



**CEDRO ALTO**  
Coffee Farmers Collective



Transparency Report  
2019

# Transparency Report 2019



## Economics:

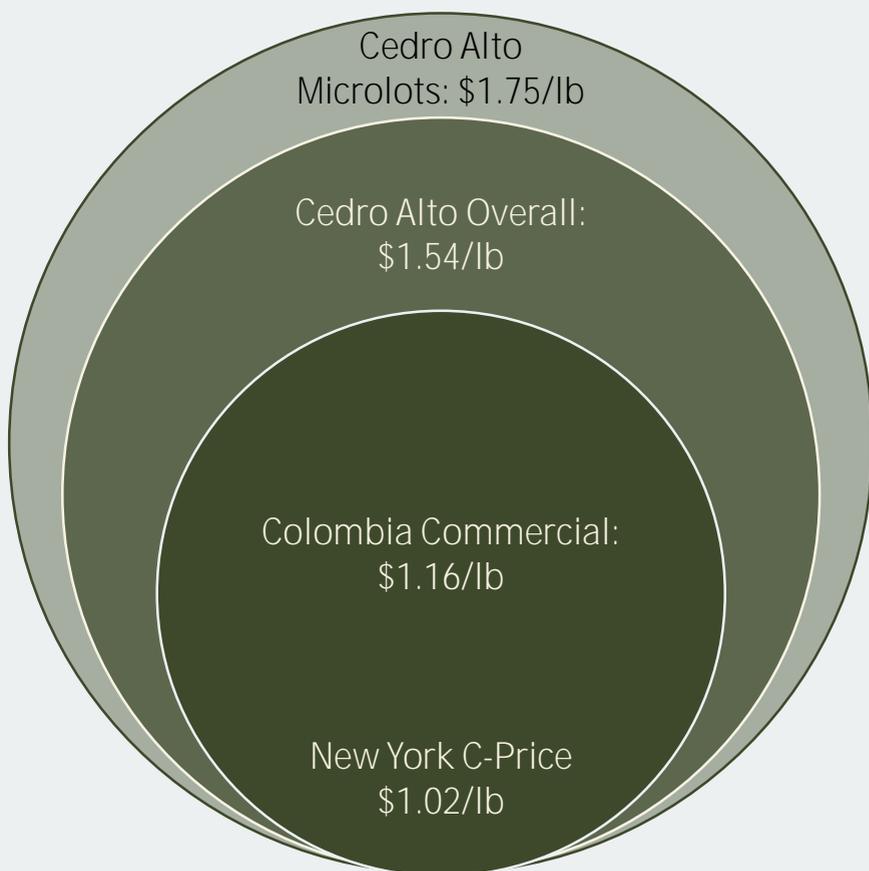
*How much do farmers make?*

### Overall



**100%**  
Off-C-Market fixed pricing dependent on cup quality

### Microlots



- Colombian Commercial price is the average of monthly averages paid by the Colombian Coffee-Growers' Federation (FNC) for parchment coffee, converted to green using average yield.
- The New York C-Price (KC1) is the green coffee future contract on the New York ICE market which is use as a reference price for global arabica coffee Free on Board (FOB) as sold by the exporter, without indicating the portion paid to the producer.
- We do not subsidize the price paid to farmers from any sort of charitable or religious funds (which does happen). We are a totally independent organization aiming to establish a sovereign and sustainable supply chain. Prices paid to farmers are based solely on the price paid by roasters, minus known costs and risk profile.
- This price is what the producer earns for parchment coffee at the farm level, not to be confused with FOB price paid to the exporter, or to larger farmers for processed or exported coffee. Many use the FOB price since exporters are generally unwilling to share the price they pay the farmer, making it impossible to really know the impact of a purchase.

# Transparency Report 2019



## Economics:

*What does that mean for farmer income (profit)?*

Cedro Alto  
Collective:

\$.74/lb

*Average farmer net income*



Commodity  
Market:

-\$ .02/lb

*Average farmer net income*

\$9,713/year family income

-\$418/year family income

*Based on a cost of production of \$720,000 Colombian pesos / carga of 125kg parchment, yield factor of 92.8, average farm yield of 15.26 bags of 70kg green coffee per hectare, and 5.5 hectares average farm size.*

100%

Small family farms  
=<10 hectares (24 acres)

61%

=<5 hectares (12 acres)

*We are strictly small farmers, not because we're jealous of big farms, but because the big guys don't need an organization like this to reach international markets, while we have no other viable option. A mostly homogeneous membership means we're equals and no one has an advantage over the others. Lastly, the generous volunteer labor that has allowed us to advance would likely not be donated to farmers with mansions and masters degrees.*

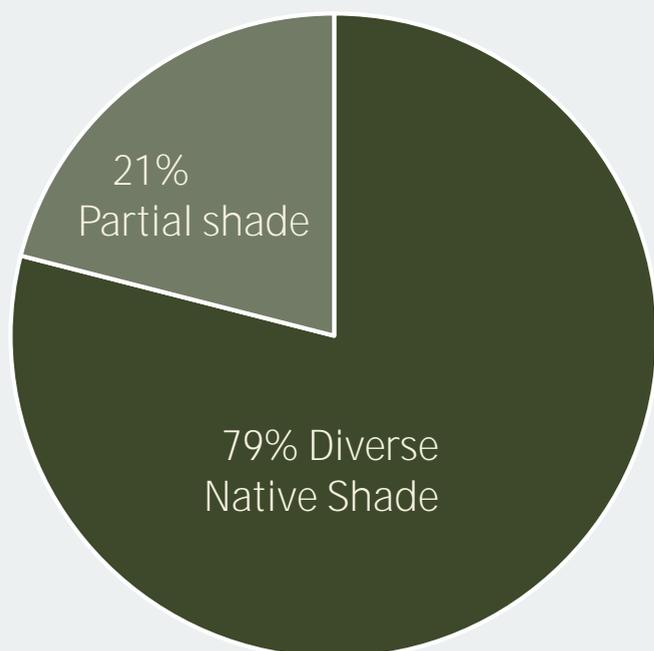


# Transparency Report 2019

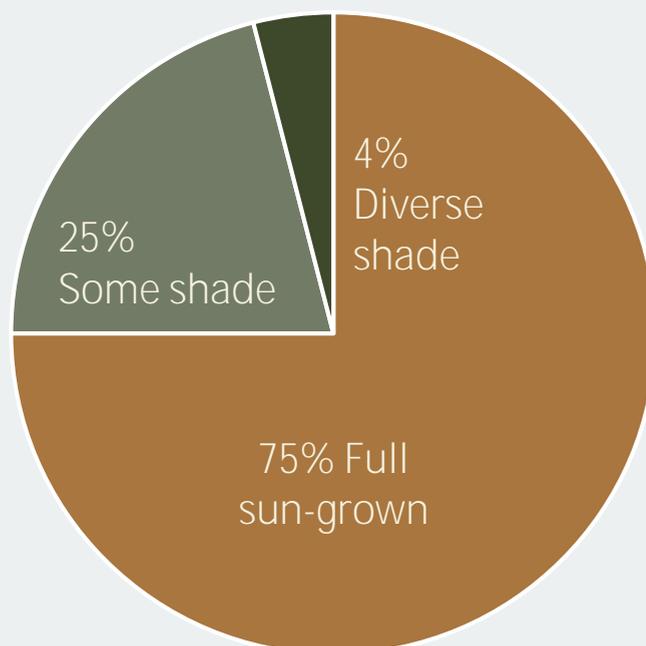


## Environment:

*What is the environmental impact of purchasing through Cedro Alto?  
Shade & Biodiversity*



Cedro Alto Members



Colombia Average

Shade-grown coffee systems have too many benefits to list. Shade-grown coffee is one of the most sustainable land-uses apart from natural forest, and sun-grown monoculture is one of the most harmful. Shade-grown coffee has been shown to: reduce soil erosion and runoff by 64%, increase soil fertility by 19%, retain soil moisture (protecting against drought) by 42%, reduce the presence of herbivorous insects (like broca beetle) by 64-80%, reduce the need for synthetic fertilizer by 25-30%, increase avian biodiversity by 50%, and diversify income streams and provide food for coffee-growing families.



# Transparency Report 2019



## Environment:

*What is the environmental impact of purchasing through Cedro Alto?  
Pesticide Use*

### Cedro Alto Members

0%

Use of topical  
agro-chemicals

- Meaning toxic, synthetic herbicides, pesticides, and fungicides.
- We have no problem with biological controls such as introducing a fungus to stave off borer beetle.
- Some growers use synthetic fertilizers. These are used to replenish soil nutrients absorbed by coffee to maintain soil health, promoting growth, vs. pesticides that promote death.



### Colombia Average

65%

Use of synthetic pesticides  
 $\geq 4x/yr$

- This figure covers only insecticide applied at least 4 times per year. Glyphosate (Monsanto Roundup) is also heavily used, which we feel is unequivocally misguided. The percentage of farmers using poison insecticide less than 4 times per year, plus those using Roundup is likely much higher than 65%

This document is intended for the internal use of recipients only and may not be distributed externally or reproduced for external distribution in any form without express written permission of Direct Origin Trading LLC DBA Cedro Alto.





# **CEDRO ALTO**

Coffee Farmers Collective

**We Are Small.**

**But We Are Many.**