

## IKE & MIKE

*In which Kaffee Hag joins Sanka Coffee under General Foods' roof, thereby making the decaffeinated coffee market a family affair.*

In Germany some years ago death came to the father of Ludwig Roselius. The doctors said it was too much coffee, for one thing. Forthwith Ludwig Roselius began a dogged quest for a way to make coffee free of caffeine.

Years later he found it, but only after plenty of experiments, failures, heartaches. Then with a patent in his pocket for a full-flavored coffee 97% free of caffeine and a shrewd eye on the U. S. market, he sailed here from Germany in 1914.

The name of the decaffeinated coffee was Kaffee Hag, the Hag being initials for Handels Aktien Gesellschaft, Roselius' outfit over in Bremen, which is still the biggest manufacturer of decaffeinated coffee in Europe.

Came the U. S. plunge into the World War, and the Government hurriedly took Roselius' brainchild from him, handed it over to the Custodian of Alien Properties. Later a certain George Gund bought & operated the Kaffee Hag business in a defunct brewery, some time afterward sold it to hefty Kellogg Co.

Roselius, meanwhile, was undaunted.

After the War hysteria had cooled off, he came back with another decaffeinated coffee, this time called it Sanka—a contraction of the French "sans caffeine."

Along about 1928 General Foods asked for a contract to market Sanka and got it, along with an option for the purchase of all the capital stock in the Sanka Coffee Corp. This they exercised in 1932, and Sanka became a full-fledged member of the clan that already included Maxwell House Coffee and Postum.

Between them, Sanka and Kaffee Hag have the U. S. and Canada decaffeinated coffee market all to themselves, there being no competition, as far as anyone knows. As to sales, it's pretty much of a toss-up, though Sanka seems to have the edge.

Last fortnight the whole market became the exclusive property of General Foods, whose president Clarence Francis gravely announced the purchase by his company of Kaffee Hag—its equipment, inventories and supplies together with the trade-mark, going business and good will.

The which marks the reunion of Roselius' twin ventures in this country, and brings the decaffeinated coffee market

under one roof. (Roselius, incidentally, is living in Germany now, where his title is Consul General Dr. Ludwig Roselius.)

Sales of decaffeinated coffee, according to Associated Coffee Industries, are minute in proportion to total coffee sales—less than 5%. And though there are no available statistics, informed guesses place the figure at around 75,000,000 pounds a year in the U. S. Mark-ups, however, are juicy; whereas coffee is often sold at little or no profit to wholesaler & retailer, decaffeinated coffee is pretty sure to bring the wholesaler 10%, the retailer, 25%. And the average retail price of a pound of decaffeinated coffee is considerably higher than that of a pound of nationally advertised coffee; the former brings from 35 to 45 cents, the latter, from 27 to 29 cents.

To boot, there's a steady market for caffeine that's been removed from coffee. Much of it's sold wholesale to chemists like Merck & Co., but rumors have it that it's also bought by Coca-Cola and other soft drink outfits.

Just about equal to sales of all decaffeinated coffee, reportedly, are those of General Foods' cereal beverage, Postum. But Postum's a coffee substitute, like cocoa, and hence not in direct competition with Sanka and Kaffee Hag.

General Foods has been mum about the whole deal, except for a taciturn admission that they'll operate Kaffee Hag in conjunction with Sanka, keep on shipping Kaffee Hag from Battle Creek where their cereal division's also located.

Both brands have been nationally advertised of recent years, Sanka via Young & Rubicam, Kaffee Hag via Kenyon & Eckhardt. And though Kaffee Hag announced its new agency would be Young & Rubicam, no one would say what General Foods had paid for Kaffee Hag.



INVENTOR ROSELIUS (Col. 2)

*It's pretty much a toss-up*