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# Cups & Lids

US Industry Study with Forecasts to **2010 & 2015**

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# Cups & Lids

US Industry Study with Forecasts to ***2010 & 2015***



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# Cups & Lids

US Industry Study with Forecasts to ***2010 & 2015***



*The upgrade to premium coffee in quick service restaurants and convenience stores will spur wider use of items conveying a more upscale image, such as paper hot cups, thin wall foam cups and specialty lids.*

## US demand to grow 4.3% annually through 2010

Demand for cups and lids is projected to increase 4.3 percent annually to $6.8 billion in 2010. Advances will be driven by growth in disposable personal income levels and a favorable outlook for foodservice revenues, especially in key cup and lid markets like quick service restaurants, coffee and snack shops, and convenience stores. In unit terms, demand will advance 3.2 percent yearly to over 430 billion units in 2010.

While healthy revenue growth in coffee and snack shops will continue to provide upward momentum for cups and lids, the upgrade to premium coffee in many quick service restaurants and convenience stores will lead to increased coffee sales in these establishments, which in turn will drive opportunities for related cups and lids. Value gains will benefit from wider use of items conveying a more upscale image, such as paper hot cups, thin wall foam cups and specialty lids. Above-average demand for packaging cups will be fueled by consumer demand for convenient and portable single-serving meal and snack options, which will lead to an expanded range of applications.

**US Cup & Lid Demand, 2010**
($6.8 billion)


## Lids to outpace cups

Growth in lid demand will outpace cup demand, advancing 4.8 percent per year to $930 million in 2010. Gains will be attributable to an increasing percentage of drinking cups using lids, growing demand for higher-value specialty lids and continued solid advances for single-serving packaging cups. Best opportunities are expected for flexible and rigid lids for packaging cups resulting from expanding applications. A favorable outlook for foodservice revenues will also boost demand for portion-sized cups for packaging items such as creamers, butter and sauces, which will in turn support heightened demand for flexible lidding.

## Drinking cups to remain dominant cup type, packaging cups to lead gains

While drinking cups will continue to dominate the market, the smaller packaging cup segment will post the fastest gains based on good prospects for product demand in key applications as well as further development of newer applications where cups meet consumer demand for smaller package sizes. Demand for food packaging cups and lids is expected to climb 7.1 percent per annum to $1.3 billion in 2010. Trends toward healthier eating and increased targeting of specific demographic groups, such as women and children, will also stimulate opportunities. At the same time, competition from alternative packaging media, such as pouches, in products like yogurt, pudding and snack foods, will limit advances to some degree. The shift to less costly flexible lidding rather than rigid lids and flexible inner lids in markets such as yogurt will also moderate gains.

# Sample Text, Table & Chart

**TABLE III - 3**

**DRINKING CUP DEMAND BY TYPE & MARKET**
**(million dollars)**

| Item | 1995 | 2000 | 2005 | 2010 | 2015 |
|---|---|---|---|---|---|
| Resident Population (mil) | 266.3 | 282.2 | 296.4 | 309.9 | 323.4 |
| cups/capita | | | | | |
| Drinking Cup Demand (bil units) | | | | | |
| cents/unit | | | | | |
| Drinking Cup Demand | | | | | |
| By Type: | | | | | |
| Paper Cups | | | | | |
| Plastic Cups | | | | | |
| Foam Cups | | | | | |
| By Market: | | | | | |
| Foodservice | | | | | |
| Retail | | | | | |
| % drinking | | | | | |
| Total Cup Demand | | | | | |

SAMPLE TABLE

**PRODUCTS**

**Paper Cups --** Demand for paper drinking cups is pro increase 2 billion in 2010, with exceedin lag the drinking cup a result o drink cup market an share to p and retail markets. vances ar , driven by continue sales gro nks, especially in est that rely la hot beverages. The u coffee to premium blends in other foodservice venues will ai for paper hot cups. Moderating advances for paper hot cups increased competition from lower cost foam cups and aesthe ments in thin wall foam cups.

SAMPLE TEXT

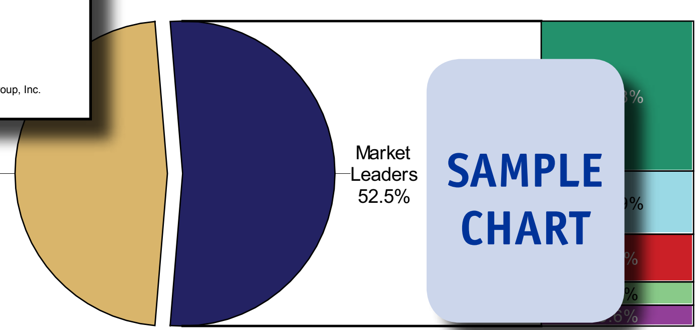
Best opportunities for paper cups will be in higher value reflection of the ongoing solid growth of gourmet coffee esta and favorable outlooks for coffee sales in quick service restaurants and convenience stores, especially gas station types. Expanded food and beverage offerings in book stores will fuel further foodservice opportunities, and paper hot cups will benefit since coffee is often the top-selling beverage in these stores. Paper cups are dominant in coffee chains like Starbucks, Caribou Coffee and others, as well as in book store cafés, due to their perception by consumers as a premium product. Improvements in insulation properties of paper hot cups will also heighten paper's appeal and boost its competitiveness against foam cups for hot drinks. The more limited insulation of many paper hot cups relative to foam cups makes them difficult to hold and generally necessitates the use of paperboard sleeves, a drawback which increases operator costs. Smaller paper hot cups, especially in the retail market, often feature fold-out handles for more convenient holding. Double cupping has been a means of making hot paper cups easier to hold but has become less common as a result of its cost and negative publicity due to excessive waste.

54



**CHART V - 1**

**US CUP & LID MARKET SHARE, 2005**
**($5.5 billion)**

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# Cups & Lids

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## Sample Profile, Table & Forecast

**TABLE IV-4**

**QUICK SERVICE RESTAURANT MARKET FOR CUPS & LIDS**
**(million dollars)**

| Item | 1995 | 2000 | 2005 | 2010 | 2015 |
|---|---|---|---|---|---|
| Quick Service Restaurants (000) | 161 | | | | |
| 000$ cups & lids/establishment | 8.5 | | | | |
| Quick Service Cup & Lid Demand | 1373 | | | | |
| Cups: | 1191 | | | | |
| Drinking | 1105 | | | | |
| Portion | 47 | | | | |
| Food | 39 | | | | |
| Lids | 182 | | | | |
| % quick service | 57.1 | | | | |
| Total Foodservice Cup & Lid Demand | 2405 | | | | |

**SAMPLE TABLE**

**COMPANY PROFILES**

**Fabri-Kal Corporation**
600 Plastics Place
Kalamazoo, MI
269-385-5050
http://www.fab

Annual Sales: mpany, 1/06)
Employment: ny, 1/06)

**SAMPLE PROFILE**

Key Products: thermoformed plastic drink, portion and medicine cups; food containers; and corresponding lids

Fabri-Kal Corporation produces stock and custom plastic packaging for the foodservice, health care and personal care markets. The Company is privately held.

The Company thermoforms a wide range of cups and lids from such materials as amorphous polyester, high density polyethylene (HDPE), polypropylene (PP), general purpose and high impact polystyrene (PS), styrene butadiene copolymer, acrylic/styrene/butadiene terpolymer and polylactic acid (PLA). Fabri-Kal's products are intended for use primarily in foodservice packaging applications. Manufacturing and warehousing of these cups and lids takes place at sites in Kalamazoo, Michigan; Hazelton, Pennsylvania; and Greenville, South Carolina. Another site in Los Angeles, California also stores the Company's products. Printing is carried out at the Hazelton plant.

Cups are manufactured by Fabri-Kal in drink, medicine and portion varieties. Drink cups are produced and sold under such brand names as KAL-CLEAR, NEXCLEAR, RK and GREENWARE. KAL-CLEAR drink cups are produced from amorphous polyethylene tere

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"**Coffee & Snack Shops** - Demand for cups and lids by coffee and snack shops is projected to increase 4.6 percent per year to $770 million in 2010, outpacing the foodservice market average. Gains will be supported by healthy revenue expansion in this segment along with the ongoing popularity of high-end coffee drinks and continued robust demand for premium hot cups..."

--Section IV, pg. 104

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## Other Studies

### World Caps & Closures

Global demand for caps and closures will grow 4.7% annually through 2011. Unit gains will be driven by the penetration of closures into gabletop and aseptic drink cartons and plastic pouches. Emerging markets will perform strongly, led by China and India. Plastic closures will continue to supplant metal and cork. This study analyzes the $25.2 billion cap and closure industry, with forecasts given for 2011 and 2016 by material, market, world region and for 17 countries. It also details market share and profiles major firms.

*#2211 .................. 07/2007.................... $5500*

### Beverage Containers in China

Demand for beverage containers in China will grow 8.9% per annum through 2010. Plastic will remain the dominant material in unit terms while paperboard will grow the fastest. Milk will stay the largest market and be one of the fastest growing, with fruit beverages posting the fasted gains. This study analyzes the ¥60.5 billion beverage container industry in China, with forecasts for 2010 and 2015 by market and material. The study also evaluates company market share and profiles leading industry participants.

*#2183 .................. 05/2007.................... $4900*

### Dairy Packaging

US demand for dairy packaging will grow 4.1% annually through 2010. Gains will be driven by trends toward smaller containers and more food eaten or prepared away from home. Best growth is expected in cultured dairy products such as drinkable yogurt and in cream. Pouches and bottles will present the best opportunities by product. This study analyzes the $3.5 billion US dairy packaging industry to 2010 and 2015 by application, product and material. It also details market share and profiles major players.

*#2105 .................. 10/2006.................... $4400*

### Pouches

US demand for pouches will grow 6.3% annually through 2010, driven by healthy gains for stand-up and flat pouches. The fastest-growing markets for stand-up pouches will be cheese, processed foods, and consumer and industrial products, while flat pouches will do best in fresh produce, medical and pharmaceutical products, and consumer items. This study analyzes the $4.8 billion US pouch industry to 2010 and 2015 by product and market. It also details company market share and profiles leading players.

*#2087 .................. 07/2006.................... $4400*

### Caps & Closures

US cap and closure demand will rise 4.8% annually through 2010. Growth will be aided by the ongoing shift toward value-added types (e.g., child-resistant, dispensing) and by the penetration of closure-intensive plastic packaging into closureless uses like metal cans. Synthetic corks will continue supplanting natural corks in wine bottles. This study analyzes the $5.5 billion US cap and closure industry to 2010 and 2015 by raw material, product and market. It also details market share and profiles leading industry players.

*#2077 .................. 06/2006.................... $4400*

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