

BEST OF TAIWAN BOX SET

Story

Zhuo Mountain Coffee Farm

"Zhuo Wu Mountain Coffee Farm," selected as No. 1 in Taiwan's first PCA in 2021, broke the record of the highest bid price per pound at the global auction at that time as well. As a result, Taiwanese specialty coffee became popular once again and garnered much attention on the global stage. According to Hsu Ting-Yeh, his family planted tea before. In 2000, he decided to start growing coffee. Currently, the varieties cultivated in the farm are SL34, purple leaf mutation of SL34, Yellow Bourbon, and Geisha. The characteristic of the purple leaf mutation of SL34 is that the young leaves are purple. After DNA testing, it was confirmed to be a mutated species.

Over the past 21 years, Hsu has collected a lot of coffee cultivation experience. He emphasizes that all lands have unique properties. For example, different mountains have different elevations, planting directions, and independent microclimates. Each element affects coffee flavor. Even if the same variety of SL-34 is planted at the same altitude from the north to the south of Alishan, the flavor will still be completely different. This is because of the power of nature, which creates differences in the growing environment, soil properties, etc. On top of that, different farm management methods also contribute to such dissimilarities.

HSU said that Zhuo Wu Mountain Coffee Farm received good results in the first PCA. However, he didn't think too much at that moment. It was the first international specialty coffee auction event in Taiwan. His only determination was to present the coffee beans that he liked after cupping by himself. This small batch of Natural Geisha was selected as No. 1 in PCA. This time, he would hold the same belief and attitude to face the challenges of the 2nd PCA.

PCA provides a larger stage to assist specialty coffee growers in Taiwan. This event offers a chance to clarify their positions in the international market and find a production model that suits the climate of their farms, said HSU. Taiwan cannot compete against other coffee production areas on the international market with plantation area and production volume; however, delicacy sheds a light for us. With appropriate climate, variety and suitable cultivation techniques, we can pave a path to international market. HSU has an ultimate dream: one day, his own coffee beans can be as well-known as Panama's Geisha.

Alluring Scent Coffee Estate

"Alluring Scent Coffee Estate," located in Lalauya Village of Alishan, Chiayi County, is around 1,100 meters above sea level. This coffee estate is situated in a very special border area between three villages: Lalauya, Tapangu, and Niaeucna. According to roaster and the person in charge, Wu Zhao-Yun, Alluring Scent Coffee Estate is positioned in the valley; therefore, duration of sunlight is shorter compared to other coffee farms. That is the reason why he does not plant additional shade trees. Thanks to such affluent natural ecological environment in the farm, Reeves's muntjac, Crested serpent eagle, and Taiwan's smallest owl, "Collared owl", are frequent visitors here.

Originally, Wu grew vegetables of high altitude; however, the harvest time of vegetables is quite short. That made her very stressful during harvest season. Compared to that, harvest time of coffee was longer and less stressful. During the period of catastrophic floods caused by Morakot Typhoon, access roads were heavily damaged. Farmers were greatly impacted by such disaster. Therefore, Wu started to grow coffee. At present, major varieties that she grows include Typica, SL-34, as well as a small amount of Geisha and 74110. In the future, she expects to increase the production of Geisha by grafting. Wu says that each of her family member is in charge of a part of coffee processing in "Alluring Scent Coffee Estate." Her parent is in charge of field management, her mother coffee processing, and she roasting, selling, and online marketing.

Regarding the characteristics of "Alluring Scent Coffee Estate," Wu said that it is the aroma of tropical fruits and alcohol by fermentation. This is also the reason why their coffee is so popular. Concerning coffee processing, due to its rather distant location, on-farm processing is adopted. They always do their best to use the same method and to process coffee beans in small batches in order to maintain the same taste and flavor.

Wu expresses that through the healthy competition created by the coffee tasting events, people from this industry can learn from one another; besides, it also creates chances to get to know more coffee traders and growers. She made many friends and learned the knowledge and skills about coffee during this process as well. She has a deeper understanding of field management, coffee processing, coffee roasting, sensory evaluation, and cupping. In the process of competition and learning, she knows clearly where she should go on this coffee journey.

This year, due to her parent's health issues, Wu has to take over all the coffee production jobs by herself to fight for the chance to participate in the PCA. Last year, she couldn't make it because of the shortage of green beans in stock. This year, no matter how hard it is, she completed the batch for competition on the day before the deadline. She expects the coffee from "Alluring Scent Coffee Estate" to go onto the global stage and show coffee gourmets from around the world such wonderful specialty coffee from Taiwan.

Transparency

We as a company believe transparency is unbelievably important. However, we decided only to list what is shown here because we don't know where to stop. Do we list the amount of coffee lost in roasting due to moisture loss? Should we list our roaster Mark's salary? The warehouse rent? The utilities? The point of listing things above is not to justify what we charge or what we profit, but to give a realistic snapshot of the industry and how Specialty Coffee can be different than other commodity industries. If you have concerns feel free to email us and I'll write you back when I'm available.

Jon

Onyx Price: \$95.82

Green Cost:

The subject of paying for green coffee is inherently complicated. While the amount paid is very important, the payment terms and type of contract negotiated during the purchase are also paramount. Paying \$5/lb of coffee can be a great price, but could be detrimental to a producer if the payment terms exceed that of their needs. Here we will dive into not only what was paid for the coffee, but how the coffee was purchased. There is a glossary of terms to be found below which will aid in your understanding of industry terms.

Farm Gate - This reflects what is paid to the producer of the coffee at the farm level. Oftentimes in terms of our relationship coffees, FOB is fairly close to the farm gate price, except for countries like Ethiopia and Kenya, when it is very difficult to trace back all the way to the producer.

FOB - Free on Board. This means that the seller is responsible for any overland fees that happen before the coffee is on board the ship. This is our most frequently listed green cost, as it is the most simple way to present what we pay a seller, but it does not reflect what the person growing the coffee was paid.

EXW- This most often reflects the 'spot' price that we paid for a coffee. All of the cost is paid by the importer, and more often than not the FOB price as well as the transport costs are unknown.

The price listed below is the average price we paid across the two auction lots. For #3, we paid \$107.10/ lb. #12 went for \$55.50/ lb. All export and auction fees are included within this price.

\$81.30

Transportation:

This number represents the cost we incurred while the coffee was moved from the producing country to our roastery in Arkansas. The amount of information we supply here is correlated to the transparency grade we issue the coffee. The better the grade, the more we can break down this information.

The price listed below is the cost we incurred for airfreight transporting these two lots from Taiwan to Arkansas. This cost is a vast amount higher than usual, owing to the distance of Taiwan and the high prices of logistics in 2022.

\$9.07

Production:

The following list includes many of the costs associated with producing our coffee. We have always maintained transparency as a principle but have lumped these things under the label of "production costs" without going into detail. While the following list isn't exhaustive, hopefully it gives you a picture of the work, expense, and investment involved in executing coffee at the level that we do. At this time we are listing our cost of production for each pound of coffee at around \$4.85. There are obviously many other aspects to running a business such as shrink, mistakes, new equipment and maintenance, but this works as an arbitrary cost associated with making one box of coffee.

Fixed Costs

These are costs associated with simply having a business. Things like utilities of internet, natural gas, phones, rent, business licenses, fees, etc. These things increase every year. For example, most commercial leases increase by 2%, every year. We periodically look at these costs and try to reduce expenses, but work in this area are small moves of the needle as these are mostly the same and usually increase every year. In 2019, we invested in a solar energy system for our roastery. It was installed in 2020 and we are seeing a great return in terms of monthly costs of electricity.

Packaging

This is all the things that go into packaging the coffee from the roaster to your house. There's the biodegradable bag, the recyclable box, the compostable mailer, different boxes for bulk shipping, the paper that pads the coffee, tape, and a few odds and ends. (Read about our new retail packaging HERE). These costs are separate from the green and roasted coffee but a part of the cost of producing coffee ready to ship and consume. We want our coffee to arrive in a secure fashion, looking like it did when it left our roastery: with style and design but also keeping the environment in mind. Shipping packages inevitably has waste associated and we're working towards sustainability at each step.

Labor

We are proud of our team and the way they are so thoroughly dedicated to excellence and to being the best at their respective roles across the industry. We work to make coffee jobs both sustainable and celebrated. We pay salaries, provide health insurance, and give regular raises. Our coffee doesn't taste the way it does without all of our team working hard and performing at a high level. Often we have a handful of staff that get celebrated, but everyone on our team contributes and is valuable. Our roastery production crew has earned a small commission on coffees sold since 2017. Onyx is not just a brand or a design or a café, we are truly made by every person on our team.

We all know it takes work to make anything. Our approach has more labor involved than you may think. Because we visit every Relationship Coffee producer, that means our green buying team of Jon and Dakota typically spend a total of six months traveling. We're committed to visiting and cupping on the ground, this inevitably is an investment of time, of money, of long lay overs, of encountering government coupes and protests, and forging some of the greatest friendships and seeing some of the most beautiful landscapes imaginable.

Another place we are highly invested in labor is in our coffee quality control. Our QC manager literally cups every single batch of coffee that we roast, scores it, makes notes, gives feedback. These records can be found in Find My Roast. This is essentially a full time job. This is something that we technically don't have to do, but in chasing our goal of having the world's best coffee we can't know exactly how each roast measures up without cupping it.

We have more roasters than we technically need. We roast in small batch size, meaning we don't max out the capacity of our roasting machines. This translates into us roasting more actual batches and necessitates more time. This concept is driven by our desire for quality.

We have a creative team that helps create all things visible, digital, and print. These folks are very talented and have really helped push the dream of Onyx to the next level. We believe that coffee can inherently be great, but having something that looks and feels good helps inform expectations, helps bring value, and tells the stories in coffee in a way that is tangible and important.

These are a few of the jobs we feel really have more involvement than might be imagined, but throughout Onyx there are touch points of intentionally positioned team members to help create the best possible coffee experience.

Coffee Roasting

Roasting itself creates loss in coffee. There's the straightforward fact that when coffee is roasted it loses between 7% and 8% of its weight, meaning that if you bought 1000lbs of a lot you ended up with 920lbs of roasted coffee. We also use what's called an "optical sorter" which sorts all of our coffee after it's roasted and kicks out 2% of all coffees. Sorting just creates an overall cleaner coffee, eliminating any outlying beans that are discolored, are quakers, etc. This totals around 10% loss of coffee before it even is bagged for retail or wholesale. We donate this rejected coffee to local food banks, non-profits and halfway houses.

Then there's profiling the coffee. We roast test batches before we release coffees to dial in roasting profiles, and we often make multiple tweaks. The coffee is then cupped multiple times, used to create brewing recipes and guides and used in training. We also pull a sample of each batch of coffee to quality control.

We are committed to shipping only the absolute best coffees to our customers, and these measures—although costly—are in place to help create trust between you and us.

Taxes

We all know what this is. We set aside and submit money every quarter for taxes along with paying all of the weekly and monthly taxes we are obligated to pay. This can be tough for a small business as there are ebbs and flows in cash flow, and taxes are often not paid in conjunction with the sales season.

\$5.45

Fair Trade:

Since coffee was first sold, producers have sought to increase or maintain the price of their product. In 1988, the first certified Fair Trade coffee was sold in Holland as a partnership with a cooperative in Mexico. This was a major stepping stone in coffee trading, as it promised farmers a safety net when the volatile commodity market of coffee plummeted. Fair Trade ensures that farmers will be paid a minimum price for their product, which serves mostly as a safety net when all other prices drop. As the specialty market has grown, criticism for Fair Trade has grown alongside it. Consumers and coffee professionals alike have misunderstood Fair Trade Certified coffees to be the answer to a growing coffee price crisis. Many have used these ethical labels to continue to pay coffee producers a minimum price for a product that has exploded in popularity through the years. We are careful not to minimize what Fair Trade and other certifications have accomplished through the years, viewing a set minimum price as a stepping stone to a larger conversation about how the industry treats valuable producing partners. As we avoid settling for the bare minimum, we always pay at least double Fair Trade minimums based on the quality of coffee we purchase.

\$1.60

C Market:

In the modern world, coffee is valued as one of the most important agricultural exports of developing nations. Most coffee in the world is produced as an ubiquitous green seed to be roasted by large roasters and sold on a shelf with little information about where it comes from and who grew it. Like other agricultural commodities, coffee is traded in future contracts on many exchanges. This price is dictated by global economic forces such as supply and demand, which is set by the largest suppliers and the largest buyers. The price of commodity coffee has been in major decline since the collapse of the International Coffee Agreement, and also due to forces outside the coffee industry as a whole. The minimum price that a producer has gotten for their product since the collapse of the ICA has hovered around \$1.20/ lb, but within the last few years it is most frequently found to be under \$1.00/ lb, which many industry experts consider to be under the cost of production. The commodity price of coffee never dictates the prices we pay for coffee, due to the precedence that quality takes in the specialty industry. We factor in cup score, variety, process, country of origin, and other factors when drawing up our private contracts with producing partners. Choosing to list the commodity market price at the time of our purchase shows the biggest difference in markets, as we strive for a more holistic and honest approach to the way that coffee is purchased.

\$2.20

Cup Score:

As we travel the world and taste coffees, we evaluate all the coffees we taste on a scoresheet developed by coffee professionals around the world. Through this, we can participate in and use the language of an industry standard set of guidelines. This allows us to honestly assign a numerical score to any coffee we taste, creating the ability for a starting point in a discussion of the quality of each coffee. We list the cup score of each coffee we purchase as part of our ethos of transparency, not as an end all be all statement of drinkability. Many of us agree that we'd rather drink an 86 point coffee rather than an 88 point coffee. We list it because the cup score serves as a reference of quality, allowing producers to negotiate higher prices based on the hard work they've done to achieve this quality. This is the imperfect industry, answer to the commodification of coffee, which can be bought and sold based on economics, rather than the nuances and sweetness in the cup...

For more information on coffee sensory science, check out the Coffee Quality Institute.

87+

Lot Size:

Lot size is seemingly straightforward when taken at face value, but it gets more convoluted as you look closely at the vernacular of the specialty coffee industry. Terms such as micro-lot and macro-lot get awfully blurry as we buy coffee from different parts of the world. Like many other things in the coffee industry, there is not one catchall term that will tell you if your coffee is indeed a micro-lot. The size of a lot rarely informs us of the quality of that lot, which is a difficult concept to shake coming out of the early years of specialty coffee. Lot size informs us of one thing: the size of that lot. We can, however, take this time to talk about how coffee is separated at the production level, and how we make sense of it from country to country.

The first way we see coffee divided up is by region. These lots are often built up of many farms, crops, or washing stations. This often signifies that the lot was built to reflect the flavor characteristics of the region. Colombia comes to mind when we think of regional blends, and these blends can often be very valuable to roasters and producers if transparency is upheld and fair prices are paid. We partner with friends like Pergamino Coffee to build regional lots, where within we seek to uphold transparency and quality.

The second way we see coffee represented is by a cooperative, farm, or washing station. Oftentimes this is where you begin to see 'micro-lot' sized offerings, which can often be built from several parts of each farm, or a few farms in one area. (Sounds a bit like a regional blend, doesn't it?) These lots represent an entire harvest, where individual day lots are blended to form an offering that is of a decent exportable size. This ranges from just 100-300 kg all the way up to several full containers of exportable green. One thing is to note, forming a single farm lot can often take just as much cupping and profiling as the large regional blends, due to each day or weeks pickings being separated and cupped to ensure they fall into quality standards.

The final way we see coffee represented is by day lot. This is where terroir comes into play, due to organic variations in environment such as shade, soil type, tree age, and many other factors. Nearly any quality control program that is on a farm level will evaluate harvest this way. This allows for producers to isolate parts of the farm or crop that is facing some challenges, as well as to select truly remarkable day lots to represent the pinnacle of their work. These small offerings range from just a few kilograms up to several thousand. We see these lots most often during auctions such as Best of Panama and Cup of Excellence, where they fetch high prices. Each one of those lots not only represents the hard work of each producer, but they also represent the amount of coffee that was filtered out during this quality control stage. This focus on the minuscule may seem like semantics to some, but as you zoom back out to your cup you realize just how many decisions were made before it arrived in your hands.

30 kgs

Transparency Grade:

These ratings do not signify the "ethical grade" of a purchased coffee, instead they are created to show data to everyone. These ratings simply signify how much we understand what the grower of our coffees actually make. This is not an "us" vs "them" mentality of Roasters & Producers against Importers & Exporters or Farmers vs Customers that narrative can be damaging and usually full of fallacies. All parties are needed for this beautiful industry to thrive and our position is that sharing data has no moral position. It is simply numbers and math. We'll leave the moral high ground to others even if this data is filtered through preconceived notions.

A+

This rating signifies we have published the price and payment went directly to the producer as well as all parties involved in logistics. Money exchanged was only through Onyx and producing parties. No procurement payments or bank financing were made. Mills, Exporter, and Importer are all known and quality scores are published. Farm gate, FOB, Milling, Logistics proven.

A

This rating signifies we have published the price and payment went directly to the producer. Money exchanged was only through Onyx and producing parties. Importer was hired to move coffee in the United States. No procurement payments or bank financing were made. Mills, Exporter, and Importer are all known and quality scores are published. Farm gate, FOB, Milling, Logistics proven.

A-

This rating signifies we have purchased directly from a cooperative or association and published price of FOB and wire to the head of a Cooperative or Farmers Association who pays members we are working with at Origin. We ask and publish what farm gate price was that is reported from farmers. Mills, Exporter, and Importer are all known and quality scores are published. FOB, Milling, Logistics proven.

B+

This rating signifies a published price of payment that went directly to a producer but producer also buys cherry from other neighboring farms. Verbal confirmation and published prices of Farm gate are acquired for coffees, but we only pay producer in contact. Mills, Exporter, and Importer are all known and quality scores are published. FOB, Milling, Logistics proven.

B

This rating signifies we have published FOB price and pay directly to Cooperative or Exporter at Origin. Farm Gate price is proprietary or lacks of records of payments. Mills, Exporter, and Importer are all known and quality scores are published.

B-

This rating signifies we purchased this coffee from an Importer and visited farm, cooperative or