

# What trends offer opportunities or risks in the European coffee market?

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The European coffee market is mature, but constantly evolving. Specialty coffees, single-serve methods and ready-to-drink coffees are growing in popularity. Sustainability remains a top priority for industry stakeholders. Buyers and retailers often use certification to promote their sustainability efforts. The growing consumer demand for traceability and transparency in the value chain has influenced the growth in direct trade between producers and European roasters. At the same time, increasing integration of multinational companies in mainstream coffee trading and roasting further consolidates the market, putting pressure on prices along the entire chain.

Due to the impact of the COVID-19 pandemic on the coffee markets, some of these trends may have changed in the short to medium-term, as highlighted in our article [The COVID-19 crisis spills over into the global coffee sector](#). While this study addresses some of these changes, it mainly focuses on long-term trends and prospects.

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## 1. European coffee consumers more knowledgeable and demanding

Development of the current European coffee market has been defined by waves starting in the 1960s. The first wave marked the popularisation of coffee consumption in Europe, lasting through the 1970s, 1980s and into the 1990s. The second wave entailed a shift to higher-quality coffee and the development of coffee corner locations, marked by the advent of chains, such as [Starbucks](#) and [Costa Coffee](#), beginning in the mid-1990s in Europe. The third wave has been noted since the mid-2010s, marked by the growing demand for high-quality coffees that focus on particular taste attributes — a ‘coffee-like-wine’ consumer attitude — and direct trade, usually traceable to farm level.

The high-end segment of the European coffee market is currently experiencing a fourth wave, characterised by what is called the science of coffee. In this context, it has become crucial to understand the intrinsic characteristics of the coffee bean and the influence of its preparation on its taste. During the third and fourth waves, consumers have also taken interest in understanding the story behind their coffee.

On the production side, producers are learning more about the profile of buyers. In addition, a slow rise in expertise about coffee qualities has led, for example, to the establishment of more cupping labs at cooperatives, where farmers evaluate and learn to appreciate the different aspects of coffee quality according to European standards. Examples of coffee cooperatives with integrated cupping labs and internationally trained cuppers are [Cooperative Muungano](#) (DR Congo), [AsproUnión](#) (Colombia) and [Koperasi Arisarina](#) (Indonesia). In some cases, national cupping schools have been established, for instance by [IHCAFE](#) (the Honduran Coffee

Institute) and [ANACAFE](#) (Guatemala).

Meanwhile, there is an upcoming [fifth wave](#) in the global coffee industry, which is aimed at achieving a highly successful, high-quality, customer-centric and sustained coffee business that meets the desires and needs of today's demanding and knowledgeable coffee drinker.

### Tips:

Keep yourself informed on the different trends, developments and waves of the European coffee market. This can help profile your products and business in a more targeted way. Look for information on the websites [Perfect Daily Grind](#), [Daily Coffee News](#), [World Coffee Portal](#), [Speciality Coffee Association: News, Bar Talks](#) and [Comunicaffe International](#).

Check out these [coffee tasting exercises](#) to start learning how to taste coffee and eventually consider the possibility of becoming a [Q-grader](#) (for Arabica) or [R-grader](#) (for Robusta). Refer to the [Coffee Quality Institute](#) to see if any cupping projects or activities have been developed in your region.

Becoming a Q-grader or R-grader could be expensive, so consider also earning a professional tasting certificate provided by local institutions, such as the coffee quality and tasting programmes offered by national institutes of professional training in Honduras ([INFOP](#)) or Colombia ([SENA](#)).

## 2. Convenience drives growth of European single-serve and ready-to-drink coffee market

European demand for single-serve coffee, such as coffee pods and capsules, [has been growing strongly for the past 10 years](#). Countries with the highest share of coffee pods and capsules consumption in 2018 in the European Union include France ([32% of all coffee consumption](#)), the Netherlands (31%) and Belgium (27%). In terms of market value, the [leading countries in Europe are Germany, France and Italy](#).

The European coffee pods and capsules market is expected to grow at an average annual rate of [6.8%](#) between 2020 and 2025. Especially in [Northern and Western Europe](#), retailers keep expanding their assortments of single-serve methods. The ease-of-use of these products, their strong marketing, and the wide variety of flavours available have contributed to their popularity. The European market of pods and capsules is dominated by [Nespresso](#), [Starbucks](#), [Lavazza](#) and [Jacobs Douwe Egberts](#).

One important trend within the single-serve market is [the introduction of specialty coffee capsules](#). This is still a very small market but brings interesting opportunities in the process of popularising specialty coffees of different origins and flavours. Nespresso has joined this trend by [launching the Reviving Origins programme](#), aimed at bringing back lost coffee origins. Other examples of companies working in the single-serve specialty segment are the British [Difference Coffee](#), [Halo](#), [Hayman](#) and [Colonna](#), the Dutch [Coffee Company](#) and Belgium's [Caffènation](#).

The single-serve market has a major downside as well, which is the [negative environmental impact of coffee capsules](#). In response, the industry has introduced recyclable and compostable solutions and alternatives. Today there are many environmentally friendly solutions found on the market, such as [Gea](#) and [the biobased capsules from Dutch roaster Peeze](#), which are compatible with Nespresso machines.

Still a niche market in Europe, [ready-to-drink \(RTD\) coffees form the fastest growing market segment](#). The convenience of RTD coffees and their perceived health aspects — [RTD coffee is presented as an alternative to sodas](#) — drive this trend. Cold brew coffees and nitrogen brew coffees are examples of RTD coffees. Coca-Cola is the largest player in the RTD sector, followed by Starbucks (distributed by PepsiCo) and Nestlé.

## Tips:

Identify European roasters that manufacture private-label packaging, single origins, coffee blends, ready-to-drink products (RTD), pods, capsules or importers that supply to these roasters, and approach them to sell your green coffee directly. Bear in mind that many single-serve manufacturers use mostly bulk coffee certified by Rainforest Alliance/UTZ. Several of these buyers attend the [annual Private Label Manufacturers Association \(PLMA\) trade fair, in Amsterdam](#).

Read our study on [how to find buyers in the European coffee market](#) for more information.

## 3. Specialty coffee is a growing segment in the European market

The majority of European consumers still buy cheap mainstream coffee, usually in the form of standard blends, ground-for-filter or capsules and pods. However, a growing number of consumers in Europe is willing to pay more for high-quality coffees. Some consumers are also willing to pay more for coffees with a good story related to origin, with sustainable environmental and social aspects.

There is no exact definition of specialty coffee. Generally, it is related to cupping scores, which reflect how coffee was evaluated during coffee cupping. There are different protocols you can use to score a coffee, such as the one developed by the [Specialty Coffee Association](#). For some, coffees with a cupping score of 80 and above qualifies as a specialty coffee, while for others it has to have at least some certification or a cupping score of at least 85.

The fact that large trading companies are expanding their portfolio with specialty coffees shows how the segment is gaining importance. [InterAmerican Coffee](#), owned by [Neumann Kaffee Gruppe](#), was one of the first large players to set up a division dedicated to sourcing specialty coffees. Other more recent examples include [Olam Specialty Coffee](#), [Volcafé Specialty](#), [Rehm & Co](#) (owned by [Benecke Coffee](#)) and [Sucafina Specialty](#) (formerly known as 32Cup).

Although mainstream coffee actors increasingly engage in the specialty market, there is also a large number of specialised independent trading companies in Europe. These companies are focused on importing small volumes of high-quality or single origin coffees, for which they pay interesting premiums. Examples include [Coffee Quest](#), [Trabocca](#), [This Side Up](#) (the Netherlands), [Belco](#) (France), [Falcon Coffees](#) (United Kingdom) and [Nordic Approach](#) (Norway).

The increasing interest in specialty coffee is also reflected in the growing number of coffee bars, small roasters, small local brands and baristas in Europe. However, the COVID-19 pandemic has had a huge effect on cafés, micro-roasters, restaurants and other out-of-home outlets. For instance, in Germany coffee consumption in coffee shops and restaurants decreased by around **76%** during March and April 2020, while an estimated **92%** of coffee shops in the United Kingdom had to temporarily close in the same months. It is mainly these outlets that have driven growth in the speciality segment in recent years. However, although the specialty segment has been hit hard, the interest for high-quality coffees throughout the different European markets is expected to remain stable in the long term, thus outliving the crisis. Hence, [demand for specialty coffees will most likely increase again after the strict COVID-19-related measures are lifted](#).

[Most specialty coffees are Arabica cultivars](#), of which [Typica](#) and [Bourbon](#) are the most widely known. High-quality Robusta (or: Fine Robusta) is not yet widely available. However, [recent industry efforts have aimed to create a common language for Robusta quality](#). As a result, it is now possible to become an R-grader, a copper specialised in Fine Robusta coffees. Also, updated [Q Fine Robusta Standards and Protocols](#) were published in 2019, as well as a Robusta Green-Grading Handbook.

These efforts are the result of a growing interest in Robusta varieties in the specialty coffee market. Some European coffee shops and roasters already focus on Fine Robustas. For instance, the Swiss micro-roaster [Röstlabor](#) offers single-origin Robustas from countries like Mexico and Thailand, alongside specialty Arabicas. Another example is [Black Sheep Coffee](#) in the United Kingdom, which serves single-estate specialty grade Robusta from India.

The growing demand and the current limited supply of high-quality Robusta coffees offers interesting opportunities for exporters which are able to provide a constant supply of fine Robusta coffees. Consider also growing organic Robusta, for which demand is also growing. Examples of Fine Robusta exporters include [Kaapi Royale Coffee](#) (India) and [Macenta Beans](#) (Guinea).

Although precise market data do not exist, certain developments in the specialty market stand out:

- Signature blends: These are carefully selected coffees from various origins, which reach unique taste palettes. They cater for specific consumer tastes, communicating balance and quality. Examples include various blends by [Coffee Masters](#) (United Kingdom), [Taf](#) (Greece) and [Flying Roasters](#) (Germany).
- Single origin: For some time now, coffee origins have been receiving increasing attention from industry and consumers. Single origin is associated with high quality and uniqueness from a certain region or country. Growers from Ethiopia, for example, rely on the uniqueness of this origin, which is considered to be the birthplace of coffee. Peruvian producers also promote their coffees' unique origin, with their national coffee brand [Cafés del Peru](#), which was launched in 2019. Both Ethiopia and Peru are also important suppliers of organic, high-quality Arabica coffees to the European market. Other examples of single origins are: [Jamaican Blue Mountain](#), [Hawaii Kona](#), [Kenya AA](#) and [Guatemala Antigua](#).
- Single farm or estate: Coffee sourced from one single farm is called single farm or single estate. Examples include Tanzanian [Kifaru Coffee](#) and the Salvadorian [Finca el Cerro](#).
- Micro lots and nano lots: The specialty coffee market has also led to an [increase in micro and nano lots](#). These lots consist of extremely high-quality coffee beans, which are sold for very high prices. Micro lots usually consist of 10 to 75 bags. Nano lots are even smaller, consisting of less than five bags of coffee conferring an even more exclusive quality. Micro and nano lots are allowing for more direct trade between producers and smaller buyers, such as specialised traders and small-scale roasters. This opens up an interesting opportunity for top-quality and value-added coffees. However, volumes are low, the costs for preparing these lots for export and the logistical expenses are high. Micro and nano lot coffees usually do not represent the core business of a coffee producer, but may primarily boost the producer's reputation of having the skills to produce interesting varieties and processing.

## Tips:

Read our [study on the specialty coffee market in Europe](#) to learn more about trends and market opportunities for coffee exporters.

Investigate new varieties that can be propagated in your farm or cooperative, as well as different ways of processing coffee. This may increase revenue, but more importantly, it will increase your reputation as a specialty coffee producer. If interested in your micro and nano lots, importers will usually also purchase your mainstream coffee to fill a container.

Learn more about coffee cupping and cupping scores on the website of the [Specialty Coffee Association](#). Consider obtaining a [Qgrader certificate](#) to be able to cup and score your Arabica coffee according to international standards of aroma and taste. If relevant, explore opportunities to [become a R Robusta grader](#) as well.

Provide correct documentation, such as a detailed cupping result report and full description profiles of your coffees. Buyers expect proof of [the grading process](#) and the final cupping score of your coffee. Being able to indicate the coffee's variety, altitude, fragrance, aftertaste, balance, sweetness and uniformity will be important in conveying to your potential buyer that you know what coffee you have. The exact minimum scores differ per country and buyer but usually ranges between 80 and 100.

However, some buyers might consider 80 too low and demand a cupping score of 85 or higher. Note that buyers will cup and regrade your coffee.

Investigate opportunities in high-quality micro or nano lots. Read [this article on how to limit risk and improve quality on your micro lot](#). Refer to the [Cup of Excellence](#) platform to connect with other industry players and potential buyers.

Develop and promote your unique selling points as a supplier of specialty coffee. Think about what sets you apart from your competitors and create your marketing story around it. It can be related to the origin of your coffee, for example, the agroclimatic characteristics of the producing region, the culture of the producing communities or the unique quality of your products, such as your cupping score, or a combination of these.

Use the website of the [Specialty Coffee Association](#) to find news, events and resources related to specialty coffee in Europe and North America.

## 4. Certified coffee market continues to grow, but requires caution

European consumers are increasingly concerned about the social and ecological impacts of their consuming habits. This has a great influence on the coffee market, where sustainability standards are ever more popular and where companies are increasingly required to comply with such standards. Certification has become essential for medium and large coffee companies, making it increasingly difficult for non-certified suppliers to access the European market. However, small coffee roasters in the specialty segment are more interested in building trust with suppliers, doing so increasingly by direct trade and less so through third-party certification.

The major certification schemes in coffee are: [Fairtrade](#), [organic](#), [Rainforest Alliance/UTZ](#) and [4C](#). Rainforest Alliance/UTZ has large-scale operations, reaching mainstream markets in Europe. As of July 2020, Rainforest Alliance offers [mutual recognition options](#) for coffee. This means that companies at the end of the supply chain will be able to source UTZ and/or Rainforest Alliance-certified coffee and then use either the Rainforest or the UTZ label on their product. 4C, which stands for Common Code for the Coffee Community, also serves the mainstream market. Organic and Fairtrade remain niche markets. To read more about the size of these certification schemes and their importance in different European countries, refer to [our study on the European coffee market](#).

Smaller certification schemes for niche markets also gain more visibility in Europe, addressing issues such as biodiversity. An example is [Bird Friendly Coffee](#), which is currently [mostly available in the United Kingdom and France](#). Other examples include [Demeter](#) (biodynamic), [Símbolo de Pequeños Productores](#) (smallholder), [CU Fair Choice](#) and [Fair for Life](#) (social and fair-trade standards, just not as widespread as [Fairtrade](#)).

A [recent study from the Center for Global Development](#) on the relationship between certification and issues of profitability, productivity and sustainability indicates that there is not always a clear-cut positive effect to coffee certification. One of the reasons for these results is that there is often no baseline data available. In spite of this inconclusive outcome, certification does carry the following notes of caution for producers:

- Outcomes of coffee certification vary according to place and conditions.
- One-size-fits-all approaches often do not work.
- There are other ways to address sustainability in coffee production. Climate change in particular needs a more targeted approach.

At the moment, large-scale multinational coffee roasters are reconsidering their policies with respect to sustainable coffee. The market for certified coffees, however, continues to grow. Note that, in spite of market growth, there is currently a lot more certified coffee in the market than actually sold. According to the Coffee Barometer, about **55%** of total global coffee production is certified, of which 20% is purchased as certified by

the industry worldwide. Some producers are not able to sell all their certified coffee at a premium price, which often puts them at a financial risk.

### Tips:

Refer to the [Sustainability Map of the International Trade Centre](#) for more information on trends, figures and developments in this market, including an overview of certification schemes. For specific information about organic coffee, access our study on [Exporting organic coffee to the European market](#).

Consider showing the sustainable and ethical aspects of your coffee production with certification standards. However, be aware that there is currently more certified coffee in the market than actually sold. This means it could be difficult to bring your certified coffee to a market. Therefore, before engaging in any certification schemes, always verify whether there is sufficient demand in your target market or with the buyers you already know.

Consider the costs involved in the certification process. You can do so by making a detailed production cost calculation with and without the certification expense, using various scenarios with different volumes of certified coffee sales to calculate the possible extra profit with each additional certified container sold. Check [this article by Caravela](#) on how to estimate production costs on your farm. Usually, in the beginning, you may not sell a lot of certified coffee; sales evolve over time as you increase your portfolio of certified buyers.

Consider that certification is not just there for profit, but also to help you improve yields by producing more efficiently, more sustainably and even higher-quality coffee, thanks to better agricultural practices.

See the [Coffee Barometer 2018](#) for more information about the developments of certifications in the European coffee market.

## 5. Increased direct trade between small roasters and producers

Growth in certification also reflects the growing demand in Europe for transparency and traceability of food products, including coffee. Importers, roasters and retailers are now required to have traceability systems in place to record the path and the history of a product and to monitor the processes it goes through along the supply chain.

In recent years, several large importers, roasters and retailers have developed their own sustainable sourcing programmes to meet the demand for traceability. These programmes are either additions to existing certification schemes or bypass them altogether by moving towards a direct trade, responsible sourcing model. Examples of sustainable sourcing programmes from European roasters include [Jacobs Douwe Egberts' \(Supplier\) Code of Conduct](#), [Nespresso's AAA Sustainable Quality Program](#) and [Lavazza's Sustainability programme](#).

The demand for greater transparency in the coffee chain has strengthened the links between coffee producers and roasters. More and more coffee roasters, shops and sustainability-minded brands try to form direct links with farmers, coops and associations, also meeting the consumers' demand to be more closely connected to the source. Although this is a very small fraction of the direct trade market, it is growing in importance.

Most roasters engaged in direct trade are located in western and northern Europe, where the concept of direct trade appeals most to consumers. Examples of small roasters with direct links to origin are [Carrow Coffee Roasters](#) (Ireland), [Clever Coffee](#) (Denmark), [Wakuli](#) (the Netherlands), [Horsham Coffee Roasters](#) (the United Kingdom). Examples of cooperatives exporting their coffee to specialised roasters are [Muungano Cooperative](#)

(DR Congo) and [Sidama Coffee Farmers Cooperative Union](#) (Ethiopia).

There has been pushback against direct trade, [arguing that it might have led to self-enforced, self-regulated and firm-led schemes](#), because it lacks any form of outside control or validation. For exporters, engaging with reliable and ethical buyers will make the difference. Commitments that do not have a solid foundation or schemes that are not validated by the market will create risk for the supplier.

### Tips:

Invest in long-term relationships. This will help you manage market risks, improve the quality of your products and reach a fair quality-price balance.

Trust between a buyer and a supplier should be mutual, and commitments such as advance and premium payments should be well documented.

Keep your loyalty and commitment to long-term partners. Resist changing to a new buyer for quick profit, with no sustainable prospects. You may need the previous buyer in the future, and they may not appreciate such hasty behaviour.

Make sure communication with your buyers is fluid. European buyers normally expect emails, for example, to be answered within two days with detailed information. Buyers strongly appreciate a proactive attitude, so inform your buyers of any possible or foreseen issues and what you can do to avoid or solve problems.

Make sure you are in control of your supply chain. Know your producers and stand out from your competitors by telling your story. This approach makes it easier for you to focus on a niche, specialty market, which increases your chances of obtaining a better price for your coffee.

Explore online trading sites like [Algrano](#), [Beyco](#), [Almacena Platform](#) and [Cropster](#) to connect to roasters in Europe and elsewhere.

Read [the CBI's study on finding buyers for coffee](#) and [doing business](#) in Europe.

## 6. Blockchain is gaining ground as a tool to increase transparency and traceability

Blockchain technology is a [tool that you can use to increase accountability, transparency and traceability](#). It is an open system of decentralised data tracking and storage that also supports cryptocurrencies. In the case of coffee, this means that the database records transactions in a verifiable and permanent way, so its origins and journey can be traced back. Coffee that is recorded into blockchain thus allows a roaster to see where the coffee comes from and how much was paid for it earlier on. Likewise, producers can see to whom their coffee was sold eventually and for how much.

By bringing together information about end-users and producers, blockchain has the capacity to create and strengthen relationships. It enables roasters to make safe claims of direct trade, while producers can invest in connecting with buyers and improving access to farms by providing information about the size and availability of harvests. Some see the accessibility of blockchain, especially in more rural areas, as well as [the education about blockchain's benefits](#) as major challenges for the successful adoption of blockchain.

Examples of the use of blockchain technology in the coffee industry include [Farmer Connect](#). This platform, launched in 2020, aims to improve traceability in the global coffee supply chain. It has big industry partners on board, such as Jacobs Douwe Egberts, Sucafina and Colombia's National Federation of Coffee Growers. Farmer Connect is also going to target consumers with an app called [Thank My Farmer](#). The app [iFinca](#) is another

example, which connects consumers and farmers, and verifies farmgate prices.

Other examples include the [blockchain marketplace launched in 2019 by the Indian Coffee Board](#), to improve the supply chain for its members. Another implementation of blockchain is the [green coffee trading platform Beyco](#) (launched by [Progreso](#) in 2018), which offers direct connections between potential buyers and sellers, using blockchain technology. It also connects social investors with potential clients in producing countries, thus helping both ends find the best match. The first [blockchain coffee auction](#) took place among Guatemalan producers and roasters worldwide in May 2019. Check the [results of the auction here](#).

### Tips:

Learn more about traceability along the coffee supply chain in the UNIDO manual [Traceability in the Green Coffee Supply Chain](#).

Read more about the application of blockchain technology in the coffee chain and learn about the implications for the industry [on the Perfect Daily Grind](#) website.

Look into the above blockchain initiatives online and consider listing your organisation to join the buyer-seller community. The [Progreso-supported Beyco platform](#) may be suitable for small and medium-sized coffee producers working in specialty coffee.

Refer to the [Specialty Coffee Transaction Guide](#) to get an idea of current market prices for specialty coffee. This guide quantifies anonymous contract and pricing data of importers and roasters, based on quality, quantity, and origin of purchased coffee. The idea behind publishing this data is that transparency can contribute to challenge current pricing mechanisms in the coffee industry.

## 7. Sustainability initiatives in the coffee sector continue to expand

Attention to climate change and biodiversity issues is rising in the coffee industry. Climate change is expected [to substantially reduce the areas suitable for coffee cultivation by 2050](#). Prolonged droughts, rising temperatures, biodiversity loss and heavy rains expected as consequences of climate change can severely affect the global coffee production. [Several coffee varieties have already been declared endangered due to the effects of climate change](#). Plant disease outbreaks have also been directly linked to climate change, for example, the [outbreak of coffee rust in Central America](#) and the [coffee borer beetle pest](#) in Latin America. These issues might make it more difficult for exporters to fulfil contracts according to the agreed terms, as availability of coffee is under pressure.

[Issues around gender inequality, low prices, price volatility and living incomes](#) are also serious concerns from a social sustainability point of view. Child labour also remains an important social challenge in coffee production.

These sustainability concerns stimulate industry players to take action. As a result, the main multinational coffee companies have developed their own sustainability commitment programmes. Starbucks has its own private standard for quality and sustainable coffee production, which is called Starbucks' Coffee and Farmer Equity Practices ([C.A.F.E. Practices](#)). Nestlé also has its own private guidelines with a similar approach and focus on quality: [Nespresso AAA Sustainable Quality](#). Jacobs Douwe Egberts initiated the [Supplier Code of Conduct](#) to identify and address priority issues in the coffee supply chain.

Retailers cover their sustainability concerns and requirements with their own codes of conduct as well, such as those by [REWE](#) (Germany), [Ahold Delhaize](#) (Netherlands) and [Carrefour](#) (France). Many European retailers also actively promote certified coffee and increasingly source certified coffee for their own private-label brands. Coop (Switzerland), for example, requires all [coffee products to be either certified with Fairtrade standard Max](#)

## Havelaar or 4C.

In addition to the private sector, the number of sustainability initiatives and events in the global coffee sector is increasing. A few examples of multi-stakeholder, sector-wide collaborative sustainability initiatives include:

- The [Global Coffee Platform](#), which is a multi-stakeholder sustainability platform. The Global Coffee Platform has spurred several initiatives, such as the [Kenya Coffee Platform](#) and the [Coffee Data Standard](#) to streamline reporting practices.
- Conservation International has started the [Sustainable Coffee Challenge](#), which aims to transform coffee production towards fully sustainable practices. It mobilises governments, private companies and research institutions, including more than [150 partners from 87 countries](#).
- The [World Coffee Producer Forum](#), which is a platform that organises and gives voice to coffee producers at a global level.
- [SAFE Platform](#), which is a multi-stakeholder knowledge platform that seeks to transform coffee and cocoa landscapes in Latin America.

In common, these programmes do provide a platform for actors in the value chain to share experiences and to create a common understanding of the issues affecting them. They also generate knowledge, tools and policies which can propel the sector towards more sustainable and profitable practices.

### Tips:

Check the website of [the initiative for coffee&climate](#) and their [practical toolbox to tackle climate change](#). It provides, for example, practical tools on how to improve on-farm drying and storage against bad weather, practical tips on how to implement shade management on your farm, as well as methods that help you make decisions, such as cost-benefit analyses of interventions.

Read the article [Climate Change Increases Need for Fungicides for Coffee Trees](#) to learn more about the relation between climate change and coffee rust.

Check out [Fairtransport](#) as an alternative to ship green coffee beans through emission-free transport.

Make sure you have a good overview of the opportunities, training modules and support regarding sustainability in your region. There are a lot of local and international initiatives to support farmers with their businesses. For example, you can look into local governmental programmes or sector-related organisations, such as the [International Coffee Organization](#), the [European Coffee Federation](#), the [Specialty Coffee Association](#) and [PROMECAFE](#); as well as certification standards, such as [Fairtrade](#), [Rainforest Alliance/UTZ](#); in addition to agricultural institutes or universities in your country or region, such as [The International Center for Tropical Agriculture \(CIAT\)](#) and the [Tropical Agricultural Research and Higher Education Center \(CATIE\)](#).

## 8. Increasing consolidation in the mainstream coffee segment

Both the European and the global coffee markets are increasingly consolidating. In an already competitive and saturated market, large-scale players continue engaging in mergers and acquisitions. In 2018, Jacobs Douwe Egberts' (JDE) holding company [JAB Coffee spent about €45 billion on acquisitions](#). In late 2019, [JAB Holdings merged JDE with Peet's](#), with more than [21,200 employees worldwide and a revenue of €6.9 billion](#). In 2020, JDE Peet's became the first company to exclusively focus on coffee and tea to announce its [listing on the Amsterdam stock exchange](#).

[Nestlé spent about €6.2 billion on a deal with Starbucks in 2018](#) to sell Starbucks-branded coffee products in retail outlets outside the coffee corner chain, thus gaining market share in the United States. In another

example, Lavazza [allocated €2 billion on acquisitions](#) in the coffee industry, acquiring, for instance, [Mars Drinks](#).

There is also a trend whereby mainstream companies engage further in the specialty market. For instance, [Nestlé acquired specialty roaster Blue Bottle in late 2017](#), while JAB Holdings [acquired Stumptown Coffee Roasters and Intelligentsia](#). These large companies increasingly adopt terms common to the specialty market, such as single origin and premium quality, thus appealing to consumers who look for signs of quality. As a result, more and more producers are working under the umbrella of large-scale companies, having to comply with volume, quality, traceability, certification and other requirements established by these buyers.

Another trend that explains acquisitions is the industry's attempt to expand the consumption options in coffee, [for instance, marketing it as an alternative to sodas](#). Examples of this movement include the [acquisition of Dr. Pepper Snapple Group by Keurig Green Mountain](#), [the partnership between PepsiCo and Starbucks](#) and [the acquisition of Costa by Coca-Cola](#).

In the coffee shop market segment several acquisitions have also occurred. JAB Holdings has acquired major restaurant chains that sell large volumes of coffee, [such as the British Pret A Manger in 2018](#). Starbucks is consolidating its market position by expanding globally. With [more than 24 thousand locations in 75 countries](#), the American chain plans to open another 12 thousand new stores globally. As described above, market consolidation leads to standardised products and requirements, where exporters eventually need to comply with, often pushing those that cannot comply out of the market.

## Tips:

Investigate whether you can follow the standardised qualities, volume requirements and standards required by large-scale roasters or whether your product is more suitable to smaller-scale markets. See [our study on finding buyers for coffee](#) for more information on different approaches to the coffee market.

Diversify your markets. If you have coffees of different characteristics and of sufficient volumes, you may operate in conventional, certified and high-quality markets. Many importers are keen on purchasing a mix of qualities and certifications because they will be a one-stop-shop to different customers.

Constantly research online to understand the factors that influence New York coffee market price fluctuations, such as overproduction, upcoming weather and harvests in Brazil, supermarket wars and hedge funds. Examples of useful sources include the [USDA Coffee Reports on the World Market and Trade](#) and [ICO's monthly coffee market reports](#).

Learn more about [coffee hedging](#) and [global coffee prices](#) on the Perfect Daily Grind website.

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

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