



FACT SHEET

COFFEE PORT DESIGNATION

In January 2005, four coffee-filled containers arrived at the Port of Houston from Colombia. The shipments were placed on the New York Board of Trade by Coffee America (USA) Corporation. Using the “eCops” electronic trading system, coffee traders and other members of the exchange may ask to sample the coffee to assess its grade, quality, taste, and other characteristics. Coffee America was an early supporter of the PHA’s exchange application and sponsored Gulf Winds’ application to become an exchange warehouse.

BACKGROUND

- **February 14, 2003:** The PHA received official notice of the decision by the New York Board of Trade (NYBOT) to approve the PHA’s application to be designated as a green coffee port. The PHA filed its application in early 2002 after Texas voters approved Proposition 3, a state constitutional amendment that exempts all green coffee and raw cocoa imports stored in Harris County from ad valorem taxes. State Senator Mario Gallegos and State Representative Joe E. Moreno authored the legislation that put Proposition 3 on the November 2001 ballot.
- **The NYBOT decision means** that Houston is an approved delivery point for the Coffee “C” futures contracts traded on the NYBOT’s Coffee, Sugar & Cocoa Exchange. The new contract rules providing for the Houston port will become effective with the March 2005 contract, which began trading on April 1, 2003.
- **The NYBOT’s decision makes Houston the fourth designated green coffee port in the U.S.** joining New Orleans, New York, and Miami.
- **The PHA celebrated** this important milestone by designating Friday, February 21, 2003 as “**Java and Jobs Day.**”

SIGNIFICANT IMPACTS

According to the Greater Houston Coffee Association (GHCA):

- **Coffee traders from all over the world** now have several great incentives to do business here, creating a tremendous effect on the local and regional economy.

- **Jobs:** Houston's coffee port designation will increase jobs in the coffee processing industry (e.g. roasting, blending, labeling, packaging, marketing, and retailing) as well as in the coffee servicing industry. The latter would most likely involve logistics providers, thereby impacting business for coffee brokers/traders, warehouse operators, freight forwarders, customhouse brokers, road, rail and ocean carriers. The GHCA estimates an overall 15 percent increase in direct and indirect jobs related to coffee trading through the Port of Houston.
- **Import volumes:** Houston has the potential in the next few years to increase its coffee imports to approximately 3.7 million bags annually as a result of the amount of transportation/distribution warehouse space available locally.
- **Private sector opportunity:** The Port has delivered the opportunity that poises Houston for continued economic growth. It's up to the private sector to develop and implement strategies to take their enterprises to exciting new heights as dynamic key players in global trade and commerce. Given Houston's proximity to 20 million consumers in the greater southwestern U.S., the PHA considers the coffee port designation as a natural progression in its role as a world class trading point.

2005 COFFEE IMPORTED THROUGH THE PORT OF HOUSTON (JANUARY-JULY)

<u>YEAR</u>	<u>DIR</u>	<u>HS CODE</u>	<u>HS DESCRIPTION</u>	<u>STONS</u>	<u>VALUE</u>
					\$122,533,216
2005	IMP	090111	COFFEE, NOT ROASTED, NOT DECAFFEINATED	60,893	
2005	IMP	090112	COFFEE, NOT ROASTED, DECAFFEINATED	6,682	\$15,852,123
2005	IMP	090121	COFFEE, ROASTED, NOT DECAFFEINATED	1,698	\$7,524,629
2005	IMP	090122	COFFEE, ROASTED, DECAFFEINATED	354	\$1,676,912

TOP 10 COFFEE EXCHANGE COUNTRIES (2004)

1.	Colombia	6.	Peru
2.	Brazil	7.	Guatemala
3.	Mexico	8.	Sweden
4.	Costa Rica	9.	Honduras
5.	Germany	10.	Vietnam

COFFEE SERVICE PROVIDERS IN HOUSTON

Decaffeination Plants:

There are only 4 decaffeination plants in the US, all located in Texas:

- Coffee Process Tech (Houston, TX)
- Maxwell Coffee House (Houston, TX)
- Cadeco Industries, Inc. (Houston, TX)
- The Folgers Company (Sherman, TX)

Soluble Plants: There are only three soluble plants in the United States and two are located in Texas: Kraft Foods/Maxwell House and the Folgers Coffee Company.

Roasters (Houston Area & Texas):

- Decoty
- Distant Lands
- Freshbrew Group USA
- Granito Coffee Works
- Kraft Foods / Maxwell House
- Mother Parkers
- San Antonio Roasters
- Sara Lee Coffee & Tea
- Texas Coffee Company

COFFEE RELATED COMPANIES IN HOUSTON

Bayou City Coffee Company	Java Coffee & Tea
Bill Potts & Co.	Katz Coffee
Blair; Henry	Lola Savannah
Canal Cartage	MDEE Enterprise
Coffee Process Tech.	Mitalena Coffee, Inc.
Delta Technology Corp.	My Cup Runneth Over Coffee House
DSL Forming Collars	R. Dalton Coffee Company
Eximius Coffee, LLC	Satake USA, Inc.
Formers by Ernie, Inc.	Segafredo Zanetti USA, Inc.
General Packaging Equipment Co.	Smell The Coffee, Inc.
Greater Houston Coffee Association	Southwest Endseals, Inc.
Gulf Winds International	Sysco Corp.
Horizon USA	Taft Refrigerated & Coffee, Ltd.
House of Coffee Beans, Inc.	Tea & Coffee America
HU Association, Inc.	Texas Coffee Traders
InterAmerican Commodities	Third Coast Coffee Roasters
Java Coffee & Tea	Universal Packaging, Inc.

TEXAS CITIES WITH COFFEE MARKETERS

Addison
Amarillo
Austin
Beaumont
Carrolton
Dallas
Denton
El Paso

Elgin
Flower Mound
Fort Worth
Houston
Irving
McAllen
McKinney
Midland

Nacogdoches
New Braunfels
Plano
Sachse
San Angelo
San Antonio
Spring
Tyler