

NOMAD COFFEE



TRANSPARENCY
REPORT 2020

Our first Transparency Report on Nomad comes in the year we were hit by a global pandemic. They have been and continue to be very hard months where we have had to drastically stop our pace of life and where we have also been able to reflect on the way we live and work. This led us to create this report and present it in a clear and transparent way to all of you.

What does this report consist of?

In this first report, we want to focus on the link that NOMAD COFFEE has with the producers from whom we buy coffee, either through direct trade, from an importer or an exporter.

In addition, we want to join a project that we have loved and of which we are proud to be part of. **The Pledge**↓ is a project where specialty roasters produce a report each year for all the coffee they have bought. The reports detail the FOB prices that have been paid, and thus demonstrates that the system of purchasing is sustainable for producers in the countries of origin.

After studying all the batches purchased and the FOB price paid for them, we have reached some conclusions where we want to improve for the future.

What is the FOB (Free on Board) price?

It is the price that has been paid for the coffee once it has been packaged and placed in the container at the port of origin. It is not the exact price that the producer receives for the coffee but, without a doubt, it is an excellent indicator to know if they have received a fair price for it.



Reference indicators
to know what a fair
price is:

NOMADCOFFEE.ES
ROASTED IN BARCELONA
SHIPPED WORLDWIDE

We, as a specialty coffee roaster, should not be guided by the reference price of commercial coffee on the stock exchange (C-market) since we do not play in the same league and it is an unfair price for a producer. This price is always around \$ 1/lb FOB however the cost of growing specialty coffee is usually between \$ 1.30 - \$ 1.40/lb.

With that reference, it would be very easy to say that we pay much more for our coffee. As you can see in the report, our average payment is \$ 3.95/lb. So, we can say that we paid 295% more than the market reference.

Honestly, this reference is not fair for the coffee producer. Since we do not treat them as market numbers. We know them. We know who they are, and of course, we know all the hard work for producing quality coffee.

Fortunately, now there is a project carried out thanks to hundreds of companies that have bet on transparency within the world of specialty coffee. It's called [The Specialty Coffee Transaction Guide](#)↓, a study where we can find the average payment in 3 years of contracts for the sale of specialty coffees (years 2017-20).

If we look at this study we see that the average sale price in those 3 years is \$ 2.71/lb. The vast majority of the coffees that we bought during 2020 continues above this figure. But, without a doubt, we must continue to improve our choices when buying a coffee batch. Prioritizing and encouraging the importer to share the FOB price of the lot and thus, ensure that the price paid can maintain the sustainability of the producer. This is one of our goals for the future.



Types of the green coffee purchase at NOMAD®



In the report, you can see how we bought each batch of the year 2020. We can say that there are 3 ways to purchase coffee at NOMAD:

- Through an importer
- Through an exporter
- Direct Trade

The way we work does not allow us to use the words “Direct Trade” easily. This does not mean that even if we buy through an importer or an exporter, we do not have a direct relationship between the producer and us.

In some cases, we know the producer and/or have visited his/her farm.

These cases are:

Colombia:

Montes de Tatamá

Finca San Luis

Finca El Paraíso

El Salvador:

La Divina

Ecuador:

Hacienda La Florida

Perú:

Antolín Peña

El Diamante

We know and talk regularly with them to know how the harvest is going or if they have in mind to implement something new in their processes. Still, we are reluctant to call this type of business relationship “Direct Trade”.



What is Direct Trade
for NOMAD®?

We have the greatest example in our relationship with Diego Robelo, owner of the Aquiares farm in Costa Rica. We have had a friendly and commercial relationship since 2017. The first year that we bought coffee from Diego, we did it with the help of an exporter and an importer. But from 2018, Diego has worked as an exporter and NOMAD has worked as an importer, so there has been no intermediary between us. The FOB price negotiated between Diego and Nomad has all gone to Diego's accounts and from there all the import costs have been managed by us, bringing a direct container from Costa Rica to Barcelona. This is what we call a direct trade.

In addition to Diego Robelo, we have another similar relationship with the Restrepo family in Colombia. At the moment we have as our "Session Espresso" one of their coffees from Hacienda El Jardín, specifically, from the Chambaku farm. It is a batch designed exclusively for Nomad and in which the price was also negotiated between the Restrepo family and Nomad. Likewise, they are exporters and importers, so everything we pay goes directly to their accounts, without intermediaries.

In summary:

We consider “Direct Trade” when we meet the producer, we have negotiated the price of the coffee directly with him/her and the transfer of the coffee payment is made directly to the producer’s accounts.

If we do not negotiate the price of the coffee with the producer, but rather that the price is negotiated with an intermediary (exporter and/or importer), even though we have a direct relationship with the farm, we do not consider this relationship a “Direct Trade”.



Conclusions and things to work on:

Total lots

32

Transparent coffees

27

**Percentage of
transparent coffees
in relation to the total
volume of coffee**

84.38%

About 31,000 kg of green coffee purchased (global pandemic included) in 2020, 13 countries, 28 farms/cooperatives, 32 batches of coffee. An average score of 86.60 SCA points with an average payment of \$ 3.95/lb FOB.

Our % of transparency on the FOB price (requirement of The Pledge↓) has been 84.38%. Our goal for 2022 is to reach 100%. This year is a low percentage that we must continue to improve in two ways:

- Encouraging importers/exporters to contribute to this type of transparency reports.
- Working on more relationships with a direct trade.

28 farms in a single year. This makes us reflect on some questions:

- Is buying little coffee from many farms a sustainable way to buy coffee?
- Is it better to buy more coffee from fewer farms and build relationships by buying each year from those farms?
- We know it's a lot of fun trying hundreds of different coffees each year, but is it a sustainable purchasing system?



We would greatly appreciate your opinion by leaving a comment about this (or any general note about the report) in one of our media or by sending an email to fran@nomadcoffee.es

Full
Report

FARM / CO-OPERATIVE / WASHING STATION	REGION	COUNTRY	PRODUCER	PURCHASE HISTORY	TYPE OF PURCHASE	VARIETY / PROCESS	LB BOUGHT	KG BOUGHT	CUP SCORE	\$/LB F.O.B
Aquiaries	Turrialba	Costa Rica	Diego Robelo	since 2017, every year	Direct	Entre Rios / Washed Centroamericano / Anaerobic Centroamericano / Four different processes Gesha / Honey	15211,88 661,39 132,28 132,28	6900 300 60 60	84,5 88 87 89	\$2,90 \$6,00 \$2,90 \$12,00
Don Tacho	Tarrazú	Costa Rica	Luis Anastasio Castro	First time	From importer "Ally Coffee"	Mixed / Natural	14550,49	6600	83	\$1,57
9 Mulheres	Mantiqueira de Minas	Brazil	"Luciana Avíncula Rosimeire Sousa Joseane da Silva Roberta Silva Marcia Gonçalves Creuza Oliveira Priscila Silva Fernanda Jesus Sousa Lucelia de Fátima Santos Carvalho"	First time	From importer "Falcon Specialty"					
Jinotega Community	Jinotega	Nicaragua	Various producers	First time	From exporter "Gold Mountain Coffee Growers"	Mixed / Washed	3042,38	1380	84	\$2,80
Yirong	Yunnan	China	Luo Family	First time	From importer "Sucafina"	Catimor / Washed	2645,54	1200	84,75	
Pipe's Land	Caldas	Colombia	Juan Felipe Restrepo	First time	Direct	Castillo / Natural	1851,88	840	87	\$2,45
Indígenas del Inza	Cauca	Colombia	Local Producers	First time	From importer "Falcon Specialty"	Mixed / Washed	1543,23	700	86	\$2,00
Indígenas del Tolima	Tolima	Colombia	Local Producers	First time	From importer "Colombian Spirit"	Castillo / Washed	1543,23	700	86	\$2,58
San Luis	Tolima	Colombia	Omar Arango	since 2018, every year	From exporter&importer "OPCE"	Typica / Red Honey	1697,56	770	88,5	\$3,50
El Paraiso	Cauca	Colombia	Diego Samuel Bermúdez	2019 & 2020	Direct	Castillo / Lychee Process	687,84	312	89,5	\$9,00
Montes de Tatamá	Santuario	Colombia	Juan Carlos Velez	since 2019, every year	From Exporter "Alex Araujo"	Castillo / Washed / Anaerobic	1080,26 1080,26	490 490	86 86,5	\$3,70 \$3,70
Los Laureles	California	Colombia	Medardo Vallejo	First time	From exporter "Delagua"	Caturra / Natural	771,62	350	89,75	\$6,07
El Roble	Urrao	Colombia	Albeiro de Jesús Ramirez	First time	From Exporter "Alex Araujo"	Chiroso / Washed	771,62	350	87,75	\$4,20
Faith State	Kirinyaga	Kenya	Cecilia Wanjiku	since 2019, every year	From importer "Sucafina"	SL28 / Washed	661,39	300	88,75	\$4,35
Gitega Hills	Nyamagabe	Rwanda	Bernard Uwitije	First time	From importer "Falcon Specialty"	Red Bourbon / Natural	1190,49	540	86,75	\$2,75
Antolín Peña	Chirinos	Peru	Antolin Peña	since 2018, every year	From importer "Falcon Specialty"	Caturra / Washed	1673,31	759	86,5	\$2,95
El Diamante	Jaén	Peru	Elvis Tineo Rafael	First time	From importer "Falcon Specialty"	Caturra, Bourbon, Catuai / Washed	912,71	414	87,5	\$4,00
Laguna de Ayarza	Huehетенango	Guatemala	Various producers	First time	From importer "Sucafina"	Pache / Washed	1521,19	690	84	
Los Laureles	Huehетенango	Guatemala	Luis Hernández López	First time	From importer "Primavera"	Caturra / Washed	912,71	414	86	\$2,55
Kaj Witz	Huhuetenango	Guatemala	Miguel Morales	First time	From importer "Primavera"	Caturra / WashVed	608,48	276	86,5	\$2,85
La Esmeralda	Huehетенango	Guatemala	Crispín Matías	First time	From importer "Primavera"	Mixed / Washed	1596,14	724	86	\$2,67
Genji Challa	Jimma	Ethiopia	Small producers / Washing Station	First time	From importer "Falcon Specialty"	Heirloom / Washed	1587,33	720	88,5	\$3,20
Ayla	Sidama	Ethiopia	Small producers / Washing Station	First time		Kurume / Natural	1322,77	600	89	
Mujeres de Hichoza	Copán	Honduras	8 women producers	First time	From importer "Falcon Specialty"	Mixed / Washed	3042,38	1380	85	\$2,50
Gahahe	Kayanza	Burundi	Small producers / Washing Station	since 2017, every year		Red Bourbon / Honey	661,39	300	86	
Nemba	Kayanza	Burundi	Small producers / Washing Station	since 2019, every year		/ Washed	661,39	300	87	
La Divina	Santa Ana	El Salvador	Roberto Ulloa	2017 - 2019 - 2020	From Importer "Ruffatti Battle"	Red Bourbon / Honey	760,59	345	87	\$5,80
Finca El Salvador	Cerro El Águila	El Salvador	Rodolfo Alessandro Ruffatti Paz	since 2019, every year	From Importer "Ruffatti Battle"	Red Bourbon / Honey	3042,38	1380	84,5	\$3,70
Total farms / co-operatives		Total countries					Total lb 68219,76	Total kg 30944	Average cup score 86,60	Average \$/lb \$3,95