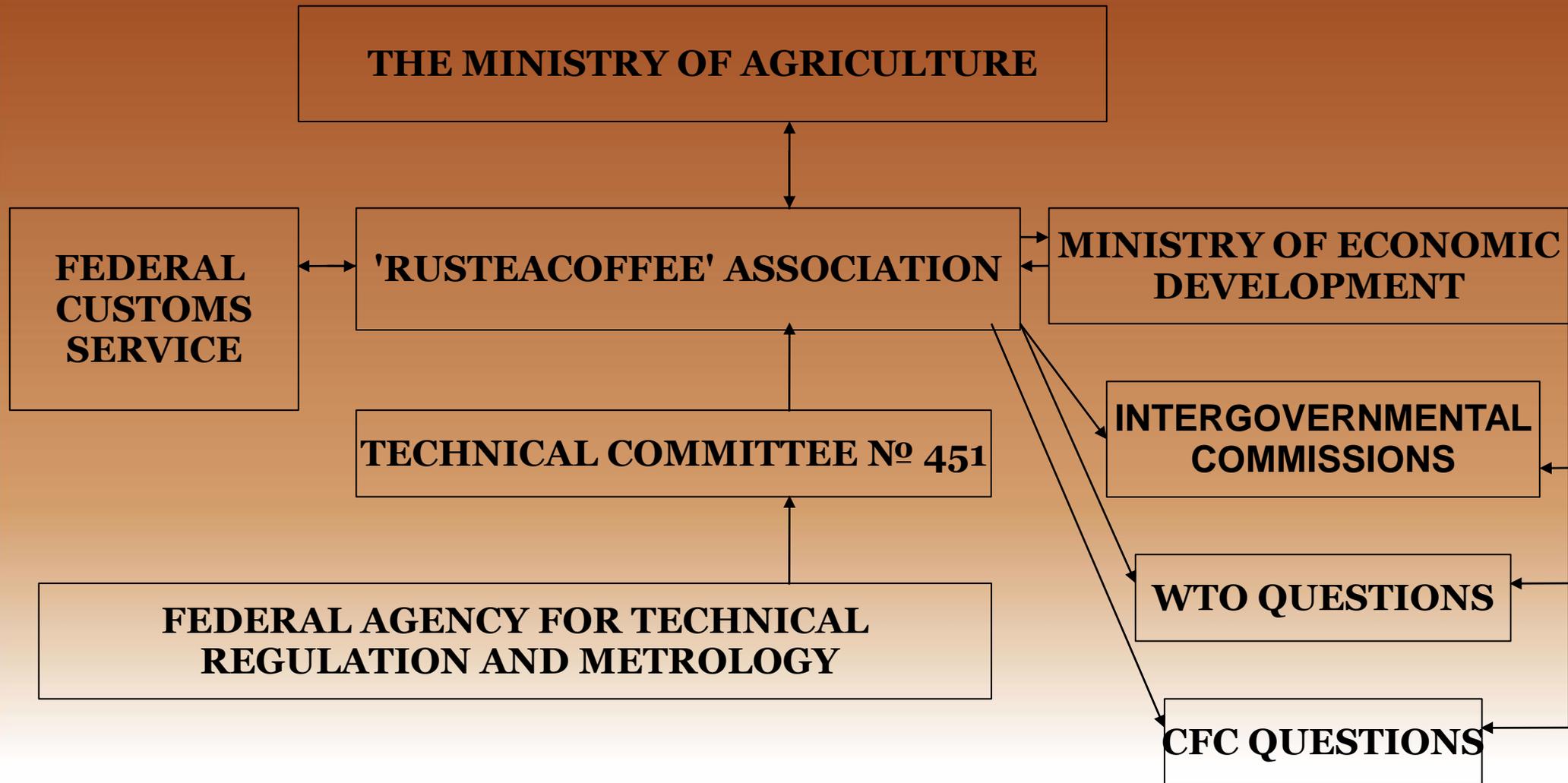


# **COFFEE MARKET IN RUSSIA:** *key characteristics*

**Ramaz Chanturiya**  
**General Director, Association “Rusteacoffee”**

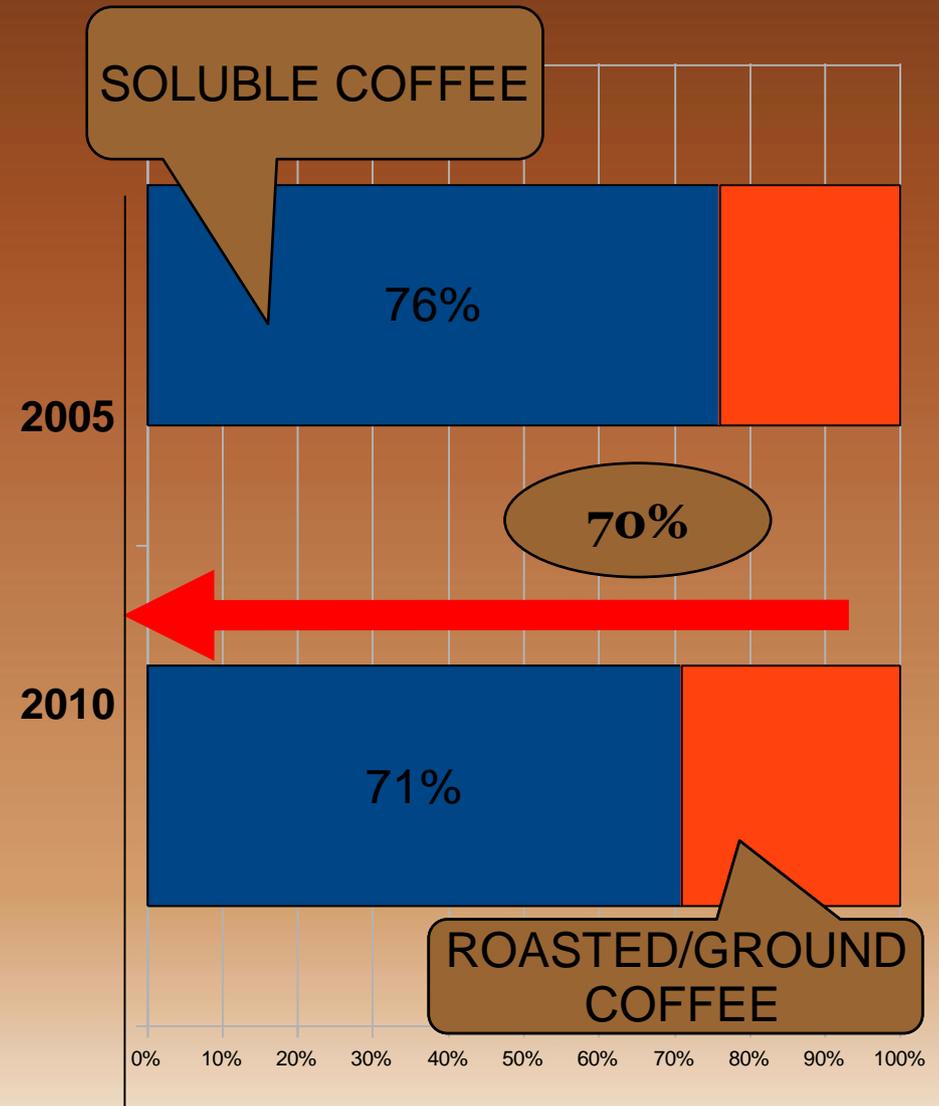
**LONDON 2011**

# RUSSIAN ASSOCIATION OF TEA AND COFFEE PRODUCERS 'RUSTEACOFFEE'

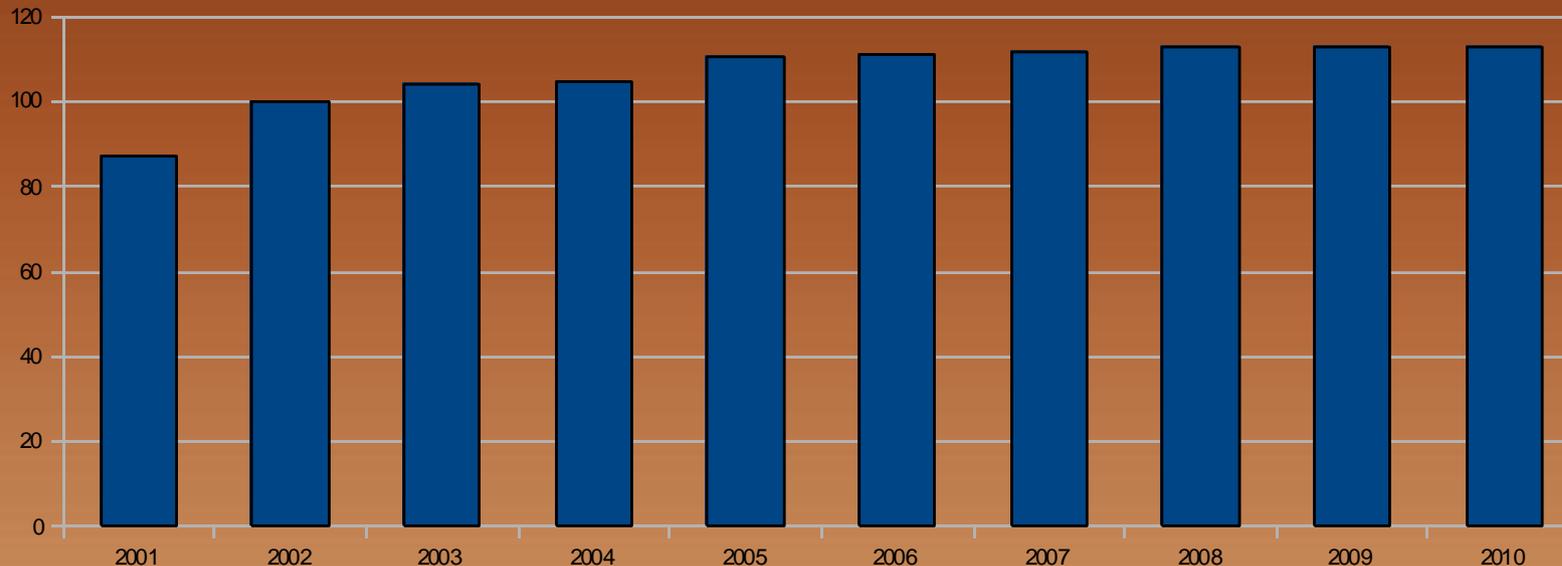


# MARKET STRUCTURE

- **THE MAIN TYPE OF COFFEE THAT CONSUME RUSSIAN PEOPLE IS SOLUBLE**
- **DURING THE LAST YEARS CONSUMING OF ROASTED/GROUND COFFEE WAS GRADUALLY RISING. CORRELATION OF SOLUBLE COFFEE AND ROASTED/GROUND COFFEE CHANGES SLOWLY BUT STEADILY. IN 2005 THERE WAS 76:24, IN 2010 - 71:29**
- **BUT FUNDAMENTAL CHANGES WILL HAPPEN ONLY IF CONSUMING VOLUME OF SOLUBLE COFFEE FALLS BELOW 70 %**

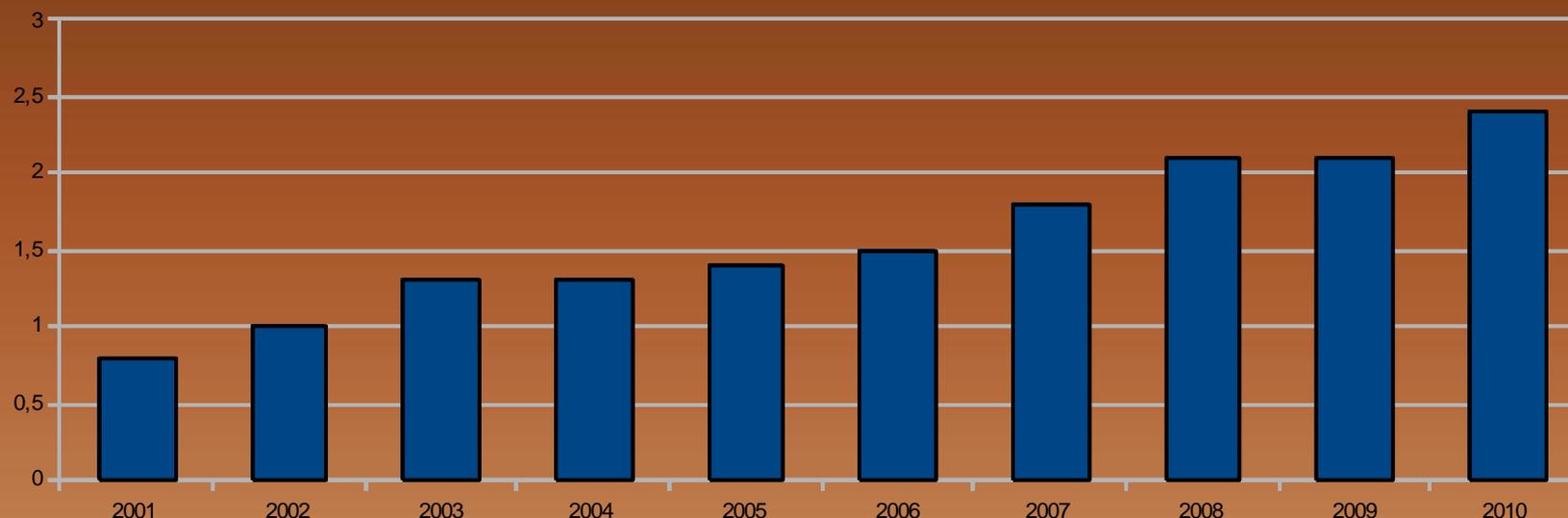


# COFFEE CONSUMING VOLUME



- **ESTIMATES OF COFFEE MARKET VOLUME (ALL SORTS OF COFFEE PRODUCTS INCLUDING 2 IN 1 AND 3 IN 1) IN PHYSICAL TERMS DID NOT CHANGE COMPARING WITH 2009 — 112-114 000**
- **COFFEE CONSUMING VOLUME IN RUSSIA HAS STABILIZED AND FOR ITS CARDINAL INCREASING ARE NECESSARY CONSIDERABLE STEPS OF PROMOTION AND ADVERTISING**

# MARKET VOLUME IN MONEY TERMS

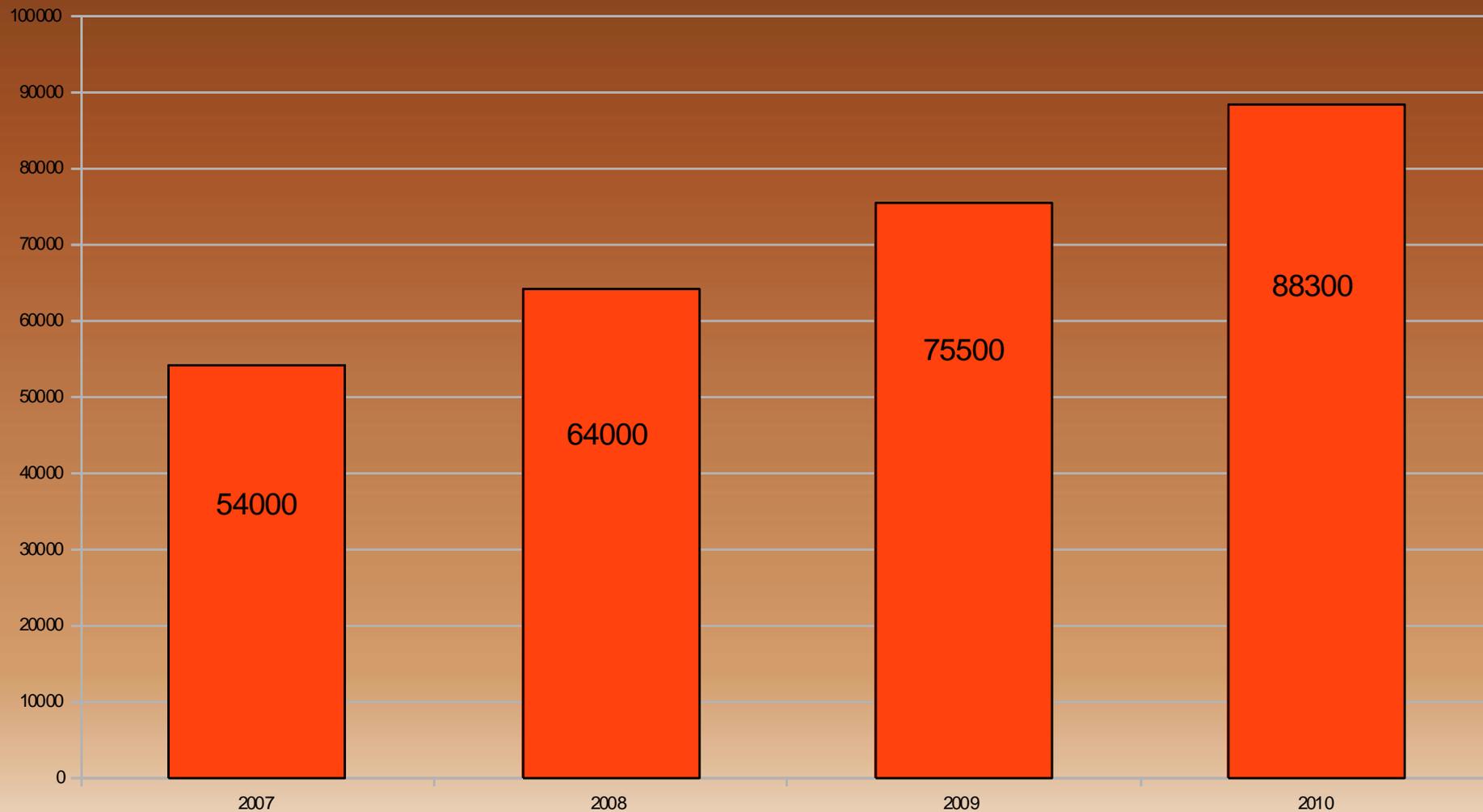


- **MARKET VOLUME IN TERMS OF DOLLAR GREW SHARPLY IN THE PAST YEAR AND MADE UP 2,4 BLN IN WHOLESALE PRICE**
- **FOREMOST INCREASING OF MARKET VALUE IS A RESULT OF ROCKET OF GREEN COFFEE PRICES**
- **AVERAGE PRICE OF COFFEE IN RUSSIAN RETAIL INCREASED OF 20-25% IN ONLY 2010**

# COFFEE SUPPLYING COUNTRIES

GREEN/ROASTED/GROUND COFFEE		SOLUBLE COFFEE	
COUNTRY	2010 %	COUNTRY	2010 %
VIETNAM	31,6	INDIA	27,9
BRASIL	25,6	BRAZIL	19,4
INDONESIA	9,4	SPAIN	9,9
ITALY	4,2	GERMANY	9,4
FINLAND	3,3	ECUADOR	7,6
UGANDA	2,8	SWITZERLAND	7,2
ETHIOPIA	2,6	COLOMBIA	4,2
HONDURAS	1,8	USA	3,0
INDIA	1,7	GREAT BRITAIN	2,5
CAMEROON	1,7	KOREA	2,3
PERU	1,6	FRANCE	2,1
TANZANIA	1,5	POLAND	1,9
PAPUA NEW GUINEA	1,2	THE NETHERLANDS	0,8
COLOMBIA	1,2	VIETNAM	0,5

# VOLUME OF GREEN COFFEE IMPORT



# INDUSTRIAL POLICY ON COFFEE



- **THE CURRENT COFFEE IMPORT DUTY RATES ARE WELL-BALANCED AND FULLY PROTECT THE INTERESTS OF DOMESTIC PRODUCERS:**
  - **0% ON GREEN COFFEE**
  - **10%, BUT NOT LESS THAN 0.2 EUROS/KG ON ROASTED/GROUND COFFEE**
  - **10%, BUT NOT LESS THAN 0.5 EUROS ON INSTANT COFFEE**
- **INVESTMENT IN THE RUSSIAN COFFEE PROCESSING INDUSTRY HAS TOTALED \$ 600 MILLION.**
- **THE DOMESTIC INDUSTRY IS:**
  - **PRODUCING 80% OF RUSSIA'S ROASTED/GROUND COFFEE;**
  - **PACKING 65% OF INSTANT COFFEE;**
  - **PRODUCING 40% OF INSTANT COFFEE (FULL-CYCLE PRODUCTION).**

# MAIN MARKET PROBLEMS

- **FUNDAMENTAL INCREASE OF PRICES ON GREEN COFFEE MAKES THE COFFEE ROASTER'S CHOOSE :TO RAISE UP PRICES OR TO LOSE THE QUALITY**

**ANY OF THESE OPTIONS COULD FORCE POOR PEOPLE TO PREFER TEA NOT COFFEE**

- **FORMING OF THE CUSTOMS UNION OF RUSSIA, KAZAKHSTAN AND BELARUS STRENGTHENS UNCERTAINTY IN ISSUE OF RUSSIA'S ACCESSION TO WORLD TRADE ORGANISATION**
- **RUSSIA AS NEVER BEFORE NEEDS MORE CLOSE COOPERATION WITH INTERNATIONAL COFFEE COMMUNITIES IN ISSUE OF RESEARCH AND INFORMATION COLLABORATION. IN PARTICULAR RUSSIA SHOULD BECOME THE ICO MEMBER**

**I AM GLAD TO INVITE YOU  
TO VISIT THE  
3d MOSCOW INTERNATIONAL COFFEE FORUM,  
WHICH WILL BE HELD IN MOSCOW ON 17  
SEPTEMBER 2012**

**Thank you for  
your attention!**