



Transparency Report

October 2017 - September 2018

Welcome to our 10th Transparency Report

A lot has changed since we published our **first report**, but the core idea behind that report and this one remains the same—**that how you buy coffee matters**. Counter Culture was the first roaster to publish a report of this type which set us apart from other coffee roasters and fostered trust within our community. We're excited on the 10th anniversary of this report to share our experience and information as a coffee roasting company, as well as reflect on the role price transparency is playing in the coffee industry more broadly.

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History

2009

2019



Reported on

12

coffees

Reported on

318

coffees

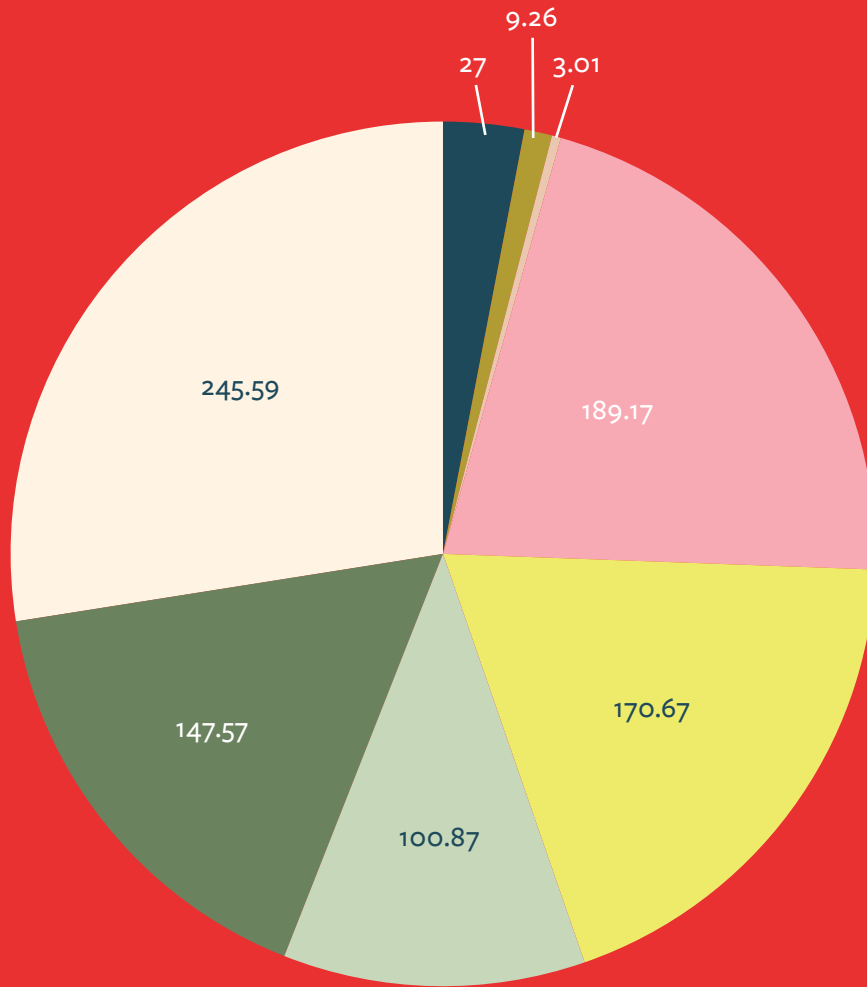
When we published our first Transparency Report, in 2009, we had recently developed our Direct Trade Certification. The initial report only listed details for the 12 coffee purchases that met the criteria of that model—7 of which we still buy today. Eventually, we began publishing the prices we pay for all of the coffees we buy in an effort to be more transparent about our purchasing portfolio. Keeping track of this data—prices, partnership history, and quality details—has enabled us to work more closely with the people who produce the coffee we buy. It has also given us an opportunity to show, rather than just tell, our purchasing principles in action, backing up those principles with measurable data. Over the years, this report has expanded beyond coffee purchases to include measurements of internal sustainability as well.

Operations



This is our ninth year calculating our carbon footprint, which gives us great insight into our operational environmental impact. Since we did our first assessment in 2010, Counter Culture has almost tripled in size in terms of employees, spaces, and pounds of coffee roasted. While we haven't succeeded at shrinking our footprint over this period of growth, we have consistently become more efficient with our carbon emissions on a per employee and per pound basis.

- ✕ Greenhouse Gas Data
- ✕ Plastic



Total Emissions by Type
(Tonnes CO2e)

- Air Travel (staff)
- Commuting (staff)
- Road Travel (staff)
- Garbage
- Paper
- Electricity
- Heat
- Transporting Goods
UPS Shipping

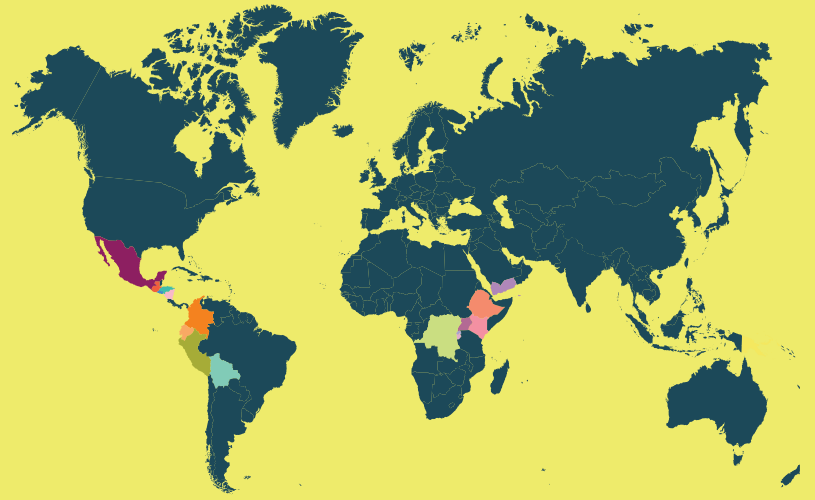
Takeaways:

- ✕ Our biggest source of greenhouse gas emissions during this reporting period is due to electricity.
- ✕ Our biggest reduction of emissions over the last year is from air travel.

This year, we've worked to reduce our plastic waste at our Durham HQ + Roastery. Where's the plastic coming from, you ask? Great question. Every burlap sack of coffee we buy comes lined with Grain Pro plastic bags, which is an important barrier to protect the unroasted coffee from moisture and scents as it makes its way from the country of origin to us. We generate more than 300 of these sacks per week on our production floor.

This year, our recycling partner stopped accepting our plastic, and rather than divert this waste to traditional streams, we decided to invest in a baler. The baler allows us to condense several hundred Grain Pro bags into pallet-sized cube of material, which we then ship to a recycling center. We are now able to significantly reduce the surface area of our plastic, and would like to join forces with other local roasters in a recycling co-op to tackle this necessary but particularly tricky waste stream.





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Purchasing Data

How are Coffees Listed?

We combined all of the contracts from the same organization into one entry to give a more clear and concise snapshot of our purchasing footprint between October 2017 and September 2018 within that partnership. For each organization, you will see the following details:

Pounds Purchased: The total number of pounds purchased through the partnership.

Min FOB Max FOB: The lowest and highest FOB price paid for coffees within the partnership.

Weighted Average FOB: An average price resulting from the multiplication of each price by the number of pounds purchased at that price.

Quality Scores: The range of sensory scores (0-100) given to coffees upon tasting at the time of arrival.

Sold As: Where the coffees from this partnership were sold. Here we list the different products on our menu such as year rounds, single origins, and limited releases in which these coffees appeared.

Partner Since: The first year we purchased coffee from the partner.

Model: This means we forward contracted the coffee (entered into a contract with the partner before their harvest, helping them secure financing and plan for their income) and purchased according to our

Sourcing Philosophy.

Beginning: These are coffees that we forward contracted from partners we intend to continue buying from, but the partnership needs additional depth before it can be classified as purchased within our model.

Spot: Spot coffees are green coffees in a U.S. warehouse available for purchase. The cost to get the coffee to that place, including what the farmer received, has already been paid and the roaster pays an asking price.

What is FOB?

FOB stands for Free On Board. It represents the price paid for a coffee at the point of export, when it is ready to be loaded onto a ship at port. FOB is neither the price a farmer is paid (which is called farmgate), nor is it the final price a roaster like Counter Culture pays for coffee, but rather a point in between. FOB is the coffee industry's generally accepted measure to talk about coffee prices. Reporting this as our data point allows us, our peers, and consumers to analyze trends and make comparisons.

What about Farmgate?

When we talk about the prices we pay for coffee we realize it's easy for others to imagine that we are talking about the price a farmer receives for their coffee, or the farmgate price. This is an important price for buyers to understand, however, reporting on this number with confidence is challenging because it is difficult to measure. One reason is that there are a number of ways coffee farmers commercialize their coffee; some sell green exportable coffee while others sell the cherries picked from coffee trees. Those farmgate prices look very different in part because they represent very different costs of doing business, even if the FOB price, after accounting for all costs, is similar. Furthermore, currency exchange fluctuations and yields compound calculating an accurate farmgate price for the purposes of a Transparency Report.



You can also view this info as an [interactive map](#) or a [spreadsheet](#).

Mexico

Ozolotepec

Total lbs Purchased: 101,160
FOB Price Range: \$2.50-\$3.08
Weighted Average FOB Price: \$2.88
Sold As: Big Trouble, FRANK!, Ozolotepec
Partner Since: 2017
Quality Scores: 84-86
Type of Partner: Beginning

Triunfo Verde

Total lbs Purchased: 27,077
FOB Price Range: N/A
Weighted Average FOB Price: N/A
Sold As: Big Trouble
Partner Since: 2013
Quality Scores: 84-84.5
Type of Partner: Spot

Sierra Mixteca

Total lbs Purchased: 39,855
FOB Price Range: \$2.35
Weighted Average FOB Price: \$2.35
Sold As: Fast Forward
Partner Since: 2017
Quality Scores: 86
Type of Partner: Beginning

Rosalba Cifuentes Family

Total lbs Purchased: 912
FOB Price Range: N/A
Weighted Average FOB Price: N/A
Sold As: Big Trouble
Partner Since: 2018
Quality Scores: 85
Type of Partner: Spot

Roberto Geronimo Garcia

Total lbs Purchased: 193
FOB Price Range: \$12.50
Weighted Average FOB Price: \$12.50
Sold As: Roberto Geronimo García –
Llano del Zorro
Partner Since: 2018
Quality Scores: 87
Type of Partner: Beginning

CEPCO

Total lbs Purchased: 25,067
FOB Price Range: \$2.00
Weighted Average FOB Price: \$2.00
Sold As: Slow Motion, Big Trouble
Partner Since: 2018
Quality Scores: 85.5-86
Type of Partner: Beginning

CESMACH

Total lbs Purchased: 33,010
FOB Price Range: \$2.00
Weighted Average FOB Price: \$2.00
Sold As: Forty-Six
Partner Since: 2013
Quality Scores: 85
Type of Partner: Beginning

Guatemala

Finca Nueva Armenia

Total lbs Purchased: 125,499
FOB Price Range: \$3.00-\$3.20
Weighted Average FOB Price: \$3.01
Sold As: Fast Forward, Big Trouble,
Los Gemelos
Partner Since: 2003
Quality Scores: 84.5-86.5
Type of Partner: Model

La Voz que Clama en el Desierto

Total lbs Purchased: 83,666
FOB Price Range: \$2.10-\$2.40
Weighted Average FOB Price: \$2.25
Sold As: Slow Motion
Partner Since: 2012
Quality Scores: 86-86.5
Type of Partner: Beginning

CODECH

Total lbs Purchased: 125,499

FOB Price Range: \$2.75- \$3.05

Weighted Average FOB Price: \$2.78

Sold As: Hologram, Concepción Huista, Domingo Vargas, Lamberto Lopez Ramirez, Mariano Ramirez Rosa

Partner Since: 2010

Quality Scores: 85.5-88

Type of Partner: Model

Manos Campesinas

Total lbs Purchased: 372,542

FOB Price Range: \$3.00-\$3.55

Weighted Average FOB Price: \$3.14

Sold As: Fast Forward, Hologram, Forty-Six, ADENISA, ASUVIM, Sipacapa, San Miguel

Partner Since: 2013

Quality Scores: 85-87

Type of Partner: Model

Colombia

Organica

Total lbs Purchased: 74,803

FOB Price Range: \$3.00-\$17.00

Weighted Average FOB Price: \$3.68

Sold As: La Golondrina, Field Trip, Nelson Melo Variety Set

Partner Since: 2007

Quality Scores: 84.5-90

Type of Partner: Model

CRS Borderlands

Total lbs Purchased: 250,250

FOB Price Range: \$2.88-\$3.98

Weighted Average FOB Price: \$3.05

Sold As: Big Trouble, Hologram, Kuichi, Decaf Kuichi, Cueva de los Llanos, Urcunina, Decaf Urcunina, Nuevo Amanecer, Jhon Fredy Villacorte

Partner Since: 2013

Quality Scores: 84-88

Type of Partner: Model

Finca Belgravia

Total lbs Purchased: 1,155

FOB Price Range: \$5.40-\$7.10

Weighted Average FOB Price: \$6.03

Sold As: Finca Belgravia Tabi, coffees for educational labs

Partner Since: 2007

Quality Scores: 86-88

Type of Partner: Model

Toldopamba

Total lbs Purchased: 51,898

FOB Price Range: \$3.00-4.26

Weighted Average FOB Price: \$3.20

Sold As: Hologram, Big Trouble, Santafe, Santa Maria

Partner Since: 2017

Quality Scores: 85-86.5

Type of Partner: Model

Ecuador

Cariamanga

Total lbs Purchased: 18,254

FOB Price Range: \$3.25-\$4.80

Weighted Average FOB Price: \$3.87

Sold As: Big Trouble, Cariamanga

Partner Since: 2016

Quality Scores: 84.5-87.5

Type of Partner: Beginning

Eladio Chamba

Total lbs Purchased: 1,672

FOB Price Range: \$4.05

Weighted Average FOB Price: \$4.05

Sold As: Eladio Chamba

Partner Since: 2016

Quality Scores: 87.5

Type of Partner: Beginning

Manuel Villalta

Total lbs Purchased: 1,100

FOB Price Range: N/A

Weighted Average FOB Price: N/A

Sold As: Manuel Villalta

Partner Since: 2018

Quality Scores: 86

Type of Partner: Spot

Nicaragua

Finca La Victoria

Total lbs Purchased: 46,701
FOB Price Range: \$2.85-\$3.10
Weighted Average FOB Price: \$2.97
Sold As: Big Trouble, Finca La Victoria, Finca La Victoria Maragogipe
Partner Since: 2017
Quality Scores: 84.5-86
Type of Partner: Model

Finca La Benedicición

Total lbs Purchased: 1,521
FOB Price Range: \$3.65
Weighted Average FOB Price: \$3.65
Sold As: Finca La Benedicición
Partner Since: 2018
Quality Scores: 85
Type of Partner: Beginning

Cinco de Junio

Total lbs Purchased: 9,127
FOB Price Range: \$2.65
Weighted Average FOB Price: \$2.65
Sold As: Forty-Six
Partner Since: 2009
Quality Scores: 83-83.5
Type of Partner: Model

Peru

CAC Valle de Incahuasi

Total lbs Purchased: 25,0085
FOB Price Range: \$2.45-\$3.70
Weighted Average FOB Price: \$2.62
Sold As: Big Trouble, Field Trip, Fast Forward, Forty-Six, Incahuasi
Partner Since: 2016
Quality Scores: 84.5-88
Type of Partner: Model

Valle del Inca

Total lbs Purchased: 52,938
FOB Price Range: \$2.45-\$3.50
Weighted Average FOB Price: \$2.50
Sold As: Fast Forward
Partner Since: 2017
Quality Scores: 85-86.5
Type of Partner: Beginning

Santuario

Total lbs Purchased: 21,297
FOB Price Range: \$2.40
Weighted Average FOB Price: \$2.40
Sold As: Fast Forward, La Palma
Partner Since: 2018
Quality Scores: 86-86.5
Type of Partner: Beginning

CENFROCAFE

Total lbs Purchased: 163,529
FOB Price Range: \$2.80-\$4.50
Weighted Average FOB Price: \$2.99
Sold As: Fast Forward, Field Trip, Big Trouble, Forty-Six, Slow Motion, Los Romerillos Honey
Partner Since: 2007
Quality Scores: 84.5-87
Type of Partner: Model

Origin Coffee Lab

Total lbs Purchased: 41,833
FOB Price Range: \$2.73-\$4.15
Weighted Average FOB Price: \$3.23
Sold As: Forty-Six, Damian Espinoza, La Palestina
Partner Since: 2018
Quality Scores: 83-88
Type of Partner: Beginning

Jose Olayo Cooperative

Total lbs Purchased: 58,870
FOB Price Range: \$2.80
Weighted Average FOB Price: \$2.80
Sold As: Big Trouble
Partner Since: 2018
Quality Scores: 84.5-85
Type of Partner: Beginning

Caravela Peru

Total lbs Purchased: 93,249
FOB Price Range: \$2.55-\$2.80
Weighted Average FOB Price: \$2.67
Sold As: Fast Forward, Big Trouble
Partner Since: 2018
Quality Scores: 84.5-85
Type of Partner: Beginning

Fair Trade Organic Peru

Total lbs Purchased: 13,200
FOB Price Range: N/A
Weighted Average FOB Price: N/A
Sold As: Slow Motion
Partner Since: 2019
Quality Scores: 86
Type of Partner: Spot

Honduras

Finca Pashapa/Cocafelol

Total lbs Purchased: 25,860
FOB Price Range: \$2.90-\$3.70
Weighted Average FOB Price: \$3.04
Sold As: Forty-Six, Fast Forward, Finca Pashapa Pacamara
Partner Since: 2002
Quality Scores: 84-85.5
Type of Partner: Model

Finca El Puente

Total lbs Purchased: 81,924
FOB Price Range: \$2.75-\$25.00
Weighted Average FOB Price: \$3.23
Sold As: Big Trouble, Finca El Puente, FEP Pacamara, FEP Mokka & Java Set, FEP Gesha Set, FEP Variety Set
Partner Since: 2005
Quality Scores: 84-90
Type of Partner: Model

El Salvador

Cuzcachapa

Total lbs Purchased: 21,753
FOB Price Range: \$3.00-\$4.00
Weighted Average FOB Price: \$3.16
Sold As: Big Trouble, Forty-Six, Finca Santa Elena Pacamara
Partner Since: 2011
Quality Scores: 82.5-85
Type of Partner: Model

Aida Batlle Selection

Total lbs Purchased: 41,833
FOB Price Range: redacted at producer's request
Weighted Average FOB Price: redacted at producer's request

Sold As: Big Trouble, Forty-Six
Partner Since: 2004
Quality Scores: 84.5
Type of Partner: Model

Battle Family Farms

Total lbs Purchased: 8,406
FOB Price Range: redacted at producer's request
Weighted Average FOB Price: redacted at producer's request
Sold As: Big Trouble, Finca Mauritania, Finca Kilimanjaro
Partner Since: 2004
Quality Scores: 84-87
Type of Partner: Model

Bolivia CENAPROC

Total lbs Purchased: 29,568
FOB Price Range: \$3.35-\$4.50
Weighted Average FOB Price: \$3.63
Sold As: Forty-Six, Nueva Llusta, Luis Huayhua, Juvenal Huanca, Pedro Patana, Justina Ramos
Partner Since: 2004
Quality Scores: 85-87.5
Type of Partner: Model

Democratic Republic of Congo



Muungano

Total lbs Purchased: 13,228
FOB Price Range: \$3.47
Weighted Average FOB Price: \$3.47
Sold As: Buchiro
Partner Since: 2017
Quality Scores: 87.5
Type of Partner: Beginning

Uganda



Kawacom

Total lbs Purchased: 85,982
FOB Price Range: \$2.37-\$4.05
Weighted Average FOB Price: \$2.97
Sold As: Fast Forward, Hologram, Forty-Six, Kabeywa, Kabeywa Honey, Kabeywa Natural Sundried
Partner Since: 2014
Quality Scores: 85.5-87
Type of Partner: Model

Burundi



Kazoza N'ikawa

Total lbs Purchased: 10,582
FOB Price Range: \$3.05-\$3.30
Weighted Average FOB Price: \$3.24
Sold As: Mpemba, Mpemba Natural Sundried
Partner Since: 2012
Quality Scores: 87-88
Type of Partner: Model

Buziraguhindwa

Total lbs Purchased: 27,779
FOB Price Range: \$3.10-\$3.55
Weighted Average FOB Price: \$3.26
Sold As: Buziraguhindwa, Buziraguhindwa Natural Sundried, Buziraguhindwa Processing Set
Partner Since: 2010
Quality Scores: 87-89
Type of Partner: Model

Rwanda



Bufcoffee

Total lbs Purchased: 21,429
FOB Price Range: \$3.00-\$3.50
Weighted Average FOB Price: \$3.15
Sold As: Remera, Kigoma, Remera Natural Sundried
Partner Since: 2006

Quality Scores: 86.5-88.5
Type of Partner: Model

Roots Origin

Total lbs Purchased: 3,968
FOB Price Range: \$3.40
Weighted Average FOB Price: \$3.40
Sold As: Itango
Partner Since: 2018
Quality Scores: 87.5
Type of Partner: Beginning

Ethiopia



Yirgacheffe Coffee Farmers Cooperative Union

Total lbs Purchased: 316,811
FOB Price Range: \$3.00-\$4.00
Weighted Average FOB Price: \$3.20
Sold As: Idido, Apollo, Forty-Six, Hologram, Birhanu Zerihun Natural Sundried
Partner Since: 2010
Quality Scores: 88-90.5
Type of Partner: Model

SNAP

Total lbs Purchased: 21,165
FOB Price Range: \$3.30
Weighted Average FOB Price: \$3.30
Sold As: Rafisa, Galaxy
Partner Since: 2018
Quality Scores: 91
Type of Partner: Beginning

Guji Highlands

Total lbs Purchased: 121,698
FOB Price Range: \$3.30-\$3.50
Weighted Average FOB Price: \$3.40
Sold As: Rafisa, Galaxy
Partner Since: 2018
Quality Scores: 91
Type of Partner: Beginning

Jabanto

Total lbs Purchased: 126,989
FOB Price Range: \$3.49-\$4.10
Weighted Average FOB Price: \$3.59
Sold As: Hologram, Jabanto Natural Sundried, Big Trouble, Aleme Wako Natural Sundried, Dido Birre Natural Sundried
Partner Since: 2018
Quality Scores: 85.5-89
Type of Partner: Beginning

Nardos Exporter

Total lbs Purchased: 39,684
FOB Price Range: \$3.40-\$3.65
Weighted Average FOB Price: \$3.43
Sold As: Hologram, Forty-Six, Sakicha Honey Processed, Kilenso Mokonisa
Partner Since: 2011
Quality Scores: 88-89
Type of Partner: Beginning

Limu Kossa Estate

Total lbs Purchased: 5,291.2
FOB Price Range: N/A
Weighted Average FOB Price: N/A
Sold As: Apollo
Partner Since: 2018
Quality Scores: 87.5
Type of Partner: Spot

Ayinage

Total lbs Purchased: 14,551
FOB Price Range: \$3.90
Weighted Average FOB Price: \$3.90
Sold As: Micheta Natural Sundried, Galaxy
Partner Since: 2018
Quality Scores: 88
Type of Partner: Beginning

Keta Meduga

Total lbs Purchased: 3,307
FOB Price Range: N/A
Weighted Average FOB Price: N/A
Sold As: Apollo
Partner Since: 2017
Quality Scores: 87.5-88
Type of Partner: Spot

Yidinkachew Debessa Estate

Total lbs Purchased: 5,291
FOB Price Range: N/A
Weighted Average FOB Price: N/A
Sold As: Hologram
Partner Since: 2018
Quality Scores: 88.5
Type of Partner: Spot

UUMA

Total lbs Purchased: 10,781
FOB Price Range: \$3.40
Weighted Average FOB Price: \$3.40
Sold As: Yabitu Tome
Partner Since: 2018
Quality Scores: 92-92.5
Type of Partner: Beginning

Kenya



Kushikamana Group

Total lbs Purchased: 47,802

FOB Price Range: \$3.36-\$6.26

Weighted Average FOB Price: \$5.09

Sold As: Hologram, Bulk, Kushikamana, Muriama, Off-Menu, Muthonjo, Kamarari, Guchienda, Ngarutua, Kamavindi, Kamavindi Variety Set, Danjoru

Partner Since: 2015

Quality Scores: 84-91.5

Type of Partner: Model

Mathew Mugo

Total lbs Purchased: 3,704

FOB Price Range: \$3.70-\$4.20

Weighted Average FOB Price: \$3.82

Sold As: Riamute

Partner Since: 2017

Quality Scores: 88

Type of Partner: Model

Yemen



Mokha Route

Total lbs Purchased: 329

FOB Price Range: \$25.00-\$35.00

Weighted Average FOB Price: \$31.57

Sold As: Mohsen Zaid, Hassan Assalol Processing Set

Partner Since: 2018

Quality Scores: 86-87.5

Type of Partner: Beginning

Papua New Guinea



The Colbran Family

Total lbs Purchased: 66,000

FOB Price Range: \$3.45-\$3.70

Weighted Average FOB Price: \$3.54

Sold As: Baroida, Kobuta, Boka

Partner Since: 2010

Quality Scores: 87.5-89

Type of Partner: Model



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Purchasing Highlights

- ✕ Forward Contracts vs. Spot Contracts
- ✕ Partnerships
- ✕ FOB Price
- ✕ Decommoditizing Coffee
- ✕ Quality Scores



Contract Breakdown:

68%

MODEL

This means we forward contracted the coffee (entered into a contract with the partner before their harvest, helping them secure financing and plan for their income) and purchased according to our Sourcing Philosophy.

29%

BEGINNING

These are partnerships we will continue to pursue, and coffees we intend to continue buying, but need additional work before they can be classified as purchased within our model.

3%

SPOT

These are green coffees in a U.S. warehouse available for purchase. The cost to get the coffee to that spot, including what the farmer received, has already been paid and the roaster pays an asking price.

We purchased coffee from

55 partners

23 have been
partners
for 5+ years

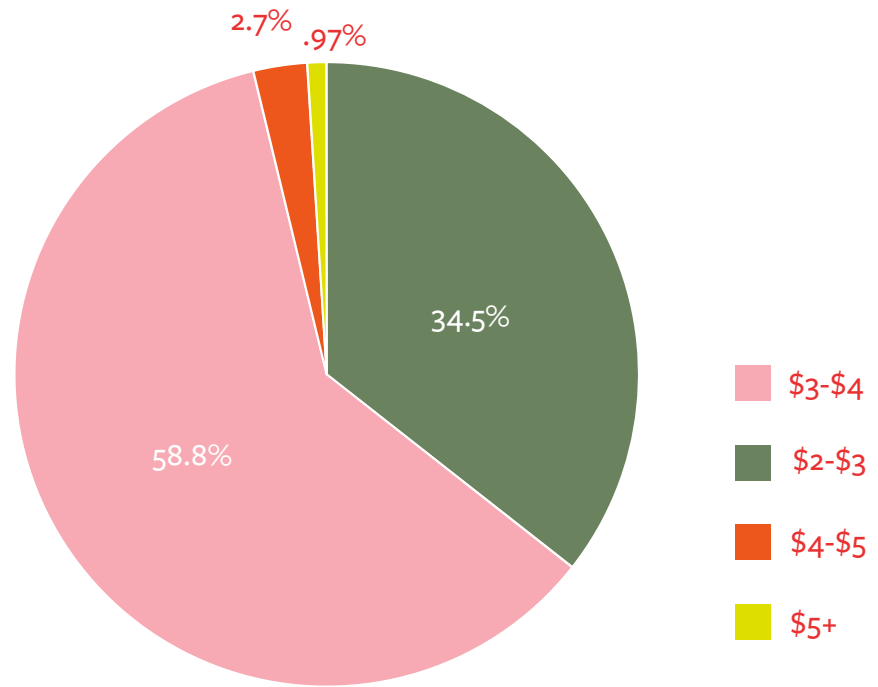
We are always looking to add new partners as we grow. This harvest cycle, we purchased coffee from 55 different people and organizations—17 from new partners and 23 through partnerships we have been purchasing from for more than 5 years. Our longest-running partnership is with the Salazar Family of Finca Pashapa in Honduras—this harvest cycle was our 16th year buying their coffee.

In this harvest cycle, 73.7 percent of the coffee we bought (by volume) came from partners from which we buy multiple quality tiers of coffees, as opposed to just buying one type of coffee at one price. This practice allows us to buy more coffee at sustainable prices from the same partners and incentivize quality, while sourcing coffees that meet the needs of our entire menu.





FOB Price Breakdown:



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.

Average Weighted FOB:

\$3.08

All Coffees

\$3.48

Single-Origin

\$3.11

Spot

Another value of our coffee purchasing approach is lower volatility for farmers. As you may have read in the news, the commodity price for coffee is currently at a historic low. Commodity markets create baseline pricing for goods according to speculation of the future supply of that good in the world. Some high-quality, specialty coffees are priced based on the commodity price and thus, the prices many coffee roasters pay and farmers receive fluctuate with the market. Counter Culture's purchasing program does not operate that way.

In the graph to the right, you can see that our price (weighted average FOB price for every pound purchased) has been uncorrelated with and above the market price for the past five years*. In short, paying stable prices for unique qualities of coffee mitigates the risk of market fluctuation and helps everyone in the coffee value stream achieve greater business stability.

**Since our inception in 1995, our coffee purchasing philosophy has been against the status quo. However, we started reporting and collecting the data for every pound of coffee purchased in 2015 (since 2009, we have collected and reported information about our single origin coffees).*

FOB Price Per Pound:

- CCC Weighted Average Price For All Coffee Purchases
- C Market-Commodity Futures Price for Coffee
- Fair Trade Minimum Price



Average Cup
Quality Score:

86.3

All Coffee

87

Single-Origin

To give you an idea of how we interpret the scores included in this report, we use the following scale when evaluating the sensory characteristics of a coffee:

97–100 Near perfect to perfect

94–96 Outstanding

90–93 Excellent

87–89 Very Good

85–86 Good

83–84 OK

80–82 Marginal



66% of the coffees we bought during this period were certified USDA Organic.

USDA Organic is an important certification for us—it signals good soil management practices and record keeping. However, we also purchase non-certified coffees because we don't believe any single certification comprehensively covers all aspects of farm-level sustainability.

We're excited to start working with **Enveritas**, a company that surveys random sample sets of coffee farmers and analyzes dozens of sustainability indicators along a spectrum. Enveritas will be verifying more than 1 million pounds of our coffee in 2019. This information will help everyone in these supply chains know what is working while identifying areas for improvement. Though we see partnership duration and Organic certification as partial indicators of sustainability, Enveritas' data-backed analysis will help us close the gap in understanding where we should focus our efforts to incentivize and improve sustainability at origin.





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2018 Initiatives

- ✕ Seeds
- ✕ Transparency in the Coffee Industry
- ✕ Climate Workshops
- ✕ World Coffee Research

Since 2011, we have set aside \$0.01 from each pound of coffee sold to go toward our Seeds fund.

Our Seeds program gives financial grants to producers and producer organizations we work with to implement social and environmental sustainability projects they identify as beneficial. To date, we've contributed over \$230,000 to this important initiative.

In 2018, we donated \$22,135 to six different Seeds projects. These projects range from investments to increase productivity, to projects that fund teacher's salaries, or money to plant trees that protect water sources. Learn more about our past Seeds grant winners [here](#).



Seeds
Contributions:

in 2018

\$22,135

to

6

projects

×

since 2011

\$230,000

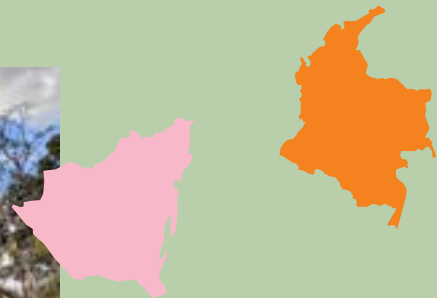
to

48

projects

Toldopamba: Producing natural fertilizers

Teresa Burbano de Torres and her husband own a farm that purchases and processes the coffees from the Santafé and Santa Maria communities. Teresa's son, Carlos Burbano Torres, and his wife, Angela Patiña Findlay, assist with this work as well as working with the post-CRS groups through Pastoral Social. With this project, Carlos and his mom wanted to build a facility on their farm to make compost via vermiculture as well as produce biofertilizers. By proving the efficacy of these projects on their own coffee farm, they want to inspire their neighbors and other farmers to use more organic fertilizers on their farms.



Cinco de Junio: Upgrading on-farm wet mills

30 members of the co-op will receive training on good agriculture practices, climate change resilience, harvesting, processing, and the management of their wet mills. These farmers will also get upgraded wet mills in order to produce higher quality coffee and to avoid contamination of their water sources.

Riamute: Macadamia Nut Trees for shade & income diversification

Mathew owns a farm as well as a washing station that purchases coffee from the surrounding community. The goal of this project is two-fold: to diversify Mathew's income as well as the incomes of those who will be able to buy the macadamia nut trees at a reduced rate (and then sell the nuts), and to increase shade cover and soil moisture and nutrient retention by intercropping the trees with their coffee.



Finca Nueva Armenia: Rabbit breeding for manure & income

The Recinos family employs many workers, the majority of whom live in a village adjacent to the farm. With this project to breed and sell Rabbits, they want to provide these workers with an additional source of income and food for times of the year when there is not much work needed on the farm and/or the weather conditions prevent working.





Urcunina: Diversified nursery for coffee, shade trees, and crops

This project was developed in response to a Climate Change Workshop that we did with ASPROCAES in 2018. They identified some of their biggest challenges as deforestation, pests and diseases, and low production in food crops. This nursery was identified as an impactful and feasible solution that would address many of these challenges as well as serve as a hub for training and for fostering young peoples' interest in coffee production.

Incahuasi: Producing natural fertilizers

The process of producing biofertilizer generally involves taking living microorganisms from the local area and creating an environment where they can reproduce. When applied, these microorganisms increase the supply of available nutrients in the soil through their biological processes. The plants in that soil get more nutrients, like nitrogen and phosphorus, because the microorganisms either create more of these nutrients in the soil and/or make them available in a form that is easier for the plant to uptake. Biofertilizer is different than organic fertilizer—with bio you're applying microorganisms and with organic you're applying nutrient derived from natural sources.

The Cooperativa Agraria Cafetalera Valle de Incahuasi will use their grant money to hire a biofertilizer specialist, who will then conduct a series of workshops with co-op members on how to produce and apply biofertilizers. A portion of the money will also go towards purchasing the equipment needed to produce this type of fertilizer.





Working with the Duke Nicholas School of the Environment and non-profit organization Twin, we developed a participatory workshop designed to help coffee farmers identify climate change adaptation solutions. After successfully testing the workshop with the La Prosperidad cooperative in Chirinos, Peru, and Finca Nueva Armenia in La Libertad, Guatemala, we created a [toolkit](#) of the workshop structure and made it available online for anyone to access and follow.

In 2018, we hosted the workshop with eight producer partners operating in different types of supply chains, at different scales, and in different countries. The [workshop results](#) demonstrated the need to consider context and hear from farmers themselves when initiating projects at origin.

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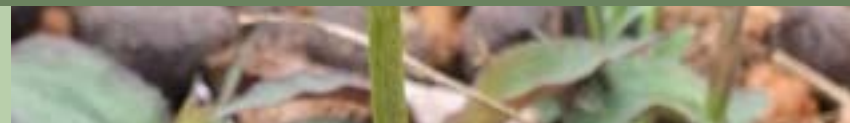
Transparency in the Coffee Industry

Counter Culture has been publishing FOB prices paid for green coffee since the initial release of the Transparency Report in 2009. Over the last decade, this Transparency Report has inspired countless others of its kind from the coffee industry at large. Over the past three years, we've been part of the [Transparent Trade](#) initiative, an organization dedicated to addressing the pricing crisis in the coffee industry. The biggest project Transparent Trade has taken on to date is the [Specialty Coffee Transaction Guide](#). The core of this guide is, you guessed it, price transparency.

In the first version of the guide, 20 roasters, importers, and exporters submitted all of their FOB prices for their past two years of green coffee purchases. Statisticians at Emory University aggregated this data into the guide which shows the average prices being paid for different types of specialty coffee from companies that value sustainability. Though the coffee industry globally has a reference point for green coffee prices (called the C market) no such thing exists specifically for specialty coffee. To be considered specialty, a coffee must achieve a certain quality score and physical preparation, but these indicators do not guarantee trade for a certain price. Instead, the industry builds on the C market price, which is currently and often so low it threatens the viability of coffee farming.

With our Transparency Reports, Counter Culture spearheaded the idea that providing information on how much we pay for coffee could be a helpful resource for others to use when benchmarking sustainable coffee prices. The Transaction Guide builds on that idea, representing a much bigger sample set than just us as an individual company. While we don't see price transparency as the be-all end-all solution to address endemic low prices for green coffee, we do believe that in order for the industry to be able to buy and sell coffee for truly sustainable prices, we need better reference points. The Transaction Guide and the growing number of companies who [pledge](#) to share transparency is a step in that direction. We're proud to be a founding donor, and we're excited about the future of this project.

We believe that in order for the industry to be able to buy and sell coffee for *truly* sustainable prices, we need better reference points.

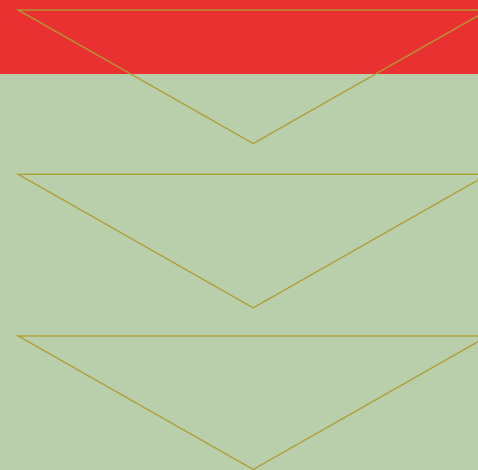




We donate

1/2 a penny

per lb of all our coffee sold
to World Coffee Research



Counter Culture was a founding member of World Coffee Research in 2012 and has participated in their Check-Off Program ever since. We donate ½ a penny per pound of all our coffees sold to **WCR**.

The vision of World Coffee Research is to create a toolbox of coffee varieties, genetic resources and accompanying technologies and to disseminate them strategically and collaboratively in producing countries to alleviate constraints to the supply chain of high quality coffee.

Learn more about World Coffee Research [here](#).



As we celebrate the 10th Anniversary of our Transparency Report, we're proud to have started a movement of creating greater transparency in the coffee industry. Though our report has expanded and evolved over the years, the core function has always been to provide a summary of our financial trade with coffee producers. Paying higher prices for coffee is a fundamental part of our coffee purchasing approach, an approach we believe facilitates both coffee quality and long-term, sustainable coffee production.

We know that being transparent about prices does not, on its own, do anything. Nor does transparency equate to sustainability. However, sharing pricing data publicly has helped us understand how well we are living up to our **purchasing principles**. It has given value stream stakeholders, including our peers, more information with which to make decisions and handle negotiations.

Counter Culture is working to be a meaningful global brand that inspires positive change. We believe the pursuit of coffee excellence requires taking stock of where you are and pushing yourself to be better. For the last 10 years, this report has been our best metric for continual forward motion.

Conclusion