

# CONFIDENTIAL

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

**- ARTICLES ABOUT COFFEE IN 2019 – OUTLOOK FLASHBACK (PAGE 3)**

**- ALL ABOUT PINHALENSE MACHINES – MACHINE OF THE MONTH FLASHBACK (PAGE 4)**

## **COFFEE OCCUPIES UNDER 1% OF BRAZIL’S AGRICULTURAL LAND**

Brazil is the fifth largest country in the world, with a total area of 851.57 million hectares. The area under pastures, crop cultivation, and planted forests is 255.47 million hectares that account for only 30% of the national territory, with coffee taking 1.81 million hectares that represent only 0.71% of this area. Brazil has a high rate of environmental preservation, with 562.03 million hectares of preserved forests, i.e., 66% of its total territory. Brazil produced 49.3 million bags of coffee in 2019 that correspond to 29.45% of the world coffee production. Coffee production generated total revenues of R\$ 19.3 billion (US\$ 4.7 billion) and Minas Gerais accounted for 54.9% of the total, Espírito Santo 22.2%, and São Paulo 9.9%.

Source: Embrapa Café

## **DRONES SUPPORT TECHNICAL ASSISTANCE SERVICES IN MINAS GERAIS**

Emater, the Technical Assistance Agency of Minas Gerais state, is now using drones to map coffee producing areas, develop soil studies, monitor the incidence of pests and diseases, and evaluate and improve productivity, among other functions. Fourteen technicians have undergone training to operate the equipment that supports precision agriculture, with lower costs and faster results than conventional technologies. The drones, first used to map all properties in the Certifica Minas Café program, in a total of 2,200 coffee hectares, are now being employed in studies of environmental zoning. Digital mapping allows for rational decision making and helps growers to save on inputs, reduce waste and improve farm management.

Source: Emater-MG

## **DIGITAL PLATFORM BRINGS TOGETHER BRAZILIAN GROWERS AND FOREIGN ROASTERS**

As mentioned in the last issue of Confidential, Agriculture 4.0 is a term that refers to the use of digital technology in production processes. Small coffee growers from São Gonçalo de Sapucaí, in South Minas Gerais, are demonstrating that small producers can also use digital technology as an ally to achieve good results. Three young farmers that belong to the Alto da Serra Growers Association (APAS, for its initials in Portuguese) started to “post” their coffee lots on an online coffee selling platform, a new method to market the product abroad directly to roasters, and sold above market prices. The direct contact between growers and roasters creates a commercial relationship that benefits both.

Source: Emater-MG

## **COOP TRAINS YOUNGSTERS ON SUCCESSION AND SUSTAINABILITY**

Coocafé cooperative, in Lajinha, Minas Gerais, has concluded another round of its capacity building program for youngsters held every year for the past 10 years. The program, that aims at preparing coffee growers’ children and grandchildren to take over the farms in the future, lasts a whole year and finishes with a gathering of the young cooperative members. The project combines the experience of adult coffee growers with the innovative voices of the young crowd to generate sustainability and interest for coffee farming.

Fonte: Peabirus

## **BRAZILIAN CROP DOES NOT REACH 50 MILLION BAGS IN 2019**

The Brazilian coffee crop reached only 49.3 million bags with an average yield of 27.2 bags per hectare in 2019. The numbers indicate a decrease of 20% and 17.8%, respectively, when compared to the 2018 crop. Arabica accounted for 34.3 million bags, 69.5% of the total crop, with a reduction of 27.8% compared to 2018. Conilon reached 15 million bags, 30.5% of the total crop, with an increase of 5.9% over 2018.

Source: Embrapa Café



**BRAZILIAN COFFEE EXPORTS SET NEW RECORD**

Brazilian coffee exports registered a new record in 2019. Shipments from January to November totaled 37.4 million bags, an increase of 18.4% compared to the same period in 2018. This volume exceeded the previous record of 37.02 million bags registered in 2015. Exports revenues totaled US\$ 4.7 billion, with an increase of 2% over the same period of 2018.

Source: O Estado de São Paulo

**CAMPAIGN CREATES AWARENESS ABOUT AGROCHEMICAL PACKAGE DISPOSAL**

An itinerant campaign collected 15 tons of agrochemical packages returned by producers of coffee, soy, strawberry and potato over three days in December in Três Corações, South Minas region. The campaign aims at creating awareness about the correct destination of agrochemical containers among farmers, cooperatives and inputs stores, helping growers to comply with the law. Minas Gerais has 50 collection points and 11 central units that receive this type of package year-round, to be sent to recycling. Currently more than 90% of agrochemical packages are correctly disposed off in the state.

Source: Seapa (Secretariat of Agriculture, Livestock and Food Supply of Minas Gerais)



**COFFEE PRODUCTION SETS THE PATH FOR SUSTAINABILITY IN BRAZIL**

Coffee farms Pinhal and O'Coffee were elected the two most sustainable farms in Brazil at the 6th Sustainable Farm Award held in November. Located in Santo Antonio do Amparo, Minas Gerais state, Pinhal Farm was chosen as the most sustainable in the country because it combines technology and sustainable farming management preserving flora and fauna. The property also reduced its use of water, fertilizers, pesticides and fuel, and installed solar panels for power generation. At O'Coffee Farm, located in Pedregulho, São Paulo state, the production of its own fertilizer and the cultivation of native species to neutralize carbon emissions attracted the attention of the jurors. O'Coffee also reduced pesticide use by 30% by monitoring pests and diseases.

Sources: BSCA and Notícias Agrícolas

**COFFEE EVENT FOCUSED ON CONSUMERS LAUNCHED IN SÃO PAULO**

The new SP Café event, to be held in São Paulo on May 15 to 17, 2020, will focus on the final consumer with the goal of attracting youngsters and families to the coffee universe with different experiences and tasting. The first of its kind in Latin America, the event will have special areas dedicated to small growers and coffee stores.

Source: O Estado de São Paulo

**OFFER OF SPROUTING PROCESSED COFFEE TO INCREASE**

A business accelerator owned by the 3Corações Group has acquired 50% of “Café do Moço”, with plans to invest R\$ 2.5 million (US\$ 625,000) in a new store, in the relaunch of its e-commerce and in a large facility that will host the roasting operation, courses and events in the outskirts of Curitiba, Paraná state. The partnership will also invest in the development and dissemination of production and consumption of coffee processed by the “sprouting method”, a post-harvesting system that increases the germination potential of coffee beans to improve their sensorial features. The process was developed by Léo Moço, four times Brazilian barista champion and founder of Café do Moço.

Source: Globo Rural

**Brazilian Prices**

Main Producing Regions / Farm Gate

December 30, 2019

**Arabica Naturals (R\$/ 60 kg bag)**

Cerrado MG	475,00 ↓
Mogiana	470,00 ↓
South Minas	470,00 ↓

**Arabica Pulped Naturals (R\$/ 60 kg bag)**

Cerrado MG	565,00 ↓
South Minas	560,00 ↓

+ 20.2%

**Conilon / Robusta (R\$/ 60 kg bag)**

Colatina-ES fair average price	304,00 ↓
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**BM&F (US\$/60kg Arabica bag)**

Mar 2020	148,50 ↑
Sep 2020	152,10 ↑
Dez 2020	158,55 ↑

**Real R\$ / Dolar US\$**

Dec 30, 2019	4,01 ↓
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Source: [www.qualicafex.com.br](http://www.qualicafex.com.br)

**FEB:** A REFLECTION ON COFFEE PRICES

[http://peamarketing.com.br/imgs/pa\\_coffidential\\_\\_139\\_\\_february2019.pdf](http://peamarketing.com.br/imgs/pa_coffidential__139__february2019.pdf)

**MAR:** IS PROMOTING CONSUMPTION A REMEDY FOR LOW COFFEE PRICES AND DECAYING SUSTAINABILITY?

[http://peamarketing.com.br/imgs/pa\\_coffidential\\_\\_140\\_\\_march2019.pdf](http://peamarketing.com.br/imgs/pa_coffidential__140__march2019.pdf)

**APR:** PROMOTING CONSUMPTION AS A REMEDY FOR LOW COFFEE PRICES AND DECAYING SUSTAINABILITY... REVISITED

[http://peamarketing.com.br/imgs/pa\\_coffidential\\_\\_141\\_\\_april2019.pdf](http://peamarketing.com.br/imgs/pa_coffidential__141__april2019.pdf)

**MAY:** POOLING EFFORTS TO FACE THE PRICE CRISIS AND TO INCLUDE YOUNGSTERS

[http://peamarketing.com.br/imgs/pa\\_coffidential\\_\\_142\\_\\_may2019.pdf](http://peamarketing.com.br/imgs/pa_coffidential__142__may2019.pdf)

**JUN:** CALL TO ACTION TO COLLECTIVELY ADDRESS THE PRICE CRISIS

[http://peamarketing.com.br/imgs/pa\\_coffidential\\_\\_143\\_\\_june2019.pdf](http://peamarketing.com.br/imgs/pa_coffidential__143__june2019.pdf)

**JUL:** DRINK ONE MORE CUP OF COFFEE TO MAKE THE WORLD BETTER!

[http://peamarketing.com.br/imgs/pa\\_coffidential\\_144\\_july2019\\_190710052719.pdf](http://peamarketing.com.br/imgs/pa_coffidential_144_july2019_190710052719.pdf)

**AUG:** POVERTY AND THE SIZE OF COFFEE FARMS

[http://peamarketing.com.br/imgs/pa\\_coffidential\\_\\_145\\_\\_august2019\\_190813041602.pdf](http://peamarketing.com.br/imgs/pa_coffidential__145__august2019_190813041602.pdf)

**SEP:** LIVING WAGE AND LIVING INCOME

[http://peamarketing.com.br/imgs/pa\\_coffidential\\_\\_146\\_\\_september2019.pdf](http://peamarketing.com.br/imgs/pa_coffidential__146__september2019.pdf)

**OCT:** RETAINING ORIGIN DIVERSITY

[http://peamarketing.com.br/imgs/pa\\_coffidential\\_\\_147\\_\\_october2019\\_191016041210.pdf](http://peamarketing.com.br/imgs/pa_coffidential__147__october2019_191016041210.pdf)

**NOV:** COFFEE PRICE CRISIS AND BETTER CONTROL OF PROCESSING

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**DEC:** THE COMPETITIVENESS OF BRAZIL AND OPPORTUNITIES FOR OTHER COFFEE PRODUCING COUNTRIES

[http://peamarketing.com.br/imgs/pa\\_coffidential\\_\\_149\\_\\_december2019\\_191213092059.pdf](http://peamarketing.com.br/imgs/pa_coffidential__149__december2019_191213092059.pdf)

**FEB:** ELECTRONIC BIG-BAG AND FLOW SCALES FOR COFFEE AND MANY OTHER PRODUCTS

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**MAR:** PINHALENSE LAUNCHES IoT-COMPATIBLE SYSTEM TO MONITOR AND CONTROL THE COFFEE DRYING PROCESS

[http://peamarketing.com.br/imgs/pa\\_coffidential\\_\\_140\\_\\_march2019.pdf](http://peamarketing.com.br/imgs/pa_coffidential__140__march2019.pdf)

**APR:** PINHALENSE DRYING CONTROL SYSTEM WITH UNIQUE THREE TEMPERATURE MEASURING POINTS

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**MAY:** CENTRALIZING ON-FARM MILLING TO EMPOWER GROUPS OF COFFEE GROWERS

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**JUN:** PERFECT BLEND LINE LAUNCHED: BLENDING, SAMPLING AND WEIGHING

[http://peamarketing.com.br/imgs/pa\\_coffidential\\_\\_143\\_\\_june2019.pdf](http://peamarketing.com.br/imgs/pa_coffidential__143__june2019.pdf)

**JUL:** CARMOMAQ LAUNCHES NEW 1 KG ELECTRIC ROASTER

[http://peamarketing.com.br/imgs/pa\\_coffidential\\_\\_144\\_\\_july2019\\_190710052719.pdf](http://peamarketing.com.br/imgs/pa_coffidential__144__july2019_190710052719.pdf)

**AUG:** PINHALENSE IS AGAIN REINVENTING ITSELF WITH STRONG R&D AND NEW TECHNOLOGY

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**SEP:** BEYOND COFFEE: BEYOND COFFEE: EQUIPMENT FOR COCOA, MACADAMIA, BEANS, BLACK PEPPER, AND OTHER SEEDS, NUTS AND GRAINS

[http://peamarketing.com.br/imgs/pa\\_coffidential\\_\\_146\\_\\_september2019.pdf](http://peamarketing.com.br/imgs/pa_coffidential__146__september2019.pdf)

**OCT:** NATURALS FROM RIPE CHERRIES: MECHANICAL SIPHONS, GREEN CHERRY SEPARATORS AND COLOR SORTERS

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**NOV:** BETTER CONTROL OF PROCESSING TO INCREASE EFFICIENCY AND MARGINS

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**DEC:** THE SUSTAINABILITY OF THE COFFEE CHAIN'S SUPPLIERS

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