P&A COFFEE NEWSLETTER
Year 17 - No. 202 - May 10, 2024

COFFIDENTIAL

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

GROWERS' OPINION

The average size of the green beans is much smaller than in previous crops at this harvesting season.

BRAZILIAN CUPPER WINS WORLD TASTER CHAMPIONSHIP AT EXPO CHICAGO

The Brazilian Dionatan de Almeida won the World Cup Taster Championship held at the Specialty Coffee Association (SCA) Expo in Chicago last month. A cupper at Caxambu and Aracaçu farms in Três Pontas, in the state of Minas Gerais, Dionatan scored eight out of eight cups correctly in the final round in 2:19 minutes, 10 seconds faster than Aurore Ceretta from Germany and 32 seconds shorter than Hang Jong Lee from New Zealand. The Brazilian cupper set a new world record during the semifinals when he analyzed eight cups in 2:09 minutes.

Source: BSCA

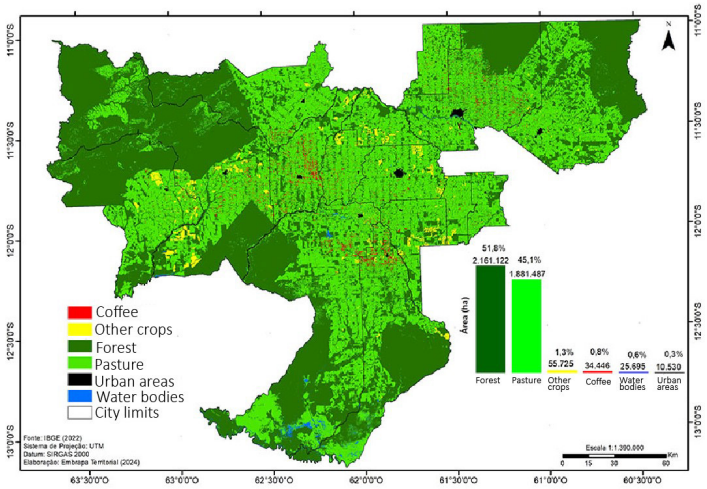
SURVEY SHOWS BRAZILIAN COFFEE GROWERS' INTEREST IN ORGANIC PRODUCTION AND GEOGRAPHICAL INDICATION

The Brazilian coffee growers' interest in a more sustainable and organic production to add value to their coffees has been confirmed by a survey carried out by the Brazilian Agency for the Promotion of Small Business (Sebrae). One third of growers use organic coffee growing practices and 27% of them invest in products with Geographical Indication (GI). Over 80% of growers would like to adopt a carbon credit policy and almost 70% of them would like to work with agroecological coffee. Brazilian coffee growers have been seeking differentials like certification, for instance. Around 60% of the mapped growers use some kind of certification. Brazil exports around 10 million coffee bags of specialty coffee a year and the potential of production in regions with Geographical Indication is about 38 million coffee bags annually, according to Sebrae. The survey registered that 37% of Brazilian growers are under 36 years old and 65% of them are college graduates. Only 25% of them do not have parents or relatives involved with coffee growing. In 75% of the cases, today's growers are at least the second generation in the business and 9% are the fifth generation.

Source: Globo Rural

STUDY CONFIRMS SUSTAINABILITY OF COFFEE PRODUCED IN RONDÔNIA FORESTS

The sustainability of coffee produced in Rondônia's forest region was confirmed in a study carried out by the Brazilian Agricultural Research Corporation (Embrapa). Through the use of geotechnology and the support of satellite images, it registered zero deforestation in seven of the 15 municipalities in the region between 2020 and 2023. Throughout the region, traces of deforestation were found in less than 1% of the total area occupied by coffee growing. The study also shows that more than one half of the total area of the 15 municipalities is covered by forests, which adds to 2.2 million hectares of native vegetation. Coffee plantations and forest areas in the region were identified by a Geographic Information System (GIS). The Rondônia forest area accounts for over 50% of the state's coffee production. The beverage produced with the Amazonian beans has been in the spotlight at national and international competitions and trade fairs as one of the most exotic and interesting one in terms of sensorial analysis.



Source: Embrapa

GCP BRAZIL PROMOTES ALIGNMENT ON REGENERATIVE AGRICULTURE

Cooperatives, traders, exporters, roasters, state technical assistance and rural extension services, associations, NGOs and others attended GCP's 4th Regenerative Agriculture Meeting held at the head office of the Technical Assistance Coordination of the State of São Paulo (CATI for its initials in Portuguese). The event concluded a series of meetings organized by the Global Coffee Platform (GCP) in Brazil in order to frame concepts that will mitigate the impacts of climate change on coffee farms and contribute to the prosperity of Brazilian smallholders and medium-size growers. During the meeting, the participants were presented with the concept of Regenerative Agriculture, elements for its implementation, its practices, and performance indicators. They also had the chance to give their opinions and propose changes. The GCP Brazil Team will now compile and analyze the data collected and present the conclusions to the National Consultative Council (CCN for its initials in Portuguese).

Source: GCP Brazil

BRAZILIAN CONILON EXPORTS TO INDONESIA AND VIETNAM INCREASE MUCH

Brazilian exports of Conilon to Indonesia and Vietnam have grown much. Droughts reduced the Vietnamese and Indonesian production. In order to be able to meet export contracts, these two countries are importing Brazilian beans to supply their domestic market. This is not the first time Brazil exports Conilon to Vietnam and Indonesia but the current volume of shipments is unprecedented. According to the Brazilian Coffee Exporters' Association (Cecafé), Indonesia increased by 415% and Vietnam by 26% its imports of Brazilian coffee in the first two months of 2024 compared to the same period in 2023.

Source: Globo Rural

AI PROTOCOL FOR SENSORY ANALYSIS OF ROASTED COFFEE PRESENTED AT EXPO CHICAGO

The Brazilian Coffee Roasters' Association (ABIC for its initials in Portuguese) presented the Brazilian Protocol for Sensory Analysis of Roasted Coffees at the Specialty Coffee Expo in Chicago, USA. The presentation addressed the differences between coffee types, the main quality features of the product after roasting, and the preferences of consumers throughout Brazil, the second largest coffee consumer market in the world. This new coffee evaluation methodology uses Artificial Intelligence (AI) to define coffee types. An app with algorithm is used by evaluators when analyzing the beverage. The notes and intensities of the different attributes are entered into the app that uses AI to make the analysis of coffee more objective and assertive in order to avoid any type of bias the evaluators may have.

Source: Notícias Agrícolas

LOUIS DREYFUS COMPANY (LDC) ANNOUNCES ACQUISITION OF CACIQUE SOLUBLE MAKER

Louis Dreyfus Company (LDC) and Cacique announced that the companies have signed a binding agreement for the acquisition of 100% of Cacique shares by LDC. Cacique considers itself the largest exporter of soluble coffee in Brazil. This development is aligned with LDC's strategy to diversify revenue streams through value-added product lines and to position LDC among the world's largest soluble coffee producers. The scale-up of LDC's soluble coffee business was initiated recently in Vietnam with the iLD Coffee Vietnam joint venture for freeze-dried soluble coffee production. The Cacique acquisition will further expand LDC's business in Brazil, where the Group has been active for over 80 years.

Source: Globo Rural

Brazilian Prices

Main Producing Regions / Farm Gate — **April 30, 2024**

Arabica Naturals (R$/ 60 kg bag)	
Cerrado MG	1,205.00 ↑
Mogiana	1,200.00 ↑
South Minas	1,200.00 ↑
Arabica Pulped Naturals (R$/ 60 kg bag)	
Cerrado MG	1,225.00 ↑
South Minas	1,220.00 ↑

+ 2%

Conilon / Robusta (R$/ 60 kg bag)	
Colatina-ES fair average price	930.00 ↓

B3 (US$/60kg Arabica bag)	
May 2024	295.45 ↑
Sep 2024	258.90 ↑
Dec 2024	255.00 ↑

Real R$ / Dollar US$	
Apr 30, 2024	5.11 ↑

Source: www.qualicafex.com.br

CLIMATE CHANGE, REGENERATIVE AGRICULTURE AND SUSTAINABILITY

I have often asked if recent droughts, heavy rains, and higher than usual temperatures are extraordinary, a recurring pattern or a new trend.

Irrespectively of the answer, the on-going climate change has to be addressed. There is a host of practices that can be used to do it, e.g.: deep and balanced soil fertility, humus increase, rational use of nitrogen, micro-organism management, smart use of fertilizers, integrated and ecological management of pests and diseases, etc. It is needless to say that these actions have costs and how to address them has to be considered.

The Brazil Working Group of the Global Coffee Platform (GCP) has been working to bring together these practices above and others to create guidelines to implement Regenerative Agriculture under the main headings of soil, biodiversity, water and enabling environment. Indicators will have to be developed next to evaluate the implementations of these practices in the field. Four meetings have already been held in different coffee producing areas of Brazil. The target is small and mid-size coffee growers.

Regenerative Agriculture is now “fashionable” to mitigate the impacts of climate change but it should go beyond and be used irrespectively of it. Regenerative Agriculture is a key pathway to sustainability and ESG any time.

Sustainable coffee growing should have Regenerative Agriculture as a key pillar, its ability to generate carbon credits included. However, supporting actions like the ones spelled out below, must be pursued if Regenerative Agriculture is to be deployed by smallholder coffee growers.

Technical assistance and training have to use digital technology to move from in-person to virtual, to the extent possible. This has already started in Brazil with initiatives by the Global Coffee Platform, the Brazilian Coffee Exporters’ Association (Cecafé) and the National Rural Learning Services (Senar), individually or in collaboration. Nevertheless, these initiatives require training on the use of these digital tools and, most importantly, access to the Internet.

An efficient enabling environment – technical assistance itself, logistics, financing, market efficiency, etc. – has to be also available for smallholder coffee growers who are the weakest link in the supply chain. This, coupled with Good Agricultural Practices and Regenerative Agriculture can pave the way for greater productivity, market access and sustainability.

These “new times” call for integrated solutions which in turn require the widening of the scope of the training of agronomists to include economics, management, and marketing, that are also key inputs for sustainable coffee growing. Agronomists will have to be empowered to rethink production systems not only from the perspective of agronomy itself including environmental practices but adding the social and economic views and the ability to monitor the cost-benefit of implementing Regenerative Agriculture.

Last but not least, the challenge has to be faced that the feasibility and the benefits of using Regenerative Agriculture practices seem so far greater for larger than for smaller farmers. Considering that the Living Income Study that GCP carried out in Brazil showed that smallholders depend on outside income to reach the living income benchmark and that smallholders are by far the majority around the world, how can Regenerative Agriculture be customized for small-scale coffee growers and perhaps even help to increase their income?

A REGENERATIVE AGRICULTURE TOOL: FLAIL MOWERS FOR COFFEE FIELDS

(AND FRUIT FIELDS, PASTURES, ROAD CONSERVATION AND LANDSCAPING)

TPL

TPSV-090

TPPC-090

TPP-160

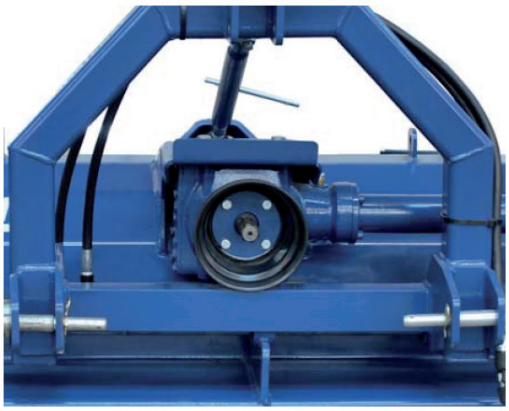
TSP-160

MODELS

- **TPL** – hydraulic side shuffle, widths 1.4 to 2.2m
- **TPSV** – for mowing under the coffee tree, widths 1.4 to 2.2m
- **TPPC** – hydraulic side shuffle for small/light tractors, width 0.9m
- **TPP** – hydraulic side shuffle for heavy work, width 1.6m

PURPOSE / MAIN USES

- mowing of weeds and greenery intercropped with coffee
- crushing of heavy pruning materials with high organic matter content
- eradication of old coffee fields (in two turns)



Hydraulic side shuffle

FEATURES

- heavy duty enclosed structure and hammers to recycle organic matter
- hydraulic side shuffle
- low maintenance cost

Contact the P&A/Pinhalense agent closest to you or P&A itself to identify the Pinhalense flail mower for coffee fields that meets your needs or how these mowers can be applied in other crops and uses.