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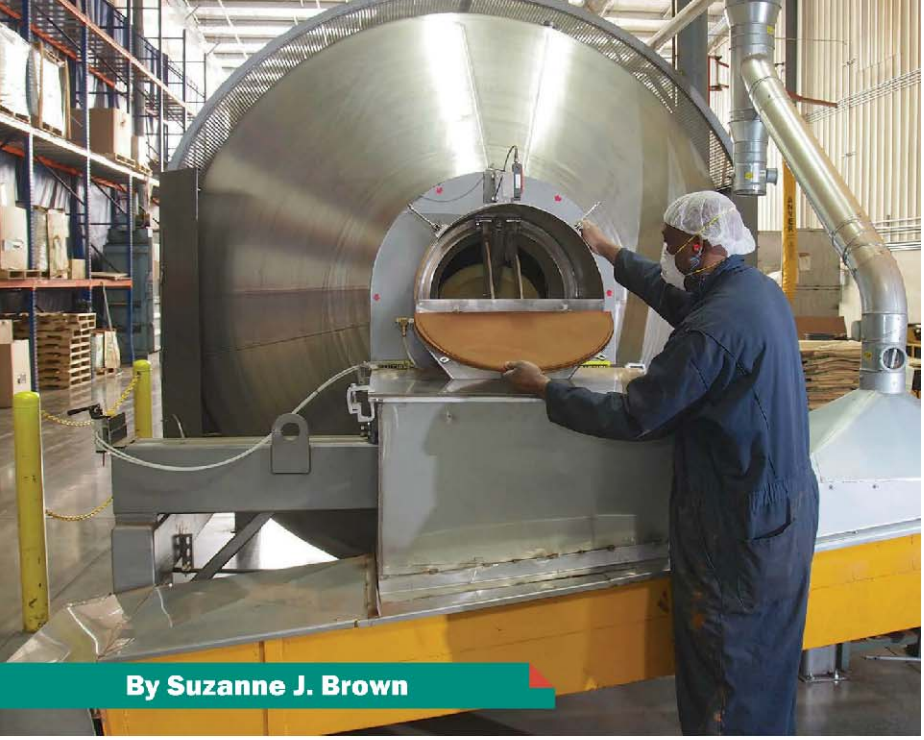

By Suzanne J. Brown

Henry P. Thomson, Inc.'s 3.9 cu m capacity rotary batch mixer blends 726 to 1180 kg batches of tea and runs all day, seven days per week

Quality Tea is More than Leaves Alone

Tea quality is the result of diligence along the entire supply chain, not by leaves alone.

Ultimately, it is consumers who assess the taste, convenience, and perceived health and wellness benefits in determining success. Since customer requirements differ by market channel tea buyers rely on blenders to produce a wide range.

Tea blender Manjiv Jayakumar, who manages QTrade Tea & Herbs in Cerritos, Calif., describes three trends that have led to the surge in tea products and the expansion of tea processing during the past 10 years. Consumers expect more variety, better taste, and innovation, according to Jayakumar.

Concerns over food safety, speed to market, and the specialty tea segment have combined to increase demand for manufacturing in the US, he explains.

"Consumers are focused on specific blends purchased from brands such as Teavana and Tazo," said Jayakumar. Marketing and branding tea has become a major consideration, he added.

Tea blending is now a $1.6 billion industry in North America, according to IBISWorld. The market research firm estimates the industry grew at an annual rate of 6.3% through 2014 slowing to an estimated 3% through 2019 due to changes in volume. Value continues to climb with gross revenue projected at $1.7 billion in 2016 and exports estimated at $610 million, up from $456 million in 2014, according to the IBISWorld report Tea Production in the USA.

Unilever retains its position as market leader with a 52.2% share, but the manufacturing of traditional tea bags, which accounted for the majority of jobs and profit has shrunk to 47.2% of the market. Specialty and gourmet teas account for 18.5% market share and the market share of loose leaf teas has risen to 26.4%. Instant tea, meanwhile, has declined to 7.9% market share.

Per capita consumption is flat at one pound but the value of manufactured tea has doubled from $900.9 million in 2005 to $1,837 billion in 2014. The figure is calculated as the manufacturing industry's spend for all goods and services in the US, regardless of origin. It is derived by adding imports to industry revenue, and then subtracting exports, according to IBISWorld.

Equipment advances

Increased demand has increased the size and complexity of tea blending and packing facilities. Lipton significantly increased the capacity of its Suffolk, Va. plant with a $96.2 million expansion beginning in 2013. The number of tea blending facilities has increased from 48 to 90 enterprises currently operating 105 facilities. Employment is estimated at 2,843 positions in 2016 reflecting a slight incline as automated equipment reduces the number of positions required to operate fill and pack lines.

Responding to demand for more quality, less breakage, and efficiency, equipment companies have introduced new technologies specifically for targeted segments. Consistency in quality is the primary objective at HP Thomson, according to vice president and managing director John Smith. To minimize variances from sack to sack and breakage concerns, his company relies on a Munson 140 cu ft. (3.9 m3) capacity rotary batch mixer. Smith said the mixer uses a gravity-driven process in which internal mixing flights and lifters create a gentle four-way action – tumble, turn, cut and fold – to produce a 100% uniform batch in one to three minutes while imparting minimal energy to the material.

Blended tea is conveyed to a packaging station where a storage vessel holds one batch. While that batch is being filled into 900 to 2,300 lb. (40-1,043 kg) bulk bags or 105 lb. (48 kg) sacks, the next batch is being mixed.

For the majority of HPT blends, the company utilizes the rotary batch mixer.

To blend favored teas the company uses a ribbon blender.

"Flavor agents act as a lubricant along the sides of the ribbon blending vessel, thereby minimizing breakage," said Smith. HPT does not fill tea in teabags, but rather sends sacks and bags to another firm that manufactures a variety of teabags to customer specifications.

"Most of the teabags are packed for individual or institutional customers," said Eugene Amici, president of HP Thomson. Teabag manufacturing has evolved along with all processes connected to producing a quality end product.

Filter paper, size, shape, and pyramid teabag material used in manufacturing teabags comprise another category of growing diversification. Heat-sealed foil bags, knotted string rather than stapled, double-chamber bags, compostable, and recyclable paper, are some of the specifications required by buyers. Technology innovations among tea packagers provide the latest automation and ener-

Mixing flights of the rotary batch mixer produce a tumble-turn-cut-fold mixing action that yields 100% batch uniformity in less than three minutes

gy efficiency along with flexibility and size adjustments achieved with a flip of the switch or via software.

Tied in knots

Knot forming in most channels has taken the place of stables and glue. At Teepack, the "air knotting system" consists of two forming halves with locating channels to form the desired knot. "Excellence for the customer is the most important aspect for Teepack," said Dr. Bettina Nolte-Ernsting, marketing director. "That is why all our little gears and wheels interlink to provide the highest technical quality, never compromising service, and pioneering support," she said.

To that end, Teepack developed the Perfecta Flowpack, combing the established Perfecta Tag machine with an integrated Flowpack unit. This all-in-one solution is designed for efficient filling, packaging, and flow-wrapping of high-quality double chamber teabags.

Trends

OPTIMA USA, based in Green Bay, Wis., was established to service US accounts for OPTIMA packaging group GmbH which is headquartered in Schwaebisch Hall, Germany. It is one of 13 overseas offices operated by the company which designs and builds packaging equipment. Sales director Peter Delain, offers insight on single-serve options, one of the fastest growing pack and fill segments. "Tea has been available in single use formats for many years. Tea companies are also looking for opportunities to differentiate themselves and to take advantage of the current trends in the industry," said Delain. "Capsules have become the industry standard for single-serve coffee and espresso. All popular formats such as K-Cup and Nespresso have tea offerings from the leading tea companies," he said.

The premiumization trend of coffee and brewed beverages is also impacting tea, according to Delain.

"In Europe, Nestle launched Special.T. Unilever launched the T.0 brewing platform. Their use of clear capsules is a means to show the premium products such as whole leaves and spices. Tea drinkers are used to rituals associated to brewing their favorite teas. Incorporating this is a challenge with the convenience of single-serve platforms," he explained.

QTrade relies on a fill and pack lines with a FUSO teabag forming machine. With the growing demand for specialty teas, Jayakumar prefers pyramid teabags for the longer leaf teas and large inclusions such as herbs and flowers. FUSO offers versatility and different sizes to meet increased demand for specialty teas in a competitive market where buyers seek variety in their blends.

In the "healthy for you" beverage segment, tea stands out from the pack of other specialty beverage products touting health benefits. This has led restaurant operators to boost sales by developing signature teas. No longer dependent on flavored syrups for producing tea options, chefs and culinary directors are offering styles such as oolong and green teas that are blended with herbs and pureed fruit.

Great taste is still the most important factor for people ordering tea at US restaurants, according to market research firm Packaged Facts, but convenience, price, temperature and time of day are also influential.

As demand rises and consumers experiment with new flavors and taste the domestic tea blending industry is well prepared to help retailers "trade up" to meet more exotic — and more expensive preferences.

Equipment makers

Tea Equipment Manufacturers

Manufacturers of fill and pack equipment are located around the world, many with satellite offices to minimize logistics and still provide service, tea buyers choose equipment vendors based on company mission, industry segment, blending and filling capability, consistency, and quality of outcome.

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