

The Coffee of Andradas: A Community Branding Project



Introduction

It was January 2021, and in the town of Andradas, in the mountainous region of Minas Gerais in Brazil, Rosana Fraga and Rafael Alberto Souza e Silva were having their weekly meeting about the Andradas Flavour Map project. Fraga was President of the Andradas rural cooperative, and Souza e Silva an agronomist and consultant.

The coffee harvest had been made more difficult by the COVID-19 pandemic, which hit Brazil especially hard. In addition, the pandemic was causing the global economy to suffer. In the midst of all this disruption, it was difficult to focus the attention of the town's coffee farmers on the Flavour Map project, but Souza e Silva strongly believed it was crucial for ensuring a prosperous future for the community. This three-year project had begun several months earlier. It was initiated by Souza e Silva, who planned to map the flavour profiles of the coffee-producing areas around Andradas in a bid to improve the lives of the farmers and their families. Souza e Silva's idea was to have their high-quality coffees sold directly to consumers, trading houses for specialty coffee, or coffee chains, at prices reflecting the quality of the product. The Andradas Flavour Map was going to be an important tool to showcase the quality of the area's coffees and attract attention to the community and its growers.

'How can we ensure the farmers' well-being and help them earn better incomes in this difficult time?' a worried Fraga asked. She supported the project but, as the voice of the community, she also understood the farmers and producers better than anyone else. They tended to react with suspicion to anything that could destabilise habits and traditional ways of working. It was going to be especially difficult to engage them when farm life was badly affected by the pandemic.

'Once this difficult period is over, we'll need a strategy for marketing the coffee. Right now, our concern should be improving the process of coffee production,' Souza e Silva replied. However, some questions swirled in his head: How could the Andradas farmers raise the quality of their coffees to sell them at better prices? How could they achieve this with their limited financial resources?

This case was written by Stefano Puntoni, Professor of Marketing at the Rotterdam School of Management (RSM), Erasmus University, and Carla Gatt, case writer at RSM's Case Development Centre. The authors wish to thank the following people for their contributions to creating the case: Tao Yue, Mimi Ahlskog, Amanda Soares, Yugi Quo, Tiffany Blattgerste, Eduardo Sampaio, Mariana Del Guerra, Rafael Tonon and Ariovaldo Alberto da Silva Junior. Last but not least, their gratitude goes to Rafael Alberto Souza e Silva, Rosana Fraga, Bruno Sasseron and the farmers of Andradas, without whom the case could not have been written.

This case is based on field research. It was written to provide material for class discussion rather than to illustrate either the effective or ineffective handling of a management situation. The authors altered certain data to facilitate teaching. Copyright © 2021 RSM Case Development Centre, Erasmus University. No part of this publication may be copied, stored, transmitted, reproduced or distributed in any form or medium whatsoever without the permission of the copyright owner. Address all correspondence to cdc@rsm.nl

Andradas

History, Geography and Terrain

Andradas is a municipality located in a mountainous corner of the state of Minas Gerais (**Exhibit 1**), in south-eastern Brazil, with a population of around 40,000. The settlement was formed in the early 19th century, a period of decline in gold extraction in Minas Gerais which saw a rise in cattle ranching and agriculture.

The region used to be covered by high-altitude tropical forest; much of it was converted to agricultural land over the past 150 years. The area is bountiful in water resources. Andradas is characterised by different types of terrain, ranging from relatively flat hills in the central part of the municipality at an altitude of 900-970m above sea level to the more mountainous region surrounding the town with an altitude of 1,400-1,657m, the legacy of an ancient volcano.

Agriculture, Cultural Heritage, and Tourism

Due to Italian immigration since its beginnings, the municipality enjoyed a strong viticulture heritage, and the epithet *Terra do Vinho* (Land of Wine) was often used to describe Andradas. However, by 2019 the number of families producing wine had dwindled to just seven due to a decline in demand.

Over time coffee had become the region's most important agricultural product. The coffee industry employed around 9,000 people during harvest periods. Due to the high altitude of the plantations, the coffee beans matured particularly slowly here, spending a substantially longer time on the plant before they were ready to harvest. This contributed to the coffee's special flavour. In addition, the volcanic soil added to the beans' aromas, making Andradas an ideal environment for coffee growing and giving the coffee a sophisticated palette of flavours and naturally sweet notes (often with a hint of vanilla).

Tourism in Andradas was seasonal and concentrated in the festive seasons; or around cultural events such as the Andradas Wine festival, which had taken place every July since 1954, and the free flight championships at the *Pico do Gavião* (Hawk's Peak, **Exhibit 2**).

The Andradas Rural Cooperative

Born in Andradas in 1917, Riccardo Sasseron had long held the dream of mapping the flavours of the coffee produced in his municipality. Born to Italian parents from Veneto, he loved to disseminate the history of Italian immigration in Andradas and help farmers come together to help each other. Sasseron was a leader in the community and the

founder of the Andradas rural cooperative which, over the years, had up to 1,685 members.

Following Riccardo Sasseron's death in 2011, the cooperative went on hiatus. Souza e Silva (**Exhibit 3**) knew the time had come to contact Rosana Fraga about the coffee flavour map project he had in mind. Fraga agreed that the cooperative needed to be revitalised. Her response was: 'The cooperative is very important for the town. Without a vigorous cooperative, the municipality will be disenfranchised.' Some of the families showed interest in joining the project, and 15 farms immediately signed up. The profiles of some of the farmers can be found in **Appendix A**.

The Andradas Flavour Map

While Souza e Silva understood the commitment the Andradas Flavour Map project would entail, he believed in the value of the coffee and especially in its producers. These farmers had dedicated their lives to growing coffee, passing on their land to sons and daughters for generations. Despite all their strengths and potential, the farmers in Andradas were still moving their crops almost entirely through bulk sales to large coffee distributors at very low prices. The initial idea behind the project was therefore to focus on the quality of the coffee and, at the same time, give prominence to these Italian families' histories by bringing in journalists and the media, in an effort to differentiate the community and make it feel more appreciated.

Fraga, however, was concerned: 'We need to tread carefully if we want more families to be involved in the project. Let's not overwhelm them for now; otherwise we run the risk of disengaging them.' Souza e Silva knew how to motivate them: 'We need to mention positive efforts to them. Bruno Sasseron cultivated the best crops, and this investment has even earned him prizes. In Japan he managed to sell 35 bags at a much better price.' As a technical specialist, Souza e Silva pushed hard to involve experts such as Mariana Del Guerra, a specialist in the sensory analysis of coffee; Eduardo Sampaio, a consultant in sustainable production; Rafael Tonon, a Lisbon-based food writer; and Stefano Puntoni, a professor of marketing at the Rotterdam School of Management, Erasmus University, in the Netherlands.

The Purpose of the Flavour Map

In the Arabica¹ coffee regions, producing specialty coffees offered the opportunity to cater to refined customers, both abroad and in the domestic market. Consumers were

¹ Arabica coffee beans tend to have a sweeter, softer taste, with notes of sugar, fruit and berries. Their acidity is higher, with that winy taste that characterises coffee with excellent acidity. Robusta has a stronger, harsher taste, with grain-like overtones and a peanut aftertaste. Arabica is used for specialty coffee, while Robusta is used for instant coffee.

increasingly visiting producing regions to learn about growing and to taste the local foods and beverages. Gastronomic tourism could become big in the region if it involved wine, coffee, and perhaps other foods cultivated in the area.

The idea was to look for ways to access and attract end-consumers who valued sustainability and high quality. The method would remain the same: pursuing high-quality coffee production and focusing on the grower families, who for the most part depended on middlemen and cooperatives to export their coffees.

Creating the Map

Souza e Silva described the idea behind the Flavour Map in this way: 'The Flavour Map involves 32 neighbourhoods, creating a terroir of each one of them, and evaluating this coffee according to fragrance, taste, aftertaste, acidity, body, balance, uniformity, cleanliness of cup, sweetness and general impression. These parameters will each be evaluated based on a grade from 0 to 10.'

Souza e Silva wanted to do what Colombia had done: harvesting only mature beans and thus resorting to selective harvesting. Another way to raise the quality was to employ more sophisticated techniques. The creation of a suspended terrace where the coffee would be dried and roasted according to the best methods entailed some sacrifices from the farmers. Moving the coffee 22 times a day was hard work and meant that workers (mostly women) were not allowed to use perfume or moisturisers on their skin to avoid the risk of contamination. Once the coffee was dried, it was sent to Q-graders, specialists in sensorial analysis like Mariana Del Guerra, who would judge the quality of the coffee on an overall score between 0 and 100. The farmers would then receive a report with their score.

The sensorial aspect of tasting a cup of coffee incorporates aroma and taste, through olfactory cells, the nasal membrane and taste buds. The systematic evaluation of these parameters, through a methodology developed by the Specialty Coffee Association, captures the sensorial experience of drinking coffee. For Del Guerra, tasting a coffee meant finding what was best in the beverage. Del Guerra described a specialty coffee thus:

What is a specialty coffee? A specialty coffee has a very well-defined profile, where you can notice the type of sweetness, the main notes. With coffees scoring above 85, you can identify where its sweetness comes from, for example here we have a coffee from Andradas and it tastes very similar to sugarcane. Therefore, you can include in its profile that it contains notes that bear a resemblance to sugarcane. Another one here has a sweetness resembling yellow fruits, like peach or apricot. This causes the coffee to be an

outlier, bringing in more complexity. As Q-graders, we would consider this coffee as exotic, and so it scores higher.

The tests provided the Andradas project with the necessary information to authenticate the map's terroir regions: the areas of production of the differentiated quality coffees, intrinsic to the place of origin. Terroir consisted of many factors, including topography, geology, drainage, climate, as well as human intervention – that is, culture, history and tradition. During coffee roasting, even the tiniest glitch could cause the best raw material to be burned and ruined. The whole process from harvesting beans to delivering a cup to a coffee consumer was very delicate (**Exhibit 4**).

When Del Guerra tested the Andradas coffees, the average score was 88. This was an excellent result considering that the best coffee in Brazil in 2018 scored 91 (**Exhibit 5**). Fraga was happy with the results and was eager to share the good news with the producers. She knew that the project still had a long way to go. She was concerned that a few of the farmers might start to criticise the project if it took too long; she knew how urgently they hoped their situation would improve. It was important to keep this positive momentum despite the pandemic.

The Consumption of Coffee

Rafael Tonon was a well-known gastronomic journalist with family roots in Andradas. He agreed to help market the coffee of Andradas in the highly valuable European export markets. Based in Porto in Portugal, Tonon held a workshop in which he invited baristas and tasters from 15 Portuguese coffee shops to taste 15 samples of Andradas coffee. Of the 15 samples, 13 received high scores and two were even described as rare. According to Tonon: 'People used to see coffee as an everyday thing, and it is not just that. Nowadays we tend to see coffee as we see wine. Once we understand how refined it can be as a beverage, then we can understand the importance of each area or region as well as the role of each producer, the complexity of smells and taste that each coffee can provide.'

Coffee Culture in Three Waves

The decade between 2010 and 2020 witnessed a revolution in coffee consumption in many countries. Across North America and Europe, the market for coffee became increasingly specialised and demanding. Even the kinds of coffee offered at bakeries and supermarkets required some sort of elevation.

This trend was a new peak in the evolution of coffee consumption that had been unfolding since the 1940s, which can be described in three "waves":

1. Consumers of commodity coffees: large volumes, i.e., supermarkets and large companies;

2. Consumers of fine commercial coffees: cafes, restaurants, bakeries; and
3. Consumers of specialty coffees (including organic).

The “first wave” (starting in the 1940s) refers to the higher consumption of the beverage after World War II. This gave rise to the *coffee canephora* variety, commonly known as Robusta. This period saw a steep increase in coffee consumption, leading to the enhancement and variation of traditional coffees, even though coffee was still consumed more for energy than for sensory pleasure.

The “second wave” (1970s onward) saw an improvement in the quality of the beans. Chains of premium coffee, like Starbucks and Peet’s Coffee, started planting their roots. This period also witnessed an expansion of the use of espresso coffee machines and a surge in the popularity of dark roast.

The “third wave” (2000s to today) saw cafés roasting their own beans, with a new generation of consumers that demanded more rigorous preparations. With coffee becoming more of a sensorial quest, coffee aficionados became an important consumer group.

In the USA, where these wave labels originated, the history of specialty coffee started in the 1970s, where California hippies paved the way for gourmet coffee made with high-quality beans. Between 2000 and 2010, coffee roasters and retailers specialising in third wave specialty coffees like Blue Bottle, Stumptown and Intelligentsia became staples of high-quality roasting. Starbucks disseminated the idea of single-origin coffee. It won a new generation of coffee drinkers and made coffee consumption popular, whereby drinking coffee became associated with social status. The rise of coffee sommeliers reflected a desire to end the unreflective habit of consuming bad coffee and convert coffee drinking into a sensorial, hedonistic pleasure.

The third wave was starting to have important repercussions for the traditional organisation of the coffee value chain. One example is the idea of farm-to-cup. Coffee roasters traditionally purchased coffee from importers. Increasingly, roasters now tried to bypass middlemen and establish direct relationship with growers in coffee-producing countries. This often led to better deals for the farmers and greater quality control for the roasters.

European Consumption Patterns

Despite these developments, by 2019 the majority of European consumers still bought cheap mainstream coffee, usually in the form of standard blends, ground-for-filter or capsules and pods, as opposed to specialty coffees (**Exhibit 6**). Most consumers were

driven by convenience, as shown by the growing landscape of capsules and ready-to-drink coffees.

Because of Andradas' cultural connection with Europe and its history of immigration, many in Andradas were especially interested in European export markets. There was a significant difference in coffee consumption between Northern and Southern Europe. Consumers in Northern Europe preferred lighter roasts; those in Southern Europe opted for darker roasts. Consumers in countries with a more evolved coffee culture, such as Italy and Sweden, were more inclined to consume freshly ground coffee. However, there was an ongoing increase in the consumption of freshly ground coffee across all countries. Eighty percent of coffee revenues came from out-of-home consumption, which grew faster than at-home consumption. Parallel to this, the growth of coffee capsules was still continuing, predicted to reach USD 2.3 billion in Western Europe by 2022.

In Germany, around 85% of the older generation tended to drink coffee regularly, compared to only 42% of 18- to 35-year olds. The most popular preparation was filtered coffee, which was consumed by an estimated 36.4 million people. This was followed by coffee pods (15.4 million). Nonetheless, high-end specialty coffee was the fastest growing segment of the coffee industry.

Scandinavia marked the highest rate of coffee consumption per capita, and out-of-home coffee consumption, particularly in coffee shops, had been rising rapidly since 2010. The exposure to higher quality coffee away from home also drove the trend towards higher quality coffee for at-home consumption.

Consumer Segments

By 2020, coffee consumers around the world could be divided into three basic groups: pragmatic coffee drinkers who saw coffee as part of their routine and a source of energy; coffee "laypeople" who primarily saw coffee as a means of socialisation; and coffee enthusiasts for whom coffee was a passion.

The pragmatic coffee drinkers were a group (mostly aged above 35) for whom drinking coffee was a habit and a means to wake up. They purchased their coffee mainly from supermarkets, based on brand and price. They did not always appreciate the taste of premium coffee and were not familiar with common terms in the field of specialty coffees. This particular segment was most likely to consume Robusta coffee, which contained more caffeine than Arabica and was mostly used for instant coffee because it was cheaper in price. Regarding out-of-home consumption, this group's typical venues for coffee drinking were local coffee bars and the workplace. They tended to consume a mixture of espresso and various coffee drinks with milk.

Coffee laypeople were mostly professionals and students. Due to their busy schedules, convenience was one of the driving factors for this segment; coffee pods were their most popular form of preparation. This segment also had a tendency to consume a mixture of mainstream and specialty coffees. Consumers in this segment followed premium certification as a heuristic for decision-making. Regarding out-of-home consumption, consumers in this segment tended to consider coffee drinking as a way of socialising. There were patterns in their coffee drinking, with freshly ground coffee from the local coffee shop, specialty coffee from a specific coffee roaster or retail seller, and coffee pods (mostly at the workplace). This segment and the previous were both very large and together comprised the majority of the European population (with some exceptions, such as the UK, where tea consumption was traditionally much more common than coffee consumption).

Coffee enthusiasts truly appreciated quality coffee and had a high level of knowledge regarding specialty coffees. This quality-conscious segment consumed almost exclusively Arabica coffee beans. It was smaller in size than the previous two segments but growing. Consumers in this group tended to be more aware of certifications and terms such as single-origin or Q-grader scores. Certifications sometimes influenced their decision-making, especially for coffee consumed at home. The specialty coffee sector was the fastest growing segment in Europe's food service industry.ⁱ The growth in coffee shops was mainly driven by increasing out-of-home consumption. Consumers were increasingly asking for uniqueness in terms of quality and origin backed by authentic stories about the coffee.

The Coffee Industry

The global coffee market was expected to grow from USD 431.6 billion (EUR 384,327.73 million) in 2019 to USD 574,582.47 (EUR 511 million) by the end of 2025 at a Compound Annual Growth Rate (CAGR) of 4.88%.ⁱⁱ By 2025, more than 200 million 60kg bags of coffee would be consumed worldwide. Industry experts identified the following trends: more premiumisation, changing market boundaries, new buying methods, improvements in the coffee-making process, and more ethically conscious consumers.

By 2019 the largest coffee companies in the world in terms of revenue were Starbucks, JAB and Nestlé. As coffee became a global staple, and instant coffee ubiquitous, production of Robusta had been increasing rapidly in recent decades. While in 1976 the consumption of Arabica was 50% larger than Robusta, by 2020 the consumption of Arabica was only 10% larger globally. By 2025, 75% of the worldwide production growth of coffee would be centred around Brazil, Honduras, Colombia, Indonesia, Ethiopia and Vietnam (**Exhibit 7**).

Production in Brazil

There were over 250,000 coffee producers in Brazil in 2020, of which 200,000 were family farms. Seventy-four percent of producers were based in Minas Gerais. The southern part of the state, where Andradas is located, was particularly suited for coffee growing due to the high altitude and mild temperatures. This combination helped the region become a crucial coffee growing area in Brazil, with 30% of national production concentrated in the southern part of Minas Gerais.ⁱⁱⁱ

Overall, seventy-two percent of Brazilian coffee farms produced Arabica coffee and the rest Robusta. Data from the Brazilian census revealed that the majority of Brazilian food production came from small farms of under 20 hectares. Only 5.5% of farm workers had some higher education, and just 1.5% possessed a technical education, which was useful for more advanced coffee production (see **Exhibit 8** for expenditures and access to financing).

Coffee farmers, including those in Andradas, would sometimes roast small amounts of coffee for sale locally or for personal consumption, but they typically sold unroasted coffee beans (“green coffee”). In the past, regulations and production quotas provided incentives for Brazilian coffee producers to focus on maximising production volumes. More recently, changes in regulation and consumer trends allowed coffee growing communities to pay more attention to quality. As a result, production of specialty coffees was increasing. The worldwide demand for products of differentiated quality was an opportunity for Brazilian producers, as price was influenced by quality and higher quality production processes tended to be more sustainable. To produce high quality coffee, farmers needed to be aware of the variables that directly influence quality, such as climatic conditions and crop management.

Sustainability

Eduardo Sampaio was brought into the project to help identify shortcomings in production methods. He was a consultant for the Global Coffee Platform, an association headquartered in Germany bringing together multiple stakeholders (coffee producers, traders, roasters, retailers, governments, and donors) working towards a more sustainable coffee sector. His role was to probe the challenges surrounding quality and sustainability. According to Sampaio, ‘Having a great quality coffee is not enough if the producer does not pay attention to other day-to-day aspects. The farmer has to always think about the well-being of the people he or she employs. Besides the taste, the production process also requires a focus on sustainability.’

The Global Coffee Platform and its Brazilian branch (*Plataforma Global do Café*) proposed 18 sustainable practices to participating producers (**Exhibit 9**). If implemented, they could guarantee continuous improvement in coffee production.

Fraga and Souza e Silva had agreed that the production of coffee needed to be executed in the most sustainable of manners. Fraga had also insisted that the role of female producers and farmers ought to be given prominence, especially since many of them were responsible for moving the coffee during the harvest. The Andradas Flavour Map project therefore aimed to carry out a questionnaire to better understand their role in the use of agrochemicals. This would allow them to lead the change towards better practices, security and a decrease in the use of agrochemicals.

With the help of Sampaio, the Andradas Flavour Map project would be based on a number of social, environmental and economic indicators:

Social indicators	Economic indicators	Environmental indicators
<ul style="list-style-type: none">- Health and human development indicators- Access to education and training- Family succession- Appreciation of women in the countryside	<ul style="list-style-type: none">- Sensory analysis and mapping of quality by neighbourhood- Commercialisation of specialty coffees in new markets and platforms- Implementation of a joint purchasing system- Increased productivity and improved cost management	<ul style="list-style-type: none">- Soil conservation- Proper bush and weed management- Conservation of water resources- Sustainable use of agricultural resources and inputs

Branding

Three types of brands could serve as inspiration for the coffee farmers of Andradas: social, environmental, and Brazilian coffee brands (see **Appendix B** for examples). These three categories overlapped.

Most social coffee brands were certified as B Corporation or as Fair Trade & Organic. Many of these even promoted profiles of their farmers, and some contributed a portion of their revenues to non-profit organisations. Most companies sourced their coffee rather than owning coffee production facilities themselves, and most directed their sales to consumers and wholesale, with a few distributing the coffee to health stores or organic grocery stores.

Environmental coffee brands overlapped with social coffee brands, as single-origin coffees tended to be more sustainable. Some of these brands were operating as non-profits in the coffee business, and most contributed to charities. Some had recyclable pods.

Two of the main mainstream Brazilian coffee brands were Pilao and Caboclo. They promoted their products in Portuguese; information in English was not easily accessible. Many brands, also of the social and environmental types, offered Brazilian coffee, mainly from the Minas Gerais region. Some brands also offered a subscription service.^{iv}

Pricing and Distribution

The price of a 60kg bag of green coffee beans (that is, before roasting) varied depending on whether the coffee was “specialty”, “differentiated”, or “commercial”. Prices for specialty coffees ranged from USD 160 to 250. For differentiated coffees the price range was between USD 150 and 170, and for commercial coffees this was USD 110 to 120 (**Exhibit 10**).

The large chains with the biggest purchase volumes of green coffee in 2017 were Nestlé, JDE and Smuckers (**Exhibit 11**), but the coffee supply chain was very fragmented, and formulating an overall picture of the distribution channel was difficult. The five largest coffee shop chains by 2019 were: McCafé, Tim Hortons, Costa Coffee, Dunkin’ Donuts and Starbucks. Of these, Starbucks was the largest; its total net revenue stood at USD 9.7 billion.

With regard to e-commerce, the top three coffee sellers on Amazon in 2019 were Starbucks (USD 16.8 ml), Keurig Dr. Pepper (USD 12.6 ml) and Nestlé (USD 11.2 ml) (see **Exhibit 12** for the at-home and out-of-home market sizes in 2015).

Conclusion

The excellent results of Del Guerra’s initial tests had helped win over some sceptics, but Fraga was worried about several issues, especially concerning finances. Souza e Silva tried to bolster Fraga’s spirit: ‘We have to look for institutions that can help us. For example, the Italian government is interested in our project because of the history of Italian immigration in Andradas. As the project takes shape, it will generate the necessary cash flow.’

As an agronomist, Souza e Silva was used to thinking about marketing and branding as tools for mighty corporations to gain ever greater power and profits. Now he was beginning to see the value that marketing and branding could bring to small-hold farmers and to the community of Andradas.

However, many questions related to marketing remained unanswered: What branding strategy would be most effective for marketing the coffee of Andradas? What should be the go-to-market strategy? What markets should they prioritise? Ultimately, how could they reach far-away consumers and baristas with the story of Andradas and its farmers?

The crisis caused by the pandemic would eventually be over, and Souza e Silva knew that they needed to be ready with a strong marketing strategy to help increase the farmers' earnings and improve their quality of life.

Exhibit 1: Location of Andradas



Source: Google Maps

Exhibit 2: The countryside around Andradas as seen from the Pico do Gavião



Exhibit 3: Rafael Alberto Souza e Silva

Rafael Alberto Souza e Silva (right) in front of the rural cooperative's offices in Andradas (together with Stefano Puntoni)



Exhibit 4: The coffee production process from harvesting to extraction



*for speciality coffees, SCA methodology

Exhibit 5: Example of coffee cupping report

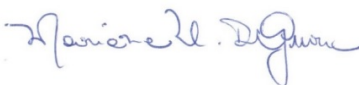
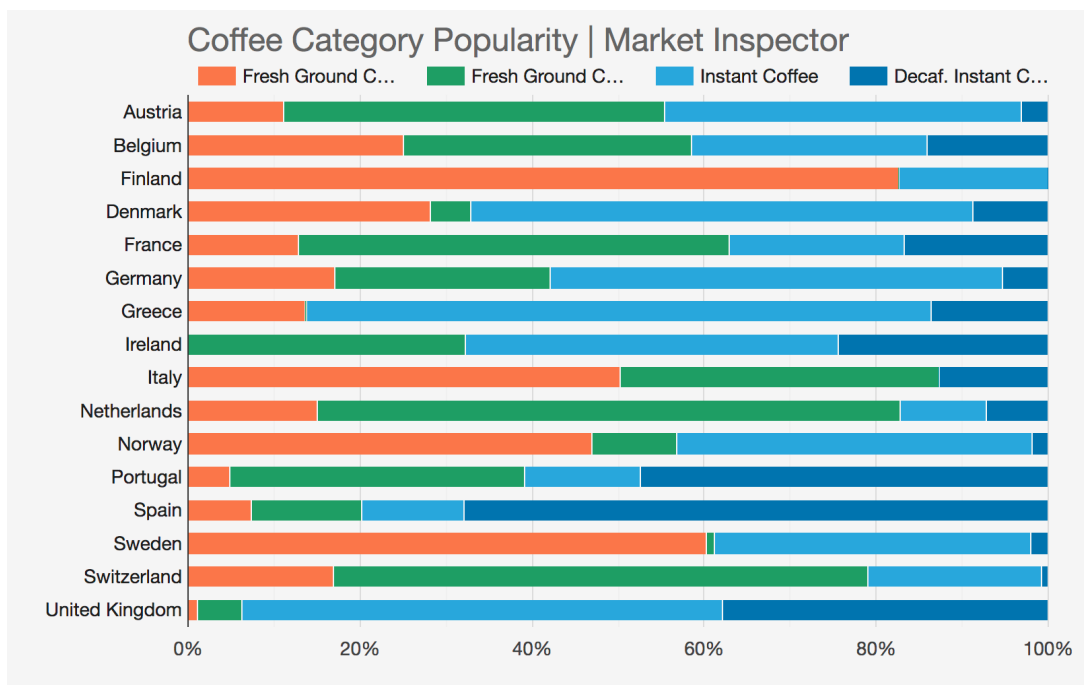
COFFEE CUPPING REPORT																																																
DATA	12/07/19	NOME PROPRIEDADE	xxxxxxx																																													
Nº CONTRATO		REGIÃO	ANDRADAS																																													
Nº LOTE	SELETIVA	ESTADO	MINAS GERAIS																																													
Nº ICO		PAÍS DE ORIGEM	BRAZIL																																													
ARMAZÉM		Nº DE SACAS																																														
COLHEITA	2019	PESO DA SACA																																														
COMPANIA																																																
ALTITUDE		VARIEDADE																																														
REGIÃO	SUL DE MINAS	PROCESSAMENTO	NATURAL SELETIVA																																													
PRODUCER	xxxxxxxxxx																																															
UMIDADE	12,80%	COR	GREEN																																													
PENEIRA 17 ↑		PENEIRA 16																																														
PENEIRA 13-15		DEFEITOS																																														
CATEGORIS 1 DEFEITO		CATEGORIS 2 DEFEITOS																																														
QUAKERS		AGTRON	55																																													
<table border="1"> <thead> <tr> <th colspan="3">FLAVOR PROFILE</th> </tr> <tr> <th>INDICATOR</th> <th>RESULTS</th> <th>COMMENTS</th> </tr> </thead> <tbody> <tr> <td>FRAGRANCIA/AROMA</td> <td>8</td> <td></td> </tr> <tr> <td>SABOR</td> <td>8,5</td> <td></td> </tr> <tr> <td>FINALIZAÇÃO</td> <td>8,25</td> <td></td> </tr> <tr> <td>ACIDEZ</td> <td>8,5</td> <td></td> </tr> <tr> <td>CORPO</td> <td>8</td> <td></td> </tr> <tr> <td>EQUILÍBRIO</td> <td>8,25</td> <td></td> </tr> <tr> <td>DOÇURA</td> <td>10</td> <td></td> </tr> <tr> <td>UNIFORMIDADE</td> <td>10</td> <td></td> </tr> <tr> <td>XÍCARA LIMPA</td> <td>10</td> <td></td> </tr> <tr> <td>GERAL</td> <td>8,5</td> <td></td> </tr> <tr> <td>NOTA TOTAL</td> <td>88</td> <td></td> </tr> <tr> <td>DEFEITOS</td> <td>0</td> <td></td> </tr> <tr> <td>NOTA FINAL</td> <td>88</td> <td></td> </tr> </tbody> </table>				FLAVOR PROFILE			INDICATOR	RESULTS	COMMENTS	FRAGRANCIA/AROMA	8		SABOR	8,5		FINALIZAÇÃO	8,25		ACIDEZ	8,5		CORPO	8		EQUILÍBRIO	8,25		DOÇURA	10		UNIFORMIDADE	10		XÍCARA LIMPA	10		GERAL	8,5		NOTA TOTAL	88		DEFEITOS	0		NOTA FINAL	88	
FLAVOR PROFILE																																																
INDICATOR	RESULTS	COMMENTS																																														
FRAGRANCIA/AROMA	8																																															
SABOR	8,5																																															
FINALIZAÇÃO	8,25																																															
ACIDEZ	8,5																																															
CORPO	8																																															
EQUILÍBRIO	8,25																																															
DOÇURA	10																																															
UNIFORMIDADE	10																																															
XÍCARA LIMPA	10																																															
GERAL	8,5																																															
NOTA TOTAL	88																																															
DEFEITOS	0																																															
NOTA FINAL	88																																															
DESCRIÇÕES		OBSERVAÇÕES																																														
NOTAS ELEGANTES DE FRUTAS AMARELAS, ACHOCOLATADO, FLORAL. ACIDEZ CÍTRICA BRILHANTE. FINALIZAÇÃO PERSISTENTE E AGRAVÁVEL DE CHOCOLATE 70%. CAFÉ ALTAMENTE EQUILIBRADO EM RELAÇÃO A ACIDEZ E CORPO.		CAFÉ MUITO LIMPO E DOCE.																																														
AMOSTRA	NATURAL SELETIVA																																															
PARA:	xxxxxxx																																															
CUPPER Q-GRADER	MARIANA DEL GUERRA																																															
<div style="text-align: right;">  MARIANA MARTINI DEL GUERRA </div>																																																

Exhibit 6: European consumer preferences

Orange = Fresh Ground Coffee, Green = Fresh Ground Coffee Pods



Source: <https://www.market-inspector.co.uk/blog/2019/04/coffee-culture-western-europe>

Exhibit 7: Top 10 coffee producing countries

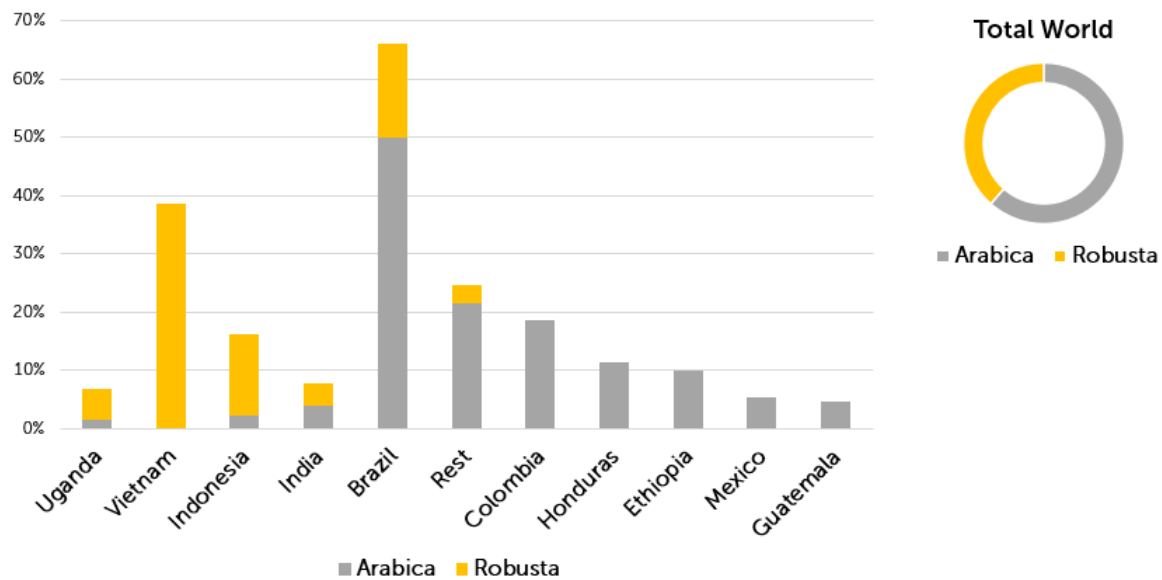


Exhibit 8: Use of funds by farmers

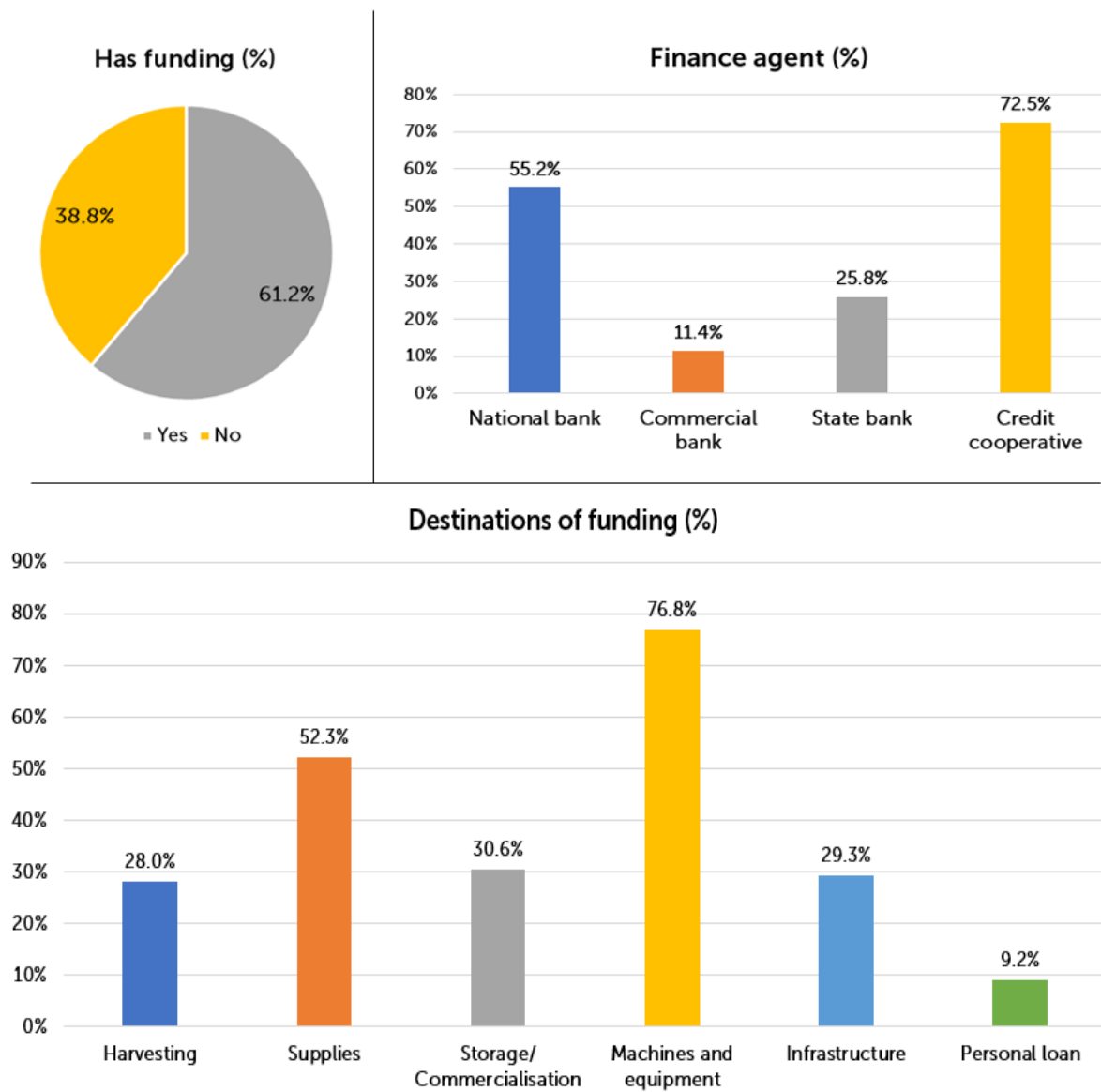


Exhibit 9: Global Coffee Platform — 18 fundamental practices for sustainable production

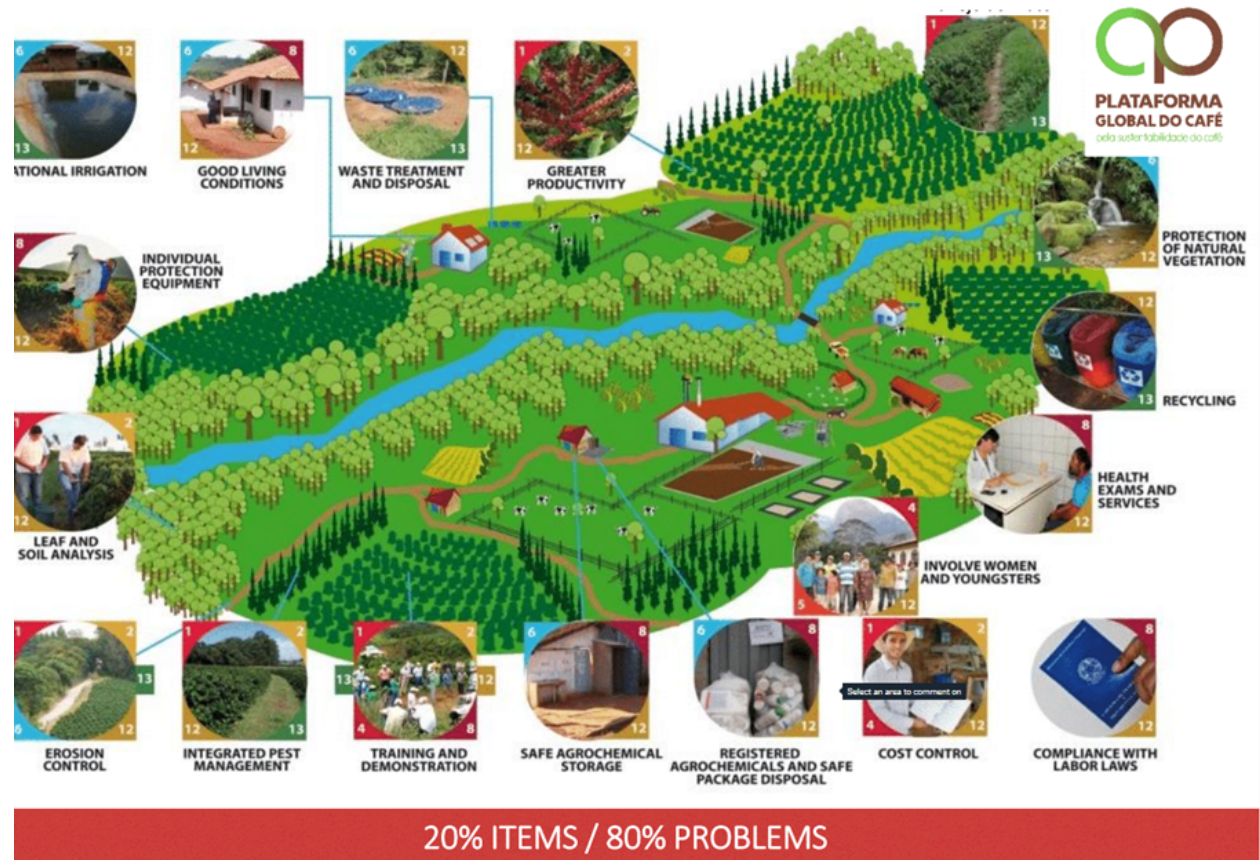


Exhibit 10: Opportunities for de-commoditisation – specialty and differentiated

Prices are for 60kg bags of green coffee (i.e., before roasting)



Exhibit 11: Purchase volumes of green (unroasted) coffee

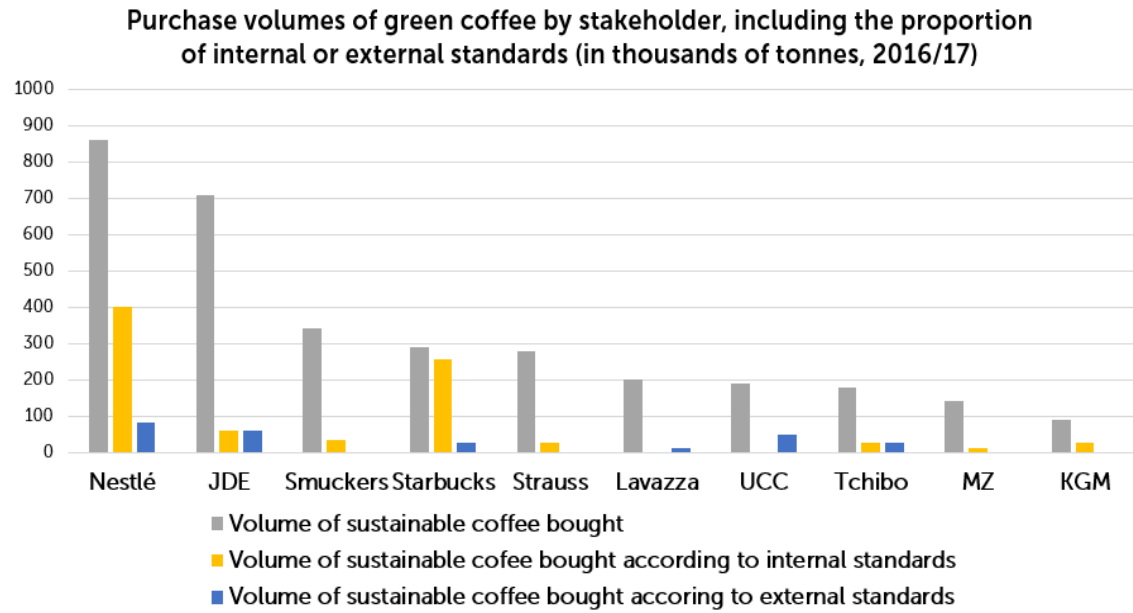
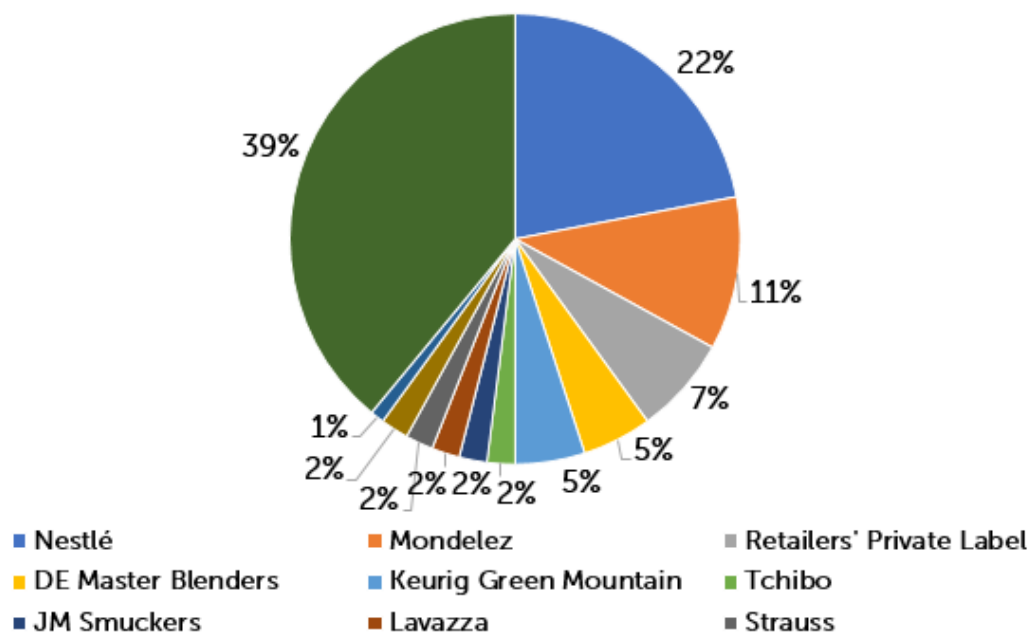
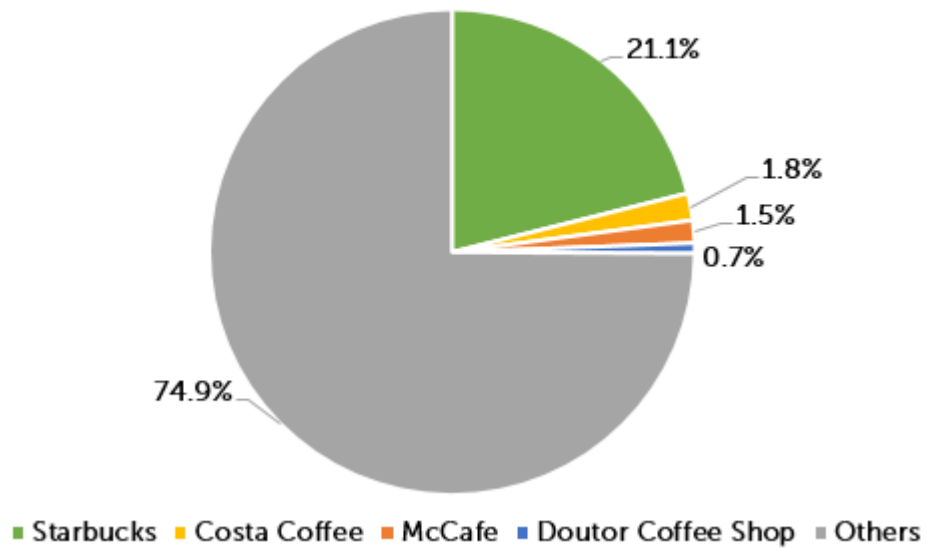


Exhibit 12: Market shares of at-home and out-of-home consumption in 2015

**Market shares of the principal coffee stakeholders in 2015
for at-home consumption (world)**



Market shares of the principal coffee stakeholders in 2015 for at home consumption (world)






Appendix A: Examples of farmers' profiles

The property of **Edivar Rovaron** belonged to his grandfather, who arrived in Brazil from Italy to work at the Refugio farm and managed to buy the property after years of work. The property now has around 20 hectares of land, with about 40-50,000 trees of high-quality coffee. The quality of Edivar's coffee scored between 80-85 points on a scale of 100 for international specialty coffees. While he had participated in competitions and managed to sell differentiated coffee at above-market prices, he never sold a specialty coffee crop and would like to enter this market. To do so, he needs to incur higher costs and monitor and document his work better.

Maria Jose Stivanin's grandfather also immigrated from Italy to work at the Refugio farm in the last decade of the 1890s. With the money he made working there, he managed to buy a property to plant coffee. This property was passed on to Maria Jose Stivanin's father, who in turn passed it on to her when he died. Though she shares the property with her brothers, she inherited the largest part of the estate. Her objective is to invest in the quality of her coffee with the help of the Rural Union of Andradas. She is still in the learning phase, and the ability to achieve a good result would only be possible through careful harvesting and drying.

Luiz Candido's father arrived in Andradas in the 1940s. When his mother died, the land was left to him and his brothers to share. Luiz married and exchanged his share for his current coffee property. He observed that while it was possible to live well on coffee, advanced technology had made it more difficult to find employees to work the property. Worryingly, profits were gradually decreasing. While more mechanised production made the work easier, it was also more costly, and government incentives had declined over the years. With his 21-year-old grandson studying agronomy, and his youngest daughter intent on continuing the family's coffee production, Mr Luiz acknowledged the fact that family succession was an asset he and other producers could treasure.

Appendix B: Examples of brands

 <p>three avocados a non-profit coffee company</p>	<ul style="list-style-type: none">- Uganda-based non-profit selling coffee sourced from Uganda and Nicaragua- profits go to drinking water projects around the globe- also sells other branded products (e.g., t-shirts)- had over 150,000 Twitter followers by early 2021
	<ul style="list-style-type: none">- UK-based Certified B Corporation: this means they meet the highest social and environmental standards (another famous certified B Corporation is Patagonia)- 50% of profits go to a charity called Producer Direct, which works with coffee farmers to improve sustainability- producer partner in Brazil is COOPFAM, a cooperative from Minas Gerais- had around 7000 followers on Instagram and 23,000 on Twitter by early 2021
	<ul style="list-style-type: none">- Brazilian brand- mainstream; can be found in Brazilian grocery stores- considered a rival of Pilao Coffee, and the "Folgers" of Brazil

Endnotes

ⁱ <https://www.cbi.eu/market-information/coffee/netherlands>

ⁱⁱ [https://www.globenewswire.com/news-release/2020/06/11/2047087/0/en/The-Global-Coffee-Market-is-expected-to-grow-from-USD-431-630-07-Million-in-2019-to-USD-574-582-47-Million-by-the-end-of-2025-at-a-Compound-Annual-Growth-Rate-CAGR-of-4-88.html#:~:text=Filings%20Media%20Partners-,The%20Global%20Coffee%20Market%20is%20expected%20to%20grow%20from%20USD,Rate%20\(CAGR\)%20of%204.88%25](https://www.globenewswire.com/news-release/2020/06/11/2047087/0/en/The-Global-Coffee-Market-is-expected-to-grow-from-USD-431-630-07-Million-in-2019-to-USD-574-582-47-Million-by-the-end-of-2025-at-a-Compound-Annual-Growth-Rate-CAGR-of-4-88.html#:~:text=Filings%20Media%20Partners-,The%20Global%20Coffee%20Market%20is%20expected%20to%20grow%20from%20USD,Rate%20(CAGR)%20of%204.88%25)

ⁱⁱⁱ <https://www.nomadcoffeeclub.com/pages/brazil>

^{iv} <https://coffee-channel.com/best-brazilian-coffee-brands/>