

Data sheet

Coffee

In the UK

In 2000, sales of coffee overtook tea in the UK for the first time, with more than 50% of the hot drinks market. Around 30 billion cups of coffee are drunk in the UK every year.

Coffee is sold in two main types in the UK – instant or beans (including ground). In 2000, 76% of coffee sold was instant coffee.

Across the world

Worldwide, coffee is grown in more than 50 countries and is the second most valuable commodity after crude oil. In fact, it is the most valuable *agricultural* commodity in world trade - in 2000, exports worldwide totalled £4.4 billion.

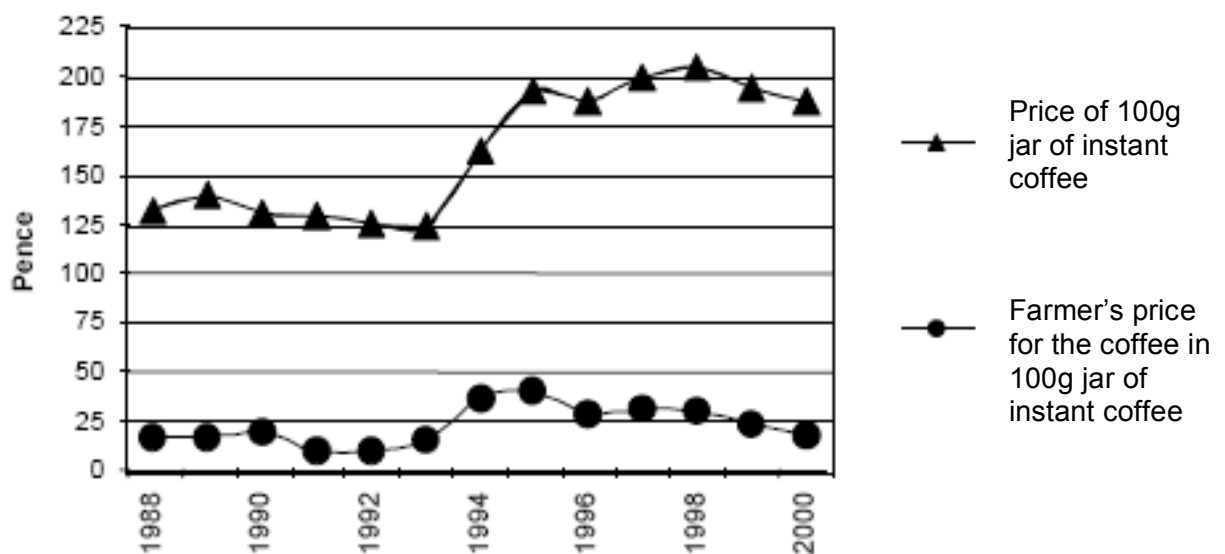
Altogether, approximately 100 million people worldwide are involved in the growing, processing, trading and retailing of coffee. This includes around 20 million farmers, two-thirds of whom are smallholders whose farms are less than 50,000 m² each.

The farmer's share

The final price of a cup of coffee in the UK includes the costs of insurance, taxes, transportation, processing, packaging, marketing, storage and much more. It is claimed that of the £1.75 charged for a cappuccino in a coffee shop, the grower will receive at best the equivalent of 2p.

The graph below shows the gap between the price of a jar of instant coffee in a shop and what the farmers get paid for their coffee beans.

UK retail prices for instant coffee and the farmer's price



Questions

Coffee

1

What fraction of those in the coffee industry (growing, processing, trading and retailing) are farmers?

2

In the UK in 2000, what percentage of coffee sold was beans (including ground)?

3

Estimate to the nearest million how many coffee growers have farms smaller than 50,000 m².

4

According to the data sheet, what percentage of the cost of a £1.75 cappuccino coffee will the farmer receive, at best?

5

The population of the UK is approximately 60 million.

- (a) Use the figures in the data sheet to estimate how many cups of coffee were drunk on average per person in a year.

- (b) Explain why this is an under-estimate of the average amount of coffee drunk by coffee drinkers.

6

The graph on the data sheet shows how shop and farm prices over the period 1988 to 2000 changed.

Use the graph to describe how the farmer's proportion of the price has changed by comparing the figures for 1988 and 2000.
