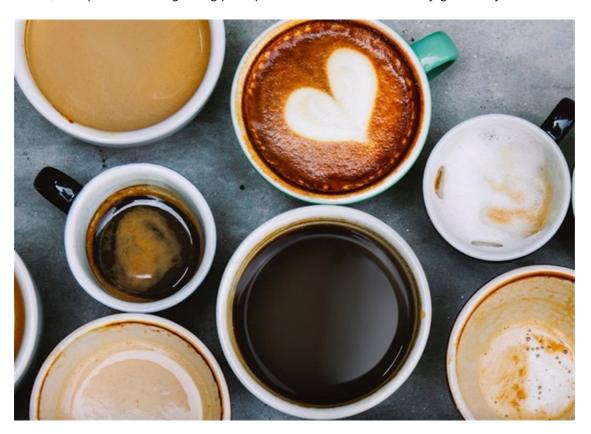


## Is the functional coffee trend 'mushrooming' in the South African coffee market?

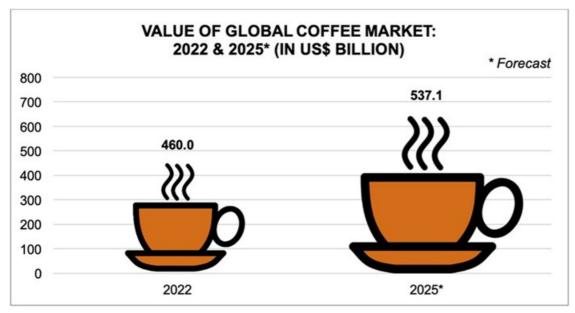
Issued by Insight Survey 16 May 2022

As Covid-19 continues to heighten awareness around health and wellbeing, global and local coffee consumers are expecting their coffee to provide them with functional health benefits, beyond the caffeinated boost they are accustomed to. This is resulting in the introduction of innovative, functionally-focused coffee products by local players, such as mushroom coffee, to capitalise on the growing perception of coffee as an inherently good-for-you drink.



Insight Survey's latest South African Coffee Industry Landscape Report 2022, carefully uncovers the global and local coffee market (including the impact of Covid-19), based on the latest intelligence and research. In particular, it describes the latest global and local market trends, innovation and technology, drivers, and challenges, to present an objective insight into the South African coffee industry environment and its future.

The global coffee market is expected to reach an estimated value of approximately \$460bn in 2022. Furthermore, the market is expected to increase at a compound annual growth rate (CAGR) of approximately 5.3%, to reach a value of approximately \$537.1bn by 2025, as illustrated in the graph below.



Source: Statista Graphics by Insight Survey

Locally, the South African coffee market experienced positive growth, in terms of off-trade retail value at current 2021 prices, achieving significant growth of 11.6% year-on-year, relative to 2020. This increase is expected to continue, with the market forecast to grow at a CAGR of 7.9% between 2022 and 2026. Several factors are contributing to this market growth, including inherent and added health functionality, ethical coffee sourcing and production, and elevated coffee experiences.

Growing amounts of scientific research are pointing to coffee consumption as a source of a large range of benefits in terms of health and wellbeing, including decreased risk of contracting serious diseases, such as cancer and type 2 diabetes, amongst others, and continues to be scientifically associated with weight loss, as well as enhanced physical and mental performance. Articles published on popular news websites, such as News24, are making consumers acutely aware of these benefits.

As a result, globally, several functional coffee products are trending amongst consumers, due to its added health and wellness benefits. Some of these include collagen coffee, proffee (protein coffee), mushroom coffee, and turmeric lattes, amongst a range of others.

In particular, adding collagen to coffee aims to supplement age-related declines of this protein, thereby improving skin health, and reducing skin ageing. Additionally, a trend that began on TikTok, adding protein to coffee (proffee) is claimed to be an ideal pre- and post-workout beverage, and offer benefits for menopausal women. The addition of turmeric, such as in turmeric lattes, aids in the management of inflammatory conditions, metabolic syndrome, arthritis, anxiety, and hyperlipidemia.

Local players are also looking to capitalise on the trend, with the introduction of innovative coffee products, with added functional benefits. One such example is that of Vida e Caffé, a major player that launched South Africa's first functional mushroom cappuccino, in partnership with Goodmind.

This new product consists of a cappuccino with added Goodmind mushroom powder sachets, that include seven adaptogenic mushrooms, to provide increased stamina, immunity, and stress support. These include lion's mane ('the smart mushroom'), shiitake ('the healthy heart mushroom'), Cordyceps ('the recovery mushroom'), and chaga ('the anti-inflammatory mushroom'), amongst others.

According to chief executive officer of Vida é Caffé, Darren Levy, the success of this product comes on the back of the company's successful launch of products with added Goodleaf CBD and collagen, providing consumers with additional functional benefits.

This trend appears to be mushrooming in the local market, with Four Sigmatic now also offering a mushroom instant coffee

mix, positioned as assisting with mental focus and concentration, whilst Vivo has introduced its Magic Ground coffee with lion's mane mushroom, to provide mental clarity.

The South African Coffee Industry Landscape Report 2022 (131 pages) provides a dynamic synthesis of industry research, examining the local and global coffee industry (including the impact of Covid-19) from a uniquely holistic perspective, with detailed insights into the entire value chain – market sizes and forecasts, industry trends, latest innovation and technology, key drivers and challenges, as well as manufacturer, distributor, retailer, and pricing analysis.

Some key questions the report will help you to answer:

- What are the current market dynamics (production, consumption, trade, pricing) of the global and South African coffee industry?
- What are the latest global and South African coffee industry trends, innovation and technology, drivers, and challenges?
- What are the market value and volume trends in the South African coffee industry (2016-2021) and forecasts (2022-2026), including the impact of Covid-19?
- Which are the key manufacturers, distributors, and retail players in the South African coffee industry?
- What are the prices of popular coffee brands and products (instant, ground, beans, capsules and ready-to-drink) across South African retail outlets?

Please note that the 131-page full report is available for purchase for R35,000 (excluding VAT). Alternatively, individual sections can be purchased for R15,000 (excluding VAT). For additional information, simply contact us at <a href="mailto:info@insightsurvey.co.za">info@insightsurvey.co.za</a> or directly on (021) 045-0202 or (010) 140- 5756.

For a full brochure please go to: South African Coffee Industry Landscape Brochure 2022.

## **About Insight Survey:**

Insight Survey is a South African <u>B2B market research</u> company with more than 15 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 and industry 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 <u>Competitive Business Intelligence Research</u> 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.

For more information, go to <a href="https://www.insightsurvey.co.za">www.insightsurvey.co.za</a>.

- "How are mobile platforms and the metaverse driving SA's long-term insurance industry growth? 6 Mar 2024
- Multi-strain products supporting South Africa's probiotics market culture 22 Nov 2023
- \* Bridging the gap: Embedded insurance trending in SA's short-term insurance industry 15 Nov 2023
- "Sustainable packaging pumps South Africa's bottled water industry 4 Oct 2023
- "Specialised diet pet foods trending in the South African market 27 Sep 2023

## **Insight Survey**



Insight Survey is a South African B2B market research company with almost 15 years of experience. We specialise in telephone interviews, online surveys, industry analysis and competitive intelligence to help improve or grow your business.

Profile | News | Contact | Twitter | Facebook | RSS Feed

For more, visit: https://www.bizcommunity.com