

Is café culture fuelling the SA coffee industry?

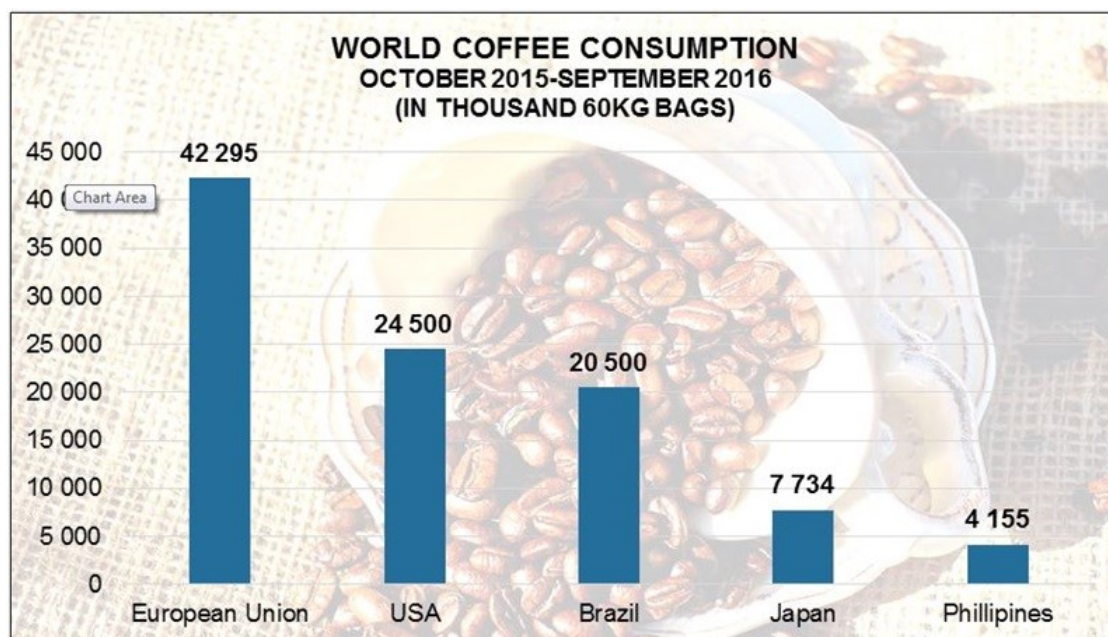
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For many consumers across the globe their morning ritual will not be complete without a cup of coffee: at home, on-the-go or during a business meeting at an upmarket pavement café. Coffee is the second-most consumed beverage in the world after water. It is, however, significantly more than just a beverage. In fact, it is a global commodity that is one of the world's most traded products, second in value only to oil. Considering the growing global demand for coffee, what trends are being observed in the South African coffee market?

Insight Survey's latest *SA Coffee Landscape Report 2017* 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 growth to present an objective insight into the South African coffee industry environment, market dynamics and its future.

Globally, the coffee market is worth an estimated US\$100 billion and is projected to grow at 4.7% per annum up to 2019. Global coffee consumption for 2015/16 increased to 155.7 million 60kg bags, up 2.6% on 2014/15. The four key markets for coffee include the European Union, USA, Brazil and Japan. In terms of consumption, the European Union is responsible for the highest consumption of coffee worldwide with 42.3 million 60kg bags between October 2015 and September 2016.



Source: [ICO New Consumption Table](#), [Insight Survey](#); Graphics by Insight Survey

Iain Evans, the publisher of *Coffee Magazine*, sums up the South African environment: “The SA coffee scene is radically different to what it was ten years ago. South Africa has caught up to global standards... You can now go into a high-end roastery in South Africa and have an experience on par with Melbourne or Vancouver. The industry is young, but it’s aggressive.”

Income from the restaurant and coffee shop sector increased by 4.5% in May 2016 compared with a year earlier. There has been a steady growth in South Africa’s coffee consumption when comparing the 496,000 60kg bags in 2012/13 and the 590,000 60kg bags in 2015/16 – thus an annual growth of around 6%.

Among South African consumers, coffee consumption is moving beyond being just a daily ritual to becoming part of a lifestyle. Just in the past four years, independent coffee outlets have grown from 52 outlets to more than 200. According to

Wayne Oberholzer, South Africa's barista champion 2016 and director of coffee affairs at the Portland Project, "There has been a massive boom in coffee and coffee-orientated companies in South Africa."

Furthermore, the quality of the coffee (including being ethically sourced and accredited by organisations like Fairtrade) and the importance of speciality coffee beverages are two trends that are positively shaping the future of the coffee market. In addition, the face of the everyday coffee drinker and coffee-craft in South Africa is changing as four of the top six baristas in country are black and more and more young, black and upwardly mobile consumers are delving into coffee.

However, the increasing price of coffee beans continues to be a challenge for the growth of the South African market. In January 2017, global coffee prices had increased by more than 6%, adding to the 30% increase in 2016. Coupled with the economic headwinds facing South African consumers, the industry will have to continue to find creative ways to appeal to consumers' emotive strings by highlighting the café lifestyle and conviviality associated with coffee consumption in order to drive market growth.

The ***South African Coffee Landscape Report*** (137 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 current market dynamics of the global coffee industry?
- What are the SA coffee industry trends, drivers, and restraints?
- What are the prices of coffees at retail outlets, i.e. lattes, espressos, americanos, and cappuccinos?
- What are the prices of popular ground and instant coffee brands across South African supermarkets?
- What are the latest South African consumer and consumption trends?

Please note that the 137-page report is available for purchase for R25,000 (excluding VAT).

Alternatively, individual sections can be purchased for R9,000 (excluding VAT). For additional information simply contact us at info@insightsurvey.co.za or directly on (0)21 045-0202.

For a full brochure please go to: [South African Coffee Landscape Report 2017](#).

About Insight Survey:

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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.

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