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Report Highlights:

MY 2023/24 coffee production is forecast to increase 21 percent to 1.35 million bags due to a recovery from drought conditions and trees entering the most productive period of their three-year yield cycle. Post estimates MY 2023/24 exports will increase 13 percent to 1.27 million bags due to higher exportable supplies.

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Table 1: Production, Supply, and Distribution (PSD) Table

Coffee, Green	2021/2022		2022/2023		2023/2024	
Market Year Begins	Jul 2021		Jul 2022		Jul 2023	
Tanzania, United Republic of	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	0	265	0	265		265
Area Harvested (1000 HA)	0	265	0	265		265
Bearing Trees (MILLION TREES)	0	0	0	0		0
Non-Bearing Trees (MILLION TREES)	0	0	0	0		0
Total Tree Population (MILLION TREES)	0	0	0	0		0
Beginning Stocks (1000 60 KG BAGS)	504	504	480	516		407
Arabica Production (1000 60 KG BAGS)	650	740	625	600		750
Robusta Production (1000 60 KG BAGS)	550	550	525	520		600
Other Production (1000 60 KG BAGS)	0	0	0	0		0
Total Production (1000 60 KG BAGS)	1200	1290	1150	1120		1350
Bean Imports (1000 60 KG BAGS)	0	0	0	0		0
Roast & Ground Imports (1000 60 KG BAGS)	0	0	0	0		0
Soluble Imports (1000 60 KG BAGS)	8	9	8	6		6
Total Imports (1000 60 KG BAGS)	8	9	8	6		6
Total Supply (1000 60 KG BAGS)	1712	1803	1638	1642		1763
Bean Exports (1000 60 KG BAGS)	1150	1240	1050	1150		1260
Rst-Grnd Exp. (1000 60 KG BAGS)	0	0	0	0		0
Soluble Exports (1000 60 KG BAGS)	7	7	7	10		10
Total Exports (1000 60 KG BAGS)	1157	1247	1057	1160		1270
Rst,Ground Dom. Consum (1000 60 KG BAGS)	50	25	50	50		52
Soluble Dom. Cons. (1000 60 KG BAGS)	25	15	25	25		25
Domestic Consumption (1000 60 KG BAGS)	75	40	75	75		77
Ending Stocks (1000 60 KG BAGS)	480	516	506	407		416
Total Distribution (1000 60 KG BAGS)	1712	1803	1638	1642		1763
(1000 HA) ,(MILLION TREES) ,(1000 60 KG BAGS)						

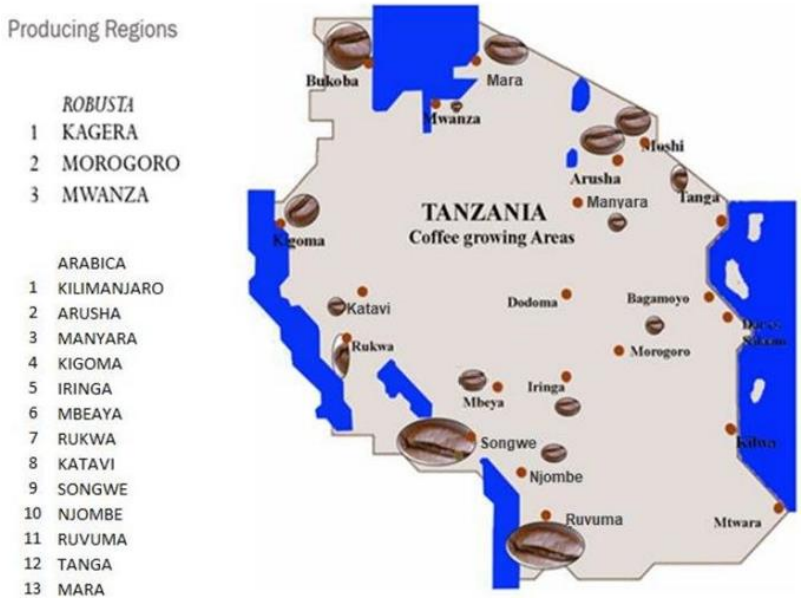
Production

Post forecasts MY 2023/24 coffee production will increase 21 percent to 1.35 million bags as Tanzania's growing regions experience good rainfall after drought conditions in MY 2022/23 and as most Arabica trees enter the most productive period of their three-year yield cycle. In 2018, the Government of Tanzania (GoT) supported distribution of high-yielding Arabica coffee seedlings which replaced older varieties in existing plantations. These seedlings have since matured and are poised to enter the highest-yielding period of their three-year cycle. Arabica coffee trees usually take three to four years to mature after planting and then undergo a three-year cycle, with yields increasing over two years and then falling in the third.

MY 2023/24 area harvested is expected to remain unchanged at 265,000 hectares. The GoT has set ambitious goals to increase overall coffee production, however most of its efforts have focused on improving yields in existing plantations as opposed to expanding acreage. According to the GoT, in October 2022, 3 million new Robusta seedlings were distributed to farmers free of charge under the government's 2021-2025 coffee development strategy. According to local sources, these seedlings were largely used to replace older coffee trees on existing farms.

Tanzania has several growing zones, including the Lake Victoria region and the northern, western, eastern, and southern regions (Figure 1). Arabica is grown in the western, northern, and southern highlands, while Robusta is grown in eastern Tanzania and near Lake Victoria. Tanzania coffee is cultivated under three different production regimes, including small-scale mono-cropping in the south; small-scale intercropping with bananas near Lake Victoria and in the north, east, and west; and large-scale estate farming in the north and south. Roughly 90 percent of Tanzanian coffee is produced by smallholder farmers, while 10 percent is produced by larger estates. Compared to larger estates, smallholder farmers often lack access to finance and depend more on family labor for production.

Fig 1: Tanzania Coffee Growing Areas



Source: Tanzania Coffee Board

The bulk of Tanzania's harvest for both Robusta and Arabica begins in July and extends until October. Coffee may continue to be harvested in smaller volumes until December.

Coffee remains Tanzania's most important cash crop and contributes indirectly to the incomes of six to seven percent of Tanzania's total population of 56 million, including more than 40 percent of Tanzania farmers. Most coffee farms are small with an average of .63 hectares of land and cultivate between 380 and 2,000 trees.

In general, inefficient use of farming inputs such as fertilizer, poor agricultural practices, and limited credit access hinder coffee productivity in Tanzania.

Changes to MY 2022/23

Post estimates MY 2022/23 production fell 13 percent year-on-year due to drought conditions. Tanzania receives rainfall during two seasons: the short-rain season in the fall and the long-rain season in the spring. In Fall 2021, little to no rain fell in the short-rain season, depressing yields for the July 2022

harvest. Additionally, Arabica yields were negatively impacted by rising fertilizer prices that discouraged application. During the spring of 2022, fertilizer prices nearly doubled compared to the same period the year before. Arabica production was likely affected more by this price hike than Robusta as Arabica farmers use fertilizer to improve yields while Robusta farmers largely do not.

Consumption

Post anticipates MY 2023/24 consumption will increase slightly to 77,000 bags from 75,000 the year before due to growth in Tanzania's tourism sector. After a decline in international visits associated with the Covid-19 pandemic in MY 2021/22, local sources indicate Tanzania's tourism sector has recovered and is resuming its pre-Covid growth trend. According to the World Tourism Organization, from 2015 to 2019, the number of international visitors to Tanzania increased 34 percent, reaching 1.53 million visitors in 2019. New hotel construction in Dar es Salaam, Arusha, and Zanzibar will likely facilitate an increase in international visitors. Prior to the Covid-19 pandemic, Tanzania experienced a boom in hotel construction, particularly in Zanzibar, where the total number of hotels increased from 378 (in 2013) to 620 (in 2020).

Non-tourist consumption is expected to remain unchanged. Most Tanzanians continue to prefer tea to coffee, due to consumer preferences and tea's relative affordability. Tea is generally less expensive than coffee. According to the Tanzania Coffee Board, only 7 percent of Tanzania's production is consumed domestically.

Changes to MY 2022/23

MY 2022/23 consumption is anticipated to increase from 40,000 to 75,000 bags year-on-year as the tourism industry recovers from Covid-19 related impacts. While Tanzania did not enforce significant Covid-19 related restrictions, the pandemic depressed visits from international travelers, driving down consumption.

Trade

Post forecasts MY 2023/24 exports will increase 13 percent to 1.27 million bags as higher production increases exportable supplies. Tanzania's top markets include the EU, Japan, the United States, Morocco, Russia, South Korea, India, Australia, and South Africa (Table 2).

Table 2: Leading Destinations for Tanzania's Green Coffee Exports (Calendar Year, MT)

Reporter	2019	2020	2021	2022
EU 27	30,366	30,628	40,184	35,495
Japan	15,552	11,231	13,524	16,901
United States	3,168	3,220	2,487	3,530
Morocco	3,034	2,987	6,115	2,981
Russia	1,434	1,476	1,282	**
India	3,070	1,131	1,265	1,076
South Korea	1,467	1,097	874	1,213
South Africa	872	1,192	452	1,713
Australia	988	720	1,097	908
Other Countries	3,020	2,777	5,160	3,651

** Russia data not available for 2022
Source: Trade Data Monitor, LLC

Tanzania also exports soluble coffee which is manufactured at a plant in Bukoba (Table 3).

Table 3: Leading Destinations for Tanzania's Soluble Coffee Exports (Calendar Year, MT)

Reporter	2019	2020	2021	2022
Kenya	112	71	151	105
EU 27	109	84	62	91
Other Countries	25	36	8	55
Total	246	191	221	251

Source: Trade Data Monitor, LLC

Post anticipates MY 2023/24 imports will remain flat at 6,000 bags of soluble coffee due to unchanged domestic consumption. Soluble coffee is largely consumed by non-tourist consumers as it is an affordable alternative to ground coffee. Tanzania does not import significant amounts of green coffee beans.

Changes to MY 2022/23
MY 2022/23 exports are expected to decline 7 percent year-on-year to 1.16 million bags as lower production associated with drought conditions decreases exportable supplies.

Policy
The GoT continues to implement its 2021-2025 coffee development strategy. Under this strategy, the GoT has set a goal of providing 20 million new seedlings to farmers every year. As noted in the production section, farmers have begun to receive new seedlings which are expected to improve yields but leave area planted unchanged as they replace older trees in existing plantations. Coffee seedlings are primarily supplied by the Tanzania Coffee Research Institute (TACRI) however, distribution of seedlings through the institute has historically been constrained due to lack of funding for seedling production.

Stocks

MY 2023/24 ending stocks are estimated to increase slightly year-on-year from 407,000 to 416,000 bags due to higher production. Post estimates MY 2022/23 stocks declined from 516,000 to 407,000 bags as traders depleted stocks to meet export demand under drought conditions. In Tanzania, coffee stocks are held by small-scale farmer cooperatives, traders, exporters, and large-scale coffee growers.

Attachments:

No Attachments