

CONFIDENTIAL

YOUR BEST SOURCE OF INFORMATION ABOUT THE BRAZILIAN COFFEE BUSINESS. THIS ISSUE:

- **COFFEE CONSUMPTION WHERE IT IS PRODUCED: COUNTRYSIDE, SMALL TOWNS AND REGIONAL CENTERS... AND CAPITAL CITIES (PAGE 3)**
- **CARMOMAQ COFFEE ROASTERS FOR COFFEE SHOPS AND SMALL ROASTING PLANTS (PAGE 4)**

☞ SUSTAINABLE PRACTICES HELP INDIGENOUS GROUPS TO PRODUCE SPECIALTY AMAZON ROBUSTAS

A partnership between Embrapa Rondônia and the Secretariat of Agriculture of Alta Floresta D'Oeste, the project to support indigenous families on the production of sustainable high-quality Amazon Robusta coffees started with only three families in 2018. It now comprises 132 families of eight different ethnic groups living in two forest reserves. The results of the project are already being noted as the indigenous family Aruá got the third place at the 2020 Rondônia Coffee Quality and Sustainability Contest (Concafé).

Source: Embrapa Rondônia



☞ 100% GROWTH OF ROBUSTA SHARE OF BRAZILIAN EXPORTS

Robusta coffee exports had a significant increase of 23.4% from January to October 2020 over the same period in 2019 and corresponded to 12% of the total exported volume. Arabica coffees and soluble exports represented 78.4% and 9.5%, respectively. Differentiated coffee exports registered the second largest volume – 17.2% – in the last 5 years. Belgium, Russia, Turkey and Mexico registered notable increases in Brazilian coffee imports: 33.5%, 14.3%, 13.1% and 12.8% respectively, compared to the previous year. Coffee shipments from Santos harbor represented 77.9% while Rio de Janeiro harbor exported only 14.7%.

Source: Broadcast Agro

☞ BETTER KNOWN FOR CONILONS, ESPÍRITO SANTO ALSO HAS QUALITY-CONTEST-WINNING ARABICAS

An Arabica coffee lot from Espírito Santo state, better known for its Conilons, was the winner of the 2020 Brazil Cup of Excellence, scoring 90.03 points. The contest, held by the Brazilian Specialty Coffee Association (BSCA) in partnership with the Brazilian Trade and Investment Promotion Agency (APEX) and the Alliance for Coffee Excellence (ACE), received more than 600 coffee samples and ended up with 30 finalists of 11 different varieties grown in 22 different municipalities of six producing origins.

Source: Canal Rural

☞ COFFEE “PLANTATION” AT THE HEART OF LARGEST BRAZILIAN URBAN AREA

A coffee-growing area of 10,000 square meters with 2,000 organic coffee trees is found amidst São Paulo’s buildings and crowded avenues. As coffee was always one of its main focus areas, the Biologic Institute (IB, for its initials in Portuguese), planted this lot of coffee trees in 1956 to carry out research and trials related to plague and disease control. The area is also the site for initiatives related to environmental education and cultural and scientific promotion. In 2020 it produced 600kg of coffee that was roasted and ground by Datterra Coffee.

Source: APTA



INTERNATIONAL COFFEE WEEK REACHES 58 COUNTRIES IN VIRTUAL EDITION

The 8th edition of the International Coffee Week (SIC, for its initials in Portuguese), held virtually on November 18 to 20, brought the whole coffee chain together remotely to discuss opportunities and solutions in the current market scenario. Accessed by 25,000 people, the SIC had “attendees” from 58 countries, 70 hours of presentations and panels with 176 speakers, and 55 exhibitors in the virtual trade fair.

Source: SIC

NEW PROMOTER TECHNOLOGY PATENTED BY IAC

Responsible for developing 90% of all Arabica coffee cultivars planted in Brazil, the Campinas Agronomy Institute (IAC) has now patented a “promoter” called CalsoR that expresses itself in the plant leaves. Even though the promoter was taken from a coffee tree, the technology can be used in any cultivated species. This will enable structural gene expression of agronomic interest in leaf tissues. The technology will also help to reduce the 20-year time needed to develop a new coffee cultivar.

Source: Notícias Agrícolas

BRAZILIAN STARTUP DEVELOPED A POTENTIAL SOLUTION FOR AERIAL SPRAYING

Aerial spraying is always a polemical issue as well as a necessary practice in countries with continental dimensions like Brazil. Bearing that in mind, a Brazilian startup developed a solution that uses artificial intelligence (AI) to deliver more assertive spraying. The new tool enables flight planning – identifying the best routes and wind direction –, the control of the spray equipment installed on the plane, and real-time data and analytical report generation.

Source: G1



SOUTH MINAS VOLCANIC REGION LAUNCHES ITS COFFEE BRAND

The Brazilian Agency for the Promotion of Small Business (Sebrae) sponsored the creation of a collective brand for coffees that are grown in the South of Minas Volcanic Region. Besides the favorable altitude and climate, its volcanic formations help the production of differentiated coffee qualities. The Volcanic Region comprises eight municipalities – Poços de Caldas, Caldas, Andradas, Bandeira do Sul, Cabo Verde, Botelhos, Campestre and Ibitiúra de Minas – and the coffee is produced predominantly by small growers who will be the greatest beneficiary of this initiative.

Source: G1

MELITTA LAUNCHES ITS FIRST COFFEE LINE PRODUCED ONLY BY WOMEN

Melitta has just launched its new specialty coffee line produced exclusively by women growers. The new Amalie line honors the company’s founder, Amalie Auguste Melitta Bentz, a woman who became an entrepreneur after she created the first coffee filter in 1908. The new line offers three different types of coffee: Amalie Frutado, Amalie Cacao and Amalie Floral that are produced in the Cerrado, Serra da Mantiqueira and South Minas regions, respectively.

Source: Melitta

Brazilian Prices

Main Producing Regions / Farm Gate

November 30, 2020

Arabica Naturals (R\$/ 60 kg bag)		Conilon / Robusta (R\$/ 60 kg bag)	
Cerrado MG	555,00 ↑	Colatina-ES fair average price	400,00 =
Mogiana	550,00 ↑		
South Minas	550,00 ↑		
Arabica Pulped Naturals (R\$/ 60 kg bag)		BM&F (US\$/60kg Arabica bag)	
Cerrado MG	655,00 ↑	Dec 2020	134,00 ↑
South Minas	650,00 ↑	Mar 2021	135,00 ↑
		May 2021	137,90 ↑
		Real R\$ / Dolar US\$	
		Nov 30, 2020	5,35 ↓

+ 19.1%

Source:

www.qualicafex.com.br

COFFEE CONSUMPTION WHERE IT IS PRODUCED: COUNTRYSIDE, SMALL TOWNS AND REGIONAL CENTERS... AND CAPITAL CITIES

P&A held a series of eight webinars around the world addressing subjects like coffee market trends and opportunities at these crisis times. Conceived primarily for an audience in coffee producing countries, the webinars also had substantial attendance from coffee importing countries.

In the webinar there was strong emphasis on cooperation to weather the negative effects of the pandemic considering the concept that one can always identify opportunities at times of crises. To think out of the box is necessary, it was said, to reflect about how things are currently done in order to rethink and to reinvent them. Along these lines, an item that caught a lot of attention and generated many questions was coffee consumption where it is grown, in the countryside of producing countries. Why not create consumption of roast and ground coffee in the country side, in its small towns and regional centers, i.e., in the very areas where it is produced? Capital cities could be an ambitious target for the most successful among these would be new roasters later on.

Coffee growers themselves, their cooperatives or associations, coffee traders and business persons can process, roast and sell coffee where it is produced and to deliver it directly to homes, to sell it to informal sector outlets, and to supply it to corner shops, coffee shops, restaurants and offices, with or without a brand. Why not explore parochialism and regionalism by offering a local or regional product? This is very much attuned to Covid-19 times! Can't one convince people to try local coffee, for many a new product, instead of the traditional hot beverage, coffee included, they are used to?

A strong myth nowadays is that the promotion of specialty coffees in producing countries can alone increase consumption substantially. Specialty coffee can create awareness for coffee and indeed contribute to the growth of consumption in higher income areas of urban centers but the growth of mass consumption can only be achieved with lower priced quality coffees, including those industrialized and consumed in the small towns and regional centers of the country side where it is produced. Small coffee roasting operations can be independent or added to existing dry mills in producing areas to move one important step further in the supply chain with value addition for all involved.

Today it is simple and easy to add a small roaster to a small dry mill for micro lots, as shown in the picture. Roasting technology has not only evolved much in recent years but it has also been incorporated into small roasters that are easy to operate even though they may have touch screens and use roasting curves. The technology built into these small roasters today does not depart much from the sophisticated solutions used by large roasting companies.



Another alternative is to set up a small roasting, grinding and packing operation that provides these services to growers and/or their associations and cooperatives for a fee. This option enables a wider range of growers to have their own roast-and-ground coffee to sell in their neighborhood with substantial value added, specially when international coffee prices are low.

An additional advantage of this producing-area roasting is the education of growers about the coffee qualities that they produce and how what they do in production and post-harvest processing affect the cup features. This is a sure way to improve the quality of the coffee produced in the area or region, to add value to the product, and to make growers and growing more sustainable.

MACHINE OF THE MONTH

CARMOMAQ COFFEE ROASTERS FOR COFFEE SHOPS AND SMALL ROASTING PLANTS

With machines in operation in over 20 coffee exporting and importing countries including Brazil, the second largest consumer in the world, Carmomaq is launching a new logo to commemorate its 30th Anniversary. A family-owned company that offers roasting and grinding solutions with capacities ranging from 1 to 480kg per batch, Carmomaq is known for permanent research, development and innovation that are incorporated into its range of machines that spans all types of users, from coffee shops and small roasteries, as featured below, to large scale roasting plants.



SPECIATTO

SPECIATTO

- High-performance small roaster relaunched with a larger capacity as part of the 30th anniversary commemorations
- Handles batches up to 2kg
- Ideal for coffee shops, micro roasteries, blend development and coffee labs
- Delivers the roasting precision and quality required by specialty coffees

CALORATTO

- Best-selling Carmomaq roaster with more than 300 units sold since it was launched 8 years ago
- For roasting larger batches of specialty coffee, from 5 to 30kg
- For use in coffee shops and small plants
- Robust and designed for continuous operation
- Combines high technology, precision and thermal stability
- Available in black, white, red, yellow and blue colors



CALORATTO

Operation of both roasters above is automatically controlled by an integrated system and software that allows the operator to program all variables and to standardize roasting, if so required, in order to ensure coffee quality consistency, with or without roasting profiles. The Caloratto roaster is also available with a control panel for digital temperature control instead of the touch screen.

FEATURES

	 CAPACITY	 POWER REQUIRED	 HEATING SYSTEM	 DRYING TIME	 CONTROL PANEL	 SOFTWARE	 FINISHING	 FUEL
SPECIATTO	Up to 2kg per batch	1 HP	Thermal conduction or convection	12 to 18 minutes	Touch screen programmable digital controls (roasting profiles)	Compatible with all roasting software	Stainless steel and electrostatic painting	Natural or propane gas
CALORATTO	5, 10, 15 and 30kg per batch	3 to 4 HP						