

CONFIDENTIAL

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

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FOREST-BASED COFFEE PRODUCTION WITH 117,000 TREES

Caxambu and Aracaçu Farms, located in Três Pontas in the state of Minas Gerais, operate under a model in which there is one tree for every seven coffee plants that adds up to around 117,000 trees directly integrated into the coffee production system. These so-called “Coffee Forests” have been mapped and validated by the Federal University of Viçosa (UFV). The trees contribute to thermal regulation, higher moisture levels, lower water stress, healthier soil, and greater functional biodiversity. The results are also evident in quality and enable the production of high sensory-standard coffees that are recognized in Brazilian and international competitions.

Source: CCCMG

ROBUSTA GAINS GROUND AND DOUBLES PRODUCTION IN NINE YEARS

Brazilian Robusta production doubled from 10.4 million coffee bags in 2016 to 20.8 million bags last year when it reached a record high according to the Ministry of Agriculture Agency in Charge of Warehousing and Crop Estimates (Conab). This year, Robusta coffee production is expected to grow further to 22.1 million bags, a 6.4% increase compared to 2025 and a new historic record. The advances in Robusta production reflect a shift in farm management as growers increasingly prioritize more predictable and profitable systems supported by technology, intensive crop management, and lower exposure to climate risks. At the same time, Brazil strengthens its international competitiveness by diversifying its coffee supply.

Source: Peabirus

UNIVERSITY IN MINAS GERAIS DEVELOPS APP TO OPTIMIZE COFFEE HARVESTING

Research developed at the School of Computer Science at the Federal University of Uberlândia (Facom/UFU) has led to the creation of an app designed to assist coffee growers during harvesting. Photos of coffee trees are processed by an Artificial Intelligence model and, within a short time, the app analyzes the sample and displays a recommendation on the screen indicating whether those branches should be “harvested” or “not harvested,” and shows the confidence level of the decision. The platform operates offline and, for now, access to the software is restricted to the researchers and collaborators involved in the project while UFU completes the intellectual property registration process.

Source: UFU

APPLICATION OF RIPENING AGENTS BEFORE HARVESTING

The application of ripening agents has been gaining ground in coffee farming as an efficient tool to address uneven coffee cherry maturation. These products, that act on the ethylene dynamics, are used to accelerate or standardize the ripening of the coffee cherries. Application is recommended when around 90% of the cherries in the lower third of the coffee plant have already reached physiological maturity. The treatment should be carried out approximately 30 days before harvesting with careful attention to the correct timing of picking. This strategy allows growers to optimize planning, reduce harvesting costs, and improve coffee quality standards by adapting crop management to the specific needs of each area of the farm.



Source: Hub do Café

COOXUPÉ PARTICIPATES IN INTERNATIONAL STUDY ON COFFEE CARBON FOOTPRINT

The Guaxupé Coffee Growers’ Cooperative (Cooxupé) took part in the Coffee Carbon Footprint Baseline Study in Latin America. The initiative evaluated greenhouse gas emissions from coffee production in five countries: Brazil, Colombia, Honduras, Mexico, and Peru. The study measures the efficiency of coffee production systems in relation to carbon emissions within farm gate considering factors such as the use of inputs, crop management, energy consumption, transportation, and on-farm processing. It also highlights the role of shade trees and intercropping systems that contribute to carbon storage and promote sustainability. The objective is to establish a comparable baseline among producing countries and to support climate mitigation strategies in the coffee sector.

Source: Hub do Café

THE STRENGTH OF THE SÃO PAULO COFFEE ROUTE

The “Coffee Route” in the state of São Paulo drives tourism, promotes coffee heritage, and contributes to the regional economy by generating income and offering on-farm experiences. Almost all businesses included in the route (89%) have registered an increase in the number of tourists since the route was created. Visitor numbers have risen by an average of 37%, which resulted in a 35% growth in revenue for businesses involved in the route. In addition to reflecting a strong emotional connection to coffee, the Route highlights local growers, promotes their products and services, and generates more jobs. Nearly half of the businesses have already hired new employees.

Source: CCCMG

BRAZILIAN COFFEE SHOPS RANK AMONG THE WORLD’S TOP 100

During the event CoffeeFest Madrid, held in February, the Brazilian coffee shops Cupping Café (São Paulo) and Coffee Five (Rio de Janeiro) were ranked among the top 100 in the world. This recognition highlights the progress of Brazil’s specialty coffee community and serves as a premium showcase for Brazilian coffee farms. This result both encourages growers to invest in more sophisticated post-harvest processing to supply to a market that is ready to absorb this level of quality and reinforces Brazil’s position as a global reference in specialty coffee and value addition.

Source: Hub do Café

SÃO PAULO EMERGES AS A NEW HIGH PRODUCTIVITY COCOA HUB

The state of São Paulo has rapidly expanded its cocoa area over the past five years and reached around 650 hectares across 120 farms and has potential to grow to 3,000 hectares in the next decade. Its productivity reaches between 1.5 and 2 tons of cocoa per hectare while the Brazilian average is around 480 kg per hectare. This high productivity is the result of specific techniques of cultivation and management. Growers intercrop cocoa with crops such as banana, avocado, papaya, and açaí, and plant a eucalyptus species known as *Corymbia torelliana* to act as a windbreak, besides careful soil management, irrigation, and fertilization practices. The state continues to invest in research to further improve this technology.

Source: O Estado de S. Paulo

Brazilian Prices

Main Producing Regions / Farm Gate

April 30, 2026

Arabica Naturals (R\$/ 60 kg bag)		Conilon / Robusta (R\$/ 60 kg bag)	
Cerrado MG	1,755.00 ↓	Colatina-ES fair average price 990.00 ↑	
Mogiana	1,750.00 ↓		
South Minas	1,750.00 ↓		
Arabica Pulped Naturals (R\$/ 60 kg bag)		B3 (US\$/60kg Arabica bag)	
Cerrado MG	1,905.00 ↓	May 2026	380.00 ↓
South Minas	1,900.00 ↓	Sep 2026	335.00 ↓
		Dec 2026	330.65 ↓
		Real R\$ / Dollar US\$	
		Apr 30, 2026	4.95 ↓

+ 8.8%

Source: www.qualicafex.com.br

CAN COCOA LEARN FROM COFFEE? IF YES, WHAT CAN COCOA LEARN FROM COFFEE?

Although they are totally different products, cocoa and coffee are grown in countries that share a similar social and economic fabric, their growers face similar environmental, social and economic challenges, the percentage that the growers get of the price of the product paid by consumers is in the same range, and there is increasing concentration of production in a few countries. Since coffee seems to have started earlier and to be more advanced in sorting out sustainability issues, can cocoa learn from coffee?

I will use the success story of coffee in Brazil to speculate whether there are things that the cocoa sector can learn from coffee. In a nutshell, Brazil is today the largest producer and exporter and the second largest consumer of coffee in the world.

Coffee productivity in Brazil doubled in the first two decades of the 21st century after doubling in the decade before, i.e., productivity increased almost four times in three decades. The current average productivity of about 30 bags (1.8 tons) per hectare is only surpassed by Vietnam and the average for the rest of the world is under 10 bags (600kg) per hectare.

On a different front, the percentage of the FOB export price of coffee that reaches Brazilian growers is 85% or above, on average. This is to be compared with under 70% in most countries, with a few exceptions – e.g.: Vietnam and Colombia –, and as low as 40 or even 25% in a few cases.

Are these productivity and price to producer gaps also found in cocoa producing countries? If yes, it may be helpful to consider how to address them using the case of coffee in Brazil.

The key to reaching maximum economic productivity, i.e., not the highest productivity possible but the one that brings the greatest returns, lies on technology and therefore research to make this technology available. However, since there are cocoa producing countries and regions with rather high average productivity and specially farms that are highly productive, the technology does exist. The question is how to make it available in low productivity countries and areas and specially to smallholder cocoa growers.

The answer lies on the availability of training and extension services, access to inputs – fertilizers and pesticides – and equipment, that requires financing and profitability to repay it that, in turn, requires greater access to export prices. Greater participation in export prices requires an efficient supply chain, with cocoa changing fewer hands until it reaches the harbor, improved processing and logistics, internationally competitive and fair taxes and fees, and efficient harbors, to mention the most important items.

A quick analysis of the items listed in the previous paragraph shows that most if not all of them are not within cocoa growers' control and lie on actions to be taken beyond farm gate to create what is called an efficient enabling institutional and business environment or simply enabling environment.

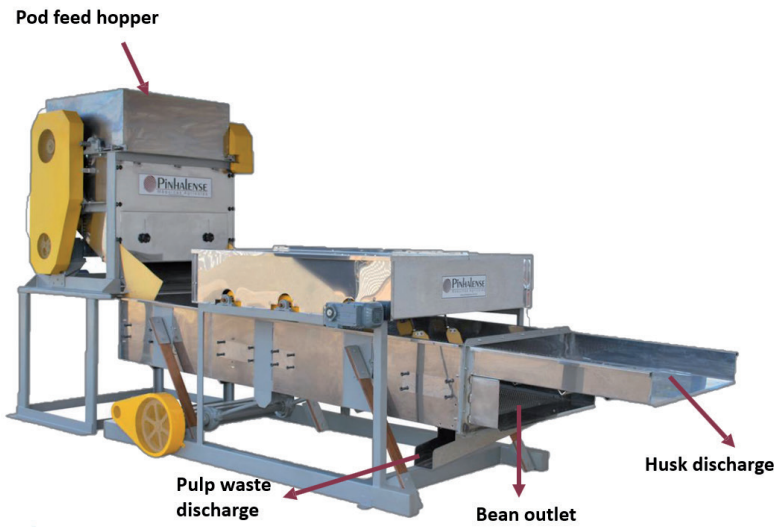
The creation of this enabling environment requires well-orchestrated actions between the private sector and government. It is usually private sector actors and institutions that bring up the needs to implement what has to be done with their support. Government plays a key role in the creation or improvement of this enabling environment, e.g.: the implementation of public extension and training services and a fair tax system. On the other hand, extension services and training, financing, logistics and harbor operation may be provided and improved by the private sector with government support. Finally, items like processing and trading may be improved by the private sector itself. Can the cocoa sector and governments of cocoa producing countries work together to improve the enabling environment beyond farm gate for the benefit of growers who will then make more money and be in a better position to be more socially and environmentally sustainable? The political will to improve the enabling environment is essential to bring about much needed change.

Bringing cocoa growers together in associations or cooperatives may be a critical move to improve the enabling environment in several different ways: developing their own training and extension services, creating a more competitive market by supplying inputs and equipment themselves or implementing barter systems, channeling loans to growers and/or providing guarantees for them, processing their cocoa and selling it in larger volumes with a much greater bargaining power and access to future markets that small growers do not have. Where smallholder cocoa growers prevail, which is mostly everywhere, they can also get together in small groups or associations to become as competitive as larger producers by accessing technology, buying inputs, processing and selling their product together in order to save costs and add quality and value to their product. Finally, cooperatives and associations can also be an excellent instrument to defend the interests of cocoa growers.

The six slides in the link https://drive.google.com/file/d/1VqmqXq9cOS39KwVRSXw4QA0mNJyqiPgk/view?usp=drive_link summarize to some extent the text above and, most importantly, add further food for thought.

COCOA PROCESSING EQUIPMENT

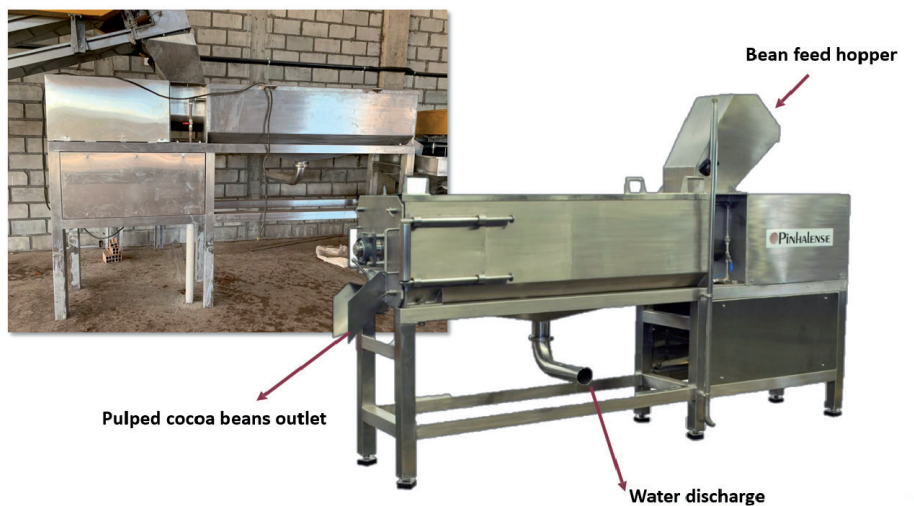
Cocoa pod breaker



Bean and husk separation screen



Cocoa pulper



Sorting screen after pulper



Illustrative photos of the equipment installed

Fermentation box dumper



Illustrative photos of the equipment installed

Pre-dryer and rotary dryer SRC



Illustrative photos of the equipment installed