

Myanmar - EU Trade Helpdesk



EU Export Market Scan: Fermented Tea

Myanmar Fermented Tea

Fermented (pickled) tea (*Laphet*) is a well-known traditional food of Myanmar, consisting of tea leaves fermented into a pickle. It has a unique taste, different from tea used for drinking, and has health benefits.

Despite the fact that pickled tea is very popular in Myanmar, it is not well-known outside of the country. Although Myanmar increasingly attracts tourists who are becoming familiar with Myanmar cuisine, they usually cannot find fermented tea in stores in their home countries. Therefore, Myanmar exporters of fermented tea need to increase awareness of the product among final consumers.

Myanmar fermented tea



Source: Luke Duggleby stock archive

Fermented Tea in the EU

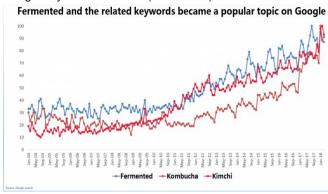
The market in the European Union (EU) for fermented tea is in its early phase of development. Awareness of the final product is very small and currently only a few companies are importing small quantities of fermented tea. Examples of importers of fermented tea who are trying to popularise this product in the EU are the Irish company <u>Bayin</u> and the British <u>Lost Tea Company</u>.

Limited quantities of fermented tea are sold, mainly to a few restaurants specialised in Myanmar or Asian cuisine or via online sales, through the websites of importing companies. Placing the product in retail chains is not a viable option at the moment, as there is not enough demand to fill shelf space. Therefore, specialised health food stores, web shops (such as Amazon) and ethnic cuisine restaurants are good channels for Myanmar pickled tea exporters to start creating demand.

Pickled tea from Myanmar has excellent potential to be marketed in the EU, as it picks up influential food trends in the EU. Growing consumer awareness of the link between gastrointestinal health and overall health and wellness is a major factor driving the renewed focus on fermented foods. Although fermentation is most commonly used in the dairy sector, there is an increasing demand for plant-based fermented food, as many EU consumers are increasingly interested in plant-based diets, and reducing consumption of animal protein.

Pickled tea leaves can be especially interesting to younger consumers and "millennials". According to research conducted in 2017 by Global Data, 49% of young consumers like to experiment with "new and unusual flavours". European consumers increasingly experiment with "exotic" flavours of fermented vegetables such as Korean Kimchi or drinks like Kombucha or Lassi, which are traditionally popular in Asian countries.

Google key word searches (2004-2018)



Source: Google search, 2018

Myanmar exporters should promote pickled tea in line with the most influential food trends. Fermentation meets increasing demands of EU consumers by possessing important characteristics such as natural origin, aesthetically pleasing, tasty, and healthy. In addition, fermented tea is sugar free, gluten free, dairy free, suitable for vegans and rich in both antioxidants and probiotics. Laboratory studies showed that pickled tea leaves have higher phenolic compounds compared to fresh tea leaves.

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Potential Target Markets in the EU

Early demand for fermented tea in the EU started to develop in the United Kingdom (UK). This can be explained by the historical connection between the UK and Myanmar, resulting in several promotional initiatives for Myanmar cuisine. In addition, the UK market is traditionally very open to different types of Asian cuisine and new food trends. In a recent interview, Brian Owens, owner of the company Rhythm Health (non-dairy fermented drinks), said that sauerkraut (fermented cabbage) currently "exploding" in the UK, although sauerkraut is traditionally associated with Germany. Myanmar pickled tea may follow the example of sauerkraut and find its place on the menus of UK consumers.

Potential promotional activities in the UK can be connected with already present initiatives. Good examples of sales points for Myanmar pickled tea in the UK are:

- <u>Lahpet</u> London restaurant specialised in authentic Myanmar cooking
- <u>Rangoon Sisters</u> promoting club dinners with traditional Myanmar cuisine
- <u>Mum's House</u> UK based online store for Myanmar food
- <u>The Shan State</u> London café restaurant specialised in Myanmar food and drinks
- <u>Mandalay Picton House Hotel</u> small hotel and restaurant in London serving Myanmar food
- <u>Dine with Kyi</u> catering service specialised in Myanmar cuisine

Apart from the UK, Myanmar pickled tea exporters can also find opportunities in the largest national EU market: Germany. There is one Myanmar restaurant in Cologne: Mandalay Burmesisches Restaurant. Germany is also a market that can potentially be open to fermented food, as sauerkraut is considered a traditional German food. In addition, juice innovation (led by brands such as Alnatura and dmBio) in Germany increasingly focuses on the process of lactofermentation, the same process used in the production of Myanmar pickled tea leaves.

One issue that pickled tea leaves can face in the EU market is the physical appearance of the product. Packed fermented tea leaves in plastic bags are not attractive enough for the average EU consumer. An alternative packaging option would be a jar.

Consumer packed pickled tea in Europe



Source: www.asiamarket.ie

EU Market Access Requirements

- Any type of food in the EU must be safe. EU importers will ask for laboratory tests for potential food contaminants.
- As pickled tea in Myanmar is commonly produced in places where peanuts are produced, the retail label should mention possible traces of peanuts as a potential allergen.

How to Find Buyers in the EU?

You can search and find potential buyers in the EU via several sources, such as:

- Trade Fairs: <u>Anuga</u> (biannual, Germany), <u>SIAL</u>
 <u>Paris</u> (biannual, France), <u>Natural & Organic</u>
 <u>Products Europe</u> (annual, UK)
- Promotional food events: <u>BBC Good Food</u> <u>Show</u> (celebrity chefs cook and sell final products), <u>Taste of London</u> (restaurant festival)
- Use of online bloggers and celebrity chiefs: Inviting food bloggers to visit Myanmar is a recommended initiative for promoting fermented tea in the EU. One of the interesting chefs is <u>Donal Skehan</u> – specifically interested in cuisine from Southeast Asia.

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