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LDC, Luckin to build coffee roasting facility in China

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Dutch firm Louis Dreyfus Company (LDC) and China headquartered Luckin Coffee has laid the foundation stone for their joint venture coffee roasting plant in Xiamen, China, with annual production capacity of 30,000 tons.



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Situated on a 35,000m^2 plot of land, the state-of-the-art plant will be equipped with the latest environmentally-friendly technology for coffee cleaning and roasting, including the roaster's exhaust air cleaning and smoke elimination. The plant is expected to start production by mid-2021, and its annual production capacity is expected to be expanded to 40,000 tons in a second phase of construction. In future, the high-quality beans will supply Luckin's growing network of coffee shops across China.

Jinyi Guo, Luckin Coffee Senior Vice President and Co-founder said, "LDC is among the worldâ??s largest merchandizers of green coffee beans, with a diverse product and regional portfolio. This is in line with Luckinâ??s focus on high quality coffee beans and diversified product flavors to meet consumer needs. Through this coffee roasting joint venture, Luckin extends upstream closer to the raw materials and production, giving greater product quality control and enhancing the ability to offer better products and services to consumers, together with a better coffee experience."

Michael Gelchie, LDC's Chief Operating Officer said, "We are pleased to be advancing in our alliance with Luckin, which has proved highly successful in developing a broad customer base in the Chinese coffee market, through the use of cutting edge technology and an innovative business model. Our strategic partnership will continue to strengthen LDC's business presence in China, enabling us to develop further downstream. This joint venture will also enable a more robust, transparent and sustainable coffee supply chain, to provide great tasting, high quality and convenient coffee to Chinese consumers."

LDC is merchants and processors of agricultural goods, active in China for more than 40 years. It has been in the coffee business for over 30 years, with coffee origination offices across 12 producing countries.

Luckin has collaborated with top suppliers in the coffee sector, including LDC. This coffee roasting joint venture project is part of a strategic cooperation between the two companies, which also includes a joint venture to develop a juice business, signed in September 2019.