



Trading Food

For Sustainable Development

Fostering Integration of the Ethiopian Roasted Coffee Value Chain into Regional Value Chains

National Workshop, March 11, 2021

Physical and online via Zoom,
United Nations Conference Centre in Addis Ababa

Programme of workshop and training

Project Background

Coffee is an important agricultural commodity for Ethiopia. It employs more than 20% of the economically active population and contributes more than 25% of the country's foreign exchange earnings. Ethiopia grows a wide range of Arabica coffees most of which are trademarked varieties, with the rights owned and protected by the government of Ethiopia. The Ethiopian coffee is exported all over the world, mostly as green beans. Ethiopian producers thus seize only a limited share of the value added by their coffee. Exporting roasted coffee generates much more welfare gains for Ethiopian producers and local communities relying on coffee activities. Several challenges need to be tackled to allow Ethiopian producers to increase their export of roasted coffee. This project thus aims at supporting their efforts in this regard and reinforcing the Ethiopian roasted coffee export capacities.

For these reasons, Federal Democratic Republic of Ethiopia participates in UNCTAD's project "Integrating Landlocked Commodity Dependent Developing Countries into Regional and Global Value Chains", funded by the United Nation's 2030 Agenda for Sustainable Development Sub-Fund. This project (March 2018 - March 2021) has the objective to support integrated value chain development in four landlocked commodity dependent developing economies (Ethiopia, Lao People's Democratic Republic, Mongolia, and Uzbekistan), focusing on the agri-food sector. It aims at enhancing the countries' capacities in formulating and implementing policies and strategies to promote better integration into Regional and Global Value Chains (RVCs and GVCs). In particular, the project's activities aim to improve the analytical and data capacity of beneficiary countries in effective policy formulation to promote the integration of local food industries into RVCs and GVCs, taking advantage of UNCTAD's expertise as the leading UN agency working in the area of trade for development.

In Ethiopia, two surveys were conducted, addressing the following objectives:

- Analyzing the roasted coffee value chain in Ethiopia.
- Preparing an analysis of the potential demand for Ethiopian roasted coffee in emerging markets worldwide.
- Reviewing the "best business practices" developed by roasted coffee exporters in other coffee producing countries, focusing on the case of Colombia.
- Drawing key recommendations to public and private stakeholders involved in the roasted coffee export value chain in Ethiopia.

Based on a specific methodology and a series of criteria (including trade flows and attractiveness of the target markets) 5 different export markets were identified: the European Union (with a focus on the EU-15 countries, especially the Netherlands), Saudi Arabia, South Africa, China and South Korea. The selected markets were explored across different areas, thus highlighting: 1) Market trends and consumer preferences, 2) Roasted coffee imports, 3) Trade channels and transportation, 4) Legislative requirements and tariff on imports, 5) Main events and interesting resources.

Colombia's best practices in its roasted coffee sector were also analyzed and highlighted as potential practices to apply by Ethiopian authorities and exporters.

The surveys recommendations target both public and private stakeholders involved in Ethiopia's roasted coffee industry. They are meant to inform decision-making regarding changes within this industry, and to contribute in fostering growth in Ethiopia's roasted coffee exports – as a vehicle to achieve further value addition to coffee, enhanced employment and income to sector stakeholders, as well as to improve the positioning of Ethiopia in the international coffee market.

Objectives of the National Workshop

The objective of this hybrid workshop (virtual and in person) is to contribute to policy discussions with the different stakeholders from the public and private sectors, International Organizations and others in order to strengthen the roasted coffee value chain for export in Ethiopia, including its integration into regional value chains.

During the workshop, the empirical and analytical findings of the project will be presented, regarding the functioning of the roasted coffee value chain in Ethiopia, and we will discuss possible ways in which the current and future policy framework in Ethiopia can be strengthened in order to contribute to public policy formulation in the sector at the national and sub-national levels.

This activity is part of the technical cooperation project:

Integrating Landlocked Commodity Dependent Developing Countries into Regional and Global Value Chains Project (2018 – 2021)

Funded by the United Nations' 2030 Agenda for Sustainable Development
Sub-Fund

<https://unctad.org/project/integrating-landlocked-commodity-dependent-developing-countries-regional-and-global-value>

For more information on the project, please contact the Commodities Branch:

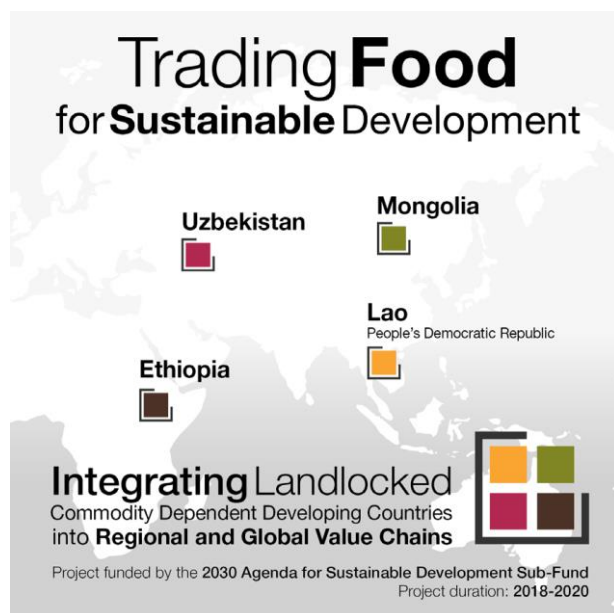
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Programme of the workshop

09:30–10:00 Opening session

- *Dr. Adugna Debele, Ethiopian Coffee and Tea Authority*
- *Mr. Menelik Habtu, Chairperson of Ethiopian Roasted Coffee Exporters Association (tbc)*
- *Mrs. Maria Teresa Da Piedade Moreira, Director DITC, UNCTAD*
- *Dr. Daniel OWOKO, Head, Regional office, UNCTAD*

10:00–11:30 1st Session: the Ethiopian coffee export value chain – strengths and weaknesses

Moderation: Kuena Motsoapitso Molapo, UNCTAD

Ethiopian coffee has historically been considered as a green export commodity. Currently, the roasted coffee industry in Ethiopia is yet witnessing a promising trend as small coffee roasters are penetrating both the domestic and international markets. What is the status of the Ethiopian roasted coffee value chain?

10:10 – 10:35 Presentation of UNCTAD's Study "Survey on the roasted coffee export value chain in Ethiopia" (UNCTAD and Dr. Shiferaw)

10:35 – 11:00 Mr. Solomon, CEO of Melange Coffee Roasters

11:00 – 11:30 General discussion with participants

11:30 – 11:45 Coffee Break

11:45-13:15 2nd Session: review of export market opportunities

Moderation: Kuena Motsoapitso Molapo, UNCTAD

The market for coffees "roasted at origin" (i.e. in coffee-producing countries) is limited worldwide. Roasted coffee is a finished / consumer product, and this market has a more complex structure and dynamics than that for green coffee. What destination markets should Ethiopian roasters target? What are the main challenges to access these specific markets?

11:50 – 12:05 Presentation of UNCTAD's Study "Analysis of the 5 top destination markets for Ethiopian roasted coffee exporters" (UNCTAD and G. Ferro)

12:05 – 12:30 2nd presentation (Government of Ethiopia)

12:30 – 12:45 Ms. Aurelia Calabrò, UNIDO
Ms. Vikki Brenan, Proudly Made in Africa

12:45 – 13:15 Panel discussion followed by general discussion with participants

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Programme of the training

14:15–15:45 1st Session: Learning from the Colombian best practices

Moderation: Dr Shiferaw,

Colombia's current position as a top exporter of roasted coffees to regional and international markets results from the synergies amongst key policies addressing the coffee sector, adequate institutional mechanisms, relevant sector stakeholders, successful promotional instruments and strategic marketing. What are the good practices coming from Colombia and relevant to the Ethiopian coffee sector?

14:25 – 14:50 Mr. Gustavo Ferro, Presentation of the Colombian experience(s)

14:50 – 15:15 Mr. Nico Smid / Rafal Valcarce, Centre for the Promotion of Imports from Developing Countries (CBI), the Netherlands

15:15 – 15:45 General discussion with participants

15:45 – 16:00 Coffee Break

16:00–17:30 2nd Session: Overcoming the challenges to access foreign markets

Moderation: Dr Shiferaw

Fostering a successful and sustainable agricultural export sector can be an important tool for development. However, the policy efforts to strengthen agricultural value chains like roasted coffee are multi-dimensional effort that spans different aspects of policy action. During this session, we will discuss the existing policy framework at the national and subnational levels for strengthening the roasted coffee value chain for export, as well as the best practices among Ethiopian roasters to access foreign markets.

16:10 – 16:35 Sarah Charles and Federica Angelucci, ITC (tbc)

16:35 – 17:00 Mrs. Bethlehem Tilahun Alemu, GARDEN OF COFFEE-Beautiful Beans (tbc)

17:00 – 17:30 General discussion with participants

17:30–18:00 Closing session

Closing statement:

- *Menelik Habtu, Chairperson of Ethiopian Roasted Coffee Exporters Association (tbc)*
- *Ms. Maria Teresa Da Piedade Moreira, Director DITC, UNCTAD*