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COFFEE FLOWERING IN BRAZIL IS THE WORST IN 26 YEARS

Coffee growers in Brazil have been facing the worst flowering season in more than 2 decades. The usual pattern of 2 to 3 flowering rounds has been replaced by multiple, uneven flowerings due to continuous, well above average rainfall over the last three months. This represents a major threat to the quality of the 2010 crop because of the Brazilian practice of harvesting coffee at one single round. Coffee plants usually flower in September and October, after a dry "stress" period that has not occurred this year in most coffee areas of Brazil. Experts say this has been the worst flowering season since 1983.

Source: Brasil Econômico and P&A

RAINS REDUCE SUPPLY OF SPECIALTY COFFEES

The rains that hit coffee areas in South Minas, Mogiana and Northern Paraná limited the production of specialty coffees in Brazil this year. Rains do not reduce yields, but do affect volumes of specialty beans. The Mogiana region, that produces an average of approximately 1 million bags of quality coffee per year, may have lost 30% of its specialty coffee. Ipanema Coffees, one of the largest specialty coffee producers in the world, located in South Minas Gerais, also suffered the effects of the climate and has declared 2009 as one of the worst crops in terms of quality in recent years.

Source: Valor Econômico, CaféPoint and P&A

GREEN COFFEE CATERPILLARS ATTACK IN SOUTH MINAS GERAIS

The green coffee caterpillar (*Eacles imperialis magnifica*) is causing major problems in coffee areas of South Minas Gerais. The caterpillars feed on the leaves of coffee plants and attack the crop during 30 to 37 days after they come out of the eggs. Each moth larva can eat up to 5 leaves in just a few hours. Generally, the green coffee caterpillar is not considered a major pest, but economic damage can happen due to biological imbalances caused by the excess of chemicals and favorable climatic conditions, especially high temperatures. Brazilian coffee growers were warned to keep a close eye on the caterpillar infestation to avoid bigger damages.

Source: Globo Rural and NewsCafeicultura



SPECIALTY ORGANIC COFFEE GROWN IN PERNAMBUCO



Taquaritinga do Norte is a small town located in the state of Pernambuco, in a non-traditional coffee growing area in the Northeast of Brazil. Located 900m (3,000ft) above sea level and with temperatures that can reach 43°C (110°F), the region has been growing high quality organic coffee over the last 5 years. Unusually for Brazil, the plantations are shaded with fruit trees and other plants that help to protect the coffee trees from the scorching sun during the warmest months. Coffee grown in Taquaritinga do Norte is Arabica of the Tipica variety and can reach 3m (10ft) in height. They are part of the first coffee lot brought to the country in 1727. There are currently around 2,000 hectares (5,000 acres) of shaded coffee in the area, cultivated by 450 growers.

Source: Globo Rural

BIOFABRIC ISOLATES FUNGUS THAT HELPS PROTECT COFFEE QUALITY

A biofabric able to isolate microorganisms useful for agriculture was developed by research institutions that belong to the Brazilian Coffee Research Consortium. From countless works to identify and control fungus that could harm coffee quality, the researchers found one that is associated with good cup quality. The "good fungus" can be used as a bioprotector, controlling other microorganisms harmful to coffee. Other objectives of the biofabric, located at the Federal University of Lavras (UFLA), are to select biological agents able to remove metals from soil, to make phosphates more soluble, to produce enzymes and also to purify water used in agriculture.

Source: Embrapa Café and UFLA

ENCAFÉ 2009 – HIGHLIGHTS



The 2009 edition of Encafé, the annual conference of the Brazilian coffee roasting industry, held by ABIC in Bahia, gathered around 500 participants among coffee roasters, exporters, growers, machinery suppliers and government representatives. This year's central theme was "The Growth of the High Quality Coffee Market", widely explored in panels and round tables in the course of 4 days. Below are some highlights of the event.



ABIC launches Quality Guide of the Brazilian Coffees

The Brazilian Coffee Roasters' Association (ABIC) launched its "Guia ABIC da Qualidade dos Cafés do Brasil (Cafés do Brasil Quality Guide)", a 100-page book presenting the various coffees from the country's main producing regions and micro regions. The Guide not only describes the physical features and grading of the beans but also the overall cup quality, with a complete sensorial profile besides complementary information regarding processing and drying methods and geographical and climate conditions of every producing area. The Quality Guide, that was based on an extensive study of the 2009 crop carried out by a team of professional graders and cuppers, will be a reference for national and international buyers seeking high quality coffees. The English language version of the Guide will be available in 2010.

Brazilian coffee consumption maintains upward trend

Brazilian consumption of coffee will reach 18.5 million bags by the end of 2009, an 8% growth over last year's figure, despite the world crisis. The domestic coffee market continues to expand, both in the traditional and high quality segments. The present challenge for the sector consists in finding ways to develop the quality of and the demand for "superior" coffees even further.

Concentration of retail hurts roasters

Increasing the quality of coffee products requires not only improvement in industrial processes, but also growers' commitment and consumers' willingness to pay. The question raised during Encafé is whether consumers are indeed willing to pay more for better coffee. The scenario does not look good for roasters. Since 1994, inflation has been 211% while the price of roast and ground coffee increased only 50% in supermarkets. Roasters are also faced with strong competition within the sector and high concentration in retail, which forces the industry to lower prices. The situation is also difficult at the production end, with stable coffee prices that have not followed the increase of costs over the last 4 years.

Sources: Agência Safras and P&A



COFFEE SPIRIT TO MAKE "CAIPIRINHA" TO GO INTERNATIONAL

Octton Group, a Brazil based company, innovated and created a new type of "cachaça", the Brazilian typical liquor used to make "caipirinha". This high quality alcoholic beverage, called Spirit Café and made with selected coffee beans, has been available in the domestic market for more than 2 years. The company, that now plans to reach international markets, is looking for partners willing to offer the coffee flavored "cachaça". Interested parties may contact former Pinhalense director and Octton partner Lourenço del Guerra, at contato@octton.com.br.

Source: P&A

Picture of the month

EXCESSIVE RAINS IN BRAZIL: UNEVEN FLOWERING AND OTHER EFFECTS ON COFFEE PLANTS



Flowers and fruits



Fungus diseases benefitted from excess moisture



Photos by Erásio de Grácia Júnior, Capetinga, Minas Gerais, Brazil. Source: Cafépoint.

COFFEE, GRAPES AND OLIVES...OR IS IT ESPRESSO, WINE AND OLIVE OIL?

A unique experiment is taking place in the municipality of Espírito Santo do Pinhal, where P&A and Pinhalense are located, in the heart of the Mogiana Coffee region: wine grapes and olives are being successfully grown next to coffee. Surprising as this "product mix" may be, the results are even more surprising: prize winning coffees, high quality wines (expected to be worth US\$200 a bottle) and fine olive oils. What a gastronomic treat: estate olives for "hors-d'ouvres", estate wines for dinner and a superb cup of estate coffee to crown the experience...and all coming from the same estate. A farmer's dream!

Pinhal has a long tradition of producing high quality and gourmet coffees but grapes and olives are very new to the area. The wine adventure had its origins in a neighboring Minas Gerais research station whose grape varieties were brought to the coffee estate in Pinhal. Then entered Bordeaux trained experts who concluded that the Pinhal highlands, with a twenty-degree-Celsius difference between minimum and maximum daily temperatures and low rainfall in the winter, are ideal to grow high quality wine grapes. Of course these are also the conditions to grow excellent Arabica coffee. Further research and trials showed that two grape crops per year are possible: January and June, with top qualities obtained in dry June. The quality of the "dry crop" benefits from pruning techniques that are being tested and developed to suit the conditions prevailing in coffee highlands.

Analogies between wine and coffee are not new. The specialty coffee movement borrowed a lot from wine, from tasting to marketing and market development. The recent Brazilian Coffee Roasters' Conference (Encafé) had a very interesting short course on comparative coffee and wine tasting. Natural coffees and red wines, that are made from cherries and grapes that retain their skin in the process, have more body, whereas washed coffees and white wines, whose cherries and grapes lose their skin in the process, are more acid. Is this only a coincidence? Or something to be scientifically investigated?

Although the coffee-wine analogies do not stop here, what is really new is the production of high quality coffee and wine grapes next to each other. Are there other areas of the world where this can happen? Perhaps in Ethiopia, Mexico or elsewhere. Perhaps it is already happening and we do not know. We invite our readers to report if they know of other cases that disprove the assumption that our home land of Pinhal is a unique case of top quality coffee and wine produced on the same estate.

After reading a few wine labels with mentions of coffee tastes in the precious liquid inside but not yet having heard of coffees that taste like wine (other than with a vinegar taste), let's jokingly hope that the proximity of grape vines and coffee bushes will produce good wine-tasting coffees.



Brazilian Prices

November 30, 2009

Main Producing Regions / Farm Gate

Arabica Naturals (R\$/ 60 kg bag)	
Cerrado-MG fair average quality T.6	265,00
Mogiana-SP fair average quality T.6	247,00
South Minas fair average quality T.6	257,00
Arabica Pulped Naturals (R\$/ 60 kg bag)	
Cerrado-MG	300,00
South Minas	290,00

Conilon/ Robusta (R\$/ 60 kg bag)	
São Gabriel da Palha-ES fair average	183,00
BM&F (US\$/ 60 kg)	
Dec 2009	171,60
Mar 2010	171,60
May 2010	174,40
Real R\$/ Dolar US\$	
November 30	1,75

ROTARY COCOA DRIER

Will cocoa prices remain growing after increases of up to 40% in the last 12 months? According to forecasts of the International Cocoa Organization (ICCO) there are strong signals that current supply is not sufficient to cover short and mid run demand. Further cocoa price escalation is therefore to be expected.

Cocoa consumption has benefited from consumers' concerns about health and nutrition and their association with chocolate intake. Growing scientific evidence and consumer awareness of the positive health benefits of cocoa are behind increasing demand for chocolate and this supports ICCO's forecast.

Not oblivious of this positive scenario, Pinhalense has been striving to offer cocoa growers and processors a state-of-the-art line of equipment that improves processing margins and retains product quality as measured by sensorial quality and food safety standards. Pinhalense machines for cocoa are used from farm to mill, from cocoa pod breakers to size and density graders and including the very successful rotary cocoa driers. Pinhalense driers make a major contribution to efficiency in the cocoa processing chain because of their impact on quality and their ability to perform in any weather.

The current demand for Pinhalense rotary cocoa driers is very healthy, especially from premium cocoa processors that supply international markets with gourmet and super dark chocolates. Specialty cocoa has greater added value the better processed it is. Pinhalense rotary driers provide uniform drying with full quality preservation irrespectively of adverse climate. In addition, mechanical drying in Pinhalense rotary drums improves product appearance and, very important, does not cause physical damage.

Many features of Pinhalense's rotary cocoa driers are similar to the company's best-selling rotary coffee driers, that have already sold over 20,000 units: (a) high efficiency heat exchangers that burn several types of fuel, including the parts of the cocoa pod that are left behind after the beans are separated, (b) perfect hot air and temperature distribution along the drum, (c) even drying under controlled conditions, and (d) several sizes and capacities to meet the needs of all processors. Some features are exclusive to cocoa driers: (e) galvanized or stainless steel external and internal walls and (f) devices to ensure gentle motion and to eliminate physical damage to beans.

In summary, a Pinhalense rotary cocoa drier is today a key instrument to process high quality cocoa with maximum benefits. Better cocoa, better prices, greater profits for growers and superior chocolate products for consumers!

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