



Final Report

Market Research in Thailand: Coffee, premium and standard, green and roasted beans

Date: October 2021

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PART 1

PROJECT BACKGROUND AND OBJECTIVES

PROJECT BACKGROUND AND OBJECTIVE

The primary objective is to conduct market research to assist Brazilian businesses in entering and growing their markets in Thailand

INTRODUCTION

The Trade and Investment Sector of the Brazilian Embassy in Bangkok - SECOM (hereinafter referred to as "the client") is responsible for promoting trade, investment, and business opportunities between Thailand and Brazil.

The client engaged Canvassco (Thailand) Co.,Ltd to conduct market research focusing on **Coffee, premium and standard, green and roasted beans**, to assist Brazilian businesses in entering and growing their markets in Thailand.

PROJECT METHODOLOGY

There are two primary sources of data; secondary research and primary research. For secondary research we collected data from various sources including;

- Import and export statistics from the Customs Department, Ministry of Commerce
- List of key industry players who are registered companies from the Department of Business Development, Ministry of Commerce
- Market report and industry reports from Food Intelligence Centers, under the National Food Institute (NFI)
- Annual reports of key players, Local news, Journal, article from business newspaper and trade magazine

For primary sources of data we collected by conducted in-depth interviews via telephone/zoom meetings with key industry players. There were total 10 companies interviewed during the primary data collection process. List of key industry players are provided at the Appendix.

PART 2

COFFEE, PREMIUM AND
STANDARD, GREEN AND
ROASTED BEANS MARKET
OUTLOOK

COFFEE PRODUCTS

There are five major product categories for imported coffee products classification

Products	HS Code	Example
Unroasted Coffee	0901.11 0901.12	
Roasted Coffee	0901.21 0901.22	
Coffee – by product	0901.90	
Instant Coffee	2101.11	
Instant Coffee Mixes	2101.12.10 2101.12.91 2101.12.92 2101.12.99	

COFFEE PRODUCTS

Product categories under coffee products can be classified into five major products as follow;

1. **Unroasted Coffee** including caffeinated and non-caffeinated coffee.
2. **Roasted Coffee** including caffeinated and non-caffeinated coffee.
3. **Coffee – by product** which are coffee husks and skins, and coffee substitutes containing coffee.
4. **Instant Coffee** are extracts, essences and concentrates of coffee, and preparations with a basis of these extracts, essences or concentrates or with a basis of coffee
5. **Instant Coffee Mixes** are coffee mixtures in paste form with a basis of ground roasted coffee, containing vegetable fats added sugar, whether or not containing creamer

THAILAND COFFEE INDUSTRY OVERVIEW

The demand of coffee bean in Thailand is driven preliminary by local coffee consumption especially through rapid expansion of coffee shops and coffee chain stores

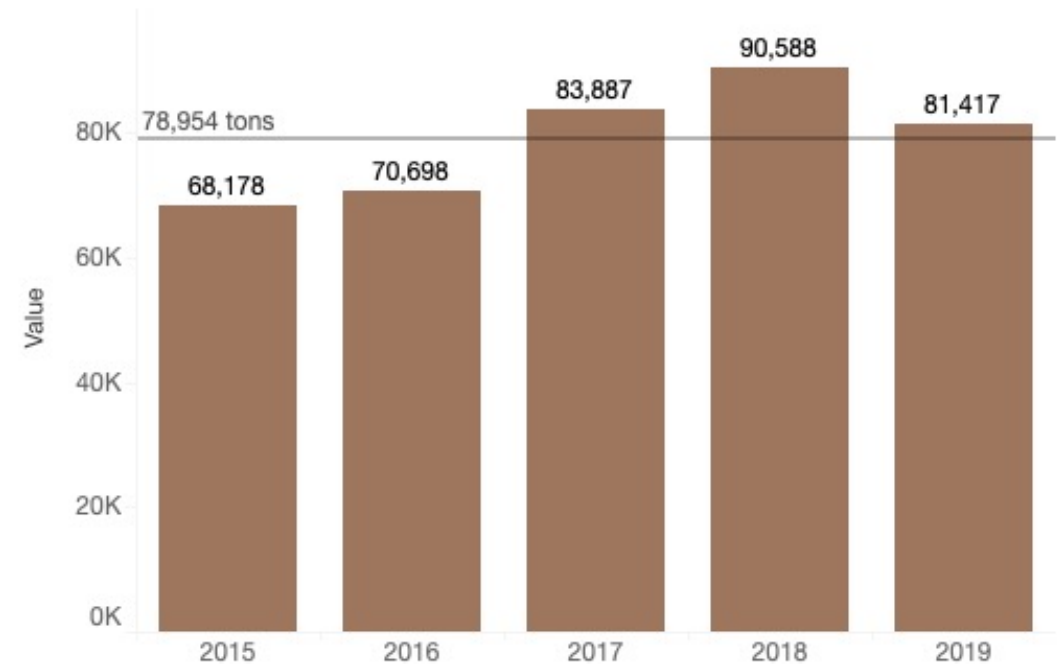
Thailand has a total cultivable area of 35,790 ha and produce 22,505 tons of coffee in 2020. However, local production is insufficient to support both domestic consumption and export coffee production.

Thailand, according to the Office of Agricultural Economics, requires an average of 78,954 tons of coffee beans for processing plants. Between 2015 and 2019, its demand climbed by an average of 4.54 percent. Domestic consumption fueled the growth, particularly the expansion of coffee shops, particularly chain stores, and an increase in retail consumption as a result of a variety of new coffee items introduced to the market.

Between 2020 and 2021, overall coffee bean demand is expected to fall by 6% to 7% as a result of COVID-19's impact on the retail sector, which has been badly impacted by shortened operating hours and restrictions on sit-in café/restaurants.

Demand of coffee beans for processing in Thailand

Unit: Tons



Source: Office of Agricultural Economics

COFFEE DOMESTIC PRODUCTION

Thailand has a total cultivable area of 223,690 Rai spread throughout 42 provinces. Arabica coffee production is comparable to that of Robusta coffee (11,000 tons on average). However, Arabica coffee output per rai (119 kg/rai) is 37% greater than Robusta coffee production per rai (87 kg/rai).

In Thailand, cultivable land for coffee has decreased, particularly for Robusta coffee beans; between 2018 and 2020, Robusta production decreased by an average of 10.6 percent. This is primarily due to the fact that imported Robusta coffee is more cost competitive than domestic production.

However, output and yielding area for arabica continue to expand. This is due to the popularity of arabica coffee, which is based on a taste preference for premium coffee. Between 2018 and 2020, arabica production increased by an average of 3.2 percent per year.

Arabica is primarily planted in the north of Thailand, whilst Robusta is primarily planted in the south. Most of local coffee beans in Thailand usually mention the source of plantation areas especially in Chiang Mai and Chiang Rai.

	2018	2019	2020
Yielding Area (Rai)	270,605	246,894	223,690
• Arabica	85,302	89,963	93,627
• Robusta	185,303	156,931	130,064
Production (Ton)	24,689	26,424	22,505
• Arabica	10,497	8,895	11,169
• Robusta	14,192	17,529	11,336
Production/Rai (Kg)	91	107	101
• Arabica	123	99	119
• Robusta	77	112	87

Source : Office of Agricultural Economics

THAILAND COFFEE PROCESSING INDUSTRY

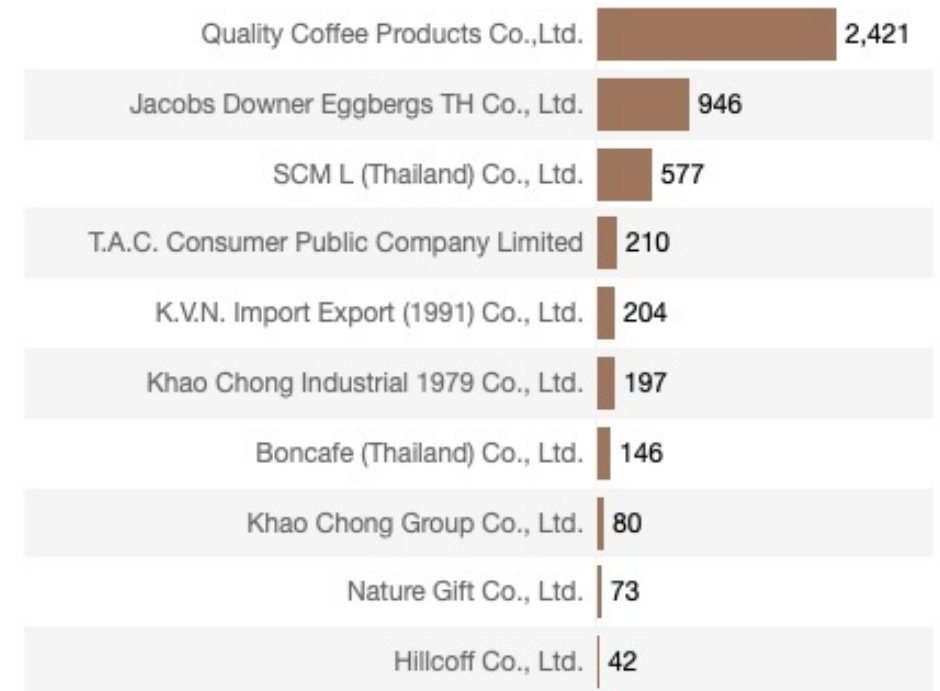
Thailand coffee processing industry is dominated by both large global companies & local companies who imported roasted coffee and utilizing local roasted coffee to serve mainly the domestic market

INDUSTRY OF COFFEE PROCESSING

- There are around 400 coffee processing companies in Thailand, with a combined yearly revenue of about BRL 5,241 million.
- The top ten coffee companies accounts about 93% of the market. The market leader is Quality Coffee Products, which serves as the original equipment manufacturer (OEM) for Nestle for the production of instant coffee under the brand NesCafe.
- Jacobs Downer Eggbergs TH manufactures instant coffee and instant coffee mixes for the brands Moccona, Super Coffee, Essenso, and L'OR, whereas SCML (Thailand) is the brand Super Coffee's original equipment manufacturer.
- T.A.C. Consumer Public Company is a major supplier of roasted coffee to All Café (owned by 7Eleven, Thailand's largest convenience store operator), as well as Black Canyon and PunThai Coffee (owned by PTG Energy, which is diversifying its business beyond gasoline stations).
- K.V.N. Import Export (1991) is a coffee bean supplier to their own coffee franchise network stores, 94 Coffee and Chaodoi Coffee. Kho Chong Industrial 1979, and the Khao Chong Group owns the retail brand "Kho Chong." Comparable to Nature Gift, which sells coffee under their own brand. Hillcoff is the coffee processing plant supplies coffee beans mostly to independent coffee cafes.

Top 10 Coffee Processing Companies

Unit: Annual Revenue - BRL Million



Source: Department of Business Development, Ministry of Commerce
Top 10 Coffee processing companies ranked by annual revenue

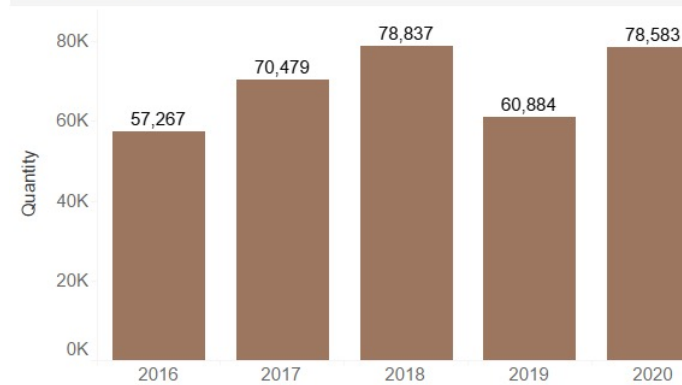
OVERALL IMPORTED COFFEE PRODUCTS

Thailand imported coffee products increase by 3.1% annually. Its major trading partner is Vietnam.

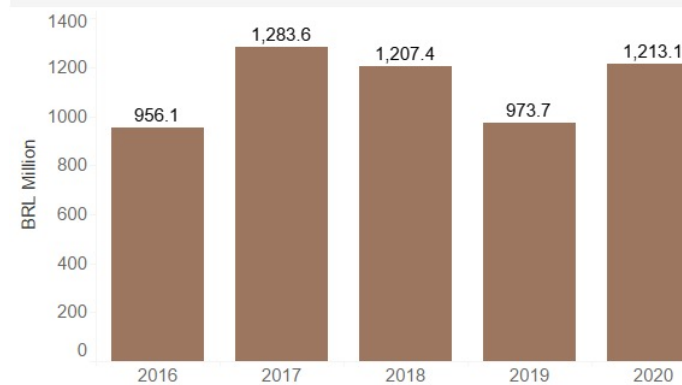
Overall Imported Coffee Products

- Thailand's imports of coffee products surged by 17.3% annually between 2016 and 2018 due to insufficient domestic supply, then fell precipitously in 2019 due to supply shortage, before rebounding by 29.1% in 2020.
- In 2020, Thailand imported 78,583 tons of coffee products valued at around BRL 1,231 million. Most imported items are unroasted coffee beans which is supplied to coffee processing plants.
- Vietnam is the largest trading partner, with 55,525 tons of coffee products exported into Thailand (70% of the market) in 2020. Most of imported coffee products from Vietnam are Robusta coffee beans, which cost lower than domestic coffee production. Import duty is also considered to be relatively low for importing from Vietnam (5%) as compared to WTO import duty rate of 30%.

Import Volume: Coffee Products
Unit : Tons



Import Value: Coffee Products
Unit : BRL Million



Import Countries FY 2020
Unit : Tons

Rank	Country (group)	Quantity	Market Share
1	VIETNAM	55,525	70.7%
2	MALAYSIA	12,463	15.9%
3	INDONESIA	4,967	6.3%
4	LAO PDR	3,606	4.6%
5	KOREA, REPUBLIC ..	371	0.5%
6	SWITZERLAND	231	0.3%
7	UNITED STATES	203	0.3%
8	BRAZIL	187	0.2%
9	GERMANY	182	0.2%
10	SINGAPORE	220	0.3%
11	JAPAN	111	0.1%
12	UNITED KINGDOM	98	0.1%
13	NETHERLANDS	84	0.1%
14	CHINA	64	0.1%
15	ITALY	57	0.1%
16	AUSTRALIA	40	0.1%
17	COLOMBIA	39	0.1%
18	GUATEMALA	31	0.0%
19	TANZANIA UNITED ..	17	0.0%
20	FRANCE	20	0.0%
21	OTHERS	66	0.1%

Source: Customs Department, Ministry of Commerce

IMPORT BY COFFEE PRODUCT

Imported unroasted coffee grew at a stable rate over 2016 – 2020 while, instant coffee mixes show significant growth of 17.2%.

Import Volume: Coffee Products

Unit : Tons

CAGR 16' - 20'

	2016	2017	2018	2019	2020		
Unroasted Coffee	46,084	55,416	62,757	44,831	59,650		6.7%
Roasted Coffee	1,349	2,581	2,028	3,239	3,442	R	26.4%
Instant Coffee	6,445	6,947	7,208	7,213	9,095		9.0%
Instant Coffee Mixes	3,388	5,535	6,843	5,602	6,396	I	17.2%
Other Coffee by product	0	0	0	0	0		-4.0%

Unit : BRL Million

CAGR 16' - 20'

	2016	2017	2018	2019	2020		
Unroasted Coffee	500.2	695.1	620.2	402.4	501.0		0.0%
Roasted Coffee	66.4	104.6	96.5	131.2	141.9	R	20.9%
Instant Coffee	297.5	334.4	325.6	293.0	411.9		8.5%
Instant Coffee Mixes	92.0	149.4	165.1	147.0	158.3	I	14.5%
Other Coffee by product	0.0	0.0	0.0	0.0	0.0		-16.6%

Other Coffee by product are husks and skins & substitutes containing coffee

Source: Customs Department, Ministry of Commerce - husks and skins & substitutes containing coffee

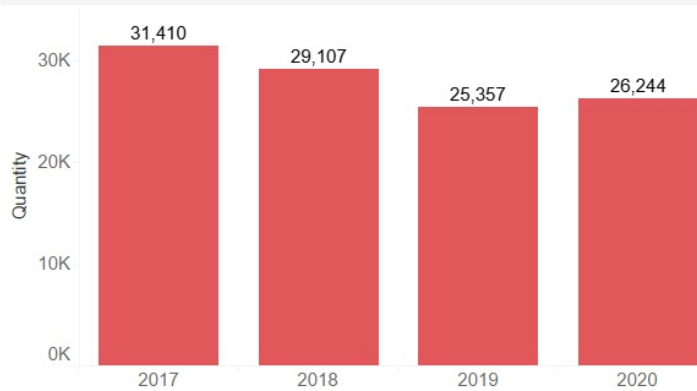
Imported Coffee Products

- Unroasted coffee is the most imported product, importing 59,650 tons accounting for around 76% of total imported volume with consistent growth of 6.7%.
- The rest of market are mostly instant coffee & instant coffee mixes. Thailand imported 9,095 tons of instant coffee for approximately BRL 411.9 million, an increase of 9.0%. 6,396 tons of instant coffee mixes are imported with volume growth average of 17.2%
- Malaysia is the major country import of instant coffee & instant coffee mixed with 74% and 53% of market share respectively.

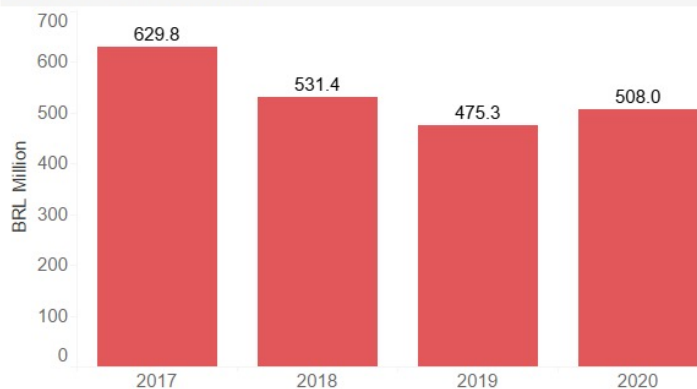
OVERALL EXPORTED COFFEE PRODUCTS

Thailand exported around 26,244 tons of coffee products in 2020, majoring products are instant coffee and instant coffee mixes. Its main export markets are Myanmar, Lao PDR and Cambodia.

Export Volume: Coffee Products
Unit : Tons



Export Value: Coffee Products
Unit : BRL Million



Export Countries FY 2020
Unit : Tons

Rank	Country (group)	Quantity	Market Share
1	MYANMAR	7,369	28.1%
2	LAO PDR	6,226	23.7%
3	CAMBODIA	5,201	19.8%
4	PHILIPPINES	3,191	12.2%
5	UNITED KINGDOM	1,189	4.5%
6	CHINA	504	1.9%
7	ISRAEL	478	1.8%
8	TAIWAN	401	1.5%
9	UNITED STATES	379	1.4%
10	HONG KONG	244	0.9%
11	RUSSIA	207	0.8%
12	NEPAL	178	0.7%
13	GEORGIA	112	0.4%
14	JAPAN	91	0.3%
15	VIETNAM	61	0.2%
16	CANADA	53	0.2%
17	NETHERLANDS	50	0.2%
18	KOREA, REPUBLIC OF	44	0.2%
19	SINGAPORE	31	0.1%
20	GERMANY	30	0.1%
21	OTHERS	205	0.8%

Overall Exported Coffee Products

- In 2020, Thailand exported approximately 26,244 tons of coffee products for BRL 508 million. Its primary export destinations are Myanmar, Laos and Cambodia taking advantage of the zero percent the ASEAN FTA tariff benefit.
- Between 2017 to 2020, its export volume decreased at a rate of 5.8 percent each year, this is mainly due to the demand in domestic market continues to expand at pace.
- In 2020, Myanmar is the largest trading partner for export market. Myanmar imported 7,369 tons of coffee products (28.1% of the market), followed by Lao PDR (23.7%), Cambodia (19.8%), and Philippines(12.2%). These export markets are made up altogether 83.8% of total exported volume.

Source: Customs Department, Ministry of Commerce

EXPORT BY COFFEE PRODUCT

Instant coffee mixes is the main exported product, accounted for 84.7% of total with growth dropping by 5.9% over 2017 – 2020

Export Volume: Coffee Products
Unit : Tons

	2017	2018	2019	2020	CAGR 17' - 20'
Unroasted Coffee	305	469	385	291	-1.6%
Roasted Coffee	159	164	155	126	-7.4%
Instant Coffee	4,247	3,950	2,862	3,577	-5.6%
Instant Coffee Mixes	26,670	24,523	21,949	22,246	-5.9%
Other Coffee by product	28	1	6	4	-46.6%

Unit : BRL Million

	2017	2018	2019	2020	CAGR 17' - 20'
Unroasted Coffee	9.7	14.7	13.4	9.5	1.9%
Roasted Coffee	6.2	7.1	6.4	5.3	-9.4%
Instant Coffee	117.9	105.5	91.6	124.8	-10.5%
Instant Coffee Mixes	495.6	403.9	363.8	368.2	-5.6%
Other Coffee by product	0.3	0.1	0.1	0.2	-0.4%

Source: Customs Department, Ministry of Commerce

Exported Coffee Products

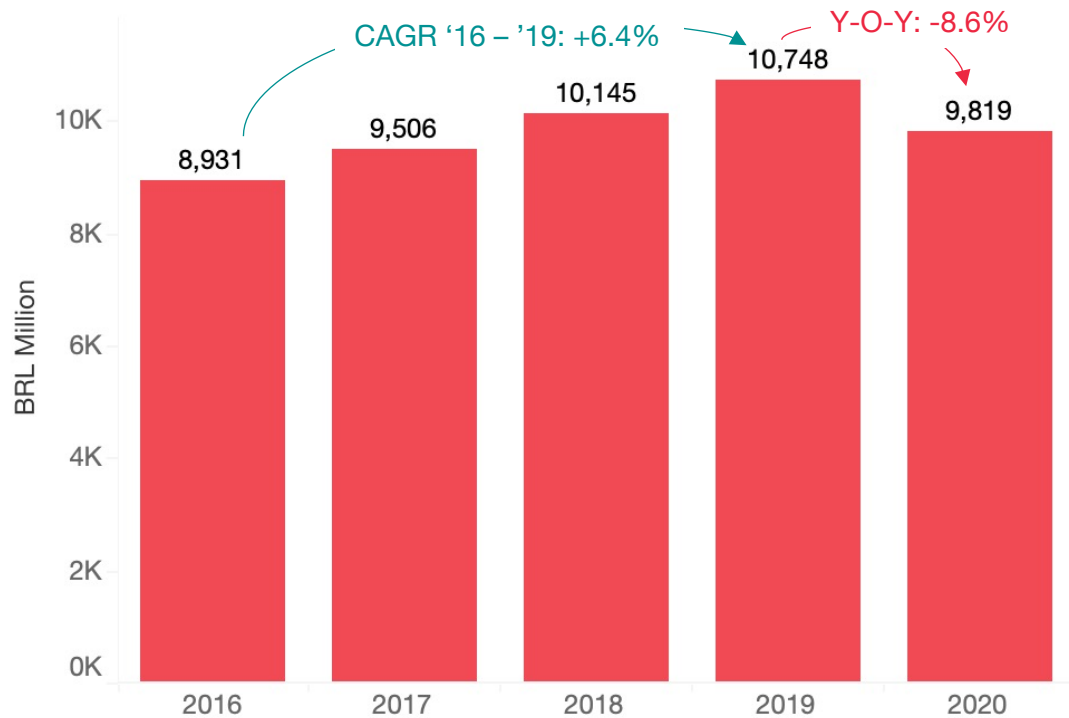
- As most of local coffee production are for domestic consumption, very limited volume of unroasted coffee beans or roasted coffee beans are available for export market.
- With a substantial coffee processing production capacity, Thailand exports mainly instant coffee and instant coffee mixes. Instant coffee mixes is the main exported product, accounted for 84.7% of total exports volume with a healthy growth rate. On average, instant coffee mix decreased by 5.9% annually between 2017 to 2020.
- For instant coffee, export volume continues to decline since 2017. On average, instant coffee exported volume dropped by 5.6% annually between 2017 to 2020. This is mostly due to cost competitiveness as compared to Vietnam, who is the second largest producer in the world after Brazil.

COFFEE - DOMESTIC MARKET SIZE

Thailand's domestic coffee market is estimated at BRL 9,980 million in 2020 grew on average of 6.4% annually between 2016 and 2019, before declining by 8.6% in 2020 as a result of COVID-19 impacts

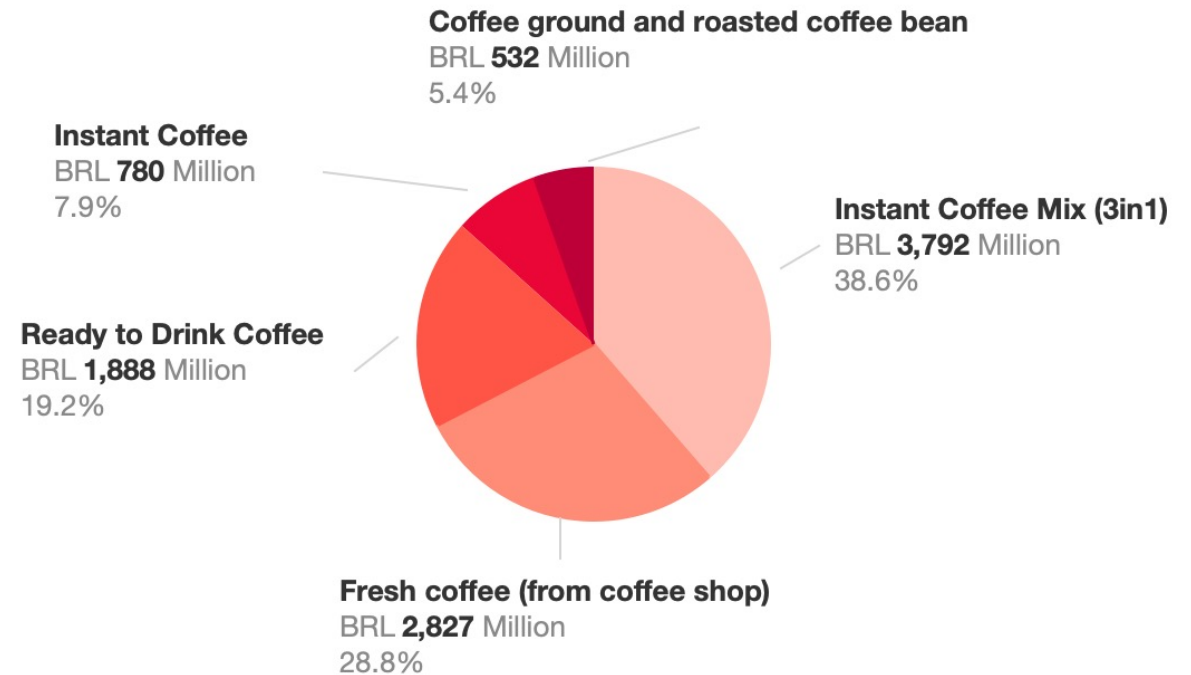
Coffee Products - Domestic Market Size

Unit: BRL Million



By Product Segment

Unit: % of total market value FY 2020



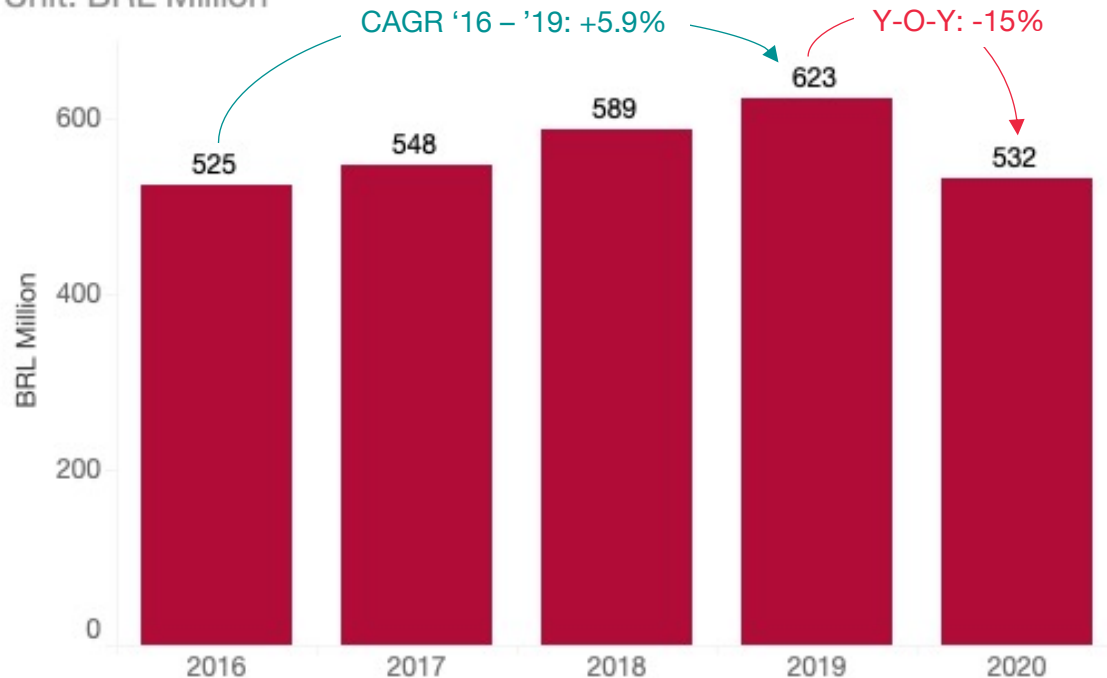
Source: National Food Institutes & Interviews with key players

COFFEE GROUND AND ROASTED COFFEE BEAN

In the retail sector, coffee ground and roasted coffee beans are aimed at luxury coffee lovers who own their own coffee making machines. The market is estimated at BRL 532 million in 2020

Market Size and Growth: Coffee ground and roasted coffee bean

Unit: BRL Million



Source: National Food Institutes & Interviews with key players

Coffee Ground and Roasted Coffee Bean Market Overview

- In the retail sector, coffee ground and roasted coffee beans are aimed at luxury coffee lovers who own their own coffee making machines. Additionally, this segment includes coffee capsules and drip coffee in packets for consumption at home or at the office as well as individual owned coffee shop.
- This market increased at a robust 5.9 % annually from 2016 to 2019 but has decreased by 15% year over year from 2019 to 2020 as a result of the COVID-19 impact, that most offices operate under the WFH policy and consumers cut back on spending.
- The practice of brewing coffee at home, either with a coffee machine or by dripping, began in Thailand not long ago, as more Thai consumers gained an understanding of the various types of coffee and the processes involved in producing high-quality coffee products. Due to the high price of high-quality coffee drinks at fresh coffee cafés (THB 100 or more for a cup of coffee), using coffee machines that facilitate home brewing and taste similar to fresh coffee at a lower price point is gaining market traction.
- Going forward, this market is expected to grow at a 7% to 8% owing to consumer awareness and preference for fresh coffee at a lower cost and as a more convenience option than Out-Of-Home coffee shops.

COFFEE GROUND AND ROASTED COFFEE BEAN

Roasted coffee bean targets mainly individual coffee shop, while coffee ground and coffee capsule/drip coffee have its position as premium retail coffee products

Roasted Coffee Bean



- ✓ Less than 10% of the segment
- ✓ Target mainly individual coffee shops
- ✓ Available in 250 grams as standard pack

Coffee Ground



- ✓ More than 70% of the segment
- ✓ Target mainly home/office drinks
- ✓ Available in various sizes for both local and imported brands

Specialty coffee



- ✓ Most of them are local brand
- ✓ Not widely available in retail store
- ✓ Awareness limited to group of coffee lovers

Coffee Capsule/Drip Coffee



- ✓ Less than 10% of the segment
- ✓ Target mainly premium segment
- ✓ One pack of coffee capsule usually contain about 12 or 16 capsules

Coffee Ground and Roasted Coffee Bean Product

- This market is composed of four distinct product categories: (1) Roasted Coffee Beans, (2) Ground Coffee, (3) Specialty coffee and, (4) Coffee Capsules or Drip Coffee
- Roasted coffee beans are typically offered in packs of 250 grams and are mostly sold to independently owned coffee shops equipped with coffee making machines. This market is expected to be worth approximately BRL 40 million in 2020, accounting for less than 10% of the coffee ground and roasted coffee bean segment.
- Coffee ground primarily targets coffee enthusiasts who are prepared to pay premium pricing. The coffee ground market is estimated to account for more than 70% of the market size for this product category. This market has been growing at a steady rate as household coffee machines have gotten more affordable.
- Specialty coffee is mostly local brand of coffee beans in Thailand which is qualified by cupper or q-grader which is often not available in retail store but rather at selected or verified coffee shops
- Coffee capsules and drip coffee are also primarily targeted at consumers for home or office consumption. This market is anticipated to account for less than 10% of the segment's total value. This product is aimed at the premium market, as it is more expensive than roasted coffee beans and ground coffee.

ROASTED COFFEE BEAN & COFFEE GROUND – RETAIL PRICE



Moccona
250 g
Price: THB 109



Doitung
200 g
Price: THB 230



Doichang
250 g
Price: THB 255



Boncafe
250 g
Price: THB 135



Bluekoff
250 g
Price: THB 130



Arigato
200 g
Price: THB 215



VPP
250 g
Price: THB 152



My Choices
250 g
Price: THB 185



Illy
250 g
Price: THB 640



Suzuki
500 g
Price: THB 425

COFFEE CAPSULE/DRIP COFFEE – RETAIL PRICE

Capsule Coffee



Nescafe
10 Capsules
Price: THB 249



Starbucks
12 Capsules
Price: THB 299



Duchess
10 Capsules
Price: THB 185



Doitung
10 Capsules
Price: THB 210



Doimon
10 Capsules
Price: THB 150

Drip Coffee



Pack: 45 g
5 packs
Price: THB 135



Pack: 45 g
5 packs
Price: THB 100



Pack: 45g
5 packs
Price: THB 72



Pack: 50g
5 packs
Price: THB 83



Pack: 60g
5 packs
Price: THB 150

SPECIALTY COFFEE – RETAIL PRICE



Maesui
Pack: 200g
Price: THB 263



Huay Wai
Pack: 200g
Price: THB 290



Mae Hongson
Pack: 200g
Price: THB 290



Maejantai
Pack: 250g
Price: THB 189



Huay Tone
Pack: 200g
Price: THB 277



Manipruet
Pack: 200g
Price: THB 297



Doimong
Pack: 250g
Price: THB 199



Khun Lao
Pack: 200g
Price: THB 260



Colombia
Pack: 100g
Price: THB 229



Ethiopia
Pack: 100g
Price: THB 280

COFFEE GROUND AND ROASTED COFFEE BEAN – Key players

The market is highly fragmented with more than 20 brands available in the market.



Roasted Coffee Bean

- Key players for this product category are Suzuki Coffee (by Yod Coffee Thai), Boncafe, Aroma and VPP Coffee (VPP Progressive). Recently, CP Retailing, a subsidiary of CP Group, has begun selling roasted and ground coffee for cafés under the trademark "CP Retail Link Coffee."

Coffee Ground

- There are more than 20 brands available in the market key brands found in most of retail stores are Arigato, Bon Café, Café Direct, Illy, Lavazza, Moccona, MyChoice, Suzuki Coffee, UCC, VPP Coffee and etc.

Specialty Coffee

- There is no established brand for specialty coffee. Most of specialty coffee are branded as using its original plantation areas. The famous coffee farming are in Chiang Mai, Nan and Tak.

Coffee capsules and drip coffee

- Nescafe Dolce Gusto is the market leader for coffee capsules. Nescafe Dolce Gusto is the brand under Nestle which has also operating under the trademark "Starbucks Dolce Gusto". Other brands available in the market include Bon Café, Illy, SegaFredo, Doi Tung.

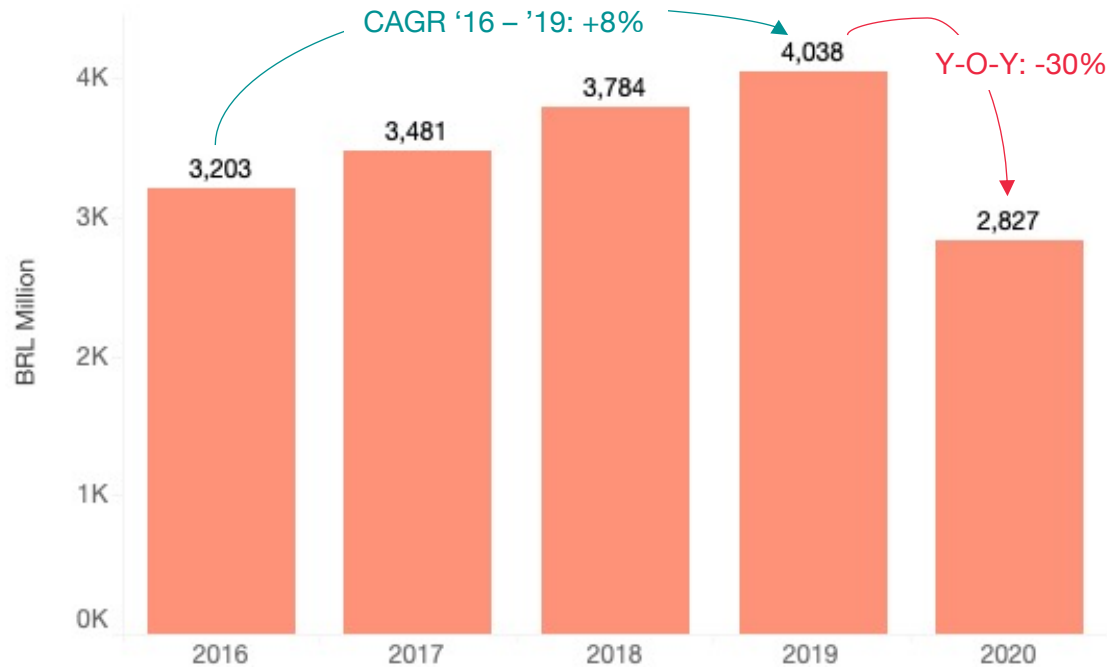


FRESH COFFEE (COFFEE SHOPS/CAFÉ)

Fresh coffee market in Thailand is estimated to worth about BRL 2,827 million in 2020. The market has dropped drastically by 30% from the previous year as a result of COVID-19 impacts.

Market Size and Growth: Fresh coffee (from coffee shop)

Unit: BRL Million



Source: National Food Institutes & Interviews with key players

Coffee Shop Market Overview

- Fresh coffee market in Thailand is estimated to worth about BRL 2,827 million in 2020. The market has dropped drastically by 30% from the previous year as a result of COVID-19 impacts. Prior to the COVID-19 situation, fresh coffee market grew constantly on average of 8% annually between 2016 to 2019.
- Most coffee shops in Thailand are chain stores, which accounted for 60% of all coffee shops. Key brands include Café Amazon, Starbucks, All Café, Black Canyon, True Coffee and etc.
- Branch expansion is a critical strategy for chained coffee. Currently, "Starbucks" expects to expand to 400 locations countrywide this year, up from 321 stores currently, while "Cafe Amazon" seeks to add 300 locations. "Inthanin" has 497 branches and "All Café" is has the most number of branches (~6,600 branches) as it is part of the convenient stores, 7Eleven.
- In 2021, fresh coffee market is anticipated to be stable. In the next few years, the market is expected to bounce back to the 2019 value and continues its growth by 5%-10% annually.

FRESH COFFEE (COFFEE SHOPS/CAFÉ)

For coffee shops, the market can be segmented into three main segments which are premium coffee shop, coffee shop franchise, and standard coffee stand

Fresh coffee (Coffee Shops/Café) - Segment

For coffee shops, the market can be segmented into three main segments as follow;

- **Premium coffee shop** such as Starbucks, Dean and DeLuca, Black Canyon, Coffee World, and True Coffee are famous chain stores with branches in key economic cities in Thailand. In addition to the chain store, there are also individual own coffee shops or those with 2-3 branches such as %Arabica. The prices for one Americano usually start at about THB 100 per cup.
- **Coffee shop franchise** which is usually operated by large companies who diversifying their business into retail. This includes the market leader Café Amazon (operating by subsidiary companies of PTT, oil and gas business conglomerate. Inthanin which is the brand under Bangchak Corporation and etc. Fresh coffee from these brands usually offer at the range of THB 60 – 80.
- **Standard coffee stand** which include individual owned shop with 2-3 tables available. These brands offer fresh coffees at the price between THB 30 – 60. In addition, All Café operates as part of its retail business of CP Group also offers very competitive pricing selling fresh coffee at similar price to standard coffee stand.



FRESH COFFEE (COFFEE SHOPS/CAFÉ) – RETAIL PRICE

Cold Coffee



Starbucks
Espresso Frappe
Price: THB 170



Black Canyon
Iced Espresso
Price: THB 80



Amazon
Espresso Frappe
Price: THB 55



Muan Chon Iced
Espresso
Price: THB 55



All Cafe Iced
Espresso
Price: THB 40

Hot Coffee



Starbucks Hot
Cappuccino
Price: THB 140



Black Canyon
Hot Espresso
Price: THB 75



Amazon Hot
Espresso
Price: THB 35



Muan Chon Hot
Espresso
Price: THB 35



All Cafe Hot
Espresso
Price: THB 25

FRESH COFFEE (COFFEE SHOPS/CAFÉ)

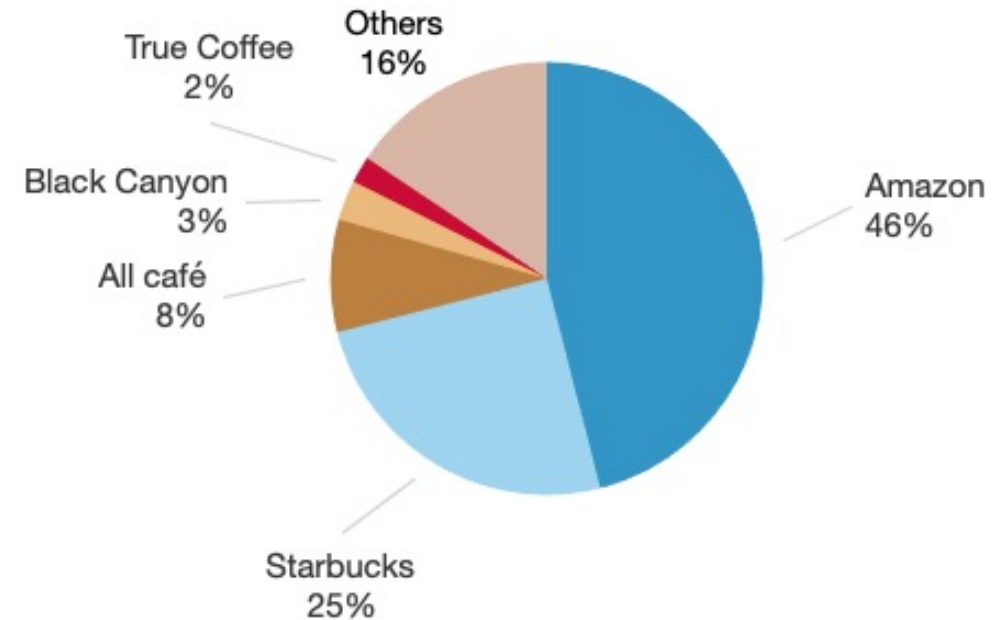
Coffee shop franchise that offering mid-range price fresh coffee are expanding rapidly in the Thai market

Fresh coffee (Coffee Shops/Café) – Key players for coffee shop chain stores

- The popularity of coffee shops among Thais is projected to continue to grow as demand for better-tasting fresh coffee increases. Along with the lifestyle of living outside the home, consumers desire to enjoy a unique ambience at a cafe. The covid issue has impacted consumption in the coffee shop segment, but this is expected to be a transitory effect as brands attempt to reach consumers via delivery services.
- Growth in fresh coffee has been rapidly expanding by coffee chain store lead by Café Amazon with the market share of 46%, followed by Starbucks, the famous international coffee chain store (market share 25%). All Café, with an extensive coffee stands via its convenient outlets over 6,600 branches, is estimated to have about 8% of the market. Other key players are Black Canyon and True Coffee which its coffee stores in most of shopping malls and key retail areas in Greater Bangkok.
- Other players also include Doi Chang & Doi Tung Café which is an example of a premium market player of coffee bean market who expands their business via fresh coffee cafe. Nescafe, the market leader for instant coffee, has also recently entered the coffee shop sector with the launch of Nescafe Hub in the BTS region.

Fresh coffee (from coffee shop) - Market share Coffee Chain Stores

Unit % to total market size

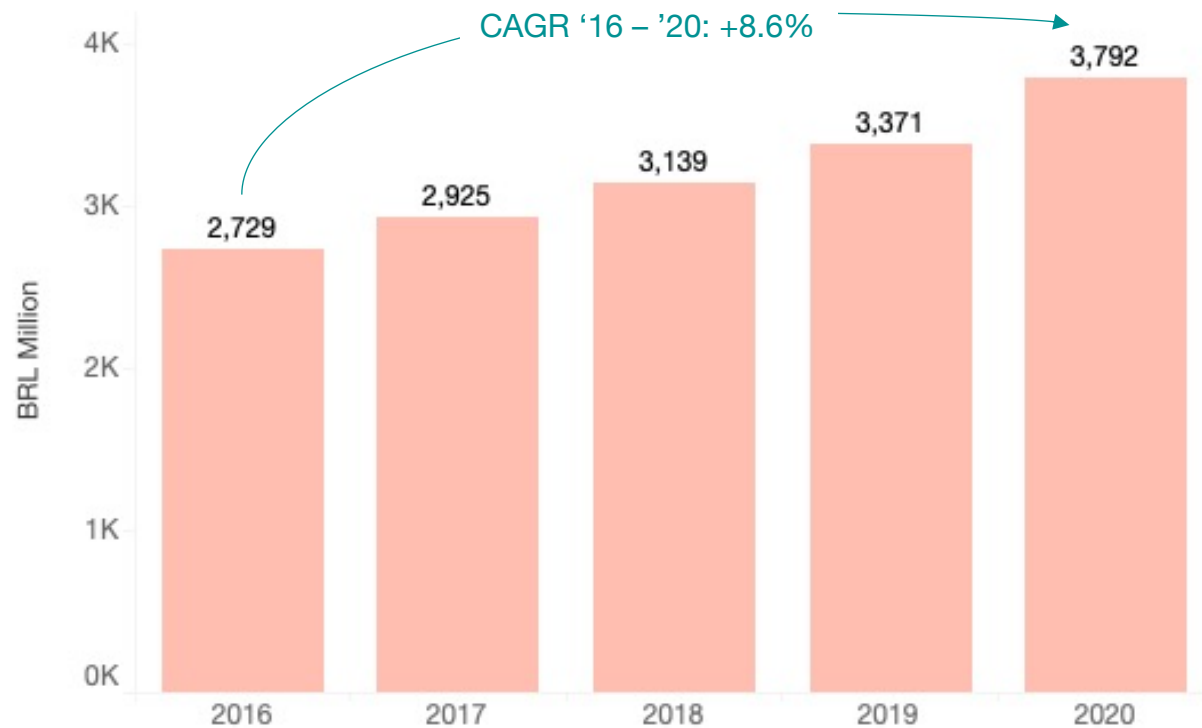


INSTANT COFFEE MIX (3IN1)

3in1 coffee market continues to grow especially during the Covid-19 situation as consumers reduced their expenditure and chose a less expensive coffee product

Market Size and Growth: Instant Coffee Mix (3in1)

Unit: BRL Million



Source: National Food Institutes & Interviews with key players

Instant Coffee Mix (3in1) Market Overview

- Between 2016 and 2020, 3in1 coffee enjoyed exceptional growth rates of an average of 8.6% annually, despite the COVID-19 market impact.
- This is primarily attributable to the fact that consumers reduced their expenditure and chose a less expensive coffee product. Work From Home policies enacted by the majority of commercial and public enterprises have also contributed to the market's growth. Instant coffee mixes or 3in1 coffees contain all of the ingredients, including coffee powder, non-dairy creamer, and sugar.
- Additionally, the 3in1 coffee market is considered to be quite active, with new products offered throughout the year. Initially, the majority of 3in1 coffee products were based on instant coffee mixed with creamer and sugar and targeted mostly the low-end segment. Today, there are numerous formulas for 3in1 that target consumers over a broad spectrum of price points, from low to mid-range, and even to a niched segment of health-conscious consumers.
- In the future, the 3in1 market is predicted to increase at an average annual rate of 3% - 5%, mostly due to new product innovation.

INSTANT COFFEE MIX (3IN1)

Three types of 3in1 coffee are available: basic formular, functional 3in1 coffee, and premium 3in1 coffee introduced by NESCAFÉ by promoting the use of roasted and ground Arabica and Robusta

3in1 Coffee – Basic Formular



- ✓ Variety of flavors
- ✓ With sugar content

3in1 Coffee – Premium Market



- ✓ Americano/Espresso
- ✓ Low or no sugar
- ✓ Mostly offers in smaller package than basic products

3in1 Coffee – Functional



- ✓ Promote ingredients as functional benefits
- ✓ Low or no sugar
- ✓ 10 packs of its products usually sold at the same price of 40 packs for basic formular

Instant Coffee Mix (3in1) Products

- Three types of 3in1 coffee are available: basic formular, functional 3in1 coffee, and premium 3in1 coffee.
- For the basic 3in1 coffee, it comes in a number of flavors, including Mocha, Espresso, and Cappuccino. It is combined with sugar and cream and packaged in little pouches weighing around 17 to 20 grams per pack. These products are typically recognized as the original three-in-one coffee with a high sugar content.
- With the rise of sugar taxes and also the development of markets, awareness about the quality of coffee has grown. Thai customers increasingly associating roasted coffee with the premium market this has led NESCAFÉ to launch the product in a new category of premium 3in1 coffee. The premium segment strives to enrich the experience of drinking coffee at home. NESCAFÉ has debuted, a coffee blend made up of roasted and ground Arabica or Robusta beans, as well as NESCAFÉ Americano, a zero-sugar coffee that can be brewed with cold water.
- For functional 3in1 coffee, these products typically offer weight management benefits and are marketed mostly to women who are wanting to control their weight through the use of 3in1 coffee products enhanced with vitamin or L-carnitine or for beauty e.g., Q10 or collagen for anti-aging.

INSTANT COFFEE MIX (3IN1) – RETAIL PRICE

3in1 coffee



Nescafe
17.5 g * 27 packs
Price: THB 100



Moconna
18 g * 27 packs
Price: THB 108



Birdy
13.2 g * 27 packs
Price: THB 95



Khao Chong
18 g * 25 packs
Price: THB 89



Essenso
20 g * 25 packs
Price: THB 105

Functional coffee



Nature Gift
13.5 g * 10 packs
Price: THB 97



Body Shape
15 g * 10 packs
Price: THB 120



Fitne
15 g * 20 packs
Price: THB 195



Pure Coffee
12 g * 12 packs
Price: THB 99



Pure Coffee
16 g * 15 packs
Price: THB 215

INSTANT COFFEE MIX (3IN1)

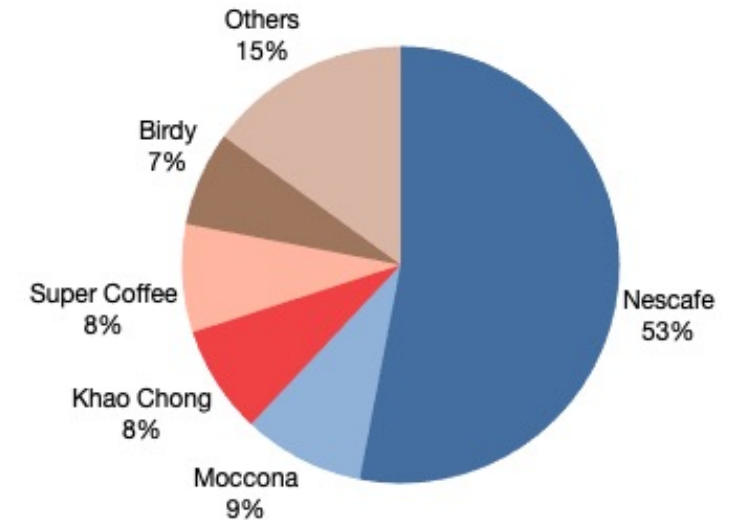
Nescafe of Nestle (Thai) Company is the market leader with 63.0 % share

Instant Coffee Mix: Key Players

- Nescafe (the brand under Nestle) is the market leader with a 53% of the market share followed by Moccona (9%), Super Coffee and Khao Chong (8% each), Birdy (7%) and others (15%)
- The market for 3in1 coffee is constantly evolving, with new players entering the market. For instance, last year, there was "Dao Coffee" from the Laotian Dao Huang Group who introduced their 3in1 product into the market, and more recently, "Arabas" from the Dutch Mill group that has expanded their coffee product portfolio from RTD Coffee into 3in1 market.
- Imported brands such as Indocafe from Indonesia, Old Town Coffee from Malaysia, and French Café, a Korean instant coffee are also gaining traction in the market.
- Currently, leading companies provide several formular for consumers to choose, including a low-sugar option for those concerned about their health, and this product has seen a recent increase in market share.

Instant Coffee Mix (3in1) - Market share

Unit % to total market size

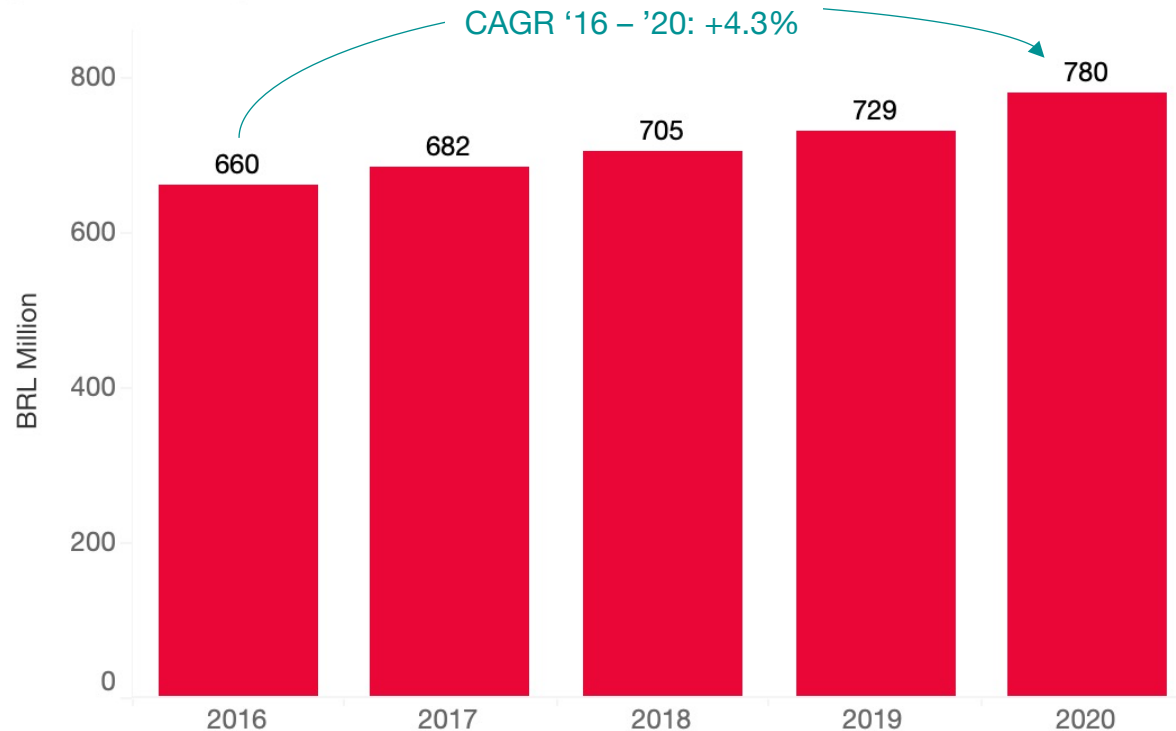


INSTANT COFFEE

Between 2016 and 2020, the instant coffee market is estimated to be worth BRL 780 million, with an annual growth rate of 4.3%.

Market Size and Growth: Instant Coffee

Unit: BRL Million



Source: National Food Institutes & Interviews with key players

Instant Coffee Market Overview

- Between 2016 and 2020, the instant coffee market is estimated to be worth BRL 780 million, with an annual growth rate of 4.3%.
- Despite the impact of COVID-19 on the retail market, instant coffee products continue to grow at a rapid pace. Between 2019 and 2020, the market grew by 7% year on year, as more people stayed at home and consumers shifted to more affordable coffee products. This is because these are the traditional retail coffee products and are particularly popular with senior citizens who enjoy drinking black coffee at home.
- In addition, not only has the market expanded due to the supply of domestic products, but also due to the premium market's imports of instant coffee. Imported instant coffee is primarily found in supermarkets in major economic hubs.
- In the future, the instant coffee market is expected to grow at a rate of 3% to 4% per year, in line with retail expansion.

INSTANT COFFEE

Instant coffee products can be classified into three main sub-product segment which are, standard mid-segment and premium products

Standard Product



- ✓ Price below THB100 per unit
- ✓ NesCafe Red Cup is well known as standard instant coffee
- ✓ Domestic product or imported mainly from Vietnam

Mid-Price Range

Premium Market



- ✓ Price THB 100 - 200 per unit
- ✓ Mix between domestic products and imported brands
- ✓ Price below above 200 per unit
- ✓ Mostly imported products from EU, US, Japan

Instant Coffee Products

Instant coffee products can be classified into three main sub-product segments, which are standard, mid-segment, and premium products.

- For standard instant coffee, most of them are domestic brands or instant coffee brands imported from neighboring countries, especially Vietnam. These products are usually priced below THB 100 per unit (for 100 or 200 grams). Red cup NesCafe is known as the standard instant coffee product.
- For mid-price range of instant coffee, this is the segment that includes both domestic and imported brands available in the market. The products are usually priced between THB 100 and 200 per unit of around 100 grams.
- For premium instant coffee, which is mostly imported, the price is above THB 200 per unit for around 100 and 200 grams. Imported products from Europe, such as Germany, Italy, Switzerland, the Netherlands, the UK, and also Japan, are mostly in this segment.

INSTANT COFFEE – RETAIL PRICE

Imported Coffee



UCC
99 g
Price: THB 386



Maxim
80 g
Price: THB 284



Tshibo
200 g
Price: THB 199



Davidoff
100 g
Price: THB 195



Illy
95 g
Price: THB 439

Domestic Coffee



Nescafe Red Cup
200 g
Price: THB 149



Nescafe Gold
200 g
Price: THB 199



KhaoChong
360 g
Price: THB 210



Moccona
360 g
Price: THB 210



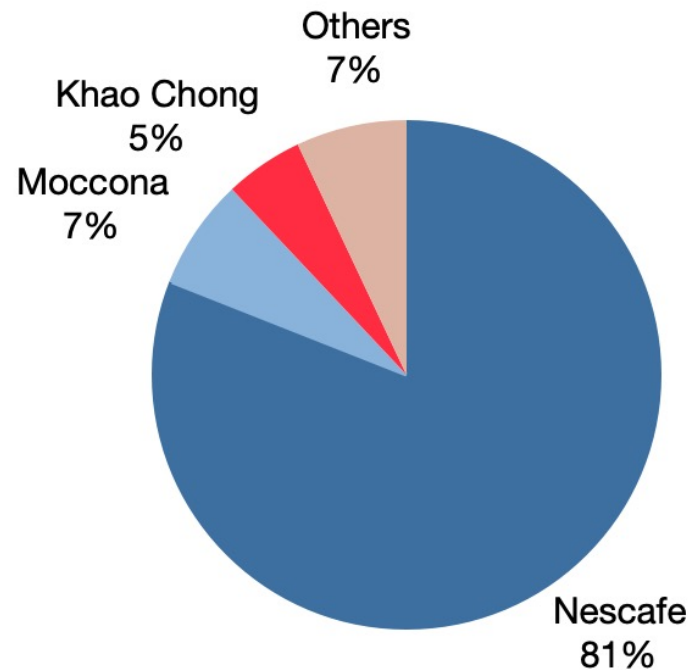
Moccona Royal Gold
120 g
Price: THB 182

INSTANT COFFEE

NesCafe dominates the instant coffee market with total 81% of the market share.

Instant Coffee - Market share

Unit % to total market size



Instant Coffee – Key players

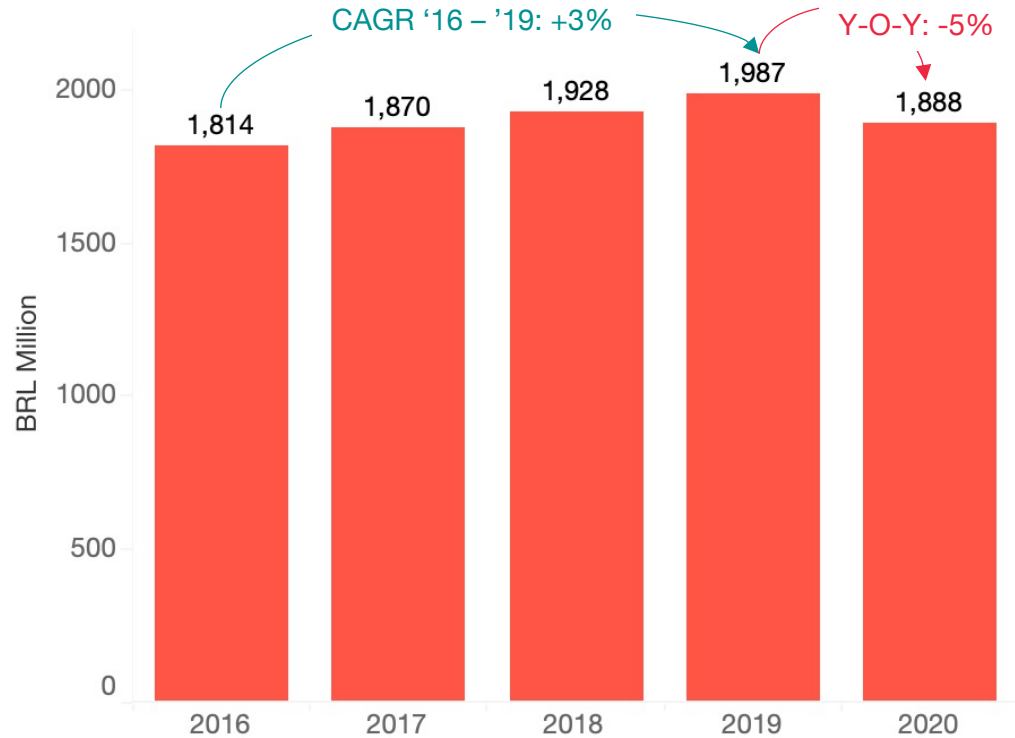
- Instantly coffee market is highly concentrated with top three players accounted to more than 90% of the total market.
- The market is dominated by "NESCAFÉ," which has been the market leader for over 30 years with an 81% market share. Through marketing activities and product differentiation, Nescafe established top-of-mind brands among senior consumers who drink coffee as part of their daily activation
- Other key players include Sara Lee Coffee & Tea (Thailand) Co., Ltd.'s "Moccona" and Khao Chong Industrial 1979 Company Limited owned "Khao Chong" brands, respectively, have a market share of 7.0% and 5.0%
- Imported instant coffee are gaining traction in the market. Imported instant coffee is typically three times the price of local instant coffee, and these players typically sell freeze-dried coffee or medium roasted coffee. The market is dominated by UCC Ueshima Coffee Co. from Japan.
- Ajinomoto Japan owns and operates Maxim, which is distributed by Ajinomoto Thailand. Tshibo is a german brand that was born out of a coffee chain. DKSH distributes Davidoff, the Swiss luxury brand. Italiasia Tradings distributes Illy, Italy's premium best coffee. These foreign coffee powders are frequently seen in upscale supermarkets and are typically offered online.

READY-TO-DRINK COFFEE

It is estimated that the market will be worth BRL 1,888 million in 2020. COVID-19's impact reduced the market by 5% year-on-year.

Market Size and Growth: Ready to Drink Coffee

Unit: BRL Million



Source: National Food Institutes & Interviews with key players

Ready-to-drink coffee market overview

- In 2020, the ready-to-drink market is expected to reach BRL 1,888 million. The market has decreased by 5% year over year as a result of COVID-19's impact. Prior to the COVID-19 situation, the RTD coffee market grew at a constant annual rate of 3% between 2016 and 2019.
- The growth of the RTD coffee market is also being fueled by consumer demand for higher-quality coffee products. Historically, RTD coffee was viewed as a source of energizing drink to keep awake or refresh and was marketed exclusively to the blue collar segment. In the last few years, a new RTD coffee product segment has entered the market, offering higher-quality products packaged in a more modern and trendy PET bottle or paper cup.
- The introduction of premium RTD coffee fueled the market's growth until recently, when the COVID-19 situation had an effect on the market, as customers spent less time on the go.
- RTD coffee is expected to recover gradually by 3% to 5%, primarily due to new product introductions in the premium segment.

READY-TO-DRINK COFFEE

There are two segments for Ready-to-drink coffee which are standard RTD coffee and premium RTD-coffee

Standard RTD Coffee



- ✓ Target blue collar segment
- ✓ Price at THB 15 per bottle
- ✓ Packaged in aluminum bottle

Premium RTD Coffee



- ✓ Target young professional
- ✓ Price at THB 30 - 40 per bottle
- ✓ Packaged in PET bottle or paper cup

Ready-to-drink coffee products

- Ready-to-drink coffee is classified into two segments: standard RTD coffee and premium RTD coffee.
- **Standard RTD Coffee:** It is estimated that standard RTD coffee accounts for more than 90% of the RTD market. This product segment is primarily aimed at blue collar workers. The product is packaged in aluminum bottles and retails for around THB 15 per unit.
- **Premium RTD Coffee:** It has positioned itself as a premium RTD coffee brand to appeal to young professionals who work in urban areas. The product is either packaged in a PET bottle or a paper cup. Premium RTD coffee is typically priced between THB 30 and THB 40. Although the premium market is considered to be quite small, accounting for less than 10% of the total RTD coffee market, this segment has experienced rapid growth in the double digits of about 19% - 20% over the last 2-3 years.

READY TO DRINK COFFEE – RETAIL PRICE



Americano
950 ml
Price: THB 69



True Coffee
200 ml
Price: THB 39



UCC Black
180 ml
Price: THB 39



Arabus Caramel
Arabica Coffee
220 ml
Price: THB 35



Nescafe Crow
Brew Coffee
220 ml
Price: THB 39



Nescafe Black
180 ml
Price: THB 15



Birdy Espresso
180 ml
Price: THB 15



Carabao Espresso
180 ml
Price: THB 15



Kopiko
180 ml
Price: THB 15



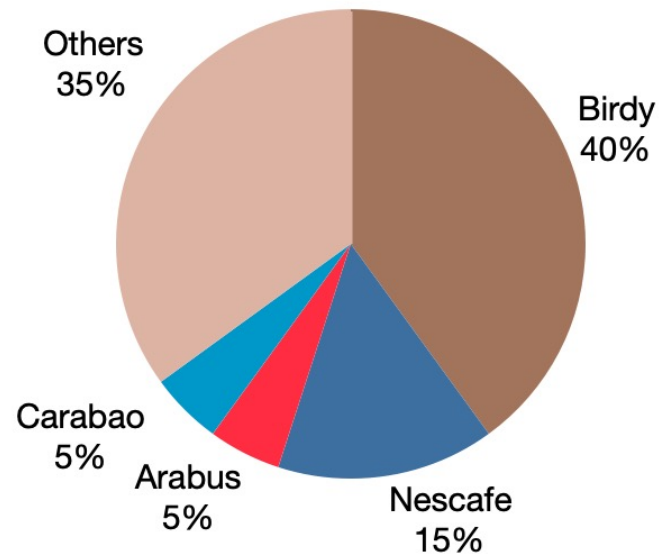
Arabus Speed
150 ml
Price: THB 10

READY-TO-DRINK COFFEE

"Birdy," Thailand's market leader in ready-to-drink canned coffee, followed by NesCafe and Arabus.

Ready to Drink Coffee - Market share

Unit % to total market size



Ready to Drink Coffee – Market Share

- "Birdy," Thailand's market leader in ready-to-drink canned coffee, has introduced two new low-sugar ready-to-drink canned coffee formulas, dubbed "Birdy Black Low Sugar Formula" and "Birdy Robusta Low Sugar Formula," which are expected to grow by 65 percent and 18 percent, respectively, in 2019. The company identified a market for sugar-free formulas. Birdy is aiming to attract a new generation of coffee enthusiasts, with a growth target of 3%.
- NesCafe is the market's second largest RTD coffee brand, with an estimated 15% market share. NesCafe launched products in both the standard and premium segments and has been aggressively expanding the market through product innovation.
- Arabus is another innovative brand in the category of ready-to-drink coffee. Arabus announces its entry into the ready-to-drink coffee market by emphasizing that "ARABUS ready to drink in chilled cup format combines the freshness of freshly brewed coffee with the convenience of ready-to-drink (RTD) coffee brewed in a ready-to-drink cup" (Chilled Cup Coffee). Arabus is Thailand's first ready-to-drink coffee brand to use only 100% Arabica coffee from Brazil and drip manufacturing technology. Drip coffee is widely regarded as the optimal method for extracting coffee beans' aroma and texture. Due to the dripping process, Arabus has a smooth, aromatic, and mellow flavor and is preservative-free.

PART 3

REGULATORY STRUCTURE AND IMPORT RULES

REGULATIONS PERTAINING TO IMPORTS OF THE PRODUCT

Thailand classifies coffee beans under its sensitive list of goods to be imported into Thailand

Thailand Coffee Import Regulation

Thailand classifies coffee beans under its sensitive list of goods to be imported into Thailand and it is subjected to WTO-mandated tariff rate quotas. All imported coffee beans and coffee products are subjected under control by the National Farmers Council under Policy and Development Plan Committee of the Ministry of Agriculture and Cooperatives.

The following list of HS Codes are coffee products under control;

- **Coffee Bean:** 0901.11.10 | 0901.11.90 | 0901.02.10 | 0901.12.90 | 0901.21.10 | 0901.21.20 | 0901.22.10 | 0901.22.20 | 0901.90.10 and, 0901.90.20
- **Coffee Products:** 2101.11.10 | 2101.11.90 and, 2101.12.00

*For coffee products, the content of coffee subjected under the control goods are 36.54%. Products with coffee as ingredient under 36.54% are not considered as coffee products.

Import License

Import can be done via two channel (1) direct import and (2) import under trade agreement.

- **Direct import:** Importers who look to import coffee products for commercial market without trade agreement is required to obtain an import license from the Ministry of Commerce declaring import volume, value and its objective. Importers are also required to submit invoice, Bill of Lading or Airway Bill.
- **Import under trade agreement:** Importers do not require to obtain a license from the Ministry of Commerce, but they must follow rules, procedures and regulations under each trade agreement. Thailand currently under the follow trade agreement for coffee products;
 - World Trade Organization (WTO)
 - Thai - Australia Free Trade Agreement
 - Thai – New Zealand Free Trade Agreement (TNZCEP)
 - Thai – Japan Free Trade Agreement (JTEPA)
 - Thai – Chile
 - Thai – ASEAN - Korea (AKFTA)
 - Thai – ASEAN (AFTA)

TARIFFS AND QUOTAS

As Coffee is in the sensitive list of agricultural product, Thailand protects its market with import tariff with obligation for quota limited to only 5.25 tons for coffee beans and 134 tons for coffee products.

Import Tariff

Coffee Bean: 0901.11.10 | 0901.11.90 | 0901.02.10 | 0901.12.90 | 0901.21.10 | 0901.21.20 | 0901.22.10 | 0901.22.20 | 0901.90.10 and, 0901.90.20

Agreement	Tariff in Quota	Tariff out of Quota	Quota (Tons)
WTO	30%	90%	5.25 tons
Thai - Australia	0%	81%	Exempted
Thai – New Zealand	0%		Exempted
Thai - Japan	0%	90%	Follow WTO
Thai - Chili	0%	90%	Follow WTO
AKFTA (ASEAN – Korea)	0%	90%	Follow WTO
AFTA (ASEAN)	5% (Unroasted coffee) / 0% (Roasted Coffee)		Free market
Countries outside trade agreement	40% of the value or THB 4/kg		

Import Tariff

Coffee Products: 2101.11.10 | 2101.11.90 and, 2101.12.00

Agreement	Tariff in Quota	Tariff out of Quota	Quota (Tons)
WTO	40%	49%	134 tons
Thai - Australia	0%	44.1%	Exempted
Thai – New Zealand	0%		Exempted
Thai - Japan	0%	49%	Follow WTO
Thai - Chili	0%	49%	Follow WTO
AKFTA (ASEAN – Korea)	0%	49%	Follow WTO
AFTA (ASEAN)	0%		Free market
Countries outside trade agreement	40% of the value or THB 4/kg		

Source: Department of Foreign Trade, Ministry of Commerce (DFT)

LIST OF NECESSARY DOCUMENTATION BY IMPORTER

To import under WTO quota, importers are required to obtain certification from the Department of Foreign Trade and follow a set of importing rules and regulations

Import certificate

- To import coffee product within the WTO quota, importers are required to obtain certificate showing the right to pay tax under obligations according to agricultural agreements under the World Trade Organization from the Department of Foreign Trade.

Issuing a certificate showing the right to pay tax in WTO quota

- The person who has been allocated the quota is entitled to request a certificate must submit an application certificate in Quota (Form R.1) and Certificate in Quota (Form R.2) at the Foreign Trade Service Office, Department of Foreign Trade.
- Applicant for a certificate must present the following documents and evidence supporting the request:
 1. A copy of the invoice
 2. A copy of the Bill of Lading (B/L) or a copy of the bill of lading. Air waybill or other documentary evidence showing the carriage of goods; and
 3. A copy of the Certificate of Origin (C/O) or other documentary evidence showing that the imported goods originate from the specified country.
- The certificate is valid for one month from the date of issue, but not later than December 31 of the year released.

Import reporting and penalties

- The importer must report to the Department of Foreign Trade according to the prescribed form (Appendix 5) together with a copy of the import declaration at the customs office engraved items correctly within one month from the date of each time the product is imported.
- Failure to report the import within the stipulated time will be disqualified and prescribed in the regulations. The Department of Foreign Trade will suspend the issuance of a certificate for importing until the import report has been properly submitted.

Source: Department of Foreign Trade, Ministry of Commerce (DFT)

RELATED FOOD REGULATIONS

Roasted coffee are categorized as standardized foods which do not require registration, but their quality and labeling must meet the standard requirements.

Food Regulations

Under the Food Act B.E. 2522, roasted coffee are generally classified under the “Standardized Foods”.

Standardized foods must adhere to the regulations' quality standards. This category was created to standardize the production of locally produced food encouraging food producers to maintain hygienic standards. Standardized foods do not require registration, but their quality and labeling must meet the standard requirements as specified in No. 190 Notification of the Ministry of Public Health (No. 197) B.E. 2543 (2000) [[Link](#)]

Based on the No.190 notification, roasted coffee is classified into 6 types as follow;

- 1) **Genuine coffee** means product derived from ripe coffee of coffee family, which is passed through seed separated process, roasted and may be ground the required size.
- 2) **Mixed coffee** means product derived from coffee as stipulated in (1) and mixed with other substances that shall not be hazardous to health.
- 3) **Decaffeinated coffee** means product derived from coffee as stipulated in (1) and caffeine is extracted.
- 4) **Instant coffee** means product derived from ripe coffee of coffee family, which is passed through seed separated process, roasted without mixing with other substances, and being extracted by water only, dehydrated by suitable process in powder or flakes or other form and shall be totally dissolved in water instantly.
- 5) **Mixed instant coffee** means instant coffee as stipulated in (4), being mixed with other substances that shall not be hazardous to health.
- 6) **Decaffeinated instant coffee** means product derived from coffee as stipulated in (4) and caffeine is extracted.

The Food Act classifies foods into three main categories as follows:

(1) **Specially Controlled Foods** – Registrations are required for foods in this category. Legal provisions are related to food standard quality, specifications, packaging, and labeling requirements, as well as other aspects of good manufacturing practices

(2) **Standardized Foods** – Standard foods do not require registration, but their quality and labeling have to meet the standard requirements.

(3) **Other Foods** – Foods, raw or cooked, preserved or non-preserved, processed or non-processed, if not listed under category 1 or 2 will be considered as general foods. Although registrations are not required, general food products are controlled and monitored with regard to hygiene, safety, labeling and advertisement

LABELLING STANDARD

Coffee products are required to meet the labelling standard

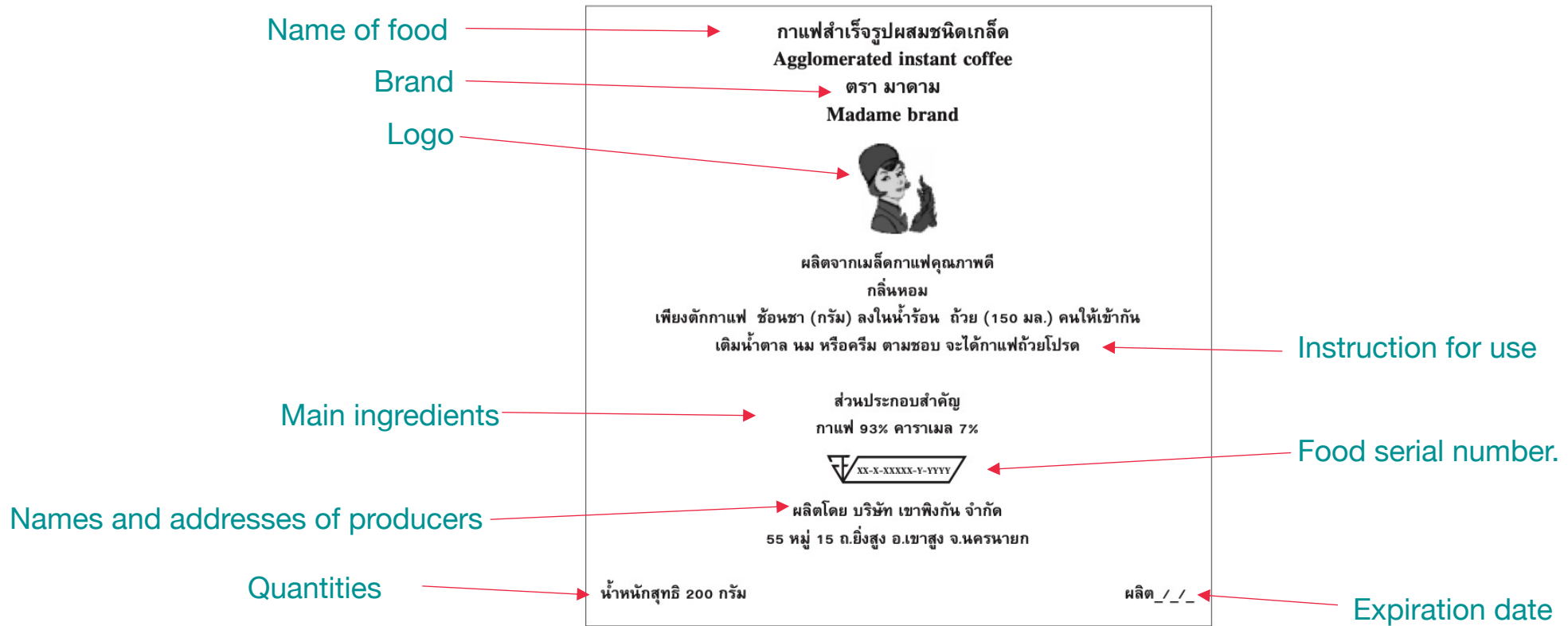
Food Labelling

Coffee products are required to meet the labelling standard outline by the Ministry of Notification of the Ministry of Public Health No. 194 /2543 (2000).

Labels of foods to be sold to consumers must be expressed in Thai language alphabets but may contain some foreign language alphabets which are acceptable. Label must be expressed of the following declarations, except for the exception from the Food and Drug Administration:

1. Name of food.
2. Food serial number.
3. Names and addresses of producers or re-packers of food which is produced within the country, names and addresses of importers and country of producers as the case may be.
4. Food quantities shall be expressed in the metric system.
5. Main ingredients shall be expressed by percentage of approximate weight except for the ingredients in which the FDA require otherwise and shall be expressed in descending order by percentage.
6. Declaration of “Utilizing preservatives” for any usage
7. Declarations of “Natural colour” or “Artificial colour” for any usage cases
8. Declaration of “Utilize offor flavour enhancer” (the blank is for the name of flavour enhancer used.)
9. Declaration of “Utilize ofas food artificial sweetener” (the blank is for the name of artificial sweetener.) by alphabets of not smaller than 2 millimeter height and colour of the text shall be highly contrast with the background of the label.
10. Declarations of “Natural flavour”, “Identical artificial flavour”, or “Artificial flavour” as the applicable case.
11. Declarations of date, month, and year of manufacture, expiry for consumption or date, month, and year of which foods are in good qualities
12. Instruction for food storage. (If any)
13. Food preparation method for consumption. (If any)
14. Instruction for use and necessary instruction for foods intend for infant or young children or any particular group.
15. Declarations in which the Food and Drug Administration prescribed to have on prescribed food.

LABELLING STANDARD - EXAMPLE



LABELLING STANDARD | RTD COFFEE

RTD coffee is required to specify level of caffeine per 100 ml



Caffein
Level to be
specified
on RTD
coffee

In addition to the labeling standard, to comply with RTD coffee, additional label work must be addressed as follows:

Labeling of coffee shall follow Notification of the Ministry of Public Health;

- The label of Ready-to-drink coffee shall display the following text “having caffeine...[caffeine level]...milligrams per 100 milliliters” with dark bold alphabets of not smaller than 2 millimeters height and legible, in white background box at the same area of name of food or trademark”.
- For Ready-to-drink coffee in liquid form which received Food Serial Numbers prior to this Notification come into force that produced or imported within 90 days from the effective date of the Notification, use of former labels are still allowed.
- For Ready-to-drink coffee in liquid form in **UHT containers** which received Food Serial Numbers prior to this Notification come into force that produced or **imported within 180 days** from the effective date of the Notification, use of these former labels are still allowed.

Source: the Ministry of Public Health’s Food and Drug Administration (FDA)

SANITARY AND PHYTOSANITARY REQUIREMENTS

Coffee processor or importers of the coffee products must follow to good manufacturing practice criteria on food hygiene

GMP Standard

Coffee producers or importers for sale shall follow to the notification of the Ministry of Public Health, Re: Production processes, production equipment and foods storages [\[Link\]](#).

Details of to the notification of Ministry of Public Health (No. 193) B.E. 2543 (2000). Re: Production Processes, Production Equipment, and Foods Storages to follow to good manufacturing practice criteria on food hygiene include the standard practices in the following topics

- Location and manufacturing building
- Tools, machineries and production equipment
- Process control
- Cleaning, sanitizing and maintenance
- Sanitization
- Hygiene of workers and personnel
- Records and reports

POSSIBLE BARRIERS TO ENTRY

The import tariff, a lack of expertise and technology about coffee roasting are the primary impediments. Suppliers are required to educate the market about coffee beans imported from Brazil, as they may affect the flavor and aroma.

**IMPORT
TARIFF**



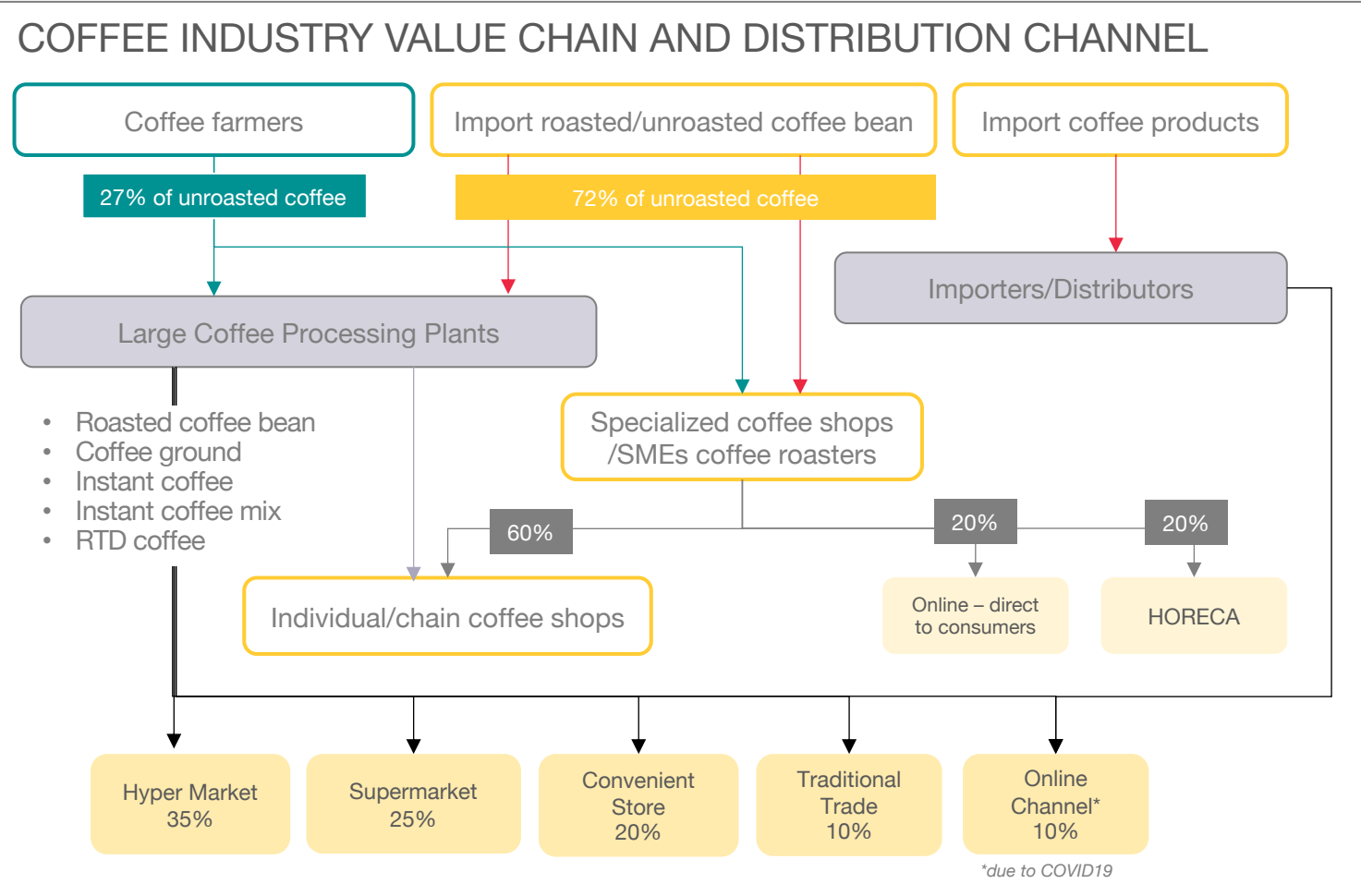
- Thailand is a net importer of roasted coffee beans, importing substantially from ASEAN countries, particularly Vietnam, to take advantage of the ASEAN Free Trade Area's low import tariffs (5 percent for unroasted or 0 percent for roasted coffee). High import tariffs of up to 90% on unroasted coffee and 49% on roasted coffee outside of WTO quotas are the primary impediment to cost competitiveness. This is the primary impediment to the introduction of Brazil coffee into the Thai market, particularly through large coffee processors with large production capacities and a focus on the mainstream market.
- According to key thought leaders interviewed, there is an issue in the coffee roasting community with a lack of knowledge to maintain standards, as there are numerous coffee roasting techniques that are frequently based on experimentation. To access the market via SMEs coffee processors, Brazilian exporters must educate consumers about coffee roasting and brewing standards that are compatible with the coffee bean in order to ensure that the coffee is roasted to the appropriate taste, flavor, and aroma.
- Brazil coffee is viewed as high-quality and is sold at a premium price, catering to a small segment of consumers who are coffee enthusiasts. To break into the mass market, it is necessary to brand Brazilian coffee in a way that appeals to the mass market. Especially for Arabica coffee, suppliers must make an extra effort to teach and promote the Arabica flavor.

PART 4

LOGISTICS AND DISTRIBUTION CHANNEL

COFFEE INDUSTRY VALUE CHAIN

Coffee bean is mainly supplied to large coffee processing plants to produce coffee products or supply roasted coffee to chain or individual coffee shops



COFFEE INDUSTRY VALUE CHAIN

Approx. 22,505 tons of imported unroasted coffee beans supply approximately to 400 local coffee processing plants, accounting for 27% of total coffee beans utilized in local production, whereas about 72% are imported.

The majority of imported and domestic coffee beans are purchased by large coffee processing plants for use in the production of coffee products such as roasted coffee beans, coffee ground, instant coffee, instant coffee mix, and RTD Coffee, and less than 10% estimated to be sold to specialized coffee shops or small and medium-sized coffee roasters.

Hypermarkets accounted for 35% of the retail market for coffee items, followed by supermarkets (25%), convenience stores (20%), traditional trade (10%), and online channels (10% greater than typical due to the COVID-19 scenario). In comparison to imported coffee products, which are typically distributed by small brands through high-end supermarket and online channels.

Source: In-depth interviews with key opinion leaders

IMPORTERS OF COFFEE PRODUCTS

During the January to September 2021, there are total 552 companies imported coffee products

IMPORTERS OF COFFEE PRODUCTS

Based on the latest data from the Ministry of Commerce, during the January to September 2021, there are total 552 companies imported coffee products. Roasted coffee - Not decaffeinated is the product with highest number of importers (228 companies), followed instant coffee (192 companies).

No. of Importers – coffee products

Products	HS Code	# of Importers
Unroasted coffee - Not decaffeinated	HS Code: 090111	40
Roasted coffee - Not decaffeinated	HS Code: 090121	228
Roasted coffee - decaffeinated	HS Code: 090122	31
Instant Coffee	HS Code: 210111	192
Coffee Mixtures	HS Code: 210112	61

Source: Ministry of Commerce, Import data during Jan - Aug 2021

KEY IMPORTERS OF COFFEE PRODUCTS

The leading chained coffee shops, branded coffee, instant coffee distributors, and major retailers are the primary importers of roasted coffee. While unroasted coffee importers are often those that import raw coffee beans for the purpose of roasting them and supplying them to coffee brands.

Branded coffee: Nestle, Moccono, Bon Café - a part of the Massimo Zanetti Beverage Group; an Italian coffee company which is one of the world's largest coffee company, and UCC Coffee – a Japanese coffee brand are the top instant coffee producers. Ikano is the primary OEM supplier of roasted coffee to support the Nestle & UCC brands.

Chained Coffee Shop: Starbucks Coffee, CP B&F Trading – which owns All cafés in 7–11, WeEat – which owns Tim Hortons – an Australian coffee chain, and the Minor Food Group – which owns The Coffee Club. Additionally, the Minor Food Group currently owns Coffee Journey, a coffee chain affiliated with Esso stations.

Key Retailers: Big C & Central are significant importers of roasted coffee and instant coffee for retail sales at their own locations. Tops supermarket is often imported and offers a selection of premium coffee on shelf.

Instant Coffee Distributors: SCML, distributors under Super Coffee brand, Piriyaapul International & Sino Pacific - importers of Nescafe. Sumsiam Co.,Ltd is the importer of Indocafe, an Indonesian specialty coffee grown on volcanic soil.

KEY IMPORTER OF COFFEE PRODUCTS

Top 20 Importers - Unroasted coffee - Not decaffeinated

- 1 QUALITY COFFEE PRODUCTS CO., LTD.
- 2 K.V.N. IMPORT CO., LTD. EXPORT (1991)
- 3 AJINOMOTO SHELLS (THAILAND) CO., LTD.
- 4 KHAO CHONG INDUSTRIAL CO., LTD. 1979
- 5 SPOON SERVICE CO., LTD.
- 6 FLOW COFFEE CO., LTD.
- 7 CHAROEN COMMERCIAL THAI CO., LTD.
- 8 UBON AGRICULTURE ENERGY CO., LTD.
- 9 BONCAFE (THAILAND) CO., LTD.
- 10 PHRANAKORN COFFEE ROASTER CO., LTD.
- 11 PEABERRY THAI CO., LTD.
- 12 PAKSONG CAPITAL CO., LTD.
- 13 BLUEPINS TRADING CO., LTD.
- 14 M.A.I.F. TRADING CO., LTD.
- 15 COFFEE COLLECTION CO., LTD.
- 16 COFFEE WORKS CO., LTD.
- 17 VPP PROGRESSIVE CO., LTD.
- 18 PMB INTERFOOD CO., LTD.
- 19 P.R.R.2016 CO., LTD.
- 20 DUCHESS CO., LTD.

Source: Ministry of Commerce, Import data during Jan - Aug 2021

Top 20 Importers - Roasted coffee - Not decaffeinated

- 1 NESTLE (THAI) CO., LTD.
- 2 STARBUCKS COFFEE (THAILAND) CO., LTD.
- 3 INBISCO (THAILAND) CO., LTD.
- 4 CP B&F TRADING CO., LTD.
- 5 ITALY TRADING (THAILAND) CO., LTD.
- 6 THE COFFEE CLUB (THAILAND) CO., LTD.
- 7 BONCAFE (THAILAND) CO., LTD.
- 8 GREAT EARTH INTERNATIONAL CO., LTD.
- 9 MINOR SUPPLY CHAIN SOLUTIONS CO., LTD.
- 10 MOCCONA (THAILAND) CO., LTD.
- 11 BIG C SUPERCENTER PLC.
- 12 VEETE CO., LTD.
- 13 U C C UESHIMA COFFEE (THAILAND) CO., LTD.
- 14 THE MINOR FOOD GROUP PLC.
- 15 TOYO SAIKAN (THAILAND) CO., LTD.
- 16 IKANO (THAILAND) CO., LTD.
- 17 BANGKOK BEER AND BEVERAGE CO., LTD.
- 18 THREE HUNDRED SIXTY DRAKE SOLUTION CO., LTD.
- 19 SUM BY DEE CO., LTD.
- 20 CENTRAL FOOD RETAIL CO., LTD.

Top 20 Importers - Roasted coffee - Decaffeinated

- 1 STARBUCKS COFFEE (THAILAND) CO., LTD.
- 2 NESTLE (THAI) CO., LTD.
- 3 ITALY TRADING (THAILAND) CO., LTD.
- 4 MINOR SUPPLY CHAIN SOLUTIONS CO., LTD.
- 5 HI-P (THAILAND) CO., LTD.
- 6 THREE HUNDRED SIXTY DRAKE SOLUTION CO., LTD.
- 7 THE COFFEE CLUB (THAILAND) CO., LTD.
- 8 PRIME LINE TRADING CO., LTD.
- 9 FEDERAL EXPRESS CORPORATION CO., LTD.
- 10 GREAT EARTH INTERNATIONAL CO., LTD.
- 11 GOURMET ONE FOODS SERVICE (THAILAND) CO., LTD.
- 12 MOCCONA (THAILAND) CO., LTD.
- 13 BIG C SUPERCENTER PLC.
- 14 PINNACLE GASTRO CO., LTD.
- 15 S.G. FAR EASTERN CO., LTD.
- 16 BANGKOK BEER AND BEVERAGE CO., LTD.
- 17 GREEN BASE FOODS CO., LTD.
- 18 NUT BAKERY INTERNATIONAL CO., LTD.
- 19 RENOVA FOODS CO., LTD.
- 20 JACK AND LEW CO., LTD.

KEY IMPORTER OF COFFEE PRODUCTS

Top 20 Importers – Instant Coffee

- 1 S C M L (THAILAND) CO., LTD.
- 2 MOCCONA (THAILAND) CO., LTD.
- 3 AYI TRADE (THAILAND) CO., LTD.
- 4 PIRIYAPOL INTERNATIONAL CO., LTD.
- 5 GOLDEN CHEMICAL (THAILAND) CO., LTD.
- 6 SINO-PACIFIC TRADING (THAILAND) CO., LTD.
- 7 FINE TECH INGREDIENTS CO., LTD.
- 8 QUALITY COFFEE PRODUCTS CO., LTD.
- 9 M.A.I.F. TRADING CO., LTD.
- 10 K.T.Y. FOOD CO., LTD. INTERNATIONAL
- 11 ETOCHU (THAILAND) CO., LTD.
- 12 NUTRITION SC CO., LTD.
- 13 INTER DRINKS CO., LTD.
- 14 THANAVANICH IMEX CO., LTD.
- 15 STARBUCKS COFFEE (THAILAND) CO., LTD.
- 16 DAORUANG IMPORT CO., LTD. EXPORT (THAILAND)
- 17 TASTY FRUIT CO., LTD.
- 18 SIFONA COFFEE CO., LTD.
- 19 MJC GLOBAL CO., LTD.
- 20 WANRAT (NAM SIAM) CO., LTD.

Top 20 Importers – Coffee Mixtures

- 1 ZULIAN (THAILAND) CO., LTD.
- 2 DAIRY PLUS CO., LTD.
- 3 FIRMMENICH (THAILAND) CO., LTD.
- 4 GOLDEN CHEMICAL (THAILAND) CO., LTD.
- 5 GANO EXCEL CO., LTD. ENTERPRISE (THAILAND)
- 6 INBISCO (THAILAND) CO., LTD.
- 7 DAORUANG IMPORT CO., LTD. EXPORT (THAILAND)
- 8 PIRIYAPOL INTERNATIONAL CO., LTD.
- 9 SAM SIAM CORPORATION CO., LTD.
- 10 CHUANG HO ENTERPRISE (THAILAND) CO., LTD.
- 11 UNICITY MARKETING (THAILAND) CO., LTD.
- 12 GOLDEN POWER BEVERAGE (THAILAND) CO., LTD.
- 13 DXN CO., LTD. INTERNATIONAL (THAILAND)
- 14 HONEST TRADING CO., LTD.
- 15 GOLD ROAST FOOD CO., LTD.
- 16 NESTLE (THAI) CO., LTD.
- 17 MOCCONA (THAILAND) CO., LTD.
- 18 THAI GOLD HAT YAI CO., LTD.
- 19 STARBUCKS COFFEE (THAILAND) CO., LTD.
- 20 S C M L (THAILAND) CO., LTD.

RETAIL DISTRIBUTION

The majority of coffee products are sold in hypermarkets and convenience stores, whereas imported coffee products and roasted coffee are primarily sold in supermarkets.

RETAIL SALES OF COFFEE PRODUCTS

There are three main types of modern trade where imported coffee products are available as follow;

Supermarket: Imported coffee products and packaged roasted coffee are regarded premium products and are accessible at supermarkets throughout the Greater Bangkok area and urban areas in each region. The following are the major supermarket players in Thailand: Central Food Retail (Central Food Hall and Tops Market), The Mall Group (Home Fresh Mart and Gourmet Market), Foodland Supermarket, and Villa Market. Certain products are also imported directly by subsidiaries of supermarket businesses such as Villa Market, Central Food Retail, and Citi Mall Group for sale in supermarkets, particularly high-end ones (e.g., Gourmet Market). Currently only Villa Market & Tops supermarkets carry Nescafe Dolce Gusto capsule coffee.

Hypermarket: Lotus and Big C are the two major hypermarkets. In general, hypermarkets are a route for coffee powder and 3in1 items in the mass market, where they typically run discount promotions aimed at middle-income clients and host booth events for free product trials when new products become available. Big – c has imported a limited brands of coffee powder which is mostly Maxim. Tesco Lotus has imported coffee powder and roasted coffee in city centers, with labels near the shelf educating shoppers about the coffee products. Siam Makro also sells instant coffee in wholesale packages, which are purchased by traditional grocery stores for resale in their local area. At rural areas, packaged roasted coffee is not accessible in hypermarkets.

Convenience store: 7-Eleven is Thailand's largest convenience store chain, accounting for 64% of the country's 17,205 convenience outlets. Only instant coffee and 3in1 coffee marketed in convenience stores in small packs available nationwide.

Labels near shelf with coffee product details



Imported roasted coffee available at high-end supermarket



Nescafe Capsule at Villa Market & Tops supermarket.



ONLINE DISTRIBUTION

Online channel of eMarketplace is accessed channel for imported instant coffee, roasted coffee in package, specialty coffee, drip coffee and capsule coffee & functional coffee.

ONLINE SALES OF RETAIL PRODUCTS

Online sales for coffee products is increasing sharply via all online platform particularly during COVID-19 period. The online grocery market has been becoming one of the fastest-growing categories in Thailand. Between 2017 and 2019, the revenue from grocery eCommerce increased by 24.7% YoY and grew by 26% in 2020.

For imported coffee products, emarketplace such as shopee and Lazada gained market share prominently. There are 4 main channels of online sales where coffee products are sold as follow;

eMarketplace: Shopee and Lazada are popular channel for imported instant coffee, coffee powder, roasted coffee in package, specialty coffee, drip coffee and capsule coffee.

eRetailer: Imported instant coffee & coffee powder are generally purchased through leading modern trade retailers who have developed their own eCommerce platform including MakroClick, TescoLotus, Tops, Big C, Grocer Lock and Nasket. 7-Eleven Delivery

Brand.com: Some importers developed their own eCommerce brand with products delivery available including UCC Coffee (<https://www.uccthailand.com/th/>), Boncafe (<https://www.boncafe.co.th/>), Illy (<https://www.illy.co.th/>). Local Premium coffee also utilize website such as Doichang (<https://doichaangcoffee.co.th/>), Doitung (<https://shop.doitung.com/>).

Social commerce: Along with the official eCommerce platform of major coffee chains and brands (<https://web.facebook.com/NescafeDolceGustoThailand>), SMEs importers and small coffee shops typically actively promote their import products on Facebook and Instagram. Social media is a prevalent venue for providers of specialty coffee and drip coffee.

KEY PLAYERS IN ONLINE SALES



PART 5

COMMERCIALIZATION AND MARKETING

OVERALL MARKET TRENDS

The rise of high-quality coffee



Ground Coffee **HOUSE BLEND**

กาแฟคั่วชนิดบด 100%



- **The home-brewed coffee market is growing:** The cost of coffee machine is now affordable and sold in various retail channel. During the Work-From-Home policy many consumers adopt to buy coffee machine for home used and getting to understand different type of coffee available in the market.
- **The Rise of High-Quality Coffee:** There is an increasing demand for high-quality coffee. As a result, growth opportunities exist for both franchised premium coffee shops and independent coffee shops focused on high-quality coffee. Over the last five years, the number of coffee shops opened has increased significantly, with an average annual increase of more than 6.2 percent in Thailand, and employment in the profession has increased significantly, including baristas, coffee processors, and roasters, as well as hundreds of coffee specialists (Q-graders) certified by the Coffee Quality Institute, indicating that there is still a high demand for quality coffee from coffee shops.
- Consumers now have more options as a result of an increasingly educated coffee market. When combined with the enjoyment of drinking more variety and specialty coffee than ever before, consumers have developed an affinity for the aroma and flavor of premium coffee. As a result, the manufacturer places a premium on product development in order to stay current with evolving trends, which includes innovation and manufacturing technology for instant coffee, including ready-to-drink canned coffee.
- **Arabica mixes with Robusta is becoming more popular:** Although the vast majority of coffee businesses continue to use Arabica as their primary crop. Because Arabica has a more refined flavor and a more fragrant aroma than Robusta, many shops now blend premium Robusta with Arabica to maximize the strength of both types of coffee. Additionally, coffee shops that primarily serve Arabica have begun to offer a single origin Arabica product to meet customer demand for high-quality coffee.

KEY MARKET TRENDS RELATING TO COFFEE PRODUCTS

Specialty Coffee or Single Origin Coffee are gaining popularity and generally priced 15% - 50 % higher than regular roasted coffee



Specialty Coffee / Single Origin Coffee

It is an era in which customers come into drink coffee and want more than a coffee. They want to come in and inquire about the origins of the coffee beans. The method by which it is brewed. Specialty Coffee is a coffee shop that has been certified by the International Specialty Coffee Association based on the quality of the coffee beans, which must originate from a single plantation, sub-district, or province that is recognized for its quality as well as the method or method of brewing. The term "specialty coffee" refers to coffee that has a Test smell and taste (cupping score) of greater than 80 out of 100 points, the standard set by the association.

Historically, only 1% of the specialty coffee industry was consumed globally, but that figure has risen to 10% in recent years. Almost every coffee shops is now offering specialty or single origin coffee. Currently, the association's goal is to encourage farmers to cultivate coffee in an advanced manner. Create a superior breed Conforming to the global market's demand in specialty coffee

KEY MARKET TRENDS RELATING TO COFFEE PRODUCTS

Flavored coffee is popular in premium coffee shops & café. Chocolate, Honey & Caramel are the popular flavored coffee in Thailand.



Flavored Coffee

Consumer nowadays is looking to experience from drinking coffee. They are trying to try new coffee from new roasting, new origin including new flavors. Hence, flavored coffee is on trend and taking around 15% of total roasted coffee market.

Popular flavor of Flavored coffee are mostly fruity and herbal, such as vanilla, hazelnuts, peppermint, raspberry, orange, berry, chocolate, caramel, and cinnamon. Flowery flavor is another new trend catching consumer attention.

There are many types of substances used for flavoring, such as synthetic substances such as propylene glycol, natural flavors and essential oils. Coffee flavoring are made after roasting, coffee is soaked, and spray while cooling to keep the hot coffee beans to absorb odors better



KEY MARKET TRENDS RELATING TO COFFEE PRODUCTS

Cold brew coffee & capsule coffee consumption is rising from in home consumption during Covid situation



Cold Brew Coffee

Cold brew has gained widespread popularity in Thailand as a result of Nescafe's introduction of cold brew ready-to-drink coffee. Cold brew was previously only available in upscale cafés and specialty coffee shops. Additionally, cold brew coffee is said to have a higher caffeine content on average than regular coffee, which was popular for coffee in-home consumption during the Covid-19 situation, in which Amazon, a well-known brand in Thailand, introduced a new cold brew coffee product, advertising on the similar taste of freshly brewed coffee from a coffee shop.

Capsule Coffee

Capsule coffee, a growing trend among coffee lovers seeking greater convenience when drinking premium coffee outside of cafés, enables consumers to enjoy a premium taste in the comfort and convenience of home preparation. While it is well-known in Western Europe and North America, it is gaining traction in Thailand. Nescafe was the first brand to introduce capsule coffee in order to capture the in-home coffee market, and the company currently controls the majority of the capsule coffee market. Nescafe is also acquiring the Starbucks capsule coffee brand for production under the Nescafe brand.



RECOMMENDED PRACTICES IN THE THAI MARKET

Unroasted coffee is the most promising market to enter

MARKET PRACTICES

UNROASTED COFFEE

Key customers

Key coffee chains such as Amazon, Inthanin & Maunchon, CP B&F Tradings

Local coffee processors or coffee roastery.

Key concerns

Key coffee chains has their existing suppliers on their quality standard with competitive price.

ROASTED COFFEE

Key customers

Premium coffee chains such as Starbucks coffee, The coffee club, WeEat, The minor supply chains.

Premium roasted coffee providers such as Italiasa Tradings, Boncafe, UCC Thailand

Key brands producing instant coffee such as Nestle, Moccona.

Key concerns

Premium roasted coffee brands only import from their original country such as Italy for Italiasa.

INSTANT COFFEE

Key customers

Local distributors

- UCC Thailand, Ajinomoto DKSH, Italiasa Tradings.

Key Retailers

- Big – C, Tops Supermarket, Gourmet Market

Key concerns

Customers are opened to only established well-known brands that they are familiar.

There are a variety of entry points into the coffee value chains, depending on the nature of the products.

- Due to the huge volume of demand, the unroasted coffee import market is the most promising. However, coffee chains have their own supply options. Opportunities are left with local coffee processors or roasteries, some of which also provide roasting services to major coffee chains.
- **Roasted coffee is typically imported for luxury coffee chains from countries with a strong reputation for Roasted Arabica Coffee, such as Brazil, Colombia, Ethiopia, Panama, and Costa Rica.** These country of origin is also known as specialty or single origin coffee.
- Import instant coffee is available in large quantities from major retailers, but it is considered premium coffee, since people seek for recognized brands such as Maxim, Tshibo, Davidoff, and Illy.

MARKETING PRACTICES (1/2)

Key coffee brands expanding online channel by cooperating with online platform such as shopee by launching discount campaign

The majority of brands communicate with their customers via their own social media channel. In Thailand, it is widely used on Facebook. The majority of marketing practices are conducted via social media platforms, frequently in conjunction with in-store promotion.

- Nescafe promoted their 3 in1 Espresso by offering customers a free Nescafe pot with every THB 300 purchase on the Lazada platform. The complimentary gift is only available to the first 300 clients.
- Social media marketing: Popular companies frequently run promotions on social media platforms such as Lazada and Shopee.
- Gold & iPhone is a weekly point exchange program in Thailand that compensates customers for their coffee consumption.
- Despite the Covid epidemic, instant coffee brands continue to promote their products through marketing initiatives with retail partners, such as a discount on Nescafe Americano Ready to Drink when purchased in conjunction with any 1-litre Malee juice product.



MARKETING PRACTICES (2/2)

Brands offer convenience services to order beverages through delivery application



While retail hours have been reduced in the Covid-19 condition, coffee chains have increased customer convenience by partnering with delivery applications and developing their own application technology that allows customers to order drinks in advance.

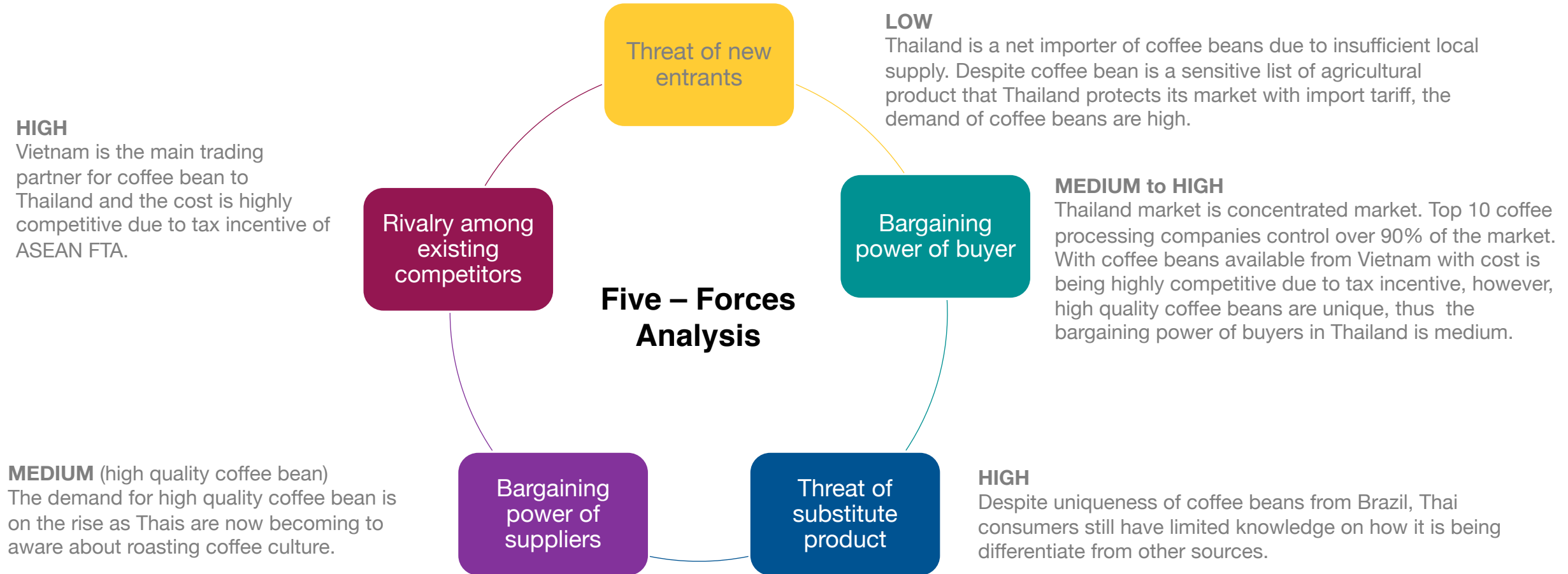
- **Connect with the delivery application:** On all delivery orders, the major coffee businesses are offering a discount of between THB 10 and THB 20.
- **Application technology utilization:** To provide a convenient to keep customers out of congested areas. "Order & Pay" is a new application from Amazon. Customers can order in advance via the application, bypassing the café's queue, and specify a pick-up time. Customers can customize their orders and pay with a debit card or a mobile app.
- **Offering bundles of bakery for sale:** Coffee shops now sell pastries and bakery similar to those found in a traditional cafe, such as puff pastry, pie, and croissants. To capitalize on the croissant trend, Inthanin recently developed a croissant created by a Michelin-starred chef.
- **Coffee chains are now promoting their single origin products.** For instance, Amazon has promoted Nan's single origin drip coffee.

PART 6

EVALUATION OF OPPORTUNITIES FOR BRAZILIAN PRODUCTS

EASINESS OR CHALLENGES TO ENTER MARKET

Thailand market is highly competitive, despite low threat of new entrants, bargaining power of buyers is medium to high as the coffee market is highly concentrated. However, there is an opportunity for high quality coffee bean as the market starts to get into roasting coffee culture

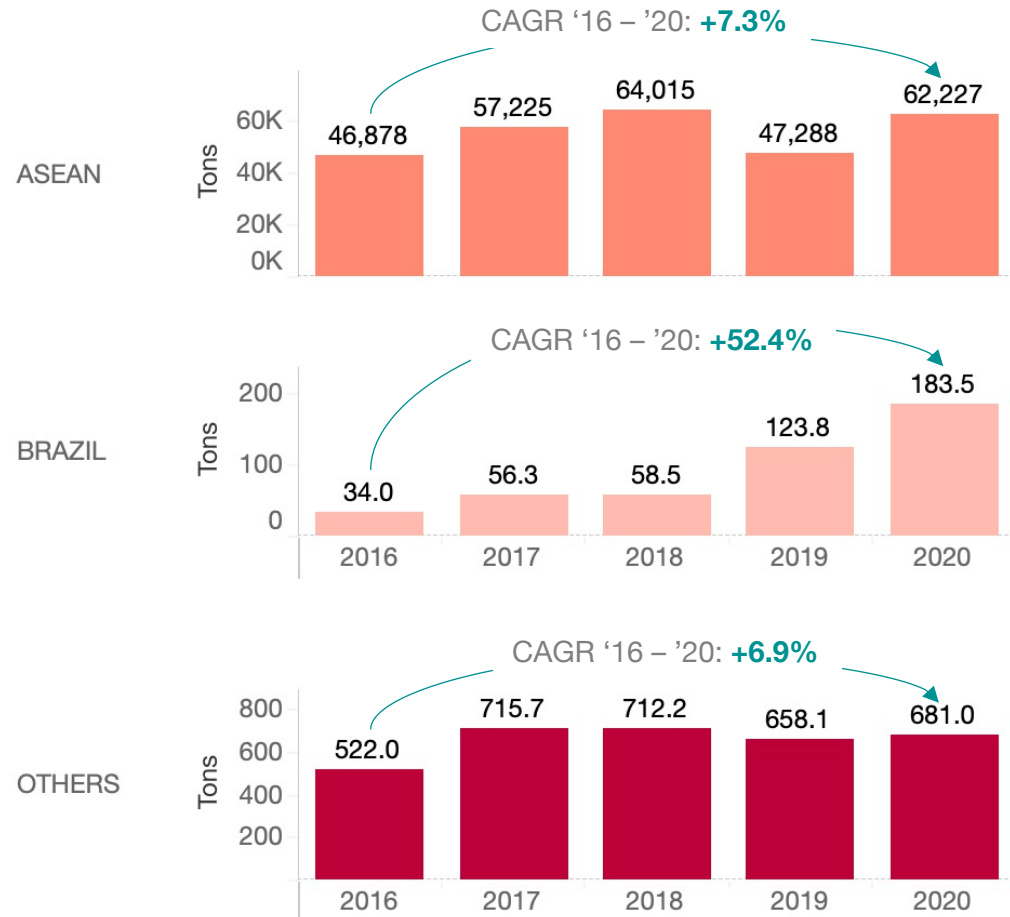


MARKET OPPORTUNITIES

Growth opportunity for premium segments

Import Volume: Unroasted and roasted coffee bean

Unit: tons



Coffee beans are in high demand. Thais consume an average of 300 cups of coffee per year, which is considered less than those in Japan (400 cups) or Europe (400 cups) (600 cups). Thailand is a net importer of coffee beans due to insufficient domestic production.

The demand for high-quality coffee beans is increasing. Due to the rapid growth of fresh coffee cultures, independent coffee shops and coffee chain stores are looking for products to differentiate their brands. Specialty coffee has been growing in popularity over the last few years, and while it has remained a niche market among coffee enthusiasts, the trend toward high-quality coffee is expected to continue.

Brazil coffee beans have an excellent reputation. Brazil coffee is widely regarded as a premium coffee, and it enjoys a favorable reputation in the Thai market. Brazil coffee is well-known for its chocolate and nutty flavor, which fits the trend of flavored coffee and allows Brazil coffee to enter the Thai market in the premium segment.

Possibility of marketing via exhibition and event. The government has a policy to support and a coffee strategy to improve the quality and add value to Thai coffee products throughout the production chain. There have been visits to the area to meet farmers, as well as the organization of numerous coffee exhibitions such as Thaix, Thailand Coffee Festival, and Chiangmai Coffee Festival.

APPENDIX

Top 20 – Imported Countries – Roasted and Unroasted Coffee

Top 20 - Imported Unroasted Coffee

Unit: Tons for year 2020

Rank	Country	
1	VIETNAM	54,178
2	INDONESIA	2,894
3	LAO PDR	2,263
4	BRAZIL	177
5	JAPAN	75
6	UNITED STATES	68
7	CANADA	52
8	COLOMBIA	35
9	GUATEMALA	30
10	GERMANY	29
11	MALAYSIA	25
12	TAIWAN, PROVINCE OF C..	21
13	TANZANIA UNITED REPUB..	17
14	KOREA, REPUBLIC OF	14
15	KENYA	13
16	NETHERLANDS	13
17	RWANDA	6
18	HONDURAS	4
19	UNITED KINGDOM	4
20	UNITED ARAB EMIRATES	4

Top 20 - Imported Roasted Coffee

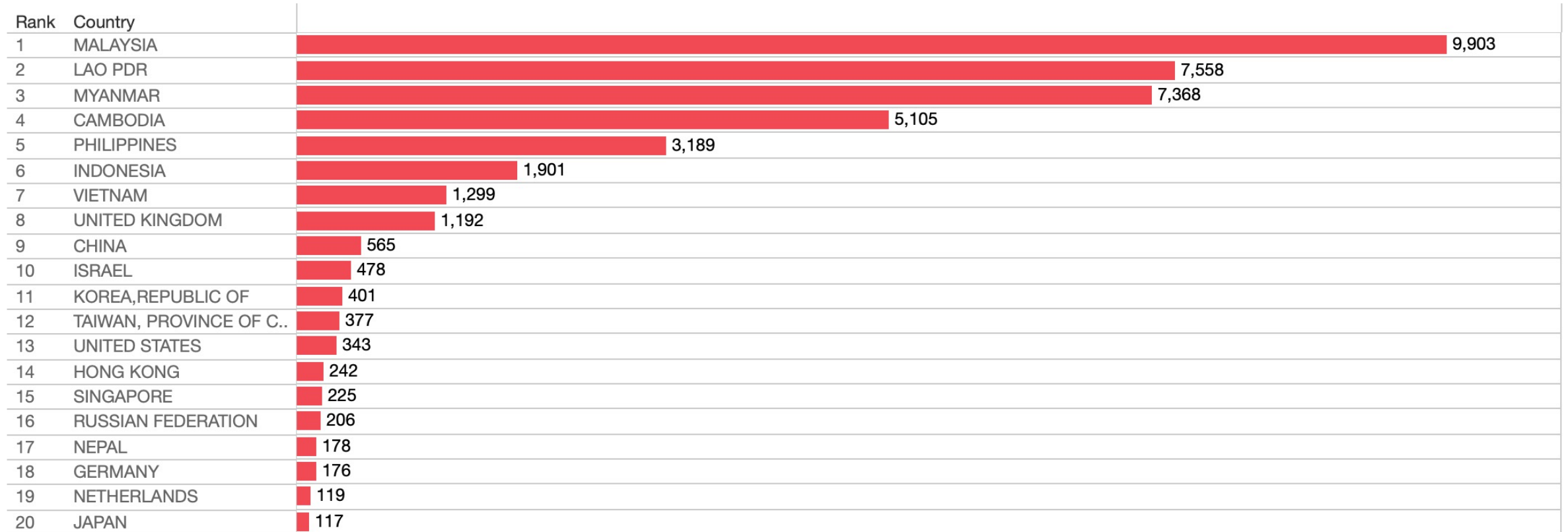
Unit: Tons for year 2020

Rank	Country	
1	MALAYSIA	2,552
2	INDONESIA	176
3	SWITZERLAND	175
4	UNITED STATES	171
5	VIETNAM	109
6	CAMBODIA	96
7	UNITED KINGDOM	91
8	ITALY	56
9	AUSTRALIA	37
10	SINGAPORE	25
11	FRANCE	15
12	LAO PDR	11
13	JAPAN	9
14	GERMANY	8
15	BRAZIL	6
16	SWEDEN	5
17	UNITED ARAB EMIRATES	3
18	TAIWAN, PROVINCE OF C..	3
19	OMAN	3
20	NETHERLANDS	2

Top 20 – Imported Countries – Instant Coffee and Instant Coffee Mix

Top 20 - Imported Instant Coffee and Instant Coffee Mix

Unit: Tons for year 2020



APPENDIX : KEY INTERVIEWEE

	Companies	Position of Interviewee
1	MJC GLOBAL CO., LTD	Purchasing Manager
2	FLOW COFFEE CO., LTD	Sales Executive
3	M.A.I.F. TRADING CO., LTD	Purchasing Manager
4	KTY FOOD CO., LTD.	Purchasing Manager
5	THE COFFEE FACTORY CO., LTD	Owner
6	COFFEE FARMER CO., LTD	Marketing Manager
7	SIFONA COFFEE CO., LTD	Marketing Executive
8	ITALASIA TRADING CO., LTD	Purchasing Executive
9	BLUEPINS TRADING CO., LTD.	Owner
10	UBON AGRICULTURE ENERGY CO., LTD.	Owner
11	BONCAFE (THAILAND) CO., LTD.	Sales Executive
12	360 DEGREE SOLUTION CO., LTD	Purchasing Executive
13	HONEST TRADING CO., LTD	Marketing Executive
14	SUM BY DEE CO., LTD	Purchasing Executive