

# CONFIDENTIAL

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

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## ☉ COFFEES FROM 15 BRAZILIAN REGIONS WITH GI AT WORLD OF COFFEE

During the World of Coffee event in Copenhagen, the Brazilian Specialty Coffee Association (BSCA) offered space at the booth of the “Brazil. The Coffee Nation” project – a partnership between BSCA and the Brazilian Trade and Investment Promotion Agency (Apex-Brasil) – to promote Brazilian regions with Geographical Indication (GI). Visitors had the opportunity to discover and taste coffees in the area where the regions with GIs presented detailed information about their features, production systems, etc. The participation of the GIs in these fairs offers visitors an immersion in Brazil and Brazilian coffees that goes beyond sensory experiences to discover new regions, new post-harvest processes and cultivars developed in the country.

Source: Globo Rural and Revista Cultivar



## ☉ MINAS GERAIS STATE EXPORTS COFFEE IN COMPLIANCE WITH EUDR

The state of Minas Gerais has exported coffee with a certificate of conformity to the European Union Deforestation Regulation (EUDR) for the first time. The operation is a partnership between the Três Pontas Coffee Growers Cooperative (Cocatrel), the Federal University of Minas Gerais (UFMG) and the state government. The certification was carried out by the SeloVerde MG Platform that verifies the environmental conformity of coffee farms to ensure that coffee production is not associated with deforestation. Through geospatial analysis and integration of several databases in the platform, including high-resolution mapping of coffee production by the Technical Assistance and Rural Extension Institute of Minas Gerais (Emater-MG), it is possible to verify that 99% of the approximately 120,000 coffee producing properties in Minas Gerais comply with the new EU rules.

Source: CaféPoint

## ☉ COOXUPÉ IS FIRST COOP IN THE WORLD WITH CODE EQUIVALENT TO GCP'S

The Global Coffee Platform (GCP) has recognized Cooxupé's Sustainability Code “Gerações” as equivalent to its Coffee Sustainability Reference Code. With more than 19,000 members and operations in more than 340 municipalities in the South Minas, Mogiana, Cerrado Mineiro and Matas de Minas regions, Cooxupé is the first cooperative in the world to have its sustainability code recognized by GCP that partners with the International Trade Center (ITC) to rigorously determine equivalence.

Source: Hub do café

## ☉ SUSTAINABLE COFFEE GROWING MAKES RURAL INSURANCE CHEAPER

The Ministry of Agriculture, Livestock and Food Supply (MAPA), the National Coffee Growers' Council (CNC) and International Pro Natura signed a Technical Cooperation Agreement for a project that uses carbon credit to financially

benefit growers who adopt sustainable practices. This means that Brazilian coffee growers will have an additional financial protection against agricultural risks.

Source: Datagro

**📌 BUSINESS WORTH 150 MILLION AT WORLD OF COFFEE**

The participation of Brazilian coffee growers, coops and companies at World of Coffee Copenhagen may generate a total of US\$ 146 million in business. According to the Brazilian Specialty Coffee Association (BSCA), the 782 commercial contacts made during the fair, 463 of them with new partners, generated US\$ 24.51 million in business at the event itself and there is a projection of US\$ 121.8 million up to June 2025. If achieved, this amount will represent an increase of 9% compared to the 2023 edition.

Source: Globo Rural

**📌 BRAZIL AND CHINA SIGN HALF-BILLION-DOLLAR COFFEE EXPORT AGREEMENT**

An agreement between the Brazilian Trade and Investment Promotion Agency (ApexBrasil) and Luckin Coffee, the largest Chinese coffee shop chain, to purchase 120 thousand tons of Brazilian coffee worth half a billion dollars was signed in China in June. This agreement not only represents a significant boost for Brazilian coffee exports but also opens up new opportunities in the Chinese market. This new entry into China originated from a relationship that began at the "Exporta Mais Amazônia" event, an ApexBrasil program that promotes exports. At the time, representatives from Luckin Coffee learned about local coffee producers and the history of Amazonian Robustas in Cacoal, Rondônia.



Source: Valor Econômico

**📌 EXPORTS OF QUALITY COFFEES GROW 45% IN A YEAR**

Quality coffee exports added to almost 9 million 60-kg bags, which represents a growth of 45.4% in a year. With average price of US\$ 229.15 per bag, these exports of "differentiated coffees" generated US\$ 2 billion of foreign currency income, 20.5% of the total Brazilian coffee exports. The six main importers of these differentiated coffees were the US (21.1%), Germany (17.5%), Belgium (10.9%), Netherlands (7.4%), UK (4.3%) and Italy (3.5%).

Source: DATAGRO

**Brazilian Prices**

Main Producing Regions / Farm Gate

July 31, 2024

Arabica Naturals (R\$/ 60 kg bag)		Conilon / Robusta (R\$/ 60 kg bag)	
Cerrado MG	1,485.00 ↓	Colatina-ES fair average price	1,360.00 ↑
Mogiana	1,480.00 ↓		
South Minas	1,480.00 ↓		
Arabica Pulped Naturals (R\$/ 60 kg bag)		B3 (US\$/60kg Arabica bag)	
Cerrado MG	1,525.00 ↓	Sep 2024	286.50 ↑
South Minas	1,520.00 ↓	Dec 2024	278.85 ↑
		Mar 2025	272.85 ↑
		Real R\$ / Dollar US\$	
		Jul 31, 2024	5.60 ↑

+ 3%

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

## WHERE IS COFFEE CONSUMPTION IN PRODUCING COUNTRIES GOING?

I participated at two recent events that showed that there is renewed interest in the promotion of coffee consumption around the world. My first participation was at the GIZ-Promecafé event Domestic and International Consumption Exchange, in Antigua, Guatemala, and the second was at CQI's Q Processing 3 Course, in Popayan, Colombia.

At the Promecafé event, I had the opportunity to present on The Relevance of Promoting Domestic Coffee Consumption in Producing Countries and to moderate a panel entitled Programs and Experiences in the Promotion of Consumption in Coffee Producing Countries.

The panel had the participation of Pacita Juan, from the Philippines and Executive Director of the Asean Coffee Federation; Gilbert Gatali, from Rwanda and Executive Director of the African Fine Coffee Association (AFCA); Vera Espindola Rafael, from Mexico; and Andrés Piedra, from ICAFE (Instituto del Café de Costa Rica), and was attended by representatives of all Promecafé member countries (Central America, Caribbean and Mexico).

I was impressed to learn that the Asean Coffee Federation, that comprises coffee producing and consuming countries in Southeast Asia, is concerned with institutional support for the industry that has historically led the development of consumption in that part of the world. Likewise, I learned in more detail about consumption in the Philippines and pointed out that together Indonesia, Philippines and Vietnam are in the process of making Southeast Asia an important coffee consumer.

AFCA and the InterAfrican Coffee Organization (IACO), that now also includes coffee consuming countries, have several institutional plans to promote consumption in the continent. Training with emphasis on coffee at universities and the involvement of youth are some of the on-going programs.

The countries that are members of Promecafé concluded last year an ICO-International Coffee Organization-funded project, coordinated by P&A, to create the foundations and guidelines for each country to develop its own program to promote coffee consumption considering specific local conditions. Mexico and Costa Rica presented their views on how to do it.

An interesting idea and challenge raised in the event was the creation of local brands of roast-and-ground and/or soluble coffee to be marketed in neighboring countries of, for example, Central America and East Africa.

My participation at CQI's Q Processing 3 Course related to consumption in two different ways: making coffee a desirable, fashionable and wanted beverage and "creating" coffees for mass consumption in producing countries.

I witnessed that most participants in the course come from Asia and are involved with high quality and specialty coffees in different ways. Though focusing on the highest income segment of the population in their countries, their work makes coffee glamorous and fashionable and influences consumption in all income segments, including the lowest one, that is the most relevant in terms of volume of coffee consumed.

One of my presentations at the course addressed How Harvesting and Processing Technology Can Help Alleviate Poverty. How does this relate to increasing coffee consumption? Empowering labor and growers by means of more efficient harvesting and processing can create lower cost products that are demanded by lower income consumers that can in turn drink more coffee. Complex as this may sound, it is one of the key factors that made Brazil the second largest coffee consumer in the world and, today, an important exporter to other coffee producing countries in Latin America and Asia.

There are huge opportunities to develop coffee consumption in producing countries and this creates excellent opportunities for growers to increase their income. I am happy to have learned that there are efforts under way around the world to do it but there is much more to be done!

## NATURALS, PULPED NATURALS/HONEYS AND WASHED COFFEES: CRAFTING NEW QUALITIES



As the scheme above shows, Pinhalense equipment enables flexible, customized wet milling of coffee cherries by groups of smallholders or mid-size to large growers to produce top quality coffees – **washed, honey and naturals** – and to make the best out of cherries that are not ripe in order to deliver what clients want and to maximize growers’ profits.

As the percentage of other-than-ripe cherries – unripe, over-ripe and partially dry cherries – harvested increases around the world, even with “selective” picking, it is high time to use Pinhalense technology to make these so-called “unwanted” cherries taste better in the cup.

**Honey coffees from over-ripe cherries** can have the body and sweetness sought by many buyers who are prepared to pay more for them.

**Honey coffees from unripe cherries** taste better than naturals from unripe cherries and command a higher price.

Last but not least, Pinhalense machines with the green separator **before** the pulper allow the processor to produce  
 - either the highest quality **washed or honey coffee from strictly ripe cherries**  
 - or quality **washed or honey coffee from ripe and partially ripe cherries**.

The choice is yours! The best choice is the one that brings in more money. Pinhalense wet milling is flexible and you should use it to maximize your profit.

Pinhalense ecological line of water-saving wet milling equipment – **mechanical siphon LSC, pulper with green cherry separator ECOSUPER and mucilage remover DMPE** – and water-less conveyance equipment – “dry” elevators and conveyors – can be arranged in different layouts and customized projects that meet clients’ needs.

Please contact the P&A/Pinhalense agent near you if you need further clarification about the equipment and how to make it meet your conditions and needs.