

CBI MARKET SURVEY**THE COFFEE, TEA AND COCOA
MARKET IN THE EU****Publication date: June 2009****CONTENTS**

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This survey was compiled for CBI by ProFound – Advisers In Development
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REPORT SUMMARY

This CBI market survey profiles the coffee, tea and cocoa market in the EU. The coffee, tea and cocoa markets in individual EU countries are discussed in separate market surveys. These market surveys, as well as EU export marketing guidelines for coffee, tea and cocoa can be downloaded from <http://www.cbi.eu/marketinfo>.

Consumption and trends

In 2007, total EU coffee consumption amounted to 2.4 million tonnes, representing an average EU per capita consumption of 4.9 kg. This indicated a small annual increase between 2003 and 2007 of 0.5% annually. Germany, Italy and France are the main consuming countries, accounting for almost 50% of EU consumption. Taking the organic and Fair-trade coffee markets together, they would account for more than 2.6% of the total coffee market. Utz Certified and Rainforest Alliance would add several extra percentage points.

In 2006, the EU consumed 246 thousand tonnes of tea, of which 131 thousand tonnes was consumed in the United Kingdom (International Tea Committee, 2009). Other leading EU markets for tea are Poland, Germany, France, Ireland and The Netherlands. In terms of per capita consumption, tea is most popular in Ireland, the United Kingdom and Malta. In general, tea consumption in the EU shows a very small increase, although tea consumption in several of the main markets is decreasing. On the other hand, consumption in the UK is, for the first time in years, increasing again, while consumption in countries where tea was traditionally hardly consumed, such as Portugal, is strongly increasing. The leading EU markets for organic tea are the United Kingdom and Germany. Fair Trade tea is consumed most in the UK. The certified tea market is much less developed than the certified coffee market.

In order to assess the demand for cocoa beans, total grindings per country are an important determinant. Almost 40% of global cocoa bean supplies are ground in the European Union, amounting to a volume of 1.41 million tonnes in the cocoa year 2008/09, increasing by 3.6% per year. The most important cocoa-grinding EU member countries are The Netherlands and Germany. Other countries which have considerable cocoa-grinding facilities are France and the United Kingdom. Grindings are increasing faster than the internal apparent consumption of cocoa products in the EU, discussed below, due to exports of processed cocoa products, especially to Russia.

In 2006/2007, apparent consumption in the EU amounted to 1.40 million tonnes, an increase of 3.1% annually since 2002/2003. The largest consumers are Germany, France and the UK. Certified cocoa accounts for around 2.5% of the total market in the EU.

Chocolate confectionery is very popular in the United Kingdom, Germany, Belgium, Austria, Ireland and Denmark, all having a per capita consumption of 7 kg or higher in 2006. In the same year, total consumption amounted to 2.4 million tonnes and it is expected that this will continue to increase. Organic cocoa products still account for a small share of the total market, but this share is increasing rapidly.

Important trends influencing the EU market for coffee, tea and cocoa are:

- The trend towards convenience and smaller portions has led to an increasing demand for products like instant coffee, coffee and tea pods, chocolate bars, tea-for-one bags, iced tea and coffee, etcetera.
- An increasing awareness of the environmental and social aspects of production led to greater importance of 'sustainable' coffee, tea or cocoa, including organic, Fair trade, Utz Certified, and other certification schemes. A "Common Code for the Coffee Community" (4C) and a 'Sustainable Coffee Initiative' have also received support. Although certified markets are still limited in size, obtaining certification for coffee, tea and cocoa improves the market entry possibilities in the EU.