

Coffee, Tea & Drink Ingredients

July 6, 2017

~ Caffeine-less Coffee Has an Impact on the Expansion of the
Coffee Market ~**Coffee**

Total demand for coffee in 2016 exceeded 470,000 tons, setting a new record for the fourth consecutive year. Factors behind the growth include more opportunities to easily enjoy fresh-ground coffee, from sources such as convenience stores, and the spread of diverse forms of coffee products for home use.

In 1969, Apollo 11 succeeded in humanity's first moon landing. Our company was founded four months later. I was born in 1939. Now, in the Internet age, you can do a job even if you have no physical goods. But back then it was the age of physical goods, and to shift goods, one needed money. In most of the world, people normally become adults at twenty, but in the business world at the time, banks would not do business with anyone under the age of thirty. I shuffled around various companies from my university graduation at 22 until I turned 30, preparing myself by learning marketing and saving money. Once I was 30, I founded the company.

The lifespan of a company is said to be 30 years. The survival rate for companies is 3% over 30 years, and 1% over 50 years, but we will turn 50 in two years. Everything I have been doing in service of my heaven-sent mission, as we advance towards the 50th anniversary.

For coffee for home use, there are tie-up promotions with fashion magazines using the keyword “drip men”, to promote the fun of handmade drip coffee and make it more accessible for younger consumers. Recently, online sales have made it easier to buy coffee beans from many different countries, as well as serious coffee-making equipment, and these products are getting a much greater reaction from “drip men”.





Caffeine-less coffee

The rapid growth of caffeine-less coffee also has an impact on the expansion of the coffee market. Even compared to the year before, growth rates in 2016 were high, at 125.8% for raw beans and 109.3% for RC (Regular Coffee).

Demand for caffeine-less coffee used to come mainly from pregnant women, but it is starting to be supported by older drinkers, those who want to enjoy coffee later in the evening, and a wider range of market segments. Demand is now

three or four times higher than it was three years ago.

Various manufacturers have announced diverse caffeine-less products, and their sales are expanding.

Imported Coffee and Tea

(Unit: Quantity - tons, Total Value - JPY 1 million)

		Jan. - Dec. 2016		Jan. - Dec. 2015		A/C (%)	B/D (%)
		Quantity A	Total Value B	Quantity C	Total Value D		
Green Beans	Green Beans	432,592	142,121	433,235	178,617	99.9	79.5
	Green Beans Decaffeinated	2,548	1,232	2,026	1,316	125.8	93.6
	Green Beans Total	435,140	143,353	435,261	179,987	100.0	79.6
RC	RC	7,221	9,999	6,664	10,820	108.4	92.4
	RC Decaffeinated	278	480	255	515	109.3	93.3
	RC Total	7,499	10,479	6,918	11,334	108.4	92.4
Instant Coffee		11,267	11,565	12,549	13,581	89.8	85.2
Coffee extract (with sugar)		373	287	338	337	110.2	85.1
Coffee extract (without sugar)		8,866	5,087	8,315	6,078	106.6	83.7
Tea	Bulk	12,977	6,613	13,601	7,797	95.4	84.8
	Package less than 3kg	1,783	3,602	1,985	4,491	89.8	80.2
	Tea leaf total	14,760	10,214	15,586	12,288	94.7	83.1
Instant Tea		1,214	1,548	2,163	2,630	56.1	58.9

Source: Shokuryo Jokai Newspaper.

Black tea

Consumption has got back on the growth track, partly due to the influence of TV coverage of “Tea Day” on November 1 last year. Manufacturers have been improving their existing main products and introducing series of products and higher quality levels, which are expected to draw in new tea users.

Lipton have launched new “Cold Brew” products, ready for summer.

This dedicated ice tea blend uses only tea leaves specially developed for brewing in cold water, to offer new value and ways of drinking black tea, in the form of “the tea-drinking habit of gulping down ice tea on hot summer days”.

They are introducing “Fruit in Tea” recipes with abundant fruit content for highly-sensitive

female customers who are oriented to health or other concerns. They also offer specialized tumblers, so they haven't forgotten to generate buzz on social media with their photogenic looks.



Photos from Lipton website