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Coffee: The product, the trade and a comparison with wine **Morten SCHOLER**

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This presentation offers an overview of the status and trends in the coffee sector: Countries involved, production volumes, types of coffee, sustainability, certifications, international trade, prices, dominating countries and companies, options in processing, new technologies, and consumer preferences.

Coffee and wine are compared – both as agro-based products and as final beverages. Similarities and differences in the two value chains are highlighted.

The overall most significant difference between the two products is possibly the composition of the value chains. Wine is usually grown and processed at the same place (or at least in the same region) and is often also consumed nearby. For coffee there is a string of parties involved: growers, traders, processors, exporters, importers, roasters, retailers and the final 'brewer'. Often the coffee grower does not even know what a cup of coffee looks like and what coffee tastes like – and most of the coffee consumer live thousands of kilometers from the nearest coffee tree. The consequences of having two so different value chains are discussed.

Most people in the developed world drink coffee – if not daily then at least regularly – but knowledge about the product and where it comes from is modest. And most coffee consumers are surprised when they get to know facts like these, which will be covered in the presentation:

(i) Vietnam is the world's second largest producer of coffee (after Brazil, but way ahead of Indonesia (Java), Colombia and Ethiopia);

(ii) Only a very small portion of all coffee (around 3%) is certified and sold as organic or fair trade;

(iii) Coffee consumption has dropped in many countries despite all the coffee shops that have popped up on the street corners; and

(iv) Northern Europeans drink more coffee per capita than the Italians and much more than the Americans.

Presenter: Morten SCHOLER was Senior Adviser on trade of agro-products (in particular coffee) in the International Trade Center of the UN in Geneva, Switzerland from 1999 until retirement in 2013. He is volunteer ad hoc adviser to ITC and privately writes a book on coffee and wine – a juxtaposition of all aspects in the two value chains.

Keywords: Coffee, wine, value-chains, value-addition, sustainability, certifications, logistics

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