

# CONFIDENTIAL

**15th  
Anniversary  
Issue!**

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

**THIS ISSUE:**

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## **EMBRAPA CARRIES OUT SEQUENCING OF LEAF MINER GENE**

Leaf miner, *Leucoptera coffeella*, is the main pest in coffee cultivation in the Cerrado region where it can affect production significantly. Embrapa Genetic Resources and Biotechnology sequenced the leaf miner gene and set up a database to explore solutions with several possibilities for generating specific biotechnological products to control it without interfering with other insects that have positive impacts on coffee production.

Source: Correio Brasiliense

## **FIRST COFFEE IN THE WORLD TO RECEIVE REGENERATIVE AGRICULTURE CERTIFICATION**

The Cerrado Coffee Growers Cooperative (Expocaccer) and Dulcerrado launched the world's first coffee with regenerative agriculture certification. The certifiers Regenagri and Control Union recognized that the coffee of the cooperative member Fernando Noguez Beloni was produced with good agricultural practices. The coffee is part of the Raízes da Dulcerrado Special Edition which aims to present and promote specialty coffees grown in a sustainable way in the Cerrado Mineiro Region. Coffees of this special edition will be available in roasted beans, roasted and ground, and green bean versions.

Source: Expocaccer

## **CLIMATE CONDITIONS TO IMPACT 2023 COFFEE SEASON**

The volume of Arabica production in Brazil in the 2022 season is still uncertain and current climate conditions are already affecting market perceptions and estimates of next year's production. Rainfall is below average and Procafé Foundation already considers the drought current conditions worse than in 2021. Higher-than-usual temperatures in the main coffee growing areas of Minas Gerais are an additional concern.

Source: Notícias Agrícolas

## **AMAZON REGION BENEFITS FROM SUSTAINABLE COCOA PRODUCTION**

The expansion of sustainable cocoa production has been extremely beneficial for the Amazon basin as it integrates forest preservation and generation of employment and income. Pará is today the largest cocoa producing state in Brazil. Cocoa revenues in the state reach more than 50% of the total generated by the sector in the country and 70% of the cultivation is carried out in degraded areas mostly by small farmers who all use agroforestry systems. Embrapa's study named "The Sustainable Expansion of the Cocoa Crop in the State of Pará and Its Contribution to Altered Areas Recovery and Fire Reduction", was published in the Journal of Geographic Information System and presents detailed description of the evolution of cocoa plantation, historical expansion, farming practices, land use, forest-fire control, etc. The study can be accessed at <https://bit.ly/3P3MR5J>.



Source: Embrapa Amazônia Oriental

**☉ SUSTAINABLE COFFEE BEING PRODUCED BY BRAZILIAN INDIANS**

Sustainable production of quality coffee at Apoena Meirelles and Masepô indigenous villages in Mato Grosso state has drawn the attention of the national market. The indigenous community currently grows one hectare of coffee with 3,000 trees of high productive potential. To encourage this initiative, the state’s Family Agriculture Secretariat (Seaf) supplied the seedlings and its Research, Assistance and Rural Extension Department (Empaer) provided technical extension services. Some indigenous growers also traveled to Rondônia, where similar and successful work is already in place, to learn planting and cultivation techniques. The community expects to produce 45 to 60 bags of coffee in the planted area. Their sale value will be used to improve the living conditions of the 11 families that live in the indigenous villages.

Source: Notícias Agrícolas

**☉ VOLCANIC REGION INCLUDED IN BRAZILIAN COFFEE PRODUCING ORIGINS**

The Brazilian Volcanic Region has been added to the map of coffee producing areas by the Brazilian Specialty Coffee Association (BSCA). Its unique terroir, in the area of a volcano that became extinct 60 million years ago, comprises 12 municipalities in South Minas and São Paulo’s Mogiana region. Flavors of yellow fruits, caramel, and chocolate with high body, citric acidity and sweet finish are among the cup features of coffees grown in volcanic soil. The BSCA map of coffee producing areas in Brazil, composed of 34 regions, can be accessed at <https://bit.ly/3A6wEby>.

Source: CaféPoint

**☉ COOPERATIVE LAUNCHES NEW OPTION FOR COFFEE CONSUMERS**



Cocatrel coffee cooperative, located in Três Pontas, Minas Gerais state, now offers a new option for coffee lovers: green coffee to be roasted and ground at home. The sale of green coffee recalls the origins of consumption, i.e., the time when families roasted coffee at home in most coffee producing areas of Brazil. This new product caters to the market niche that treats the process of roasting and grinding as a true ritual of coffee consumption. The green coffee launched by Cocatrel is a Yellow Bourbon sold in vacuum-packed 1kg transparent packages available at Cocatrel coffee shops and online store.

Source: Cocatrel

**☉ FUNCAFÉ FUNDS NOW AVAILABLE FOR COFFEE GROWERS**

Coffee growers can now access the Brazilian Coffee Fund (Funcafé) credit lines of R\$ 6 billion (US\$ 1.16) available at 12 financial institutions. The funds are available for coffee cultivation, storage, commercialization and acquisition, working capital for industries and cooperatives, and also for the recovery of damaged coffee plantations. Funcafé's interest rate for this season is 11% per year or below depending on the type of operation and beneficiary of the loan.

Source: Canal Rural

**Brazilian Prices**

Main Producing Regions / Farm Gate

July 29, 2022

| Arabica Naturals (R\$/ 60 kg bag)        |           | Conilon / Robusta (R\$/ 60 kg bag) |          |
|--|-----------|------------------------------------|----------|
| Cerrado MG                               | 1295,00 ↓ | Colatina-ES fair average price     | 738,00 ↑ |
| Mogiana                                  | 1290,00 ↓ |                                    |          |
| South Minas                              | 1290,00 ↓ |                                    |          |
| Arabica Pulped Naturals (R\$/ 60 kg bag) |           | B3 (US\$/60kg Arabica bag)         |          |
| Cerrado MG                               | 1405,00 ↓ | Jul 2022                           | 261,85 ↓ |
| South Minas                              | 1400,00 ↓ | Sep 2022                           | 258,50 ↓ |
|  |           | Dec 2022                           | 255,75 ↓ |
|  |           | Real R\$ / Dolar US\$              |          |
|  |           | July 29, 2022                      | 5,17 ↓   |

+ 8.9%

Source: [www.qualicafex.com.br](http://www.qualicafex.com.br)

## METHODOLOGY TO ASSESS QUALITY OF INSTANT COFFEE TO BE RELEASED

Instant coffee accounts for 25% of the coffee consumed in the world and its consumption has been growing over 2% per year. This consistent growth in consumption, even during pandemic times, owes to quality diversification with new blends and new packaging adjusted to the diverse methods of consumption.

Brazil is no exception. The diversity of products and packaging offered has expanded in supermarket shelves providing consumers with countless options. With a 5% share of the total coffee consumed in the country, instant coffee consumption has been growing an average of 3.5% per year since 2016. The total volume consumed today is equivalent to one million bags of green coffee per year. The Descubra Café Solúvel (Discover Instant Coffee) social media campaign has been promoting instant coffee to Brazilian consumers.

The table on the right-hand side lists the largest producers and exporters of instant coffee in the world in 2020.

Brazilian production and exports of instant coffee have been the world's largest for several decades. Brazil also has the largest instant coffee production capacity in the world, of up to 132 thousand tons per year. Exports go to 100 countries with record

volumes in 2019, 2020 and 2021, exceeding 4 million bags every year. The instant coffee sector has incorporated new technologies and expanded its industrial capacity in order to face growing global competition. Its manufacturing processes are audited by over 25 different types of international certifications, including good environmental and social sustainable practices and processes, bioterrorism, kosher and halal concepts, etc.

ABICS – the Brazilian Soluble Coffee Industry Association – in cooperation with ITAL – the Institute of Food Technology – have developed a **methodology for instant quality assessment** that proposes a **sensory lexicon** and **quality grades** for instant coffees. The development of this methodology, which started in 2019, had the participation of experts from all instant coffee companies in operation in Brazil and consultants from Brazil and abroad and used the main instant brands in the Brazilian market as well as abroad. This innovative and pioneering methodology assesses quality by its attributes and intensity and not by scores. This concept allows the consumers to select coffees according to their preference, including the methods of consumption. This way, consumers can identify which products/coffees are most suitable for black coffee, blends with milk, cappuccinos, drinks, gastronomy, etc.

ABICS's White Paper about the methodology mentioned above is now being finalized to be released at a special event later this year. The official launching of the White Paper will be part of the International Coffee Week (SIC, for its initials in Portuguese), to take place in Belo Horizonte, capital of the state of Minas Gerais, on November 16 to 18. The White Paper and its methodology may become an important step in the direction of **repositioning instant coffees in the market**.

Other steps in this repositioning include sustainable practices and low-carbon production in partnership with coffee growers. Always pursuing sustainability and traceability, ABICS is a member of the Global Coffee Platform (GCP) and 4C, and has cooperation agreements with coffee growers' entities to develop digital platforms for traceability and sustainability and to offer those tools to coffee growers. Together these actions may help to increase the consumption of instant coffee by current consumers and to attract new ones.

### LARGEST PRODUCERS

|    | 2020           | ton     | bags      |
|----|----------------|---------|-----------|
| 1  | Brazil         | 122,209 | 5,295,725 |
| 2  | Mexico         | 63,715  | 2,760,994 |
| 3  | India          | 59,673  | 2,585,831 |
| 4  | South Korea    | 55,822  | 2,418,962 |
| 5  | Spain          | 49,572  | 2,148,140 |
| 6  | Russia         | 43,129  | 1,868,905 |
| 7  | Vietnam        | 42,495  | 1,841,447 |
| 8  | Germany        | 42,345  | 1,834,944 |
| 9  | China          | 38,929  | 1,686,928 |
| 10 | United Kingdom | 38,551  | 1,670,553 |

Source: LMC

### LARGEST EXPORTERS

|    | 2020        | ton    | bags      |
|----|-------------|--------|-----------|
| 1  | Brazil      | 93,798 | 4,064,580 |
| 2  | Germany     | 61,972 | 2,685,466 |
| 3  | Spain       | 44,824 | 1,942,384 |
| 4  | India       | 37,588 | 1,628,804 |
| 5  | Vietnam     | 36,349 | 1,575,112 |
| 6  | Russia      | 25,889 | 1,121,853 |
| 7  | Netherlands | 23,460 | 1,016,600 |
| 8  | Colombia    | 22,859 | 990,567   |
| 9  | Malaysia    | 22,178 | 961,037   |
| 10 | Mexico      | 20,483 | 887,591   |



## COCOA PROCESSING EQUIPMENT: EFFICIENCY AND QUALITY

Click on the link near the picture to see the equipment working.



**pod breaker**

1,200 kg of seeds/hour  
<https://youtu.be/eF0B-EySCuY>



**pulper**

3,600kg of seeds/hour  
<https://youtube.com/shorts/186NnyAJ3AU>



**rotary drier**

[https://youtu.be/-H1\\_M\\_HrQn4](https://youtu.be/-H1_M_HrQn4)



**dumper for fermentation boxes**



**precleaner**



**destoner**



size grader



automatic scale



silos



transport equipment



Please contact the Pinhalense/P&A agent nearest to you or P&A itself to learn more about the equipment above and to request projects and/or quotations.