



DIRECT TRADE
TRANSPARENCY REPORT

2012



Now in its fourth year, our annual Counter Culture Direct Trade Transparency Report offers stories and updates on relationships that are, by now, well known to most readers. In 2012, as in past years, we celebrated pleasant surprises and successful experiments, stayed calm through setbacks and frustrations, welcomed new coffees into our program, and, above all, worked to be honest, supportive, and transparent in all of our relationships. Thank you for sharing that commitment, valuing the work that goes into making great coffee possible, and learning along with us.

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FINCA EL PUENTE, LOS CIPRESES, AND DULCE NOMBRE DE JESUS

PRODUCERS: MOISÉS HERRERA AND
MARYSABEL CABALLERO

Since we were introduced to them as coffee producers seven years ago, Marysabel and Moisés have developed coffee expertise well beyond the scope of most farmers. Marysabel has judged at latte art competitions, Moisés has a myriad of unusual coffee varieties, and both of them cup coffee for quality. Moisés, in particular, has taken copious notes every year about the lots we choose – usually between 15 and 40 bags each – which comprise the coffee we sell as Finca El Puente. In 2012, Tim Hill challenged Moisés to use his years of notes to build half of the total, and to let Tim build the other half through cupping, and posited that Moisés’s coffee would be better.



FINCA MAURITANIA, FINCA KILIMANJARO, FINCA LOS ALPES, AIDA’S GRAND RESERVE, AND FINCA TANZANIA

PRODUCER: AIDA BATLLE

To work with Aida Batlle is to constantly test new ideas, as every year’s transparency report can attest. In 2012, Aida repeated and refined the prior year’s experiments in processing coffees in styles typical in Kenya and Ethiopia – from underwater fermentation to post-wash soaking to raised-bed drying – and the resulting coffees tasted great. The experiments also inspired Katie Carguilo, a customer support representative based in Counter Culture’s New York City training center, to create a barista competition routine around the flavors of fermentation that she used to win the Northeast Regional and United States Barista Championship! Katie used coffee – both the more traditional washed coffee and a sundried natural experiment – from Aida’s farms in her routine at the World Barista Championship in Vienna and Aida was there to cheer her on as she competed!





FINCA SANTA ELENA

PRODUCER: FERNANDO LIMA

Every once in a while, one of our coffees will surprise us by arriving early! Such was the case with Finca Santa Elena in 2012, which we were planning to use exclusively for Variety: Bourbon until we received it in April, before we received almost anything else, and found that it tasted great. We love both Fernando Lima, who is one of the nicest people in the coffee business, and the story of his farm, which he converted to organic agriculture when the Ilmantepec volcano's eruption in 2005 wiped out his coffee plants and forced him to start farming from scratch. He has been open to exchanging ideas about better processing techniques, including fermentation (as opposed to mechanical demucilaging) and drying, and we see a ton of long-term potential in this relationship.



CINCO DE JUNIO

PRODUCERS: COOPERATIVA DE SERVICIOS
MÚLTIPLES CINCO DE JUNIO LAS SABANAS

Our relationship with Cinco de Junio has truly evolved since 2009. In January of 2013, we traveled to visit the cooperative with a group of baristas. Within the first few minutes of discussing the cooperative's history, Fredman Vasquez, cooperative manager, mentioned multiple times the lot separation of Maragojipe that the cooperative does specifically for Counter Culture Coffee. The magic Maragojipe microlot was still a crowd favorite in 2012.



LAS MILPAS

PRODUCERS: PRODUCTORES INDÍGENAS
SERRANOS CHIAPAS (PROISCH)

Just across the Guatemala-Mexico border from Finca Nueva Armenia, the small farms of the Proisch cooperative are, like the Recinos' farm, lush and verdant. We bought our first coffee from Proisch in 2011, and, between what we tasted and what we saw on our first trip to Motozintla in the fall of 2011, we saw great potential in this group. Unfortunately, the coffee they produced in 2012 didn't live up to our hopes, and we ended up with less of it at the quality level we expected. We decaffeinated one lot and sold our first Decaf Las Milpas, but used the rest of their coffee in blends as opposed to selling it as a single-origin coffee. Disappointed but undaunted, we communicated regularly with the co-op in order to address the issues in dry milling that impacted the quality, and we are confident in better quality in all of our coffees from this group in 2013.



CONCEPCIÓN HUISTA

PRODUCERS: COORDINADORA DE LA
ORGANIZACIÓN PARA EL DESARROLLO DE
CONCEPCIÓN HUISTA (CODECH)

We made multiple visits to Guatemala between the 2011 and 2012 harvests and worked closely with the Codech exporting co-op to identify coffees from the Adipy and Adinthech farmer cooperatives that showcased the intense, fruit-heavy flavor characteristics that have always drawn us to the coffees of Concepción Huista. Codech also received funding from our Seeds program to support an initiative to strengthen the role of women in the co-op, and they trained close to 100 women on topics ranging from reproductive health to taking on leadership roles in the co-op.





FINCA NUEVA ARMENIA, GROTTO, AND GEMELOS

PRODUCERS: JORGE AND JAVIER RECINOS

Jorge and Javier continue to be Huehuetenango, Guatemala's best-kept secret. Finca Nueva Armenia is located close to the Panamerican highway and to other, more famous farms, and it has been producing coffee for three generations, but the brothers Recinos have always chosen to spend their time off the farm with their families, as opposed to building their coffee brand. Their relative isolation has proven advantageous for Counter Culture in that we haven't had a lot of competition for their coffee, but it has also meant that new ideas have been slow to take hold. 2012 saw Jorge and Javier finally build the raised beds they had been talking about for many years and continue to experiment with planting new varieties.





LA GOLONDRINA

PRODUCERS: ASOCIACIÓN DE PRODUCTORES DE CAFÉ ORGÁNICO DEL CAUCA (ORGÁNICA)

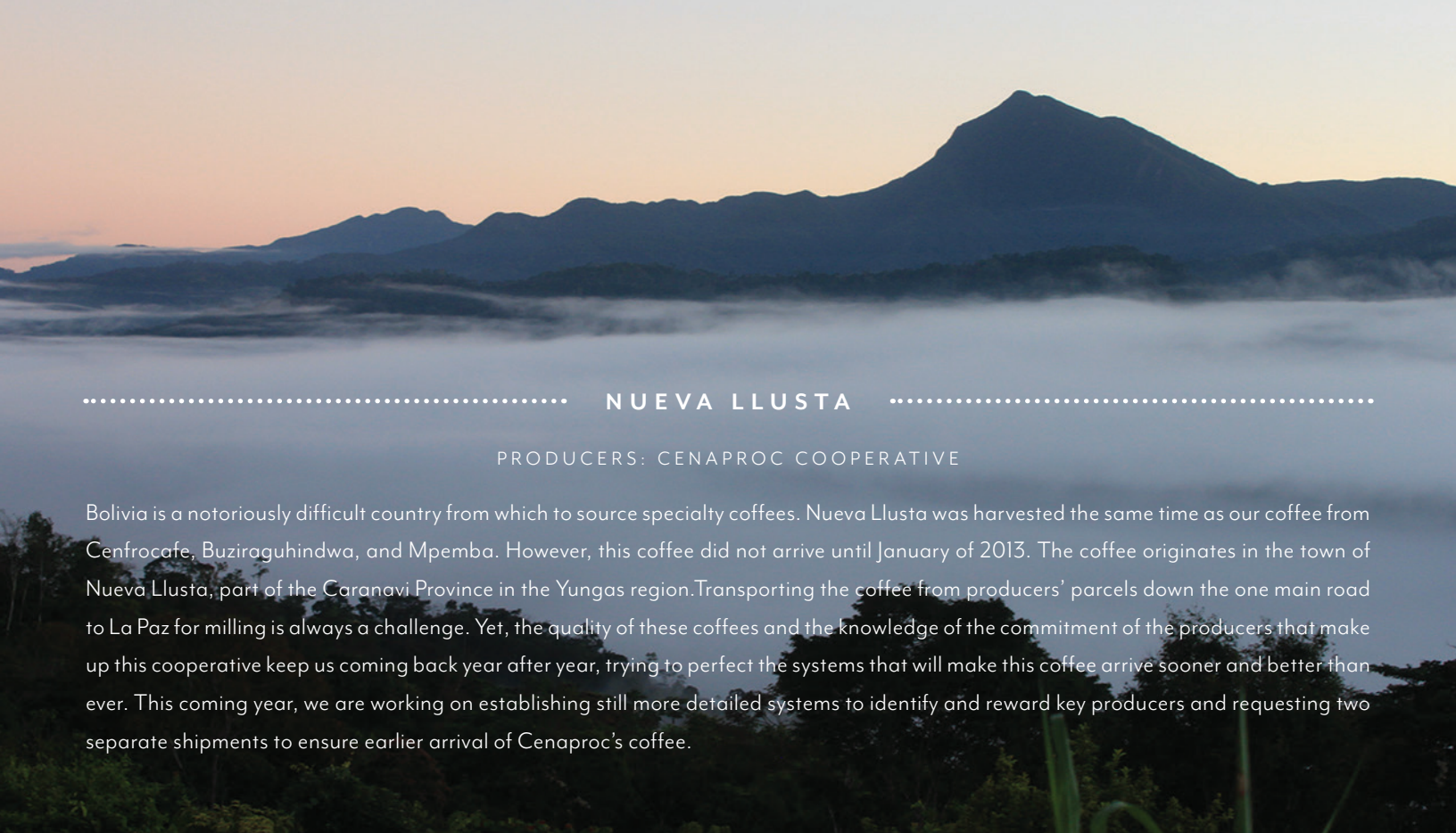
For as long as we have worked with Orgánica, the organization behind La Golondrina, we have celebrated their struggle against the conventions of coffee in Colombia, where small-scale coffee growers committed to organic agriculture and traditional coffee varieties face challenges even greater than those faced elsewhere. After surviving leaf rust and two years of dimly low production, Orgánica offered us more volume than ever in 2012 – which we eagerly accepted, of course – which they achieved by adding members and, more importantly, by improving the yields of their long-time members. We bought small microlots from Gloria Tejada, whose coffee is a standout every harvest, and Nixon Tovar, who has always been a leader among the growers of the Guayabal micro-region and, this year, with improved picking and attention to processing, brought his coffee to a new level!

EL GAVILÁN

PRODUCERS: FAPECAFES

In our second year purchasing coffee from the Fapecafes coffee exporting cooperative of southern Ecuador, we got more personal with the two farmer cooperatives of Procafeq and Apecap from which we get our coffee. Our first visit in May of 2011 was an exploratory mission that predated our purchasing coffee from the group, so we arrived in September of 2012 with the aim of spending more time on farms and in meetings with growers and cooperative representatives alike. It was a good thing we did, too, because this past year, growers in the Procafeq network were struggling with leaf rust and with feelings of frustration. Though the quality premium they got paid was the same as it had been the previous year, they lost volume due to leaf rust and the coffee market sunk, and both of these factors diminished their income. Though Counter Culture can't resolve either challenge, we can offer a stable, long-term relationship and remind growers and co-op representatives that fixed price contracts are our preference because they protect everyone from the volatility of the commodity market.





..... **NUEVA LLUSTA**

PRODUCERS: CENAPROC COOPERATIVE

Bolivia is a notoriously difficult country from which to source specialty coffees. Nueva Llusta was harvested the same time as our coffee from Cenfrocafe, Buziraguhindwa, and Mpemba. However, this coffee did not arrive until January of 2013. The coffee originates in the town of Nueva Llusta, part of the Caranavi Province in the Yungas region. Transporting the coffee from producers' parcels down the one main road to La Paz for milling is always a challenge. Yet, the quality of these coffees and the knowledge of the commitment of the producers that make up this cooperative keep us coming back year after year, trying to perfect the systems that will make this coffee arrive sooner and better than ever. This coming year, we are working on establishing still more detailed systems to identify and reward key producers and requesting two separate shipments to ensure earlier arrival of Cenaproc's coffee.



**VALLE DEL SANTUARIO
AND LA FRONTERA**

PRODUCERS: CENFROCAFE COOPERATIVE,
INCLUDING UNIDOS POR EL PROGRESO,
GENIOS DEL FUTURO, FAMILIAS DEL FUTURO,
LOS TRIUNFADORES, GALLITO DE LAS ROCAS

Whenever we mention the Cenfrocafe cooperative, it continues to be in the context of holding it up as a model relationship, a way that we wish other cooperatives could be organized and recognize their members. In 2012, we again received both the greater pool of quality coffee that makes up La Frontera, as well as the more specialized lot, Valle del Santuario, from five specific communities. The only real challenge with this group is continuing to push for earlier arrival times to ensure freshness of the coffees. This year, we also requested greater detail about the breakdown of producers who make up our La Frontera lot. We have identified a few more regions where a high percentage of the coffee comes from, and our hope is to work with these producers much in the same style as we have with Valle del Santuario. The potential for great coffees and superior traceability is inspiring.

MPEMBA

PRODUCERS: KAZOZA N'IKAWA COOPERATIVE

This coffee is a testament to the power of the transparency metric in CCDTC. It's actually not the certification itself that motivated us in this case, although that is important, of course, but rather the idea of accountability that motivates us to reserve our certification for small producer groups that are democratic. Until we found Mpemba, all of our coffees from Burundi came from privately owned washing stations, which we never felt right about certifying, because, as strong as our relationships are – and we work with some exceptional washing station owners in Burundi – we still recognize that having a stake in an organization to which you sell your coffee is different than selling it and being done with it, and that difference led us to reserve certification for Mpemba, which is a democratic cooperative, as opposed to our other coffees from Burundi. We are excited to continue developing our relationship with this cooperative in years to come and gaining perspective on how cooperative and privately owned washing stations work differently.



THIRIKU

PRODUCERS: THIRIKU FARMERS
COOPERATIVE SOCIETY

Kenya's auction system has historically posed unique challenges to would-be direct traders, even after the opening of the Second Window in 2007, because the potential reward of hitting the jackpot has kept many farmer cooperative societies from ever wanting to commit their coffee to buyers before sending it to the weekly auction. Counter Culture has purchased Thiriku's coffees for years and visited various times, but neither is anything special – Thiriku makes regular appearances on the offering lists of other companies and their buyers make regular appearances at the co-op – but in 2012 we managed to negotiate our first purchase completely outside the auction, and, what's more, before the harvest even began. Thiriku agreed to identify eight days during the peak of the harvest that they would dedicate to building our lot from the best, ripest coffee cherry received at the washing station and then processed meticulously, and we agreed to pay between \$4.35 and \$5.06 for that coffee. Thankfully, we weren't disappointed! Our coffee was great and the price we negotiated in advance was one of the best that they received for their coffees that year, including all of those that went to the auction.



NDAROINI

PRODUCERS: GIKANDA COOPERATIVE

Ndaroini made a triumphant return to Counter Culture in 2012 with dark fruit and savory flavors in spades. Since we last wrote about their coffee in 2009, the Gikanda cooperative (owner of the Ndaroini washing station) had been selling Ndaroini's coffee through different channels, and we were left high and dry, but, after the Central Kenyan Coffee Mill, which is a partner of our supplier Dormans, received recognition for paying some of the highest prices in Kenya for coffee in 2011, samples of Ndaroini's coffee began to show up on our cupping table again. We were pleased to revive our purchasing, though we have never successfully negotiated with Gikanda to purchase their coffee before it goes to auction, as we did with Thiriku.



HARU

PRODUCERS: YIRGACHEFFE
COFFEE FARMER COOPERATIVE UNION (YCFU)

If we bestowed the title of Coffee of the Year on any coffee in 2012, it would indubitably be Haru. The co-op's coffee was recognized with a Good Food Award in 2011, but we did that quality one better this year with processing experiments at the washing station that included fermenting, washing, and soaking coffee in a style more typical of Kenya than Ethiopia. Haru also played an integral role in the routines of barista and coffee-brewing competitors across the United States, and led Southeast Regional Brewer's Cup Champion Jonathan Bonchak to write an inspired analysis of Haru's supply chain as a baseball team. We also committed to Haru's first-ever sundried natural coffee, but, because of shipping delays, it arrived below our standard, and we weren't able to sell it as a single-origin coffee. Needless to say, we were disappointed and will focus our attention on improving the transportation and logistics of these coffees.



IDIDO

PRODUCERS: YIRGACHEFFE COFFEE FARMER
COOPERATIVE UNION (YCFCU)

A hop, skip, and a jump away from Haru is the town of Idido, where the cooperatively owned washing station that belongs to YCFCU produced washed coffee that rivaled Haru for complexity and depth of flavors, if not for awards, in 2012. We didn't undertake any experiments with Idido, but we did buy both washed and sundried natural coffees from them, as we did from Haru, and, similarly, the natural sundried coffees arrived faded and unusable. The absence of Idido Sundried Natural was especially crushing to fans of 2011's lot, but we redoubled our efforts to exert pressure on YCFCU to ship coffees promptly in 2013.

BAROIDA, TAIRORA PROJECT, TAIRORA PROJECT MICROLOT: BONTA

PRODUCERS: THE COLBRAN FAMILY

The Colbran family is a dream for a quality-focused roasting company like ours: they control every step in the journey their coffee makes from the plant to the bag in which its exported, which is unique among growers we work with and pretty rare in the world, as well. The lot we purchase from their farm, Baroida, is our flagship offering from the family, and the coffee we have been purchasing the longest, but we are equally excited about the Tairora Project and Bonta lots which result from the Colbrans' engagement in communities of small-scale coffee producers around their estate. These growers benefit from the infrastructure and market access that the Colbrans possess, which result in higher prices than the local buyer can provide. Owing to the system the family uses to separate and trace lots received and processed on a daily basis, Counter Culture was able to taste coffees from individual days and isolate some better and worse ones, which will help us address inconsistencies and improve quality for the future.



COFFEE NAME	LAST VISITED	VISITED BY	FOB PRICE	CUPPING SCORES	PURCHASED SINCE
Baroida, Tairora Project, Tairora Project Microlot: Bonta	8/2012	Tim	2.93 to 4.35	87.5 and 89	2010
Nueva Llusta	7/2012	Hannah, Tim	3.92	85 to 87.5	2004
CENFROCAFE (La Frontera, Valle del Santuario)	10/2012	Kim Elena, Hannah	2.96 to 4.50	85 to 86	2007
Cinco de Junio	3/2012	Tim	3.25	87	2010
Comsa and Esther Chavez microlot	2/2012	Kim Elena	2.59 and 3.50	87 and 89	2011
Concepción Huista	3/2012	Kim Elena	3.01	87	2010
FAPECAFES (El Gavilán)	9/2012	Kim Elena, Hannah	3.10	88	2011
Finca El Puente, Los Cipreses, Dulce Nombre de Jesus	3/2012	Tim	3.00, 3.25, and 4.00	86, 86.5, and 88	2005
Finca Mauritania, Finca Tanzania, Finca Kilimanjaro, Aida's Grand Reserve	1/2012	Tim	6.30 to 20.27	86, 88, 91, and 91	2004
Finca Santa Elena	1/2012	Tim	3.20 to 3.70	88	2007
FNA (four lots)	3/2012	Kim Elena	3.72	86.5	2003
La Golondrina	4/2011	Kim Elena	3.40 to 3.71	88.5	2006
Mpemba	6/2012	Tim	2.98	88.5	2012
Ndaroini	10/2011	Tim	5.80	92	2005 off and on
Proisch	10/2011	Kim Elena	2.14 to 2.47	86 to 87.5	2011
Thiriku	10/2011	Tim	4.25 to 5.06	93.5	2007 off and on
Haru	11/2011	Tim	3.90 to 4.35	92	2010
Idido	11/2011	Tim	3.90	89	2010
Biloya	11/2011	Tim	3.90	92	2011

***** **HOW TO READ THE 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.

LAST VISITED Part of our commitment to Direct Trade is frequent, personal visits by Counter Culture staff, in addition to ongoing 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.

VISITED BY The Coffee Department determines who should visit each coffee producer, depending on the needs of the relationship. Travelers in 2012 included Coffee Buyer and Sustainability Manager Kim Elena Ionescu, Coffee Buyer and Quality Manager Timothy Hill, and Coffee Buyer's Agent Hannah Popish.

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.

CUPPING SCORES We cup each coffee 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.

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.
