Data Description

Data on commodity prices are from the New York Board of Trade (NYBOT). The commodity prices quoted on the NYBOT are a "basis" price that is used to price a variety of coffee types.[3] The price of coffee beans on the NYBOT varies by the point of delivery.[4]

Average retail prices were calculated using market-level Nielsen ScanTrack data for 2000 to 2004. The data are collected in 50 Nielsen-defined markets from supermarkets with at least $2 million in annual sales. The size of the Nielsen market generally depends on how populated the area is. Less populated regions have larger geographic market sizes, but the markets are generally larger than cities. The Nielsen data also include population information for each market area, and these markets cover most of the population in the continental United States.

In 2002, 5.5 billion ounces of roasted ground coffee were sold at supermarkets that were covered in the Nielsen data. In 2002, $2.8 billion worth of ground roasted coffee (valued at manufacturer prices) was shipped from U.S. manufacturing plants. The average manufacturer price for the 16.5 billion ounces of roasted ground coffee shipped from U.S. manufacturing plants in 2002 was 17 cents per ounce (U.S. Census Bureau, Census of Manufacturers, 2002). This is about three times the amount sold at Nielsen-covered supermarkets. This difference arises from the fact that coffee is sold at non-Nielsen-covered retailers, restaurants, and other food-away-from-home outlets, and is purchased for commercial uses.

Despite the fact that coffee sales by supercenters and some other nontraditional retailers are not covered in the Nielsen data, Hausman and Leibtag (2004) found that the rate of price change did not vary significantly between supermarkets and nontraditional retailers. This implies that the dynamics of pass-through studied with these data are applicable across the general food-at-home market for coffee. About 70 percent of whole-bean or ground-roasted coffee sold to consumers is purchased at supermarkets, implying that inferences may be drawn about coffee price pass-through from retail price data (Brazil Information Center, 2002).

Market-level manufacturer prices collected by Promodata contain pricing information for more than 50 markets, matching the Nielsen data for supermarkets. Promodata collects data from the largest grocery wholesaler in each market, but does not identify the wholesaler for confidentiality reasons. These data identify the price per case charged by the manufacturer to the wholesaler, as well as information about trade deals occurring in the market. PromoData data are from 1997 through 2004.

Nielsen Homescan panel data for 1998-2003 were used to calculate the demographics of customers of different coffee brands. The Nielsen Homescan data set uses a stratified sample of households across the United States and includes purchase as well as demographic information for sample households. The panel is geographically dispersed and is demographically

[3]Arabica beans are rated on a 5-point scale. Other types of coffee are priced at a premium or deficit relative to Arabica.

[4]The U.S. delivery points include the Port of New York District, the Port of New Orleans, the Port of Houston, and the Port of Miami.

balanced in terms of household income, family composition, education, and other characteristics. Each household is equipped with an electronic home-scanning unit, and household members record every universal product code (UPC) for food purchases via scanning in UPCs or by entering the relevant product code for non-UPC food purchases. Panel members record purchases, capturing not only what is purchased, but also where the purchase was made and whether the purchase was a promotional, sale, or coupon item.