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A LAC TECH Report

**THE U.S. MARKET FOR SPECIALTY COFFEE**

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Washington, D.C. 20523, USA

March, 1992

## **SPECIALTY COFFEES FOR NICHE MARKETS**

by

**Kenneth D. Weiss**  
**February 1992**

### Introduction:

U.S. imports of coffee in all forms, from October 1990 through September 1991, totaled about 1.1 million metric tons and had a customs value of \$1.8 billion dollars. The average price was \$1,640 per metric ton, which comes to \$1.64 per kilogram or \$0.75 per pound.

In spite of these huge levels of imports, the trends in both quantity and price are worrisome to exporting countries. On February 25, 1992, The Journal of Commerce reported that numerous coffee producers were reducing their harvests because of unprofitably low prices. This is especially true in Latin America, from which the U.S. sources about 86% of its coffee imports.

### The Gourmet Coffee Market:

The trend in gourmet coffees, however, is much more promising. The term "gourmet" includes fancy and specialty coffees, premium brands, and decaffeinated coffees. According to one report, gourmet coffees now account for nearly 20% of the retail value of coffees sold in the USA and will be 30% by 1994 (does not translate to 30% of imports because gourmet coffees sell for higher prices). Fancy and specialty coffees make up just over half of the gourmet coffee sales.

Consumers of specialty coffees, in general, are well educated, affluent individuals, concentrated in the 25-45 year age range and on the U.S. east and west coasts. There are, however, specialty coffee roasters in at least 30 of the 50 states. These consumers are concerned more with quality and freshness than with price or brand name.

Consumers drink and/or buy specialty coffees in approximately 10,000 coffee stores around the United States, or they buy specialty beans in food stores including most supermarkets. There are now several franchised chains with 10 or more coffee stores each. The beans can be ground when purchased, but increasing numbers of consumers have their own small grinders.

There are also firms that sell and deliver specialty coffees by mail, and this is said to be the fastest growing method of distribution.

Retail prices of specialty coffees range from about \$6.00 to about \$30.00 per pound. Some African coffees are priced low because they are beginning to develop "edible bean" or "potato" off-flavors. Blue Mountain coffee from Jamaica still commands a very high price, partly because buying for Japan has made this coffee scarce in the United States.

Sales of flavored coffees are increasing, and at least 5 companies sell special coffee flavorings. At least one brand of specialty coffee now has, printed on the package, the date by which it should be consumed for maximum flavor and aroma. Other information being printed on packages includes descriptions of the coffee and its country of origin and instructions on how to prepare the coffee properly.

Coffee retailers buy from roasters or do their own roasting. Small-scale roasting equipment has become widely available, and carrying out this process near the end of the distribution channel reduces the time elapsed from roasting to consumption.

Some specialty coffee roasters import directly and others buy from importers. A few have opened coffee houses in their plants. Following this report is a list of 41 companies that import specialty coffee to the U.S. and Canada. Some of the major coffee companies are now marketing specialty coffees, made of beans selected and roasted according to their specifications.

### Competition and Production:

Some supplying areas that are promoting specialty coffees are Guatemala, Jamaica, Hawaii, Kenya, Peru, and Puerto Rico. Coffee organizations of producing countries advertise in trade magazines and use promotions such as "coffee tours" of their growing areas. Also, they are increasing use of cup tasting in gourmet and fancy food shows around the United States.

Some competitors are promoting sales of so-called "varietal" (from a specified region) or "estate-grown" (from a specified estate) coffee. Others are saying that their product is more healthful because it is grown organically.

Increasing market potential, and increasing competition, are forcing suppliers to pay more attention to quality control at every stage in production and distribution. Beans should be harvested frequently so that each will be at the right stage of maturity. They should be transported, classified, and processed expeditiously and carefully. They should be checked for humidity and stored under proper conditions. Then, the exporter should make a final check to make sure that all the terms and conditions of his contract with the U.S. importer are being adhered to.

#### Shipping, Payment, Disputes, Regulations:

Specialty coffees that can be shipped in sufficient volumes to the USA are usually moved by sea in 20 foot containers, with 285 bags in each container.

Methods of payment vary, with Sight Draft, Cash Against Documents being perhaps the most common.

The standard contract, provided by the Green Coffee Association in New York, sets forth arbitration procedures to be followed in case of disagreements over quality or other aspects of a transaction. This organization can hold sealed samples, to be opened if there is a dispute about whether a shipment is equal to samples sent previously.

Green or roasted coffee from any country can enter the U.S. free of duty. The basic regulations, which are enforced by the U.S. Department of Agriculture, the Food and Drug Administration, and the U.S. Customs Service, related to hitchhiking insects, filth of any kind, chemical residues, and contraband mixed with the product. Exporters should know these regulations in detail before shipping to the USA.

#### Conclusion:

Although the coffee market in general is weak, sales of specialty coffees in the USA are increasing rapidly. There appears to be room for more producers to enter this market. The basic requirements for success are to deliver a consistent, high quality coffee and to promote it effectively to the trade. Promotion is done mainly through journal advertising and trade show exhibits to a growing and vitally interested audience.

The attached lists contain names and/or addresses of specialty coffee associations, market studies, importers, roasters, and trade journals.

## **SPECIALTY COFFEES--SOURCES OF INFORMATION**

### **Specialty Coffee Associations:**

Specialty Coffee Association of America  
1 World Trade Center, Suite 800  
Long Beach, California 90831  
Phone 213 983-8090, Fax 213 983-8091

Green Coffee Association  
100 John Street  
New York, New York 10038  
Phone 212 619-5095

### **Market Studies:**

The Market for Gourmet Coffees and Teas. FIND/SVP, 625 Avenue of the Americas, New York, New York 10011, phone 212 645-4500. August 1990, 180 pages, \$1,450. Contains Executive Summary, The Coffee Market, The Gourmet Coffee Market, The Tea Market, The Gourmet Tea Market, Company Names and Addresses.

The U.S. Hot Beverage Market. Business Trend Analysts, Inc., 2171 Jericho Turnpike, Commack, New York 11725, phone 516 462-5454. July 1990, 297 pages, \$950. Contains Overview of the Hot Beverage Industry, The U.S. Market for Hot Beverages, The U.S. Market for Coffee, The U.S. Market for Tea, The U.S. Market for Hot Cocoa, The Raw Material Situation, Hot Beverage Distribution, Demographic Characteristics of Hot Beverage Consumers, Hot Beverage Advertising Trends, Competitive Analysis, Directory of U.S. and Canadian Hot Beverage Manufacturers and Marketers.

### **Specialty Coffee Importers:**

- From Ukers '92: Tea & Coffee Trade Journal
- In alphabetical order by state

Berard Trading Inc.  
5855 Doyle Street, Suite 4  
Emeryville, California 94608  
Phone 415 547-8334, fax 415 547-4518

**Specialty Coffee Importers (cont'd)**

Cafe Salvador Inc.  
P.O. Box 29002  
San Francisco, California 94129-0002  
Phone 415 751-8845, fax 415 387-7201

Caffe D'Amore Inc.  
1633 East Walnut  
Pasadena, California 91106  
Phone 800 999-0171, fax 818 792-4382

Castle & Company  
2210 Wilshire Boulevard, Suite 634  
Santa Monica, California 90403  
Phone 213 479-5999, fax 213 312-1762

Clean Foods Inc./Terra Nova  
P.O. Box 1647  
Ojai, California 93024  
Phone 805 646-5535, fax 805 646-3368

Exxter Trading Inc.  
940 Del Ganado Road  
San Rafael, California 92807  
Phone 414 492-1820

Gold Mountain Coffee, Limited  
5885 Hillis Street  
Emeryville, California 94608  
Phone 415 428-0270, fax 415 547-7223

Irian Coffee, Inc.  
P.O. Box 80324  
Anaheim, California 92807  
Phone 714 693-8536, fax 714 921-8936

Klein Brothers International Inc.  
88 Kearny Street, #1600  
San Francisco, California 94120  
Phone 415 989-9160, fax 415 433-4920

**Specialty Coffee Importers (cont'd)**

**Knutsen Coffees Limited**  
660 Sacramento Street  
San Francisco, California 94111  
Phone 415 362-4414, fax 415 362-8652

**Moledina Commodities Inc.**  
5502 Cedarhaven Drive  
Agoura Hills, California 91301-2060  
Phone 818 706-0822, fax 818 706-8211

**M.P. Mourtanos**  
1361 Lowrie Avenue  
South San Francisco, California 94080  
Phone 415 875-1611, fax 415 875-4208

**Muqui Coffee Company**  
3398 Grossmon Drive  
San Jose, California 95132  
Phone 408 929-4405, fax 408 929-4505

**Royal Coffee Inc.**  
5885 Hollis Street  
Emeryville, California 94608  
Phone 415 652-4256, fax 415 547-7223

**Britt Exportaciones G.A.**  
P.O. Box 149010  
Coral Gables, Florida 33114-9010

**CFTI of Florida Inc.**  
3191 Coral Way, Suite 505  
Miami, Florida 33145  
Phone 305 446-1985, fax 305 446-2040

**Miami Coffee Merchants Corporation**  
3191 Coral Way, Suite 505  
Miami, Florida 33145  
Phone 305 448-2735, fax 305 448-0123

## **Specialty Coffee Importers (cont'd)**

Cresinco Corporation  
7221 West 79th Street, Suite 106  
Overland Park, Kansas 66204  
Phone 913 642-0541, fax 913 649-6238

Equal Exchange  
101 Tosca Drive  
Stoughton, Massachusetts 02072  
Phone 617 482-4945, fax 617 344-7240

Holland Coffee Inc. (Holland Coffee B.V., Amsterdam)  
19 Maxie Lane  
Sparta, New Jersey 07871  
Phone 201 729-0943, fax 201 729-0942

Adam F. Rymshaw Inc.  
8 Piermont Road  
Norwood, New Jersey 07648  
Phone 201 768-9453, fax 201 768-8614

Harry J. Acer Company Inc.  
11 Hanover Square, Suite 705  
New York, New York 10005  
Phone 212 269-7620, fax 212 269-7622

Caribbean Merchant Traders  
199 Clinton Street, No. 2  
Brooklyn, New York 11201  
Phone 718 855-8962, fax 718 625-7246

Coffee Holding Company, Inc.  
440i First Avenue  
Brooklyn, New York 11232-0005  
Phone 718 832-0800, fax 718 832-0892

Cofinco Inc.  
99 Park Avenue, 11th Floor  
New York, New York 10016  
Phone 212 309-1560, fax 212 309-1572

## **Specialty Coffee Importers (cont'd)**

The Otto Gerdau Company  
82 Wall Street  
New York, New York 10005  
Phone 212 709-9600

Gillies Coffee Company  
160 Bleecker Street  
New York, New York, 10012  
Phone 212 614-0900, fax 212 614-9873

Paragon Coffee Trading Company  
116 John Street, Suite 2305  
New York, New York 10038  
Phone 212 962-6600, fax 212 962-8041

P P & N Corporation  
124 Route 17K  
Newburgh, New York 12550  
Phone 914 561-2155, fax 212 481-7231

Saks International Inc.  
6 Harrison Street  
New York, New York 10013  
Phone 212 941-1919, fax 212 941-1947

Southern Coffee Company  
127 East 56th Street, Suite 200  
New York, New York 10022  
Phone 212 593-0440, fax 212 753-5087

Cafe De Todd USA Inc.  
Five Greenway Plaza, Suite 240  
Houston, Texas 77046  
Phone 713 965-9723, fax 713 965-0422

Interamerican Commodities Inc.  
9800 Richmond, Suite 510  
Houston, Texas 77042  
Phone 713 782-4440, fax 713 782-5486

## **Specialty Coffee Importers (cont'd)**

**Pan American Coffee Corporation**  
11104 West Airport, #161  
Stafford, Texas 77477  
Phone 713 561-0593, fax 713 575-9787

**Agora Commodities Limited**  
99 King's Road, Suite 101  
Pointe Claire, Quebec H9R 4H3, Canada  
Phone 514 426-5892, fax 514 426-5894

**Alexander Gourmet Imports**  
791 Sydney Avenue  
Windsor, Ontario N8X 3J6, Canada  
Phone 519 966-0080, fax 519 966-1844

**Associated Tea & Coffee Importers Inc.**  
407 McGill Street, Suite 809  
Montreal, Quebec H2Y 2G3, Canada  
Phone 514 845-9173, fax 514 845-8110

**Cairo Coffee Merchants Limited**  
1609 Douglas Street  
Victoria, British Columbia V8W 2G5, Canada  
Phone 607 384-6321

**N. J. Douek & Sons Inc.**  
407 McGill Street, Suite 809  
Montreal, Quebec H2Y 2G3, Canada  
Phone 514 845-9173, fax 514 845-8110

**National Importers Limited**  
1331 Main Street  
North Vancouver, British Columbia V7J 3J7, Canada  
Phone 604 984-9111, fax 604 984-4093

**Panbro International Limited**  
109 Rainside Road, Suite 303  
Don Mills, Ontario M3A 1B2, Canada  
Phone 416 445-7711, fax 416 445-9239

### **Sample of Specialty Coffee Roasters:**

- From Ukers '92: Tea & Coffee Trade Journal
- In alphabetical order by state

The Kaffeeklatsch Inc.  
103 Jefferson Street  
Huntsville, Alabama 35801  
Telephone 205 539-1636

Cafe dei Mundo  
229 East 51st Avenue  
Anchorage, Alaska 99503  
Phone 907 562-2326, fax 907 562-3278

The Coffee Plantation, Inc.  
680 South Mill Avenue, Suite 101  
Tempe, Arizona 85281  
Phone 602 966-9442, fax 602 966-9274

Caffe Trieste Superb Coffees Inc.  
1087 Mississippi Street  
San Francisco, California 94107  
Phone 415 550-1107, fax 415 550-1239

Daymar Corporation  
460-B Cypress Lane  
El Cahan, California 92020  
Phone 619 444-1155, fax 619 646-5782

Montanos Brothers Coffee Company  
380 Swift Avenue, Suite 13  
South San Francisco, California 94080  
Phone 415 952-5446, fax 415 871-4845

Allegro Coffee Company  
1930 Central Avenue, Suite H  
Boulder, Colorado 80301  
Phone 303 444-4844, fax 303 449-5259

## **Specialty Coffe Roaster (cont'd)**

Inter-Continental Imports Company, Inc.  
149 Louis Street  
Newington, Connecticut 06111  
Phone 203 665-1101, fax 203 665-1085

Emerson's Coffee 7 Tea Emporium  
15640 North Dale Mabry Highway, Suite 234  
Tampa, Florida 33618  
Phone 813 949-9166, fax 813 949-9166

Maxim International, Inc.  
7919 Northwest 64th Street  
Miami, Florida 33166  
Phone 305 599-8588, fax 305 599-0182

Atlanta Coffee Roaster, Inc.  
298 Bell Park Drive  
Woodstock, Georgia 30188  
Phone 404 924-7035, fax 404 591-5243

Lion Coffee  
894 Queen Street  
Honolulu, Hawaii 96813  
Phone 808 521-3479, fax 808 538-3967

Chicago Coffee Roastery, Inc.  
11917 Smith Drive, Unit D  
Huntley, Illinois 60142  
Phone 708 69-1156, fax 708 669-1114

Superior Coffee & Foods (Division of Sara Lee Corporation)  
990 Supreme Drive  
Bensenville, Illinois 60106  
Phone 708 860-1400, fax 708 860-6155

Lexington Coffee & Tea Company  
2571 Regency Road  
Lexington, Kentucky 40503  
Phone 606 277-1102, fax 606 277-6490

## **Specialty Coffee Roasters (cont'd)**

Jelks Inc.  
P.O. Box 8667  
Shreveport, Louisiana 71148  
Phone 318 636-6391, fax 318 635-1384

Old Town Coffee Company  
1027 Hillen Street  
Baltimore, Maryland 21202  
Phones 301 752-1229, 800 545-4014

New England Coffee Company  
100 Charles Street  
Malden, Massachusetts 02148  
Phone 617 324-8094, fax 617 397-7580

Cadillac Coffee Company  
4740 East Nevada Avenue  
Detroit, Michigan 48324  
Phone 313 369-9020, fax 313 369-9526

Hey Mon Coffees of the World Roastery  
2206 West Highway 76  
Branson, Missouri 65616  
Phone 417 334-2320, fax 417 334-2330

Montana Coffee Traders  
5810 Highway 93 South  
Whitefish, Montana 59937  
Phone 406 862-7633, fax 406 862-0074

Angell's Gourmet Coffee Roasters  
4825 West Flamingo Road, Suite 11  
Las Vegas, Nevada 89103  
Phone 702 876-8797

Fairwinds Gourmet Coffee Company  
P.O. Box 1294  
Concord, New Hampshire 03302  
Phone 603 224-5381, fax 603 225-4709

### **Specialty Coffee Roasters (cont'd)**

Coffee Roasters Inc.  
29 Edison Avenue  
Oakland, New Jersey 07436-1301  
Phone 201 337-8221, fax 201 337-0622

Premium Coffee Distributors  
Highway 34 and Ridgewood Road  
Wall Township, New Jersey 07719  
Phone 201 449-7840, fax 201 449-8620

Dallis Brothers Inc.  
100-30 Atlantic Avenue  
Ozone Park, New York 11416  
Phone 718 845-3010, fax 718 843-0178

J.B. Peel Inc.  
Red Hook Commons  
55 North Broadway  
Red Hook, New York 12571  
Phone 914 758-1792, fax 914 758-1814

The White Coffee Corporation  
18-35 Steinway Place  
Long Island City, New York 11105  
Phone 718 204-7900, fax 718-956-8604

Broad Street Coffee Roasters  
P.O. Box 333  
Chapel Hill, North Carolina 27514  
Phone 919 933-9463, fax 919 967-0159

Great Atlantic & Pacific Tea Company, Coffee Division  
719 Brown Avenue  
Toledo, Ohio 43607  
Phone 419 244-7438

Boyd Coffee Company  
P.O. Box 20547  
Portland, Oregon 97220  
Phone 503 666-4545, fax 503 669-2223

## **Specialty Coffee Roasters (cont'd)**

Ellis Coffee Company  
2835 Bridge Street  
Philadelphia, Pennsylvania 19137  
Phone 215 537-9500, fax 205 535-5311

Excellent Coffee Company  
259 East Avenue  
Pawtucket, Rhode Island 02860  
Phone 401 724-6393, fax 401 724-0560

Country Coffee Company, Inc.  
Route 17, Box 155  
Tyler, Texas 75704  
Phone 214 592-9771, fax 214 593-2699

Green Mountain Coffee Roasters, Inc.  
33 Coffee Lane  
Waterbury, Vermont 05676  
Phone 802 244-5621, fax 802 244-5436

First Colony Coffee & Tea Company, Inc.  
204-222 West 22nd Street  
Norfolk, Virginia 23517  
Phone 804 622-2224, fax 804 623-1833

Milestone Coffee, Inc.  
729 100th Street Southeast  
Everett, Washington 98208  
Phone 206 347-3995, fax 206 355-9310

S.B.C. Coffee Company  
19529 Vashon Highway Southwest  
Vashon Island, Washington 98070  
Phone 206 463-3932, fax 206 463-5051

Cameron's Coffee Company, Inc.  
P.O. Box 627  
Hayward, Wisconsin 54843  
Phone 715 634-3646, fax 715 634-8336

## **Specialty Coffee Roasters (cont'd)**

Mother Parker's Foods Ltd.  
2530 Stanfield Road  
Mississauga, Ontario L4Y 1S4, Canada  
Phone 416 279-9100, fax 416 279-9821

Murchies Tea & Coffee Limited  
1200 Homer Street  
Vancouver, British Columbia V6B 2Y5, Canada  
Phone 604 662-3776, fax 604 662-8285

A. L. Van Houtte Limited  
6045 Boulevard des Grandes Prairies  
Montreal, Quebec H1P 1A5, Canada  
Phone 514 327-3110, fax 514 327-6517

### **Trade Journals:**

Cafe Ole, 115 Bell Street, Seattle, Washington 98121, phone 206 443-1156

Fancy Food, Talcott Communications, 222 Merchandise Market Plaza, #1414, Chicago, Illinois 60654-1203, phone 312 824-7440

Food Distribuion, Tors Magazine Group, Box 10378, Clearwater, Florida 33517-0378, phone 813 443-2723

Gourmet Today/Telefood, Cummins Publishing Company, 26011 Evergreen Road, Southfield, Michigan 48076, phone 313 358-4900

Gourmet Retailer, Industry Publishers Inc., 1545 Northeast 123rd Street, Miami, Florida 33161, phone 305 893-8771

Specialty Food Merchandising, Tarter Communications Inc., 29 Park Avenue, Manhasset, New York 11030, phone 516 365-9088

Tea and Coffee Trade Journal, Lockwood Trade Journal Company, 130 West 42nd Street, New York, New York 10036-7802, phone 212 661-5980.