

# roast



M A G A Z I N E

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## 2014 Macro Roaster of the Year

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Coda's wholesale staff. From left: Tim Thwaites, Steven Martinez, Max Mackey, Austin Jeromchek, Derrick Garcia, Marciano Romero, Tommy Thwaites, Stephanie Auld, Trestin Alba, Kim Stone, Isaac Garduno, Salome Carranza, Adam Duncan, Seok Lee and Jessica Thwaites. Not pictured: Matt Bush, Artie Cox and Justin Smallwood.

## Coda Coffee Company

# Macro Roaster of the YEAR

BY RIVERS JANSSEN  
PHOTOS BY RICHARD L. MCPHERSON

In music, a coda is an ending—a stirring conclusion to a movement or composition. In coffee, a Coda can be just as exciting, but it’s most definitely not an ending. If anything, Coda is just getting warmed up.



Roastmaster Seok Lee pulls a batch of Ethiopian natural-process Yirgacheffe on Coda’s Lilla roaster.

Now in its eighth year, Coda Coffee has built its business from a small roastery in Denver to a thriving brand with a warehouse and training facility in Phoenix, several retail stores across the Denver metro area and wholesale accounts throughout the Southwest. In addition, the company recently opened three kiosks at University of Phoenix Stadium—home of the Arizona Cardinals—where it plans to satiate football fans with a blend of high-quality coffees and proprietary iced teas. With 36 employees and a roast volume of 470,000 pounds per year, Coda is on the upswing.

Moreover, the company has earned a reputation for successfully integrating sustainability within every facet of the business. From its successful Farm2Cup direct trade program to its ultra-efficient Lilla roaster to sponsoring or contributing to dozens of races, events and programs within Colorado, Coda Coffee believes you must sustain community to sustain a business.

But even as Coda makes its mark, the founders of *Roast’s* Macro Roaster of the Year still maintain a fun, relaxed attitude. After all, it wasn’t that long ago that their parents were telling them that coffee was no way to make a living.

## THE WINNER’S STATS

ESTABLISHED 2005

LOCATION Denver, Colorado

EMPLOYEES 36

LEADERSHIP Tommy Thwaites, co-president;  
Tim Thwaites, co-president

RETAIL LOCATIONS Seven

ROASTERS (MACHINES) Lilla

ROASTING OUTPUT 470,000 pounds this year

WEBSITE [www.codacoffee.com](http://www.codacoffee.com)

## Building a Future in Coffee

Tommy and Tim Thwaites grew up in Seattle, where Tommy worked as a mechanic through high school. After graduating from community college in 1994, he got a job at Dillanos Coffee Roasters in nearby Sumner, where he swept floors, filled orders, delivered coffee and even dabbled in sales. “I knew it was better than being dirty and greasy every day,” he says.

His parents, however, weren’t so sure. The coffee business may be easier on the body than chainsaw repair, but was there a future in it?

But soon Tommy found himself ensconced in roasting, which kept him at Dillanos even as he attended a four-year college in Olympia, 40 minutes down Interstate 5. Within a few years he was executive vice president, and he was hooked.

“I love coffee because it’s a fun industry,” Tommy says. “As much as we want to think we’re curing cancer or something like that, at the end of the day we’re making coffee—something people enjoy every single morning. And there are so many rewards along the way. You get to go all the way down to the farm level and contribute to people’s success, and then all the way up to mom and dad enjoying their coffee at work.”

Tim followed a similar path, joining Dillanos in 1996 as a way of paying for college while he pursued a degree in aviation management. An aspiring pilot, Tim found himself falling in love with the industry as he worked his way up to roastmaster and, eventually, director of operations.

“It’s a very simple beverage, something the average person might take for granted,” Tim says. “Yet there’s also so much financial power and commerce behind it. Beyond that, there’s still so much more we can learn and develop and create. It’s still pretty rudimentary at the farm level, where many people are following traditions from 100 or 200 years ago. There’s tremendous potential for advancement.”

After going their separate ways for a few years, the brothers reunited in Colorado in the early 2000s and decided that there was indeed a future in coffee—and the time was now. “We said, ‘This is what we love to do. It’s time



The family behind Coda Coffee: From left: Tim and Jessica Thwaites, Tom and Sharon Thwaites, and Patty and Tommy Thwaites.

to do it ourselves,” recalls Tommy. They were so fervent that their dad, a former Boeing computer programmer, caught the fever himself. He and his wife invested their retirement savings to help get Coda off the ground.

## A Spectrum of Offerings

The key to success in coffee? Follow your passions, says Tommy. “A lot of our business was initially shooting from the hip,” he says, “but we knew what we loved, and that evolved into a really good working business model.”

“Our main priority was to have the best-quality cup,” he continues. “But we were also fairly sustainable in our personal lives and that crept into the business pretty quickly.”

Coffee-wise, Coda has learned to balance market expectations with the Thwaites’ interest in “super-specialty” coffees, as Tim puts it jokingly. That means—and Tim loathes to say it out loud—offering a few flavored coffees to meet customer demand, in addition to the dark roasts that many customers want. But these coffees have contributed to Coda’s success, which has in turn allowed the company to broaden its selection of high-end, single-origin coffees.

“We’re probably different than a lot of other specialty roasters, because we really geared ourselves to our clientele at the beginning,” Tim says. “Even though we believed there were better ways to roast or offer coffee, we knew we had to educate our customers before we could move too far in that direction.”

“It’s a balance,” Tommy adds. “Not everyone wants high-end micro-lots just because we love them and drink them. If we were to eliminate the rest of our company, we wouldn’t be where we’re at.”

Fortunately for Tim and Tommy, Coda’s now at a place where it can successfully offer a wide spectrum of roasts and blends—a task made easier with the growth of its burgeoning retail business. Always looking for ways to educate customers, Coda is now able to showcase any coffee it wants at any time.

“When you’re a roaster only, you have to get retailers to buy in and believe in these super-high-end coffees, and translate that enthusiasm to their employees, and then have these employees advocate for these coffees to the customer,” Tommy explains. “It can be pretty tough. But our own stores are full of people who are passionate about both our

coffee and our brand. They’re able to speak to the qualities that make our coffees special.”

The brothers had considered going into retail for some time, including building coffee shops out of used shipping containers. But then Kaiser Permanente came calling, offering to build locations at its hospitals if Coda would take over ownership and operations. “It’s essentially a very easy, low-risk way to experiment with retail,” Tommy explains. Coda currently operates the Lift cafe in downtown Denver and six Udi’s Refresh Cafes at Kaiser Permanente locations across Denver and nearby Aurora.

## Encouraging Experimentation

Coda Coffee debuted its Farm2Cup certification in 2012, but has been building direct relationships with coffee farmers for the past half decade, most often with the help of Seattle’s Atlas Coffee Importers. “Atlas has been a terrific partner,” says Tim.

With Farm2Cup, Coda pays a premium for high-quality coffee and, in return, the farmers are asked to invest some of the premium in research, development and experimentation—and to share their best practices with other farmers.

One of Coda’s first “relationship coffee” efforts was in the Las Capucas region of Honduras, where Atlas had started a cupping competition among local farmers in 2006. Already familiar with the region’s coffees through an existing relationship with farmer Omar Rodriguez, the brothers three years ago began offering a \$500 prize to the winner of the competition, in addition to agreeing to buy the winner’s coffee each year at a premium. In 2013, Alva Luz Ribera became the first female winner of the Te Van a Conocer Compa.

Tim says the prize has had the desired effect, as the contest has grown increasingly competitive each year of Coda’s involvement. More importantly, farmers are sharing farming and processing techniques in an effort to improve quality throughout the region. “Over the years, the best coffees in the competition have gotten so much better,” Tim says. “The competition has really exploded.”

Tim says this cross-pollination of information—between farmers, importers and roasters—is critical to the long-term success of the industry. He cites producers like Emilio Lopez in El Salvador, who is experimenting on using enzymes to eat away at the mucilage of



Tim Thwaites learns the traditional method of coffee roasting from Omar Rodriguez, Sr. in Las Capucas, Honduras.



Tommy and Tim Thwaites with Las Capucas Honduras’ Te Van a Conocer Compa 2012 winner Cornelio Nuñez.



Tim Thwaites with Las Capucas Honduras’ Te Van a Conocer Compa 2013 winner Alva Luz Ribera.



Coda’s retail staff. From left: Tommy Thwaites, Kasie Inda, Jack Crawford, Gina Koch, Morgan Stimson, Bailey McCann, Max Mackey, Nina Novakovic, Tasondra Harper, Monica Salas, Shanda Farrell and Tim Thwaites. Not pictured: Jerrid Broadbent, Alyssa Gilkey, Amy Gillis, Rocio Hernandez, Lauren Hunter, Salvador Martinez, Jessica Dalina, Kassandra Travis and Jeffery Ohm.

coffee cherries. “He mills probably 50 different farmers’ coffees, and he’s passing on the results of his experiments to each of them,” Tim says. “When we share information, the entire industry wins.”

Roasters themselves are often just as important to the process—even if they don’t end up buying coffees from the farmers they meet. “We cupped coffees for two days at a co-op at origin, and wrote tasting notes on

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Tommy Thwaites teaches his nephew the proper method for pulling a shot of espresso.



Tim Thwaites demonstrates the pour-over method on a Chemex with Kenya Karatina coffee.



At SCAA Boston 2013, Tommy Thwaites cups a zero-defect Ethiopian Yirgacheffe to approve it for shipment to Coda.



Tommy and Tim Thwaites goof around.

everything,” Tommy says. “And then we left. But they were able to take all our notes and make some major improvements. One thing the co-op found is that many of their farmers were leaving cherries on the roadside for a day before they got to the mill. That made a big difference.”

The brothers say efforts like these are having a noticeable impact on quality within the industry. “Since the mid-’90s to now, the surge of micro-lots and ‘super-specialty’ coffees has really, really pushed the limits,” Tommy says. “It’s probably pretty tiny from the percentage of the overall industry. But in any industry you need to push the limits because that funnels downstream and brings the masses quality as well.”

In addition to paying a premium for high-end coffees, Coda Coffee looks beyond the farms and into the needs of the surrounding community. In 2010, Tim and his wife Jessica toured a school near Lopez’s El Salvador farm at Lopez’s suggestion. The school—which many of the coffee pickers’ children attended—didn’t have enough desks for all of the 550 kids. The school’s library was also underdeveloped, and the kitchen was pretty much in shambles, says Tim.

“Our first instinct was to send them desks or computers, but it didn’t make any sense to physically ship items over there,” he continues. “So we decided to hold an annual fundraiser, plus add a social premium to each pound of Emilio’s coffee we bought. And whatever we donated, Emilio would match. One year, Jessica and I were able to physically hand the check to the principal.”

So far, so good. “Talking with Emilio, it’s almost mission accomplished at the school,” he says. “They’ve built a new library and I believe a new kitchen. It may be time to focus on another community of need.”

## Getting a Leg Up on Sustainability

Although building sustainable relationships with farmers is a priority, the Thwaites are every bit as enthusiastic about social and environmental initiatives at home.

Avid runners, the Thwaites support countless marathons, 5K races and community events with volunteer hours and product donations, including races like the Winter Distance Series, the Run Denver Series, the Green Trail Race, the Girls on the Run 5K, Jodi’s Race, the Undie 5000 and the Georgetown to Idaho Springs Half Marathon. They’re also the title sponsors and major contributors for the Coda Coffee Estes Park Marathon and the Race for Fetal Hope.

Appropriately for a company owned by runners, Coda Coffee encourages its employees to be active as well. In partnership with Denver’s Runners Roost, Coda gives free running shoes to any employee interested in the sport. Coda’s employees are also proud supporters of alternative transportation, winning Denver’s Bike to Work Day business challenge in both 2010 and 2011.

Within the business, Coda uses a cutting-edge Lilla roaster to reduce its environmental impact. The Lilla—which reuses the heat generated by the afterburner to roast the coffee—essentially cuts the roaster’s energy consumption in half. Coda delivers its coffee in Blue-Tec Mercedes Sprinters, which use the cleanest combustion engines in the world and produce 30 percent fewer greenhouse gas emissions than regular gasoline engines.

When it comes to reusing products, Coda Coffee thinks outside the box as well. The business donates its used burlap bags to a local synagogue, which works alongside former prisoners to refashion them into

reusable tote bags, purses, assorted apparel and even reusable coffee sleeves. The company further reduced its footprint by implementing an aggressive recycling and composting program, which cuts facilities waste by 75 percent.

## Anticipating the Future

Even with all of Coda’s achievements thus far, Tommy and Tim are still looking to the future—both at home and at origin. They’re particularly excited about their organic fertilizer venture. Coda is partnering with biochemist Scott Dyer and several El Salvadorian coffee farmers to create a fertilizer formulated specifically for coffee plants using chicken excrement and other U.S. waste products. “We’ve been working on it for about three years, and we’re just starting to see the fruits of our labors,” Tim says. “We shipped a full container to El Salvador—22 tons—for Emilio Lopez to use on his test site. Now we actually have a chance to cup the coffees and see how it turns out.

“It’s a really big deal, as the coffee industry is growing at the same time that global warming is slowing our ability to grow more coffee,” he continues. “With this fertilizer, we may be able to increase yield by 20 to 40 percent on the same plot while reducing waste at the same time.”

The brothers are also eager to talk with students in nearby schools about career opportunities in roasting—which, it turns out, is a real job after all. “Kids come and tour the facility, and we teach them about the business and how to roast,” Tommy says. “They eat the edible packaging material we use. It’s fun to see them so excited about the things we do.”

