice tea and for reasonable price…Czech consumers are not so strict about the origin, they are interested more in the final taste."*

With regards to the quality of "loose leaf tea", respondents put characteristics and values like freshness, the appearance of the leaf, taste and aroma, pleasant feeling in the body and natural wholesomeness or organic origin. Considering the standards, the majority agreed on characteristics like a right declaration of tea, consisting of: (1) origin/authenticity, (2) type of processing, (3) cultivar and (4) date of the harvest. This should be the standard, not something extra.

Since the taste and aroma are not the only important factors which should attract the attention, the following sub-chapter is dedicated to the issue of the sustainability of tea production.

5.2.7 What is a "sustainable tea"?

Regarding the definition of "sustainable tea" among Czech tea specialists, three main concepts about sustainable tea and approaches towards sustainable production were identified: **(1) Traditional/Naturalistic concept, (2) Organic/Biodynamic concept and (3) Wild-grown concept.**

The first approach originates in the idea of traditional agriculture knowledge (TAK) where tea is grown in the smaller gardens without the use of any chemicals and a limited amount of organic fertilisers and sensitive interventions of the farmer. The second approach includes a group of organic and biodynamic tea plantations, being usually larger plantations managed according to the Organic/Biodynamic agriculture practice and possibly certified. The third approach represents tea which is gently collected from the wild trees growing naturally in the rainforests and semi-wild tea bushes from abandoned or non-maintained gardens. See in Table 2 some of the notions about a "sustainable tea".

Table 2: Notions of respondent about a "sustainable tea"

Concept	**Notions and opinions of respondents**
Traditional/Natural concept	*"Good tea is always sustainable, sustainability is the foundation of good farming…when the tea is produced already for 7 generations and farmer thinks about if he would rake the path in the garden to not disturb the biotope…I think he farms sustainably…Also considering the economic part, when there is a queue of traders to buy 1 kg of fresh leaves for 800 USD."* *"Sustainable production…I could see it in Taiwan or South Korea, there is a big effort for balance in nature…tea farmers think in consequences about tea production,…its deeply rooted in the people, I think it comes also from Taoism."* *"In Taiwan, there is a continuous and deep tea culture and tradition…farmers take care of the environment and grow tea without disturbing the nature...They moved back to the traditional practices and their tea is also well appreciated financially…Taiwanese tea is a prototype of sustainable tea."* *"Also in Wuyi Mountains (China), tea farmers have very deep rooted tradition inside themselves, it is plain to see from their approach to farming, they think in consequences and are very sophisticated people…also from way of preparing tea, they do ceremonies, they use very nice teaware…and in general the environment is very clean, wild and isolated."*
Organic/Biodynamic concept	*"I am not actually sure about the sustainability, how far the definition goes, I have a friend who established biodynamic tea plantation in Darjeeling...but 80 years ago the plantation was built by cutting down the forest, after huge interference with the surrounding nature…but now, comparing with the others, he does a nice job."* *"In our shop we offer sustainable teas, for our German owner is the foundation, firstly we offer big share of Organic certified teas and secondly we have very strict norms for quality which must be complied"…unfortunately we cannot offer teas from small producers, where quality can be better, because of the minimum purchased amount of 500 kg in order to supply all our shops."* *"Some farmers they grow organically because they have this custom from their ancestors, it is natural for them…another do it only for business, because of the certification and financial motivation."*
Wild-grown concept	*"For me, sustainable tea represents when tea leaves are collected from the wild growing trees in the forest and plucked sensitively and rarely in order not to exhaust and stress the trees and to allow natural regeneration."* *"Originally, the real wild growing trees can be found only in Yunnan (China) and surrounding area of neighbouring countries…but nowadays there is suspiciously too much tea, marketed as "wild tea" in general…It has been a boom of last 2 or 3 years."*

> *"Another tea which can be presented as "wild" comes from another tea species being Camelia taliensis, which is growing wild and is evolutionary much older."*

One respondent had an interesting personal reflection about sustainability in terms of time, personal benefits and preferences: *"I cannot say what is sustainable, the farmer should know what is sustainable for him…if farmer would like to do something else and would be more satisfied, it is up to him. Neither I know, if the sustainable concept is important, probably for nature and the environment is so, but if the farmer will shift in few years to another job and will be more satisfied, there is nothing bad about it."*

5.2.8 "Sustainable teas" on the Czech specialty tea market

The group of tea connoisseurs, together with traders, confirmed that every genre of tea can be produced sustainably, as it was done before. Regarding the availability of such teas, "sustainable teas" are normally available on the Czech specialty tea market, but represent a little share for a group of tea enthusiasts requiring high-quality tea or consumers who are interested in sustainability and responsible consumption. One of the important factors is also the financial situation of consumers and their willingness to spend their money on tea.

As one respondent noted: *"People would like to drink a "good tea" (meaning also from a sustainable source), but the prices are high and the majority of people is not willing to pay such amount of money for tea."*

Generally, the traders selling top class (high-end) tea confirmed that even their well-off customers are not willing to pay so much money for tea. Apart from the economic inaccessibility, neither, there is a sufficient supply of "sustainable tea" for all, and places where such a tea is produced was said to be limited.

5.2.9 Specific sustainability issues on the field of Pu-erh tea and its position on the Czech specialty tea market

Controversial sustainability issues were mentioned in the field of Pu-erh tea (Yunnan, China). Based on own experience overall view of Czech traders and connoisseurs, the interest and demand for Pu-erh tea[27] increased in recent years (globally). Asian traders are willing to pay enormous sums of money to the farmers selling *Mao Cha*[28], what might be conducive to unsustainability due to the wealth of this group of farmers and their unsustainable practice (over plucking of wild trees) driven by high selling price.

As mentioned: *"In last 15 years in Lao Bang-Shan village in Yunnan, the price of Mao Cha increased thousand times up to 10,000 CNY (1,452 USD) per kg…Before farmers used to live as in medieval age, now they have huge villas and SUV cars…this is also how you recognize at the first sight which family possess old trees…positive is that farmers can pay studies for their children, but it also leads to exploitation of surrounding natural resources, tea trees started to be fertilised and more frequently harvested what is notable on the decreasing quality of tea, they expand the production in order to earn even more money…this became a problem…I would say, the better tea is economical, the worse is environmental."*

One respondent remarked*: "It is nice to see a well-off farmer…there are diplomas of his children on the wall…children are usually becoming also tea traders, marketing the own tea…Farmers I know are aware of sustainable approach…but there are also near-sighted farmers who see only money behind, in this case, it might lead to unsustainability indeed."*

Another stressed: *"In Yunnan, farmers are gaining enormous sums of money, their living standard is increasing…demand for their tea is higher than are able to produce…they are pushed to use chemicals, to extend plantations, cut down the forest…I think this money driven trend leads to the total disintegration of local society."*

Regarding the position of Pu-erh tea on the Czech specialty tea market, the author found that the majority of Pu-erh tea comes from common terraces plantations "Taidai", produced by common tea brands from Yunnan, while some specialized traders offer also Pu-erh from wild/semi-wild gardens known as "Wild Arbor". However Pu-erh made of

[27] Traditional tea from Yunnan (12 famous mountains) made of the big leaf variety *assamica* of the old wild-grown trees from forrests (80-300 years for market production); There are two main types: *Sheng* (raw, naturally fermented, traditional type, ripening for 70 years) and *Shou* (ripe, artificially fermented, produced since 1970). Nowadays the leaves for industrially produced *Shou* Pu-erh comes mainly from plantations.
[28] Mao Cha refers to sun-dried tea leafs from old tea trees used for the production of Pu-erh

leaves from real wild old trees from Yunnanese rainforests known as “Gu Shu” represents only a very limited share.

The category, represented by naturally ripen and vintage Pu-erh creates a separate sort where the prices are immense and are consumed by real connoisseurs and enthusiasts. Such Pu-erh teas are considered more as collector teas and objects of investments. One tea trader being also respected tea connoisseur and advisor participating in our research focuses on this category of Pu-erh tea.

5.2.10 Future visions about development of the Czech specialty tea market and tea culture

Interestingly, half of the respondents estimate, that the demand will go definitely towards high-quality tea, while another half think that will remain the same or will not change significantly.

The majority agreed that style of tea shops/rooms from the era of 90’s is over and believe that new concepts will appear. It is predicted that the concept of 90’s era tea rooms will penetrate more the markets outside the Czech Republic (e.g. franchise of “Dobrá čajovna”). For instance, one new tea studio and one tea shop/room of important specialty tea traders were opened in 2016, both in novel concepts tempting new customers. The others were opened in Prague a few years ago. One respondent foretold that one-third of tea rooms will close during the next year, also as a consequence of the electronical accounting system (EET). In recent years, a lot of new tea rooms has been opened but also a lot closed, after a short time.

Most respondents have observed, that good quality tea supplied by Czech specialty tea traders has been introduced recently to gastro sector (cafes and restaurants) as novel drink besides coffee and this trend is seen as one of the new markets for the future (“Third wave of tea”). One respondent added: *“People want to drink the tea in a different way…traditional stuff in a new concept…nowadays on the places where good coffee is drunk, also good tea is drunk…tea sector has become very vital.”*

The majority predicts an increasing trend in number of consumers and tea lovers, being pertinent with new concepts of tea rooms and shops where new consumers have the opportunity to taste a good tea and get to know the culture behind. It was also mentioned, that tea will follow the trend of a good coffee or wine, which is now on increase as well.

Considering the methods of preparation (modern and traditional), respondents expect that both approaches will take place in the future. The modern method was said to be convenient for consumers who do not want to dedicate so much time for tea, just prepare it simply or opposite in kind of sophisticated brewing machine. On the other side the traditional method offers a deep understanding of tea culture while serving a perfect cup of tea. The traditional method of preparation using traditional tea ware was predicted to rise more significantly. The traditional method of *"Gong Fu"* style tea brewing using *Yixing* [29] pot or other traditional ways of preparation is represented by the majority of tea rooms and shops (the environmental/sustainable aspects of this method are discussed in discussion 6.1).

Finally, the majority expect increasing trend in interest in the tea culture. The consumers are increasingly interested in what tea they drink, they want to know more about the production, places of origin, history, different brewing methods and increasing number of consumers appreciate also "*the story of tea*" (connecting farmers and consumers). The common forms how to communicate the tea and share the experience and knowledge with consumers are blogs written by specialty tea traders, as well as the use of social networks and organising different work-shops and tea tasting occasions.

Interviews further revealed that in the last couple of years, tea masters, connoisseurs, traders and farmers were more frequently coming from Asia to the Czech Republic to do workshops and tea sessions, to speak about tea, its production, culture, ceremonies, a way of preparation etc.

One respondent added: *"This year came to the Czech Republic Mr. Wu De (Aeron Fisher) from Global Tea Hut*[30] *to do two workshops*[31] *on his European tour…there we had a possibility to learn a lot of novel information about the Chinese Way of Tea (Cha Dao)…he*

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[29] Yixing, traditional clay from Yixing region used for traditional tea pots

[30] *Tea free center in Taiwan established and run by Wu De (Aeron Fisher) aims to share the knowledge about the tea and its culture*

[31] The author participated in one of his workshop dedicated to *Gong Fu* tea brewing and its history

has been translating original texts from Chinese to English, so we can access them free on his site and learn...also, Mr. Fujimoto from Japan came this year for various workshops...I think that the new tea era came to the Czech Republic and we will learn more about tea."

5.3 Position of certified tea on the Czech tea market

This chapter is divided into two main sections: First, is dedicated to the position of certified tea within the specialty tea category, second focuses on common commodity certified tea and its position on the Czech market.

5.3.1 Certified tea within the category of so-called specialty tea

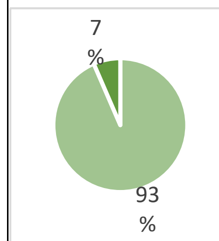
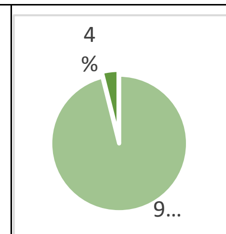
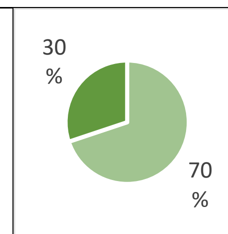
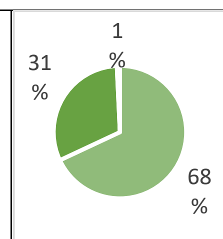
It was found that within a specialty tea category, Bio/Organic certification has its established position. Other (ethical) certifications were not found within the category of "specialty teas", with few exceptions where only some loose teas (two types) are Fairtrade certified offered by the franchise of German tea brand Tee Gschwendner.

Just some Czech specialty tea traders use Organic certification, usually offering solely a small share of certified teas (see Table 3 for the selected traders). All respondents agreed that in the field of specialty tea Organic certification is not a decisive factor. Our investigation revealed that the majority of specialty tea shops sell organic tea without information on certification - just mentioning that the tea is pure (or organic origin) or by declaring the possession of Organic certification of tea garden/producer in countries of production. This model of the supply chain was said to be based on mutual trust between traders and customers.

For instance, one of the respondent sources Taiwanese tea from his partner labelled as "*True Organic"* (Organic certified by the local certifying agency) and "*Natural Agriculture"* (meaning naturally organic production, non-certified). He communicates and sells the tea based on trust to his credible partner and calls for the consumer's trust, without official certification and BIO label.

On the other hand, those who use the Bio/Organic label claim that they have positive responses from their customers despite a slightly higher price for the tea.

Table 3: Organic certified teas within the specialty tea shops

Tea offer (country/kind of tea)	Number of offered teas	Certified/ labelled teas (no.)	Origin/kind of Organic certified tea	Share of Organic certified teas
		Amana		
China (green/black/yellow/oolong/ post-fermented/white), **Taiwan** (oolong), **Japan** (green/matcha), **India** (black: Darjeeling/Assam/Nilgiri), **Nepal** (Black/Green), **Ceylon** (black) **Vietnam** (green)	**Total: 302**, China (144), India (33), Taiwan (17), Japan (11), Ceylon (11), Others (47), Aromatized/Scented (39)	**Bio/Organic (21)**	**India**/Darjeeling (5), **Java**/oolong (1), **China**/black (2), **China**/green (3), **China**/white (1), **Japan**/green (4), **Japan**/matcha (1)	
		Oxalis		
India (black: Darjeeling, Assam, Dooars, Nilgiri, Sikkim), **Nepal** (black), **Ceylon** (black), China, **Taiwan** (green, black, yellow, white, post-fermented, oolong), **Japan** (green, matcha), **Kenya, Rwanda, Korea**	**Total: 295**, China, Taiwan (83), India (78), Nepal (13), Ceylon (22), Korea, Vietnam, Kenya, Rwanda (21), Japan (19), Scented, Aromatized (59)	**Bio/Organic (12)**	**Japan**/green (5), **Korea**/green (2), **China**/green (1), **Korea, Japan, China**/matcha (4)	
		Klásek Tea		
India (black: Darjeeling (first/second/autumnal)/Assam) **Japan** (green/matcha) **Nepal** (black) **China** (green, dark: Pu-erh) **Taiwan** (oolong) **Korea** (Green/Yellow)	**Total: 58** Japan (18), China (8), India (10), Taiwan (10), Nepal (6), Sri Lanka (2), Korea (3)	**Bio/Organic (25)**	**Japan**/green (12)/matcha (7), black (1), **China**/green (1), dark (1), **Nepal**/black (2), **Sri Lanka**/Earl Grey (black) (1)	
		Tee Gschwendner		
India (black: Darjeeling (first/second/monsoon/autumnal)/Assam, Nilgiri, white) **Japan** (green/matcha) **Nepal** (black, green, oolong) **China** (green, black, dark, white, oolong) **Taiwan** (oolong) **Others** (Korea, New Zealand, Vietnam, Laos)	**Total: 183** China, Taiwan (21), India (38), Sri Lanka (5), Japan (18), Nepal (15), Others (14), Aromatized (72)	**Bio/Organic (84) Fairtrade (2)**	**China, Taiwan**/green (10)/white (2)/black (5)/dark (1) **India**/black (12)/green (3)/white (1) **Japan**/green (12)/matcha (5) **Nepal**/black (7)/green (2)/oolong (1) **Others**/black (4), green (2), oolong (1) **Aromatized** (16) **Fairtrade/Organic** India/green (1)/black (1)	
		Dobrá čajovna (Spolek milců čaje)		
China (green/dark/black(red)/oolong/white), **Japan** (green/matcha), **India** (black/aromatized), **Taiwan** (oolong), **Nepal** (black), **Ceylon** (black/aromatized),	**Total: 80** China (48), Japan (10), India (12), Taiwan (2), Nepal (2), Ceylon (6)	**Marked as: Bio/Organic (3) Wild Arbor (4)**	**Internal private label** **Organic:** **China**/oolong (1), **India**/Darjeeling black (1), **Nepal**/black (1) **Wild arbor-China**/white (1), **Laos**/dark (1), **Vietnam**/green/black (2)	

Tea Mountain				
India/Darjeeling (black-First/Second/Autumnal Flush/White/Green/Blend), **Assam** (Orthodox/CTC), **Nilgiri** (black), **Nepal** (First/Second/Autumnal/Green/ White/ Earl Grey), **China** (green/white/oolong/black (red)/dark (Pu-erh/liu bao), **Taiwan** (white/ green/ oolong/ black (red)/yellow/aged (vintage), **Japan** (green/black/oolong/matcha) **Korea** (balhyocha-semi-oxidized), **Thailand** (black (red)/oolong), **Georgia** (black)	**Total: 212** China (50), Taiwan (67), Japan (60), India (28), Korea (1), Thailand (4), Georgia (1)	.	**NOTES:** majority of teas originate on natural/traditional tea gardens without official certification BIO/Organic non certified Bio/Organic vendor	
Bílý Jeřáb				
India/Darjeeling (black-First/Second/Autumnal Flush), **Assam** (black) **China** (black/green/white/naturally aromatized/mao cha/dark: Shu and Sheng Pu-erh) **Taiwan** (oolong) **Japan** (green/black) **Turkey** (black) **Korea** (green) **Sri Lanka** (black)	**Total: 27** **China** (10), **India** (5),**Taiwan** (3), **Korea** (1), **Japan** (6), **Turkey** (1), **Sri Lanka** (1)		**NOTES:** majority of teas originate on natural/traditional tea gardens without official certification BIO/Organic non certified Bio/Organic vendor	
Meetea				
China (red (black)/green/ dark: Sheng and Shu Pu-erh, Heicha, Liu Bao/ mao cha/oolong) **Taiwan** (oolong/red (black)/ **Thailand** (oolong/red) **India** (black: Darjeeling) **Nepal** (black) **Kenya (**black) **Japan** (black)	**Total: 50** **China** (39), **Taiwan** (4), **Thailand** (2), **Japan** (1), **India** (1), **Nepal** (1), **Kenya** (2)		**NOTES:** majority of teas originate on natural/traditional tea gardens without official certification BIO/Organic non certified Bio/Organic vendor	
Note: Tea offer retrieved from e-shops (January-March) 2017				

As seen in the Table 3 , just some specialty tea traders use the certification and the only certification in the sector of specialty teas is represented exclusively by Organic, symbolizing especially the environmental values of a "green product".

Organic certified trader added: *"From my observations, Czech tea consumers seem to be more sensitive to the environmental values behind the tea, than some social aspects."* The same tea trader emphasizes that Organic certification seems to be moving more to supermarkets. Another added, that in last years the position is weaker than after the year 2000.

The tea traders and connoisseurs agree that certification is usually sought by the consumers looking for organic and healthy food. Certification provides a tangible tool for less aware consumers which helps them to make a deliberate consumption choice based on the label, without further knowledge about the tea.

Another trader who offers a considerable big number of Organic certified teas added*: "Demand for certified tea on purpose has a normal trend…some customers require it, but the majority wants only a good quality tea and do not take care about the certification."*

One of the respondents added: *"People who do not recognize quality needs certifications, in other words, the ability to distinguish "good" from "bad"…for instance, does anyone ask if Champagne has Organic or Fairtrade certification? The same case is a truly good tea."…*further adding: "*Every time I compared any Organic certified tea with my basic line of teas, the certified tea was not ever better."*

The comparison and parallels with a wine were given by the majority of traders as well as the connoisseurs. This fact helps to understand the position and culture of real "specialty tea".

5.3.1.1 Barriers towards certification

In terms of main constraints, all respondents agreed that certification is too much bureaucracy to undertake, without any significant reward and importance. As remarked, the fees for audits, additional costs and tea analysis are too high and it is time consuming process.

Also, the respondent who is the certified vendor of BIO/Organic tea confirmed that the profit margin is questionable and hesitates a bit about the importance of certification. At the same time he added: *"I understand the sense of certification, when I buy certified tea I can be sure it is pure, the system of control is very strict…nowadays a lot of farmers says they are organic….or we use pesticides very little and only sometimes….certification provides an assurance."* He also noticed, that to certify the shop as BIO/Organic certified vendor is not so expensive, being around 5,000 CZK for control and the certificate plus hourly rate of the auditor making all together around 7,500 CZK. "*The fee is acceptable."*

The majority of other specialty tea traders see the Organic certification as manageable to obtain, but not important or positively contributing to their business and not so much required by the customers. But in general the vendors agree that the word "organic" is perceived by consumers positively.

One organic certified vendor mentioned some special constraints why Organic certification cannot always be used for some teas. It was found that first flush of Darjeeling tea is very much required by Czech tea lovers, demanding it as soon as possible after the harvest to enjoy the fresh taste.

"When I import the first flush of Darjeeling originating from the Organic certified producer, the customs procedures for Organic would postpone my sales by one week…meaning, I would lose my sales in the competition with the other vendors selling also first flush."

Another mentioned problem with the use of Organic certification was the small amount of imported tea. Common excuse of the certified producers is the reluctance to draw a *certificate of import* and pay the fee for Organic declaration, giving a small amount of sold tea (20 kg) as the reason.

Also, the traders stressed the fact that the Chinese tea (sold at the Czech specialty tea market) is mostly produced for the local Asian market, where so called "specialty" tea is evaluated based on more complex rules and the majority of producers are not Organic certified, impeding the possibility to sell Bio/Organic certified product on the Czech market, even if the tea was pure.

One of the worries of Czech specialists could be the cross-contamination as mentioned: *"It uses to happen that tea is cross-contaminated during the processing, for instance during the steaming, where the used water can be polluted and also organic pure tea can result contaminated by pesticides"*

5.3.1.2 Is the specialty tea paid fairly?

All traders and connoisseurs agreed that Fairtrade certification is not meaningful for good quality (specialty) tea. It was said that for the quality tea the price is sufficiently high, and thus farmers do not face any observable social hardships.

One respondent added: *"Sometimes also for me, the price is very high…making me think if I would sell such an expensive tea in our country."* It is important to accentuate that the "good tea" we speak about and which is mostly sold by the Czech specialty tea traders originates mostly in China, Taiwan, Japan or India, leaving apart other producing countries.

Respondents admitted that from the economic and social point of view the situation might be questionable in India and Nepal or Kenya, where tea comes from larger plantations, where labourers are hired while Czech traders communicate and do the business only with the management of the plantation or cooperative (directly or through partners). Nevertheless, respondents agree, that from their personal observations the farmers and workers live a decent life with a good standard of living in general.

Our respondent, the Czech franchise of German company which offers two Fairtrade certified teas in the product range, agree that the official Fairtrade certification is too expensive compared to direct support: *"In the name of company, we prefer to provide our own support to the producers, as for instance our long term project in Nepal… and we, as a German company, pay very fair prices."*

One respondent added: *"A few years ago, one of our suppliers was offering us Fairtrade certified tea…the certification was very expensive and I found the whole system of Fairtrade as not very clear to me…so we decided not to get engaged."*

The opinions of specialty tea traders and connoisseurs were also approved by Fairtrade CZ: *"Good quality tea from tea shops is supposed to be from sufficiently reliable sources where a fair price is paid and producers are not oppressed, and thus Fairtrade certification is meaningless in this case. The aim of Fairtrade is to focus on mass-produced tea."*

5.3.2 Commodity certified tea

In this section, author focused on the position of Fairtrade certified tea by Fairtrade International and partly Fair Trade labelled tea by WFTO. Other ethical certifications like RFA and UTZ are present on the Czech market only through large international packers, which were not direct objectives of this research.

5.3.2.1 Current situation

The major reason why big brands still have not adopted Fairtrade is obviously an insignificant demand for Fairtrade tea by Czech consumers. Majority of Czech consumers seems to be not sensitive for Fairtrade label. So far, Fairtrade tea has been communicated as only marginal extra added value for the (ethical) consumers and competitive advantage for the vendors, as remarked by respondent from Fairtrade CZ.

Interviews revealed, that Fairtrade tea on the Czech market is in major cases Organic certified too. As consumers are sensitive for Organic, double certification with Fairtrade provide an extra added value. *"Usually (not as a rule), brands become Bio/Organic certified and later they upgrade for Fairtrade."*

Comparing the foreign markets of neighbouring countries, the Austrian and German markets are more advanced (respondent from Fairtrade CZ). In Austria, Teekanne is Fairtrade certified. In Germany, supermarket chain Lidl has private Fairtrade line Fair Globe. *"This we cannot expect in the Czech Republic."* One of the mentioned reason was a strong position of Czech "tea room culture", where consumers look for better quality tea. On the other side, another significant group of Czech tea consumers demands cheap mass-produced tea bags of low quality.

"In Germany and Austria, this trend is more in balance." As was further mentioned, Fairtrade certified commodity tea is a common tea of low grade for the ordinary consumers, not a "luxury tea" with added value of quality, even at foreign markets.

Also, the supply side faces various problems as mentioned by Fair&Bio Shop, having closer contacts with their suppliers in Austria and Germany. This happens in the case of bad weather or lower production, or if some components for blends (cinnamon, orange peel) are not available from the contractors. *"Sometimes I have a problem to make an additional order because Fair Trade teas are out of stock due to shortages in supply."*

Regarding the demand and preferences of the consumers, the demand for ethically certified tea was said to be in general equally distributed during the year, with an increase in demand before Christmas time. Loose leaf tea and tea bags are both equally demanded, as mentioned. The best sellers are Earl Grey and Jasmine Green tea. Before Christmas, spiced teas like Masala Chai are more required. In general Roiboss and fruit infusions were said to be bestsellers apart from "Camelia tea". "Fruit teas" are destined mostly for children or elderly people, but the continuous sufficient supply of this kind of "tea" was also accentuated as a supply-side problem (Fair&Bio Shop).

NGO NaZemi, selling their own brand of Fair Tea (three types of loose teas), remarked that their tea is sold in 100g packages, but the majority of Czech consumers still buy the common tea bags, while another sort of consumers tend to higher-quality tea from specialty tea shops, what might lower the sales. In general, they focus on supply to couple of cafes, canteens and companies.

Expert for Fair Trade from NGO NaZemi and competent representative of Fair Tea further stated, that one of the constraints of Fairtrade tea is the competition with other certifications RFA and UTZ, which are oriented more on environmental than social standards. The standards and certification procedure of RFA and UTZ are less strict than Fairtrade, allowing big brands to get certified easier. This cuts a little bit the influence of Fairtrade in the tea sector, as he added.

5.3.2.2 Strategies and potential future development of Fairtrade certified tea in the Czech Republic

There are several recent activities implemented mainly by Fairtrade Czech Republic and Slovakia, as an umbrella organisation for Czech and Slovak Fair Trade movement, in order to scale up availability of Fairtrade products[32]. However, so far, the effort has been focused mainly on coffee as a key product for market penetration.

[32] It is worth mentioning that since 2017 Faitrade CZ will actively shield also Slovakia-new future market

In 2016, the catalogue Taste was published by Fairtrade CZ, including all Fairtrade products and their producers and distributors on the Czech market. The catalogue was distributed to all partners selling Fairtrade coffee, to attract their interest to scale up for other products (tea included), as remarked by Fairtrade CZ. The catalogue is available online too and will be annually refreshed.

In 2016, an important promotion and consequent increase in the supply of FT coffee were done by HOREKA program for gastro facilities as part of the campaign "Fandíme Fair Trade" ("We support Fair Trade"). Fairtrade CZ has got involved in the supply chain focusing on distributor's channels, suppliers, and final vendors and introduced Fairtrade coffee into restaurants, hotels and cafes while increasing awareness about Fair Trade. For the next year 2017: *"Our plan is to scale up for other products like juices and tea for instance."*

Among other activities, Fairtrade CZ plans to participate in various fairs during 2017, among others, fair Biostyl-Ecoworld[33]. Fairtrade CZ stated, that special campaign focused on tea is not planned. With regards to the potential of supply of Fairtrade teas for companies and state institutions, the response of Fairtrade CZ was: *"We have been thinking about it already two and half years, but still we do not know how to conceive it. The Czech market is not sufficiently developed…companies do have already their own suppliers…neither in Austria and Germany this kind of campaign was successful, they cooperated with boards of trade, it was very labour demanding and with a little reward…Currently, in the Czech Republic, we do not have a capacity to launch such a campaign."*

Predicting the overall potential of Fairtrade tea on the Czech market, Fairtrade CZ sees the untapped potential of Fairtrade products (tea included) and expect the boom in the following two to four years. As added: *"Already now we can note the rise, the segment has begun to evolve."*

[33] the biggest international fair with healthy food, healthy lifestyle and environmentally friendly products and services in the Czech Republic

6 Discussion

6.1 Does the Czech tea market contribute to the sustainability of the tea production in developing producing countries?

As our findings show the Czech specialty tea supply chain is short and transparent based on direct trade partnership offering so-called "story of tea" and control over the quality. Such a model of direct trade conforms in general with the worldwide model and trend in the sector of specialty teas (CBI, 2016c) and provides also de facto guarantee of ethical production and trading without any additional control systems.

Another feature of ethical trading, which is partially substituted by direct trade partnership, is the education of consumers. This is a merit typical to Czech specialty tea traders. As remarked in CBI (2016c) by visiting remote tea gardens and communicating with farmers in their home-lands traders are able to provide information about the specific production processes and consequently educate their consumers. It is worth to emphasize that also tea related blogs written by some Czech traders and use of social networks[34] attract current as well as new consumers and increase their interest. These promotion channels offer a share of information about new tea arrivals, farming practice, and stories with farmers - together with workshops and tea tasting sessions in tea shops, this might be one of the best way how to be connected with customers. For instance LOHAS consumers[35] are sensitive to personal development, education and have *"endless appetite for information"*, reading blogs more than other consumers (NMI, 2008).

This could be one of the reasons while specialty tea is becoming increasingly attractive, especially to millennials[36](CBI, 2016c). In the contrary, we observe that on the Czech specialty tea market the consumers represent a wide range of age groups with the different socio-economic backgrounds. The similar information about Czech specialty tea

[34] Facebook, Instagram
[35] In 2010 was estimated that LOHAS consumers represent 1,5-3 million of Czech adult population
[36] young educated and health-conscious consumers who search an authentic story and like to experiment with *"unique and organic flavours"*

market provides Progetto (2014); the segment has evolved from young people, but nowadays they consist of *"people of all ages and walks of life"*, attracting also travellers, businessmen and managers.

To put the specialty tea into narrower perspectives, the volume of "specialty teas" sold through tea shops/tea rooms on the Czech tea market was estimated by the respondents to be in the range of 3-10% of the total volume of tea consumption in the Czech Republic. In 2015, total tea import to the Czech Republic was 2.5 thousand tonnes and the export 728 tonnes (CBI, 2016d), that means, based on the calculation[37], that share of specialty tea on total consumption represents roughly 53-177 tonnes per year. According to Euromonitor (2017), retail volume sales of loose black specialty tea[38] were 39.5 tonnes in the value of 26 million CZK, in 2016.

The European buyers estimate specialty tea market to be around 5% of the total European market, representing a market niche. Only in Germany, black specialty tea accounted for 23% of all retail sales in 2015. In France and Belgium the market share of black specialty tea amounted to 25% and 18%, respectively (CBI, 2016b). This shows that in these countries "specialty tea market" is more developed.

As the investigation revealed the position of so-called "specialty tea" is well embedded within the Czech tea culture with the increasing interest and demand for this category of tea in recent years. As CBI (2016d) indicated, despite the average annual decrease of 4.1% of total volume of imported tea, the value of tea imports recorded an average annual increase of 2.6% since 2011. As mentioned in the study: *"This indicates an increasing demand for higher value (specialty) tea".* From the context of the CBI study (CBI, 2016d) and the fact that the calculation was based on statistical data of import and export of tea, conformably to HS (Harmonised System) codes, the real numbers might slightly differ. However, the general tendency of increased demand for higher-quality tea was

[37] import volume-export volume=net import

[38] Note: other genres of specialty tea (green, oolong, dark etc.) are not provided by Euromonitor

proved. Based on the prognosis for the Czech Republic, retail sales value growth for loose black specialty tea will be 2.8% CAGR[39] in the period 2016-2021 (Euromonitor, 2017).

In order to be able to respond to the main research question, dilemma between "specialty" and "sustainable" tea must be clarified in further details. When "specialty tea" originates in the conventional tea garden, applying harmful agrochemicals with all its consequences, the resulting tea cannot be considered as "sustainable" especially in the long term. Meaning, that only naturally grown (organic) chemical-free tea can be considered as indeed "sustainable tea". Hence, we should conclude that the Czech specialty tea market represents rather a small share of real "sustainable teas", being sold by few excelling traders/tea shops or representing a minor share in the offer of the others.

Wu De, founder of GTH, who translates Chinese tea related sources specifies a "sustainable tea" under the term of "living tea", which must conform six characteristics: *"seed propagation, room to grow, biodiversity, no irrigation and agrochemicals and a healthy relationship to the humans who tend it"* (GTH, 2014). This definition comprises globally all aspects of sustainability for tea; environmental and social aspects, including also long-term stability as well as economic viability as a consequence of high-quality of tea and its cultural values. Nevertheless, production of such teas is very limited thus cannot be supplied to everyone, as Wu De mentioned. The higher demand for such teas would be conducive to the opposite, unsustainability due to limited natural resources.

As we see: *"Sustainable farming means different things to different people"*. However they all are linked in preventing the degradation of some aspect of the farm, as natural resources, while being resilient, self-regulating and maintaining profitability (Mason, 2004).

Within the study three concepts for "sustainable tea" were identified, briefly: (1) Natural/Traditional tea gardens maintained according to TAK[40] (thought, not always certified Organic), (2) Organic/Biodynamic tea plantations (usually Organic certified), (3) Collected tea leaves from semi-wild (abandoned) tea gardens or wild trees. According to

[39] Compound Annual Growth Rate; annual growth rate over a specified period of time longer than one year.
[40] Traditional Agriculture Knowledge

the principles, mentioned in the book Sustainable Agriculture (Mason, 2004), the first two identified concepts for the "sustainable tea" conform with the sustainable agriculture, while the third represents an unique sustainable concept.

In regards to the measurable indicators of responsible consumption the research revealed, that Organic certified "specialty tea" has certain position on the Czech market represented by at least four officially certified specialty tea traders.

As accentuated by the majority of the respondents, to be Organic certified vendor means too much bureaucracy. But primarily, the official certification is not requested by the majority of specialty tea consumers, with some exception represented by a small group of ethical/responsible consumers. Though a substantial share of specialty tea traders offers non-certified teas[41], which are produced naturally, according to TAK, meaning without any agrochemicals and with very delicate farmer's interference. Such teas are communicated based on trust between traders and consumers, without any certification. As supported by (Rate Tea, 2014): *"For example, it may be more sustainable to buy a loose-leaf artisan tea that is not organic certified, than a box of organic and fair trade certified tea bags."*

But even, when we accept also non certified specialty tea, pure, produced naturally without agrochemicals as relevant product of responsible consumption, ethical and sustainable, there is still potential threat of undesired cross-contamination.

Considering solely the small amount of specialty tea consumed in the Czech Republic, while only a small share of those teas can be considered as real "sustainable teas", the actual impact can be indicated as moderate. On the other hand it is necessary to stress a strong sustainability pattern of few specialty tea traders, both certified as well as non-certified offering high-quality "sustainable teas". As well the increasing position of commodity certified teas[42] with untapped potential, a move from conventional to high(er)-quality (specialty) teas, favourably remunerated, must be considered as a good step towards more sustainable and promising future for tea in producing countries. As

[41] In the coffee sector, non-certified organic production is specified as "passive organic". The only major advantage of "active organic" (certified) is the assurance of higher- price.

[42] In 2014, Fairtrade tea sold in the value of 14 million CZK (approx. 520 thousand EUR) with increasing trend comparing with previous years (see chapter 2.9)

concluding remark the author deduces that Czech tea market contributes to the sustainable tea production in producing developing countries, literally drop by drop.

Thought in the deeper perspectives, the arising movement for sustainable/ethical tea will promote the shift in demand which might be transmitted along the supply chain to the producers and might have a positive impact to stimulate more sustainable production of tea in the future. Along with the evolving movement of responsible/ethical consumerism in the Czech Republic (see chapter 2.9) we can expect the increasing trend in the future, continuously pursuing the ethical consumption model of Western Europe.

Regarding the future perspectives and potential on the Czech tea market, the findings of our study coincide with the presumption of Spimr, as he put it in the interview for EURO (2017): "*The third wave of tea in the Czech Republic is coming...the revolution of coffee has passed, now is time for tea*." The novel trend is represented by the concept of high-quality specialty tea, traded directly and served in the neat, modern and design environment, using suitable teaware. Specialty has been moving to gastro sector of restaurants and cafes following the trend in wine and coffee. (Jidlo a radost, 2017a), (Jidlo a radost, 2017b). The evidence is Tea Masters Cup Czech Republic organized by Czech Bartender Association, promoting tea as a premium drink with the novel corresponding profession in gastronomy - "tea tender"; aiming especially on students of hotel high schools and colleges (CBA, 2017), (TeaMastersCup, 2017). In order to raise the awareness about sustainability issues in the tea sector and induce demand for "sustainable tea" at the beginning of this new emergent segment, the author stress the importance of DEAR (Development Education Awareness Rising) and GDI (Global Development Issues) as an important part of educational process and curricula, as pointed out by (Roubik and Mazancova, 2017).

The gastro sector (HOREKA segment) is also a new potential market for Fairtrade/Organic certified tea, as our results shows. According to Fairtrade CZ (2013), from the point of view of selling points, the gastro facilities gained substantial share, in 2012 represented 53% from the total. This segment consisted especially of international chains of cafes[43], offering Fairtrade coffee.

On that account, the author proposes the gastro sector, for both genres of tea – “specialty tea” and “commodity certified tea” – as future market potentially contributing to sustainable production (driven especially by professional end-users, offering to customers a unique product different from competitors). The main advantage is also a different focus of these two new markets, thus can coexist beside each other, without market competition.

According to authors presumptions the sector of “specialty tea” might follow the high gastronomy in restaurants, hotels and cafes. Also the emergence of new concepts of tea rooms/restaurants[44] might stimulate the consumption of sustainable specialty tea, opening new potential market for Czech specialty tea traders.

The future for commodity certified tea[45] might lie in the common gastro sector of hotels, restaurants, canteens, cafes and other facilities like petrol stations replacing the ordinary non-certified tea in the current menu. To follow the shift more sustainably and with higher success at consumer’s side, the author suggests the move towards higher-quality organic tea, ideally “loose leaf” showing better taste. To pursue sustainability, as ideal packaging for common consumers, we recommend pyramid tea-sachets made of degradable materials or to promote loose leaf tea served in the pot or filter[46].

Other novel products might be higher-quality ready-to-drink beverages[47] (RTD). This might be the niche for Fairtrade and potentially other certifications. Nevertheless, both recommendations (RTD and tea sachets) are products for convenience of consumers that on the other hand negatively affect the concept of sustainability[48]. This must be taken into consideration. Another potential new product could be tea sachets or loose teas, suitable

[43] Tchibo and Starbucks
[44] food-tea pairing could be the related option opening new tea market
[45] refering especially to Fairtrade/Organic providing competetive advantage and sound promotion and marketing tool for gastro facilities
[46] Note: avoiding packaging of every single tea bag and minimalizing the waste
[47] sugar free, natural ingredients, containing herbs
[48] Increasing overall carbon footprint (energy, production, transport, material, waste etc)

for cold-brews[49]. This might be a good step for replacing iced teas (RTD), which contain much sugar and other artificial ingredients, while decreasing a carbon footprint due to the absence of boiling.

Primarily, for the successful adoption and increase in demand for “commodity certified tea”[50], the author propose a quality improvement as the key element, resulting in better taste –an important functional utility value, besides supplementary utility as altruistic and warm-glow felling of ethical consumers. The taste was the most important subjective characteristic of perceived coffee quality for 64% of regular Fair Trade buyers from the Czech Republic (Hejkrlik et al., 2013). In author’s opinion, the position of “commodity certified tea” struggles due to low quality and unsatisfactory taste, which does not convince consumers to pay a premium price. On the other hand, Czech specialty tea shops offer, beside high-quality specialty tea, also wide range of loose teas in the same price level as some commodity certified teas, however showing better taste. As found in the study Gleim et al. (2013), a poor quality and a high-price are the main obstacles of buying “green products”, in addition, the previous negative experience leads to the reluctance to purchase “green product” again. As Kilian et al. (2006) argue there is a limited number of consumers willing to buy fair trade coffee because of its production standards, nevertheless the majority of consumers pay more attention to the taste and price of coffee. Thus the author emphasizes a quality improvement or decrease in price as fundamental point leading to growing potential of commodity certified teas in the future on the Czech market.

Consumers are considered as important actors of the supply chain, not only due to their consumption choices, but also due to their habits of tea preparation. Here we would like to strongly emphasize, that also the traditional way of tea preparation (known as re-brewing, using the same tea leaves for multiple steepings) using small pots has undeniable positive environmental effects and sustainability patterns. By using this method tea leaves are brewed to its upper-most potential. We can link this way of preparation to the patterns of

[49] Tea is infused in a cold water resulting into a natural, healthy and unique drink, while decreasing a carbon footprint due to the absence of boiling

[50] referring especially to niche of Fairtrade/Organic, the most stringent certification schemes, followed by ethical consumers

one of the forms of ethical consumerism bonded to the *"virtues of thrift and frugality"*, usually connected with less affluent times, as in (Crang and Hughes, 2015). This brewing method, known in Chinese as *"gong fu"* was born in less affluent times, when people stopped to pulverize the leaves[51] and turned to whole leaf teas, using little *"Yixing"* clay pots, in order to save their money on tea and to utilize the entire potential of tea leaves by many steepings[52]. This method, widely used by Czech specialty tea shops/rooms and consumers, is predicted by the project Tea 2030 as one of the four potential future scenarios (named as "rebrewed"): *"So like many things today, it's just the old fashioned becoming the new fashion"* (Brouder et al., 2014). This is also the author's prediction and key element for the future of tea sector in the Czech Republic, contributing to more sustainable practice at the consumers' side, while offering deeper appreciation and connection with tea, its cultural background and producers in developing countries.

To fulfil the potential of our topic which opens the broad field for future research the author recommends following areas to be studied: (1) to conduct a quantitative study in regards to the same research question, (2) to include consumers of specialty and certified teas and study their consumption preferences and attitudes towards certifications (3) to analyse the attachment of Czech gastro facilities to adopt specialty or certified teas (4) to respond a new research question: Does growing demand for "specialty tea", considering its limited production potential, lead to sustainability or *vice versa* induce unsustainability?

[51] Note: Parallel to common tea bags, providing just a single brew

[52] Note: By using this method from one batch (around 5-8 g) of specialty tea (e.g. oolong, Pu-erh) is possible to prepare approximately one to five litres of tea when the right brewing skills are acquired. Retaining the heat inside the vessel (pot) and right brewing time are key elements. The higher-price of tea is compensated by higher volume of prepared tea, resulting more economical.

7 Conclusion

Finally, we can conclude that Czech tea market has a moderate sustainability pattern with increasing trend for higher quality (specialty) tea, representing the unique tea culture, which is also internationally recognised as a becoming cultural phenomenon.

The market share of specialty teas (sold through tea shops/tea rooms) was estimated to be in between 3% to 10% of total volume of tea sold on the Czech market. The share of specialty teas within Europe was estimated to be around 5%. But, in comparison with leading European countries (Germany, France, Belgium), the Czech Republic still represents a lower market share of specialty teas.

Specialty (sustainable) tea in the Czech Republic is not perceived as an ordinary everyday drink but represents also a lifestyle for certain individuals and offers a spiritual and cultural dimension. Our study found, that the interest in the tea culture is predicted to rise.

The supply chain of specialty teas resides mainly on a direct trade partnerships with farmers and trusted partners/middlemen based on long-term closer and transparent partnership offering so-called *"story of tea"* which is appreciated by the consumers, together with the educational merits of Czech specialty tea traders.

Regarding the certifications within "specialty teas" the author concludes that, currently practiced closer partnership with farmers, mutual trust between consumers and traders, use of social networks and "story of tea" decrease the need for further institutionalisation, control and formal certifications and audits of the tea supply chain.

It was revealed that the only position within specialty teas has Organic certification used by some certified traders. In general, the Organic certification is not very much requested by the consumers of specialty teas, with some exceptions representing a small group of ethical consumers. Especially for consumers who are less oriented in specialty teas, the certification represents a tool how to make a deliberate consumption choice based on the visible label. The future interest and demand for Organic certified specialty tea is still open for discussion, but the firm position in the niche market has been proved. We can conclude that the word “organic” is generally well perceived by the Czech consumers.

The demand for higher-quality “specialty teas” was foretold to rise, as well as the emergence of novel concepts of tea rooms/shops. Especially the gastro sector (cafes, restaurants) was identified as the new future market for Czech specialty tea traders. The new wave of specialty tea is predicted to follow the trend of high-quality (specialty) coffee. Hence increase in the consumption and sales can be expected.

Regarding the “commodity Fairtrade certified teas” our study identified only two Czech brands both regularly selling Fairtrade/Organic (double) certified tea under own brand. Further we identified four certified Czech tea packers selling Organic/Bio certified tea under their brand.

So far the demand for Fairtrade certified tea was found to be insignificant in the Czech Republic, even though, Fairtrade certified tea is already communicated as a competitive advantage for retailers and an added value for consumers. Based on Fairtrade CZ, the untapped potential for Fairtrade tea is seen to be fulfilled within the following two to four years based on current projections and marketing activities. Primarily, mass-market of hypermarkets, supermarkets, petrol stations as well as hotels, restaurants and cafes will be probable channels and destinations for Fairtrade tea. The intention of Fairtrade CZ is the double-certification Fairtrade/Organic, which is perceived as an ideal combination. These, Fairtrade/Organic certified commodity teas, which are slowly converting from a niche market towards mainstream, indicate the positive projections of contribution to the ethical production and sustainability in producing developing countries in the near future.

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9 Annex

Annex 1: List of selected respondents (tea connoisseurs)

name	specification
Anonymous 1	tea blogger, seller in tea shop, organising tea workshops
Anonymous 2	organising tea workshops and summer tea school
Anonymous 3	founder of the project for the first Czech tea stone pressed tea cakes from Georgian and Kenyan teas (produced in the Czech Republic), tea traveller

Annex 2: List of selected respondents (key informants)

organisation (position)	specification
Fairtrade Czech Republic and Slovakia (head of marketing and trade)	-national representative of Fairtrade International in the Czech Republic and Slovakia -marketing support of certified label Fairtrade and sales support of fair trade products -monitoring of the market and raising awareness about fair trade -link: http://www.fairtrade-cesko.cz/
NGO Na Zemi (expert on campaigns and fair trade)	-Czech NGO integrates global education into the Czech educational system, promotes corporate accountability in the supply chain, and Fair Trade as an effective form of support to farmers and producers from countries in the Global South. -operates own shop *Obchod Na Zemi* with fair trade products -since 2016 offer 3 own branded loose leaf teas in the product range (Fairtrade and Organic certified) -online shop: http://obchod.nazemi.cz/
Fair&Bio Shop (shop manager)	-import and sale of fair trade food products and handy crafts -offering wide range of Fairtrade certified and WFTO teas -offered tea brands: EZA, El Puente, English Tea Shop -online shop: http://www.obchodfairbio.cz/

Annex 3: List of Czech specialty tea traders (respondents included)

Name	specification
Amana	-import, wholesale, retail -two own retail stores in Prague -online shop: https://www.caj.cz/ -specializing especially on orthodox sorts of teas from main producing areas
Oxalis	-import, wholesale, retail, distributor, producer of own blends - online shop: http://www.oxalis.cz/cs/eshop -26 own retail stores and 17 franchises in the Czech Republic - export to 36 countries - since 1993 -101 employees

	- specializing on various sorts of tea and coffee and production of own blends and aromatized/scented teas
Tea Mountain	-import, wholesale, retail (own store) -online shop: http://www.teamountain.cz/obchod -specializing on specialty teas, competition grades and limited lots of teas from Japan, Taiwan, China; and other traditional regions (India, Sri Lanka, Nepal, Korea etc.) -direct sourced teas from farmers, producers and traders in producing countries
Klásek Tea	-import, wholesale and retail -since 2003 (Darjeeling.cz), since 2014 renamed as Klásek Tea. - online shop: http://www.darjeeling.cz/ -specializing on teas from India (Darjeeling, Assam) and Japan, Nepal, China and Taiwan -certified by ABCERT AG, CZ - BIO – 002
Orijin	-import, wholesale, retail and tea club Cha Dao -since 2002 (Teanet-CN.CZ.), since 2013 renamed as Orijin Tea -online shop: http://www.orijin.cz/ -direct supplier of authentic and excellent teas from China and Taiwan, sourced directly from well-known companies and family tea gardens
Dobrá čajovna	-import, wholesale, retail -in 1992 *Spolek milců čaje* was established, in 1993 first tea shop under the name *Dobrá čajovna* was opened (1. Tea shop in the Czech republic) -franchises in Czech republic (Dobrá čajovna), Slovakia (Dobrá čajovňa), USA (Dobra Tea), Hungary (1000Tea) and supplier for the Polish company (Czajownia) -online shop: http://www.tea.cz/ -specializing on direct import of fresh teas from India, China and Taiwan, Japan, Sri Lanka and other main producing areas
Čajovna Setkání	-import and retail of direct sourced teas from small producers mainly from China and Taiwan -self-processing of compressed Pu-erh and other specialty teas -focusing also on sale of seeds of exotic rare plants -online shop: http://kupsicaj.cz/
Tee Gschwendner	-German company with the franchise in the Czech Republic -import, (wholesale), retail -established in 1978 -specializing in excellent quality aromatized tea, also loose leaf tea from main producing areas, as well as less known like New Zealand with strict quality requirements for all offered tea -46% of tea are Organic/BIO certified -online shop: http://www.teegschwendner.cz/
MeeTee	-direct sourced teas from China, wholesale, retail, tea studio MeeTea -prepaid monthly delivery (3 tea with instructions for preparation chosen according to the season; send by post) -supply of tea for companies, tea catering (tea bar), tea ceremonies, tea courses and workshops -online shop: http://www.meetea.cz/
Expect spol s r.o.	-import, wholesale, retail -since 1992 -online shop: http://www.expect.cz/ -focusing on teas from the main producing areas and other products (tea ware, oriental goods)

LongFeng	-small family company focusing on import and wholesale and retail of authentic and correctly declared teas from China and Taiwan -providing training for tea shop staff -online shop: http://www.longfeng.cz/
Chawangshop **(based in China)**	-online tea store from Yunnan, Kunming city, China (delivery to the Czech Republic) -since 2010 -specializing on Chinese high quality (specialty) teas -owner: (nationality: Czech) -partner of some Czech specialty tea merchants -online shop: http://www.chawangshop.com/
Shengmu	-direct importer of teas from China, Taiwan and Japan -wholesale and retail -online shop: www.shengmu.cz/
Bílý Jeřáb	-tea room/shop and vegan restaurant -import/retail -sourcing tea directly from farmers and partners/traders -specializing on Japanese, Chinese, Taiwanese, Korean, Indian tea -providing tea consulting services -online shop: http://obchod.bily-jerab.cz/ -online shop: focused on aged Pu-erh and oolong http://puerh.cz/

Annex 4: List of questions for tea connoisseurs

Dobrý den, jmenuji se Tomáš Heller a jsem student Fakulty tropického zemědělství, oboru *Sustainable Rural Development in the Tropics and Subtropics* na České zemědělské univerzitě v Praze. Momentálně pracuji na diplomové práci s titulem *Potential of the Czech tea market to contribute to sustainable tea production in producing developing countries*. Informace získané z rozhovoru budou použity jako zdroj informací pro výzkum, jehož výstupy budou použity pouze v mé diplomové práci, případně ve vědeckém článku psaném v anglickém jazyce. **Žádný subjekt (respondent) nebude jmenovitě uveden. Výstupy z rozhovoru budou uvedeny anonymně.** Rozhovor bude nahráván jako audio záznam, aby nedošlo ke ztrátě informací a za účelem zachycení originálního znění odpovědí. Pro diplomovou práci bude vypracován volný překlad vybraných částí rozhovoru do anglického jazyka. Děkuji Vám mnohokrát za spolupráci a za Váš čas věnovaný mému výzkumu.

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1. Jakým aktivitám se ve spojení s čajem věnujete?
2. Jak byste ohodnotil českou čajovou kulturu a postavení kvalitního čaje mezi spotřebiteli? Jak je to v sousedních zemích nebo v ostatních zemích EU či ve Světě? Jsou Češi v konzumaci čaje v něčem specifičtí?
3. Jaké jsou Vaše nejoblíbenější čaje a proč?
4. Jaké charakteristiky Vás nejvíce zajímají při výběru a nákupu čaje?
5. Jak byste specifikoval/a tzv. „specialty tea“ (tj. high-end tea nebo také „artisanal tea“)? Jaké charakteristiky by podle Vás měl splňovat kvalitní sypaný čaj?
6. Když na Vašich cestách za čajem navštěvujete čajové farmáře přímo na jejich farmách, pozorujete nějaké environmentální, sociální či ekonomické problémy, kterým farmáři musí čelit?
7. Dle Vaší zkušenosti, myslíte si, že farmáři mají problém prodat svůj čaj za cenu, kterou požadují nebo musí leckdy prodat čaj pod cenou?
8. Kde vidíte v současné době největší problém s udržitelností čajové produkce? Jak vnímáte ve smyslu podpory udržitelnosti čajové produkce český trh s čajem? Myslíte si, že svou nabídkou čajů přispívá k udržitelné produkci čaje v produkčních zemích? Šlo by v tomto ohledu na českém trhu něco zlepšit?
9. Jaký vidíte význam v certifikaci čajů (Fairtrade, Organic/Bio, Rainforest Alliance, UTZ, Ethical Tea Partnership a jiné)? Pro jaké typy čajů si myslíte, že by zavedení certifikace mělo smysl a naopak pro které druhy čajů certifikace případně není potřeba?
10. Jaký vidíte potenciál v certifikovaných čajích (např. Organic/Bio a Fairtrade) na českém trhu? Na jakých prodejních místech a u jakých zákazníků by mohl najít uplatnění?
11. Jaké charakteristiky primárně zohledňují čeští dovozci a prodejci při nákupu čaje?
12. Objevují se na trhu padělky nějakých známých čajů? O jaké čaje se nejčastěji jedná? Případně jak se dají poznat?

13. Jak vnímáte ochranné známky původu (např. Darjeeling, Nilgiri, Assam a další), myslíte si, že jsou pro české obchodníky a české spotřebitele důležité při nákupu čaje?
14. Jak je pro Vás jako spotřebitele důležité jestli má čaj certifikaci Bio nebo zkrátka pochází z organicky vedené zahrady? Zohledňujete podmínky produkce ať už environmentální či etické při výběru čaje?
15. Poznáte v chuti čaj, který byl nadměrně stříkán pesticidy, anebo na jeho produkci bylo použito velké množství hnojiv?
16. Jaký máte vy názor na používání anorganických hnojiv a pesticidů při pěstování čaje?
17. Jsou nějaké typy čajů, které je možné vypěstovat pouze na zahradách, které jsou vedené dle zásad organického zemědělství? Jsou tyto čaje běžně dostupné na českém trhu?
18. Pokud hovoříme o čajích z divoce či polodivoce rostoucích čajovníků, o jaké druhy čaje se nejčastěji jedná? Jsou tyto čaje běžně dostupné na českém trhu?
19. Vnímáte nabídku čajoven a specializovaných obchodů jako dostatečnou nebo nějaké čaje na českém trhu chybí? Objednáváte si např. některé speciální čaje ze zahraničí? Případně odkud? A jaké jsou ceny čajů ze zahraničí v porovnání s nabídkou na českém trhu?

Annex 5: List of questions for key informants

ČESKÁ ZEMĚDĚLSKÁ UNIVERZITA V PRAZE

Fakulta tropického zemědělství

Dobrý den, jmenuji se Tomáš Heller a jsem student Fakulty tropického zemědělství, oboru *Sustainable Rural Development in the Tropics and Subtropics* na České zemědělské univerzitě v Praze. Momentálně pracuji na diplomové práci s titulem *Potential of the Czech tea market to contribute to sustainable tea production in producing developing countries*. Informace získané z rozhovoru budou sloužit jako zdroj informací pro výzkum, jehož výstupy budou použity pouze v mé diplomové práci, případně ve vědeckém článku psaném v anglickém jazyce. Rozhovor bude nahráván jako audio záznam, aby nedošlo ke ztrátě informací a za účelem zachycení originálního znění odpovědí. Pro diplomovou práci bude vypracován volný překlad vybraných částí rozhovoru do anglického jazyka, který Vám bude předložen ke zpětné kontrole. Děkuji Vám mnohokrát za spolupráci a za Vás čas věnovaný mému výzkumu.

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1. Jaká je obecně poptávka po Fairtrade certifikovaných čajích v ČR?
2. Jaký trend pozorujete u čaje ve spojení s certifikací Fairtrade, vznikly v poslední době nové tuzemské značky věnující se prodeji Fairtrade čaje? Případně zařadily stávající firmy do své nabídky čaje s touto certifikací?
3. Jak byste porovnala situaci s Fairtrade čajem v ČR, v Rakousku, Německu a jiných zemích s delší tradicí Fairtrade?
4. Co nejvíce motivuje firmy k zavádění Fairtrade certifikovaných čajů na trh?
5. Když se firma rozhodne zavést do své nabídky Fairtrade čaj, mohla byste zkráceně popsat, jak celý proces probíhá? Co je obvykle největší překážka?

6. Z jakých zemí Fairtrade čaje na českém trhu nejčastěji pochází?
7. Jedná se spíše o jednodruhové sypané čaje či čajové směsi (blends)?
8. O jaké čaje se nejčastěji jedná – spíše levnější masově produkované a obchodované, nebo spíše „specialty“ čaje, které mají kromě certifikace ještě svou vlastní hodnotu?
9. Jaký je Váš názor na propojitelnost tzv. „specialty teas“ (vysoce kvalitních jednodruhových sypaných čajů) a Fairtrade certifikace?
10. Jaké jsou strategie Fairtrade ČS pro podporu certifikovaných čajů?
11. Plánujete v ČR do budoucna kampaň věnující se čaji? Jak je tomu případně v ostatních zemích?
12. Plánujete nebo již zavádíte „kampaň“ věnující se podpoře spotřeby Fairtrade čaje ve firmách či ve státních institucích apod.?
13. Jsou Fairtrade čaje zároveň certifikované také jako bio? Případně jaké procento čajů na českém trhu má zároveň i certifikaci bio?
14. Existují na českém trhu čaje, které kromě Fairtrade certifikace mají také další certifikace jako např. Kosher a další méně rozšířené certifikace? Případně je nebo mohla by být po takových čajích v ČR poptávka?
15. Jakou pozici na českém trhu představují čaje pocházející od firem, které jsou členy Světové fairtradové organizace WFTO (World Fair Trade Organisation)?
16. Jsou na trhu jiné eticky certifikované čaje? Odlišuje se od nich Fairtrade nějakým způsobem? Případně je vnímána mezi certifikacemi určitá forma konkurence?
17. Proč je čaj v rámci Fairtrade doposud poněkud opomíjeným produktem, ve srovnání např. s kávou?
18. Do jaké míry hraje roli marketing (např. balení, promo apod.) v poptávce po Fairtade čajích?
19. Jaký si myslíte, že mají certifikované čaje (Fairtrade, bio a jiné) potenciál na českém trhu?
20. V České republice je velké množství čajoven, které nabízejí čerstvé kvalitní čaje. Jaký vidíte potenciál certifikovaných čajů (Fairtrade, bio a jiné) a jejich zařazení do nabídky čajoven či specializovaných obchodů? Nebo je to spíše záležitost řetězců a maloobchodu s potravinami?
21. Vnímáte nějaké rozdíly mezi spotřebiteli čaje v České republice a v sousedních zemích či ostatních zemích Evropské Unie? Jsou Češi v něčem v konzumaci čaje specifičtí?
22. Myslíte si, že hraje nějakou roli fakt, že Fairtrade podporuje malé farmáře sdružené do organizací, nicméně, v případě čaje je možná (a častější) certifikace čaje i z plantáží? Vnímá toto někdo z odborné nebo i laické veřejnosti?

Annex 6: List of questions for specialty tea traders

Dobrý den, jmenuji se Tomáš Heller a jsem student Fakulty tropického zemědělství, oboru *Sustainable Rural Development in the Tropics and Subtropics* na České zemědělské univerzitě v Praze. Momentálně pracuji na diplomové práci s titulem *Potential of the Czech tea market to contribute to sustainable tea production in producing developing countries*. Informace získané z rozhovoru budou použity jako zdroj informací pro výzkum, jehož výstupy budou použity pouze v mé diplomové práci, případně ve vědeckém článku psaném v anglickém jazyce. **Žádný subjekt (respondent) nebude jmenovitě uveden. Výstupy z rozhovoru budou uvedeny anonymně.** Rozhovor bude nahráván jako audio záznam, aby nedošlo ke ztrátě informací a za účelem zachycení originálního znění odpovědí. Pro diplomovou práci bude vypracován volný překlad vybraných částí rozhovoru do anglického jazyka. Děkuji Vám mnohokrát za spolupráci a za Váš čas věnovaný mému výzkumu.

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1. Jaké jsou dle Vašeho názoru v současné době nejprodávanější čaje v čajovnách a specializovaných obchodech? Jaké čaje rostou na oblibě mezi spotřebiteli?
2. Jak byste ohodnotil českou čajovou kulturu a postavení kvalitního čaje mezi spotřebiteli? Jsou Češi v něčem v konzumaci čaje specifičtí v porovnání s ostatními zeměmi?
3. Jak byste specifikoval/a tzv. „specialty tea“ (tj. „high-end tea“ nebo „artisanal tea“)? Jaké vlastnosti by podle Vás měl splňovat kvalitní sypaný čaj?
4. Jak byste specifikoval čaj, který byl vyprodukován udržitelným způsobem? Případně o jaké typy čajů se konkrétně jedná? Jsou tyto čaje dostupné na českém trhu?
5. Na základě Vašeho odhadu, jak velké procento prodejů čaje (nebo objemu prodaného čaje v kg) v ČR představují čajovny a specializované obchody v porovnání s masovým prodejem v obchodních řetězcích a maloobchodech?
6. Jak vnímáte obecně konkurenci mezi čajovnami a specializovanými obchody v České republice? Konkurují si navzájem nebo každá čajovna či obchod má své zákazníky?
7. Z jakých zdrojů nakupují čaj čeští dovozci/velkoobchodníci (případně maloobchodníci) a jaký podíl v % představují odhadem jednotlivé zdroje?

výběr	zdroj	% zastoupení
A	Přímý dovoz od farmářů (direct sourcing)	
B	Z vlastních plantáží	
C	Přes obchodníky, firmy, vlastního partnera (sprostředkovatele) v produkční zemi	
D	Přes aukce v produkčních zemích	
E	Přes vlastního partnera (sprostředkovatele)/obchodníky/dovozce/firmy v neprodukční zemi a mimo ČR	
F	Jiné:	

8. Pokud nabízíte čaje z přímého dovozu od farmářů, jakým způsobem si farmáře vybíráte, máte s nimi navázanou dlouhodobější spolupráci? Jak v takovém případě probíhá výběr a nákup čaje?
9. Pokud jezdíte přímo za čajovými farmáři do produkčních zemí, pozorujete nějaké environmentální, sociální či ekonomické problémy, kterým farmáři musí čelit? Jak byste ohodnotil životní standard čajových farmářů v porovnání s ostatními farmáři v oblasti?
10. Dle Vašich zkušeností, myslíte si, že farmáři mají problém prodat čaj za cenu, kterou požadují nebo je naopak po jejich čaji velká poptávka a ceny se drží vysoko v posledních letech? Jaké pozorujete obecně tendence na trhu s čajem ve smyslu ceny a kvality?
11. Na trhu s čajem se objevují certifikace jako Fairtrade, Rainforest Alliance, UTZ, Ethical Tea Partnership, případně Bio/Organic. Pro jaké druhy čajů si myslíte, že zavedení certifikace je vhodné a naopak pro které čaje certifikace případně není potřeba a proč? Jaké další metody podpory farmářů, kromě certifikace, shledáváte jako účinné?
12. Jak vnímáte ve smyslu podpory udržitelnosti čajové produkce český trh s čajem? Myslíte si, že svou nabídkou čajů přispívá k udržitelné produkci čaje v produkčních zemích? Případně šlo by v tomto ohledu na českém trhu něco zlepšit?
13. Jaké jsou pro obchodníky nejčastější překážky, pokud se rozhodnou uvést na trh např. čaj s Bio (případně Fairtrade) certifikací? Myslíte si, že by rozšíření nabídky o certifikované čaje bylo českými obchodníky přijato pozitivně nebo by se jednalo naopak o zbytečnou práci navíc v podobě byrokracie, papírování a vysokých poplatků za certifikaci?
14. Pozorujete ze strany zákazníků rostoucí zájem o certifikované čaje (např. Organic/Bio, Fairtrade)? Jaký vidíte obecně potenciál v certifikovaných čajích na českém trhu? U jaké skupiny zákazníků by mohl najít uplatnění?
15. Jaké faktory si myslíte, že nejvíce ovlivní produkci čaje v nastávajících letech?
16. Jak myslíte, že se bude vyvíjet sektor sypaných čajů v ČR v nastávajících letech ve smyslu:
    - kvality a druhu poptávaných čajů
    - nových konceptů čajoven, čajových restaurací a barů
    - rostoucích řad konzumentů a čajových nadšenců (rostoucí/klesající)
    - metody přípravy (tradiční vs. moderní)
    - zájmu o čaj a jeho kulturu (rostoucí/klesající)

Annex 7: List of producers (brands) and distributors of Fairtrade certified tea and Fair Trade WFTO tea

Producer/ Company	Distributor/Retailer	No. of products	Organic cert. (yes/ no)	Packaging (tea bag/loose)	Link of distributer/producer
Alternativa 3, S.Coop	FAIRTRADEMARKET.CZ	2	yes	Tea bag	www.fairtrademarket.cz
English Tea Shop	Feel Nature s.r.o.	4	yes	Tea bag	www.onlinebio.cz
EZA Fairer Handel GmbH	Fair Trade Centrum s.r.o.	1	yes	Loose	www.fairtradecentrum.cz
Hampstead tea	Fair Made s.r.o. Obchod NaZemi s.r.o. Fairove.cz	10	yes	Tea bag	www.fairmade.cz www.nazemi.cz/faircafe www.fairove.cz
J.J. Darboven	J.J. Darboven s.r.o.	11	yes	Tea bag	www.darboven.cz
mamacoffee s.r.o.		1 (+7 Organic)	Yes	Loose	www.mamacoffee.cz
	Miko Káva spol. s.r.o.	2	1-yes 1-no	Tea bag	www.mikokava.cz
Neuteboom Koffiebranders	Fair Trade Centrum s.r.o.	5	yes	Tea bag	www.fairtradecentrum.cz
Numi Organic Tea	Biooo.cz	7	yes	Tea bag	www.biooo.cz/numi
Obchod NaZemi s.r.o.		4	yes	Loose	www.nazemi.cz/faircafe
SAS LOBODIS	Fair Trade Centrum s.r.o.	5	yes	Tea bag	www.fairtradecentrum.cz
Segafredo Zanetti	ČR: Segafredo Zanetti CR spol. s r.o.	6	no	Tea bag	www.segafredo.cz
Pickwick Professional	Jacobs Douwe Egberts (JDE) Professional CZ Lecafe.cz	3	no	Tea bag	www.jacobsdouweegberts professional.cz www.lacafe.cz/cs/
Tesco Finest	Tesco Stores ČR a.s	1	no	Tea bag	www.itesco.cz
Marks and Spencer Tea	Marks and Spencer Czech Republic, a.s.	10	no	Tea bag/ Loose	www.global.marksandspencer.com/cz/cs/
EZA Fairer Handel (FT/WFTO)	Obchod Fair&Bio	5	yes	Tea bag	www.obchodfairbio.cz
El Puente (WFTO)	Obchod Fair&Bio	8	yes	Tea bag/ Loose	www.obchodfairbio.cz

Annex 8: List of Organic certified Czech packers and companies selling Organic tea

Company/Tea packer	Status	Link
Oxalis	Organic certified Czech packer Organic certified tea in product portfolio	www.oxalis.cz
Apotheke	Organic certified Czech packer Organic certified tea in product portfolio	www.eshop.apotheke.cz
Velta Tea	Organic certified Czech packer Organic certified tea in product portfolio	www.veltatea.cz
Manutea	Organic certified loose tea in product portfolio	www.manutea.cz
Sonnentor	Organic certified Czech packer Organic certified tea in product portfolio	www.sonnentor.cz
Matcha Tea	Organic certified tea in product portfolio	www.matchatea.cz
Mix-Tea	Organic certified tea in product portfolio	www.caje-mixtee.cz
Liran	Organic certified tea in product portfolio	http://liran.cz/cs