

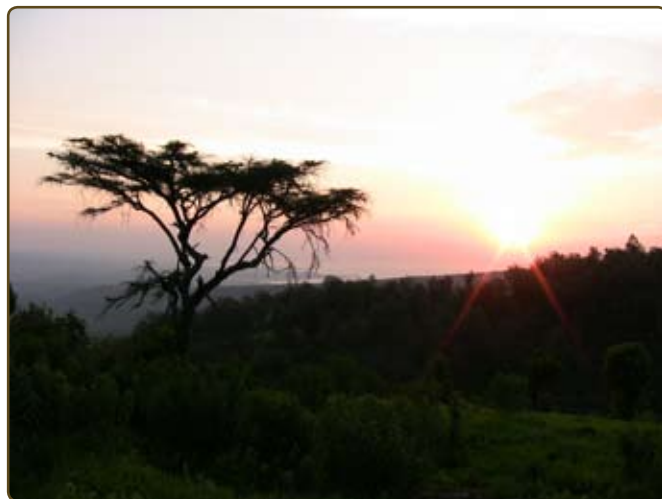
PORTLAND ROASTING NEWS

February 2008

Welcome to a New Year at Portland Roasting

In the time I have been with Portland Roasting I have spoken to many of you about your accomplishments, the challenges you face in your business as well as your everyday needs. I am interested in looking for ways in which we can provide support to help you meet your goals. We have such a diverse community of customers (grocery stores, universities, coffee houses) and reach to many parts of the U.S. as well as overseas. I am thrilled to be announcing to you several new developments at Portland Roasting which I hope you will find useful and valuable to your business.

WEB RESOURCES Our website has truly become a hub of information. We add updates daily on what's happening around here. It can keep you abreast of services and products we offer and even introduce your employees and customers to the great things about Portland Roasting. We continue to add video from farming regions, regular blogs from our growers as well as introduce you to new and seasonal coffees. There is also a current schedule of trainings, employee bios and news about press coverage, advertising and trade shows. Later this year look for web ordering and video training tips!



A sunset at Acacia Hills Coffee Estate in Tanzania.

We have also just added a wholesale customer-only page which houses pricelists, product listings and more. It can only be accessed through a link: www.portlandroasting.com/wholesale.

NEW MARKETING & POS PACKAGE Now that the brand change is complete, we have many stock and custom items to create a cohesive and compelling presentation for your customers. To view, please visit the link (www.portlandroasting.com/wholesale) or ask anyone at Portland Roasting.....we would also be happy to meet with you or send you a CD.

ADVANCED COFFEE TRAININGS In addition to basic barista classes, Shea Hagan, our Training and Quality Specialist, will now offer a variety of more advanced classes. Currently he holds a monthly Advanced Latte Art class. Starting in February look for Coffee Knowledge - From Seed to Cup, covering everything from growing and processing to roasting and tasting. Coming in spring Cupping and Roasting Basics will be taught with our lead roaster. Our website houses a complete list of current classes. Shea has also just completed a written training manual to accompany his introductory barista class. To inquire about trainings or to get a copy of the manual please contact Shea directly at extension 302 or shea@portlandroasting.com.

COFFEE QUALITY SUPPORT We now offer formal quality evaluations on your brewed and espresso coffee. Covered is functionality and calibration of your equipment, dose, grind, cleanliness and barista/operator knowledge. Contact Shea directly (see above) to set an appointment. He will evaluate, tweak if needed and suggest any necessary changes. Even if you are out of the metro area, give a call and he can work to get you all dialed in over the phone....no pun intended! Happy Brewing!

-Marie Franklin, National Sales Manager.

GREEN COFFEE PRICE INCREASE

With several network channels recently leading with this story it might be old news but there has been a substantial price increase in Arabica green coffee prices. And, while some countries are experiencing even greater than average increases, since September 2006 the price of coffee on the spot market has increased approximately 25 percent! Due to smaller crops Ethiopia green coffee prices have increased even more (estimated to be about 35% higher) and Brazil (the world's largest coffee producer) is also expected to produce a significantly smaller crop in 2008.

In addition to smaller supplies, the U.S. dollar has experienced a sharp devaluation in the past year. The dollar fell against 14 of the 16 most actively traded currencies in 2007 and to record lows against the euro and pound. The result of a lower valued dollar is that coffee purchased with U.S. dollars is more costly.

Unfortunately, these conditions force us to raise our roasted coffee prices to cover these higher costs. At this point, we estimate an average increase of **\$.35/pound**. We will keep you posted as to timing and these changing conditions.



PORTLAND ROASTING IS NOW ON YOUTUBE

Check out our very own YouTube Channel and watch videos from our travels. The video blogs are updated frequently and cover a variety of topics - from animal life on the farm to the agronomical processes of coffee estates.

Log onto
www.youtube.com/PortlandRoasting
to view our footage from the farms.

New Grocery Customer : Zupan's Markets

Portland Roasting is proud to announce that specialty grocer **ZUPAN'S MARKETS** Zupan's Market is now carrying Portland Roasting coffee at all four of their Portland locations. Look for us in the bagged coffee aisle in their stores and in the featured product section of their Fresh Ideas Magazine.

Visit Zupan's Markets at the following locations:

Belmont / 3301 SE Belmont
Burnside / 2340 W Burnside
Macadam / 7221 SW Macadam
Raleigh Hills / 8235 SE Apple Way

And tell them Portland Roasting sent you!

New Product : Hotel Packs

Are you striving to give your guests an unforgettable experience, but serving them everyday coffee?

Enjoy your favorite coffee now in filter packs for use with hotel or smaller home-style brewers. We offer two sizes, one for 4 cup brewers, the other for a 10-12 cup. All of the coffees are 100% Farm Friendly Direct™, and the decafs are Swiss Water Processed.

Accompanying the program is a branded condiment packet as well as a small table tent.



Taste the difference.

NEW FACES at Portland Roasting

Most of you already know **Justin Goergen** as the employee who has either delivered your coffee or handled your weekly coffee order. After more than two and a half years with Portland Roasting he has been promoted to Account Manager and will be supporting the sales staff in taking care of customer needs. Justin comes from Specialty Grocery background, working in coffee at Whole Foods as well as Food Front co-op where he was actually a Portland Roasting customer! With his background in food and his knowledge of the inner-workings of the company he will continue to be great asset to Portland Roasting!

Vanessa Holstein is also new to the sales team, joining us as a Sales Representative. Vanessa's enthusiasm for coffee and experience in customer service should serve her well in her role. She was drawn to Portland Roasting because of her passion for coffee and admiration of our Farm Friendly Direct™ program. Vanessa has spent time traveling to Nicaragua and Romania to work on humanitarian projects, and closer to home spends time volunteering for non-profit organizations. We are thrilled to have Vanessa's energy and passion.

We hope that in the coming months you will be able to meet for the first time and/or get reacquainted with these Portland Roasting employees!



THE CHAI COMPANY

Many of you have been asking for a natural Chai option as an alternative to Oregon Chai. In our search we looked, of course, for a great flavor profile but as well wanted to work with a company with strong ethics aligned with ours. We found both in the Chai Company from Vancouver, BC and are proud to be now offering this product. Their Original Chai is micro-brewed in small batches, using 85% Organic ingredient, and is a perfect balance of spice and sweet. They are Fair Trade Certified and soon will be sourcing their spices direct! It is also packaged highly concentrated for more value and less impact on the environment. When brewing, use 3 parts milk to one part chai. Please ask anyone here for a sample.

The Perfect Shot

It's what we're all after - and the base of a successful business. You have spent considerable time searching for great coffee and hiring and training your staff. But, is your machine clean and operating correctly? The perfect shot can only be attained with a clean, well maintained, espresso machine. Only with a preventative maintenance program can you serve drinks with confidence and prevent unwanted and expensive downtime.

A good preventative maintenance program, including replacing damaged and worn parts, inspecting for leaks and calcium deposits, testing and adjusting your grinder will not only give you peace of mind but will also save you a good deal of money. This is also an excellent time to have your water filtration system inspected for water quality and taste.

Did you know that our Coffee Equipment Department offers a reasonably priced Preventative Maintenance Package? We can provide a one time preventative maintenance visit or a regularly scheduled visit – your choice. We are glad to answer your questions and explain the many benefits of preventative maintenance.

Please call Gail at 503-413-0726 or email gail@coffeeequipmentdept.com.



Into Africa

Managing Partner Mark Stell Travels to Tanzania

Recently I returned to my favorite place in East Africa - Tanzania. I travelled to Portland Roasting's most recent addition to our Farm Friendly Direct™ program, the Acacia Hills Coffee Estate. The estate is located next to Ngorongoro Crater in northern Tanzania, a world heritage site and home to tens of thousands of animals, some of which are on the endangered species list.

My trip was only a week in country and 3 days in transit. Upon my arrival I met up with our farming partners Leon and Aideen Christianakis who run the farm. They took me to a local event where I enjoyed the sounds of Christmas carols sung by friends and families from the farming community. It was my first time seeing an Acacia Christmas tree. This unusual plant has a beautiful flower that only blooms when the plant is about to die. They painted it silver and hung ornaments on it. It did the job and showed the Christmas spirit.



The following day we headed to the farm which is about a 3 hour drive from Arusha. Before going to the farm we stopped off in Arusha to get supplies for the week. On the way to the farm we drove past Lake Manyara a must see national park with amazing bird life and breathtaking big game like elephants and Cape buffalo.

After enduring one of the most brutal roads I have traveled in recent years the farm truly felt like an oasis. As soon as you turn into the property the vegetation becomes lush and the shade trees offer immediate protection and comfort from the sun – not only for us but the coffee as well; rows and rows of coffee trees line the landscape up the mountain. The farm altitude ranges from 4,000 feet to 6,000 feet.



This was the end of harvest so the farmers were stripping off the last of the coffee from the trees to ensure that the next year's crop flowers fully and produces great fruit. In addition they began the annual pruning in order to ensure a healthy crop in subsequent years. Leon and I decided to begin a monthly video blog; the first edition will be a short lesson on pruning, including why it is important to prune a coffee tree and how to do it. This farm is undergoing a major rehabilitation project that will take several years. We will bring it all to you via our website through video and written blogs.

This trip was arranged to help the farm better understand the coffee they produce in a way never done before. We donated an agronomy kit that will allow the farm to do its own soil and leaf testing. This will allow the farm to maximize its investment in fertilizers and micro-nutrients when needed. This in return will produce a healthier plant that will produce better coffee and bigger crops.



On the last day at the farm we had a wonderful visitor. A large male elephant came to eat grass in one of the farm's designated conservation areas. They don't like coffee other than to occasionally scratch themselves against the larger trees. In those instances, the result is usually a broken tree or two. However, the real damage is when Cape buffalo sleeping in the coffee area trample the coffee when startled by a worker.

Over the next several years you will witness an amazing transformation of a once magnificent coffee estate brought back to its glory. Portland Roasting is proud to be a development partner with the farm and we encourage anyone interested to visit. It is trip of a lifetime and will help you better understand the importance of our work with our Farm Friendly Direct™ programs.

My next trip is to Uganda in February to the East African Fine Coffee Association meeting. From there I will again visit Acacia Hills for a follow up video taping of the progress of pruning and continued restoration of the farm. Until next time. -Mark