



## Japan's matcha tea brews up in US

NEW YORK -- Henry Crosby first tried matcha three years ago. His friend Tom had heard that it was healthier than ordinary green tea because you consumed the tea leaves instead of steeping them in water, thus taking in more antioxidants. But they hadn't anticipated the flavor.

"It was surprisingly tasty," Crosby recalled.

Soon afterwards, the duo launched Motto, a bottled matcha drink sweetened with honey and agave. While Motto is currently sold at natural and organic grocers across the country, its founders have grander ambitions. "Eventually we want to sell this everywhere," Crosby said.

As U.S. tea consumption soars, Japan's ubiquitous matcha, the finely ground tea used in the traditional tea ceremony, is poised to become the new latte. Four in five consumers drink tea, and U.S. sales are expected to grow 10% this year to \$4.3 billion, driven in large part by green tea. Americans drank nearly 40% more green tea in 2014 than 2000, according to Euromonitor.

In the U.S. matcha is largely seen as an ingredient rather than a beverage in its own right. Ready-to-drink tea manufacturers are responding. Citing rapid growth in green tea over the past year, Nestle tea manager Karen Ress said the company would launch "innovative products" in the space over the next three to five years. Honest Tea has also seen "huge demand" for green tea, which is its most popular variety, according to brand marketing manager Ami Mathur.

### **Media deluge**

Amid the growing interest in green tea, matcha has gone from being a niche beverage to a mainstream trend, fueled by a deluge of media coverage. The Huffington Post called matcha a "2016 lifestyle trend" and food news site Eater offers headlines like "What is Matcha and Why is Everyone Obsessed With It?" When Crosby started Motto, he often had to explain to would-be customers what the green powder was. Three years later, he rarely needs to go into such detail.

"Our matcha business has increased four-fold in the last two years," said Sebastian Beckwith, the founder of In Pursuit of Tea, a tea importer for upscale restaurants.

"When people hear I have a tea company, they ask, do you do matcha? Everyone knows it."

Starbucks-owned Teavana's organic matcha saw double-digit sales growth last year, and Motto sales have tripled since the company started. At Aiya, which supplies matcha to restaurants and manufacturers as well as individual consumers, sales have grown "across the board" in the past few years, brand representative James Oliveira said. This year, the brand launched a line of matcha-infused teabags, adding to more than a dozen matcha items currently sold on both its website and Amazon.com.



Traditional whisked matcha at Cha-An in New York City's East Village. (Photo by Elizabeth Rosen)



"No one had heard of matcha when we started. Our friends and family thought we were crazy," said Jessica Lloyd, who founded matcha company Panatea with business partner David Mandelbaum in 2014, after they discovered that the tea gave them a more sustained, less jittery energy boost than coffee. "When we launched, the tea category as a whole was pretty stagnant. Now there are many more players."

Those players include international chains like Starbucks and Coffee Bean & Tea Leaf, as well as several dedicated matcha cafes that opened in New York City this year, including MatchaBar, which emphasizes its "ceremonial-grade" sourcing, and Cha Cha Matcha, run by Matthew Morton, whose father co-founded the Hard Rock cafe chain.

The Cool Japan Fund -- a public-private fund partially financed by the Japanese government -- recently invested 260 million yen (\$2.5 million) in Green Tea World, a new joint venture by a group of Nagasaki-based companies that plans to open 50 U.S. outlets over the next decade, including L.A.'s recently-opened Shuhari.

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### Different tastes

In Japan, matcha is valued for its flavor, but in the U.S., the tea is touted for its health benefits. Motto promotes matcha as "one of nature's most powerful sources of vitality and wellness." Juice Press adds matcha powder to its blended smoothies to promote "energy and focus" and Califia Farms sells "antioxidant-rich" matcha almond milk.

"In America, matcha is only sold from a health angle. It isn't about the taste or what region the tea is from. It's about how it can make you healthier," said tea specialist Kathy Y.L. Chan.

A lack of emphasis on matcha's taste makes it easy to stray from traditional preparations. Manufacturers combine matcha with other trendy flavors to appeal to Western palates. In addition to plain matcha, Toronto-based DavidsTea sells sweetened varieties including Pumpkin Pie and Blueberry, and Republic of Tea blends the powder with chai spices and chia seeds.



Bottled matcha drinks at a Whole Foods supermarket in Manhattan (Photo by Elisabeth Rosen)



"If you asked a Japanese person what matcha tastes like, they would have a totally different idea than an American," said Sakura Yagi, operations officer at Cha-An, a cafe in New York's East Village that sells both traditional whisked matcha and an "easier-to-consume" matcha latte. In the past three years, more customers have

expressed interest in the "real" matcha, according to Yagi, and even those who order the latte are becoming more familiar with the green powder: "People don't really ask what matcha is anymore. You're supposed to know."

Ito En recently launched a bottled drink called the Matcha Colada, a combination of matcha and coconut water that will be sold at major retailers by the end of the year.

"Matcha is intimidating for a lot of people, so we had to introduce it in a more approachable manner," Tison said.

Another way manufacturers are making matcha more approachable is by making it more convenient. Teavana introduced single-serve matcha packets last year, and Panatea is launching a similar product this month that instantly dissolves into either hot or cold water, eliminating the need for a whisk and bowl.

After all these changes, is the result still matcha? Many experts take a pragmatic view, hoping that matcha is still in the early stages of adoption and that, like coffee, the beverage will gradually become more refined as it gains acceptance and familiarity.

"Matcha permeating the trendy scene in America is a good thing because it makes people aware of what it is. Then it's up to the people in the world of tea to educate them," Yagi said.

However, some experts, like Beckwith, assert that the matcha experience is inseparable from the traditional preparation.

"A lot of companies do matcha in a bottle. That's not the idea of matcha," he said.