



**PACHAMAMA**  
COFFEE FARMERS



**IMPACT REPORT SUMMARY**  
**2021-2022**

# OUR LEADERSHIP

## FROM OUR CEO



Thanks to the hard work of so many people across the supply chain, the past two years were momentous as we significantly grew our business. In 2022, Pachamama's new roasting facility in California opened and we proudly welcomed two new cafés into the family. With new capacity to scale, we will ensure that our farmer owners will continue to receive the highest price for their best coffee. We are excited to forge ahead, driven by our shared passion for regenerative farming and the pursuit of great coffee. On behalf of the Pachamama team, thank you for your ongoing support and your dedication to smallholder farmers.

Thank you,

*Thaleon Tremain*

CEO & Co-Founder

## MEET THE BOARD



**Merling Preza**

Co-Founder  
Pachamama Coffee

"Pachamama Coffee's model is unique. First of all, because the farmers are the owners of Pachamama Coffee. This not only generates wealth for our families and our communities, but also provides dignity. We are the owners in the entire coffee chain, it is our product from our hands to the consumer."

- Merling Preza, President of the Board of Directors



**Carlos Reynoso**

Vice President  
Manos Campesinas  
Guatemala



**Vladimir Vivanco**

Director  
COCLA  
Perú



**Rene Ixtla Herrera**

Secretary  
La Unión Regional  
México



**Oumer Wabe**

Director  
OCFCU  
Ethiopia

# SAVING THE VERY BEST BEANS

Our farmers sell their coffee harvest to different US roasters, but they always save the very best beans for Pachamama. The reasons are simple. They own Pachamama, and it is a matter of pride to reserve the cream of the crop for the company they represent.

They also get the highest price for their coffee through Pachamama. Well-paid farmers reinvest into their farms and soil, they plant shade and pollinator plants and keep their coffee trees healthy. This is how the cycle continues with a better harvest every year.

THE HIGHEST QUALITY COFFEE BEANS  
ALWAYS COME DIRECTLY FROM THE  
FARMERS' HANDS.



## COMPOSTABLE COFFEE BAGS

Freshly roasted coffee is carefully packed in compostable bags that break down within twelve weeks in a home composting pile. They are made from natural kraft paper, wood pulp and a plant-based film, keeping our coffee superbly fresh before going back into the soil.

# REGENERATIVE ORGANIC FARMING

Our understanding of regenerative coffee farming is based on the principle of reciprocity with nature, of sharing and giving back. This philosophy is deeply rooted in the practices of our 400,000 smallholder farmers who grow coffee in five unique regions near the Equator. No two farms are alike, and each has its own combination of crops and plants, but even so, there are common threads.

A typical Pachamama coffee farm is small, maybe a few acres in size, and is a thriving ecosystem brimming with life. Many foods are grown on these lands - bananas, nuts, spices, and cacao - and there is an abundance of birds, bees, insects and worms that nourish the soil. Amongst this diversity Pachamama farmers also grow pristine Arabica coffee beans.

PACHA MAMA MEANS “MOTHER EARTH” IN QUECHUA. SHE IS REVERED AS A GODDESS OF HARVEST BY THE INDIGENOUS PEOPLE OF THE ANDES IN SOUTH AMERICA.



## 2021 SUSTAINABILITY AWARD FOR BUSINESS MODEL

This prestigious award recognizes innovative business models that expand and promote sustainability in coffee, while inspiring others to pursue similar endeavors.

# REGENERATIVE ORGANIC FARMING CYCLE



## INDIGENOUS KNOWLEDGE

Most farmers are native and indigenous to their regions, using ancestral knowledge to grow coffee and preserve their cultural heritage.

## BUILDING SOIL

In organic coffee farming the pulp from coffee cherries is composted to enrich the soil with nutrients, improve structure and sequester carbon.

## INTERCROPPING

Coffee shrubs are cultivated alongside a wide range of other trees, plants and food crops, creating a vibrant and diverse ecosystem.

## BIODIVERSITY

Indigenous practices embrace diverse habitats that are home to an abundance of birds, bees, insects, worms and other wildlife.

## SHADE GROWN

Highest quality, flavorful Arabica beans grow best under a layer of shade canopy where they are protected from harsh sunlight.

## CLIMATE RESILIENCE

Regenerative practices mitigate negative impacts of extreme weather events as fertile soil preserves water and healthy trees are more resistant.

## SOCIOECONOMIC IMPACT

Farmer owners set their own price for coffee. Well-paid farmers thrive, protect their lands, and reinvest in a better harvest every year.

# OUR SHAREHOLDERS ARE FARMERS

Pachamama's innovative ownership structure is vertically integrated from South to North. By roasting their best coffee beans and selling it directly to customers, Pachamama farmers can earn enough to stay on the farm and to reinvest in future harvests. A shorter supply chain benefits the farmer, the consumer and the planet.



400,000 INDIGENOUS, SMALLHOLDER COFFEE FARMERS

COCLA  
PERU

PRODECOOP  
NICARAGUA

MANOS  
GUATEMALA

LA UNION  
MEXICO

O.C.F.C.U  
ETHIOPIA

BOARD OF DIRECTORS - 5 MEMBERS



**PACHAMAMA**  
— COFFEE FARMERS —

CEO AND 54 STAFF MEMBERS

## 100% FARMER OWNED SOUTH TO NORTH



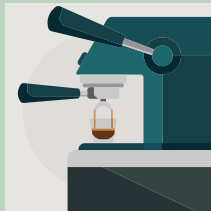
Pachamama Coffee is 100% owned by smallholder farmers and is fully vertically integrated South to North.



Farmers control the price for their coffee, hold every seat in the boardroom and answer directly to customers.



Farmers own biodiverse land at origin, a large roasting facility and five beautiful cafés in northern California.



Farmers employ 54 people in the U.S. who roast, brand, sell and brew the beautiful coffee they carefully grow.

# OWNERSHIP IMPACT

## WHO DOES THE WORK?

Coffee is a delicate crop and it requires a high level of skill to produce quality in the cup. More than **90%** of the work occurs on the farm, long before the coffee is transported (7%) and locally roasted (3%).



## COFFEE IS GLOBAL

Coffee is grown in the southern hemisphere, but the lion's share of profit stays in the North. Pachamama reverses the value chain, offering an alternative - **FARMER OWNED** - model that puts more profit and power in the farmers' hands.

## THE PACHAMAMA DIFFERENCE

At Pachamama, a farmer's share of the final retail price is commensurate with the input of labor. It's 6x higher than in Fair Trade and 7x higher than in Conventional.

	CONVENTIONAL	FAIR TRADE	PACHAMAMA
FARMERS' AVG. REVENUE PER POUND OF COFFEE	\$2.25	\$2.45	\$15.02
SMALL SCALE FARMS	☹️	☹️	☹️
LIVING WAGE	—	☹️	☹️
ARABICA BEANS	—	☹️	☹️
COOPERATIVE MODEL	—	☹️	☹️
PROFIT DISTRIBUTION	—	—	☹️
BOARDROOM VOTE	—	—	☹️
SHAREHOLDER OWNERSHIP	—	—	☹️
BRAND OWNERSHIP	—	—	☹️



# ECONOMIC IMPACT



## PATH TO INDEPENDENCE

Growing highest-quality coffee requires a highly developed skillset that has been passed down by generations. A Pachamama farmer is a coffee artisan who is self-empowered by many other roles as:

- ✓ BUSINESS OWNER
- ✓ SHAREHOLDER
- ✓ STEWARD OF THE LAND
- ✓ DECISION MAKER ON PRICE
- ✓ REGENERATIVE FARMER

## ANNUAL PROFIT FOR COFFEE FARMERS



Ownership leads to greater family income (profit). For this graphic, we assume that the average smallholder produces 7,392 pounds of coffee annually on 4 hectares of land. We assume the farmer's cost of production is \$1.90 per pound. We assume the average Conventional price is \$2.25 per pound and the average Fair Trade price is \$2.45. Farm profit equals volume (pounds) times the price less the cost of production. For example, Pachamama farmers profit \$11,827 annually (7,392 lb x (\$3.50 - \$1.90)).

**\$18.55**

AVG. REVENUE PER POUND  
ROASTED COFFEE

**\$15.02**

AVG. REVENUE PER POUND  
GREEN COFFEE

**2.82%**

NET PROFIT MARGIN

**\$3.50**

PER POUND EARNED BY  
FARMER - OWNERS

**\$2.83**

AVG. FOB PRICE PAID  
TO MEMBERS

**\$0.67**

AVG. NET PROFIT PER  
POUND GREEN COFFEE



# 100% FARMER OWNED COOPERATIVE

## PARTNERSHIPS

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Our expansion would not have been possible without the support of Untours Foundation, Shared Capital Cooperative and Heifer Impact Capital. They have given us their trust and investment and we would like to express our deep gratitude for their ongoing support and friendship.

## GET IN TOUCH

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