

**Review of Coffee Exports from some selected African producers
from October 2023 – March 2024**

Executive Summary

The export markets for green coffee from some major African countries reveal distinct regional preferences and dependencies. Cameroon's green coffee mainly targets Algeria (33.6%), Portugal (22.2%), and Italy (13.1%), with Europe and Africa representing 51.2% and 40.3% of its exports, respectively. Côte d'Ivoire similarly relies heavily on Algeria, which absorbs 79.9% of its green coffee exports, while Spain (14.1%) is a notable secondary market in Europe. Côte d'Ivoire's soluble coffee primarily serves West Africa, with Burkina Faso (31.4%), Senegal (29.8%), and Nigeria (14.2%) being major destinations. Ethiopia's green coffee exports are predominantly directed towards Asia (54.5%) and Europe (29.5%), with Saudi Arabia (23.3%), Belgium (9.8%), Germany (9.4%), and the Democratic People's Republic of Korea (7.6%) being key markets. Rwanda's green coffee exports are more widely distributed, with Switzerland (21.8%) and the USA (12.2%) as major markets, while a significant 40.8% falls under diverse "Other" destinations. Europe remains the largest continental market for Rwanda, absorbing 39.4% of its exports. Uganda's green coffee exports are heavily concentrated in Europe, which receives 65.4% of its exports, followed by Asia (16.4%) and Africa (14.0%), indicating a strong dependency on European markets. This overview highlights the diverse and region-specific market penetration of green coffee exports from these African nations, with significant variations in continental and country level dependencies.

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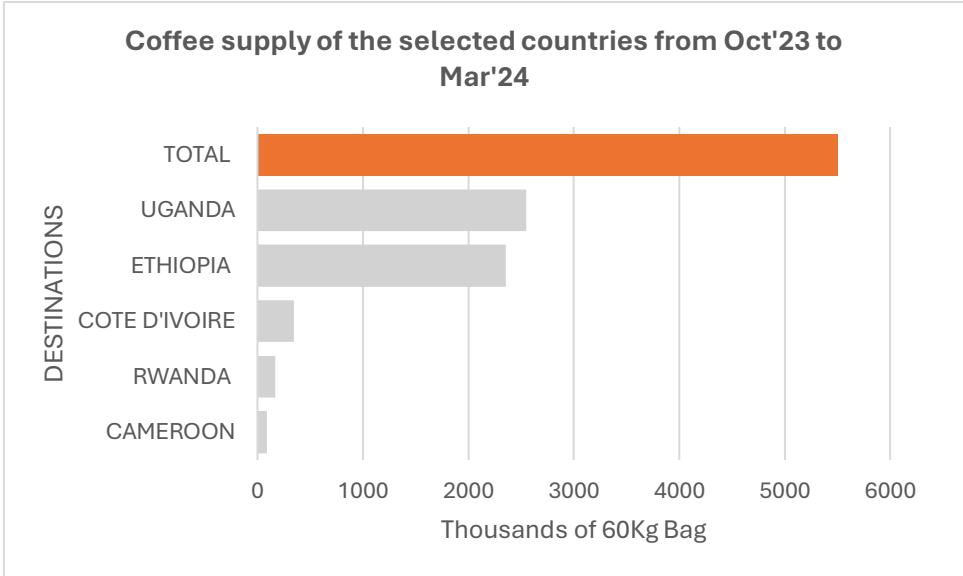
Table of Contents

Executive Summary	1
Overview of Coffee Export	3
Coffee supply from Cameroon	4
Coffee supply from Côte d'Ivoire	4
Coffee supply from Ethiopia	6
Coffee supply from Rwanda	7
Coffee supply from Uganda	7
Coffee price volatility	8
Strategic implications	9
Conclusion	10
Acronyms	11
References	12

Overview of Coffee Export

In the dynamic landscape of the global coffee market, navigating the currents of supply, demand, and various influencing factors is important for strategic decision making. As a recommendation from the Promotion Committee during the 2023 Annual General Assemble of the Inter-African Coffee Organisation (IACO), this review will cast a spotlight on the main trends that have shaped the first semester of the 2023/2024 coffee year in some selected IACO member states. During this period, the coffee market has experienced a blend of challenges and opportunities, propelled by an involved interplay of economic factors. The review will untie the complexities of the market, examining key drivers and trends that have left an imprint on the African coffee industry during the specified period. The total coffee supplied by the selected major African producers from October 2023 to March 2024 is 5,5 million bags of 60kg, representing 27,36% of the Africa’s coffee production forecast for 2023-2024 coffee year. According to the International Coffee Organisation’s report (ICO, 2023), Africa’s coffee production is expected to increase by 12,3% in 2024 compared to 2023, to reach 20,1 million bags”. The current review will explore and analyse these data aimed at providing essential insights for informed decision making in the ever-evolving world of coffee business.

From the graphic 1 below, Uganda and Ethiopia are the major suppliers of African coffee during the first half of the 2023-2024 coffee year, contributing 46.3% and 42.8% of the total exports respectively. The supplies from other countries are significantly smaller, with Côte d'Ivoire at 6.2%, Rwanda at 3.1%, and Cameroon at 1.6%.

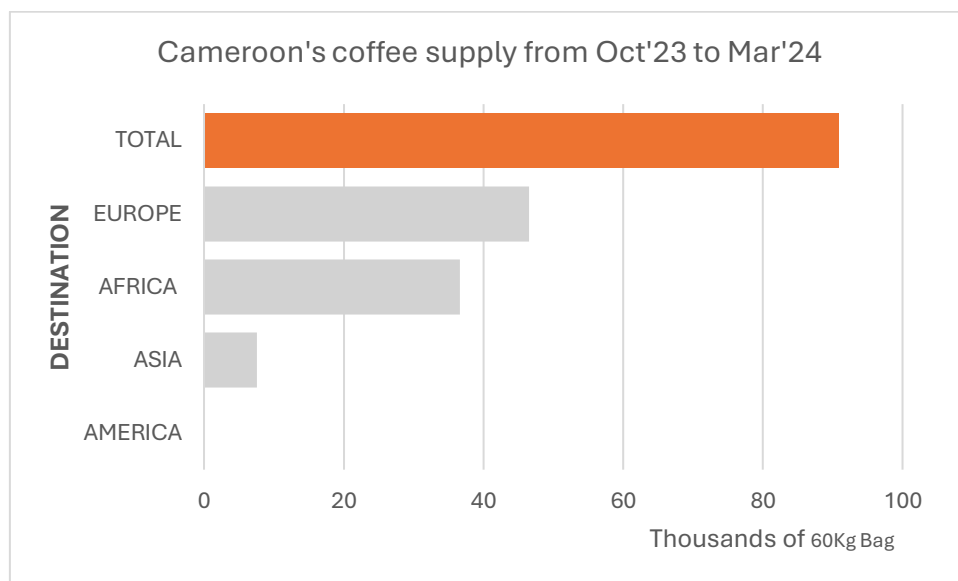


Graphic1: Coffee export volume in green coffee of the selected IACO members during October 2023 to Mar 2024.

Sources: CCC, ONCC, ECTA, NAEB & UCDA

Coffee supply from Cameroon

The Cameroon's green coffee export to various destinations offers several insights into the country's trade dynamics and potential economic strategies. During the first half of 2023-2024 coffee year, the country exported about 90 thousand bags green coffee in both Arabica and Robusta. The arabica represents only 1,4% of this supply. Europe is the largest market for Cameroon's green coffee exports, accounting for 51.2% of the total volume (graphic 2). This dominance suggests strong trade relationships and demand within European countries. Cameroon likely benefits from established logistical networks, trade agreements, and consumer preferences in this region. The second largest market is within Africa itself constituting 40.3% of the exports out of which Algeria represents the major market share of 33,6%. This high percentage reflects regional trade integration and possibly lower transportation costs. Additionally, intra-African trade may be supported by initiatives such as the African Continental Free Trade Area (AfCFTA). Asia (8.3%) represents a smaller but significant portion of the exports. This region's growing middle class and increasing demand for coffee suggest a potential market for future expansion. The minimal export volume to America (0.1%) highlights an underdeveloped market. This could be due to competition from major coffee producers in Latin America or logistical challenges.

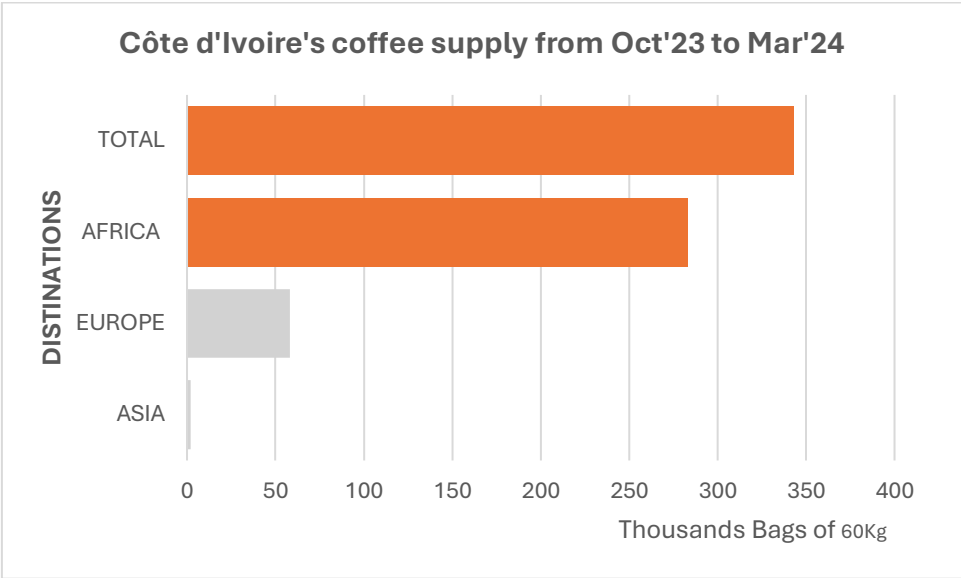


Graphic 2: Cameroon's green coffee supply to various destinations

Coffee supply from Côte d'Ivoire

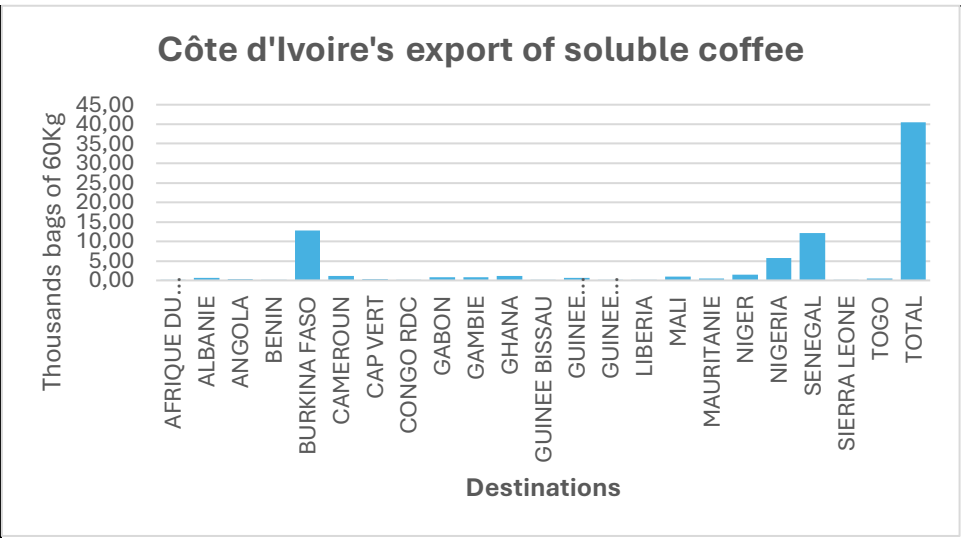
Côte d'Ivoire's coffee supply from October 2023 to March 2024 reveals significant insights into the country's export markets and economic positioning in the global coffee trade. The country's export in green and soluble form totalled 343 thousand bags, (graphic 3). Most of the country's coffee supply is directed to African markets (82%) as shown by the graphic 3. This indicates strong regional trade ties and possibly a high demand for coffee within the continent. The large

volume suggests that Côte d'Ivoire benefits from regional proximity, potentially lower transportation costs, and favourable trade agreements within Africa. Europe is the second largest destination for Côte d'Ivoire's coffee, accounting for 17% of the exports. This suggests established trade routes and a steady demand from European countries, likely driven by the continent's strong coffee consumption culture. The minimal share of 1% directed to Asia indicates a very small presence in this market. This could be due to various factors, such as competition from other coffee producing regions or specific trade barriers. However, Asia is indeed a new market as well with a high potential that needs to be explored by the African coffee producing countries.



Graphic 3: Côte d'Ivoire's green & soluble coffee supply to various destinations

It's important to note that, 40,5 thousand bags out of the total coffee supply of Côte d'Ivoire during the highlighted period were exported to various destinations in soluble form, (graphic 4). The West African region represents 92.2% of the major market share with Burkina Faso (31,4%), Senegal (29,8%) and Nigeria (14,2%) being major, while 1,5% exported to Albania in Europe.

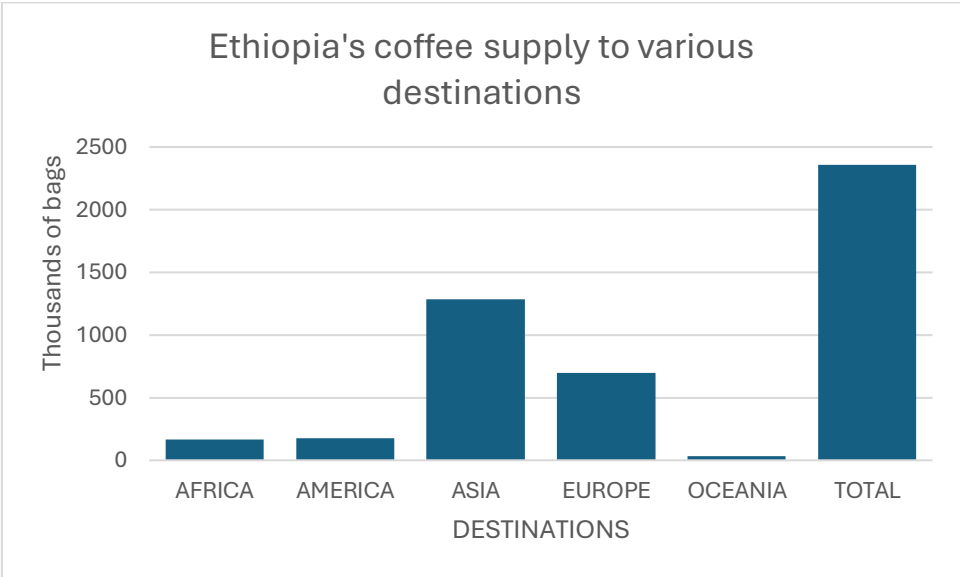


Graphic 4: Côte d'Ivoire's soluble coffee supply to various destinations

Coffee supply from Ethiopia

Ethiopia, famed for its high-quality Arabica coffee, demonstrates significant export activity across various global markets during the first semester of the 2023-2024 coffee year (Graphic 5). The country’s supply during the highlighted period accounts for 2,3 million bags which represents 42,8% of the total supply of five selected African producing countries. Ethiopia exports most of its coffee to Asia (54.5%). This substantial demand is driven by rising coffee consumption in countries like Saudia Arabia (23,3%), South Korea (7,6%), Japan (6,3%), and emerging markets such as China (4,7). The growing middle class and shifting consumer preferences toward premium coffee products in these regions underpin this trend. Europe imports 29.5% of Ethiopian coffee during the highlighted period, there by representing the second largest market for Ethiopian coffee. European consumers have a longstanding tradition of coffee consumption, with a preference for high quality Arabica beans. Europe's market stability and size make it an essential segment for Ethiopian coffee exports. With exports totalling about 176 thousand bags representing 7.5% of Ethiopia’s supply, the Americas, particularly North America, represent another key market. Despite being the continent of origin, Africa’s importing countries accounted for a smaller share of Ethiopia’s exports at 7.1% during the period. Lower overall consumption levels and economic constraints in many African countries contribute to this. However, regional trade agreements and urbanization present opportunities for growth in intra-African trade. Oceania, primarily comprising Australia and New Zealand imports accounted for 1.4%. Although limited in size, this affluent market has a growing specialty coffee culture.

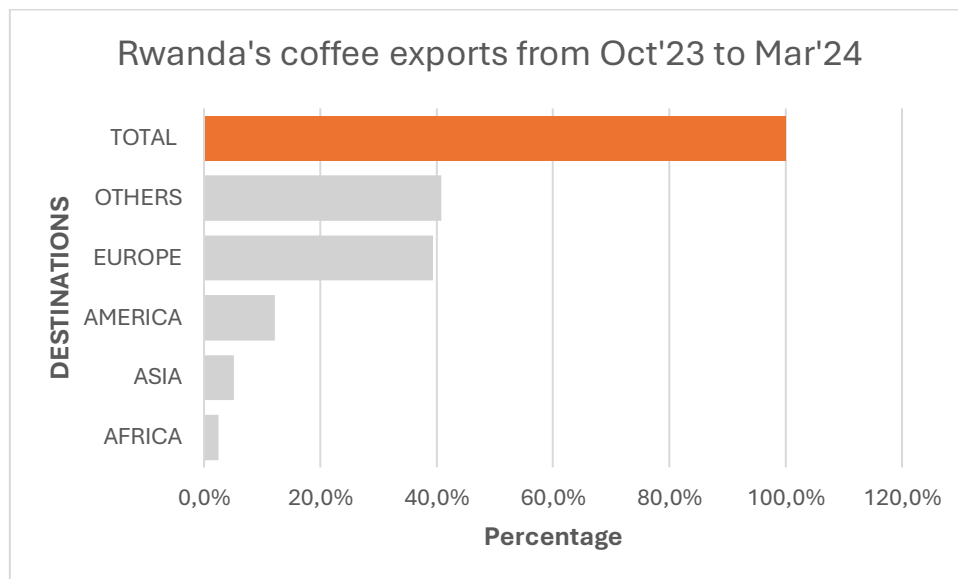
The heavy reliance on Asia (over 50%) exposes Ethiopia to potential risks from regional economic downturns or trade policy changes. Diversifying exports across other regions can mitigate these vulnerabilities. Asia’s dominance presents substantial revenue opportunities, driven by economic growth and rising disposable incomes. Sustaining and expanding market share in Africa, Europe and America is also crucial due to their market stability and purchasing power.



Graphic 5: Ethiopia’s green coffee supply to various destinations

Coffee supply from Rwanda

Rwanda's coffee exports for the first half of the 2023-2024 coffee year totalled 177 thousand of bags. Europe is the leading destination with 39.4% of total exports as shown by graphic 6 below. The "Others" comprising the largest share at 40.8%, indicating diverse markets outside the traditional major regions. America represents a significant market with 12.2%, while Asia and Africa account for smaller portions, with 5.1% and 2.5% respectively as shown by graphic 6. The "Others" category surpasses even Europe, suggesting Rwanda's strategy to tap into a variety of smaller, possibly emerging markets. This diversification could mitigate risks associated with dependence on a few large markets. Europe, as a traditional market for high quality coffee, remains important to Rwanda's coffee sector. The significant share indicates strong demand and possibly favourable trade agreements or established supply chains between the country and Europe. The Americas show valuable demand, potentially driven by the specialty coffee market and consumer trends favouring diverse coffee origins. The growing middle class and increasing coffee culture in some Asian countries like Russia and South Korea might explain the moderate but important market share for Rwanda's coffee.

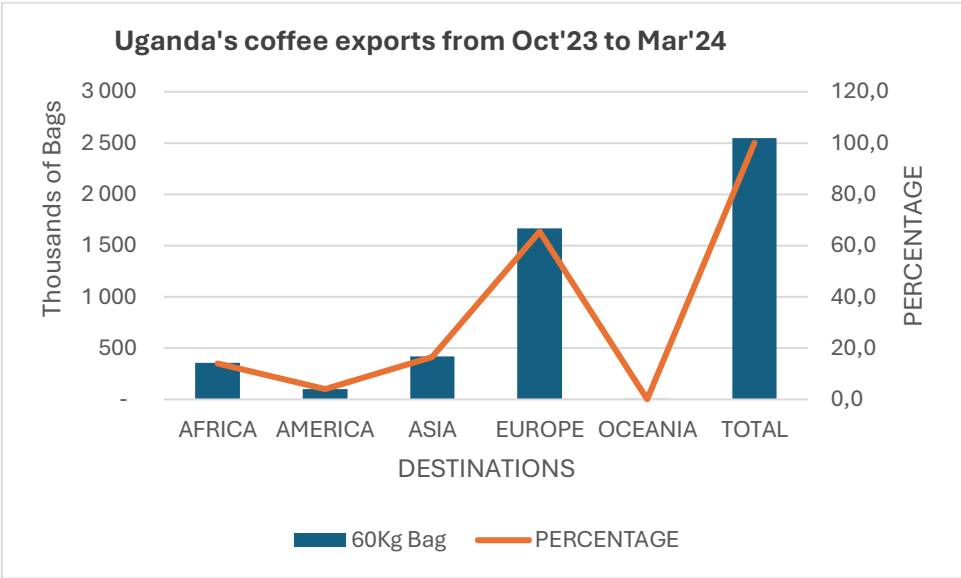


Graphic 6: Rwanda's green coffee supply to various destinations

Coffee supply from Uganda

The analysis of Uganda's coffee export distribution across various global regions during the highlighted period revealed the significance of its exports, trends, and potential economic implications for Uganda. Europe is the largest destination for Uganda's coffee, importing 65.4% of its total exports during the first half of the 2023-2024 coffee year as indicated in graphic 7 below. This heavy reliance on the European market indicates that any economic fluctuations, trade policy changes, or market demand shifts in Europe could significantly impact Uganda's coffee industry. Asia is the second largest importer accounting for 16.4% of the total exports

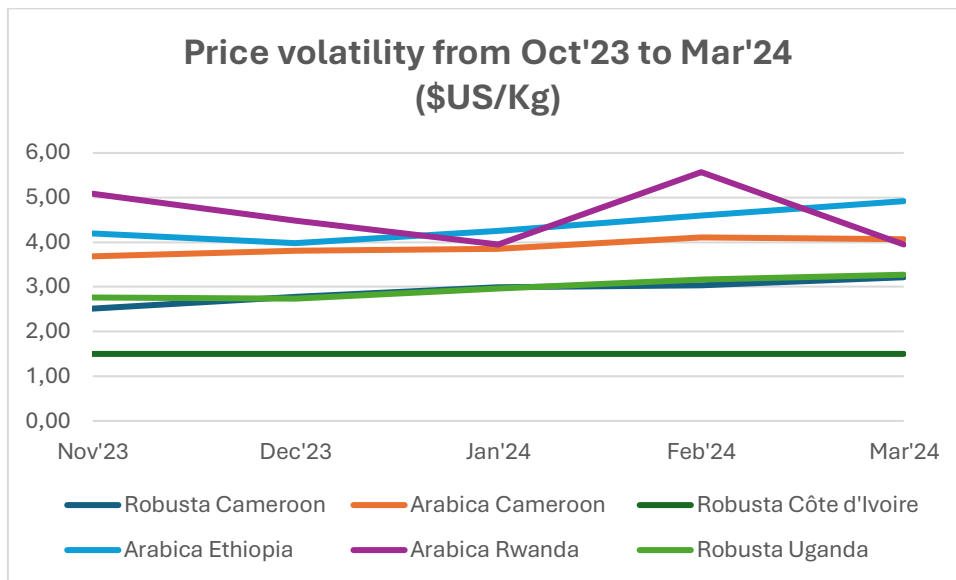
during the highlighted period. This region represents a growing market with potential for further expansion, especially given the increasing coffee consumption in countries like China, Russia, and Japan. Africa imports 14% of Uganda's coffee exports with Sudan and Morocco as major recipients accounting for 160 thousand bags and 90 thousand bags respectively. This intra-African trade suggests that there is potential for growth within the continent, particularly with the African Continental Free Trade Area (AfCFTA). The Americas (4.1%) and Oceania (0.1%) together account for a minor portion of exports. While these markets are currently small, they present opportunities for diversification to mitigate risks associated with over-reliance on specific regions.



Graphic 7: Uganda’s green coffee supply to various destinations

Coffee price volatility

The export prices varied significantly among the selected countries. Ethiopia and Rwanda commanded the highest average prices, with Ethiopia at \$4.44/kg and Rwanda at \$4.67/kg. Their prices showed significant fluctuation, with Rwanda experiencing the highest peak at \$5.57/kg in February and dropped to \$3.95 in March 2024 as shown by the graphic 8 below. The Ethiopian arabica started at \$4.65, dropped to \$3.98 in December, and rose again to \$4.92 by March 2024. Cameroon and Uganda had moderate average prices, with Cameroon at \$2.83/kg and Uganda at \$2.95/kg during the period. Their prices gradually increased over the period. The Cameroonian robusta rose from \$2.46 to \$3.22, and Arabica from \$3.52 to \$4.07, while Uganda, initially experienced a slight price decrease but then steadily increased from \$2.80 to \$3.27 during the highlighted period. Côte d'Ivoire had the lowest and most stable export price at \$1.50/kg throughout the period. The coffee market during the highlighted period experienced a general upward trend in prices, with notable fluctuations in Ethiopian and Rwandan Arabica. The price fluctuations could also be attributed to seasonal harvests, supply chain disruptions, global demand, exchange rates, trade policies, and production costs.



Graphic 8: Coffee price volatility during the period in each country.

Strategic implications

❖ Market diversification

Countries like Rwanda and Ethiopia benefit from diversified markets, which can mitigate risks associated with reliance on a few large buyers.

❖ Price optimization

There is a clear opportunity for countries with lower export prices like Côte d'Ivoire to explore ways to increase their value, possibly through quality improvements or certifications.

❖ Regional focus

Uganda and Cameroon could benefit from further exploring under-tapped markets outside Europe to reduce over-reliance on a single region.

❖ Value Addition

Côte d'Ivoire's strategy of exporting both green and soluble coffee illustrates a value addition approach that other countries might emulate to enhance revenue streams. The soluble plant owned by Nescafe located in Abidjan is a contributing factor to export of instant coffee in the region and growing domestic consumption.

Conclusion

The data highlights the significant role of Uganda and Ethiopia in the global coffee market from October 2023 to March 2024. There is a notable variation in export prices, with Rwanda and Ethiopia fetching the highest prices, due to the fact that these countries sell most of their coffee as specialty with price differential. The market supply is diverse, with a heavy focus on European markets. To optimize their economic outcomes, these countries should consider strategies for market diversification in Africa as well to increase the domestic consumption, price optimization, and value addition. The submission of the data on local consumption will help the General Secretariat of IACO to scrutinize them and come out with possible proposal to boost the economics of African coffee industry.

Acronyms

CCC : Conseil du Café-Cacao de Côte d'Ivoire

ECTA: Ethiopian Coffee & Tea Authority

ONCC: National Cocoa and Coffee Board

NAEB: National Agricultural Export Development Board

UCDA: Uganda Coffee Development Authority

IACO: Inter-African Coffee Organisation

References

ICO, (2023): Coffee_Report_and_Outlook_December_2023_ICO. Retrieved from:
https://icocoffee.org/documents/cy2023-24/Coffee_Report_and_Outlook_December_2023_ICO.pdf