



Brewing Prosperity: ***“India’s Coffee Story from Farm to Global Fame”***

Key Takeaways

- *India ranks **7th** in global coffee production, contributing **3.5%**; Annual output is **3.6 lakh tonnes** of which **70%** exported to **128 countries**.*
- ***Karnataka, Kerala, and Tamil Nadu** account for **96%** of India’s coffee production, with Karnataka leading at an estimated **2,80,275 MT (2025–26)**.*
- *Coffee exports reached a record **USD 1.8 billion** in **FY 2024–25**, marking a **40%** increase from the previous year; India positioned as the **5th-largest** coffee exporter among the Coffee producing countries.*
- *Trade pacts like **India–UK CETA** and **India–EFTA TEPA** enable duty-free access to the UK, Switzerland, Norway, and Iceland.*
- *The GST reduction from **18% to 5%** on instant coffee is expected to lower prices by **11–12%**, boosting domestic demand and expanding market reach.*

Introduction

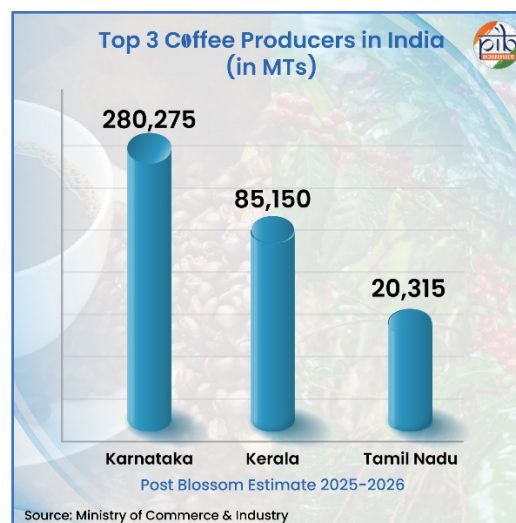
Legend has it that India’s coffee journey began around 1600 AD when Sufi Saint **Baba Budan** planted seven coffee seeds brought from Mocha port in Yemen in the Baba Budan Giri hills of Chikkamangaluru, Karnataka. Initially grown as a garden crop, coffee cultivation gradually expanded, leading to the establishment of **commercial plantations in the 18th century**. Since then, Indian coffee has evolved into a thriving industry with a **distinct global identity** on the world coffee map. Indian coffee is cultivated under a unique two-tier shade system of evergreen and leguminous trees, with nearly 50 varieties enhancing soil health and biodiversity. Grown across **4.91 lakh hectares** in the **Western and Eastern Ghats and the North Eastern region**, coffee serves as both an **environmentally sustainable** and **economically vital** plantation crop. The coffee sector sustains the livelihoods of over **two million people, who are** engaged in cultivation, processing, and trade. Dominated by **smallholder farmers**, who account for nearly **99 percent** of holdings and **70 percent** of the country’s overall production, it stands as a vital pillar of India’s rural economy.

Coffee plantations also serve as vibrant spice gardens, cultivating a variety of spices alongside coffee, including **pepper, cardamom, vanilla, orange, and banana**. The **Western Ghats**, which form one of the **25 biodiversity hotspots in the world and Eastern Ghats**, provide ideal conditions, with Arabica thriving in the cooler highlands and Robusta in the warmer, humid regions. India’s Robusta commands

top premiums globally, while its Arabica is prized for its superior quality and distinct flavour. India is now one of the world's leading coffee producers, ranking as the **seventh-largest producer of coffee** and contributing about **3.5 percent** to global coffee production, according to the Coffee Board of India. India produces approximately **3.6 lakh tonnes** of coffee annually, with nearly **70 percent** exported to **128 countries**, underscoring the growing global demand for Indian coffee.

Overview of India's Coffee Sector

The coffee industry in India is primarily concentrated in the major coffee-growing states of **Karnataka, Kerala, and Tamil Nadu**, which collectively account for nearly **96 percent** of the country's total coffee production. Among these, **Karnataka leads** with a production of **2,80,275 metric tonnes (Post Blossom Estimate for 2025–26)**, followed by **Kerala and Tamil Nadu**.



India's coffee-growing landscape is divided into **13 distinct agro-climatic zones**, each with a unique identity and recognition for its coffees in global markets. These zones are categorized into three broad groups: a) **traditional regions** comprising **Karnataka, Kerala, and Tamil Nadu**; b) **non-traditional regions**—**Andhra Pradesh and Odisha**; and c) the **North Eastern regions**, including **Assam, Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland and Tripura**. Coffee plays a vital socio-economic role in the tribal belts of **Andhra Pradesh, Odisha, and the North-Eastern states**, offering sustainable livelihoods while promoting rural development and ecological balance. The recognised coffee regions include **Anamalais (Tamil Nadu), Araku Valley (Andhra Pradesh), Bababudangiris (Karnataka), Chikkamagaluru (Karnataka), Coorg (Karnataka), Nilgiris (Tamil Nadu), Sheveroy (Tamil Nadu), Travancore (Kerala), and Wayanad (Kerala)**.

Regional recognition of Coffees from India

India holds **Geographical Indication (GI) tags** for **five regional** and **two specialty coffees**, a recognition that enhances their premium value in international trade. The country's varied elevations, rainfall patterns, and soils conditions, contribute to the rich diversity and exceptional quality that define Indian coffee. The Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce and Industry, Government of India, has granted Geographical Indication (GI) tags to five Indian regional coffee varieties: **Coorg Arabica Coffee, Wayanad Robusta Coffee, Chikmagalur Arabica Coffee, Araku**

Valley Arabica Coffee, and Bababudangiris Arabica Coffee. Additionally, Monsooned Malabar Robusta Coffee, a unique specialty coffee from India, has also received GI certification.

What is Geographical Indication (GI)?

A Geographical Indication (GI) is a kind of IPR that identifies products as originating from a specific geographical location, and owe their special attributes to the unique natural conditions or traditional practices of that location. GI tags are legally protected and can be used only by authorized producers from that location, to prevent imitation and misuse.

Specialty coffees represent the finest quality beans, distinguished by their **exceptional flavor, aroma, and appearance**. These coffees are produced through careful cultivation, selective plucking, and meticulous processing, resulting in distinctive flavours that cater to discerning consumers worldwide. Owing to their uniqueness and craftsmanship, specialty coffees fetch premium prices and form an increasingly dynamic segment of India's coffee sector. Indian planters have mastered the art of producing globally acclaimed specialty coffees, including:

- **Monsooned Malabar AA** – Known for its smooth, mellow flavour and low acidity, developed through a unique monsooning process along India's western coast.
- **Mysore Nuggets Extra Bold** – One of India's finest Arabica coffees with large beans, rich aroma, and full-bodied flavour.
- **Robusta Kaapi Royale** – A superior Robusta variety known for its bold flavor, excellent crema, and ideal for espresso blends.

This recognition has empowered Indian coffee producers to preserve the unique characteristics of region-specific coffees, elevate the global profile of Indian coffee, and secure better prices for their premium varieties. Collectively, these distinguished coffees reflect India's harmony of tradition, innovation, and excellence, establishing the country as a significant player in the global coffee industry.

Establishment of the Coffee Board

In the **1940s**, India's coffee industry faced a severe crisis, caused by **World War II**, declining prices, and widespread infestations of pests and diseases. To safeguard and revive the sector, the **Government of India** enacted the "**Coffee Act VII of 1942**", leading to the establishment of the **Coffee Board of India** under the administrative control of the **Ministry of Commerce and Industry**. The Board comprises **33 members**, including the **Chairman**, and the **Secretary, & the Chief Executive Officer along with representatives of coffee growers, traders, curing units, labor, consumers**, state governments of major coffee-producing regions, and Members of Parliament. The Coffee Board's primary mandate is to support and develop the entire coffee value chain through research and development. Technical and financial assistance, promotion in domestic and international markets. It works to improve production, productivity, and quality, expand exports for higher value realization, and strengthen infrastructure, such as drying yards and pulper units under the Integrated Coffee Development Project (ICDP).

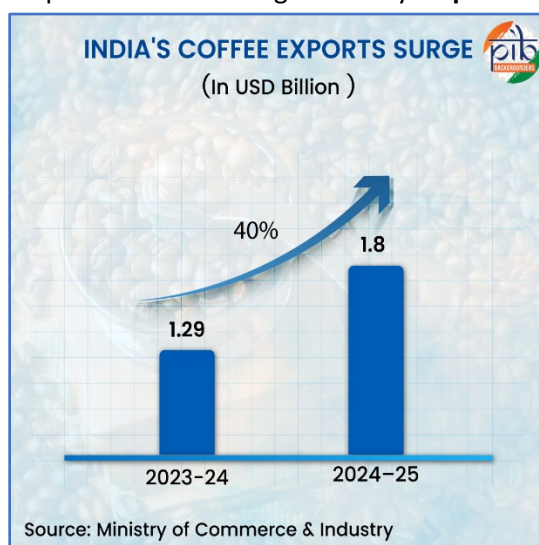
Role of Coffee Board

The Research Department of the Coffee Board, headquartered at the **Central Coffee Research Institute (CCRI)** with **five regional research stations**, is dedicated to developing **high-yielding, disease-resistant varieties** and standardizing modern cultivation technologies to enhance **productivity and quality**. The Promotion Department focuses on expanding India's footprint in **global markets** while stimulating **domestic coffee consumption**.

Under the **Export Promotion Scheme**, transit / freight assistance are provided for **value-added coffees** exported in retail packs as "India Brand" and for export of **high-value green Coffees to far off destinations** such as the **USA, Japan, Canada, Australia, and New Zealand**, South Korea, Finland, Norway and Denmark while maintaining strong trade ties with the **European Union, Russia, and the Gulf Cooperation Council (GCC) countries**. The Board actively represents Indian coffee at major **international trade fairs** and organizes the **Flavour of India – The Fine Cup Competition**, to identify premium coffees and connect them to global buyers. Domestically, to boost coffee awareness and culture, the board operates a network of **12 India Coffee Houses** across major cities and participates in **national exhibitions and trade fairs, promoting Indian coffee and highlighting its health benefits to consumers**.

Export of Coffee

India has emerged as a significant player in the global coffee trade, ranking as the **fifth-largest** exporter of coffee among coffee-producing nations and contributing around **5 percent** of total coffee exports from Coffee producing countries worldwide. Over the past four years, India's coffee exports have consistently exceeded **USD 1 billion**, reaching a record **USD 1.8 billion** in **FY 2024–25**, reflecting an impressive **40 percent** growth from USD 1.29 billion in the previous year. Despite global geopolitical challenges, exports during **April–September 2025** stood at **USD 1.07 billion**, registering a **15.5% increase over the same period in 2024**. India is one of the major hubs for instant coffee production and exports, with value-added products accounting for nearly **38 percent** of total coffee exports.



As one of the world's most widely traded and consumed commodities, coffee continues to hold immense economic and cultural significance. The **top 5 export destinations** for Indian coffee are **Italy**

(18.09percent), Germany (11.01percent), Belgium (7.47percent), the Russian Federation (5.28percent), and the United Arab Emirates (5.09percent). The recent surge in India's coffee exports has strengthened the global reputation of Indian coffee and improved income realisation for growers, particularly in the key coffee-producing states.

Policy and Trade Reforms Boosting the Coffee Sector

GST Reduction on Coffee Products

The reduction of **GST from 18 percent to 5 percent** on coffee extracts, essences, and instant coffee is a major fiscal step for the sector. This change is expected to **lower retail prices by 11–12 percent**, encourage **domestic consumption**, and enhance profitability **for small processors**. The initiative will also strengthen the domestic market base and enhance **India's per capita coffee consumption**.

India–United Kingdom Comprehensive Economic and Trade Agreement (CETA)

The recently concluded **India–UK Comprehensive Economic and Trade Agreement (CETA)** marks a key milestone in bilateral trade relations. The pact offers **tariff advantages for Indian value-added coffees**, particularly instant coffee. The **United Kingdom**, which already accounts for **1.7 percent of India's coffee exports**, will now provide **duty-free access** for Roast & Ground and instant coffee, enabling Indian exporters to compete more effectively with suppliers from **Germany, Spain, and the Netherlands**. The agreement establishes a robust foundation for increasing exports of **value-added coffee products** to the UK.

India–EFTA Trade and Economic Partnership Agreement (TEPA)

The **India–European Free Trade Association (EFTA) Trade and Economic Partnership Agreement (TEPA)**, signed on **10 March 2024** and effective from **1 October 2025**, is the first Free Trade Agreement (FTA) by India to link **investment with job creation**. Under TEPA, **Switzerland, Norway, and Iceland** will offer **zero percent duty** on all coffee imports from India. TEPA provides the most favorable market access to Indian Coffees in the EFTA market. TEPA may help coffee exporters access premium markets in Switzerland, Norway, and Iceland, providing an opportunity to position India's high-quality, shade-grown, handpicked, and sun-dried coffees in the EFTA market. The agreement enhances export opportunities for **value-added coffee**, such as roasted and instant coffees.

Fine Cup Awards: Showcasing India's Finest Coffees

The **Flavour of India - The Fine Cup Award**, instituted in **2002** by the **Coffee Board of India**, celebrates excellence in Indian coffee and aims to place the country's finest brews on the global map. As part of this initiative, the Coffee Board launched the **Know Your Kaapi (KYK)** programme in **2022–23**, a specialised cup quality evaluation platform to assess and reward exceptional coffees across six categories.

In a remarkable achievement, **Koraput Coffee** won **two Fine Cup Awards** during **KYK 2024**, one each for the **washed process** and **natural process** categories. This recognition has enhanced the brand's prestige and firmly positioned **Koraput Coffee** on India's specialty coffee map, reflecting the rising prominence of tribal and high-altitude coffees from Odisha.

Brewing Change Through Koraput's Coffee

*Shri **Balaram Hantal**, a member of the **Paraja** community from **Padwa village** in **Nandapur Block, Koraput District, Odisha**, once worked as a labourer in **Vijayawada** and **Bengaluru** before returning to his native land. In **2005–06**, he planted coffee on **two acres** of land, and by **2010–11**, his efforts began to yield results. With assistance from the **Coffee Board**, he received a **baby pulper machine** to process his own coffee cherries. Support from the **Tribal Development Co-operative Corporation of Odisha Ltd. (TDCCOL)** ensured fair and stable pricing for his produce. Today, Shri Hantal earns about **₹3 lakh annually** from coffee and black pepper cultivation and has built a **pucca house** for his family. His daughters are pursuing **higher education**, and his son studies at **Jawahar Navodaya Vidyalaya, Koraput**. His story stands as a testament to the **transformative potential of sustainable coffee farming**, bringing **livelihood security, dignity, and hope** to his family's future.*

Involvement of TDCCOL in Coffee Procurement and Marketing

The Tribal Development Co-operative Corporation of Odisha Ltd. (TDCCOL), established in 1967 under the ST & SC Development Department, Government of Odisha, serves as the state's apex cooperative institution for tribal welfare. It plays a vital role in safeguarding the economic interests of tribal communities by ensuring fair prices for Minor Forest Produce (MFP) and Surplus Agricultural Produce (SAP), while promoting sustainable livelihoods across Odisha.

Since **2019–20**, TDCCOL has taken a pioneering role in **coffee procurement in Koraput district**, known for its ideal conditions for high-quality **Arabica coffee**. The organisation transitioned from **centralised mandis** to **doorstep procurement**, ensuring fair pricing and promoting financial inclusion for tribal farmers.

Key highlights:

- **End-to-end management:** Managing the entire value chain, from procurement to drying, grading, and marketing.
- **Fair pricing:** Annual procurement rates aligned with **ICTA market prices**, with direct payments to farmers' bank accounts.
- **Socio-economic impact:** The initiative has reduced distress migration and improved rural livelihoods.
- **Value addition:** Launch of the "Koraput Coffee" brand on 11 September 2019, offering sustainably sourced, rich-flavored coffee now recognized nationally.

TDCCOL has established **eight “Koraput Coffee” cafés** across Odisha - **four in Bhubaneswar, one in Puri, two in Koraput**, and **one at Odisha Bhavan, New Delhi**, further promoting the brand’s unique identity and sustainable origins.

The **Coffee Board of India** also supports TDCCOL through the **Integrated Coffee Development Project (ICDP)**, providing **technical and financial assistance** for infrastructure such as **drying yards** and **coffee pulpers**.

Future Outlook: Scaling New Heights in Coffee Production

India’s coffee industry is poised for robust growth, with the overall market projected to expand at a **compound annual growth rate (CAGR) of 8.9 percent by 2028**. The **out-of-home coffee segment** is witnessing even faster growth, expected to rise at a **CAGR of 15 to 20 percent**, reaching a value between **US\$2.6 billion and US\$3.2 billion by 2028**. Furthermore, the **Coffee Board of India** has set an ambitious goal to scale up national coffee production to **9 lakh tonnes by 2047**, reinforcing India’s emergence as a leading global coffee producer.

Conclusion

India’s coffee story is one of resilience, innovation, and transformation. From the humble beginnings in the Baba Budan Giri hills to earning global acclaim, Indian coffee has evolved into a symbol of quality, sustainability, and inclusive growth. The country’s unique ecological diversity, coupled with the commitment of millions of smallholder farmers, has created a coffee landscape that blends tradition with modern enterprise. The Coffee Board of India, through its ongoing support for research, development, export promotion, and domestic market expansion, has played a pivotal role in driving this transformation.

The emergence of specialty coffees such as Monsooned Malabar, Mysore Nuggets, and Koraput Coffee has strengthened India’s reputation as a producer of premium, globally competitive varieties. The success of tribal cooperatives like TDCCOL in Odisha has exemplified how coffee can be an instrument of socio-economic empowerment and sustainable livelihood creation. Furthermore, policy measures, such as the GST reduction and free trade agreements, including the India–UK CETA and India–EFTA TEPA, have further expanded opportunities for value-added coffee exports, marking India’s growing influence in the global coffee industry.

As the industry moves forward with a clear vision to enhance production to 9 lakh tonnes by 2047, India’s coffee sector stands at the threshold of a new era. With its focus on quality, sustainability, and equitable growth, India continues to brew a success story that is deeply rooted in its soil yet celebrated worldwide.

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Indian Brand Equity Foundation

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