





**AN OVERVIEW OF BRAZIL,  
SOUTH OF MINAS, AND THE  
COFFEE MARKET.**



# AGRIBUSINESS INDUSTRY IN BRAZIL

The agribusiness is the most important and competitive industry in Brazil due to environmental conditions, abundance in solar energy, drinkable water, and fertile land. Brazil is one of the most important players in the world, being the main exporter of coffee and one of the largest global suppliers of soybean, meat, orange juice and corn. Agribusiness is responsible for more than 40% of Brazilian export and corresponds to approximately 25% of internal GDP. The obstacles currently faced are poor infrastructure, logistics, scarcity of working capital for farmers and the high-interest rates prevailing regarding the coffee sector, Brazil is unrivaled in the production of Arabica, green coffee and instant coffee.







# SOUTH OF MINAS GERAIS

It is an important region with specific and very worthy characteristics, having a traditional and strong agriculture and livestock industry, near to São Paulo, Rio de Janeiro and Belo Horizonte which are the most important cultural and technological center in Brazil and the largest consumer markets in the country. The region has features being the most important coffee production region in Brazil, very rich in biodiversity with large areas of preserved lands. The artificial Furnas' Lake is another great differentiation with specific climate and weather conditions near Capebe. The region is highly developed in crop production. Infrastructure, logistics and natural resources are favourable to the region due to it's unique location.





## COFFEE INDUSTRY IN BRAZIL

It's remarkable that the world trade in coffee in 2018/19 crop, should move about from 174,5 million bags. As the main producer of coffee in the world, Brazil has a planned export volume of 35,33 million bags.

In 2017/18, the sales to the foreign market totaled 30,45 million bags. Consolidating around 16,03% of growth projection.

According to the report of the Board of Brazil's Coffee Exporters disclosed in November 2018, from January to November of the same year, Brazilian coffee exports totaled 31,38 million bags to 122 countries. The percentage of Arabica green coffee, in total export operations of 2018, was 82%.

The main destinations of Brazilian coffee exports in 2018, by order of magnitude, were:

 <b>United States 5,511,000 bags</b>	 <b>Germany 4,933,000 bags</b>
 <b>Italy 2,941,000 bags</b>	 <b>Belgium 2,124,000 bags</b>
 <b>Japan 2,030,000 bags</b>	 <b>United Kingdom 1,178,000 bags</b>

Who consumes Brazilian coffee around the world, is probably enjoying a grain from the State of Minas Gerais, which represents 70% of Brazil's coffee production. If Minas Gerais is the birthplace of Brazilian coffee, the South of Minas Gerais is the most important productive source of the State, and Capebe stands out amongst the three largest cooperatives of Brazil.







## THE COMPANY



CAPEBE is a cooperative company which processes, stores and trades grains – corn, soybean and coffee, produce dairy products and provides products and services to its associates. The company was founded in December of 1963 by a group of farmers with long tradition in agriculture. Head quartered in Boa Esperança, South of Minas Gerais, Brazil, it is only 66 km from the “dry port” in Varginha and 445 km from the port of Santos.

### **Mission, vision and purpose of Capebe.**

- ▶ **Mission**  
To build a strong and lasting partnership, based on trust that benefits the collective wealth.
- Vision**
- ▶ To be a profitable model of agribusiness, with environmental and social balance.
- Purpose**
- ▶ To be the “bridge” between farmers and consumers.





### **Capebe, one of Brazil's leading coffee cooperatives**

With more than nine thousand cooperative members, Capebe ranks as the 3rd largest agricultural cooperative in Minas Gerais, according to the Yearbook of Economic and Social Information of Cooperativism of Minas Gerais (2018).

In addition, Capebe is proud to be amongst the ten largest cooperatives in the state number of employees, with more than 500 professionals in the team, as well as in total assets, with more than R\$ 380 million accumulated.

With seven units in throughout the South of Minas, Capebe occupies a prominent place in these cities, all located in regions worldwide known for the high quality of the coffee beans in an area of approximately 80 thousand hectares of coffee.

We are currently present in the following cities:

- ▶ Boa Esperança
- ▶ Campo do Meio
- ▶ Candeias
- ▶ Coqueiral
- ▶ Cristais
- ▶ Guapé
- ▶ Illicínea
- ▶ Nepomuceno





# SUPPLY CHAIN MANAGEMENT

Supply Chain Management drives the strategy for execution through vertical coordination and vertical integration. Agricultural products that are processed in the company comes from the cooperative's member's crops which are managed with high technology practices in order to minimize costs and increase productivity through crop rotation and crop succession, reaching agronomic balance, treating the soil in its three basic aspects: biological, chemical and physical. In one hand, CAPEBE provides to the cooperative members: raw material (fertilizers, pesticides, seeds), technical assistance and finances their working capital. On the other hand, the farmer's crop production is sent to the company where products are processed, stored and traded. In addition, CAPEBE develops partnerships with the costumers who buys Capebe's products, through annual contracts with pre-fixed prices or indexed in the stock exchange.







**THE COFFEE CYCLE:  
FROM THE TREES  
TO THE CUP**



With a rigorous quality process and highly qualified professionals, Capebe's Coffee Quality Control Department analyzes all the important steps in the process, from the plantation to the final product, through drying, processing, storage, re-processing, technical and sensorial analysis.

## COFFEE: A NEW CONCEPT







The best coffees (fine and gourmet) produced by Capebe's members are selected, identified and given an exclusive nomenclature, so since the origin they start to carry a quality stamp.

Through this quality stamp, the Quality Control Department creates and develops coffee blends. Afterwards, Capebe rewards the cooperative members who produced these coffees.

Capebe is one of the best and largest suppliers of quality coffees in Brazil, an unconditional partner in the search for satisfaction and excellence, with its cooperatives members, partners and customers.

We realize that the consumer does not only want a product or a generic drink, but they also seek pleasure and satisfaction in face of a variety of aromas and flavors found in most diverse types of coffee.

In this way, companies around the world are increasingly appreciating original coffees, with a unique quality.

Whether they are passionate or just curious, everyone is learning to taste and discover the best coffees available, especially in large coffee shops around the world. At each cup, consumers discovers a variety and a different taste of coffee, and with that, they create their own identity their own concept.

Following are some possibilities of blend that Capebe can offer, thanks to our most diverse types of coffee. Based on the sustainability pillars we prospect and value socioeconomic growth of the region we are located through family production.





### **Blend Arara Azul (Blue Macaw)**

County – Illicínea – MG

Region – South of Minas Gerais

Altitude – 900 to 1100 meters.

Variety – Mundo Novo (mainly).

Standard – Fine Cup

Humidity – 11.5%

Origin – Natural

Sieve – 17/18

NY – 2/3

Stocklot – 1.000 bags

Drying – Sun exposure

Roast – Medium

Drink – Soft

Score – 85 points

Nuances – Intense taste, mean sweetness, the perfect blend for discerning palates.

The Specialty Coffee Department created and developed the Arara Azul standard through a rigorous quality process.



### **Blend Canário (Canary)**

County – Guapé – MG

Region – South of Minas Gerais

Altitude – 900 to 1100 meters.

Variety – Catuaí (mainly).

Standard – Fine Cup

Humidity – 11.5%

Origin – Natural

Sieve – 14/16

NY – 3/4

Stocklot – 1.000 bags

Drying – Sun exposure

Roast – Mean

Drink – Soft

Score – 83 points

Nuances – Intense taste, mean sweetness, the perfect blend for intense palates.

The Specialty Coffee Department created and developed the Canário standard through a rigorous quality process.







**Bem-te-vi**  
Great Kiskadee

### **Blend Bem-te-vi (Great Kiskadee)**

County – Nepomuceno – MG

Region – South of Minas Gerais

Altitude - 900 to 1100 meters.

Variety – Acaiá (mainly).

Standard - Good Cup

Humidity – 11.5%

Origin - Natural

Sieve – 17/18

NY – 2/3

Stocklot – 500 bags

Drying – Sun exposure

Roast – Medium

Drink – Hard

Score – 78 points

Nuances – Intense flavor, mean sweetness, the perfect blend for stronger palates.

The Specialty Coffee Department created and developed the Bem-te-vi standard through a rigorous quality process.



**Faisão**  
Pheasant

### **Blend Faisão (Pheasant)**

County – Coqueiral – MG

Region – South of Minas Gerais

Altitude - 900 to 1100 meters.

Variety – Acaiá (mainly).

Standard - Good Cup

Humidity – 11.5%

Origin - Natural

Sieve – 14/16

NY – 3/4

Stocklot – 500 bags

Drying – Sun exposure

Roast – Medium

Drinks – Hard

Score – 76 points

Nuances – Intense flavor, mean sweetness, the perfect blend for stronger palates.

The Specialty Coffee Department created and developed the Faisão standard through a rigorous quality process.







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