



PROGRESS REPORT

2018

Reviewing 12 months of the projects, people, and potential in which we have invested as a means of increasing the development of coffee quality, uplifting our community, and decreasing our environmental impact.



Quality • Service • Education • **Progress**

Community • Development • Environment

CONTENTS



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Reporting on Progress.....04

Development

- *Quality and Incentive.....06*
- *Top Lots.....06*
- *Best Cup.....07*
- *Innovation Series.....08*
- *Coffee Family Tree.....09*
- *Cafe Imports Ethiopia.....09*

Community

- *Service and Education.....10*
- *Women Coffee Producers Program.....10*
- *CriaCarmo.....11*
- *Legendary Coffee Tour.....12*
- *25th Anniversary.....13*

Environment

- *Working Toward "Leave No Trace"14*
- *Trees, Water & People.....14*
- *Solar Power.....16*
- *Organics Waste.....16*
- *Commuter Rewards.....16*

Looking Ahead

- *Coffee Prices and the C-Market Crisis.....18*
- *CriaCarmo Coffee Program.....20*
- *Sourcing Offices.....20*
- *Water Activity Report.....20*
- *2019 Mission.....23*

REPORTING ON PROGRESS



Every year, as we try to take stock of what the past 12 months have meant to us both as a company operating in a complex global marketplace and as the individuals who comprise that company, it's eye-opening to track back over not only the facts and figures of the year, but also the experiences and emotions we've shared, the relationships we've created and strengthened, and the coffee we've tasted along the way. Our mission, values, and driving principles as an importer of fine specialty green coffees has hardly changed over our 25-year history, even though we might have more names on our About Us page and a slightly larger physical footprint.

The Cafe Imports mission:

To bring to the global market the highest-quality green coffees in the world by sourcing, developing, and innovating at origin, while empowering farmers with price, traceability, and long-term partnership.

To consistently exceed customers' expectations of the specialty-coffee buying experience with exemplary service.

To spread our passion for great coffee through education and example from the farm to the roaster, retailer, and ultimately the cup.

Breaking down that mission into its component parts, we arrive at the major tenets of Cafe Imports, which are the foundation of everything that we strive for with every decision that we make: Quality, Service, Education, and Progress.

These progress reports are compiled annually and used as a metric to gauge our overall success as well as identify weaknesses that need addressing in the coming year. Feedback, questions, collaborative inquiries, and concerns from our customers and partners are welcome: We invite you to e-mail progress@cafeimports.com.

Thank you for working with us, whether this is your 1st, 5th, or 25th year as a partner and friend of Cafe Imports. We can't wait to continue to make real, lasting, and meaningful progress with you, and we hope you enjoy this year's dispatch from the annals of Cafe Imports' Progress.



DEVELOPMENT

Quality and Incentive

There are many ways to define “quality,” and it seems that the standards we use in specialty coffee are always evolving, changing, or shifting as we learn and experience more as a segment of the global marketplace. Of course, there are cups that are high-scoring, those “wow” moments when the spoon offers something magical and exciting. There are also less obvious marks of quality: experimentations that push the envelope, for example, or research that leads to new ideas and understandings. There are scientific discoveries that create access and resilience, and there are creative efforts that push us toward a new level of professional development.

Top Lots

In terms of cup score and flavor quality, this year was extraordinary and exciting. The coffee that cupped the highest was—wait for it—a Brazil, from smallholder producer Jose Antonio Pasti in Espirito Santo! This Washed coffee scored nearly 93 points in our cupping lab, with notes of “very strong grape and raisin, rich sugary sweet, syrupy mouthfeel, heavy, tropical, pineapple, apple, clean crisp, and juicy.”



Jose Antonio Pasti - Sitio Das Nascentes - Vargem Alta - Espirito Santo



Aces are released via [newsletter](#), sold in 20kg bags, and available on a first-come, first-served basis.

We also had several Aces lots, small-bag chops that are so exceptional and so exclusive that we break them down into 50-pound bags and sell them first-come, first-served on an immediate-release basis. This year we had Aces from three countries: two lots from La Perla del Cafe Micromill in Costa Rica; two microlots from Huehuetenango, Guatemala; and one smallholder offering from Nariño, Colombia.

Facts and Figures

Number of coffees cupped by our sensory lab:
6,141

Percentage of coffees that arrived at 86 points or above:
28%

Average points +/- between pre-ship and arrival sample:
-1.37

Number of water activity (Aw) readings recorded:
5,194

Highest-scoring coffee:
92.83 points
(P11903 - Brazil - Jose Antonio Pasti - Sitio Das Nascentes - Espirito Santo)
cup notes of strong grape and raisin, rich sugary sweet, syrupy mouthfeel, heavy, tropical, pineapple, apple, clean, crisp, juicy

Total number of microlot offerings:
804

Percentage of offerings that were microlots:
46%

Percentage of total coffee by volume those microlots represented:
6.64%

Number of new bag designs:
33

Number of World Specialty-Coffee Maps Shipped:
2,912



Best Cup

The Best Cup cupping competition and auction system has been alive and thriving going on five years now, and in 2018 we not only hosted two live auction events (Colombia with four Departments represented, and Carmo de Minas, Brazil) but also a Discovery cupping and silent auction of exquisite small lots from Chalatenango, El Salvador, in hopes of developing a full live auction program there in 2019. There were also several smaller cup contests that our green-coffee-buying team attended, including the second-annual edition of Concurso de Cafés de Alta Calidad (or High-Quality Coffee Contest) in Inzá, Cauca, and the first-ever such coffee-cupping competition in Samaniego, Nariño, which took place in the local stadium. For 2019, Cafe Imports senior green-coffee buyer Piero Cristiani has planned the first live-auction Best Cup in Chalatenango, and there are other feelers going out for regions in which a quality-focused origin might be an effective way to match-make between quality-obsessed producers and relationship-minded roasters.

DEVELOPMENT

Innovation Series

Quality development at origin requires patience, dedication, and a lot of risk-taking, which is one of the reasons that in 2018 we debuted the Cafe Imports Innovation Series, a program designed to highlight and share producers' experiments, learnings, and explorations into the outer limits of coffee quality. The program features videos, pictures, and written descriptions of innovations undertaken by some of our partners on the ground in producing countries, from processing experiments to planting new varieties to creating intrepid initiatives to increase farmer revenue. In 2018 we shone a light on work by producers Elkin Guzman in Colombia and Oscar and Francisca Chacon in Costa Rica, as well as export entrepreneur Shabbir A. Ezzi in Yemen. Our first look at the Innovation Series in 2019 is a profile of forward-thinking Brazilian producer Luis Paulo Pereira.



Francisca & Oscar Chacon
Las Lajas Micromill; Central Valley, Costa Rica



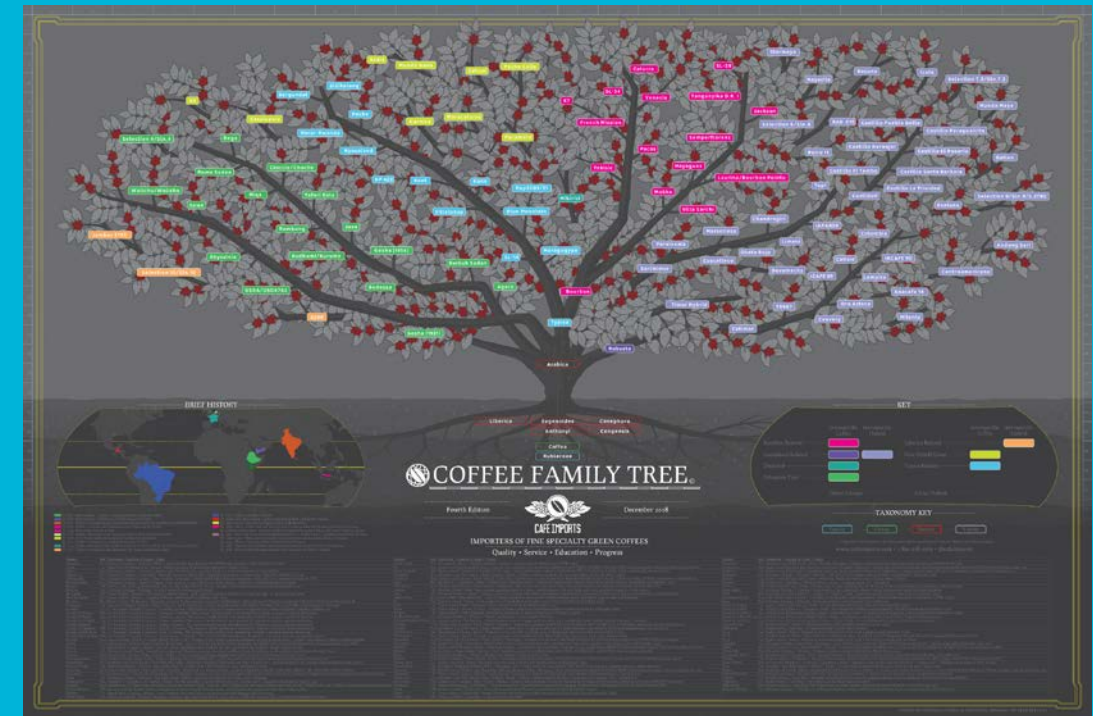
Shabbir A. Ezzi
Al-Ezzi Industries; Haraaz, Yemen



Elkin Guzman
Finca El Mirador; Pitalito, Huila, Colombia



Luis Paulo Dias Pereira
CarmoCoffees, Carmo de Minas, Brazil



Coffee Family Tree, fourth edition

Speaking of varieties, if they're the spice of life then last year was definitely spicy with the release of a massive update to the Coffee Family Tree poster. Sensory analysis director Ian Fretheim pored over years' worth of research he'd done into variety lineage and derivation, whittling his massive list down to the 106 most significant and commonly found types worldwide. Creative director Andy Reiland was then tasked with organizing the details in a way that conveyed more useful and accurate information about each variety's relationship to the others, developing a key that relied on both colorways and subtle directionals to indicate different types of coffee genesis. The whole shebang took several months to complete and perfect, and it was released in December 2018 along with a second edition of the World Specialty-Coffee Maps and a first edition of the Specialty-Coffee Harvest Chart.

Cafe Imports in Africa

Another large developmental milestone for Cafe Imports this year was the inauguration of a Tanzania sourcing project as well as the Cafe Imports Ethiopia office in Addis Ababa, both headed up by green-coffee buyer Claudia Bellinzoni. Claudia's experience living and working in Tanzania prior to joining the Cafe Imports team allowed her to work closely on the ground there to develop relationships and source the first direct-from-origin microlots Cafe Imports has had from that country in several years. Claudia has also nurtured partnerships in Ethiopia, a cornerstone origin for us, and one with a historically complicated marketplace. The establishment of the Cafe Imports Ethiopia office in Addis Ababa allows us to operate nimbly and swiftly in country, approving lots, offering cups for our customers to pre-approve, and ultimately smooth the chain of logistics for faster, higher-quality, and greater volumes of these favorite coffees.



Facts and Figures

Total funds contributed to CriaCarmo:

\$22,653

Number of roasters participating in the WCR check-off fund:

30

Amount raised through the check-off fund:

\$6,465.49

YouTube views of Roasting Concepts video series:

50,000

Number of coffee traceability profiles written in 2018:

1,748

Number of posts to Instagram @cafeimports:

292

Number of varieties represented on the fourth-edition Coffee Family Tree:

106

Stops on the U.S. leg of the Legendary Coffee Tour: Cultivar Caravan:

11

Cities visited by the total sales team:

68

Countries visited by the Europe sales team:

17

Women Coffee Producers premium paid to ASMUCAFE

\$31,884.73

COMMUNITY

Service and Education

In evaluating the community impact that we strive to make, we consider both the global community of coffee producers, millers, and exporters with whom we work at origin, as well as the specialty-coffee community of professionals and enthusiasts with whom we work in our home bases. With that in mind, we look at things like socially conscious sourcing projects, training and educational opportunities, our internal office culture, and even simply getting out and being part of what we call our “extended coffee family.”



Women Coffee Producers Program

Some of our annual community engagement includes coffee-adjacent projects that allow us to provide extra revenue for producers or funding for partners' social projects in their local areas. The Women Coffee Producers program, for instance, is a sourcing initiative designed to help create more gender equity in the coffee-producing world by supporting women coffee farmers, many of whom struggle with disenfranchisement on a legal, social, and/or familial level. To try to bridge the wage gap that women in producing countries experience, we source coffees from women's associations or the female members of mixed cooperatives, paying a \$0.10 per pound gender-equity premium. In 2018 we were also able to arrange a Women Coffee Producers trip as part of our Resource program, hosting several women coffee roasters on a visit to two associations in Cauca, Colombia: AMACA and ASMUCAFE. In 2018, Cafe Imports brought in seven full-container Women Coffee Producer lots, with more on the horizon early in 2019.



CriaCarmo

While the Women Coffee Producers program is directly related to the sourcing of coffee, Cafe Imports also supports our partners in their own non-coffee-related community empowerment efforts. We know that the health and strength of the community is absolutely vital, and we see that truth expressed clearly in areas where coffee is a big part of the local livelihood. Our partners at CarmoCoffees in Carmo de Minas, Brazil, also recognize the significance of lifting up their neighbors in order to keep the precious ecosystem of work and life in balance, for the good of everyone. In 2013, CarmoCoffees intimated a program called CriaCarmo that provides social and athletic programs for at-risk and underprivileged youth in the coffee-growing area; Cafe Imports' owner-partners have given an owners' equity contribution to the program since its establishment, and in 2018 we raised additional funds for CriaCarmo through a donation-based live screen-printing experience at our 25th-anniversary party, the Great Coffee Get-Together. The funds that Cafe Imports gives to support CriaCarmo are not reflected in the cost of the coffees from Carmo de Minas, though in 2019 we will be bringing in select lots of high-quality Carmo coffees the purchase of which will allow our customers to also boost that project's efforts.

COMMUNITY



Legendary Coffee Tour

Virtual reality is no replacement for good old face-to-face time, and just as in past years, 2018's Legendary Coffee Tour was a way to hit the road with a fun, informative program that we could share with several communities of coffee professionals. This year's theme was "Cultivar Caravan," and the workshop was focused around understanding the history and significance of coffee varieties to the specialty market in particular. The theme is probably unsurprising, given the Coffee Family Tree and Variety Unknown, but the Legendary Coffee Tour made it possible for our traveling band of coffee teachers to bring around a variety-tasting road show, complete with both isolated types of coffee like Bourbon, Typica, Caturra, and SL-28, along with other non-coffee things to taste. The Cultivar Caravan rolled in to 11 cities in the U.S.A., as well as several in Europe, and served up some genetically diverse coffee knowledge to hundreds of attendees.



25 Years

Finally, like all good coffee people, we believe in the power of a party, so we were thrilled to open our warehouse doors in October to celebrate Cafe Imports' 25th anniversary with the Great Coffee Get-Together. The daylong event featured free coffee tastings from more than 20 roasters in Minnesota; a self-guided coffee-bag "world tour"; live screen-printing of shirts and totes to benefit CriaCarmo; an Ethiopian coffee ceremony; music spun live by DJ SIMS; food and coffee trucks; and a photo-booth experience. About 900 people came through, and the screen-printing raised more than \$2,500 for CriaCarmo.



ENVIRONMENT

Working Toward “Leave No Trace”

Coffee is an environmentally taxing agricultural product in which to work, and that impact is created and felt at every link along the value chain. Rain, wind, and temperature patterns have changed dramatically over the past few decades, which causes confusion and complication both on the farm and beyond. As harvest seasons shift, so does a farmer's ability to get credit, to hire labor, to find space at the mill, to navigate fluctuating prices on the market. Exporters contend with receiving late samples, and with congestion at the ports. Importers scramble to cover late deliveries, and to problem-solve quality issues caused by changes to a farm's terroir or the drying environment during processing. No one goes untouched or unaffected by the ways the climate is changing, period.

Trees, Water & People

We know that we are just one company in a huge global industry, and that we alone can't undo the mark humans have left and continue to leave on the planet. We also recognize that the work we do is very carbon-heavy, and that it's our responsibility to mitigate the damage caused by the ins and outs of coffee importing. Every year we add more initiatives, try to take a closer and more critical look at our actions, and seek alternative ways to manage our contribution to the global climate crisis. In 2018 our primary goal was to evaluate and reassess our partnership with Trees, Water & People, a Colorado-based organization with whom we partnered for our carbon-offset program in January of 2017, after having worked with Trees for the Future for more than a decade.



TWP's international efforts are focused in Central America, with community projects including establishing tree nurseries to replace native trees and to create shade over farm crops; clean cookstove construction to reduce smoke inhalation and firewood usage; and helping families and groups build rainwater cisterns that provide water for household and agricultural use. **In the first two years of the 10-year plan, Cafe Imports and TWP offset 233 tons of CO₂e through work done on these various projects in 12 rural highland communities in Honduras.** The cookstoves alone mitigate a significant amount of carbon; each new unit provides offsets for up to 2.2 tons of CO₂e annually. For the coming year, we hope to team up with TWP for more on-the-ground initiatives as well, and are exploring avenues of collaboration with the organization within the coffee-growing populations of their partner communities.

ENVIRONMENT

Solar Power

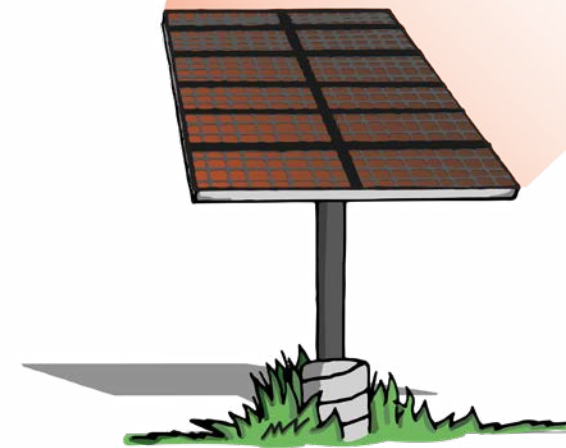
While our investment with TWP is a pivotal way we are able to maintain our carbon neutrality, a status we've held since 2005, we also know that there are plenty of efforts and changes that can be undertaken closer to home. In 2015, Cafe Imports North America installed one of the largest private-use solar-panel arrays in the Midwest, which accounts for a large portion of the energy used in our Minneapolis office. (In fact, our array is so large that we've had the unfortunate experience of box trucks driving into and smashing the southwest-corner panel at least three times since installation!) **This year our solar usage was 11.18 Megawatt hours, equivalent to the energy produced by nearly 112 automobile engines.**

Commuter Rewards

Speaking of automobile engines, another way that we encourage the entire Cafe Imports family to consider our collective environmental impact is by offering a commuter rewards program: Every staff member across our international sales and sourcing offices is offered a \$1 USD incentive for every commute to and from work that avoids solo-car transportation. That's a potential \$2 every workday for utilizing carpools, public transportation, walking, or bicycling to and from work. **In 2018, the commuter reward program saved 5,542.24 kilograms of carbon.** We also continue to increase our use of rail rather than trailer transport for full container loads of coffee, which further reduces the amount of automobile-induced carbon emissions for which Cafe Imports is responsible.

Organics Waste

Our international sales offices have also each invested in an organics waste program, collecting food and paper scraps to be turned into compost. In our U.S. office, two compost bins of 13 gallons each are collected at least once weekly by a private waste-disposal company that processes organics nearby. In our Australian office, coffee grounds are collected for compost use by the Melbourne Zoo; **this past year Cafe Imports Australia diverted 650 kilograms of coffee grounds** for this purpose. The Cafe Imports Europe office submitted its compost statistics as well, having diverted at least 500 liters of organic waste for compost.



Facts and Figures

Tons of carbon (CO₂e) offset to date through partnership with Trees, Water & People:

233 tons

Number of clean cookstoves installed to date by TWP on behalf of Cafe Imports in Honduras:

20

Number of nut, fruit, or pine trees planted to date by TWP on behalf of Cafe Imports in Honduras:

13,000

Megawatt hours (Mwh) accumulated through Cafe Imports solar panels in 2018:

11.18

Total CO₂e saved via Cafe Imports' commuter rewards program:

5,542.24

Number of certifications held by Cafe Imports internationally

6 (Fair Trade both USA and FLO; Non-GMO; RFA; NOP and EU certified organic)

Percentage of Fair Trade Organic coffees in inventory:

5.38%



Coffee Prices and the C-Market Crisis

While international coffee prices have quite frankly been disastrously low for years, even decades, in 2018 the worldwide specialty-coffee industry raised very vocal and very valid concerns about the drop of the commercial coffee market, or the C Market, to below \$1/lb for green coffee. The establishment of the Specialty Coffee Association's new Coffee Price Crisis Initiative, as well as increased demand for price transparency across the board, have both been very forceful steps taken to right the discrepancies between what coffee producers make and what the specialty market can (and should) pay.

At Cafe Imports, we spend a lot of time and energy considering the ways we conduct the business of buying specialty green coffee and evaluating the ethical implications of our model and the prices we pay. **The average price of our coffee is 60% above the Fair Trade floor price, and the top 37% of our coffee, is priced at least two times the Fair Trade floor price.**

The conversation taking place in the industry around price transparency is incredibly significant as well as deeply nuanced, and has the potential to make real changes to the global business of specialty coffee. We believe firmly in paying producers fair, profitable prices and investing in their success as businesspeople. We also know that in order to fully understand and express what "fair" means in that instance, we need to better understand not simply the cost of production person by person and farm by farm, but also to think very critically about the kinds of financial information we share on behalf of the producers with whom we work.

In 2019, we will become data donors to the Specialty Coffee Transaction Guide, which is a project designed to capture information related to market value of different qualities of coffees from around the world in an attempt to create and constantly assess ethical standards for purchasing. We will also be exploring our pricing model by providing more detailed information about the structures we have in place for sourcing by quality tiers, and we will continue to have conversations both internally and with our customers and the coffee community at large about the complexities of sharing information like FOB and farm-gate price.



LOOKING AHEAD

Water Activity (Aw) Report

The sensory analysis department at Cafe Imports North America has been exceptionally busy in the past few years on several projects, but early in 2019 we released a white paper about water activity, written by sensory analysis director Ian Fretheim. Together with U.S. sensory lab manager Megan Person, Ian has been tracking water activity (Aw) readings on more than 25,000 coffees that have passed across the cupping table from 2012–2018. The report, which is available for free download from cafeimports.com, took 10 months to write and comprises over 100 pages of critical analysis of data regarding the implications of Aw effect on green-coffee quality and storage, among other relevant points of interest. We have looked forward to share our learnings about water activity, and to shine a light on Ian and Megan's tireless work to better the state of coffee for all.

Sourcing Offices

New sourcing offices in San José, Costa Rica and Addis Ababa, Ethiopia allow our green-coffee buying team better access to coffees and producers, which we predict will lead to tighter relationships, more transparency, and more efficient delivery of both samples and container delivery. This big next step is a sign of what's to come for Cafe Imports, as we grow and invest in origin in new and more engaged ways that show our partners the proof of our commitment to long-term stability and collaboration.

CriaCarmo Coffee Program

Building on the owners' equity donation and the non-coffee fund-raising we've done for CriaCarmo over the past few years, this year we're introducing two ways that our partners and customers can contribute to that program as well. In January, CarmoCoffees will ship select containers of high-quality Natural process Yellow Bourbon coffee, with the contract name CriaCarmo. This coffee has a \$0.10 per pound premium added to its cup-based price, and the premium will go directly to funding karate, swimming, and other classes for the underprivileged youth who benefit from CriaCarmo. Additionally, we invite any interested party to make a direct donation to that program through a PayPal link established by CarmoCoffees.



LOOKING AHEAD

In 2019, we hope to make more of an effort to track our energy and water consumption, our trash-versus-compost creation, and continue to find alternative options for the fuel-heavy work that we do through both shipping and traveling. We also look forward to the forthcoming organic certification for the Cafe Imports Australia office, as well as increased investigations into other certifications, sustainability programs, and long-term partnerships focusing on climate resilience and climate-change response.

As always at Cafe Imports we strive to improve and grow, and in 2019 we will continue to work together as a company, as a coffee family, and as individuals to live up to our core values:

Increase the quality of life for those involved, from the tree to the cup, through the commerce of coffee.

Decrease our negative impact on the earth through responsible and proactive business practices that emphasize environmental sustainability.

Share our passion for great coffee through education and example.

We welcome your feedback, questions, and comments about the progress we've made and the work we have to do: Feel free to e-mail us at progress@cafeimports.com with any suggestions or concerns you may have, or to become part of the efforts we are planning in the coming year.



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