

### History of Coffee



 No one knows when the coffee bean was discovered, although it is said to have originated centuries ago in an ancient forest on an Ethiopian plateau

•The cultivation and trade of coffee began on the Arabian Peninsula some time in the 15<sup>th</sup> century

•By the 17th century, coffee had made its way to Europe and was becoming popular across the continent.

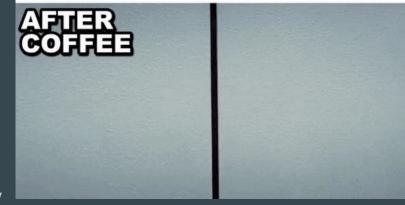
•By the mid-17th century, there were over 300 coffee houses in London. Many businesses grew out of these specialized coffee houses.

 In the mid-1600's, coffee was brought to New York, and after the events of the Boston Tea Party, coffee shot its way to America's most preferred drink.

### Coffee in America

- By the 18th century, coffee had become one of the world's most profitable commodities.
   Consumption and popularity in the US increased, especially during the Civil War, businessmen were looking for a way to profit from it (Folgers, Maxwell House, Hills Brothers..)
- Post-war, instant coffee was introduced to the market and remained popular until Starbucks opened in Seattle in 1971.
- Today, the coffee revolution continues to grow with small, independently owned coffee shops it's now an artistic craft – much like that of wine or beer – that uses sustainable, locally roasted, fair trade beans. Where the beans are grown, how they are roasted, and the brewing process are all looked at closely.





# 15 STEPS TO COFFEE FROM BEAN TO CUP

7



### PIENTING THE SEED

A few green coffee beans are kept to be used as seeds for the next crop of coffee trees.



#### 5

FERMENTING

Breaks down the sugars in the mucilage to produce acids that are responsible for the depth and complexity of the coffee.

**GRADING / CUPPING** 

Professional coffee graders classify the coffee bean quality by their "primary and secondary defects"



#### GRUNDING

Ground coffee goes stale within hours so coffee beans should be ground right before brewing.



#### HARVESTING AND PICKING

On larger, flatter farms coffee cherries can be harvested by machines. In other parts of the world, they are still handpicked.



#### DRYING

h

Coffee beans need to be dried until moisture content is around 9-13%

#### 10 DISTRUBUTING

coffee.

Coffee is being shipped to where it's needed. Direct trade and fair trade to support farmers and consumers.





15

#### DRINKING

enjoying your coffee. cold brew, or cortado, spare a thought for the amount of hard work that went into getting it to you.

### SORTING AND SELECTING

First step: removing Second step: Berries are debris, stones, twigs. thrown into a water tank to remove unripe ones



#### STORING

In this stage, coffee can be stored for several months or years depending on the temperature and humidity.



ROASTING

Green coffee beans heated up to over 400F The duration of the roast will result in different characteristics and flavors.





The next time you're



Getting rid of the skin and the pulped fruit (mucilage) that surrounds the beans.

#### MILLING

8

All other layers still surrounding the beans are being removed. The two steps in the milling process are hulling and polishing.



PACKAGING

To protect the beans from air and moisture and to stay fresh for weeks the packaging should be sealed well.



Get Smart About Coffee

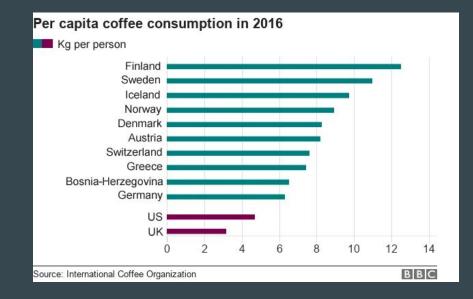
### **Coffee Quality**

In the commercial coffee industry, there are lacksquaretwo main types of coffee species: Arabica and Robusta. Coffee beans of the Arabica variety are slightly larger, produce a smooth and aromatic taste, and are the most commonly produced coffee bean variety: in 2019/2020, just under 100 million bags of Arabica coffee were produced worldwide. Robusta beans are generally smaller and rounder, cheaper to cultivate, and taste quite bitter. Just over 70 million bags of this coffee type were produced during the same marketing year.



### World Coffee Consumption

- While extremely popular in the United States, the U.S. does not consume the most coffee per capita, we are actually 25th in the world!
- Finland has the highest consumption at over 12 Kg per capita per person

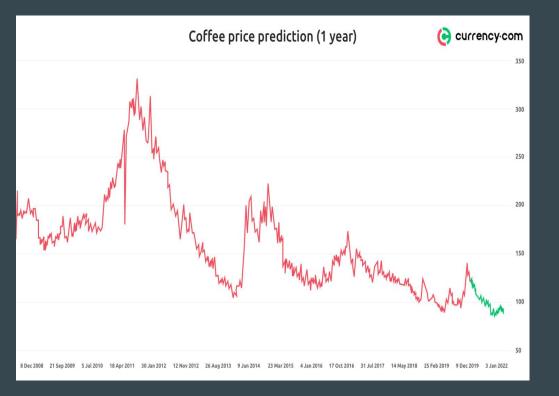


## **Coffee Trading**

- The top five exporters of Coffee in the world are Brazil, Vietnam, Colombia, Indonesia, and Ethiopia
- The US is the largest importer of coffee in the world at \$5.7 million of coffee or roughly 18.5% of the world's percentage of coffee imports



### Price of Coffee



- Around 2012 the price of coffee plummeted due to an increase in production of coffee beans around the world
- It has slowly begun to settle around \$1.15 and is predicted to fall below the \$1 mark after the next couple of years

### **Coffee Futures**

- Arabica Coffee Futures, which is the most popular coffee futures contract to trade, has increased dramatically since the beginning of the year
- This is likely due to more people staying home drinking coffee because of the Coronavirus
- This was about a 20% increase from early February to now, trading at around a \$1.20 per pound
- It is predicted that due to this increase in demand, the supply might not be able to catch up and this will lead to an increase in the prices of coffee futures contracts

## Questions?



### Sources

- https://www.ncausa.org/about-coffee/history-of-coffee
- <u>https://theculturetrip.com/north-america/usa/articles/a-brief-history-of-american-coffee-cultur</u>
  <u>e/</u>
- <u>Coffee market in the US Statistics & Facts</u>
- https://www.coffeebeancorral.com/HowCoffeeIsMade.aspx
- https://www.worldatlas.com/articles/top-10-coffee-consuming-nations.html
- https://www.investopedia.com/articles/investing/091415/5-countries-produce-most-coffee.asp
- http://www.worldstopexports.com/coffee-imports-by-country/
- https://finance.yahoo.com/news/coffee-prices-continue-fall-result-012529258.html
- https://tradingeconomics.com/commodity/coffee