

Coffee Export Procedures Guide for SMEs in Kenya



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Kenya



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Acronyms

ACP	Africa, Caribbean & Pacific
AFA	Agricultural and Food Authority
AfCFTA	African Continental Free Trade Area
AUC	African Union Commission
BMO	Business Membership Organisation
CAC	Codex Alimentarius Commission
COO	Certificate of Origin
CRI	Coffee Research Institute
DAO	District Agricultural Office
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
ENS	Entry Summary Declaration
EORI	Economic Operator Registration & Identification
EPA	Economic Partnership Agreement
EU	European Union
EXS	Exit Summary Declaration
GAP	Good Agricultural Practices
GHP	Good Hygiene Practices
GMP	Good Manufacturing Practices
GSP	Generalized System of Preferences
GSP	Good Storage Practices
HACCP	Hazard Analysis and Critical Control Point
ICO	International Coffee Organisation
ICS	Import Control System
IISD	International Institute for Sustainable Development
INCOTERM	International Commercial Terms
IPR	Intellectual Property Rights
ISO	International Standard Organisation
ITC	International Trade Centre
KARLO	Kenya Agricultural and Livestock Research Organisation

KCTA	Kenya Coffee Traders Association
KenTrade	Kenya Trade Network Agency
KEPHIS	Kenya Plant Health Inspectorate Service
KEPROBA	Kenya Export Promotion Branding Agency
KESWS	Kenya Electronic Single Window System
KIFWA	Kenya International Freight & Warehousing Association
KPA	Kenya Ports Authority
KRA	Kenya Revenue Authority
KWATOS	Kilindini Waterfront Automated Terminal Operations System
MAR	Market Access Regulation
MOHs	Mineral Oil Hydrocarbons
MRLs	Maximum Residue Limits
NCE	Nairobi Coffee Exchange
OTA	Ochratoxin A
PCPB	Pest Control Products Board
RoO	Rules of Origin
SAD	Single Administrative Document
SCEA	Shippers Council of Eastern Africa
SME	Small and Medium Enterprise
SPS	Sanitary and Phytosanitary
SQMT	Standardization, Quality Assurance, Metrology and Testing
TFA	Trade Facilitation Agreement
TBT	Technical Barriers to Trade
TSIs	Trade Support Institutions
UCR	Unique Consignment Reference
UNECA	United Nations Economic Commission for Africa
USD	United States Dollar
VSS	Voluntary Sustainability Standards
WTO	World Trade Organisation

About This Guide

This *Coffee Export Procedures Guide for SMEs in Kenya* 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.

From a crop that could only be farmed and owned by the colonial settlers in the early 1900s, coffee has, since independence, become a key pillar in Kenya's development, contributing significantly to its economic growth, employment and foreign exchange earnings. Importantly, coffee contributes directly to the livelihoods of over 700,000 small holder growers and indirectly to over five million persons. Kenya is renowned as a producer of superior quality coffee and amongst the best in the world, largely due to positive attributes arising from favourable growing conditions: well-distributed rainfall, high altitude (1,500– 2,000 metres above sea level), moderate temperatures and deep red volcanic soils. Despite this fact, the benefits (in terms of earnings and employment) from the sector are not proportional to the immense potential the commodity holds.

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 Kenya 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 Kenya 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 Kenya, 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.

In terms of structure, the Coffee Export Procedures Guide is divided into five chapters. Chapter 1 introduces Kenya's coffee trade, looking at its production, exports and imports. The Chapter also looks at Kenya 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 Kenya 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: Kenya Coffee Trade: Existing and Potential

Overview and Objectives of Chapter 1:

This Chapter provides an overview of Kenya'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 Kenya 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 Kenyan Coffee SME of the global, EU and African markets for coffee and the export opportunities in them.
- To provide the Kenyan coffee SME with a list of credible information and data sources on the coffee sector

Overview of the Coffee Sector in Kenya

Coffee was introduced in Kenya from Brazil around 1893 by missionaries and taken up as a cash crop from 1895 by the British colonialists. Originally controlled and contained in a few coffee estates, it is now grown on an estimated total area of 115,570 hectares in 32 out of 47 counties in Kenya, mainly by small holder farmers. It has also been one of the key pillars of Kenya's economy since independence. Among the agricultural sub-sectors in Kenya, coffee is the third largest contributor after tea and horticultural, contributing to foreign exchange, income generation as well as employment. In 2019, exports of unroasted coffee contributed KES 20.3 billion (app. USD 230M) according to the Economic Survey (2020)¹. The sector contributes to the livelihoods of over 700,000 smallholder growers and employs an estimated 30% (five million people) of the labour force in agricultural sector. The sector's key role is recognized in the Government's efforts to fight poverty and one of the targeted sectors in the agricultural sector's contribution towards the realization of Kenya's Vision 2030, which is the country's developmental blueprint.

Kenya mainly produces 'mild Arabica' type of coffee, although the Robusta type is now being grown in the Western part of Kenya. Kenya's coffee is well known for its intense flavour, full body, and pleasant aroma with notes of cocoa. It has a distinctly bright acidity and potent sweetness with a dry winery aftertaste. Among the best Kenya coffee, one can find intoxicating black-currant flavour and aroma². Some of Kenya's coffee, such as the 'Kenya AA coffee' is renowned globally as one of the world's best premium coffee beans and known to exhibit a full body and strong, rich taste with a pleasant acidity that some say provides the world's brightest coffee, with an aroma that is fragrant with floral tones while the finish is winery with berry and citrus overtones³.

The coffee sector is regulated by the Coffee Directorate, which sits under the Agricultural Food Authority (AFA), itself reporting to the State Department for Agriculture under the Ministry of Agriculture, Livestock and Fisheries. The Directorate's mandate includes formulation of policies and rules to regulate and develop the coffee industry; registration and licensing of coffee buyers; warehousemen; processed coffee import permits; independent cupping centres and Liquorer's practicing license; provision of advisory services related to coffee production and quality enhancement, including research at Coffee Research Institute (CRI) and collection and analysis of coffee related data, among others. The Crops (Coffee)(General) Regulations 2019 also introduced other licensing authorities, namely the County governments and the Capital Markets Authority (CMA)⁴. The Kenya Coffee Traders Association (KCTA) was registered in April 2002 to represent the interest of millers;

1 Kenya National Bureau of Statistics, Economic Survey 2020, April 2020.

2 Former Coffee Board of Kenya now Coffee Directorate under AFA

3 Ibid. See also <https://espressocoffee.com/best-coffee-beans/>

4 AFA Coffee Directorate, <https://coffee.agricultureauthority.go.ke/>

marketing agents; dealers; warehousemen; roasters and coffee equipment suppliers. KCTA works closely with the AFA-Coffee Directorate, CRI and the Nairobi Coffee Exchange (NCE) to represent the interests of the industry.

The coffee year in Kenya runs from 1st October to 30th September, with harvesting occurring in two periods- from April to June and from October to December. Exporting is however done throughout the year, in January to July for the main (late) crop harvested in October to December and in August to December for the early crop harvested in April to June. In 2018/19 season, there were 2,691 coffee producers, comprising 2,132 coffee estates and 559 in cooperatives. The number of coffee factories in all the 32 coffee growing counties affiliated to the 559 societies were 1,065. Further, there were 316 District Agricultural Office (DAO) farmers who also produced alongside the two main sectors. Kenya's production system is 69% cooperative with top counties in terms of production being Kiambu, Kirinyaga, Nyeri, Muranga and Kericho⁵.

In terms of value addition, there are 30 roasters who process 138,500 bags of coffee. Domestic consumption is estimated at around 18,396 bags (about 13%) only⁶. This low domestic coffee consumption is attributed to the predominant tea drinking culture and non-affordability of coffee due to low purchasing power for a majority of the population. The last one decade however has seen the coffee drinking culture taking root especially amongst the middle-income groups and youthful population. Coffee houses that are conveniently located in shopping malls have been established and most are usually busy and well patronized. Imported soluble coffees continue to enjoy a stable, though modest, market. In the rural areas, few farmers' cooperatives are beginning to set up small scale roasting plants and coffee houses⁷.

In terms of production, **Kenya is the third largest producer in the East African Community (EAC) region, after Uganda and Tanzania.** In 2018, Kenya produced 890,000 (60kgs) bags of coffee, compared to Tanzania's 1,175,000 (60kgs bags) and Uganda's 4,704,000 (60kgs bags). Globally, **Kenya produces 0.52% of the global coffee, based on the 2018 data** in Table 1 below.

The EAC region combined produced around 7.215 million 60kg bags of coffee in 2018, which is about **38.7% of all coffee produced in Africa and 4.2% of coffee produced globally**⁸. Uganda alone produces 65% 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. Over the period 2015-2018, an upward trend in the production is observed for all EAC Partner States, except Burundi, whose production has steadily declined over the years in focus.

5 Agriculture and Food Authority, Coffee Year Book, Season 2018/19

6 ICC-124-7e-Profile-Kenya- ICO/AFA March 2019

7 017 Kenya Coffee Report – Global Agricultural Information Network (GAIN) Report, May 2107

8 International Coffee Organisation, ICO (<http://www.ico.org>) – Accessed July 2020. Updates for 2019 year expected in November 2020.

Table 1, Coffee crop production, in thousands of 60kg bags, 2015-2018⁹

Crop year production				
Country	2015	2016	2017	2018
World Total	153,987	159,960	158,083	170,561
Burundi	274	249	202	178
Kenya	799	793	790	890
Rwanda	293	231	254	268
Tanzania	930	846	783	1,175
Uganda	3,650	4,962	4,597	4,704
Top Producers Globally				
Brazil	52,871	56,788	52,740	62,925
Colombia	14,009	14,634	13,824	13,858
Vietnam	28,737	25,540	27,888	31,174
Ethiopia	6,714	7,297	7,454	7,776

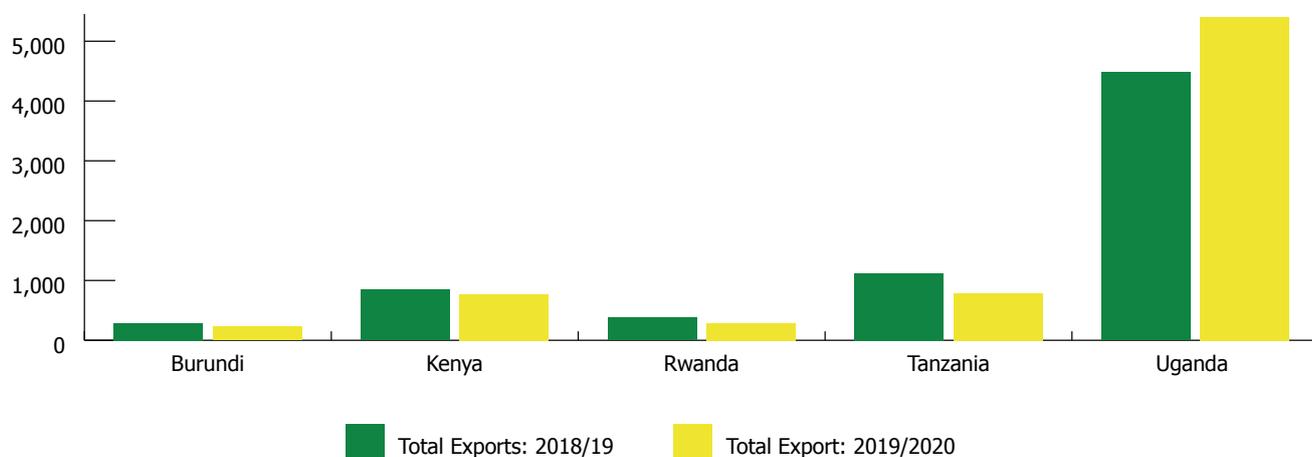
Source: International Coffee Organisation, ICO (<http://www.ico.org> – Accessed June 2020)

In terms of exports, **over 95% of the coffee produced in the region is exported in unprocessed form**, as illustrated in *Figure 1 below*.

Like many producing countries, Kenya 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 beans¹⁰.

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

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



⁹ International Coffee Organisation, ICO (<http://www.ico.org> – Accessed July 2020. Updates for 2019 year expected in November 2020.

¹⁰ EAC Quality Compass (<https://un-consulting.ch/eac/compass>);

The following is the Kenya national green coffee grading system:¹¹

Washed

Grade	Screen Size
PB	Peaberries
AA	Screens: 17 and 18 = 7.2 mm
AB	Screens: 15 and 16 = 6.6 mm
C	Screens: 14 and 15
E	Elephant. When the beans separate during processing, they are chipped and called "Ears". This category also contains large "Peaberries".
TT	Light beans separated from AA and AB by air current
T	Smaller than TT, many fragments. Light beans separated from C by air current
UG	Ungraded: all that does not fit the specific criteria for each official grade.

Natural

Grade	Screen Size
M'buni	Deteriorated beans (branches broken by the wind or the weight of the cherries), processed by the dry method
MH	M'buni Heavy = large beans
ML	M'buni Light = small beans. Can be exported. As is sorted: machine-cleaned, electronic-sorted, hand-picked once or twice.

Cup Profile

Quality Descriptors	
Traditional descriptions	<ul style="list-style-type: none"> There are 10 classes of Kenyan coffee dependent on cup quality, 1 being the best and 10 the poorest. Various descriptions include: Fine, Good, Fair to Good, Fair to average Quality (FAQ), Fair, Poor to Fair, and finally Poor. Those classes and descriptions are becoming obsolete. FAQ is the only one still commonly used.
Current descriptions	<ul style="list-style-type: none"> Main crop coffee is considered a much better quality than fly crop coffee. Sellers often add this distinction to the description. Due to lack a quality of some FAQ shipments, shippers started to use the term FAQ PLUS for their better FAQs

Kenya's Coffee Exports

Kenya's coffee is marketed through a central auction system – the Nairobi Coffee Exchange (NCE), which is managed by a committee that consists of representatives of the industry stakeholders. By law, coffee marketing is done by marketing agents and not by producers or growers. Each producer / grower / cooperative is required to appoint an agent to market coffee on their behalf. The marketing agent does not own the coffee, but is responsible for the warehousing and the logistics processes related to it, as well as presenting samples at the auction. These agents have to be licensed by the Coffee Directorate.

Direct sales to buyers from importing countries have been authorized as a second window mainly for the growers who directly sign contracts with the buyers. Through this window, producers sometimes earn more than through the auction system. In the 2018/19 coffee year, producers selling through the direct window earned USD 4.35 per kilogram compared to USD 2.95 per kilogram in net proceeds at the auction¹².

¹¹ <http://www.supremo.be/en/kenya>

¹² Agriculture and Food Authority, Coffee Year-Book, Season 2018/19

Looking at data for exports, Kenya saw a gradual increase in the value earned between 2015 to 2018, **rising to a high of USD 231.8M in 2018, before dropping by 11.6% to USD 204.9M, in 2019** as noted in Table 2 below. Kenya's leading export market in **2019 was Belgium, with export values of USD 38M; followed by Germany (USD 30.9M); USA (USD 30.7M), Korea (USD 18.4M and Sweden (USD 11.2M)**

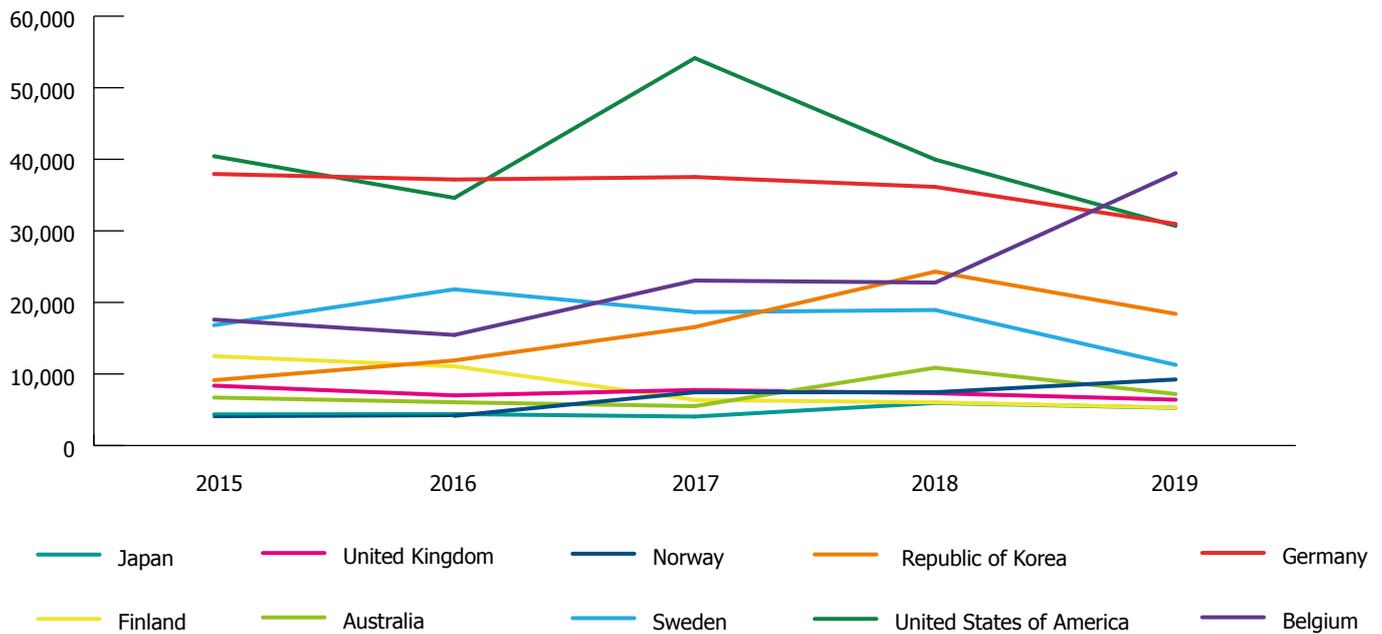
Table 2, Top 20 Export Markets for Kenya Coffee, in '000 USD

Importers	2015	2016	2017	2018	2019
World	211,386	212,476	229,678	231,756	204,889
Belgium	17,590	15,451	23,058	22,768	38,058
Germany	37,950	37,173	37,523	36,141	30,965
United States of America	40,431	34,606	54,137	39,961	30,687
Republic of Korea	9,130	11,889	16,557	24,296	18,397
Sweden	16,815	21,829	18,640	18,937	11,269
Norway	3,999	4,150	7,443	7,446	9,231
Australia	6,705	6,044	5,500	10,869	7,196
United Kingdom	8,363	7,003	7,760	7,311	6,405
Finland	12,491	11,068	6,372	6,027	5,300
Japan	4,345	4,394	4,044	5,947	5,264
Canada	7,676	5,929	4,324	5,154	4,185
Denmark	863	1,368	2,380	2,940	4,087
Switzerland	12,394	17,221	11,016	11,378	3,724
Spain	3,330	2,902	4,010	3,526	3,432
Romania	1,046	1,848	2,089	3,441	3,286
Netherlands	5,565	7,371	5,028	5,232	2,307
Jordan	1,012	2,094	1,484	1,779	2,176
France	4,215	2,247	2,174	1,312	1,575
Russian Federation	157	202	96	222	1,466
Taipei, Chinese	1,137	1,287	1,593	2,191	1,401

Source: ITC calculations based on UN COMTRADE and ITC statistics (Accessed June 2020)

In terms of trends in the top export markets for Kenya's coffee (see Figure 2 below); the USA was the main market in 2015, 2017 and 2018, but declined to third place in 2019. Belgium on the other hand has seen a steady rise as a destination market since 2016, registering a sharp increase of 67% from 2018 to become the top market in 2019. Exports to Germany (which also happens to be the key export market for EAC coffees) have been steady over the last five years, before registering a 14% decline between 2018 and 2019.

Figure 2, Kenya's Top 10 Export Markets, in '000 USD, Trends



Source: ITC calculations based on UN COMTRADE and ITC statistics

Looking at the type of coffee exported, we note that Kenya mainly exports unprocessed coffee, at USD 199M in 2019, representing 97% of all export earnings. The value of roasted coffee in 2019 was USD 4.7 Million, up from USD 234,000 exported in 2015, registering a sharp increase of 1911%. See Table 3 below:

Table 3, Breakdown of Coffee Products Exported by Kenya, in '000 USD

HS Code	Product label	2015	2016	2017	2018	2019
090111	Coffee (excluding roasted and decaffeinated)	209,946	210,468	226,728	227,891	198,932
090121	Roasted coffee (excluding decaffeinated)	234	246	1,547	2,517	4,706
090190	Coffee husks and skins; coffee substitutes containing coffee in any proportion	892	1,411	1,152	1,190	939
090112	Decaffeinated coffee (excluding roasted)	161	180	122	60	223
090122	Roasted, decaffeinated coffee	152	171	129	98	90

Sources: ITC calculations, based on Kenya National Bureau of Statistics and UN COMTRADE statistics.

Unlike unprocessed coffee, the leading market for Kenya's roasted coffee is Denmark, which imported **USD 3.6M, or 77% of all roasted coffee exports**; followed by **Somalia with USD 492,000** and **Russia with USD 283,000**.

Kenya's Exports in the Context of the EAC

Looking at Kenya's exports in the context of the EAC, the region exported coffee worth USD 863M in 2019, down from USD 939M in 2018. Of this, and in line with its being the highest producer, Uganda had the highest share of the export earnings, at 45% or USD 392M. Kenya was second with USD 204M (or 23.7%), followed by Tanzania at USD 158M (or 18.3%). See Table 4 below.

Table 4, EAC Cxports of Coffee, in '000 USD

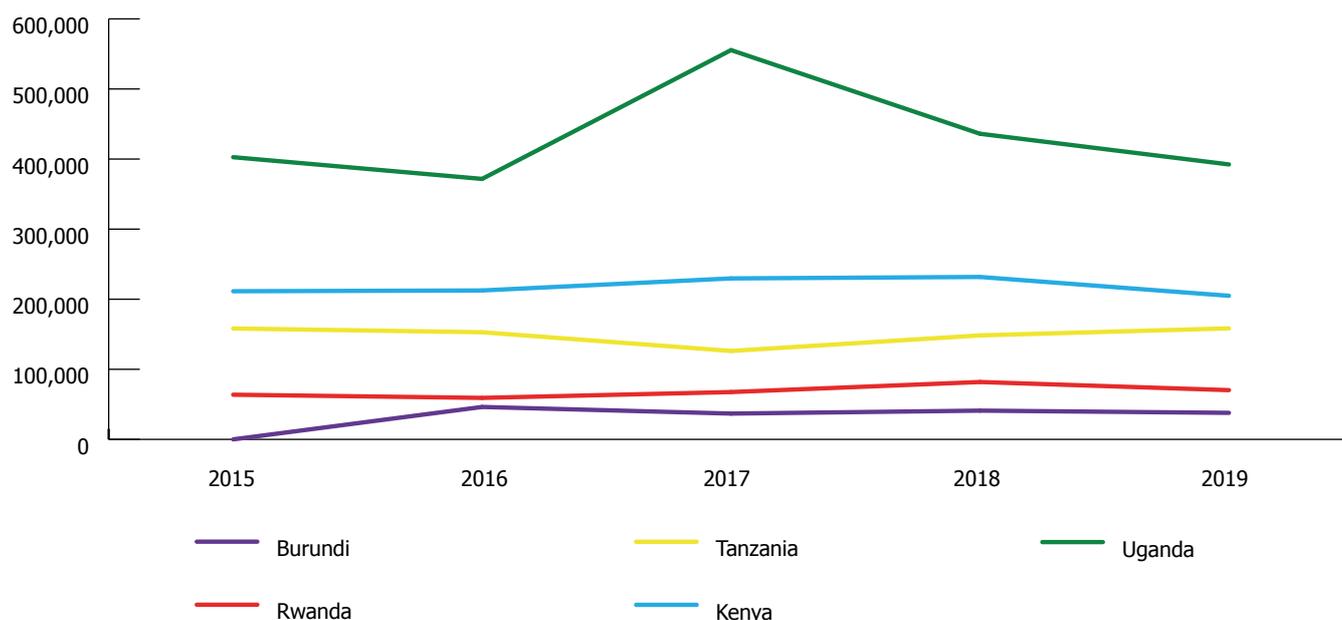
Exporters	2015	2016	2017	2018	2019
East African Community (EAC) Aggregation	835,982	842,464	1,015,614	939,031	863,722
Uganda	402,634	371,674	555,454	436,084	392,320*
Kenya	211,386	212,476	229,678	231,756	204,889
Tanzania	158,234	152,870	126,174	148,341	158,427
Rwanda	63,728	59,185	67,504	81,846	70,238
Burundi	0	46,259	36,804	41,004	37,848

Sources: ITC calculations, based on Kenya National Bureau of Statistics and UN COMTRADE statistics

*Data in orange is mirror data, pending confirmation by respective Bureaus of Statistics.

Looking at Figure 3 below, the decrease in the region's exports corresponds to a decrease in Uganda's exports in the main, but also one in Kenya and Rwanda and Burundi. Indeed only Tanzania recorded an increase in exported value during the period 2017 to 2019. As seen below and in Table 4 above.

Figure 3, EAC Exports of Coffee, in '000 USD, Trends



Kenya's Coffee Imports

In line with a predominantly tea drinking culture, as well as limited roasting of coffee domestically, the level of coffee imports by Kenya is relatively low and sporadic. In addition, given that a number of coffee multinational enterprises have their headquarters in Nairobi, it is most likely that the imports are re-exported and not consumed locally. In 2019, Kenya imported coffee worth USD 4.1M, a 27% decline from 2018. The key exporting market for coffee imported by Kenya were Uganda (USD 1.4M); Rwanda (USD 934,000), DRC (USD 702,000), Ethiopia (USD 311,000); Burundi (USD 296,000) and Tanzania (USD 120,000M). See Table 5 below.

Table 5, Kenyan Imports of Coffee, in '000 USD

Exporters	2015	2016	2017	2018	2019
World	3,667	2,030	3,762	5,568	4,073
Uganda	235	0	1,172	1,459	1,410
Rwanda	1,517	810	630	2,513	934
DRC	0	192	873	573	702
Ethiopia	81	244	129	178	311
Burundi	409	241	349	169	296
Tanzania	391	403	132	176	120

Sources: ITC calculations, based on Kenya National Bureau of Statistics and UN COMTRADE statistics

Looking at the type of coffee imported, majority of it is unroasted / unprocessed coffee at USD 3.4M, followed by roasted coffee worth USD 395M, as shown in Table 6 below.

Table 6, Categories of Coffee Imported by Kenya, in '000 USD

HS Code	Product label	2015	2016	2017	2018	2019
090111	Coffee (excluding roasted and decaffeinated)	2,321	1,605	3,307	4,877	3,397
090121	Roasted coffee (excluding decaffeinated)	31	28	199	112	395
090190	Coffee husks and skins; coffee substitutes containing coffee in any proportion	1,172	365	243	480	242
090112	Decaffeinated coffee (excluding roasted)	139	31	1	90	32
090122	Roasted, decaffeinated coffee	3	1	12	9	7

Sources: ITC calculations, based on Kenya National Bureau of Statistics and UN COMTRADE statistics

Looking at imports in the context of the EAC, the region imported coffee worth USD 10M in 2019, down from 16M in 2018 and 21M in 2017. Uganda was the largest importer with over 57% of all imports, valued at USD 5.8M, with Kenya a close second with 40% of imports at USD 4.1M. Combined, Uganda and Kenya imported 97.1% of all EAC imports of coffee. Looking at the category of coffee imported into the EAC, Table 8 shows over 97% is unprocessed coffee at USD 9.2M, followed by roasted coffee at USD 629M.

Table 7, EAC Imports of Coffee, in '000 USD

Importers	2015	2016	2017	2018	2019
East African Community (EAC) Aggregation	20,132	12,209	20,975	16,302	10,157
Uganda	15,702	9,070	16,907	7,851	5,806
Kenya	3,667	2,030	3,762	5,568	4,073
Tanzania	284	174	146	55	238
Burundi	156	10	24	13	20
Rwanda	323	925	136	2,815	20

Sources: ITC calculations, UN COMTRADE statistics and National Bureaus of Statistics

Table 8, EAC Imports of Coffee by Product Category, in '000 USD

HS Code	Product label	2015	2016	2017	2018	2019
090111	Coffee (excluding roasted and decaffeinated)	2,713	2,147	7,014	14,279	9,158
090121	Roasted coffee (excluding decaffeinated)	210	64	215	153	629
090190	Coffee husks and skins; coffee substitutes containing coffee in any proportion	16,939	9,940	11,076	653	308
090112	Decaffeinated coffee (excluding roasted)	157	42	2,611	1,186	47
090122	Roasted, decaffeinated coffee	112	17	56	31	15

Sources: ITC calculations, UN COMTRADE statistics and National Bureaus of Statistics

Exploring Opportunities in the European Union (EU)

The EU is an important market for all coffee producing countries, Kenya included. The 27 EU countries and the UK (hereafter 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.** 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 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 rates at just above 5kg of coffee per person a year. Within the Europe, the Nordics are the leading coffee consumers, with Finland accounting for, per annum, 12kg per capita, Norway at 9.9 kg, Denmark at 8.7kg and Sweden at 8.2kg.

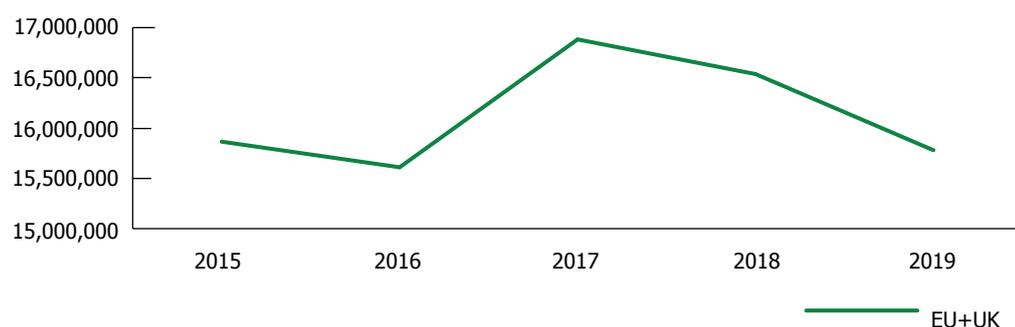
Exports to the EU+UK have been somewhat erratic over the last five years: in 2015, imported value was USD 16 billion, decreasing to USD 15.6 billion, before rising sharply to USD 16.9 billion, before declining to USD 16.6 billion in 2018. See *Figure 4* below. In terms of specific EU member countries, the main importing markets in 2019 were Germany (with USD 3.2 billion); France (USD 2.7 billion), Italy (USD1.6 billion), Netherlands (USD 1.2 billion) and Belgium (USD 1.1 billion), as illustrated in *Table 9* below.

Table 9, EU+UK Imports of Coffee, 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
EU+UK 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

Sources: ITC calculations, UN COMTRADE statistics

Figure 4, European Coffee Imports, in '000 USD, Trend



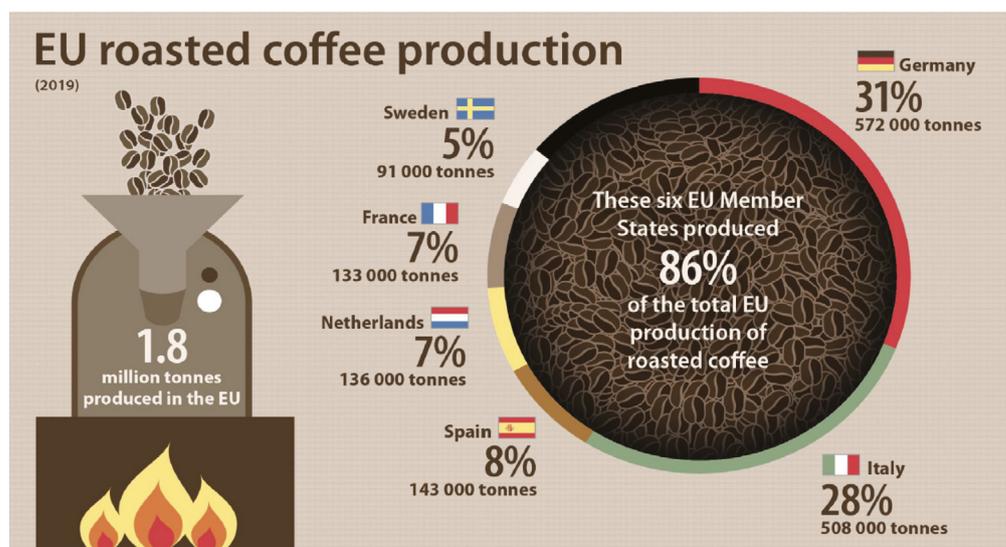
In 2019, Kenya exported coffee worth USD 108 million to the EU, more than 50% of total Kenyan exports for the year. The 2019 value was a decrease from USD 112M exported in 2018 and USD 124M in 2017. Despite the significance of the European market for Kenyan coffee, Kenya is still only the 24th largest exporter of coffee to the EU+UK, after top producing country exporters Brazil (USD 2.2 billion), Vietnam (USD 1.3 billion), Honduras (USD 631M), and Colombia (USD 589M). See *Table 10* below.

Table 10, List of Supplying Markets for Coffee Products Imported by EU+UK, in '000 USD

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	6,902,96
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

Also telling from the table above is that other 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 1.8 billion. 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 market. 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.

Figure 5, EU Roasted Coffee Production (2019)¹³



The bulk of Kenya’s exports is unprocessed coffee, which is also EU’s largest import category of coffee. Across all categories of coffee, a huge potential for trade exists as seen in Table 11 below – for example, the EU+UK imported in 2019 USD 8.2 billion worth of unprocessed coffee (HS 090111), against Kenya’s exports to the EU+UK of USD 104M. For roasted coffee, (HS 090121), EU+UK imported coffee worth USD 6.6 billion, against Kenya’s exports worth USD 3.4 million.

Table 11, Existing and Potential Trade with the EU+UK, in ‘000 USD

HS code	Product label	EU+UK imports from Kenya			Kenya’s exports to world			EU+UK imports from world		
		Value in US Dollar thousand			Value in US Dollar thousand			Value in US Dollar thousand		
		2017	2018	2019	2017	2018	2019	2017	2018	2019
090111	Coffee (excluding roasted and decaffeinated)	121,857	109,305	104,544	226,728	227,891	198,932	9,382,418	8,823,116	8,188,695
090121	Roasted coffee (excluding decaffeinated)	1,856	2,234	3,410	1,547	2,517	4,706	6,687,065	7,063,902	6,946,613
090112	Decaffeinated coffee (excluding roasted)	80	26	11	122	60	223	188,514	169,748	167,697
090190	Coffee husks and skins; coffee substitutes containing coffee in any proportion	1	2	3	1,152	1,190	939	61,212	76,152	73,712
090122	Roasted, decaffeinated coffee	2	0	1	129	98	90	515,413	455,143	425,851

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 Kenyan 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 Kenyan 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. Due to its quality, Kenya 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. This means that they would not buy more Kenya coffee even if they might want to, because it will mean increasing the price of their product.

On the supply side, some of the factors include production related impediments, with Kenya's production being in the long term on the decline due to among others, poor productivity and yields compared to leading markets, as well as agricultural land being converted to other use.

Understanding the trading regime between the EU and Kenya

The EAC and the EU *agreed and initialed* an **Economic Partnership Agreement (EPA) on 16 October 2014**. The conclusion allowed the restoration of duty free, quota free access to the EU market for Kenyan products, which had ended on 1 October 2014, when the EU Regulation 527/2013 on Market Access expired. **Only Kenya, which does not enjoy the 'Everything But Arms' (EBA) preferential arrangement** was affected by this expiry. 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 net in force.

To ensure continued access to the EU market, Kenya in its individual capacity signed the EPA on 1st September 2016 and had it ratified by the Parliament of Kenya on September 20, 2016. **This ratification allowed Kenya to continue to benefit from EC Market Access Regulation No 1528/2007** which governed the EU preferential market access regime for African, Caribbean and Pacific (ACP) countries that have negotiated EPAs with the EU. As of 28 July 2016, Regulation (EC) No 1528/2007 was repealed and replaced by **Regulation (EU) 2016/1076 of the European Parliament and of the Council of 8 June 2016**.

Under the EPA / Regulation (EU) 2016/1076 arrangements, **Kenyan 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.
- **Taxes** – under the MAR no. 1528/2007, no taxes are payable on coffee exported from Kenya to the EU
- **Proof of Origin:** The coffee being exported needs to be accompanied by Proof of Origin – through a certificate of origin, currently issued by the Kenya Revenue Authority. 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 KRA). Exporters apply to become registered exporters by filling in an application form and by returning it to KRA. 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

Continues>>

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. Kenya started implementing the REX system in 2017 and currently has 183 registered exporters.

- **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, Kenyan exporters may also export coffee from other EAC Partner States, including if mixed with Kenyan coffee as other Partner States benefit from DFQF access to the EU under EBA scheme

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)

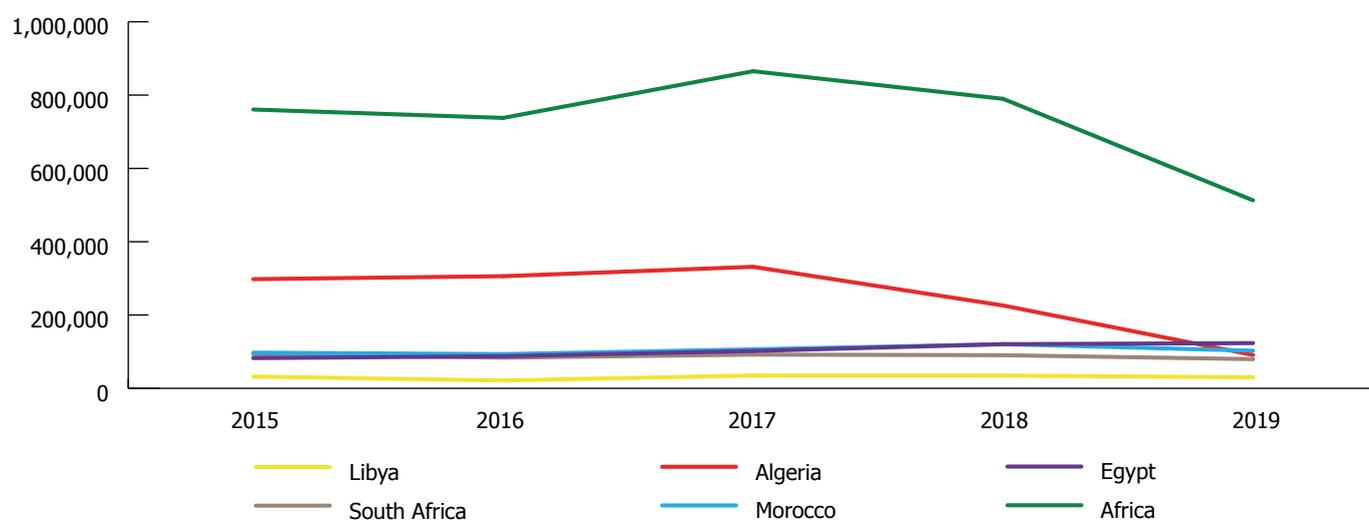
Africa is not a very large market for exported coffee, which may be explained by two factors – one – a predominantly tea drinking culture and two, a number of coffee consuming countries are also producing countries, for example Ethiopia. **In 2019, Africa imported 1.68% of total world imports of coffee at USD 513M, a sharp decline of 35.1% from 2018 figure of USD 789M.** See Table 12 below.

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 6 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**.

Table 12, Top 20 Importers of African Coffee, 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

Figure 6, Africa's Imports of Coffee, in '000 USD, Trends



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 13 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). See Table 14 below.

Table 13, Categories of Coffee Imported by Africa, in '000 USD

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

Table 14, List of Top 25 Supplying Markets for Coffee Imported by Africa, in '000 USD

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

Kenya's exports to Africa are very low, pointing to a largely unexploited potential, not only for unprocessed coffee, of which Africa imported USD 396M in 2019 against Kenya's exports of USD 2M, but also for roasted coffee, which accounted for USD 95M against Kenya's import of USD 537,000! See *Table 15* below. As earlier stated, various factors impact on this potential demand and the Kenyan SME will need to research the preferences of each African market to better target their export efforts.

Table 15, Existing and Potential Trade between Africa and Kenya, in '000 USD

HS Code	Product label	Africa's imports from Kenya			Kenya's exports to world			Africa's imports from world		
		Value in US Dollar thousand			Value in US Dollar thousand			Value in US Dollar thousand		
		2017	2018	2019	2017	2018	2019	2017	2018	2019
090111	Coffee (excluding roasted and decaffeinated)	7,314	3,772	1,967	226,728	227,891	198,932	743,011	655,765	395,866
090121	Roasted coffee (excluding decaffeinated)	16	120	537	1,547	2,517	4,706	81,472	106,690	94,894
090190	Coffee husks and skins; coffee substitutes containing coffee in any proportion	221	250	233	1,152	1,190	939	20,756	11,343	10,117
090112	Decaffeinated coffee (excluding roasted)	1	1	116	122	60	223	6,804	4,672	1,826
090122	Roasted, decaffeinated coffee	3	2	7	129	98	90	13,025	11,286	10,118

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 July 2020, 30 countries have both signed and ratified the AfCFTA Agreement. Of the 55 AU member states, only Eritrea has yet to sign.** 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 was **due to commence on 1 July 2020**, but due to the COVID-19 global pandemic, this date is being postponed and a new date is yet to be confirmed by the African Union Commission (AUC). More importantly, **negotiations on the tariff concessions as well as the rules of origin, two critical aspects of any trade in goods, are yet to be completed.**

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 Kenyan coffee sector SME with an overview the export market for Kenyan 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 Kenya specific data on producing, milling, processing and exporting coffee, the AFA Coffee Directorate provides regular updates. See <https://coffee.agricultureauthority.go.ke/> For support on all issues relating to export of coffee, including on matters related to policy, the Kenya Coffee Traders Association (KCTA) is the representative body for exporters, millers, marketing agents, dealers, warehousemen, roasters and coffee equipment suppliers. They can be reached on <http://www.kenyacoffee.co.ke/>
- 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 Requirements¹⁴

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 Kenyan coffee SME with a consolidated and simplified reference to the mandatory requirements for exporting coffee to the EU;
- To provide the Kenyan coffee SME with an overview of EU coffee market preferences and trends that the SME may tap into;
- To provide Kenya's TSIs with a reference point for the requirement SMEs must fulfill in order to tap into the EU Market; and,
- To point the Kenyan coffee SME 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 / hinderances 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 Kenya may sometimes vary from those that apply to coffee from Brazil or Colombia, given the different climatic, pest, disease occurrences in these countries.

¹⁴ The bulk of this information is obtained from the EAC Quality Compass (<https://un-consulting.ch/eac/compass>); the EU Export Help Desk (<https://trade.ec.europa.eu/tradehelp/myexport/#?product=090100000&partner=KE&reporter=DE&tab=3>; <https://trade.ec.europa.eu/tradehelp/coffee>

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.¹⁵ 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.

15 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 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 foodstuff 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 Kenya, the **Kenya Plant Health Inspectorate Service (KEPHIS)** 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 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 despatch.
- 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 authorised 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 authorised 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 Port Health Services and is required for each consignment for export. In Kenya, the relevant authority is the Port Health Services Kenya under the Ministry of Health.

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 is Kenya supplied the coffee to him. 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.

Below 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.

Kenya Coffee Standards

The following are the Kenyan Coffee Standards, which can be purchased from the Kenya Bureau of Standards (KEBS).

Green Coffee Standards

- KS EAS 130:1999: Green coffee beans - Specification.
- KS ISO 4150:2011: Green coffee or raw coffee Size analysis Manual and machine sieving.
- KS ISO 10470:2004: Green coffee- Defect reference chart.
- KS ISO 1446:2001: Green coffee - Determination of water content-Basic reference method.
- KS ISO 4149:2005: Green coffee - Olfactory and visual examination and determination of foreign matter and defects.
- KS 2366:2018: Coffee industry - Code of practice.
- KS 2221:2011: Coffee packaging – specification.
- KS ISO 6666:2011: Coffee sampling - Triers for green coffee or raw coffee and parchment coffee.
- KS 173:2011: Glossary of terms used in coffee trade.
- KS ISO 20481:2008: Coffee and coffee products - Determination of the caffeine content using high performance liquid chromatography (HPLC) - Reference method.
- KS ISO 3509:2005: Coffee and coffee products - Vocabulary.
- KS 2366:2018: Coffee industry - Code of practice.
- KS 2221:2011: Coffee packaging – specification.
- KS ISO 6666:2011: Coffee sampling - Triers for green coffee or raw coffee and parchment coffee.
- KS 173:2011: Glossary of terms used in coffee trade.
- KS ISO 6669:1995: Green and roasted coffee - Determination of free flow - Flow bulk density of whole beans (Routine Method).
- KS ISO 8455:2011: Green coffee Guidelines for storage and transport.
- KS ISO 6673:2003: Green coffee - Determination of loss in mass at 105 degrees Celsius.
- KS ISO 6667:1985: Green coffee - Determination of proportion of insect-damaged beans.
- KS ISO 6668:2008: Green coffee - Preparation of samples for use in sensory analysis.
- KS 273:1999: Specification for woven bags (100 per cent) for clean coffee beans (Third Edition).

Roasted Coffee Standards

- KS 748-1:1988: Specification for coffee drying cloth - Part 1: Sisal cloth.
- KS 1052:2011: Roasted coffee beans and roasted ground coffee - Specification
- KS ISO 11817:1994: Roasted ground coffee - Determination of moisture content - Karl Fischer method (Reference method).
- KS ISO 11294:1994: Roasted ground coffee - Determination of moisture content - Method by determination of loss in mass at 103 (Routine method).
- KS ISO 20481:2008: Coffee and coffee products - Determination of the caffeine content using high performance liquid chromatography (HPLC) - Reference method
- KS ISO 3509:2005: Coffee and coffee products - Vocabulary.
- KS 2366:2018 Coffee industry - Code of practice.
- KS 2221:2011 Coffee packaging - specification.
- KS 173:2011 Glossary of terms used in coffee trade.
- KS ISO 6669:1995 Green and roasted coffee - Determination of free flow - Flow bulk density of whole beans (Routine Method).
- KS 748-1:1988 Specification for coffee drying cloth - Part 1: Sisal cloth.
- KS 1274:1996 Specification for epoxy paint for coffee fermentation tanks.
- KS 273:1999 Specification for woven bags (100 per cent) for clean coffee beans (Third Edition).

Instant / Soluble Coffee Standards

- KS ISO 11292:1995: Instant coffee - Determination of free and total carbohydrate contents - Method using high performance anion exchange chromatography.
- KS ISO 8460:1987: Instant coffee - Determination of free flow and compacted bulk densities.
- KS ISO 3726:1983: Instant coffee - Determination of loss in mass at 70 under reduced pressure.
- KS ISO 6670:2002: Instant coffee - Sampling method for bulk units with liners.
- KS 175: 2017: Instant coffee - Specification.
- KS ISO 24114: 2011: Instant coffee - Criteria for authenticity.
- KS ISO 4072:1982: Instant coffee - Determination of loss in mass at 70 degrees Celsius under reduced pressure.

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 outrightly, 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 familiarise 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 drymatter 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 coffeebased, drymatter 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.¹⁶ 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.¹⁷ 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.¹⁸ 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).¹⁹

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

17 Ibid.

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

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

The section below elaborates the main certification schemes in Kenya

- **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 comprises²⁰:
 - 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 Organisations 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>

In Kenya, most of the certified farmers, usually the small holder farmers fall under fairtrade and a good volume of coffee is sold as fairtrade certified. 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>

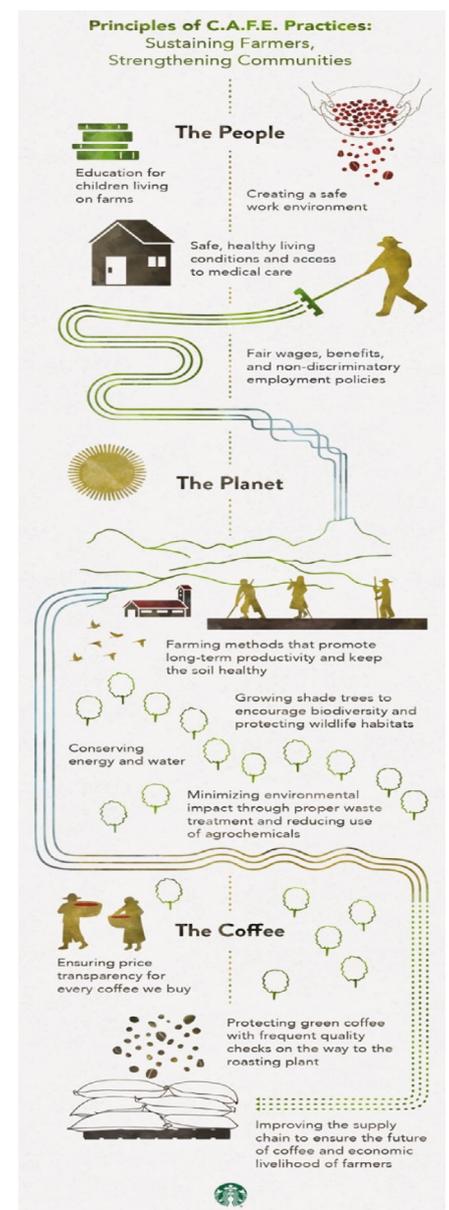
20 <https://www.4c-services.org/>

- **Rainforest Alliance – UTZ:** Approximately 15% of all coffee in the world was Rainforest Alliance-UTZ certified in 2017, totalling 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.
- **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, Kenya included²¹. 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.

In Kenya, C.A.F.E. Practices were introduced in 2005 as the Kenya Heartland Coffee Project, a partnership between AWF and Starbucks. The volumes sold as CAFÉ Practices verified are low, compared to other certifications. Volumes sold under this certification is not large as the coffee 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 Development²² 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 7, Principles of C.A.F.E. Practices



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

21 <https://www.starbucks.com/>

22 Kimberly Ann Elliott. 2018. "What Are We Getting from Voluntary Sustainability Standards for Coffee?" CGD Policy Paper. Washington, DC: Center for Global Development. <https://www.cgdev.org/publication/what-are-we-getting-voluntary-sustainability-standards-coffee>

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:

- AFA Coffee Directorate – is the regulatory body for the coffee sector and officially the lead on all matters coffee. See <https://coffee.agricultureauthority.go.ke/>
- Pest Control and Produce Board (PCPB): monitors the pesticides being used in the country, as well as informs coffee farmers and stakeholders about banned ones. <http://www.pcpb.go.ke/>
- KEPHIS: responsible for all matters SPS, KEPHIS also inspects premises and issues the sanitary and phytosanitary certificate. See more on <https://www.kephis.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) 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 Kenya

Overview and Objectives of Chapter 3:

This Chapter presents the whole gamut of business processes and regulatory activities required to export coffee in Kenya 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 Kenya Trade Portal (<https://kenya.tradeportal.org>)
- 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 Kenya Trade Portal to ensure they are well acquainted with the current procedures at the time of exporting.
- The chapter currently maps procedures as at **10th July 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 Kenyan coffee SME with both a summary and an elaboration of the whole coffee export process in Kenya; from the document requirements, involved institutions, the costs and the time to meet all the requirements.
- To provide Kenyan TSIs with an understanding of the overall regulatory burden for coffee exporters
- To point the Kenyan coffee SMEs and TSIs to sources of credible information on the coffee exporting process in Kenya

Summary of Procedures for Coffee Exports from Kenya through the Port of Mombasa:

Exporting coffee in Kenya through the Port of Mombasa involves 55 steps, that fall into 16 procedures. Overall, 50 documents are required at various parts of the export process, which are obtained from 24 institutions. To complete the full export process a first time exporter would require about 26 days minimum, but may take up to 121 days due to various procedures like inspection of premises, the duration of which depends on the time taken to organise the visit and inspect the premises / land. The cost of all the government processes (meaning excluding those offered by private sector like freight clearing / forwarding or carriage by ship) is about KES 9,600 (approx. USD 96)

Figure 8, Summary of procedures and required documents, institutions, time and cost to export coffee in Kenya

Full Export Process	16 Procedures, comprising 55 steps
Documents Required	50 documents required
Institutions Involved	24 institutions
Estimated Time	26 day minimum, up to 121 days maximum
Estimated Cost	KES 9,600

The figure below summarises the 16 procedures that a trader must complete in order to export coffee. Assuming that the SME has secured an order to export coffee, the first procedure is to obtain a license to buy coffee. This license is obtained from the AFA Coffee Directorate. Additionally, the SME is required to register as an exporter with the Directorate. Once that is done, the exporter is required to obtain a food hygiene license from KEPHIS – among others, KEPHIS will come and inspect the premises of the exporter before the license is issued.

Figure 9, Summary of the main coffee export procedures for a first- time exporter



Step by Step Procedures for Coffee Exports from Kenya through the Port of Mombasa

Procedure 1: Obtain Coffee Buyers License

What are the procedures involved	<p>There are 6 steps required to obtain the Coffee Buyer's License, as follows:</p> <ol style="list-style-type: none"> 1. Register and apply for coffee buyer's license 2. Obtain notification of inspection 3. Inspection of premises 4. Obtain notification of approval 5. Pay for coffee buyer's license (electronical or through the bank) 6. Obtain Coffee Buyers License
Which Institutions do you go to	<ul style="list-style-type: none"> ■ AFA IMIS System for procedures 1,4 and 6 ■ AFA Coffee Directorate for procedure 3 ■ A bank, for procedure 5
Which documents are needed	<ul style="list-style-type: none"> ■ Certificate of incorporation (copy) - For a local company, OR Certificate of compliance (copy) for a branch of a foreign company. ■ Valid performance bond (copy) of KES 1,000,000 in favor of Agriculture, Food Authority (AFA) - Coffee Directorate. ■ Valid tax compliance certificate (copy) For the company. This is obtained online via the Kenya Revenue Authority (KRA) website. ■ Sworn affidavit (copy) - By the Commissioner of Oaths and signed by the applicant. ■ Liquorer's certificate (copy) or commitment letter from a liquorer (original) from a licensed liquorer. ■ Identity card (copy) of the director(s), if they are Kenyan Citizens or Passport (copy) if the director is a foreigner.
What is the legal basis for these requirements	<ul style="list-style-type: none"> ■ Coffee (General) Rules, 2002 (Sections 48, 54, 67) ■ Legal Notice 102 - The Crops (Coffee) (General) Regulations 2019 (Section 10, 33 and Second Schedule) ■ Legal Notice 102 - The Crops (Coffee) (General) Regulations 2019 ■ KEBS Standards on Roasted coffee beans and roasted ground coffee - Specification (KS 1052:2011). NOTE: The KEBS Standards on Roasted coffee beans and roasted ground coffee - Specification (KS 1052:2011) is not a public document but can be purchased from KEBS. The KEBS KS 1052:2011 specifies the requirements and prescribes methods of test and sampling for roasted coffee beans and roasted ground coffee.
Fees	<p>Fees vary depending on the Category of the applicant:</p> <ul style="list-style-type: none"> ■ For new applicants or for annual purchases less than 1,000 bags - KES 10,000 ■ For annual purchases between 1,000 to 4,999 bags - KES 25,000 ■ For coffee buyer's licence. ■ For annual purchases between 5,000 to 9,999 bags - KES 35,000 ■ For annual purchases over 10,000 bags - KES 50,000 <p>Note:</p> <ul style="list-style-type: none"> ■ Payment methods: mobile money platforms (MPESA pay bill number is 400222. Account number format will be; the business code (468927) followed by (#) then the client's name. For example, 468927#James) ■ Payment can also be made at the bank can be made in KES or dollars. <ul style="list-style-type: none"> ■ For payments made in dollars, the account details are Stanbic Bank A/C no: 0100000672248 ■ For KES payments, the amount due is calculated using the prevailing Central Bank of Kenya exchange rate. The account details are Co-operative Bank of Kenya, A/C no: 01120000543400. ■ The trader is then required to submit the bank deposit slip to Coffee Directorate's cash office. For cheque deposits, the cheque must clear prior to receipting.
Processing time for full task	Min. 5 days - Max. 60 days
Contact info	<p>Coffee Plaza Building, Haile Selassie Avenue P.O. BOX 30566, Nairobi 00100. Tel: +254 710 670 026 / +254 788 109 426 Website: https://coffee.agricultureauthority.go.ke</p>
What document do you receive	A Coffee Buyer's License
Additional information	<ul style="list-style-type: none"> ■ The time taken to carry out inspection will depend on the size of the premises. A gazette notice will then be published after the inspection report has been vetted by the committee. The gazette notice is valid for 30 days. Any interested party is required to submit their queries within 14 days, from the date of issue. ■ The coffee dealer's licence expires on the 30th day of June every year.

Procedure 2: Register as an Exporter

What are the procedures involved	<p>There are 4 steps required to register as an exporter, as follows:</p> <ol style="list-style-type: none"> 7. Apply to be an Exporter 8. Field Audit 9. Training on Electronic Certification System (ECS) 10. Obtain user credentials and ECS user rights letter
Which Institutions do you go to	<ul style="list-style-type: none"> ■ AFA IMIS System for procedures 1,4 and 6 ■ AFA Coffee Directorate for procedure 3 ■ A bank, for procedure 5
Which documents are needed	<p><i>For the Application to be an exporter</i></p> <ul style="list-style-type: none"> ■ Exporter registration form (original) - To be filled by the owner of the company. ■ Contract (copy) - If the exporter is purchasing produce from a grower. ■ AFA HCD export licence (copy) - Issued by AFA Horticultural Crops Directorate. <p><i>For the field audit:</i></p> <ul style="list-style-type: none"> ■ Physical presence - Of the owner or appointed technical personnel. ■ KEPHIS inspection checklist (copy) - Traders are expected to comply with the requirements and meet the standards in the checklist. There are different standards for commodities and for fresh produce. <p><i>For the ECS Training</i></p> <ul style="list-style-type: none"> ■ AFA HCD export licence (copy) - To be attached on the ECS system during user registration or Valid business permit (copy)
What is the legal basis for these requirements	<ul style="list-style-type: none"> ■ Procedure for Registration as an Exporter of Agricultural Produce ■ Kenya Plant Health Inspectorate Service Act No. 54 of 2012 (Section 5) ■ Agricultural Food Authority Act (2013) (Section 4 First Schedule) ■ Crops Act (2013) (Sections 6, 8, 16, 26, 27, 28, 29, 30, 40) ■ Legal Notice 48 (The Plant Protection Fees & Charges) Rules (2009) ■ KEPHIS Notice ■ The Agricultural Produce (Export) Act 319 (Sections 3, 4)
Fees	<ul style="list-style-type: none"> ■ For field audit, there may be a requirement to pay prescribed fees (for payments made physically), BUT that requirement is not provided for in law. The cost depends on the type of audit being done, as well as the distance the auditors will have to take.
Processing time for full task	Min. 3 days - Max. 10 days
Contact info	<p>Kenya Plant Health Inspectorate Service (KEPHIS) P.O. Box 00100-49592 , Nairobi Tel: +254 709 891 000 / +254 206 618 000 Email: director@kephis.org, kephisinfo@kephis.org Website: www.kephis.org</p>
What document do you receive	<p>KEPHIS payment receipt – if you pay for field audit</p> <ul style="list-style-type: none"> ■ Inspection feedback – from the field audit ■ Training feedback – for the training on ECS ■ Export authorization letter ■ ECS User credentials
Additional information	<ul style="list-style-type: none"> ■ The application can be submitted physically or sent via e-mail to the headquarters or regional offices. However, applications submitted to regional offices take longer to process as they are forwarded to the headquarters. The acknowledgement letter is sent via post mail or e-mail within 2-4 days. Upon submission of the application, the applicant is advised to liaise with the Plant Inspection Unit to organize for training on the Electronic Certification System (ECS) for both their management and staff. ■ The time taken to carry out the audit depends on the size of the farm or go-down facility and the number of inspectors. ■ Training on the ECS is scheduled every Monday from 9:00 a.m. - 11:00 a.m. except on public holidays. Training can be requested physically, via phone call or sent via e-mail, and booked for other working days depending on the availability of training officers. Traders outside of Nairobi will be trained at the KEPHIS' regional offices as per the list attached in contact information. Registration on the ECS system will be done during training. ■ The user credentials and ECS user rights will be sent to the applicant via e-mail. However, they may not be sent at the same time. The authorization letter gives the exporter clearance to export to the specified market during application. If the exporter desires to switch markets or crops, KEPHIS will initiate another audit prior to giving new clearance and authorization.

Procedure 3: Obtain Food Hygiene License

What are the procedures involved	There are 4 steps required to obtain the food hygiene license , as follows: 11. Apply for License 12. Premise Inspection 13. Pay for License 14. Obtain License
Which Institutions do you go to	<ul style="list-style-type: none"> ■ Port Health Services Kenya (KAHL Terminal 1) (JKIA) for Step 11
Which documents are needed	<p><i>For applying for license</i></p> <ul style="list-style-type: none"> ■ Application for food hygiene licence - Form A (original) <p><i>Food hygiene licence requirements</i></p> <ul style="list-style-type: none"> ■ Valid medical certificates - For the personnel of the premises. ■ Protective clothing and equipment ■ Premise <p><i>To obtain License:</i></p> <ul style="list-style-type: none"> ■ Health clearance certificate (original) ■ Bank deposit slip (original)
What is the legal basis for these requirements	<ul style="list-style-type: none"> ■ Food, Drugs and Chemical Substances (Food Hygiene) Regulations, 1978 (Sections 3-7, 10-15) ■ Food, Drugs and Chemical Substances Act (Sections 3, 5, 6, 7) ■ Public Health Act CAP 242 (Sections 73, 134, 163) ■ Public Health Act CAP 242 Public Health (Fees) Rules, Section 2
Fees	<ul style="list-style-type: none"> ■ KES 2,000 - For food hygiene licence. <ul style="list-style-type: none"> ■ Payment methods: cash, bankers cheque. Cheques should be made to Port Health Services, a/c name: UNICEF wash programme, a/c no: 1000014277 at NIC Bank, NIC Branch, Masaba Road. ■ The food hygiene licence fee varies depending on the county where the premise is located and the type of premise.
Processing time for full task	Min. 3 days - Max. 10 days
Contact info	Port Health Services Kenya (Afya House) Ministry of Health, Afya House, 4th Floor, Cathedral Road P.O. Box: 30016-00100, Nairobi Email: ps@health.go.ke
What document do you receive	<ul style="list-style-type: none"> ■ Go ahead for inspection – after application ■ Health clearance certificate – after the inspection
Additional information	<ul style="list-style-type: none"> ■ The time taken to carry out inspection depends on the size of the premise. ■ After inspection, the inspector will advise the owner of the premises whether they have complied with the requirements, or whether they need to address any non-conformity prior to a re-inspection. A detailed report will be sent to the applicant within two days of the inspection.

Procedure 4: Register with KenTrade Single Window System (KESWS)

What are the procedures involved	There are 4 steps required to register with the KESWA , as follows: 15. Submit request for company registration 16. Obtain registration notification 17. User registration 18. Obtain user credentials
Which Institutions do you go to	This whole process is done online! Companies are required to request for registration via contactcenter@kentrade.go.ke .
Which documents are needed	<i>To submit request to register</i> <ul style="list-style-type: none"> ■ Request for company registration ■ Contact details <i>For user registration:</i> <ul style="list-style-type: none"> ■ Company PIN (copy) ■ Contact details ■ Individual PIN number of the trader. ■ E-mail address of the trainee's supervisor.
What is the legal basis for these requirements	NOT Included
Fees	None
Processing time for full task	1-2 days
Contact info	Kenya Trade Network Agency (KenTrade) P.O. Box 00200-36943, Longonot Road, Upper Hill, Embankment Plaza, Nairobi. Tel: +254 204 965 000 / +254 709 950 000 Email: contactcentre@kentrade.go.ke , complaints@kentrade.go.ke Website: kentrade.go.ke Kenya Electronic Single Window System: KESWS Tel: +254 (20) 4965000 / 0709950000 Website: https://kenyatradenet.go.ke/keswsoga/TraderLogin.do
What document do you receive	<ul style="list-style-type: none"> ■ Submission notification – after Step 15 ■ Registration notification – usually sent via email ■ User credentials – sent by email ■ KESWS access notification
Additional information	None

Procedure 5: Obtain Clean Coffee Movement Permit

What are the procedures involved	There is 1 step required to obtain a clean coffee movement permit as follows: 19. Pay for clean coffee movement permit
Which Institutions do you go to	AFA Coffee Directorate Coffee Plaza Building, Haile Selassie Avenue P.O. BOX 30566, Nairobi 00100 Tel: +254 710 670 026 / +254 788 109 426 Website: https://coffee.agricultureauthority.go.ke/
Which documents are needed	<ul style="list-style-type: none"> ■ Clean coffee movement permit request letter (original) ■ Identity card of the applicant, or Passport of the applicant
What is the legal basis for these requirements	<ul style="list-style-type: none"> ■ Coffee Act Chapter 333 (Section 19) ■ Coffee (General) Regulations 2016 (2nd Schedule) - The fee referenced for the movement permit has been derived from the Coffee (General) Regulations 2016, however, the regulations are yet to be implemented
Fees	<ul style="list-style-type: none"> ■ KES 100 - For issuance of the coffee movement permit. Payment methods: cash, mobile money platforms
Processing time for full task	10 – 20 minutes
Contact info	Coffee Plaza Building, Haile Selassie Avenue P.O. BOX 30566, Nairobi 00100. Tel: +254 710 670 026 / +254 788 109 426 Website: https://coffee.agricultureauthority.go.ke/
What document do you receive	<ul style="list-style-type: none"> ■ AFA Coffee Directorate payment receipt ■ Clean Coffee Movement Permit
Additional information	The clean coffee movement permit is valid for 5 working days from the issuance date, between 6:30 am to 06:30 pm.

Procedure 6: Obtain International Coffee Organisation (ICO) Certificate of Origin (CoO)

What are the procedures involved	There are 3 steps required to obtain the ICO CoO as follows: 20. Deposit Advance Fee 21. Apply for ICO CoO 22. Obtain ICO CoO
Which Institutions do you go to	<ul style="list-style-type: none"> ■ AFA Coffee Directorate - Coffee Plaza Building (see contacts below) ■ Bank – should the deposit be made to the bank ■ Kenya Electronic Single Window System: KESWS
Which documents are needed	<ul style="list-style-type: none"> ■ Bank deposit slip (original) <p>For the KESWS application</p> <ul style="list-style-type: none"> ■ Unique consignment reference (UCR) ■ 2.Contract (original) ■ Between the exporter and the importer.
What is the legal basis for these requirements	<ul style="list-style-type: none"> ■ Coffee (General) Rules, 2002 (Sections 47, 53) ■ Public Notice - AFA Coffee Directorate ■ International Coffee Organization (ICO) - Certificate of Origin Rules, (Rule 2-5)
Fees	<ul style="list-style-type: none"> ■ KES 3,500 <p>This is the ICO certificate of origin deposit fee, for 50 consignments. Payment methods: Mobile money platform - Payment can be made via MPESA paybill 400222. Account number format will be; the business code (468927) followed by (#) then the client's name. For example 468927#James. The minimum advance deposit fee is KES 3,500.</p> <p>Payment can also be made at the Co-operative Bank of Kenya A/C no: 01120000543400 and Stanbic Bank A/C no: 0100000672248. The trader is then required to submit the bank deposit slip to Coffee Directorate's cash office.</p>
Processing time for full task	5 – 10 minutes
Contact info	Coffee Plaza Building, Haile Selassie Avenue, P.O. BOX 30566, Nairobi 00100. Tel: +254 710 670 026 / +254 788 109 426 Website: https://coffee.agricultureauthority.go.ke/
What document do you receive	<ul style="list-style-type: none"> ■ KESWS submission notification ■ Submitted ICO certificate of origin ■ KESWS payment receipt ■ Approved ICO Certificate of origin
Additional information	<ul style="list-style-type: none"> ■ Deposit of advance fee is NOT mandatory but is recommended. ■ For the ICO CoO, if an application is made within the working hours, the approval is done within the same day.

Procedure 7: Obtain Registration Letter

What are the procedures involved	There are 3 steps required to obtain the Registration Letter as follows: 23. Submit application for registration 24. Verification of the origin of goods 25. Obtain registration letter
Which Institutions do you go to	<ul style="list-style-type: none"> ■ Kenya Revenue Authority (KRA) (Rules of Origin Section) P.O. Box 00100-18013 Sameer Business Park, Mombasa Road, Nairobi Tel: +254 770 319 912
Which documents are needed	<p><i>For application purposes:</i></p> <ul style="list-style-type: none"> ■ Rules of origin exporter registration form (original) ■ Certificate of incorporation (original) ■ Sector specific license (original) - The license depends on the commodity of export <p><i>For verification:</i></p> <ul style="list-style-type: none"> ■ Consignment to be exported. (Once the origin of the goods has been verified, the KRA officer will prepare a registration letter that allows the trader to apply for the certificate of origin).
What is the legal basis for these requirements	The Cotonou Agreement
Fees	None
Processing time for full task	Min. 5 min - Max. 15 min
Contact info	Kenya Revenue Authority (KRA) (Rules of Origin Section) P.O. Box 00100-18013 Sameer Business Park, Mombasa Road, Nairobi Tel: +254 770 319 912
What document do you receive	<ul style="list-style-type: none"> ■ Verification feedback ■ Registration Letter (which contains registration details and a registration number unique to the exporter)
Additional information	<ul style="list-style-type: none"> ■ If the applicant is not the manufacturer, the applicant is required to provide details of the supplier(s) who will supply the goods for export and attach copies of supplier/producer's declarations. The exporter is advised to follow up with the department to expedite the verification of the origin of their goods.

Procedure 8: Obtain EU Certificate of Origin

What are the procedures involved	There are 5 steps required to obtain the EU Certificate of Origin as follows: 26. Request for Certificate of Origin 27. Pay for Certificate of Origin 28. Obtain Certificate of Origin form 29. Typesetting of the Certificate of Origin 30. Submit Certificate of Origin for signing
Which Institutions do you go to	<ul style="list-style-type: none"> ■ Kenya Revenue Authority (KRA) (Rules of Origin Section) P.O. Box 00100-18013 Sameer Business Park, Mombasa Road, Nairobi Tel: +254 770 319 912 ■ Typesetting Company to type the CoO form
Which documents are needed	<p><i>For Requesting Certificate of Origin:</i></p> <ul style="list-style-type: none"> ■ Company PIN certificate (copy) or PIN Certificate (copy) ■ Unique registration number (found on the registration letter) <p><i>To pay for Certificate of Origin</i></p> <ul style="list-style-type: none"> ■ KRA payment authorization slip (original) <p><i>To type the CoO form</i></p> <ul style="list-style-type: none"> ■ EU certificate of origin form (original) ■ Invoice (original) <p><i>To Submit Certificate of Origin for signing</i></p> <ul style="list-style-type: none"> ■ KRA payment authorization slip (original) ■ Typed certificate of origin form (original) ■ Passed clearance entry (copy) ■ Bank deposit slip (original) ■ Invoice (original)
What is the legal basis for these requirements	The Cotonou Agreement
Fees	USD 3 <ul style="list-style-type: none"> ■ For issuance of certificate of origin <p>Payment methods:</p> <ul style="list-style-type: none"> ■ Payment can be made in KES at the prevailing exchange rate of the day payment is made. ■ Mobile money platforms: For payments via MPESA, MPESA Paybill No: 572572, and the A/C name will be the F147 number. Clients who pay using mobile money platforms, will use the transaction code as proof of payment, which will be written on the F147 form, along with the number of certificates issued to the client.
Processing time for full task	Min. 5 min - Max. 20 min
Contact info	Kenya Revenue Authority (KRA) (Rules of Origin Section) P.O. Box 00100-18013 Sameer Business Park, Mombasa Road, Nairobi Tel: +254 770 319 912
What document do you receive	<ul style="list-style-type: none"> ■ KRA payment authorization slip ■ EU certificate of origin form ■ Typed certificate of origin form ■ Authenticated EU certificate of origin
Additional information	<ul style="list-style-type: none"> ■ The EU Certificate of Origin must be typed, not handwritten

Procedure 9: Pre-Clearance Documentation

What are the procedures involved	There are 2 steps required for the Pre-clearance Documentation as follows: 31. Contract a Clearing Agent 32. Book shipping space with shipping agent
Which Institutions do you go to	<i>For Clearing Agent:</i> <ul style="list-style-type: none"> ■ Kenya International Freight & Warehousing Association (KIFWA). P.O. Box 00200-57969, Nairobi. Email: info@kifwa.co.ke. Website: http://www.kifwa.co.ke <i>For Shipping Order</i> <ul style="list-style-type: none"> ■ Shippers Council of Eastern Africa (SCEA). The Crescent, off Parklands Road (After Kalson Towers) Westlands, Nairobi 00606. Tel: +254 773 829 547/8 / +254 733 888 540. Email: info@shipperscouncilea.org Website: http://www.shipperscouncilea.org
Which documents are needed	<i>For the Clearing Agent Contract:</i> <ul style="list-style-type: none"> ■ Certificate of incorporation (copy) ■ Company PIN certificate (copy) ■ Proforma invoice (copy) - Of the consignment to be exported. ■ Identity card (copy) - Of the trader. ■ Contract (copy) - Between the exporter and the importer. <i>For the shipping Order:</i> <ul style="list-style-type: none"> ■ Certificate of incorporation (copy) ■ PIN Certificate (copy)
What is the legal basis for these requirements	East African Community Customs Management Act (2004) Sections 145, 146, 187-189
Fees	<ul style="list-style-type: none"> ■ Negotiations of the rates and charges are between the trader and the clearing agent. ■ Negotiations of the rates and charges which depend on a number of factors including the size, weight, number of containers, type of handling required and the destination, are between the trader and the shipping agent.
Processing time for full task	Up to 1 hour
Contact info	You select your preferred agent. BUT <ul style="list-style-type: none"> ■ Contact KRA for the updated list of licensed clearing agents. ■ Complaints and queries can also be directed to the KRA Headquarters addressed to the Office of the Commissioner of Customs and Border Control. P.O. Box 48240 - 00100 GPO, Times Tower, 12th Floor Nairobi, and to Kenya International Freight Warehousing Association (KIFWA) P.O. Box 57969,00200, Nairobi or email: info@kifwa.co.ke
What document do you receive	<ul style="list-style-type: none"> ■ Contract with Clearing Agent ■ Shipping Order with shipping company
Additional information	The clearing agent will identify an appropriate shipping line depending on the point of destination and proceed to book space with the shipping agent.

Procedure 10: Obtain passed clearance entry

What are the procedures involved	There are 3 steps required to obtain passed clearance entry , as follows: 33. Lodge a customs Entry 34. Pay Merchant Shipping MS Levy 35. Obtain Passed Clearance Entry
Which Institutions do you go to	Kenya Revenue Authority (KRA), Customs & Border Control, Mombasa P.O. Box 85745, Mombasa Tel: +254 (041) 313639 Website: www.kra.go.ke
Which documents are needed	<i>To lodge a customs entry:</i> <ul style="list-style-type: none"> ■ Unique consignment reference (UCR) ■ Invoice (copy) <i>To pay for the Merchant Shipping levy</i> <ul style="list-style-type: none"> ■ KRA e-slip (original)
What is the legal basis for these requirements	<ul style="list-style-type: none"> ■ East African Community Customs Management Act (2004) - Sections 34-36, 41, 82, 123) ■ East African Community Customs Management Regulations (2010) - Sections 39-49 ■ Merchant Shipping (Fees) Regulation, 2011 Gazette Notice CXIV - No. 1
Fees	<ul style="list-style-type: none"> ■ USD 0 - USD 0.75 per ton of coffee - For merchant shipping levy. Payment methods: cash, cheque. The cheque(s) should be drawn to: Commissioner of Customs and Border Control.
Processing time for full task	Min. 5min - Max. 30m
Contact info	Kenya Revenue Authority (KRA), Customs & Border Control, Mombasa P.O. Box 85745, Mombasa. Tel: +254 (041) 313639. Website: www.kra.go.ke
What document do you receive	<ul style="list-style-type: none"> ■ Clearance entry ■ KRA e-slip ■ Passed Clearance Entry
Additional information	The clearing agent must have user credentials to access the KRA Simba / iCMS system. The website can only be accessed using Microsoft Internet Explorer version 5.0 and above.

Procedure 11: Obtain KEPHIS Release

What are the procedures involved	<p>There are 3 steps required to obtain KEPHIS Release, as follows:</p> <ol style="list-style-type: none"> 36. Pay for KEPHIS Inspection 37. Apply for Phytosanitary Certificate 38. Obtain Phytosanitary Certificate <p><i>(While one can go straight to Step no. 36 and pay for KEPHIS Inspection, one may also wish to request it and to undergo it. They are however NOT mandatory procedures by law, but they are recommended).</i></p>
Which Institutions do you go to	<ul style="list-style-type: none"> ■ Kenya Plant Health Inspectorate Service (KEPHIS) (Kilindini) P.O. Box 80100-80126, Mombasa Tel: + 254 722 209 501/4 / + 254 734 330 018 Email: kephis_mombasa@kephis.org Website: www.kephis.org ■ Electronic Certification System: ECS P.O. Box 00100-49592, Nairobi Tel: +254 709 891 000 / +254 206 618 000 Email: kephisinfo@kephis.org, director@kephis.org Website: http://ecs.kephis.org/
Which documents are needed	<p><i>To request KEPHIS Inspection:</i></p> <ul style="list-style-type: none"> ■ Passed clearance entry (copy) ■ Invoice (copy) ■ Request for inspection <p><i>To pay for KEPHIS Inspection:</i></p> <ul style="list-style-type: none"> ■ KRA e-slip (original) ■ Passed clearance entry stamped stop by KEPHIS (copy) <p><i>To undergo the KEPHIS Inspection:</i></p> <ul style="list-style-type: none"> ■ Passed clearance entry stamped stop by KEPHIS (copy) ■ KEPHIS payment receipt (original) ■ Consignment of coffee - To be exported <p><i>To apply for Phytosanitary Certificate:</i></p> <ul style="list-style-type: none"> ■ Invoice (copy) ■ Contact details - Of the consignor and consignee. <p><i>To obtain Phytosanitary Certificate:</i></p> <ul style="list-style-type: none"> ■ Passed clearance entry stamped release by KEPHIS (copy) ■ KEPHIS payment receipt (original) ■ Fumigation certificate (copy)
What is the legal basis for these requirements	<ul style="list-style-type: none"> ■ Crops Act (2013), Section 40 ■ Legal Notice 48 (The Plant Protection Fees & Charges) Rules (2009) ■ The Agricultural Produce (Export) (Horticultural Produce) (General) Rules (Section 16, 22) ■ Kenya Plant Health Inspectorate Service Act No. 54 of 2012 (Section 5) ■ The Agricultural Produce (Export) Act 319, Section 3
Fees	<p>Cost KES 6,000</p> <ul style="list-style-type: none"> ■ This is an estimate based on a series of assumptions which you can modify to calculate your own costs: The variables are: <ul style="list-style-type: none"> ■ KES 5,000 - Inspection fees for 0 - 34,000 kgs. ■ KES 0 - KES 0.15 per kilogram - Inspection fees for 34,001 Kgs - 280,000 Kgs . ■ 0KES 0 - KES 0.01 per kilogram Inspection fees for 280,000 Kgs and above. ■ KES 1,000 - For phytosanitary certificate. <p>Payment methods: Bankers cheque, mobile money platforms. MPESA paybill number 570563. Account number will be the service paid for e.g., "Phytosanitary Certificate"</p>
Processing time for full task	Min 5 min - Max. 30 min

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Contact info	<p>Kenya Plant Health Inspectorate Service (KEPHIS) (Kilindini) P.O. Box 80100-80126 , Mombasa Tel: + 254 722 209 501/4 / + 254 734 330 018. Email: kephis_mombasa@kephis.org Website: www.kephis.org</p>
What document do you receive	<ul style="list-style-type: none"> ■ Passed clearance entry stamped stop by KEPHIS ■ Passed clearance entry stamped by KEPHIS Accounts Office ■ KEPHIS payment receipt ■ Phytosanitary certificate
Additional information	<ul style="list-style-type: none"> ■ The request for inspection can be made physically or via phone call. On Sundays, the KEPHIS inspectors operate from Kenya Ports Authority (KPA) terminal 1. Scheduled inspections are carried out for dry commodities such as coffee, therefore, if the consignment was already inspected during the scheduled inspections, this step will not be mandatory. ■ After payment is made, the KEPHIS accountant will issue a payment receipt and stamp the back of the clearance entry. ■ To access the Electronic Certification System (ECS), applicants must have user credentials.

Procedure 12: Obtain Export Health Certificate

What are the procedures involved	<p>There are 4 steps required to obtain the Export Health Certificate, as follows:</p> <ol style="list-style-type: none"> 39. Apply for Export Health Certificate and generate e-slip 40. Pay for Export Health Certificate 41. Verification of Consignment 42. Obtain Export Health Certificate
Which Institutions do you go to	<p><i>To apply for Export Health Certificate:</i></p> <ul style="list-style-type: none"> ■ Kenya Electronic Single Window System: KESWS Tel: +254 (20) 4965000 / 0709950000 Website: https://kenyatradenet.go.ke/keswsoga/TraderLogin.do <p><i>For verification of consignment:</i></p> <ul style="list-style-type: none"> ■ Port Health Services Kenya (Kilindini), P.O. Box 80100-90027, Mombasa 80100. Tel: +254 412 223 209 <p><i>To obtain Export Health Certificate:</i></p> <ul style="list-style-type: none"> ■ Kenya Electronic Single Window System: KESWS Tel: +254 (20) 4965000 / 0709950000. Website: https://kenyatradenet.go.ke/keswsoga/TraderLogin.do <p><i>To obtain Port Health Services Release</i></p> <ul style="list-style-type: none"> ■ Port Health Services Kenya (Kilindini), P.O. Box 80100-90027, Mombasa 80100. Tel: +254 412 223 209
Which documents are needed	<p><i>To apply for export health certificate and generate an e-slip</i></p> <ul style="list-style-type: none"> ■ Unique consignment reference (UCR) ■ Invoice (copy) ■ Public health recommendation (copy) ■ Food hygiene licence (copy) ■ Additionally, for fresh produce Phytosanitary certificate (copy) <p><i>For verification of consignment:</i></p> <ul style="list-style-type: none"> ■ Consignment - To be exported. ■ Physical presence - Of the clearing agent. <p><i>To obtain Port Health Release</i></p> <ul style="list-style-type: none"> ■ Passed clearance entry stamped release by KEPHIS (copy) ■ Export health certificate (original + copy) - Issued by Port Health Services. ■ Food hygiene licence (original + copy) - Issued by Port Health Services. ■ Packing list (original + copy) ■ Invoice (original + copy) ■ Physical presence – of the clearing agent. ■ Additionally, for fresh produce – 1 Phytosanitary certificate (original + copy)
What is the legal basis for these requirements	<ul style="list-style-type: none"> ■ Food, Drugs and Chemical Substances (General) Regulations, 1978, Section 10 ■ Public Health Act CAP 242 Public Health (Fees) Rules - Section 2
Fees	<p>Cost KES - 1,500 - for issuance of export health certificate.</p> <ul style="list-style-type: none"> ■ The account details are provided on the E-slip generated from Kenya TradeNet System.
Processing time for full task	Min. 15 min - Max. 30 min
Contact info	<p>Kenya Trade Network Agency (KenTrade) P.O. Box 00200-36943, Longonot Road, Upper Hill, Embankment Plaza, Nairobi Tel: +254 204 965 000 / +254 709 950 000 Email: contactcentre@kentrade.go.ke, complaints@kentrade.go.ke Website: kentrade.go.ke</p>
What document do you receive	<p><i>After Export Health application:</i></p> <ul style="list-style-type: none"> ■ KESWS submission notification ■ Submitted export health certificate ■ Valid e-slip ■ Go ahead to obtain release – after verification ■ Approved export health certificate ■ Passed clearance entry stamped by Port Health

Additional information	<ul style="list-style-type: none"> ■ The trader needs to apply for a unique consignment reference before applying for the export health certificate ■ Prior to the inspection and sampling of the consignment, the Port Health inspector will physically verify the consignment against what is declared in the customs entry. The verification is carried out at the exporter's warehouse.
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Procedure 13: Obtain Port Release:

What are the procedures involved	There is 1 step required to obtain the Port Release , as follows: 43. Obtain Port Health Release
Which Institutions do you go to	<ul style="list-style-type: none"> ■ Port Health Services Kenya (Kilindini), P.O. Box 80100-90027, Mombasa 80100. Tel: +254 412 223 209
Which documents are needed	<p><i>To obtain Port Health Release</i></p> <ul style="list-style-type: none"> ■ Passed clearance entry stamped release by KEPHIS (copy) ■ Export health certificate (original + copy) - Issued by Port Health Services. ■ Food hygiene licence (original + copy) - Issued by Port Health Services. ■ Packing list (original + copy) ■ Invoice (original + copy) ■ Physical presence – of the clearing agent. ■ Additionally, for fresh produce - 1.Phytosanitary certificate (original + copy)
What is the legal basis for these requirements	<ul style="list-style-type: none"> ■ Food, Drugs and Chemical Substances (General) Regulations, 1978, Section 10
Fees	None
Processing time for full task	Min. 5 min - Max. 10 min
Contact info	Port Health Services Kenya (Kilindini), P.O. Box 80100-90027, Mombasa 80100. Tel: +254 412 223 209
What document do you receive	<ul style="list-style-type: none"> ■ Passed clearance entry stamped by Port Health
Additional information	None

Procedure 14: Obtain KRA Release:

<p>What are the procedures involved</p>	<p>There are 10 steps required to obtain the KRA Release, as follows:</p> <ol style="list-style-type: none"> 44. Submit Clearance documents for verification 45. Physical verification of Cargo by Customs and Border Control 46. Weighing the Container 47. Lodge a Pre-advice 48. Obtain KPA invoice and receipt 49. Enter the Port 50. Obtain position slip 51. Scanning of the container 52. Obtain KRA release on KWATOS 53. Loading of the Container to Vessel
<p>Which Institutions do you go to</p>	<ul style="list-style-type: none"> ■ Kenya Revenue Authority (KRA), Customs & Border Control, Mombasa. P.O. Box 85745, Mombasa. Tel: +254 (041) 313639. Website: www.kra.go.ke ■ Kenya Ports Authority (KPA) Online Portal, Tel: +254 412 112 999 (Ext. 3930) Email: customerfeedback@kpa.co.ke, CustomerCareContaineroperations@kpa.co.ke Website: https://www.kwatos.kpa.co.ke ■ For weighing: - Kenya Maritime Authority (KMA). P.O. Box 80100-95076, Mombasa Tel: +254 041 231 839 8/9 / +254 724 319 344 Email: info@kma.go.ke Website: http://www.kma.go.ke <p><i>To obtain KPA Invoice & Receipt:</i></p> <ul style="list-style-type: none"> ■ Kenya Ports Authority (KPA), Mombasa Tel: +254 412 112 999 (Ext. 3930) Email: customerfeedback@kpa.co.ke, customerCareContaineroperations@kpa.co.ke Website: www.kpa.co.ke <p><i>To enter the Port:</i></p> <ul style="list-style-type: none"> ■ Kenya Revenue Authority (KRA), Customs and Border Control, Kilindini Customs & Border Control, Mombasa. P.O. Box 85745, Mombasa. Tel: +254 (041) 313639. Website: www.kra.go.ke <p><i>To obtain position Slip</i></p> <ul style="list-style-type: none"> ■ Kenya Ports Authority (KPA) Tel: +254 412 112 999 (Ext. 3930) Email: customerfeedback@kpa.co.ke, CustomerCareContaineroperations@kpa.co.ke Website: https://www.kwatos.kpa.co.ke <p><i>To scan the container:</i></p> <ul style="list-style-type: none"> ■ Kenya Revenue Authority (KRA), Customs and Border Control, Kilindini P.O. Box 85745, Mombasa Tel: +254 (041) 313 639 Website: www.kra.go.ke <p><i>Loading container to vessel:</i></p> <ul style="list-style-type: none"> ■ Kenya Ports Authority (KPA) P.O. Box 959009-80104, Mombasa Tel: +254 412 112 999 (Ext. 3930) Email: customerfeedback@kpa.co.ke, CustomerCareContaineroperations@kpa.co.ke Website: www.kpa.co.ke

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Which documents are needed	<p><i>To submit clearance documents for verification</i></p> <ul style="list-style-type: none"> ■ Passed clearance entry stamped release by Port Health (copy) ■ Phytosanitary certificate (copy) - Obtained from KEPHIS. ■ Approved ICO Certificate of origin (original) - Issued by AFA - Coffee Directorate. ■ Packing list (copy) ■ Invoice (copy) ■ C41 - Declaration of particulars relating to customs value (copy): ■ Information - The clearing agent is required to provide information on the location of the consignment. <p><i>For Physical verification of cargo by Customs & Border Control (KRA):</i></p> <ul style="list-style-type: none"> ■ Physical presence - Of the clearing agent, facility operator and the truck driver. ■ Consignment - To be exported <p><i>Weighing the container:</i></p> <ul style="list-style-type: none"> ■ Sealed Container <p><i>Lodging a Pre-advice:</i></p> <ul style="list-style-type: none"> ■ Shipping order ■ Providing consignee details, gross weight (tare, packaging and cargo). The weight of the container must be provided by a company certified by KMA <p><i>To obtain KPA Invoice & Receipt:</i></p> <ul style="list-style-type: none"> ■ Bankers cheque (original) ■ Written to Kenya Ports Authority for the correct amount of charges. <p><i>To enter the Port:</i></p> <ul style="list-style-type: none"> ■ Passed clearance entry stamped release by Port Health (copy) <p><i>To Obtain position slip:</i></p> <ul style="list-style-type: none"> ■ Passed clearance entry stamped release by AFA Coffee Directorate (copy) ■ Shipping order (copy) The ship booking number should be valid. ■ KPA invoice <p><i>For Scanning of the container:</i></p> <ul style="list-style-type: none"> ■ Consignment of coffee <p><i>To Obtain KRA release of KWATOS:</i></p> <ul style="list-style-type: none"> ■ Passed clearance entry stamped release by AFA Tea Directorate and Port Health Services (copy) ■ Signed witnessing form (copy) ■ Form A - Release order (copy) ■ Invoice (copy) <p><i>To Obtain KPA stamped position slip in order to load container to vessel</i></p> <ul style="list-style-type: none"> ■ Position slip stamped by KRA (copy). The KPA officer at the specific block will sign the position release slip and indicate the position where the container was offloaded.
What is the legal basis for these requirements	<ul style="list-style-type: none"> ■ East African Community Customs Management Act (2004) - Section 73, 75, 195 ■ East African Community Customs Management Regulations (2010) - Section 89 ■ KPA tariff book
Fees	<ul style="list-style-type: none"> ■ For 20FT containers - USD 0 - USD 53 per container, for shore handling export charges. ■ USD 0 - USD 70 per container - For wharfage export charges. <p>For more information on fees and charges, reference the KPA tariff book here</p>
Processing time for full task	Min. 5 hours 35 min – Max 5 hours 35 min
Contact info	Various - See section with institutions

Continues>>

<p>What document do you receive</p>	<p><i>After submission of Clearance documents for verification</i></p> <ul style="list-style-type: none"> ■ Passed clearance entry stamped by KRA's receiving officer ■ Allocation of a verification officer <p><i>After physical verification of cargo by Customs & Border Control (KRA)</i></p> <ul style="list-style-type: none"> ■ Signed witnessing form ■ Stuffed custom sealed container ■ KPA invoice ■ KPA receipt ■ Position slip ■ Position slip stamped by KRA ■ Position slip signed by KPA
<p>Additional information</p>	<ul style="list-style-type: none"> ■ The clearance entry is stamped at the back by the head verification officer (HVO) to indicate allocation for verification ■ The time taken to verify the consignment will depend on the size of the consignment, size of container and the mode of stuffing i.e manual or mechanized. ■ The verification officer will witness the stuffing (loading) of the container. Upon successful verification, a customs seal is used to lock the container and the verification officer will give the consignment an online release on KRA's SIMBA system. The sealing of the container must be witnessed by the clearing agent, facility operator (representative/owner) and the truck driver. The stuffing facility must be approved by the Commissioner of Customs. ■ The container must be weighed to get the gross weight (tare, packaging and cargo) of the container. The weight of the container must be provided by a company certified by Kenya Maritime Authority (KMA). ■ The clearing agent is required to indicate the verified gross mass (VGM) application number of the weighing company. The cargo should be delivered within the opening and closing of the yard. This is usually 7 days before the expected time of arrival (ETA) of the vessel. Containers that arrive beyond the closing of the yard will be subject to approval by the shipping line and Kenya Ports Authority (KPA), who will also impose a late acceptance/ documentation fee of USD 100 per container. ■ There are different entry points (gates) into the Port. The Customs gate clerk will confirm the Customs seal and container details physically and online and send a message to the KPA gate clerk via an e-mail system. ■ Depending on the results of the scan, the consignment will either undergo further verification or be directed to the offloading yard. ■ The release on the entry is confirmed online. The verification officer will then give a final export release through KPA's KWATOS system.

Procedure 15: Obtain KPA Release

What are the procedures involved	There is 1 step required to Obtain KPA Release , as follows: 54. Submit Clearance documents
Which Institutions do you go to	Kenya Ports Authority (KPA) Mombasa Container Terminal (Kipevu). Tel: +254 (41) 2112999. Email: customerfeedback@kpa.co.ke, ca@kpa.co.ke
Which documents are needed	<ul style="list-style-type: none"> ■ Position slip signed by KPA (copy) ■ Shipping order (3 simple copies)
What is the legal basis for these requirements	N/A
Fees	None
Processing time for full task	Min. 5mn - Max. 10mn
Contact info	Kenya Ports Authority (KPA) P.O. Box 959009-80104 , Mombasa Tel: +254 412 112 999 (Ext. 3930) Email: customerfeedback@kpa.co.ke , CustomerCareContaineroperations@kpa.co.ke Website: www.kpa.co.ke
What document do you receive	<ul style="list-style-type: none"> ■ Shipping order stamped by KPA ■ Position slip stamped by KPA
Additional information	None

Procedure 16: Obtain Export Certificate

What are the procedures involved	There is 1 step required to Obtain the Export Certificate , as follows: 55. Obtain Export certificate
Which Institutions do you go to	Kenya Revenue Authority (KRA) Customs & Border Control (Kilindini Shed 5 Station)
Which documents are needed	<ul style="list-style-type: none"> ■ Passed clearance entry stamped release by Port Health (copy) ■ Bill of lading (original) or Certified true copy of the bill of lading (original)
What is the legal basis for these requirements	N/A
Fees	None
Processing time for full task	Min. 5mn - Max. 10mn
Contact info	Kenya Revenue Authority (KRA) Customs & Border Control (Kilindini Shed 5 Station), Mombasa
What document do you receive	<ul style="list-style-type: none"> ■ Export Health Certificate
Additional information	None



Chapter 4: Coffee Import Procedures in the EU

Overview and Objectives of Chapter 2:

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/myexport#?product=0901000000&partner=KE&reporter=DE>
- The chapter contains information that is valid as at 20 August 2020. Procedures and requirements however change. As a rule of thumb, the exporting SME should always check with the importer about the current requirements before any shipment is done.

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

- To provide the Kenyan coffee SME with a consolidated and simplified reference to the mandatory requirements for exporting coffee to the EU
- To provide the Kenyan coffee SME with an overview of EU coffee market preferences and trends that the SME may tap into
- To provide Kenya's TSIs with a reference point for the requirement SMEs must fulfill in order to tap into the EU Market
- To point the Kenyan 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 Kenya:

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 Kenyan government is committed to increasing exports from Kenya as an avenue to attain the goals of Vision 2030. Several organisations play various role in actualising this goal. In this Chapter, we shall list organisations in Kenya, as well as those outside of Kenya that may be of interest to an SME.

Key Export Support facilities in Kenya:

- **Kenya Export Promotion & Branding Agency (KEPROBA):** an agency under the State Department for Trade, Ministry of Industry, Trade and Enterprise Development, KEPROBA's role includes providing market intelligence on various export markets, as well as capacity building for SMES. <https://brand.ke/>
- **AFA Coffee Directorate:** is the regulatory body for the coffee sector and officially the lead on all matters coffee. See <https://coffee.agricultureauthority.go.ke/>
- **Pest Control and Produce Board (PCPB):** monitors the pesticides being used in the country, as well as informs coffee farmers and stakeholders about banned ones. See <http://www.pcpb.go.ke/>
- **KEPHIS:** responsible for all matters SPS, KEPHIS also inspects premises and issues the sanitary and phytosanitary certificate. See <https://www.kephis.org/>
- **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>
- **Coffee Research Institute (CRI):** of the Kenya Agriculture Research and Livestock Organization (KARLO). The Institute develops improved coffee varieties; develops recommendations on GAP/GMP and also conducts research aimed at ensuring the sustainability of production through an efficient value chain and climate mitigation measures. See https://www.kalro.org/Coffee_Research_Institute
- **Kenya Coffee Traders Association (KCTA):**s the umbrella body that represents the interests of the coffee exporters to policy makers. See <http://www.kenyacoffee.co.ke/>

Key Support facilities in Importing Markets

- **International Trade Centre (ITC):** 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 programmes 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 <https://www.intracen.org/publications/Coffee-Guide/>
- **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 Organisation (ICO):** is the main intergovernmental organisation 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):** 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 (SCA):** for all matters on specialty coffee, including new trends in the industry, cupping profiles, existing support activities, among others, see <https://sca.coffee/>