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NEWS RELEASE

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Daily Coffee Consumption Up Sharply

Strength among Younger Consumers and Gourmet Varieties Drive Increase

Austin, TX (March 25, 2017) – The percentage of Americans drinking coffee on a daily basis increased to 62% this year, up from 57% in 2016, according to the NCA's 2017 *National Coffee Drinking Trends* (NCDT) consumption tracking report, released today at the NCA Annual Convention. The increase brings past-day overall coffee consumption back above 2014 levels, reversing slow declines since 2013.

Among the drivers behind the increase was soaring consumer enthusiasm for gourmet coffee varieties across most demographics. Another key driver was a robust increase in past-day coffee drinking among younger consumers, whose consumption data is being debuted in this year's NCDT and detailed in a separate report, *Generational Report: Coffee Through the Ages.*

"More of us are drinking coffee, and younger consumers appear to be leading the charge," said Bill Murray, NCA president and CEO. "A steadily growing taste for gourmet varieties is also driving a wider trend toward specialty beverages."

Demographics

While the frequency of daily consumption continued to grow for all age groups, the most robust increase occurred among those 13-18, whose daily consumption rose to 37% in 2017 from 31% in 2016, capping a 14-point increase over 2014's 23%. The 40-59 group showed an 11-point uptick over last year – moving from 53% in 2016 to 64% in 2017 – but the increase essentially restored levels seen in 2014. Those 60+ moved to 68% in 2017 from 64% last year, while the 25-39 year olds increased from 60% to 63%, and the 18-24 cohort edged up to 50% from 2016's 48%.

However, when gourmet coffee beverages are singled out, the changes were even more dramatic. Compared with last year, daily consumption among those 40-59 jumped to 39% in 2017 versus 24% in 2016. Consumption increases among the other age groups were: 36% to 39% for those 18-24, 41% to 50% for the 25-39 year olds, and 24% to 34% among the 60+ cohort. And among13-18 year olds, 29% drank a gourmet coffee beverage yesterday,

compared with 19% for traditional coffee, and a 70% share of the cups they drank were gourmet versus 30% non-gourmet.

Gourmet Varieties

Clearly, consumer enthusiasm for gourmet varieties also drove the year's overall consumption increase.

- The 2017 results show the largest one-year increase in past-day espresso-based beverages in NCDT history a jump from 18 to 24%.
- In another NCDT record, more than half of all cups of coffee consumed in the pastday were gourmet – 59% in 2017 versus 46% in 2012.
- "Non-Espresso-Based Beverages," a new category for 2017 consisting of nonespresso, gourmet coffee-based beverages, made a strong debut in past-week consumption:
 - Frozen Blended 14%
 - Cold Brew 11%
 - Nitrogen-infused 3%.

Single-Cup

Single-cup brewing continues to grow exponentially in 2017. New data shows that nearly one-third of American households (33%) now own a single-cup brewer, up from 29% in 2016. That means since 2012, ownership has grown nearly five-fold. Thirteen to eighteen year olds reported that single-cup ownership in their households jumped from 23% to 31% over the last two years.

Purchase intent also increased – those who would "definitely or probably buy" a single-cup brewer jumped to 17% in 2017, up from 10% in 2016. Similarly, definite or probable gifting intent jumped by 5 percentage points over last year.

National Coffee Drinking Trends

The NCDT has been conducted annually by the NCA since 1950. It is the longest available statistical series tracking consumer attitudes and behaviors, and has become an industry-standard reference tool. The study engages a nationally representative sample of about 3,000 people aged 13 and older. Respondents are selected from an online panel with ethnic breakouts aligned proportionately with the makeup of the U.S. population. Respondents complete the survey online in English or Spanish at their choosing.

NCDT data, some of which is previewed above, includes extensive statistical information on consumer attitudes and behaviors related to coffee consumption in the U.S. Variables explored in the report include consumption patterns by frequency, coffee type, age, gender, ethnicity, daypart, and region, along with attitudes that impede or encourage coffee consumption. Other data includes associations with coffee quality by origins, knowledge of coffee certifications, and extensive historic demographic tables.

Recent innovations include this year's introduction of the *Generational Report* – *Coffee Through the Ages,* which compares and contrasts consumer behaviors and attitudes across generational lines and, for the first time, presents data on Generation Z, those 13 to18 years of age. Data in the *NCDT* report is also made available on an interactive, online platform that enables customization by applying multiple demographic filters. And, the *NCDT* report and companion reports, like the new *Generational Report*, are now published in time for the NCA Convention, rather than in early summer as in years prior to 2015.

About the National Coffee Association

The National Coffee Association of U.S.A., Inc. (NCA), established in 1911, is the leading trade organization for the coffee industry in the United States. The NCA is the only trade association that serves all segments of the U.S. coffee industry, including traditional and specialty companies. A majority of NCA membership, which accounts for over 90% of U.S. coffee commerce, is comprised of small and mid-sized companies and includes growers, roasters, retailers, importer/exporters, wholesaler/suppliers, and allied industry businesses. The NCA offers a wide array of member benefits, focusing on <u>market research</u>, scientific affairs, domestic and international government affairs, issues management and <u>public</u> relations, and education. The NCA's core purpose is to champion the well-being of the U.S. coffee industry within the context of the world coffee community. Visit <u>www.ncausa.org</u> for additional information about the NCA, its <u>many offerings</u>, and the <u>world of coffee</u>.

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