CBI Product Factsheet: Coffee in Italy
Introduction

Italy is the second-largest importer and consumer of green coffee beans in Europe, only behind Germany. Coffee is an integral part of Italian culture. As such, Italians tend to value high-quality coffees, and they are loyal to specific flavours and brands. In addition to their own domestic market, Italian traders cater to surrounding countries in Central and Eastern Europe, thus making Italy an important entry point for exporters seeking access to these markets. Italian espresso is famous throughout the world, and many brands (e.g. Illy, Segafredo, Lavazza) are exported worldwide.

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.

Figure 1: Three stages of coffee

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

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. 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).

Italian consumer preferences

Italians prefer dark roasted coffee, mostly from Arabica beans, which serves as the basis for most types of coffee consumed in Italy. Nonetheless, there are regional differences in roasts: in Northern Italy, the roast tends to be lighter than those that are common in Southern Italy.

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. Unless specified otherwise, the statistics in this study include the codes listed below:

<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>
Product 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

![SCAA grading](image)

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 [FAQ](http://www.coffeeresearch.org/coffee/sizingchart.htm).

Labelling

Labelling of coffee exported to Italy 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

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\(^1\) 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).
Manufacturers’ lot or batch code, according to the [ICO statistical system](https://www.ico.org/)

- 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.

**Figure 3: Example of labelling**

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**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.

**Figure 4: Types of coffee bags**

<table>
<thead>
<tr>
<th>Hessian bags</th>
<th>Jute bags</th>
<th>Polypropylene bags</th>
</tr>
</thead>
</table>

*Source: Indiamart, Upcyclemw.com, Weir & Carmichael*

Additional information on packaging that might be of interest includes the following:

- [ITC Coffee Guide](https://www.itc.org/)** – see Chapter 5: Logistics and Insurance**
- [Codex Alimentarius Commission](https://www.codexalimentarius.net/)** – search for the Draft Code of Hygienic Practice for the Transport of Foodstuffs in Bulk and Semi-packed Foodstuffs.**
- [The International Jute Organization](https://www.ijfo.org/)** – established specifications (IJO Standard 98/01) for the manufacture of jute bags to be used in the food industry.**
- [Cargo Handbook: Coffee Beans](https://www.cargohandbook.com/)**
What is the demand for coffee in Italy?

Imports

- Italy is the second-largest importer and consumer of green coffee beans in Europe, behind Germany. In 2014, Italy accounted for 16% of all European imports, whereas Germany had a share of 34%.
- In 2014, Italian imports of green coffee beans amounted to a total volume of 534 thousand tonnes. Since 2010, imports of coffee have increased at an annual average rate of 3.3% in volume and 6.6% in value.
- Italy has a strong position in the global coffee industry. The port of Trieste is the leading coffee port in the Mediterranean, whereas the port of Genoa also has an important role in supplying coffee to the Italian and European markets. Industry experts expect that the increasing demand from emerging economies in Eastern Europe will further strengthen Italy’s role in the trade of coffee beans, especially regarding the port of Trieste. Additional information on Italy’s re-exports is provided under the section heading ‘Exports’.
- Around 96% of Italy’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.

Figure 5: Imports of green coffee to Italy (2010-2014), in 1,000 tonnes

Source: Eurostat, 2015

- In 2014, Brazil accounted for 31% (164 thousand tonnes) of Italy’s green-coffee imports; Vietnam for 23% (122 thousand tonnes) and India for 13% (70 thousand tonnes). Brazilian exports to Italy have experienced a slight annual increase in volume since 2010 (+0.8%), with a more substantial increase in value (+2.9%). Vietnamese exports have experienced generally high increases in both volume (+7.7% annually) and value (+15%). India has followed a similar pattern since 2010 (volume: +4.3% annually; value: +9.1%).
- Smaller but significant suppliers of green coffee to Italy in 2014 included Uganda (7.3%), Indonesia (5.8%) and Colombia (2.5%).
- In addition to its direct imports from coffee-producing countries, Italy also imports green coffee beans indirectly from European hubs, which account for a small 3.9% share of total imports. Intra-European imports have increased by a sharp annual average rate of 9% in both volume and value since 2010. Germany was the main European supplier to Italy, with a 1.9% share of total imports, followed by Belgium (1.0%).
Figure 6: Largest developing-country suppliers of green coffee to Italy (2010-2014), in 1,000 tonnes

Source: Eurostat, 2015

Tips:
- Visit the website of the Port of Trieste and the Port of Genoa to learn more about their facilities and potential trade partners based there.
- Explore opportunities to work together with Italian importers, including both traders and roasters. The Italian members (associations) of the European Coffee Federation should be able to provide listings of possible trade partners.
- A wide variety of coffee and/or company characteristics can attract smaller roasters, particularly those who are looking to buy from the original source. Refer to the CBI documents on Top 10 Tips for Doing Business with European Coffee Buyers and Finding Buyers for Coffee for additional information on market-entry strategies.
- If you are planning to export coffee to Italy, you must be prepared and take your business seriously. Approach traders (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. For additional suggestion, refer to the CBI document on Top 10 Tips for Doing Business with European Coffee Buyers.

Exports
- In 2014, Italian re-exports of coffee amounted to 8.3 thousand tonnes, making Italy the fifth-largest exporter of green coffee in Europe. Since 2010, Italy’s re-exports have increased by a modest annual rate of 2.6% in volume and 1.4% in value.
- As mentioned under the heading ‘Imports’, Italy’s re-exports to Eastern Europe have important growth potential as these markets expand. The port of Trieste in North-eastern Italy is a particularly advantageous strategic position for supplying emerging economies in Eastern Europe.
- To illustrate the importance of the port of Trieste, the most important destinations for Italy’s re-exports of green coffee in 2014 were Austria and Slovenia, with respective shares of 14% and 12% of all re-exports. Italian re-exports to these countries have increased significantly in both volume and value since 2010. Germany is also an important destination for green coffee re-exported from Italy, although it has registered a sharp decline in value since 2010 (with re-export volumes remaining stable).
- Italy’s re-exports to Ukraine (7.4% share), Romania (7.1%) and Greece (6.5%) increased by two-digit annual rates between 2010 and 2014.
For additional information on coffee statistics, consult the CBI Trade Statistics.

Tips:
- Given that Italy also supplies green coffee to surrounding European countries, consider it as a possible entry point for reaching other markets, including Austria, Slovenia and Germany. Additional information about these countries is available on the platform CBI Market Intelligence – Coffee, as well as from the various sector associations, including the European Coffee Federation and the International Coffee Organization.
- Explore databases, including Eurostat and the International Trade Centre in order to learn about trade flows between European countries and your own country.

Consumption

With over 60 million inhabitants, Italy has the second-largest consumption of coffee in Europe, slightly behind Germany. In 2014, Italy consumed approximately 5.9 million bags (60kg per bag) of green coffee (354 thousand tonnes) (ICO, 2015), accounting for 14% of total European Union consumption. Part of Italy’s consumption figures consists of green coffee, which is roasted in the country and then exported under a different harmonised code (HS code).

In terms of per capita coffee consumption, it has been estimated that each Italian consumed an average of 5.8 kg of coffee in 2014 (ICO, 2015). Although this number is high when compared to Spain (4.48kg/year) and the UK (2.8kg/year), it is much lower than in the Nordic countries, including Sweden (10.4kg/year) and Finland (11.4kg/year).

The Italian market for hot beverages is dominated by coffee, which accounts for more than 70% of the market. Coffee is consumed at various times of the day, usually with sugar and no milk – with exceptions including ‘cappuccino’, ‘macchiato’, ‘marocchino’, and ‘caffè latte’. Key elements in Italian coffee include a high level of quality and freshness. Coffees for home consumption are packaged in small quantities, in order to accommodate use at home while also maintaining freshness.

Tips:
- Italian espresso is very popular, and it requires specific quality levels. Improve, monitor and verify the quality of your green coffee beans, including in relation to quality espresso. Refer to the information under the section headings ‘Product description’ and ‘Product specification’. Verify specific quality requirements with your current or potential Italian buyers.
- If you are interested in exporting high-quality coffee to the speciality market, increase your cupping scores and learn how to cup your own coffee. Premium coffee usually has a cupping score above 85. Consider obtaining a Q-certificate for your coffee. The Q-certificate is an independent confirmation of quality that can be classified as a speciality product. For additional information, consult the Coffee Quality Institute.
What trends offer opportunities on the Italian market for coffee?

'Slow coffee’ movement

Slow Food is an international movement founded by Italian Carlo Petrini in 1986. Promoted as an alternative to fast food, it strives to preserve traditional and regional cuisine, as well as high quality in food products. Within this movement, the appreciation for high-quality/speciality coffees emphasises the traditional Italian way of preparing and drinking coffee.

Tips:
- Learn about the ‘slow coffee’ movement in Italy on the website Orzo Coffee.
- Read more about the Italian coffee culture on the website of Lavazza, Italy’s leading coffee company. Other interesting websites about the coffee market in Italy include the following: Istituto Nazionale Espresso Italiano and Coffee Review: Espresso Cuisines.

Coffee pads and innovative coffee machines

In Italy, home or office espresso coffee machines (e.g. espresso machines Lavazza ‘My Way’) are becoming increasingly popular. These machines provide coffee with good flavour for the single-serve segment (coffee pads or sachets that yield single cups of coffee). These machines function only with specific pre-packaged coffee dispensers (pads/capsules) adapted for use in the machine and yielding one or two cups of coffee each. Due to its popularity, single-serving coffee is increasingly dictating the quality and flavour perceptions of Italian consumers. It is nevertheless important to note that coffee capsules have recently come under attack, because the waste poses environmental challenges, as described in The Independent (2015).

Tips:
- It is generally not viable to export roasted coffee (in capsules or pads). You would therefore do well to build relationships with roasters who manufacture this type of coffee and learn about their requirements.
- Additional information on trends in the coffee market is provided in our study on Trends on the European coffee market.

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

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 Istituto Superiore di Sanità (ISS) and the Italian Food Law Association (IFLA) could also be interesting organisations to contact in case of specific questions relating to food safety in Italy.

Contaminants in food

The EU has set maximum levels for certain contaminants. These limits are also applicable in Italy. 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.

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 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?**

Italian 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.

**Tips:**
- 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

Italian 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 Italy. 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

The Italian market is more focussed on flavour and quality than it is on environmental/social responsibility. Most companies therefore have no separate sustainability strategies integrated into their supply chains, in contrast to common practices in Northern Europe. Nevertheless, sustainable sourcing standards for coffee are gaining importance in Italy.

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.

All labels are present in Italy. In contrast to most other Northern European players in the coffee industry, however, none of the largest four coffee companies in Italy has committed to sustainability certification thus far. Only Lavazza, Italy’s market leader, purchases a small amount of certified coffee: about 2,300 tonnes of either Rainforest Alliance or UTZ certified, out of its total imports of 150,000 tonnes per year (Coffee Barometer 2014).

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 Italian market.
- Consult the sustainability strategies of important coffee companies active in Italy, 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 Italian market, however, companies must comply with the EU legislation for organic production and labelling – which is in itself a legal requirement.
• **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**.

The organic label is more important in Italy than Fairtrade labels are, although organic coffees account for only around 0.5% of the total Italian coffee consumption (Coffee Barometer 2012). Other niche sustainability concepts are not popular in Italy.

**Tips:**

- Implementing organic production and becoming certified can be expensive, especially for small holders. In the current market, the return on investment may not be high. On the other hand, it can increase yields and improve quality. Consult your current and/or potential buyers in order to determine whether they require organic certification.
- There are several different organic labels. The labels that fall under the umbrella organisation International Federation of Organic Agriculture Movements (IFOAM) have been largely harmonised.
- Consult the database in the [ITC Standards Map](#) for the different organic labels and standards.
- Before engaging in a Fair Trade or other sustainability certification programme, be sure to assess (in consultation with your potential buyer) that the label has sufficient demand in your target market and whether it will be cost-beneficial for your product.
- In addition to certification, transparency of the supply chain is an asset in the speciality segment. Communicate a traceable, clear and direct link between producer and consumer.

**Sustainability initiatives of individual companies**

Individual company strategies can guide you in the development of your own sustainability strategy. The following are several examples of policy statements and criteria that have been adopted by the leading coffee roasting companies in Italy:

- Lavazza (market leader; 50% of total Italian market) - [Social Responsibility](#)
- Illy (best known for its high-quality espresso) - [Quality and Sustainability policy](#)
- Segafredo (private group with 120,000 tonnes manufactured each year) - [Corporate strategy](#)
- Antica (family company for speciality coffee) - [Certifications](#)

**What do the trade channels and interesting market segments for coffee look like in Italy?**

Coffee is generally purchased from exporting countries by international trade houses, dealers and traders. The largest roasters in Europe, including Italy, 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.
**Market channels**

Although the direct contact between exporters and roasters is increasing, most trade takes place through the intermediate role of trade houses or importers. Although more than 1,000 individual roasters are active on the Italian market, there is also a substantial mainstream segment. Four roasters account for around 70% of the Italian market. Many of the smaller roasters are facing strong competition from the larger and medium-sized roasters, due to the introduction of the single-serving pad systems, which have experienced strong growth in recent years.

Larger specialty roasters (e.g. Lavazza and Illy) export substantial quantities of Italian espresso blends all over Europe and the United States, resulting in quite substantial sales opportunities for specialty coffees that meet the quality requirements for the espresso trade.

In 2014, the Italian coffee industry was led by Lavazza, which held a volume share of 39%. Other important companies active in Italy include Nestlé Italia, Illy, Café Do Brasil and Kraft Foods Italia.

**Market segments**

In most European countries, retail sales for in-home consumption generally account for most of the overall market. Italy is an exception. The main reason is a well-established catering and ‘out-of-home’ market segment that is part of the country’s traditions, as also observed in Spain and Greece. Nevertheless, out-of-home consumption decreased slightly in response to the recent economic recession.

Mirroring the roasting industry, the Italian retail market is highly fragmented. The following are the leading players in Italy’s food retail market: Co-op Italia, Conad, Interdis, Carrefour, Auchan and SPAR. Consolidation remains low, and traditional grocery stores continue to form the majority of outlets, followed by open-air markets. Consolidation is slowly gaining momentum, however, as a few Italian and foreign operators (e.g. Lavazza Espression) are starting to expand their network of stores.

While small neighbourhood shops and specialty stores are still the norm, Italian consumers are discovering the convenience of large supermarket and hypermarket outlets. Italy nevertheless remains a less developed and more traditional retailing market than most countries in North-western Europe (GAIN Report, 2014).

Many consumers are quite loyal to the leading coffee brands, concentrated in Campania, Lombardy, and Lazio. Private labels, especially supermarket brands, are of secondary importance in the market, although they are growing (GAIN Report, 2014).
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.

Additional information on the European market channels for coffee is available in the CBI document on Channels and Segments for Coffee.

Useful resources
- Profile sheet on Italy by the International Coffee Organization (ICO)
- Associazione Caffè Trieste – the association of stakeholders in the coffee trade in Italy; provides a member list
- Associazione Commercio Caffè (ASSOCAF) - Association of Coffee Trade Importers
- Trade Fair Trieste Espresso – trade fair specialised in espresso coffee; held every two years in Trieste, Italy
- Sana, Bologna – trade fair specialised in certified organic and natural food produce; held annually in Bologna, Italy
- Host Fiera Milano – trade fair specialised in service, retail, and distribution in the food industry; held every two years in Milan, Italy
- Associazione Italiana Industrie Prodotti Alimentari (AIIPA) - AIIPA is divided into six industry associations, with one specialised association representing the coffee industry in Italy
- For additional information on the business culture in Italy, refer to the website of Kwintessential
- European Coffee Federation (ECF) for basic information on the national coffee markets of its member associations, including the Italian market
- International Coffee Organization (ICO) for trade statistics on global coffee trade
- Specialty Coffee Association of Europe (SCAE) for information about the speciality coffee industry
- The Coffee Guide by the International Trade Centre (ITC) for a detailed overview of the world coffee trade and advice on coffee trade practices

Tip:
- Develop clear market positioning before setting up distribution channels for the market. Some retailers are more appealing to younger consumers and some target older demographics. For high-end segments, product quality must be in line with customer expectations. Minimum delivery volumes and terms of payment vary greatly and will need to be requested on an individual basis. For more information, see CBI Market Channels and Segments for Apparel.
This survey was compiled for CBI by ProFound – Advisers In Development, in collaboration with CBI sector expert Joost Pierrot

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