

## **Indian Coffee Brews Global Demand**

## **Fueling Surge in Exports**

(Ministry of Commerce and Industry)

20th January, 2025

India's journey with coffee began centuries ago, when the legendary holy saint Baba Budan brought seven Mocha seeds to the hills of Karnataka in the 1600s. His simple act of planting these seeds in the courtyard of his hermitage in Baba Budan Giri unknowingly set in motion the rise of India as one of the world's prominent coffee producers. Over the centuries, the cultivation of coffee in India has evolved from a humble practice to a thriving industry with the country's coffee now widely loved across the globe. India is now the seventh-largest coffee producer globally with exports reaching \$1.29 billion in FY 2023-24, almost double the \$719.42 million in 2020-21.

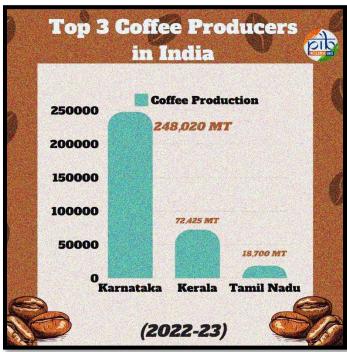


<sup>&</sup>lt;sup>1</sup> NIRYAT

India's coffee exports have grown significantly due to the increasing global demand for its rich and unique flavors. In the first half of **January 2025 India exported over 9,300 tonnes of coffee with top buyers including Italy, Belgium, and Russia.**<sup>2</sup> Approximately three-fourths of India's coffee production consists of Arabica and Robusta beans. These are primarily exported as unroasted beans. However, there is a growing demand for value-added products like roasted and instant coffee, further fueling the export boom.

Due to rise of cafe culture, higher disposable incomes and a growing preference for coffee over tea, coffee consumption in India is also steadily increasing. This trend has been observed particularly in both urban and rural areas. Domestic consumption has increased from 84,000 tonnes in 2012 to 91,000 tonnes in 2023. This surge reflects a broader shift in drinking habits, as coffee becomes a staple in daily life.<sup>3</sup>

India's coffee is primarily grown in the ecologically rich Western and Eastern Ghats, areas famous for their biodiversity. **Karnataka leads in production, contributing 248,020 MT in 2022-23**, followed by Kerala and Tamil Nadu. These areas are home to shaded plantations that not only support the coffee industry but also play a vital role in preserving the natural environment, helping to maintain the ecological balance of these biodiversity hotspots.



<sup>&</sup>lt;sup>2</sup> https://coffeeboard.gov.in/ExportInfo.aspx (Country Wise Export Info PDF)

-

<sup>&</sup>lt;sup>3</sup> Title Subtitle

To enhance coffee production and meet growing domestic and international demand the Coffee Board of India has launched several important initiatives. Through the Integrated Coffee Development Project (ICDP) the focus is on improving yields, expanding cultivation in non-traditional regions and ensuring the sustainability of coffee farming. These measures are part of a comprehensive strategy to strengthen India's coffee industry, increase productivity and improve its global competitiveness.

A prime example of the success of this is **Araku Valley**, where nearly 150,000 tribal families in collaboration with the Coffee Board and the Integrated Tribal Development Agency (ITDA) have increased coffee production by 20%. This achievement is backed by loans from the Girijan Co-Operative Corporation (GCC). It shows how coffee farming empowers communities and supports the vision of Aatmanirbhar Bharat.

These initiatives, combined with export incentives and logistical support, are playing a crucial role in expanding India's coffee industry. They help improve both domestic production and global competitiveness, firmly establishing India as a leading player in the global coffee market.

## References

- <a href="https://www.fas.usda.gov/data/production/commodity/0711100">https://www.fas.usda.gov/data/production/commodity/0711100</a> (Ranking of top Coffee Producers in World)
- NIRYAT (India Total Export Data)
- Title Subtitle (Coffee Consumption)
- https://pib.gov.in/PressNoteDetails.aspx?NoteId=151807&reg=3&lang=1 (Araku Coffee)
- Coffee Board of India

Santosh Kumar/Sarla Meena/ Gouri S/ Kamna Lakaria