

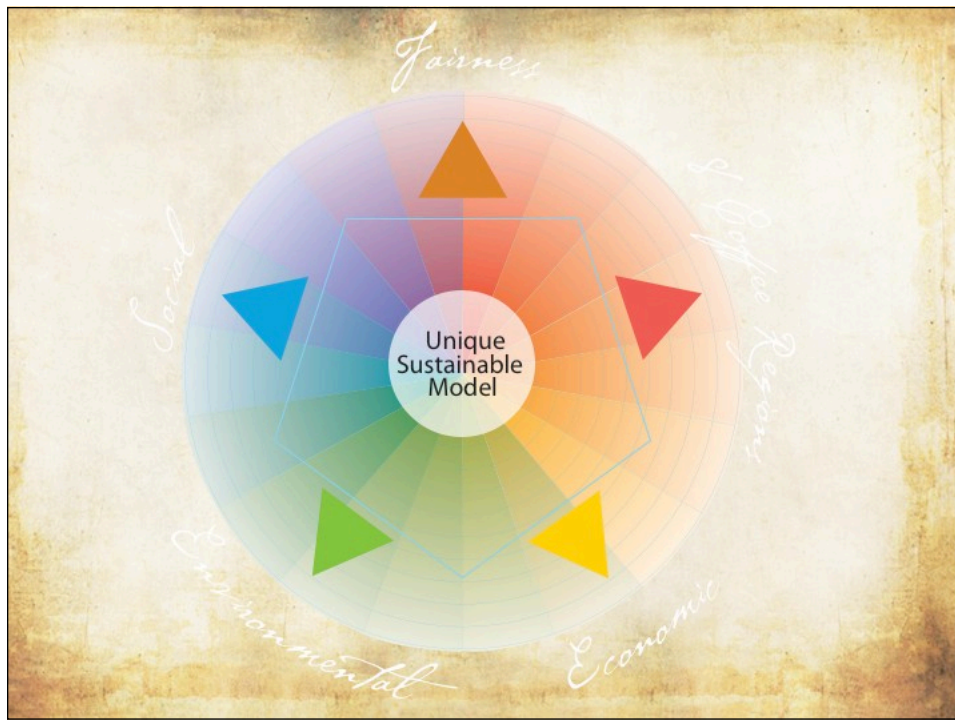


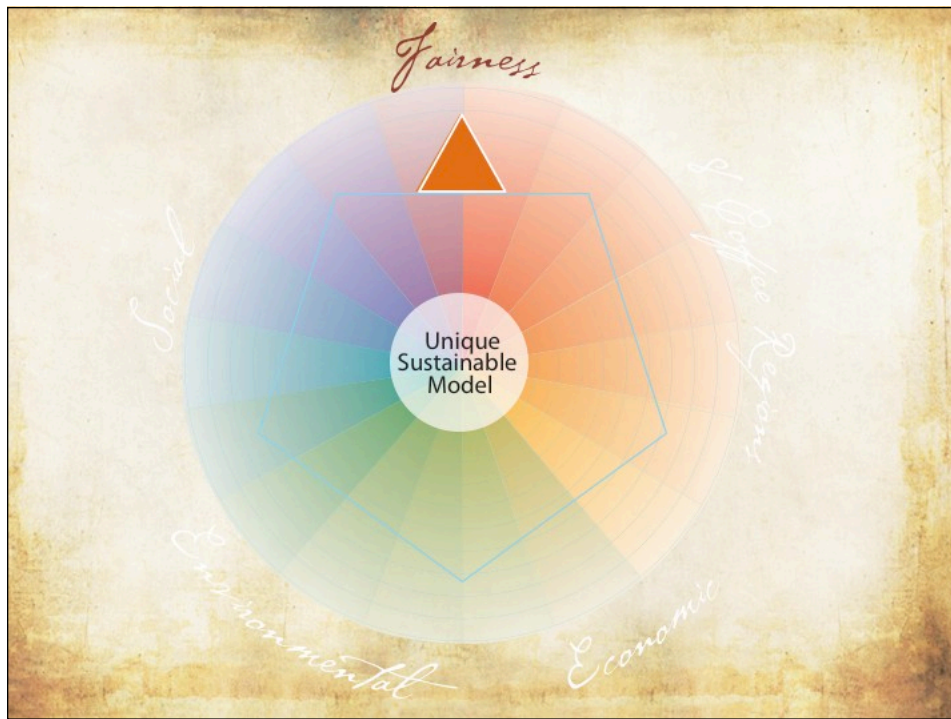
Is Coffee...
all about
Price?

**P(x) + Quality +
Reliability + What Else?**

**Let's talk about
Costa Rica**







We Grow a Unique Sustainable Model

ETHICAL

1933, ICAFE is created

LAW N° 2762

ICAFE promotes a unique model of fairness among the members of the coffee growers' sector: producers, mills, roasters and exporters.

50.631 producer families

92,3% produce
less than 75 bags.



- Licenses for a legal participation (Mills, exporters, roasters, traders)

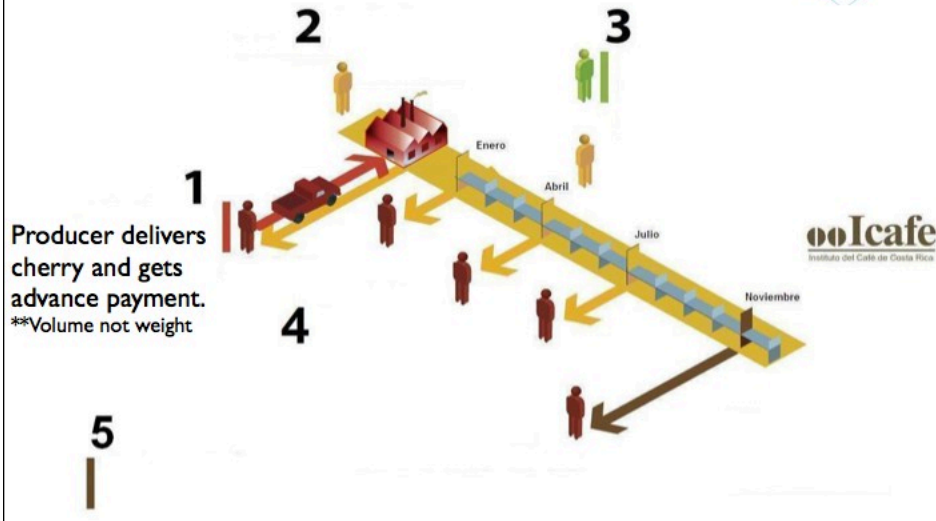
- Guardianship of all records of the entire chain.

Icafe
Instituto del Café de Costa Rica

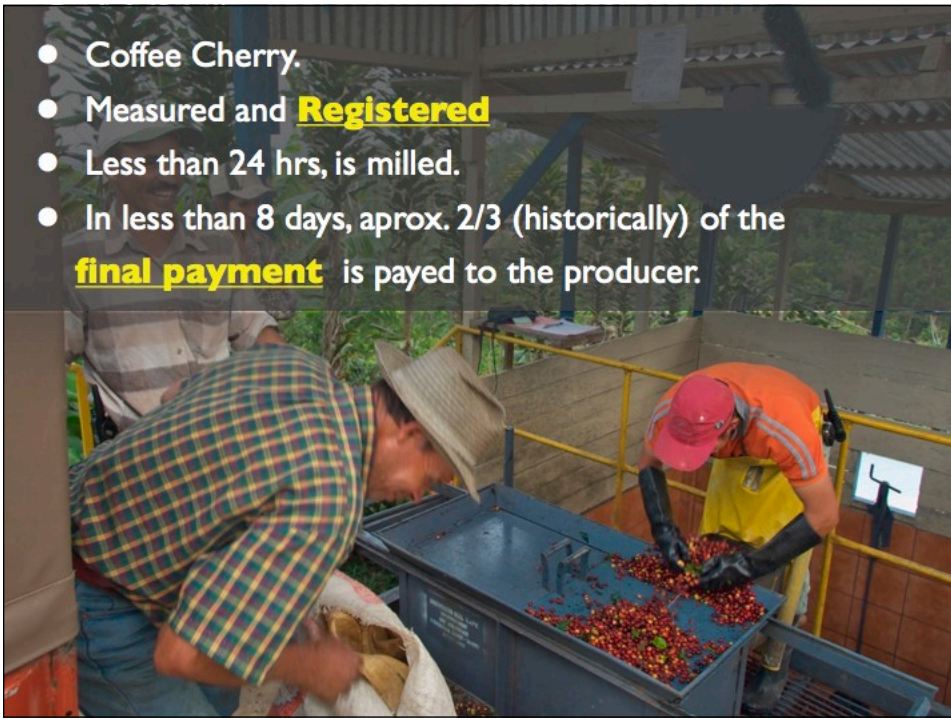


We Grow a Unique Sustainable Model

Ethical



- Coffee Cherry.
- Measured and **Registered**
- Less than 24 hrs, is milled.
- In less than 8 days, aprox. 2/3 (historically) of the **final payment** is payed to the producer.



Picking



Transportation Costs



Farm Preparation

- Pruning
- Soil analysis
- Maintenance
- Coffee renewal
- Control pests and diseases
- Fertilization
- Others





GEOGRAPHICAL INDICATION®

Costa Rica Unique Country, Unique Coffee

Mill must report to ICAFE (every 15 days) the total Coffee received

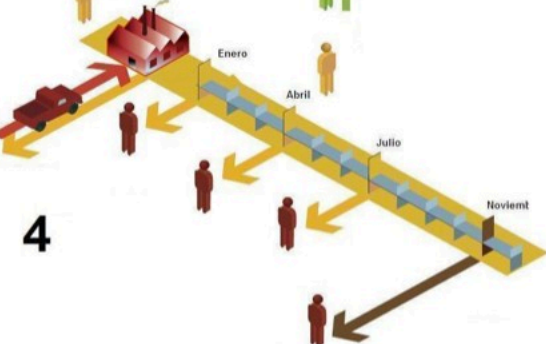
2

3

1
Producer delivers cherry and an advance payment is done.
**Volume not weight

4

5



GEOGRAPHICAL INDICATION®

Costa Rica Unique Country, Unique Coffee

Mill must report to ICAFE (every 15 days) the total Coffee received

2

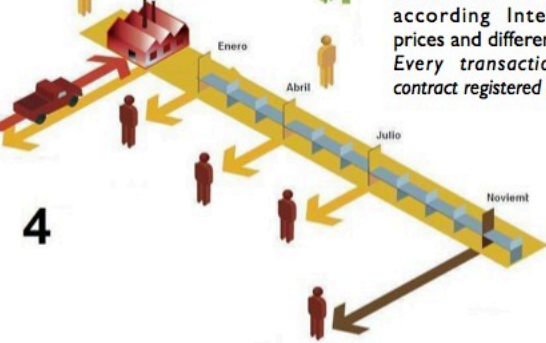
3

Green Coffee sales (Mill to Exporter or Roaster), MUST be reported to ICAFE, to be approved according International prices and differentials. Every transaction has a contract registered in ICAFE.

1
Producer delivers cherry and an advance payment is done.
**Volume not weight

4

5



Sales, Registered and ...

oolcafe
Instituto del Café de Costa Rica



CONTRATO DE COMPRA-VENTA DE CAFÉ PARA LA EXPORTACIÓN

CONTRATO INTERESADO No. P012-477M Contratación 2033

COMPRADOR: Contratación

VENDEDOR: Café Grapes, S.A.

CONDICIONES EN CLERAR EL PRESENTE CONTRATO DE COMPRA-VENTA DE CAFÉ PARA LA EXPORTACIÓN EN SU PLANTA DE BENEFICIO:

SACOS: 300

TIPO: RS

PREPARACIÓN: Cerezo Americano

OTRAS CONDICIONES DE CALIDAD:

MARCA: FE INICIA

PRECIO BOLETES POR KILOGRAMOS NETOS: 181.7800

POSICIÓN DE BOLSA:

Checked!

by ICAFE according:

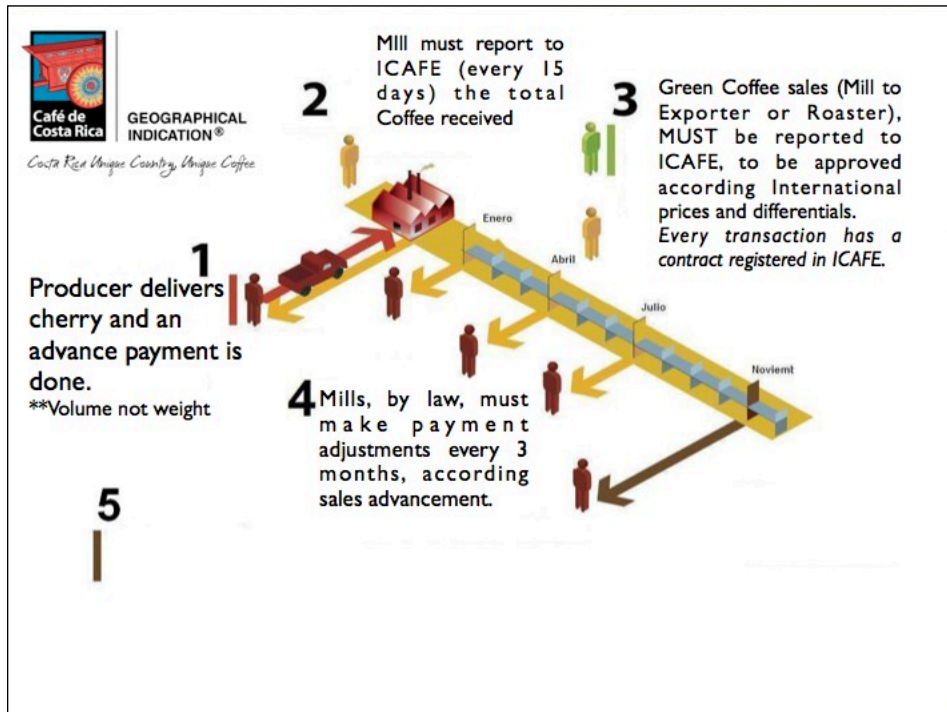
- Preparation / quality
- NYC, price of the day
- Average differential of the day

Guarantee, the best price the producer will get when the **Final Payment** is made!

Every export is also verified by ICAFE, and “witness” samples are stored.



Reliability as added value!





GEOGRAPHICAL INDICATION®

Costa Rica Unique Country, Unique Coffee

1 Producer delivers cherry and an advance payment is done.

**Volume not weight

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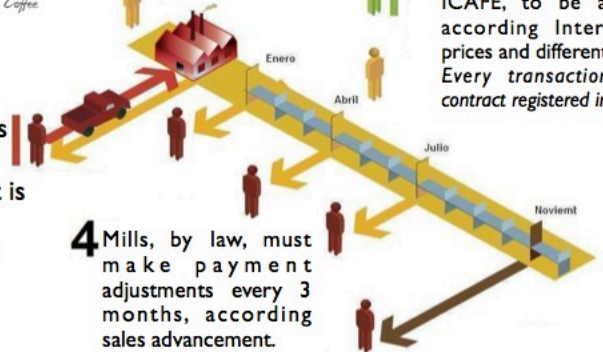
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4

Mills, by law, must make payment adjustments every 3 months, according sales advancement.

5

FINAL payment: Total Sales - Expenses Approved by ICAFE - Mill Utility (Fixed by Law 9%).



GEOGRAPHICAL INDICATION®

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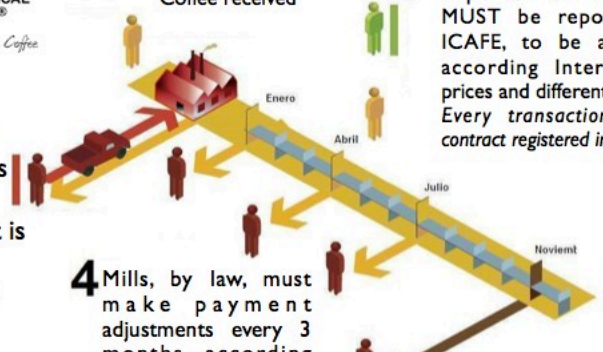
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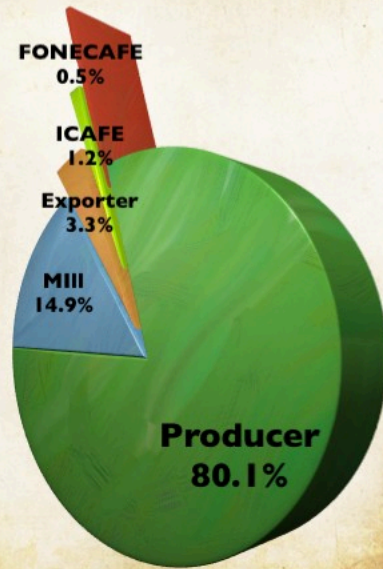


FINAL payment prices: Must be published in Costa Rica's main Newspapers, and the Mill must pay the producer within the next 8 days the balance due.

We Grow a Unique Sustainable Model

Ethical Trade

Producers receive
80%
of the price
per bag sold.



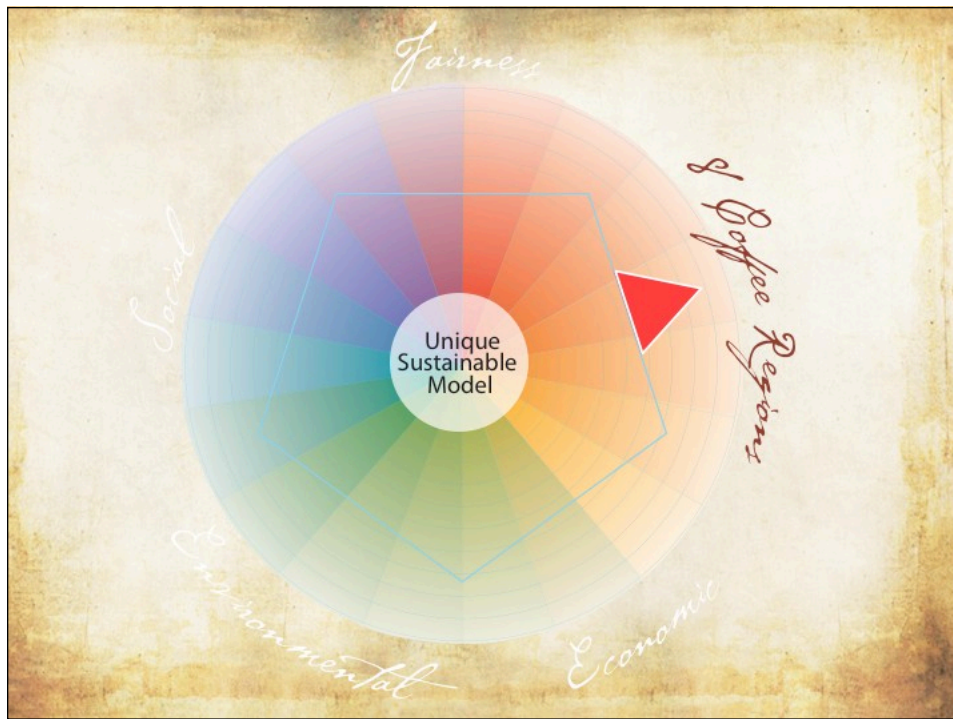
We Grow a Unique Sustainable Model

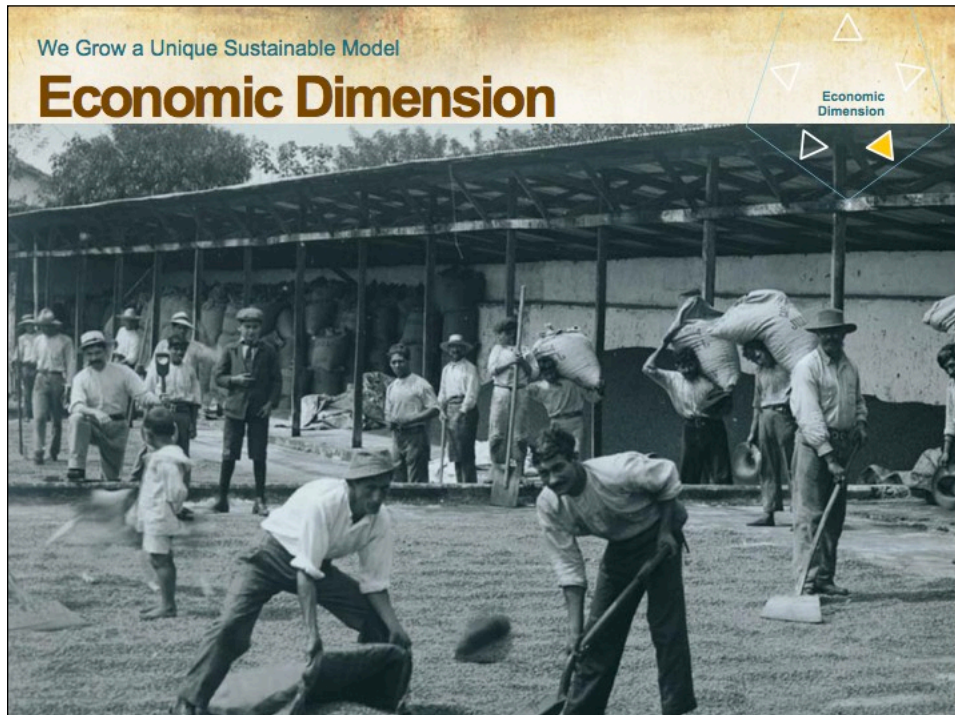
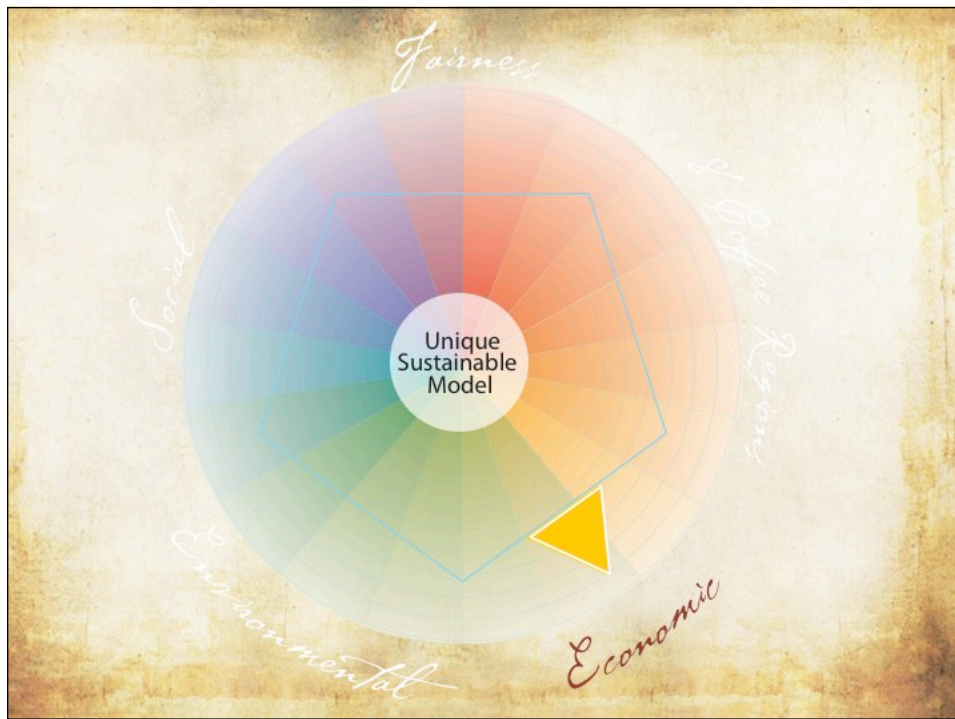
Research, Development And Transference Of Knowledge

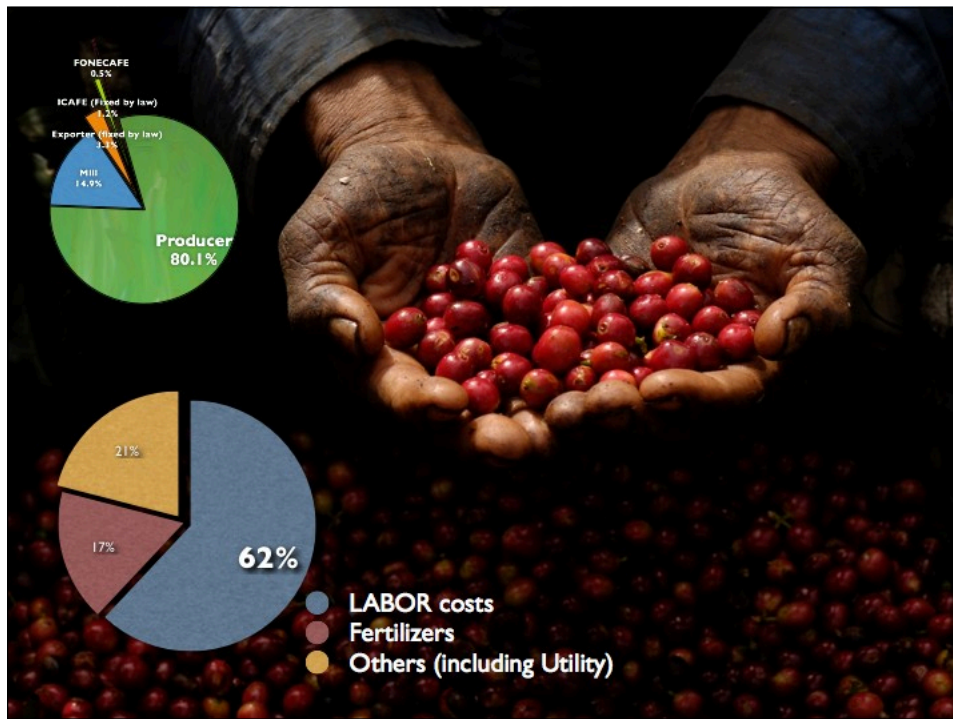
To The Sector 60 years

Ministry of Agriculture and Livestock – ICAFE
1977, creation of CICAPE, 10-hectare
experimental farm







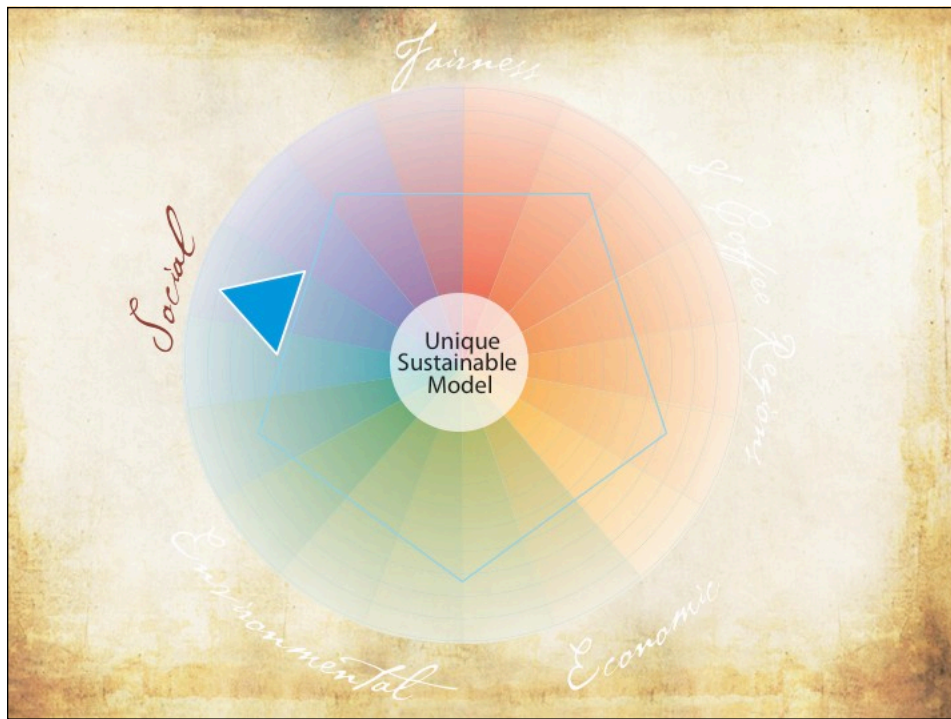


We Grow a Unique Sustainable Model

Rural Economic Development Model

Economic Dimension

Permanence in the agricultural field
Development and continuity of coffee generations
Helps reduce migration to urban areas



We Grow a Unique Sustainable Model

Social Dimension

Historically, coffee has been Costa Rica's motor for social development

COFFEE CHAIN Over 50.631 producer families, 172 mills, 32 roasters and 57 exporters.

An **8%** of the country's work force.



We Grow a Unique Sustainable Model

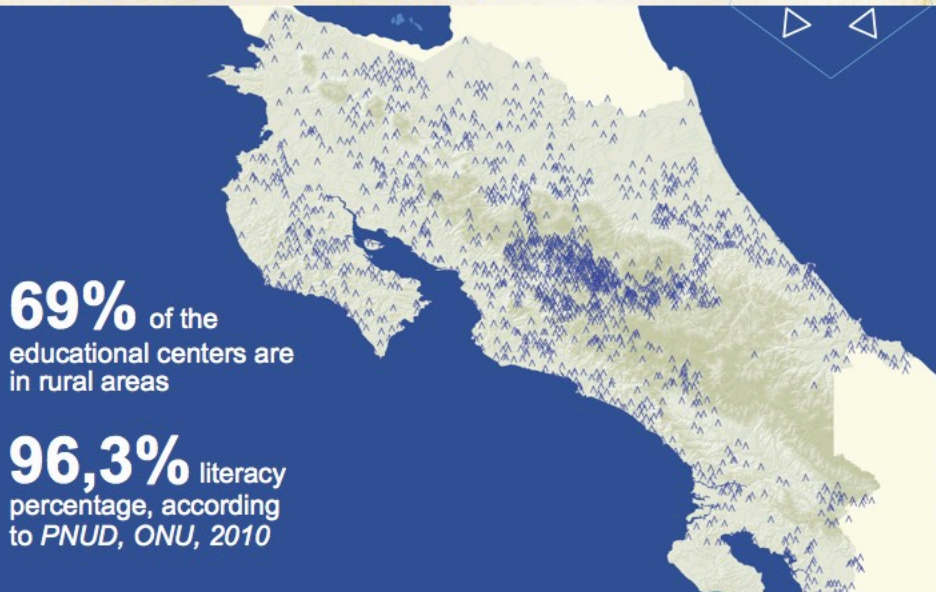
Costa Rica

The biggest uniformed force in the country is made up of children and young students.



We Grow a Unique Sustainable Model

Educational Centers



69% of the educational centers are in rural areas

96,3% literacy percentage, according to PNUD, ONU, 2010

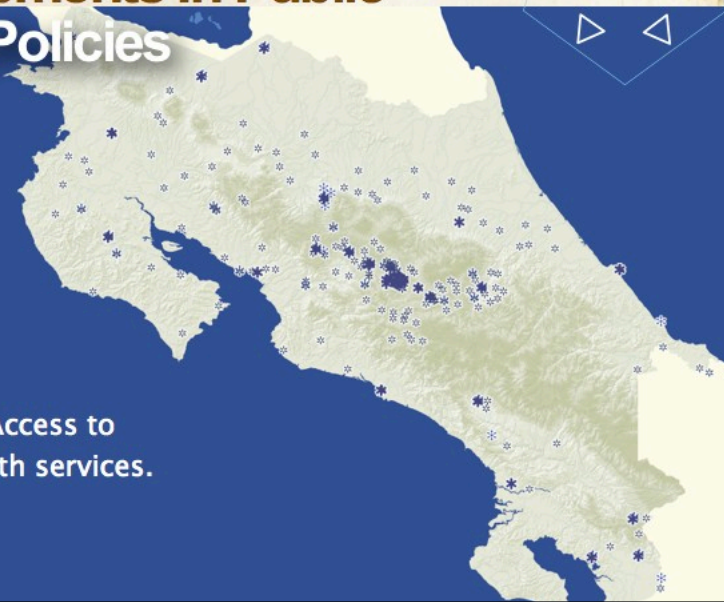


We Grow a Unique Sustainable Model

Developments In Public Health Policies

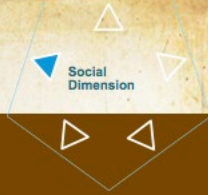


90% Access to national health services.



We Grow a Unique Sustainable Model

Costa Rican Wages Regulations



There is a minimum wage scale that is adjusted every 6 months by the Ministry of Work, through the Work Code.

We Grow a Unique Sustainable Model

Wage Regulations For

Coffee "cajuelas"

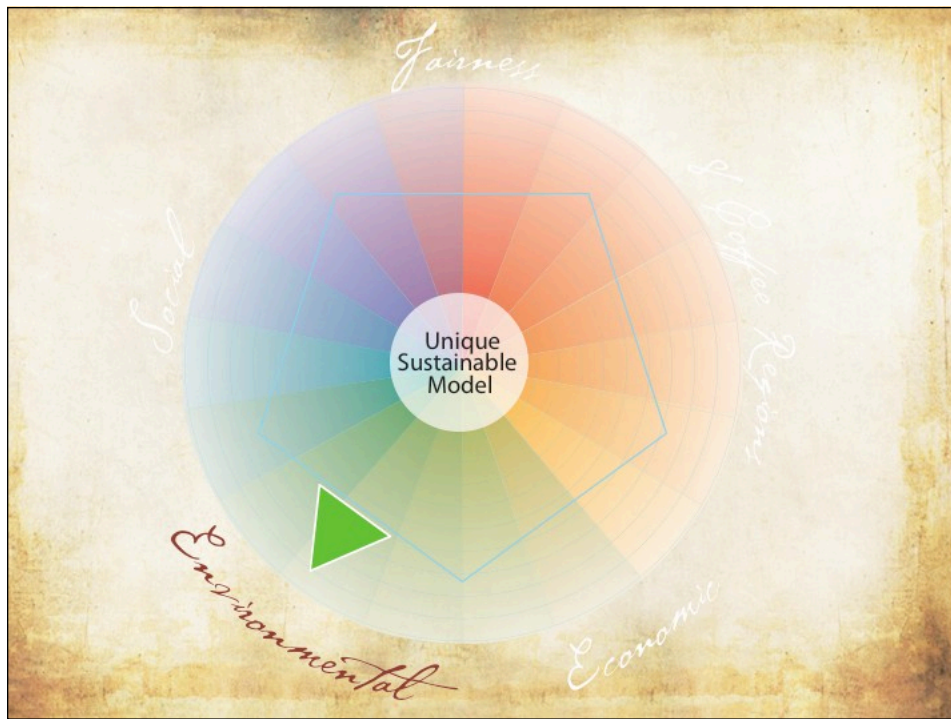
(20 cajuelas ≈ 46kilos / 100 pounds)

Social Dimension



Socio-economic development led by coffee: **base of eradicating rural poverty in Costa Rica**





These are The Environmental Conditions Where Coffee Growing Areas Have Developed

50,32 % of
the country's total area is
protected by National Parks
and Conservation Areas
(public and private).



We Grow a Unique Sustainable Model

A Committed Sector, In Harmony With Legal Stipulations For Environmental Protection

Reduction of water use from 4 m³ to less than 0.35 m³ per processed fanega (46 kilo/ 100 pounds of green coffee).

Almost
92%

Mills have invested (+120 million dollars) in new technologies that permit lower water use and higher water recirculation.

We Grow a Unique Sustainable Model

A Committed Sector, In Harmony With Legal Stipulations For Environmental Protection



New Method: No used waters are disposed off in natural bodies of water.

Cynodon Nelmfluensis



✓ Mitigation of greenhouse gases
 ✓ Adaptation
 ✓ Production safety

Costa Rica

2021
 CO2 Neutral



Within the 10 biggest producers of America

Source: Exports by Exporting Countries to all Destinations (11-12), ICO, Sep 2012

MPI: Population living below \$1.25 PPP per day (%) Less % within top ten origins	Expenditure on health, public (% of GDP) (%) 1st
Labor Cost (social security included) 2nd	Health index 1st
Environmental performance Index 1st and 5th world	Public expenditure on education (% of GDP) (%) 1st
Change in forest area (%) Even vs negative changes	Under-five mortality (per 1,000 live births) less probability
Forest area (% of total land area) 3rd	Human Development Index (HDI) value 2nd
Adult literacy rate, both sexes (% aged 15 and above) 1st	Happy Planex Index (life expectancy, experienced well-being and Ecological Footprint) 1st and 1st world

Source: Human Development Reports, UNPD, <http://hdr.undp.org/en/statistics/>



**...real and measurable
sustainability.**



**Not only Price
and Quality.**



**We sell the added
value Coffee**



**Cost vs
Investment**



**Café de
Costa Rica**

*Costa Rica
Unique Country,
Unique Coffee*