

# Entering the Russian coffee market

The Russian coffee market is highly concentrated in terms of suppliers. About 46% of Russian imports are supplied by a single country: Vietnam, which supplies enormous amounts of Robusta beans for Russia's large instant coffee market. In 2019, about 57% of Russian imports were Robusta beans. A common entry channel to the Russian market is through larger multinationals, but alternative channels can be found via Russian importers and roasters. There is also a slow but steady growth of the specialty market in Russia, which offers opportunities for more direct trade relations between producers and smaller coffee roasters, which are mainly interested in high-quality coffees.

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## 1. What are the requirements for coffee to enter Russian market?

Russia joined the World Trade Organisation (WTO) in August 2012, which helped modernise the legal framework for imports and exports in the country. Nevertheless, import procedures remain complex. It is recommended to always check with your (potential) buyers for the most up-to-date requirements before you ship your coffee.

Buyer requirements can be divided into:

1. Musts: legal and non-legal requirements you must meet to enter the market;
2. Additional requirements: those you need to comply with to stay relevant in the market;
3. Niche requirements: these apply to specific niche markets.

The highlights for these requirements are given below

## Legal and non-legal requirements you must comply with

### Legal requirements

The USDA Foreign Agricultural Service publishes [relevant information about the food and agricultural import regulations and standards in Russia](#). Here, you can find a long list of links to general food laws in Russia. It is good to realise that general food laws in Russia are governed by different regulatory frameworks when compared to the European Union, namely the [Eurasian Economic Union](#), Russian federal laws, Russian government documents and regulatory documents of the bodies of executive power in Russia.

When it comes to food products such as coffee, the main focus of Russia's legislation is food safety, with traceability and hygiene as important themes. Special attention should be given to specific sources of contamination, namely:

- Pesticides — maximum residue levels (MRLs) are based on the [requirements set by the EAEU regulations](#). Consult [this USDA report](#) for an English overview of the MRLs for each pesticide.
- Mycotoxins/mould;
- Salmonella (although coffee is considered low-risk).

### Quality requirements

Green coffee is graded and classified for quality before export. There is no universal grading and classification system for coffee. The Specialty Coffee Association's [standards for green coffee grading](#) are often used as a point of reference. However, most producing countries have and use their own [grading systems](#).

According to the International Trade Centre, grading is usually based on the following criteria:

- Altitude and region;
- Botanical variety;
- Preparation — wet or dry process, washed or natural;
- Bean size or screen size, sometimes also bean shape and colour;
- Number of defects or imperfections;
- Roast appearance and cup quality in relation to flavour, characteristics and cleanliness;
- Bean density.

Specialty coffee is graded according to its cupping profile. Fragrance, flavour, aftertaste, balance, acidity, sweetness, uniformity and cleanliness are important factors in the grading process. If you sell specialty coffee, it is important for buyers to know the cupping score of your coffee. Although not mandatory, it could be relevant to add this information to the documentation of the coffee you are exporting.

Note that there is no exact definition of specialty coffee within the coffee industry. The [Coffee Quality Institute](#) and the cupping protocols of the [Specialty Coffee Association \(SCA\)](#) consider that coffees graded and cupped with scores below 80 are considered standard quality and not specialty. Nevertheless, the exact minimum scores defining specialty coffee differ per country and per buyer. Some buyers consider 80 too low and demand a cupping score of 85 or higher.

## Labelling requirements

Labels of green coffee exported to Russia should be written in English, and [also in Russian](#). The label should include the following information to ensure traceability of individual batches:

- Product name;
- [International Coffee Organisation \(ICO\) identification code](#);
- Country of origin;
- Grade;
- Net weight in kilogrammes;
- For certified coffee: name and code of the inspection body and the certification number.

Figure 1: Examples of green coffee labelling



Source: commodity.com

## Packaging requirements

Green coffee beans are traditionally shipped in woven bags made from jute or hessian natural fibre. Jute bags are strong and robust. Other materials, such as [Grainpro](#) or other innovative materials like [Videplast](#) liners, are often used to pack specialty coffees inside jute bags.

In general, most green coffee beans of standard quality are packed in container-sized bulk flexi-bags that hold roughly 20 tonnes of green coffee beans each. The rest of the green coffee is transported in traditional 60 kg or 70 kg jute sacks, each with a net volume of 17 tonnes to 19 tonnes of coffee.

Other packaging used in transporting coffee includes polypropylene super sacks for 1 tonne of coffee, polyethylene liners for 21.6 tonnes and vacuum-packed coffee. These techniques provide two advantages in the coffee trade, namely increasing efficiency and maintaining or preserving quality.

Figure 2: Examples of coffee packaging: jute bag, container-sized flexi bag, GrainPro and Videplast liner



Sources: raadtradingco.com, bls-bulk.com and GrainPro

## Tips:

Activate the 'Translation' function of your browser to make the studies available in your native language.

For a complete overview of European Union requirements, refer to [our study on buyer requirements for coffee](#) or consult the specific requirements for coffee in the [EU Trade Helpdesk](#).

Check this [report of the USDA Foreign Agricultural Service](#) to read more about the food and agricultural import regulations and standards in Russia.

Check [EUR-Lex](#) for more information on limits for different contaminants and read more about contaminants in coffee on the [EU Trade Helpdesk](#). For specific information on the prevention and reduction of ochratoxin A contamination, refer to the [Codex Alimentarius CXC 69-2009](#).

For information on safe storage and transport of coffee, refer to [the website of the Transport Information Service](#).

Read more about quality requirements for coffee on [the website of the Coffee Quality Institute](#).

Read our [study on how to organise your coffee export to Europe](#). This study contains several tips on how to adequately export your coffee to buyers on the European market.

## Additional requirements

### Additional food safety requirements

Expect buyers in Russia to request extra food safety guarantees from you. Regarding production and handling processes, you should consider:

- Implementation of good agricultural practices (GAPs): the main standard for good agricultural practices is [GLOBALG.A.P.](#), a voluntary standard for certification of agricultural production processes that provide safe and traceable products. Certification organisations, such as the Rainforest Alliance/UTZ, often incorporate GAPs in their standards;
- Implementation of a quality management system (QMS): a system based on [Hazard Analysis and Critical](#)

**Control Points** (HACCP) is increasingly required by buyers as a minimum standard for green coffee production, storage and handling. The implementation of checking residue levels described below would be part of this system;

- Implementation of regular checking of residue levels: ochratoxin A (OTA), polyaromatic hydrocarbons (PAHs) and glyphosate contamination should be prevented and monitored. It is recommended to proactively and periodically obtain certificates of analysis for the coffee you produce and export, preferably from an EU-accredited laboratory such as [Eurofins](#) or [Tüv](#);
- For roasted coffee, HACCP is the minimum standard that an exporter must comply with, preferably complemented by a global food safety initiative (GFSI) such as [BRC Global Standard Food Safety](#), [FSSC 22000](#), [IFS Food](#) or [SQF](#).

## Additional sustainability requirements

Corporate responsibility and sustainability practices are still relatively small topics in Russia, yet they are increasingly important in the overall coffee sector. Adopting codes of conduct or sustainability policies related to the environment and to producing communities will give you a competitive advantage. A few (multinational) companies in the Russian coffee market, such as trader [KLD Coffee Importers](#), have sustainability policies highlighting their relationship with farmers, the transparency of their operations as well as their social and environmental impact at origin.

### Tips:

Refer to the [International Trade Centre Standards Map](#) or the [Global Food Safety Initiative website](#) to learn about the different food safety management systems, hygiene standards and certification schemes.

See our [study on sustainable coffee](#) for more information about the demand on the European market, trends and specific trade channels.

Consider hiring an interpreter or translator when doing business in Russia, as this might help avoid miscommunications. Russian is the spoken language in Russia, and only [a small percentage of Russians speak English](#).

## Niche requirements

Russia is a relatively small market for certification labels. Nevertheless, sustainability and traceability are growing in importance for Russian consumers. In 2018, about **86%** of Russian consumers said they found it important that products are produced in a sustainable way, and 29% indicated that a traceable and transparent product origin is important to them. The latter especially holds true for the [specialty coffee scene](#), where Russian consumers are increasingly interested in coffee origins.

Regarding sustainable production, an estimated **46%** of Russian consumers indicated they were willing to pay extra for organically-produced products. In 2018, organic retail sales in Russia amounted to **€160 million**, registering a 33% increase compared to 2017. The growing interest in organic products has also been picked up by the coffee industry. In May 2019, [Paulig was one of the first major roasters to launch an organic premium coffee product in Russia](#). [Paulig Mundo](#) is both EU organic and Fairtrade-certified. [Coffee Blues](#) is another Russian brand with an organic coffee assortment.

To export organic coffee to Russia, be aware that, on 1 January 2020, a [new Federal Law on Organic Production](#) entered into force in Russia. This law regulates manufacturing, storage, transportation, labelling and marketing of organic products. Despite a growing organic market, note that the market for organic coffee is a small niche market in Russia.

Fairtrade is also [relatively unknown on the Russian market](#); the Finnish roaster Paulig is [the only Fairtrade-certified supply chain operator](#) on the Russian market. Before you can market your coffee beans as Fairtrade or organic, an accredited certifier must audit your growing and processing facilities. Examples of accredited certifiers are [Control Union](#), [Ecocert](#), [FLOCERT](#), [ProCert](#) and [SGS](#).

The importance of the [Rainforest Alliance/UTZ](#) is also rather small in Russia. On the Russian market, the Rainforest Alliance is mainly present through [international brands such as Nespresso and Lavazza](#). The only three Russian coffee traders and roasters [certified by the label in 2020](#) are [LLC May](#), [Orimi Trade](#) and [KLD Coffee Importers](#).

### Tips:

Learn more about organic farming and Russian organic guidelines on the [Russian National Organic Union website](#).

Find out which standards or certifications potential buyers in your target segment prefer. Buyers may have preferences for a certain food safety management system or sustainability label depending on their end clients and distribution channels.

Try to combine audits if you have more than one certification, to save time and money. Also, investigate the possibilities for group certification with other producers and exporters in your region.

Learn which coffee actors are licensed to buy your certified coffee. See the [list of Rainforest Alliance/UTZ-registered coffee actors in Russia](#), or find [importers that specialise in organic products](#) or find a specialised Russian buyer that is familiar with fair trade products, for instance via the [FLOCERT customer database](#).

Try to visit trade fairs for organic products, like [Biofach](#) in Germany. Check out their website for a list of exhibitors, seminars and other events at this trade fair.

Promote the sustainable and ethical aspects of your company and support these claims with certification. Examples of coffee exporting companies that provide information on their sustainable practices and certifications include [InConexus](#) (Colombia), [O'Coffee](#) (Brazil), [Capricornio Coffees](#) (Brazil), [SOPACDI](#) (DR Congo) and [Daye Bensa Coffee](#) (Ethiopia).

See [our study on doing business with European coffee buyers](#) for more tips on marketing and promoting coffee.

## 2. What competition do you face on the Russian coffee market?

In general, competition is higher for mainstream coffee with low added value. This segment is mainly dominated by major suppliers and cooperatives which are able to deliver large quantities so they can compete on price. It is difficult for small and medium-sized companies to compete in this segment.

The level of competition is generally lower in the specialty coffee market, where volumes are smaller and there is a stronger focus on quality, origin and sustainability. However, the entry point into this segment is much higher and may require larger investments. Besides, it is good to realise that the high-quality coffee market in Russia is very small, which increases the level of competition.

New entrants to the market may face some extra competition from coffee exporters that are already successful, especially because of their already-established long-term relationships with buyers. Entering the market as a newcomer requires you to have extensive knowledge of your product assortment, stable quality and volumes and good communication skills to start building your own new relationships with buyers.

## Russia's large Robusta demand mostly supplied by Vietnam

Vietnam is the world's second-largest coffee producer and exporter and the world's largest Robusta exporter. Vietnam's total coffee export amounted to 1,482 thousand tonnes between October 2018 and September 2019, of which approximately 86 thousand tonnes was imported by Russia in 2019. Between 2015 and 2019, Vietnamese export volumes to Russia increased at an average annual rate of 14%. Supplies by Vietnam accounted for 46% of total Russian imports in 2019 and made up 79% of all Robusta imports by Russia. The largest Vietnamese coffee exporter groups supplying the Russian market include [Intimex Group](#), [Tin Nghia Corporation](#) and [Mascopex](#).

Vietnam's coffee production is strongly focused on creating large volumes of standard-quality coffees, mostly directed to the instant coffee market. However, as of 2018, [government efforts](#) have been more and more directed towards improving the quality of coffee beans. As interest in high-quality Robusta is increasing in consumer markets, [Vietnam's specialty coffee industry is slowly developing](#).

[Sustainability issues in coffee production are a major concern in Vietnam](#). Climate change poses a serious threat to the country's coffee sector, while poor farming practices cause environmental degradation. Sustainable coffee makes up an estimated [9%](#) of Vietnam's coffee exports.

## Indonesia is the second-largest Robusta supplier to Russian market

The relatively large Russian consumption of instant coffees, which requires large amounts of Robusta, is not only supplied by Vietnam. Another relatively large Robusta supplier to Russia is Indonesia, which supplied 9% of Russia's total Robusta imports, amounting to 10 thousand tonnes, in 2019. About [90%](#) of Indonesian exports are Robusta, making Indonesia the world's second-largest exporter of Robusta, after Vietnam.

Indonesian exports to Russia decreased at an average annual rate of 25% between 2015 and 2019. This is mainly due to a rapidly growing domestic coffee demand in Indonesia itself. In 2019, Indonesia only exported an estimated [46%](#) of its green coffee production. An estimated [15%](#) of Indonesia's coffee exports are certified or verified as sustainably produced.

In general, when compared to Vietnam, it has been more difficult for [Indonesia to safeguard stable production volumes and a consistent quality](#). This is because coffee in Indonesia is almost entirely grown by smallholder farmers, whereas Vietnam also has large coffee plantations which can more easily guarantee consistency.

Indonesia is a large and diverse country, with many islands and microclimates. This brings opportunities, such as [coffees with distinctive flavour profiles](#). Indonesia also taps into this opportunity and produces and exports highly-valued specialty Arabicas, such as Kopi Luwak and Toraja coffee. The size and diversity, however, also pose their [challenges throughout the industry, mainly when it comes to logistics and communication](#) (about 750 different languages are spoken in the country). The value chain in the country itself is very complex, and in general there are up to four different intermediaries between farmer and exporter.

## Brazil, Colombia and Honduras are the largest Arabica suppliers to Russia

In 2019, a little over 37% of total Russian imports were sourced from Latin American countries, which supplied the largest share of Arabica imports by Russia. From this region, Brazil supplied the largest volumes of green coffee to Russia, amounting to nearly 47 thousand tonnes in 2019. Brazil is the world's largest coffee producer, producing both Arabica (75%) and Robusta (25%), though [95% of exports consist of Arabica](#). Brazil supplied 51% of Russia's Arabica imports, amounting to over 40 thousand tonnes in 2019. Brazilian supplies registered an average annual increase of 13% between 2015 and 2019.

Brazil's coffee-producing areas are relatively flat, which has [intensified the use of mechanical pickers in the industry](#). This had led to reduced labour costs in Brazil's coffee production, lower coffee quality (as machines do not distinguish between ripe and unripe cherries) and lower coffee prices, especially in relation to other coffee-producing countries. Low-grade Brazilian Arabica is mostly used in blends. The largest Brazilian exporting



groups supplying the Russian market included [Olam](#) and [Terra Forte Cafés](#).

Other large Arabica suppliers from Latin America to Russia are Colombia and Honduras. Colombia supplied about 9 thousand tonnes of green coffee to Russia in 2019. Colombia is the world's largest producer of washed Arabica. The country is home to a strong national coffee industry offering technical assistance, research and quality development. The [Colombian Coffee Growers Federation](#) strategically promotes and markets Colombian coffee, solidifying the country's established image and brand for high-quality coffees. The Café de Colombia trademark is a [registered protected geographical indication \(PGI\)](#) in Europe, which is unique among coffee-producing countries.

Russian coffee imports from Honduras amounted to 6.7 thousand tonnes in 2019, registering an average annual increase of 44% between 2015 and 2019. The introduction of more disease-resistant varieties in Honduras, after a severe coffee rust outbreak, [is perceived to have lowered the cup quality](#), but production volumes have increased. Honduras is Central America's largest coffee producer, and an estimated 4.7% of its coffee area in 2018 was dedicated to organic production. [Approximately 28% of total Honduran coffee exports](#) consist of [sustainably produced coffee](#).

## Ethiopia is the world's largest organic coffee supplier

Russian coffee imports from Ethiopia amounted to 4.7 thousand tonnes in 2019, registering an average annual growth rate of 15% since 2015.

Ethiopian producers rely on the uniqueness of Ethiopia as an origin, as many consider Ethiopia the birthplace of coffee. Ethiopia's coffees have high potential in the specialty market. As of 2018, new data of the Research Institute of Organic Agriculture FiBL show that Ethiopia is the world's largest organic coffee producer, with over [23%](#) of its coffee area certified as organic. The [Ethiopian government has highly encouraged the sector to adopt more sustainable growing techniques](#) and to focus on producing high-quality Arabicas.

Ethiopian producers rely on the uniqueness of Ethiopia as an origin, as many consider Ethiopia the birthplace of coffee. Ethiopia's coffees have high potential in the specialty market. Almost all coffee in Ethiopia is traded on the [Ethiopian Commodities Exchange \(ECX\)](#).

### Tips:

Identify your potential competitors. To be successful as an exporter, it is important to learn from them too. Look into their marketing strategies, the product characteristics they highlight and their value addition approaches. Successful larger and smaller companies that already export to international markets and from which you can learn include, for example, [Diamond Enterprise](#) (Ethiopia), [DAKMAN](#) (Vietnam), [Aicasa](#) (Peru), [Unitrade Coffee](#) (Guatemala), [SOPACDI](#) (DR Congo), [Bourbon Specialty Coffees](#) (Brazil) and [Cedro Alto](#) (Colombia). Another interesting exporting company to learn from is [Caravela Coffee](#), which has a wide portfolio of specialty coffees from Latin America and has representative offices in destination markets.

Identify and promote your unique selling points. Give detailed information about your coffee growing region or origin and the varieties, qualities, post-harvesting techniques and certification of the coffee you offer. You can also share information about the history of your organisation, your coffee growing farm and the passion and dedication of the people working there. These are all elements that make your company unique.

Actively promote your company on your website and at trade fairs. Flavour quality competitions also provide good opportunities to share your story. See [this list of competitions and awards](#) provided by the SCA.

Are you interested in exporting high-quality coffee? Learn more about cupping scores on [the website of the Specialty Coffee Association \(SCA\)](#). You can also consider getting a [Q Arabica](#) or [Q Robusta](#)

**Grader certificate** to be able to cup and score your coffee through smell and taste according to international standards.

Work with other coffee producers and exporters in your region if your company size or product volume is too small. As a group, you can promote good-quality coffee from your region and be more attractive and more competitive in the European market.

Develop long-term partnerships with your buyers, which implies that you must comply with agreed-upon requirements. This will give you a competitive advantage, more knowledge and stability in the Russian market. Refer to [this guide of Kwantessential](#) to learn more about how to do business in Russia.

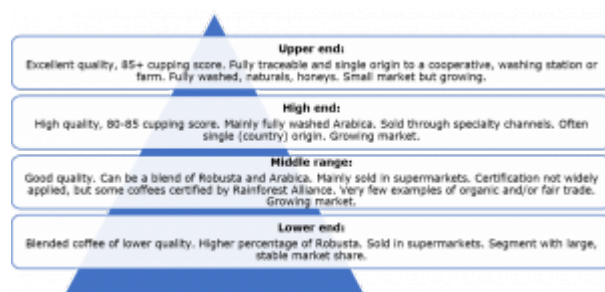
### 3. Through what channels can you get coffee on the Russian market?

The Russian end market for coffee can be segmented by quality and based on in-home or out-of-home consumption. The high-end segment represents a niche market in both the in-home and out-of-home segments. However, there is a slowly growing demand for higher-quality coffees by Russian coffee consumers. Suppliers in producing countries mainly enter the Russian market through an importer, but there has been an increase in trade between coffee roasters and producers.

#### How is the end market segmented?

The Russian end market for coffee can be segmented by quality, as shown in the below figure:

Figure 4: Coffee end market segmentation by quality



Lower end: these are mainstream low-quality and mainly blended coffees. These blends are characterised by high shares of Robusta coffees. Most coffee pads and instant coffee belong to this low-end segment, which also includes lower-quality private label products from supermarkets. However, private label products are not widely available in Russian supermarkets. [Large brands generally dominate the supermarket shelves](#) and are for sale for relatively low prices.

Product and price examples in the low-end segment, based on [O'key's retail prices](#) in 2020, include:

Product	Retail price (€/kg)
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Low end	Jockey (Classic, ground coffee, 250 g package)	7.03
	Tchibo (Gold Mokka, ground coffee, 250 g package)	8.74
	LEBO Coffee (Extra, ground coffee, 200 g package)	12.51

Coffees in the low end of the market are mainly sold in supermarkets and through service channels, such as offices and universities. In 2019, the largest retailers in Russia were:

- [Magnit](#);
- [X5 Retail Group](#), with [Pyaterochka](#) and [Perekrestok](#) chains;
- [Dixie](#);
- [Lenta](#);
- [O'Key](#).

Mid range: mid-range coffees are commercial coffees with a good and consistent quality profile, such as quality espresso. This segment typically consists of blends with a higher proportion of Arabica compared to the low-end segment. The mid-range segment represents a growing coffee market in Russia. Mid-range coffees are often sold in supermarkets and by the food service industry. Examples of products and prices in this segment, based on [O'key's retail prices](#) in 2020, include:

	Product	Retail price (€/kg)
Mid range	Paulig (Moscow, ground coffee, 200 g package)	20.23
	Jardin (Colombia Supremo, ground coffee, 250 g package)	20.67
	Segafredo (Selezione Arabica, ground coffee, 250 g package)	24.32

High and upper ends: high-quality coffee mainly consists of washed Arabicas. These coffees are often single origin and coffees with a special story. The upper end of this segment consists of specialty coffees of excellent quality, often from micro or nano lots that go through innovative processing, such as naturals and honeys. These are mainly fully traceable and single-origin Arabica beans with a cupping score of 85 and above. The high and upper-end segments are a growing market but remain very small.

Sustainability practices are often commonplace among buyers in the high and upper-end segments. Long-term contracts between suppliers and buyers characterise these segments, as do higher prices. Also, buyer and supplier usually agree on projects for communities and distribution of money to farmers, a common characteristic of certifications aimed at social impact.

Coffees from this segment are mainly sold directly by specialty roasters, at their physical and web shops as well as at coffee events, such as the [Moscow Coffee Festival](#). For examples of Russian specialty roasters and cafés, see the website of the [European Coffee Trip](#).

Examples of coffees in the high and upper-end market segments include:

	Product	Retail price (€/kg)
High and upper end	Naturally processed Arabica, from Irgachif region, Ethiopia, roasted by <a href="#">Double B</a> , 250 g package	35.22
	Naturally processed Indonesia, Phrynsa Lactic PB, roasted by <a href="#">Mad Espresso Team</a> , 250 g package	45.29
	Washed SL-28/SL-34 Arabica from Kaganda, Muranga County, Kenya, roasted by <a href="#">Sweet Beans</a> , 250 g package, cupping score 87.25	47.80

Value distribution: as per the above examples, end-market prices for coffee vary depending on the targeted market segment. Green coffee export prices typically amount to only 5% to 25% of the end-market prices, depending on the coffee quality, the size of the lot and the supplier's relationship with the buyer. Figure 5 below shows the value distribution of wholesale coffee. Roasters end up taking more than 80% of the wholesale coffee price. A coffee farmer takes about 10%.

In addition to the market segmentation by quality, the Russian coffee market can also be segmented into in-home and out-of-home consumption:

- In-home consumption: with an estimated market share of **80%**, most coffee in Russia is still sold through retail channels. Instant coffee is the preferred type of coffee in Russia. However, in 2018, in-home consumption of roast and ground coffee grew at a faster pace than instant coffee, with **12%** for roasted coffee and 6% for instant coffee. As of 2014, [growth in instant coffee consumption has been stagnating](#) in Russia. The coffee pod and capsule market is also registering high growth rates in Russia, with **18%** in 2018. However, the coffee capsule market is still a niche market in Russia, holding a small market share of 1% of the entire Russian coffee market;
- Out-of-home consumption: this segment is growing steadily in Russia. Industry estimates predict an average year-to-year growth of **5%** for out-of-home consumption for the next coming years. The [Russian coffee shop market ranked as one of the fastest growing markets in Europe](#). Coffee shops and out-of-home consumption lead the way for the introduction of high-quality Arabica coffees in Russia.

Figure 6: Coffee market segmentation by in-home and out-of-home consumption



### Tips:

Learn more about the promotion of standard-quality and specialty coffees by Russian supermarkets, such as [Lenta](#). Compare their product assortment and price levels with specialised roasters, such as the ones listed here on the website of the [European Coffee Trip](#).

Refer to our study on [trends in the coffee market](#) to learn more about developments within different market segments.

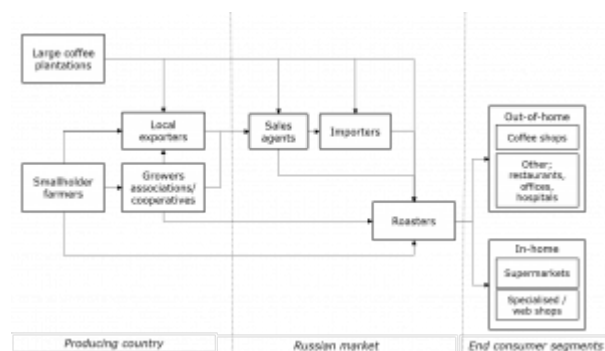
Check [the website of the Specialty Coffee Association \(SCA\)](#) to learn more about the high-end coffee segment, market trends and main players.

## Through what channels does coffee reach the end market?

As an exporter, you can use different channels to bring your coffee to the Russian market, depending on the quality of your coffee and your supplying capacity. Bear in mind that shortened supply chains are a general trend in Europe. This means that retailers and coffee roasting companies are increasingly sourcing their green coffee directly from origin.

The trade channels discussed here mainly relate to roasted coffee, with a focus on specialty coffee. Figure 7 below shows the most important market entry channels for your green coffee into Russia.

Figure 7: Market channels for green coffee in Russia



## Importers

Importers play a vital role in the coffee market, functioning as supply chain managers. They maintain wide portfolios from various origins, pre-finance operations, perform quality control, manage price fluctuations and currency exchanges and establish contact between producers and end buyers, such as roasters. In most cases, importers have long-standing relationships with their suppliers and customers. In general, importers sell their green beans to roasting companies in Russia.

Russian importers are mainly located in Leningrad, Moscow and the Krasnodar Krai region. From there, coffee is redistributed to other Russian regions. Large-scale importers usually have minimum quantity requirements of a few containers, covering a wide range of qualities, varieties and certifications. At the same time, they provide strong support with logistics, marketing and financial operations. Examples of large-scale importers in Russia include [Outspan International](#) (the Russian branch of Olam), [KLD Coffee Importers](#) (the Russian branch of NKG Coffee), [Green Coffee](#), [Greencof LLC](#) (works in cooperation with Sucafina) and [SFT Trading](#).

Specialised importers are less common on the Russian market. They usually buy smaller volumes of high-quality and single-origin coffees. Good examples on the Russian market include [Hummingbird Coffee](#) and [Cocar Coffee](#). Both are specialised in the direct trade of green specialty coffee.

For whom is this an interesting entry channel? The most interesting channel for you will depend on the quality of your coffee and your supply capacity in terms of volume. If you are an exporter of green coffee beans and you can offer high volumes (10 containers or more), you should look into entering the Russian market through large (multinational) importing companies. These companies usually have agents or representative offices in producing countries, which can be your first point of contact.

There are fewer specialised traders active on the Russian market, but it is worth contacting them if you have evidence of high cupping scores of at least 80, although some buyers may require scores higher than 85. Specialised traders may have a special interest in single-origin coffees as well as coffees with sustainability certification, such as organic or fair trade. Keep in mind that many specialised importers prefer to work directly with producers or cooperatives and not through middlemen.

## Larger and medium-sized coffee roasters

Most large roasters buy their own coffee beans at the country of origin, although they might also source through importers. Roasters usually perform an analysis and cup testing to check the evenness of the roast and to identify any defects that can occur in post-harvest processes, such as fermentation, drying and storage. Large roasters usually blend different qualities of green coffees to safeguard quality consistency. The final product is distributed to retailers and the food service industry.

Roasters can operate under their own brands or private labels. Examples of large coffee roasters operating under their own brands in Russia include multinationals such as [Nestlé](#), [Jacobs Douwe Egberts](#), [Strauss Group](#) and [Paulig](#), as well as large and medium-sized Russian players such as [Orimi Trade](#), [Russky Product](#), [Moscow Coffee House](#) and [Slavkofe](#). Smaller companies on the Russian market, which are focused on higher-quality coffees, include [Montana Coffee](#), [North-West Coffee Company](#) and [Soyuz Coffee Roasting](#). Examples of private label roasters on the Russian market include [Arome](#) and [Ko&Fe](#).

For whom is this an interesting entry channel? Supplying to large-scale roasters is only interesting if you are able to supply large volumes at a consistent quality. If you work with bulk coffees, discuss minimum quality and other requirements, such as certification, with your potential buyer. The smaller roasters here focus on higher-quality coffee beans; if you have a stable amount of higher-quality Arabica beans on offer, this might be an interesting entry channel.

## Small-scale roasters

There is also a growing number of small-scale roasters that import green coffee directly from origin. However, many small-scale roasters continue to buy their coffee via importers, because not everyone can take on the additional responsibilities necessary to import directly from source. Importers help roasters with financial services, quality control and logistics. Small-scale roasters mostly maintain a direct connection with their producers. Small-scale roasters are often specialised in single origins and the finest specialty coffees. Examples of small-scale roasters in Russia include [Mad Espresso Team](#), [Sweet Beans](#), [Coffee Owl Roasters](#) and [Camera Obscura](#).

For whom is this an interesting entry channel? Supplying to small roasters is interesting for producers and exporters that have high-quality coffees, micro lots and sustainability certification and are willing to engage in long-term partnerships. If you have very high-quality coffees and are currently working through an importer, for example, it would be interesting to explore direct trade possibilities to see whether you could connect directly with roasters. This requires you to have the financial means and technical know-how to organise export activities.

## Intermediaries/agents

Agents act as intermediaries between you, coffee importers and roasters. They are actors with a lot of market knowledge and can help you assess and select interesting buyers. Some agents are independent, while others are hired to make purchases on behalf of a company. An example of an agent in Russia is [Wintergreen Coffee](#).

For whom is this an interesting entry channel? If you have limited experience exporting to European countries, agents can play a very important role. Agents are also interesting if you have limited quantities of coffee or if you lack the financial and logistical resources to carry out trade activities. Working with an agent is also useful if you need a trusted and reputable partner within the coffee sector. Be prepared to pay an extra commission for

their work.

## Tips:

Find buyers that match your business philosophy and export capacities in terms of quality, volume and certifications. For more tips on finding the right buyer for you, see our study on [finding buyers in Europe](#).

Attend trade fairs to meet potential Russian buyers. Interesting trade fairs and events in Russia include [PIR Coffee](#), [Prodexpo](#), [World Food](#) and the [Coffee Tea Cacao Russian Expo](#). Other interesting trade fairs in Europe include SCA's [World of Coffee](#) (every year in a different European city), [Biofach](#) (organic) and [COTECA](#) (both in Germany). Attending such events can provide you with additional insight into the preferences of Russian buyers with regard to origin, flavour and sustainability certification.

Use industry associations or the exhibitor lists of trade fairs to find potential buyers in Russia, such as the member list of the [Russian Association of Tea and Coffee Producers](#) or the exhibitor list of the [Coffee Tea Cacao Russian Expo](#). Besides helping you find potential partners, these websites can help you learn more about the Russian coffee market.

Invest in long-term relationships. Whether you are working through importers or roasters, it is important to establish strategic and sustainable relationships with them. This will help you manage market risks, improve the quality of your product and reach a fair quality-price balance.


See our study on [buyer requirements for coffee](#) to learn about which European market standards and requirements you need to comply with when supplying to Europe.


See our study on [how to do business with European buyers](#) for more information about complying with buyer requirements, how to send samples and how to draw up contracts.


This study has been carried out on behalf of CBI by [ProFound – Advisers In Development](#).

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