



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Template Version 2.09

Required Report - public distribution

Date: 5/4/2006

GAIN Report Number: SF6017

South Africa, Republic of

Tea - Rooibos

Voluntary Report

2006

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Report Highlights:

South Africa's Rooibos production area reached about 37,000 Ha in 2005. An increase in production is expected this year, as farmers are gradually shifting from grain and 'fynbos' production. South Africa's annual exports of Rooibos to the U.S. average about 500 MT, and some expect an accelerated growth to reach about 3,000 MT in the next years. Expectations for export growth are mainly attributable to a recent legal settlement reached between the South African company - Rooibos Limited and the U.S. company-Burke-Watkins and Forever Young (PTY) Limited that allowed the South African company the rights to use the generic term 'rooibos' in the U.S. and other countries.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Pretoria [SF1]
[SF]

Background

Rooibos (*Aspalathus Linearis*), of the Fabaceae family, is an indigenous plant to South Africa's Cederberg area, a mountainous region situated about 200 km north of Cape town. The shrub grows up to two meters high, with bright green fine, needle-shaped leaves, which turns reddish-brown after processing, hence the name rooibos, which is an Afrikaans word for 'red bush'. The needles are 15-60 mm long and 0.4 to >1mm thick. The plant has a tap-root system which can extend to 2m long. When fermented or processed, the leaves turn a rich-red color, and have an exceptional aroma and taste.

Rooibos is a dryland crop, adapted to a Mediterranean climate, and suitable for growth on deep, sandy, and acidic soils. The tea is a highly labor intensive crop.

Production

Production is mainly controlled by Rooibos Limited, which is a South African company that is farmer-owned, and employs about 100 permanent staff and 150 seasonal workers.

Rooibos Limited is the largest supplier and marketer of Rooibos, both locally and internationally, with a local market share of about 95% and about 60% internationally. Recently, the company reached a legal settlement agreement with Burke-Watkins and Forever Young (PTY) Limited over the rights to use the generic term 'rooibos'. In 1994, Anniq Theron's company, Forever Young (PTY) Limited, registered the name 'rooibos' in the U.S. and other countries to restrict the use of the word 'rooibos' to only those willing to do business with them. This company further assigned the registration of 'rooibos' to her U.S. agent, Virginia Burke-Watkins of Dallas. The recent settlement agreement cancels the registration of the word 'rooibos' as a trademark for Forever Young in the U.S. and other countries. This will allow Rooibos Limited to expand its business in the U.S and other countries.

Production subcategory

South Africa's Rooibos production area reached about 37,000 Ha in 2005. An increase in production is expected this year, as farmers are gradually shifting from grain and other 'fynbos' production. **FYNBOS** are bushy plants with small fine stems and leaves adapted to the Mediterranean type climate of the South Western Cape.

Rooibos seeds are sown from February to March, and seedlings are planted out during July and August in the Southern Hemisphere Winter. The plants reach maturity level for harvesting at 18 months.

Harvesting starts in December and ends in April. Harvesting is conducted by hand using a sickle. The mature rooibos plant is harvested approximately 30 cm from the ground. The re-growth is softer and herbaceous, while the bottom part is woody.

Leaves are cut with either roller cutters or normal tobacco cutting machines, before being spread on the tea court about 30 cm thick and covered with sheets that promote fermentation, which turns the tea to a deep dark red color. Solar drying takes 3 days. Tea quality is determined by fermentation, which is therefore carefully monitored.

South Africa's Perishable Product Export Council Board (PPECB) does testing for all consumable products, including Rooibos. The tea is also pasteurized before drying again.

Local Consumption

According to a Rooibos tea drinking study conducted by the South African Advertising Research Foundation, about 7.076 million (23% to the total population) of South Africa's adult population are Rooibos drinkers. Of the total Rooibos drinkers, 39% are light drinkers, 34% are medium drinkers, and 27% are heavy drinkers. Branding also played an important role towards consumer demands. Freshpak Rooibos was the most popular (26.3%), followed by Joko (23.2%), Eleven O'clock (18.7%), Five Roses (17.7%), and 14.1% shared by Glen, Laager, Vital, Southhalls, Twinnings and Phendula tips respectively (Business day, April 5, 2006).

Exports

South Africa's Rooibos exports totaled 750 MT in 1990, equally split between Germany and Japan. Germany is still South Africa's major export destination for Rooibos tea, while Japan's market share has been overtaken by other new markets, like other European Countries, China, Britain, the United States, and the Pacific Rim.

South Africa's annual exports to the U.S. average about 500 MT, and some expect an accelerated growth to reach about 3,000 MT in the next years.

Marketing

Rooibos is desired mainly because of its health benefits and its delicate flavor. It contains no caffeine, has a very little tannin, is high in antioxidants, and is a proven anticarcinogen.

Rooibos also has medicinal properties, as first identified by the indigenous Khoi-Khoi tribe around the Cedarberg and Elephants river region of the Western Cape. According to its proponents, polyphenols and other antioxidants are useful for delaying the ageing process and also to help protecting the body against heart disease, stroke, and certain types of cancers. Rooibos is often used to bathe babies and children who suffer from allergic skin conditions, like eczema, nappy rash. Rooibos makes a thirst-quencher and sport drink, because of its mineral content of iron, potassium, zinc, manganese, and sodium. It restores the body's equilibrium after strenuous exercise. It is said to help with insomnia, disturbed sleeping patterns and heartaches.

For further information and other studies, please access: <http://www.rooibosltd.co.za>