

MUDD MADDERS

VOLUME 1, ISSUE 8
AUGUST 2008



NCA Publishes National Coffee Drinking Trends

The NCA has published the 2008 National Coffee Drinking Trends (NCDT) market research survey, the industry standard measure of U.S. coffee consumption since 1950. This year's survey highlights include the growth of gourmet coffee, with daily consumption jumping to an unprecedented high of 17% of the overall adult population, up from 14% in 2007. Total coffee consumption was reported at 47% of adults age 25-39, matching this decade's high set in 2006 and up three percentage points from 2007.

Among Americans age 25-59, gourmet coffee consumption surged to new heights in 2008, with 19% now daily drinkers. Dramatic increases since 2007 of six percentage points among consumers age 25-39 and four percentage points for those 40-59 were also shown in the report. Even among older Americans 60+, gourmet coffee drinking jumped four percentage points to 15 percent, four percentage points higher than the 2007 level.

Overall Penetration

In other data, past-year penetration of coffee among American adults softened slightly in 2008, returning to the 80% set in 2005 and just under the 82% high set in 2006. Weekly consumption at 66% held ahead of 2005's 64%, but showed a slight decline from 2006's high of 68% and 2007's 67%. Daily consumption also softened to 55% from 57% in 2007, but still far outstripped early-decade percentages that dipped to 49% in 2004.

Age Breakouts

In daily consumption, coffee drinking by adults age 25-39 rebounded to 47%, its highest point of this decade, first attained in 2006. Daily consumption among adults in the 40-59 age group held at the 61% high set in 2007. In the 60+ age group, consumption eased to 71% from 2007's decade-high of 74%, settling just above the 2005 level of 70%, but still significantly stronger than the 66% and 67% lows of 2001 and 2004, respectively.

After showing remarkable gains of four to six percentage points each year since 2004, daily coffee consumption by 18-to-24-year-olds dropped for the first time this decade from a

high of 37% in 2007 to 26%, but stabilized to its 2005 level.

As has been the case in prior periods of economic softness, this age group is particularly susceptible to a drop in consumption. With higher than average levels of unemployment, lower than average incomes, coupled with higher gas prices, these consumers often forego discretionary spending on certain items, including coffee.

New Data for 2008

For purposes of statistical tracking, the NCDT carefully preserves the questions and data variables tracked from year to year. However, as the market evolves and consumer behaviors change, new questions and analyses are added, or rotated in, to capture the key trends impacting the U.S. coffee industry in a given year.

In 2008, the study revisited consumer attitudes first presented in 2005 and 2004 to compare that time and now regarding whether attitudes have changed and if so, the how and why explanations for those changes.

In response to the question, "In the past year I have heard about the benefits of drinking coffee," 46% said they had, as opposed to 37% in 2005, and affirmative responses to the statement, "Coffee is good for my health," rose to 36% from 26% in 2005. The number of consumers who have heard negative information about coffee and health remains unchanged at 58 percent.

National Coffee Drinking Trends

The NCDT is the only study of its kind to track key American coffee consumption trends continually over a five-decade period. The NCA publishes the report annually, based on data obtained in an exclusive, nationwide random-telephone survey conducted for NCA by a professional marketing research firm. Complete, tabular data is also available by means of special purchase. For more information about obtaining the 2008 NCDT or the full data set, go to the NCA website and order online at www.ncausa.org or contact the NCA at info@ncausa.org or call 212-766-4007.

See page 4 for some tables from the research.

Quote of the Month

"I would rather suffer with coffee than be senseless."

Napoleon Bonaparte

Inside this issue:

Coffee & Carbs 2

Kathy Eichenlaub 2

Jill's jokes 2

Rainforest Alliance 3

Wayne LeBlanc 4

NCA Coffee Trends Tables 4

Researchers Show Coffee and Carbs Speed Recovery After Exercise

I dare you to fall asleep

In a study performed by the Exercise Metabolism Group at RMIT University's School of Medical Sciences in Bundoora, Australia, researchers determined that ingesting coffee and carbohydrates together after "exhaustive" exercise has a drastically increased effect on muscle recovery. Professor John Hawley, senior author said the research indicated that athletes that add caffeine to their post-exercise meal had 66% more glycogen in their muscles than athletes that consumed carbohydrates alone. "If you have 66 per cent more fuel for the next day's training or competition, there's no question you'll be able to go further and faster," Professor Hawley, Head of RMIT's Exercise Metabolism Group, said.



This is the first study to reveal the effects of combining caffeine and carbohydrates, with more research needed to define the specific effect, but likely factors include increased circulating blood glucose and plasma insulin levels, and probable increased activity of several signaling enzymes that play a large role in muscle glucose uptake during and after exercise. The subjects consumed 8mg per kg of body weight, or the equivalent of one shot of espresso per 13.75 pounds of body weight, (about 18 shots for a "husky" fellow like myself). I dare you to fall asleep.

Find the University's press release at: <http://www.rmit.edu.au/browse;ID=vjymaqib2ncz>

Barista of the Month June 2008



Kathy Eichenlaub

With hard work and consistency, Kathy quickly worked her way up to manager at our Shiloh kiosk. Kathy never misses work and runs a tight ship, she really sets a great example for everyone. Kathy is known to take great care of her customers, staff, and her kiosk. Congratulations Kathy for being "BOM" and on your upcoming wedding! Keep up the great work!

Jill's Jokes

Two blondes living in Oklahoma were sitting on a bench talking, and one blonde says to the other, 'Which do you think is farther away...Florida or the moon?' The other blonde turns and says 'Hellooooooo, can you see Florida???'

A police officer stops a blonde for speeding and asks her very nicely if he could see her license. She replied in a huff, 'I wish you guys would get your act together. Just yesterday you take away my license and then today you expect me to show it to you!'

There's this blonde out for a walk. She comes to a river and sees another blonde on the opposite bank. 'Yoo-hoo!' she shouts, 'How can I get to the other side?' The second blonde looks up the river then down the river and shouts back, 'You ARE on the other side.'

A gorgeous young redhead goes into the doctor's office and said that her body hurt wherever she touched it. 'Impossible!' says the doctor. 'Show me.' The redhead took her finger, pushed on her left shoulder and screamed, then she pushed her elbow and screamed even more. She pushed her knee and screamed; likewise she pushed her ankle and screamed. Everywhere she touched made her scream. The doctor said, 'You're not really a redhead, are you?' 'Well, no' she said, 'I'm actually a blonde.' 'I thought so,' the doctor said. 'Your finger is broken.'

Jill Mason is our blonde national franchise sales consultant

Calendar of Events

July

Parents' Day July 27

August

National Women's Month

National Parks Month

Cataract Awareness

Month

September

Labor Day Sept 1

Rainforest Alliance

More than ever we are all interested in going “green”. Mountain Mudd’s premium coffee beans have always paid homage to the roots of the bean and the people who make it possible. We support the workers and eco-systems that make our coffee possible throughout the process from the field to the cup. Our roaster has had personal relationships with “our” farmers that go back several decades, and has been “fair” with them long before Fair Trade was in vogue.

Currently 97% of our coffee product line is 85% Rainforest Alliance certified and for years has been well above our peers in the industry. Our roasts were at an industry high of 50% when many of them were attempting to “get on board”. Soon all our roasts will be at 100% certification.



Although Rainforest Alliance certification endeavors to provide farmers the same economic incentives as Fair Trade, Organic, and Shade Grown certifications, this certification does not guarantee a minimum price. However, price is not everything when lives are changed for the good. The goal of the Rainforest Alliance is to integrate productive agriculture, biodiversity conservation and human development. The end result is a concerted global initiative which will reduce the impact on ecosystems around the world. Certification of coffee plots and plantations by the Rainforest Alliance is a stringent assessment of the facilities, the land, the product

and the worker’s lifestyles. Once certification is achieved, annual inspections are conducted to maintain the certification. The Alliance strives for both “greenness” and sustainability of the land, the product and the multitude of families now thriving in this economy, and encompasses all agriculture, not just coffee.

The Rainforest Alliance approach is to protect eco-systems and communities by transforming land use practices, business practices, and consumer behavior through education. The ultimate goal is finding the balance between environmental, social and economic needs to emphasize sustainability of agriculture and industry. The strength of the Rainforest Alliance is that it is a true third-party certification system whose components are truly transparent, and most importantly voluntary, and

global. Rainforest Alliance not only strives to make production of coffee sustainable, but have done outstanding work in illegal logging and deforestation, and sustainable farming for flowers, banana's, citrus, cocoa, and tea.

For more information about the Rainforest Alliance, visit their website at:

<http://www.rainforest-alliance.org/index.cfm>

Wayne LeBlanc and Pete Byorth both contributed to this article



665 Broadway, Suite 500
New York, NY 10012 USA
(212) 677-1900 (888) MY-EARTH

Featured Employee: Wayne LeBlanc

Wayne LeBlanc, our National Trainer and token Canadian, has been with Mountain Mudd for many years. Wayne started out as a barista to avoid total retirement, has assisted with building kiosks, and his organizational and training skills quickly made him the obvious choice to fill the National Trainer position. Wayne was born and raised in Nova Scotia, and his first career was with the Canadian Military, where he served all over the world for 25 years. Wayne has lectured and taught at several Universities over the years, and most recently retired from his private practice as a therapist.

Wayne is an avid fly-fisherman, but be careful if you ask him about it, you may have a stomach ache from laughing before you realize hours have passed and you need to get back to work. Wayne plays racquetball at a very competitive level, and enjoys floating with his wife Pam in their kataraft, as well as spending time with his many grandchildren. Wayne brings a lot of life-experience to our organization and his skill in training not only conveys the technical knowledge that makes a great barista, but his passion for coffee is also contagious.

Thanks for all the great work Wayne!



Wayne LeBlanc, Silver Medalist
Big Sky State Games Racquetball

Tell Us your Story!

We would like to include an anecdote about funny, odd & unusual events that happened while you were working in the kiosk.

Email your story to :
pete@mountainmudd.com
Stories with crude language will be edited.

Mountain Mudd Espresso

Partnered Beverages LLC
Beverage Franchise LLC
Corporate Offices
2120 3rd Ave N.

Billings, MT 59101

(800) 218-MUDD

Fax (406) 256-6070

Phone (406) 294-6833

Donna Ext. 100

Lori Ext. 103

Wayne Ext. 104

Dana Ext. 105

Jackie Ext. 106

Pete Ext. 107

Jill Ext. 111

Profile of Yesterday Gourmet Coffee Beverage Drinkers

	2001	2002	2003	2004	2005	2006	2007	2008
% of Population:	14%	13%	12%	16%	15%	16%	14%	17%
Demographic Overview								
Average Age:	42.2	43	44.6	45.3	43.1	43.3	44.6	45.6
Ethnic Diversity (% Non-Caucasian):	18	19	16	17	17	17	19	20
Average Income (\$000)	\$65.3	\$68.9	\$68.4	\$61.9	\$68.6	\$73.0	\$73.7	\$75.2
Consumption of Other Beverages (yesterday)								
Water (Bottled/Tap)	75	79	83	80	85	85	84	86
Soda	58	52	50	53	55	58	45	51
Juice	37	39	38	42	39	38	47	41
Tea	34	27	28	32	31	33	33	34
Beer/Liquor/Wine	28	30	29	22	32	30	28	19
Also Consumed Traditional Coffee Yesterday	71	64	61	78	80	90	71	70
% Drinking Gourmet Coffee Beverages away from home:	34	42	32	42	54	51	42	52

The profile of the gourmet coffee drinker continues to skew older on average than previous years. They are more affluent, more ethnically diverse and less likely to drink both traditional and gourmet coffee, but are more likely to drink gourmet coffee beverages away from home.

Past day consumption of gourmet coffee beverages increased solidly for all age groups 25 years and older in 2008. Past day consumption for those 18 to 25 slid from 17% in 2007 to 13% in 2008.

