



Market Research Report

Indian Coffee in China: Unlocking Growth

Market Scale

China's Coffee Market Tops

USD 4.2 Billion

Propelled by urban cafés and rising incomes, China is the fastest-growing global coffee destination, with Shanghai alone hosting **8,000 outlets**.

15%

Market CAGR

8,000+

Cafés in Shanghai

#1

Growth Market



Supplier Map: Vietnam Leads Volume

01

Vietnam's Dominance

Vietnam supplies over **40%** of China's coffee imports by volume, primarily Robusta, leveraging low costs and proximity. It is the primary competitor for Indian Robusta.

02

Brazil and Colombia

Brazil and Colombia together provide **30%** of imports, offering trusted Arabica for blends. Their reliability and quality set benchmarks for commercial Arabica.

03

Ethiopia and Indonesia

Ethiopia and Indonesia share **15%** of the specialty niches, known for unique profiles like Ethiopian single-origin and Indonesian Sumatra's earthy flavors.

04

India's Position

India holds only **1-2%** market share, exporting around **1,500-2,000 MT** annually. This low penetration indicates significant potential for growth through differentiated offerings.



Domestic Production: Yunnan's Role

Yunnan province accounts for **98% of China's domestic coffee output**. While its rapid expansion validates local coffee culture, it primarily serves the **price-focused mid-tier market**.

This leaves the **premium specialty** and **reliable Robusta** segments wide open for Indian suppliers with traceable, high-quality lots.

Yunnan: 98% of Domestic Output

Price-focused, quality-consistent

Opportunity for India

Premium Specialty & Reliable Robusta



India's Unique Coffee Stories



Monsooned Malabar

A unique low-acid, heavy-bodied profile, perfect for espresso. (30-40% of addressable market)



Premium Positioning

Indian coffees provide clear taste distinction versus Colombian or Ethiopian coffees, supporting premium positioning through compelling origin stories and sustainable practices.



High-Altitude Estates

Arabica from Chikmagalur & Coorg with cupping scores 80+. These coffees align with Chinese demand for chocolatey, nutty cups. **Specialty Arabica Segment (40-50% of addressable market)**



Sustainable & Organic Niche

15-25% of addressable market

How Chinese Buyers Source Coffee

A multi-channel approach is essential to reach the fragmented market.



- 60-70% via Domestic Wholesalers, Buyers: Small-to-medium cafes, hotels, restaurants, regional retail chains.
- 25-30% Direct Trade **Buyers:** Large roasters, major cafe chains (e.g., Manner, Seesaw), and large food service operators.
- 5-10% Online B2B Platforms like Alibaba.com and 1688.com, offering a growing channel for discovery and initial contact.

Process of Recruiting a New Supplier (6-12 Month Cycle)

- **Sourcing & Introduction:** Buyer discovers supplier via trade shows (FHC Shanghai, Café China), B2B platforms, or referrals.
- **Due Diligence & NDA:** Buyer reviews exporter's profile, certifications, financial stability, and signs confidentiality agreements.
- **Sample Submission & Cupping:** Multiple sample rounds are mandatory for quality and profile matching. This is the most critical technical step.
- **Commercial & Compliance Negotiation:** Price (CIF/FOB), payment terms (typically LC at sight), Incoterms, minimum order quantity (often 1 container for trial), and regulatory compliance are negotiated.
- **Trial Order:** A small (e.g., one-container) order is placed to test logistics, documentation, and quality consistency.
- **Relationship & Scale-up:** Upon successful trial, orders are scaled. Relationship maintenance through communication, potential visits, and consistent quality is paramount.

Chinese Taste Bud

Mass Market Prefers a Chocolate-Milk Base

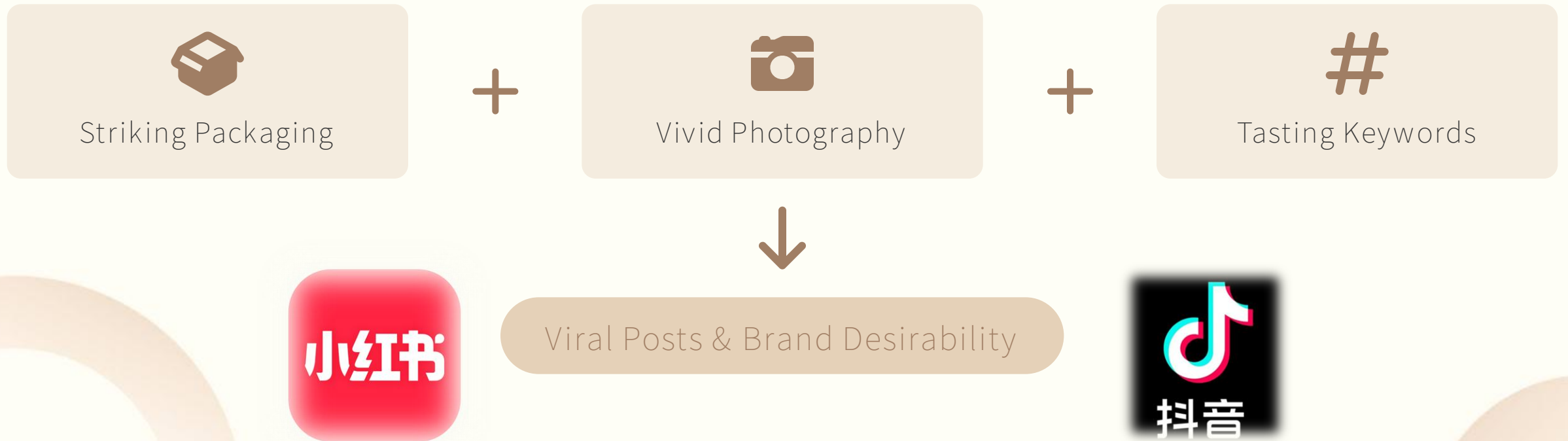
Daily consumers in chain cafés and offices prefer medium-dark roasts delivering chocolate, nut, and caramel flavors strong enough to punch through milk and sugar. This volume-driven segment rewards consistent supply, competitive pricing, and roast profiles that replicate the familiar experiences of major chains.



Volume & Consistency Driver

Social Check-In Culture Shapes Offerings

Platforms like Xiaohongshu reward photogenic cafés and novel flavors. Exporters can amplify their brand by enabling partners to create viral content.





THANK
YOU