

# CONFIDENTIAL

ISSUES NOS. 1 TO 17 OF COFFIDENTIAL CAN BE FOUND AT SITE [www.peamarketing.com.br](http://www.peamarketing.com.br)

## QUALITY COMPETITIONS PROMOTE CAFÉS DO BRASIL ABROAD... AND COFFEE CONSUMPTION IN BRAZIL TOO!

### ABIC'S 5TH NATIONAL COFFEE QUALITY COMPETITION

The ABIC - Brazilian Coffee Roasters Association's contest brings together coffee quality and market value in an innovative way. The best coffees - natural and pulped natural - selected by expert cuppers in each major producing state were auctioned to Brazilian roasters at the 2008 Coffee Roasters Convention (ENCAFÉ). The winning natural and pulped natural coffees from Minas Gerais and São Paulo, were sold by R\$ 2.200,00 (US\$ 940.00) and R\$ 2.470,00 (US\$ 1,055.00) per bag respectively. The coffee lots auctioned will be made into a special edition whose packages will bear the grower's and the roaster's names and will reach supermarket shelves in Brazil in early 2009.



Source: Cafépoint and P&A

### 6TH EDITION OF SÃO PAULO BEST COFFEES

Governor José Serra launched the 6th Edition of São Paulo's best coffees in a special breakfast ceremony held at the State House last December. The choice of a breakfast event was natural since the Brazilian expression for breakfast is "café da manhã", which translates as "morning coffee". The new edition, made available at supermarkets in numbered packages before Christmas, offers to consumers the winning lots of the 2008 São Paulo Coffee Quality Contest, including the pulped natural coffee that won the national contest. São Paulo, the country's third largest grower, roasts 40% of all coffee consumed in Brazil. The state pioneered the concept of quality competitions linked to auctions with the participation of local roasters and special editions that reach consumers and demonstrate to them that some of the country's best coffees are earmarked for local consumption.



Source: DCI, CoffeeBreak and P&A

### BRAZIL'S CUP OF EXCELLENCE AUCTION TO TAKE PLACE ON JANUARY 13

The Brazilian Specialty Coffee Association (BSCA) and the Alliance for Coffee Excellence (ACE) will hold an electronic auction on January 13th to offer the winning lots of the 2008 9th Brazil Coffee Quality Contest. Held in two rounds, a pre-selection by a Brazilian jury and a final selection made by 19 cuppers from around the world, the contest selected 23 coffee lots to be auctioned, 19 of which from the state of Minas Gerais. The Cup of Excellence concept developed from coffee quality competitions first held in Brazil 10 years ago as part of the International Coffee Organization (ICO) Gourmet Project.

Source: Agência Estado, Tempo Comunicação and P&A

### BRAZIL'S INTERNATIONAL FAIRTRADE COFFEE CONTEST

The First International Fairtrade Coffee Contest was organized by Transfair USA with the support of the Minas Gerais branch of Brazil's Small Business Agency (Sebrae-MG) and roaster Café Bom Dia. The contest aimed at improving the quality of the fairtrade coffee produced in Brazil. The competition is part of the project "Partnership for Responsible Supply", sponsored by Transfair USA, USAID, Café Bom Dia, Sam's Club and Wall-Mart. The project will invest US\$ 1.9 million in three years to improve the livelihood of 4,500 small coffee growers in Minas Gerais state. The project's goal is to promote the access of small coffee growers to the global market, to develop product quality and to enhance growers' managerial and commercial skills. The winner in the natural coffee category was Minas Gerais' Cooperativa dos Agricultores Familiares de Poço Fundo (Coopfam), whose product was bought by roaster Café Bom Dia for US\$ 7.20 per pound. In the pulped natural category the winner was Cooperativa dos Cafeicultores das Montanhas do Espírito Santo (Pronova), whose lot was also bought by Café Bom Dia for US\$ 3.00 per pound.

Source: Revista Cafeicultura



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**GROWERS GIVE UP PEPRO AND ASK FOR PUT AND CALL PROGRAM**

Brazilian coffee growers abandoned the idea of launching a new Price Equalization Premium Paid to the Producer Program (Pepro) and are now focusing on a put and call program. The Coffee Policy Council (CDPC) endorsed a proposal to create put and call auctions to withdraw 3 million bags from the market. Another suggestion discussed at the CDPC's December meeting was the conversion of growers' debts into coffee. According to the proposal, growers would direct 5% of their total annual production to pay part of their debts. The total debt amount is estimated at about R\$ 2 billion (US\$ 854 mi).

Source: Agência Safras and Agência Estado

**NEW REGULATION FOR ROAST AND GROUND COFFEE DEFINED**

A new regulation expected to enter a trial period of 6 months, specifies minimum quality standards for roast and ground coffee sold in the country, produced in Brazil or imported. The main requirements are: less than 1% of impurities (as per the "purity seal" standards); cup quality evaluation equal or above 4 points according to the Coffee Quality Program (PQC) procedures; and maximum moisture content of 5%. The new regulation in principle accepts any type of coffee providing that it abides by the purity, moisture and quality standards above. The new regulation will make mandatory the specification of minimum quality standards on the packages sold at retail outlets with the aim of informing consumers about the products that they are buying.

Source: Revista Cafeicultura



**SEASON'S GREETINGS**

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**Promotion of Consumption**

**Coffee Club Network**

**Pinhalense Equipament**

**Coffee Intelligence Center**

**Cafés do Brasil Network**

**Let's network to face the challenges, grow together and have a great 2009. Season's Greetings!**

Send us your coffee photo:  
[confidential@peamarketing.com.br](mailto:confidential@peamarketing.com.br)

**Brazilian prices**

December 30, 2008

**Main Producing Regions / Farm Gate**

Arabica Naturals (R\$/ 60 kg bag)	
Cerrado-MG fair average quality T.6	260,00
Mogiana-SP fair average quality T.6	255,00
South Minas fair average quality T.6	265,00
Arabica Pulped Naturals (R\$/ 60 kg bag)	
Cerrado-MG	270,00
South Minas	275,00

Conilon/ Robusta (R\$/ 60 kg bag)	
Colatina-ES fair average quality	220,00

BM&F (US\$/ 60 kg)	
Mar 2009	118,50
May 2009	122,55
Jul 2009	125,85

Real R\$/ Dolar US\$	
December 30	2,34

2008 Outlooks that may be accessed at P&A's website:  
[www.peamarketing.com.br](http://www.peamarketing.com.br)

JAN - CROP ESTIMATES: SHORT AND LONG TERM

<http://www.peamarketing.com.br/coffidential/coffidential-006.pdf>

FEB - DROUGHT DAMAGE TO BRAZILIAN CROPS

<http://www.peamarketing.com.br/coffidential/coffidential-007.pdf>

MAR - QUALITY AND THE SMALL GROWER

<http://www.peamarketing.com.br/coffidential/coffidential-008.pdf>

APR - COSTS OF PRODUCTION AND EFFICIENCY OF THE COFFEE SUPPLY CHAIN

<http://www.peamarketing.com.br/coffidential/coffidential-009.pdf>

MAY - BRAZIL, A COUNTRY OF SMALL GROWERS AND THE WORLD'S SECOND LARGEST PRODUCER OF WASHED COFFEE!

<http://www.peamarketing.com.br/coffidential/coffidential-010.pdf>

JUN - MATCHING PRODUCTION TO CONSUMPTION TRENDS: THE GROWTH OF ROBUSTAS

<http://www.peamarketing.com.br/coffidential/coffidential-011.pdf>

JUL - CHALLENGING CONVENTIONAL WISDOM AND INCREASING PROFITS

<http://www.peamarketing.com.br/coffidential/coffidential-012.pdf>

AUG - INTEGRITY OF PARCHMENT SKIN AND QUALITY OF WASHED COFFEE

<http://www.peamarketing.com.br/coffidential/coffidential-013.pdf>

SEP - COFFEE QUALITIES, VALUE ADDITION AND CONSUMPTION IN PRODUCING COUNTRIES

<http://www.peamarketing.com.br/coffidential/coffidential-014.pdf>

OCT - PINHALENSE, P&A AND COFFEE SCIENCE: AN IMPORTANT DIFFERENTIAL AND ADDED VALUE FOR CLIENTS

<http://www.peamarketing.com.br/coffidential/coffidential-015.pdf>

NOV - THE COFFEE CONSUMPTION LADDER

<http://www.peamarketing.com.br/coffidential/coffidential-016.pdf>

DEC - WILL THE GLOBAL CRISIS UNRAVEL THE SPECIALTY COFFEE PARADOX AND BRING NEW OPPORTUNITIES TO GROWERS?

<http://www.peamarketing.com.br/coffidential/coffidential-017.pdf>



2008 Machines of the month that may be accessed at P&A's website:  
[www.peamarketing.com.br](http://www.peamarketing.com.br)

JAN - MUCILAGE REMOVER DMP

<http://www.peamarketing.com.br/coffidential/coffidential-006.pdf>



FEB - SRE ROTARY DRIERS

<http://www.peamarketing.com.br/coffidential/coffidential-007.pdf>



MAR - WET MILLING EQUIPMENT FOR SMALL GROWERS

<http://www.peamarketing.com.br/coffidential/coffidential-008.pdf>

APR - THE LOGISTICS AND EFFICIENCY OF FLOW AND PROJECT DESIGN

<http://www.peamarketing.com.br/coffidential/coffidential-009.pdf>

MAY - **ecoflex** REVISITED: SMALL GROWERS AND CENTRAL MILLS

<http://www.peamarketing.com.br/coffidential/coffidential-010.pdf>

JUN - THE ROBUSTA BONANZA WILL NOT LAST FOREVER: IMPROVE QUALITY NOW

<http://www.peamarketing.com.br/coffidential/coffidential-011.pdf>



JUL - MECHANICAL SIPHONS FOR WASHED... AND NATURAL COFFEES

<http://www.peamarketing.com.br/coffidential/coffidential-012.pdf>

AUG - ROTARY DRIERS SRE DRY FASTER, MORE UNI FORMLY AND WITHOUT DAMAGE TO COFFEE

<http://www.peamarketing.com.br/coffidential/coffidential-013.pdf>



SEP - MVF, THE GRAVITY SEPARATOR FOR COFFEE

<http://www.peamarketing.com.br/coffidential/coffidential-014.pdf>

OCT - PINHALENSE, P&A AND COFFEE SCIENCE: AN IMPORTANT DIFFERENTIAL AND ADDED VALUE FOR CLIENTS

<http://www.peamarketing.com.br/coffidential/coffidential-015.pdf>



NOV - STATE-OF-THE-ART IN COFFEE PULPING: SCREEN PULPERS

<http://www.peamarketing.com.br/coffidential/coffidential-016.pdf>

DEC - BUCKET ELEVATOR TECHNOLOGY AND RETURN ON INVESTMENT

<http://www.peamarketing.com.br/coffidential/coffidential-017.pdf>



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