CBI
Ministry of Foreign Affairs

CBI Product Factsheet:

Coffee in the United Kingdom

Introduction

The coffee market in the United Kingdom is quite distinct from other European markets. Even though coffee represents a growth market, tea remains the leading product within the hot beverage category. In addition, British consumers have traditionally drunk more instant coffee than any of their European counterparts, a characteristic that is gradually changing, primarily due to the out-of-home consumption of speciality coffees. Another segment that offers positive prospects in the United Kingdom relates to ethically sourced coffees, whereby fair-trade schemes have a special appeal to British consumers.

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).

UK consumer preferences

Even though coffee is gaining in popularity amongst consumers in the United Kingdom, tea remains the hot beverage of choice (Lavazza). Compared to most other countries in Europe, consumers in the United Kingdom are amongst the only ones to favour instant coffee over freshly ground coffee or fresh coffee beans of higher quality (Euromonitor, 2014). Recently, however, speciality coffee and gourmet coffee shops have become quite fashionable in the UK. Although coffee consumption in the UK is not increasing as such, more and more Britons are drinking coffee out-of-home in coffee shops. The List of Coffee Roasters in the UK and Ireland provides a good idea of the profiles of roasting companies and their roasting characteristics.

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.

HS Code	Description
'090112	Coffee, not roasted, decaffeinated
'090111	Coffee, not roasted, not decaffeinated

Product specifications

Two main species of coffee

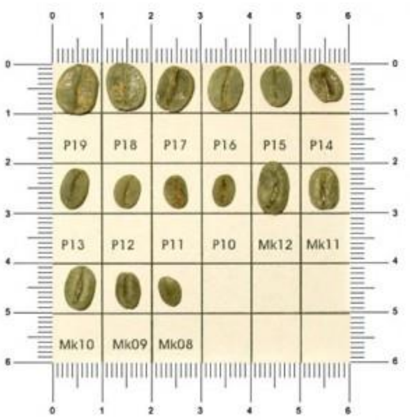
1. *Coffea Arabica*
   Plantations are generally located at altitudes exceeding 1,000m, thus making it 'highland coffee'. The average length of coffee beans in this variety is approx. 9mm, and their colour is greenish to blue-green. The coffee beans have a strong, full flavour. Arabica beans have a caffeine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

Figure 2: SCAA grading



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

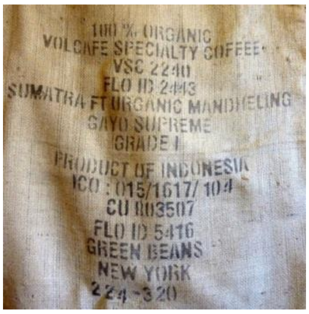
Labelling of coffee exported to the United Kingdom should contain the following guidelines in order to ensure traceability of individual batches:

- Use the English language for labelling, unless your buyer has indicated otherwise.
- Labels must include the following information:
  - ✓ Product name

[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.

- ✓ 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.

Figure 3: Example of labelling



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

Hessian bags	*Jute bags*	*Polypropylene bags*
		

Source: Indiamart, Upcyclenw.com, Weir & Carmichael

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.

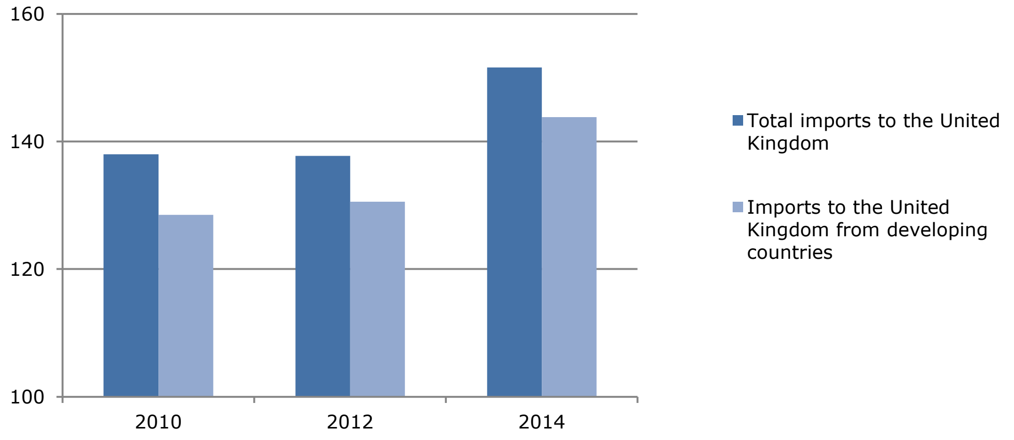
- Cargo Handbook: Coffee Beans

What is the demand for coffee in the United Kingdom?

Imports

- The UK is the sixth-largest importer of green coffee beans in Europe, accounting for nearly 4.5% of all imports in 2014. In 2014, UK imports of green coffee reached a total volume of 152 thousand tonnes (€382 million), having increased at an annual rate of 2.4% in volume and 5.2% in value since 2010. Further growth is expected in green coffee imports to the UK, particularly in the higher-quality and certified segments. Many brands and retailers in the UK are committing to source 50%–100% certified coffee in the near future.

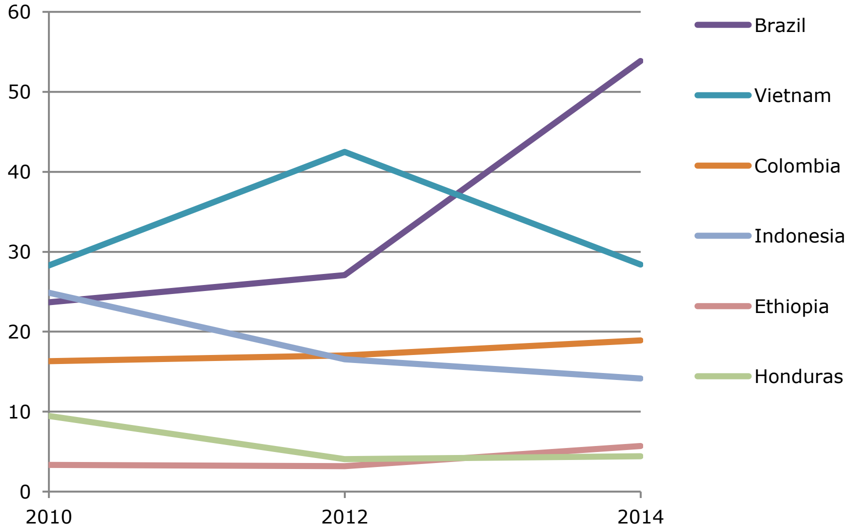
Figure 5: Imports of green coffee to the United Kingdom (2010-2014), in 1,000 tonnes



Source: Eurostat, 2015

- Around 95% of the green coffee imported into the UK in 2014 was sourced directly from coffee-producing countries. With a share of nearly 36%, Brazil was the leading supplier, followed by Vietnam (19%) and Colombia (13%). Brazil's exports to the UK has experienced significant annual growth of around 22% in both volume and value since 2010, while Vietnam's supplies remained stable in terms of volume and increased annually at 7.7% in value. Colombia has experienced modest growth, at an annual rate of 3.8% in volume and 2.3% in value.
- Smaller but significant suppliers of green coffee to the UK in 2014 included Indonesia (9.3%), Ethiopia (3.8%) and Honduras (2.9%).

Figure 6: Largest developing-country suppliers of green coffee to the United Kingdom (2010-2014), in 1,000 tonnes



Source: Eurostat, 2015

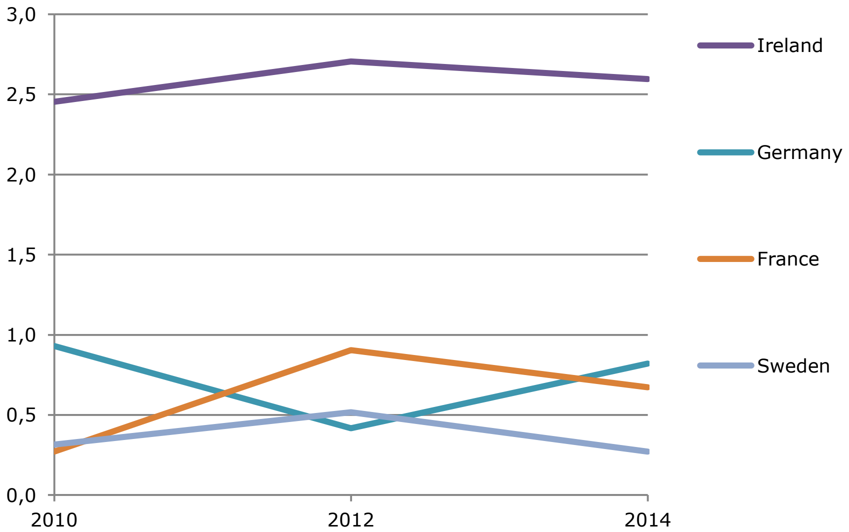
Tips:

- Explore opportunities to work together with British importers, including both traders and roasters. Consult the member list of the British Coffee Association.
- 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 the United Kingdom, you must be prepared and take your business seriously. Approach traders actively (e.g. through the internet and LinkedIn), communicate correctly and respond to email messages.

Exports

- The UK is the sixth-largest re-exporter of green coffee beans in Europe, accounting for nearly 1.0% of all imports in 2014.
- In 2014, UK re-exports of green coffee amounted to a total volume of 5.6 thousand tonnes (€26 million). Since 2010, UK re-exports have increased at an annual average rate of 1.3% in volume and 3.5% in value.
- In 2014, almost half of the UK's re-exports of green coffee was destined for Ireland, illustrating the importance of British traders as an entry point to the Irish coffee market. Other important destinations for the UK's re-exports of green coffee in 2014 included Germany (15%) and France (12%).

Figure 7: Leading destinations for green-coffee exports from the United Kingdom (2010-2014), in 1,000 tonnes



Source: Eurostat, 2015

Tips:

- Given that the United Kingdom also supplies green coffee to surrounding European countries, consider it as a possible entry point for reaching other markets, particularly Ireland. Additional information about Ireland is available in the ICO Profile sheet: Ireland. Information about other destination countries is provided on the platform CBI Market Intelligence – Coffee. Other sources of information include sector associations (e.g. the European Coffee Federation and the International Coffee Organisation).
- 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 64 million inhabitants, the United Kingdom accounted for around 7% of all green coffee consumed in the European Union in 2014, amounting to 2.9 million bags (60kg per bag) of green coffee (ICO, 2015) (174 thousand tonnes). Despite being the fifth-largest market in the European Union, the United Kingdom has a relatively low per capita consumption of coffee. It is estimated that each British person consumes only around 2.8kg of coffee (green coffee equivalent) per year.

This figure is much lower in comparison to other markets, including the Netherlands (5.82kg/year), Germany (6.8 kg/year) and Sweden (10.4kg/year).

Tea continues to dominate the hot beverage market in the UK. As a nation, the UK drinks 165 million cups of tea every day, as compared to about 70 million cups of coffee (UK Tea Council, 2013), although coffee is gaining popularity. The coffee market has doubled in the past six years, particularly through branded coffee chains (e.g. Costa Coffee, Starbucks Coffee Company, Caffè Nero, Pret A Manger and Eat).

In 2014, Nestlé led the UK coffee market with a retail value share of 43% and a retail volume share of 33% (Euromonitor, 2014). This is the result of the company's strong presence in instant coffee, which continues to dominate the coffee-drinking culture in the UK, with a total volume share of nearly 60%. Nestlé accounts for around 50% of the soluble coffee market, with Kraft Foods (mainly through Jacobs Douwe Egberts [formerly Mondolez]) accounting for more than 20%. Consumer preferences in the UK are somewhat different from those in other European countries. Nevertheless, consumption is expected to shift away from soluble coffee towards higher-quality coffee, as UK consumers are starting to develop a genuine taste for coffee, inspired in part by the emerging branded coffee chains. See ICO analysis.

Tips:

- 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.
- Learn more about consumption of instant coffee in the UK: *Why do Britons drink so much instant coffee?* (BBC, 2014).

For additional information on coffee statistics, consult the CBI Trade Statistics.

What trends offer opportunities on the market for coffee in the United Kingdom?

Coffee pads and innovative coffee machines

British consumers have traditionally favoured convenience over quality, hence their preference for soluble coffee. The innovation in single-serving systems: machines that allow consumers to make one cup at a time using 'pads' or 'capsules' of ground coffee, is a key driver of growth in the ground-coffee segment. Single-serving systems combine the advantages of freshness with those of convenience and individual variety. A shift towards higher-quality coffee is therefore expected in the UK. Due to its popularity, single-serving coffee is increasingly dictating the quality and flavour perceptions of consumers.

Tip:

- Due to the increase in consumer interest in high-quality coffees in the UK, this segment offers positive prospects for exporters. The UK chapter of the Speciality Coffee Association of Europe (SCAE) is a good starting point for learning about the market and finding potential buyers within this segment.

Pressure on retail coffee prices

Consolidation is strong within the United Kingdom's retail sector, and this exerts pressure on the prices of such items as coffee. Although the major grocery retailers in the UK (Tesco, ASDA, Sainsbury's and Wm Morrisons) have undergone further expansion in recent years, the strong role of German discounter Aldi has been changing the landscape of the retail sector. In 2015, Aldi was expected to open more new shops in the UK than Tesco, Sainsbury's and Morrisons combined (The Telegraph, 2015).

Increasing focus on sustainable coffees

Food and beverage consumption in the United Kingdom is marked by consumer attention to sustainability. As such, the UK was one of the first countries in which Starbucks started selling 100% sustainable-certified coffee. Costa Coffee began sourcing certified coffee in 2008. Furthermore, the 2015 commitments of UK retailers to sustainable business, combined with the government's new sustainability targets are expected to increase the demand for certified coffee.

Tips:

- If your coffee has a fair-trade certification, the UK is a good target market: Around 20% of the UK market for roasted and ground coffee consists of fair-trade products, as does almost 4% of the instant-coffee market.
- For additional information on trends in the coffee market, refer to the CBI document on Trends in Coffee.

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

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 UK Food Standards Agency can also be an interesting organisation to contact in case of specific questions relating to food safety in the United Kingdom.

Contaminants in food

The EU has set maximum levels for certain contaminants. These limits are also applicable in the United Kingdom. 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?

Buyers in the UK, and particularly the major retail chains (e.g. Tesco and Sainsbury's), often have buyer 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 by sector-based or 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:

- Become familiar with food-safety/Quality Management Systems (QMS). Additional information about HACCP and health control is available from the EU Export Helpdesk and the guidance document. Additional information about managing HACCP for coffee is available on the website of the International Trade Centre: Coffee Guide.
- 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

Buyers in the UK 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 the United Kingdom. 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 the United Kingdom. British consumers are highly aware of the environmental and social implications of the production of consumer goods, including coffee. As such, UK retailers and other buyers (e.g. traders and roasters) are increasingly committing to sustainable sourcing.

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 UK market.
- Consult the sustainability strategies of important coffee companies active in the United Kingdom, 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 UK 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 United Kingdom is the leading market for Fairtrade-certified coffee, with latest figures indicating a 20% market share in terms of sales. A large part of the Fairtrade-certified coffee sold in the UK is also certified as organic. The large increase in the market share of Fairtrade-certified coffee has been stimulated largely by changes in the availability of Fairtrade products from specialist outlets (e.g. World Shops) to major coffee chains and large UK retailers. Over 3,000 Fairtrade retail and catering products are available in the UK (Fair Trade Tourism).

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 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.

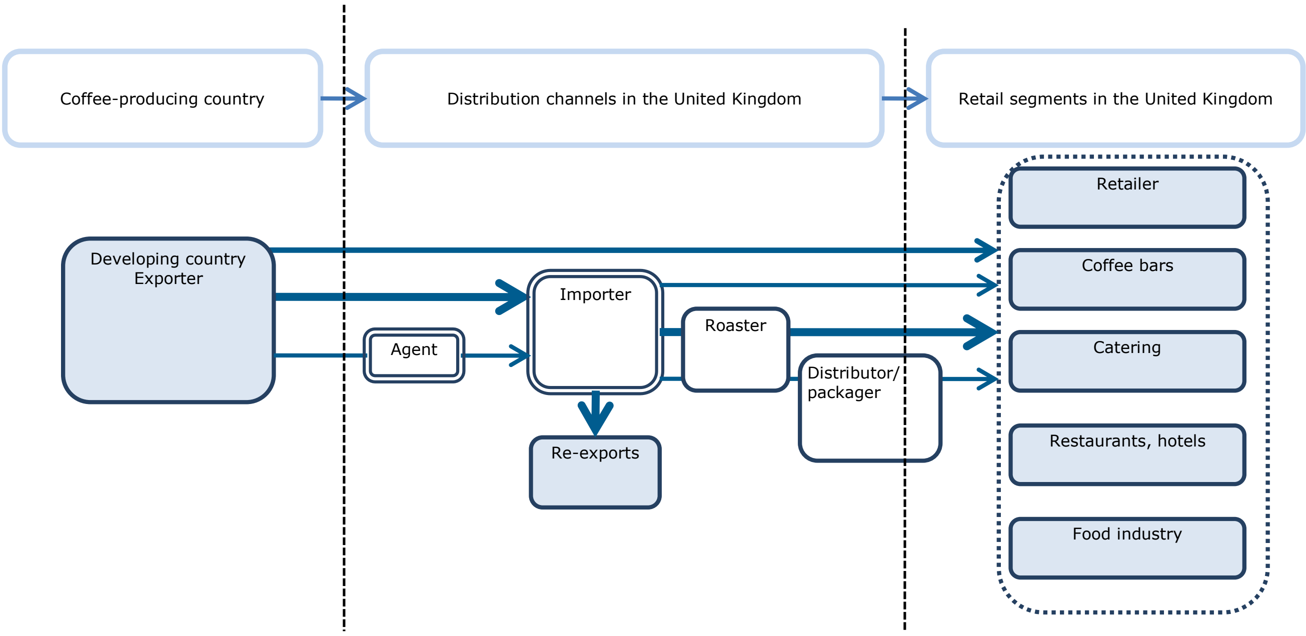
Sustainability initiatives of individual companies

The three largest wholesale groups have sustainability and other requirements that will be passed on to their suppliers. Consult their statements and vision to increase your understanding of sustainable coffee:
- Nestlé UK (43% retail value share): Creating Shared Value strategy
- Jacobs Douwe Egberts – sustainability
- Mondelez (Kraft Foods) – sustainable resources and agriculture and coffee made happy

What do the trade channels and interesting market segments for coffee look like in the United Kingdom?

Coffee is generally purchased from exporting countries by international trade houses, dealers and traders. The largest roasters in Europe, including in the United Kingdom, 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.

Figure 8: Market channels for coffee in the United Kingdom



Market channels
Although the major trading centres are located outside the United Kingdom, the country does have a considerable number of traders and roasters. In the UK, however, roasters are generally part of international companies. Traders and roasters who import coffee themselves are the most interesting trading partners for producers from developing countries. Agents

representing exporting companies in developing countries can play an important role, especially for producers/exporters who are not yet known by the large importers.

Because of the continuing consolidation of coffee trade, major international players are playing an increasingly dominant role. The following are amongst the leading players in the United Kingdom: Nestlé UK, Jacobs Douwe Egberts and Mondelez.

Market segments
With a market share of nearly 30%, Tesco is the leading retailer in the UK, followed by ASDA (17%), Sainsbury's (16%) and Morrisons (11%) (Daily Mail, 2014). It is expected that coffee sales in the retail segment will continue to expand in the UK, at the expense of the smaller brands generally sold in specialised shops. The role of German discounter Aldi is also increasing in the retail segment (The Telegraph, 2015).

Out-of-home consumption: The UK branded coffee chain segment now stands at 5,781 outlets. The three leading chains in the UK are Costa Coffee (1,821 outlets), Starbucks Coffee Company (824) and Caffè Nero (590). These three chains command more than half of the branded coffee chain market in the UK (Allegra Strategies 2014).

Tips:

- 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 the United Kingdom by the International Coffee Organization (ICO)
- The British Coffee Association – association representing the UK coffee industry
- London Coffee Festival – an annual festival attended by coffee drinkers and industry professionals
- Caffè Culture Show – trade fair held annually in London
- Natural and Organic Products Europe – trade fair specialised in organic and natural food; held annually in London
- National Food Agency – for additional information on food safety and food hygiene across the United Kingdom
- For additional information on the business culture in the United Kingdom, refer to the website of Kwintessential
- European Coffee Federation (ECF) for basic information on the national coffee markets of its member associations, including the United Kingdom
- International Coffee Organization (ICO) for statistics on global coffee trade
- Specialty Coffee Association of Europe (SCAE) for information about the speciality coffee industry, also providing information specifically on the United Kingdom
- The Coffee Guide by the International Trade Centre (ITC) for a detailed overview of the world coffee trade, including the United Kingdom, and advice on coffee-trade practices

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