

International study shows strong market potential for sustainably certified African coffee in Belgium

Private supermarket labels represent 90% of sustainable coffee sold through retail in Belgium

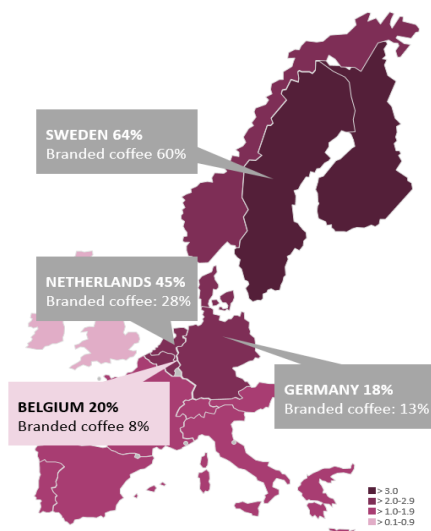


Figure 1 – In colour: Daily Coffee Cups per Capita 2016. In text block: % Share of Certified Coffee of Total Coffee Value Sales
Source: Euromonitor International

12th Dec, BRUSSELS - In collaboration with the Trade for Development Centre of the Belgian Development Agency (BTC) and UTZ, Euromonitor International has conducted [a study to investigate the market potential for third-party certified African coffee in Belgium](#) (Fairtrade, UTZ and Rainforest Alliance).

Certified coffee represents 20% of the overall Belgian coffee market in value. Only 8% of total coffee value sales is represented by certified branded¹ coffee, far lower than in other EU countries such as Sweden (60%), the Netherlands (28%) and Germany (13%) in 2016.

In 2016, overall retail sales of certified coffee in Belgium were worth EUR 128.1 million and good for 9.9 thousand tonnes. Certified coffee accounts for 23% of total retail coffee volume sales, 90% of which are supermarkets' private labels².

Leading coffee brands lack behind

The leading brands Jacobs Douwe Egberts (JDE) and Nestlé, which together are good for 41% of retail coffee volume in 2016, have not yet signed-up to the third party certification schemes on a large scale in Belgium. To drive sustainability it is crucial that the stakeholders at all stages of the coffee production, from farming to selling, work together around unified standards. Third party certification plays this key role by setting the standards and providing independent verification. Euromonitor International concludes that JDE needs a coherent strategy for Belgium across its brand portfolio. It also needs to create a strong ethical value proposition to align with the direction of the market.

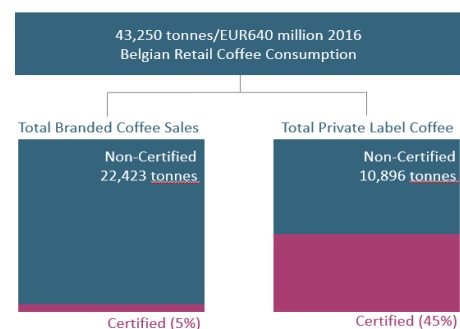


Figure 2 - Branded and Private Label Coffee Sales in Belgium: Certified vs. Non-certified Volume Sales, 2011-16
Source: Euromonitor International

Opportunities for African certified coffee

One of the conclusions is that the volume of certified coffee now being produced in Africa is sufficient to cover current volume demand for certified coffee in Belgium.

The study shows that the Belgian market goes premium, with opportunities for ethical products. Consumers in Belgium are increasingly willing to pay a premium for coffee that is certified, sustainable and can be traced back to the country of origin, showing the Belgian market is ready for further action in sustainable sourcing. Yet many stakeholders along the supply chain believe that the

¹ Branded coffee: Coffee sold under a brand owned by a coffee manufacturer

² Supermarkets' private labels: This includes all grocery retailers' private labels

coffee does not match their cupping quality requirements. However, large players such as JDE are losing share against smaller competitors that are innovating their product offer with a continuous introduction of single origin varieties. To do so the smaller competitors are investing directly in the supply chain to ensure a reliable, superior quality coffee, as well as meeting high ethical standards.

Immediate opportunities exist in the coffee pod segment. Belgian coffee drinkers are trading up, with the average coffee price expected to grow faster than the Western European average, largely driven by the expansion of pod sales. Over the next 5 years, pods are expected to continue expanding. Current and new entrants in the pod category will try to gain shelf space by offering consumers a wider range of coffee varieties and aromas, and East African coffee is set to gain popularity as a consequence.

More information

- Download the [full report](#) on www.befair.be > publications > market studies and opinion polls
- If you have any further questions on this study, please contact Mathieu Desantoine, marketing officer TDC, at mathieu.desantoine@btcctb.org

The [Trade for Development Centre](#) (TDC) of Belgian development agency BTC aims at economic and social empowerment of small producer organisations. We enhance business knowledge and improve market access by providing financial and technical assistance to producer organisations that are engaged in fair or sustainable trade. Understanding markets is an essential first step to improving market access. This is why we finance different market studies.