

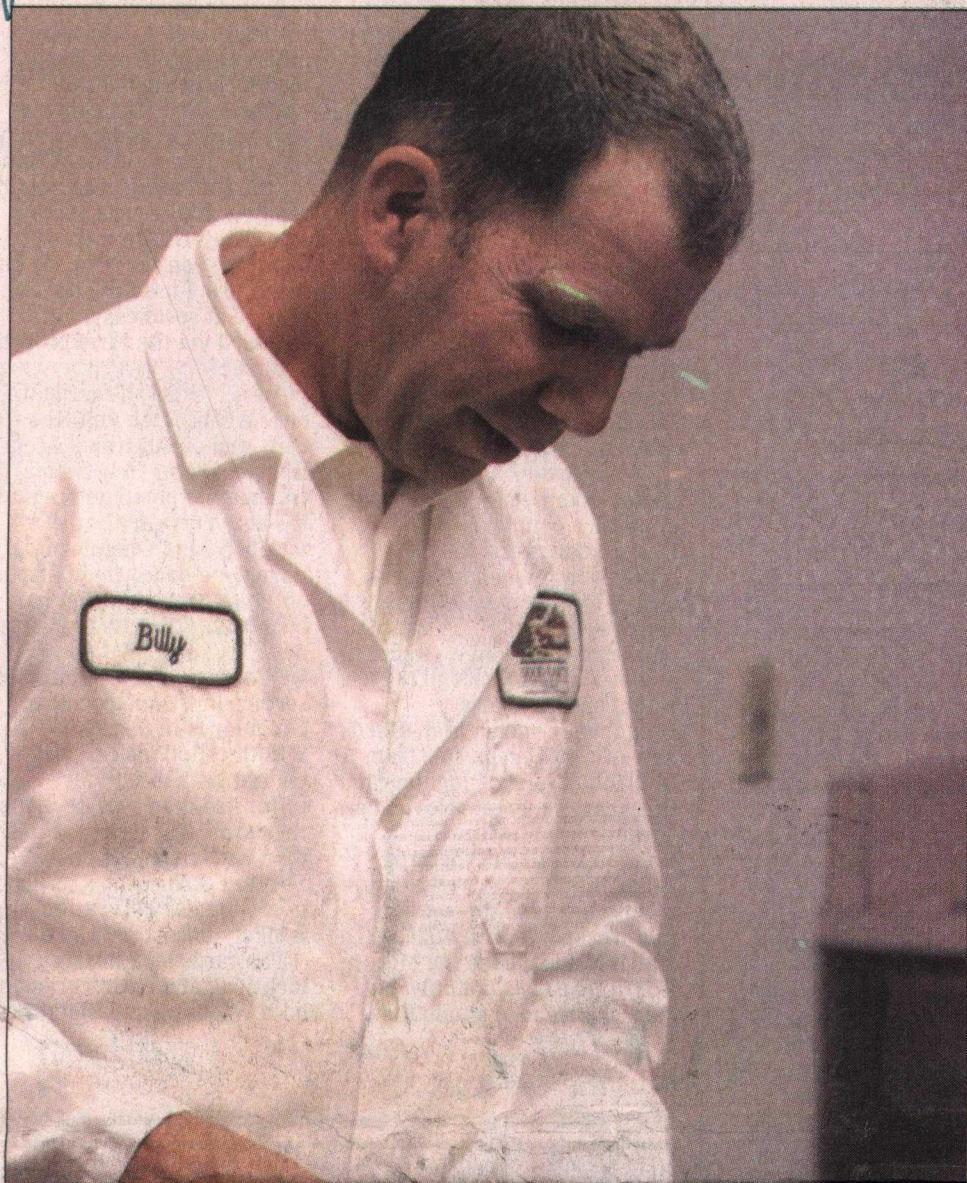
'We don't want to be Santa Cruz's best-kept secret for much longer.'

CLIVE ROWLANDSON, GOOD EARTH TEAS

Tea for two, and you and me

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10.3.06



Santa Cruz's Good Earth reveals global ambitions

I've always preferred coffee to tea. In fact, I thought tea was tea. But a tasting at the Good Earth Tea factory changed my mind. Competitors like Lipton and Kalahari may sell more green and red tea, but Good Earth's green and red blends taste better.

The company, which operates out of a large, unmarked mustard-yellow plant behind Safeway on Mission Street, has an energetic new president with experience in the food industry and a marketing chief imported from London.

■ They aim to market the Good Earth brand internationally (it's sold only in the United States and Canada).

■ They are reconfiguring the factory on Almar Avenue to make it more efficient.

■ They want to put up signs, with city permission, and open a public tasting room next spring.

All these changes follow the purchase of Good Earth last October for an undisclosed price by Tetley Tea, No. 2 in the world market and a subsidiary of Tata Tea of India.

As Clive Rowlandson, vice president of marketing, put it, "We don't want to be Santa Cruz's best-kept secret for much longer."



JONDI GUMZ

Reporter at Large

How tea prices compare

Good Earth tea, produced in Santa Cruz, is priced a bit higher than some of its top competitors. Here are shelf prices from Safeway in Santa Cruz.

Good Earth Original, Box of 18 bags: \$3.89

Celestial Seasonings Green Tea, box of 20 bags: \$3.89

Stash chai tea, box of 20 bags: \$3.39

Kalahari red tea, box of 20 bags: \$2.99

wine. Its characteristics differ, depending on the altitude and microclimate.

"I don't think many people know that," he said.

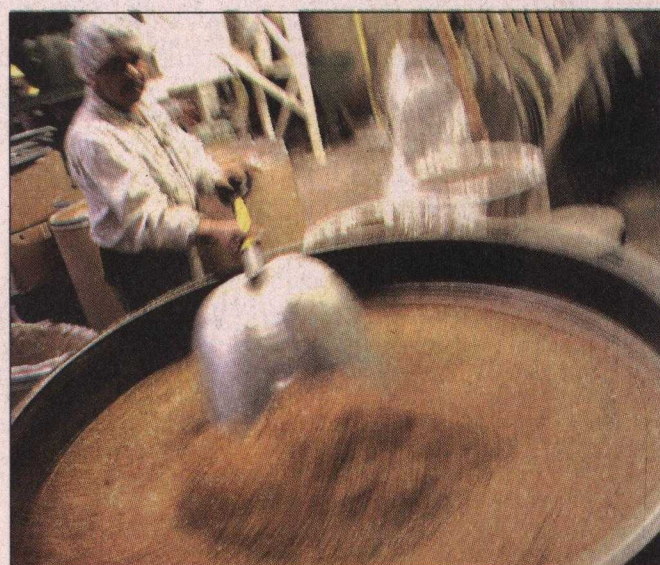
Many people don't realize that Good Earth produces its tea in Santa Cruz.

Quality assurance manager Rose Lopez said when



Billy Healey sets up a tea tasting at the Good Earth Teas plant on Almar Avenue.

Shmuel Thaler/Sentinel photos



Miller Luz Valadez sifts spices at Good Earth Teas.

Jeff Freeman

AGE: 46

EDUCATION: Graduate of San Diego State University, 1983, degree in communications.

CAREER: President, Good Earth Teas; 23 years in marketing and management; hired out of college by consumer goods giant Johnson & Johnson; experience with Dole Packaged Foods and the Del Monte brand; executive vice president with Mariani Packing of Vacaville, where he managed introduction of 22 new products for the dried fruit company and expanded the brand globally.

FAMILY: Wife Tammy of 17 years; daughter Brooke, 13.

FAVORITE TEA: Good Earth Original Caffeine Free.



Good Earth Teas

WHERE: 831 Almar Ave., Santa Cruz.

PRODUCTS: Specialty teas, herbal, medicinal, green, red, chai, white.

WHAT'S HOT: Chai and Red Tea.

MARKET SHARE: Slightly less than 4 percent of the U.S. specialty tea market.

ANNUAL SALES: Undisclosed.

EMPLOYEES: 60 (and looking to hire).

INFORMATION: www.goodearth.com.

president of marketing, put it, "We don't want to be Santa Cruz's best-kept secret for much longer."

The local tea company got its start as an herb company called Fmali. It's a Santa Cruz kind of story.

In 1972, Louise Veninga and Benjamin Zaricor began selling ginseng to health food stores, trucking their products in the back of a station wagon. They were ahead of their time. They had to sue the Food and Drug Administration to get permission to import herbal products from China.

By 1984, the company moved into a former artichoke packing plant on Almar Avenue, and sales topped \$4 million a year. Even Lipton Tea and Celestial Seasonings sought out the company's herbs.

Fmali began packing Good Earth Tea, a sweet and spicy brand served at the Good Earth restaurant chain, and in 1992, bought the trademark and trade secrets.

Before selling to Tetley, the company added red tea made from rooibos, a caffeine-free herb from South Africa, Chinese green tea made from lemongrass, a chai blend of tea and spices, a drink that outsells coffee in India, and chai vanilla.

The latest addition is white tea, blended from a rare tea once reserved for the imperial family in China.

The big tea-growing regions are India, China and Kenya. Rooibos, which means red bush, refuses to be grown outside South Africa.

"People have tried in Australia and they can't do it," said Rowlandson, whose British accent is evident.

He pointed out that growing tea is like growing grapes for

Good Earth produces its tea in Santa Cruz.

Quality assurance manager Rose Lopez said when she showed up for a medical appointment in her Good Earth lab coat, the doctor was surprised.

"Is that company in town?" he asked her.

Perfecting tea science

The tea plant in Santa Cruz is a fascinating combination of technology and science.

On the day of my visit, a shipment of tea had just arrived from China. The plant produces a million pounds of tea a year, and one tea bag weighs 1.5 grams, so you can see why technology is needed.

"The real science is in the blending," said Jeff Freeman, the new president. "We have the best in the world doing it."

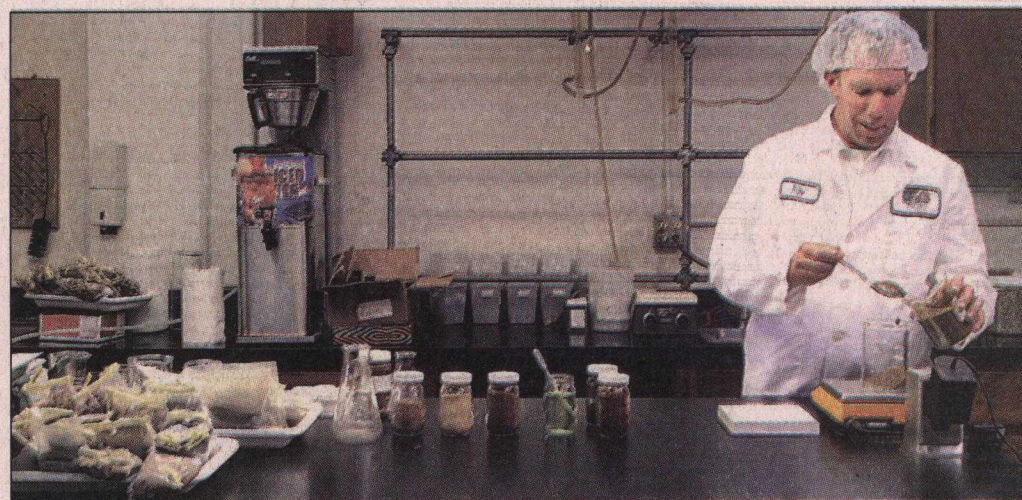
Guests, like employees, must wear hair nets. A pleasant cinnamon scent wafted in the air as one employee stirred a big vat with a shovel.

In another room, the blending machine, borrowed from the pharmaceutical industry, resembles a cement mixer and can mix 300 pounds of tea.

The packing operation depends on a customized machine produced by IMA, an Italian firm that folds the bag around the tea, then encloses it in a foil envelope. The extra protection is needed so the tea blend retains its flavor.

While other manufacturers have left the city, Tetley is committed to stay, according to Freeman. He said the moderate climate makes Santa Cruz "an excellent place to blend and

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Billy Healey works with spices and teas in the Good Earth research and development lab.



Shmuel Thaler/Sentinel

Archie Carr, director of plant operations for Good Earth Teas, checks in on blender Nicholas Caranco, right, during production at the Santa Cruz plant.

Tea

Continued from Page D1

pack teas." In addition, the Santa Cruz heritage is viewed as an asset worth promoting.

Archie Carr, director of operations for the past three years, said Tetley has invested in electrical and sewer improvements and new equipment. The former warehouse area, which has skylights, is being converted to production, and the production area will become warehouse space.

Marketing a beverage

Coffee held 62 percent of the coffee-tea market, according to a 2001 report from Market-

Research.com, but tea has been gaining share because of medical studies showing it can prevent clogging of arteries, tame inflammation and neutralize germs.

The global market for packaged black tea is nearing stagnation, according to Daily News & Analysis of India, and even though tea is still Britain's most loved drink, young people are switching to bottled water, fizzy drinks and coffee.

One challenge in going international is to convince people accustomed to drinking black tea with milk to try something new.

"You're much more adventurous and experimental here," Rowlandson said.

He favors the green tea, saying it gives him a "prolonged sense of calm alertness" rather than the temporary jolt coffee

provides.

The tasting room, which would be carved out of warehouse space, would give the blenders a chance to test out new ideas in a cost-efficient way before going into full-scale production.

"It fits with tourism," Freeman said.

"People like to give their opinions," Rowlandson said.

"And we like to hear them," added Freeman.

While new tea blends may be in works, neither has any plans to try a "New Coke" move revamping the Original Sweet and Spicy Good Earth formula.

"If we changed it, you'd call us up and let us know," Rowlandson said.

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