

Herbal Tea Market Size & Share Analysis - Growth Trends and Forecast (2026 - 2031)

> **Industry:** Coffee, Tea & Beverages (Food & Beverage)
> **Source:** https://www.mordorintelligence.com/industry-reports/herbal-tea-market
> **Scraped Date:** 2026-09-17

Executive Market Summary

Market Metric	Details
Base Market Size	USD 5.98 billion
Projected Forecast (2031)	USD 5.98 billion
Growth Rate (CAGR)	6.81 %
Largest Market Region	N/A
Fastest-Growing Region	N/A

Market Visualizations & Infographics

- [Major players in Herbal Tea industry](images/chart_2.png)
- [Herbal Tea Market (2026 - 2031)](images/chart_3.png)
- [Herbal Tea Market: Market Share by Product Type](images/chart_4.png)
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- [Herbal Tea Market CAGR (%), Growth Rate by Region](images/chart_6.png)
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Comprehensive Research Analysis

Overview Points List Flex 49 Share Feature End

Market OverviewStudy Period | 2021 - 2031 |
Market Size (2026) | USD 5.98 Billion |
Market Size (2031) | USD 8.07 Billion |
Growth Rate (2026 - 2031) | 6.81 % |
Fastest Growing Market | Asia-Pacific |
Largest Market | Europe |
Market Concentration | Medium |
Major Players*Disclaimer: Major Players sorted in no particular order

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Market Overview

Herbal Tea Market Analysis by Mordor Intelligence The herbal tea market size is expected to increase from USD 5.72 billion in 2025 to USD 5.98 billion in 2026 and reach USD 8.07 billion by 2031, growing at a CAGR of 6.2% over 2026-2031. The herbal tea market is expanding as more consumers move away from caffeinated and high-sugar drinks and adopt wellness products as part of their daily routines. The category is also benefiting from stronger demand for organic beverages in the United States and deep-rooted consumption of herbal and fruit infusions in Germany, which supports premium pricing and repeat buying in the herbal tea market. E-commerce has widened access for specialty brands, which has made it easier for smaller companies to build direct relationships with consumers and test premium formulations in the herbal tea market. Competitive activity remains active across both multinational and specialist brands, while tighter scrutiny of botanical health claims in Europe is making substantiation and label discipline more important in the herbal tea market. Raw material volatility remains a constraint, but demand for clean-label and function-led products is still supporting the medium-term outlook for the herbal tea market.

Key Report Takeaways* By product type, chamomile tea accounted for the largest share of the herbal tea market, at 32.7% in 2025, while ginger tea is projected to grow at the fastest CAGR of 7.5% during 2026-2031.

* By category, conventional herbal tea retained 75.6% share of the herbal tea market in 2025, whereas organic herbal tea is forecast to expand at an 8.1% CAGR through 2031.

* By distribution channel, retail channels accounted for the largest share of the herbal tea market, at 72.1% in 2025, while foodservice is projected to grow at the fastest CAGR of 7.5% during 2026-2031.

* By geography, Europe accounted for the largest share of the herbal tea market, at 36.4% in 2025, while Asia-Pacific is projected to grow at the fastest CAGR of 8.0% during 2026-2031.

Key Market Trends

Market Trends and Insights Drivers Impact Analysis of Herbal Tea Market* Driver | (~) % Impact on CAGR Forecast | Geographic Relevance | Impact Timeline |
 Rising Demand for Caffeine-Free Wellness Beverages | +1.8% | Global | Short term (≤ 2 years) |
 Growth Of Clean-Label and Organic Tea Purchasing | +1.2% | Europe and North America core, expanding to the Asia-Pacific | Medium term (2-4 years) |
 Expanding E-Commerce and Direct-to-Consumer Distribution | +0.9% | Global, the Asia-Pacific leading adoption | Short term (≤ 2 years) |
 Premiumization Through Functional Botanical Blends | +0.8% | North America and Europe core, expanding to the Asia-Pacific | Medium term (2-4 years) |
 Shift Away from Sugary and Carbonated Drinks | +0.7% | Global; strongest in the Asia-Pacific, the Middle East, and Africa | Medium term (2-4 years) |
 RTD and Convenience Format Innovation | +0.6% | North America, the Asia-Pacific, and Europe | Short term (≤ 2 years) |
 Source: Mordor Intelligence |

Competitive Landscape

Competitive Landscape

In the herbal tea market, large multinational tea groups vie for dominance alongside niche herbal wellness brands. Associated British Foods, through its Twinings brand, along with LIPTON Teas and Tata Consumer Products, leverage their scale for advantages in distribution, brand visibility, and retailer access. Meanwhile, specialists like Pukka Herbs, Traditional Medicinals, Yogi Tea, and VAHDAM India command a premium wellness image and enjoy heightened consumer loyalty. This

duality underscores the market's complexity: both broad shelf presence and deep brand trust are pivotal, influenced by pricing tiers and sales channels. Thus, the herbal tea landscape isn't a zero-sum game; both scale and specialization cater to distinct consumer desires.

A strategic divide is evident in the herbal tea arena. Major players are broadening their horizons, venturing into herbal, wellness, and organic domains to fortify their market stance. In contrast, specialists are carving out growth through direct sales, compelling narratives, and cultivating tight-knit, engaged communities. A testament to this trend, Tata Consumer Products bolstered its herbal portfolio with the 2024 acquisition of Organic India for a hefty INR 1,900 crore (USD 229 million). This strategic move not only expanded Tata's tea and wellness offerings but also intertwined herbal tea with supplements, Ayurveda, and the overarching demand for natural health. Concurrently, established brands are gravitating towards well-known wellness herbs like chamomile and mint, signaling a shift: even traditional players are pivoting towards function-driven demands, moving beyond mere accessibility.

There's still ample opportunity for specialist brands in the herbal tea domain. Premium consumers often prioritize ingredient provenance, clarity, and targeted wellness benefits. VAHDAM India's impressive FY26 revenue growth of 31%, reaching INR 350 crore (USD 42 million), underscores the potential for premium botanical tea brands to flourish when brand identity aligns with distribution strategies. The market's most promising avenues lie in evidence-backed blends targeting sleep, digestion, and stress relief, as well as daily wellness. Additionally, the ready-to-drink segment presents a lucrative opportunity, positioning botanical tea as a contender in the functional beverage arena, rather than just another tea variant. This evolution underscores the significance of product design, innovative formats, and substantiated claims in the herbal tea sector. Companies that master the art of trusted sourcing, articulate efficacy, and ensure widespread access are poised to lead the next competitive wave in the herbal tea market.

Herbal Tea Industry Leaders* Associated British Foods plc

- * Lipton Teas and Infusions B.V.
- * Tata Consumer Products Limited
- * Unilever PLC
- * The Hain Celestial Group, Inc.

* *Disclaimer: Major Players sorted in no particular order
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Component 3 Scope Of The Report Bottom

Global Herbal Tea Market Report ScopeHerbal tea is a beverage made by infusing or steeping dried fruits, flowers, spices, roots, or herbs in hot water. The global herbal tea market is segmented by product type, category, distribution channel, and geography. By product type, the market is segmented into chamomile tea, peppermint tea, ginger tea, hibiscus tea, turmeric tea, rooibos tea, and other herbal teas. By category, the market is segmented into conventional and organic. By distribution channel, the market is segmented into foodservice and retail. The retail segment is further sub-segmented into supermarkets/hypermarkets, convenience stores, specialty stores, online retail stores, and other distribution channels. By geography, the market is segmented into North America, Europe, Asia-Pacific, South America, and the Middle East and Africa. The Market Forecasts are Provided in Terms of Value (USD).

Product TypeChamomile Tea |
Peppermint Tea |

Ginger Tea |
Hibiscus Tea |
Turmeric Tea |
Rooibos Tea |
Other Herbal Teas |

Segmentation Accordion Item

GeographyNorth America | United States |
| Canada |
| Mexico |
| Rest of North America |
Europe | United Kingdom |
| Germany |
| France |
| Italy |
| Spain |
| Sweden |
| Belgium |
| Poland |
| Netherlands |
| Rest of Europe |
Asia-Pacific | China |
| Japan |
| India |
| Thailand |
| Singapore |
| Indonesia |
| South Korea |
| Australia |
| Rest of Asia-Pacific |
South America | Brazil |
| Argentina |
| Colombia |
| Peru |
| Chile |
| Rest of South America |
Middle East and Africa | United Arab Emirates |
| South Africa |
| Saudi Arabia |
| Nigeria |
| Egypt |
| Morocco |
| Turkey |
| Rest of Middle East and Africa |

Frequently Asked Questions

What is the current size of the herbal tea space, and how fast is it growing?

The herbal tea market stood at USD 5.72 billion in 2025, reached USD 5.98 billion in 2026, and is projected to hit USD 8.07 billion by 2031 at a 6.2% CAGR.

Which region currently leads global demand for herbal tea?

Europe led in 2025 with a 36.4% share, supported by mature retail infrastructure and long-standing consumer familiarity with herbal infusions.

Which region is expected to grow the fastest through 2031?

Asia-Pacific is forecast to expand at an 8.0% CAGR through 2031, helped by tradi

tional herbal medicine systems, urban income growth, and wider modern retail access.

Which product type has the strongest position today?

Chamomile tea held the largest share at 32.7% in 2025 because it appeals to both everyday tea buyers and consumers seeking relaxation-oriented wellness products .