

# Problems and Recommendations for Export of Guizhou Tea in the Context of Rural Revitalization Strategy

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**Abstract** As a traditional advantageous industry in Guizhou and an important export product, tea plays an important role in the rural revitalization strategy. This paper first introduces the current situation of tea industry and export in Guizhou, then analyzes the problems that arise in the export process, and finally comes up with corresponding countermeasures and recommendations for the export development of tea, hoping to provide certain guidance and reference to the development of tea industry in Guizhou Province.

**Key words** Rural revitalization, Tea industry, Export, Guizhou Province

## 1 Introduction

The report to the 19<sup>th</sup> National Congress of the Communist Party of China pointed out that implementing the rural revitalization strategy is a major historical task to decisively build a moderately prosperous society and a modern socialist country in an all-round way, and is the key to our efforts concerning agriculture, rural areas and farmers in the new era. The No. 1 central document in 2022 and 2023 has made important elaborations and guidance on rural revitalization and industrial development. In *Opinions of the CPC Central Committee and the State Council on Comprehensively Promoting the Key Work of Rural Revitalization* in 2022, China continued to guide and promote the promotion of works concerning agriculture, rural areas and farmers in the new era, and further focused on rural development, rural construction, and rural governance, and proposed to promote rural revitalization with industrial prosperity. In 2023, the *Opinions of the CPC Central Committee and the State Council on Comprehensively Promoting the Key Work of Rural Revitalization* pointed out that it is necessary to consolidate and expand the achievements of poverty alleviation and promote the high-quality development of rural industries. Rural areas across the country are seizing opportunities to achieve rural economic growth through the development of industries with regional characteristics, and Guizhou Province has also made significant achievements through taking the traditional advantageous industry tea industry as the starting point.

## 2 Path for rural revitalization in Guizhou Province

In 2018, the CPC Guizhou Provincial Party Committee and

the Guizhou Provincial People's Government made clear the goals and tasks of rural revitalization, closely focusing on the overall layout of fighting a decisive battle against poverty, winning a decisive victory at the same time, and starting a new journey of agricultural and rural modernization, and continuously promoting the overall development in five stages. At present, the first three stages have been realized. In the third stage that has just been completed, the overall system of modern agriculture in mountain areas has made significant progress after the initial construction, and the integrated development of urban and rural areas has been realized. Traditional industries such as tea play an important role in this stage. The fourth stage will be ended in 2035, decisive progress will be made in rural revitalization, and agricultural and rural modernization will be basically realized. The fifth stage is from 2035 to 2050, to achieve all-round rural revitalization. These advances need to be promoted by the sustainable development of regional industries, and traditional industries such as tea will have great potential.

## 3 Basic situation of tea industry and exports in Guizhou Province

**3.1 Development of tea industry in Guizhou Province** Guizhou is the birthplace of tea and has rich tea resources and tea culture. The discovery of 1 million years old tea seed fossils in Qinglong County of Guizhou Province strongly proves the fact that Guizhou is the origin of tea plants and the origin of tea plants. The "Yelang Tea Market" mentioned in Wang Zhao's *Tong Yue* (a prose poem of tea story) of the Han Dynasty indicates that Guizhou was the first province to appear as a tea market, nearly a hundred years earlier than the "Wuyang Tea Market" in Sichuan Province. Guizhou has also accumulated a rich multi-ethnic tea culture, such as Miao Ding can tea in southeast Qian, Miao tea in southwest Qian, Tujia can tea in Yinjiang, ginger tea and oil tea common in all areas of Guizhou Province. have distinct and strong regional and ethnic characteristics. Guizhou tea developed relatively

Received: May 3, 2023 Accepted: June 25, 2023

Supported by Humanities and Social Science Research Project of Universities in Guizhou Province (2022ZC016).

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rapidly during the Ming and Qing dynasties. The advanced farming and tea-making technology brought by a large number of immigrants has promoted the development and quality of tea production in Guizhou, and the rapid development of various tea areas has led to the emergence of county tea and famous tea. There have been more than 20 kinds of tea as tribute to the imperial family. However, due to the influence of industrial scale, economic factors and people's ideology, these teas have not formed a regional brand in the true sense.

After the founding of New China, party committees and governments at all levels attached great importance to tea production, and tea production in Guizhou stepped into a new historical period. Over the past 60 years, Guizhou's tea production has generally experienced four stages: recovery and development, tortuous development, steady development and leapfrog development. In 2007, the CPC Guizhou Provincial Party Committee and the Guizhou Provincial People's Government issued the *Opinions on Accelerating the Development of the Tea Industry*, which effectively promoted the leapfrog development of the tea industry in Guizhou. From then on, a series of documents were released to support the development of the tea industry. Under the strong guidance and support of the government, through the joint efforts of all parties in the industry, Guizhou's tea industry has developed rapidly and played a great role in poverty alleviation and rural revitalization. The tea industry has become a characteristic advantageous industry in Guizhou, and it is also one of the 12 major industries in the industrial revolution of Guizhou. At the end of 2020, the total area of tea gardens in Guizhou Province was 46.667 million ha, ranking first in the whole country, accounting for 15.2% of the national total. The province's tea yield and output value entered the top 10 in the country, reaching 436 000 t and 50.38 billion yuan, respectively; tea has become the province's largest agricultural product by export volume, with an export volume and value of 6 577.7 t and a cargo value of 231 million US dollars. The number of people involved in tea industry is 3.4 million, and the annual per capita income is 12 351 yuan. Among the top 100 counties in the country, Guizhou has gained a complete victory, with 11 selected in the province, accounting for more than 10% of the total, and Meitan County has become the champion of the top 100 counties. The tea industry plays an important role in the economic and social development of Guizhou region.

**3.2 Export development of Guizhou's tea industry** Guizhou's tea export has a long history, Lu Yu's *Classic of Tea* recorded that at the latest in the Tang Dynasty, Guizhou tea has been sold across mountains and seas through the ancient tea horse road, Silk Road and other forms. In modern times, the heavy mountains have not completely blocked the outside world's understanding and yearning for high-quality tea produced in Guizhou. In 1915, at the World Exhibition held in Panama, Guizhou Green Tea Maojian and Moutai Wine won the "Gold Medal" at the same time, and Guizhou's "North Moutai, South Maojian, Tea and Wine" became famous all over the world, laying a special historical position of

Guizhou tea in the international market. In the era of planned economy, Guizhou tea obtained for a large amount of foreign exchange for the country. After the reform and opening up, due to the abolition of quotas and the overall management of the state, the disadvantages of Guizhou tea industry in terms of capital, customer sources and geographical disadvantages took action together, resulting in Guizhou tea, which once had a certain reputation in the world, becoming a raw material supplier and OEM processor, which seriously restricted the development of tea exports of Guizhou. Since entering the 21<sup>st</sup> century, with the increase of accumulation and the continuous rise of recognition, Guizhou tea has restarted the leap from indirect export to direct export, from a small amount of water testing to large-scale export, and in just more than one decade since 2011, Guizhou tea has walked out of the characteristic Guizhou speed and Guizhou tea road. From 2001 to 2010, Guizhou directly exported only 13 batches of tea, 9.8 t, obtaining 97 000 US dollars; from 2011 to 2015, the number and amount of tea exports in Guizhou increased significantly, with a total export of 347 t, 1 151 t and 65.65 million US dollars. In five years, the number of exports in the past 10 years was 117 times, and the amount reached 677 times. From then on, Guizhou tea has developed rapidly, and in 2022, Guizhou exported 4 900 t of tea, entering the top ten export provinces and cities, with an average export price of 17.23 US dollars/kg, ranking first in the unit price of tea exports in the whole country.

## 4 Problems confronted by Guizhou tea exports

Although Guizhou Province has made great achievements in the export, there are still many problems to be solved urgently, which seriously affect the greater contribution to the rural revitalization.

**4.1 Unclear market positioning and unbalanced export categories** At present, the export positioning of Guizhou tea is still not clear, the raw materials used in Guizhou tea production are still mainly spring tea, and the utilization rate of summer and autumn tea is low, which directly leads to the high production cost of Guizhou tea. Guizhou tea has a complete range of tea, and each small strain of tea in 7 categories has a certain yield, but the export tea is still dominated by black tea and green tea, and the two together take more than 90% of Guizhou tea exports all year round. Although other teas also have a certain export, the total amount is small and can be ignored, especially the export volume of high-end teas such as Pu'er tea and oolong tea, which are much higher than green tea and black tea, and the structural imbalance of export tea varieties is obvious. In addition, China's dominant position in the tea export market is green tea, perennial green tea exports occupy more than half of the global market, but Guizhou tea exports do not match the national category, dominated by black tea, green tea only ranked second. However, China's black tea has weak voice in the world tea export market, and Guizhou black tea cannot rely on national advantages to expand market share, international competitiveness is low, and the right to speak needs to

be further improved. Although Guizhou tea exports have made great progress, the main market is still concentrated in the traditional market, the export market is too concentrated, once there is a problem or large change in the market, it may bring a sharp decline in the volume of Guizhou tea export, or even a devastating blow.

**4.2 Small scale of talent and exports failing to meet the diversified needs of the market** Guizhou has a long history of tea cultivation. However, due to historical reasons, tea itself is exported more, diversified product development is relatively small, and industrial profits are limited. Tea industry workers generally have a limited level of education and can only rely on experience, resulting in the overall scientific and technological level of Guizhou tea is not high, and the tea produced in tea gardens often cannot effectively meet the standards and requirements of the target market, leading to the phenomenon of return to the place of consignment after export. These seriously affect the reputation of tea in Guizhou and even in China, and reduce the trade competitiveness of tea itself. In addition, the tea yield level of Guizhou is lower than that of the whole country and the main production areas, and the significant increase in Guizhou's industrial production capacity in recent years is due to the expansion of area, and the tea yield has not increased accordingly, which influences the greater role it plays.

**4.3 Weak export-oriented awareness and low policy grasp of export enterprises, and low international market share** Although the export volume of Guizhou tea exports has increased rapidly in recent years, the overall industry is still very low in terms of export, enterprises have low grasp of foreign policies, the number and share of products in the international market are low, and the proportion of exports is small. Taking 2020 as an example, the annual export has created a new high in the province's exports, with an export of 6 758 t and a cargo value of 231 million US dollars, separately accounting for only 1.6% and 2.7% of the tea output value of Guizhou Province. Compared with the national export volume, the proportion is only 1.9% and 11.2% respectively, much lower than the proportion of tea in Guizhou Province in the country. What's worse, there are also a large number of enterprises in Guizhou, they have no customers or resources are directly exported, they remain at the low end of the industrial chain, mainly provide raw materials, or do simple OEM processing, the profit is relatively small. Once there is problem, they will be the first to be hit, and it will threaten their survival. How to reduce costs, improve concentration and production scale is an urgent problem to be solved.

**4.4 Few resources such as public service platforms and difficult to meet the requirements of the international market** Due to historical reasons, Guizhou tea enterprises lack export accumulation, extreme lack of export-related technology and foreign trade, and lack of a series of professionals who should engage in international trade such as technology and sales. Most foreign trade practitioners lack the experience and ability to directly enter

the target international market, communicate directly with foreign customers, *etc.*, and do not understand the foreign market. For a lot of time, they can only rely on experience to engage in international tea trade, lack of pertinence. Although the quality of tea in Guizhou is good, often due to the gap in talent and communication and promotion, the export market has not reached the height it should have. In addition, due to the limited export market and the lack of new market development, some enterprises began to have price wars and disorderly competition, resulting in the deterioration of the living environment of tea export enterprises and the continuous decline of profit margins, which in turn affected the development of the entire industry.

## 5 Recommendations for export of Guizhou tea

**5.1 Optimizing industrial layout and making clear the market positioning** At present, Guizhou tea exports have special features in terms of strains and categories, and there is a lot of room for improvement. From the category point of view, Guizhou exports tea green tea accounted for a small proportion, and failed to not enjoy the overall tea formation of China's word of mouth. Therefore, it is necessary to fully expand the green tea export market, catch up with the pace of the whole country, and occupy the traditional market. Guizhou black tea is unique in the country's exports, accounting for the first proportion of exports in the country, but it must be objectively recognized that the absolute value of Guizhou black tea exports is not large, and most of them are unified products with low value, and the export market is mostly low-end product markets with lower requirements. Therefore, it is recommended to improve product quality and efficiency, vigorously develop high value-added markets, and strive to enter and stabilize high-priced markets such as the European Union. Furthermore, since China's black tea exports are relatively small, it is more necessary to strengthen the collection, research and response of international technical trade barriers. Pu'er tea and other special tea foods are unique to China, and the market value is high, but at present, Guizhou special tea exports are relatively small, and even no in some years. Thus, special tea products and market development should be strengthened, to strive to open more international markets.

**5.2 Strengthening talent technology and scale advantages to meet the diversified needs of the market** The tea planting area of Guizhou Province is large. Guizhou has been the first planting area in the country for 8 consecutive years, the scale effect is significant, but the export market and mode do not match the existing scale, nor fully realize the diversified market, and need targeted improvement. In the first place, for the high-end market, it is recommended to strengthen cooperation with domestic and international well-known tea enterprises to jointly carry out exports, or cooperate to establish foreign trade companies or even export bases and processing plants based in Guizhou, learn from the existing management model, and realize "improving quality with the aid of the shell, realizing export through borrowing ships". Guizhou

Province needs to strengthen the spirit of self-reliance, and support tea bases and processing enterprises in the province with a certain foundation to apply for export qualifications and export independently. In addition, Guizhou Province should stress the talent training and application technology research and development, expand the picking and processing utilization rate of summer and autumn tea, improve the utilization rate of industrial resources, and focus on expanding the scale of exports. Moreover, it is necessary to concentrate on promoting the comprehensive utilization of the tea industry, pay attention to the research and development of high-end health care products, cosmetics and other high value-added products in the tea industry, and research and development of tea drinks with large consumption. Finally, it is recommended to consider the comprehensive utilization of processing waste, extend the overall industrial chain of the tea industry, enhance the added value of the industry, promote the prosperity of the industry, and serve rural revitalization.

**5.3 Making use of policy advantages to strengthen international market development** Guizhou Province should seize the opportunity of rural revitalization policies, take advantage of national policies for foreign cooperation such as the signing of the Belt and Road Initiative and RCEP, and use various preferential measures to stabilize the existing market in the cooperation area, quickly enter the new tea market, and explore the unique connotation of Guizhou tea. Through actively participating in various exhibitions in regional cultural exchanges, countries and cooperation areas, Guizhou Province should tell the unique tea stories and tea culture of Guizhou, and strengthen and follow up the publicity, promotion and sales. In addition, it is recommended to strengthen the exploration and satisfaction of unique needs and preferences in the target market, accurately develop and position products, and strive to achieve more high-end customized products to be accepted and realize the new positioning of Guizhou tea.

**5.4 Building a new service platform and actively responding to the requirements of the international market** Guizhou Province should make use of existing tea services and research institutions to support the combination of technological research and industrial development to form a new platform in the context of ru-

ral revitalization. It is recommended to use resources such as the Internet and other new technologies, domestic review bases and WTO/SP review experts to do everything possible to collect the latest requirements and typical cases of technical barriers to trade in existing and target markets, and carry out targeted analysis and countermeasure research. The countermeasure research should fully learn, absorb and improve relevant standards and specific requirements at home and abroad, promote the upgrading of standards through technical trade barriers, and promote the improvement of quality through standard improvement, so as to lead the overall improvement of Guizhou tea for both domestic and international markets. Finally, Guizhou Province should release and promote the research results in a timely manner, and cultivate a talent team for the whole tea industry chain that is oriented to dual circulation and rural revitalization and meets the requirements of improving the quality and efficiency of Guizhou's tea industry, so as to ensure that Guizhou tea goes out smoothly.

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