

CONFIDENTIAL

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

- **ADDING VALUE TO MAXIMIZE PROFIT (PAGE 3)**
- **CALORATTO PRO ROASTER LAUNCHED (PAGE 4)**

☞ BRAZILIAN COFFEE EMULATES FINE WINE: ORIGIN AND TERROIR

Brazilian coffee is undergoing a significant transformation with a growing focus on quality and differentiation. Advances in research, genetic improvement, and the use of technology have enabled the production of coffees with more sophisticated sensory profiles. Fermentation techniques and new post-harvest processing methods further expand the diversity of flavors. Even Conilon coffee, once considered inferior, is gaining recognition due to substantial quality improvements. This movement brings coffee closer to a wine-like logic that emphasizes origin and terroir. Despite these advances, the sector still faces challenges in expanding specialty coffee production and strengthening its international recognition.

Source: Pesquisa FAPESP

☞ BRAZIL IN THE GLOBAL LUXURY COFFEE MARKET

Brazil is gaining space in the global luxury coffee market with the cultivation of the rare variety Eugenioides. Priced at up to US\$18,000 per coffee bag, the product has attracted strong international interest due to its rarity, low caffeine content, and sweet and citrusy sensory profile. After a decade of experimentation, the producer Luiz Paulo Dias Pereira Filho, who now cultivates five hectares of Eugenioides, is seeing growing demand from markets such as Asia and the Middle East. This positions Brazil as a global reference in the segment of rare and ultra-premium coffees. Studies indicate that Eugenioides genes play a relevant role in improving the quality of Arabica coffee, which reinforces its value.

Source: Agência P1

☞ TOPOGRAPHY INFLUENCES SOIL QUALITY IN AGROFORESTRY COFFEE

A study indicates that topography has a direct influence on soil quality in agroforestry coffee plantations in Brazil since it affects water dynamics, nutrient accumulation, and the soil's physical properties. The research project analyzed different terrain positions and soil depths and showed that these variations impact plant development and productivity. The results suggest that standardized cultivation practices may not be effective in areas with heterogeneous terrain. Therefore, adjusting the still-little-used-in-Brazil agroforestry coffee cultivation systems according to topographic conditions may increase production and efficiency and contribute to the sustainability of coffee farming.

Source: Notícias Agrícolas

☞ CONILON CULTIVARS BOOST PRODUCTIVITY IN ESPÍRITO SANTO

As a result of decades of research and genetic improvement, Espírito Santo now relies on cultivars that are more productive, resilient, and better adapted to the different climate conditions found in the state. Properly managed Conilon areas already produce more than 9 tons of coffee per hectare. These varieties require less pesticide and their uniformity in the field facilitates cultivation and harvesting.

Source: Conexão Safra

RAINFALL, COFFEE BEAN DEVELOPMENT AND RECORD PRODUCTION

After a period of heat and drought in December last year, rainfall volumes in early 2026 have significantly improved the development of coffee beans according to a study by the University of São Paulo’s Luiz de Queiroz College of Agriculture (ESALQ/USP). The March rainfalls contributed to further development of the Arabica beans and the final development of the Robusta ones. An all-time-high coffee production may be expected.



Source: Centro do Comércio de Café de Minas Gerais

CELLVA RAISES US\$4 MILLION AFTER SWITCHING FROM CULTIVATED FAT TO “COFFEE-BASED COCOA”

The Brazilian startup Cellva Ingredients has raised US\$ 4 million to accelerate the development of a cocoa substitute made from the coffee cherry. The company has abandoned its initial plan to produce cultivated fat in the lab and is now focusing on sustainable ingredients related to coffee. The product, called CoffeeCoca, uses coffee by-products and is an alternative and in response to rising global cocoa prices. The company plans to expand its semi-industrial facility in Manaus and scale up production. Its goal is to reach around 1,000 tons by 2026. The initiative combines innovation, circular economy, and reduced environmental impacts in the food industry.

Source: AgFeed

GENCAU AND COOPERCITRUS ESTABLISH PARTNERSHIP TO VALIDATE COCOA CULTIVATION IN THE STATE OF SÃO PAULO

The Brazilian cocoa-focused ingredients company Gencau and the Brazilian agricultural cooperative Coopercitrus have established a partnership to validate cocoa cultivation in the state of São Paulo. The initiative brings together Gencau’s industrial expertise and Coopercitrus’ extensive network and field presence to develop technical knowledge in a responsible manner. As a first step, a Technological Showcase Area will be established for field trials and agronomic monitoring. The goal is to generate consistent data prior to large-scale commercial expansion in order to reduce risks for growers. The project also aims to identify the best conditions for cocoa adaptation to São Paulo’s climate.

Source: Mercado do Cacau

EXPOCACAU TO GROW AND INTRODUCE NEW FEATURES IN 2026

ExpoCacau 2026 will take place from August 25 to 27 in Ilhéus, state of Bahia, and will consolidate its position as Brazil’s leading business and technology event in the cocoa supply chain. Organized by CocoaAction Brasil, the event aims to drive the sector forward, foster business opportunities, and share knowledge among producers. The program includes a trade fair featuring exhibitors of machinery, inputs, and agricultural solutions, as well as the 8th Annual Cocoa Forum that will address topics such as regenerative agriculture and productivity. Technical demonstrations, field visits, and hands-on courses are also planned. After welcoming around 6,000 visitors and generating around US\$48 million in business deals in its first edition, the event expects to increase attendance by 35% in 2026.

Source: CocoaAction Brasil

Brazilian Prices

Main Producing Regions / Farm Gate

March 31, 2026

Arabica Naturals (R\$/ 60 kg bag)		Conilon / Robusta (R\$/ 60 kg bag)	
Cerrado MG	1,905.00 =	Colatina-ES fair average price	980.00 ↓
Mogiana	1,900.00 =		
South Minas	1,900.00 =		
Arabica Pulped Naturals (R\$/ 60 kg bag)		B3 (US\$/60kg Arabica bag)	
Cerrado MG	2,005.00 ↓	May 2026	397.30 ↑
South Minas	2,000.00 ↓	Jul 2026	370.10 ↑
		Dec 2026	333.30 ↑
		Real R\$ / Dollar US\$	
		Mar 31, 2026	5.18 ↑

+ 5.5%

Source: www.qualicafex.com.br

ADDING VALUE TO MAXIMIZE PROFIT

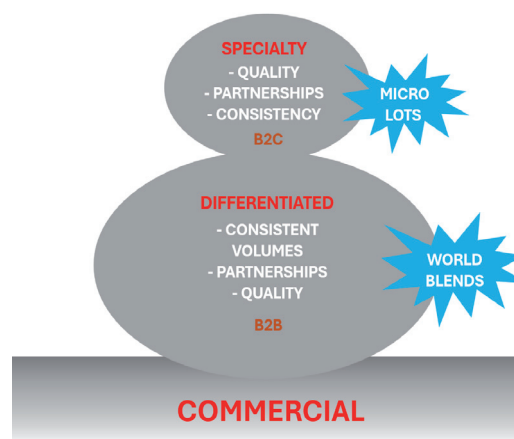
This is a continuation of last month’s Outlook and I will start again with a comment I heard in Central America, this time from the owners of a mid-size farm.

The comment goes that they make more money and have greater profit from roasting and selling their lower quality coffee in the market of the town where the farm is located than by selling their top quality specialty coffee to traders/exporters. This paves the way for my own comments below about value addition.

Starting with the “head” of P&A’s “snowman” depiction of the coffee market, much has been written about the added value enjoyed by specialty coffee. However, not much has been written about the challenge for growers to add this value, especially smallholder ones but other-size growers too, because it depends on market access. To make a long story short, the additional price earned by the growers decreases as the coffee changes more hands between farm and roaster.

In the case of the “body” of the “snowman” – the differentiated coffees that quality-minded coffee chains, single-serve and brands buy –, sizable lots with consistent quality are required year after year. This raises the question of bringing growers together if they want to retain the value added that will be otherwise shared with the trade. This in turn raises the need for central wet milling and drying by groups, associations or cooperatives of smallholder growers, a subject that has been addressed in several previous Outlook articles.

In the two cases above – specialty and differentiated coffees – growers must find ways to appropriate a larger portion of the price with the help of direct trade and/or cooperatives and associations and the support of marketing and promotion.



Since to add value to commercial coffee is even more difficult, the option used by the owners of the farm mentioned at the beginning of this article – roasting and selling in the local market – is an interesting option. Roasting equipment is required to do this but growers can either rely on service providers that exist in many coffee producing areas around the world or, in the case of groups of growers, larger farmers or cooperatives, buy their own equipment. Coffee roasters are available in all sizes, starting with very small ones.

There are also institutional approaches that help growers take their coffees to the retail market, e.g., the co-roasting project CIR - Centros de Industrialización Regionales implemented by the Colombian Coffee Growers’ Federation (FNC) mentioned in the Machine of the Month section of the July 2025 Confidential (https://www.peaconsult.com.br/imgs/pa_coffidential__216__jul2025.pdf). The Brazilian cooperative Cooxupé is today one of the largest coffee roasters in the country. This is a large scale example of how coffee growers – in this case Cooxupé’s members – roast their own coffee and add value to it.

The Outlook article Value Addition from Farm to (Local and Regional) Consumers, in the February 2024 Confidential (https://www.peaconsult.com.br/imgs/pa_coffidential__199__february2024.pdf), addresses the options proposed above in much greater detail. Growers can take to market coffees of all qualities but the opportunity to sell in their local villages or towns is a unique way to add value to their lower quality commercial coffees that would be otherwise sold as green coffee for the lowest price.

While in last month’s Outlook article I wrote that producing a small volume of lower quality coffee may be required to maximize profit I now add that these coffees can be roasted and sold in the local market to increase coffee growers’ profits even further.

CALORATTO PRO ROASTER LAUNCHED: the evolution of professional coffee roasting

The CALORATTO PRO ROASTER is a new generation within the CALORATTO line. It retains the CALORATTO's robustness and efficiency and adds features that enable professional roasting.

User-centered innovation

One of the most significant improvements is the new integrated control system with a built-in screen designed to simplify operation without compromising precision.

The introduction of a modern interface transforms the user's experience and allows all functions to be centralized in one place. Direct integration with Artisan and Cropster eliminates the need for external computers while the 15.6" capacitive touchscreen offers a smooth, smartphone-like interaction.



Users can visualize roasting curves in real time, store unlimited profiles, and import data from Artisan which facilitates standardization and migration processes. The system also enables the generation of reports and interactive dashboards thus adding a new layer of analysis for decision-making.

Thermal stability and precision in every batch

Consistency is a cornerstone of professional roasting, and in this regard, the PRO ROASTER incorporates an automatic and programmable preheating system to ensure optimal thermal conditions in each batch.

Its proven hybrid heating system — combining conduction and convection — allows for precise control over coffee development during the roasting process to ensure that roasting profiles are more accurate and replicable.

Full control of the roasting process

The new version maintains the same advanced level of control of the traditional CALORATTO line but now enables operators to adjust in real time key variables such as airflow, drum speed, and flame power.

The new system allows users to record critical roasting milestones — such as turning point, end of drying, or first crack — directly within the software, with significant improvement in the replicability of profile and consistency.

More than an evolution: a new benchmark

The CALORATTO PRO ROASTER is not just an upgrade. It is a solution designed to take roasting control to a new level, combining technology, efficiency, and ease of use in a single platform.

The launch of the PRO version does not replace the traditional line. The standard CALORATTO will continue to be available, allowing each customer to choose the model that best fits their operation and level of automation.

Available in 5, 10, 15, 30, and 60 kg batch sizes, the machine offers high operational flexibility and, depending on the roasting profile, can reach a productivity of up to four batches per hour.

For more information about the CALORATTO PRO ROASTER, contact our team and discover how this technology can transform your roasting process. Smaller roasters are also available in the STRATTO and SPECIATTO lines.