

Coffee

FACES

THE NEWSLETTER
OF VIRMAX CAFÉ



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WELCOME to the first 2005 edition of Coffee Faces. The past few months have been interesting in many ways. We would like to highlight two main issues: the C market movement and the recent Cup of Excellence in Colombia.

As you know, market prices have been increasing steadily since November 2004, reaching five-year highs just a few days ago. On the one hand, this type of increase provides well-deserved room to breathe for many coffee growers, who have seen their incomes increase considerably. If managed wisely by growers, this extra income could be used for much needed investment in their farms, such as improving their *beneficios* or constructing new drying infrastructure. By investing in their production infrastructure, growers will be better placed when the market eventually turns bearish, as they will have better probabilities of producing high quality coffee at premium prices.

However, with higher prices there is always the risk that many coffee growers will lose the main incentive for doing some extra work on quality. You could say that there is an “evil incentive” associated to high prices on the board. After all, the price received today for average coffee is in many cases good enough to cover their farm expenses and even leave some extra money. Hence the importance of working even harder with the growers to continue spreading the quality message. Quality must run in the growers’ veins and not just only in their pockets.

And while prices were rising, the Cup of Excellence© had its first outing in Colombia. As we have previously mentioned, Cup of Excellence© is a great opportunity to showcase the best coffees a country can

produce in a given harvest to a select audience of potential buyers. It raises both roasters and consumers awareness of a country as an origin of high quality coffees, while providing motivation and pride for all the participating coffee growers, their families and neighbours.

Out of the twenty-five lots that will be auctioned at the end of March, sixteen were produced in the department of Huila, our main area of operations. We managed to talk and congratulate most of the winning farmers during the awards ceremony that took place in Manizales on February 18th. It was amazing to see the happiness and pride in their faces. We are convinced that those 25 growers will continue doing their best to produce high quality coffee for many years to come, strengthening their commitment to quality and becoming ambassadors for coffee quality in their regions. This will undoubtedly help more and more growers jump in the quality bandwagon.

In this edition of Coffee Faces you will find a description of our new facilities in Pitalito, Huila and a summary of some of the educational campaigns that Virmax is currently implementing in different regions. We hope you find it interesting and enjoyable!!!

As always, we welcome your comments on newsletter@virmax.com ☺

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VIRMAX IS A PROUD MEMBER OF:



Our new facilities in pitalito



Coffee FACES

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IN OCTOBER 2004 we leased a new warehouse in Pitalito, Huila, where we currently purchase most of our coffees from this region. The new 150 m² facility is able to accommodate up to 50 tons of parchment coffee (the equivalent of two full green coffee containers), as well as a full cupping-lab.

The warehouse is conveniently located in the centre of Pitalito so that coffee growers from the seven Coffee Grower Associations that we work with in the South of Huila can easily bring their parchment coffee to us. All coffee brought to this warehouse is analysed for physical and cup quality, as well as cup profile. Only parchment coffee that meets or exceeds our quality standards and complies with the specific cup profile is purchased by us. As we purchase all our coffee from individual coffee growers – who can bring as little as 150 kg of parchment, we are also able to give our customers full-traceability of the coffee they are buying.

The warehouse / lab is staffed by five young professionals. The three of them are lead by Robinson Figueroa, who many customers already know, and focus on working very closely with the growers in different regions helping the growers and the communities learn more about high quality coffee. The three cuppers are in charge of analysing all the parchment tendered to us on a grower-by-grower basis and providing detailed feedback to the individual growers.

The cupping lab is also a great educational tool. That is why we invite coffee growers to taste their coffee, in particular when there is a cup defect. We believe that it is fundamental to teach coffee growers about coffee quality. And the best way of achieving this is by letting them experience how their coffee tastes.

As such, we believe this new facility complements the work being done in the field in the South of Huila, helping improve the quality of the coffee Virmax and the coffee growers offer to their customers. ☺

Company Changes

THE PHENOMENAL GROWTH of our company during 2004 has meant profound changes in our management structure. We hope these changes will bring further growth during 2005 and improvements in the quality of the coffee shipped to our demanding customers.

On December 2004 Fernando Gomez joined the Virmax family as head of our Quality Control team. Fernando worked for seven years at Cenicafe where he was a member of its coffee cupping panel. Fernando is also an SCAA certified cupping judge (Q cupper) and has experience with the Cup of Excellence cupping protocol as he attended a seminar in November 2004 to train the National Jury for Colombia's first Cup of Excellence©. Although he had worked part-time with us since August 2003, we would like to welcome him to the Virmax team, wishing him the best of luck in his new position with us.



Additionally, Giancarlo Ghiretti, who served as Managing Director of Virmax Limited for three and a half years (since the founding of the company), stood down from this role at the beginning of the year. This change means he now can fully dedicate his time to sales and marketing, where he has done a tremendous job building our customer base from zero to over twenty. As new Managing Director was named Alejandro Cadena, who combines this new role with his role as General Manager of Virmax Colombia Ltda., our exporting subsidiary based in Colombia. Alejandro will now concentrate on managing the day-to-day of the Company as well as liaising with all our coffee suppliers. ☪

Coffee drops

QUEBRADON CUPPING LAB.

In December 2004 Grupo Asociativo Quebradon received its new cupping lab equipment. The Monmouth Coffee Company, Mercanta Limited and Virmax donated the equipment. Monmouth is the main buyer of the groups' coffee and Mercanta is the importer of the coffee to the United Kingdom. The objective of this donation is to help the groups members improve the quality of their coffee by providing them with the tools necessary for them to evaluate the quality and provide feedback to their members on a day-to-day basis.

The equipment donated to the group includes a one-barrel gas sample roaster, grinder, electronic scale, sample miller and cups. This equipment will be placed temporarily at our warehouse in Pitalito, until the group builds its warehouse in Palestina, in the heart of their coffee growing region.

OUR NEW CUPPING TRAINING PROGRAMME.

On March 10 to 13 we held our first Cupping Training Session in our cupping lab in Pitalito. The objective of this training was to continue the educational process of all the cuppers of the coffee grower groups that we work with in Huila.

The training is based on simple cupping exercises where we use samples not only of high quality and low quality Colombian coffees, but also samples of other origins that we have managed to get thanks to the help of customers. By doing this, we are able to show our Quality control team, as well as trainees, the differences between different origins, highlighting the characteristics and qualities of each origin.

17TH ANNUAL SCAA CONFERENCE AND EXHIBITION.

As usual, Giancarlo and Alejandro will be attending this year's SCAA Conference and Exhibition to be held in Seattle from April 13th to April 18th. We hope to see you there!!!!.

