

Keurig Adds Peet's Coffee, Alters Starbucks Deal

NEW YORK (AP) — [Keurig](#) [1] is giving its coffee lineup a jolt.

The company said Friday that it signed a multi-year deal with [Peet's Coffee & Tea](#) [2] to make K-Cups of its coffees and teas for Keurig coffee machines. The deal was announced on the same day that Keurig changed the terms of its existing five-year contract with Starbucks.

[Starbucks](#) [3] said Friday that it agreed to give up its right to be the only provider of premium coffee for Keurig's machines, which makes coffee one cup at a time. That opened the door for Keurig to do business with Starbucks rivals, such as Peet's.

In exchange for ending its exclusivity rights, Starbucks said it will provide more types of coffee for Keurig machines and will receive "improved business terms." Financial terms of the Starbucks and Peet's deals were not disclosed.

Investors seemed to like the new deals. They sent shares of Keurig up \$8.41, or almost 8 percent, to \$114.57 in afternoon trading Friday. Shares of Seattle-based Starbucks rose 13 cents to \$74.56. Peet's, based in Emeryville, Calif., is privately held.

Other changes have been brewing at Keurig. Last week, the Waterbury, Vt.-based company changed its name to Keurig Green Mountain Inc. from Green Mountain Coffee Roasters Inc. to better reflect its coffee machines.

Last month, the company said it is working on a machine for cold drinks called Keurig Cold. It also said the Coca-Cola Co. bought a 10 percent stake in the company for \$1.25 billion and will offer its beverage brands for the new machine.

Also read: [Calif. Coffee Firm Sues Keurig Green Mountain for Unfair Competition](#) [4]

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Links:

[1] <https://twitter.com/Keurig>

[2] https://twitter.com/Peets_Tweets

[3] <https://twitter.com/Starbucks>

[4] <http://www.foodmanufacturing.com/news/2014/03/calif-coffee-firm-sues-keurig-green-mountain-unfair-competition>

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