10 tips for doing business with European coffee buyers

Last updated:

19 December 2022

Europe has the world's largest and most competitive coffee market. If you want to do successful business in Europe, you will need to have a clear picture of the international coffee market, specific European requirements and market trends. Use the following tips as guidelines on how to do business with European buyers. If you are already doing business in Europe, these tips can help improve your relationship with buyers. If you are new to the market in Europe, these tips will prepare you for your first ventures.

Contents of this page

- 1. Comply with legal requirements
- 2. Understand traceability and social responsibility aspects in your chain
- 3. Have complete information on your product offer
- 4. Find the right moment to sell your product
- 5. Send samples to interested buyers
- 6. Respect your contractual agreements
- 7. Ensure proper packaging and transport
- 8. Communicate honestly and openly and be aware of cultural differences
- 9. Prepare well fo a farm visit from (potential) buyers
- 10. Follow-up, follow-up, follow-up

1. Comply with legal requirements

Complying with legal requirements means meeting mandatory European legislation and food safety demands. If you are unable to comply with these requirements, you will not be allowed access to the European market.

Buyers normally expect you to have food quality and safety management systems implemented to demonstrate your ability to control potential food safety risks. This ensures that your coffee is safe for roasting and for human consumption.

Tips:

Read our study on legal requirements in the European coffee market, which offers an overview of the requirements for coffee exports to Europe.

Refer to this Coffee hazards and risks guide to better understand what a trader does to guarantee the sourcing of coffee that complies with food safety standards.

See also Access2Markets for more information about the requirements for exporting coffee to Europe.

Consider regularly checking the residue levels of your coffee for Ochratoxin-A (OTA), polyaromatic

hydrocarbons (PAH's) and glyphosate contamination, for example. It is recommended that you proactively and periodically obtain certificates of analysis for the coffee you produce and export, preferably from an EU-accredited laboratory such as Eurofins or Tüv.

2. Understand traceability and social responsibility aspects in your chain

Many buyers in Europe are looking for coffee with a socially and environmentally responsible production background. As such, buyers will commonly expect you to meet additional requirements, which involve around corporate social responsibility and traceability. A traceability system is a good way of providing information about the origins of your products to all the parties in the supply chain. It offers reassurance to buyers about what they are purchasing.

Digitalisation plays a major role in bringing more traceability to the supply chain. One of the tools that is increasingly being used is blockchain. For an example, see the supply chain of trader Trabocca to see how the use of blockchain has made their coffee purchasing of coffee from Ethiopia more transparent and traceable.

In November 2021, The European Union proposed a ban on the import of commodities that are often associated with deforestation. European buyers of coffee, cocoa, soy, beef, palm oil and wood have to report the origin of these products to national regulators to prove that they are deforestation-free. Negotiations on the final law are expected at the end of 2022. This new regulation will increase the need to implement traceability systems in international value chains.

In addition to traceability, buyers in both mainstream and niche segments may expect you to have certifications that show your commitment to social and environmental responsibility. Certifications also help buyers control risks in their value chain. The main certification schemes in the coffee sector are 4C, Rainforest Alliance, Fairtrade and organic. Be aware that organisations offer different types of certificates and focus on various sustainability criteria. They follow consumer trends in different market segments in specific countries.

The high-end specialty coffee segment is less characterised by certifications and more so by quality, direct trade relations, high transparency and traceability from source to consumers. Specialty coffee buyers aim to establish direct contact with coffee farmers. These buyers want to know all details about coffee production and the value chain, often combined with information on the coffee-growing area. Many buyers know how costly certification can be for small producers and avoid demanding this from them.

Tips:

To find out more about corporate social responsibility and certification, see our study on buyer requirements and our country-specific factsheets for related market trends.

Check the Global Coffee Platform and the Sustainable Coffee Challenge sustainability platforms for information on their support programmes for producers' implementation of sustainable practices.

Read the article What traceability offers farmers to learn more about the importance of traceability.

Learn more about blockchain, as this could be an interesting way to increase traceability. Read this article on Perfect Daily Grind to learn how blockchain could empower you as a coffee producer.

Find out which standards or certifications are preferred by potential buyers in your target segment. Buyers may have preferences for a certain food safety management system or sustainability label depending on their end clients and distribution channels.

See our study on social certifications to read about certification schemes addressing social responsibility in the coffee sector.

Consult the International Trade Centre (ITC) Standards Map for an overview of different certification schemes.

3. Have complete information on your product offer

Buyers in Europe will expect you to have complete product specification sheets available, with up-to-date and reliable information about your product, farms and/or the coffee farmers. You should have these data available for the previous three years and work out a prediction for the coming two to three years.

Your product specification sheet needs to include detailed information for each type of coffee you sell:

- Coffee variety
- Characteristics and figures of the producing region, including its agro-climatic context
- The size of the farm or farms, in case of private estate
- The number of farmers, in case of a cooperative
- Amount of coffee you produce annually (availability), including cupping scores if available
- Coffee volumes that are available for exports
- Characteristics of the post-harvest protocols
- Existing certifications and up-to-date certificates
- Optional: spider diagram of cupping profile (for instance from Tastify)

Tips:

Check out examples of coffee product specification sheets on Trabocca's website.

Always be transparent and honest. Be clear and open about your own track record, your supply capacities and the quality of your coffees.

Have your coffee cupped by local cupping experts (preferably ones with a Q-grader diploma) to know your coffee's cupping score and organoleptic characteristics before sending it to buyers. You might also consider taking cupping classes in your country to become a cupping expert yourself. Check the website of Coffee Quality Institute to learn more about this.

Read this article to learn why cupping is so important and to understand what cupping can tell coffee producers about their product.

There is a growing number of digital tools available that can help you order, gather and communicate information about your products. Refer to our Tips to go digital in the coffee sector to learn more about what is available and how these tools can be of use.

4. Find the right moment to sell your product

The price paid for coffee depends on the futures markets. This is the marketplace where traders make futures contracts agreeing on fixed commodity prices and delivery dates. Prices for specialty coffees are usually linked to prices paid on the futures markets plus a premium, unless you have very exclusive specialty coffees. The two most relevant futures markets are New York (for Arabica) and London (Robusta). Export sales prices are always

in US dollars.

Getting the right price for your coffee has much to do with timing, which means you need to closely follow these futures markets. Buyers do the same. They will try to agree on a price for a coffee contract when they see low prices. They might also want to try to agree on contracts for future deliveries. This means fixing a price and volumes with you when the price and timing are favourable for the buyer, but one or two years in advance of delivery.

Agreeing on contracts for future deliveries is only recommended if you are a big exporter in a large producing country like Brazil or Vietnam. For smaller-scale exporters and exporters from less prominent producing countries, the risks of futures contracts might be very high.

In reaction to low market prices for coffee, there is a growing trend of buyers and coffee farmers negotiating prices independently of the futures market. Have a look at the Specialty Coffee Transaction Guide, where you can see numerous anonymous contracts to get an idea on how much was paid for which type and quality of coffee. Remember that labour costs are different across countries, making direct comparisons tricky.

In order to establish a selling price, it is important to know your production costs and desired margin. This helps you make informed business decisions, such as when to sell, how much, and for what price.

When it comes to preparing your offer, remember that it should include information about more than price alone. The table below gives examples of information that is usually included in a guotation/offer.

Table 1: Example of information to include in your quotation

FARM	VARIETY	PROCESS	ADDITIONAL PROCESS	USD PRICE PER LB/FOB ECUADOR PORT	QUALITY PREPARATION
Regional	Blend	Washed		NY + USD 1.55	SCA Defects 3/8, Max Moisture 12%
El Cielo	Special Selection	Natural		NY + USD 2.80	SCA Defects 3/8, Max Moisture 12%
El Pueblo	Blend	Natural		NY + USD 2.70	SCA Defects 3/8, Max Moisture 12%
Los Bosques	Blend	Washed		NY + USD 1.60	SCA Defects 3/8, Max Moisture 12%

Las Mulas	Pacamara	Natural	70	NY + USD 2.50	SCA Defects 3/8, Max Moisture 12%
Las Mulas	Typica	Washed	40	NY + USD 1.80	SCA Defects 3/8, Max Moisture 12%
Las Mulas	Catuai	Natural	100	USD 6.40	SCA Defects 0/5, Max Moisture 12%
Las Mulas	Catuai	Washed	Anaerobic 200	USD 5.75	SCA Defects 0/5, Max Moisture 12%

NOTE: Above prices are valid for 60 kg bags only. Additional costs for different packaging given below.

BAGS, 40 kg with grain pro: add USD 0.10/lb to 60 kg bag price.

BOXES, 25 kg with vacuum packed bag: add USD 0.15/lb to 60 kg bag price.

Prices for NY + USD lots are fixed by mutual agreement based on NY futures market.

Source: ProFound, 2022 (based on information from an industry source)

Tips:

Watch the New York futures markets closely at Nasdaq: Coffee, or check the daily market information published by the International Coffee Organization.

Check to see if your national coffee association publishes daily or weekly market updates. This can be helpful information to help you sell your coffee for the best price and at the right time. Examples of associations that do so include Anacafé (Guatemala), the Uganda Coffee Board and the Colombian Coffee Growers Federation.

Learn about the futures markets from the ITC Coffee Guide or read this article from Perfect Daily Grind on how green coffee is bought and sold. The Intercontinental Exchange website also offers information on the Robusta futures market, the Arabica futures market and options for coffee.

Calculate your production costs, your additional costs and think about the margin you want to make. Knowing this gives you a better idea of the minimum price for which you want to sell your green coffee.

Try to find clients that do not set their prices based on the New York market price. For this you will have to present quality, traceability and excellent marketing skills. Marketing skills include setting clear goals and objectives and writing good content. Strengthen your marketing skills by using relevant digital tools and taking inspiration from other successful companies, such as Clearpath Coffee (Colombia).

Remember that exchange rates fluctuate, which may have an effect on the price you get. You can cover this risk by including a clause on currency risk in your contracts.

Check out the video series on coffee economics by Karl Wienhold to learn more about topics such as

FOB prices, farmgate prices and the impact of exchange rates in coffee trade.

5. Send samples to interested buyers

Offer interested buyers a sample of your product. Samples give potential buyers the opportunity to approve the coffee beans and make sure they match their quality requirements before committing to a purchase. Hence, when you send a sample, make sure it is a true representation of the coffee you will be selling the client.

If a buyer is interested in samples, make sure to agree on when to send them and what kind of samples to send, including quantities, packaging, labelling and accompanying documentation. Regarding documentation, samples are often sent together with a factsheet providing information such as:

- Variety
- Altitude, soils, average rainfall and location
- Annual production by grade or type of coffee
- Harvest and marketing season

Labour practices

- Processing system
- Anti-pollution measures
- Warehousing and dry processing
- Distance to port and shipping options

Buyers will assess both the physical and sensory quality of the samples you send. If you cannot match any particular aspect of the sample quality, tell your buyer as soon as possible. Always be honest and transparent about your samples and the quality of your coffee supplies. If you are not, you risk losing the trust of your potential buyer.

When suppliers and buyers enter into direct trade relations, this is usually upon approval of a pre-shipment sample. Buyers tend to include the right of refusal on delivery (with the 'replace clause'), meaning that a new pre-shipment sample has to be offered in place of the rejected one.

Figure 1: Example of a pre-shipment sample



Source: Nordic Approach

Tips:

First verify whether a buyer is interested in receiving a sample.

Samples usually consist of 300 grams of green coffee beans. Ideally these are vacuum-packed, but you can also pack them in zipped plastic bags. Use an attractive sticker with an accurate and adequate description of the coffee.

Do not send roasted coffee beans.

Make sure the pre-shipment sample is representative of the coffee shipped in the container. A lower quality of coffee on delivery compared to what was sent in the sample is one of the main complaints

by buyers. In this respect, make sure your logistical partner knows how to handle your green coffee container and allows for quick delivery, as to mitigate risk of diminishing quality during transport.

Read the latest edition of the ITC Coffee Guide for more information about sampling, Perfect Daily Grind's coffee buyer's glossary on the different type of samples that exist or Nordic Approach's guide to green coffee samples.

See the ISO Standards catalogue for information about standards for green coffee sampling.

Send samples with a reliable courier by registered mail to ensure that your samples arrive in time and in good shape. This is relatively expensive, so budget for these necessary costs.

Ask buyers for their feedback on your sample presentation and quality by following up with them by email or telephone.

6. Respect your contractual agreements

The coffee market is volatile, operating under market conditions and prices that may vary a lot over the year. If you want to establish long-standing and reliable relationships with your buyers, it is very important to respect your contractual obligations, regardless of the market changes.

Most European importers buy their coffee under the terms of a European Standard Contract for Coffee (ESCC). Note that the European Coffee Federation revises this document. If you honour your agreements and deliver according to the terms of you contract, your buyers are more likely to turn into loyal customers.

The COVID-19 pandemic and frost in Brazil led to volatile market prices. Producers sold their coffee below market rates under fixed-price contracts in 2021. Algrano reported that more producers have been choosing open contracts. Open contracts give both parties more flexibility. Suppliers can diversify their pool of buyers and roasters can worry less about changing consumer needs and wholesale demands.

Tips:

Before signing a contract, make sure to research your buyer's reputation and track record. A way to do so is by simply googling them to see if any negative news comes up. Alternatively, approach the export promotion agency in your country.

Do not default on a contract to deliver the goods to a different buyer offering a better price. This can have a negative impact on your reputation as an exporter and will jeopardise future business opportunities.

Refer to our tips on organising your export to read more about how to draft a contract. Check out Trabocca's article on terms of sale.

If you export large quantities, consider hedging your coffee to protect yourself from risks due to market price fluctuations. Hedging is a trading operation that allows a trader to turn a less acceptable risk into a more acceptable one. Read more about what hedging is and how it may impact you as a coffee producer on this article from Perfect Daily Grind.

Read about hedging and other operations in the ITC Coffee Guide to learn more about risk management strategies.

If you do get a legitimate claim, honour the claim and give your client a credit note on his next purchase, so as to keep him in your portfolio of clients.

Read more about your rights as a coffee supplier in The Unfair Trading Practices Directive: a transposition and implementation guide.

7. Ensure proper packaging and transport

Green coffee is sensitive to moisture and can also absorb external flavour and aroma, resulting in quality deterioration. As such, proper packaging, storage and transportation is crucial. Always consult with your buyer about specific packaging and transport requirements.

Green coffee is traditionally shipped in woven bags made from natural fibres, such as jute or burlap. These bags typically hold 60 or 70 kilogrammes of green coffee. However, jute and burlap bags do not protect against moisture. As such, big plastic bags and plastic container liners are increasingly used, although they may still let some moisture in. These plastic bags range in size from 60 kilogrammes to full container-sized bags of 20 tonnes.

You also have high-barrier packaging, which is available in all sizes, including container-size. This type of material keeps out both oxygen and moisture. Although there is no standard for ideal moisture content, the International Coffee Organization recommends that coffee not have a moisture content below 8% or above 12.5%. Exceptions to this are specialty coffees characterised by a high moisture content, such as Indian Monsooned coffees.

Materials such as Grainpro are often used to pack specialty coffees inside jute bags. The most exclusive specialty coffees are often vacuum-packed to preserve the green coffee quality. Take into account that these materials are relatively costly, so make sure to budget for these costs.

Exporters that roast their own coffee should be aware of stricter requirements for consumer packaging and for European market entry in general. In 2019, the European Commission launched the European Green Deal (EGD). The EGD is a package of actions to reduce greenhouse gas emissions. As a result, all coffee sold in the EU market must be in reusable or recyclable packages by 2030. In addition, European consumers are demanding packaging made from recyclable materials. These regulations and concerns may impact which packaging material you use for your samples.

Tips:

Choose packaging in which to transport your coffee in consultation with your buyers.

Be aware of the risks involved in storage and transportation, such as damage from condensation, taint and infestation. As such, pack and transport your coffee beans in ventilated containers at the correct temperature and humidity.

Read this article on Perfect Daily Grind to learn more about how packaging material impacts green coffee quality over time.

Check the Transport Information Service of the German Insurance Association: they have useful tips about the packaging and transportation of coffee. Also check the Cargo Handbook to read more about proper packaging.

Check storage and transportation regulations for organic coffee beans. Organic coffee beans must be completely separated from conventional coffee beans to avoid cross-contamination. Read our study on buyer requirements for more information about organic coffee certification.

See the CBI study on The EU Green Deal - How will it impact my business? for more information on the

8. Communicate honestly and openly and be aware of cultural differences

European buyers appreciate suppliers' reliability, transparency and good communication. Good communication means involving your buyers in your considerations and providing them with clear and prompt information, especially regarding price, contract, quality and transportation. Poor communication can put your business at serious risk.

Transparency means developing an open relationship to jointly share, discuss and address risks appropriately. In all cases, keep your promises, be punctual and recognise the value of a contract. In your communication, also be aware of the differences in business cultures. Cultural awareness is key for success as an exporter.

Email is often the preferred way of contact for buyers. As a producer, consider sending professionally written emails to get the attention of potential buyers; for instance, specialised importers and roasters sourcing directly from origin. These emails are preferably in English. Study their website and understand what the buyer is looking for.

Draft a simple, but complete email, containing a short description of your company and of your products. End your email with a clear call to action, such as a request for a phone call or Zoom meeting, or ask them if they are interested in receiving samples. Add precise information to your mail, such as the link to your website, links to videos about the company, and attach a brochure and cupping scores, if you have them. Increasingly, WhatsApp is used in business. It is tricky to use this platform to contact a potential buyer for the first time, as it may be perceived as too informal.

Read more about business cultures in Europe, and use the tips when communicating with potential (or existing) buyers. Passport to Trade 2.0 also provides a good overview of differences in business culture in Europe. An example is that North European buyers are often straightforward and will tell you what they think, whereas Southern European buyers tend to be less direct.

Tips:

Watch our webinar with Lennart Clerkx of the Dutch specialty coffee importer This Side Up Coffees. This webinar discusses how coffee exporters can approach coffee buyers in Europe, what to communicate and how to build long-term business relationships.

Be aware of the cultural differences in Europe and communicate with your buyer accordingly.

Answer emails within one or two days. If you are out of the office and cannot answer for a few days, set up an automatic out-of-office reply.

The international business language is English. However, coffee buyers commonly speak Spanish and French as well. Make sure to ask before you address them in your native language. In case you do not find a common language to communicate in, consider hiring an interpreter or translator. This will help you avoid miscommunications.

Make sure you contact your buyer periodically to discuss issues, and not only when problems arise. When a problem occurs, tell your buyer immediately. The buyer may be able to assist you in finding a solution.

Give your buyers regular information and forecasts about the coffee in your specific area, for example, by sending a newsletter four times a year. However, avoid sending impersonal emails with unsolicited information. This may harm your reputation as a supplier.

Contact exporters from your own country and perhaps from other producing countries, and exchange experiences about doing business with European buyers. Learn from them and get first-hand tips on DOs and DON'Ts when exporting to Europe.

9. Prepare well fo a farm visit from (potential) buyers

Buyers of specialty coffee increasingly prefer to visit farmer communities and coffee plantations they work with. They are usually eager to invest in social relationships with farmer communities, to discuss post-harvest techniques, and/or to find new interesting sourcing destinations and unique coffees. These visits will eventually strengthen your relationship with them, which lowers the business risks for both you and the buyer.

Due to the effects of the COVID-19 pandemic, visits to origin came to a halt during 2020 and 2021. By far most European specialty coffee buyers have indicated they are still very interested in travelling to origin to meet coffee producers and see production. As a result, most travelling to origin resumed in 2022.

Although personal and face-to-face contact is highly valued in the specialty coffee segment, note that digital communication is very important too. Therefore, consider offering digital farm visits to your clients to gain and maintain interest. A large share of specialty coffee buyers are increasingly interested in such virtual visits to origin. For example, Algrano and Fairtrade hosted a virtual tour of the Cafesmo co-op in Honduras.

Once you have an incoming buyer visiting your producing region, draw up a clear agenda and visit programme, containing specific locations and time blocks. Consult the buyer on what they would like to see and experience and design the program accordingly. Include aspects such as nursery/seedlings, production, farming communities, cooperative staff, post-harvest and warehousing infrastructure, and other elements the buyer may be interested in, such as joint cupping sessions.

Tips:

Before allowing or inviting a buyer to visit, assess your production volumes and qualities, and see when the best time for a visit would be.

If you are part of a cooperative, designate buyers to their 'own' farmers. This will improve consistency in product quality and help nurture a positive business relationship between all parties.

Have the main figures and facts of your coffee production and practices at hand. Buyers will ask you questions about this. As traceability is increasingly important on the European market, demonstrate knowledge and control of your value chain to your potential buyer.

Be ready to negotiate pricing if the interest in a trade deal is mutual.

Be ambitious and show commitment by responding quickly to questions after the visit and by delivering on your promises.

Access our Going digital in the coffee sector study to learn more about digital farm visits.

10. Follow-up, follow-up, follow-up

Following up is a crucial element for any business. It helps you strengthen your relationship with a (potential) buyer and may provide you with successful sales opportunities. Also, good communication and follow-up provides you with a competitive advantage, as it shows you are a professional and reliable client to work with.

Tips:

After a visit to a buyer's office or a meeting at the trade fair, mail the client to thank them for their time, adding some points of your conversation with the importer.

After a shipment has been received, provide after-sales service by asking if the product was received well and if there have been any responses from the importer's clients regarding your product.

Inform your (potential) clients of any newsworthy fact regarding your operations, whether it is new machinery, new staff, a General Assembly, or certification changes. For more tips, read this article on maintaining coffee supplier-buyer relationships.

Ask about the cupping results of your sample. If you do not get an answer, continue to ask for it until the buyer cups it and gives you a response. It is okay to insist in a polite way on feedback about your coffee.

Contact trade promotion agencies to see how they can help you understand your target market and become export ready. They may also offer matchmaking services and support for exhibiting at trade fairs, for instance. Examples of such organisations are the International Trade Centre (ITC), the German Import Promotion Desk (IPD), the Belgian Trade for Development Centre (TDC) and the Swiss Import Promotion Programme (SIPPO).

ProFound - Advisers In Development carried out this study on behalf of CBI.

Please review our market information disclaimer.