



## Coffee price increase likely to be seen in stores, restaurants and coffee shops.

BY GREGORY A. HALL  
COURIER-JOURNAL  
AUGUST 14, 2010

### *The cost of the coffee habit is going up.*

The Price of raw coffee beans is at a 12-year high, which one Louisville supplier said means consumers can expect to pay between a nickel and dime more for a brewed cup of joe, said Bob Patterson of Consumers Choice Coffee in Louisville.

“We’re all kind of waiting to see what’s going to happen, if it’s going to keep going up or it’s going to drop back down. There’s really not a lot of fundamentals that are ... supporting the market as high as it is today, but the reality is – it is up significantly.”

The company, begun in 1971, sells 1.5 million pounds of coffee annually to about 2,000 restaurants and convenience stores in 10 states, in addition to professional offices. The restaurant and store supplies are expected to remain the core of the business, Patterson said, and the online shop “is something that we’re trying to integrate really to support our professional office market.”

Patterson said his company will pass on its increased costs and expects restaurants and stores to do the same, just as major coffee makers are doing.

This month, the J.M. Smucker Co. said the prices for its Folgers, Dunkin’ Donuts and Millstone brands would increase 9 percent. Kraft Foods followed by raising the price of Maxwell House 11 percent.

The market “really took off in June and just kept going and it’s kind of holding steady at a pretty high level,” Patterson said.

But Patterson said he expects the spike may be short-lived. Brazil is the largest coffee producing country and is expected to have a strong crop, he said.

“That may tend to take some of the legs out from under the market and allow it to come back down,” he said.

But how long that decline will take to undo the spike is more difficult to forecast, he said. During the last market spike more than a decade ago, Patterson said the peak prices only lasted a couple months but it took two years for the market to return to normal.