Value addition in the African Coffee Sector

25-29 September 2017

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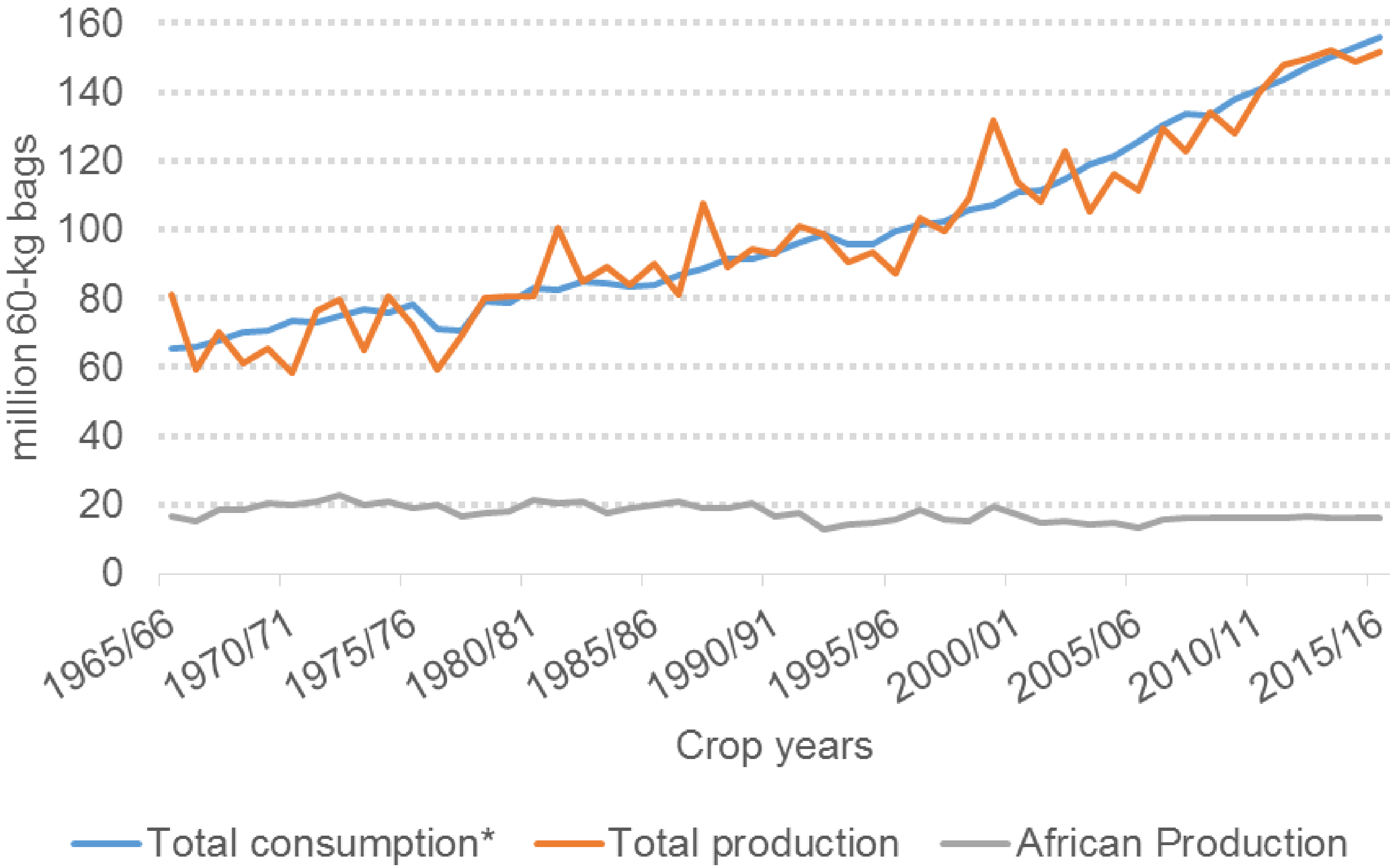
Overview

- Economic growth in SSA rebounds to 2.6% in 2017
- Positive outlook for 2018/19
- What are the prospects for the African coffee sector?
  - Production & consumption patterns
  - Value addition

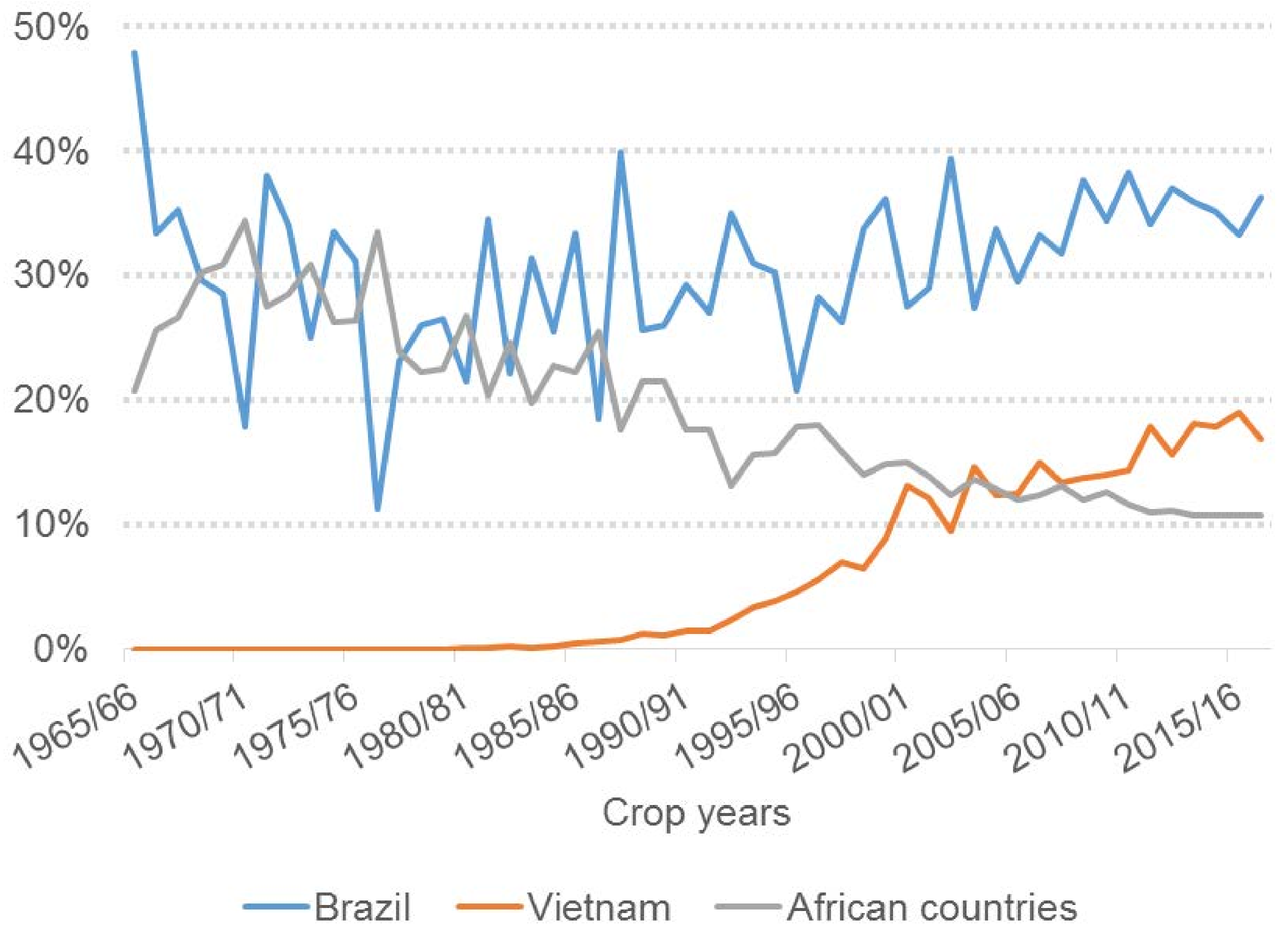
Global coffee balance



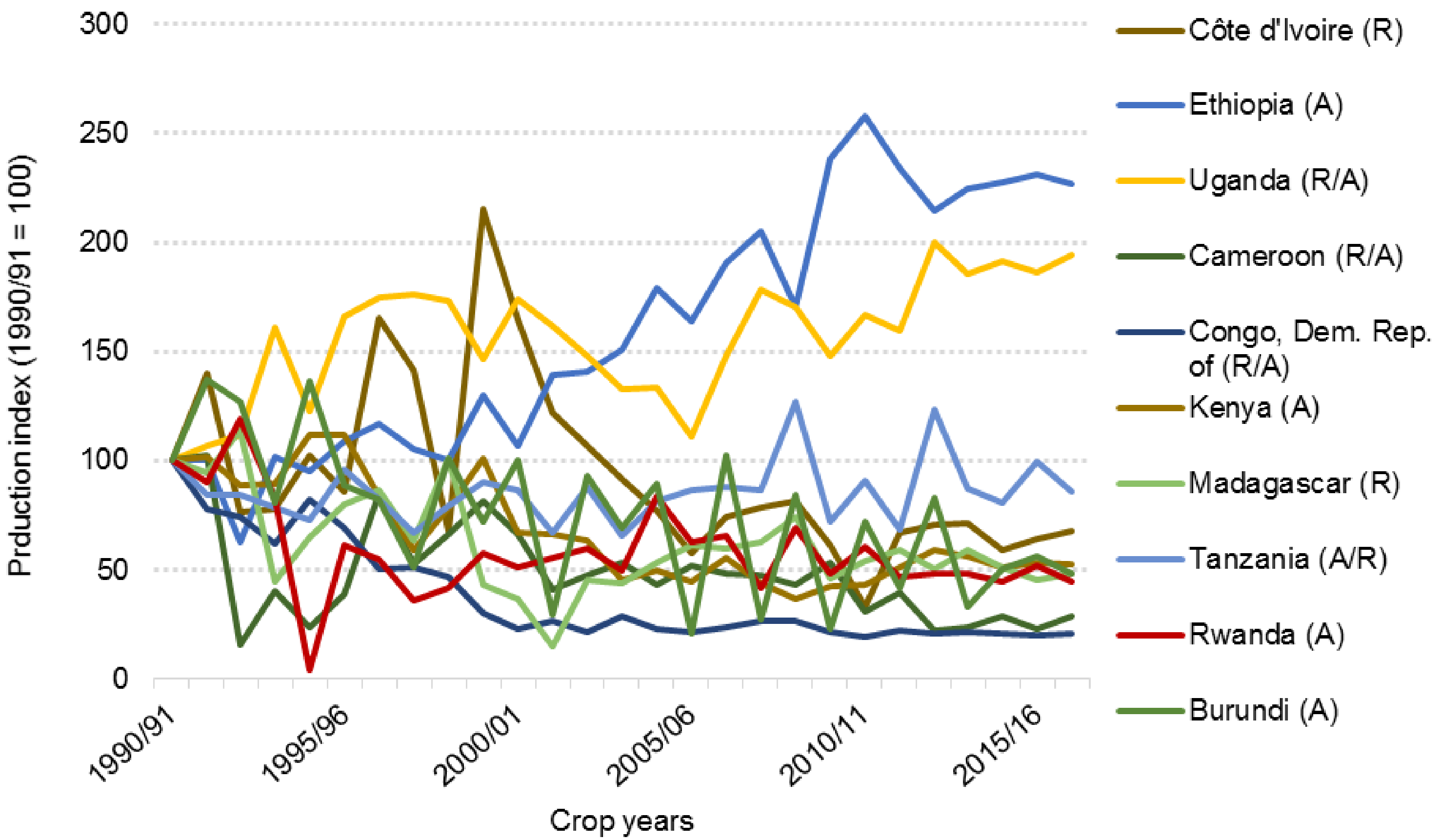
*Consumption for importing countries on coffee year basis

Production

Share of selected countries in global coffee output



Development of coffee production in selected African countries



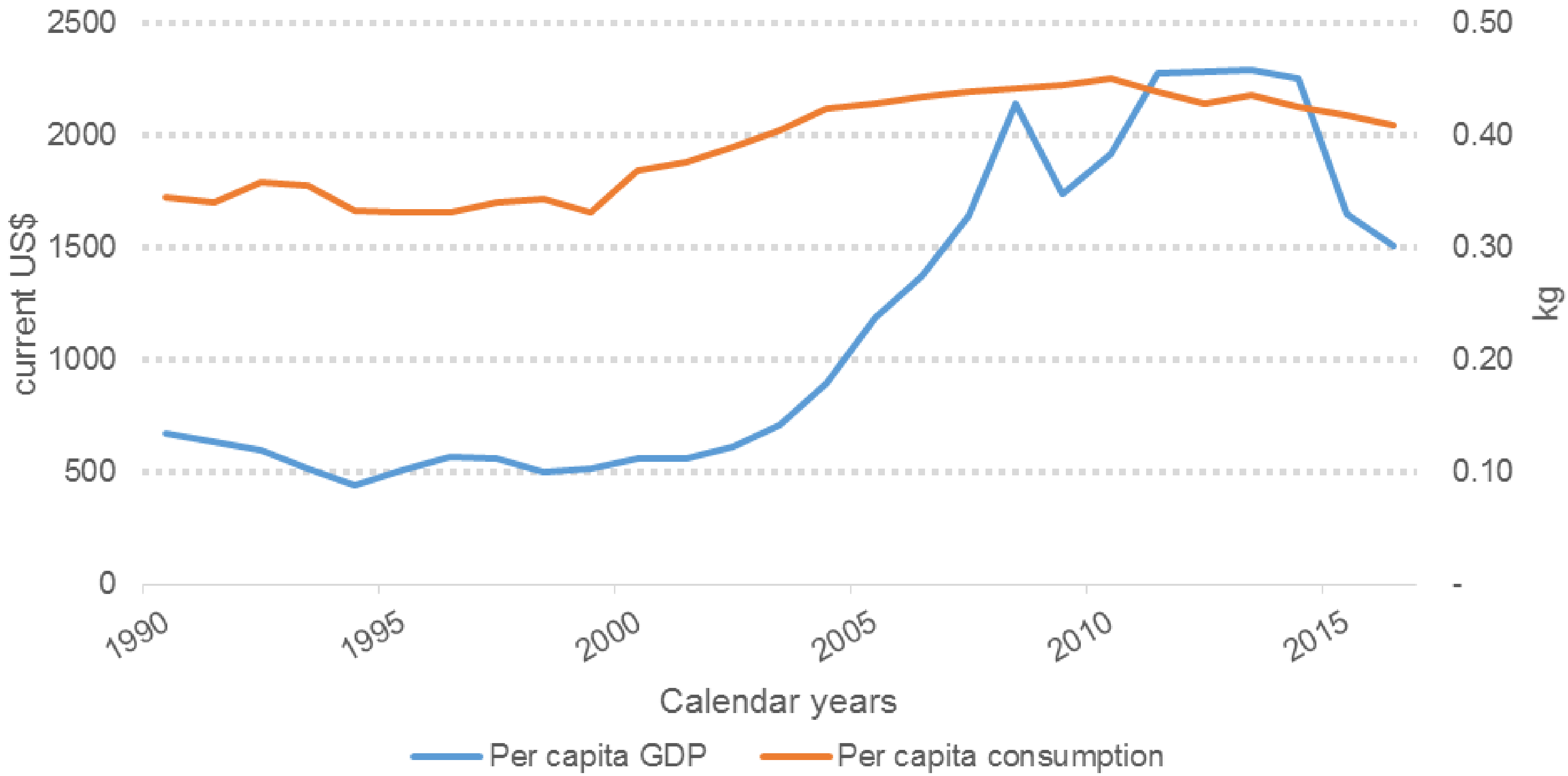
Consumption

Global demand for coffee (in million 60-kg bags)

	2012/13	2013/14	2014/15	2015/16	CAGR (2012/13 - 2015/16)
World total	**146 964**	**149 022**	**151 758**	**155 469**	**1.9%**
Africa	10 470	10 597	10 754	10 794	1.0%
Ethiopia	3 400	3 650	3 675	3 700	2.9%
Côte d'Ivoire	317	317	317	317	0.0%
Uganda	216	221	229	234	2.7%
Asia & Oceania	29 445	30 701	32 550	33 611	4.5%
Central America & Mexico	5 200	5 156	5 235	5 306	0.7%
Europe	50 028	50 179	50 912	51 590	1.0%
North America	26 778	27 706	27 359	28 931	2.6%
South America	25 042	24 682	24 949	25 237	0.3%

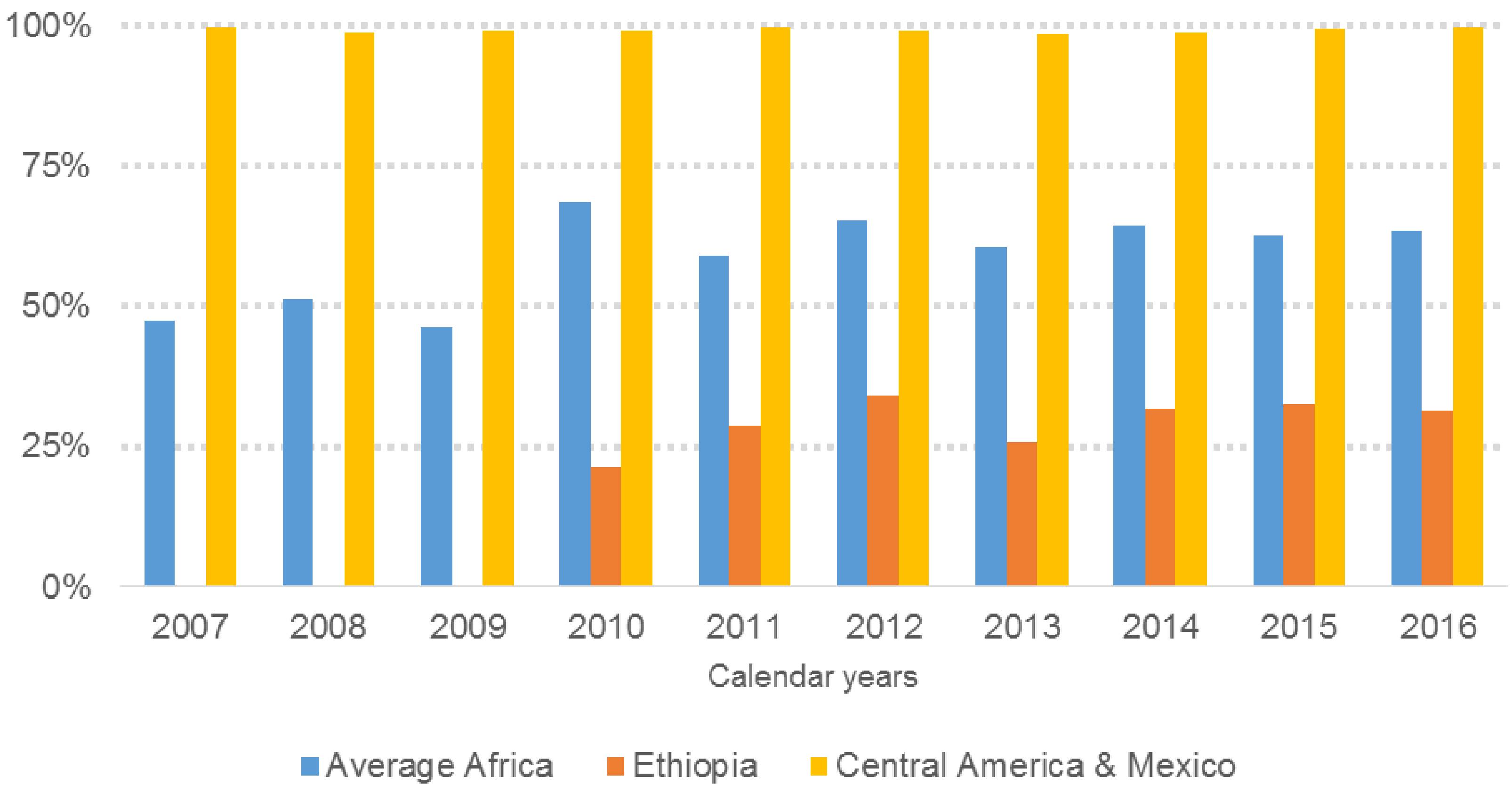
Domestic consumption in coffee-producing countries in Africa

Per capita GDP vs. per capita coffee consumption in African producing countries

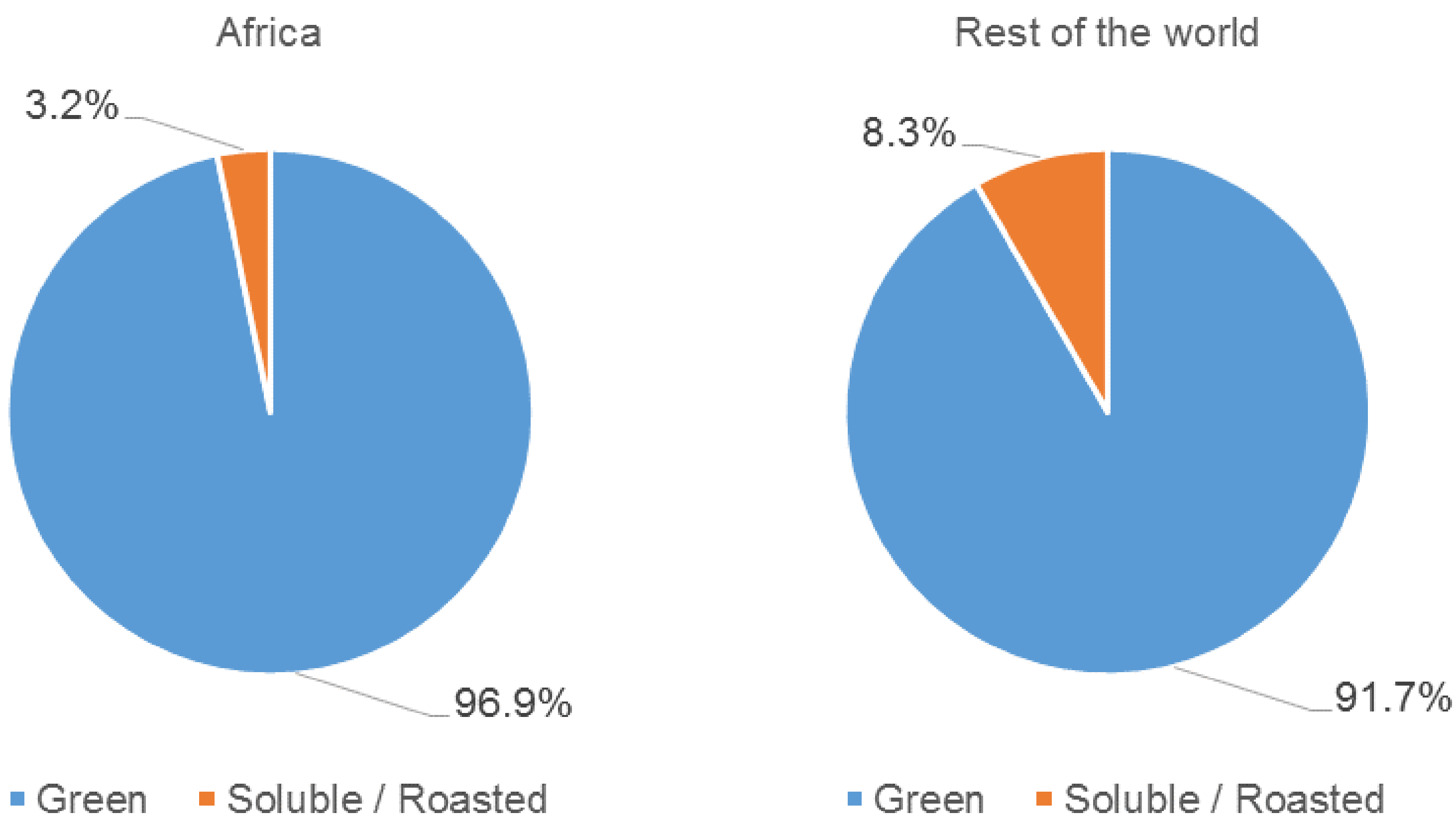


Value addition

Share of wet-processed coffee in total Arabica exports



Breakdown of total exports by form (2015)



Addressing constraints to value addition

- Improve quality
  - Improve production techniques & post-harvest processing
  - Climate change adaptation
- Foster market integration

Conclusions

- Coffee production in Africa as a whole has stagnated
- Some countries managed to increase output & value added
- Enabling environment crucial

INTERNATIONAL COFFEE ORGANIZATION

Thank you