The background is a dark brown, textured surface. In the center, there is a faint, embossed image of a coffee cup. To the right, the word "Coffee" is written in a cursive font. In the bottom right corner, there is a pile of coffee beans. The title "Coffee Trading on the Internet" is centered in the middle of the image, between two horizontal lines.

# Coffee Trading on the Internet

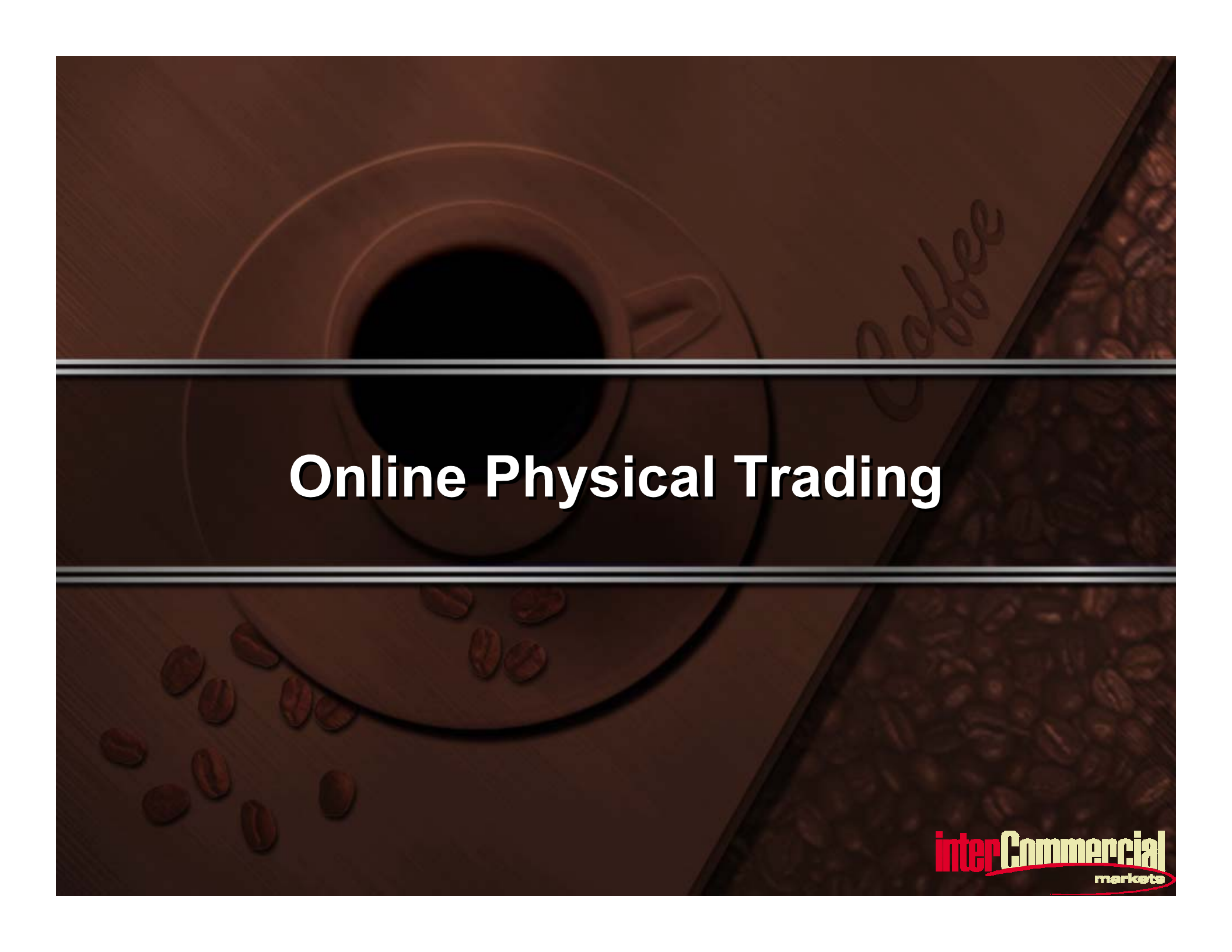
Michael Corcoran  
EVP of Business Development  
InterCommercial Markets Corp.  
[www.intercommercial.com](http://www.intercommercial.com)

# Advantages to Trading Coffee Via the Web

- ◆ Fosters New Business and Enhances Communications
- ◆ Reduces Paperwork and Costly Errors
- ◆ Convenience of One Stop Shopping for News, Information and Procurement

# Business to Business Internet

- ◆ Online Physical Coffee Trading
- ◆ Online Services and Products
- ◆ Electronic Data Exchange

The background is a dark brown, textured surface. In the center, there is a faint, embossed image of a coffee cup on a saucer. To the right, the word "Coffee" is written in a cursive font. In the bottom right corner, there is a logo for "interCommercial markets" with "inter" in red and "Commercial" in yellow, and "markets" in red below it. The text "Online Physical Trading" is centered in white, bold font, flanked by two horizontal white lines.

# Online Physical Trading



# Online Physical Trading Platform Highlights

- ◆ Same Old Contracts / Same Old Rules
  - ◆ Targeted Activity
  - ◆ Anonymous versus Confidential
- ◆ Communication & Other Features
  - ◆ E-mail, Instant messaging, Chat, News, Research
- ◆ New Products if they Add Value
  - ◆ Specialty Coffee & Gourmet Coffee, Auctions
- ◆ Starting Point for Electronic Data Interchange

The background is a dark brown, textured surface. In the center, there is a circular embossed design of a coffee cup. To the right, the word "Coffee" is written in a cursive font. In the bottom right corner, there is a logo for "interCommercial markets" with "inter" in red and "Commercial" in yellow, and "markets" in white below it, all enclosed in a red swoosh.

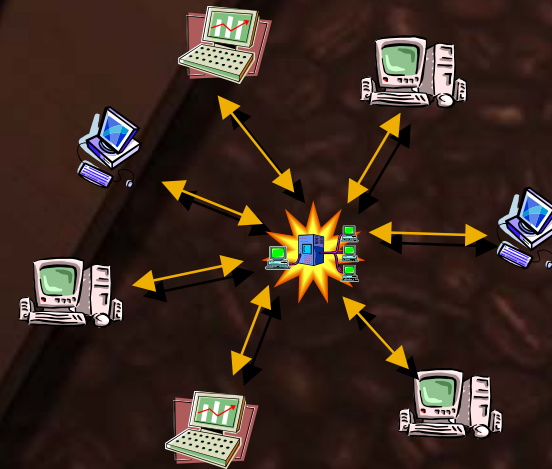
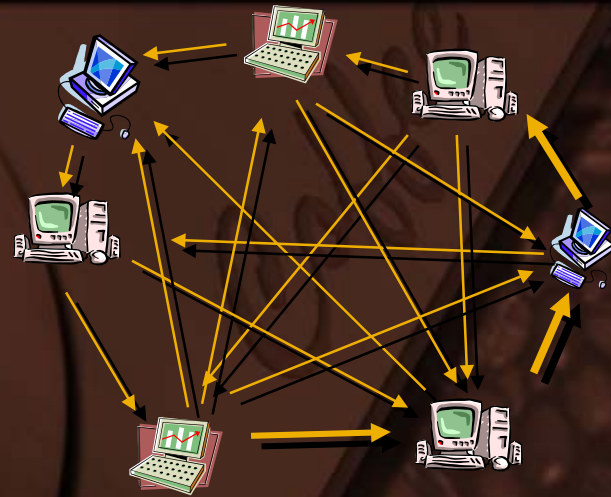
# Electronic Data Exchange

# Data Transmission Methods

- One-to-One Transmission

- FTP File Transfer
- Corporate Web Sites
- E-mail

- Messaging Systems & Web Platforms



# Changing Methods of Data Management

## ■ Data Exchange Methods

Sea mail  
Air mail  
Cables  
Telephone  
Telex  
EDI (electronic data interchange)  
Fax  
E-mail

**XML-structured data via internet**

## ■ Data Capture Methods

Pencil on paper ledgers  
Card-based systems  
Mechanical systems  
Punch cards on mainframes  
Keyboard Input

**XML-structured data via internet**



# Simplified Example of Mapping Contract Data

## JAVA ROASTING PURCHASE

**DATE:** 09-06-01  
**P.O. NO:** P-98765  
**ORIGIN:** GUAT  
**SELLER:** ACME TRADING  
**DESCRIPTION:** HARD BEAN  
**QUANTITY:** 1,000  
**UNITS:** 69K BAGS  
**POSITION:** DEC 01 DLY  
**WEIGHTS:** S/W ½  
**PAYMENT:** NET 30  
**PRICE:** 1.0500  
**PRICE UNITS:** US \$/LB.  
**LOCATION:** MIAMI  
**TERMS:** EX-DOCK

## GCA XML

**DATE OF ISSUE:** 2001-09-06  
**CONTRACT TYPE:** EX-DOCK  
**BUYER:** JAVA ROASTING CO  
**SELLER:** ACME TRADING INC.  
**BUYER REF:** P-98765  
**SELLER REF:** 543-654  
**QUANTITY:** 1,000  
**QUANTITY UNITS:** 69K BAGS  
**PRICE:** 1.0500  
**PRICE UNITS:** LBS.  
**CURRENCY:** US \$  
**WEIGHTS:** S/W 1/2  
**COUNTRY:** GUATEMALA  
**PRODUCT DESCR.:** HARD BEAN  
**POSITION TYPE:** DELIVERY  
**LOCATION:** MIAMI  
**POSITION:** 2001-12-01-2001-12-31  
**PAYMENT TERMS:** NET-30 APPR  
**ARBITRATION:** GCA

## ACME TRADING SALE

**ID NO:** 543-654  
**DATE:** 2001, 09, 06  
**BUYER:** JAVA ROAST  
**PRODUCT:** GUAT HB  
**ARBITRATION:** GCA  
**QUANTITY:** 1,000  
**UNITS:** BAGS-69 KILO  
**DESTINATION:** MIAMI  
**POSITION:** DEL 12-01  
**WEIGHING:** S/W ½  
**PMT TERMS:** NET-30 FM APPR  
**PRICE:** \$1.0500/LB.  
**BASIS:** XD  
**CONTRACT:** Green Coffee Assoc

# Examples of Coffee Specific Standards

Cocoa Contract

Destination Declaration

Price-Rolling Letter

Price-Fixing Letter

Advice of Shipment

Sampling Order

Warehouse Release

Invoice (Pro forma and Final)

# Benefits of Standard Documents and Contracts

1. Avoid the costly alternative of replacing existing in-house software in order to exchange data electronically.
2. Reduce multiple re-entry of data along the supply chain.
3. Reduce data capture errors.
4. Reduce paper document handling costs.
5. Reduce telecommunications and courier expenses.



# Benefits of Standard Documents and Contracts

(Continued)

6. Enable seamless integration of new online services.
7. Facilitate online negotiation & confirmation of business.
8. Potentially speed up payment processes.
9. Enable automation of special reports (Bank collateral, warehouse inventories, pricing, risk position, insurance declarations, etc.)



# Strategic Considerations to Online Services

- ◆ Can you afford to ignore it?
  - ◆ Competitive Edge or Disadvantage
- ◆ Leading Edge not “Bleeding” Edge
  - ◆ Web-based Interface make Change Easier / Cheaper
  - ◆ Can Check Out New Products as they Become Available



**interCommercial**  
markets

[www.intercommercial.com](http://www.intercommercial.com)