US Snapshot

- The NCA

- The US Consumer Market
  - National Coffee Drinking Trends

- Government and Scientific Affairs

- What’s Ahead for NCA
What is the NCA?

- Trade association for the US coffee industry
  - Represents over 90% of all US coffee commerce
  - Serves all industry segments
- Provider of cross-industry, pre-branded professional services
  - Government Affairs
  - Scientific Affairs
  - Communications and Public Relations
  - Advocacy and Issues Management
  - Market Research
  - Education
- Core Purpose: To advocate on behalf of the US coffee industry within the context of the world coffee community
National Coffee Drinking Trends

• Conducted since 1950
• Industry standard tracking study
• Measures US coffee consumption habits, attitudes and demographics
• Anchor for expanded NCA Market Research Series
  – Breakout reports: single-cup segment, ethnicity, etc.
  – Monthly Industry Sizing Briefs
  – Category Tracking Studies
  – Consumer Trend Insights
Total Consumption

- Total consumption remains even, but strong
- Slight easing in more frequent consumption

<table>
<thead>
<tr>
<th>Frequency</th>
<th>2014</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Past Day</td>
<td>61%</td>
<td>63%</td>
<td>64%</td>
</tr>
<tr>
<td>Past Week</td>
<td>73%</td>
<td>75%</td>
<td>73%</td>
</tr>
<tr>
<td>Past Year</td>
<td>79%</td>
<td>83%</td>
<td>78%</td>
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</table>

Study Margin of Error ± 1.87%
Consumption by Type

• However, consumption patterns shifting toward GCB

<table>
<thead>
<tr>
<th>Frequency</th>
<th>2014</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Coffee</td>
<td>73</td>
<td>75</td>
<td>73</td>
</tr>
<tr>
<td>» Traditional - Not Gourmet</td>
<td>47</td>
<td>48</td>
<td>46</td>
</tr>
<tr>
<td>» Gourmet Coffee Beverages (GCB)</td>
<td>50</td>
<td>47</td>
<td>44</td>
</tr>
<tr>
<td>‣ Traditional - Gourmet</td>
<td>27</td>
<td>26</td>
<td>26</td>
</tr>
<tr>
<td>‣ Espresso-Based Beverages</td>
<td>39</td>
<td>33</td>
<td>31</td>
</tr>
</tbody>
</table>
### Consumption by Type/Age

- GCB Consumption also trending younger & increasing

#### Past-Week Total Coffee Consumption (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>2014</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Coffee</td>
<td>65</td>
<td>75</td>
<td>75</td>
</tr>
<tr>
<td>» Traditional - Not Gourmet</td>
<td>40</td>
<td>44</td>
<td>49</td>
</tr>
<tr>
<td>» Gourmet Coffee Beverages (GCB)</td>
<td>54</td>
<td>60</td>
<td>49</td>
</tr>
<tr>
<td>‣ Traditional - Gourmet</td>
<td>22</td>
<td>34</td>
<td>27</td>
</tr>
<tr>
<td>‣ Espresso-Based Beverages</td>
<td>46</td>
<td>52</td>
<td>37</td>
</tr>
</tbody>
</table>
Single-Cup Segment

• Ownership of Single-Cup Brewer

![Graph showing ownership of single-cup brewers from 2005 to 2014]

- % Coffee Drinkers
- Year: 2005 to 2014
- Ownership data available from 2007 to 2014
Single-Cup Segment

- Preparation Preferences

![Graph showing the preference between Single-Cup Brewer and Drip Coffee Maker over the years 2010 to 2014.](image-url)
Single-Cup Segment

• Quality Impressions

<table>
<thead>
<tr>
<th>Year</th>
<th>Excellent</th>
<th>Very Good</th>
<th>Good</th>
<th>Fair</th>
<th>Poor</th>
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<tbody>
<tr>
<td>2014</td>
<td>26</td>
<td>35</td>
<td>26</td>
<td>9</td>
<td>3</td>
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<tr>
<td>2013</td>
<td>21</td>
<td>33</td>
<td>30</td>
<td>13</td>
<td>5</td>
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<tr>
<td>2012</td>
<td>25</td>
<td>32</td>
<td>29</td>
<td>9</td>
<td>4</td>
</tr>
<tr>
<td>2011</td>
<td>15</td>
<td>30</td>
<td>36</td>
<td>13</td>
<td>6</td>
</tr>
<tr>
<td>2007</td>
<td>9</td>
<td>17</td>
<td>42</td>
<td>21</td>
<td>11</td>
</tr>
</tbody>
</table>
Coffee Equities

• Opinion Statements

- 57% of respondents feel that “coffee is good for my health”
- 56% of respondents don’t pay attention to news about coffee and health
Coffee Equities

- Reasons for Drinking Coffee

- ...and although 57% of respondents feel that “coffee is good for my health” only 22% drink coffee “when they want a healthy drink.”
Government Affairs

• United States
  – Food Safety Modernization Act (FSMA)
    • Intentional Adulteration of Food
    • Sanitary Transportation
  – FDA Food Labeling Proposals
    • Reference Amounts Customarily Consumed (RACC)
    • Nutrition Facts Panel

• Non US Interests
  – European Union (i.e. CONTAM)
  – Canada (Safe Food For Canadians Act Import Regulations (SFCA))
Scientific Affairs

- **Scientific Advisory Group**
  - Tracking and analysis of all coffee, & health research
  - Advice on science-centric legal and regulatory issues
  - US anchor for global coffee scientific community
  - Funding of worthy scientific research

- **NCA/SAG Scientific Database**
  - Research Feed from ISIC

- **Health Messaging & Delivery**
What’s Ahead?
Communications

- Member Alerts
- Government Affairs Bulletins
- Scientific Affairs Updates
- Social Media
- Messaging & Advocacy
Market Research

- 2014 Single-Cup Report
- Interactive Data Retrieval
- Industry Sizing Briefs
Sustainability
US Snapshot

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International Coffee Organization
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