

TEA & COFFEE

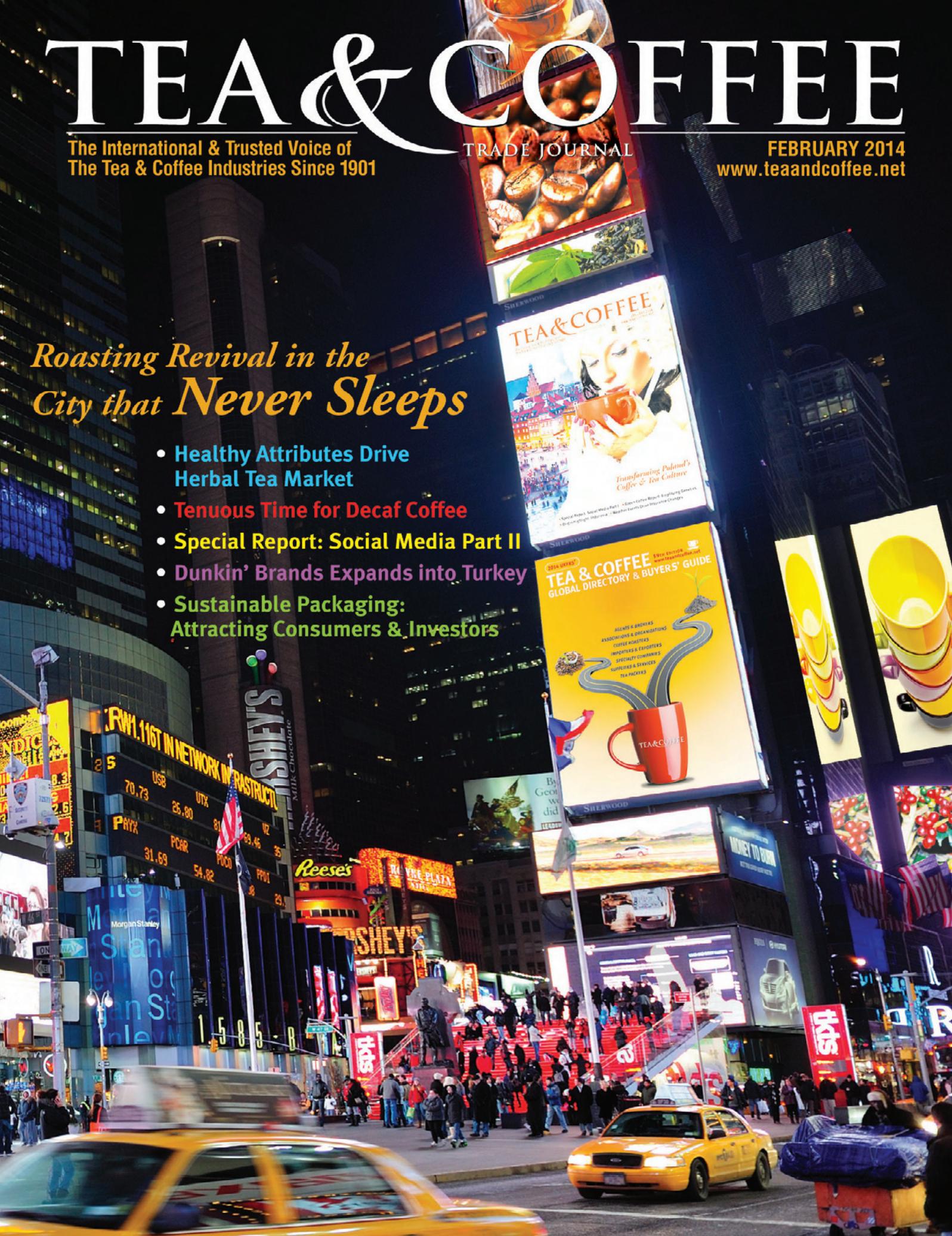
The International & Trusted Voice of
The Tea & Coffee Industries Since 1901

TRADE JOURNAL

FEBRUARY 2014
www.teaandcoffee.net

Roasting Revival in the City that Never Sleeps

- **Healthy Attributes Drive Herbal Tea Market**
- **Tenuous Time for Decaf Coffee**
- **Special Report: Social Media Part II**
- **Dunkin' Brands Expands into Turkey**
- **Sustainable Packaging:
Attracting Consumers & Investors**



Roasting Revival in the City that Never Sleeps

New York City has a long history with coffee; dating back to Dutch Colonial times. Today, an insurgence of new companies, both New York natives and transplants from across the country, brings a roasting revival to New York City's coffee scene. **By Rachel Northrop**

Coffee roasting is no new endeavor for New Yorkers; coffee has been roasted in what are now the city's five boroughs since the Revolutionary War. The first wholesale roaster in the United States opened in New York in 1790. By 1850 there was a booming coffee trade in the U.S., with New York being the largest port for green coffee coming in, warehousing, roasting and forwarding of finished goods to the West up the Erie Canal, and out with the wagon trains. Many companies have come and gone—some have acquired each other and then headed out of state, while others were forced out by infrastructural changes to the city's ports and industrial neighborhoods, most notably Brooklyn's waterfront. Several of New York's most familiar names in coffee have been sold to foreign holdings (most recently Dallis Bros. to Lacas Coffee of Brazil).

New York roasters have always had easy access to their pick of beans due to the volume and diversity of coffee arriving into New York's—and now New Jersey's—ports (the NY/NJ Port remains the leading port in the U.S. for green coffee), and today, a new generation of roasters are starting modestly and trying their luck at giving the Big Apple its coffee fix.

In light of consumer affinity for locally-produced products, coffee roasters, café owners, and grocery buyers recognize the marketing power of keeping food production and processing close to the consumer. A coffee tree might never grow in Brooklyn, but coffee beans can be roasted there, and the power of a label or a sign reading “roasted in your own neighborhood” gives consumers a connection to their coffee that even certification and responsible sourcing can't offer.

Brooklyn was once a hub of coffee roasting and the borough is again emerging as the epicenter for roasting in the city. For some,



Times Square, a major commercial intersection in Midtown Manhattan, New York City, was formerly called Longacre Square. It was renamed Times Square in 1904 when *The New York Times* moved its headquarters to the neighborhood. Times Square is often referred to as "The Great White Way," "The Crossroads of the World" and "The Center of the Universe."



roasting in New York represents the bold tackling of one of the country's biggest coffee markets, but in spite of its mammoth market size, New York is still a collection of neighborhoods, and many of New York's roasters began with the simple desire of producing good coffee in the neighborhoods they call home. While "roasted in Brooklyn" is a simple statement packing serious marketing punch, a lot has to happen for that statement to be true. Setting up a new roasting operation has its challenges—even with millions of caffeine-hungry New Yorkers queuing on all sides—roasters in New York's five boroughs still face the obstacles of high price-per-sq.-ft. real estate, piles of regulations and licenses, and the overnight emergence of competitors hoping to be the first to get the next best thing, all at the break-neck pace of the city that never sleeps.

Roasting on Display

Café owners and coffee roasters alike know that nothing sells coffee like the smell of roasting coffee. Roasting is the crux of coffee processing and is doubly effective in enticing consumers: few coffee drinkers (and even non coffee drinkers) can deny the allure of the scent of freshly roasted beans. Roasters who roast beans for wholesale and for their own café locations have begun to capitalize on the way

coffee roasting inherently sells itself, by lifting the curtain on the roasting process and putting this formerly industrial step at the centers of their café locations.

Café Grumpy started roasting in Greenpoint in 2009, the first café location in NYC to offer customers a glimpse of the roasting process. Its roastery supplies two additional Brooklyn and two Manhattan cafés, and soon, an expanded Brooklyn roasting space, where founder and CEO, Caroline Bell, commented, "We will have more room for green coffee storage and a bigger cupping lab and education area. As more people have been roasting in NYC and demand for green coffee has increased, it is easier to coordinate coffee importing as more containers are landing on the East Coast."

Brooklyn Roasting Company, a born-and-bred Brooklyn native, has been roasting since 2011 in the Dumbo (an area in Brooklyn near the Manhattan Bridge) building formerly housing Arbuckle Bros. Coffee's horse stables for the teams pulling their iconic delivery carts decades ago. The open concept of the large facility invites customers to observe the roasting and packing process (supplying diverse wholesale accounts and a second Brooklyn café location).

Roasting Plant started in 2006 and operates two Manhattan cafés where all

coffees are roasted on location and then stored in visible, clear pneumatic tubes (which become part of the cafés' art/architecture) prior to brewing. Caffè Vita, based in Seattle, opened in 2013, and is one of the few roasters opting for a Manhattan café/roastery location. The tiny Lower East Side café has no seating, but customers can feel the heat from the beans pouring into the cooling tray of the roaster as they watch their drinks being prepared.

COFFEED opened its café/roastery in Long Island City, Queens, in 2013 in the building housing the popular urban farm, Brooklyn Grange. COFFEED roasts in the middle of its café space, and supplies additional Port Washington and LIC CUNY Law School cafés. They donate 10 percent of their revenue to local organizations committed to alleviating hunger in Queens and have long term partnerships with growers at origin, specifically Tanzania.

Transplants from the West Coast: The New Coffee Chains

The post 9/11 era has seen the re-introduction of more roasting/retailers, and some roaster/wholesalers into the area, mostly in Brooklyn. Many of these roasting companies have seen success in their home cities and regions and then set their



View of the Brooklyn Bridge and New York City skyline from Brooklyn.

Timeline of New York City's Coffee History

- 1664** c.* New York's coffee heritage dates back to Dutch Colonial Nieuw Amsterdam
- 1696** First Coffee House, The Kings Arms
- 1794** First bank chartered in the United States (Bank of New York) began
- 1789** Mayor greets President Elect Washington at Merchants Coffee House
- 1790** Wholesale roaster industry born
- 1792** Tontine Coffee House, birthplace of the idea of "corporations"
- 1864** Jabez Burns Roasters founded there (1864)
- 1860** c. Paper bag invented
- 1864** Osborn's first coffee packed in paper bags made
- 1864** First successful national brand manufactured there, Arbuckle's Ariosa
- 1872** First U.S. coffee book, *Coffee; Its History, Cultivation and Uses*, published
- 1883** New York Coffee Exchange (NYBOT) founded
- 1901** *Tea & Coffee Trade Journal* founded by William H. Ukers
- 1922** *All About Coffee* written
- 1956** c. First U.S. Cappuccino made (Café Reggιο)
- 1992** First Starbucks opens in NYC

—Donald Schoenholt, president, Gillie's Coffee
*c.= circa

sights on New York, opening flagship "destination" cafés drawing coffee aficionados and roasting facilities that can supply numerous wholesale accounts as well as café demand.

Stumptown, a Portland, Ore., native,



Gillies Coffee Company has been roasting in Brooklyn since 1840, making it New York City's longest operating roaster. Above is the company's plant on Washington Street in the late 1800s.

opened its roasting operations in Red Hook, Brooklyn in 2009. There it roasts for two Manhattan café locations.

Blue Bottle, an Oakland, Calif. native, opened a café/roasting location in Brooklyn in 2010 and now has four additional Manhattan cafés. "We're on the brink of opening up a small coffee bar in Cobble Hill, and we're definitely on the prowl for other spaces in Brooklyn. New York's roasting scene is an incredibly vibrant place, with a lot of dialogue and collaboration," said Byard Duncan, Blue Bottle's communication specialist. At the airy Williamsburg locale, customers can watch the beans in transformation behind the row of baristas preparing hand-brewed pour over beverages and participate in free weekly public cuppings, converting the roasting and café space into a coffee classroom.

Toby's Estate, hailing from Australia, opened its Brooklyn café/roastery in 2012 and its first Manhattan café in 2014. Founder Toby Smith and Adam Boyd, co-owner of the Toby's U.S. outpost, found Brooklyn a prime base for sourcing coffees from the Americas. "After a lot of research and a truck load of coffee in many cities in the U.S., I settled on New York as our first location. Although a few specialty coffee roasters had setup in NYC, the market was still small enough that there was potential for growth. The handful of independent

specialty coffee shops scattered throughout NYC had done the hard work and introduced a quality cup of coffee to New Yorkers and their appreciation for fine coffee has enabled us to grow our business," said Boyd. Just around the corner from Blue Bottle, Toby's also offers weekly public cuppings and roasts in plain sight of café seating.

NYC's True Virtue: Foot Traffic

Space is always the issue on the tip of the tongues of any business-owner dealing with commercial real estate in New York, and not every coffee-roasting company is able to achieve the logistic ballet of pairing roasting operations with a retail café. Most companies roasting in New York do,





(Above) Brooklyn-based Toby's Estate offers weekly cuppings and just opened a café in Manhattan. (Right) Hand-operated letterpress packaging from Kitten Roasters in Brooklyn.



people don't like the smell of roasting coffee. New York is always changing and we have to deal with this reality. We also love that about New York. It's what makes us New Yorkers."

Oslo Coffee Roasters, also a Brooklyn native, started roasting in Williamsburg in 2003 for its two Brooklyn and one uptown Manhattan locations. Founder and owner JD Merget said that 11 years after opening in the once industrial neighborhood, things have become "so competitive it's scary," noting that increases in rent will probably force the company to find a new roasting location as their current neighborhood becomes more residential. Merget originally chose to open his roastery/café in Williamsburg because it's his home turf. He described Oslo as "less about coffee tourism and being obsessed with good coffee, and more of a community center, where we know our customers because this is where we live too." In the past decade Merget has seen the demand for information and details about coffee origins and roasting techniques increase,

however, open at least one café location to complement their wholesale production and to capitalize on one of the city's true virtues: volume of foot traffic. Square feet might be lacking, but feet through the door are never few or far between. There are a number of roasters in the five boroughs—both natives and transplants—that roast for their own café locations as well as for diverse wholesale customers.

Gimme! Coffee, hailing from Ithaca, N.Y., for example, started roasting in

Brooklyn in 2003 and supplies its one Manhattan and two Brooklyn cafés. Gorilla Coffee, native to Brooklyn, began in 2002 and now roasts in Gowanus for its Park Slope, Brooklyn café. Owner Darleen Scherer said, "the challenges with roasting in NYC include permits, gas capacity, and balancing between being in an industrial area that is transforming into a more residential area. This is a mixed blessing because we love to be around residents, but some

OUR SOLUBLE COFFEE: INSTANT SATISFACTION

At Maximus Coffee Group we know just how important it is to have high-quality soluble coffees that meet everyone's needs. This is why we provide a careful selection of beans and roasting profiles with all the aroma and flavor that will satisfy your consumers and yourself.

- Private label
-Food service
-Retail
- Bulk soluble coffee
-Spray dry
-Agglomerated
- Tolling
• Custom blends
• Spots

WE ARE THE ONLY INTEGRATED SOLUBLE MANUFACTURER IN THE US

3900 Harrisburg Boulevard, Houston, Texas 77003 P. (713) 228 9501 | instant@maximuscoffee.com | www.maximuscoffee.com

as consumers become more versed in the nuances of the beverage. Merget sees the future of the Brooklyn roasting scene as akin to “a wine shop model, or a brewery where you experience all the different brewing styles. I hope the industry becomes more open minded about different ways of doing things, because there are lots of ways to make great coffee,” he said.

Brewklyn Grind, another Brooklynite, opened in 2010 and roasts in Red Hook for its local wholesale clients. The first café location will open later this year.

Artisan Enterprises Abound

Coffee can be grown, processed, exported and roasted on many scales, and the art of roasting carefully sourced coffees is a recognized and respected craft among New Yorkers who pursue the finest in food and drink.

One such artisan operation, Café Integral, began roasting exclusively Nicaraguan coffees in Uptown Manhattan in 2012. It has one espresso bar in Soho. Kitten Coffee is a new addition to Brooklyn’s wholesale roasters and focuses on the human touches of creating artisan-roasted coffee. Opened in 2012, it roasts almost exclusively single-origin Brazilian Arabicas. Owner Rowan

Tuckfield fell in love with Brooklyn on his first trip from Australia in 2006, and decided that “when it came to look for industrial space to “burn, bag and drag” coffee, Bed-Stuy had the space, the subway, access to the BQE and the kind of edge I was hoping for.” Kitten carries its artisan craftsmanship through to its packaging; all coffee is packaged in bags printed with a hand operated letterpress.

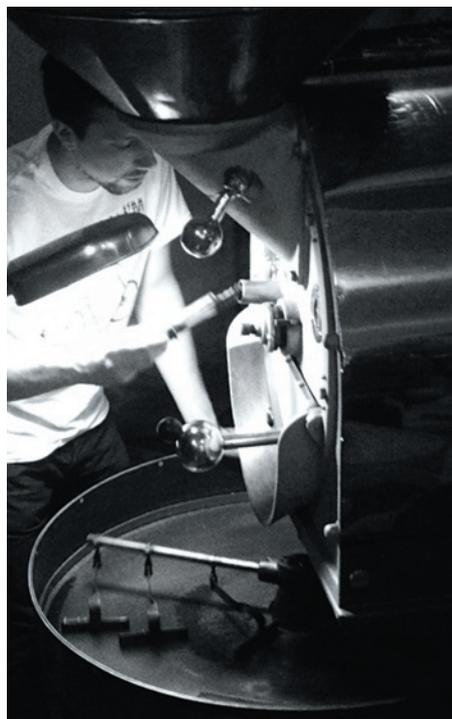
Roasters entering the New York coffee scene come from a variety of backgrounds—from expertise in agronomy and biology to community gardening and gastronomy—and all are offering different iterations of small batch, hand-roasted artisan coffee. For many, the process of such artisan roasting centers on experimentation. For these new artisan roasters, the presentation of exciting new products becomes their brand; the consistency customers look for is that there is constantly something new to try. Merget (of Oslo Coffee) observed, “Customer preference has absolutely changed in the past decade. We used to have just one rotating single-origin coffee. Now people expect at least three or four on the menu.” New York consumers have spent the past decade honing their coffee drinking palates, and any old brew won’t do. The “local” label can only create a con-

nection between consumer and product; it can’t stand in for absent quality of craft.

Strictly Wholesale for Some

Some of the largest coffee roasting operations in New York City are not the ones affiliated with the storefront cafés garnering recent popularity and media buzz, they’re the ones dedicated to wholesale, working tirelessly to supply New York’s (and beyond New York’s) demand for quality grocery, foodservice, office and vending coffee.

Gillie’s Coffee Co. has been roasting in Brooklyn since 1840. Its 174 years in operation easily make it New York City’s longest-operating roaster, with a consistent reputation for quality. Gillie’s survived the exodus of roasters from the city after World War II, which Gillie’s president Donald Schoenholt, attributed to “the aging of Port of New York dock facilities, graft corruption and organized crime participation on the docks, all of which raised the cost of doing business in New York. The widening of Water Street in anticipation of the 1964-65 World’s Fair was as a broom sweeping away the trade. It threw the trade into a panic with many fleeing to New Jersey and beyond and forcing others into consolidation, sale,



Brooklyn’s roasting scene is surging once again but the borough had vibrant coffee operations for decades, dating back to the 1800s. Clockwise from left: Roasting at Café Grumpy, Greenpoint; New York Dock Company Stores, 1943; unloading coffee in Brooklyn, 1949 (originally appeared in *Life* magazine); group of old-time New York roasters, 1892 (Source: *All About Coffee* and published in *Tea & Coffee Trade Journal* in 1922).

Top middle photo courtesy of BYgone Americana; Photo on the far right courtesy of Trainweb

Photo courtesy of Clay McLachlan



Oakland, Calif.-based Blue Bottle opened a café/roastery in Williamsburg, Brooklyn, in 2010.

and closure. The increase in real estate costs and city bureaucracy raised the cost of doing business here again and again.” Gillie’s survived through product differentiation, when it “began opening Gillies 1840 stores where its fresh-roasted coffee was the center of a display of gourmet specialties,” noted Shoenholt.

D’Amico Coffee (D’Amico Foods, Inc.) has been roasting coffee and importing specialty Italian food products in Carroll Gardens, Brooklyn, since 1948. El Dorado Coffee Distributors began in Queens in 1980 and today has roasting facilities in Queens and Brooklyn to supply vending, food service and distributor accounts in 42 states. Stone Street Coffee Company roasts in its native Gowanus, Brooklyn and supplies coffee for its café, restaurant, and office wholesale accounts.

Pulley Collective is perhaps the most innovative roaster operating in New York. As the name states, Pulley is a collective. “Roasters share space and equipment in a collaborative model inspired by Brooklyn’s artisan food movement and the way bakers share ovens in commissary kitchens,” said founder Steve Mierisch, formerly of Chicago’s Intelligentsia.

Roasting has been underway at Pulley’s Pier 41 location in Red Hook since July 2013, and today Joe, 9th St. Espresso, Gotham Roasters (supplying Prodigy Coffee), and Parlor (a pop-up espresso bar in Williamsburg) roast for their respective cafés in Manhattan and Brooklyn. Roasters rent time on the Loring Kestrel or Diedrich L12 roasters and Pulley’s packaging equipment. They can bring and store their own coffee, or buy from Pulley’s

modest green coffee stocks.

Mierisch said he hopes to grow the green coffee buying operation and offer roasting trainings in the spirit of “competitive collaboration,” which he sees as the key to the business-to-business connections that will inspire all roasters—those following traditional models and those participating in his unique-the-world-over roasting collective—to pursue advances in quality.



Roasting at Kitten Coffee in Bed-Stuy (Bedford-Stuyvesant), Brooklyn.

Confidence in Quality

When roasters find themselves closer to end consumers, it’s not just the final consumers who benefit from the proximity of the relationship; wholesale and B2B rela-

tionships thrive when suppliers and clients can meet face to face and visit each other’s operations for just the cost of a cab ride.

New York City is home to some of the nation’s best restaurants, most exclusive shopping, and largest corporate headquarters. Dining and office settings are demanding better and better coffee, and New York-based companies, from fine dining establishments to law firms, are finding that it makes sense to work with other local New York companies when purchasing coffee. For consumers, buying a cup of coffee roasted and brewed in New York might be a vote of confidence in the local food movement, but for a uniquely New York business buying coffee roasted in New York City, it is as much a vote of solidarity as it is an expression of confidence in the quality of coffee that’s prepared in nearby facilities that local clients can visit whenever they chose.

The Emergence of Savvy Drinkers

A decade ago, out of a crowd of New Yorkers, it’s likely that only a handful would have been able to identify where the coffee they drink was roasted. Due to the influx of so many new roasting companies within the city’s limits in the past decade—most new entrants concentrated within the past two years—a good portion of that crowd would be able to say not only where their coffee was roasted but maybe even where it was grown.

New Yorkers are becoming savvier coffee drinkers and overall more curious, conscientious food and beverage consumers, viewing New York not as a monolithic metropolis, but rather as a collection of communities in which they are interested in involving themselves, carrying that involvement and interest all the way to the preparation of the coffee in their bottomless to-go cups. ☕

Rachel Northrop is the author of “When Coffee Speaks: Stories from and of Latin American Coffeepeople,” a compilation of interviews with people working along the coffee production chain. Visit whencoffeespeaks.com for more information and to order copies of the book.