

Coffee Export Procedures Guide for SMEs in Rwanda



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Rwanda



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Acronyms

4C	Common Code for the Coffee Community
AfCFTA	African Continental Free Trade Area
BMO	Business Membership Organisation
CAC	Codex Alimentarius Commission
CAFE	Coffee and Farmer Equity
CBI	Centre for the Promotion of Imports from developing countries
CEPAR	Coffee Exporters and Processors Association of Rwanda
CU	Control Union
CWS	Coffee Washing Station
DFQF	Duty Free Quota Free
DRC	Democratic Republic of Congo
EAC	East African Community
EAS	East African Standard
EASC	East African Standards Committee
EBA	Everything But Arms
EC	European Commission
EFSA	European Food Safety Authority
ENS	Entry Summary Declaration
ESW	Electronic Single Window
EU	European Union
GAP	Good Agricultural Practices
GHP	Good Hygiene Practices
GMP	Good Manufacturing Practices
HACCP	Hazard Analysis and Critical Control Point
ICO	International Coffee Organisation
ISO	International Standard Organisation
ISPM	International Standards for Phytosanitary Measures
ITC	International Trade Centre
MAR	Market Access Regulation
MARKUP	Market Access Upgrade Programme
MINAGRI	Ministry of Agriculture

MOHs	Mineral Oil Hydrocarbons
MRLs	Maximum Residue Limits
NAEB	National Agricultural Export Board
NST1	National Strategy for Transformation
OTA	Ochratoxin A
RALIS	Rwanda Agriculture and Livestock Inspection and Certification Services
RDB	Rwanda Development Board
RICA	Rwanda Institute for Conservation Agriculture
RoO	Rules of Origin
RRA	Rwanda Revenue Authority
RSB	Rwanda Standards Board
RWF	Rwandan Franc
SACCO	Savings and Credit Cooperative Organizations
SAD	Single Administrative Document
SCA	Specialty Coffee Association
SCEA	Shippers Council of Eastern Africa
SME	Small and Medium Enterprise
SMBC	Smithsonian Migratory Bird Centre's Bird Friendly Coffee Program
SPS	Sanitary and Phytosanitary
SQMT	Standardization, Quality Assurance, Metrology and Testing
TBT	Technical Barriers to Trade
TFA	Trade Facilitation Agreement
TSIs	Trade Support Institutions
UN	United Nations
UNECA	United Nations Economic Commission for Africa
USD	United States Dollar
UTZ	Universal Trade Zone
VAT	Value Added Tax
WTO	World Trade Organisation

About This Guide

This *Coffee Export Procedures Guide for SMEs in Rwanda* is prepared under the European Union – East African Community Market Upgrade Programme (EU-EAC MARKUP), a regional development initiative implemented by the International Trade Centre (ITC) that aims to contribute to the economic growth of the EAC through supporting increased exports of agribusiness and horticultural products, promoting regional integration and access the European market.

Coffee farming which was first introduced to Rwanda by Germans in the early 1900s, has since grown to become a major contributor to economic growth, development, employment, foreign exchange earnings and monetization of the rural economy. Coffee farming in Rwanda is done mainly by about 400,000 small scale farmers in rural fertile lands with favourable growing conditions such as: cool temperatures, high altitudes (1,200 – 1,900 metres above sea level), rich volcanic soils and adequate, well-distributed rainfall. These conditions have allowed Rwanda to become a producer of some of the highest quality coffee in the world. Even though coffee export earnings have been increasing in recent years, the full potential of the coffee sector in Rwanda has not yet been realized.

Among the key reasons advanced for this situation is the predominance of small and medium enterprises (SMEs) in the sector. By their very nature, SMEs often lack the technical knowledge, financial means and market information on export markets, opportunities in them and requirements and procedures necessary to support their exporting ventures. It is this last challenge that this Coffee Export Procedures Guide seeks to address.

Targeted at SMEs that are ready to export or already exporting, the overall objective of the Coffee Export Procedures Guide is to build knowledge, awareness and understanding of export market opportunities for Rwanda coffee, especially in relation to the EU; the quality-related requirements (SPS, TBT, standards, rules of origin) to access the EU market and the step- by- step procedures for exporting the coffee. While a lot of the information contained in this Guide is available on various sources on the internet, the Guide goes a step further to provide Rwanda business operators in the coffee sector with a simplified and consolidated information pack. Besides the SME exporters, the Guide is also a useful tool for Trade Support Institutions (TSIs) in Rwanda, such as Business Membership Organisations (BMOs) and public sector bodies who may use the information herein to support SMEs to take advantage of opportunities, including through facilitating the exporting process.

The Coffee Export Procedures Guide is divided into five chapters. Chapter 1 introduces Rwanda's coffee trade, looking at its production, exports and imports. The Chapter also looks at Rwanda in the context of EAC's imports and exports. The chapter delves deeper into the EU as an export destination, looking at trends and analysing the export potential in the EU. Chapter 2 looks at import market requirements that an SME must meet before they export their products, in general and with specific reference to the EU Market. In Chapter 3, the guide provides a summary as well as a step- by- step elaboration of the whole gamut of business processes and regulatory activities required to export coffee in Rwanda for a first time exporter – from registering as an exporter, going through the various state entities to obtain various certifications and approvals, to releasing the coffee at the port for shipment. Chapter 4 looks at those key processes, requires and procedures for importing coffee into the EU. Since the importer in the EU is often responsible for meeting the import procedures and formalities, the Chapter narrows down on those actions and requirements where the input of the Exporter is critical. In Chapter 5, the guide provides information on where SMEs may find additional information and help to support their exporting journey.



Chapter 1: Rwanda Coffee Trade: Existing and Potential

Overview and Objectives of Chapter 1:

This Chapter provides an overview of Rwanda's coffee trade, looking at its production, exports and imports, both existing and potential. The Chapter delves deeper into the EU as an export destination, looking at the size of the market, the trends, the export potential as well as the trading regime between Rwanda and the EU. Given the forthcoming African Continental Free Trade Area, the Chapter also elaborates the potential market for various coffee products across Africa.

The key objectives of this Chapter are:

- To build the knowledge and understanding of the Rwanda Coffee SME of the global, EU and African markets for coffee and the export opportunities in them.
- To provide the Rwanda coffee SME with a list of credible information and data sources on the coffee sector

Overview of the Coffee Sector in Rwanda

Coffee was first introduced in Rwanda by German colonialists in 1904. However, it was not until Belgium took over the colony that coffee production became a major source of income. By 1927, the Belgian colonial government was already imposing the coffee production on farmers and in 1933, it was made obligatory.¹ The colonial government focused primarily on high production with little attention being paid to quality. As a result, Rwanda had a reputation for producing very low-quality coffee. Following an international market crisis in the 1980s and the political unrest resulting from the 1994 genocide against the Tutsis, coffee production fell rapidly leading many farmers to abandon coffee farming.²

Currently, Rwanda produces about 20,000 to 22,000 metric tonnes of coffee per year through approximately 400,000 smallholder grower families³, each with an average growing area of about 0.07 hectares.⁴ The total growing area is about 42,000 hectares in most provinces in the country. Coffee is the largest contributor to Rwanda's foreign exchange earnings. The coffee year is divided into two, with flowering starting with the rainy season in September right after the dry season until February and the harvesting period starting in late February in the Western Province and in early March in other areas, lasting up to July. According to the International Trade Council (ITC), exports of unroasted coffee contributed USD 60M in 2019.⁵ Between 2008 and 2014, coffee was the 7th largest contributor to export growth, accounting for 1.3% of the total export growth. The sector's role in the economy has been recognized by the government of Rwanda, making it one of the focuses of the National Strategy for Transformation (NST1). The strategy, which was designed to help cross over from Vision 2020 to Vision 2050, seeks to increase coffee export from 54% in 2017 to 80% in 2024, improve productivity per tree from 2.8kg to 4kg and increase the total growing area of coffee.⁶

About 95% of the coffee produced in Rwanda is the bourbon type of Arabica, while the Caturra and Catuai varieties of Robusta are produced in small quantities. In an effort to boost the reputation and competitiveness of Rwanda's coffee in the international market, the government has been working with donors and other stakeholders to: build coffee washing stations (CWS), generate foreign interest in Rwandan coffee, support coffee farmer cooperatives and discourage semi-washed coffee. As a result, in recent years Rwanda has transitioned from producing low quality coffee to producing premium coffees. According to the National Agricultural Export Board (NAEB), 75% of fully washed coffee being exported from Rwanda is of premium or specialty grade.

1 Fidele Hakorimana and Handan Akçaoz, "The Climate Change and Rwandan Coffee Sector," Turkish Journal of Agriculture - Food Science and Technology 5, no. 10 (February 2017): p. 1206, <https://doi.org/10.24925/turjaf.v5i10.1206-1215.1376>.

2 <https://www.coffeehunter.com/coffee-country/rwanda/>

3 National Agricultural Export Board, <https://naeb.gov.rw/index.php?id=48>

4 Hakorimana and Akcaoz, "The Climate Change and Rwandan Coffee Sector"

5 International Trade Council, Rwanda Economic Statistics 2019, <https://thetradecouncil.org/rwanda-economic-statistics-2019/>

6 National Strategy for Transformation (NST1)

Rwanda's coffee is known for its delicate taste with a pleasant, sweet, caramel-like aroma with hints of citrus.⁷ The flavor of Rwandan Bourbon coffee is described as being suggestive of caramelized sugar cane with hints of clove, cinnamon, allspice and rose floral aromas. In fine Rwanda coffee, one finds a silky, creamy body with floral notes reminiscent of Ethiopian Yirgacheffe Coffee and the acidity of a Kenya coffee.⁸ **Rwanda's coffee has become one of the best brewed coffees in the world, winning international awards such as "Best of the Best" and "Coffee Lover's Choice", beating brands from other countries.**⁹

The coffee sector is regulated by NAEB, which is one of the implementing institutions for the policies of the Ministry of Agriculture. NAEB's mandate includes: promoting and facilitating agricultural exports, facilitate diversification and growth across the sector to ensure increased quality and quantity of produce and support private agricultural stakeholders. NAEB also collaborates with the Coffee Exporters and Processors Association of Rwanda (CEPAR) to create policy and set minimum annual prices. CEPAR's individual mandate is to represent its members and their interests through active participation in policy issues affecting coffee production, processing and marketing. It is also responsible for importing and distribution of fertilizer and pesticides to coffee farmers.

Rwanda is the fourth largest producer in the EAC region, after Uganda, Tanzania and Kenya. In 2019 coffee production year, Rwanda produced 363,000 (60kgs) bags of coffee, compared to Kenya's 850,000 (60kgs bags), Tanzania's 926,000 (60kgs bags) and Uganda's 5,250,000 (60kgs bags). **Rwanda produces 0.21% of the global coffee based on the 2019 data in Table 1 below.**

Table 1, Coffee year* production by country, in thousands of 60kg bags, 2015-2019

Coffee Year commencing						
Country	2015	2016	2017	2018	2019	% change 2018/19
World Total	153,987	160,713	166,476	173,088	168, 836	-2.50
Burundi	274	198	199	206	253	22.8%
Kenya	799	793	790	930	850	-8.6%
Rwanda	293	239	293	372	363	-2.7%
Tanzania	930	834	862	1120	926	-17.3%
Uganda	3,650	4,962	4,597	4,704	5250	11.6%
Some Top Producers Globally						
Brazil	52,871	55776	55838	63348	59500	-6.1%
Colombia	14,009	14,634	13,824	13,858	14100	1.7%
Vietnam	28,737	27819	33432	31283	30750	-1.7%
Ethiopia	6,714	7143	7347	7541	7700	2.1%

Source: International Coffee Organisation, ICO (<http://www.ico.org> – Accessed 14th December 2020)

*ICO Coffee Year runs from 1st October to 30th September.

The EAC region combined produced around 7,642 million 60kg bags of coffee in 2019, which is about **38.7% of all coffee produced in Africa and 4.5% of coffee produced globally**¹⁰. Uganda alone produces 69% of the region's coffee - more coffee than the rest of the EAC region combined. The whole region, however, produces less coffee than Ethiopia, which is the largest coffee producer in Africa. During the period 2018-2019, a downtrend in coffee production is observed for three EAC Partner States – i. e. Kenya, Rwanda and Tanzania, with only Burundi and Uganda registering increased exports .In terms of exports, **over 95% of the coffee produced in the region is exported in unprocessed form.**

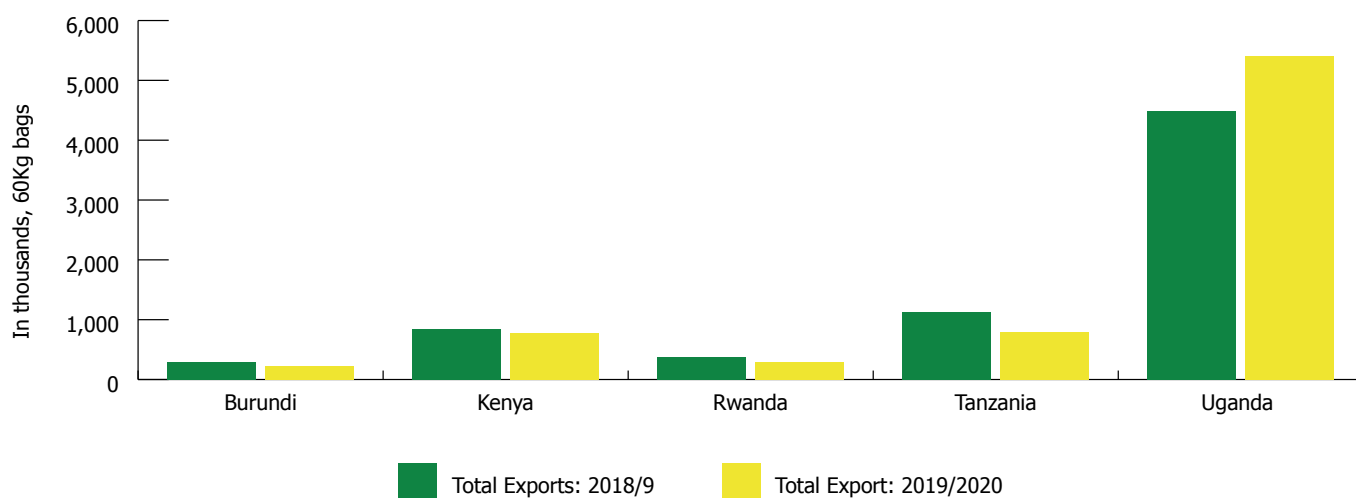
7 See <https://espressocoffeeguide.com/gourmet-coffee/arabian-and-african-coffees/rwanda-coffee/>

8 See <https://espressocoffeeguide.com/gourmet-coffee/arabian-and-african-coffees/rwanda-coffee/>

9 Rwanda Development Board (<http://rdb.rw/export/export/products-directory/coffee-sector/>)

10 International Coffee Organisation, ICO (<http://www.ico.org> – Accessed in December 2020).

Figure 1, Coffee exports in '000 of 60kg bags



Source: International Coffee Organisation, ICO (<http://www.ico.org> – Accessed 14th December 2020)

Like many producing countries, Rwanda has developed its own national green coffee grading systems to evaluate coffee intended for export. The grading classification systems provide a blueprint for the evaluation of the physical attributes of green coffee and in many cases the flavour of the roasted coffee beans, both determinants of price. The aim of the grading system is to give buyers confidence that they will receive what they purchased and the assurance that the resulting final cup will possess a certain level of quality. Grading and classification is usually based on some of the following criteria: altitude and/or region; botanical variety; preparation (wet or dry process = washed or natural); bean size (screen size), sometimes also bean shape and colour; number of defects (imperfections); roast appearance and cup quality (flavour, characteristics, cleanliness) density of the beans¹¹

The following is the Rwanda national green coffee grading system:¹²

Arabica

A sample of 350g is taken for both physical and organoleptic analysis (cupping) in a systematic sensory approach on which the trained cuppers base to grade the coffees as follows:

Fully washed

Grade	Score	Description
Super Specialty	80-90%	No more than 5 full defects in 350g of coffee. Primary defect permitted, maximum of 5% below screen size indicated, must poses at least one distinctive attribute in the body, flavor, aroma or acidity, must be free from cup faults and taints, no quakers. Moisture content between 10-12.5%.
Grade 1	70-79%	No more than 9-23 full defects in 350g of coffee. No primary defect allowed, maximum of 5% below screen size indicated, must poses at least one distinctive attribute in the body, flavor, aroma or acidity, must be free from cup faults. Moisture content between 10-12.5%.
Grade 2	60-69%	No more than 24-86 full defects in 350g of coffee.
Grade 3	50-59%	More than 86 full defects in 350g of coffee.

¹¹ EAC Quality Compass (<https://un-consulting.ch/eac/compass>);

¹² International Coffee Organization, National Quality Standards 2018

Semi Washed

Grade	Score	Description
Grade 1	70-80%	No more than 23 full defects in 350g, primary defects are permitted, maximum of 5% below screen size, must possess at least a distinctive attribute in the body, flavor, aroma or acidity. No cup faults are permitted, only 3 quakers. Moisture content between 9-12.5%
Grade 2	55-70%	No more than 30 full defects in 350g, primary defects are permitted, maximum of 5% below screen size, must possess at least a distinctive attribute in the body, flavor, aroma or acidity. No cup faults are permitted, only 3 quakers. Moisture content between 9-12.5%
Grade 3	40-50%	1-2 defective cups. No more than 50 full defects in 350g
Grade 4	<40%	more than 2 defective cups. More than 80 full defects in 350g

Robusta

Grade	Score	Description
Grade 1	-	Fully washed
Grade 2	-	Semi washed

Rwanda's Coffee Exports

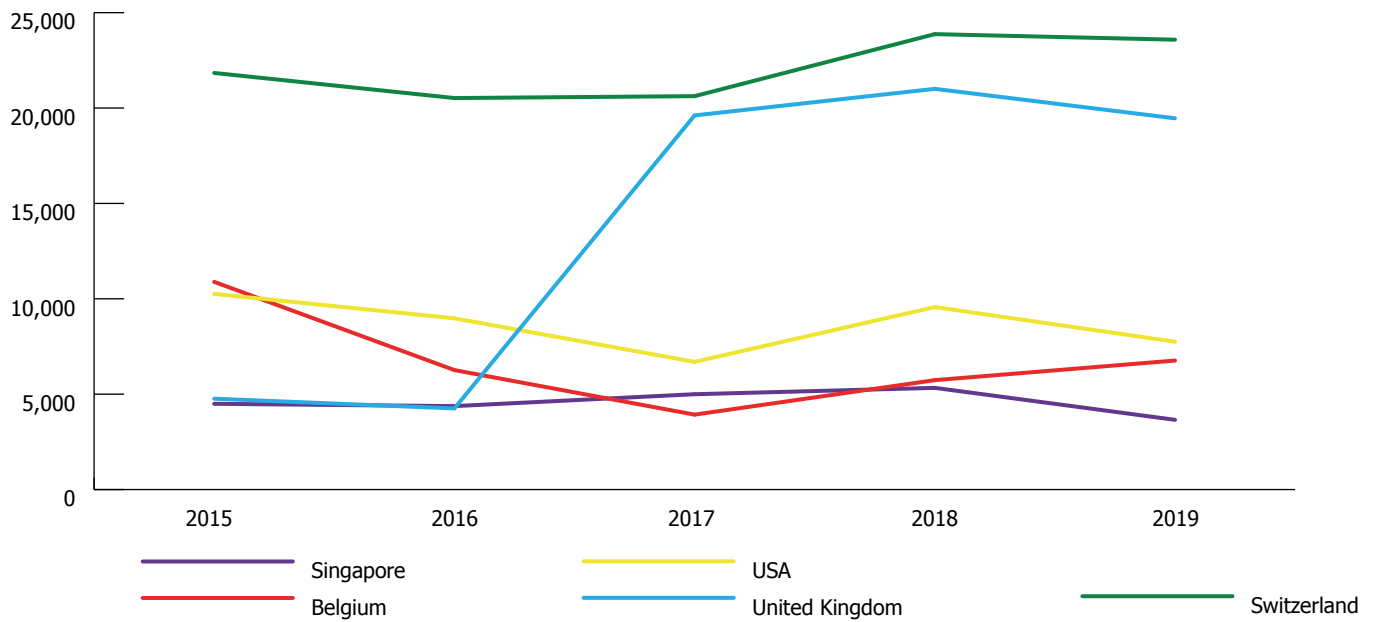
In 2019, Rwanda exported coffee worth USD 74.6M. As illustrated in Table 2 below, most of these exports were destined for Switzerland (31.6%), the United Kingdom (26.1%) and the United States of America – USA (10.4%). Although small in value, Rwanda's coffee exports to the Poland grew highest (241%) in the period 2015-2019, followed by those to United Kingdom at 55%. Switzerland has been Rwanda's main destination market over the last five years. See table 2 below.

Table 2, Top 20 Export Markets for Rwanda coffee, in '000 USD

Importers	Exported value in US Dollar thousand				
	2015	2016	2017	2018	2019
World	63,728	59,185	67,504	81,846	74,618
Switzerland	21,839	20,524	20,623	23,874	23,583
United Kingdom	4,763	4,253	19,613	21,006	19,462
USA	10,256	8,977	6,694	9,567	7,750
Belgium	10,887	6,263	3,928	5,735	6,763
Singapore	4,496	4,375	4,998	5,331	3,656
South Sudan	-	-	-	-	3,493
Japan	1,380	1,180	1,683	1,760	2,114
Uganda	818	1,116	4,301	4,647	1,033
Germany	2,523	1,101	244	412	972
New Zealand	-	317	1,133	1,139	851
Kenya	1,703	1,014	1,869	3,714	801
United Arab Emirates	-	19	6	12	735
Italy	331	1,833	-	51	428
Netherlands	183	56	121	79	417
Australia	1,083	915	139	263	327
Korea, Republic of	652	914	1,140	1,673	290
China	188	69	156	197	288
Canada	74	580	58	320	217
Poland	-	171	197	156	201
Mexico	-	-	-	-	180

Source: ITC calculations based on UN COMTRADE and ITC statistics (Accessed 10th December 2020)

Figure 2, Trends of Rwanda's Top 5 export markets



Source: ITC, based on UN COMTRADE and ITC statistics. Accessed 10th December 2020

Looking at the type of coffee exported, Table 3 below shows Rwanda's coffee exports by product and it reveals that they are concentrated in one product category. Of the USD 74.6 M worth of coffee export in 2019, USD 71.3M (95.6% of total exports) consisted of unroasted coffee (HS 090111), meaning it is exported as green beans.

Table 3, Breakdown of Coffee Products Exported by Rwanda

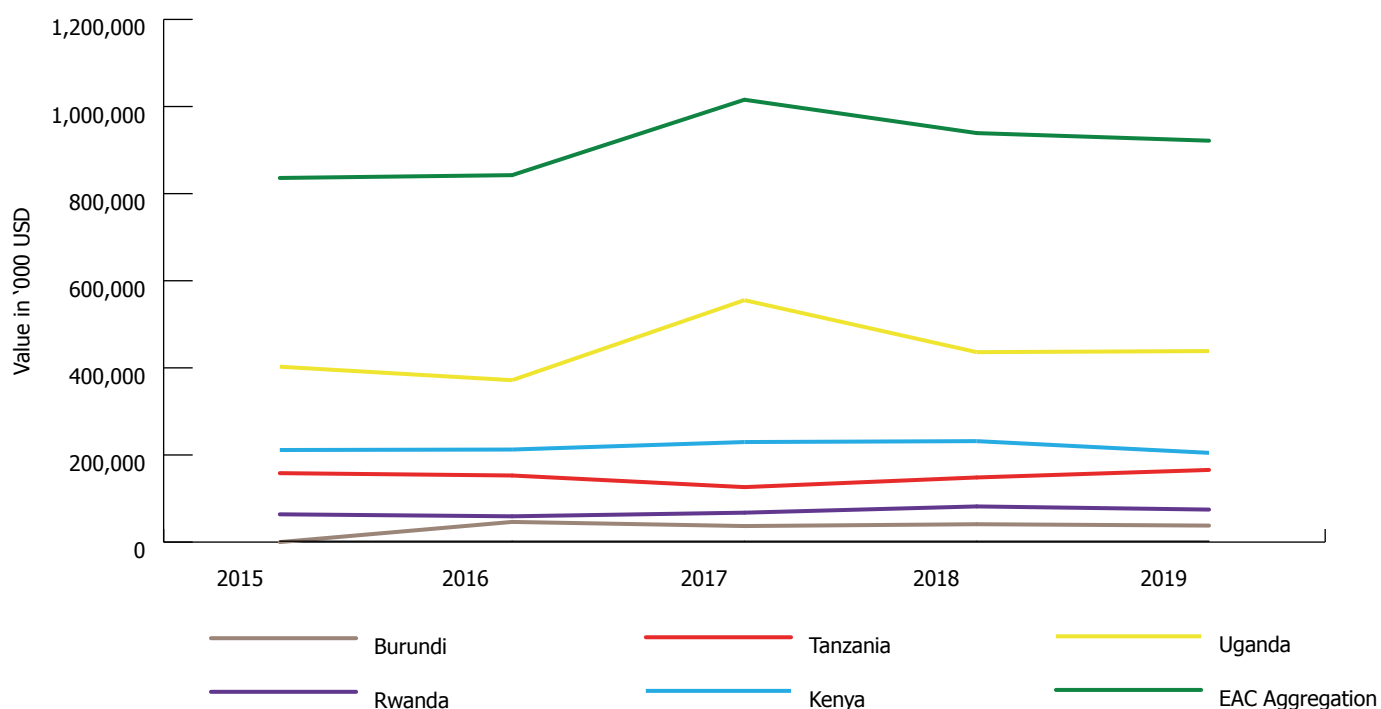
HS Code	Product label	Exported value in US Dollar thousand				
		2015	2016	2017	2018	2019
090111	Coffee (excluding roasted and decaffeinated)	61,818	57,226	64,113	71,072	71,327
090190	Coffee husks and skins; coffee substitutes containing coffee in any proportion	1,803	1,619	3,058	10,044	3,133
090121	Roasted coffee (excluding decaffeinated)	101	2	15	171	127
090122	Roasted, decaffeinated coffee	6	38	318	15	17
090112	Decaffeinated coffee (excluding roasted)	-	300	-	544	15

Sources: ITC calculations, based on UN COMTRADE statistics (accessed 10th December 2020)

Rwanda's coffee exports in the context of the EAC:

As illustrated in Figure 3 below, the aggregate export value for the region stood at approximately **0.92 billion dollars in 2019**, representing around **3.1% of global export values for 2019, which were worth USD 29.7 billion. Uganda earned the highest share of the EAC aggregate export value at 47.9%, while Rwanda earned 8.1%.** The value of exports from the region has largely been a mirror of Uganda's export figures, rising and falling in tandem. During the period **2017 – 2019, there has been a 9.3% decrease in export value and this may further decrease in 2020 due to COVID related challenges.**

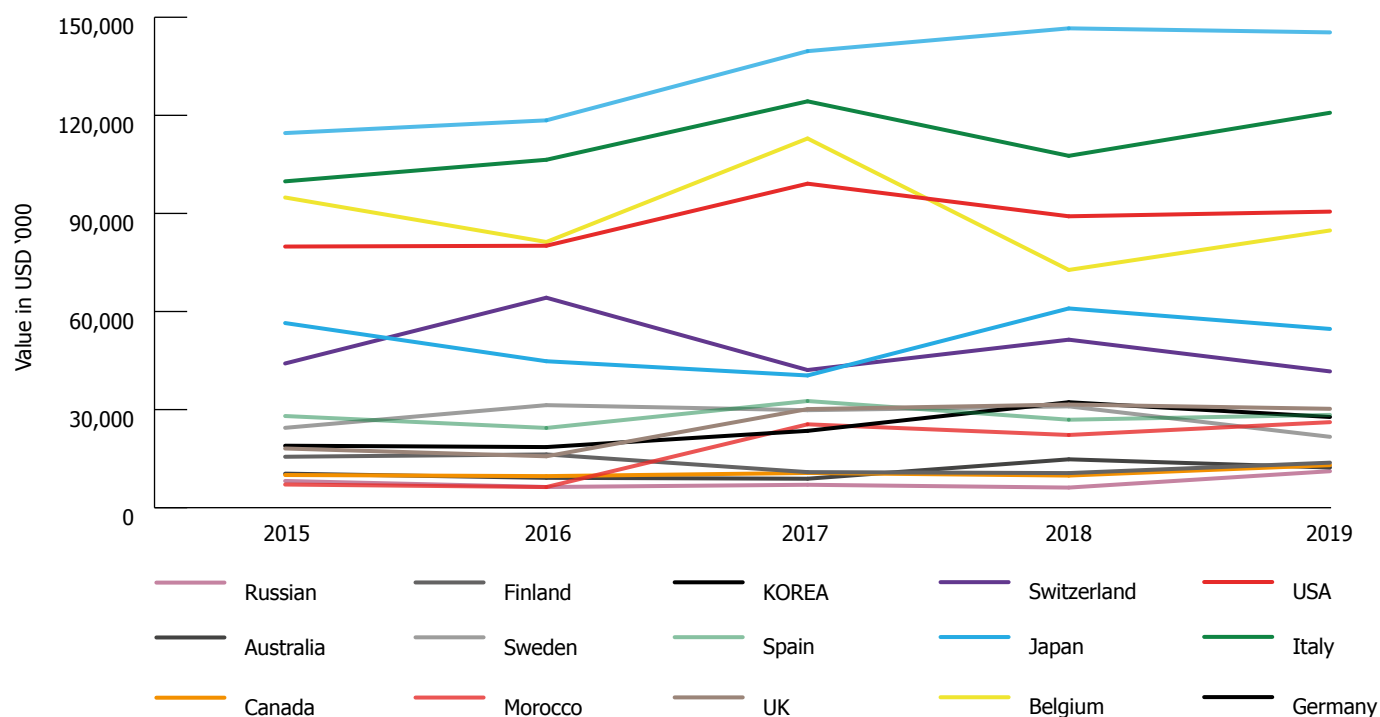
Figure 3, EAC Exports of Coffee (0901) by exporting country, in '000 USD



Source: ITC Trade Map (accessed 14th December 2020). 2019 data for Tanzania (and by extension EAC aggregate) is mirror data, awaiting future confirmation by national bureau of statistics

Looking at the importing markets for coffee exported by the EAC, **Germany (with 16.7%) followed by Italy (with 13.9%) are the leading importers over the last five years (2015-2019).** Other major importing markets are USA, Belgium, Japan, Switzerland, Korea, United Kingdom and Morocco, the only African market in this top group. Significantly, Morocco's imports have grown at 269.5% in the five years under review. Figure 4 below shows value of imports for the top fifteen markets.

Figure 4, Top 15 importing markets from the world for EAC coffee exports



Source: ITC Trade Map (accessed 14th December 2020)

Looking at the specific products exported by the EAC, **98.8% of the value (USD 0.91billion) comes from unprocessed coffee (HS 090111)**, with only miniscule contribution (**USD 5M**) from roasted coffee, pointing to unutilized potential to export value added coffee. See *Table 2 below*.

Table 4, Category of coffee products exported by EAC Partner States

HS Code	Product label	2015	2016	2017	2018	2019
090111	Coffee (excluding roasted and decaffeinated)	827,973	836,960	1,005,264	920,805	910,344
090190	Coffee husks and skins; coffee substitutes containing coffee in any proportion	4,019	3,660	6,037	13,444	5,115
090121	Roasted coffee (excluding decaffeinated)	2,757	1,151	3,714	4,054	5,039
090112	Decaffeinated coffee (excluding roasted)	679	481	123	609	693
090122	Roasted, decaffeinated coffee	553	213	477	120	362

Source: ITC Trade Map (accessed 14th December 2020)

Exploring Opportunities in the European Union (EU)

Europe is an important market for all coffee producing countries, Rwanda included. The 27 EU countries and UK (EU+UK) combined accounted for **USD 15.8 billion of all coffee imports in 2019, representing 51.9% of the total global coffee imports worth USD 30.5 billion, according to ITC data.** See Table 5 below. This means that the EU+UK as a bloc is the largest coffee market in the world accounting for more than half of global imports. Data from the European Coffee Federation (ECF) also indicates that the EU consumes one third of global consumption of coffee. It has one of the world's highest average annual per capita consumption at just above 5 kg of coffee per person a year. In Europe, the Nordics are the leading coffee consumers, with Finland accounting for, per annum, 12 kg per capita; Norway at 9.9 kg, Denmark at 8.7 kg and Sweden at 8.2 kg.

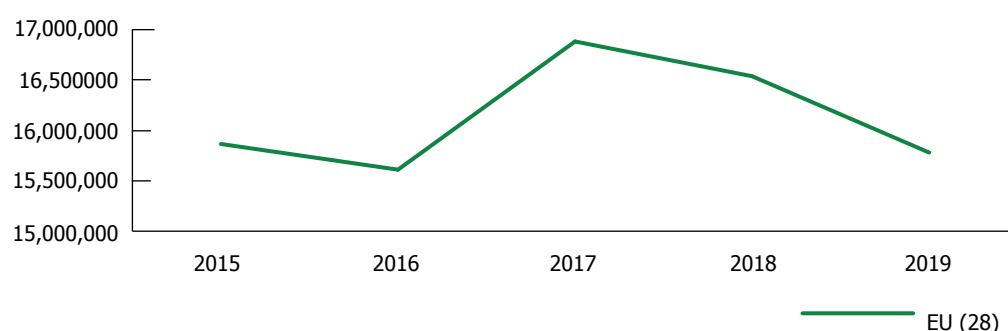
Exports to the EU have been somewhat erratic over the last five years: in 2015, imported value was USD 16 billion, decreasing to USD 15.6 billion, before rising sharply to USD 16.9 billion, before declining to USD 16.6 billion in 2018. See Figure 4 below. In terms of specific EU member countries, the main importing markets in 2019 were Germany (with USD 3.2 billion); France (USD 2.7 billion), Italy (USD1.6 billion), Netherlands (USD1.2 billion) and Belgium (USD 1.1 billion), as illustrated in *Table 5 in the next page.*

Table 5, EU+UK Imports of Coffee, in `000 USD (2015 – 2019)

Importers	2015	2016	2017	2018	2019
World	31,070,472	30,372,797	33,340,802	31,861,411	30,499,903
European Union (EU 28) Aggregation	15,902,972	15,637,103	16,853,966	16,604,809	15,814,411
Germany	3,745,836	3,598,261	3,822,548	3,478,474	3,228,205
France	2,392,542	2,359,515	2,755,853	2,834,421	2,731,272
Italy	1,778,548	1,673,439	1,795,292	1,750,711	1,615,556
Netherlands	959,920	1,032,381	1,246,908	1,291,971	1,194,042
Belgium	1,084,101	1,062,298	1,157,056	1,071,750	1,065,592
United Kingdom	940,281	1,009,975	1,057,131	1,079,545	1,057,547
Spain	1,011,548	989,338	1,080,430	1,016,453	953,686
Poland	457,181	437,860	515,340	583,598	577,956
Austria	433,737	423,001	445,678	443,730	440,174
Sweden	474,245	465,106	502,739	423,919	401,329
Finland	298,336	285,052	306,833	266,472	286,546
Czech Republic	522,514	366,064	266,778	271,150	277,986
Portugal	235,998	243,087	258,720	291,383	264,127
Romania	188,011	218,694	229,861	247,664	242,564
Greece	207,148	280,255	175,512	238,798	236,221
Denmark	183,823	174,787	185,303	179,481	169,986
Slovakia	239,680	216,448	158,633	186,617	148,414
Luxembourg	128,918	127,527	130,965	142,832	128,137
Lithuania	108,157	118,993	125,934	123,537	125,381
Bulgaria	117,581	117,813	131,421	130,106	122,308
Hungary	101,202	111,922	132,533	134,125	119,158
Ireland	74,618	83,000	97,221	107,000	118,485
Slovenia	54,036	58,815	78,754	100,179	102,267
Croatia	66,506	73,217	73,916	74,945	72,607
Latvia	47,581	53,002	60,372	61,490	63,092
Estonia	36,988	39,550	41,138	43,373	39,598
Cyprus	10,582	14,188	17,566	26,359	25,742
Malta	3,354	3,515	3,531	4,726	6,433

Source: ITC Trade Map (accessed 14th December 2020)

Figure 5, Export to the EU+UK, Trends



Looking specifically at Rwanda, the EU+UK countries combined accounted for **USD 28.7M, or 38.5% of total exports from Rwanda in 2019**. Exports to the EU+UK have been on a steady increase over the last five years to 2019, increasing from **USD 19.6M in 2015, to 28.7M in 2019, a 46.4% jump**. In terms of specific European countries, the main importing markets in 2019 were the **United Kingdom, which took 26.1% of the EU+UK share at USD 19.5M, followed by Belgium at 6.7M**. Exports to the rest of the EU country markets are worth less than USD 1M per country, as illustrated in *Table 6 below*.

Table 6, Coffee Exported by Rwanda to EU+UK, in '000 USD (2015 – 2019)

Importers	Exported value in US Dollar thousand				
	2015	2016	2017	2018	2019
World	63,728	59,185	67,504	81,846	74,618
EU and UK aggregated	19,672	17,300	24,471	27,951	28,706
United Kingdom	4,763	4,253	19,613	21,006	19,462
Belgium	10,887	6,263	3,928	5,735	6,763
Germany	2,523	1,101	244	412	972
Italy	331	1,833	-	51	428
Netherlands	183	56	121	79	417
Poland	-	171	197	156	201
France	1	121	2	-	161
Spain	-	31	49	45	114
Sweden	2	989	231	215	106
Denmark	39	187	-	-	40

Source: ITC Trade Map (accessed 14th December 2020)

Looking at the supplying markets for coffee imported into Europe, it is important to note that **European countries are entry points to the wider market** – for example, **Switzerland is the second highest supplying market for EU coffee, with exports worth USD 1.8billion**. Germany (USD 1.7 billion); Italy (USD 1.1 billion); France (USD 1 billion); Netherlands (USD 690M) and Belgium (USD 639M) are all large suppliers to the EU+UK market. See *Table 7* in the following page.

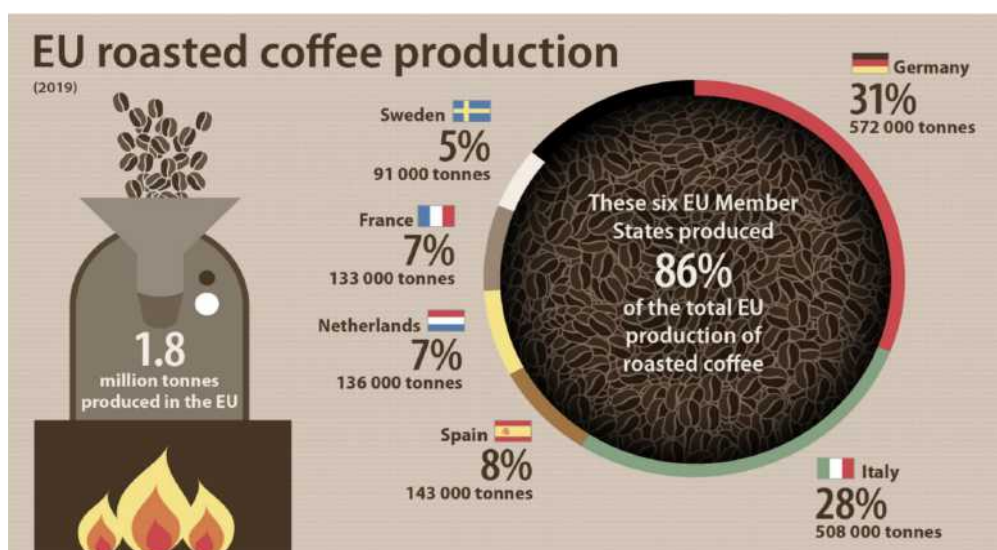
EU exports are however roasted and ground coffee. Based on data from the Eurostat, in 2019, the EU combined produced 1.8 million tonnes of roasted coffee, with 31% coming from Germany and 28% from Italy. Other key roasting markets are Spain, Netherlands, France and Sweden. See Figure 6 below.

Table 7, List of Supplying Markets for Coffee Exported by EU+UK (2015 – 2019)

Exporters	2015	2016	2017	2018	2019
Brazil	2,912,111	2,521,833	2,508,469	2,362,684	2,241,464
Switzerland	1,551,446	1,578,327	1,797,419	1,812,310	1,774,103
Germany	1,565,891	1,601,559	1,801,987	1,785,976	1,696,233
Viet Nam	1,402,469	1,452,809	1,615,729	1,570,030	1,317,576
Italy	822,324	935,353	988,599	1,077,150	1,053,363
France	659,311	704,463	887,091	1,025,753	1,014,477
Netherlands	446,258	443,341	673,494	708,390	690,296
Belgium	738,611	703,708	634,414	642,562	639,333
Honduras	683,419	611,083	729,309	681,378	631,463
Colombia	701,943	659,678	697,312	590,911	589,452
Peru	396,204	428,078	420,284	402,045	385,165
India	326,586	322,464	379,403	363,468	307,189
Poland	468,895	304,423	276,834	299,857	287,173
Ethiopia	333,307	313,450	313,985	295,089	274,224
Uganda	293,701	262,619	355,655	337,147	273,784
Spain	174,395	198,241	235,175	254,232	262,425
United Kingdom	192,269	210,645	228,075	214,813	243,736
Indonesia	330,519	267,854	346,974	177,236	200,217
Guatemala	128,736	132,390	144,847	158,393	134,987
Nicaragua	106,849	86,551	114,996	135,539	133,262
Slovakia	121,558	123,566	140,752	138,578	131,135
Mexico	101,790	94,050	95,653	113,738	114,848
Sweden	101,234	102,514	129,298	127,389	113,740
Kenya	126,392	118,792	123,797	111,568	107,971

Source: ITC Trade Map (accessed 14th December 2020)

Figure 6, EU Roasted Coffee Production (2019)¹³



Source: ec.europa.eu/erostat

Looking at the categories of coffee exported by Rwanda, the bulk falls under unprocessed coffee, which is also EU's largest import category of coffee. Across all product categories of coffee, a huge potential exists. For example, for example, the EU imported in 2019 USD 8.2 billion worth of unprocessed coffee (HS 090111), against Rwanda's exports to the EU of USD 28.1M. For roasted coffee, (HS 090121), EU imported coffee worth USD 6.6 billion, against Rwanda's USD 18,000. See Table 8 below.

Table 8, Existing and Potential Trade between Rwanda and EU+UK

HS Code	Product label	Rwanda's exports to EU+UK			EU+UK imports from world			Rwanda's exports to world		
		Value in US Dollar thousand			US Dollar thousand			US Dollar thousand		
		2017	2018	2019	2017	2018	2019	2017	2018	2019
090111	Coffee (excluding roasted and decaffeinated)	23,801	25,605	28,106	9,367,286	8,806,262	8,147,142	64,113	71,072	71,327
090190	Coffee husks and skins; coffee substitutes containing coffee in any proportion	669	2,340	574	61,191	76,132	73,098	3,058	10,044	3,133
090121	Roasted coffee (excluding decaffeinated)	2	6	18	6,684,995	7,062,089	6,916,419	15	171	127
090112	Decaffeinated coffee (excluding roasted)	-	-	10	188,517	169,578	171,378	-	544	15
090122	Roasted, decaffeinated coffee	-	-	-	515,406	455,127	425,619	318	15	17

Source: ITC Trade Map (accessed 14th December 2020)

¹³ As shared by the European Coffee Federation during the April 2021 Coffee Study Tour under EU-EAC- MARKUP

It is however important to note that the above potential demand is affected by various demand and supply-side factors, which will ultimately impact on the ability of the Rwandan SMEs to tap into it. On the demand side, the key issue relates to the challenge for EU buyers to substitute their current source markets with Rwandan coffee, which would not only be based on prices offered, but also on the blending requirements, already existing recipes and how easily as well as willingly they may change them. Given its premium nature, Rwandan coffee is among the most expensive on the global market, so buyers often buy it to put a taste finish to a blend made of say Brazil coffee.

On the supply side, some of the factors include production related impediments, including but not limited to poor productivity and yields compared to leading markets.

Understanding the trading regime between the EU and Rwanda

The EAC and the EU agreed and initialed an Economic Partnership Agreement (EPA) on 16 October 2014. The EPA was expected to be signed by the EAC as a bloc by 30th September 2016, but due to differing opinions amongst partner states on the potential impact of the Agreement on EAC economies, it has not been signed and is therefore not yet in force.

As part of EAC's variable geometry, Kenya and Rwanda signed the EPA with the EU, but Rwanda has not ratified it. However, given its designation as a Least Developed Country (LDC), Rwanda has unrestricted market access to the EU through the Everything But Arms (EBA) initiative. EBA was introduced in 2001 under the EU's Generalised System of Preferences (GSP). It grants LDCs duty-and quota-free access for almost all products, except arms and ammunition. For the period until December 31, 2023, it is regulated by Regulation (EU) No 978/2012 of the European Parliament and of the Council. For countries falling under LDC status, access is automatic and countries do not have to apply to benefit from EBA. EBA preferences can however be withdrawn under exceptional circumstances, notably in case of serious and systematic violation of principles of human rights and labour rights conventions. The EBA initiative has no time-limit.

Under the EBA, Rwanda's coffee enters the EU on the following conditions:

- **Duty free, quarter free (DFQF)' basis** – meaning there are no duties paid, nor are there any quotas imposed.
- **Proof of Origin:** The coffee being exported needs to be accompanied by Proof of Origin – through a certificate of origin, currently issued by the Rwanda Revenue Authority (RRA). Since 2017, the EU has been applying the Registered Exporter system (the REX system), a system of certification of origin of goods based on a principle of self-certification. Under this system, the origin of goods is declared by economic operators themselves through 'statements on origin'. To be entitled to make out a statement on origin, an economic operator has to be registered in a database by his/her competent authorities (in this case RRA). Exporters apply to become registered exporters by filling in an application form and by returning it to RRA. Once registered, the exporter has the obligation to communicate to his competent authorities all changes on his registered data. The competent authorities then perform the modifications in the REX system for the registered exporter. It is important to note that the rules for determining the origin of goods in the GSP scheme of the EU remain unchanged with the application of the REX system. Only the **method to certify the origin of goods** is changed. To be entitled to make out a statement on origin, an economic operator needs to be registered in the REX system and to have a valid registration, i.e. a registration which is not revoked. Rwanda started implementing the REX system in 2018 and currently has 32 registered exporters.

Continues>>

- **For goods whose total value of the products does not exceed € 6,000**, a declaration on proof of origin can be given by an approved exporter or by any exporter, including those not registered on the REX system. The proof of origin is valid for ten months.
- **Exemption from proof of origin:** When the total value of the imported products does not exceed €500 in the case of small packages or €1,200 in the case of products forming part of personal luggage.
- **Determination of Origin:** For purposes of export, goods are originating in a country if a) they are wholly obtained in that country; b) they are not wholly obtained and they are sufficiently worked or processed products and c) the processing goes beyond a list of insufficient operations. Under the EU cumulation rules, Rwandan exporters may also export coffee from other EAC Partner States, as they benefit from DFQF access to the EU under EBA scheme and the Market Access Regulation No 1528/2007 which governs EU preferential market access regime for countries like Kenya that have negotiated EPAs with the EU.
- **Transport Provisions:** the goods imported in the EU should be the same as the ones exported from the beneficiary country. This means that the goods should not be subject to operations others than the ones necessary to preserve the goods in good condition. Other allowed operations include Adding or affixing of marks, labels, seals or any other documentation to ensure compliance with specific domestic requirements applicable in the Union; storage of products in a country of transit if they remain under customs supervision, as well as splitting of consignments in a country of transit if carried out by the exporter or under his responsibility and if the goods concerned remain under customs supervision.

Specific requirements for coffee exports are elaborated in Chapter 2 of this Guide.

Note: The 27 Members of the EU form a single territory for customs purposes. The United Kingdom withdrew from the EU and has been a third country as of 1 February 2020. During the transition period, which ended on 31 December 2020, Union law, with a few limited exceptions, continued to be applicable to and in the UK.

Exploring Opportunities under the African Continental Free Trade Area (AfCFTA)

Africa is not a very large market for exported coffee, which may be explained by two factors – one – a predominantly tea drinking culture and two, a number of coffee consuming countries are also producing countries, for example Ethiopia. **In 2019, and based on data from June 2020,¹⁴ Africa imported 1.68% of total world imports of coffee at USD 513M, a sharp decline of 35.1% from 2018 figure of USD 789M. See Table 9 in the following.**

Looking at the last five years, Africa's coffee imports have been on the decline since 2017, when they had reached a high of USD 865M. Looking at the top importing countries, the decline in overall imported value corresponds to **a decline in imports by Algeria**, which was the largest importer between 2015 to 2018, before dropping to third place in 2019 with imports worth USD 91M, from a high of USD 331M in 2017. See *Figure 7 below*. The current top importer is **Egypt with USD 123M in 2019**, followed by **Morocco, with USD 103M**. Other top importers are **South Africa (USD 80M); Libya (USD 30M) and Tunisia with USD 26M**.

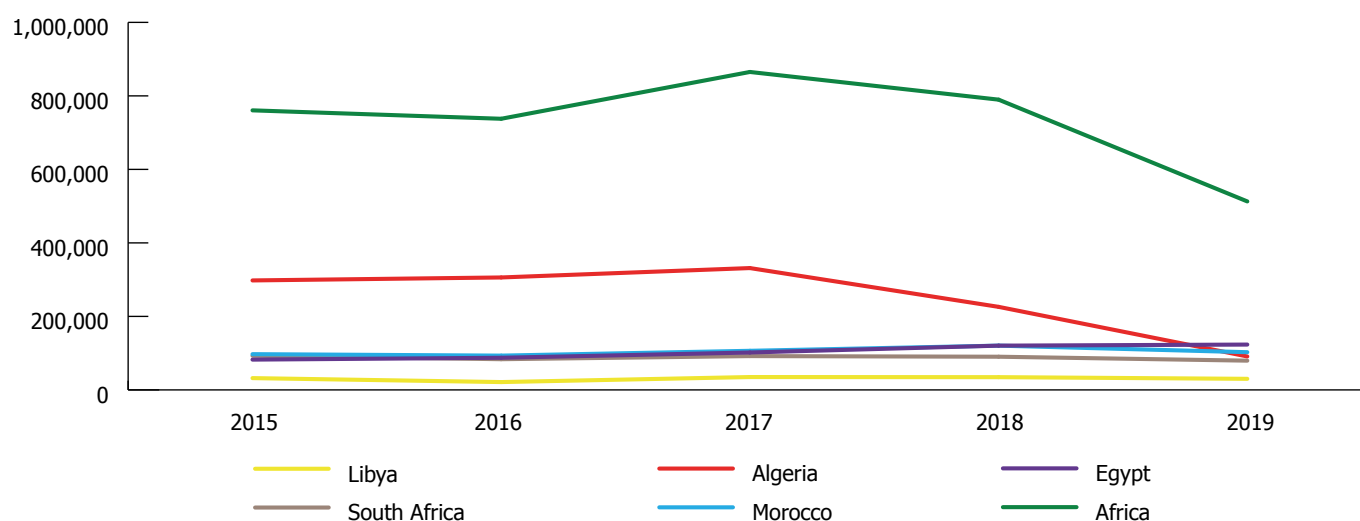
¹⁴ UN COMTRADE Data is constantly being updated, based on input from countries. Amounts shown in any other colour but black are mirror data, awaiting confirmation / updating from the specific country.

Table 9, Top 20 Importers of Coffee in Africa as at June 2020 (2015 – 2019) in '000 USD

Importers	2015	2016	2017	2018	2019
World	31,070,472	30,372,797	33,340,802	31,861,411	30,499,903
Africa Aggregation	760,637	737,727	865,074	789,754	512,825
Egypt	82,424	87,440	101,750	120,428	123,338
Morocco	97,266	93,297	106,387	120,454	102,572
Algeria	297,869	305,944	331,502	225,970	91,018
South Africa	92,980	83,541	91,998	90,289	79,596
Libya, State of	32,102	21,314	34,993	34,671	30,137
Tunisia	53,699	45,775	68,293	51,408	26,399
Namibia	7,671	7,444	8,855	8,386	8,809
Uganda	15,702	9,070	16,907	7,851	5,806
Botswana	5,447	4,888	6,372	6,725	5,151
Mauritius	2,390	3,660	3,432	4,870	4,328
Kenya	3,667	2,030	3,762	5,568	4,073
Nigeria	2,926	4,730	2,413	1,395	3,876
Senegal	1,575	2,886	3,271	5,371	3,736
Angola	1,466	3,125	5,882	8,422	3,536
Côte d'Ivoire	3,506	2,667	2,305	2,407	2,818
Mozambique	1,851	1,267	1,863	1,658	2,088
Madagascar	214	278	819	5,360	2,062
Cabo Verde	1,806	1,377	2,359	2,418	1,944
Eswatini	927	995	1,198	1,450	1,294
Seychelles	477	787	1,096	1,275	1,123

Source: ITC Trade Map (accessed 22 June 2020)

Figure 7, Africa Coffee Imports, Trends (2015-2019)



Source: ITC Trademap. Accessed 22 June 2020

Looking at the category of coffee Africa imports, unprocessed coffee takes a lead at USD 396M in 2019, followed by roasted coffee at USD 95M. See Table 10 below. The main supplying markets for coffee imported by Africa are Indonesia (USD 89M) in 2019, followed by Cote d'Ivoire (USD 79M); Brazil (USD 62M); Vietnam (USD 40M) and Italy (USD 36M). Rwanda's exports to Africa are very low, pointing to a largely unexploited potential. In 2019 (based on June 2020 data), Rwanda exported coffee worth USD 2.3M to Africa. See Table 11 below.

Table 10, Category of Coffees Imported by Africa

HS Code	Product label	2015	2016	2017	2018	2019
090111	Coffee (excluding roasted and decaffeinated)	638,648	631,120	743,011	655,765	395,866
090121	Roasted coffee (excluding decaffeinated)	75,346	71,701	81,472	106,690	94,894
090122	Roasted, decaffeinated coffee	16,168	10,920	13,025	11,286	10,118
090190	Coffee husks and skins; coffee substitutes containing coffee in any proportion	24,810	19,476	20,756	11,343	10,117
090112	Decaffeinated coffee (excluding roasted)	5,659	4,515	6,804	4,672	1,826

Source: ITC Trademap, based on UN COMTRADE. Accessed 22 June 2020

Table 11, List of Top 25 Supplying Markets for Coffee Imported by Africa

Exporters	2015	2016	2017	2018	2019
Indonesia	121,053	92,593	146,510	91,355	89,208
Côte d'Ivoire	106,471	115,360	73,204	67,876	79,184
Brazil	53,616	42,271	43,672	50,024	61,697
Viet Nam	182,379	209,359	229,033	226,830	40,143
Italy	26,731	24,422	27,768	37,448	35,747
Switzerland	31,038	31,638	32,178	37,773	29,835
Uganda	53,928	59,376	107,548	88,820	28,575
India	24,803	31,126	43,205	27,954	26,164
South Africa	16,370	15,853	19,522	20,358	17,863
Colombia	8,066	5,447	6,022	7,141	9,398
Tanzania	22,201	13,685	20,493	16,848	9,116
Togo	15,000	8,788	4,467	10,889	6,882
Portugal	3,836	4,710	7,462	7,973	6,615
Burundi	958	835	1,179	3,255	6,545
Ethiopia	9,796	6,262	13,260	22,053	5,993
Guinea	13,114	17,299	10,757	15,214	5,973
Guatemala	2,798	5,162	5,356	5,238	5,129
France	4,389	3,412	3,992	5,182	5,107
Germany	2,909	2,435	3,692	3,372	3,615
Honduras	3,487	1,637	3,477	3,140	3,249
Malaysia	1,548	280	1,332	1,737	3,235
Kenya	1,402	1,527	7,556	4,146	2,860
Spain	1,293	1,649	1,843	2,617	2,363
Rwanda	2,597	3,551	4,360	5,364	2,306

Source: ITC Trademap, based on UN COMTRADE. Accessed 22 June 2020

Understanding the trading regime under the AfCFTA

The Agreement to establish the AfCFTA was signed by 44 Heads of State and Government of the 55 AU member states on 21 March 2018. **The AfCFTA entered into force on 30 May 2019 with 24 countries** having deposited their instruments of ratification, thereby fulfilling the Art. 2 of the AfCFTA Agreement that required 22 ratifications and deposits. **As at end of January 2021, 35 countries have both signed and ratified the AfCFTA Agreement. Of the 55 AU member states, only Eritrea has yet to sign to this ambitious initiative.** AfCFTA Agreement provides the framework for detailed negotiations on Trade in Goods, Trade in Services (5 priority sectors identified), and Phase II on other issues like Competition Policy, IPR and Investment. **The AfCFTA aims to doubling intra-African trade, which currently stands at 18% of total exports against 59% in Asia and 69% in Europe. It will cut tariffs on tariffs on 90% of goods traded within the continent as well as increase trade in more in value added products.** Once operational, the AfCFTA will bring together the economies of **55 African states under a pan-African free trade area comprising 1.2 billion people, in a market with a combined GDP of about \$2.5 trillion to \$6.4 trillion** (UNECA, WB).

Trading under the AfCFTA Agreement commenced on **1st January 2021**. Despite this commencement, **it is important to note that a number of key aspects of trading are yet to be concluded. These include the schedules of tariff concessions and rules of origin (RoO), which are both critical to the free movement of goods.** While RoO is not likely to be an issue for coffee as it is wholly produced in Rwanda, the issue of tariff liberalization is important. Member states have agreed to liberalise 90% of tariff lines within 5 years, with least developed countries having 10 years. A further 7% of tariff lines, designated 'sensitive products' will be subject to a more gradual liberalization. 3% of tariff lines shall be excluded from liberalization.

For the coffee sector, not only is this a large market, the future also looks promising given the that by **2050 Africa's population is projected to reach 2 billion, with a predominantly young population and a rising middle class**, factors that auger well for the industry. This expanded market provides the needed economies of scale to support value addition with the target being the African market.

Where to find additional / updated information

This Chapter has provided the Rwandan coffee sector SME with an overview the export market for Rwandan coffee, its size, the main buyers and the unexploited potential especially in Europe and Africa. Information on the latest developments in each of these markets can be found as follows:

- For Rwanda specific data on production, exporting etc., the following provide valuable information:
 - NAEB, <https://naeb.gov.rw/index.php?id=1>
 - Rwanda Development Board, <https://rdb.rw/>
- For data on coffee production by all producing countries, the International Coffee Organisation (ICO), provides various market reports. See <http://www.ico.org>
- For trade data to any market of interest as well as applicable tariffs and rules of origin, ITC trade tools provide the most comprehensive data. Register for free on <https://www.trademap.org> to access TradeMap, Market Access Map and other market tools.

- For market information on the coffee sector in the EU, the Centre for the Promotion of Imports from developing countries (CBI), an initiative of the Netherlands Government is the place to go. The CBI website <https://www.cbi.eu/market-information/coffee>, contains valuable information on the size of the EU coffee market, including demand, consumer trends, market requirements, tips for finding buyers, as well as promising markets and products among others. The information is provided at no cost.
- For developments on the AfCFTA, the African Union continually updates stakeholders. See www.au.int
- For requirements for accessing the EU market, more information is available in Chapter 2 of this Guide and on the EU Export Health Desk, available on www.trade.ec.europa.eu/tradehelp
- Information on the the GSP scheme, customs duties, rules of origin and the like is available on the Access2Markets portal of the EU. See <https://trade.ec.europa.eu/access-to-markets/en/home> for more details. The TARIC database: a database integrating all measures relating to EU customs tariff, commercial and agricultural legislation: available on https://ec.europa.eu/taxation_customs/dds2/taric/taric_consultation.jsp?Lang=en
- For more information about the REX System, log on to: https://ec.europa.eu/taxation_customs/sites/taxation/files/rex_registered-exporter-system_en.pdf OR [https://ec.europa.eu/taxation_customs/business/calculation-customs-duties/rules-origin/general-aspects-preferential-origin/arrangements-list/generalised-system-preferences/the_register_exporter_system_en#:~:text=The%20Registered%20Exporter%20system%20\(the,so%2Dcalled%20statements%20on%20origin.](https://ec.europa.eu/taxation_customs/business/calculation-customs-duties/rules-origin/general-aspects-preferential-origin/arrangements-list/generalised-system-preferences/the_register_exporter_system_en#:~:text=The%20Registered%20Exporter%20system%20(the,so%2Dcalled%20statements%20on%20origin.)
- To confirm if you are a registered exporter under the REX system, log on to http://ec.europa.eu/taxation_customs/dds2/eos/rex_home.jsp?Lang=en, where the data on the system is published. Importers in the EU are also able to verify the validity of the registrations of the registered exporters who provide statements on origin.
- For a more extensive source of information on all aspects of international trade of coffee, including but not limited to production and sales statistics, contracts, logistics, e-trade, futures, hedging, quality issues, certifications, social aspects, environment, climate change etc., access the ITC Coffee Guide, which is accessible online free of charge on <http://www.thecoffeeguide.org/>



Chapter 2: Meeting EU Importing Market Requirements¹⁵

Overview and Objectives of Chapter 2:

This Chapter provides an overview of the requirements for coffee destined for the EU market. It thus elaborates the mandatory and voluntary quality, health and safety, labelling and packaging related requirements as well as various market preferences and trends that existing and aspiring coffee exporters to the EU should be aware of.

The key objectives of this Chapter are:

- To provide the Rwanda coffee SME with a consolidated and simplified reference to the mandatory requirements for exporting coffee to the EU;
- To provide the Rwanda coffee SME with an overview of EU coffee market preferences and trends that the SME may tap into;
- To provide Rwanda's TSIs with a reference point for the requirement SMEs must fulfill in order to tap into the EU Market; and,
- To point the Rwanda coffee SMEs and TSIs to sources of credible information on requirements and market preferences for coffee exported to the EU.

Every importing market has in place mandatory (set in law) and voluntary requirements that all products wishing to enter and be sold in that market have to meet. These requirements serve many purposes: some of them are meant to protect the health and safety of the consumers in a given market, while others serve to ensure that they have all the necessary information about the products they are consuming, in a language they can understand. In addition, there may be other requirements that products that wish to target specific market segments (usually called niche markets) have to meet. These may be organic, fair-traded etc.

In the section that follows, the key requirements for exports of coffee destined for the European Union as well as the market preferences are elaborated.

Sanitary and Phytosanitary Requirements for Coffee

Among the mandatory requirements are those meant to ensure that consumers in any importing market are being supplied with coffee that is safe to consume, by the measures deemed appropriate by their governments; as well as to ensure that these measures are not such that they became barriers / hindrances to businesses wishing to export to these market, the world relies on the World Trade Organisation (WTO) 'Agreement on the Application of Sanitary and Phytosanitary Measures – (SPS Agreement)'. The Agreement sets out the basic rules for sanitary (human and animal health) and phytosanitary (plant health) measures and standards. It is important to note that these measures are not only targeted at imported products, but they also apply to domestically produced food or local animal and plant products.

The SPS Agreement allows countries to set their own SPS measures – meaning that countries may use different standards and different methods of inspecting products for them. Notably, these measures can take many forms, such as requiring products to come from a disease-free area, inspection of products, specific treatment or processing of products, setting of allowable maximum levels of pesticide residues or permitted use of only certain additives in food. Furthermore, given the differences in climate, existing pests or diseases, or food safety conditions, there will be different SPS requirements for products coming from different countries – rather, SPS measures that apply to coffee from Rwanda may sometimes vary from those that apply to coffee from Brazil or Colombia, given the different climatic, pest, disease occurrences in these countries.

Given the possibility to use the agreement to favour or protect domestic producers or to protect against imports from some countries, the SPS Agreement provides checks for unjustified discrimination by requiring that these standards must be based on science; should be applied only to the extent necessary to protect human, animal or plant life or health and they should not arbitrarily or unjustifiably discriminate between countries where identical or similar conditions prevail.¹⁶ Furthermore, member countries are encouraged to use international standards, guidelines and recommendations where they exist. However, members may use measures which result in higher standards if there is scientific justification. They can also set higher standards based on appropriate assessment of risks so long as the approach is consistent, not arbitrary. Sanitary (human and animal health) and phytosanitary (plant health) measures apply to domestically produced food or local animal and plant diseases, as well as to products coming from other countries.

The section that follows elaborates the **SPS requirements for green coffee entering the EU market.**

Food Safety

Agricultural products such as coffee are susceptible to biological, chemical and physical hazards known as contaminants, which may include pesticide residues, heavy metals, microbiological pathogens, naturally occurring toxic substances such as mycotoxins, among others. These substances often result from environmental exposure during production, post-harvest handling, manufacturing, processing, packaging, transport or storage. To protect consumers, the EU has two overarching laws, and others specific to types of contaminants, as follows:

For all applicable exports, the **EU General Food Law - Regulation (EC) No 178/2002** provides the foundational rules on the safety of food and feed in the EU and establishes the European Food Safety Authority (EFSA), which provides support for the testing and evaluation of food and feed. The Food Law provides that a) food shall not be placed on the market if it is unsafe and b) food shall be deemed to be unsafe if it is considered to be either injurious to health or unfit for human consumption.

Regulation (EC) No 852/2004 on the hygiene of foodstuffs sets out applicable hygiene requirements on imported food. This legislation, based on Hazard Analysis Critical Control Point (HACCP) methodology, is legally binding for food processors, and is recommended for those involved in primary production (farmers). Processors must have in place a food safety management system based on HACCP principles, to ensure that food remains safe through all stages of production, all the way to the end consumer.

For specific types of contaminants, the following apply:

- **Maximum Residue Limits (MRLs):** this is the highest level of a pesticide residue legally tolerated in or on food or feed when pesticides are applied correctly. This limit provides reasonable assurance that no negative effects on consumer health will result over a lifetime of dietary exposure. Within the EU, regulations regarding MRLs for different pesticides contained in Regulation (EC) No 396/2005. For green coffee beans entering the EU, over 480 potential substances are subject to MRLs. A comprehensive list of these substances and their limits is available on <https://ec.europa.eu/food/plant/pesticides/eu-pesticides>. (The reference number for coffee bean is 0620000). Any pesticide not listed on the site should NOT be used as it has not been approved by EU authorities. Such pesticides (that have not been approved) have a default value set at the 'limit of detection', which is 0.01 mg/kg. Coffee beans that exceed the MRL or have used banned substances are not allowed on the European market, which may result in costly withdrawals from the market. Also important to note is that some buyers and retailers have set MRLs that are stricter than those of EU regulations. It is therefore important to check with buyers to ensure that their requirements are met.

¹⁶ https://www.wto.org/english/tratop_e/sps_e/spsund_e.htm

- Ochratoxin A (OTA) – a common problem in coffee beans, OTA is often a reason for most border rejection of coffee consignments. Limits on mycotoxins such as OTA are set within Commission Regulation (EC) 1881/2006 on setting maximum levels for certain contaminants in foodstuffs. Based on this regulation, the following limits on OTA apply to green coffee beans. Most of OTA is eliminated during the roasting process, by as much as 85%, thus, the regulation applied more to roasted coffee and soluble coffee.

Product	OTA Maximum Limit (µg/kg or ppb)
Green coffee beans	No specific limits because the coffee is intended for further processing before reaching consumers
Roasted coffee beans and ground roast coffee, excluding soluble coffee	5.0
Soluble coffee (instant coffee)	10

Despite there being no limits for green beans, OTA contamination is a concern even at this stage as initial contamination can occur at the farm level, but most of the growth takes place during the post-harvest stages including processing, storage and transport. Thus, it is important to manage moisture throughout the entire processing and supply chain.

- **Heavy metals:** - Limits on heavy metal contaminants are set within **Commission Regulation (EC) 1881/2006** on setting maximum levels for certain contaminants in foodstuff, usually measured in milligrams per kilogram of weight (mg/kg) or parts per million (ppm). Based on this regulation, there are no limits set specifically for coffee. It should be noted that the EU Food law mandates that all food products entering the EU market must be deemed safe and the presence of metal contaminants such as tin, lead, cadmium, arsenic and mercury at excessive levels renders food unsafe.
- **Mineral Oil Hydrocarbons (MOHs)** – these are chemicals, such as polycyclic aromatic hydrocarbons (PAHs) that can contaminate food products during processing stages. **Limits on MOHs in foodstuffs are set out in Regulation (EC) 1881/2006.** Although there are no limits established for coffee products, their contamination can occur in often used materials such as jute bags, which have been fabricated using “batching oil” to soften the jute fibres before spinning. Thus, only the jute bags that conform to the International Jute Organization standards should be used. In addition, contamination can also occur due to poor drying or refining practices that rely on the burning of fossil fuels, coal or garbage. Coffee beans should not be dried using wood or diesel fires, nor should they be dried in close proximity to heavy trafficked roads. Coffee should be stored in areas that have zero presence of smoke.
- **Extraction Solvents** - sometimes extractions solvents may be used in the production of coffee products, for example, during the decaffeination process. Use of these extraction solvents may leave traces of the substance in the product, and high levels could potentially harm human health. Thus, in the EU market, limits on these extraction solvents are set within **Directive 2009/32/EC of the European Parliament.** If used during coffee processing, the residues left behind in the coffee must not exceed those stated within the directive.

Name	Conditions of use (summary of description of extraction)	Maximum residue limits in the extracted food-stuff or food ingredient
Methyl acetate	Decaffeination of, or removal of irritants and bitterings from coffee and tea	20 mg/kg* in the coffee or tea
Ethylmethylketone	Decaffeination of, or removal of irritants and bitterings from coffee and tea	20 mg/kg in the coffee or tea
Dichloromethane	Decaffeination of, or removal of irritants and bitterings from coffee and tea	2 mg/kg in the roasted coffee and 5 mg/kg in the tea

*mg/kg - milligrams per kilogram or parts per million (ppm)

- **Food Additives:** Regulation (EC) No 1333/2008 contains a list of food additives permitted for use in the European Union at certain levels and on certain foods. According to EU Law, food additives shall not be used in unprocessed food or food for young children. The European Commission has created a Food Additives Database that provides detailed information on which additives can be used in different food categories. Under the subcategory “Coffee, coffee extracts (14.1.5.1)” one will find that the following substances are allowed for use on coffee beans as glazing agents, provided they do not exceed any of the maximum limits stated:

E No.	Additive name	Maximum limit
E 901	Beeswax, white and yellow	quantum satis only coffee beans, as glazing agent
E 902	Candelilla wax	quantum satis only coffee beans, as glazing agent
E 903	Carnauba wax	ML = 200 mg/l , only coffee beans, as glazing agent
E 904	Shellac	quantum satis only coffee beans, as glazing agent

To avoid the above types of contaminants, good practices and controls are needed to prevent contamination in the first place. Good Agricultural Practices (GAP), Good Hygiene Practices (GHP) and Good Manufacturing Practices (GMP) must be adopted to minimize and mitigate related risks

Plant Health

Plant-based food product consignments can introduce pests, weeds or diseases that could harm humans, plants, or animals in the importing country. Phytosanitary or plant health requirements are thus put in place to prevent the introduction and spread of harmful organisms, which can be introduced not only by the product itself, but also through any wood packaging that may accompany it. Therefore, all consignments must be verified free of bacteria, viruses, pests and diseases that can harm animals or plants in the country. The occurrence of pests can be minimized through using appropriate planting material, good growing practices, good sanitation practices, appropriate use of approved pesticides, and good practices in storage and transport.

An authorised official in the country of origin must issue the **phytosanitary certificate** guaranteeing that consignments are free from pests, weeds and disease, and that they meet the phytosanitary requirements of the EU market. In Rwanda, the **Rwanda Inspectorate, Competition and Consumer Protection Authority (RICA)** is responsible for issuing phytosanitary certificates. If a phytosanitary certificate does not accompany a consignment, or if pests, weeds or diseases are detected during quarantine inspection, the consignment may be returned, destroyed or in some cases undergo treatment that renders it fit for release.

Depending on geographic location and environmental conditions, **coffee beans are susceptible to infestation by a number of pests and diseases** including: coffee berry borer, scale insects, mealybugs (coffee root mealybug), aphids (black citrus aphid), antestia bugs, coffee lace bug, thrips, wood-boring beetles (black twig borer, white stem borer), coffee wilt disease, coffee bark disease, coffee leaf rust, coffee berry disease, and blister spot virus.

On 14 December 2019, new EU Plant Health Rules that seek to improve the protection of the EU territory and its plants came into force. According to **EU Regulation (EU) 2016/2031**, all plants (including living parts of plants) entering the EU must be accompanied by a phytosanitary certificate that certifies the consignment complies with the law’s requirements, unless the product is listed in Commission Implementing Regulation (EU) 2018/2019 as exempt from this general requirement, which coffee is not.

The phytosanitary certificate must be issued by an authorized body in the country of origin **after a plant health inspection has taken place**. On the phytosanitary certificate, an Additional Declaration must be completed, which includes the **full wording of the treatment/systems approach used**.

In addition, **Commission Delegated Regulation (EU) 2019/1702** establishes a list of priority pests which constitute significant economic, environmental and social impact on EU territory. Currently the list is composed of 20 quarantine pests, including *Xylella fastidiosa*, false codling moth, the Japanese beetle, the Asian long-horned beetle, Citrus greening and Citrus Black Spot.

The format of a phytosanitary certificate must be in line with the International Standard for Phytosanitary Measures No. 12 (ISPM-12) guidelines. Exporters should ensure that any additional declarations required are reflected accurately on the phytosanitary certificate. Documents must be consistent and accurate, for example indicate the correct product, date, and quantities, and ensure the integrity of the consignment by sending what is indicated on the phytosanitary certificate. Specific conditions apply to the compilation of a phytosanitary certificate, and any violations will render the consignment unacceptable and processing will be rejected:

- The name and full address of the consignee must be clearly stated.
- The correct Botanical name of the genus and species must be declared in the appropriate box.
- Each shipment must be accompanied by a phytosanitary certificate.
- Inspection of the products referred to in the certificate and the signing of the certificate must have occurred no more than 14 days before dispatch.
- The certificates must be issued by the official plant protection service of the country.
- Provincial, regional, state or local government certificates are not acceptable.
- The certificates must be signed by an authorized officer of the plant protection service in the country of origin.
- Certificates issued in a language other than English MUST be accompanied by a translation signed by the authorized officer.

An export health certificate is required for the export of all commodities that are for human consumption. Issuance of the certificate is regulated by Rwanda Inspectorate, Competition and Consumer Protection Authority (RICA) and is required for each consignment for export.

Traceability

Traceability refers to as the ability to follow the movement of a food through specific stages of production, processing and distribution (according to the Codex Alimentarius Commission). Also known as the 'one-step-back-one-step-forward' principle, traceability allows identification of the origin of food and feed ingredients and food sources, particularly when products are found to be faulty. Putting in place a traceability system allows a company to document and/or to locate a product through the stages and operations involved in the manufacture, processing, distribution and handling of feed and food, from primary production to consumption. In case of a health issue with a consignment, traceability provides for more rapid access to relevant and reliable information that helps determine the source of the outbreak as well as the location of implicated products.

In general, a food business should not receive any food or food ingredient unless it can identify the name of the food/ingredient and the name and contact information of the supplier. Traceability systems, already mandatory for food businesses operating in certain developed countries, are becoming increasingly common worldwide.

As per **Regulation (EC) No 178/2002, Article 18**, all food products must be traceable within the European Union. While exporters in trading partner countries cannot be legally required to fulfill traceability requirements imposed within the European Union, the requirement extends to the European importer who must be able to identify who in Rwanda supplied the coffee. Thus, records must be kept of a) names and business addresses of anyone that supplies coffee and b) names and business addresses of anyone to whom coffee is sold.

Coffee should not be received or sold unless the name and business address of the supplier/buyer has been identified and recorded. Each lot/batch of coffee supplied should be associated with its supplier, and records should indicate/track this. A system should be in place whereby this information can be provided to authorities in the event it is requested. This record may be either electronic or hard copy, but it must be kept at each step (i.e. the farm, the packhouse, exporter). At the small-scale farmer's level, handwritten records may be used if resources do not allow for other forms of record keeping.

It is common practice for EU buyers to ask trading partners to meet the traceability requirements even beyond the one step back-one step forward principle. However, these requests are part of contractual arrangements and are not legally required.

Standards for Coffee

By nature, standards are voluntary. They provide rules, guidelines or specifications for activities or their results and may have one or more specific objectives. Compliance with standards can offer buyers and consumers across markets assurances that a product will meet or exceed their needs in terms of safety, fitness for purpose, compatibility or interchangeability. Standards can be public or private, national, regional or international in scope. In this way, standards are major facilitators of trade. Standards can benefit companies in many ways depending on their use including: increased market opportunities, competitive advantages, improved risk management and cost reduction. Applying standards can help to establish credibility and a good reputation in an industry.

Standards are also used as the basis for technical regulations. For example, when a standard is referenced by or incorporated into a country's food safety law it becomes a technical regulation – meaning it becomes mandatory for that particular market. By making effective use of standards, it is possible to 'stay ahead of the curve' in terms of potential future regulations.

Some standards are specific to certain products and may cover the areas of food safety, product quality, labelling, packaging, etc., and may be regional, national or international in scope. Quality specifications are generally verified at the time of shipment with documentation provided by the supplier, to ascertain that the product is in conformity with the specification. In order to meet the standard, the manufacturer or supplier must present a product in conformity with each of the characteristics laid down in the standard document. Each one can be tested and verified on delivery of the product.

It is important to note that many buyers have developed their own unique set of specifications for any coffee beans that they purchase. Often these requirements are set forth in a 'technical sheet' that describes chemical/physical analysis parameters, sensory characteristics, etc. Sometimes these buyer standards have higher quality requirements than those in national or international product-specific standards. They may also specify different testing methods for determining the quality parameters.

On the following page are some of **the most common product standards for green coffee beans relevant for the EU market:**

International Coffee Standards

These are standards developed by the International Organization for Standardization (ISO – www.iso.org). For coffee and related products, the standards below apply. **Point of Note: These standards are purchasable from the ISO.**

Standard	Scope of the Standard
	Green Coffee Standards
ISO 1446:2001	Green coffee -- Determination of water content -- Basic reference method
ISO 3509:2005	Coffee and coffee products – Vocabulary
ISO 4072:1982	Green coffee in bags – Sampling
ISO 4149:2005	Green coffee -- Olfactory and visual examination and determination of foreign matter and defects
ISO 4150:2011	Green coffee or raw coffee -- Size analysis -- Manual and machine sieving
ISO 6666:2011	Coffee sampling -- Triers for green coffee or raw coffee and parchment coffee
ISO 6667:1985	Green coffee -- Determination of proportion of insect-damaged beans
ISO 6668:2008	Green coffee -- Preparation of samples for use in sensory analysis
ISO 6669:1995	Green and roasted coffee -- Determination of free-flow bulk density of whole beans (Routine method)
ISO 6673:2003	Green coffee -- Determination of loss in mass at 105 degrees C
ISO 8455:2011	Green coffee -- Guidelines for storage and transport
ISO 9116:2004	Green coffee -- Guidelines on methods of specification
ISO 10470:2004	Green coffee -- Defect reference chart
ISO 18794:2018	Coffee -- Sensory analysis – Vocabulary
ISO 20481:2008	Coffee and coffee products -- Determination of the caffeine content using high performance liquid chromatography (HPLC) -- Reference method
ISO 24115:2012	Green coffee -- Procedure for calibration of moisture meters -- Routine method
	Roasted Coffee Standards
ISO 3509:2005	Coffee and coffee products – Vocabulary
ISO 11294:1994	Roasted ground coffee -- Determination of moisture content -- Method by determination of loss in mass at 103 degrees C (Routine method)
ISO 11817:1994	Roasted ground coffee -- Determination of moisture content -- Karl Fischer method (Reference method)
ISO 6669:1995	Green and roasted coffee -- Determination of free-flow bulk density of whole beans (Routine method)
ISO 18794:2018	Coffee -- Sensory analysis – Vocabulary
ISO 18862:2016	Coffee and coffee products -- Determination of acrylamide -- Methods using HPLC-MS/MS and GC-MS after derivatization
ISO 20481:2008	Coffee and coffee products -- Determination of the caffeine content using high performance liquid chromatography (HPLC) -- Reference method
ISO/CD 23134 [Under development]	Roasted ground coffee -- Method using test sieves
	Instant Coffee Standards
ISO 3726:1983	Instant coffee -- Determination of loss in mass at 70 degrees C under reduced pressure
ISO 6670:2002	Instant coffee -- Sampling method for bulk units with liners
ISO 8460:1987	Instant coffee -- Determination of free-flow and compacted bulk densities
ISO 11292:1995	Instant coffee -- Determination of free and total carbohydrate contents -- Method using high-performance anion-exchange chromatography
ISO 20938:2008	Instant coffee -- Determination of moisture content -- Karl Fischer method (Reference method)
ISO 24114:2011	Instant coffee -- Criteria for authenticity
ISO/DIS 22994	Testing of coffee and coffee products -- Determination of dry matter content of soluble coffee -- Sea sand method for liquid coffee extracts

EAC Regional Coffee Standards

The EAC Treaty provides for cooperation in the areas of Standardization, Quality Assurance, Metrology and Testing (SQMT). Under this cooperation, the SQMT Act was enacted in 2006, which among others, sets out the objectives of harmonization of standards, including to protect and improve the health and safety of consumers; facilitate regional and international trade as well as increase opportunities for companies within the community to participate in international technology transfer. East African Standards (EAS) are developed by the East African Standards Committee (EASC), a policy organ established by the SQMT Act of 2006.

For green coffee beans, the relevant standards are:

- **EAS 130: 2019, Green coffee beans – Specification:** This East African Standard specifies requirements for green coffee beans. It applies to the following categories of coffee: a) Arabica coffee; Wet processed; Dry processed; b) Robusta coffee; Wet processed; Dry processed
- **EAS 221: 2001, Woven bags (100 percent sisal) for clean coffee beans – Specification.** This East African Standard specifies the requirements for woven bags (100 per cent sisal) for clean coffee beans
- **EAS 105: 2019, Roasted coffee beans and roasted ground coffee – Specification.** This East African Standard prescribes the requirements and methods of sampling and test for roasted coffee beans and roasted ground coffee.

Rwanda Coffee Standards

The following are the Rwandan Coffee Standards, which can be purchased from the Rwanda Standards Board (RSB).

Green Coffee Standards
<ul style="list-style-type: none">■ RS ISO 10470:2004 Green Coffee – Defect Reference Chart■ RS ISO 9116:2004 Green Coffee – Guidance on methods of specification■ RS ISO 6673:1983 Green coffee – Determination of Loss in mass at 1050c■ RS ISO 8455:2011 Green Coffee – Guidelines for storage and Transport■ RS ISO 4150:2011 Green coffee or Raw coffee – Size analysis -Manual and machine sieving■ RS ISO 4072:1982 Green coffee in bags – Sampling■ RS 97:2007 Green coffee – Specification■ RS ISO 4199:2005 Green coffee – Olfactory and Visual examination of foreign matter and defects■ RS ISO 1446:2001 Green coffee – Determination of water content – Basic reference method
Roasted Coffee Standards
<ul style="list-style-type: none">■ RS 33:2014 Roasted coffee beans and roasted ground coffee -Spec
Instant / Soluble Coffee Standards
<ul style="list-style-type: none">■ RS 34:2014 Instant (soluble) coffee – Specification■ RS ISO 6670:2002 Instant coffee – Sampling method for bulk units with liners

Packaging

Packaging is a vital component of export success and includes not only the materials used to package the product, but also all of the packaging-related processes along the supply chain. Packaging machines and equipment, transportation and storage, whether at a production centre, distribution centre or at the point of sale, all influence the success of a packaging system. Moreover, the disposal of packaging material after final use or consumption of the product must also be considered.

Packaging serves two main purposes – to ensure the integrity of the product until sale and to entice consumers to purchase the product over other options. Packaging protects its contents from external threats including spoilage, breakage and damage from external environmental conditions until the product reaches the end user. Non-compliance with regulations such as those pertaining to food contact materials can result in outright rejection of goods at the port of entry in the destination market.

There are generally three layers of packaging that need to be considered for most products: primary, secondary and tertiary:

- Primary packaging is that which comes into immediate contact with the product and is the smallest unit of distribution.
- Secondary packaging envelops the primary packages and serves as an added layer of protection, such as a case or carton.
- Tertiary packaging is the third layer of packaging, which is generally used during transportation or shipping, such as a palletized load of secondary packages.

Different importers/buyers will have different packaging requirements, depending on their point in the supply chain. The exporter must thus ensure that their packaging systems fit the market expectations and requirements.

For the coffee sector, no product-specific packaging requirements exist for green coffee beans within EU regulations. Different importers/buyers will have different requirements regarding what they expect in terms of packaging. The following should however be borne in mind:

- Food contact materials - Regulation (EC) No 1935/2004 lays out rules regarding materials that come into contact with food products, such as packaging. Thus, only materials which are suitable for contact with food are used and that they will not endanger human health, cause an unacceptable change in the composition of the food or cause deterioration in the sensory characteristics of the food. The packaging must be free from substances that could damage the food, fungal contamination, insect infestation and undesirable or bad odours.
- Green coffee beans are sensitive to water absorption. They are therefore packaged in woven bags made from natural fibre (jute or hessian) to allow free air circulation. Bulk coffee is often packed in container-sized bulk flexi-bags, which hold roughly 20 tonnes of green coffee beans. The rest of the green coffee is transported in traditional 60-kilo jute sacks.
- During transport, green coffee beans are perishable and thus cannot be stored indefinitely without degrading quality. It is important to preserve coffee bean quality during transport. Cargo needs to be protected from moisture during loading and appropriate temperature/humidity controls must be observed. Proper ventilation during transport is also a very important factor. Containers should be clean, free from pests and protected from external contaminants. Containers should be handled and transported in a way that protects them from rain, sun and other sources of heat, objectionable odours, and contamination. Storerooms need to be dry, free from objectionable odours, sealed off from entry by insects or rodents, protected from the sun, rain and excessive heat. Ventilation in storage should also be controlled.

Labelling

Labelling is one of the main reasons that export food consignments are rejected at the point of entry. When the labelling does not comply with international requirements or requirements of the importing country, the goods may be rejected, or there may be delays in its release until corrective action is taken or new labelling is applied. In either case, trade is disrupted and could even lead to spoilage of the whole consignment if the conditions are not ideal, incurring significant financial losses. Most countries have laws stipulating how foods are to be labelled and what information labels must contain. It is therefore essential that exporters familiarize themselves with the food labelling requirements of importing countries.

The Codex Alimentarius Commission has deemed eight key elements as mandatory for consumer-ready packaged foods within Codex Standard 1-1985 (General Standard for the Labelling of Pre-packaged Foods). These elements serve as the basis for many national regulations on labelling; however, they are only a starting point, as there are many other factors to consider. For example, labels will differ for primary, secondary and tertiary packaging. There will also be different barcodes used for primary, secondary and tertiary packaging. Requirements will also vary from one region of the globe to another and will differ depending on if the product is to be sold in bulk or retail format.

Effective retail labelling goes beyond the mandatory particulars and also serves to differentiate a product and appeal to the customer. Its success depends on many other factors such as materials, design elements, different bar codes and QR codes that provide additional information to the consumer. As a rule of thumb, the labelling information must be easy to understand, easily visible, clearly legible and indelible, using a minimum font size. Labelling information must appear in the official language(s) of the Member State where the product is marketed. English is often used for transportation labels when shipping internationally. In addition, labels or any direct printing must not contain any toxic ink or glue. EU labelling legislation forbids misleading consumers with false claims about the product. This includes mandatory information as well as any voluntary information that is included on the label.

Coffee labelling requirements differ with the kind of product being packaged, as follows:

- **Pre-packaged labelling requirements:** EU regulations on labelling such as those found in Regulation (EU) No. 1169/2011 apply to pre-packaged food intended for sale directly to consumers. Packages (or labels attached to pre-packaged coffee) must display:
 - NAME UNDER WHICH THE PRODUCT IS SOLD. Unless specific EU or national provisions apply, the name should be a customary name or a description. A trademark, brand name or fancy name may be used in addition to the generic name. You must also include the coffee's physical condition or specific treatment undergone (roasted, soluble, etc.), if its omission could be misleading for consumers.
 - LIST OF INGREDIENTS, INCLUDING ADDITIVES. Exception: foods consisting of a single ingredient, where the name of the food is identical to the name of the ingredient or enables the nature of the ingredient to be clearly identified. You must always indicate any substances that might cause allergic reactions.
 - NET QUANTITY MINIMUM DURABILITY DATE. Format: "best before DD/MM/YYYY"
 - SPECIAL CONDITIONS FOR STORAGE OR USE NAME OR BUSINESS NAME AND ADDRESS of the manufacturer, packager, or seller established in the EU.
 - PLACE OF ORIGIN OR PROVENANCE, where its omission could be misleading for consumers.
 - LOT MARKING on pre-packaged foodstuffs. Format: "L..."

■ **Coffee extract, soluble or instant coffee – specific labelling requirements**

- Markings such as `Coffee extract©, `soluble coffee extract©, `soluble coffee© or `instant coffee© mean that the package contains concentrated product obtained by extraction from roasted coffee beans using only water as the medium of extraction and excluding any process of hydrolysis involving the addition of an acid or a base.
- Coffee extract must contain only the soluble and aromatic constituents of coffee – apart from insoluble substances technically impossible to remove, and insoluble oils derived from coffee.
- The term “concentrated” may only appear on the label if the coffee-based dry matter content is more than 25% by weight.
- The term “decaffeinated” must appear if the anhydrous caffeine content does not exceed 0.3% by weight of the coffee-based dry matter.
- This information must be within the same field of vision as the sales description.
- The above requirements do not apply to café torrefacto soluble.

■ **Coffee extract – solid or paste**

- To be considered “coffee”, dry matter content must not be less than 95% by weight (dried coffee extract) or 70% to 85% by weight (coffee extract paste).
- Must not contain substances other than those derived from the extraction of coffee.
- Label must indicate minimum coffee-based, dry matter content (% by weight of the finished product).

■ **Coffee extract – liquid**

Dry matter content must be between 15% and 55 % by weight. If containing sugars (roasted or not), the proportion must not exceed 12% by weight. Label must include the terms `with', `preserved with', `with added' or `roasted with' followed by the name(s) of the types of sugar(s) used.

■ **Labelling of food contact materials**

According to Regulation (EC) No 1935/2004, articles intended to come into contact with foodstuffs, including packaging materials and containers shall be labelled `for food contact' or shall bear the symbol with a glass and fork.

■ **Labelling of food additives and flavourings**

If food additives and/or flavourings are used in food products, they must always be labelled on the packaging by their category (anti-oxidant, preservative, colour, etc.) along with their name or E-number. Other provisions on labelling of additives sold as such to food producers and consumers are laid down in Regulation (EC) No 1333/2008 and Regulation (EC) No 1334/2008.

EU Market Preferences

As a leading importing and consuming market for coffee globally, the EU market is constantly evolving, with specialty coffees, organic coffees, single-serve methods and ready-to-drink coffees growing in popularity. Below we present some of the main trends and preferences in the European market.

a) **The European coffee consumers is increasingly demanding and discerning:**

The EU coffee market has over the years undergone various trends and changes in preferences, characterized by popularization of coffee (from 1960 – 1990s); a shift to higher quality coffees and the advent of chains like Starbucks (mid 1990s to around 2000) and a trend from the new millennium onwards characterized by **'growing demand for high-quality coffees that focus on particular taste attributes — a 'coffee-like-wine' consumer attitude — and direct trade, usually traceable to farm level'**.¹⁷ In addition, there is increasing interest in 'the science of coffee', especially at the high-end segment of the European coffee market, where consumers seek to **understand the intrinsic characteristics of the coffee bean and the influence of its preparation on its taste**. At the global level, the trend is leaning towards sustainable coffee business, which responds to the needs of today's coffee consumer.¹⁸ Understanding the changing trends in this main market for Rwandan coffee is important as it helps you as a SME exporter to profile your products in a more targeted manner.

b) **Appreciation and demand for specialty coffee continues to grow as a high-end segment:**

Specialty coffee is graded according to its cupping profile. Fragrance, flavor, aftertaste, balance, acidity, sweetness, uniformity and cleanliness are important topics in the grading process. Adding a cupping score to your export lets the buyer know the quality you are offering. Although there is no exact definition of specialty coffee within the coffee industry, the Coffee Quality Institute and the cupping protocols of the Specialty Coffee Association (SCA) consider coffees graded and cupped with scores below 80 as standard quality and not specialty. Nevertheless, the exact minimum scores defining specialty coffee differ per country and per buyer. Some buyers consider 80 too low and demand a cupping score of 85 or higher. **Although overall the market for coffee remains a general coffee mass market, according to research by the CBI, the specialty coffee segment is most pronounced in North West Europe, which is marked by high income levels and consumer awareness, as well as a more developed coffee culture.** In Nordic countries, where out of home consumption has grown in recent years, specialty coffee in coffee shops has also grown.¹⁹ Small coffee roasters interested in serving the coffee market, usually engage in direct trade with suppliers from producing countries such as Rwanda, with whom they build trust and relationships to mutual benefit. This is one of the opportunities that SMEs can tap into.

c) **There is increased availability of certified coffee production**

The growth of certified coffee has been in response to concerns amongst EU consumers about the social and ecological impacts of their consuming habits. This has led to popularity of sustainability standards and their certification. The major certification schemes in coffee are Fairtrade, organic, Rainforest Alliance-UTZ and 4C (Common Code for the Coffee Community). There are other smaller certification schemes for niche markets, including the SMBC bird-friendly certified coffee; Demeter, which looks at biodiversity; Forest Garden Products (Analog Forestry), Símbolo de Pequeños Productores (smallholder), CU Fair Choice and Fair for Life (social and fair-trade standards).²⁰

17 <https://www.cbi.eu/market-information/coffee/trends>

18 Ibid. See also

19 <https://www.cbi.eu/market-information/coffee/trade-statistics>

20 <https://www.cbi.eu/market-information/coffee/trends>

The section below elaborates the main certification schemes in Rwanda:

- **Common Code for the Coffee Community (4C):** This is a sustainability standard for the entire coffee sector, aiming at anchoring sustainability in coffee production and processing in three broad dimensions: economic, social, and environmental. 4C sustainability principles and criteria are set out in the 4C Code of Conduct, which comprises²¹:
 - 12 principles across economic, social and environmental dimensions based on good agricultural and management practices as well as international conventions and recognized guidelines accepted in the coffee sector
 - 45 criteria, entailing specific check-points to be controlled during the audit in order to verify compliance with the respective criteria
 - 3 compliance levels, allowing for a smooth entry into certification and ensuring the continuous improvement of the certified producers.

Compliance can be demonstrated through the 4C Certification System and the 4C Certificates that are subsequently issued. Only 4C system users are allowed to assess compliance.

- **Fairtrade:** Fairtrade certified products serve a niche market. The market for Fairtrade coffee is largest in the United Kingdom and Germany. The fastest growing markets for Fairtrade coffee are Ireland, Finland and Denmark, which grew at average annual rates of 36%, 35% and 25% respectively between 2016 and 2017. The standards setting and certification body for Fairtrade is the Fairtrade Labelling Organizations International (FLO). Products which carry the Fairtrade label indicate that producers are paid a Fairtrade Minimum Price. The current minimum prices and premiums for coffee, whether organic-certified or conventional, can be found in the Fairtrade Minimum Price and Fairtrade Premium Table available on <https://www.fairtrade.net/standard/minimum-price-info>. The Fairtrade Africa secretariat is located in Nairobi, Kenya and reachable on <https://fairtradeafrica.net>.

Key objectives of the Fairtrade Standards

- Ensure that producers receive prices that cover their average costs of sustainable production
- Provide an additional Fairtrade Premium which can be invested in projects that enhance social, economic and environmental development
- Enable pre-financing for producers who require it
- Facilitate long-term trading partnerships and enable greater producer control over the trading process
- Set clear core and development criteria to ensure that the conditions of production and trade of all Fairtrade certified products are both socially and economically fair as well as environmentally responsible

Source: <https://www.fairtrade.net/standard/aims>

- **Rainforest Alliance – UTZ:** Approximately 15% of all coffee in the world was Rainforest Alliance-UTZ certified in 2017, totaling 1,758 thousand tonnes in 2018, an increase of 24%. Reaching large-scale operations and mainstream markets in Europe, an estimated 49% of the Rainforest Alliance-UTZ coffee production was actually sold as certified coffee in 2018. In the case of UTZ, that means an increase of 10% from 2016. Although UTZ and Rainforest Alliance merged in 2018, they do not offer a mutual recognition yet. According to CBI research, UTZ-certified coffee products are most widely available in the Netherlands, Germany, Italy, Switzerland and Nordic markets. The market for Rainforest Alliance-certified coffee products is largest in the United Kingdom, Germany, the Netherlands and France.

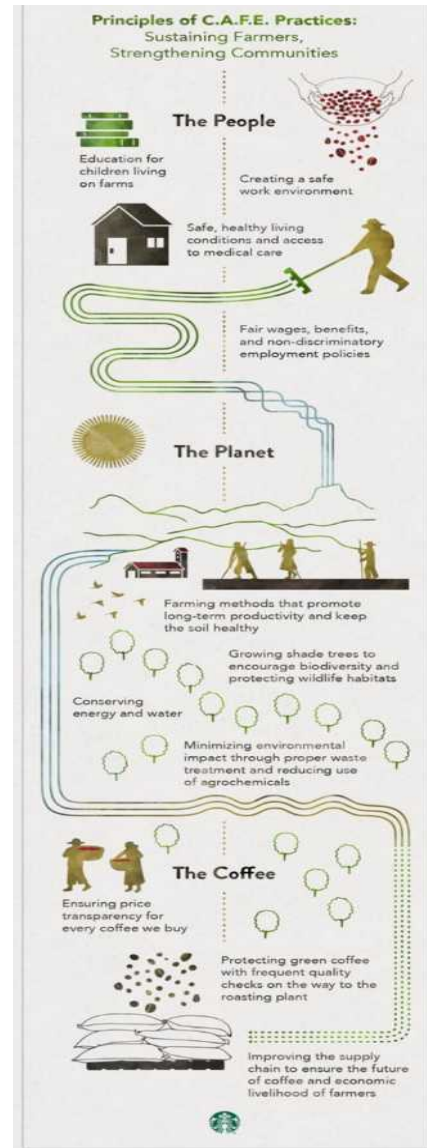
21 <https://www.4c-services.org/>

- **Coffee and Farmer Equity (C.A.F.E.) Practices:** a certification scheme owned by Starbucks and which currently has over 400,000 coffee farmers in 28 countries, including Rwanda. The Practices cover four broad areas:

- **Product Quality:** All coffee must meet Starbucks’s standards for high quality.
- **Economic Accountability and Transparency:** Suppliers must submit evidence of payments made throughout the coffee supply chain to demonstrate how much of the price that Starbucks pay for green coffee gets to the farmer.
- **Social Responsibility:** Measures evaluated by third-party verifiers help protect the rights of workers and ensure safe, fair and humane working and living conditions. Compliance with minimum-wage requirements and prohibition of child and forced labor is mandatory.
- **Environmental Leadership:** Measures evaluated by third-party verifiers help manage waste, protect water quality, conserve water and energy, preserve biodiversity and reduce agrochemical use.

The volumes sold as CAFÉ Practices verified are low compared to other certifications because it is mostly produced for Starbucks. Although the market for certified coffee continues to grow, SMEs should be cautious before taking up any of these standards, as evidence on the ground suggests that supply of certified coffee greatly outstrips demand. A 2018 study by the Center for Global Development indicated that the relationship between certification and issues of profitability, productivity and sustainability is not always a clear-cut positive one. Evidence on the ground also suggests that there is more certified coffee available than is sold. According to the Coffee Barometer, about 55% of total global coffee production is certified, but only 20% of it is purchased as certified, meaning that 80% of producers of certified coffee are not able to sell all their certified coffee at a premium price.

Figure 8, Principles of C.A.F.E. Practices



Sources: <https://stories.starbucks.com/stories/2017/sustainability-is-at-the-heart-of-starbucks-coffee-sourcing/>

Where to find additional / updated information

Additional information on the requirements to export to the EU or to any other market, can be found from the following organisations:

- NAEB: a government body which promotes and facilitates agricultural exports and provides support to private agricultural stakeholders. <https://naeb.gov.rw/index.php?id=1>
- RDB: a government institution which promotes economic growth by promoting growth within the private sector. <https://rdb.rw/about-rdb/>
- Rwanda Inspectorate, Competition and Consumer Protection Authority (RICA): entity responsible for assessing the phytosanitary condition of agricultural products for export. <http://www.minagri.gov.rw/index.php?id=613>
- EU Pesticide Database: the database contains details of all allowed pesticides, as well as those that are banned. <https://ec.europa.eu/food/plant/pesticides/eu-pesticides-database/>
- The Codex Alimentarius Commission (CAC) maintains a pesticide database that outlines MRLs for different foods and food categories. Countries sometimes refer to this database in lieu of establishing their own MRLs within food safety regulations. <http://www.fao.org/fao-who-codexalimentarius/committees/cac/about/en/>
- The EAC Quality for Trade Platform, an initiative of the ITC under MARKUP. The Platform contain the EAC Quality Compass, a tool that offers users quality-related guidance for specific products in select markets. Discover and learn about quality requirements for your product, whether they are related to mandatory legal requirements, key standards, or preferences in the market. Read more on <https://un-consulting.ch/eac/compass>
- EU Export Health Desk – provides product specific requirements, as well as import related procedures. See www.trade.ec.europa.eu/tradehelp



Chapter 3: Step by Step Procedures for Exporting Coffee in Rwanda

Overview and Objectives of Chapter 3:

This Chapter presents the whole gamut of business processes and regulatory activities required to export coffee in Rwanda for a first time exporter – from registering as an exporter, going through the various state entities to obtain various certifications and approvals, to releasing the coffee at the port for shipment.

Several important points to note in reading this chapter:

- As part of implementing the WTO Trade Facilitation Agreement (WTO-TFA), these measures have been mapped and documented as part of the EAC Regional Information Trade Portal, which brings together National Trade Portals. The information in the chapter is drawn from the Rwanda Trade Portal (<https://rwandatrade.rw/>)
- As part of implementing the WTO TFA, which calls for simplifications of trade procedures, as well as other measures meant to regulate the sector, these procedures may change from time to time. It is therefore important that exporters regularly check the Rwanda Trade Portal to ensure they are well acquainted with the current procedures at the time of exporting.
- The chapter currently maps procedures as at 27th September 2020. It presents ALL the procedures a first- time exporter would go through, meaning that for SMEs that are already established, some of the steps may not be necessary.

The **key objectives** of this Chapter are:

- To provide the Rwanda coffee SME with both a summary and an elaboration of the whole coffee export process in Rwanda; from the document requirements, involved institutions, the costs and the time to meet all the requirements.
- To provide Rwanda TSIs with an understanding of the overall regulatory burden for coffee exporters
- To point the Rwanda coffee SMEs and TSIs to sources of credible information on the coffee exporting process in Rwanda

Summary of Procedures for coffee exports from Rwanda, via Gatuna:

The process of exporting coffee from Rwanda through the Gatuna border involves 18 different steps, that fall into 5 procedures. Overall, 20 different documents are required to complete the export process. It takes anywhere between as little as 3 hrs 15 minutes to 4 ½ days for a first-time exporter to complete the full process. The total cost of the whole process is approximately RWF 195,658.50.

Figure 9, Summary of procedures and required documents, institutions, time and cost to export coffee in Rwanda

Full Export Process	5 Procedures, comprising 18 steps
Documents Required	20 documents required
Institutions Involved	10 institutions
Estimated Time	3h 15 min to 4d 12 h
Estimated Cost	RWF 195 658.50

The figure below summarises the 5 procedures that a trader must complete in order to export coffee.

The figure below summarises the 5 procedures that a trader must complete in order to export coffee.



Step by step procedures for coffee exports from Rwanda through the Gatuna border:

The following are the summary of procedures for coffee exports from Rwanda, through the Gatuna border as at September 2020. Important to note is that the process terminates once the cargo exits the Rwandan territory and does not include processes at the Port of Mombasa

Procedure 1: Obtain a Coffee Export License

What are the steps involved	There are 4 steps required to Obtain a Coffee Export License , as follows: <ol style="list-style-type: none"> 1. Submit application for export license 2. Premises inspection 3. Pay application fee 4. Obtain export license
Which Institutions do you go to	<ul style="list-style-type: none"> ■ National Agricultural Export Development Board (NAEB). KK 530 St, Kigali. Tel: 3800 / +250 252 575 600. Email: info@naeb.gov.rw. Website: http://www.naeb.gov.rw/ ■ National Bank of Rwanda, Tel: +250 788 199 000 / +250 788 199 277. Email: info@bnr.rw. Website: http://www.bnr.rw/
Which documents are needed	<p><i>To submit application:</i></p> <ul style="list-style-type: none"> ■ Application letter (export license) (original) - addressed to CEO NAEB ■ Application form (export license) (original) filled and signed. by signing the applicant declares to abide by the rules and guidelines regarding coffee trade ■ Certificate of domestic company registration (Simple copy) or mention the company code on the application letter ■ Business plan (Simple copy) - with details of the export, warehousing capacity, capability to export at least 1 container (19.2 tonnes) per season ■ Export contract - coffee (Simple copy) ■ Proof of coffee processing site address (Simple copy) - owned or rented ■ Rental contract of storage facility (Simple copy) - or proof of ownership of a storage facility <p><i>For the premises' inspection</i></p> <ul style="list-style-type: none"> ■ Physical presence of the applicant or their representative <p><i>To pay application fee</i></p> <ul style="list-style-type: none"> ■ Deposit slip (original) <p><i>To obtain export license</i></p> <ul style="list-style-type: none"> ■ Coffee export license fee payment receipt (original)

What is the legal basis for these requirements	<ul style="list-style-type: none"> ■ N° 13/2017 of 14/04/2017 establishing National Agricultural Export Development Board (NAEB) and determining its mission, organisation and functioning (Article 5) ■ EAC Rules of origin 2015 (rule 20) ■ NAEB requirements for coffee export license application
Fees	USD 100 - application fee for coffee export license Payment methods: cash, check. The account number is communicated by NAEB officer after site visit has been successfully concluded
Processing time for full task	Min 50 minutes - Max 2 days
Contact info	National Agricultural Export Development Board (NAEB). KK 530 St, Kigali. Tel: 3800 / +250 252 575 600. Email: info@naeb.gov.rw . Website: http://www.naeb.gov.rw/
What document do you receive	<ul style="list-style-type: none"> ■ After submission of application - Receipt notice ■ After premises inspection – Account Number ■ After paying application fee - Coffee export license fee payment receipt
Additional Information	<ul style="list-style-type: none"> ■ Applications for coffee export licence are submitted at the reception desk and then handed to the marketing officer for assessment. Once approved, the officer gives the applicant a call to organise an appointment for the warehouse inspection. ■ Even though exporters are required to export at least 1 container (19.2 tonnes) per season, smaller quantity of high value coffee can be allowed (e.g.: coffee cup of excellence). ■ Warehouse inspection is mainly focused on the working infrastructure and is carried out by the International Coffee Marketing Officer ■ After a successful site visit, the marketing officer prepares the export license and gets it signed. It can be picked at the Coffee Production Division after the proof of payment of the application fee has been submitted. ■ The coffee export license is renewable every year, free of charge, provided that the holder has exported at least 1 container per season in the previous year. The only requirement is a letter requesting renewal.

Procedure 2: Obtain Certificates of Origin and Quality

What are the steps involved	There are 4 steps required to Obtain a Coffee Export License , as follows: <ol style="list-style-type: none"> 5. Submit application for certificates (online procedure) 6. Bring consignment to NAEB warehouse & obtain certificate of analysis 7. Pay NAEB fees 8. Submit proof of payment & obtain certificates
Which Institutions do you go to	To submit application: <ul style="list-style-type: none"> ■ NAEB e-Portal. Tel: 3800/ +250 252 575 600. Email: info@naeb.gov.rw, Website: https://oes.naeb.gov.rw ■ To obtain certificate of analysis - Consignment lot number is required
Which documents are needed	To submit application: <ul style="list-style-type: none"> ■ Export contract - coffee (Simple copy) - specifying the quality of coffee the buyer requested ■ Certificates fees payment receipt (original)
What is the legal basis for these requirements	<ul style="list-style-type: none"> ■ EAC Rules of origin 2015 (rule 17) ■ 2.N° 13/2017 of 14/04/2017 establishing National Agricultural Export Development Board (NAEB) and determining its mission, organization and functioning articles 5.8, 5.9 ■ Ministerial order setting the 3% NAEB quality fee.
Fees	The cost varies. Calculation is based on the following <ul style="list-style-type: none"> ■ RWF 0 - 3 % goods-value: for every semi washed coffee export consignment ■ RWF 0 - RWF 11 per kilogram - for the pesticide fund ■ RWF 0 - RWF 97 per kilogram - for the fertilizer fund ■ Payment methods: cash, credit cards, cheque
Processing time for full task	Min 1h 5 min – Max 14 h 25 min
Contact info	National Agricultural Export Development Board (NAEB). KK 530 St, Kigali. Tel: 3800 / +250 252 575 600. Email: info@naeb.gov.rw . Website: http://www.naeb.gov.rw/

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What document do you receive	<ul style="list-style-type: none"> ■ Application approved online notification ■ Certificate of analysis ■ Certificates fees payment receipt <p>After submitting proof of pay:</p> <ul style="list-style-type: none"> ■ Certificate of origin - coffee ■ Certificate of quality - coffee ■ Weight note – coffee
Additional Information	<ul style="list-style-type: none"> ■ The link to online application can be accessed via NAEB website by selecting “Online Certificates” in the “Applications” menu. ■ If the coffee is warehoused at NAEB (instead of a private bonded warehouse), this request can be made in person at the certification unit. ■ Following approval of the application, NAEB inspectors will test the coffee to be exported. Testing and issuing will usually take about half a day. ■ The consignment lot number is assigned by the exporter while submitting the application in NAEB e-Portal. It will allow the Warehouse Officer to trace the application in NAEB e-Portal. ■ The coffee consignment to be exported is stored at NAEB warehouse until all certificates have been obtained and clearance by the customs office is complete. ■ Coffee producers with secured export warehouses do not need to bring their consignment to NAEB. NAEB staff go to the warehouse to take samples for testing. ■ The certificates are collected from NAEB’s certification unit. Both certificates (Certificate of origin and Certificate of quality) are valid for 6 months with possibility to extend to 1 year depending on how long the way to the final destination is. For each new consignment, new certificates must be applied for

Procedure 3: Obtain Phytosanitary Certificate

What are the steps involved	<p>There are 5 steps and one optional one required to obtain a phytosanitary certificate, as follows:</p> <ol style="list-style-type: none"> 9. Obtain payment advice ticket (phyto) 10. Pay application fee, Register as an eRalis user (optional) 11. Submit application for phytosanitary certificate 12. Product inspection 13. Obtain phytosanitary certificate
Which Institutions do you go to	<p><i>To obtain payment advice ticket:</i></p> <ul style="list-style-type: none"> ■ Rwanda Revenue Authority Non Fiscal Revenue Services. Tel: 3004 / +250 788 185 500 ■ Email: info@rra.gov.rw Website: https://nonfiscal.rra.gov.rw/citizenreceiptGeneration?flag=C# <p><i>To pay application fee:</i></p> <ul style="list-style-type: none"> ■ Bank <p><i>To submit application for phytosanitary certificate, to obtain phytosanitary certificate:</i></p> <ul style="list-style-type: none"> ■ eRalis Portal. Tel: +250 788 154 500 Email: infoinspection@minagri.gov.rw Website: https://www.eralis.minagri.gov.rw/ <p><i>For product inspection:</i></p> <ul style="list-style-type: none"> ■ Rwanda Inspectorate, Competition and Consumer Protection Authority (RICA) P.O Box 621 , Kigali Tel: +250 788 154 500 Email: infoinspection@minagri.gov.rw Website: http://www.minagri.gov.rw/index.php?id=613

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Which documents are needed	<p><i>To obtain payment advice ticket:</i></p> <ul style="list-style-type: none"> ■ None <p><i>To pay application fee:</i></p> <ul style="list-style-type: none"> ■ Payment advice ticket (phyto) (original) <p><i>To submit application for phytosanitary certificate:</i></p> <ul style="list-style-type: none"> ■ 1.Certificate of origin - coffee (Simple copy) ■ 2.Certificate of quality - coffee (Simple copy) ■ 3.Phytosanitary certificate fee payment receipt (Simple copy) ■ 4.Import permit from destination country (Simple copy) <p><i>For product inspection:</i></p> <ul style="list-style-type: none"> ■ None. Physical presence of the applicant or their representative <p><i>To obtain phytosanitary certificate:</i></p> <ul style="list-style-type: none"> ■ Phytosanitary certificate fee payment receipt (original)
What is the legal basis for these requirements	<ul style="list-style-type: none"> ■ Arrêté ministériel n° 4/76. Taxe rémunérateur pour tout contrôle phytosanitaire, délivrance de certificats phytosanitaires et constat de qualité ou d'avarie. (J.O., 1976, p. 757) ■ Law N° 16/2016 du 10/05/2016 on plant health protection in Rwanda Article 31 ■ RALIS portal user guide ■ RALIS communiqué 04-04-2020
Fees	<p>RWF 200 application fee for phytosanitary certificate</p> <p>Payment methods: cash, credit cards, check, bank transfer, mobicash. Payment is made on RRA "non fiscal" account at the commercial bank of your choice. It can also be made online for the banks that provide that service or via Mobicash agents such as Umurenge SACCO.</p>
Processing time for full task	<p>Rwanda Revenue Authority Non Fiscal Revenue Services. Tel: 3004 / +250 788 185 500</p> <p>Email: info@rra.gov.rw Website: https://nonfiscal.rra.gov.rw/citizenreceiptGeneration?flag=C#</p>
Contact info	<p>Rwanda Revenue Authority Non Fiscal Revenue Services. Tel: 3004 / +250 788 185 500</p> <p>Email: info@rra.gov.rw Website: https://nonfiscal.rra.gov.rw/citizenreceiptGeneration?flag=C#</p>
What document do you receive	<ul style="list-style-type: none"> ■ Payment advice ticket (phyto) ■ Phytosanitary certificate fee payment receipt ■ Application approved online notification ■ Phytosanitary certificate
Additional Information	<ul style="list-style-type: none"> ■ Once on the non-fiscal revenue services page click on the "services to public" menu and fill in the required information. In the service provider box, select: "MINAGRI" and in the service box: "Plant health certificate". ■ The Rwanda Revenue Authority non fiscal payment advice ticket is used as a payment reference at the bank. ■ After successful registration as an eRALIS user, the exporter receives an email authorising him / her to set a new password to be used anytime logging in on eRALIS to submit an application. ■ The link to online application can also be accessed through: MINAGRI website, by clicking on "eRALIS" in important links. ■ If you do not have a user account you will be requested to create one by entering your contact details, email address and a password to be used while logging in the future. ■ The source of the product (i.e. full contact details of the producer) should be well known to ensure traceability. The product should be free from any physical defects, pests & diseases and well packaged according to the international standards. ■ To increase the chances of obtaining a phytosanitary certificate, keep the coffee free of any pests or diseases and be aware of which fertilizers and pesticides are prohibited in Rwanda and your export destination. There is a national information point at the Ministry of Agriculture and Animal Resources. ■ The warehouse inspection allows inspectors to assess the veracity of the claims made in the paper application with regard to the buyer specific requirements. ■ You will usually be provided with an answer right after inspection. If your products fail to comply with standards, recommendation will be given about how you can attain standards in the future.

Procedure 4: Contract a clearing agent

What are the steps involved	There is 1 step to contract a clearing agent , as follows: 14. Contract Clearing Agent
Which Institutions do you go to	Clearing agent (List of licensed clearing agents available here: (https://rwandatrade.rw/media/ALL%20ADR%20MEMBERS%20%20IN%202017.pdf))
Which documents are needed	<ul style="list-style-type: none"> ■ Certificate of domestic company registration (Simple copy)
What is the legal basis for these requirements	<ul style="list-style-type: none"> ■ East African Community Customs Management Act, 2004 (Revised 30th June 2019) Sections 147, 148 ■ Regional and local clearing tariff
Fees	USD 100 per declaration, an estimate based on a series of assumptions which you can modify to calculate your own costs. The tariff of the clearing agencies handling fees is set by the Rwanda Freight Forwarders Association http://www.adrwanda.com/ Payment methods: cash, check, invoice. The fee charged by the clearing agent is negotiable.
Processing time for full task	Not available
Contact info	For contact info of licensed clearing agents go to: https://rwandatrade.rw/media/ALL%20ADR%20MEMBERS%20%20IN%202017.pdf For help: Rwanda Freight Forwarders Association. P.O Box 4976 , Kigali, Tel: +250 788 495 208 Email: info@adrwanda.com Website: http://www.adrwanda.com/
What document do you receive	Contract
Additional Information	<ul style="list-style-type: none"> ■ A clearing agent is a professional who can handle all customs clearance processes and steps involved with getting your goods onto their way. Their services usually include getting appropriate certificates, booking storage space at warehouses, arranging for payment of any applicable fees and communication with customs, border and logistics personnel at the border post, airport or port. ■ Most clearing agents can also arrange for your goods to be picked up from your factory and arrange transport on your behalf. For these services additional charges apply. ■ The list of clearing agents approved by RRA can also be found on RRA website / customs services / licensing of agents / updated list of clearing agencies (http://www.rra.gov.rw/index.php?id=266).

Procedure 5: Clearance of Consignment

What are the steps involved	There are 4 steps required for clearance of consignment , as follows: 15. Submit consignment documents to the importer 16. Consignment inspection 17. Obtain cargo manifest (C2) 18. Obtain C2 validation at exit border
Which Institutions do you go to	For consignment inspection and obtaining cargo manifest: Transit, export and outstation division, P.O Box 3987 , Kigali Tel: +250 788 185 602 Email: customs@rra.gov.rw Website: www.rra.gov.rw Obtain C2 validation at exit border: Customs Service Department - Gatuna Office, P. O. Box 3987 , Northern Province Tel: +250 788 185 731 Email: customs@rra.gov.rw Website: http://www.rra.gov.rw/
Which documents are needed	<i>Consignment documents for importer:</i> <ul style="list-style-type: none"> ■ Invoice (export) (original) ■ Packing list (original) ■ Certificate of origin - coffee (original) ■ Certificate of quality - coffee (original) ■ Phytosanitary certificate (original) <i>For consignment inspection:</i> <ul style="list-style-type: none"> ■ None. Physical presence of the exporter or the clearing agent <i>To obtain cargo manifest (C2):</i> <ul style="list-style-type: none"> ■ Customs declaration number applies to both home consumption, warehousing regimes <i>For C2 validation at exit border:</i> <ul style="list-style-type: none"> ■ Cargo manifest (C2) (original)
What is the legal basis for these requirements	<ul style="list-style-type: none"> ■ East African Community Customs Management Act, 2004 (Revised 30th June 2019) Section 73-75 ■ The East African Community Customs Management Regulations, 2010, Section 88-89 ■ East African Community Common External Tariff 2017 ■ Single Custom Territory Procedure Manual Part 5
Fees	None
Processing time for full task	Min 50 min – Max 3h 10 min
Contact info	Transit, export and outstation division, P.O Box 3987 , Kigali, Tel: +250 788 185 602, Email: customs@rra.gov.rw , Website: www.rra.gov.rw
What document do you receive	<ul style="list-style-type: none"> ■ Customs declaration number ■ Cargo manifest (C2) ■ Validated cargo manifest (C2)
Additional Information	<ul style="list-style-type: none"> ■ The expected result for consignment inspection is a sealed container with the coffee ■ Since 2012 Rwanda Revenue Authority uses the Electronic Single Window (ESW) for creating, validating, modifying export, import and transit declarations. Ideally, information on custom declarations is shared between all EAC members since ESW is connected to all EAC partner states online clearing systems. Check with RRA customs unit for an update on the current status of integration. ■ Currently, only accredited clearing agents are able to access the ESW. The exporter submits all necessary documents to the clearing agent. The clearing agent prepares and submits online export declaration together with supporting documents. ■ The customs officer verifies both the customs entry and the attached supporting documents. ■ Inspection is risk based. Once consignment inspection is complete, the customs officer affixes the seal. The container number must be verified to match with what's on the declaration. ■ Cargo manifest (C2) is generated based on customs data provided by the customs office of the importing country. ■ The customs officer checks the documents accompanying the goods and whether seals and number plate written on the cargo manifest (C2) correspond with the truck information. If corresponding, the customs officer validates the cargo manifest (C2) in the customs system, which allows the consignment to leave the territory.



Chapter 4: Coffee Import Procedures in the EU

Overview and Objectives of Chapter 4:

This chapter discusses some of the import procedures in the European Union. While the importer in the EU member country is ultimately responsible for ensuring that the importing requirements have been met, in this Chapter we shall discuss some of the key procedures and requirements where the exporter has a role to play.

Several important points to note in reading this chapter:

- The Chapter assumes that the importing company is already registered in the given EU Member country and has the 'Economic Operator Registration and Identification (EORI) number that required by the Customs Authority in the EU to among others, lodge a customs declaration and make an entry summary declaration (ENS) and an exit summary declaration (EXS)
- The information in the chapter is mainly drawn from the EU Help Desk <https://trade.ec.europa.eu/tradehelp>
- The chapter contains information that is valid as at 20 November 2020. Procedures and requirements however change. As a rule of thumb, the exporting SME should always check with the importer the current requirements before any shipment is done.

The **key objectives** of this Chapter are:

- To provide the Rwanda coffee SME with a consolidated and simplified reference to the mandatory requirements for exporting coffee to the EU;
- To provide the Rwanda coffee SME with an overview of EU coffee market preferences and trends that the SME may tap into;
- To provide Rwanda's TSIs with a reference point for the requirement SMEs must fulfill in order to tap into the EU Market; and,
- To point the Rwanda coffee SMEs and TSIs to sources of credible information on requirements and market preferences for coffee exported to the EU.

Summary of Procedures for Coffee Imports into the EU from Rwanda:

The figure below depicts the procedures for importing goods into the EU.



Below we elaborate the steps further:

Step 1: Entry Summary Declaration (ENS)

The ENS is lodged by the carrier of goods entering the customs territory of the EU, in advance of the goods arriving in the EU. For container marine cargo, the ENS should be launched 24 hours before commencement of loading in the foreign load port, while for bulk marine cargo, at least 4 hours before arrival. The ENS can also be lodged by the importer -consignee or a representative of the carrier or importer.

Part of the information that the carrier must include in the ENS comes from documents originated by the exporter: bill of lading and commercial invoices, so it is crucial that these reach the party responsible for the lodging of the ENS in a timely and accurate manner. As earlier noted the statement of origin must be indicated on the commercial invoice, as well as the delivery note, a packing list, or any other commercial document allowing to identify the goods and the exporter.

The ENS declaration falls within the scope of the Import Control System (ICS) which became fully operational on 1 January 2011, as part of the Security Amendment laid down by Regulation (EC) No 648/2005 of the European Parliament and of the Council.

Step 2: Customs declaration - SAD (Single Administrative Document)

The placing of the goods under any customs approved treatment or use is done using the Single Administrative Document (SAD), which is a common form for all the EU Member States according to the Union Customs Code and the Transitional Delegated Act (Commission Regulation (EU) 2016/341) whereas a fully electronic customs environment is created.

The SAD can be presented to the customs authorities by the importer or his representative. The representation may be direct, where the representatives act in the name of, and on behalf of, another person; or indirect, where representatives act in their own name but on behalf of another person.

The SAD may be presented either by electronic means directly linked to the customs authorities (each Member State may have its own system); or by lodging it with the designated customs office premises. The declaration must be drawn up in one of the official languages of the EU, which is acceptable to the customs authorities of the Member State where the formalities are carried out.

The main information that shall be declared is:

- Identifying data of the parties involved in the operation (importer, exporter, representative, etc.)
- Custom approved treatment (release for free circulation, release for consumption, temporary importation, transit, etc.)
- Identifying data of the goods (Taric code, weight, units), location and packaging
- Information referred to the means of transport
- Data about country of origin, country of export and destination
- Commercial and financial information (Incoterms, invoice value, invoice currency, exchange rate, insurance etc.)
- List of documents associated to the SAD (Import licenses, inspection certificates, document of origin, transport document, commercial invoice etc.)
- Declaration and method of payment of import taxes (tariff duties, VAT, Excises, etc.)

The SAD set consists of eight copies; the operator completes all or part of the sheets depending on the type of operation. In the case of importation generally three copies shall be used: one is to be retained by the authorities of the Member State in which arrival formalities are completed, other is used for statistical purposes by the Member State of destination and the last one is returned to the consignee after being stamped by the customs authority.

Documents associated to the SAD

- For coffee, the documents that need to be presented together with the SAD are include:
- Documentary proof of origin (Through the certificate of origin)
- Certificate confirming the special nature of the product
- Transport Document
- Commercial Invoice
- Customs Value Declaration
- Inspections Certificates (Health, Plant Health certificates)
- Import Licenses (if applicable)

Step 3: Goods are placed under temporary storage situation

Goods imported into the EU customs territory must be accompanied by a summary declaration, which is presented to the customs authorities of the place where they are to be unloaded. Goods are then placed under the temporary storage situation (not exceeding 90 days in any case), which means that they are stored under customs supervision until they are placed under any of the following customs procedures or re-exported:

Release for free circulation

Goods are 'released for free circulation' when the conditions relating to importation into the EU have been duly fulfilled (payment of tariff duties and other charges, as appropriate, application of non-tariff commercial policy measures and completion of the other formalities related the import of the goods). Release for free circulation confers on non-Union goods the customs status of 'Union goods'.

Once the mentioned duties as well as the value added tax (VAT) and any applicable excise duties have been paid, goods are 'released for consumption', as they have satisfied the conditions for consumption in the Member State of destination.

Special procedures

Goods may be placed under any of the following categories of special procedures:

- Transit, which comprises external and internal transit:
 - External transit: non-Union goods may be moved from one point to another within the customs territory of the Union without being subject to import duties, other charges related to the import of the goods (i.e. internal taxes) and commercial policy measures, thereby transferring customs clearance formalities to the customs office of destination.
 - Internal transit: Union goods may be moved from one point to another within the customs territory of the Union, passing through a country or territory outside that customs territory, without any change in their customs status.

- Storage, which comprises customs warehousing and free zones:
 - Customs warehousing: non-Union goods may be stored in premises or any other location authorised by the customs authorities and under customs supervision ('customs warehouses') without being subject to import duties, other charges related to the import of the goods and commercial policy measures.
 - Free zones: Member States may designate parts of the customs territory of the Union as free zones. They are special areas within the customs territory of the Union where goods can be introduced free of import duties, other charges (i.e. internal taxes) and commercial policy measures, until they are either assigned another approved customs procedure or re-exported. Goods may also undergo simple operations such as processing and re-packing.
- Specific use, which comprises temporary admission and end-use:
 - Temporary admission: non-Union goods intended for re-export may be subject to specific use in the customs territory of the Union, with total or partial relief from import duty, and without being subject to other charges like internal taxes and commercial policy measures. This procedure may only be used provided that the goods are not intended to undergo any change. The maximum period during which goods may remain under this procedure is 2 years.
 - End-use: goods may be released for free circulation under a duty exemption or at a reduced rate of duty on account of their specific use.
- Processing, which comprises inward and outward processing:
 - Inward processing: goods are imported into the Union in order to be used in the customs territory of the Union in one or more processing operations, without being subject to import duties, taxes and commercial policy measures. The customs authorities shall specify the period within which the inward processing procedure is to be discharged. Where finished products are not finally exported, these shall be subject to the appropriate duties and measures
 - Outward processing: Union goods may be temporarily exported from the customs territory of the Union in order to undergo processing operations. The processed products resulting from those goods may be released for free circulation with total or partial relief from import duties.

Step 4: Inspection of goods under Temporary Storage:

This is a control measure at the point of entry. In addition to undergoing inspections prior to export in the origin country, according to Regulation (EU) 2017/625, food imported into the European Union is subject to potential controls at points of entry. These are performed to ensure that all food introduced into the EU market is safe and complies with all regulations. There are different types of official controls:

- Documentary controls: These are geared towards verifying that all the required documents (Health Certificate, bill of lading, etc.) are present. In terms of frequency, this is always done, for all consignments.
- Identity controls: undertaken to verify that the content and labelling of the consignment tally with the documents presented. In terms of frequency, this is systematic for plant health and random for food safety (except in case of increased controls)
- Physical controls: undertaken to verify that the imported goods are meeting the applicable requirements of the EU food legislation and may include inspections of packaging or sampling the product for laboratory analysis. In terms of frequency, they are systematic for plant health and random for food safety (except in case of increased controls).

These controls may happen at EU borders or even once on the market, but most frequently occur at the point of entry. The laboratory analyses may target pesticide residues, heavy metals or other contaminants. If a shipment is refused for non-compliance with EU legislation, the responsible party of the shipment has three options: a) Destroy the products in question; b) Re-dispatch these products to a non-EU country; or c) Return the products to the originating country. The latter 2 must happen within 60 days. Where the non-compliance implies a food safety concern, a RASFF notification must be issued. Where the non-compliance implies a plant health concern, a Europhyt notification must be issued.

In certain situation, there may be a temporary increase of import control may be necessary for the following reasons:

- due to a known or emerging risk (e.g. high number of RASFF alerts),
- or because there is evidence of widespread serious non-compliance with the EU agri-food chain legislation (e.g. as highlighted in an audit report from DG SANTE-F) concerning certain goods, from certain non-EU countries, and in relation to a specific risk (hazard).

The temporary increases are laid down in Annex I of Regulation EU 2019/1793 and they concern the identity checks, and the physical checks.

Emergency control measures may also be applied as laid out under Annex II of Regulation EU 2019/1793 that lays down special conditions governing the entry of such goods in the EU. These may include certain food, originating from certain non-EU countries may present a high risk for human health because of:

- contamination by mycotoxins, in particular aflatoxins, and OTA
- contamination by pesticide residues, contamination by pentachlorophenol and dioxins, or
- microbiological contamination from Salmonella.

In cases of emergency control, each consignment of the food under emergency control must be accompanied by an additional form that gives that consignment an **identification code**, accompanied by the **results of sampling and analyses performed by the relevant competent authorities, and an official certificate**.

Documents for Customs Clearance

Commercial Invoice:

The commercial invoice is a record or evidence of the transaction between the exporter and the importer. Once the goods are available, the exporter issues a commercial invoice to the importer in order to charge him for the goods. The commercial invoice contains the basic information on the transaction and it is always required for customs clearance.

Although some entries specific to the export-import trade are added, it is similar to an ordinary sales invoice. The minimum data generally included are the following:

- Information on the exporter and the importer (name and address)
- Date of issue
- Invoice number
- Description of the goods (name, quality, etc.)
- Unit of measure
- Quantity of goods

- Unit value
- Total item value
- Total invoice value and currency of payment. The equivalent amount must be indicated in a currency freely convertible to Euro or other legal tender in the importing Member State
- The terms of payment (method and date of payment, discounts, etc.)
- The terms of delivery according to the appropriate Incoterm
- Means of transport

No specific form is required. **The commercial invoice is prepared by the exporter according to standard business practice and it must be submitted in the original along with at least one copy.** In general, there is no need for the invoice to be signed. In practice, both the original and the copy of the commercial invoice are often signed. The commercial invoice may be prepared in any language. However, a translation into English is recommended.

Customs Value Declaration

The Customs Value Declaration is a document, which must be presented to the customs authorities where the value of the imported goods exceeds EUR 20 000. This form must be presented with the SAD. The main purpose of this requirement is to assess the value of the transaction in order to fix the customs value (taxable value) to apply the tariff duties.

The customs value corresponds to the value of the goods including all the costs incurred (e.g. commercial price, transport, insurance) until the first point of entry in the European Union. The usual method to establish the customs value is using the transaction value (the price paid or payable for the imported goods).

In certain cases, the transaction value of the imported goods may be subject to an adjustment, which involves additions or deductions. For instance, the internal transport (from the entry point to the final destination in the Community Customs Territory) must be deducted. The customs authorities shall waive the requirement of all or part of the customs value declaration where:

- the customs value of the imported goods in a consignment does not exceed EUR 20 000, provided that they do not constitute split or multiple consignments from the same consignor to the same consignee, or
- the importations involved are of a non-commercial nature; or
- the submission of the particulars in question is not necessary for the application of the Customs Tariff of the European Communities or where the customs duties provided for in the Tariff are not chargeable pursuant to specific customs provisions.

Freight Documents (Transport Documentation)

Depending on the means of transport used, transport documents are filled in and presented to the customs authorities of the importing European Union (EU) Member State upon importation in order for the goods to be cleared.

For goods transported by sea, the transport document is the Bill of Lading, which is a document issued by the shipping company to the operating shipper, which acknowledges that the goods have been received on board. In this way the Bill of Lading serves **as proof of receipt of the goods by the carrier obliging him to deliver the goods to the consignee.** It contains the details of the goods, the vessel and the port of destination. It evidences the contract of carriage and conveys title to the goods, meaning that the bearer of the Bill of Lading is the owner of the goods.

Freight Insurance

The insurance is an agreement by which the insured is indemnified in the event of damages caused by a risk covered in the policy. Insurance is all-important in the transport of goods because of their exposure to more common risks during handling, storing, loading or transporting cargo, but also to other rare risks, such as riots, strikes or terrorism.

There is a difference between the goods transport insurance and the carrier's responsibility insurance. The covered risks, fixed compensation and indemnity of the contract of transport insurance are left to the holder's choice. Nevertheless, the hauler's responsibility insurance is determined by different regulations. Depending on the means of transport, indemnity is limited by the weight and value of the goods and is only given in case the transporter has been unable to evade responsibility.

The insurance invoice is required for customs clearance only when the relevant data do not appear in the commercial invoice indicating the premium paid to insure the merchandise.

Packing List

The packing list (P/L) is a commercial document accompanying the commercial invoice and the transport documents. It provides information on the imported items and the packaging details of each shipment (weight, dimensions, handling issues, etc.) It is required for customs clearance as an inventory of the incoming cargo. The generally included data are:

- Information on the exporter, the importer and the transport company
- Date of issue
- Number of the freight invoice
- Type of packaging (drum, crate, carton, box, barrel, bag, etc.)
- Number of packages
- Content of each package (description of the goods and number of items per package)
- Marks and numbers
- Net weight, gross weight and measurement of the packages

No specific form is required. The packing list is to be **prepared by the exporter according to standard business practice and the original along with at least one copy must be submitted**. Generally, there is no need to be signed. However, in practice, the original and the copy of the packing list are often signed. The packing list may be prepared in any language. However, a translation into English is recommended.



Chapter 5: Export Support Facilities

The Rwandan government is committed to increasing exports from Rwanda as an avenue to attain the goals of Vision 2020 and Vision 2050. Several organisations play various role in actualising this goal. In this Chapter, we shall list organisations in Rwanda, as well as those outside of Rwanda that may be of interest to an SME.

Key Export Support facilities in Rwanda:

- **NAEB:** a government body which promotes and facilitates agricultural exports and provides support to private agricultural stakeholders. <https://naeb.gov.rw/index.php?id=1>
- **RDB:** a government institution which promotes economic growth by promoting growth within the private sector. <https://rdb.rw/about-rdb/>
- **Rwanda Inspectorate, Competition and Consumer Protection Authority (RICA):** entity responsible for assessing the phytosanitary condition of agricultural products for export. <http://www.minagri.gov.rw/index.php?id=613>
- **CEPAR:** a private organization which represents its members and their interests through active participation in policy issues affecting coffee production, processing and marketing. <https://afca.coffee/portfolio-item/coffee-exporters-and-processors-association-of-rwanda-cepar/>
- **Rwanda Agriculture and Animal Resources Development Board (RAB):** promotes growth of the agricultural sector to a science, technology and market driven industry, with modern methods of agricultural and animal produce production. <http://rab.gov.rw/index.php?id=158>
- **EAC Quality Compass:** provides comprehensive and very detailed requirements about the quality requirements for exporting coffee to the EU, both mandatory and voluntary. See <https://un-consulting.ch/eac/compass>

Key Support facilities in Importing Markets

- **International Trade Centre:** a UN agency dedicated to supporting SMEs to export, the ITC provides market analysis tools; builds capacity of SMEs and supports policy advocacy among a host of other SME focused services. ITC also runs several programs that SMES may be interested in joining, for example SheTrades. See more on www.intracen.org and register for free on <https://www.trademap.org> to access TradeMap, Market Access Map and other market tools.
- **The ITC Coffee Guide:** Provides extensive information on all aspects of international trade of coffee, including but not limited to production and sales statistics, contracts, logistics, e-trade, futures, hedging, quality issues, certifications, social aspects, environment and climate change, among others. Access it on <http://www.thecoffeeguide.org/>.
- **CBI:** the Centre for the Promotion of Imports from developing countries, is part of the Netherlands Enterprise Agency and are funded by the Netherlands Ministry of Foreign Affairs dedicated to increasing exports to the EU. CBI produces regular market reports on specific markets in the EU and specific products. CBI also works with trade promotion organisations. For coffee, see <https://www.cbi.eu/market-information/coffee>
- **International Coffee Organization (ICO):** is the main intergovernmental organization for coffee, bringing together exporting and importing Governments to tackle the challenges facing the world coffee sector through international cooperation. Its Member Governments represent 98% of world coffee production and 67% of world consumption. ICO provides useful global and country specific data and information on a range of issues, including but not limited to coffee production, quality issues, sustainability as well as other relevant news and trends in the coffee sector. See <http://www.ico.org>

- **EU Pesticide Database:** the database contains details of all allowed pesticides, as well as those that are banned. <https://ec.europa.eu/food/plant/pesticides/eu-pesticides-database/>
- **The Codex Alimentarius Commission (CAC)** also maintains a pesticide database that outlines MRLs for different foods and food categories. Countries sometimes refer to this database in lieu of establishing their own MRLs within food safety regulations. <http://www.fao.org/fao-who-codexalimentarius/committees/cac/about/en/>
- **EU Export Health Desk** – provides product specific requirements, as well as import related procedures. See www.trade.ec.europa.eu/tradehelp
- **The Specialty Coffee Association:** for all matters on specialty coffee, including new trends in the industry, cupping profiles, existing support activities, among others, see <https://sca.coffee/>