

# How is innovation impacting SA's coffee industry?

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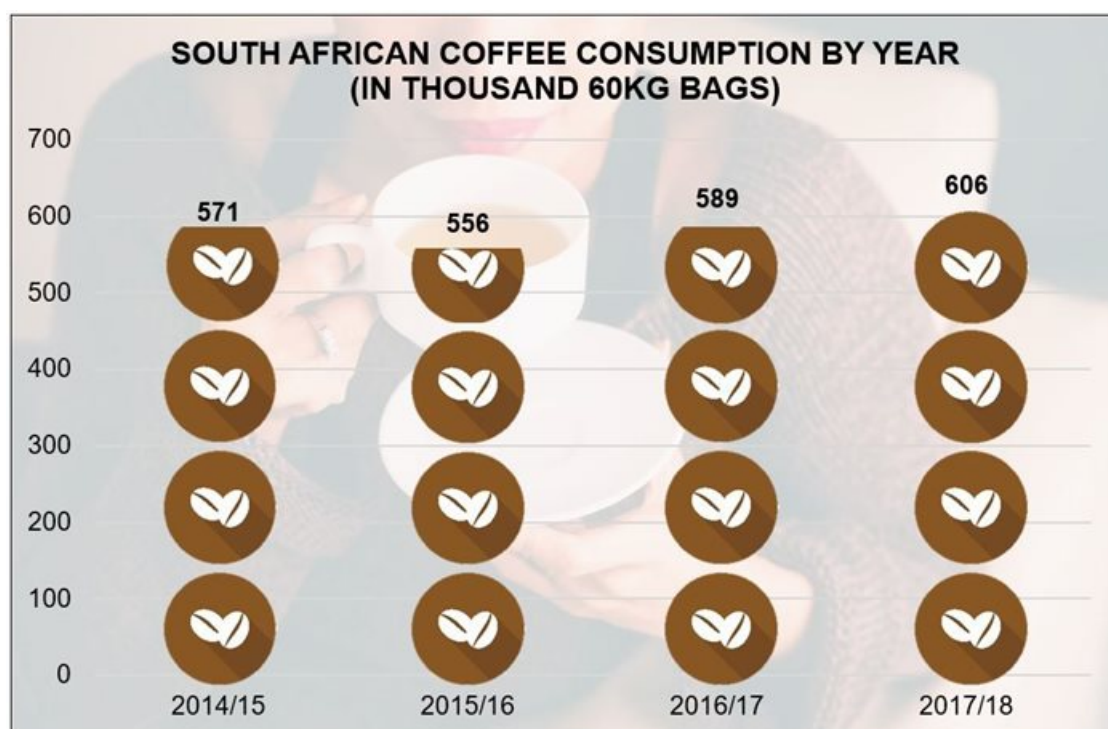
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As one of the world's favourite beverages and major sources of caffeine for many consumers, coffee continues to play an integral role in the daily routines of society, and coffee consumption continues to witness strong growth globally. This is no different in South Africa, with the country's unique culture and innovative trends helping the country's coffee industry to carve a successful niche in the global market.

**Insight Survey's latest *South African Coffee Landscape Report 2019*** carefully unfolds the global and local coffee markets based on the latest information and research. It examines the market drivers and restraints as well as global and local market trends to present an objective insight into the current South African coffee industry environment, market dynamics and its forecasted future.

In 2018, the retail value of the global coffee market was valued at an estimated US\$88.0 billion and, is forecast to continue to grow at a robust compound annual growth rate (CAGR) of 6.5%, between 2019 and 2023. Globally, coffee production is also estimated to reach a record 174.5 million 60kg bags in the 2018/2019 season, which represents an increase of 15.6 million 60kg bags compared to the 2017/2018 season.

In terms of global coffee consumption, the three key global markets include the European Union, USA, and Brazil. The European Union continues to be responsible for the highest consumption of coffee globally with 44.0 million 60kg bags of coffee consumed over the 2017/2018 period.



Source: [ICO](#) Graphics by [Insight Survey](#)

By comparison, the South African Coffee market is very small, however, has achieved satisfactory consumption growth over the past five years, increasing at a compound annual growth rate of 2.0% from 571,000 60kg bags in 2014/15 to 606,000 60kg bags in 2017/18.

Through South Africa's blossoming coffee culture, the Coffee market has developed to create its own identity. As stated by Iain Evans, event organiser of the Creative Coffee Week, the coffee industry in South Africa has matured and through

innovation has created its own identity, carving a niche South African coffee market in the global coffee arena.

This contention is further supported by Rithen Ramlal, co-founder of Kahvé Road, who stated that innovation is key in their coffee brand. Kahvé Road's coffee capsules, for example, provide a unique blend of flavours with their berry-flavoured Petra product as well as a Machu Picchu product which has a light citrus flavour.

Innovation is not only limited to coffee, with companies also investing in innovative packaging. For example, Ella Cappuccino is available in a capsule that consumers only need to shake, remove the seal, and pour into a cup to enjoy. This innovation has created an efficient and convenient on-the-go coffee drink, ideal for the modern-day urban warrior with a high-paced lifestyle.

Furthermore, the perfect innovation for sunny South Africa has been nitro cold brew, which is cold and unsweetened coffee. Nitro cold brew is typically made by soaking coffee grounds in cool filtered water for 24 hours. Numerous coffee shops in South Africa have started to follow this trend including Starbucks and Terbodore. Terbodore have gone one step further by marketing sparkling cold brew products that are available in a variety of unique flavours including marula, lemonade, as well as honey bush and orange.

The ***South African Coffee Industry Landscape Report 2019*** (150 pages) provides a dynamic synthesis of industry research, examining the local and global coffee industry from a uniquely holistic perspective, with detailed insights into the entire value chain – from manufacturing and importing to retailing, sustainability, pricing analysis, consumption and purchasing trends.

#### **Some key questions the report will help you to answer:**

- What are the market dynamics (production, consumption, trade, pricing) of the global coffee industry?
- What are the latest South African coffee industry trends, drivers, and restraints?
- What are the value and volume trends in the SA coffee market (2013-2018); forecasts (2019-2023)?
- Who are the key manufacturing players and importers/roasters in the SA coffee industry?
- What are the prices of coffee (instant, fresh and ground, coffee capsules, and beans) at SA coffee outlets, coffee shops and supermarkets?

Please note that the 150-page report is available for purchase for R27,500 (excluding VAT). Alternatively, individual sections can be purchased for R10,000 (excluding VAT). For additional information simply contact us at [info@insightsurvey.co.za](mailto:info@insightsurvey.co.za) or directly on (021) 045-0202 or (010) 140-5756.

For a full brochure please go to: [\*\*South African Coffee Landscape Report 2019\*\*](#).

#### **About Insight Survey:**

Insight Survey is a South African B2B market research company with almost 10 years of heritage, focusing on business-to-business (B2B) market research to ensure smarter, more-profitable business decisions are made with reduced investment risk.

We offer B2B market research solutions to help you to successfully improve or expand your business, enter new markets, launch new products or better understand your internal or external environment.

Our bespoke Competitive Business Intelligence Research can help give you the edge in a global marketplace, empowering your business to overcome industry challenges quickly and effectively, and enabling you to realise your potential and achieve your vision.

From strategic overviews of your business's competitive environment through to specific competitor profiles, our customised Competitive Intelligence Research is designed to meet your unique needs.

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