

International tea players debate a "fair cup"

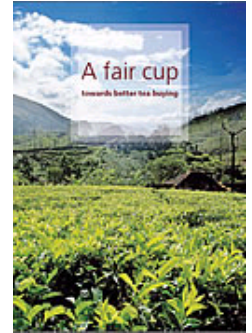
The ways in which purchasing practices need to change to protect vulnerable tea farmers and workers was the subject of a lively debate when twelve tea companies and other key players in the tea sector met in London last week.

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Retailers, tea companies, tea producers, investors and industry bodies took the bold step of participating in a public meeting to debate the issues amidst regular media reporting on the hardships facing tea workers and against a background of declining tea consumption in the UK, low prices and an international oversupply of tea.

Leading the debate were senior representatives from Twinings, Finlays, Harrison's Malayalam and Morley Fund Management with M&S, Tesco, Tetley, and the Tea Council also in attendance.

The meeting was triggered by a report released by Traidcraft which unravels the complex tea supply chain. Focusing on the actual experiences of Kenyan tea pickers and factories, the report makes recommendations to tea company and retail buyers, UK government, consumers and investors.



The five key recommendations for company buyers:

1. build a direct relationship with your suppliers
2. be clear about the terms and length of that relationship
3. develop specific business improvement plans together
4. determine and pay a sustainable price for your tea
5. understand and improve the impact of your standards

Other key issues discussed were the difficulties tea producers face when trying to switch to alternative crops and how prices are further suppressed as tea farmers produce more and more tea to try to make ends meet - thus contributing to the cycle of oversupply.

As the third largest tea importer globally, the UK's impact on the industry is significant and hence was a critical place to start the discussion.

Michael Pennant-Jones, Finlays, said: "We welcome the report which raises key recommendations and benchmarks against which the tea industry can demonstrate responsible purchasing practices. The level of debate and discussion at the launch is proof of the tea industry's willingness to engage on issues that pose challenges not just for the purchasing companies but for all concerned stakeholders."

Author of the report, Liz Dodd, said: "There is evidence of good practice and innovation in the tea supply chain but it's patchy. Often companies push the burden and cost of improving conditions for pickers and workers onto their suppliers. Traidcraft is encouraging them to turn the lens around onto their own behaviour and to see how they can improve their purchasing practices and so support suppliers to make positive changes."

In response to the report Mark Suddaby, Hot Beverages Buyer, Tesco, said: "We are focussed on innovation and driving quality to more customers. Retailers have an equal responsibility to protect this area from further value erosion caused by an over-reliance on deep cut activity to drive volume and market share."

Fiona Gooch, Responsible Purchasing Initiative, said: "With the UK retail price of tea remaining fairly constant in real terms over the past ten years and the producer price of tea having plummeted by nearly 40% in real terms since 1980, it's clear that paying a sustainable price becomes essential if the global supply of tea is to remain of high quality."

- ENDS -

Notes to editors:

- The report, "A fair cup. Towards better tea buying" was launched at a seminar on 31st October 2007 in London.

- It was organised by Traidcraft, a leading social enterprise and winner of ACCA 2006 social report award.
- It brings together tea companies, retailers, government, investors and consumers to discuss ways in which procurement practice can affect people in developing countries.
- The report is part of a series of reports produced by the Responsible Purchasing Initiative.

Read the report

- [Download "A Fair Cup" \(PDF\) \(1508kb\)](#)

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