



For Immediate Release

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JAVA DELIVERIES MOVE PORT OF HOUSTON TO #1

World's largest coffee exchange port for two consecutive months

HOUSTON – Houston's port has become top-ranked coffee exchange port in the world, according to the Greater Houston Coffee Association (GHCA) and the Port of Houston Authority (PHA). The ranking is based on the number of coffee cargo bags tendered or delivered for exchange.

The Port moved into the top position in March and has held on to that ranking since. According to GHCA and PHA, during April and early May, a total of 5,000 tons was tendered to the board in Houston. A tendered commodity is delivered to a futures exchange – in this case, the New York Board of Trade – without a contract and is open to purchase from any bidder.

The GHCA estimates that an additional amount ranging from 10,000 tons to 15,000 tons will be delivered to Houston within the next several months. Coffee association leaders hailed the PHA's efforts to move the Port into a premier position in coffee trade.

"This could have never been done without the tremendous support from the Port of Houston Authority," stated Carlos de Aldecoa Bueno, president of both GHCA and Cadeco Industries. "Houston is now by far the number one exchange port in the world in new inbound coffees."

Houston is home to one of only five coffee warehouses in the United States recognized by the New York Board of Trade. Houston's warehouse is the only green coffee house west of the Mississippi River certified by the NYBOT. The PHA helped spur the explosive growth in coffee imports coming to Houston by hosting the inaugural Houston Coffee Symposium in 2005. The event drew more than 1400 people and a second coffee symposium is scheduled for this October.

PHA Chairman Jim Edmonds stated, "We are extremely pleased to learn of our ranking as the top coffee exchange port in the world. Our continued presence at the top of this list will mean a stronger local economy and increased job growth."

Background

On February 14, 2003, the PHA received official notice of the decision by the New York Board of Trade 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 the late State Representative Joe E. Moreno authored the legislation that put Proposition 3 on the November 2001 ballot.

The NYBOT decision made Houston 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 became effective with the March 2005 contract, which began trading on April 1, 2003. Houston is the fourth designated green coffee port in the U.S., joining New Orleans, New York, and Miami.

According to the 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. Houston's coffee port designation has increased 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 involves 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.

In the next few years, Houston has the potential to increase its coffee imports to approximately 3.7 million bags annually as a result of the amount of transportation and/or distribution warehouse space available locally. This means tremendous opportunities to stimulate economic growth in our region. Given Houston's proximity to 25 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.

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