

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

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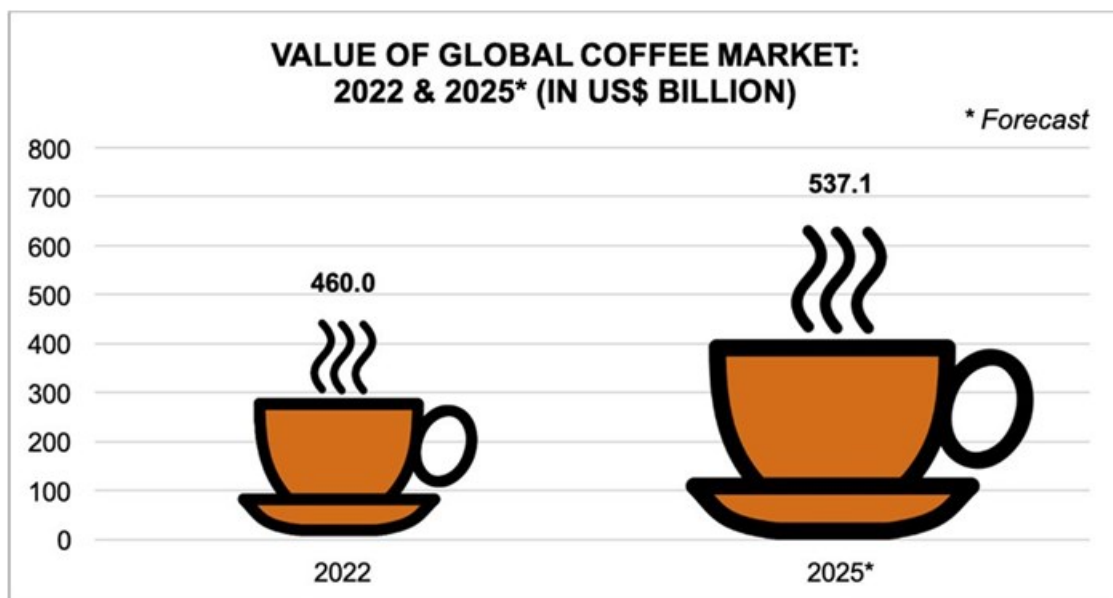
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As Covid-19 continues to heighten awareness around health and wellbeing, global and local coffee consumers are expecting their coffee to provide them with functional health benefits, beyond the caffeinated boost they are accustomed to. This is resulting 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 info@insightsurvey.co.za or directly on (021) 045-0202 or (010) 140- 5756.

For a full brochure please go to: [South African Coffee Industry Landscape Brochure 2022](#).

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