Starbucks To Sell Single-Cup Coffee Machine

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NEW YORK (AP) — Starbucks Corp. said Thursday that it will soon sell a single-cup coffee machine that lets people brew lattes and other coffee drinks at home.

The Seattle-based coffee chain says the Verismo will go on sale online and at some Starbucks cafes this fall. It's keeping the price of the machine a mystery for now.

Starbucks first entered the single-serve market with its Via Ready Brew instant coffee in 2009, and it started selling K-cup packs for Green Mountain Coffee's Keurig single-cup machines in November.

A Starbucks representative said the new machine "fulfills a different consumer need" from the K-cup packs.

Shares of Green Mountain Coffee Roasters nevertheless sank $14.50, or 23 percent, to $47.90, in after-market electronic trading. The shares had closed down $1.32 at $2.40.

Starbucks shares climbed $1.81, or 3.6 percent, to $52.18 after hours.

Starbucks says its Verismo machine and coffee and milk pods are being developed in partnership with Krueger GmbH & Co KG, a privately held German company. The machine will be able to make espresso drinks as well as brewed coffee.

CEO Howard Schultz says the $8 billion dollar premium single-cup segment is the fastest growing part of the global coffee industry.

Schultz has said in the past that Starbucks' packaged-goods business could one day rival its cafe business. A key component of that will be increasing the company's single-serve coffee sales in the United States.

Starbucks stock, which had traded between $33.72 and $49.52 the past year, rose 88 cents in regular trading to close at a new 52-week high of $50.37.

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