The Belgian market potential for coffee

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Belgium is one of the main points of entry and trade hubs for coffee in Europe. It is also an increasingly interesting market for certified coffees, following a consumer trend towards sustainable, traceable and high-quality products. The specialty coffee market in Belgium is also growing, while maintaining the country's tradition for smaller coffee houses and cafés.

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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 green coffee beans, classified under 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 in 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 is subdivided into the 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 grown mostly in Latin America are Caturra, Villa Sarchi and Pacas. Examples of Bourbon cultivars grown 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, Sarchimor and Obatá.

2. What makes Belgium an interesting market for coffee?

Belgium is Europe's third-largest importer of green coffee. Over 96% of coffee imports are directly sourced from coffee-producing countries. Belgium imports coffee from a wide variety of regions. As the largest re-exporter of green coffee in Europe, Belgium is an important trade hub for coffee in Europe.

Belgium is Europe's third largest importer of green coffee

Belgium is Europe's third largest green coffee importer, after Germany and Italy. In 2020, Belgium accounted for 8.7% of total European green coffee imports sourced directly from producing countries. Belgian buyers sourced 96% of their green coffee beans directly from producing countries in 2020, or a total of 301 thousand tonnes. Between 2016 and 2020, year-to-year growth of Belgian import volumes amounted to 0.7%.

Belgium is Europe's largest coffee re-exporter

Belgium is Europe's largest re-exporter of green coffee beans. Having re-exported 243 thousand tonnes of coffee in 2020, Belgium accounted for 45% of total European green coffee re-exports. Belgian export volumes increased on average by 7.0% between 2016 and 2020.

Belgium mainly re-exports to its direct neighbours: the Netherlands accounted for 55% of Belgian green coffee re-exports in 2020. Large-scale and specialised Dutch coffee importers often use Belgian ports for their operations. Other Belgian re-exports went to France (25%) and Germany (4.1%).

Belgium is a key international coffee hub

A large share of all coffee traded in the world arrives at the Port of Antwerp, which is used for transit purposes (35%), but most often for its storage capacity. It is the largest storage site for coffee in the world, allowing for more than 250 thousand tonnes of coffee to be stored at a time.

The Port of Antwerp accounts for approximately 50% of Europe's coffee logistics business. Specialised logistic companies dominate such business, working directly with importers. These logistic companies also cooperate directly with large traders and roasters. Examples of the several logistics companies active in Antwerp are Molenbergnatie, Vollers, Pacorini and Steinweg. Examples of green coffee importers located in Antwerp are Coffee Team, Rucquoy Frères and Sucafina Specialty.

The Port of Zeebrugge is another important entry point for coffee in Belgium. This port offers a modern temperature-controlled storage facility and a distribution platform of green coffee for the rest of Europe by rail, road and sea. EFICO, a large coffee importer, is also active in coffee storage in Zeebrugge.

In early 2021, the two ports agreed on a merger, which will further strengthen the position of Belgium as a key trade hub for coffee in Europe. Belgium will thus remain one of the most important destinations for coffee exporters wanting to enter the Belgian or other target markets in Europe. Once completed, the ports will operate under the name 'Port of Antwerp-Bruges'.

Tips:

- Activate the "Translation" function of your browser to make the studies available in your native language.
- Access EU Access2Markets to analyse Belgian trade dynamics yourself and to determine your export strategy. By selecting a specific country 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.
- Have a look at the websites of the Port of Antwerp and the Port of Zeebrugge to learn more about the

ports themselves and potential trade partners based there.

See the website of the Royal Union of Coffee Roasters for more information about the coffee industry in Belgium, and to find potential buyers in Belgium. The Belgian member associations of the European Coffee Federation should also be able to provide listings of possible trade partners.

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

3. Which trends offer opportunities in the Belgian market?

Sustainability is important on the Belgian coffee market, creating opportunities for certified coffees. Consumers increasingly want to know where their products come from and are interested in the impact of their purchase. This is driving up demand especially for organic and Fairtrade-certified coffee. Demand for high-quality coffees is also increasing on the Belgian market.

Growing sustainability certification

Consumers in Belgium drink an estimated 6.8 kg of coffee per capita annually. By comparison, just across the border in the Netherlands, consumers drink an estimated 8.4 kg per capita, and French consumers drink approximately 5.5 kg per capita.

Sustainability, traceability and product quality are growing in importance for Belgian coffee consumers. As a result, sustainability labels such as the Rainforest Alliance/UTZ, Fairtrade and organic labels are gaining importance in the Belgian market. This creates opportunities for exporters and growers of certified coffees around the world.

The Rainforest Alliance/UTZ is the leading sustainability label in major Belgian supermarkets; Lidl, Delhaize and Aldi all have UTZ-certified coffees. Most Belgian supermarkets offer coffees from Jacobs Douwe Egberts (JDE), for example, L'OR capsules, which has an agreement with Rainforest Alliance.

It is important to note that supermarket chains are increasingly committing to certification, including for their own private label brands. In 2018, 73% of Lidl Belgium's private label coffees were certified by either Fairtrade or the Rainforest Alliance/UTZ and/or were certified organic. Other retailers created 100% organic private label brands, such as retailer Colruyt's Boni Bio. It is also guaranteed that Colruyt's single-origin line of their own coffee brand Graindor is Rainforest Alliance-certified.

With regard to Fairtrade, over 84% of Belgian households bought at least one Fairtrade product for in-home consumption in 2020. Fairtrade-certified coffee is widely available on the Belgian market, with an range of some 100 brands together comprising 556 Fairtrade-labelled products in 2020. The total sales of green coffee beans under the Fairtrade label reached 2,531 tonnes in 2020. Fairtrade-certified coffee is still a niche market in Belgium, comprising just 3.1% of all retail coffee sales in 2020. However, it is an expanding market, which grew by 0.7% compared to 2019.

Growing organic market in Belgium

The consumption of organic food products in Belgium has increased steadily over the years. Whereas in 2015, the organic consumption was €48 per year per person, this increased to €68 in 2019. Overall organic retail sales reached €779 million, representing an increase of 45% compared to 2015. Organic products are, however, still a niche market, with the share of organic retail sales only reaching 3.0% in 2019.

Organic coffee has also grown in importance. Organic coffees are widely available on the Belgian market. In

2019, about 52% of all coffee products in supermarkets had an organic label. Bioco is an example of a 100% organic Belgian coffee brand.

In addition, the range of organic products is increasing in the coffee pod and capsules segment. Coffee-drinking habits of Belgian consumers are increasingly shifting away from filter coffee and moving more and more towards capsules. Between 2019 and 2020, the coffee capsule market grew by 9.3%. An example of an organic coffee capsule on the Belgian market is ‘KAHAWA ya CONGO’: the first organic coffee capsule launched by Nespresso, as part of its Revive Origins-program.

The COVID-19 pandemic has made Belgian consumers more conscious of the products they consume, how these products have been produced and where they come from. As such, sales of organic products are expected to increase.

Demand for high-quality coffee on the rise in Belgium

Demand for high-quality coffees has been growing in Belgium, where the number of small coffee houses and cafés has increased significantly in the past few years. The number of micro roasters active on the Belgian market is also growing. The increasing number of coffee houses and micro roasters is concentrated in larger cities, such as Antwerp and Brussels.

Examples of micro roasters include Gust Coffee Roasters, Basero and De Goudvink. Other examples are specialty coffee shops like Parlor Coffee, MOK Specialty Coffee Roastery and Café Labath, who all roast and serve their own specialty coffees.

The growing interest in high-quality coffee in Belgium provides interesting opportunities for exporters of specialty coffees. It is important to note that Belgian companies active in the specialty segment often source their coffee from producers directly. They communicate their quality requirements along the chain and this contributes to the development of the specialty coffee branch in Belgium. These developments underline the importance of coffee origins and social impact, which make storytelling an increasingly important aspect in the coffee trade. An example of a coffee exporter with effective storytelling is the Brazilian Fazendas Dutra Organic Specialty Coffee.

Tips:

- See our study on trends in coffee to learn more about current trends in the European market.
- Promote the sustainable and ethical aspects of your production process and support these claims with certification.
- Before engaging in a certification programme, make sure to check that a 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.
- Look for sector or joint company initiatives to increase your understanding of the sustainability strategies in Belgium. Search for initiatives that match your own core strategy and values. The website of the Trade for Development Centre can be a good point of departure to search for such initiatives in Belgium.
- See our study on doing business with European coffee buyers for more tips on marketing and promoting coffee.
- Find potential business partners in Belgium by checking the lists of Fairtrade-certified customers , Rainforest Alliance-UTZ certified coffee supply chain actors and Belgian organic coffee importers.
- Are you interested in exporting high-quality coffee? Learn more about cupping scores on the website of the Specialty Coffee Association (SCA). You can also consider getting a Q-grader certificate to be

able to cup and score your Arabica coffee according to international standards. If you produce or export Robusta coffees, it is also possible to become an R-grader.

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