

Introduction

Tanzania is among the leading coffee producers in Africa, cultivating both Arabica and Robusta varieties across diverse agro-ecological zones.

Production Overview

Coffee Species: Arabica (~70%), Robusta (~30%)

Dominant Producers: Smallholders (~90%), Estates (~10%)

Key Growing Regions

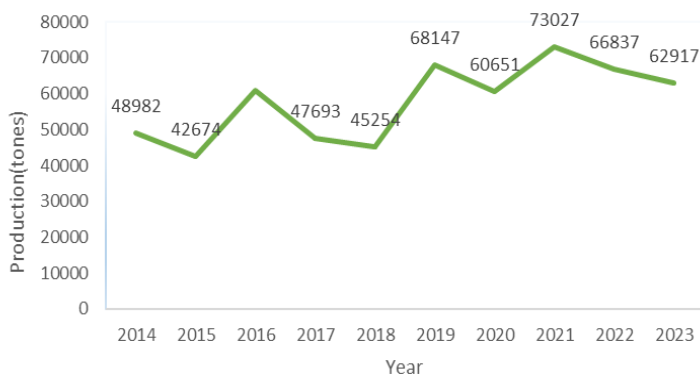
Arabica: Kilimanjaro, Mbeya, Arusha, Kigoma, Mara, Songwe, Ruvuma

Robusta: Kagera

Productivity Analysis (Kg/Ha)

Scenario	Traditional Practice	Good Agricultural Practices (GAP)
Arabica	200-400 kg	600-3,000 kg
Robusta	450-550 kg	800-2,000 kg

Tanzania Coffee Production 2014-2023



Coffee Processing

- Arabica is mainly wet-processed (washed) for higher quality, while Robusta is often dry-processed (natural) to preserve its strong flavor.
- Processing methods range from smallholder hand pulping to centralized Coffee Processing Units (CPUs) for Arabica and sun-drying for Robusta.
- Efficient processing enhances bean quality, reduces defects, and boosts market value for both Arabica and Robusta

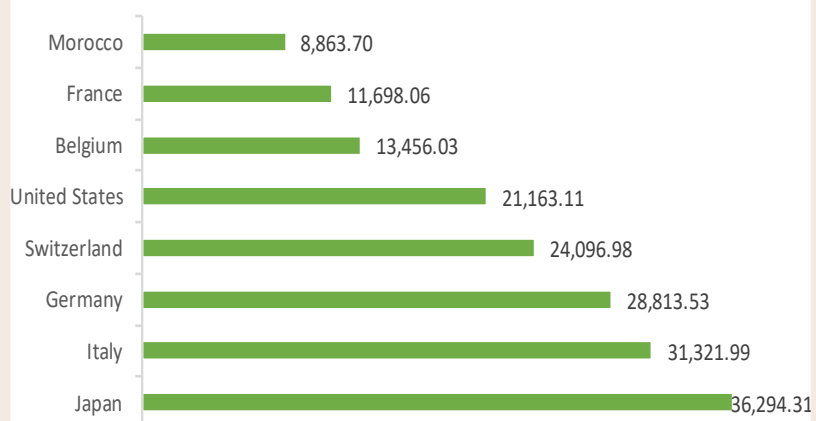
Conversion rates (in value addition)

Processing Step	Conversion Rate
Cherry to Green Bean(Arabica)	16-18% (5-6 kg Cherry)
Parchment to Green Bean(Robusta)	~80% (1 kg = 0.8 kg GB)

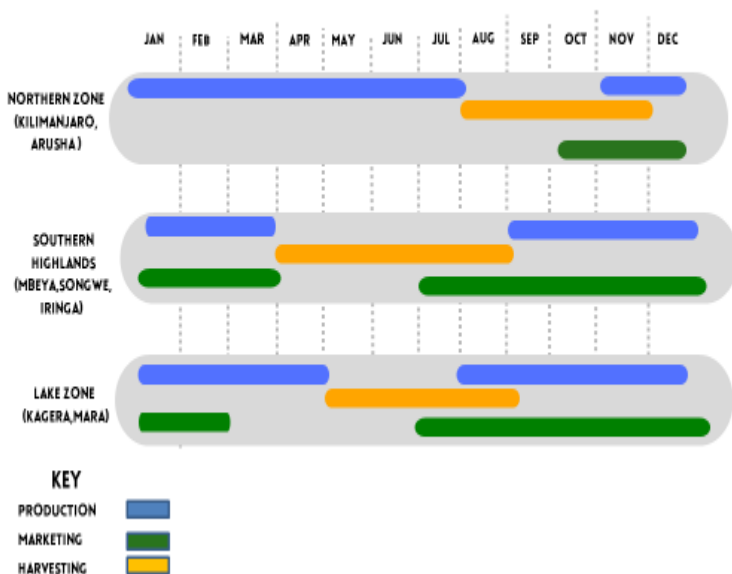
Processing Status of Exported Coffee

- Primary Processing:** *Arabica coffee* (Kilimanjaro, Arusha): Wet (washed) method involving pulping, fermenting, washing, drying. *Robusta coffee* (Kagera): Dry (natural) method involving sun-drying whole cherries before hulling.
- Secondary Processing:** *Milling:* Beans are hulled, graded, and sorted using manual and mechanized equipment. *Roasting and grinding:* Growing domestic activities driven by increased local consumption and value addition.
- Arabica is mostly exported as washed (fully processed) green beans for premium markets. Robusta is largely exported as natural (dry-processed) green beans for bulk and instant coffee markets.
- Technological Landscape:** **Large estates and cooperatives** use advanced machinery, enhancing quality and efficiency. **Smallholders** often rely on basic manual methods.

Top Coffee Export Destination by value (1000 usd) 2023



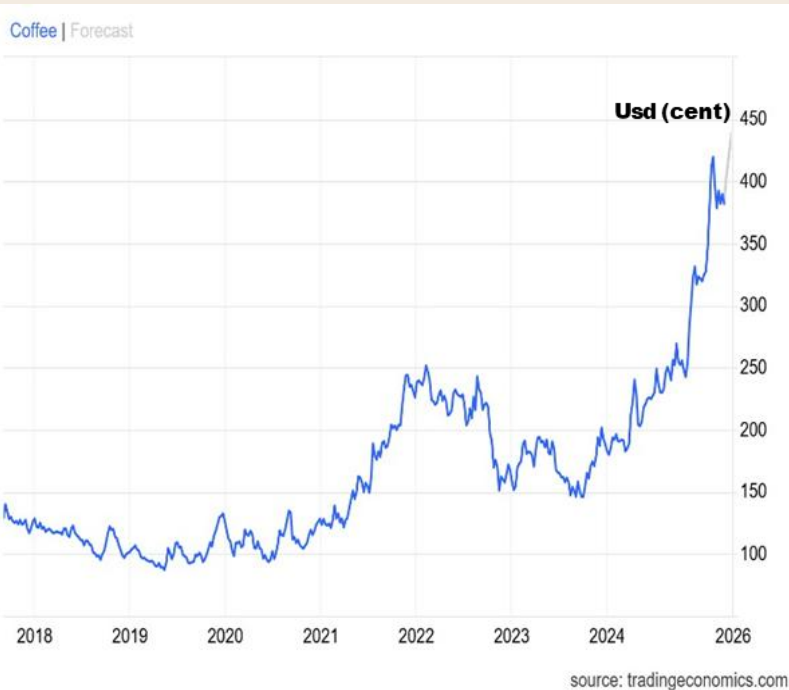
COFFEE CALENDAR



Pricing Trends & Market Outlook

Global Market Trends: Prices volatile but significantly recovered post-2019. Current FOB Prices: Arabica

\$2.50-\$3.00/kg; Robusta \$1.60-\$2.00/kg. Forecast indicates sustained upward trends through the year.



Cost-Profit Analysis (Tzs/Kg)

Cost Component	Average Cost (TZS/kg)
Farm-level production	2,150
Farm-gate price	5,184
Farmer Gross margin	3,034
Processing & Auction fees	1,350
Exporter costs (logistics)	700
FOB Export Price	7,234

Note: Costs and prices reflect current market averages and input price adjustments as of Nov 2024. Source: Tanzania Coffee Board(TCB).

Value distribution across actors

Value Chain Actor	% of Export Price
Farmers	60-65%
Cooperatives	~15-20%
Exporters	~5-10%

Source: TCB

Potential Risks

- **Climate Risks:** Drought, unpredictable rainfall, yield drops (>50%).
- **Pests & Diseases:** Coffee Berry Borer, Leaf Rust (major yield losses).
- **Market Risks:** Price volatility, global demand fluctuations.
- **Institutional Risks:** Policy instability, weak cooperative management.
- **Economic Shocks:** Exchange rate volatility, inflation, regional competition.

Key Commercial Players

Category	Players
Farms	• Smallholders: Cultivate plots between 0.5 to 3 hectares, contributing over 90% of Tanzania's annual coffee production. • Estates: Larger farms employing advanced technologies to achieve higher yields.
Processors	• AMCOS and Cooperative Unions: Organizations such as the Kilimanjaro Native Co-operative Union (KNCU) and Kagera Cooperative Union (KCU) that process and market coffee collectively for smallholder farmers. • Private Processors: Companies like Tanganyika Instant Coffee Public Limited Company (TANICA PLC) and Chai Bora Limited involved in coffee processing.
Exporters	• Multinationals: Global entities including Olam, Ibero, Taylor Winch, and Sucafina that export Tanzanian coffee. • Domestic Exporters: Local organizations such as KNCU and KCU that handle coffee exports.
Support Institutions	• Tanzania Coffee Board (TCB): Regulatory authority overseeing production and marketing, advising the government on coffee-related matters. • Tanzania Coffee Research Institute (TaCRI): Conducts research to improve coffee production and quality.