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PROFILE Hälssen & Lyon's Dietmar Scheffler

By Hans Niebergall

Managing director Dietmar Scheffler

Beyond its time-honored, traditional appeal, specialty and fruit teas are growing in popularity, reflecting numerous innovations and capturing the attention of budding tea consumers, especially young people, the world over.

Dietmar Scheffler, managing director of Hälssen & Lyon, one of the world's leading tea companies, is a close observer of current developments and international consumption patterns in the global tea trade. Situated since 1879 in the picturesque old port city of Hamburg, Hälssen & Lyon operates the world's largest warehouse facility for premium teas, with a staggering capacity of 25,000 metric tons.

"The tea business is global by nature," said Scheffler when asked about today's challenges for a global tea company. "We import tea leaves, herbs, fruit, and assorted ingredients from over 130 countries around the world. We carefully monitor sudden weather and climate issues, as well as dynamic, regulatory requirements from our diverse consumer markets."

"Most importantly, we cultivate reliable partnerships with our customers worldwide and our partners in the origin countries. This elaborate network together with our focus on stockholding helps to overcome the fact that the tea world faces weather-related shortages. To secure the supply chain and to



Fruit and floral blends are growing in popularity

make deliveries on time is by far the most challenging task in today's international tea business," Scheffler explains.

What is important for the customer, and what does he or she look for when choosing a supplier? May it be the history of the tea company, the location, the flexibility, the technical know-how, the innovations, or perhaps the diversity of products?

"We find that all of these points are important these days," said Scheffler. "With expertise based on 135 years of experience in the international tea business, incorporating an exceptional variety of teas, herbs, fruits, spices, and other ingredients, spanning decaf teas and instant tea products as well, we, at Hälssen & Lyon, are able to fulfill nearly every consumer demand, whether large or small. Ultimately, product safety and the quality of the tea are of utmost importance to our customers. Our clientele is very brand-conscious and quality-driven, looking for a special "kick" in the tea composition."

As in the coffee business, there is a trend toward new tea compositions in the market. What are the new trends for Germany, Europe, and the United States?

"Regarding consumer trends, we increasingly note the health and wellness trend. Enlightened dietary habits have been driving the tea market with the popularity of Detox and other functional teas, reaching more and more tea aficionados," he said.

"With this, we are also seeing new flavors involving super fruits and innovative new ingredients. Observing tea markets, we notice creative tea start-ups flourishing with high quality teas and exclusive teaware and packaging design in western markets. Even their showrooms are very distinct and exclusive. In the more classic black tea markets, we observe a trend toward green teas, and then within the green tea markets, we see developments towards blends with herbs, fruits, and blos-

photo credit Martin Zitzlaff



Hälssen & Lyon instant teas

soms. “Ready-to-drink” has become a global trend with even more potential for the future. I also see a huge opportunity for matcha tea in its various creations,” Scheffler explained.

Single-serve cups are increasingly prevalent in the coffee business, with a market share of greater than 30% in single family households in both Germany and the US. However most single serve cups manufactured in Europe are not biodegradable.

“Convenience is a definite benchmark,” said Scheffler. “This starts with the familiar, ingenious tea bag with perfectly measured portions of tea for one cup or mug. We also see new packaging for ready-to-drink teas and tea capsules, which are gaining in popularity. Some tea machines offer perfect temperature and ideal steeping time. This is true whether it is green tea, black tea, or herbal and fruit infusions. An issue in many countries is that single-serve cups are not biodegradable. But experts are working on that.. Single-serve cups create new business opportunities for the tea business by attracting coffee enthusiasts for whom tea preparation may be perceived as too cumbersome. A single-serve cup is a convenient way to resolve this.”

People are becoming more environmentally-conscious. Do certifications empower people to buy special tea?

“We have seen a growing interest in certified teas in recent years,” Scheffler responds. “Organic and fair trade teas, officially certified by the various agencies and programs, are in strong demand. The challenge is to be able to buy enough tea from authorized, reliable, and trustworthy sources. Nevertheless, certified organic and fair trade teas have become part of our DNA.

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Packaged teas for every brand

Dietmar Scheffler

Dietmar Scheffler joined Hälssen & Lyon in 1987. He started his tea career as assistant to the two managing partners Olav C. Ellerbrock and Horst-Jürgen Ellerbrock. Specializing in sales and marketing, Scheffler built the company's instant tea business and advanced the company's market presence in Eastern Europe. He set up H&L's fruit and herbal business including the construction of a factory specializing in the cleaning, cutting and refining of fruits, herbs and spices in the southeast of Germany. An early believer in the concept of packing whole leave teas in transparent tea bags, Scheffler pioneered the market for pyramid tea bags, making H&L a leader in the field of specialty tea packaging.

In 1998, Scheffler became the first non-family managing director of Hälssen & Lyon, a family-owned company in its then third generation. Under his leadership over two decades Hälssen & Lyon has prospered as a leading group of companies covering all aspects of tea, fruits and herbals. H&L comprises the world of tea under one roof, including the world's largest warehouse for tea specialties. H&L's latest acquisition is a bottling facility producing high-quality ready-to-drink teas. This company by the name of "bottlers" is able to produce small runs of RTD tea drinks in glass bottles, PET or Elopak for private label customers. Hälssen & Lyon is a family-owned company now in its fourth generation. It is said to be the only tea company dealing with all aspects of the product and is perceived as a creative innovator in the industry.

Very early on, we began supporting our partners in the tea growing countries who switched to sustainable production with expertise and financial aid. Rightfully so, our customers prefer that we are not on the package but in the package."

How do you introduce the youngest generation to the pleasures of tea? (The passions of the youth generation... and future tea connoisseurs... is a topic Scheffler really likes to talk about!)

"A tea company highlighting only very traditional blends is unlikely to attract young people," Scheffler advises. "You rather catch their attention with unusual blends or a matcha latte instant tea in a stick. Young people are well-connected and well-informed through the internet and social media. They share their opinions on new trends and products. Since wellness is also a dominant theme in social media, tea, whether served hot or cold, is increasingly valued as an exciting and healthful alternative to sugar-sweet beverages.

"Exclusive packaging design is also of utmost importance. The classy and stylish tea package is not tucked away in the kitchen cupboard but rather displayed as a lifestyle product on the shelf.

"We noticed another important trend: once the adventurous have discovered tea's pleasures, they are likely to explore and experiment with exotic varieties, far more than their parents' generation. They even develop their very own tea ceremonies – another phenomenon we did not observe 30 years ago: young men speak of a fulfilling evening when they have enjoyed a Chinese tea tasting event with their buddies!" ☕

photo credit: Tim Hoppe



Hälssen & Lyon's modern warehouse and distribution facility