

Coffee

THE NEWSLETTER
OF VIRMAX CAFÉ



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FACES

WELCOME to the latest edition of Coffee Faces. Right now we are celebrating the start of a new coffee year 2004/2005 filled with expectations and new challenges.

This past year was particularly exciting as a good amount of our time was spent travelling with our clients to visit the coffee grower associations that we work with and the regions in Colombia where their coffee is grown. We believe that personal contact between the growers and their customers - and vice-versa, is a turning point in their relationship. It invigorates the relationship, changing it from a supply-and-demand-type of relationship to a more personal and deeper business relationship. In addition, it also allows clients to witness the way things are done and to exchange ideas both with us and with the growers. This type of feedback helps all the parties better understand the needs of the others, therefore deepening the business side of the relationship.

We at Virmax believe that personal interaction is the cornerstone of our business. That is why we continuously visit our farmers, developing one-to-one relationships with every single one of our suppliers. It is also why we aim to provide a truly personal service to our clients, taking into account their specific needs and doing all we can to help them achieve their goals.

Relationship building is perhaps the most important aspect of our business. We are not just coffee buyers and exporters who just buy and sell coffee. We aim to develop long-term relationships, where we can develop trust and friendship under the banner of one common goal: quality coffee. That is one of the reasons why we also continuously provide advice to

the growers we work with (and even some we don't) in terms of quality improvements and institutional strengthening, through seminars, chats and specific discussions. We believe that our work should encompass a high level of responsibility towards the growers and their communities.

As in the past, we will continue to work under these precepts, being loyal to our trading standards: maintaining our levels of transparency and continuously improving the quality and consistency of the coffee we - along with our small coffee grower partners, deliver to our clients.

We would like to take this opportunity to invite all our clients (and those who are not clients - yet) to come visit Colombia and see with their own eyes the work being done. Come and meet the farmers that produce those amazing coffees you purchase; strengthen (or develop) your relationship with your suppliers and - why not, establish personal ties with them. Come and see the beauty this country has to offer. We can assure you that not only it will be worth every penny, but that you will come back every year.

In this edition of Coffee Faces you will find an article written by a well-known colleague: Timothy Castle; as well as an introduction to two new initiatives we are developing: a training programme for young cuppers and a project being developed by CIAT (Centro de Investigación de Agricultura Tropical) with the support of Virmax.

We hope you enjoy it and look forward to your comments and questions. ☺

SCIENCE, BUSINESS
AND GROWERS
TEAM UP TO HELP
DE-COMMODIFYING
SMALLHOLDER
AGRICULTURE 2

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VIRMAX IS A PROUD MEMBER OF:



Science, business and growers team up to help de-commodifying smallholder agriculture

Dr. Thomas Oberthür
Associated Project Manager
CIAT Land Use Project

THE CHOCOLATY RICH TASTES of some coffees found in the southern lands of Colombia are sought after by connoisseurs around the world. These coffees go well with blueberry muffins. Don Manolo, who has lived his whole life in this part of the world and worked with our researchers of the International Agricultural Research Institute (CIAT, www.ciat.cgiar.org) in various participatory on-farm projects, does not know that his coffee, nor any other for that matter, tastes like chocolate. He has never eaten real chocolate nor blueberry muffins. Don Manolo produces for the global commodity market and sells his tasty produce as low value bulk commodity. Don Manolo specializes in coffee, but most other commodity products face the same fate. Despite efforts to stabilize prices, commodity prices tend to decline over time. Although price booms do occur, they tend to be shorter than the slumps, which also tend to be worse than the price recoveries.

Coffee is one such commodity: Sales are the mainstay of 25 million families in East Africa, South Asia and Latin America, 70% of whom work on fewer than 5 ha. These families have been hit hard by the decline in commodity prices. Yet most continue producing commodities. Don Manolo could sell his coffee for more if just knew its worth. In fact, he could even produce the blueberries on his farm - the conditions are excellent. However, he has never heard about blueberries, no farmer in the region ever has. Yet tropical hillsides are ecologically and socially diverse offering a potential treasure chest of higher value market crops. Farmers are fre-

quently not aware of the potential options to market high value products. And if they are conscious of particular opportunities they will have to identify which niches on their land are suitable for

the production of high-value crops and how to capitalize on this potential through customized management.

Now, together with local researchers, growers associations and private businesses such as VIRMAX we will set out in partnership to open the treasure chest through what we call site specific diversification. Diversification with higher value products will most likely occur in environmental niches that provide the appropriate conditions for production and marketing of these products. The growth of the specialty coffee market is ample evidence that demand for higher valued quality coffees is increasing. Yet, not all farms possess the required conditions to produce superior-quality coffee. Tropical fruits and other high-value crops offer an interesting option. These high-value crops are particularly suited to the intensive management that can be provided by small-sized production units.

Our alliance will address the three requirements that are essential for the success of diversification: information about the potential for differentiated supply, information about differentiated demand and connectivity between supply and demand. Differential supply describes the variable and limited



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potential to produce in environmental niches. Sufficient differential demand in specialized markets is critical as it permits de-commodification of a bulk product. But unless supply and demand are linked the potential differentiation is not realized. Connectivity is established through product supply chains. However these chains are only sustainable when essential information pulses through them. We believe the treasure chest can be opened and potential converted into real benefits when information in the supply chain is site specific: for example, coffee has chocolaty taste only in the farm X but not in Y, and a market exists only in A but not in B, and X can be linked to A via an internet auction.

In our project we will demonstrate in the two Colombian departments of Cauca and Huila what the relationship between specific environments, crop management and the taste of your favorite cup of coffee (or mango juice or fresh blueberries) is. Once this information is known and built into decision support tools, growers can identify, and develop together with supply chain partners, specific environmental niches for specific high value markets. To obtain the required information we will sample various harvests in a large number of farms along defined environmental gradients and geo-reference every single one with a global positioning system. We will cup samples using quality standards developed for the specialty market and by way of novel geographical analyses relate the quality data to information about environment and production systems.

We and the VIRMAX team count on the participation of local growers associations, cooperatives, and high quality end market roasters such as Intelligentsia or German based Coffee Star. Partners from other high value product chains including the fruit processing and retail industry have signaled their support, as have researchers from the well-known Humboldt Institute in Bogotá. While the German government will fund large parts of the research, project partners contribute their expertise, time and technical resources at no cost. 

Young Cuppers Training Programme

ON JULY 2004 we started a young cuppers training programme. The objective of this programme is to train at least one young cupper from each of the coffee grower associations we work with. By selecting young people with strong potential and a desire to learn, each one of the groups that we work with will soon have their own cupper.


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The first young cupper in the programme was Claudia Samboni, a 19-year old girl from Palestina, Huila. Her father is a member of Grupo Asociativo Quebradón, the association of small coffee growers that produces “Quebradón Relationship Coffee”. Claudia came to Bogotá in the middle of July, where she underwent an exhaustive training programme, which included the opportunity to cup alongside several of our clients as well as to travel around the country helping us perform quality control of several coffee lots we shipped during that period.

After three months of training in Bogotá, at the invitation of The Monmouth Coffee Company and Mercanta Limited, a roaster and importer in the UK who buy “Quebradón Relationship Coffee”, she travelled to the UK to spend one whole month with them. There she had the opportunity to strengthen her cupping skills, tasting coffee from all over the world under the direction of experienced coffee buyers.

Claudia is now back in Colombia and will start working as a coffee cupper in our new warehouse and cupping lab in Pitalito, Huila. She will work alongside our other cuppers, purchasing coffee from six different coffee grower associations from the south of Huila, as well as training other cuppers and helping the farmers we work - and in particular the Quebradón farmers, to improve the quality of their coffee.

We believe this training initiative is the one of many steps in the development and strengthening of the relationship between the small coffee growers we work with, providing them with the tools and knowledge required to continue their strengthening as production units while improving the quality and consistency of their coffee; in addition to providing useful skills to younger generations of coffee growers.

In the coming months we will continue with this process and we are currently evaluating potential trainees from the different groups of small coffee growers we work with. 

Invited columnist

Tim Castle

AT THE INVITATION of a US coffee roaster and the specialty coffee exporters Virmax Limited, I recently had the opportunity to visit some coffee farms and co-ops in Colombia and the trip was enlightening in many aspects.

First of all, this was my first trip to Colombia and I was surprised that the security there, both in Bogotá and in the countryside, was quite good. I felt safer there than I have in many other coffee producing origins. But due to misplaced security concerns on the part of travellers from the US AND Europe, Colombia has practically no tourism. This is a pity because it is scenically breathtaking and culturally rich country-what's more the people are hospitable and welcoming. Bogotá alone has a diverse offering of concerts, exhibitions and other cultural activities that could keep you busy for weeks. Just like any destination, however, there are always safety concerns and you need to know where to go, and where not to, but that said, I encourage anyone who is interested to visit Colombia both with regard to coffee, the people, the sights and the country's ample artistic, historical and cultural offerings.

On to the coffee! From what I saw during my brief trip I was encouraged at the professionalism and dedication that all the coffee growers and co-op managers demonstrated. The coffee operations I saw there and the coffee I tasted there demonstrated to me that Colombia truly can produce some of the world's best coffee. The popularity of Colombian coffee, however, has been a double edged sword for Colombian producers, however, because while it has forced large roasters to carry Colombian coffee it has not forced them to be quality driven in their pursuit of it. The upshot has been that Colombian farmers are not convinced that coffee buyers from the US, and Europe are truly interested in better quality coffees from Colombia.

The solution, in my opinion, is to follow the "relationship model" practiced by Virmax: Buy coffee from specific co-ops or mills, verify that stringent quality control standards are in place, buy coffee on a long term fixed price basis but also institute price incentives based



on specific quality improvements. Finally, once you find a Colombian coffee you like, stick with it-your long-term dedication to a particular coffee will serve as a model to other producers.

In addition to the basic model Virmax employs, they take it a step further by working with their co-op suppliers to help them set up quality control facilities at the point where they receive the parchment coffee and in the cupping room as well. They also have a full time agent, similar to the agricultural extension agents that have worked with US farmers since the dustbowl days. Virmax's agent supplies farmers and co-ops with technical assistance and shares the successful methods of other farmers faced with similar challenges. Continual improvement of both the cup and the appearance of the green coffee is the logical result of these efforts. I also felt that by checking each lot from each farmer that Virmax was able to overcome a major flaw of the co-op system, that of low-quality farmers getting a free ride on the efforts of high quality farmers. With each delivery being checked for quality BOTH the co-op and the farmer are motivated to pursue excellence.

I encourage all roasters who use Colombian coffee to contact their favorite coffee supplier and arrange a trip to Colombia. You will be rewarded not only with some great coffee experiences, but with some great friendships and enriching experiences as well. ☪

Tim Castle

Author, *The Perfect Cup*, Perseus Press, 1991

Co-Author (with Joan Reis Nielsen) *The Great Coffee Book*, Ten Speed Press 1999