

CONFIDENTIAL

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

- **OUTLOOK FLASHBACK - ARTICLES ABOUT COFFEE IN 2023 (PAGE 3)**
- **MACHINE OF THE MONTH FLASHBACK - ALL ABOUT MACHINES IN 2023 (PAGE 4)**

☞ **BRAZIL'S AND WORLD'S LARGEST COFFEE PRODUCER BUYS MAJOR STAKE AT IPANEMA COFFEES**

Antônio Francischini's AFB&IOB group, known as the world's largest coffee producer, has announced its entry as a new partner at Ipanema Agrícola S.A., the largest Brazilian specialty coffee production and marketing company. Francischini's new investment will contribute to his group's more sustainable and high-quality production besides opening up opportunities abroad for their coffee - an average of 500,000 bags produced per year in 15,000 hectares of land. There is great complementarity between the specialty coffees produced by Ipanema and the great volume of production in the regions where the AFB&IOB group acts, which increases marketing and exports capabilities.

Source: IBF

☞ **BRAZIL'S CUP OF EXCELLENCE AUCTION HAS THE HIGHEST AVERAGE PRICE IN HISTORY**

The auction of the winning lots of the Cup of Excellence Brazil 2023 competition registered its highest *average* price in history. After nine hours of bidding and 2,989 bids, the average auction price was US\$ 19.99 per pound. This result represents an increase of 35% over the previous record in 2021 and reached a total of US\$ 307,999.43 for the coffees offered at the auction. The 30 winning lots of the competition were acquired by companies from Australia, Brazil, Bulgaria, China, Germany, Japan, Norway, Saudi Arabia, South Korea, and the USA.

Source: BSCA

☞ **WINNING COFFEE SOLD BY RECORD PRICE AT AUCTION**

The Orfeu Cafés' Geisha, produced on a farm in São Sebastião da Gramma in the state of São Paulo, was sold for R\$ 84,500 (about US\$ 17,000) per 60kg-bag to the Japanese company Sarutahiko Coffee at the auction of the winning coffees of the Cup of Excellence Brazil 2023 competition. It was the highest price in history paid for a Brazilian natural coffee. Since natural coffee dries with the pulp, the sugar in it goes into the bean and increases sweetness in the cup. At an altitude of 1,500 meters above sea level, this coffee is grown using regenerative agriculture practices like cover crops on a farm that has 35% of its area covered by native forests.

Source: Globo Rural

☞ **BRAZIL WINS THE 8TH EDITION OF THE ERNESTO ILLY INTERNATIONAL COFFEE AWARD**

Coffee produced by São Mateus Agropecuária in the region of Cerrado Mineiro won the 2023 Best of the Best Award of the 8th edition of the Ernesto Illy International Coffee Award. Blind cupping carried out by an independent panel of 9 experts evaluated the best 2022-2023 coffees that won the national illycafé competitions in Brazil, Costa Rica, El Salvador, Ethiopia, Guatemala, Honduras, India, Nicaragua and Rwanda. Prior to being evaluated by the panel, each batch of coffee was analyzed by illycaffè's quality control labs and rated in terms of richness and aromatic complexity, the elegance and balance of its flavor, and intensity of its aroma.

Source: Revista Cafeicultura

☉ CANEPHORA EXPORTS FROM ESPÍRITO SANTO STATE GROW THREE TIMES

The volume of Canephora coffees – Conilons – exported by Espírito Santo state grew three times in 2023 compared to 2022 taking advantage of a lack of the product in other producing countries. The state is the second largest coffee producer in Brazil, behind Minas Gerais, and the third largest exporter. From 108,000 rural properties in Espírito Santo, 75,000 produce coffee and 49,000 produce Canephoras. Another factor that explains this increase in exports is that the state is the largest producer of this variety in Brazil – 70% of it – and exports it as both green and soluble coffee.

Source: Globo Rural

☉ BRAZIL SHIPS OVER 1 MILLION COFFEE BAGS TO CHINA

Chinese coffee consumption has been growing quickly as coffee shops expand in many big cities and young people’s demand for the beverage increases. Data from the International Coffee Organization (ICO) shows that coffee consumption in China grew 15% in the coffee year that ended last September. According to the Brazilian Coffee Exporters’ Association (Cecafé), exports to China tripled in 2023 compared to 2022 and surpassed 1 million bags for the first time in a year making China the eighth largest importer from Brazil. The United States Department of Agriculture (USDA) estimates that China will consume 5 million bags of coffee in the 2023/24 coffee year and become the world’s seventh-largest consumer.



Source: Notícias Agrícolas

☉ SURVEY SHOWS THAT 97% OF BRAZILIANS DRINK COFFEE EVERY DAY

A survey carried out by the Campinas Agronomy Institute (IAC, for its initials in Portuguese) in partnership with the State University of Campinas (Unicamp) showed that 97% of Brazilians drink coffee every day. Over 50% of the 4,200 persons interviewed stated that coffee improves their mood. This survey was carried out in three different years: 2019, 2021 and 2023. In 2019, 8% of the population did not drink coffee. This number fell to 3% in 2023. Another finding was that 30% of the population drink more than 6 cups of coffee a day and 43% look for cheaper coffee.

Source: G1

☉ ABIC RELEASES ESG GUIDE TO HELP BRAZILIAN COFFEE INDUSTRY BECOME MORE SUSTAINABLE

The Brazilian Coffee Roasters' Association (ABIC, for its initials in Portuguese) released an ESG guide with 5 steps to develop sustainable actions in the coffee industry. The manual provides information and instructions for companies of all sizes to adopt sustainable practices. The 5 steps are the following: reduce paper consumption and encourage its reuse; proper waste disposal; invest in recyclable and/or compostable packaging; energy consumption reduction; and transparency. The guidelines are relevant for producers, roasters, exporters and all interested parties. The manual is free and available for download on ABIC’s site.

Source: Notícias Agrícolas

Brazilian Prices

Main Producing Regions / Farm Gate

December 20, 2023

Arabica Naturals (R\$/ 60 kg bag)		Conilon / Robusta (R\$/ 60 kg bag)	
Cerrado MG	985.00 ↑	Colatina-ES fair average price	775.00 ↑
Mogiana	980.00 ↑		
South Minas	980.00 ↑		
Arabica Pulped Naturals (R\$/ 60 kg bag)		BM&F (US\$/60kg Arabica bag)	
Cerrado MG	1045.00 ↑	Dec 2023	260.90 ↑
South Minas	1040.00 ↑	Mar 2024	234.55 ↑
		Sep 2024	227.20 ↑
		Real R\$ / Dollar US\$	
		Dec 28, 2023	4.85 ↓

+ 6.63%

Source: www.qualicafex.com.br

FEB: HOW DOES MECHANICAL COFFEE DRYING COMPARE WITH SUN DRYING?

https://www.peaconsult.com.br/imgs/pa_coffidential__187__february2023.pdf

MAR: MASS COFFEE CONSUMPTION IN PRODUCING COUNTRIES

https://www.peaconsult.com.br/imgs/pa_coffidential__188__march2023.pdf

APR: ITC'S COFFEE GUIDE, 4TH EDITION IS NOW AVAILABLE

https://www.peaconsult.com.br/imgs/pa_coffidential__189__april2023.pdf

MAY: IMPACTS OF NEW EUROPEAN LEGISLATION ON COFFEE SUPPLY CHAIN

https://www.peaconsult.com.br/imgs/pa_coffidential__190__may2023.pdf

JUN: MICRO-LOTS ARE HERE TO STAY: OPPORTUNITIES?

https://www.peaconsult.com.br/imgs/pa_coffidential__191__june2023_230615080004.pdf

JUL: AN INCREDIBLE NEW COFFEE WORLD

https://www.peaconsult.com.br/imgs/pa_coffidential__192__july2023_230718021539.pdf

AUG: EMPOWERING COFFEE GROWERS

https://www.peaconsult.com.br/imgs/pa_coffidential__193__august2023_230828080408.pdf

SEP: FERMENTED COFFEE, QUALITY COMPETITIONS AND CONSUMER PREFERENCES

https://www.peaconsult.com.br/imgs/pa_coffidential__194__september2023_230921053655.pdf

OCT: CONCENTRATION OF COFFEE PRODUCTION: A MACRO VIEW ON WHY AND HOW TO REVERT IT

https://www.peaconsult.com.br/imgs/pa_coffidential__195__october2023_231023104627.pdf

NOV: EMPOWERING LABOR: GROWERS AND WORKERS

https://www.peaconsult.com.br/imgs/pa_coffidential__196__november2023_231122051204.pdf

DEC: REPOSITIONING OF ROBUSTAS CONTINUES...

https://www.peaconsult.com.br/imgs/pa_coffidential__197__december2023_240105115346.pdf

FEB: MEET YOUR FIRST COFFEE DRIER... OR UPDATE THE PINHALENSE ONE(S) YOU ALREADY HAVE

https://www.peaconsult.com.br/imgs/pa_coffidential__187__february2023.pdf

MAR: PROCESSING AND ROASTING COFFEE IN SMALL PLANTS

https://www.peaconsult.com.br/imgs/pa_coffidential__188__march2023.pdf

APR: VISIT US AT THE SCA EXPO IN PORTLAND

https://www.peaconsult.com.br/imgs/pa_coffidential__189__april2023.pdf

MAY: COFFEE PROCESSING SOLUTIONS FOR MICROLOTS

https://www.peaconsult.com.br/imgs/pa_coffidential__190__may2023.pdf

JUN: IS SPECIAL EQUIPMENT NEEDED TO PROCESS MICRO-LOTS?

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JUL: STANDARD OR FLEXIBLE DRY MILLING?

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AUG: ECO SUPER 3 PULPING AND DEMUCILAGING SET FOR SMALL FARMERS

https://www.peaconsult.com.br/imgs/pa_coffidential__193__august2023_230828080408.pdf

SEP: OPTIMIZING PERFORMANCE OF MACHINERY

https://www.peaconsult.com.br/imgs/pa_coffidential__194__september2023_230921053655.pdf

OCT: TRACEABILITY IN DRY COFFEE MILLING

https://www.peaconsult.com.br/imgs/pa_coffidential__195__october2023_231023104627.pdf

NOV: PINHALENSE HIGH-EFFICIENCY SELF-CLEANING COFFEE-SPECIFIC ELEVATORS

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DEC: ROBUSTA PROCESSING REVISITED

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