Tea Tariffs Explained

From the teas.co.uk wiki

> **The short version:** On tea tariffs: import taxes shift sourcing, with modest consumer impact, while climate matters more. The mechanism, recent moves and the UK scheme, explained.

Trade policy quietly shapes what tea costs and where it flows. This sits in the climate and cost cluster beside why tea costs more.

Last reviewed by the teas.co.uk team in April 2026.

Market and climate information based on public reporting, accurate as of May 2026; figures are estimates and change. Not financial advice.

Tea tariffs at a glance

Detail	Fact
What a tariff is	Import tax raising landed cost of affected tea
Effect on sourcing	Shifts buying toward lower-tariff origins
UK current tariffs on tea	Generally low for most major tea sources post-Brexit
UK developing-country preferences	Reduced tariffs for Kenya, Sri Lanka, others under Developing Countries Trading Scheme
US tariff changes 2024-2025	New tariff measures from 1 September 2024 created cost uncertainty
EU tariff structure	Generally low; preferences for ACP countries (Africa-Caribbean-Pacific)
India tariff position	Producer-country; tariff policy aimed at domestic market protection
China tariff exposure	Variable; Chinese tea in US faces specific tariff layers
Tariff vs commodity-cost effect	Tariffs typically smaller effect than climate-driven cost movements
Consumer-level lag	Tariff changes appear in retail prices 3-12 months later

What a tariff does

A tariff is an import tax: a tariff of X% means importers pay X% more at customs, and that cost flows through wholesale and retail until the drinker pays a little more. The strategic effect is bigger than the price effect, though, because tariffs shift buying toward lower-tariff origins and so reshape global tea flows. Tea is a

relatively low-tariff commodity worldwide, typically in the 0 to 10% range into most markets, so specific policy changes move sourcing more than they move shelf prices.

How tariffs reshape global flows

The real action is in flow patterns rather than absolute prices. When US tariffs on Chinese tea rose across 2018 to 2024, US blenders shifted toward Indian, Kenyan and Sri Lankan leaf for the displaced volume. When the UK gives Kenyan tea preferential access, UK blenders lean Kenyan. So producer countries effectively compete for different export markets depending on their relative tariff position, and the same Indian tea can be more competitive in the EU than the US at different times. For UK drinkers, the post-Brexit environment broadly favours Kenyan and Sri Lankan sourcing, part of why English Breakfast blends increasingly emphasise Kenyan composition. See supply pressures.

Why they matter less than people think

Tariffs get trade-press attention but usually move consumer prices less than people assume. Current levels on most tea into most markets are low, so even a big percentage change produces a modest absolute change, and climate-driven supply costs and packaging inflation typically swamp it. The trade-friction costs (delays, paperwork, regulatory burden) can matter more than the headline rate. The big exception is the US-China tea trade, where stacked tariff layers can exceed 25%, but that is geographically and politically specific. For UK consumers, tariffs are real but minor next to climate and inflation. See brand pressures.

The UK Developing Countries Trading Scheme

The most relevant UK detail is the post-Brexit Developing Countries Trading Scheme (DCTS), which gives reduced or zero tariffs to tea from developing countries including Kenya, Sri Lanka and Bangladesh. It cuts the cost of sourcing from those origins, which is part of why UK English Breakfast blends lean increasingly Kenyan and why Yorkshire Tea and Tetley, both heavily Kenyan-sourced, keep a price advantage. Indian tea, by contrast, faces standard rates rather than DCTS preferences, so origin-blends that cannot shift toward DCTS-favoured sources feel more cost pressure.

What to do

The practical response is mostly nothing reactive, because tariff effects are gradual and small next to other pressures. Expect blends to keep adjusting country-of-origin composition over time, so the Yorkshire Tea or PG Tips of today may not match the sourcing of five years ago. Buy on per-cup value rather than country-of-origin loyalty, since tea is largely fungible at most price points, and favour transparent brands that hold relationships across several origins, as they ride single-country tariff shocks better. See sustainable buying.

What to buy

For brands with diversified multi-country sourcing that absorb tariff swings buy Twinings, Yorkshire Tea, PG Tips or Tetley. For DCTS-favoured origins buy English Breakfast blends or Ceylon tea. For Fairtrade direct sourcing (typically less tariff-affected) buy Fairtrade tea.

Reference noted

- Encyclopaedia Britannica: Tea (cultivation and trade)

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More tea reading

For the broader cost picture see why is tea getting more expensive. For climate context see climate change and tea and tea and drought. For the shortage question see will there be a tea shortage. For specific origins see Kenya tea and Ceylon tea. For sustainable sourcing see is tea sustainable.

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