Global coffee consumption has grown at by over 2% per annum over the last decade to over 135 mn bags per annum.
In recent years, consumption growth has been dominated by emerging markets.

Growth has been strong in both coffee producing countries and non-coffee producing countries.
This has reduced the importance of mature markets, although they are still the largest segment of consumption.

Around 2.5 mn bags are being added to consumption each year (80% of this growth is in the emerging markets).
Rising incomes are driving this growth (along with a growing middle class and urbanisation)

but per capita consumption levels remain relatively low in the emerging markets
Consumption growth tends to follow an “S” curve: slow start, rapid acceleration, stagnation.

Tastes are also important, high soluble consumption is linked to high per capita tea consumption.
Per capita consumption is higher in the coffee producing countries than other emerging markets. Producers have a “taste” for coffee.

Growth in emerging market demand has seen a large increase in robusta demand both as a proportion of total consumption.
and in absolute volumes. This is due to growing conillon use in Brazil and higher soluble consumption.

There is greater flexibility in terms of blend formation in the mature markets. Least flexibility in the coffee producing countries.
Conclusions

• Coffee consumption is growing at around 2.5 mn bags per annum.
• 80% of this demand is in emerging markets
• Growing incomes are a key driver of this growth
• Robusta accounts for over half of this growth