

KONA COFFEE NEWS

Nr 1

What's happening on the farm and beyond

April 2008

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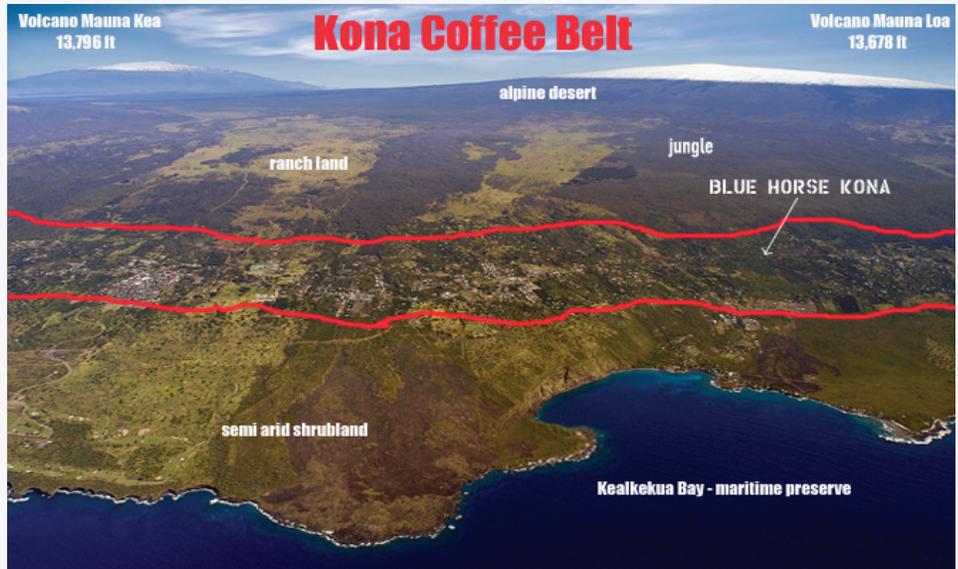
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Reason for a Newsletter

After pondering it for a while, the Oster family at the BLUE HORSE KONA coffee farm decided to make a newsletter. Not a blog. No email blasts. Just tidbits about Kona and its coffee, which hopefully makes a nice read. Most likely you had ordered coffee from us before and we took a leap of faith to put you on the mailing list. To unsubscribe just click 'reply' with the word 'remove' in the header.

April flowering

The Spring rains have started as of this afternoon! The dry winter months have vanished, pruning has been completed and the trees' dormancy is over. Within the next days we will have the famous "Kona Snow" (coffee flowers), covering the coffee fields and the humming of the bees will accompany the ones who stroll through the now fragrant hillsides. Within a week the buds will have fallen off and tiny fruit stems will develop into small coffee beans. Various heavy showers will then result in 4-5 rounds of coffee picking this Fall.



The Fabled Kona Coffee Belt

One won't believe how many different impressions the Kona region is associated with: From thinking it would be its own country/island somewhere in the Caribbean (Aruba, Cuba, Kona, hmmm...one *could* get the point) to thinking it describes a particular village in Indonesia - we've heard it all! Indeed, there is the small town of Kailua-Kona close to our airport, but no coffee grows down along the hot, arid coast line.

Just in case you don't know, 'Kona' is one of the five county districts on the island of Hawai'i, also known as the Big Island. Only coffees from this district are allowed to be called 'Kona coffee'. Kona is divided into North & South Kona, and they expand from the shore to the top of the volcanoes in the center of the island. The Big Island has a pretty steep shoreline all around and is dominated by alpine volcanic regions in its center, from about 700 to 2,200 ft the climatic conditions are perfect. The year round mild temperatures, rainfall and soil is ideal for coffee, actually the most ideal in the world! So when folks talk about the "Kona Coffee Belt," it's best not to imagine a part of a farmer's wardrobe with funny tools dangling from it! We shot an aerial photo to illustrate what the actual Kona Coffee Belt looks like. Above the upper red line it's too cool and wet, below the lower red line it's too dry and hot for coffee. The photo also gives a little idea of how empty the Big Island still is - untouched, rough and very pristine.

An Englishwoman in Old Kona

We found this rather descriptive quote from a bygone era and can still see the evoked feelings in many of the departing tourists' faces at our airport and harbor.

"Kona looks unutterably beautiful, a languid dream of all fair things.... It is best to leave the islands now. I love them better every day, and dreams of fatherland are growing fainter in this perfumed air and under this glittering sky. A little longer, and I too should say, like all who have made their homes here under the deep banana shade, " We will return no more, ... our island home is far beyond the wave, we will no longer roam."

*The Englishwoman in America,
1873 by Isabella Bird*

Why is Kona's coffee so darn expensive?

A 2008 glance at Kona coffee retail prices shows options from \$7 to \$55 per pound. Contrary to the headline this actually sounds like a rather wide range where every market segment should be able to get their respective luxury-gourmet-coffee experience.

Yet if one subtracts all the products coattailing on the Kona name (e.g. 'Kona Blend', 'Kona Style', 'Kona Roast') the range is getting much narrower. Nothing below \$ 19.99 per pound, which appears somewhat genuine is to be found. If any other specifics like 'Organic' or 'Extra Fancy' are being added the prices are going quickly towards the \$30 mark and above. Yet in supermarkets one can get for five bucks a wide variety of ordinary coffees and see sale signs galore in the respective aisles. So who is getting rich here? And where is the discount stuff?

Let's take a closer look of what Kona coffee actually is. The fabled Kona coffee belt stretches for 20 miles with only 2 miles width through the districts of North and South Kona on the Big Island of Hawaii, USA. Ideal coffee growing conditions produce a very unique, highly aromatic, mellow, yet limited annual crop of the famous 'kona typica' beans. Mostly small family farms line the two roads winding along the fertile slopes of the active volcanoes Hualalai and Mauna Kea. The verdant green scenery with the blue hues of the Pacific below is occasionally interrupted by the signs of coffee processors trying to entice the local farmers to sell them their freshly picked coffee cherries: **'\$1.60 per pound CASH!' or 'BUYING CHERRY-Always Best Prices!'**. (1 lb roasted coffee needs 7.4 lbs of coffee cherry). Also, once the harvest comes to an end, **'BUYING PARCHMENT'** banners will flap in the gentle ocean breeze. What's called 'parchment' is the now pulped and dried coffee, still in a thin membrane covering the green bean, which will fetch a price in the range of \$7.50 - \$8.50 per pound.

And that's the key to understanding the 100% Kona coffee's economics: Every local Kona coffee farmer has the chance to sell their crop. No additional work as pulping, drying, storing, milling, sorting, roasting, packaging, labeling, marketing goes into it. Many choose to do so, as labor costs in Hawaii are at a premium and housing for low wage workers is nearly impossible to find on the island. The actual Kona Coffee Belt land is too steep and rocky to navigate with machinery and hard human labor is needed to plant, grow and harvest.

Most farm parcels are only of 3 - 5 acres average size and are capable of producing 20 - 40,000 pounds of coffee cherry. Once

picking costs are subtracted (50 cents per pound) the annual monies earned can be considered only minimal. So farmers will usually round up their unpaid family and friends to pitch in during picking season and then the numbers look somewhat better. However, no one has ever become rich farming Kona coffee! It is, and always be a labor of passion similar to the old fashioned wine 'vintners' backbreaking daily chores. And passion it is when a few of these traditional family farmers in the age of the internet are able to bring their product direct to the customers: No middlemen, no processors, no pooling of various farms, no store chains or roasters between the consumer and them. But even when the farmers do their own processing, packaging, shipping and advertising, these additional efforts will raise their profits only marginally--however, it does guarantee them independence. It's added value for both parties, as customers know exactly where the beans come from and the farmer is able to care and maintain quality-control of the coffee from seed to cup.

But since many folks have never tasted real, 'handcrafted' 100% Kona coffee, it then becomes very tempting for many large roasters and processors to bend the rules by labeling cheaper coffees as Kona, or by creating 10% blends, which are nothing more than a few Kona coffee beans thrown in with 90% cheap foreign beans.

The growing market of single origin, single estate coffees (as a real Kona coffee should be labeled), is also flooded with impostor coffee brands. So please do your research and don't always believe what's written on the bag when buying Kona coffee. Know your farmer! Especially when the deal sounds too good to be true or it tastes like generic coffee, which most likely means that those beans haven't seen Hawaii at all.



BLUE HORSE KONA in Berlin, Germany

We are excited that YELLOW STAR COFFEE in Berlin, Germany now offers our coffee! It's a specialty café selling origin-country roasted and packaged coffees to the discerning coffee connoisseur. Even by the cup! Just stepping into the store is an aromatic voyage around the coffee growing regions of our planet. They are situated close to the new glitzy government district in the historical Prenzlauer Berg. It's not easy to get a decent 100% Kona coffee in most of Europe, but the 'Blue Horse' is hoping to change that! So drop by YELLOW STAR COFFEE if you happen to be in Berlin, and if you're tired of the regular Teutonic coffee offerings. The very personable folks at YELLOW STAR have already reported that they had a few homesick Americans loading up on their Kona supply.

YELLOW STAR COFFEE
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