SPECIALTY COFFEE ASSOCIATION OF AMERICA

Specialty Coffee Retail in the USA 2006

CONSUMPTION

Daily Consumption of Specialty Coffee Among Adults

2002	13%	of Adult Population
2003	12%	of Adult Population
2004	16%	of Adult Population
2005	15%	of Adult Population
2006	16%	of Adult Population

"Occasional" Consumption

2002	59%	of Adult Population
2003	54%	of Adult Population
2004	56%	of Adult Population
2005	60%	of Adult Population
2006	63%	of Adult Population

Source: National Coffee Association Annual Drinking Trends Study. Visit http://www.ncausa.org

DOLLAR SIZE OF MARKET

Retail Sales Estimates Year End 2006 (in billions of $)

Coffee Cafes:	(beverage retailers with seating)	
15500 locations averaging	$550,000 in annual sales	$ 8.53
Coffee Kiosks:	(beverage retailers without seating)	
3600 locations averaging	$300,000 in annual sales	$ 1.08
Coffee Carts:	(mobile beverage retailers)	
2900 locations averaging	$140,000 in annual sales	$ .41
Coffee Bean Roaster/Retailers:	(roasting on premise)	
1900 locations averaging	$925,000 in annual sales	$ 1.76
	Total Café Segment Sales	**$ 11.78**
Food, Drug & Mass Merchandiser (FDM) Specialty Bean Sales[1]		$ .49 *
	TOTAL MARKET SIZE	**$ 12.27**

2001	2002	2003	2004	2005	2006
$ 8.30 bil	$ 8.40 bil	$ 8.96 bil	$ 9.62 bill	$11.05 bill	$12.27 bil

Source: SCAA, Mintel Group ***[1] excludes Wal-mart *2004 estimate***

ESTIMATED NUMBER OF OPERATING UNITS

1991	**1,650**	1999	**12,000**
1992	**2,250**	2000	**12,600**
1993	**2,850**	2001	**13,800**
1994	**3,600**	2002	**15,400**
1995	**5,000**	2003	**17,400**
1996	**6,700**	2004	**19,200**
1997	**8,400**	2005	**21,400**
1998	**10,000**		
	Year End	**2006**	**23,900**

Sources: SCAA, Mintel Group

Important Coffeehouse Characteristics (% of adults):

Coffee quality and convenient location: 70%
Friendly and knowledgeable staff: 40%
Variety: 35%
Price: 26%

Market Segmentation by Chains & Independents:

Coffeehouses that are independent (1-3 units): 57%
Coffeehouses that are microchains (4-9 units): 3%
Coffeehouses that are chains (10+ units): 40%

Adults buying coffeehouse brands at a grocery store: 17%

Sources: SCAA, Mintel Group

Mike Ferguson - Marketing Communications Director - Specialty Coffee Association of America
330 Golden Shore, #50 - Long Beach, CA 90802 - Ph 562.624.4100 FX 562.624.4101 mferguson@scaa.org http://www.scaa.org