

Family Better coffee through better business

BY WILL FIFIELD

you love good coffee, a visit to the Rogers Family Company's headquarters, near Sacramento, California, would be a special day for you. It is to drinking coffee what Six Flags is to riding roller coasters. The smell of freshly roasted coffee beckons as you approach the main building, more than 400,000 square feet in total. Inside, you'll see a city of huge burlap bags of "green" coffee, a complex of large cylinders roasting coffee, packaging machines and a sea of sealed plastic bags of whole bean coffee. Along the way, it becomes evident that the family is intimately involved with every part of the process, from bean to bag. And part of a proper visit involves tasting and carefully analyzing the product, so you wind up drinking some really amazing coffee.

But even if you don't like coffee, once you learn how this family-owned business operates, it's hard not to admire the Rogers Family Company. Since its inception, founders Jon and Barbara Rogers, along with their four children—Lisa, John ("JR"), Jim and Pete—have tirelessly worked to learn the business and science of making great coffee. And there's extended family. Many company employees have worked 20 to 30 years building the business alongside the Rogers family; some even have grown children who work for the company. That's why the company's benefits package includes generous pay, full-family health care, paid time off, profit-sharing bonuses and matching contributions to employees' 401(k) plans.

Because access to quality beans is key, the Rogers Family Company has built long-term, sustainable relationships with thousands of farms in premium coffee-growing areas in Mexico, South and Central America, and Africa. The company, a Costco supplier, invests not only in product development, but also in the farming communites. The company constantly innovates to improve the quality and quantity of the coffee beans it buys, and to ensure that they're grown with earth-friendly, sustainable techniques.

The extended Rogers family is, clockwise from far left: Jon, John "JR," Pete, Jim, Barbara, Kirsten, Suzanne and Lisa.

Family ties

It all started 37 years ago, when company founders Jon and Barbara Rogers purchased a bankrupt tea and coffee company to launch a family business. Jon's background was in large consumer products companies such as Vicks, General Foods and Revlon, but he'd always wanted his own company, and years earlier began building the financial means to realize his dream. "He was looking for a company he could afford and that he believed had potential for growth," says Jim. "Dad sold all of his stocks, double-mortgaged his house, took all of his kids' college money, to buy this company. At the time, Lisa and I were in college, John was in high school, and Pete was in middle school."

Launching the Rogers Family Company was a bold entrepreneurial move on Jon's part, and into an industry with which he was unfamiliar. The entire family worked every facet of the business as they honed product and business skills by trial and error.

Today, Jon and Barbara are in the home office nearly every day, lending their leadership and oversight. Lisa oversees large accounts in the Bay Area; John is the company's go-to spokesman and works in sales; Jim handles sales, customer service and IT; and Pete, the youngest family member, travels extensively around the world, overseeing the buying side of the company, as well as operations.

"There was never a question of whether we'd work for the company," recalls Pete. "It was more like, 'before we eat tonight, we have to finish some things."

"We have a lot of fun working together," says Jim. "I mean, how lucky am I to get to come into work and see my mom and dad, and to help my brothers and sister? We also have spouses involved. My wife, Suzanne, for example, is our East India tea manager, and Pete's wife, Kirsten, is our director of corporate giving."

Because this tightknit family works well together, the risk Jon and Barbara took launching the company seems to be doing quite well. In 1979, its first year of operation, the Rogers Family Company roasted 5,000 pounds of coffee at its 5,200-square-foot facility with four full-time employees and enjoyed \$800,000 in sales. Last year, for comparison, it roasted 44 CONTINUED ON PAGE 30 • SUPPLIER PROFILE Company: Rogers Family Company Founders:

Jon and Barbara Rogers

Employees: 400

Headquarters: 1731 Aviation Blvd. Lincoln, CA 95648

Phone: 1-800-829-1300 Website: rogersfamilyco.com

Items at Costco: Kirkland Signature™ origin specific program, which includes Costa Rica, Guatemala, Rwanda and Sumatra, and other offerings.

Quote about Costco:

"We're in this business for the long haul. We guarantee ourselves a source of the highest-quality coffee anywhere by guaranteeing our farmers that they can stay in business. Why? You've got to think 10 years down the road. That's what everyone at Costco keeps telling us. You can't think, 'Oh, I'm going to

> make a killing in the market today,' because if you put two farmers out of business then you have that much less coffee to buy from next year."— Jon Rogers, founder and president, the Rogers Family Company



New school in Guatemala

FAMILY PERKS CONTINUED FROM PAGE 29

million pounds of coffee and saw \$186 million in sales. It owns four factories: two in the U.S., one in the UK and one in Mexico. "One of the things that's made us successful is that we feel the farmers and their workers have to win," says Jon.

Coffee with a conscience

"The appeal of this company to Costco is its attention to detail at the source," says Costco coffee buyer John Lee. "Their social programs are key."

"Long before the words 'fair trade' or 'sustainable' were industry concerns, we were [practicing] it with the Rogers Family Company through some of our Kirkland Signature[™] line of coffees," adds Jay Tilley, Costco assistant general merchandising manager of foods and sundries. That means the company pays farmers a living wage, not just market price, while helping to improve growing and processing techniques.

The company's commitment to its source farms began in 1986, when it had grown to the point it needed to secure a greater supply of high-quality beans. "We use only the finest hand-picked Arabica beans, grown in the best regions of the world," Jon Rogers says. "To get a greater supply, we sent Pete to Guatemala to buy beans." The living conditions on the farms he visited were deplor-

able. "If you'd been there and seen it, you would say, 'I have to do something," he continues.

"So, we just made it part of our business to improve the farms. That makes us feel good. But also, as we take



PHOTOS COURTESY ROGERS FAMILY COMPANY UNLESS OTHERWISE NOTED

better care of the farmers, we get better farmers, and, as a result, we get better coffee. It's all part of our pursuit of quality."

To help farms, the company set up the Rogers Charitable Fund, to which the company donates a portion of its after-tax profits, typically between \$1 million and \$2 million annually. The Rogers family administers the funds when it visits the farms to buy coffee, in order to eliminate salaries, overhead and other costs to the foundation. In this way, the company has built more than 50 schools and dozens of kitchens, which provide hot meals for families and workers on the farms. The fund also provides medical and dental programs at many of the farms.

The charitable fund also addresses conditions for migrant workers who provide essential labor on the farms.

"Typically, the migrant workers will come during the harvest season, and they generally live in pretty poor conditions," explains Lee, who learned details about the program when he was in Panama with Pete Rogers earlier

this year. Farmers who have been a provider 5 to the Rogers Family Company, supplying them a with fair price for coffee for three years, qualify to receive a house on their farm through the fund.

"If you have better housing for migrant workers, you retain better-quality pickers," Lee says. "That's really what you want. You want people who are going to pick good-quality product for you."

The benefit to the farmer is that he gets a valuable structure on his farm, and the benefit $\frac{1}{2}$ to the Rogers Family Company is that it maintains a relationship with this farmer. The benefit to both the company and the farmers is that they retain good migrant workers who are a vital part of the system.

Better beans, a better world

The Rogers Family Company works to be competitive against larger coffee companies by constantly innovating. The company helps develop new growing techniques on farms,



Better fertilizer, better plants

such as grafting hardier rootstock onto more desirable fruit-bearing trees, a common practice in other types of agriculture, but almost unknown in the coffee world. It also analyzes soils at its farms and has developed a compost program and other ways to improve soil fertility.

The company pioneers sustainable growing and processing practices at its farms and mills to increase productivity while improving the quality of the end product. A recent example is the company's bio-gas system, which uses coffee waste products to power farms and mills.

"In the process of treating wet mill liquids that on many farms just flow down into rain-forest streams, we found ways to capture methane gas," Pete Rogers explains. "The gas can be used to power the drying process and at the same time cleanse water to be recycled into the wet mill treatment or returned clean to streams or rivers."

Rogers Family Company is working on the following environmental endeavors.

• Achieving carbon-negative status through organic, sustainable farms and restoring native forest on thousands of acres in Mexico and Central America. • Using earthworms to create organic,

nutrient-rich fertilizer. • Launching a multi-million-dollar

project to plant 50 million coffee trees to replace those destroyed by la roya, a coffee rust fungus that is plaguing Latin American coffee farms.

• Commissioning a scientific study to ensure that birds and other wildlife, including endangered species, can thrive on its farms while requiring farmers to preserve native for-

ests, soil and water supplies. • Encouraging an organic approach to

reduce runoff of toxins into waterways, lessen the risk of birth defects and illness, and preserve native species.

• Installing 4,000 solar panels on its 400,000-squarefoot roasting facility in Lincoln, California.

"The Rogers Company has such an honest approach to business," says Tilley. "How can you not feel great about this company? The improvements they fund don't just benefit their company, they make the world better. Their innovations are open source. They say, 'Here's the technology. Use it. It's good for everyone." C

Every batch is taste tested

Accidental innovation

WHEN WE BEGAN roasting coffee in 1982, our first roaster was trained by none other than Alfred Peet, founder of world-renowned Peet's Coffee & Tea. in Berkeley, California. At the time, and to this very day, the dominant practice in roasting is simply to dump the beans in a roaster, apply high fire and take them out when they reach a certain set temperature. However, Alfred taught us to adjust the temperature during the roasting process, to allow the beans to more fully develop complex flavors.

One day my brother Pete, the youngest in our family, was roasting the next day's orders. He turned the temperature down while roasting, in order to help with a problem on the packaging line. The problem took quite a while to fix, so the coffee was allowed to "coast" through what turned out to be a critical phase in the process.

The next day, my father, Jon, made a cup of the coffee Pete had roasted. The conversation went something like this:

Jon: "What did you do to the coffee you roasted yesterday?" Pete: "What do you mean? There

is nothing wrong with the coffee I roasted yesterday. It tastes fine." Jon: "It is delicious. One of the

best coffees I've tasted. But I drink this every day, so it must have been something you did in the roasting process." Pete: "Oh, that ..."

And thus began our quest for the perfect roast. We are continually experimenting with different approaches to maximize the flavors out of each bean. We are also identifying ways to adjust the taste of a roast. For instance, different applications of time, temperature and airflow can produce a softer, sweeter coffee or a brighter, more floral coffee, all from the exact same batch of beans. So if we need to bring out more sugars to balance some chocolate notes, we can do that. We've never thought, "We're done. We know all there is to know." This is a continuous learning process in which we have engaged for more than 30 years. And it sure is fun!—*Jim Rogers*