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Post: Dar Es Salaam

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Report Highlights:

Post forecasts Tanzania's coffee production at 1.5 million bags (60-kilogram) in the marketing year (MY) 2024/25, up from 1.4 million bags in MY 2023/24, due to increased production from recently rehabilitated plantations. Area harvested is anticipated to remain unchanged at 265,000 hectares as the government of Tanzania is focused on rehabilitating existing coffee farms rather than opening new farms. MY 2024/25 exports are also forecast to increase to 1.31 million bags from 1.27 million bags due to higher local supplies.

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

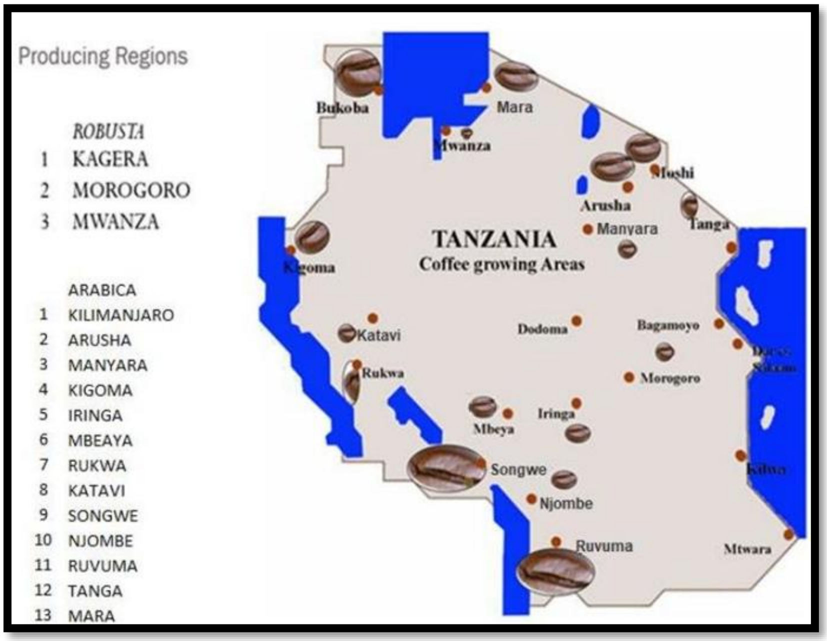
Coffee, Green	2022/2023		2023/2024		2024/2025	
Market Year Begins	Jul 2022		Jul 2023		Jul 2024	
Tanzania, United Republic of	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	0	265	0	265		265
Area Harvested (1000 HA)	0	265	0	265		265
Bearing Trees (MILLION TREES)	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)	516	516	407	407		416
Arabica Production (1000 60 KG BAGS)	600	600	750	750		800
Robusta Production (1000 60 KG BAGS)	520	520	600	600		700
Other Production (1000 60 KG BAGS)	0	0	0	0		0
Total Production (1000 60 KG BAGS)	1120	1120	1350	1350		1500
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)	6	6	6	6		6
Total Imports (1000 60 KG BAGS)	6	6	6	6		6
Total Supply (1000 60 KG BAGS)	1642	1642	1763	1763		1922
Bean Exports (1000 60 KG BAGS)	1150	1150	1260	1260		1300
Rst-Grnd Exp. (1000 60 KG BAGS)	0	0	0	0		0
Soluble Exports (1000 60 KG BAGS)	10	10	10	10		10
Total Exports (1000 60 KG BAGS)	1160	1160	1270	1270		1310
Rst,Ground Dom. Consum (1000 60 KG BAGS)	50	50	52	52		52
Soluble Dom. Cons. (1000 60 KG BAGS)	25	25	25	25		25
Domestic Consumption (1000 60 KG BAGS)	75	75	77	77		77
Ending Stocks (1000 60 KG BAGS)	407	407	416	416		535
Total Distribution (1000 60 KG BAGS)	1642	1642	1763	1763		1922
(1000 HA) ,(MILLION TREES) ,(1000 60 KG BAGS)						

Production

Post forecasts Tanzania's coffee production for MY 2024/25 at 1.5 million bags from 1.4 million bags in MY 2023/24 due to favorable weather conditions and the maturation of plantations that have been undergoing rehabilitation since 2018. According to the Tanzania Coffee Board (TCB) by November 2023, 13 million improved seedlings had already been distributed to farmers, and there are plans to distribute 25 million coffee seedlings by the end of 2025. Harvested area is anticipated to remain at 265,000 hectares, as the government of Tanzania is focused on the rehabilitation of existing coffee farms than opening new farms or repurposing existing plots.

Tanzania produces Arabica coffee, which accounts for an average of 60.9 percent of production. Arabica coffee growing regions include Kilimanjaro, Arusha, Tanga, Iringa, Mbeya, Kigoma, Manyara, Mwanza, Katavi, Mara, Njombe, Songwe, Rukwa, Geita, and Ruvuma. Tanzania also grows Robusta coffee, accounting for 39.1 percent in Kagera, Mwanza, and Morogoro regions (Figure 1).

Figure 1: Tanzania Coffee Growing Areas



Source: Tanzania Coffee Board

Tanzania is one of three main producers (along with Colombia and Kenya) of Colombian Mild Arabica coffee. Tanzania accounts for roughly 6 percent of global Colombian Mild group production. About 90 percent of Tanzania's production come from around 320,000 coffee smallholder farmers, with the rest coming from about one hundred large farms. Tanzania's coffee harvests begin in July to October.

Marketing:

Tanzanian coffee is marketed through government systems. Market prices are generally set in reference to the New York Futures market for Arabica coffee and the London Futures market for Robusta coffee.

1. Farm gate sale

This sale is the main coffee marketing channel after undergoing the primary processing. Under this sale outlet, coffee is traded in form of parchment for washed coffees and dry cherries for unwashed coffees. Farmers can opt to sell their coffees to licensed private buyers or co-operatives.

2. Direct Export sale

This sale allows coffee farmers to trade directly with buyers outside Tanzania. To protect the interests of farmers, direct export contracts need to be registered with the TCB to ensure farmers receive the best market price. TCB allowed premium producers to establish direct contacts with overseas buyers, to engage with Agricultural Marketing and Cooperative Societies (AMCOS) and to by-pass the auction and sell coffee directly. Smallholder producers are allowed to sell their coffee to direct coffee exporters through AMCOS, cooperatives unions, or associations that only influence inefficient traceability.

3. Auction

Auction is another marketing channel through which coffee gets traded in a form of green beans. This channel allows estates and cooperatives to present their coffees for sale via electronic auctions. Coffees are sold by sample at auctions with consignments stored in different licensed warehouses across the country. The government has established six Zonal Coffee Auctions sites in addition to the previously centralized coffee auction in Moshi.

Table 2: Dates for the starting of the Coffee Auction Season in 2024/2025 MY

#	Zones	Regions	Starting dates
1.	Kigoma	Kigoma, Katavi	May 1, 2024
2.	Mara	Mara, Mwanza	April 20, 2024
3.	Kagera	Kagera	May 1, 2024
4.	Mbeya, Songwe	Mbeya, Songwe	June 15, 2024
5.	Ruvuma	Ruvuma, Iringa, Njombe	July 1, 2024
6.	Kaskazini	Kilimanjaro, Arusha, Manyara,Morogoro, Tanga	July 1, 2024

Source: Tanzania Coffee Board (TCB).

Consumption

Post anticipates MY 2024/25 consumption will remain flat at 77,000 bags as demand in the tourism and restaurant sector remain unchanged. Most Tanzanians continue to prefer tea to coffee, due to consumer preferences and tea's relative affordability.

Trade

In MY 2024/25, Post forecasts Tanzania's coffee at 1.31 million bags from 1.27 million bags in MY 2023/24 due to increased supplies. Main export destinations include the EU, Japan, the United States, Morocco, Russia, South Korea, India, Australia, and South Africa (Table 2).

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

Reporter	2019	2020	2021	2022	2023
EU 27	30,366	30,628	40,184	35,495	45,107
Japan	15,552	11,231	13,524	16,901	12,287
United States	3,168	3,220	2,487	3,530	4,775
Morocco	3,034	2,987	6,115	2,981	5,636
Russia	1,434	1,476	1,282	**	**
India	3,070	1,131	1,265	1,076	2,180
South Korea	1,467	1,097	874	1,213	965

South Africa	872	1,192	452	1,713	1,572
Australia	988	720	1,097	908	928
Other Countries	3,020	2,777	5,160	3,651	4,594

Source: Trade Data Monitor, LLC; ** Data not available for 2022 and 2023

Tanzania also exports soluble coffee (Table 3) produced at a manufacturing plant based in Bukoba, in Northwestern Tanzania.

Table 4: Leading Destinations for Tanzania's Soluble Coffee Exports (Calendar Year, MT)

Reporter	2019	2020	2021	2022	2023
Kenya	112	71	151	105	190
EU 27	109	84	62	91	169
Other Countries	25	36	8	55	50
Total	246	191	221	251	409

Source: Trade Data Monitor, LLC

In MY 2024/25, soluble coffee imports are forecast to remain flat at 6,000 bags.

Stocks

Post forecasts an increase in ending stocks in MY 2024/25 to 535,000 bags from 416,000 bags in MY 2023/24 due to higher production and stagnant domestic consumption. Stocks will be held by cooperatives, traders, exporters, and large-scale coffee growers.

Attachments:

No Attachments