

# CONFIDENTIAL

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

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## **NIR TECHNOLOGY ADVANCES COFFEE TRACEABILITY AND FRAUD DETECTION**

Researchers at the Brazilian Agricultural Research Corporation (Embrapa) in the state of Rondônia have been developing a new technology that can quickly identify the geographical origin of coffee and detect fraud or adulteration in the beans. Based on near-infrared (NIR) spectroscopy, the technique creates a chemical “fingerprint” of the coffee at a low cost, enabling precise analyses in seconds without destroying the sample. This new technology facilitates traceability and quality certification and increases consumer confidence. Using portable equipment that can be used in labs and in the field, it may generate positive impacts in the specialty and other coffee markets.



Source: Conexão Safra

## **MERCOSUR – EUROPEAN UNION AGREEMENT WILL STRENGTHEN BRAZIL’S VALUE-ADDED COFFEE EXPORTS**

The free trade agreement between Mercosur and the European Union is expected to strengthen Brazil’s exports of value-added coffee products, such as roasted, ground and soluble coffee, through the gradual elimination of import tariffs that currently range from 7.5% to 9%. The agreement enhances competitiveness in the European market, recognizes Brazilian geographical indications, and does not classify coffee as a sensitive product, reducing the risk of quotas or trade restrictions. However, the agreement does not yet have a date to be enforced. Although signed in January, its ratification process is currently stalled in the European Parliament after the text was referred to the Court of Justice of the European Union for legal review.

Sources: CaféPoint and Gazeta do Povo

## **STATE OF ACRE GROWING AS SUSTAINABLE COFFEE PRODUCER**

Coffee production in the state of Acre, that borders Rondônia state in the Amazon region, increased 115.4% in 2025 and reached 110,000 bags of 60 kg, according to data from the Brazilian Institute of Geography and Statistics (IBGE). The growth is linked to state government efforts to strengthen the value chain through training, incentives, promotion, and investments across the supply chain. A public call for the direct purchase of seedlings from nurseries marked an important milestone for local coffee farming. Other initiatives include quality competitions, participation in international trade fairs, and support for business. In 2025, the state’s gross production value of coffee surpassed that of soybeans. The strategy aims to add value to Acre coffee through geographical indication studies and continued investment to reinforce its role in income generation, social inclusion, and sustainability.

Source: Peabirus

## **WIDE-SPACING SPRINKLER IRRIGATION IS COST-EFFECTIVE OPTION FOR COFFEE**

Wide-spacing sprinkler irrigation has been a cost-effective solution for irrigated coffee, especially considering the growing water deficits that affect productivity. Instead of using many small sprinklers, the wide-spacing system relies on higher-flow devices installed at wider intervals, reducing the number of points per hectare and simplifying installation

and maintenance. A recent project in the Mata de Minas region of Minas Gerais state demonstrated good technical and operational efficiency with the ability to carry out four irrigation cycles per day and to ensure uniform water application. Investment costs were around R\$ 8,000 (US\$ 1,500) per hectare with low maintenance requirements and simple operation, which makes the system attractive to small and medium-size growers.

Source: CaféPoint

**MANUAL PLANTER IMPROVES EFFICIENCY AND PRODUCTIVITY IN COFFEE GROWING**

The manual planter “matraca” is gaining ground among growers by combining speed, efficiency, and labor savings. The technology, already applied in crops such as eucalyptus, vegetables and sugarcane, facilitates seedling development, especially for those grown in tubes, and contributes to the development of productive and long-lasting coffee plantations. With this equipment, a single worker can plant around 1,000 seedlings per day, more than twice the productivity of conventional manual planting. The solution streamlines traditional steps, improves operational performance, and represents an alternative given current labor shortage in the coffee sector.



Source: Hub do Café

**BRAZILIAN COFFEE EXPORT REVENUE HITS HISTORIC RECORD IN 2025 DESPITE DECLINE IN SHIPMENTS**

Despite a reduction in export volumes in 2025, Brazilian coffee achieved a record level of export revenue, reflecting a highly positive year in value terms. According to data from the Brazilian Coffee Exporters' Association (Cecafé), export earnings totaled US\$ 15.6 billion, the highest figure in the historical series. The result was driven by a strong rise in international coffee prices, especially Arabica. The combination of tighter supply and firm demand pushed up the average price of Brazilian coffee exports. Even with less coffee shipped, the country was able to maximize revenue and profitability throughout the year. The performance also reflects advances in quality, differentiation and commercial positioning.

Source: Conexão Safra

**END OF US TARIFFS FAVORS COCOA DERIVATIVE EXPORTS**

The National Association of Cocoa Processing Industries (AIPC) celebrated the decision by the United States government to permanently exclude additional tariffs on Brazilian cocoa derivatives such as butter, liquor and powder. The measure restores previous trading conditions following technical negotiations between Brazil and the US. The United States is among the main destinations for Brazilian exports of these products. With the removal of the charges, import costs are expected to fall and the country's competitiveness in the US should increase. The decision also brings greater trading predictability for the processing industry. According to AIPC, the growth of exports is expected to occur gradually. However, the measure is seen as strategic to strengthen Brazil's cocoa value chain.

Source: Notícias Agrícolas

**Brazilian Prices**

Main Producing Regions / Farm Gate

January 30, 2026

Arabica Naturals (R\$/ 60 kg bag)		Conilon / Robusta (R\$/ 60 kg bag)	
Cerrado MG	2,105.00 ↓	Colatina-ES fair average price	1,190.00 ↓
Mogiana	2,100.00 ↓		
South Minas	2,100.00 ↓		
Arabica Pulped Naturals (R\$/ 60 kg bag)		B3 (US\$/60kg Arabica bag)	
Cerrado MG	2,305.00 ↓	Mar 2026	425.05 ↑
South Minas	2,300.00 ↓	May 2026	415.00 ↑
		Sep 2026	375.10 ↑
		Real R\$ / Dollar US\$	
		Jan 30, 2026	5.24 ↓

+ 9.75%

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

## THE END OF THE DREADED THREAT OF BRAZILIAN DOMINATION OF WORLD COFFEE SUPPLY

Statement or question? Let's speculate here, using a word so popular in market analyses.

In theory the speculation below should be based on production figures but in practice exports data are more reliable because three out of the six largest producing countries – Brazil, Ethiopia and Indonesia – consume a substantial part of their production.

### Exports of all forms of coffee by exporting countries to all destinations

Rank	Country	Jan–Dec 2025	Jan–Dec 2024	Difference (bags)	Difference (%)
1	Brazil	39,570,179	50,414,524	-10,844,345	-21.51%
2	Vietnam	29,159,150	23,581,149	+5,578,001	+23.65%
3	Colombia	13,242,954	12,380,521	+862,433	+6.97%
4	Indonesia	11,043,071	7,205,985	+3,837,086	+53.25%
5	Uganda	8,902,212	6,384,010	+2,518,202	+39.45%
6	Ethiopia	7,343,000	6,340,000	+1,003,000	+15.82%
7	India	6,921,095	6,786,114	+134,981	+1.99%
8	Honduras	4,920,181	4,513,530	+406,651	+9.01%
9	Peru	4,102,215	4,077,754	+24,461	+0.60%
10	Mexico	3,533,964	3,010,450	+523,514	+17.39%
11	Guatemala	2,907,226	3,220,467	-313,241	-9.73%
12	Nicaragua	2,570,214	2,039,900	+530,314	+26.00%
	TOTAL (All countries)	142,228,617	138,606,725	+3,621,892	+2.61%

Source: ICO (International Coffee Organization)

A two-year period is obviously too short to draw reliable conclusions but the figures in the table above do raise interesting points that are worth addressing.

Although significant fluctuations in the Brazilian coffee production and export figures are nothing new, the size of this one, in the absence of a major frost or drought, may challenge the assumption that Brazilian domination of the market is inevitable. Also, the substantial

increase of production in other important origins shows that growth in other countries is possible and feasible — at least in a scenario of prolonged high coffee prices. Neither continuous growth of Brazilian production nor low growth in other countries, as many have claimed, should be taken for granted.

Nevertheless, considering that this fall in Brazilian production has been concentrated in Arabica, that the country had an all-time-high production of Robusta in the last crop, and that the two countries with the highest export growth, Indonesia (53%) and Uganda (40%), produce primarily Robusta, two conclusions can be drawn.

First, Robusta coffee is increasing its share of the world market, perhaps for being comparatively lower priced at a time when high coffee prices are causing consumers to seek out less costly products.

Second, the risks of Brazilian market domination are much more associated with Arabica than Robusta coffee given that the drop in Brazilian Arabica exports was only partially offset by Arabica producers like Colombia, Ethiopia and Mexico.

All that has been written above has to be further investigated and checked using production rather than export figures and, even in the case of exports, breaking down the Brazilian decline into Arabica and Robusta. However, the export figures in the table seem to indicate that the warning light on the risks of Brazilian domination is on Arabica rather than Robusta supply. This requires our speculation to shift from statistics to agronomy.

Brazilian Arabica is much more exposed to frost risk than Robusta — if the latter is at all vulnerable. Robustas may be more sensitive to lack of water, i.e., rainfall, but the share of coffee irrigated in Brazil is much larger for Robusta than Arabica. A lot has been written in Brazil lately about Arabica production losses due to higher temperatures but little about any similar impact on Robusta.

Bearing all this in mind and political risk apart, climate change is a risk to Brazilian production. On the other hand, the conjecture above shows that other Arabica producers have been unable to offset Brazilian export losses because of climate change and/or other problems in those origins.

Being neither a statistician nor an agronomist, my word of warning is that the risk is not concentration of Arabica production in Brazil but instead not addressing what is causing losses of Arabica production in Brazil and constraining the growth of production in other countries, enabling environment included in the latter.

## MACHINES FOR SMALL PRODUCERS AND MICRO LOTS

In recent years one of the focus areas of Pinhalense's R&D team has been the development of equipment for the two markets above that require small-capacity machines. Smaller and improved versions of existing machines have been launched and new machines developed with emphasis on efficiency and sustainability.



### COMPACTO MECHANICAL SIPHON

This small-capacity version of the mechanical siphon, that was invented and patented by Pinhalense, has all the features of the larger machines, e.g.: minimal water consumption in comparison with other systems to separate floaters and improved design.

### ecopulp PULPER

The latest small-capacity machine launched, this eco-friendly pulper that does not use water is already a best-seller in several countries. Small-size, top-performance and modern design are a unique blend that is rendering the ecopulp an important asset for smallholder growers, individually or in groups. See the ecopulp working at <https://youtu.be/eK5ALGUqIpk>. The ECOSUPER and ECOFLEX pulpers are also available for larger growers or central wet mills.



### SMALL-DRUM SRE ROTARY DRYERS

Available in the past, the small-drum SREs have been updated to meet the needs of small producers. In addition, divided-drum dryers are available for larger producers interested in drying either micro lots or larger batches, in this case using the two divisions for the same type of coffee.

### COMPACTA COMBINED HULLING UNIT

This smallest option in the combined unit line has a streamlined design to occupy less space, as its name says, and is easier to operate and maintain. The huller with oscillating screen is preceded by built-in precleaner and destoner and followed by a catador to separate hulled coffee. Used by groups of small producers, service providers and in side lines for micro lots in large mills, the COMPACTA has become one of the best-selling machines at Pinhalense's large portfolio of equipment.



Contact the Pinhalense sales representative in your country or the trader in charge of your area to learn more about the machines above.