P&A COFFEE NEWSLETTER
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COFFIDENTIAL

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

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COOXUPÉ MEMBERS TO RECEIVE MORE THAN US$ 120 MILLION AFTER FAVORABLE COURT DECISION

The Guaxupé Coffee Growers' Cooperative (Cooxupé) has announced that it will return US$ 124.5 million to its members. This amount resulted from a lawsuit challenging the collection of a specific fee on coffee exports. Cooxupé obtained a final favorable court ruling that exempts these exports from the charge and provides for reimbursement. The amount to be returned to cooperative members corresponds to 16 years of contributions adjusted for inflation and interest in the period.

Source: Globo Rural

CREDIT COOPERATIVES LEAD CROP FINANCING



Credit cooperatives are consolidating their position as main lenders of the traditional "Plano Safra" (Crop Plan financing) funded by the federal government. Since the last 2024/25 crop year, lending by public banks fell 50% to US$ 3.2 billion and by private banks 24% to 2.5 billion while the leading cooperative banks – Sicredi, Sicoob and Cresol – plan to expand their lending by 10% to US$ 32 billion in the 2026/27 crop year. The close relationship with cooperative members, the institutions' extensive reach, and the technical expertise of their teams are key advantages to enable credit cooperatives to continue serving growers in a tighter credit environment. While banks have become more restrictive and increased collateral requirements, credit cooperatives are able to make lending decisions based on each member's conditions and to expand credit during crisis periods.

Source: Globo Rural

CERRADO MINEIRO REGION LAUNCHES REGENERATIVE COFFEE FUTURE AWARD

The 14th Cerrado Mineiro Region Award will have the Regenerative Coffee Future Award as its new main feature. The top three growers who implement actions that generate environmental, social, economic, and production benefits will receive the award. The new award aims to assess the farm as a whole and to consider not only individual initiatives but also the combination of adopted practices, management, results, and impacts generated over time. The assessment covers seven areas: soil and fertilization; organic matter; biological inputs; water and soil physical properties; environmental conservation and biodiversity; integrated pest and disease control; and management, people, and economic sustainability. Practices must be effectively implemented, operational and supported by technical and documentary evidence.

Source: Cerrado Notícias

PROJECT ON FAMILY SUCCESSION IN COFFEE FARMING LAUNCHED

Cooxupé and JDE Peet's have launched the project "Coffee Generations: Planting the Seeds for a Sustainable Future" in order to prepare young growers who will carry on their family businesses. The initiative aims to train 700 coffee growers over five years in management, financial planning, family succession, regenerative agriculture, cooperativism,

leadership, and innovation. The project will involve growers aged 18 to 35 who participate in Cooxupé's sustainability protocol "Gerações". It will include technical training, leadership development, interaction with experts, and exchanges of experiences among coffee growers. The program will also include participation in trade fairs, innovation forums, and other industry events.

Source: Hub do Café

BRAZIL'S COFFEE EXPORTS HIT HISTORICAL RECORD FOR AUGUST

Brazil shipped a record 4.155 million bags of coffee in August, 31% more than in the same period in 2025, according to the Brazilian Coffee Exporters' Association (Cecafé). Export revenue increased almost 20%. Arabica shipments rose 25.7% and Canephora exports 53.6%. Soluble coffee exports grew 24.3%. The five leading destinations for Brazilian green coffee from January to August were the United States, Germany, Italy, Belgium, and Japan.

Sources: Globo Rural and Rede Social do Café

THE BENEFITS BEHIND YOUR DAILY CUP OF COFFEE

Coffee has been increasingly recognized for its potential health benefits. Its moderate consumption has been linked to a lower risk of cardiovascular disease, type 2 diabetes, liver disease, and neurodegenerative disorders, along with potential benefits for cognitive health and longevity. How coffee is prepared may also make a difference. Paper-filtered coffee made with light or medium roasted beans is considered one of the healthiest options because paper filters retain oily compounds that may raise cholesterol and lighter roasting tends to preserve more antioxidants. Specialty coffees may contain higher levels of some beneficial compounds but regular coffee also offers many of the same health benefits.

Source: Veja Saúde

GCP CELEBRATES 10 YEARS OF ADVANCING SUSTAINABILITY IN THE GLOBAL COFFEE SECTOR



The 10th anniversary of the Global Coffee Platform was celebrated in Geneva, Switzerland, last month. Throughout its history, GCP has promoted collaboration among organizations, companies, producers, and institutions to advance sustainability initiatives and to improve production conditions. The 10th anniversary celebration provided an opportunity to recognize international cooperation efforts and to reinforce the importance of dialogue among the different participants in the sector. The celebration had the participation of the GCP Brazil team, represented by Pedro Ronca, and GCP Board Member Rafael Fonseca, from COOMAP (the Paraguaçu Growers' Cooperative). A GCP member, the Brazilian National Coffee Council (CNC) had representatives joining the celebration in recognition of GCP's journey and its work with the different links of the coffee value chain. One of the central points of discussion during the celebration was what the coffee sector expects for the next decade, with a focus on sustainability, resilience and added value for producers.

Source: CNC

Brazilian Prices

Main Producing Regions / Farm Gate — **September 30, 2026**

Arabica Naturals (R$/ 60 kg bag)	
Cerrado MG	1,605.00 ↓
Mogiana	1,600.00 ↓
South Minas	1,600.00 ↓
Arabica Pulped Naturals (R$/ 60 kg bag)	
Cerrado MG	1,805.00 ↓
South Minas	1,800.00 ↓

+12.8%

Conilon / Robusta (R$/ 60 kg bag)	
Colatina-ES fair average price	1,020.00 ↓

B3 (US$/60kg Arabica bag)	
Dec 2026	351.05 ↓
Mar 2027	348.50 ↓
May 2027	342.65 ↓

Real R$ / Dollar US$	
Sep 30, 2026	5.17 ↓

Source: www.qualicafex.com.br

ENSURING THE LIVELIHOOD OF (SMALL) COFFEE FARMERS*
(TOWARDS A SILVER BULLET… WITH A FEW BRONZE BULLETS)

World coffee production is not increasing as fast as it should or could in spite of high coffee prices. There is a vicious circle of low productivity and low income. The small farm sizes that prevail cause diseconomies of scale and the share of the price that reaches coffee farmers is small in most countries.

While the average productivity in Vietnam and Brazil is above 30 bags/1.8 tons of coffee per hectare, the average for all other producing countries is below 15 bags/0.9 tons per hectare. While the percentage of the FOB export price that reaches farmers in Vietnam, Colombia and Brazil is above 85%, the average for the rest of the world is under 65%.

The average size of the coffee property of 1.5 ha around the world creates major difficulties for small farmers to earn enough money to keep their families. This helps explain why the majority of coffee farmers earn less than the Living Income benchmark for the area where they are located.

Sad as all this is, recent years have brought additional challenges: climate change, a new regulatory environment and geopolitical changes that caused funding and foreign aid to decrease in Europe and the United States. These challenges may bring further concentration of production in a few countries and less diversity of supply because they are better addressed by larger farmers and a few mostly large producing countries.

Structural change is required to organize farmers and to create an efficient enabling environment to address these challenges and to empower their households to earn the Living Income or more. The silver bullet to ensure sustainable production in multiple origins is a sociological approach to enable durable structural change.

A few bronze bullets towards the silver bullet are to bring together and to organize growers (also to comply with regulations), to improve the enabling environment and to implement regenerative agriculture.

Farmers, especially small ones, have to work together to gain economies of scale. Together they may access technology to become more productive, profitable and sustainable. Together they may share the costs of mechanization, so much needed in an environment of scarce labor, and to process their coffee together to deliver consistent qualities, to access markets and to get better prices. Farmers may have better bargaining conditions and access financing if they buy inputs and equipment together. To implement Regenerative Agriculture may be a joint initiative and compliance with regulations will be greatly facilitated with a collective group approach.

Working together creates the conditions for (small) farmers' households to become more sustainable and to reach and surpass the Living Income benchmark. The models to bring growers together – cooperatives, associations, farmer groups, youth groups, else – will be different in different countries and regions as a result of the cultural and sociological environment in the areas where coffee is grown. Digital technologies, social networks and artificial intelligence may today help catalyze and leverage structural change and create the governance it requires.

There are many possible ways to improve the enabling environment beyond farm gate in order to increase its efficiency and, as a result, to increase the percentage of the FOB export price that farmers' households receive: to train farmers on productivity and management; to increase the efficiency and competitiveness of the markets for coffee itself, inputs (fertilizers, herbicides, etc.) and equipment; to provide financing that is accessible and has interest rates and repayment period that are compatible with agricultural activities; to change and/or improve the legislation to lower taxes and fees on coffee, to enable the creation of farmer organizations with proper governance; to improve the logistics of coffee transport, processing and shipping; and other possibilities specific to different organizational, legal and business environments.

The improvement of the enabling environment requires joint actions by different players with negotiation and alignment to conciliate conflicting interests. Artificial intelligence may facilitate it in many ways, from improving training and extension services to a review of relevant legislation, to mention a few examples.

Last but not least, the implementation of Regenerative Agriculture in coffee – Regenerative Coffee as proposed by the Global Coffee Platform (GCP) – will bring greater resilience and increased productivity. However, funding will be needed upfront. Investment will be required at initial years to guarantee the streams of future benefits not only in terms of resilience to climate change but also increased farmers' income.

**The text above is based on the presentation "A Vision for GCP's Next Chapter" made at the Global Coffee Platform 10th Anniversary Commemoration in Geneva on September 30, 2026.*

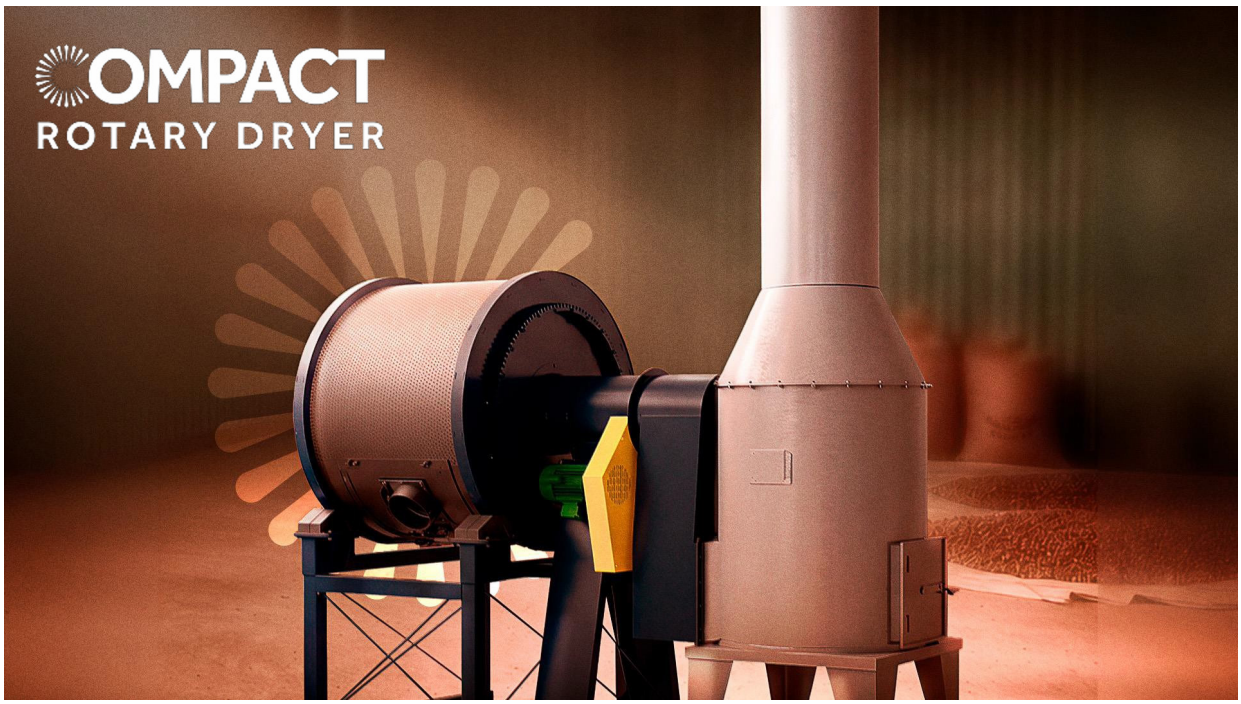
STRUCTURAL CHANGE



Regenerative Coffee

AI MAY HELP IT HAPPEN

COMPACT ROTARY DRYER



The new Compact Rotary Dryer is a solution designed from the ground up, developed for
- small volumes of coffee: up to 1,000 kg per batch,
- limited space,
- simple installation and operation, and
- fuel flexibility: wood, husk or gas.

The Pinhalense Compact Rotary Dryer was conceived for small and mid-sized coffee producers seeking autonomy, quality and greater value for their coffee. It is the professional drying solution that delivers flexibility, modularity, and the quality and reliability of a world-leading brand.

The Pinhalense Compact Rotary Dryer enables:
- greater process control,
- improved coffee quality and
- larger profits.

Learn more about the Compact Rotary Dryer at https://bit.ly/3TshdXT

For additional information and prices, contact the Pinhalense representative nearest to you or the Pinhalense traders themselves.