

B.C. Agrifoods Trade Overview

Coffee



Prepared by: Britney Elder, Ministry of Agriculture

Britney.Elder@gov.bc.ca

Source: Global Trade Atlas (September 2013), CATSNET (September 2013) and Euromonitor International (September 2013)

October 2013

Canada 

Growing Forward 
A federal-provincial-territorial initiative


BRITISH
COLUMBIA

Coffee – B.C. Exports and Imports

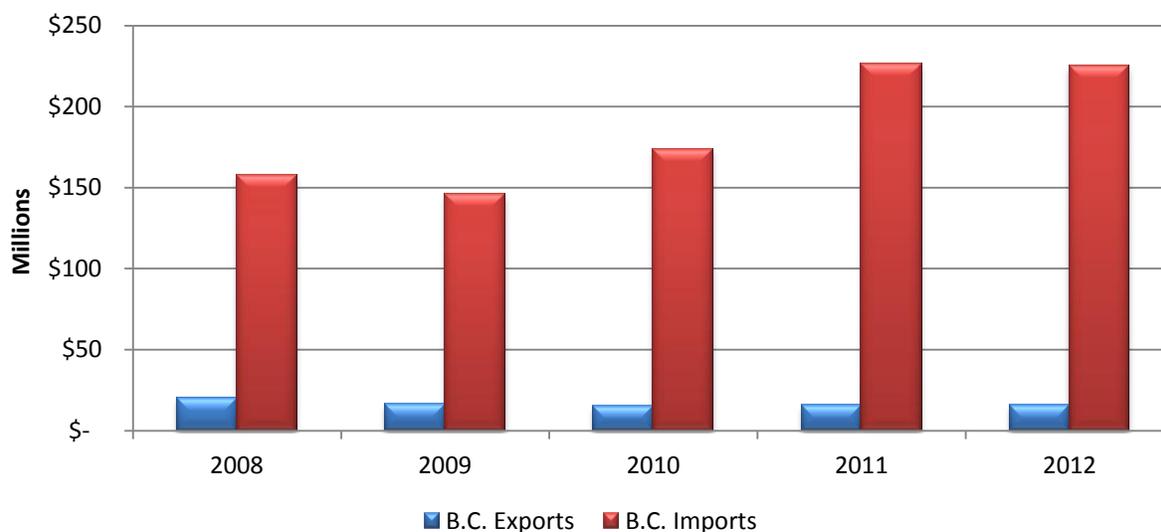
British Columbia (B.C.) exports of coffee have been relatively consistent since 2009. In 2012, B.C. exported \$15.7 million worth of coffee, with 55 per cent of exports as ‘Coffee, not roasted, decaffeinated’ and 42 per cent as ‘Coffee, roasted, not decaffeinated’.

B.C. Domestic Exports – Coffee (\$)¹

HS Code	Product	2008	2009	2010	2011	2012
090111	Coffee, not roasted, not decaffeinated	137,086	244,776	85,123	25,159	11,210
090112	Coffee, not roasted, decaffeinated	12,857,922	8,630,439	8,868,079	8,580,888	8,703,417
090121	Coffee, roasted, not decaffeinated	5,302,858	5,594,349	5,040,232	6,672,301	6,657,004
090122	Coffee, roasted, decaffeinated	1,874,891	1,957,649	1,200,135	330,464	320,952
--	Total	20,172,757	16,427,213	15,193,569	15,608,812	15,692,583

The graph below illustrates B.C.’s exports of coffee related to B.C.’s imports of coffee for the years 2008 to 2012. B.C. has historically imported significantly more coffee than it exported. Looking at the past five years, B.C. exported the most coffee products in 2008 (\$20.2 million); however, the past three years have seen a steady increase to \$15.7 million in 2012. Although imports of coffee showed a slight decrease in 2012 (less than one per cent), overall imports have grown over the last five years, from \$158.0 million in 2008 to \$224.9 million in 2012.

B.C. Imports and Exports - Coffee²

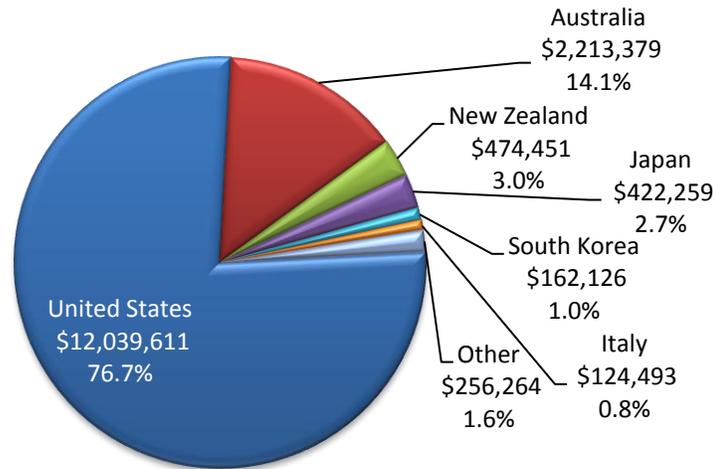


¹ CATSNET and Global Trade Atlas, accessed September 2013.

² CATSNET and Global Trade Atlas, accessed September 2013.

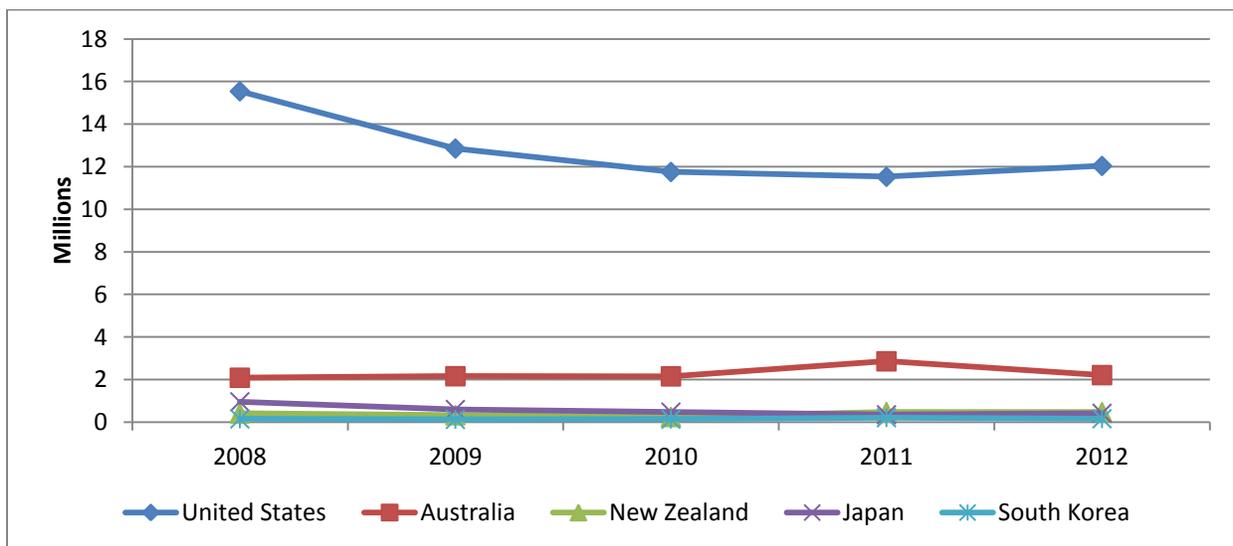
B.C. Exports of Coffee by Market - 2012

In 2012, B.C. exported coffee to 15 markets throughout the world. The majority of B.C. coffee was exported to the United States (US) (\$12.0 million), followed by Australia (\$2.2 million) and New Zealand (\$0.5 million). The 'Other' category includes the United Kingdom, Brazil, Indonesia, the Netherlands, China, the United Arab Emirates, Malaysia, Hong Kong and Taiwan.³



Top Five Markets - 2008 - 2012

The top five markets for B.C. coffee exports in 2012 were the US, Australia, New Zealand, Japan and South Korea. The US has historically been the recipient of the majority of B.C.'s coffee exports.⁴



³ CATSNET and Global Trade Atlas, accessed September 2013.

⁴ CATSNET and Global Trade Atlas, accessed September 2013.

Export Market Analysis – China, France and South Korea

CHINA

An increasing number of coffee shops helped to increase the sales of coffee in China in 2012. Total coffee retail sales increased to \$1.2 billion, an increase from \$1.1 billion in 2011. The average unit price of coffee also slightly increased in 2012. The product witnessing the fastest total volume growth in 2012 was fresh ground coffee pods (15 per cent over 2011). Nestlé held 72 per cent of the off-trade value share in China in 2012. Fifty-one per cent of the volume share in coffee was sold in supermarkets. A compound annual growth rate (CAGR) of nine per cent is expected in total volume terms of coffee in China over the next five years.⁵

FRANCE

In France, fresh ground coffee pods and other individually packaged products are adding value to the coffee category. Retail sales in 2012 reached \$3.9 billion, an increase from \$3.7 billion in 2011. The average unit price of coffee increased by six per cent in 2012, mainly as a result of rising raw material costs. The leading player in the coffee market in France was Nestlé, which held 31 per cent of the value share in 2012. A CAGR of two per cent is expected over the next five years. Organic fresh coffee saw significant growth in 2012 as French consumers are receptive to products perceived as healthier and more eco-friendly. While store based retailers are the most common distribution outlets for coffee in France, online purchasing is increasing in popularity due to convenience.⁶

SOUTH KOREA

Premium instant coffee increased in popularity in South Korea in 2012, with off-trade fresh ground coffee pods seeing the biggest increase (25 per cent volume growth and 24 per cent value growth). Total retail sales of coffee in 2012 were \$1.6 billion, an increase from \$1.4 billion in 2011. On-trade volume increased by three per cent in 2012, while off-trade coffee volume increased by 12 per cent. Dongsuh Foods Co Ltd. continued as the leading player, with a coffee off-trade volume share of 77 per cent. A CAGR of three per cent is expected for coffee in South Korea over the next five years.⁷

DEFINITIONS

HS Code: internationally recognized system of numbers and names for classifying trade products. These codes are developed and maintained by the World Customs Organization.

CAGR: the average that provides a constant rate of return over the time period, which for this report is the next five years.

Off-trade sales: sales from retailer outlets where the coffee is bought and consumed somewhere else, such as at home.

On-trade sales: sales from establishments where coffee is served as well as consumed, such as at restaurants.

⁵ Euromonitor International, 'Coffee in China', March 2013, accessed September 2013.

⁶ Euromonitor International, 'Coffee in France', July 2013, accessed September 2013.

⁷ Euromonitor International, 'Coffee in South Korea', August 2013, accessed September 2013.