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PORT OF HOUSTON AUTHORITY DELIVERS HOUSTON'S GREEN COFFEE PORT DESIGNATION

New York Board of Trade approves PHA's green coffee port designation application

HOUSTON --The Port of Houston Authority (PHA) received official notice today of the decision by the New York Board of Trade (NYBOT) to approve the PHA's application to be designated as a green coffee port. The decision means that Houston is an approved delivery point for the Coffee "C" futures contract traded on the NYBOT's Coffee, Sugar & Cocoa Exchange. The new contract rules providing for the Houston port will become effective with the March 2005 contract, which begins trading April 1, 2003.

The NYBOT's decision makes Houston the fourth designated green coffee port in the U.S. joining New Orleans, New York, and Miami. The Port Authority will celebrate this important milestone by designating Friday, February 21, as "Java and Jobs Day" at the Port.

"The Port of Houston's designation as a green coffee port will have a tremendous impact on our local and regional economy," stated James T. Edmonds, Chairman of the PHA Commission. "Coffee traders from all over the world now have several great incentives to do business here," Edmonds added.

"The New York Board of Trade is always looking at ways to keep our products, such as the Coffee "C" contract, current with industry practices," said Patrick Gambaro, Interim Chief Operating Officer of NYBOT. "Establishing Houston as a new NYBOT delivery port signifies its value as a commercial point of entry for this important world commodity."

The Port of Houston Authority filed its application last year after Harris County voters approved Proposition 3, a state constitutional amendment that exempts all green coffee and raw cocoa imports stored in Harris County from ad valorem taxes. State Senator Mario Gallegos and State Representative Joe E. Moreno authored the legislation that put Proposition 3 on the November 2001 ballot.

“Our Texas legislators and voters all have a reason to beam with pride,” stated Alistair Macnab, Executive Director of the Greater Houston Coffee Association (GHCA). “The exciting growth strategies envisioned by the association may now move confidently forward,” he added.

According to the GHCA, Houston’s coffee port designation will increase jobs in the coffee processing industry (e.g. roasting, blending, labeling, packaging, marketing, and retailing) as well as in the coffee servicing industry. The latter would most likely involve logistics providers, thereby impacting business for coffee brokers/traders, warehouse operators, freight forwarders, customhouse brokers, road, rail and ocean carriers. The GHCA estimates an overall 15 percent increase in direct and indirect jobs related to coffee trading through the Port of Houston. Additionally, the GHCA estimates that Houston has the potential in the next few years to increase its coffee imports to approximately 3.7 million bags annually – more than double the 1.8 million bags imported in 2002 -- as a result of the amount of transportation/distribution warehouse space available locally. The GHCA is working with several banks and trade organizations to develop ways to help local small businesses enter the coffee industry and work with coffee sellers, buyers, retailers and transporters to help Houston become one of the major distribution centers for coffees imported from Asia, Latin America and Africa.

“The Port has delivered the opportunity that poises Houston for continued economic growth,” stated Tom Kornegay, PHA Executive Director. “We’ve cleared the way for local businesses to take their enterprises to exciting new heights as dynamic key players in global trade and commerce,” he added.

Noting Houston’s proximity to 20 million consumers in the greater southwestern U.S., Kornegay stated, “This is a vital component in the Port Authority’s strategy. We view this as a natural progression in our role as a world class trading point.”

Projected 2002 Coffee Imports	
<i>Source: Port of Houston Authority</i>	
New Orleans	264,000 short tons
New York	200,000 short tons
Miami	111,000 short tons
Houston	99,000 short tons

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The Port of Houston Authority

The Port of Houston Authority owns and operates the public facilities located along the Port of Houston, the 25-mile long complex of diversified public and private facilities designed for handling general cargo, containers, grain, and other dry bulk materials, project and heavy lift cargo, and other types of cargo. The Port of Houston Authority plays a vital role in ensuring navigation safety along the Houston Ship Channel, which has been instrumental in Houston’s development as a center of international trade. The port – sixth largest in the world – is ranked first in the United States in foreign waterborne tonnage and second in total tonnage. Each year, more than 6,600 vessels from around the world call at the port. The Port of Houston Authority’s Barbour’s Cut Container Terminal and Central Maintenance Facility are the first of any port facilities in the U.S. to develop and implement an innovative Environmental Management System that meets the rigorous standards of ISO 14001 compliance. For more information, please visit www.portofhouston.com.

The Greater Houston Coffee Association

The Greater Houston Coffee Association was founded on August 24, 2000 with the goal of stimulating trade with the Houston coffee industry. Membership has been growing constantly ever since its creation and today, the Greater Houston Coffee Association counts about 50 members and some of which have representation overseas. Many potential members from foreign countries in Latin America, Asia and Africa want to be exposed to the coffee market in Houston. The Greater Houston Coffee Association is the perfect avenue for this exposure and is committed to developing close relationships with coffee organizations in foreign countries that can lead to more business for the Houston region and benefit the whole Texas Gulf region. In the process, other commodities such as cocoa might be explored for trading. For more information, please visit www.houstoncoffeeassn.org.

The New York Board of Trade

The New York Board of Trade (NYBOT) is the parent company of the Coffee, Sugar and Cocoa Exchange, Inc. (CSCE) and the New York Cotton Exchange (NYCE). Through its two exchanges and their subsidiaries and divisions NYBOT offers an expanding range of agricultural, currency and index products. Information about the New York Board of Trade can be found at www.nybot.com.