



COLOMBIA

Breakdown of a typical price paid for coffee via RM (USD/kg, all stages converted to green equivalent, GBE, at 0,20 prep)

Figures are displayed in USD/kg. All values have been converted to green bean equivalent (GBE) at 0,20 prep. All data is based on the 2020 harvest data, represented by our mode and median average coffee price; the Red Associations coffees (El Carmen, Santuario, El Aguila etc).

Assumptions: 3400 COP to 1 USD (average rate Dec 2020–Jan 2021). Parchment to milled green @80% yield, 4% removed as defects to reach 0,20 EP physical quality.

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Colombia is the most established of the coffee producing arms of Raw Material. As a result, our operational costs are smaller and most efficient here, at 0.22 USD/kg. These costs per kg become lower every year as we export more coffee. This lean structure and Colombia's more developed coffee infrastructure means there is less need for the large scale investments that are required in countries such as Timor-Leste and Burundi.

The smallholders we work with in in Colombia cultivate and fully process their own coffee, selling it as dry parchment. The incurred costs of processing and drying their own coffee means a higher cost of production in Colombia, when compared to countries where producers sell cherry to a wet mill or washing station. Likewise coffee trees are highly cultivated and farms intensively managed in Colombia, this further increases the cost of production through added cost of labour and agricultural inputs (fertilisers etc). This results in far greater productivity per hectare, (25 times that of Mexico and Timor Leste). So while profit per kg may look similar between countries, annual household income from coffee in Colombia is far greater than the other origins in which we work.

Across the country, to improve household incomes, to elevate the position of female coffee producers, and to encourage a shift towards more environmentally sustainable farming practices, we:

- Set up cupping labs, and focus training towards women
- Build and join community associations, invest in infrastructure and training to improve quality, and take their coffee to market.
- Place QC staff and equipment at parchment buying points to improve consistency.
- Consult wet mill operators and producers in-person on best practices.
- Purchase for consistent prices based on what coffee costs to produce and what roasters are willing to pay to maximise profitability for producers. This can be seen in the return of RM profit, 0.46 USD.

This cost breakdown of a kilogram of green coffee only tells half the story. Please visit rawmaterial.coffee/theresult to learn about the other important factors to consider when purchasing your coffee.

