

Paramount Coffee

Private-label products help roaster perk up its business

Boosting presence in chains works, too

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Paramount Coffee in Lansing is one of the state's largest coffee roasters and distributors, but growing revenue takes more these days.

The company has started moving beyond roasting and distributing coffee to making private-label brands for retailers and selling its own coffee at retailers such as Meijer and on its Web site, www.paramountcoffee.com.

Boosting its presence in regional or national chains hasn't hurt either — it boosted sales by single digits last year, said Angelo Oricchio, Paramount's chairman and CEO.

The Lansing-based company is private and does not release financial data. It was founded in 1935 and plans to celebrate 75 years in business this August.

Its employees bought the company from the founding Radway family 10 years ago through an employee stock ownership plan.

Oricchio, a native Brazilian who grew up surrounded by coffee trees, took the helm in 2005 and has been busy working to shift the business away from weak segments such as office customers and toward stronger ones such as restaurants.

The company serves nearly 600 companies in Michigan, but that segment represents just 15% to 20% of annual revenue, he said.

Restaurants account for 40% of annual sales with the retail and private-label business making up 30% to 40%. A label



ANDRE J. JACKSON/Detroit Free Press

Angelo Oricchio, chairman and CEO of Paramount Coffee, samples coffee in Paramount's tasting room in Lansing. Oricchio says restaurant sales, retail and private-label production make up most of its business.

called MI Coffee features Michigan packaging and is sold at Meijer and through the Paramount Web site.

"We always had a retail presence, but it was small," said Oricchio. "Some labels like the MI Coffee were specifically targeted for our area. It has good acceptance."

Paramount Coffee sources its beans from most of the producing countries and roasts them in its 85,000-square-foot production facility in Lansing. It roasts organic and fair trade beans as well.

For example, Paramount started buying coffee beans from Rwandan growers five years ago to help revive the coffee trade there in partnership with Michigan State Uni-

Paramount Coffee

Based: Lansing

Founded: 1935

Employees: 74

2009 sales growth: Single digits

Customers: Nearly 600 companies in Michigan get their office coffee supplies from Paramount. The company's brand also is sold in retail outlets, including Meijer. Paramount also supplies restaurants and makes private-label coffee for other companies.

Online: www.paramountcoffee.com

nities rebuild after the war and genocide in 1994.

Proceeds from the Paramount Coffee sales helped coffee growers in Gashonga Rwanda, buy 400 goats. Paramount donates \$1 for every bag of Fair Trade Rwanda coffee sold to an endowment fund created under the Michigan State program.

"We were among the first to buy back their coffee," Oricchio said. "We are contributing to their cause."

Paramount also recently introduced a new line of lower-cost coffee called "Joe."

"We look for continued growth in Michigan as much as we can and to solidify our reputation in private label," he said.

versity. The program, Partnership for Enhancing Agriculture in Rwanda through Linkages, has helped commu-