The Dutch market potential for coffee

Last updated:
10 August 2021

The Netherlands is a medium-sized coffee market playing an important role in the European coffee trade. Similar to coffee cultures in other European countries, the Dutch demand for sustainable and high-quality coffee has increased over the years. This offers opportunities to exporters of high-quality green coffees with a unique story. In addition, adopting sustainable production and trade practices is important to gain access to the Dutch market. Certified products have become mainstream on the Dutch coffee market.

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1. Product description

Harmonised System (HS) codes are used to classify products and to calculate international trade statistics, such as imports and exports. The focus of this study is on green coffee beans, classified as HS code 090111 (coffee, not roasted, not decaffeinated). The available data do not distinguish between bulk, high-quality or specialty coffees.

Approximately 124 coffee species exist in the wild, of which only a few are commercially relevant. The two most important species on the market are:

- *Coffea Arabica* (Arabica): Referred to as a highland coffee because it grows best at altitudes between 600 and 2,000 metres, Arabica is the most dominant species on the coffee market, representing about 75% of global coffee production. Each coffee tree yields an average of two to four kilos of cherries. Arabica beans are fairly flat and elongated. Arabica coffee beans have a smoother, more aromatic, and more flavourful taste compared to Robusta. Arabica beans have a caffeine content of approximately 1.5%.

The main sub-varieties of Arabica are the Yemen accession, which branches out into Typica and Bourbon coffee lineages, and the Ethiopia/Sudan accession. Examples of the Ethiopian and Sudanese cultivars are Geisha, Java, Sudan Rume and Tafari Kela.

Examples of Typica cultivars are the Hawaiian Kona, Jamaican Blue Mountain, SL14 and Maragogipe. Examples of the Bourbon cultivars that are found mostly in Latin America are Caturra, Villa Sarchi and Pacas. Examples of Bourbon cultivars found in East Africa are Jackson, K7, SL28 and SL34.

- *Coffea Canephora* (Robusta): Robusta coffee can be considered a lowland coffee, as it grows best at altitudes below 600 metres. Robusta accounts for around 20% of global coffee production. Its beans have a caffeine content of approximately 2.7%. Robusta is less susceptible to pests and diseases than Arabica. Its beans are smaller and rounder than Arabica beans. When roasted, Robusta beans generally have a stronger and harsher taste than Arabica, which is often described as bitter. Robusta beans are often used in coffee blends and in instant coffee production.

Examples of crossbreeds of the Arabica and Robusta species are Catimor, Castillo (the most commonly grown coffee plant in Colombia), IHCAFE90, Ruiru 11 and Sarchimor.

2. What makes the Netherlands an interesting market for coffee?

The Netherlands is an important trade hub, re-exporting many different products, including significant amounts of coffee. In addition, the Netherlands is one of the leading roasted coffee exporters of Europe, thus having a sizeable industrial demand for green coffee.

The Netherlands is a medium-sized coffee importer in Europe

The Netherlands is the seventh-largest importer of green coffee in Europe. Green coffee imports amounted to about 176,000 tonnes in 2020, accounting for approximately 4.9% of total European imports. Dutch green coffee imports remained stable between 2016 and 2020. Direct imports from producing countries to the Netherlands make up a minor share, as 64% of Dutch green coffee imports is supplied by other European countries.

In 2020, 58% of total Dutch imports were supplied by Belgium. The Belgian Port of Antwerp is an important entry point for coffee in Europe, including for the Netherlands. Germany accounted for 5% of Dutch green coffee imports. The largest direct supply from a producing country was from Brazil, with imports reaching 29,000 tonnes in 2020, accounting for 16% of total Dutch imports. Imports from Brazil to the Netherlands increased by 11% between 2016 and 2020. Vietnam was the second-largest direct supplier, with 9,500 tonnes in 2020. Dutch direct imports from Vietnam increased by 7.3% between 2016 and 2020.

There are several coffee-trading companies active on the Dutch market; examples include S&D Sucden and the Dutch Bijdendijk. Examples of Dutch coffee importers focused on specialty coffees are Trabocca, This Side up and The Coffee Quest. The Port of Rotterdam is the main entry point for green coffee in the Netherlands.

The Netherlands plays an important role in coffee re-exports in Europe

The Netherlands is an important trade hub in Europe, re-exporting many different products, including significant amounts of coffee. In 2020, the Netherlands was the third largest re-exporter of green coffee beans in Europe, with re-exports of over 24,000 tonnes. However, this is a much lower volume than the two largest re-exporters: Belgium re-exported about 243,000 tonnes and Germany's re-exports amounted to 197,000 tonnes in 2020.

In 2020, the main destinations for green coffee re-exports from the Netherlands were the United Kingdom, Portugal and Ukraine, each importing 2,400 tonnes in 2020. Germany and Poland each imported 2,200 tonnes of green coffee from the Netherlands, and Italy 2,000 tonnes.

Re-exports to the United Kingdom, Portugal and Poland increased by double digits between 2016 and 2020, while re-exports to Germany and Italy over the same period decreased by 21% and 18% respectively.

The Netherlands holds a key position in global roasted coffee exports

The Netherlands is one of the largest exporters of roasted coffee in the world. In 2020, the Netherlands exported about 96,000 tonnes of roasted coffee, making it the third-largest roasted coffee exporter in the world. Only Italy and Germany export larger volumes of roasted coffee. Roasted coffee exports from the Netherlands increased at an average annual rate of 8.7% between 2016 and 2020.

France is the main destination country of Dutch roasted coffee exports, with imports amounting to 34,000 tonnes of roasted coffee in 2020. Belgium and Germany follow as the second-largest and third-largest importers of Dutch roasted coffee, with imports reaching 12,000 tonnes and 8,200 tonnes respectively.

According to Prodcom data, the Netherlands manufactured an estimated 136,000 tonnes of roasted coffee (including decaf) in 2019. Larger coffee roasting countries are Germany with 572,000 tonnes of roasted coffee in 2019, followed by Italy with 508,000 tonnes, and Spain with 143,000 tonnes.

Examples of large and medium-sized coffee roasters on the Dutch market are Ahold Delhaize Coffee Company, Jacobs Douwe Egberts, Peeze and Pelican Rouge Coffee Roasters. Examples of small roasters focused on specialty coffees include Boot Coffee, Espresso Fabriek, Beans Coffee and Back to Black.

Tips:

Activate the “Translation” function of your browser to make the studies available in your native language.

Access EU Access2Markets to analyse European and Dutch trade dynamics yourself and to build your export strategy. By selecting the Netherlands as your reporting country, you will be able to follow developments such as trade flows with established suppliers, the emergence of new suppliers and changing patterns in direct and indirect imports.

See our study of trade statistics for coffee for more detailed information about the European trade in green coffee beans.

See the website of the Dutch Coffee and Tea Association for more information about the coffee industry in the Netherlands. Have a look at their member list to find an overview of coffee traders and roasters in the country.

3. Which trends offer opportunities on the Dutch market?

Per capita coffee consumption in the Netherlands is among the highest in the world. The Dutch coffee market is characterised by an increasing demand for high-quality and sustainably produced coffees. At the same time, Dutch consumers have become more interested in where, how and by whom their coffees were grown – making it increasingly important for coffee exporters to tell the story behind their product and production processes.

The Dutch rank among the biggest coffee drinkers in the world

Although the Dutch have been consuming less coffee since 2005, the Netherlands still ranked among the top five countries in 2020 when it comes to per capita coffee consumption. Per capita coffee consumption in the Netherlands reached an average of 8.3 kg of coffee in 2020, coming down to about four cups of coffee per day. In general, coffee consumption is strongly embedded in Dutch culture. The roasted coffee market in the Netherlands is expected to grow at an average annual rate of 3.8% until 2025.

Black coffee is the preferred coffee drink in the Netherlands. With a share of 32%, filter coffee is used most to prepare coffee in the Netherlands, followed by coffee pads. Espresso-style coffees, made with espresso machines, are mostly used in the out-of-home foodservice industry.

The COVID-19 pandemic has had little impact on the amount of coffee consumption of Dutch people. Nevertheless, the out-of-home segment has been hit by the pandemic: in 2020, about 30% of coffee consumers in the Netherlands said to have consumed less coffee outside the house. In 2020, 90% of coffee consumers in the Netherlands bought their coffee in supermarkets. An estimated 10% bought their coffees in specialty stores, of which an example is the roaster and importer Simon Lévelt.

High-quality coffee has consolidated its position on the Dutch coffee market

Despite an increase in consumption volumes, consumer spending on coffee has increased by 20% in the

Netherlands. This indicates a consumer shift to higher-quality coffees in the Netherlands, including specialty coffee.

Most specialty coffees are served in the out-of-home segment, where coffee bars and micro-roasters serve the growing specialty market. Examples of coffee shops and micro-roasters in the Netherlands are Lot 61, Lucifer Coffee Roasters, Borgman Borgman and Friedhats. In the Netherlands, about 30% of coffee consumption occurs out-of-home, either in coffee shops, offices or as take-away.

Although specialty coffee finds its largest market in the out-of-home segment, the at-home consumption of specialty coffee in the Netherlands has also increased steadily over the years. This has been driven up further during the COVID-19 pandemic, when more coffee was consumed at home. Consumers increasingly searched for higher-quality coffees to replicate the quality experienced during out-of-home consumption. It is estimated that at-home consumption of high-quality coffee will remain popular in the Netherlands. Working from home will remain common after the pandemic, and consumers are unlikely to shift back to lower-quality coffees.

The increasing interest in higher-quality coffee consumption at home has resulted in a more diverse premium coffee offer by retailers. Between 2014 and 2020, the availability of coffee products at supermarkets has increased at an average annual rate of about 4.0%, amounting to about 260 different coffee products in 2020.

Dutch supermarkets have started to include a small offer of specialty coffees in their assortment. For instance, at the shelves of supermarket Albert Heijn and organic supermarket Ekoplaza you can find a range of organic specialty coffees from roaster Simon Lévelt. Ekoplaza also offers specialty coffees from Dutch specialty roaster Bocca.

Other actors have also joined the trend of offering specialty coffees for at-home-consumption. Examples include the online roaster/retailer Wakuli, offering specialty coffee from farm to a consumer’s doorstep, as well as the specialty coffee e-retailer Dutch Coffee Dealer.

With the increase of specialty coffee consumption and availability, Dutch consumers have become more interested in where, how and by whom their coffees were grown. It has become essential for specialty coffee producers to tell the story behind their product, its origin and other relevant environmental and social aspects.

Keep in mind, however, that specialty coffee is a niche segment. As in other European countries, mainstream coffees still take up the largest market share. Well-known mainstream coffee brands in the Netherlands are Douwe Egberts and L’Or, both of Jacobs Douwe Egberts. The non-premium product lines of private label brands are strong competitors in this mainstream segment. Examples of private label brands include: Perla from retailer Ahold Delhaize and PLUS from retailer Plus.

A large share of coffee in the Netherlands is certified

Over the years, sustainability has become a more important purchasing decision for consumers. About 40% of coffee consumers in the Netherlands said they pay attention to sustainability claims when buying a product. The origin of the coffee, fair and safe production processes, and sustainable packaging are all factors that may influence purchasing decisions.

The share of sustainably sourced coffee in the Netherlands has increased strongly over the years. The sales of certified coffee products have increased by about 13% between 2016 and 2018. In 2018, about 60% of coffee products sold in the Netherlands were certified according to standards like Rainforest Alliance/UTZ, Fairtrade, Organic and/or 4C. The sales of Fairtrade-certified coffee in the Netherlands reached almost 6,000 tonnes in 2019, registering an increase of 3.9% with the year before.

Many retailers in the Netherlands have committed to have all their own private label coffee products certified according to third-party standards. For instance, Ahold Delhaize Coffee Company has all its private label coffee products certified to either UTZ/Rainforest Alliance, Fairtrade, or equivalent standard since 2020. The private label coffee products of PLUS are all Fairtrade-certified.

In addition, Climate Neutral has also gained much popularity on the Dutch coffee market. Climate Neutral Certified is the label earned by companies that compensate and reduce all of their greenhouse gas emissions, aiming to get to zero emissions in 2050. Several coffee brands have obtained the Climate Neutral Certification, such as the coffee products from the private label brand G'woon, the brand from the purchasing organisation Superunie representing 13 independent retail organisations in the Netherlands. Other examples of Climate Neutral certified products are: the coffee supermarket brand Perla from Ahold Delhaize, the coffee products from supermarket brand PLUS and the brand Fingerprinted from coffee roaster Hesselink Koffie.

Although the Dutch coffee market is already looking beyond certification (see below), certified coffees are expected to remain important on the Dutch coffee market. This is largely due to the importance of retailers as the main sales channel for coffee in the Netherlands and their commitment to certification.

Sustainability has become mainstream in the Netherlands

Besides certification efforts, coffee industry players in the Netherlands are also increasingly engaged in other sustainability endeavours. For instance, in 2019, several Dutch public and private actors launched the Futureproof Coffee Collective. The initiative aims to calculate (and pay) 'the true price' of coffee, which includes the social and environmental costs of coffee production. Over twenty small and medium-sized coffee companies are part of this initiative, examples of which are Kinti Coffee, Fairtrade Original and Mocca d'Or.

The Living Wage Lab, founded in 2015, is another Dutch initiative. This lab serves as a platform to share lessons learnt and insights on how to ensure and implement tools so coffee workers are paid a living wage. Moyee Coffee, Fairtrade and Rainforest Alliance/UTZ take part in this initiative.

Several Dutch coffee actors have also joined international sustainability initiatives, such as the Global Coffee Platform and the Sustainable Coffee Challenge. Moyee Coffee is an example of a Dutch company taking part in the Sustainable Coffee Challenge, committing to adding more value in coffee producing countries by expanding coffee roasting, packing and branding capacity in countries of origin (Ethiopia specifically). Another example is Dutch roaster Pelican Rouge, which implemented a specific soil improvement program in Cameroon in 2019, to help coffee farmers better understand the relation between soil, nutrition and coffee quality.

Tips:

See our study on trends for coffee to learn more about current trends on the European market.

See the national chapter of the Netherlands of the Specialty Coffee Association (SCA) for more information about the Dutch specialty coffee market.

Promote the sustainable and ethical aspects of your production process and support these claims with certification. See our study on doing business with European coffee buyers for more tips on marketing and promoting your coffee.

Consult the website of the Global Coffee Platform to learn more about global sustainability efforts. Also visit the website of the Dutch Sustainable Trade Initiative to learn more about the role of the Netherlands in these efforts.

Thinking about certifying your coffee? Before engaging in a certification programme, make sure to check that the label has sufficient demand in your target market and whether it will be cost-beneficial for your product, always in consultation with your potential buyer.

Find potential business partners in the Netherlands by checking the lists of Fairtrade-certified operators, Dutch Rainforest Alliance-certified coffee brands, UTZ-certified coffee supply chain actors and Dutch organic coffee importers.

ProFound – Advisers In Development carried out this study on behalf of CBI.

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