

coffee corps & acdi / voca

Requirements for Growing, Processing and Marketing of Specialty Coffee: Workshop in Paraiso, Mexico

*Red de Agricultores Sustentables
Autogestionarios, AC (RASA), Mexico
Dr. Manuel Diaz, Advisor*



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Executive Summary

- *Assignment #:* 414058
- *Volunteer Name:* Daniel R. Kuhn
- *Host Organization:* Red de Agricultores Sustentables
Autogestionarios, AC (RASA)
Dr. Manuel Diaz Advisor
- *Country:* Mexico
- *Dates:* February 28 /March 6, 2005

Coffee Quality Improvement

Due to an on-going coffee crisis and low prices worldwide, many small coffee producers worldwide are experiencing difficulties selling their coffee above their production costs. Many producers are not able to maintain the sustainability of their incomes and are unable to offer employment opportunities to their seasonal work force. Coffee producers are also facing the potential loss of their farms and subsequently their livelihood.

The potential for increased premiums and economic sustainability for many farmers worldwide lies primarily within the Specialty Coffee market in the United States and the European Union. The barrier to this market is the quality and differentiation of their product, as many markets not only have strict regulations regarding quality of the beans, but require the coffee to be unique and without defect as well. Buyers then need to be educated on these unique coffees.

Red de Agricultores Sustentables Autogestionarios, AC (RASA) has requested the participation of a Coffee Corps coffee expert to aid in the improvement and evaluation of their member's cultivation methods, post-harvest handling techniques, processing methods and distribution and marketing practices. The volunteer will visit producer areas and design a short Cupping Training Seminar. A volunteer expert with coffee cupping skills and the ability to identify problem areas especially in processing would enable the various producers to focus their efforts and recourses to mitigate problems and eventually increase

export specialty coffee sales to other markets. This assignment has strong implications on local biodiversity.

Summary Conclusions and Recommendations

1. Despite low coffee prices and depressed coffee production considerable interest was expressed in the potential of Specialty Coffee production. 35 producers and specialists attended the 6 day workshop demonstrating a willingness to explore their coffee potential. Better prices for Specialty Coffee is of considerable interest. The Ayotac Basin has a long history of coffee production and some of the coffees have Specialty Market potential.
2. Cupping results suggest that there is a potential to develop Specialty Coffee in the Atoyac Mountains. Some of the local coffees cupped **excellent**. (full bodied, well balanced, good fragrance and aroma medium to high acidity, good finish)
Some of the coffees (especially the Naturals) had tainted aroma with a strong Riory taste indicating poor processing methods.
3. Low coffee prices have severely impacted local production and economy. Coffee used to be the major crop of the area. Traders currently dominate the trade, further depressing prices.
4. A NYC-price of **1.20 lbs.+** for green coffee will stimulate coffee growing, and many abandoned fields would go back into production. Coffee has the potential of being a mayor crop of the region as it was in the past.
5. Virtually all coffee is sold in parchment or in the husk (naturals) to traders or the local cooperative. Roasted coffee is sold from two cooperatives for in country consumption.
6. The current farm gate price of **6-10 pesos per kilo naturals (s)** and **10-20 pesos/kg parchment** is not conducive to coffee growing. (44 cts./lbs. at rate of 1US\$ to 55.9 pesos)
7. **It is impossible for an individual small farmer to enter the Specialty Market. A cooperative approach to processing and marketing is essential. Quantities of coffee produced need to be sufficient to fill container loads of 250 bags. (132 lbs.) such container loads need to be of uniform quality matching pre shipment samples.**
8. Producer/Growers need to join existing cooperatives or form their own so as to be viable in the marketplace and take charge of their coffee destiny.
9. Apparent mistrust of existing organizations and agencies, traders and governmental agencies etc. needs to be overcome by getting involved from growing to marketing via a transparent system of production and financial management.

Traditional farm transportation.
A "burro" can transport 200 lbs. and cost about US \$ 200.-





Role of the Coffee Corps

This assignment focused primarily on the conduction of a 6 day workshop on the Requirements and Market Demands of Specialty Coffee. In addition several cupping sessions were held to familiarize producers with the importance of cupping and evaluation of their own coffees.

Afternoon times were spent on visiting local farms and seeing some of the local production sites.

The Coffee Corps had limited insight into the actual local coffee situation. Besides the workshop there was limited time to analyzing the local situation in detail. Observations and conclusions are therefore based on available information.

Some general observations and recommendations are possible keeping in mind the limited input. To facilitate a regional coffee plan with detailed analysis and recommendations would take considerable more time and resources and was not the objective of this assignment.

Objectives of Coffee Corp Assignment

1. Conduct a Workshop focusing on coffee production for the Specialty Market.
2. Conduct Cupping Sessions to familiarize producers with cupping techniques allowing them to evaluate their own coffee.
3. Evaluate local coffees for Specialty Market potential.
4. Make recommendations towards coffee production for the Specialty Market and highlight the requirements by the Specialty Market.
5. Engage SCAA Cuppers to evaluate Atoyac Basin coffees.
6. Stimulate discussion among producers on how best to proceed towards improved coffee production towards better prices.

Trying to improve coffee growing without raising farm gate values will be very difficult.

Site Report

State of Guerrero, Atoyac Alvarez and El Paraiso.

Guerrero State lays along the Pacific Coast with a costal range of mountains the Sierra Madre del Sur following the pacific coast. The state can be divided into the costal plains flanked by the Sierras and about half of the area inland or behind the Sierras. These mountains are in the 3000 meter range with the



tallest, Teopec hill being 3700 meters high. Teopec hill is in the Atoyac Alvarez region where much of the coffee is grown. These mountains contain exceptional timber which is still being logged. Many of the mountainous roads are for logging purposes and also provide access for coffee farmers. Some of these roads are in very poor condition and make travel and transporting of coffee

cherry or parchment very difficult.

The capital of Guerrero is Chilpancingo being in the center of the state. The size of the state is about 64,000 km square with a population of about 3 million. Interesting to note is that the last Aztec emperor Cuauhtemoc is buried in Ixcateopan in the state of Guerrero near Taxco an important silver mining center.

State statistics list 1 million hectares of farming areas, with 40,000 hectares in coffee production producing about 300 kg of coffee per hectare. Coffee production has decreased dramatically form 30 million kg in 1985 to present of about 5 million kg.



Costal Copra production

Probably the best-known city is Acapulco being located about 2/3 south along the Guerrero cost line of the pacific ocean. About a 3 hour drive from Acapulco in an north easterly direction towards the sierras lays the principality of Ayotac de Alvarez with the main city of Ayotac. The Ayotac river drains the Ayotac Basin into the Pacific ocean. The mountains surrounding this basin contain the coffee growing areas.

Interesting to note is the presence of Crocodiles in the Atoyac river and Mountain Lions in the upper Sierras. The primary and secondary roads are in reasonable good conditions. Unfortunately considerable trash litters the road sides and constant burning of rubbish has a foul odor in the air. The costal plains have many copra plantations and Copra is listed as a main export item. Today copra production is dwindling similar to coffee with low prices. The statistics list a copra production area of 100,000 hectares 2.5 times the area of coffee.

Electricity seems to be available throughout the area including remote mountain areas, which is amazing. Electric meters are hooked up in all kind of fashions wondering if they actually measure electricity or being bypassed. Road conditions in the remote mountains are deplorable making economic development almost impossible.

Coffee farming in such steep terrain is challenging as well. Wages paid to farm workers are minimum, wage listed as \$ 4.00 per day but most pickers are paid by the kilo picked which amounts often less than minimum wage. Employment in the area is marginal and seasonal. Unfortunately most eligible workers have left the area and are working in the US either legal or illegal. Much of the available cash in these towns is money sent from family members working in the US. A major road surfacing project in Paraiso is currently being undertaken and is funded by a Mexican Club from Chicago. Talking with a young man in Paraiso he tells the story of taking some other young people and going to the US illegally, this time without paying the coyotes, raster doing it themselves based on previous experiences in crossing the border.

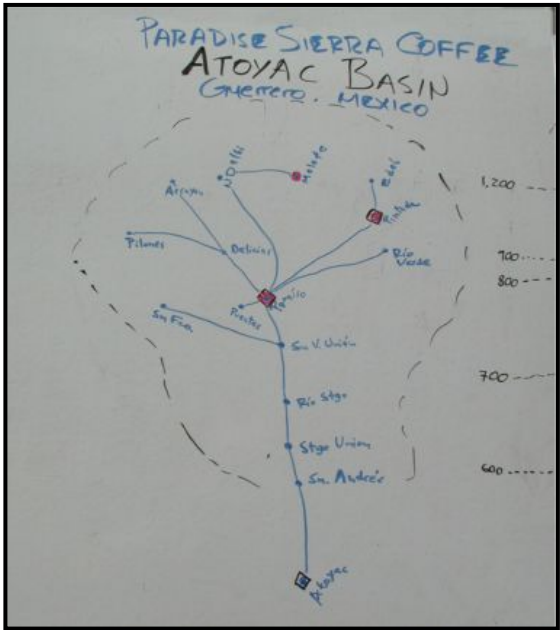


View from an abandoned coffee processing area in the Sierra Madre del Sur near El Paraiso.

The social cost in this export of young people must be considerable as many young women, for example left behind have little choice in marriage and either depart as well or start a family with the left behind pickings. Parents and Grandparents as well, are so to speak, left behind, and have to do without a complete family or the left behind young kids. It seems apparent that the social function of the family is very important in this society and it is the safety net for everything. If people need transport to the hospital, the family helps. If health care bills are impossible the family helps. If people need protection, the family helps. If people need goods or food, the family helps. This need to help the family is apparent in the amount of money sent back to Mexico from the migrant workers. This amount in total is

estimated to equal or sometimes surpasses the oil revenues of the Mexican oil exports. Money sent back to relatives in Mexico is very important, however it would be better for the families to have economic opportunities at home and have the benefit of being together.

Driving through the countryside behind Acapulco one encounters numerous roadblocks manned with soldiers. The return trip to the mountains behind Paraiso resulted in the search of our vehicles by a roadblock of soldiers. The soldiers were courteous, probably looking for contraband drugs. The Sierra Madre provides excellent growing conditions for Marijuana. As the price of coffee is plummeting and people abandon coffee growing, other crops need to be found. It stands to reason, that if people need to make a living, the growing of Marijuana is a possible alternative. The other reason for soldiers is the possible threats from insurgent groups. The Zapatistas movement highlights the continued dissatisfaction from indigenous groups with the current Spanish dominated political system. The widening gap between rich and poor is very evident in Mexico. Many people are very poor and a few are very rich.



Coffee cultivation could play an important role in providing one economic activity that could benefit the actual farmer. Specialty Coffee production could provide the incentive to revitalize the large coffee growing potential of the area. The higher elevation areas of the Atoyac Basin are above 3500 feet and can be classified as Altura Coffee.

The real tragedy is that the price difference between current low coffee prices and the price level at which people would grow coffee is not far apart.

The Atoyac river drains into the Pacific Ocean. The surrounding mountains contain the coffee growing areas.

Empowerment of the farmer and the encouragement of coffee growing is not possible without raising farm gate values. This can be accomplished through the growing of specialty coffee. By itself the growing of specialty coffee is not enough to change the situation. Farmers have to be able to enter the market directly without being exploited by the middle men, traders or coyotes. Due to the average farm size of 3 to 5 hectares it is imperative that farmers organize or join production groups and organize in a cooperative fashion. The market can only be entered through

consolidated grower organizations. The supply has to be uniformly processed to specialty standards and the supply has to be sufficient to supply container quantities (250 bags per 20 foot container) of quality coffee. This will allow direct marketing to the Specialty Market.

This concept can only be implemented through the formation of workable, accountable, grower controlled Cooperatives. The average production area per farmer is in the 3 to 5 hectare range and this size does not permit entering the Specialty Market on account of volume of supply.

The Sierra Madre del Sur are a costal mountain range along the coastline of the state of Guerrero. The peaks are between 3000 and 3700 meters. Coffee is grown in the 800 to 2000 meter elevation. Varieties grow are Bourbon, Tipica and other coffee varieties. The history of these mountains and its people dates back to pre Spanish times and even today there are frictions between ethnic and Spanish descendants.



Beautiful timber in the Sierra Madre del Sur. Coffee is grown along the timber harvesting roads. Much of this coffee can be classified as altura coffee.

Coffee Cultivation

a. General Situation

Coffee was introduced into Mexico during the nineteenth century. Mexican coffee is mainly the arabica type, which grows particularly well in the Pacific coastal region of Soconusco, near the Guatemalan border. In the early 1990s, the southern state of Chiapas was Mexico's most important coffee-growing area, producing some 45 percent of the annual crop of 275,000 tons. More than 2 million Mexicans grew coffee, most barely subsisting. Seventy-five percent of Mexico's coffee growers worked plots of fewer than two hectares. These small cultivators produced about 30 percent of the country's annual harvest; larger and more efficient farms produced the rest.

During the 1980s, coffee became Mexico's most valuable export crop. In 1985 coffee growers produced 4.9 million sixty-kilogram bags, and coffee exports earned US\$882 million at the world price of US\$0.90 per kilogram. Thereafter output fluctuated between 5.6 million bags and 4.4 million bags. As international coffee prices rose further, the government in 1988 encouraged coffee growers, especially in Chiapas, to increase output and expand the area under cultivation. It tried to increase production by offering easy credit to coffee growers and by converting forested land into *ejidos* for cultivation by poor coffee growers.

International coffee prices fell 50 percent between 1989 and 1993. Lower prices combined with the elimination of coffee subsidies to reduce the income of coffee growers by an estimated 65 percent. Lower prices reduced Mexico's export income from coffee to about US\$370 million by 1991. They also depressed coffee production, which fell from 5.2 million bags in 1992 to 4.1 million bags in 1993.

b. Current Coffee Processing in the Atoyac Basin.

There still is considerable interest and a long history in coffee cultivation in the area. Unfortunately due to prolonged low pricing the local coffee infrastructure is dilapidated and to a large degree abandoned. Numerous abandoned drying patios with siphon tanks and old pulpers were noticed along the roadsides in the coffee regions. Coffee is hand harvested and carried in bags from the slopes to the farm yard area where it is pulped or dry processed. As evident by the many abandoned processing sites most of the coffee was wet processed. Many disk pulpers with corresponding washing channels and drying patios are still visible. Whole dry mills with rotary dryers and all dry milling equipment are

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abandoned and available for sale. It is evident that coffee once was a major economic crop in the area. Much of today's remaining production is "Natural processed". There is some considerations for the "Atoyac kick " in the naturals. The "naturals" cupped during the workshop had a strong Riory taste indicating problems in processing. "Natural" production in a low price environment can be a good alternative as it reduces production costs, provided quality is maintained. Much of the areas natural coffees are purchased for instant coffee production. In general the regional pricing is around C price less 20 to 40. Most coffee is sold by the farmer to the processor either in parchment or in the dried skin. There will be a price deduction for dry milling.

Current approximate prices are: (exchange rate 11.4 pesos to 1 \$US)

- Naturals: 6 to 10 pesos per kg. = 52 to 87 cents/kg = **23 to 39 cents/lbs**
- Milled Natural: 18 to 20 pesos per kg. = 150 to 175 cents/kg. = **68 to 78 cents/lbs**
- Parchment: 10 to 20 pesos per kg. = 87 to 175 cents/kg = **39 to 79 cents/lbs**
- Milled Parchment: no price obtained

It is difficult to obtain clear information on pricing. This probably reflects the selling practices of the area. The farmer has little control over pricing and pretty much has to accept the prices offered by the middle man. This becomes more difficult as the farmer has to get the coffee milled as well. The milling process has to be paid for as well and reflects in a lower price.

There are two existing Cooperatives in the Paraiso area.

- 1. Cooperative, Herberada S.P.R. De Rio Verde:** This organization is village based and truly represents its 22 members. It produces 30 to 40 metric tons of green coffee which is between 580 to 660 bags (132 lbs.) of green coffee. This coop produces "Natural Coffee" and has a contract with the Government to supply roasted, packaged coffee. This is a very impressive organization being truly farmer based and exploring every possible way to better itself and obtain better pricing. The ability to sell roasted results in better prices (approximately \$ 1.25 / lbs).



Village drying ground for "Naturals"



Cooperative Herberada S.P.R. De Rio Verde.

A 22 member village based organization producing “Natural Coffee” as well as roasted packaged coffee.

A good example of a farmer organization to better itself and benefit its members and their families.

The decision to produce and specialize in “Natural coffee” results in lesser processing costs and is a good way to take advantage of its particular location and existing capabilities. The cooperative has a small dry mill, roaster and packaging machine. The drying ground and the mill is located in the village.

2. La Pintada Cooperativa de Produccion Agropecuaria:

This cooperative is located near Paraiso in La Pintada. It has a very large warehouse, drying ground and processing facility. It prides itself in the ecological approach to coffee farming and its community improvement programs. It has many well written publications and puts on a 4 day annual Coffee Festival in October. The plans are to install a brand new very large capacity German made Neotech Roasting Facility. This cooperative seems to be a very large organization with national and political connections. This organization could very well be the solution to many of the processing and marketing challenges.

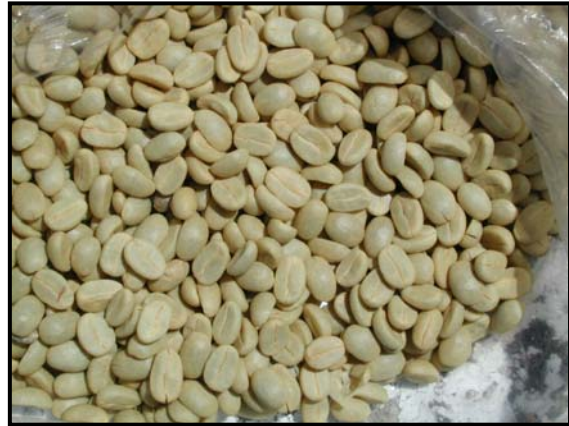


What is not clear is why many local farmers do not want to participate in this organization. There seem to be some transparencies issues. Unwillingness to join and hesitancy by some local farmers was expressed.

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c. Current Coffee Quality

The coffee samples brought to the workshop varied in cupping quality. There were some excellent coffees. There were also some strong “riory” tasting naturals. There were some average non distinct coffees as well. It is difficult to assess how representative these samples were of the area. It does show a lack of uniform processing methods in both parchment and natural processing. The area has a history of “wet processed coffee” **with some excellent high altitude coffees**. It stands to reason that this history could be repeated with an emphasis on improved and uniform processing and drying methods. The cupped coffees were well balanced with full body, excellent aroma and pleasing aftertaste. The acidity levels were medium not being a high acidic coffee.



Some of the cupped coffees have Specialty Market potential.

Beautiful prepared parchment samples with excellent cupping quality.

Constraints to growing quality coffee

As observed in other parts of the world, quality coffee production depends largely on price paid to the farmer. Without a price incentive it is not very logical to ask for better quality coffee.

Quality coffee demands more agronomic inputs, demands more care during harvesting and it takes more care during drying and processing.

An informal survey during the workshop reveals that there is interest by the farmers in growing coffee if the price is above \$ 1.20 /lbs. As discussed earlier if the C price is \$ 1.20 per lbs. that is not the same as the farm gate price. The farmer still has to absorb the costs for milling, middle man mark up and shipping costs.

The Fair Trade pricing of \$ 1.26/lbs to the farmer is actually a good floor price. With this floor price farmers could sustain quality coffee production during low pricing periods and could work towards specialty coffee pricing in general. A good sustainable price for quality coffee should be in the \$ 1.50 to \$2.00 lbs. range. Details on pricing always depend on who pays the freight and all related charges.

Typically the quoted C-price includes delivery to the warehouse of the purchaser which may include charges for weights and measure and import duties etc. From a producer standpoint a FOB price from the origin shipping port would be a more equitable pricing method.

In general the constraints for specialty coffee production are as follows:

- 1. Low world coffee price**
- 2. Relative small farms size that does not allow container volume shipping from the farm.**
- 3. Consistent quality .**
 - a. Inability to process in 250 bag lots of equal quality within the season**
 - b. Inability to process consistent quality form year to year.**
- 4. Lack of central processing facility to facilitate uniform processing.**
- 5. Lack of leadership and marketing ability to produce for the Specialty Market.**

1. Low World Coffee Prices

There is not much hope for Specialty Coffee production with C prices below \$ 1.00/lbs. Without farmers getting a premium price for the extra effort it takes to produce specialty coffee, there will be limited supply. The C Price unfortunately does not concern itself with the survival of good coffee production. As long as the world sees over production in coffee in general the c- price will reflect that situation irregardless of the quality of the coffee produced. Maybe with a shortage of good coffee, brokers and roasters will be willing to pay a premium for good coffee.

Fair Trade offering a floor price of \$ 1.26 is a great help for many producers to overcome the recent low coffee prices. Such a floor price enables farmers to survive low coffee price periods and still maintain a quality base.

It is hoped that the Specialty Market can raise prices for good coffee, above Fair Trade floor prices as demonstrated by recent SCAA auctions.

It is hoped that the SCAA format of Q-pricing can become an alternative to C-pricing. The other encouraging movement is the SCAA auction format.

To enter the forum of specialty coffee, many improvements need to take place within the local coffee industry.

2. *Small Farm Size*

The average farm size in Guerero is stated as 5 Ha, with an average production of 300 kg per Ha or 1500kg in total (25 each 60kg bags). Assuming Fair Trade pricing of \$1.26/lbs. this would amount to US \$ 378.- per acre returns or **US \$ 4158.- for 5 Ha.**

At this level of production it would take **10 farmers to fill one 20 foot container** with 250 bags of coffee.

The other alternative is to **raise production per acre.**

Using Brazil figures of a return of 2 lbs. of salable green per tree and a tree density of 1450 trees per acre would amount to 2900 lbs per acre or 6380 lbs. per Ha or 31,900 lbs per 5 Ha. At Fair Trade pricing of US\$ 1.26/lbs this would amount to a return of US\$ 3654.- per acre (\$ 8038.- Ha) or a return of

US \$ 40,194 for 5 Ha.

At this level of production it would take **1 farmer to fill one 20 foot container** with 241 bags of coffee (9 bags short of a full container)

The best alternative is to raise both production and price. Using a price of US \$ 2.00/lbs and using Brazil production figures would result in a return of **US \$ 63,800 for 5 Ha.**

3. *Consistent quality*

a. Inability to process in 250 bag lots of equal quality within the season

The most efficient way of shipping coffee is by filling a 20 foot container. 250 each 132 lbs. bags will fill a container. Containers freight costs are based on flat rates, therefore it is important to fill containers to capacity.

Usually the trade requires pre-shipment samples representing the type and quality of the coffee shipped. This sample therefore has to be a representative sample of the coffee shipped. If the coffee shipped does not match the pre-shipment sample the coffee can be refused by the buyer. An arbitration process is in place should a dispute arise. Rejected coffee then has to be sold elsewhere most likely at a substantial discount.

It is very important for producers to have uniform quality within shipped lots of coffee which are usually container lots. It is possible to consolidate different lots within a container each lot being evaluated by separate pre-shipment samples.

For a Cooperative or a farmers group from a particular origin, it is important to develop a uniform coffee profile that buyers can rely on. This profile then has to be uniform from the particular production area. It is difficult to achieve uniform quality if each farmer processes small lots of coffee in his own way. It is much easier from a marketing angle if farmers produce cherry and processing is done in a central location to set protocols. In the case of Kona coffee most small farmers produce cherry which is processed by a few central processors.

To enter the specialty coffee market with single origin coffees it is imperative for producer groups to produce uniform lots of coffee preferably in container quantities of 250 bags.

a. Inability to process consistent quality from year to year.

Once the market is used to purchase single origin coffees (hopefully at higher prices than C), it is a marketing disaster if this coffee is not available from year to year at consistent quality. A sure way to loose market share is to supply varied quality from year to year.

4. Lack of central processing facility to facilitate uniform processing

It is difficult for small farmers to produce uniform quality coffee from multiple small farms. The fermentation process should be carried out with a set protocol to facilitate the best taste profile. Different altitudes and different durations will change the taste profile. Likewise the drying process is most critical and facilities with drying covers and mechanical dryers are costly for one small farmer. Variations in fermentation and drying will result in different quality coffees.

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Farmers should concentrate on the growing of coffee and the maximizing of returns from their fields. Transportation of red cherry to a centrally located processing facility might be difficult due to road conditions and other constraints. If cherry can not be processed on the day of picking and cherry sits in bags for some time, the advantage of a central processing facility is lost.

It is possible to locate satellite processing stations in strategic locations. It is also possible to locate satellite stations for wet processing only with drying facility and dry milling in one central location. The exact methods of efficient processing need to be explored based on each location. The end result should be the best possible processing methods from a coffee quality angle and not convenience for either processor or producer.

A cooperative approach to marketing and processing seems to be the only solution for areas with small farmers. For the cooperative or farmer group concept to work, it is imperative that the individual farmer has a financial interest in the growing of his crop but also a financial interest in the processing and marketing of the crop.

5. Lack of leadership and marketing ability to produce for the Specialty Market

For a production area like Paraiso or Atoyac to become a recognized supplier of specialty coffee is a challenging undertaking. Existing market channels do not necessarily benefit the individual farmer. Shippers, processors, middle men, coyotes all have vested interests in the existing coffee trade and they do not necessarily benefit the primary producer.

It is somewhat like the Chicken or Egg syndrome....what comes first? The market, the farmers groups, the processing infrastructure, the production concepts, etc.

Good leadership is essential to fit the pieces of the puzzle in order. Trust seems a difficult commodity. **It really needs a meeting of the farmers minds to facilitate a “new beginning”** to produce coffee for the specialty market with higher prices to the producer.

Workshop and Cupping Training

The objective of the workshop and cupping training, was to familiarize producers with the concepts and requirements of the “Specialty Coffee Market”. The cupping training demonstrated simple methods for roasting and analysis, for self evaluation of local coffees. In addition, the workshop allowed for tasting of various local coffees.



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Participants taste different regional coffees.



Demonstration of taste difference due to different roast degrees of the same coffee



Small Sivetz roaster allowing farmers to evaluate their own coffee.

Conclusion to the 5day workshop in Paraiso of about 30 participants 20 survived to the end.

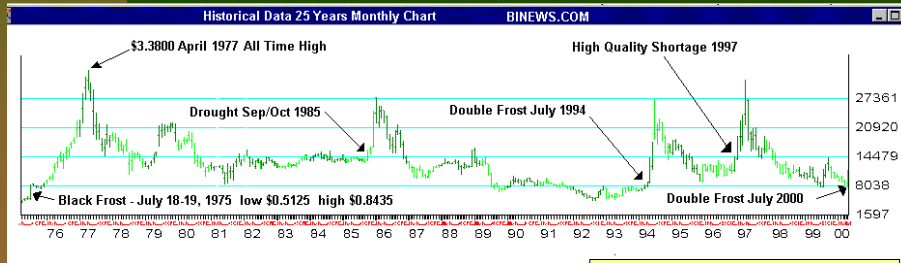
Workshop in El Prasiso (the Paradise) March 1 - 5

March 1

- Outline and requirements of the Specialty market. Quality definition and supply requirements
- World production of coffee and some price differences
- C-Price. C plus or minus. How does C price work, history of C price
- Hawaii, Kona coffee model and how its pricing developed outside of C price
- Other price models, Jamaica Blue Mountain, Kena Auction, SCAA Auction
- Pricing of Specialty Coffee

Production- Price

- 2002/03 World Price all time low of less than US 50 cts./lbs
- Headlines: Bad-tasting coffee stirs concern around globe
- Sustainability, Fair Trade etc....need price above prod. cost



Source: Best Investments Coffee Newsletter

Price has 9-10 year cycle

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We can make a difference.....From Seed to Cup to You

- How can a production area acquire specialty status and get better pricing
- Key requirements: uniform quality of supply, consistency of supply, promotion.
- Cup Quality and its elusive components
- Importance of “cupping” and the importance of producers getting involved

March 2

- Coffee Production Cycle with emphasis on specialty coffee
- What makes specialty coffee versus commodity coffee. (cup, perception, promotion?)
- Hawaii Model for growing and processing specialty coffee
- Production Aspects



Your Own Production Philosophy

1. Do you target quality or quantity, do you trade quality for quantity and cost of production. (lbs./acre)?
2. Do you produce commodity coffee or specialty coffee. (arabica or robusta)?
3. Do you hand or mechanically harvest. (strip or selective)
4. Do you produce cherry only or parchment or ND
5. Do you grow, process and dry mill?

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Production Philosophy (make your own)

6. Do you sundry, mechanically dry, or both?
7. Do you maximize or minimize your fertility program?
8. Who processes, roasts and sells your coffee? You, the Co-op, Broker?
9. Are you a single origin or estate coffee or both?
10. Do you want to brand your coffee or how do you market?
11. Does marketing come first or last in your plans?

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March 2, Afternoon

- Reasons and objectives for cupping: finding of defects, roast levels for optimum taste, blending, processing evaluation, quality improvements etc.
- Dark versus light roast, roast levels for different objectives
- Small Sivetz roaster and its simple function
- Sample preparation, grind, water temperature
- Tasting procedures, language, evaluation form

March 3

- Quality definition
- Effects on quality, growing, harvesting, wet processing dry processing, milling, grading
- Agronomic relationships
- Sun, shade, fertilizer, altitude
- Pruning, stumping, hedging
- Mechanization, field maintenance and harvesting
- Concept of mechanization, tractors, ATV, mules

Production Philosophy: Quality

Quality is not static

- Quality evolves over time and continues as a challenge
- Quality is eliminating the hindering details
- Quality is persistent improvement of manpower as well as infrastructure
- Quality is a concept (chain and weak link)

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Agronomy, (effect on taste)

•Coffee quality is determined to a large degree by the agronomic input. Genetics determine the potential coffee quality. Agronomy is trying to reach this potential.

•However there is hardly a bad cherry on the tree

•**Agronomy Factors:** Environment, Variety selection, Nursery Practices, Field Layout, Row Length and Spacing, Irrigation type and cycle, Planting, hand or mechanical, (tap root), Windbreaks, temporary permanent, Nutrition Plan, (groundcover, compost), Fertilizer practice and monitoring, Organic farming, Pruning, (hedging skirting, stumping, upright removal), Flowering induction vs. suppression.

•**Alternate Bearing, Nematode plan**

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Agronomic / Relationships

- Irrigation, makes lower, more arid lands usable “cerrado”, better for mechanization
- Center Pivot, - fit as much as possible
- Drip, - row spacing can be wider
- Spacing , - pruning, yield
- Alternate Bearing, -pruning, fertilizing
- Altitude / Shade, slower maturation

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Agronomic / Relationships

- Altitude, Temperature, less light, 9 months maturation vs. 6 months
- Coffee originated as under storage plant 3-4000 foot candles. Can grow in full sun, HI 10,000 foot candles.
- Higher light results in faster metabolism (more sugars) but it is more demanding nutritionally
- Generally higher altitudes produce harder beans (gr./ liter 795 Yergacheffe, 640 Parna)
- HI coffees show medium density (gr./liter 766) but are lower elevation grown, Mike Sivitz

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March 3, Afternoon

- Roasting and sample preparation of regional coffees
- Comparison ND and washed
- Cupping of same coffee, dark, medium, light
- All attendees take turns in cupping procedures
- Discussion of results

March 4

- Processing and its impact on quality
- Harvest and speed of processing
- Harvest and amount of immature (2% limit)
- Equipment available to eliminate immature
- Wet processing vs. Dry processing
- Drying, sun, mechanical, combination (Kona model and methods)
- Kona model of farmers selling cherry
- Kona Cooperative: processing, milling, marketing, sales
- Quality control in processing

Follow Up

a. SCAP

1. Prepare multiple green coffee samples (500 gr.) by hand and remove all defects. Send to selected cuppers for further evaluation and feedback
2. Prepare a 3-year promotional package and budget to correspond with funding request for Central Processing Facility
3. Canvas all local available sources within the Philippines Government for funds. Prepare formal applications
4. Canvas all available international development funds for grants and submit formal applications for funds
5. Check on local architect and possibly start pre planning of facility.
6. Other

b. Coffee Corps

1. Obtain quotes on necessary equipment for Central Processing and Intake Facilities and supply to PSCA
2. Communicate with PSCA about total cost of project estimating local installation costs
3. Solicit from select cuppers in the SCAA feedback on the quality of the Cordilleran Mountain coffee
4. Supply to the PSCA potential avenues for funding of this project. Check with the International Development Committee of SCAA about avenues for funding
3. Check with ACIDI / VOCA and ask to supply SCAP with avenues for funding
4. Find contacts within USAID or other agencies within the US for funding and communicate with SCAP
5. Supply SCAP with “organic certification requirements” and options for larger area or farms
6. Other