CBI Product Factsheet:

Organic coffee in Germany
Introduction

Germany is the largest importer and consumer of organic coffee in Europe. Organic coffee imports are expected to increase in the coming years in Germany, as health consciousness and sustainability awareness is growing. Given the continuous growth of the organic coffee market in Germany, organic certification can be an interesting proposition for coffee-exporting countries. Opportunities in organic coffee can also be aligned to other certification schemes that address social and biodiversity aspects, thus opening up a market prospect for dual/multiple certifications.

Product description

Three stages of coffee

Green coffee is derived from the coffee berry. There are two main techniques for converting coffee berries into coffee beans: 1) ‘natural coffee’ (unwashed/dry process) and 2) ‘washed coffee’ (washed/wet process). Coffee can be roasted in several ways. In general, lighter roasts are less heavy, more acidic and have more flavour than darker roasts do. Darker roasts have more body.

![Three stages of coffee](image)

Three stages of coffee, from left to right: 1) Green coffee, 2) Dried and processed coffee, 3) Roasted coffee.

Organic coffee

The cultivation of organic coffee involves: (i) no use of chemical fertilisers, pesticides, herbicides, fungicides, hormones, antibiotics or growth regulators; (ii) the use of compost, farm manure, green manure and crop rotation to maintain and improve soil fertility; (iii) a balanced pest control farm eco-system, with healthy soil management and crop diversification; (iv) control of weeds through mechanical methods; and (v) the use of good quality, clean, uncontaminated chemical-free composted materials and nursery seedlings, both off-farm and on-farm. In order for organic coffee to be labelled and marketed as ‘organic’ in Europe, it must comply with the EU regulations for organic production and labelling, as described under the heading ‘Legal requirements’.

Flavour vocabulary of coffee

Coffee is usually purchased by the consumer as a specific blend (mix) of coffee beans from various countries of origin. Coffee flavours are divided into low, medium and high notes. Coffee tasters distinguish flavours ranging from acidic to sweet. They use such terms as bouquet, caramel, chocolate, creamy, bitter, astringent, fruity, rancid or cherry to describe coffee blends. To learn which different flavours are used, consult the Vocabulary for Coffee published by the International Coffee Organization (ICO) or the Specialty Coffee Association of America (SCAA), which is becoming increasingly influential.

Consumer preferences in Germany

German consumers prefer high-quality Arabica coffee, with a preference for lightly roasted coffee (Tchibo, 2015). In line with these preferences, there has been a shift towards Brazilian Naturals and Other Mild flavours within the Arabica group (DKV, 2013).

More than half of the roasted coffee consumed in Germany consists of filter coffee. In 2014, German filter-coffee consumption amounted to a volume of 261,650 tonnes, representing a market share of 70%. Whole beans represent a market share of 17% (63,450 tonnes in 2014), with the rest split between capsules (8%) and pads (5%). The share of
filter coffee has decreased by 5% since 2013, while beans and individual portions (e.g. capsules and pads) increased by 2% and 8%, respectively, during the same period (Kaffeeverband, 2014).

**Codes used in customs & international trade**

The statistical data in this document are based on Combined Nomenclature (CN) codes. The CN codes use Harmonised System (HS) codes to classify products. The HS codes included in this study are listed below. Because there are no HS codes for organic products, trade statistics for conventional coffee are used as a baseline. Additional sources covering organic coffee in Germany have been added, when available.

<table>
<thead>
<tr>
<th>HS Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>090112</td>
<td>Coffee, not roasted, decaffeinated</td>
</tr>
<tr>
<td>090111</td>
<td>Coffee, not roasted, not decaffeinated</td>
</tr>
</tbody>
</table>

**Production specifications**

**Two main species of coffee**

1. *Coffea Arabica*
   
   Plantations are generally located at altitudes exceeding 1,000m, thus making it ‘highland coffee’. The average length of coffee beans in this variety is approx. 9mm, and their colour is greenish to blue-green. The coffee beans have a strong, full flavour. Arabica beans have a caffeine content of approximately 1.2%.

2. *Coffea Robusta*
   
   Robusta coffee can be considered a ‘lowland coffee’, as its plantations are located at altitudes below 1,000m. Robusta beans are small, roundish and generally brownish to yellowish green. These beans have a higher water content than do Arabica beans, and they generally have a less powerful flavour. Robusta beans have a caffeine content of approximately 2.3%.

**Quality: Grading and classification**

Two methods are used to classify green coffee: the SCAA green-coffee classification and the Brazilian/New York green-coffee classification. Grading is usually based on the following criteria:

- Altitude and/or region
- Botanical variety
- Preparation (wet or dry process, washed or natural)
- Bean size (screen size\(^1\) and, in some cases, bean shape and colour
- Number of defects (imperfections)
- Roast appearance and cup quality (flavour, characteristics, cleanliness)
- Density of the beans

**Figure 2: SCAA grading**

---

\(^1\) Coffee is graded by size using rotating or shaking screens: replaceable metal sheets that have round holes in them that retain beans over a certain size and allow smaller beans to pass. Screen size is an indicator of bean size and thus weight class. Screen size is usually reported as 17/18, 15/16, 13/14 etc., corresponding to 17/64 of an inch, 18/64 of an inch etc. For an overview of bean-size classifications, see [http://www.coffeeresearch.org/coffee/sizingchart.htm](http://www.coffeeresearch.org/coffee/sizingchart.htm).
The SCAA classification standard for green coffee beans accounts for the relationship between the defective coffee beans and cup quality.

Quality tests are carried out at every stage of processing – on the plantations, as well as in the mills, container loading sites, importer offices and roaster facilities. Additional information about grading techniques and the difference between SCAA and Brazil/New York grading is available on the website of the FAO.

Labelling

Labelling of coffee exported to Germany should contain the following guidelines in order to ensure the traceability of individual batches:

- Use the English language for labelling, unless your buyer has indicated otherwise.
- Labels must include the following information:
  - Product name
  - Manufacturer’s lot or batch code, according to the ICO statistical system
  - Product’s country of origin
  - Grade
  - Net weight (in kg)
  - In the case of organic or fair trade coffee: name/code of the inspection body and certification number.

Packaging

Coffee is usually shipped in the form of green coffee beans, and it is thus prone to water absorption and desorption. Coffee beans are sensitive to moisture, and they are usually shipped in woven bags made from natural fibres (jute or hessian), which allow the free circulation of air (Figure 4). These bags, however, are vulnerable to hook and handling damage. Woven polypropylene bags have also been available for a considerable time, but their usage for the import of green coffee to Europe is limited. In many cases, these bags are not acceptable unless special arrangements have been made between buyers and sellers. The bags are usually transported in dry 20-foot containers.

Bulk shipments are sent in polypropylene fitted containers or in bulk inside containers. Container shipment is not suited for lengthy stretches, unless the containers are well ventilated. This is one of the conditions that can be specified in contracts with EU traders and roasters. For bulk inside containers, a plastic inner liner is fitted into the container to hold the bulk for sanitary reasons. Condensation damage, contamination and infestation are the main risks associated with carriage and loss of quality.

For speciality coffee, materials such as Grainpro or other innovative materials are used.

The net weight of coffee bags is generally 60kg, although it may be as high as 69kg in Central America/70kg Colombia. Coffee from Mexico is sometimes shipped in a sisal outer bag containing a perforated plastic inner bag.

One important aspect of trade in organic coffee has to do with physical segregation. Organic coffee beans should remain separated from conventional coffee beans during packaging, transport and storage, in order to avoid cross-contamination and enable proper traceability. Organic coffee should be properly identified, as previously described under the heading 'Labelling requirements'.
Additional information on packaging that might be of interest includes the following:

- **ITC Coffee Guide** – see Chapter 5: Logistics and Insurance
- **Codex Alimentarius Commission** – search for the Draft Code of Hygienic Practice for the Transport of Foodstuffs in Bulk and Semi-packed Foodstuffs.
- **The International Jute Organization** – established specifications (IJO Standard 98/01) for the manufacture of jute bags to be used in the food industry.
- **Cargo Handbook: Coffee Beans**

**What is the demand for organic coffee in Germany?**

The figures for organic coffee beans have been related to those for conventional coffee beans in Germany, as there is no concrete database for organic coffee. Additional information on organic coffee has been added, when available.

**Imports**

- Germany is the largest importer of green coffee beans in Europe. In 2014, German imports of green coffee beans amounted to a total volume of 1.3 thousand tonnes (€2.7 million). Since 2010, imports of green coffee have increased at an average annual rate of 0.7% in volume and 3.0% in value.
- According to figures from the German Coffee Association ([DKV, 2014](#)), as derived from the International Coffee Organization (through Certificates of Origin), Germany is the largest importer of organic coffee in Europe, having imported 211,351 bags of green coffee (60kg per bag) in 2013 (13 thousand tonnes), which accounted for around 19% of the world’s total. Globally, Germany is second only to the United States, which accounted for around 38% of total imports of organic coffee ([DKV, 2014](#)). These figures do not consider Peru (not an ICO member), however, which is by far the world’s largest exporter of organic coffee.
- Germany’s major role as an importer is due to the port of Hamburg, the largest transition point for coffee in the world. In 2014, Germany exported (or re-exported) around 29% of its coffee imports, reflecting the importance of its processing and roasting industry, in addition to its local market.
- Around 97% of Germany’s green-coffee imports were sourced directly from developing countries in 2014, having followed an upward trend similar to that observed in total imports since 2010.
Germany’s most important suppliers of conventional green coffee are Brazil (33%), Vietnam (23%), Honduras (8.0%) and Peru (5.3%). In 2014, Brazil supplied 376 thousand tonnes of green coffee to Germany, with Vietnam providing 263 thousand tonnes, Honduras providing 91 thousand tonnes and Peru 60 providing 1,000 tonnes.

According to IISD (2014) Peru (25%), Ethiopia (18%), Mexico (18%), Honduras (7%), Indonesia (6%) and Brazil (5%) were the most important supplying countries for organic coffee worldwide in 2011. These figures should be interpreted with caution, however, as industry sources indicate inconsistencies in the reported data. As stated in the report from the German Coffee Association (DKV, 2014), which was derived from the International Coffee Organization (ICO), the following countries are the largest exporters of organic coffee: Mexico (23%), Honduras (23%), Indonesia (12%), Ethiopia (11%), Colombia (8%), Brazil (7%) and other (16%). Note that Peru is not a member of ICO, however, and its figures are not recorded.

In general, Peru and Honduras are amongst the largest supplying countries for organic coffee worldwide, in addition to being amongst the largest suppliers of green coffee to Germany. It can therefore be assumed that a large share of the exports from these countries to Germany consists of organic coffee.

Brazil’s exports to Germany has increased in terms of both value (+0.4% annually) and volume (+2.2%) since 2010. Exports from Vietnam and Honduras increased significantly in both volume and value between 2010 and 2014. For Vietnam, the annual growth rates were 7.1% in volume and 14% in value, while exports from Honduras increased by 8.0% in volume and 9.0% in value. Peru’s exports have shown a significant annual decrease in both volume (-6.8%) and value (-7.2%) since 2010, primarily due to leaf rust.
Tips:

- Explore opportunities to work together with German importers of organic coffee, including both traders and roasters. Consult the Organic-bio website, which contains a list of 52 German companies buying organic coffee.
- Consider attending trade fairs in order to meet potential importers. Many importers of organic coffee attend the Biofach trade fair.
- A wide variety of coffee and/or company characteristics can attract smaller roasters, particularly those who are looking to buy from the original source. Our Tips for doing business with European coffee buyers and Tips for finding European coffee buyers provide additional information on market-entry strategies.
- If you are planning to export coffee to Germany, you must be prepared and take your business seriously. In addition to certification, be sure to develop long-term relationships with your buyers. This is essential for creating trust and ensuring compliance with any specific sustainability demands they may have that extend beyond certification.
- Approach traders actively (e.g. through the internet and LinkedIn), communicate correctly and respond to email messages. Set realistic expectations, and do what you say you will do. Send corresponding samples & batches. See our Tips for doing business with European coffee buyers.
Exports

- Germany is the largest re-exporter of green coffee beans in Europe, accounting for around 58% of total European re-exports in 2014.
- In 2014, German re-exports of green coffee amounted to a total volume of 323 thousand tonnes (€854 million). Since 2010, German exports have decreased in terms of volume at an average rate of 1.8% annually, although they have increased at an average annual rate of 1.2% in terms of value.
- Through the port of Hamburg, Germany is an important trade hub and storage for coffee supplies in Europe. In 2014, the most important destinations for Germany’s green-coffee exports were the United States (27%) and Poland (23%). Germany re-exports green coffee beans to smaller roasters in Poland, some of which do not have the capacity to import directly from coffee-producing countries. Organic coffee is expected to increase in Poland and other countries in Central and Eastern Europe, although these countries continue to account for a very small market share. As such, Germany could be an entry point for reaching this promising segment.
- German exports to the United States have increased by an average annual rate of 4.6% (in volume), while exports to Poland have decreased by 3.2% per year. Other important destinations include the Netherlands (7.3%), Spain (7.2%) and France (6.3%).
Consumption

With 81 million inhabitants, Germany is the largest coffee-consuming country in the European Union, accounting for around 22% of total EU consumption in 2014. Germany consumed around 8.7 million bags (60kg per bag) of green coffee (approximately 522 thousand tonnes).

Due to its importance as a trade hub and its vast processing industry, a part of Germany’s coffee imports is subsequently re-exported to other European countries. The largest part, however, is consumed within Germany, thus reflecting the importance of the local market. Part of Germany’s consumption figures consists of green coffee, which is roasted in the country and then exported under a different harmonised code (HS code). Exporting companies include Tchibo, Melitta and Jacob’s.

It is estimated that the average German consumer drinks 6.3kg of coffee each year (ICO, 2015), representing a higher per capita consumption than in other countries in which coffee is a popular hot beverage, including Italy (5.8 kg/year) and France (5.2kg/year). This per capita consumption lags behind that of Nordic countries, however, including Sweden (7.0 kg/year) and Finland (12kg/year).

In 2013, the German organic market was the second largest in the world, amounting to €7.6 billion in sales (as compared to over €24 billion worth of sales in the world’s largest organic market, the USA). Following several years of steady growth, organic food sales grew by more than 7% in 2013 (GTAI, 2015). In 2014, the organic market in Germany reached a turnover of €7.91 billion, following an annual growth of 5% (BÖLW, 2015). With a per capita consumption level of €93 in 2013 (FIBL, 2015), the popularity of organic foods in Germany is driven largely by the desire of consumers to achieve a long and healthy life.

The German Coffee Association estimates the proportion of sustainable coffees that carry certificates or seals (including organic coffee) to be around 8% of the total market (e.g. organic, Fairtrade, Rainforest Alliance, UTZ Certified) (DKV, 2015). In Germany, sales of sustainable coffee reflect a continuous growth rate. In 2014, a growth rate of +13% for sustainable coffee was recorded, reaching a volume of 15,700 tonnes. Around 70% of the sustainable coffee sold in Germany is certified organic, making organic the dominant certification in the country (Forum Faire Handel, 2014).

The combination of organic certification and fair-trade certification is popular amongst German consumers. Fairtrade Germany estimates that nearly 80% of fair-trade certified food products were also certified as organic (EZLA, 2015).
What trends offer opportunities on the German market for coffee?

Increasing attention to environment-friendly production

The market segment for certified coffee (organic & sustainable) represents about 8% of the coffee market in Germany (with a volume of 15,700 tonnes in 2014) (Deutscher Kaffeeverband, 2015). German consumers are increasingly requesting coffee that has been produced under environmentally sound conditions. The organic food market in Germany increased by 7% in 2013, with coffee constituting the largest share of sustainable certified products (38%) in Germany. The organic food sector is no longer considered a niche market in Germany, instead being regarded as an important and growing market segment (EZLA, 2015). In line with this development, organic coffee imports to Germany are expected to increase in the coming years.

Tips:
- Consider Fairtrade certification in addition to organic certification, in order to gain a better position in the German market.
- Be aware that for high-quality Arabica coffee is preferred organic certification. It is therefore advisable to invest in and select high-quality organic Arabica coffee.
- Price premiums for organic coffee may range from around 10% upward, depending upon quality. It is nevertheless important to make a thorough cost calculation (fees, learning costs, workload and sometimes lower yields, at least for the first few years), in addition to being sure that you are able to provide the required level quality if you move into the organic-coffee segment.

Sustainable procurement strategies

The German government has compiled sustainability criteria for the products they buy. All federal states and municipalities have also started to implement them in their public tenders.

Tips:
- Contact Naturland, the German organic certification organisation to learn more about opportunities for certified coffee on the German market.
- Read the Naturland’s standards on production to learn more about requirements that apply to the organic cultivation of coffee according to Naturland.

With which requirements should organic coffee comply in order to be allowed on the German market?

Organic production and labelling

The EU has established requirements concerning the production and labelling requirements with which an organic product of agricultural origin must comply, in order to be marketed as ‘organic’ in the EU.

Tips:
- Additional information is provided in the CBI document on EU legislation: Organic production and labelling.
- The EU legislation is currently under revision. Stay abreast of developments by consulting the IFOAM-EU website.

While the standards for organic products differ from one country to another, organic production in general features practices that foster environmentally friendly farming (e.g. fostering the cycling of resources, promoting ecological balance and conserving biodiversity). Of all certifications for organic coffee, Naturland holds the largest share in Germany.
In addition to organic, biodynamic certified products also aims to add vitality to the plant and soil. Biodynamic farming requires the creation and management of a closed system minimally dependent on imported materials. Although biodynamic products continue to have a low market share, certified biodynamic products are more popular in Germany than they are in other parts of Europe. Biodynamic products can be sold as organic, as both are grown without chemicals or GMOs.

Tip:
- Demeter International is the certification organisation for biodynamic agriculture.

Food safety and food control are key issues in EU food legislation. The General Food Law (Regulation (EC) 178/2002) is the EU legislative framework regulation for this subject. Food products must be traceable throughout the entire supply chain, in order to guarantee food safety, allow appropriate action in cases of unsafe food and limiting the risk of contamination.

One important aspect of controlling food-safety hazards involves the definition of critical control points (HACCP) through the implementation of food-management principles. Subjecting food products to official controls is another important aspect. Products that are not considered safe will be denied access to the EU.

Tips:
- For additional information, see the CBI document on Buyer Requirements for Coffee.
- Additional information about HACCP for coffee is provided in the ITC Coffee Guide.
- If you have specific questions, contact the European Food Safety Authority or your current or potential buyers.
- The German Federal Office of Consumer Protection and Food Safety (BVL) can also be an interesting organisation to contact in case of specific questions relating to food safety in Germany.

Contaminants in food

The EU has set maximum levels for certain contaminants. These limits are also applicable in Germany. In addition to pesticide residues (see below), monitoring may take place for:

a) Pesticides: The presence of pesticides is one of the most common reasons that border authorities have for rejecting coffee from producing countries. The EU legislation on maximum residue levels (MRLs) for pesticides establishes the MRLs for pesticides permitted in products of animal and vegetable origin that are intended for human consumption. These MRLs are relevant to many natural ingredients, including coffee. Be aware that products containing more pesticides than allowed will be withdrawn from the EU market. In the case of organic coffee, no pesticides are allowed.

b) Mycotoxins: Moulds and fungi are another important reason for border rejections for coffee. Ochratoxin A (OTA) levels constitute a specific point of attention. Nevertheless, there are no specific limits for green coffee beans, given that the product is roasted or goes through other types of processing before reaching consumers. For roasted coffee beans and ground roasted coffee, the maximum level of Ochratoxin A (OTA) has been set at 5μg/kg, while the maximum for soluble (instant) coffee has been set at 10μg/kg.

c) Salmonella: Salmonella is a very serious form of contamination that occurs occasionally as a result of incorrect harvesting and drying techniques. Coffee beans are considered low-risk commodities with regard to salmonella contamination. Current EU legislation does not include any microbiological criteria specifically targeting coffee. Food-safety authorities can nevertheless withdraw imported food products from the market or prevent them from entering the EU if Salmonella is detected. Irradiation is one way of combating microbiological contamination, but it is not allowed by EU legislation for coffee.

Tips:
- Consult the European Commission’s fact sheet on food contaminants: ‘Managing food contaminants: How the EU ensures that our food is safe’
- Additional information about contaminants in the EU is available at the Export Helpdesk.
- Note that removing damaged beans greatly reduces Ochratoxin A contamination. Additional information about the prevention of OTA is provided in the FAO publication on Guidelines for the Prevention of Mould Formation in Coffee.
- Additional information about MRLs is available in the EU Export Helpdesk. Other sources of information include the ICO or the Coffee Guide by the International Trade Centre (ITC). Consult with your buyers to determine whether they require additional adherence to MRL limits and pesticide use.
- Additional information is provided in the CBI document on Buyer Requirements for Coffee.
General requirements on packaging and liability

Note that all goods marketed in the EU are also subject to non-product-specific legislation on packaging and liability under EU Directive 2009/32/EC.

Full overview of requirements for coffee:

For a list of requirements, consult the EU Export Helpdesk. On this site, you can select specific product codes under Chapter 09 (coffee).

What additional requirements do buyers often have?

German buyers often have requirements that extend beyond existing EU legislation on the quality and safety of food, as well as with regard to various environmental and social issues. These non-legislative requirements are driven by specific issues or sector-based/private initiatives.

Quality & Safety

The International Coffee Organization (ICO) has introduced voluntary targets for minimum quality export standards for Arabica and Robusta. These targets are contained in Resolution 420, which is aimed at reducing the export of inferior beans.

The Organisation for Standardisation (ISO) also provides specific standards for coffee quality, including ISO 10470 (Green coffee - Defect reference chart).

Some coffee buyers might also require exporters to comply with specific quality or food-safety management systems (e.g. ISO 9001 or ISO 22000), which are based on the principles of hazard analysis and critical control points (HACCP). Adherence to these standards is more commonly required for exporters of roasted coffee beans.

Tip:
- Coffee exporters might also find it useful to refer to the website of SGS, the world’s leading inspection, verification, testing and certification company, for further information on HACCP and other food-safety standards.
- Additional information on the various Food-Safety Management Systems is available in the ITC Standards Map.

Industry Codes: Corporate responsibility

German buyers may expect you to comply with their supplier codes of conduct regarding social responsibility, many of which are based on the ILO labour standards. Some importers have their own codes of conduct, while others have codes that are part of initiatives in which they are participating. Adoption of such standards is most common amongst large-scale importers, roasters, manufacturers and retailers (e.g. Starbucks and Nespresso).

Sustainability in the coffee sector has also been formalised in several agreements and partnerships between exporting countries, EU buyers and governing bodies, including the International Coffee Organization (ICO). These agreements are signed by important industry players who are (or are becoming) important in the coffee sector. Additional information is available in the International Coffee Agreement 2007.

Tips:
- Look for sector or joint-company initiatives to learn more about sustainability strategies in Germany. Search for initiatives that match your own core strategy and values.
- Determine whether you will be able to adhere to the guidelines specified in the industry agreements. These guidelines could be a good starting point if you are planning to certify products. Consider participating or visiting round-table meetings (e.g. via conference call) or seminars in order to meet industry players and other interesting stakeholders.
Sustainable sourcing

Sustainable sourcing standards for coffee are gaining importance in Germany. German consumers are becoming increasingly aware of the environmental and social implications of the production of consumer goods, including coffee. With a share of 38%, coffee constitutes the largest share of sustainable certified products in Germany (Forum Fairer Handel, 2014).

Sustainability refers to a wide range of environmental, economic and social aspects, including health and safety issues. In the mainstream coffee market, the most relevant certification schemes and consumer labels for sustainable sourcing are as follows:

- UTZ Certified
- Rainforest Alliance: Sustainable Agriculture Network
- The 4C Association
- C.A.F.E. Practices
- Nespresso AAA

Each certification scheme is explained fully in the CBI document on Buyer Requirements for Coffee.

Tips:
- Before engaging in the aforementioned sustainable-sourcing schemes, consult with your current and/or potential buyers about whether they require such certification and/or whether it would provide you with a competitive advantage over other suppliers to the German market.
- Consult the sustainability strategies of important coffee companies active in Germany, as they dictate the certification market back to the level of the producer (see the section heading 'Sustainability initiatives of individual companies').
- Learn more about individual sustainable-sourcing schemes by referring to their individual websites and/or to the CBI document on Buyer Requirements for Coffee.

What are the requirements for niche markets?

Niche sustainability concepts

These alternative certification standards focus primarily on strict and/or specific sustainability principles, thus applying to niche segments of the coffee market. The following list includes certifications for specific themes within this market:

- **Organic**: Organic certification is not a legal requirement for coffee. In order to market their products as ‘organic’ in the German market, however, companies must comply with the EU legislation for organic production and labelling – which is in itself a legal requirement, as described under the section heading Legal Requirements.
- **Fairtrade**: Fairtrade certification is a proven way for coffee suppliers to demonstrate their business performance with regard to social conditions throughout the supply chain. After you have obtained certification from an independent third party, you will be allowed to display the Fairtrade logo on your products. In general, prices for fair-trade products consist of a minimum price plus a premium.
  - The Fairtrade Labelling Organisations International (FLO) is the leading standard-setting and certification organisation for Fairtrade. Products that carry the Fairtrade label indicate that their producers have been paid at least a Fairtrade minimum price. The current minimum prices and premiums for coffee, whether organic-certified or conventional, are listed in the Fairtrade Minimum Price and Fairtrade Premium Table.
  - Other available fair-trade standards include Fair Trade Ecocert and the IMO's Fair for Life.
- **Biodiversity**: Several certification standards focus on biodiversity, including those of Demeter, SMBC Bird Friendly and FGP.
  - **Demeter**: a biodynamic certification label; regarded as the highest grade of organic farming in the world.
  - **SMBC Bird Friendly** certifications
  - **The Forest Garden Products certification**.

Organic certification is the dominant certification in Germany. Around 70% of the sustainable certified coffee (15,700 tonnes 2014) has also been certified as organic. The combination of organic certification and fair-trade certification is also popular amongst German consumers. Fairtrade Germany estimates that nearly 80% of fair-trade certified food products were also certified as organic (EZLA, 2015).
Sustainability initiatives of individual companies

Coffee companies often have their own codes of conduct that focus on organic and other sustainable sourcing. The following are several examples of policy statements and criteria that have been adopted by the leading coffee roasting and trading companies in Germany:

- **Tchibo** - Corporate Responsibility
- **Jacobs** - Sustainability (in German only)
- **Dallmayr** - Sustainability
- **Darboven** - Environmentally and Socially Responsible
- **Melitta** - Enjoyment and Responsibility

Several companies in Germany are specialised in organic coffee:

- **Gepa** - Fair Trade & Fair & Bio
- **Wertform** - Ecological cultivation and fair trading
- **Lebensbaum** - Sustainability
- **Rapunzel** - Organic cultivation

**Tip:**

- Individual company strategies can guide you in the development of your own sustainability strategy.

What do the trade channels and interesting market segments for organic coffee look like in Germany?

**Market channels**

Coffee is generally purchased from exporting countries by international trade houses, dealers and traders. The largest roasters in Europe also maintain their own in-house buying companies, which buy directly from the countries of origin. In addition, roasters tend to buy their coffee from international trade houses or from specialised import agents, who represent specific exporters in producing countries. Organic coffee also follows this supply chain. On the other hand, some smaller roasters prefer ‘direct trade’ with the coffee producers. This is a relatively new trend.

Given that the market channel for organic coffee is related to the conventional channel, consult the CBI document on **Channels and Segments for Coffee** to learn about your position in the coffee market as an exporter.

The six leading roasters account for around 85% of the German market. The largest coffee roaster is **Tchibo** (brand Eduscho) in Hamburg. The second largest roaster, **Jacobs**, is located in Bremen (brands HAG and Onko). Together, Tchibo and Jacobs account for more than 40% of the coffee market in Germany. Four additional roasters account for another 40% of the market. **Dallmayr**, the **Darboven Group**, **Melitta** and the discount supermarket **Aldi** (Markus Gold and Amaroy) (Kaffee Glossar, 2015). The largest coffee roasters have increasingly engaged in the sale of sustainably sourced coffee. For example, Tchibo has adopted the target to sell 100% sustainable coffee (certified organic, Trade Fair, UTZ and Rain Forest Alliance) within the next few years (4C, 2013).

Several companies in Germany are specialised in organic coffee, including **Gepa**, **Wertform**, **Lebensbaum**, and **Rapunzel**.
Market segments

In most European countries, including Germany, retail sales for in-home consumption generally account for most of the overall market. Around 74% of all coffee consumption in Germany takes place at home, which is becoming an increasingly diverse segment, due to the emergence of new, innovative coffee consumption methods (e.g. coffee pads and cups).

According to the German Coffee Association, organic and other sustainable certified coffees are easily available to German consumers, as they are offered alongside conventional coffee in supermarkets, bakeries, coffee houses and petrol stations (DKV, 2015).

Tip:
- Consider which entry channel would be most suitable for your company: supplying directly to coffee roasters or manufacturers, working through an importer or trader, or working through an agent or broker. In addition, knowing your competition will help you define your unique selling points and to express what you have to offer to European buyers. This will depend largely on the type and quality of your coffee, as well on the quantities you have available for export.

Useful resources

- Profile sheet on Germany by the International Coffee Organization (ICO)
- Deutscher Kaffeeverband - Branch organisation representing the coffee industry in Germany
- Organic Bio - German page of the organic traders database
- Biofach - World’s leading Trade Fair for Organic Food; in Nuremberg, Germany.
- For additional information on the business culture in Germany, refer to the website of Kwintessential
- The ITC Coffee Guide also covers the world market for organic coffee
- Specialty Coffee Association of Europe (SCAE) - European trade fair with a focus on speciality coffee; held every two years in different European cities
- European Coffee Association (ECA) - for basic information on the national coffee markets of its member associations, including Germany
- International Coffee Organisation (ICO) - for trade statistics on global coffee trade and efforts to create a sustainable coffee economy