



[What is the demand for coffee in the European market?](#)

Europe is a large market for coffee. Opportunities for small and medium-sized suppliers from producing countries are best found in the growing specialty coffee market in Europe. Although still a niche market, there is a growing demand for high-quality and single origin coffees.

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1 . What makes Europe an interesting market for coffee?

Europe is a large coffee market, accounting for 33% of the global consumption. Consumption is expected to stabilise in the long term, but Europe will remain attractive to coffee exporters. The growing specialty coffee market in Europe in particular offers interesting opportunities. In this segment, you can compete on quality and by establishing long-term relationships, rather than on price.

Europe is the world's largest coffee market

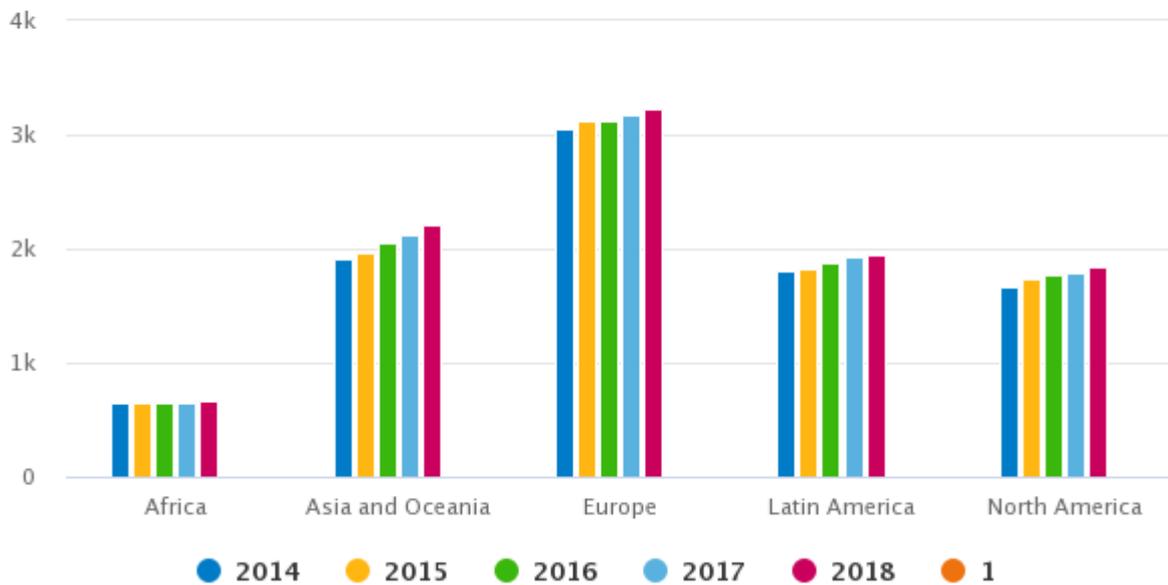
Europe [accounted for 33% of the global coffee consumption in 2018](#), amounting to 3,222 thousand tonnes of coffee. This makes Europe the largest coffee market in the world. Asia and Oceania rank second with a market share of 22%, followed by Latin America (20%) and North America (19%). [Germany accounted for approximately 26% of total European consumption](#) in 2018, followed by France (12%) and Italy (11%). Other large consuming markets in Europe include Poland (6.7%), Spain (5.8%) and the Netherlands (5.6%).

Demand in Europe is expected to remain stable in the long term, as the European coffee market is saturated. Between 2014 and 2018, Europe's coffee market only slightly increased by 1.3% in volume. At the global level, however, the coffee market is expected to grow at [an average annual rate of 6.1% between 2018 and 2024](#).

Due to the growth of the middle and upper classes in local and regional markets, growing opportunities for coffee suppliers might be found in emerging markets, such as Brazil, China, Russia and South Korea. [Asia and Oceania are expected to show the highest coffee market growth rates between 2018 and 2024 \(7.6%\)](#). However, Europe remains the largest and most important market for specialty coffees. This is reflected in the [large and still rising number of specialty roasters, coffee bars and local coffee brands in Europe](#), as well as more knowledgeable and demanding European coffee consumers. Read more about this in [our study on trends in the European coffee sector](#).

Figure 1: Global coffee consumption per region

in 1,000 tonnes



Source: ICO, 2019

Europe has one of the highest per capita coffee consumptions in the world

Europe has one of the highest average annual per capita consumption in the world [at just above 5 kg of coffee per person a year](#). The leading country in per capita consumption in the world is Finland, where [the average annual coffee consumption is 12 kg per capita](#). Scandinavian countries also have high coffee consumption rates: Norway 9.9 kg, Denmark 8.7 kg and Sweden 8.2 kg. Other relatively large per capita coffee consuming countries in Europe are the Netherlands (8.4 kg), Switzerland (7.9 kg) and Belgium (6.8 kg).

[The average per capita consumption in Nordic countries is unlikely to change significantly](#), just as in other Western European countries. Nevertheless, these countries still provide interesting opportunities for exporters in producing countries. Especially so because consumers are increasingly drinking high-quality coffees. This is largely led by a [strong growth in out-of-home consumption in Western Europe](#), where coffee shops and small and medium-sized coffee roasters lead the way for the introduction of high-quality coffees. Between 2010 and 2017, sales of out-of-home consumption in Western Europe increased by 50%.

Europe has a large coffee-roasting industry

Europe is home to many coffee roasters of all sizes and types. However, the European market is mainly dominated by a few large roasting and grinding companies, namely [Nestlé](#), [Jacobs Douwe Egberts](#) and [Lavazza](#). The [top-10 roasters in the world are responsible for roasting 35% of the world's coffee](#).

According to [PRODCOM figures](#), Germany has the largest coffee-roasting industry in Europe, with a sold production volume of 551 thousand tonnes of roasted coffee in 2018. Italy has the second-largest coffee-roasting industry in Europe, with a sold roasted coffee production volume of 414 thousand tonnes.

Europe is the world's largest exporter of roasted coffee, with a global market share of more than 80% in total roasted coffee exports. Total European exports of roasted coffee amounted to 984 million tonnes at a value of €8 billion in 2018, including intra-European trade. Between 2014 and 2018, European exports of roasted coffee grew at an average annual rate of 4.1% in volume and 5.1% in value. The largest roasted coffee exporting countries in Europe are Germany and Italy, which had volume market shares of 23% and 22% in 2018 respectively. Smaller but significant

exporters of roasted coffee beans include the Netherlands (10% of volume market share), Switzerland (7.6%) and Poland (4.9%).

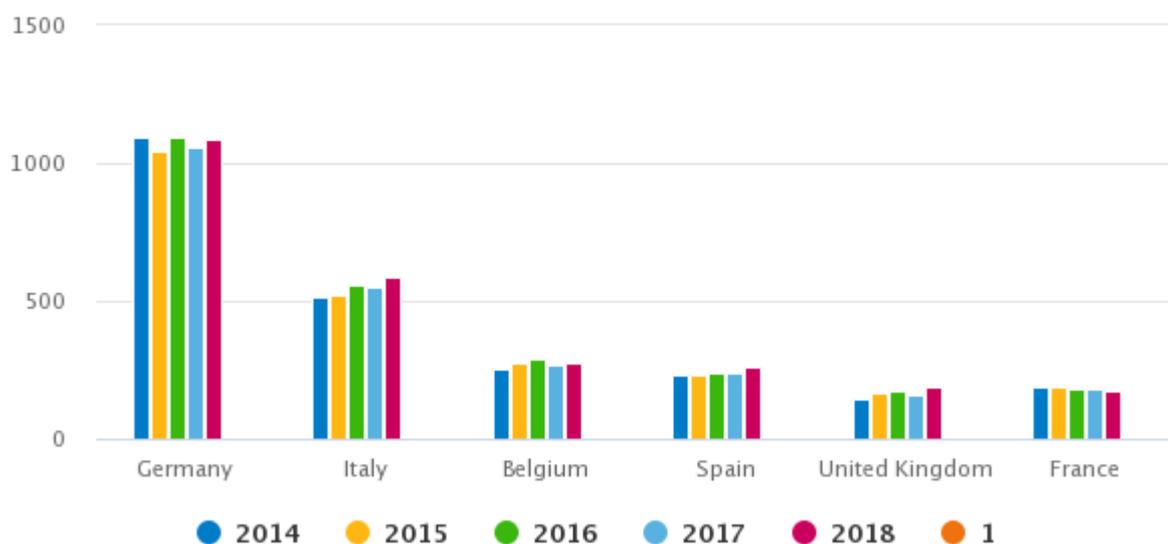
Europe is the main global destination for green coffee suppliers

As the world's largest coffee market, [Europe is also the largest green coffee importer](#). Total European imports of green coffee beans amounted to an estimated 3.6 million tonnes in 2018, capping a stable average annual increase of 1.8% between 2014 and 2018. The value of green coffee imports increased by 0.4% during the same period, reaching €8.1 billion in 2018. Realise that values fluctuate constantly according to available production volumes, volatility in currency markets, and the New York and London coffee futures markets.

About [one-third of total green coffee imports were of the Robusta variety](#), while about two-thirds were Arabicas. Within the Arabicas, the share of Brazilian naturals reached 33%, Colombian Milds made up 7.2%, while 20% were other Milds. To see which coffee producing country predominantly produces which type of coffee, refer to [this list of the International Coffee Organization](#).

European importers sourced approximately 87% of their green coffee beans directly from producing countries in 2018, corresponding to 3.2 million tonnes at a value of €6.9 billion. The largest direct importers from producing countries are Germany (34% of total European imports) and Italy (19%). Belgium (8.7%) and Spain (8.2%) follow as the third and fourth-largest direct importers in 2018. Intra-European trade accounted for 13% of European supplies in 2018, amounting to 479 thousand tonnes, reaching a value of €1.2 billion.

Figure 2: Main European importers of green coffee from producing countries
in 1,000 tonnes



Source: Eurostat, 2019

Suppliers find increasing opportunities in the European coffee market

Brazil and Vietnam are the largest suppliers of green coffee to the European market, accounting for more than half of Europe's imports at 30% and 25% shares respectively. Other significant suppliers of green coffee to Europe include Honduras (7.5%), Colombia (6.2%), India (5.4%) and Uganda (5.1%).

Each supplying country plays a different role, targeting each certain segments of the European coffee sector. Brazil is a large supplier of both Robusta and Arabica varieties. In 2018, about 75% of Brazil's production was Arabica. Between 2014 and 2018, total Brazilian coffee production volumes increased at an average annual rate of 4.5%, reaching nearly 3.9 million tonnes of green coffee in

2018. Brazil's coffee exports to Europe, however, decreased slightly in those years, at an average annual decline rate of -0.7% between 2014 and 2018.

Vietnam, India and Uganda have a strong focus on Robusta production. Vietnam's production volume consisted of 95% Robusta in 2018, Uganda's 83% and India's 72%. These countries' exports to Europe also grew between 2014 and 2018: Vietnam by 2.2%, India by 4.1% and Uganda by 5.3%.

As explained in more detail in [the CBI's coffee trends study](#), there is a growing interest in specialty coffees in Europe, especially high-quality Robustas. There are growing opportunities in the European market for exporters which manage to offer consistent supplies of high-quality Robusta coffees that meet the [Q Fine Robusta Standards and Protocols](#).

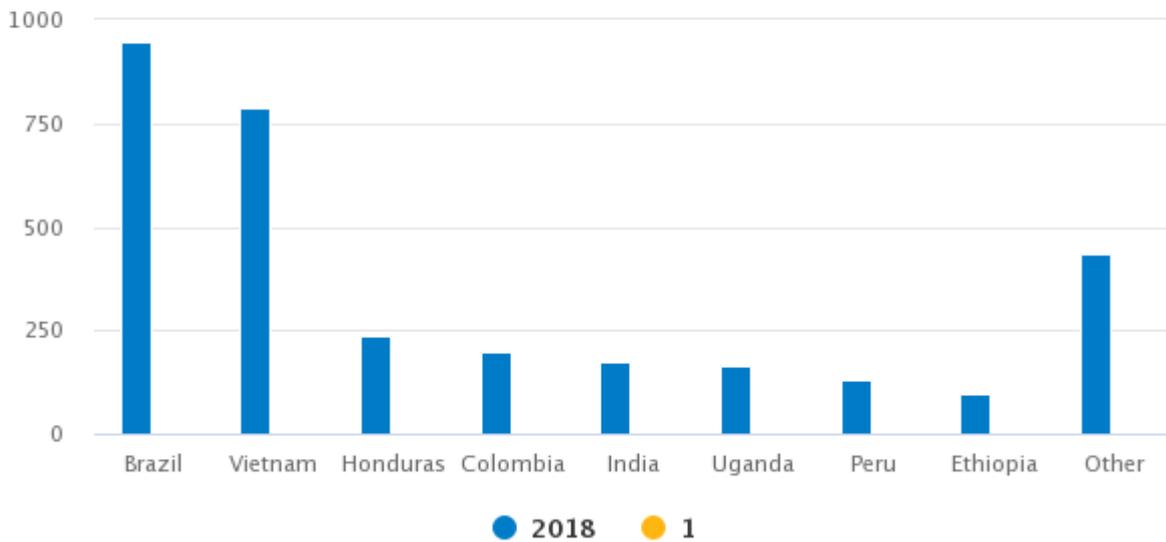
Colombia and Honduras are known for their large Arabica production volumes. In Honduras, production increased significantly between 2014 and 2018, at an average annual growth rate of 8.2%. This is thanks to the introduction of varieties that are more resistant to coffee pests and diseases. Honduras' green coffee exports to Europe grew at a similar average annual growth rate (8.6%) between 2014 and 2018. Colombia's production grew at an average annual rate of 1.8% in the same period, but its exports to Europe declined slightly by -1% between 2014 and 2018.

Ethiopia is also a well-known supplier of Arabica coffee beans and organic-certified coffees; in fact, [the world's second-largest organic coffee producer](#), after Mexico. Ethiopia's exports, which are mostly directed to Germany, accounted for 3% of all European coffee imports in 2018, growing at an average annual rate of 4.9% between 2014 and 2018. The coffees from Ethiopia have high potential on the specialty market, which commands lower volumes at high prices, benefitting from its unique source as the East African country is considered to be the place where coffee originates. Read more about specialty coffee in [our study on trends in the European coffee market](#).

Peru's production of Arabica varieties and organic-certified coffees also provide potential for specialty and niche markets in Europe. Coffee imports from Peru into Europe grew by 2.4% between 2014 and 2018, to reach 4.1% of total European coffee imports. The value of these imports, however, decreased by -1.9% due to falling export prices in recent years. [Peru is the third-largest producer of organic-certified coffees worldwide](#). As such, a large share of Peruvian coffee supplies are directed to Germany, the main organic market in Europe.

Nicaragua's coffee exports to Europe also increased between 2014 and 2018 by a healthy average annual rate of 15% to reach 47 thousand tonnes at €125 million in value in 2018. Nicaragua is known for its Arabica production, but also [produces Robusta coffee mainly for the domestic market](#).

Figure 3: Main producing country suppliers of green coffee to Europe
in 1000 tonnes



Source: Eurostat, 2019

2 . Which European markets offer most opportunities for coffee?

Europe offers many opportunities to coffee exporters. The countries that offer most opportunities show a mix of positive characteristics, including: import volumes comprising a large share sourced directly from producing countries, different suppliers, their role as distributor of green coffee beans and a growing market for specialty coffees. Germany, Italy and Belgium stand out as the most interesting markets for green coffee exporters. But markets such as France, Spain and the United Kingdom are also very attractive. Eastern European markets are smaller and show fewer direct links to producing countries, but are growing fast.

Germany is Europe's all-round most important coffee player

Germany is the largest importer of green coffee beans in Europe. In 2018, Germany's 1.1 million tonnes at a €2.3 billion value accounted for 34% of all European coffee imports sourced directly from producing countries. On average, German green coffee import volumes between 2014 and 2018 remained stable, while import value shrank by -3.0% in the same period, influenced by low prices. Most green coffee beans enter Germany via the Port of Hamburg. The ports of Bremen and Bremerhaven are also important entry points for coffee.

An important trade hub in Europe, Germany also plays a major role in coffee re-exports. The largest re-exporter of green coffee beans in Europe in 2018, Germany's 362 thousand tonnes in re-exports correspond to a 53% share of all European re-exports. German total coffee exports increased on average by 2.9% between 2014 and 2018. In terms of value, exports increased by 1.1% annually, amounting to €892 million in 2018. The main destinations for Germany's green coffee re-exports were Poland (25%) and the United States (22%). Being the largest importer in Europe, Germany is a potential destination for exporters of various qualities and origins, which will either be roasted locally or re-exported to other markets.

Germany is also the largest coffee consuming country in Europe in absolute volume. In 2018, Germany's market [corresponded to 26% of the total European coffee consumption](#), amounting to 367 thousand tonnes of green coffee and instant coffee. German per capita coffee consumption is not among Europe's highest, but an average [5.5 kg per year](#), it still sits above the European average, which is 5.1 kg. Being [the second-largest coffee-shop market in Europe](#), after the United Kingdom, Germany provides opportunities for exporters of high-quality coffees. Read more about

specialty coffee developments [in the CBI's study on trends in the European market](#).

Italy's strong coffee-roasting industry

Italy has the third-largest coffee consumer market in Europe, [comprising 11% of the total European coffee consumption](#) with 151 thousand tonnes of green coffee and instant coffee in 2018. Coffee is an integral part of culture in Italy, where [each person consumes an average of 5.9 kg of coffee a year](#).

Italy houses a very strong coffee-roasting industry. Larger roasters, such as [Lavazza](#), [Segafredo](#) and [Illy](#), export substantial amounts of Italian blends to destinations all over Europe and the United States. Italy's roasted coffee exports in 2018 amounted to 221 thousand tonnes at a value of €1.4 billion. Italian coffee export volumes increased at an average annual rate of 7.4% and value at a rate of 6% between 2014 and 2018. Italy is Europe's second-largest roasted coffee exporter, behind Germany, creating an important demand for coffee producers worldwide, especially those that can meet the quality requirements for the espresso industry.

Italy is the second-largest importer of green coffee beans in Europe, only surpassed by Germany. In 2018, Italian green coffee bean imports reached a volume of 606 thousand tonnes at €1.3 billion in value, after growing at an average annual rate of 3.2% in volume and 3.4% in value between 2014 and 2018. Italy imports a relatively large share of Robusta varieties, which are used as a basis for espresso blends. Green coffee beans are mainly imported into Italy via the [Port of Trieste](#) and the [Ports of Genoa](#).

Belgium as a trade hub for coffee in Europe

Belgium is Europe's third-largest importer of green coffee beans directly from producing countries, with a share of 8.7%. A 98% share of Belgium's green coffee imports was sourced directly from developing countries in 2018, reaching 276 thousand tonnes at €606 million in value. Overall, Belgian imports increased between 2014 and 2018 at an average annual rate of 2.0% in volume, but in value, imports increased slightly by an average annual rate of 0.6% in the same period.

As one of the main trade hubs for coffee in Europe, Belgium is only behind Germany in re-exports of green coffee. With 216 thousand tonnes of coffee re-exported, Belgium accounted for 32% of the total European re-exports of green coffee in 2018. Belgium mainly re-exports to its direct neighbours, with the Netherlands accounting for 60% of Belgian re-exports in 2018. Large-scale and specialised Dutch coffee importers often use Belgian ports for their operations. Other Belgium re-exports were directed to France (22%) and Germany (5.5%).

The important role of Belgium as an importer and re-exporter of coffee is largely due to the storage capacity of the [Port of Antwerp](#). It is the [largest storage site for coffee in the world](#), allowing for more than 250 thousand tonnes of coffee to be stored at a time. The [port of Zeebrugge](#) is another entry point for coffee, offering a modern temperature controlled storage facility and a distribution platform for green coffee throughout Europe by rail, road and sea.

Other important markets in Europe

Eastern European countries show significant potential as markets for coffee exporters. [Consumption in Eastern Europe is still well below Western Europe](#), but a shift in coffee consumption is noticeable. This is particularly the case in Poland, where the [number of specialty coffee shops is on the rise](#). Specialty coffee is also gaining traction in other markets in the region, such as [Romania](#) and [Bulgaria](#), which illustrates the growing interest of Eastern European consumers in coffee quality and variety.

The region represents a relatively small share of total European coffee imports, but imports from most Eastern European countries grew between 2014 and 2018. The largest coffee importer in the region is Poland, whose imports grew at an average annual growth rate of 12% in the same period. The countries following Poland in import volume, Bulgaria, Slovenia and Czech Republic, grew at rates of 3.7%, 22% and 3.4% respectively. For more information on the Polish coffee market and its

export opportunities more specifically, see [the CBI's study on exporting coffee to Poland](#).

France, Spain and the United Kingdom are other interesting markets for exporters in Europe. They combine a large consumer market with a high share of Europe's direct imports from producing countries: France has 8.2%, Spain 6.0% and the UK 5.4%. Among these countries, France accounts for 12% of total European consumption, followed by the United Kingdom (6.7%) and Spain (5.7%).

In terms of per capita consumption, Finland, Sweden, Norway, Iceland and Denmark also have interesting potential, since they have the highest per capita consumption in Europe. In terms of quality, North Western markets have more penetration of high-quality coffee than from Eastern and Southern Europe, where volumes are higher but coffee quality is usually lower.

3 . Which market segments in the European market have most potential for suppliers in developing countries?

The coffee market is highly competitive, especially in the mainstream segment. However, opportunities in the specialty market are growing, as an increasing number of European consumers is prepared to pay higher prices for high-quality coffees. Consumers in Europe are also increasingly demanding sustainably produced coffee. The industry has tried to meet this market demand by adopting various sustainability standards, in part through certification schemes. As such, especially in the mainstream market, certification has become a market entry requirement, while also growing in importance in smaller markets, such as specialty coffee.

The European market for specialty coffee is growing

While the mainstream market grows with tighter margins and cheaper products, the consumption of high-quality and specialty coffees is also growing at a fast pace in Europe. The European market for specialty coffee offers opportunities for suppliers offering high-quality coffees. This specialty segment is a small niche, which commands high quality and high value.

The increasing interest in specialty coffee is reflected in the growing number of coffee bars and chains, small roasters, small local brands and baristas. [The European coffee shop market grew by 6% in 2018 alone](#) and is expected to continue to grow at an average annual rate of 4.8% until 2023. Some coffee shops, after growing large enough, start sourcing their green beans directly with producers, sometimes still leaning on their former supplier, usually an importer, for logistics.

The specialty coffee segment is most pronounced in North West Europe, which is marked by high income levels and consumer awareness, as well as a more developed coffee culture. In Nordic countries, where there has been strong [growth in out-of-home consumption](#), consumers increasingly look for unique, high-quality coffee in coffee shops, including new specialty coffees. Denmark's coffee shops grew the fastest in the region in 2018, [at an annual outlet growth of 14.5%](#). Some examples of specialised coffee shops in the Nordic countries include Drop Coffee Roasters (Sweden), [Sonny](#) (Denmark) and [Fuglen](#) (Norway).

The United Kingdom is the largest coffee shop market in Europe. After growing continuously for 18 years, the coffee shop market continues to grow in the United Kingdom: [at 7.1% in 2017](#) and 5.8% in 2018. The market for specialty coffees in the UK multiplied over the years, opening up the market for high-quality coffees and suppliers from emerging origins offering unique products. Read more about developments in the specialty coffee segment [in the CBI's study on trends in the European market](#).

France is also an important market for specialty coffees, but their [share of France's overall coffee market is only 1% to 2%](#), showing it has potential for growth. In 2017, the association of French coffee roasters estimated [an annual increase of 30% in sales of specialty coffees roasted by small-scale roasters](#). This increase is partly due to roasters being able to provide customers with legitimate marketing stories behind their coffees. As in other countries with a dynamic specialty sector, coffee exporters are increasingly required to highlight the uniqueness of their coffees in terms of quality and origin.

The Eastern European market for specialty coffee is smaller, but it is experiencing growth led by the coffee culture in cities such as Krakow (Poland), Prague (Czech Republic) and Vilnius (Lithuania). For instance, [the specialty coffee market in Poland is marked by an increasing number of specialty coffee roasters](#), from [as little as 1 in 2010](#) to over a hundred in 2019. An example of a specialty coffee roaster active in Poland is [Java Coffee Roaster](#). The expansion of educational institutions and coffee festivals, such as the [Prague Coffee Festival](#), also suggest that these markets have potential for growth.

Specific Europe-wide data on the consumption of specialty coffee is not available, partly because there is no industry consensus on a clear-cut definition of specialty coffee.

Certified coffee production grows

An estimated [55% of global coffee production was certified in 2017](#), but only 20% of this share is purchased as certified coffee. The main certification schemes in the mainstream coffee market are [4C](#), [Rainforest Alliance-UTZ](#), Starbucks' [C.A.F.E. Practices](#) and Nestlé's [AAA](#).

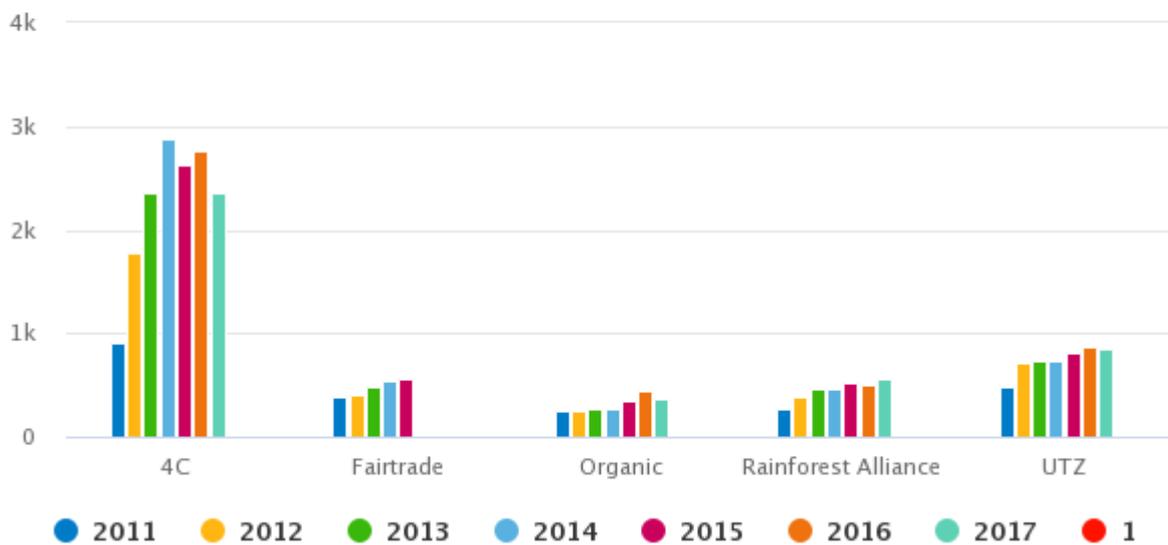
The largest standard scheme is 4C, which covered 25% of all certified coffee in the world in 2017. Approximately 15% of all coffee in the world was Rainforest Alliance-UTZ certified in 2017, totalling [1,758 thousand tonnes](#) in 2018, an increase of 24%. Reaching large-scale operations and mainstream markets in Europe, an estimated 49% of the Rainforest Alliance-UTZ coffee production was actually sold as certified coffee in 2018. In the case of UTZ, that means an [increase of 10% from 2016](#). Although [UTZ and Rainforest Alliance merged in 2018](#), they do [not offer a mutual recognition option for coffee](#) yet.

[Fairtrade](#) and [organic](#) certification are the two main certification schemes serving niche markets. The [global cultivation area of organic coffee reached 8.1% in 2017](#). The organic coffee area has increased fivefold since 2004 and demand for organic coffee is expected to increase more. An indication of this trend is that [consumers increasingly look for organic products](#). [The total production area of Fairtrade coffee achieved an estimated 12% of the world's harvested coffee area in 2016](#). Fairtrade global coffee sales increased [15% from 2016 to 2017](#), reaching 214 thousand tonnes.

In recent years, there has also been a steep increase for green coffee beans that are both organic and Fairtrade certified. Between 2013 and 2017, production of green coffee beans certified by both standards increased by 36%, amounting to [122 thousand tonnes of green coffee beans in 2017](#).

Figure 4: Evolution of coffee production per certification scheme

in 1000 tonnes



Source: The State of Sustainable Markets, 2018 and Coffee Barometer, 2018

Largest markets for certified coffee found in Western Europe

Europe is the most important market for certified coffee in the world. Certification schemes play a very important role as they mirror the growing consumer awareness and changing industry profile towards sustainability. The importance of each certification scheme in Europe varies significantly from country to country:

- The integration of UTZ and Rainforest Alliance under a single organisation results in a very large market coverage in Europe. The demand for Rainforest Alliance-UTZ certified coffee has grown mainly [as a result of increasing demand by retailers' private labels in Western Europe and brands in Northern Europe](#). UTZ-certified coffee products are most widely available in the Netherlands, Germany, Italy, Switzerland and Nordic markets. In these countries, most retailers, such as Ahold, Aldi, Edeka, Lidl, Jumbo, Migros and REWE, as well as coffee roasters and brands, such as Jacobs Douwe Egberts, Lavazza, Paulig and Tchibo, offer [UTZ-certified coffees](#). The market for Rainforest Alliance-certified coffee products is largest in the [United Kingdom, Germany, the Netherlands and France](#).
- The market for Fairtrade coffee is largest in the United Kingdom and Germany. The [fastest growing markets for Fairtrade coffee are Ireland, Finland and Denmark](#), which grew at average annual rates of 36%, 35% and 25% respectively between 2016 and 2017.
- Europe accounts for [36% of the total retail sales of organic products worldwide](#). The popularity of organic certification for coffee in specific countries follows the general market for organic products in Europe, where the largest national markets for organics include Germany (28% of the European market), France (20%) and Italy (8%).

Statistical product classification

Harmonized System (HS) codes are used to classify products and calculate international trade statistics, such as imports and exports. The statistical analysis in this document is based on the HS codes 090111 (Coffee, not roasted, not decaffeinated) and 090112 (Coffee, not roasted, decaffeinated). The focus lies on green coffee beans, as they represent the largest product group for developing countries in terms of European demand.

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