

CONFIDENTIAL

YOUR BEST SOURCE OF INFORMATION ABOUT THE BRAZILIAN COFFEE BUSINESS. THIS ISSUE:

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PREMIUM COFFEE GAINS GROUND ACROSS ALL INCOME GROUPS IN BRAZIL

A recent study shows that Brazilian consumers are increasingly balancing cost and quality by purchasing coffee at different prices. Premium coffee, that usually costs 20% above the market average, has reached 34.2% of Brazilian households. The study's most significant finding is the expansion of premium coffee among lower-income consumers. In the D and E income groups, its household penetration increased from 20.6% in 2024 to 29.7% in 2025. Middle- and lower-income consumers have been increasingly combining premium brands with mainstream and economy options rather than replacing one category with another. This allows them to enjoy higher-quality coffee while managing household budgets.

Source: Hub do Café

FAMILY GROWERS TRIPLE THEIR INCOME BY INVESTING IN COFFEE ROASTING AND DIRECT SALES IN MINAS GERAIS

The Coffee Value Chain Verticalization Program, developed by the Technical Assistance and Rural Extension Institute of Minas Gerais (Emater-MG), helps family growers process and market their own coffee, including roasting, grinding, and creating their own brands to add value to the product. Instead of selling green coffee, growers can improve their income by selling roasted coffee. While a 60-kg bag of green coffee is generally sold for around US\$580 to US\$770, the same coffee can generate US\$1,150 to US\$1,920 after roasting, depending on its quality. Emater-MG also provides guidance on product quality, labeling, packaging, and marketing strategies. Minas Gerais currently has 873 family-run coffee agro-industries. R&G coffees are sold directly on farms, small retail stores and coffee shops as well as online.



Source: Notícias Agrícolas

COOPS ACCOUNT FOR TWO-THIRDS OF MINAS COFFEE

Today, nearly two-thirds of the Arabica coffee produced in the state of Minas Gerais pass through cooperatives. This shows the important role cooperatives play in production, market access, and value addition. Coffee production handled by the state's cooperatives increased 1.5 million bags from 2024 to 2025 and reached 16.4 million bags of Arabica coffee. In Brazil, 29 out of every 100 cups of coffee come from beans that passed through a cooperative in Minas Gerais. Among the ten largest cooperatives in the state, six of them have coffee as their main source of income.

Source: Valor Econômico

SÃO PAULO COFFEE CROP EXPECTED TO INCREASE TO ALMOST 6 MILLION BAGS

The coffee crop in São Paulo, the second largest Arabica producing state in Brazil, is expected to increase 24.6% in 2026 and reach 5.91 million bags of green coffee, according to a report by the Federation of Agriculture and Livestock of the State of São Paulo (FAESP). The increase is mainly attributed to the Arabica coffee on-year and the recovery of plantations affected by weather conditions during the previous season.

Source: CCCMG

EPAMIG OPENS PILOT FACILITY FOR COFFEE OIL EXTRACTION

The Agricultural and Livestock Research Institute of Minas Gerais (EPAMIG) has opened a pilot Coffee Oil Extraction Lab in Lavras. Coffee oil is used in cosmetics, dermocosmetics, and pharmaceutical and functional ingredients, and its extraction can complement traditional coffee production by diversifying income sources and adding value. The new facility will develop and disseminate strategic technologies for coffee growers. Green coffee's high bioactive potential, due to its rich content of antioxidants, fatty acids, and phytochemicals, has attracted growing industrial interest because of its technological and functional properties. The agroindustry may use these research findings to produce natural coffee-based cosmetics and extract bioactive-rich oil from agro-industrial residues.

Source: CCCMG

THREE NEW CONILON COFFEE CULTIVARS RELEASED



The Federal University of Espírito Santo (UFES) has obtained official registration from Brazil's Ministry of Agriculture and Livestock (MAPA) for three new Conilon coffee cultivars: Caxixe, Aimorés, and Leve L80. The new cultivars are the result of years of research focused on developing characteristics that can strengthen the competitiveness of Brazilian coffee production such as greater climate adaptation and lower caffeine content. Caxixe is cold-weather-tolerant, an unprecedented characteristic for growing Conilon in higher-altitude areas in Espírito Santo. Aimorés is the first Conilon cultivar developed specifically for the state of Minas Gerais. Leve L80, in turn, is the first officially registered Conilon cultivar with naturally low caffeine content.

Source: Canal Rural

ARARA COFFEE TREES MAINTAIN HIGH VIGOR AFTER REPEATED PRUNING

Coffee trees of the Arara cultivar have shown excellent recovery after several pruning cycles and demonstrated great plant vigor. Over the past 15 years, Arara cultivar has been the most productive in field trials conducted in different coffee growing regions. It has also maintained good resistance to coffee leaf rust and has presented high-quality cherries. An observation plot at the Experimental Farm in Varginha, at an altitude of about 1,000 meters, was planted in 2001 with 100 Arara coffee trees that have undergone four cycles of skeleton pruning in recent years. Evaluations carried out in 2026 showed that these trees presented vigorous vegetative growth and a heavy crop load. Yield for the current crop is estimated to exceed 100 bags per hectare.



Source: Café Point

CARBON CREDITS GAIN GROUND IN BRAZILIAN AGRIBUSINESS

A survey by the Brazilian Association of Rural and Agribusiness Marketing (ABMRA) shows that carbon credits have gained ground among Brazilian growers. According to the survey, 34% of Brazilian growers are familiar with the topic and among them 24% are already involved in sustainability and environmental initiatives. Preserving natural areas is the most common practice and was mentioned by 66% of the participants. Other measures include sustainable farming practices (42%) and reforestation (34%). This result reflects the gradual adoption of environmental initiatives across Brazil's agribusiness sector.

Source: Peabirus

Brazilian Prices

Main Producing Regions / Farm Gate

June 30, 2026

Arabica Naturals (R\$/ 60 kg bag)		Conilon / Robusta (R\$/ 60 kg bag)	
Cerrado MG	1,705.00 =	Colatina-ES fair average price	1,120.00 ↑
Mogiana	1,700.00 =		
South Minas	1,700.00 =		
Arabica Pulped Naturals (R\$/ 60 kg bag)		B3 (US\$/60kg Arabica bag)	
Cerrado MG	1,805.00 =	Sep 2026	354.00 ↑
South Minas	1,800.00 =	Dec 2026	345.70 ↑
		Mar 2027	343.65 ↑
		Real R\$ / Dollar US\$	
		Jun 30, 2026	5.16 ↑

+ 6.2%

Source:

www.qualicafex.com.br

TECHNOLOGY TRANSFER WITH A HOLISTIC APPROACH TO INCREASE GROWERS' INCOME

A recent article in one of Brazilian leading newspapers had an interview with Jacob Moscona, MIT professor and co-author of a study arguing that Embrapa has been responsible for a “revolution” in Brazilian agriculture.

“That Embrapa – the Brazilian Agricultural Research Corporation – revolutionized Brazilian agriculture is virtually undisputed in both academia and the agricultural sector. What Jacob Moscona, an economist and professor in the Department of Economics at the Massachusetts Institute of Technology (MIT), argues is that Embrapa’s agricultural research model – based on public investment, decentralization, and the development of new technologies specifically designed for local conditions rather than adapted from elsewhere – could serve as an inspiration for countries around the world. This applies not only to nations with conditions similar to Brazil’s, but also to countries with very different contexts, such as China, which has been implementing a research model similar to Embrapa’s.”

“For many African countries with climatic conditions similar to Brazil’s, Moscona believes that transferring existing technologies may be more advantageous than building entirely new research systems. Smaller countries with different ecological characteristics could also benefit from creating institutions modeled after Embrapa.”

“There is enormous potential to learn from Brazil’s experience. Establishing an Embrapa-like institution in ecologically different environments could generate substantial returns.”

Having been involved as a consultant with the inception of Embrapa Café and the Coffee Research Consortium that it manages, that I helped to create and in whose first board I sat, I can state that what Prof. Moscona argues is fully applicable to coffee research.

Coffee productivity in Brazil tripled to about 2 tons per hectare today with a great impact on growers’ income as a result of strong coffee research and extension services. Having developed projects in most coffee producing countries around the world, I can paraphrase Prof. Moscona and state that a substantial part of the coffee technology developed in Brazil can be adapted for the use in other producing countries with similar results – greater productivity and income – for growers.

However, in order to be successful, this coffee production technology transfer that Prof. Moscona proposes requires not only adaptation to different ecological characteristics but also to encompass the coffee supply chain and the institutional environment of the country where it will be introduced, in what I call a holistic approach.

Labor efficiency in cultivation and harvesting will have to be increased and this is most likely to affect how post-harvest processing takes place and the types of coffees produced. This will in turn change the way coffee is marketed because it will create coffees that can be used to increase consumption by the billions of people who live in producing countries and consume little or no coffee.

At the same time that coffee yields in Brazil tripled, per-capita consumption increased from 3 to 6 kg of coffee per year and the country’s total consumption went from 6 to 23 million bags per year and leveraged the increase of growers’ income. Coffee consumption in Brazil accounts for an average of 40% of the country’s total production. This process should be replicated along with south-south technology transfer in countries interested in improving the living income of their coffee growers.

Our company P&A is proud to have supported several initiatives to expand Brazilian consumption and to have prepared, for the International Coffee Organization (ICO), the Step-by-step Guide to Promote Coffee Consumption in Producing Countries. P&A then consulted to design programs to promote coffee consumption in more than 15 producing countries, which is another example of south-south exchange of experiences and practices.

Last but not least, how will this holistic process to increase coffee growers’ income be financed? It has been known for years that Embrapa’s return on investment has been above 15%. The MIT study found that public investment in Embrapa generated “at least US\$ 17 in agricultural output for every US\$ 1 invested”. This should be attractive for impact investment funds, cooperation agencies and governments to invest in a holistic approach to increase coffee growers’ income in many countries.

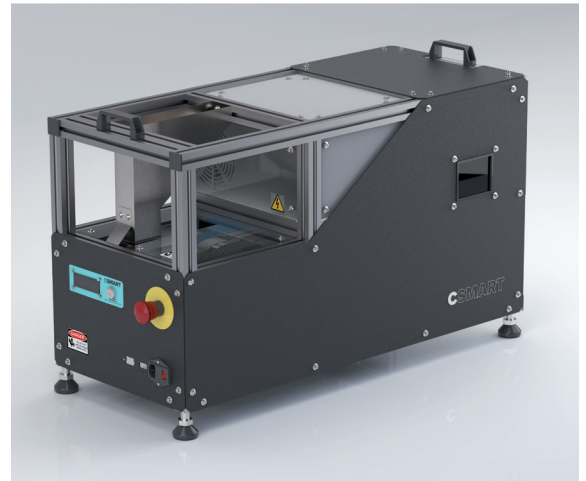
The challenge is to bring all these initiatives – coffee cultivation, harvesting and post-harvest processing technology transfer, promotion of domestic consumption and value addition, and financing – under the same umbrella in a holistic approach to increase growers’ income and their countries’ revenues.

CSMART DIGITAL GREEN COFFEE ANALYZER

Quality assessment of green coffee has traditionally relied on manual sampling and the trained eye of a classifier, a process that is slow, subjective, and difficult to reproduce from one lot to the next. As producers, cooperatives, and exporters increasingly compete on quality and traceability, the demand for fast, objective, and repeatable classification has never been greater. CSMART answers this need by bringing artificial intelligence and computer vision to the green coffee bench.

CSMART ANALYZER

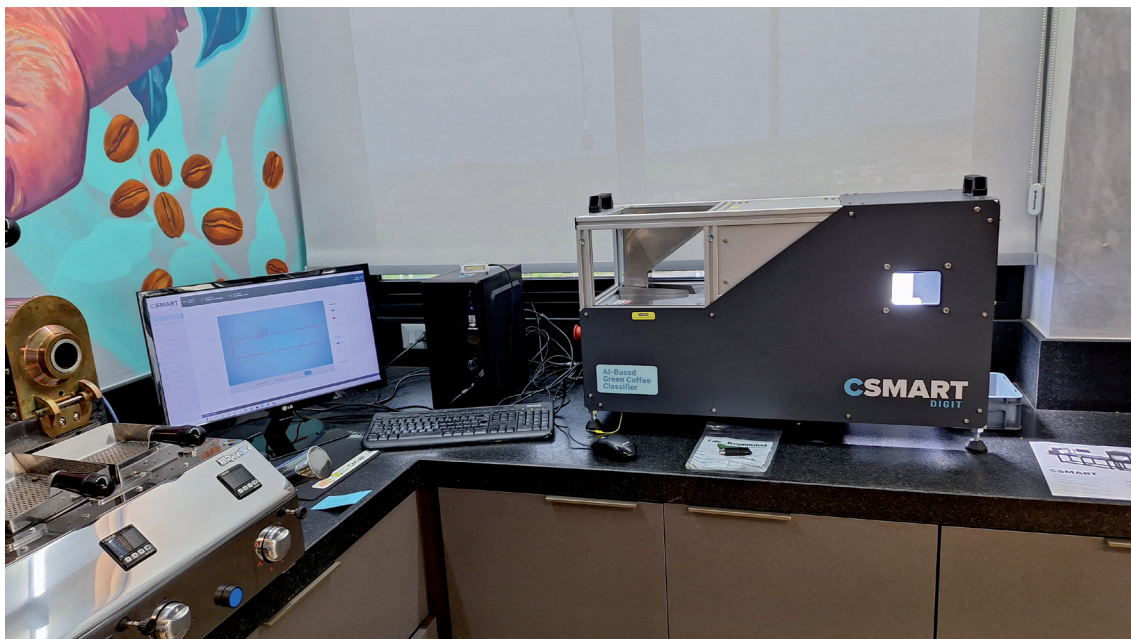
The CSMART is a compact desktop analyzer that photographs a coffee sample individually and, in minutes, delivers a complete quality report. Using AI models trained on hundred thousands of beans, it identifies and counts defects, classifies beans by type, and measures screen (sieve) size distribution, color, and estimated weight. Results are consistent lot after lot, making the CSMART Digit an ideal tool for entry classification, blending decisions, and quality control across the supply chain.



SIMPLE, GUIDED OPERATION

A single sample is all it takes: place the beans, capture the image, and read the report. Reports can be stored and compared, building a digital quality record for every lot that passes through the bench.

Objective, digital, and repeatable, the CSMART brings laboratory-grade coffee analysis into a single desktop unit, helping producers and traders defend the true value of their coffee.



Contact the Pinhalense agent closest to you or the Pinhalense team itself to learn more about the CSMART digital green coffee analyzer.