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Tanzania

Coffee Annual

2014 Tanzania Coffee Report

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Report Highlights:
FAS/Nairobi forecasts an increase in Tanzania's coffee production in the marketing year (MY) 2014/2015 to 1.15 million bags attributed to the biennial bearing cycle. The Government of Tanzania (GOT) has put in place a strategic plan whose key objective is to double production by 2021. Exports in MY 2014/2015 are expected to hit a record high of 975 thousand bags.

Production:
Tanzania produces both Robusta and Arabica coffees. The Arabicas are grown on the slopes of Mount Kilimanjaro and Mount Meru in the northern region, and in the Highlands of Mbeya and Ruvuma in the southern region. Robusta coffees on the other hand are grown along Lake Victoria in the western region. Currently, both Arabicas and Robustas account for near equal proportions. Harvesting occurs in the months of July to December in the northern and southern regions and in May to October in the western region. Coffee is grown both in banana intercrop and pure stand systems.

During the MY2012-13, the country produced 1.2 million bags, a record crop in more than 50 years. Production dropped to 800 thousand bags in MY 2013/2014 due to biennial bearing cycle. FAS/Nairobi forecasts that production will increase to 1.15 million bags in the MY 2014/2015.
Improved global prices, government-supported expansion and rehabilitation programs, and good weather account for the expected increase in production.

Consumption:
Tanzania Coffee Board (TCB) estimates domestic coffee consumption at about 7 percent of the national production. Like in the other Eastern Africa countries, domestic consumption growth has been generally constrained by the tea drinking culture and low disposable incomes. However, coffee consumption is on increase in the urban areas among the middle income groups.

Stocks:
All coffee stocks are held by the private sector including farmers, co-operatives, millers and traders.

Policy:
GOT's ten year strategic plan (2011-2021) aims at increasing both productivity in existing farms and facilitating the private sector to put up new farms. According to the plan, area under coffee will be increased by at least 10,000 hectares by 2021 while existing farms will be progressively replanted with improved varieties. The plan also aspires to improve quality, and diversify export markets.

Marketing:
Coffee Marketing in Tanzania goes through three main channels:

- Internal market – where farmers sell cherry or parchment at farm gate to private coffee buyers, farmer groups and cooperatives.
- Auctions at Moshi that are conducted every week on Thursdays during the season (usually 9 months).
- Direct export by growers of premium top grade coffees enabling growers to establish long term relationship with roasters and international traders.

Tanzania Coffee Production, Supply and Demand Statistics

Coffee, Green Tanzania, United	2012/2013	2013/2014	2014/2015

Republic of						
	Market Year Begin: Jul 2012		Market Year Begin: Jul 2013		Market Year Begin: Jul 2014	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	0	210	0	211		212
Area Harvested	0	0	0	0		0
Bearing Trees	0	0	0	0		0
Non-Bearing Trees	0	0	0	0		0
Total Tree Population	0	0	0	0		0
Beginning Stocks	45	45	365	260		207
Arabica Production	575	610	650	450		600
Robusta Production	525	570	550	350		550
Other Production	0	0	0	0		0
Total Production	1,100	1,180	1,200	800		1,150
Bean Imports	0	0	0	0		0
Roast & Ground Imports	0	0	0	0		0
Soluble Imports	0	0	0	0		0
Total Imports	0	0	0	0		0
Total Supply	1,145	1,225	1,565	1,060		1,357
Bean Exports	725	914	950	800		970
Rst-Grnd Exp.	0	0	0	0		0
Soluble Exports	5	1	10	3		5
Total Exports	730	915	960	803		975
Rst,Ground Dom. Consum	50	50	50	50		50
Soluble Dom. Cons.	0	0	0	0		0
Domestic Use	50	50	50	50		50
Ending Stocks	365	260	555	207		332
Total Distribution	1,145	1,225	1,565	1,060		1,357
Exportable Production	1,050	1,130	1,150	750		1,100

1000 HA, MILLION TREES, 1000 60 KG BAGS
Data Sources: Tanzania Coffee Board, Global Trade Atlas – otherwise Post estimates

Trade:
Japan, Italy, Germany and the United States are the lead export destinations for Tanzanian coffee. Due to the diversity of the production regions, export shipments are undertaken all the year round through the major ports of Dar es Salaam and Tanga. Most of the Kenya based main international coffee traders are represented in the country.

Main export destinations for Tanzanian coffee Exports (1,000 bags) and their market share

Country	2010/2011	Percentage Share	2011/2012	Percentage Share	2012/2013	Percentage Share

Japan	158	22%	187	25%	200	22%
Italy	151	21%	176	24%	176	19%
Germany	110	15%	70	9%	140	15%
USA	89	12%	65	9%	103	11%
Belgium	54	7%	73	10%	80	9%
Finland	41	6%	26	4%	33	4%
Russia	20	3%	20	3%	24	3%
Denmark	5	1%	20	3%	21	2%
South Korea	7	1%	5	1%	18	2%
Morocco	5	1%	11	1%	17	2%
Sweden	10	1%	12	2%	17	2%
United Kingdom	14	2%	14	2%	13	1%
France	3	0%	7	1%	10	1%
Canada	4	1%	4	0%	8	1%
Switzerland	4	1%	5	1%	8	1%
South Africa	9	1%	6	1%	7	1%
Netherlands	6	1%	12	2%	6	1%

Source: Global Trade Atlas