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ACDI - VOCA / US-AID &
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Coffee Production, Processing and Cupping Training



*Procafe, Mosteiros, Cape Verde,
Mr. Lisinio Jesus Andrade,
Association President.*

Final Report

April 2007





Executive Summary

- *Assignment #:* 417006-A
- *Volunteer Name:* Daniel R. Kuhn
- *Host Organization:* Procafe – ACDI- Cape Verde
- *Country:* Cape Verde
- *Dates:* March 19 to April 7, 2007

- *Scope of Work:* (abbreviated)

Coffee Production and Processing Training

Provide technical assistance to small scale coffee producers of the fledgling coffee growers association “Procafe” to improve the quality of their locally processed green and roasted coffee.

Background:

In December 2005 PROCAFE, the unique coffee producers association in Cape Verde requested ACDI/VOCA’s assistance to increase their productivity and profitability. Given the age of the trees and current practices in cultivation, harvesting and processing practices, Fogo coffee would not presently meet the demanding quality requirements of the specialty market.. Recommendations are made however in the areas of infrastructure development, reducing production costs, quality improvements, business management and organizational upgrades as well as the development of a competitive marketing strategy that could improve PROCAFE’s ability to participate in the local and export market and save an economically as well as culturally important industry for the producers on Fogo Island.

Cape Verde has been producing coffee for over 100 years and in the past exported considerable amounts to Portugal. Most coffee trees are old with little replanting. In the past producers operated in a protected market with prices well above world market prices. With market liberalization and the collapse of world coffee prices Fogo producers faced increasing pressures from cheaper imported coffee. In 2002 a company, Café de

Cabo Verde was set up that produces primarily coffee from imports. The importation of foreign coffee has steadily climbed.

In 2004, with the donation of equipment from an Italian AID project and the turn over of a Ministry of Environment and Agriculture operated mill, the only coffee mill in Cape Verde, an association of producers, PROCAFE, was formed. Since inception the association has been hampered by increased loss of market due to high production costs, a lack of understanding of the global market, organizational and management shortcomings and a lack of unified purpose and vision.. In 2005 PROCAFE began marketing a limited quantity of roasted, milled coffee as a semi- organic, upper scale product on the local market.

The association is enthusiastic about the prospects for growth in the coffee sector. Despite the relative small scale of production, a revived coffee sector can play an important role in the economy of the Island of Fogo and contribute to reducing poverty and food insecurity in the plantation zone and surrounding communities.

A market study by Steve McCarthy and Fernando Olende in 2006 concluded that PROCAFE members needed to take immediate measures to address quality problems as part of overall plan to gain market share and preserve the mystique of quality Fogo coffee. Samples of beans were sent to a coffee quality institute for testing. The conclusion was that the quality could be vastly enhanced by improving cultural and post harvest handling practices as well as final processing techniques.

Specific Tasks:

1. Assess the prevailing cultural and post harvest practices and identify low cost methods to improve these.
2. Draft a simple, guide on harvesting and post harvesting of coffee
3. Train producers in methods and techniques recommended
4. Assess the use of milling, roasting and grinding equipment
5. Provide recommendations and training in their use as needed
6. Train the association on coffee quality characteristics and grading
7. Provide other advice to PROCAFE leadership and members toward improving quality of their coffee and the operating of their association
8. Provide a brief report of assignment to ACDI-VOCA and PROCAFE

Summary Conclusions and Recommendations

1. Cupping results suggest that the inherent potential coffee quality of Fogo Coffee is very good.
2. Select samples of Natural Dry coffee together with Semi-Washed and Washed coffee need to be analyzed by a third party for evaluation to confirm this initial quality assessment. These select coffee samples were sample processed during the stay in Fogo.
3. Taste profile for Fogo Coffee needs to be established as a guide towards quality control for processing and future development.
4. Considerable problems with “off tastes” were found in current year and past years coffee samples attributable to defects in the green coffee.
5. The inability to recognize these defects and the inability to remove these defects needs to be addressed.
6. Roasted coffee in retail bags was found to be stale and not fit for retail sales. Quality control after roasting needs to be focused on. The foil bags need a one way valve. Sales will only materialize and grow with a premium product.
7. A grading system for “Green Fogo Coffee” needs to be established. The Department of Agriculture needs to be involved in a certification process to certify graded coffee and additionally issue Certificates of Origin.
8. Lack of Legislative protection for the Fogo name allows importers to merchandise foreign coffee under the Fogo name. Guidelines on how to label and identify coffee as to origin are necessary. A “Truth of labeling” law or regulation has to be established.
9. Current processing infrastructure is inadequate to deal with the requirements for an internationally traded specialty coffee.
10. The current Association should be converted to a Cooperative for easier financing and it should take charge of coffee production, green coffee exports and local roasted sales.



Harvesting coffee

11. The cooperative's roasted sales should consist of 100% Fogo coffee and of a Blend Line consisting of a 10% or 20% Fogo coffee. This would make a lesser expensive coffee available to the local market as well. This would allow competition with imported coffees.
12. Management practices of the cooperative in regards to ripe Cherry reception, handling and drying, need to be addressed. Not more than 2% of immature green coffee can be allowed into Fogo coffee.
13. The cooperative should investigate the feasibility of **accepting and paying for ripe cherry** from producers and **dry, process and store in a central location**. This would ensure a uniform quality product.
14. The difficult terrain where Fogo coffee is grown, brings inherent higher production costs. Fogo coffee needs to be **produced and sold as a premium coffee**. Only if sold at a premium price, will it be possible to gain a profit. It will be impossible for Fogo Coffee to compete on the world market with world prices.
15. It is essential while improving coffee quality to engage in an effective marketing campaign. The 100 year story of Fogo coffee production needs to be told. Roasted coffee bags marketed by the future cooperative need to have attractive labeling inclusive of the Fogo story. As the **coffee is organic it should be officially certified by an international certification agency, such as QAI or others and be actively promoted as such**.
16. A 3 to 5 year business plan needs to be created. This will analyze how much investment is necessary for the cooperative to be successful. With this business plan the quality goals and grading standards for Fogo coffee need to be established.
17. The challenge facing PROCAFE needs to be supported by ACIDI-VOCA with the ability to develop a sound business plan and help organize the difficult tasks ahead.



Beautiful Roadside Church on Fogo on the road to Mosteiros



Harvesting coffee on the misty slopes of Fogo volcano at about 1500 meters