

Coffee, Tea & Drink Ingredients

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EASY-TO-MAKE COFFEE FOR SINGLE-PERSON HOUSEHOLDS / INSTANT COFFEE MARKET

Easy-to-Make Coffee for Single-person Households

The household structure in Japan is now changing. At 2015, it is predicted that the number of households will reach its peak and after that, it will start to decrease along with the number of members in each household. Due to that, single-person households will go over 30% and we are starting to face a society where many people are eating on their own. For your reference, the population of Japan is 127 million people, the number of household is 52 million and the average number of people in each household is 2.39. Of course, Japanese government is now striving to deal with such social issues including the declining birthrate etc.

With this background, there is a product trend of easy-to-make coffee for such decreasing household members. UCC Ueshima Coffee will start selling professional coffee that one cup could be made easily in 30 seconds, targeting primarily on single-person households. This product uses a special tetra bag type filter and it extracts the flavor and scent productively just by keeping it in hot water for 30 seconds or put it inside the microwave after pouring some water. This company, which has a directly managed farm in Hawaii and Jamaica, said "The number of members per household is decreasing. We want to pay more attention to individually-packaged and single-person products. The easy-to-make coffee market will increase from now on."

The import results of coffee and tea for the first half of 2011 (January-June) are as shown below. Looking at the growth of import volume for year-before period ratio (January-June), Cacao beans increased 29.3%, coffee beans increased 12.7%, coffee extract increased 12.4%, and instant coffee increased 9.7%.

Coffee and Tea Trade Statistics (2011 January-June)

(Amount: 1 million yen, Y/Y: %)

	Quantity	Y/Y	Amount	volume total	Y/Y	value total
Cacao beans	8,404 t	136.6	2,471	27,844 t	129.3	8,565
Coffee beans (roast)	43,318 t	114.1	18,009	237,140 t	112.7	88,945
Coffee beans	455 t	95.2	641	3,214 t	97.2	3,820
Coffee extract	712 t	79.1	382	4,065 t	112.4	2,152
Instant coffee	724 t	115.7	659	4,064 t	109.7	3,527
Instant tea	82 t	60.7	69	908 t	131.2	865
Tea (in retail container)	165 t	87.8	241	1,188 t	102.0	1,863
Tea (bulk)	1,359 t	81.4	528	8,493 t	106.6	3,183

Source: Ministry of Finance "Trade Statistics".

Instant Coffee Market

"Nescafe" is synonymous with Japanese instant coffee. In Japan, instant coffee imports started in the 1950s, and now, caffeine-free coffee is also popular. The reason for its popularity is because it is easy for anyone to make at any time. The country-based import volume of instant coffee in recent years is as listed on the table below. Imports from Brazil is approximately 50% of the whole market, while Indonesia, Ecuador and Colombia, keep changing their rank every year and keep a share of 9%~12%.

Country	2000		2008		2009		2010	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Brazil	2,802,291	746	4,100,701	945	3,857,238	786	3,771,888	684
Indonesia	452,939	678	852,500	929	975,139	762	856,848	720
Ecuador	943,825	647	753,138	952	613,282	819	705,837	798
Colombia	1,070,957	1,048	1,193,848	1,404	956,383	1,220	668,214	1,728
Germany	1,189,582	1,157	313,270	2,335	220,351	1,997	291,610	1,802
Mexico	2,145	1,902	13,920	1,031	89,500	715	254,552	969
India	—	—	185,636	944	181,944	850	144,464	724
Total	7,176,559	900	7,850,463	1,129	7,399,974	943	7,444,560	928

Source: Ministry of Finance "Trade Statistics".

Comments: Within the imported instant coffee, there are final products and middle products for consumer use. The import volume of raw beans in 2011 was 19,357 tons, 4.4% of the overall volume.

We took a look at coffee sales corner of two major department stores and food specialty store in Tokyo. Mitsukoshi Department Store, which is known for its high average age of customers, said that high quality instant coffee that Haco (Swedish company) and Hayama (Japanese company) produced together is popular. There are two types, Blue Mountain Blend No.1 100g 2,237 yen and Blue Mountain Blend No. 2 Deep Roast 100g 2,048 yen. As a sole agent of German company DEK, next is Kreis Cafe Japan's Kreis series which is selling with the brand "Kreis Cafe". The next three products, Kreis Royal Selection 100g 1,890 yen, Kreis Kilimanjaro Selection 100g 1,575 yen, Kreis Moca Blend 100g 1,575 yen are their main products which are being sold on a steady pace.

Capital Mocha 60g 1,050 yen, and Capital Kilimanjaro 60g 1,050 yen from Capital Corporation, which has over 60 stores in department stores say that reasonable prices are one of their main reasons for popularity.

In Takashimaya, instant coffee (50g) 1,575 yen from Fauchon, a company that is popular in Japan for its tea, is increasing its repeaters.

The instant coffee that has a license agreement with the Italian PECK has 2 types. PECK Originale (mild blend) 55g 1,050 yen dissolves in water easily and makes nice iced coffee. Espresso type, Espresso Italiano (bitter blend) 55g 1,050 yen is best to make cafe au lait, by mixing it with milk.

We have also looked at the coffee section of food specialty store. The followings instant coffees were on the shelves of coffee section of the store. Belgium Kreis Kilimanjaro 100g 1,190 yen. Swedish Bluemountain 50g 1,239 yen, Netherland Moccona Continental Gold 100g 1,290 yen, Moccona Black Label 100g 1,490 yen, Colombian Organic Mountain 100g 990 yen, Indonesian Farmland Vanilla Flavor 50g 450 yen, Farmland Caramel Flavor 50g 450 yen, Farmland Hazelnut Flavor 50g 450 yen, German Mount Hagen Organic Coffee 100g 1,155 yen, and Mount Hagen Organic Coffee Caffeinless type 100g 1,260 yen.

