

Africa Ready to Drink Coffee - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts (2024 - 2030)

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Abstracts

The Africa Ready to Drink Coffee Market size is estimated at 5.88 million USD in 2024, and is expected to reach 9.03 million USD by 2030, growing at a CAGR of 7.40% during the forecast period (2024-2030).

The developments in the cold coffee sector in the region are likely to propel market growth in the future

The RTD coffee segment is gaining popularity in Africa, driven by the rising demand for ready-to-drink beverages. This trend is fueled by the convenience it offers, especially appealing to the busy lifestyles of both young and middle-aged professionals. Coffee plays a crucial role in the livelihoods of over 12 million African households, particularly those in rural areas. In countries like Burundi (38%), Tanzania (23%), Uganda (22%), Cote d'Ivoire (17%), and Ethiopia (14%), a significant portion of the population relies on coffee farming for their income.

Cold brew coffee is poised to exhibit the highest growth rate, with a projected CAGR of 8.62% in value from 2024 to 2030. The cold coffee market is diversifying, attracting new consumers. Innovations in this space include infusing cold coffees with ingredients like mushrooms, CBD, and botanical extracts, offering functional benefits. This sector is also witnessing a surge in premiumization. As the demand for high-quality cold coffee rises, farmers stand to benefit from potential price premiums.

Young consumers in Africa have a preference for RTD iced coffee. The premium and

specialty iced coffee segment is expanding, with a rising interest in artisanal, small-batch offerings. This growth is driven by the younger demographics, particularly millennials and Generation Z, who are more adventurous in exploring coffee varieties and flavors. Thus, the sales value of iced coffee in Africa saw a notable uptick of 19.90% between 2019 and 2023.

Rising coffee culture among the youth and travelers drives the market

The demand for coffee in Africa is increasing due to the rising young middle class and a growing appreciation for the beverage among those travelers. In 2022, Africa saw a notable 2.6% surge in coffee consumption, accounting for 63.8% of the region's overall consumption. This shift in consumer behavior, marked by a preference for high-quality coffee profiles, is bolstering the growth of the ready-to-drink (RTD) coffee market. Projections indicate that the African RTD coffee market is expected to witness a CAGR of 40.11% by value during 2024-2030.

South Africa holds the second-largest market share. From 2020 to 2028, the South African RTD coffee market grew by 27.07% by value. Notably, coffee consumption patterns in South Africa, particularly in urban areas, are undergoing a transformation. The rise in disposable incomes among the middle class has contributed to this shift. Additionally, there is a rising demand for specialty and premium coffees, including those with specific origins. As major brands diversify their offerings, introducing zero-sugar alternatives to traditional soft drinks, RTD coffee and its variants are gaining traction as a more accessible option.

In 2022, Egypt's coffee consumption stood at approximately 70,000 tons, marking a significant 94.4% surge from 2017. Egypt is witnessing a surge in the popularity of specialty coffee, with many coffee shops now offering high-quality, single-origin beans for RTD coffee. Notably, the trend of cold brews is driving the RTD coffee market in Egypt. Cold brews, known for their longer shelf life and flexibility in storage, are finding favor among consumers. Egypt stands out as the fastest-growing market for RTD coffee, with projections indicating a robust CAGR of 10.33% by value during 2024-2030.

Africa Ready to Drink Coffee Market Trends

Consumer perception of perceived quality and premiumization in coffee products is shaping the market for future potential

In 2022, there were more than 8.5 million (25%) coffee consumers in South Africa. The consumption of RTD coffee can be primarily ascribed to the surge in consumer inclination towards physical and mental alertness and an increase in the number of people getting engaged in time-consuming jobs and academics.

The ever-expanding choice of flavor is also observed to be highly appealing for the consumers as RTD coffee infused with unique botanicals and spices like turmeric and spirulina have gained traction. In addition to seasonal flavors like chocolate raspberry or chocolate mint, brands also launch limited edition flavors in the region, that particularly matches the taste palette of the consumers.

Rapid urbanization is the key factor behind the significant market growth in Africa. On average, the African urbanization rate stood at approximately 49% in 2022, an estimated number of 609 million people in Africa live in urban areas as of 2022.

Under RTD coffee beverages, cold brew beverages are highly popularized and enjoyed by consumers. Individuals dealing with diabetes consider these beverages for its health benefits and other functional benefits.

Africa Ready to Drink Coffee Industry Overview

The Africa Ready to Drink Coffee Market is fairly consolidated, with the top five companies occupying 84.59%. The major players in this market are Arla Foods amba, Keurig Dr Pepper, Inc., King Car Group, Nestle S.A. and The Coca-Cola Company (sorted alphabetically).

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