

Speaking at the SCAA exhibition and conference in Houston in May, José Ramirez, Director of Coffee for Farmer Brothers, the well known roaster, and Ruth Ann Church from Artisan Coffee Imports, a company that specialises in trading in decaf, providing some though-provoking comment on the decaf market in the US

In the words of Ruth Ann Church, "the specialty coffee industry has an issue with decaf" and, too often, what is sold as specialty decaf really isn't specialty coffee at all.

Mr Ramirez and Ms Church agreed that, more often than not, decafs simply don't meet the same quality standards as regular specialty coffees. Few roasters pay sufficient attention to ensuring that the decaf they sell is of sufficiently high quality, Ms Church told a workshop at the SCAA. Decafs rarely have to meet same quality threshold as regular coffee.

Additional costs


The reason for this is usually price. Producing a decaffeinated coffee requires that coffee to pass through a number of extra steps in the processing chain; decaffeinating coffee also means that extra costs are incurred transporting it to a decaffeination plant (which may well be outside the US).

What this means is that roasters are faced with a difficult question – should they pass on the higher costs to decaf drinkers, or should they compromise on quality, and pay less for the coffee they send to be decaffeinated?

As Mr Ramirez and Ms Church pointed out, which decaffeination process a roaster uses also affects the cost of the end product. Moreover, most decaffeination companies have a minimum batch size, which can make life difficult for a small or micro-roaster that wants to offer high quality decaffeinated coffee (see table).

Ms Church provided an example of the extra costs involved: assuming a cost for regular, high quality green coffee of US\$3.50

Specialty coffee industry "has an issue with decaf"



Roasters pay more attention to regular coffee and not enough to decaf, the workshop heard

per pound, and a 40 per cent margin (that is, US\$1.40), that makes the customer price (per pound) US\$4.90; whereas for a high quality decaf, the figures are more like US\$4 per pound (including the cost of decaffeination), plus a 40 per cent margin of \$US1.60, making an overall cost to the customer (per pound) of US\$5.60.

Ms Church noted that higher consumer price points would enable better quality coffee to be used in decaf, but for that to become possible, roasters need to change the way they regard the category.

One easy step to help promote decaf would be to stop using what Mr Farmer and

Ms Church called "sales prevention" – that is, poor quality service. Ultimately, much of this comes back to untrained or poorly trained customer service personnel.

Ms Church cited several examples she had come across of just this kind of attitude. At a Starbucks in Ohio she was told "We stopped serving decaf at noon." At an outlet in her home town of Ann Arbor she was told "We can't afford the extra grinder," and at a McDonald's outlet she was told "Decaf latte? No. Don't have it."

Roasters could pay more attention to finding and attracting new customers, said Mr Ramirez and Ms Church, and to working out who exactly is the decaf consumer? Mr Church said some research suggests that the decaf consumer tends to be female and well-educated; there are some "dual drinkers" who drink both regular and decaf; but there are also "exclusive drinkers" who only drink decaf. "Research also suggests that the exclusive drinker consumes the larger share," Ms Church told the workshop.

As is well known, a decaf consumer also

Bacteria uses caffeine as food

A bacterium that uses caffeine for food has been discovered by a doctoral student at the University of Iowa. The bacterium uses newly discovered digestive enzymes to break down the caffeine, which allows it to live and grow.

"We have isolated a new caffeine-degrading bacterium, *Pseudomonas putida* CBB5, which breaks caffeine down into carbon dioxide and ammonia," said Ryan Summers, who presented his research at the 111th General Meeting of the American Society for Microbiology in New Orleans.

Caffeine itself is composed of carbon, nitrogen, hydrogen and oxygen, all of which are necessary for bacterial cell growth. Within the caffeine molecule are three structures, known as methyl groups, composed of 1 carbon and 3 hydrogen atoms. The bacterium is able to effectively remove these methyl groups (a process known as N-demethylation) and live on caffeine.

Summers and his colleagues have identified the three enzymes responsible for the N-demethylation and the genes that code for these enzymes. Further testing showed that the compounds formed during breakdown of caffeine are natural building blocks for drugs used to treat asthma, improve blood flow and stabilize heart arrhythmias.

Currently these pharmaceuticals are difficult to synthesize chemically. Using CBB5 enzymes would allow for easier pharmaceutical production, thus lowering their cost. Summer said another potential application is the decaffeination of coffee.

tend to be older than traditional coffee drinkers. Initially, this might seem to work against increasing sales. As Ms Church pointed out, the massive growth in the gourmet coffee market in recent years has occurred "outside the 'Baby Boomer' segment," that is, among a predominantly younger group of consumers, but opportunities exist to sell high quality, gourmet decaf to these older consumers. "It's a huge missed opportunity for the industry," she said.

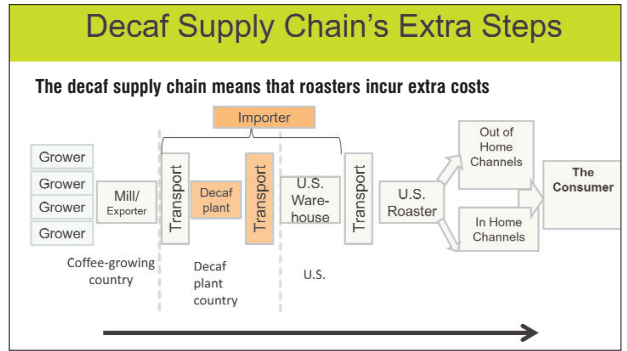
Targeting the 'Starbucks babies'

Looking to the future, as what she called "Starbucks babies" hit the 45-55 year age range, demand for high-end decaf could increase in the same way that regular coffee did 10-15 years ago, said Ms Church. "But only if the industry is ready with great taste, quality and variety."

Looking ahead, she said, consumers who are already passionate about their (regular) coffee, will be looking for other options, including decaf, but these same consumers are same people who, at least at present, are being so poorly served by many roasters with poor quality decaffeinated coffee. "What messages will they have been getting from you about the type of experience they can have with your decaf coffee?" she asked attendees at the workshop.

In Mr Ramirez and Ms Church's view, roasters need to educate their staff more about decaf. "Always affirm your decaf is available, fresh and delicious. And educate the customer. Include decaf on the menu; include decaf on logos and signage; use stories to help affirm that decaf can be a specialty beverage in its own right; and emphasise health trends," they told the workshop. "Offer variety, freshness and transparency to origin."

Overall, they said, make sure you don't discriminate against decaf consumers. Taste and quality will build profits – even for decaf. Educate, then let the customer decide if the price is too high, and don't make quality compromises based on unfounded assumptions. ■ C&C



Decaf Pricing and Minimum Batch

Decaf pricing and batch sizes	Method	Decaf Processing Cost	Minimum batch
	Precision or traditional	+\$.35/lb	45-80 bags*
	Natural ethyl acetate	+\$.35/lb (estimate)	60 bags
	Water process	+\$.52-\$.83/lb	60-75 bags
	CO2	+\$.90/lb	43-50 bags

*At least one plant offers free processing of your 5lb sample

Roaster's Choice: Pricing

	Cost of green per lb.	40% margin	Customer price per lb.	Roaster's choice when it comes to pricing
Regular coffee (meeting high-quality standard X)	\$3.50	+1.40	\$4.90	→
Decaf (meeting high-quality standard x) value-added pricing	\$4.00	+1.60	\$5.60	

OUR DECAFFEINATED COFFEE: THE NATURAL CHOICE

Maximus Coffee takes pride in offering a unique product of the highest quality. Unlike most lines of decaffeinated coffees, we don't use a chemical decaffeination process. It doesn't make much sense to us to add chemicals to something pure and natural. That's why we use the sparkling water decaffeination method, which makes use of naturally occurring CO₂ and pure, sparkling water. This method leaves us with a bean that's decaffeinated without ever touching a chemical.

The world's most selective decaffeination process

Sparkling Water Process

1. The outer skin and dirt is removed from green coffee beans.
2. The beans are re-moisturized with steam and ultra-pure water.
3. Caffeine is extracted from the beans by natural CO₂ and ultra-pure water.
4. The beans are discharged from the extraction vessels, gently dried and then cooled.

• Telling

• Spots

• Forwards

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