

COFFEE HOLDING CO INC  
Form 10-Q  
June 14, 2007

**U.S. SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

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**FORM 10-Q**

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended: **April 30, 2007**

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number: **001-32491**

**Coffee Holding Co., Inc.**

*(Exact name of registrant as specified in its charter)*

**Nevada**

*(State or other jurisdiction of incorporation or organization)*

**11-2238111**

*(I.R.S. Employer Identification No.)*

**4401 First Avenue, Brooklyn, New York**

*(Address of principal executive offices)*

**11232-0005**

*(Zip Code)*

**(718) 832-0800**

*(Registrant's telephone number including area code)*

**N/A**

*(Former name, former address and former fiscal year, if changed from last report)*

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No .

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act). Check one:

Large accelerated filer  Accelerated filer  Non-accelerated filer

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Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).  
Yes  No .

Indicate the number of shares outstanding of each of the issuer's classes of common stock as of the latest practicable date.

**5,529,830 shares of common stock, par value \$0.001 per share, outstanding at May 31, 2007**

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**PART I — FINANCIAL INFORMATION****Item 1. Financial Statements**

**COFFEE HOLDING CO., INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
**APRIL 30, 2007 AND OCTOBER 31, 2006**

	April 30, 2007 (unaudited)	October 31, 2006
<b>- ASSETS -</b>		
<b>CURRENT ASSETS:</b>		
Cash	\$ 1,677,825	\$ 1,112,165
Commodities held at broker	3,428,114	4,330,489
Accounts receivable, net of allowance for doubtful accounts of \$420,349 for 2007 and 2006	4,589,560	6,534,848
Inventories	3,938,672	2,899,543
Prepaid expenses and other current assets	744,693	328,544
Prepaid and refundable taxes	6,710	302,003
Deferred income tax assets	452,000	221,000
<b>TOTAL CURRENT ASSETS</b>	<b>14,837,574</b>	<b>15,728,592</b>
Property and equipment, at cost, net of accumulated depreciation of \$4,317,727 and \$4,159,274 for 2007 and 2006, respectively	2,458,544	2,138,951
Investment in joint venture	281,858	408,798
Due from joint venture	220,030	73,658
Deposits and other assets	349,335	631,859
<b>TOTAL ASSETS</b>	<b>\$ 18,147,341</b>	<b>\$ 18,981,858</b>
<b>- LIABILITIES AND STOCKHOLDERS' EQUITY -</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable and accrued expenses	\$ 4,052,468	\$ 4,828,689
Income taxes payable	74,707	-
Line of credit borrowings	1,703,952	2,542,881
<b>TOTAL CURRENT LIABILITIES</b>	<b>5,831,127</b>	<b>7,371,570</b>
Deferred income tax liabilities	9,750	12,300
Deferred compensation payable	316,169	256,284
<b>TOTAL LIABILITIES</b>	<b>6,157,046</b>	<b>7,640,154</b>
<b>MINORITY INTEREST</b>	<b>-</b>	<b>-</b>
<b>COMMITMENTS AND CONTINGENCIES</b>		
<b>STOCKHOLDERS' EQUITY:</b>		
Preferred stock, par value \$.001 per share; 10,000,000 shares authorized; none issued	-	-
Common stock, par value \$.001 per share; 30,000,000 shares authorized, 5,529,830 shares	5,530	5,530

issued and outstanding for 2007 and 2006,  
 respectively

Additional paid-in capital	<b>7,327,023</b>	7,327,023
Retained earnings	<b>4,657,742</b>	4,009,151
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>11,990,295</b>	11,341,704
<b>TOTAL LIABILITIES AND          STOCKHOLDERS' EQUITY</b>	<b>\$ 18,147,341</b>	<b>\$ 18,981,858</b>

See notes to Condensed Consolidated Financial Statements.

**COFFEE HOLDING CO., INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
**SIX AND THREE MONTHS ENDED APRIL 30, 2007 AND 2006**  
(Unaudited)

	Six Months Ended April 30		Three Months Ended April, 30	
	2007	2006	2007	2006
<b>NET SALES</b>	\$ 26,829,485	\$ 25,855,773	\$ 14,194,373	\$ 12,010,928
<b>COST OF SALES</b>	22,553,727	22,667,636	12,087,210	11,148,234
<b>GROSS PROFIT</b>	4,275,758	3,188,137	2,107,163	862,694
<b>OPERATING EXPENSES:</b>				
Selling and administrative	2,846,734	2,502,295	1,456,044	1,219,458
Writedown of amount due from joint venture				