# Exporting coffee to Finland

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Finland has the highest per capita coffee consumption rates in the world, at around 12 kg yearly. Finland imports almost all its coffee directly from developing countries, with Brazil as main supplier. A large part of coffee imports are re-exported to Russia in green or roasted form. More and more Finnish consumers are interested in a higher quality and more variety. Small specialty coffee roasters emerge, opening up space for a wider range of origins and suppliers within the Finnish market.

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## 1. Product description

There are two main types of green coffee beans:

- *Coffea Arabica*: Plantations are generally at altitudes over 1,000 metres. This makes it a so called highland coffee. The average length of coffee beans of this variety is around 9 mm. 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%.
- *Coffea Robusta*: Robusta coffee can be considered a lowland coffee. Its plantations are below 1,000 metres. Robusta beans are small, round and generally brownish to yellowy green. Their beans have a higher water content than Arabica coffee. They generally have a less powerful flavour. Robusta beans have a caffeine content of approximately 2.3%.

In Europe, the Combined Nomenclature (CN) uses Harmonised System (HS) codes to classify products that are traded. The HS codes for green coffee beans are given below. The available data do not distinguish between conventional and speciality coffees.

Specialty coffee is defined by the Speciality Coffee Association of Europe (SCAE, now integrated into the Specialty Coffee Association - SCA) as the art of manufacturing a quality cup of coffee, which is judged by the consumer to have a unique quality, characteristic taste and personality, superior to the common beverages offered. This beverage consists of coffee beans which have grown at a designated location and have been processed under the highest quality standards for raw processing, roasting, storing, and finally the preparation to a beverage.

| HS Code | Description |
| --- | --- |
| 090111 | Coffee, not roasted, not decaffeinated |
| 090112 | Coffee, not roasted, decaffeinated |

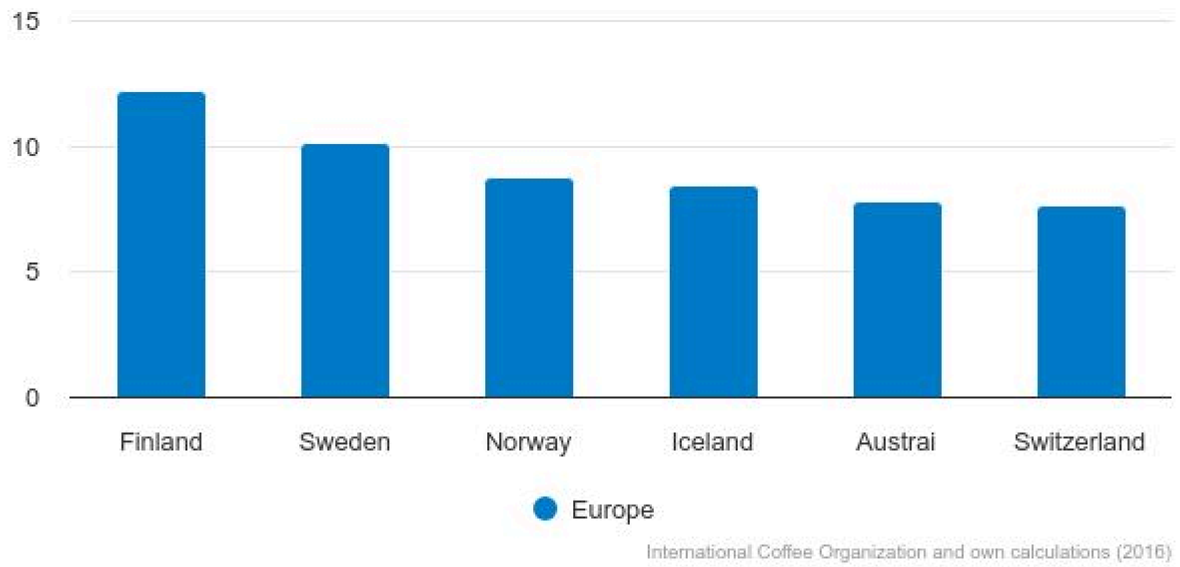
In Finland, coffee is roasted lighter than in Southern and Central Europe. Finnish coffee is known to have the lightest roast in the world. The most popular coffee brands traditionally offer light roasts, but medium to dark roast coffees are becoming increasingly popular. Both Finnish and foreign brands are available at almost every supermarket or grocery store. The most sold coffee brands in Finland are Gustav Paulig's Juhla Mokka and Meira's Kulta Katriina.

## 2. What makes Finland an interesting market for coffee?

### Finnish people register the largest per capita consumption of coffee worldwide

Finland has the highest per capita consumption of coffee in the world. Total Finnish consumption of coffee in 2015 was 66 million tonnes (1.1 million 60 kg bags). That means a per capita consumption of 12.2 kg annually. Finland is followed by Scandinavian countries Sweden (10.1 kg) and Norway (8.7 kg).

**Figure 1: Largest coffee-consuming countries in Europe (per capita), in kg per capita, in 2015 (average consumption in Europe: 5.41 kg per capita / year)**




**Tips:**

Follow the development of Finnish coffee consumption.

Read more about why Finns are among the biggest coffee consumers in the world. Understanding the market can help you promote your coffee to Finnish buyers and consumers.

## Finnish imports of coffee are relatively low, but are growing

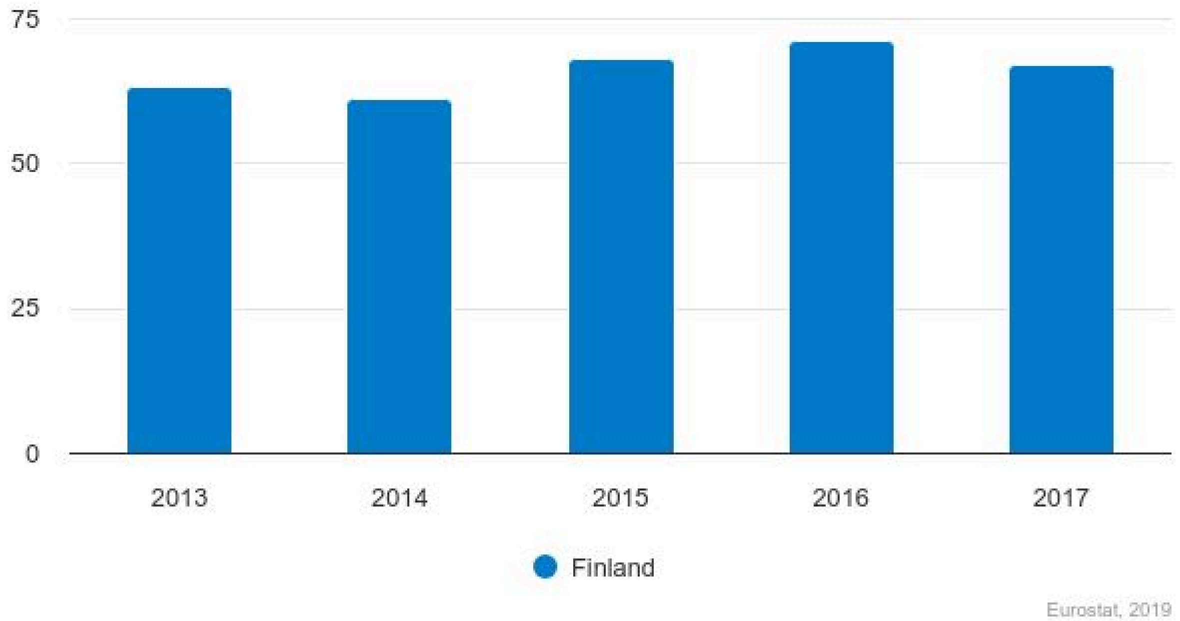
While Finland has a high per capita consumption of coffee, it has a relatively small population (5.56 million). It represents only 2.0% of total European imports of green coffee beans in 2017 (67 thousand tonnes).

Nearly all imports are sourced directly from developing countries. The role of transit countries like Germany is very small.

The volume of Finnish imports has been relatively stable between 2013 and 2017, generally growing in volume at an annual average rate of 1.7%, with a few fluctuations. In value, imports grew at an annual average rate of 7.1% on the same period. This is possibly linked to the growth of the specialty coffee market, which focuses on higher-value coffees.

**Figure 2: Imports of green coffee beans to Finland**

in 1.000 tonnes




### Tip:

Access the Eurostat Statistics Database to analyse European and Finnish trade dynamics yourself and to build your export strategy. By selecting Finland as your target market, you will be able to follow developments such as the emergence of new suppliers and decline of established ones.

## Finland’s re-exports are strongly oriented toward Russia and Baltic states

Finnish re-exports of green coffee beans amounted to 7.1 thousand tonnes in 2017. This represents only 1.1% of the total European exporting market of green coffee beans. Finnish re-exports increased significantly between 2013 and 2017 with an annual increase of 32% in volume and 22% in value.

In 2017, the vast majority of Finland’s re-exports were destined for Russia. Russia’s coffee consumption amounted to 278 thousand tonnes (4.6 million 60 kg bags) in 2016/2017. Paulig, the main coffee roaster in Finland, is the second largest supplier of coffee to the Russian market.

### Tips:

- See our study on Trade Statistics for Coffee for more detailed information about the European trade of green coffee beans.
- Investigate the opportunities to use Finland as a channel to supply green coffee to Baltic countries or Russia.

## Speciality coffee in Finland: from a slow start to a thriving market

There is a growing interest in specialty coffee in Finland. Consumers focus more on quality and variety in their coffee experience. While this development is seen throughout Europe, the Finnish coffee market had a slower start compared to other European countries. Coffee has always been a popular drink in popular and cheaper blends like Juhla Mokka (Paulig). But the speciality segment with higher-quality coffees is relatively new.

The emergence of speciality roasters such as Kaffa Roastery, Helsingin Kahvipaahtimo, Turun Kahvipaahtimo, MokkaMestarit and The Cafetoria helped to shape the new coffee scene in the capital Helsinki and to maintain the Nordic tradition of lightly roasted coffee beans. The largest coffee company in Finland, Paulig, has also tapped into the speciality coffee market. The company acquired the small roaster Robert's Coffee, which operates as a separate company, offering high quality coffees only.

The growing importance of the speciality coffee culture in Finland is also illustrated by large coffee events such as the Helsinki Coffee Festival. This was organised for the first time in April 2016. The festival focused on topics such as the quality of coffee, coffee and health, 'Cold Brew', and the coffee culture in Finland.

### Tips:

- Are you interested in exporting high quality coffee? Learn more about cupping scores at the website of the Speciality Coffee Association (SCA). You can also consider getting a Q-grader certificate to be able to cup and score your Arabica coffee through small and taste according to international standards. If you also produce and/or export Robusta coffees, it's also possible to become an R-grader.
- See Finland's national chapter of the Speciality Coffee Association (SCA) for more information about the Finnish speciality coffee market. On this website, you can also find a list of Finnish member companies, including importers and roasters. Note that the Specialty Coffee Association of America and the Speciality Coffee Association of Europe have merged into a single organisation: the Specialty Coffee Association (SCA).
- See our study on trends for coffee for more information about the speciality coffee trend in Europe.

## Sustainability and certification continue to shape the Finnish coffee market

Sales of sustainable coffee are growing in Finland. The most important sustainability certification in the Finnish coffee market is UTZ Certified (now integrated into a single organization with the Rainforest Alliance). Fairtrade and organic have important presence in niche products. For example, sales of organic products in Finland have increased in recent years (+14% between 2015 and 2016), and coffee is one of the fastest-growing product groups.

Paulig and Meira are the two largest coffee companies in Finland. Both are selling certified coffee:

- Paulig has a wide range of UTZ Certified coffees. The company also has some products offering organic and Fairtrade certifications (Paulig Mundo, Paulig Mexico, Paulig Colombia and Paulig Espresso Originale). The company claims that all their products exclusively consist of certified sustainable coffee or coffee sourced through our verified sustainable partnership programmes.
- Meira has one Fairtrade-certified product: Meiran Reilu kahvi.

Starbucks and Nespresso also supply the Finnish market with sustainable coffee:

- Starbucks opened its first coffee shop in Finland in 2012. It has its own private standard for quality and sustainable coffee production, called Starbucks' Coffee and Farmer Equity Practices (C.A.F.E. Practices).
- Nespresso opened its first shop in Finland in 2014 while operating through a web shop since 2012. Additionally, consumers can buy Nespresso coffee at several Finnish retailers. Nespresso also has its own private guidelines with a similar approach and focus on quality: Nespresso AAA Sustainable Quality.

### Tips:

See our study on buyer requirements for the coffee sector to learn more about certification schemes.

Try to combine audits in case you have more than one certification. In this way, you can save time and money. Also investigate the possibilities for group certification with other producers and exporters in your region.

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

Read the World of Organic Agriculture 2018 to learn more about the global development in organic agriculture. The report also gives information about the European and Finnish organic agricultural market.

## 3. What requirements must coffee comply with to be allowed on the market in Finland?

Buyers in Finland have strict requirements for coffee, just like buyers in other European Union countries. You can only export your product to European Union countries if you comply with these requirements. In our study on buyer requirements for coffee you can find a detailed analysis of these requirements. Specifically for the Finnish coffee market the following topics are important:Legal requirements

You must follow the European Union legal requirements applicable to coffee, mainly dealing with food safety. Traceability and hygiene are the most important themes. Special attention should be given to specific sources of contamination. Pesticides, mycotoxins and Salmonella (though coffee is considered low-risk) are the most common for green coffee beans.

There are no specific Finnish laws concerning the import of coffee that differ from European Union legislation.

### Tip:

Read 'Exporting to Finland' for more information on complying with legal requirements and private sector standards.

## Quality criteria for coffee

Green coffee beans can be classified using two methods:

- the Specialty Coffee Association (SCA) green coffee grading protocols
- the Brazilian/New York green coffee classification (applicable to Brazilian coffee only)

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), sometimes also bean shape and colour
- Number of defects (imperfections)
- Roast appearance and cup quality (flavour, characteristics, cleanliness)
- Density of the beans

Higher quality coffee (specialty coffee) is graded according to a cupping score. Fragrance, flavour, aftertaste, balance, acidity, sweetness, uniformity and cleanliness are important topics in the grading process (see below for more information).

The definition of specialty coffee has not been formally established within the coffee industry. A cupping score below 80 is considered standard quality and not specialty. This is in line with the Coffee Quality Institute, which states that coffees graded and cupped with scores above 80 are considered specialty coffees. The cupping protocols of the Specialty Coffee Association also consider a score of 80 as being below specialty quality. However, the exact minimum scores defining speciality coffee differ per country and buyer. Some buyers consider 80 as too low and demand a cupping score of 85 or higher.

### Tip:

See the website of the United Nations Food and Agriculture Organisation (FAO) for more information about grading coffee.

## Roasting

Coffee can be roasted in several ways. In general, lighter roasts are less heavy, more acidic. They have more flavour than the darker roasts. Darker roasts have more body.

The degree or darkness of roast, as well as its duration, has a direct impact on the flavour profile of coffee.

There are other important variables which affect the flavour or can develop the potential of the coffee. Some of them are:

- Roasting time
- Charge temperature
- Rate of rise
- Drum speed or air flow & cooling speed
- First and second crack timing
- Sensory experience of the roaster

## Labelling requirements

Labelling of coffee exported to Finland should be written in English. Labels should contain the following topics to ensure traceability of individual batches:

- Product name
- International Coffee Organisation (ICO) identification code
- Country of origin
- Grade
- Net weight in kg
- *Certified coffee*: name/code of the inspection body and certification number.

### Tip:

Do you sell speciality coffee? It is important for buyers to know what the cupping score of your coffee is. It is not obliged, but it could be relevant to add to the documentation for the coffee you are exporting.

## Packaging requirements

Green coffee beans are sensitive to water absorption. They are therefore transported in woven bags made from natural fibre (jute or hessian). These allows free circulation of air.

Most green coffee beans of standard quality imported into Finland are packed in container-sized bulk flexi-bags. These hold roughly 20 tonnes of green coffee beans. The rest of the green coffee is transported in traditional 60-kilo jute sacks, which will have a net volume of around 17-19 tonnes of coffee.

Materials such as Grainpro or other innovative materials can be used to pack specialty coffees.

### Tips:

Check the website of the International Jute Study Group (IJSG) for manufacturing specifications of jute bags for the food industry (IJO Standard 98/01). Take these specifications into account when exporting to Europe.

Learn how to calculate the cupping score of your coffee at the website of the Specialty Coffee Association (SCA).

Ensure preservation of the coffee quality. Thoroughly clean and fumigate containers before loading the beans. Protect the cargo from moisture during loading, to avoid mould. Ensure appropriate temperature, humidity/moisture and ventilation conditions during processing and transportation. Protect the cargo from pests such as beetles and moths. Prevent contamination of beans by foreign materials (such as dust) by keeping facilities and equipment clean.

## Additional requirements

Quality management system certification may be required by European buyers. A system based on Hazard analysis and critical control points (HACCP) is often a minimum standard required, but some buyers will also expect you to have certificates such as International Featured Standards: Food (IFS) or British Retail Consortium

(BRC).

Corporate responsibility and sustainability is growing in importance in the coffee sector and adopting codes of conduct or sustainability policies related to environmental and social impacts of your company can provide you with a competitive advantage. See, for example, the website of Paulig: corporate responsibility strategy by Paulig.

Most large coffee companies in Finland also work with sustainability standards and certifications. For example, Paulig is a member of Global Coffee Platform and has a wide range of UTZ-certified products, now integrated into Rainforest Alliance. Large Finnish retailers, such as K-Citymarket and K-Extra, all have UTZ certified coffee in their assortment.

### Requirements for niche markets

In Finland, both Fairtrade and organic certifications are used in niche products and markets. Mainstream roasters such as Paulig and Meira use Fairtrade and organic certifications to distinguish specific product assortments, as described under the trends section. We also see organic certification (and sometimes Fairtrade) in the assortment of speciality coffee roasters such as The Cafetoria. But certifications are less commonly used within this segment, where the focus is usually on high quality and direct contact with farmers.

### Tips:

Read the Finnwatch's report on social responsibility of coffee roasters and private label coffee in Finland. This will help you understand the requirements of different actors within the Finnish coffee market.

See the list of UTZ registered coffee actors in Finland. You can find out who is certified and thus qualified to buy your UTZ-certified coffee.

Search for a certification body whose standards are recognised by the European Union. It will help you make sure your organic certification is recognised. The European Commission's Agriculture and Rural Development website provides a thorough explanation of import regulations and other related issues.

## 4. What competition do you face on the Finnish coffee market?

The main suppliers of green coffee beans to Finland in 2017 were:

- Brazil (47% of total Finnish imports)
- Colombia (24%)
- Honduras (8.1%)
- Nicaragua (4.2%)
- Kenya (3.1%)
- Guatemala (2.3%)
- Ethiopia (1.8%)
- Tanzania (1.8%)

Brazil's supplies to Finland increased in volume at a slight annual average rate of 1.2%, and at a greater rate of 6.1% in value. Brazil remains the largest exporter of green coffee beans worldwide, at an estimated volume above 35 million 60 kg bags in 2018/2019.

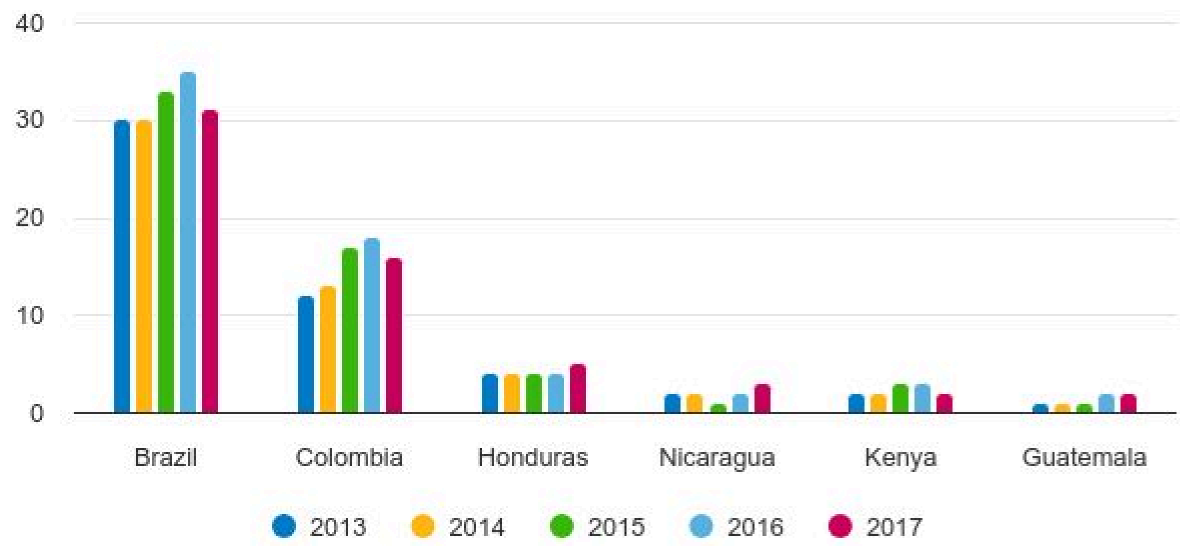
Supplies from Colombia (+8.8%), Honduras (+10%) and Nicaragua (+11%) increased significantly between

2013 and 2017. In the same period, imports from Nicaragua decreased in volume at an annual average rate of -3.5%.

Vietnam is the second largest supplier of coffee to Europe, but only the 12th largest supplier of coffee to Finland. This can be related to the fact that Vietnam mostly supplies bulk low quality coffee (Vietnam produces Robusta varieties). The Finnish market strongly favours high quality coffee to meet consumer demand (mostly Arabica varieties). The role of East African suppliers such as Kenya and Tanzania as suppliers to Finland also indicates demand for higher quality and variety.

**Figure 3: The leading developing country suppliers of green coffee beans to Finland**

in 1.000 tonnes




Eurostat, 2019

### Tip:

Identify your potential competitors and learn from them in terms of: Marketing (website, social media, trade fair participation), product characteristics (origin, quality) and value addition (certifications and processing techniques). Well- structured websites where you can learn from your competitors are, for example: O'Coffee (Brazil), Bourbon Specialty Coffees (Brazil) and La Meseta (Colombia).

## 5. Through what channels can you get coffee on the Finnish market?

The Finnish coffee market can be divided into two segments:

- In-home consumption: 88% of all Finnish households consume coffee. More and more consumers are interested in variety and would welcome the in-home coffee market becoming more diverse. Finland's speciality coffee market had a slower start compared to other European countries, but shows signs of significant growth.
- Out-of-home consumption: This market segment is growing. More people are consuming coffee away from

home, for example in restaurants, coffee shops and cafes. Consumption at work is also of great importance. The growth in the coffee shop scene in Finland has fuelled consumption of high-quality coffees, thus contributing to an increase in the speciality segment (see the section about trends above). This has also increased opportunities for coffee suppliers to connect directly with smaller-scale specialised roasters such as the ones mentioned in the section below.

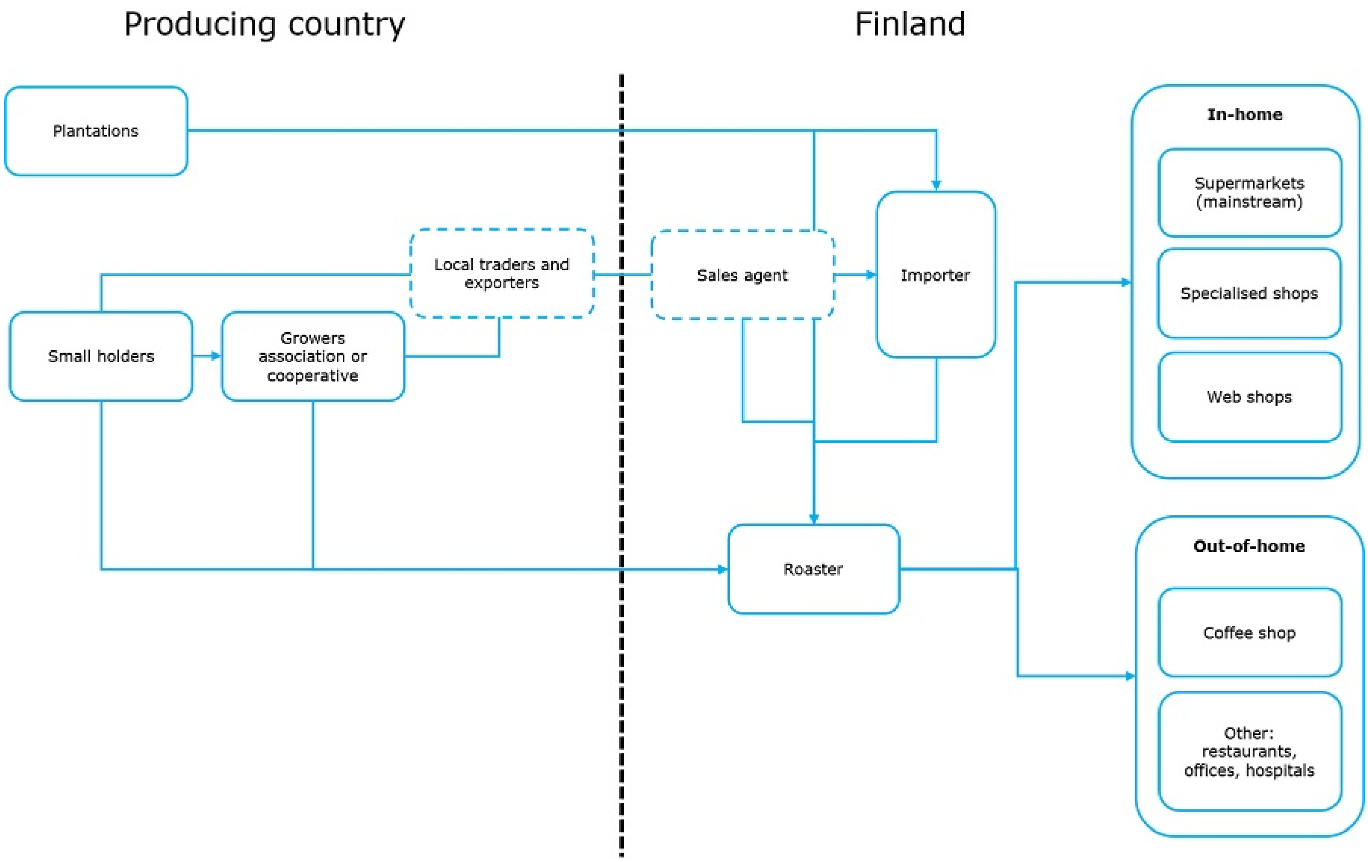
Finland's coffee market is mostly dominated by Paulig. The company imports 60 thousand tonnes of green coffee per year (which equates to about 89% of total Finnish imports in 2017). However, a large part of these green coffee imports are re-exported to Russia in green or roasted form. Paulig represents around half of retail sales in Finland.

The largest retailers in Finland are S Group (Meira, another large Finnish coffee brand, is part of this company) and K Group (which acquired Suomen Lähikauppa in 2016). These companies supply over 80% of the Finnish food and beverage market.

The Finnish market presents increasing opportunities within the speciality segment, where the role of small-scale roasters is more important. There are more than 20 small roasters in Finland today, operating with volumes as low as 500 kg yearly. These small roasters are often integrated with their own specialised shops and also sell coffee through Internet shops (examples: Kaffa Roastery, The Cafetoria).

The coffee market can also be segmented according to quality (for example, the percentage of high quality Arabica coffees in blends, single origins, micro-lots marketing aspects, etc.) and related prices (see the section on prices below). The Finnish market reflects the segments found on the European market (see our study on channels and segments in the European coffee sector): upper-end, middle range and lower-end segments. Both in-home and out-of-home consumption of coffee incorporate these segments.

Figure 4: Market channels for coffee in Finland




Green coffee beans are mainly imported into Finland via the Vuosaari harbour. Several large roasters are present in the harbour. Paulig, the largest importer and roaster in Finland, finished building its roasting plant there in 2009.

As an exporter, entering the Finnish market will depend on the quality of your coffee, your volume capacities (for example, more or less than 10 containers per year) and the strategy of your company (for example, supplying the market through intermediaries or directly to end-users).

In Finland, the trading structure is different from traditional markets like Germany (where large-scale coffee importers such as Neumann and List & Beisler can be found). In the mainstream Finnish market most trading is done by roasters. Example: Paulig sources directly from the countries of origin. If you want to enter this market, you as an exporter will have to be able to offer large volumes (usually starting at 10 containers), standard / consistent qualities, competitive prices and the application of sustainability standards such as the Rainforest Alliance certification.

Are you able to sell higher-quality coffees or even micro-lots which can attain superior prices? It might be more interesting for you to target smaller, specialised roasters. Requirements in terms of volume and certification might not be as strict as in the mainstream market. However, your capacity to support your sustainability and quality claims will be very important (example: in terms of cupping scores). Small roasters in Finland may source directly from farmers/cooperatives in origin countries (example: Café Caracol, The Cafetoria). Others purchase green coffee from international sourcing companies such as Collaborative Coffee Source, InterAmerican Coffee and Nordic Approach.

**Tips:**

Target specific market segments depending on the quality of your green coffee and your volume capacities. If you have very high-quality micro-lots and are working through an importer, for example, discuss the possibilities to link up with high-end small roasters. You can also explore direct trade possibilities and connect with specialised roasters. If you work with bulk coffees, discuss certification trajectories and linkages to larger roasters operating on the mainstream market.

Be consistent, punctual and reliable. This is essential when doing business in Finland. Reply in time to enquiries by possible buyers (within 48 hours). Be open and realistic and do not make promises that you can’t keep. See our tips on doing business with European coffee buyers for more information.

Use the following websites to find buyers: Finnish Coffee Roasters Association and the Finnish chapter of the Specialty Coffee Association (SCA).

## 6. What are the end market prices for coffee?

The end-market prices for coffee vary depending on which segment of the market is targeted. Our study on channels and segments in the European coffee sector provides an overview of the upper-end, middle range and lower-end in the coffee retail market and their main characteristics. Typically, export prices of green coffee only account for around 5–25% of the end-market prices, depending on the coffee quality, the size of the lot and the supplier’s relationship with the buyer.

These are price ranges for the Finnish coffee market:

- Upper-end: €43.32 per kg (Kaffa Roastery – Ethiopia Kayon Mountain Natural – 250 gram packaging); €40 per kg (Turun Kahvipaahtimo – El Socorro – 250 gram packaging)
- Middle range: €14.87 per kg (Paulig papukahvi – UTZ certified – 400 gram packaging);  €13.76 per kg (Presidentti kahvi black label – 450 gram packaging)
- Lower-end: €7.53 per kg (Saludo Kahvi – 450 gram packaging).

Sources: K-Citymarket (Finnish retailer), Kaffa Roastery, Turun Kahvipaahtimo, The Cafetoria

### Tips:

Read the guide ‘Exporting to Finland’ to learn more how about the link between export prices and retail prices on the Finnish market.

Monitor end consumer prices of coffee to get an idea on price ranges. Good sources for price information are the websites of supermarket chains (such as K-Citymarket and K Market) and speciality coffee web shops; examples: Kaffa Roastery, Turun Kahvipaahtimo, The Cafetoria.

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