

# Capsules set to fly

## Goodbye to daily grind as new coffee products expanding

**NICK DALTON**

nick.dalton@news.com.au



CAIRNS coffee capsule importer and distributor Ramzi Halabi has struck a significant distribution and marketing deal involving a new state-of-the-art Nespresso capsule contract packing plant in Sydney.

His company, My Coffee Capsule, has acquired a half share of Coffee Capsulators International, a company which will distribute capsule coffee in Australia, Papua New Guinea and New Zealand, and a quarter share in marketing firm Boss Caffè.

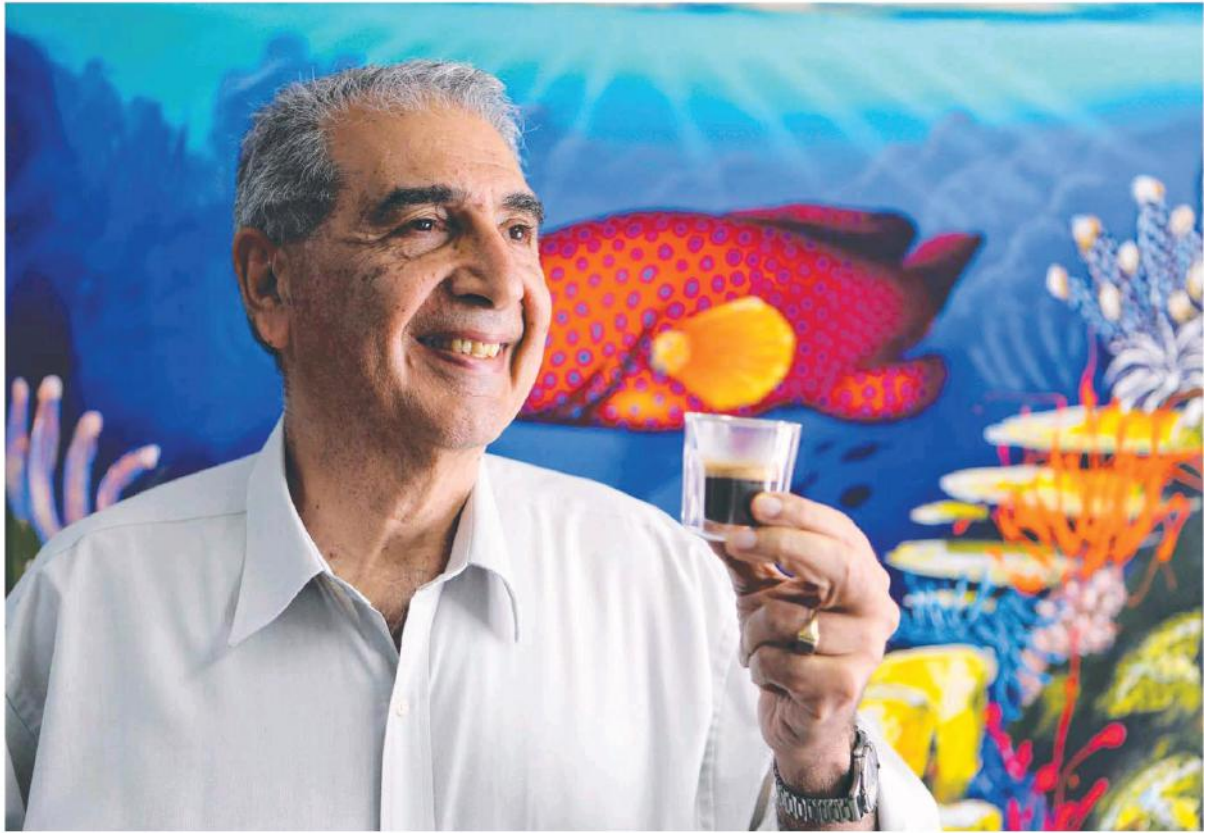
The deal will give Tableland growers access to the \$20 million plant.

"Coffee Capsulators has obtained access to the largest Nespresso capsule packing facility in the southern hemisphere," Mr Halabi said.

"This facility is owned by Mad Coffee Capsules Pty Ltd and we have negotiated distribution rights for their products and services.

"There has been a significant investment in innovation and technology to set up this world-class facility that will cater to the demand for coffee capsules, which is the fastest growing segment in the coffee industry and has the ability to change the way Australians consume coffee."

Mr Halabi said the plant would be using one of the most advanced and ergonomically designed Nespresso compat-



**DRINK UP:** Ramzi Halabi's My Coffee Capsule has acquired a half share of Coffee Capsulators International.

Picture: TOM LEE

ible capsules available in the world and the first of its type.

"This development will deliver more consumer choice to a market dominated by Nespresso," he said.

"This is a landmark development in the coffee industry, one that will allow our Tableland growers to access a section of the market that they were precluded from."

Mr Halabi said coffee growers, such as Jacques or Skybury or large roasters such as Coffee

Works, would be able to send their coffee either green or roasted to Sydney, have it filled into capsules and sent back to the Far North to sell to customers.

He said growers would no longer have to manually fill the capsules.

Mr Halabi said the capsules would extend the shelf life of coffee to as long as 18 months.

"It is very exciting, it is a massive breakthrough and is very significant," he said.

"Through this agreement, Coffee Capsulators can provide a quality Nespresso compatible solutions under the same roof on a scale never seen before, starting from green beans, coffee roasting, coffee grinding, contract capsule filling as well as bulk, custom and retail ready packaging.

"The capsule market will continue to evolve over the next five to 10 years as the demand for cafe style coffee in the home becomes ingrained."

On the Cafe Culture website Mad Coffee's global business development manager Kane Bodiam said the company had invested a lot of money in machinery.

"Our vision is to become the largest producer of Nespresso compatible capsules in the southern hemisphere," Mr Bodiam said.

"Mad Coffee Capsules deliver everything from coffee procurement and roasting to bespoke branding solutions."

# Capsule coffee market is boiling over

CAIRNS coffee capsule king Ramzi Halabi is on the verge of an exciting breakthrough for his importation and distribution business.

Coffee capsules are the new wave in the business and are set to challenge instant coffee.

Mr Halabi and his small three-person firm operating from the Cairns Corporate Tower import coffee capsules from Europe to be filled with Australian coffee.

But it's an intensive and laborious manual process and,

## BRIEF CASE

BUSINESSWEEK SAYS

while there are one or two small automated plants in Australia, a new \$20 million facility in Sydney is expected to crank up the volume.

Manufacturers are jumping on the coffee-capsule manufacturing bandwagon as some of Nespresso's patents expire.

Nespresso machines and its copies are a growing market and

so are their capsules. Mad Coffee Capsules, a private Sydney business, is one of them, and they have invested \$20 million in the largest capsule production facility in the southern hemisphere.

Mr Halabi now has access to the plant and has taken a half share in a distribution business and a quarter share in a coffee marketing firm.

Mad Coffee Capsules work with coffee-roasting companies, leading supermarkets and companies who want a brand but

don't have manufacturing capabilities.

The machine-capsule market has been likened to the printer-cartridge business model in the printing industry.

The ground coffee market is only worth \$120 million in Australia while instant coffee is \$600 million.

Mr Halabi says it will open up a new market for Tableland growers such as Jacques and Skybury as well as roasters such as Coffee Works.