



Counter Culture Direct Trade Certification

TRANSPARENCY REPORT 2009

Transparency is one of Counter Culture Coffee's core values. In fact, it might be the core value that defines our approach to doing business and anchors our commitments quality, sustainability, and education. Counter Culture Direct Trade Certification (CCDTC) codifies our core values and measures how each of our coffees reflect them. In order for a coffee to qualify for CCDTC, we must demonstrate that all parties in a coffee's supply chain have access to the price we pay for the coffee. Annually, we must show evidence to CCDTC's independent auditor – Quality Certification Services – that growers, millers, and others in the supply chain can find this information. We have always been equally committed to sharing prices and details of the supply chain with customers and the general public, and occasionally, someone requests price information from us. For the most part, however, people don't ask – in part, at least, because they don't know what to ask for – and we realized that real transparency means proactively sharing information, not just providing it when asked.

This report is the product of real transparency: the first annual report on our Counter Culture Direct Trade Certified coffees, the people, and relationships which make those coffees possible. The intention of this report is to give a succinct, transparent summary of our financial and personal relationships with the producer partners whose coffee was certified under the Counter Culture Direct Trade Certification program in 2009. The table on the first page contains basic information, which is followed by a paragraph summary of our relationship with the growers of each coffee, the progress we made together this year, and the challenges that lie ahead.

COFFEE NAME	MOST RECENT VISIT	VISIT MADE BY	FOB PRICE	CUPPING SCORES	PURCHASED SINCE
21st de Septiembre	11/2008	Kim Elena	1.87	88.5	2006
Decaf 21st de Septiembre	11/2008	Kim Elena	1.79	86	2006
Finca Nueva Armenia	11/2009	Peter	1.80	88	2003
Finca El Puente	3/2009	Kim Elena, Tim	2.06	89	2005
Finca Pashapa El Lechero Micro Lot	3/2009	Kim Elena, Tim	1.70 2.20	86 89	2002
Finca Mauritania Finca Mauritania Micro Lots Finca Kilimanjaro	12/2009	Kim Elena	2.15 2.60 3.30 4.45	89 87 86 92	2004
Café San Ramon Finca Esperanza Verde	10/2009	Kim Elena	1.76 2.05	86.5 89	2002
La Golondrina Manuel Melenje and Ines Borrero Micro Lot	8/2009	Kim Elena	2.35 4.06	87.5 93	2006
Valle del Santuario Yefri Pintado and Isidro Neyra Micro Lots	7/2009	Rich	1.85 2.20 3.53	85 89 92	2007
Decaf Valle del Santuario	7/2009	Rich	1.65	87	2007
Ikawa Rwanda	6/2009	Tim	N/A	N/A	2006
Kenya Single Lots Thuguri and Ndaroini	8/2009	Brett	3.45 2.55 2.65	88.5 89.5 90	2008





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HOW TO READ OUR TRANSPARENCY TABLE

Coffee Name

The name of the farm, small-farmer cooperative, or in some cases, a name developed in conjunction with the farmer or cooperative to represent the coffee.

Most Recent Visit

Part of our commitment to direct trade is frequent, personal visitation by Counter Culture staff, in addition to constant contact via email, telephone, and teleconference. The intention of personal visits may be to arrange business for the following year, address problems or successes from the previous year, or simply to deepen personal relationships and understanding between Counter Culture Coffee and coffee farmers worldwide.

Visit Made By

The Coffee and Producer Relations Departments collaborate to determine who should visit the coffee producer, depending on the needs of the relationship. Travelers in 2009 included Sustainability & Producer Relations Manager Kim Elena Bullock, Head Roaster Timothy Hill, President and co-founder Brett Smith, Sales & Customer Relations Manager Rich Futrell, and Director of Coffee & co-owner Peter Giuliano.

FOB Price

FOB stands for "Free On Board," and represents the price paid for a coffee at the point of export when it is ready to be loaded onto a ship at port. The most common way to express price paid for coffee, FOB represents the price paid after farming, processing, milling, and preparation for export, but before overseas shipping, importation, and overland transport. The New York "C" market price is expressed in terms of FOB, as is the Fairtrade Labeling Organization's minimum price. This price can create some confusion, as the price paid by the roaster for "landed" (i.e. imported) coffee will be significantly higher than the FOB price. CCDTC guarantees an FOB price of at least \$1.60/lb. for our green coffee purchases.

Cupping Scores

We cup each coffee constantly for quality control purposes: during the harvest, before export, upon import and throughout the year. The cupping score represented here is the cupping score at point of export, just as the FOB price is the price at point of export, and it is therefore only a snapshot of the coffee's true quality and taste value. All CCDTC coffees must score at least 85 on our 100-pt. cupping scale

Purchased Since

Our goal is to build long-term, durable, mutually beneficial relationships with our producer partners. The duration of these relationships is a good indication of their sustainability.



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21st de Septiembre and Decaf 21st de Septiembre

Producer: Sociedad Cooperativa 21 de Septiembre

This young co-operative has proven, over the past three years, to be capable of producing some spectacular lots of coffee: sweet and chocolaty like other great Oaxacan coffees, but citrusy and floral unlike any other coffee we have tasted from Mexico. In 2009, the 21st elected new leaders, including their first-ever female president, Diracsema José, and this new crew has plans to help the co-op's nine hundred grower members improve productivity on their small farms and to improve their organization's infrastructure, as well. The challenge we continue to face with the 21st is to separate the different flavor profiles of the communities that comprise this co-operative in order to trace and replicate the most delicious lots of coffee. We are confident that in 2010, as the 21st finishes building their cupping laboratory and training cuppers, they will be able to take charge of the quality-separation process.

Café San Ramón

Producers: Finca Esperanza Verde, Javier Martinez, Leopoldo Duarte, Victorino Rugama

This was a difficult year for Café San Ramón. After five years of struggling through poor communication and inconsistent transparency, in 2009 the growers of the Yasica-Yucul grower group decided to leave the exporting co-operative with whom they had been working in order to sell coffee directly to Counter Culture, their buyer of six years. The growers and Counter Culture Coffee negotiated three separate prices for higher and lower cupping scores and came to an agreement in advance of the year's harvest, but when some coffees scored lower than growers had expected, the owners of the low-scoring coffees backed out of our agreement and Counter Culture Coffee ended up with significantly less coffee than we expected this past year. As disappointed as we were in the growers who broke our agreement, we did the right thing by exploring alternatives to a broken system, and plus, that Café San Ramón which we had tasted great! Happily, in 2010, the five growers who stuck it out last year have unhesitatingly committed their coffee to Counter Culture Coffee again.

Finca El Puente

Producer: Moises Herrera and Marysabel Caballero

To put it in college basketball terms, this was a building year. Let me explain: in 2008, we experienced a sharp decline in coffee quality near the beginning of the coffee's eight-month expected lifespan – something that had never happened either to Counter Culture Coffee or to the Caballero-Herrera family – so in 2009, we put our collective efforts into isolating the cause of that decline. Our visit to Marcala focused on guaranteeing quality as best we could: through extensive cupping, analysis of each step in the chain and strategizing about how to move our coffee quickly from Marcala to port and away from Honduras. We purchased less Finca El Puente in 2009 than we had purchased in previous years, but we were able to stand behind the cup quality of our lot and to build a strong foundation for the future. In 2010, we will buy more coffee than we did in 2009 with total confidence in the quality and longevity of the lot we purchase.

Finca Mauritania

Producer: Aida Batlle

Aida Batlle has developed a cultish international following based on her experiments in coffee processing, her fanatical dedication to quality and her mastery of ripe-cherry selection. Here at Counter Culture Coffee, we can't get enough! For the fifth straight year, our cups brimmed with the incomparable sweetness of Finca Mauritania, and Aida continued her experiments, which included a sundried natural process and a pulp natural process from each of her farms. In 2009 we were able to purchase and sell cascara, a tea-like product made from the dried fruit of the coffee seed, as well. Toward the end of the year, we undertook a project to measure the carbon footprint of Finca Mauritania's coffee: from Aida's growing to our roasting to (coffee retailer) Peregrine Espresso's brewing, we measured our impact and we committed to planting trees in 2010 to sequester the equivalent amount of carbon dioxide produced in the course of harvesting, processing, transportation, roasting and brewing this coffee.



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Finca Nueva Armenia

Producers: Jorge and Javier Recinos

As exhilarating as it is to discover new origins and new coffees, there is nothing more satisfying (or more sustainable!) than exciting new things from long-term relationships. Finca Nueva Armenia's coffee has been a Counter Culture Coffee staple since 2003 but this year was its best yet: we were blown away by its uncharacteristic berry-like qualities, which owed to a longer fermentation time in cooler conditions. We bought twice as much coffee from the Recinos family as ever before, meaning that we purchased more than half of the farm's production and also allowed us to feature Finca Nueva Armenia as our Holiday Blend in 2009. With our dollar-per-pound donation we supported a native-tree-planting project on this environmentally exemplary farm. We visited the Recinos family twice this year, both at the end of the 2009 harvest and in advance of the 2010 harvest, with the aim of collaborating on some lot separation to add value and interest to this long-term relationship, so this year we hope to taste yet more new, exciting flavors from Finca Nueva Armenia as the Recinos brothers begin to innovate.

Finca Pashapa

Producers: Roberto Salazar and Jorge Salazar

The Salazar family holds the record for the most consecutive years of partnership with Counter Culture: 2009 marked year number seven! We love Finca Pashapa's coffee for its consistent flavor profile from year to year, and this year we were able to uncover another, more intriguing dimension of the classic Pashapa profile: a micro lot! In March, in Honduras, while cupping a table of coffees from the Ocotepeque region, Kim, Tim and grower Roberto Salazar noticed one coffee with a pronounced orange-juice flavor and a clean, crisp profile. It was so unlike the round, soft coffees we expect from the farm that we could hardly believe that it came from El Lechero, one of the areas of Finca Pashapa that had been harvested and prepared separately! We immediately agreed to purchase the coffee, which went on to become our best-selling micro lot of the year, and in 2010 we are working toward more micro lots and better coffee from Pashapa in its entirety.

Ikawa Rwanda

Producers: Humure, Nyakizu

We love Rwanda and its coffee, so we were sad not to offer Ikawa Rwanda in 2009. Since Peter returned from his first trip in 2005, joyously reporting on the country's potential, we have seen the specialty coffee community embrace Rwanda and the competition for its best coffees increase consistently every year. In 2009, our co-op partners faced a major threat to their survival when private enterprises opened buying stations around the country for a few weeks during the peak of the harvest to purchase large volumes of coffee at high prices. The prices were attractive enough to many coffee growers that they chose not sell their best coffee to the co-op as promised, and this left the co-ops short on coffee to sell to their buyers (like us). While in Rwanda in June, Tim spent a day cupping almost 80 samples of coffee and selecting coffees for Counter Culture's supposed lot, only to find that the volume those samples represented was so tiny – about a quarter of what we expected – that it made no financial sense to try and bring it to Counter Culture Coffee and sell it. Brett spent a week in Rwanda in August doing financial consultation work with our exporting co-operative partner, RWASHOSCCO, to help them regain some stability and hopefully, make it possible for us to have Ikawa Rwanda in 2010 and beyond.



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Kenya Single Lots

Producers: Ndaroini, Kangocho

The newest coffees on the Counter Culture Direct Trade Certified scene are our Kenya Single Lots from the Gikanda farmer co-operative society. The three washing stations owned by Gikanda – Gitchathaini, Kangocho and Ndaroini – have produced some of our favorite coffees of the past few years and we have paid top dollar to purchase these lots both through the traditional auction system and directly. In August of 2009, Brett visited Gikanda and the last piece of the puzzle fell into place for us to certify the coffees. We expect more coffees from Gikanda this year – be on the lookout for Gitchathaini – but a drought this year has led to scarcity of coffee and an even tighter, higher-priced market than in recent years, so delicious Kenyan coffees will not come cheap.

La Golondrina

Producers: Asociación de Productores de Café Orgánico del Cauca (Orgánica)

In the face of a nationwide coffee crisis – the lowest productivity and highest market prices that anyone could remember – the producers of La Golondrina demonstrated the strength of the purchasing model we have created together by tendering fantastic coffee to Counter Culture Coffee. The co-op has succeeded in attracting new growers – in 2009, they expanded into two new micro-regions in Cauca – as well as continuing to deepen their support of their current members. We have focused our attention on the community of Timbio for the past few years, but it took us until this year to find micro lot-quality coffee in Timbio. The coffee we chose, from Manuel Melenje and Ines Borrero's small farm, Villa María, was well worth the wait: in 2009, the couple took a chance by fermenting their coffee underwater, which is common in Africa but unheard of in Cauca (and, as far as we know, to the country of Colombia!). This tiny lot generated a lot of buzz within the Timbio community of growers – as well as among our customers! – and we suspect that Villa María's spectacular results will be as a model for other growers in the years to come. Another first was the purchase of coffee from the second, lower-volume harvest unique to Kenya and Colombia, known in Colombia as la mitaca. Orgánica was thrilled to offer us their mitaca crop and receive a higher price for these coffees than they ever had before, and we are thrilled by the prospect of in-season La Golondrina all year 'round.

Valle del Santuario

Producers: Unidos por el Progreso, Genios del Futuro, Familias del Futuro, Los Triunfadores, Gallito de las Rocas

While we believe that all coffees have the potential to improve, it is still heartening to be proved correct, and Valle del Santuario is a perfect example of that. Rich visited in July with our importer partner and a group of coffee buyers interested in working with the Cenfrocafe association based primarily on the success of our relationship with the association and the growers of the valley of the sanctuary. Over the three years that we have cupped coffees from the seventy families of our five partner communities, we have found an increasing number of coffees each year moving from the 86-point level to the 89-point level, which results in a higher price paid to the farmer and better coffee for us and for our customers. The co-operative also broke new ground this year by agreeing to undertake three experimental processes on small lots of coffee at our request: a pulp natural process, a sundried natural process and a Giling Basah (Sumatra-style) process. We agreed to purchase the results of the experiments, and while we didn't love all of the coffees, the pulp natural was delicious and will inspire further experiments like this one in the future.



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