



The aroma of success: roasted coffee beans

## Coffee Boom

Reporter: Sean Murphy

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"Traditionally around the world coffee is grown between the two tropics. Most other coffee producing countries will tell us we can't produce coffee because we're almost a thousand miles south of the Tropic of Capricorn, however, what that gives us is similar conditions to what altitude gives you," Andrew Ford said.

The coffee industry is booming in the mild growing conditions of the northern rivers region in NSW.

Andrew Ford has invested about \$2 million in his mountain top plantation, a former cattle farm overlooking Nimbin.

Although his trees are less than three years old, he's expecting a five tonne harvest this year and production of 50 tonnes by 2005.

"We've got enormous faith in what we've done and we know there is a huge opportunity for Australian coffee in the marketplace. At the moment more than 99% of the coffee consumed is imported and there's growing awareness at the premium end for quality Australian coffee. We know we can deliver a product which consumers will appreciate and therefore satisfy a need in the marketplace," Andrew Ford said.

Andrew Ford wants to make his coffee Australia's leading brand and he believes the local product has natural advantages which make it easy to market.

"There's an enormous amount that's unique about Australian coffee. Particularly the lack of pesticides used in growing it. Coffee is one of the most sprayed food crops around the world and Australian coffee doesn't have any of the diseases or pests that are associated around the world and as such we use no pesticides or harmful chemicals directly onto the trees," Andrew said.

Australian coffee is also claimed to contain between 30 percent and 50 percent less caffeine than most international product, but this is yet to be confirmed with accurate scientific analysis.

Australians consume more than 55 thousand tonnes of coffee every year and according to some, our coffee makers are among the world's best.

My own personal assessment is we're actually better in many ways than Italy predominantly because we're better at combining milk with coffee and most of the western world drinks espresso with milk. Italians might be good at extracting the individual espresso but not so good at combining the milk to make a great tasting cup of coffee so we deliver on the milk and the appearance," George Sabados said.

George Sabados is an international coffee judge and barista. He's the executive officer of the Australian specialty coffee association, a group dedicated to promoting premium coffee production and consumption.

And while he believes Australian grown coffee has huge potential, he admits many consumers are unaware of the local product.

"Most of them are not aware it's one of the issues that has to be looked at by our association and the growers themselves in how to adequately market their product and it's one of the issues we're trying to assist them with".

It may not look like much but this modest load of raw coffee beans is part of a massive coffee expansion in the northern rivers.

It's the first harvest for coffee management Australia, an investment scheme with 75 hectares in production near Casino.

With trees not yet mature enough to yield a commercial crop, the harvest this year is barely 20 kilograms of dried green parchment, but that'll increase substantially from next year.

"Next year's our first commercial harvest and after about three years we're hoping to get point eight of a kilo per tree and we hope to sustain that over the next 10 years," Brett Holliday said.

In the last four years 700 acres of coffee has been grown in the northern rivers with annual production expected to equal north Queensland's 400 tonnes by 2004.

Andrew Ford has invested in this Brazilian designed processing plant to cater for the production boom. He expects the northern rivers coffee harvest to top a thousand tonnes a year by 2007.

"Some analysts have suggested the available land for coffee in Australia is about 2000

hectares which would produce about 6000 tonnes of coffee," Andrew Ford said.

Mountain Top's coffee processor is the first grading plant capable of separating unripened cherries from premium quality beans and then grading them by size and density.

Traditionally, coffee in the northern rivers has been a cottage industry with most producers growing less than an acre.

Andrew Ford believes the advent of larger scale producers may force some small growers out of the industry.

"The focus has to be on quality so whether you are mechanised or whether you are hand picking and sun drying, the focus has to be on quality. The challenge for the smaller growers who are not mechanised is to achieve quality and achieve it at a cost effective price compared to mechanisation and the growing trend around the world is it's not cost effective and it's not possible to achieve," Andrew Ford said.

Andrew Rankin has one hectare of coffee on his 230 hectare cattle farm near Nimbin.

This year his 5500 coffee trees yielded a tonne of dried green parchment and he concedes at an expected market price of six dollars fifty a tonne, margins are tight.

"In the future I don't think it'll be commercially viable if you are to be just an on farm producer. You produce it, take it to the farm gate without value adding, 5500 trees is probably borderline. I can continue with 5500 trees and just potter along quite comfortably but it means margins of profit going down in the future. Obviously I have the option, the land and the capital to increase the crop size if I want to. I can be a value adder by roasting and packaging and niche marketing if I wish but it sounds like a lot of work for nothing to me," Andrew Rankin said.

World coffee prices are at a 20-year low and many growers in developing countries are being forced out of business.

"In a lot of these third world countries the farmers are unable to feed their families, they're unable to send their children to school, they're unable to deliver on services the village may need so they're really struggling," George Sabados said.

Here in Australia, coffee importers pay up to 400 percent above world prices for some beans under a program known as the cup of excellence.

The Specialty Coffee Association says its part of an international fair price campaign.

It aims to shame multinational coffee buyers into paying high prices, but George Sabados believes there is a danger the campaign could backfire.

"There is a fear amongst the specialty coffee associations of the world that people will

stop drinking coffee full stop and that will put more pressure and more of a financial burden on coffee growers," George said.

The implications for Australia's expanding coffee industry are unclear according to big new growers such as Andrew Ford.

"Australian coffee prices have basically been immune to world coffee prices because our production is so relatively low to world markets and we've been selling locally into a local market and we've been able to steer clear of world market fluctuations," Andrew Ford said.

"That said, as our production increases tenfold over the next seven years we will become more prone to world price fluctuations and in my opinion the only way to stay clear of world price fluctuations is to deliver a super premium product and we do that through attention to detail and quality assurance programs from the bean right through to the cup," he said.

## **CONTACTS**

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