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Higher coffee prices jolt cafes, consumers

The price of a pound of raw coffee beans has almost doubled in 12 months

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The caffeine in your morning cup of coffee might not be the only thing giving you a jolt — the price could be, too.

Coffee prices, from generic to specialty brews, have been ticking upward for over a year with no end in sight.

The price of a pound of raw coffee beans has almost doubled in 12 months. Now consumers are cutting back, roasters are struggling and retailers are scrambling to cover costs.

With rising food and fuel prices, coffee drinkers are left to make tough choices about their caffeine habits.



- sascha burkard

Christina Sleezer of Fort Mill isn't willing to give up coffee, but something had to give, because "I've got to get gas in my car."

So Sleezer, who works in health care, switched her family of five to generic, store-brand coffee as the price of name brands rose.

She said she refuses to pay \$13 for a large can of Folger's or Maxwell House coffee when it used to cost only \$8 or \$9.

Kraft Foods Inc., makers of Maxwell House, raised prices 22 percent in March.

Other price increases came from J.M. Smucker Co., the maker of Folgers, and Starbucks Corp.

Even discount stores have raised prices.

Costco's wholesale coffee costs increased about 25 percent over the past year. Retail prices have gone up 10 percent as a result.

Price increases are the result of higher demand worldwide. Coffee imports have increased by 23 percent over the last decade, according to data from the International Coffee Organization.

Meanwhile, coffee futures rose more than 50 percent in the past year.

"There's a world demand for better quality coffee," said Son King of Dilworth Coffee in Charlotte. "But then speculation multiplies it. ... What I hope is, somebody is going to lose their

shirt."

Here in the Columbia area, coffee house proprietor Sean McCrossin is among the newest purveyors — and one of the strongest proponents — of a good cup of joe.

Drip coffee bar in Five Points opened its doors exactly 10 days ago today in the face of swirling demand, escalating prices, and overall economic uncertainty.

While coffee prices are up, McCrossin said there also is a bigger picture.

"Philosophically, a cup of coffee is still an inexpensive way to be sociable," said McCrossin, who sells a 16-ounce cup of house blended joe for between \$1.85 to \$2.45.

"We're social creatures and we still have to get about and be with one another."

Shealy Coffee, which has been in the business 28 years, distributes familiar coffee brands in the Columbia area directly from the roaster to local consumer points such as the Corner Pantry, Palmetto Health, major law firms, and other entities.

"We've seen an increase in coffee prices in three out of four months for the last nine months, to the tune of a 39 percent increase on roasted coffee prices," said Becky Shealy, office coffee manager for Shealy Coffee/Cantina.

So swift and sustained has the increase been, said Shealy, that they have not been able to pass along the full increase to their customers, and an end is not in sight.

"We're supposed to see another seven to 10 percent increase in price in the next few months," Shealy said.

She attributes the price increases to the political unrest and turmoil going on in various parts of the world, but also to increased demand for a good cup of coffee.

"What I've not seen is a decrease in consumption," Shealy said. In fact, consumers are demanding stronger blends of coffee than ever before, which Shealy notes requires more coffee grounds to achieve.

Dilworth Coffee's King agrees that coffee lovers may be willing to put up with the higher prices.

"People who like good coffee are going to have good coffee," he said. "People keep buying."

Staff writer Roddie Burris contributed to this report.

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