TADB
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The AgroBrief

JULY 2026 **Series #04**

This AgroBrief provides a comprehensive market overview for Coffee and Cocoa value chains, covering global market conditions, local market trends, and outlooks based on the latest accessible data available up to the last week of June 2026.

COFFEE

Global Market Overview

- The global coffee market currently exhibits a complex dynamic, balancing near-term price softening against forward-looking supply and weather risks. Arabica prices experienced a slight dip but remain highly sensitive to macroeconomic and logistical pressures.
- **Price Levels**: International coffee benchmarks closed June at around 6.5 USD/kg . While this represents a 2.55% month-on-month softening, prices are still elevated compared to historical averages, heavily influenced by a stronger US dollar, increased shipping and insurance costs, and the progress of Iran-US negotiations.
- **Production & Supply Dynamics**: The market's primary focus is on Brazil's 2026/27 harvest. Progress has been slower than anticipated, reaching only 39% of the planted area by mid-June, lagging behind last year's 43% and the five-year average of 40%.
- **Outlook**: Market volatility is expected to persist. Traders are considering potential El Niño-related weather risks for the upcoming South American cycle. For producing nations, this elevated floor price offers sustained export revenue opportunities. Coffee is expected to trade at 5.82 USD/kg at the end of Q3 but 5.18 USD/kg in 12 months time.

Coffee Prices Forecasts (USD cents/0.45 Kg) Trading Economics data)

Top 10 producers of Coffee globally (FAOSTAT 2024 data)

Rank	Country	Value (Tones)
1	Brazil	3,387,724.00
2	Viet Nam	2,015,289.00
3	Colombia	839,846.69
4	Indonesia	807,578.00
5	Ethiopia	575,696.18
6	Uganda	402,000.00
7	India	363,000.00
8	Peru	358,993.78
9	Central Africa	324,922.99
10	Honduras	324,015.02

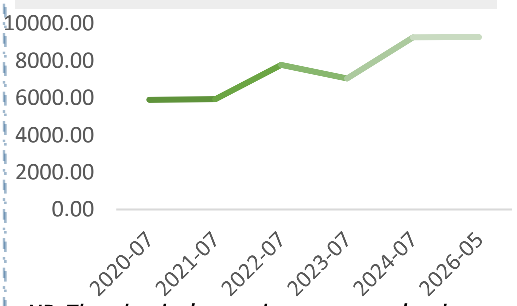
Local Market Overview

- Tanzania's coffee sector is currently in an expansion phase. Following strategic policy interventions and farm-level investments, production is on an upward trajectory.
- **Production Outlook**: Green coffee output for the 2026/27 market year is projected to expand by 10.3% to 1.6 million bags (60 Kg capacity). This growth is heavily driven by the expansion of Robusta cultivation in the Western and Lake Zones.
- **Varietal Breakdown**: Arabica output is forecast at 850,000 bags, while Robusta is closing the gap at 750,000 bags
- Coffee is currently trading at an average of 16,900TZS/Kg for pure arabica and 9,800TZS/Kg for Robusta according to Tanzania Coffee Board.

Strategic Investment Opportunity:

- **i. Liquidity**: Scaling Working Capital Facilities for cooperatives in Kagera, Mara, Mbeya, and Arusha is critical for timely farm-gate purchases.
- **ii. Quality**: Bridging the quality gap demands CAPEX Financing for Central Pulping Units (CPUs) to help farmers achieve specialty grades (SCA 80+).

Local Average coffee Prices (TZS/Kg)



NB: These local price trends use export unit values as a local-price proxy because public farm-gate series are fragmented. They should not be interpreted as direct farm-gate prices

Top 10 destinations for Coffee exports from Tanzania (WB 2024 data)

Rank	Destination	Export value (US$ million)	Quantity (tonnes)	Share of Tanzania export value
1	Japan	47.7	11,239.7	16.3%
2	Germany	37.8	9,376.4	12.9%
3	United States	30.0	7,018.4	10.2%
4	Italy	29.9	13,173.1	10.2%
5	Switzerland	26.0	8,089.4	8.9%
6	France	19.0	5,663.7	6.5%
7	Belgium	17.6	4,357.5	6.0%
8	Morocco	11.0	3,090.8	3.8%
9	China	9.8	2,381.6	3.4%
10	Netherlands	9.3	2,350.3	3.2%

SOURCES LOCAL DATA: Ministry of Agriculture, Tanzania Coffee Board
GLOBAL DATA: , World Bank Pink Sheet(WITS), USDA WASDE, UN COMTRADE, FAOSTAT, Trading Economics

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COCOA

Global Market Overview

- The global cocoa market is currently navigating a period of significant supply constraints, structural deficits in West Africa have sparked aggressive price rallies.
- **Price Levels**: Global cocoa prices experienced a robust 10.84% monthly rebound, trading around $4,973 per metric tonne (MT) in late June a 19.29% rise MoM but still 43.99% lower than a year ago.
- **Supply Deficit:** The market narrative is dominated by severe supply shortages from Ivory Coast and Ghana, caused by aging tree populations and diseases. Analysts have reduced 2026/27 global cocoa surplus forecasts previously 267,000 tons down to just 149,000 tons.
- **Outlook**: With inventories drawing down and West African supply risks unmitigated, prices are expected to remain extremely firm through Q3 2026 and is expected to trade around 4,232.0 USD/MT at the end of Q3 and 3,529.84USD/MT in 12 months time .

Global Cocoa Prices Trends and Forecast (USD/MT)

Top 10 producers of Cocoa globally(FAO Latest Data)

Rank	Producers	Year	Rank	Exporters
1	Côte d'Ivoire	2024	1	Cote d'Ivoire
2	Indonesia	2024	2	Ecuador
3	Ghana	2024	3	Nigeria
4	Ecuador	2024	4	Netherlands
5	Nigeria	2024	5	Peru
6	Cameroon	2024	6	Malaysia
7	Brazil	2024	7	United States
8	Peru	2024	8	Dominican Rep.
9	Sierra Leone	2024	9	Uganda
10	Colombia	2024	10	European Union

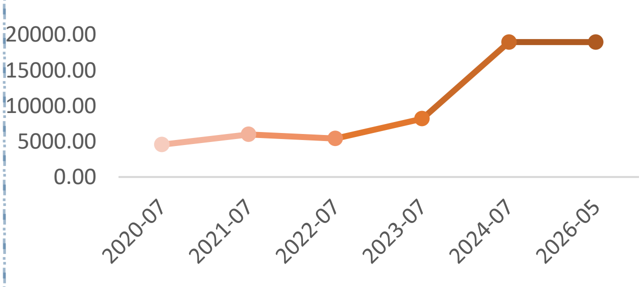
Local Market Overview

- Tanzania is a niche player with a distinct competitive advantage. Nearly 80% of Tanzanian cocoa is grown in the Kyela District (Mbeya Region).
- Cocoa currently trades at an average of 10,380 TZS/Kg a significant increase from the price shocks in February when the average was TZS 5,440/Kg driven by climate issues and diseases.
- **Fine-Flavor Advantage**: Tanzanian cocoa is globally recognized for its organic, "fine-flavor" profile featuring unique fruity and floral notes.
- **Market Shift**: Benefiting from record global prices, Tanzanian smallholders are seeing highly favorable returns. A nascent "bean-to-bar" local processing sector is emerging in Mbeya and Zanzibar.

Strategic Investment areas:

- **i. Value-Addition**: Directing CAPEX towards SME chocolatiers and local processors will allow the sector to capture margins currently lost to raw exports.
- **ii. Trade Financing**: Structuring guarantees for aggregators in Kyela will secure the supply chain and ensure prompt payments to farmers.

Local Average Cocoa Proxy prices trends (TZS/Kg) (World Bank Data)



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Top 10 destinations for Cocoa exports from Tanzania (World Bank 2024 Data)

Rank	Destination	Value (US$ million)	Quantity (tonnes)	Share of Tanzania export value
1	Malaysia	38.4	5,727.2	37.2%
2	Indonesia	30.9	4,551.7	29.8%
3	Spain	12.1	1,328.6	11.7%
4	Belgium	8.9	1,105.1	8.6%
5	Turkey	5.3	509.8	5.1%
6	Estonia	4.5	509.2	4.3%
7	Netherlands	1.3	153.9	1.3%
8	U.S.A	0.8	128.1	0.7%
9	Italy	0.4	60.0	0.4%
10	Japan	0.4	34.3	0.3%

SOURCES LOCAL DATA: Ministry of Agriculture,Tanzania Coffee Board
GLOBAL DATA: , World Bank Pink Sheet(WITS), USDA WASDE, UN COMTRADE, FAOSTAT, Trading Economics