

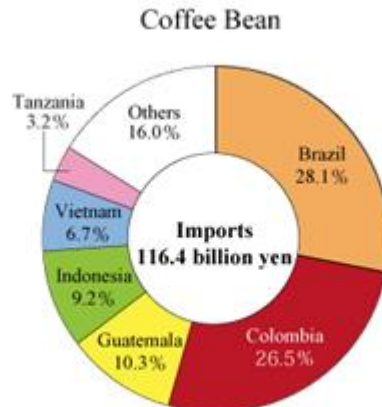
## Coffee, Tea & Drink Ingredients

July 14, 2011

### COFFEE / TEA

#### Coffee

**Raw Coffee Bean Imports by Country (2010)**



Sources: "2010 Import/Export Overview of Agricultural and Marine Products" compiled by Ministry of Agriculture, Forestry, and Fisheries of Japan

Since coffee is not produced in Japan, all coffee beans rely on imports.

Main raw coffee bean import partners in 2010 are 1st Brazil (123,073 tons), 2nd Colombia (79,060 tons) and 3rd Indonesia (59,068 tons) on a volume base. The import value is 116.4 billion yen, and the number one share is Brazil (28.1%), 2nd Colombia (26.5%) and 3rd Guatemala (10.3%). In both volume and value, the top 3 countries make over 60% of the total amount. Importing countries add up to over 40.



Coffee has become necessary for Japanese people's daily lives, and coffee consumption in Japan is stable. Also, since coffee has the same amount of polyphenol as red wine, its effects on health are getting attention. The import price of raw coffee beans fluctuates depending on the weather and speculation. Also, the exchange rate affects the price greatly, so it is hard to predict. On a quantity basis, although young people are not drinking much coffee due to the preference change and falling population, because there are more demand at homes and work places and coffee is starting to sell as a healthy drink, it is predicted to make a small growth.

Regular coffee and instant coffee by country and import volume is as below.

Both the import volume of regular coffee and instant coffee is a few % and very small.

Country	2008		2009		2010	
	Quantity	Unit	Quantity	Unit	Quantity	Unit
U.S.A.	2,886,078	911	2,847,715	840	2,783,610	777
Brazil	713,365	1,007	989,543	836	956,023	750
Vietnam	37,176	533	536,174	334	409,954	319
Colombia	550,751	1,424	349,794	1,154	387,635	1,150
Switzerland	262,060	6,570	215,580	6,196	280,656	5,742
Guatemala	195,999	1,060	112,899	971	231,596	858
Indonesia	187,258	1,034	125,207	1,225	218,247	822
<b>Total</b>	<b>6,652,189</b>	<b>1,338</b>	<b>6,019,542</b>	<b>1,077</b>	<b>6,311,279</b>	<b>1,065</b>

Sources: Ministry of Finance "Import Customs Statistics"

Country	2008		2009		2010	
	Quantity	Unit	Quantity	Unit	Quantity	Unit
Brazil	4,100,701	945	3,857,238	786	3,771,888	684
Indonesia	852,500	929	975,139	762	856,846	720
Ecuador	753,138	952	613,282	819	705,837	798
Colombia	1,193,848	1,404	956,383	1,220	668,214	1,728
Germany	313,270	2,335	220,351	1,997	291,610	1,802
Mexico	13,920	1,031	89,500	715	254,552	969
India	185,636	944	181,944	850	144,464	724
<b>Total</b>	<b>7,850,463</b>	<b>1,129</b>	<b>7,399,974</b>	<b>943</b>	<b>7,444,560</b>	<b>928</b>

Sources: Ministry of Finance "Import Customs Statistics"

With regular coffee, foreign companies are increasing its import and the import volume of raw bean was 7,510 tons, 1.7% of the total amount. Also, with imported coffee, there are end products for customers and intermediate products. In 2010, the import volume was 19,357 tons in raw bean quantity, 4.4% of the total amount.

## Tea

Teas are imported in two different ways and one is where containers of net weight under 3kg are directly imported and the other is where the bulk is imported as an ingredient of the tea. Most of green tea, black tea, and partly fermented tea are imported in bulk, and it takes up 80%~90% of each import volume.

The main importing countries of black tea are China, Sri Lanka and India, and they are the top 3. These 3 countries make 87% (2010) of the whole import value.

In Japan, black tea beverage industry is getting great attention. New products are being introduced, and the market is becoming active. The appeal is in the variety of types and flavor, along with reducing sugar to cut calories but have sweetness. Itoen's "Tea's Tea New York" sold 5 million boxes (120 million bottles) in the first 11 months. The reason behind the success was its scent of fresh fruits and lightly sweetened taste. It shows consideration to health reducing its calories and cutting down 50% of the caffeine. As a result, it is getting support from both men and women in their 30s~40s along with people in their 20s. With the attention attracting domestic market in the background, the import value and quantity of tea in 2010 both increased 14% year to year doing very well.



The 2010 tea importing volume and value are as below.

(Units: Quantitykg, Amount1,000 yen)

	Tea (direct packaging under 3kg)		Tea (bulk)		Total	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
Jan. - Dec. 2009	1,963,540	3,255,842	15,435,912	5,599,182	17,399,452	8,855,024
Jan. - Dec. 2010	2,430,439	3,707,719	17,326,745	6,408,409	19,757,184	10,116,128
YY	124%	114%	112%	114%	114%	114%

Sources: Ministry of Finance "Import Customs Statistics"

Next is the breakdown of imported direct packaging below 3kg and bulk by country .

Import Volume and Value of Tea (direct packing of under 3kg)

(Units: Quantitykg, Amount 1,000 yen)

	2009		2010		Quantity* YY
	Jan - Dec		Jan - Dec		
	Quantity	Amount	Quantity	Amount	
China	499,540	305,263	480,926	327,867	96
Taiwan	7,420	3,539	6,857	2,709	92
Vietnam	112,626	33,802	188,035	46,213	167
Indonesia	1,398,152	305,026	1,565,815	362,665	112
India	2,856,731	1,361,793	3,101,075	1,481,663	109
Sri Lanka	8,809,238	3,056,280	10,213,879	3,664,074	116
Bangladesh	25,828	7,818	1,700	1,602	7
Nepal	893	776	1,566	2,312	175
U.K.	13,079	10,195	7,015	6,019	54
Ireland	15,045	16,248	0	0	-
Belgium	400	227	0	0	-
Holland	0	0	15,950	15,643	-
France	6,161	12,805	4,029	9,156	65
Germany	21,646	25,546	23,635	29,217	109
Austria	220	536	130	319	59
U.S.A.	1,184	2,520	1,062	2,072	90
Argentina	2,760	1,619	7,125	4,949	258
Burundi	9,280	2,985	9,960	3,308	107
Kenya	1,579,211	434,043	1,629,546	433,961	103
Mauritius	500	417	0	0	-
Malawi	75,998	17,744	68,440	14,660	90
Total	15,435,912	5,599,182	17,326,745	6,408,409	112

Sources: Ministry of Finance "Import Customs Statistics"

**Import Volume and Value of Tea (direct packing of under 3kg)**

(Units: Quantitykg, Amount1,000 yen)

	2009		2010		Quantity* Y/Y
	Jan - Dec		Jan - Dec		
	Quantity	Amount	Quantity	Amount	
China	125,839	394,988	150,083	465,126	119
Taiwan	4,650	2,442	4,562	3,565	98
Hong Kong	40	250	0	0	-
Vietnam	229	423	0	0	-
Singapore	0	0	1,100	7,870	-
Malaysia	1,852	3,230	2,149	5,969	116
Indonesia	174,351	175,719	84,403	93,004	48
Laos	200	404	0	0	-
India	309,551	822,617	612,590	1,003,446	198
Sri Lanka	1,170,398	1,475,757	1,363,163	1,774,491	116
Bangladesh	2,030	755	0	0	-
Nepal	2,447	3,686	6,949	10,911	284
Sweden	300	714	551	1,388	184
U.K.	61,836	104,396	49,507	82,139	80
Ireland	99	205	0	0	-
France	17,339	86,871	1,229	6,603	7
Germany	176	267	484	1,576	275
Italy	17	228	31	394	182
Turkey	2,155	1,868	3,300	1,860	153
Canada	466	3,052	886	4,467	190
U.S.A.	51,575	116,809	119,678	203,661	232
Kenya	28,397	41,660	24,626	37,185	87
Tanzania	2,199	2,436	4,680	2,426	213
South Africa	0	0	360	863	-
Malawi	6,621	14,695	0	0	-
Australia	357	923	108	775	30
Polynesia	416	1,447	0	0	-
Total	1,963,540	3,255,842	2,430,439	3,707,719	124

Sources: Ministry of Finance "Import Customs Statistics"