

**Market Research  
Report  
On  
Green Tea  
Manufacturing Industry  
in  
India in 2024**



**Rao's Business Marketing**

## 1. Industry Overview

The green tea manufacturing industry in India is experiencing rapid growth, driven by several factors, including rising health awareness, changing consumer preferences, and the increasing demand for premium and organic products. The market is evolving, with a growing emphasis on both traditional and modern tea consumption trends. Green tea is increasingly recognized for its health benefits, making it a popular choice among consumers who are more health-conscious.

India has traditionally been known for its black tea production, but in recent years, the green tea segment has gained momentum. While still a relatively small portion of the overall tea market, green tea consumption has increased significantly, particularly in urban areas where the population is more health-conscious and exposed to global trends.

## 2. Market Size and Growth

- **Market Value:** As of 2023, the Indian tea market is valued at approximately **USD 11.1 billion** and is projected to grow to **USD 14.7 billion by 2032**, at a compound annual growth rate (CAGR) of **3.18%** during the period 2024-2032. While specific green tea figures are harder to pinpoint, the segment is anticipated to grow at a much higher CAGR of **14.9%** from 2023-2029. The green tea sector is expected to benefit from increased consumer demand for healthier beverages and premium products.
- **Green Tea Segment:** The green tea market is one of the fastest-growing segments within the Indian tea industry. A significant portion of the demand is driven by consumers seeking health-conscious alternatives to traditional tea, as well as a growing preference for organic and premium offerings.

### 3. Key Growth Drivers

- **Health Consciousness:**
  - As health awareness grows, many consumers are shifting away from sugary beverages and traditional drinks like coffee to more health-oriented options like green tea. Green tea is known for its numerous health benefits, including antioxidant properties, improved metabolism, and weight management, making it an attractive choice for health-conscious individuals.
- **Premium and Organic Products:**
  - Consumers are increasingly willing to pay a premium for organic, high-quality green tea. This trend is evident in the growing number of specialty green tea brands offering products like single-origin, organic, and fair-trades certified teas. Premium green tea is gaining popularity among both domestic consumers and in international markets, where it is seen as a high-quality beverage.
- **Urbanization and Changing Lifestyles:**
  - The rapid pace of urbanization in India is contributing to the demand for convenient, health-focused products. As more urban consumers embrace the health benefits of green tea, it is becoming an integral part of their daily routines, particularly in metropolitan cities.
- **E-commerce and Online Retail:**
  - The rise of e-commerce platforms like Amazon, Flipkart, and niche tea retailers such as **Chaayos**, **Tea Trunk**, and **Tata Tea** is making green tea products more accessible to a broader audience. Consumers now have easy access to a variety of green tea brands and blends from the comfort of their homes, driving growth in the segment.

## **4. Market Trends**

- **Flavored Green Teas:**
  - A significant trend within the green tea market is the growing popularity of flavoured green teas. Flavors such as mint, lemon, ginger, and jasmine are becoming more common as they offer consumers a variety of tastes and health benefits, such as improved digestion and immune support.
- **Ready-to-Drink (RTD) Green Tea:**
  - RTD green tea products are gaining popularity, particularly among young professionals and busy consumers. Brands are now offering bottled green tea drinks in various flavors, providing convenience without compromising on health benefits. These products are being marketed as a healthier alternative to sugary soft drinks and sodas.
- **Tea Bags vs. Loose Leaf:**
  - Tea bags are more commonly consumed for convenience, especially in urban areas, but there is a growing preference for loose-leaf green tea among tea connoisseurs who seek a richer and more authentic tea experience. Loose-leaf green tea is often perceived as higher quality and more flavorful.
- **Sustainability and Eco-friendly Practices:**
  - As consumers become more environmentally conscious, there is an increasing demand for eco-friendly packaging and sustainable sourcing practices in the green tea industry. Brands are now focusing on biodegradable packaging, as well as ethical and sustainable farming practices.

## 5. Competitive Landscape

The green tea market in India is highly competitive, with several key players, both domestic and international, vying for market share. The competitive landscape includes:

- **Domestic Brands:**

- **Tata Tea:** One of the largest players in the Indian tea market, Tata Tea offers a wide range of green tea products under its **Tata Tea Green** brand. The company is focusing on premium and organic green tea variants to capture the growing health-conscious market.
- **Brooke Bond:** Known for its mainstream black tea, Brooke Bond has also expanded into the green tea segment with its **Brooke Bond Taj Mahal Green Tea**.
- **Girnar Tea:** This Company has carved a niche in the Indian green tea market with its wide range of flavoured green teas, offering options such as **Lemon Honey** and **Tulsi Green Tea**.
- **Chaayos:** A growing player in the premium tea market, Chaayos offers an extensive selection of green tea blends and is focusing on customer experience in its tea cafés.

- **International Brands:**

- **Lipton (Unilever):** Lipton is one of the largest global tea brands and has a strong presence in the Indian market. It offers various green tea products under its **Lipton Green Tea** line.
- **Twinings:** Known for its premium tea offerings, Twinings has introduced a variety of green tea products to cater to the Indian market.
- **Tetley:** Tetley has been expanding its presence in the green tea market in India, offering different variants such as **Tetley Green Tea** with lemon and mint.

## 6. Challenges

- **Climate Change:**
  - Extreme weather conditions, such as floods and droughts, have impacted tea cultivation in India, including green tea production. These climate challenges can lead to reduced yields and increased prices, which can affect both producers and consumers.
- **Competition from Traditional Black Tea:**
  - Black tea remains the dominant tea consumed in India. Despite the growing interest in green tea, the challenge lies in convincing traditional tea drinkers to shift to green tea, especially in rural and semi-urban markets.
- **Supply Chain and Distribution:**
  - Distribution remains a challenge, particularly in rural areas where green tea is not as popular. The supply chain infrastructure needs improvement to ensure that green tea products reach these areas effectively.

## 7. Future Outlook

The green tea manufacturing industry in India is expected to continue its growth trajectory in the coming years. Key drivers, including health trends, premium product demand, and the growth of online retail, will contribute to this expansion. By 2032, the green tea market in India is expected to reach **USD 17.93 billion**, with a CAGR of **4.19%** from 2024 to 2033.

The industry will also benefit from increasing export opportunities, as global demand for Indian green tea grows due to its unique flavors and high-quality production standards. Manufacturers focusing on sustainability, premium offerings, and product diversification will be well-positioned to capture a larger share of the market.

## **Conclusion**

India's green tea manufacturing industry is set to experience strong growth driven by rising health awareness, a preference for premium products, and the expansion of e-commerce. However, addressing challenges such as climate variability, competition from traditional tea segments, and rural market penetration will be essential for sustained growth. The future of the green tea market in India looks promising, with an increasing focus on organic, high-quality, and sustainable products.

