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Given the current popularity of Starbucks and other specialty coffees, it may be surprising that U.S. per capita coffee consumption is only half of what it was in the mid-1940s. ERS's food availability data, a proxy for consumption, show a rise and fall in coffee consumption over the past century. Per capita availability of coffee in the United States peaked in 1946 at 46.4 gallons per person, compared with 24.2 gallons in 2005.

During the first half of the century, U.S. coffee companies sought to provide consumers with a consistent, convenient product for home use and to expand their markets through innovative production and marketing strategies. Instant coffee, first introduced in 1938, was issued to American soldiers during World War II, fueling an appreciation for its conven-



Coffee Consumption Over the Last Century

ience. The companies paired technological advances, such as vacuum packaging and freeze drying, with giveaway offers and catchy advertising slogans like "Good to the Last Drop." Per capita availability of coffee rose 78 percent between 1910 and 1950.

So why the post-War downturn? One likely cause is the increased availability of alternative beverages, particularly carbon-

ated soft drinks. According to U.S. Bureau of the Census data, estimated consumption of carbonated soft drinks stood at 10.8 gallons per person in 1947. It then began a long steep rise over the next half century or so, hitting 51.5 gallons per person in 2005. Coffee historians have speculated about other reasons for declining coffee consumption since WWII, such as changing lifestyles and adjustments to blending and roasting practices.

Data on per capita coffee availability are starting to reflect the growing popularity of specialty coffees. Declining supermarket sales of coffee have been offset by increases in coffee consumption away from home. Private market research data show sales at coffeehouses increased by 97 percent between 1998 and 2003. Per capita coffee availability has risen almost 20 percent since its recent low in 1995. Upscale coffee shops appear to have hit the mark for affluent coffee drinkers' desire for a café atmosphere that serves diverse, quality coffee and coffee beverages, such as lattes, cappuccino, espresso, and frozen coffees.

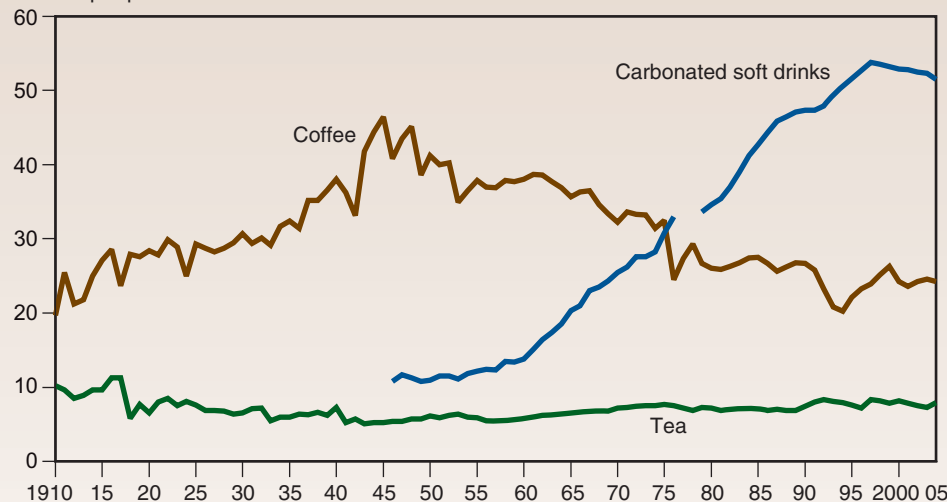
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For more information . . .

ERS Food Availability (Per Capita) Data System, available at:
www.ers.usda.gov/data/foodconsumption/

Coffee availability in the United States peaked in 1946

Gallons per person



Sources: USDA, Economic Research Service using data on carbonated soft drinks from the Bureau of the Census for 1947-77 and the Beverage Marketing Corporation for 1980-2005.