**how we do it**

**board of trustees**

Craig Holt, Chairperson
Bruce Mullins, Vice Chair
David Boyd, Secretary

Carlos Brando
Ed Canty
Bridget Carrington
Jorge Cuevas
Eduardo Esteve
Tracy Ging
Felipe Isaza
Phyllis Johnson
Arnoldo Leiva
Juan Esteban Orduz
Christian Rasch
Ellen Rogers
Ellen Jordan Reidy
Ric Rhinehart

**staff**

Ted Lingle, Executive Director (Senior Advisor Effective Sept 2012)
David Roche, Technical Director (Executive Director Effective Sept 2012)
Michael Pomerleau, CPA, Finance Director
Lisa Conway, Administrative Director
Camilo Sanchez, Business Development Director and Technical Advisor
Alexandra Katona-Carroll, Programs Manager
Roukiat Delrue, Q Services Manager
Joan Uphoff, Coffee Corps Volunteer Coordinator
Rosangela Mancilla, Administrative Assistant

**consultants**

Willem Boot
Rolando Canas
Marty Curtis
Manuel Diaz
Kimberly Easson
Mario Fernandez
Jayson Galvis
Andrew Hetzel
Sunalini Menon
Mbula Musau
K.C. O’Keefe
Peter Owiti
Alvaro Pelaez-Rincon
Jeremy Raths
Rocky Rhodes
Raul Rodas
Trish Rothgeb

**in-country partners**

Brazil • NUCOFFEE (Arabica) | Brazil • Conilon (Robusta) | Colombia • CAFECERT | Costa Rica • SCACR
El Salvador • Salvadoran Coffee Council | Ethiopia • ECX | Guatemala • ANACAFE | Honduras • IHCAFE
Indonesia • SCAI | Kenya • KCTA | Mexico • AMECAFE | Nicaragua • ACEN | Peru • Café Peru
Rwanda • NAEB | Tanzania • TCB | Uganda • UCDA | USA • SCAA
As CQI’s newest executive director, it is an honor to now lead this organization. However daunting a task it will be to replace my predecessors, I am confident that my background in coffee production and international agriculture, along with an outstanding team of experts, volunteers and dedicated staff, will provide a solid foundation for positive growth and development, for both CQI and the entire coffee sector. CQI’s core value – the pursuit of quality as a means to improve the sustainable livelihood of all players in the coffee value chain – is upheld by my own commitment to professional integrity, a respect for cultural differences, and the empowerment of all members in the coffee industry.

CQI’s vision is to provide practical and strategic expertise to create differentiated markets throughout the value chains. The pathway to this is through transparent and effective quality improvement programs that balance current practices with innovative changes: leading to an increase in sustainable revenue. This includes building “differentiating” mechanisms for quality, standards implementation, the inclusion of Robusta and natural processed coffees, and improvements to agricultural and processing practices to increase the value and volume of quality coffee in the marketplace. CQI’s methodologies rely on strategic partnerships, the Coffee Corps Volunteer Program, custom technical services, and the Q and R Coffee Systems. During the last two years alone, CQI has worked on grant funded programs in over 14 countries, utilizing 80 Coffee Corps Volunteers, and many industry experts.

Since I began with CQI in 2003, I have seen our global work on coffee quality have a major impact on the ability of traders and roasters to source coffees to meet quality requirements. The entire value chain, including those closest to production, now have greater knowledge of their own product which translates to better quality, communication and position with buyers. CQI’s close relationship with SCAA, and partnerships with USAID, NGO’s, In-Country Partners, and the public and private sector will ensure we achieve our goals.

I look forward to working with you in the years ahead and steering CQI to many more years of successful leadership and innovation in the coffee sector.

My best,

David Roche
2012 was the first full year of CQI working with ACDI/VOCA-Ethiopia as a subcontractor for the five-year Agriculture Growth Program – Agribusiness and Market Development Project (AGP-AMDe), which is funded by USAID’s Feed the Future Program. This has allowed CQI to step up activities in Ethiopia, including an expanded focus on quality improvement and promotion of Ethiopia’s fine coffees. These efforts reinforce CQI’s ongoing engagement with the Ethiopian Commodities Exchange (ECX) to improve the handling and grading of coffees within the country, and enhance the capacity of the sector to attain better prices for its quality grades.

With the assistance of an exemplary group of expert volunteers and consultants, CQI coordinated efforts dedicated to understanding the historical and current grading systems within the country, along with an evaluation of the current ECX grading protocols, resulting in a proposal to simplify the current system. A number of training activities were undertaken to improve central and regional labs and coffee caravans took buyers to the doorstep of the producers to cup their coffees.

In November, CQI and ACDI/VOCA-Ethiopia joined with Ethiopian partners to present two important seminars. Over 200 local and international participants attended the first annual Ethiopia Coffee Exporters Association (ECEA) conference titled, “Strengthening the Legacy”. Highlights included opening remarks by the Prime Minister, ICO Operations Director Jose Sette’s comprehensive update on the global coffee market, and ECX CEO Anteneh Assefa expressed his cooperation in addressing the issues that have arisen over the past several years. The conference laid a much needed foundation for greater industry collaboration.
The Exporter Conference was followed by an International Standards Conference and Naturals Workshop. Over 130 attendees at the Standards Conference heard first-hand accounts from five other countries about their standards and how these systems could be applied to enhance quality standards on a national level in Ethiopia. The Naturals Workshop included two days of advanced cupping of naturally processed coffees. Many local and international Q Graders participated and cupped the samples from a variety of origins.

Peter Giuliano, SCAA’s director of Symposium, commented, “The recent exporter conference in Ethiopia was a paradigm changing event, as far as I am concerned. Seeing the Ethiopian community band together and interact with the world community with a common voice it became clear that the country is moving towards a stronger, more direct relationship with the international specialty coffee community.” Added Giuliano, “The effects of this conference will likely resonate for years to come.”

Building upon the growing collaboration in the sector under the banner of Ethiopian Fine Coffees, CQI has laid out a series of activities to secure significant premiums on coffees from the 2012/2013 harvest. The quality improvement and export promotion efforts are designed to complement the national-level initiatives in the sector and to improve the competitiveness of the industry for the long term. The objective through June 2013 is to capture prices from $0.50 to $1.00 above the premiums attained in the previous harvest for at least 100 containers of Ethiopian coffee with ‘Q’ scores of 80 and above.

To realize these outcomes, the project will leverage a series of interventions, including harvest and process improvements achieved through investments in equipment and training, streamlined export logistics, an enhanced policy environment, clear supply & demand mapping to match quality coffees to buyers, and targeted sales and promotion activities.

“The effects of this conference will likely resonate for years to come.”
coming up in 2013:

- **Colombia** | Antioquia cup profiling & barista and processing training
- **Ethiopia** | National coffee strategy, cup profiling & processing improvement
- **Uganda** | Cupper education, R Grader Training & metrics evaluation
- **Indonesia** | Association development, marketing & promotion
- **Yemen** | Capacity building, marketing & promotion
- **East Africa** | Q and R Instructor training & institutional development

---

**Colombia**
- Partnership with Government of Antioquia
  - Taza de Café, Antioquia

**USA**
- CQI/SCAA Alignment

**Uganda**
- R Instructor Training (1st one ever!)
  - Cupping Profile Program
  - Initial National Flavor Profile Mapping

**Ethiopia**
- Exporters Summit
  - Coffee Caravan
  - Naturals Workshop and Cupping
- Roaster Industry Capacity Building
- Training: Naturals and Honey Processed Coffees

**Indonesia**
- Coffee Cupping Competition and Auction
  - ALL LOTS SOLD at RECORD PRICES
  - Q and R Grader Trainings

**Yemen**
- Capacity building, marketing & promotion

**East Africa**
- Q and R Instructor training & institutional development

---

**Peru**
- Coffee Buyers Workshop
- Processing Training
- Roaster Industry Training
- Barista Training

---

**USA**
- CQI/SCAA Alignment
### Program & project expenses
- $1,324,737

### Administrative & general expenses
- $483,356

**TOTAL SUPPORT & REVENUES**
- $1,808,093

### In-kind & volunteer contributions
- $258,000

### Other contributions & projects
- $1,279,293

### Other income
- $233,959

**TOTAL SUPPORT & REVENUES**
- $1,771,252

### Net assets, beginning
- $136,516

### Net assets, ending
- $99,675

**INCREASE IN NET ASSETS**
- ($36,841)
strengthening the value chain: a look at peru

Last year, we reported on the first year of a three year project with ACDI/VOCA-Peru, Strengthening the Coffee Value Chain in Peru, funded by the United States Agency for International Development (USAID). As we progressed into year two, we delved deeper into how to effectively increase the volume of Peru’s exported specialty coffees, as well as how to improve the capacity to support quality improvements. This year CQI facilitated a number of opportunities, embodying a well-rounded approach from seed to cup. These included: cupper training throughout the value chain, specialty coffee buyer’s workshops with smallholder producers, a national stakeholder workshop, processing/production improvements training, barista development and CQI’s Q Instructor training program. All of these were made possible with the assistance and dedication of thirteen Coffee Corps™ Volunteers and a number of expert consultants.

Geoff Watts, Coffee Corps™ Volunteer and green buyer for Intelligentsia Coffee and Tea, lead the specialty coffee buyers’ workshop. He remarked, “I connected with many individual farmers who clearly had heard about specialty coffee and knew that quality was valued, but did not have any direct experience that would give them faith that the pursuit of quality was indeed a realistic or practical means of increasing income.” The workshop demystified the concept of quality by demonstrating, via cuppings and visual presentations, tangible ways that quality can be controlled at different levels of production.
“The diversity and quality of CQI trainings and workshops will have a lasting impact on the growth and quality of coffee in Peru, leveraging the country to be a potential world market leader in the near future.”

The national Stakeholder Workshop brought together Peru’s diverse industry participants to consider how to strengthen their sector and to design a plan to enhance the competitiveness of Peruvian coffee in domestic and international markets. The turnout for the event affirmed the importance of these in the national and international arena – diverse representation included government, producers, private sector (exporters, roasters and retailers), academia, NGOs, and USAID. Via CQI’s Coffee Corps program, specialty coffee industry experts from Mexico, Guatemala, Brazil, Honduras and Costa Rica shared information about their country’s organizational structure, success and growth, laying a foundation for an open and informed dialogue among stakeholders.

ACDI/VOCA-Peru Chief of Party, Thelonious Trimmell, expands, “The partnership with CQI has supported our capacity to increase Peru’s competitiveness by providing premier coffee experts in roasting, basic and advanced coffee preparation, market linkages, institutional strengthening, Q Grading and cupping training. CQI has been a very valuable partner, deepening our impact at the provincial and national level.”

The diversity and quality of CQI trainings and workshops will have a lasting impact on the growth and quality of coffee in Peru, leveraging the country to be a potential world market leader in the near future. CQI certainly looks forward to an equally productive final year in Peru.
CQI has a close, historical relationship with the Specialty Coffee Association of American (SCAA). CQI was originally established in 1996 as an extension of this vital coffee trade organization to fulfill charitable objectives, including promoting the standards for specialty coffee (set by SCAA) through educational and capacity-building programs around the world. The two institutions continue to have a strong working relationship and share a similar mission and purpose. A high level of collaboration exists between staff, board level, committees and volunteers.

This past October, CQI and SCAA signed a Memorandum of Understanding (MOU) to define our mutually beneficial working relationship with respect to educational and certification programs. So what does the MOU signify? It’s more than a piece of paper. It signifies a mutually stronger focus on professional development and course curriculum, including training materials, coffee labs and even volunteer recruitment. In short, this partnership is a huge win, as everyone will be able to see a visible improvement in training and education around the world, which will build a more confident and informed supply chain.
Several years ago, we announced our plans to create standards for Fine Robusta coffee with the hopes that Robusta producers could start identifying quality and understanding ways to improve their crop, just as we had seen with Arabica. This was met with criticism and skepticism, but there was also an outpouring from partners, producers and even roasters that were thrilled to hear about our plans. Nearly four years later, we have made incredible progress. With much hard work and support from the Uganda Coffee Development Authority (UCDA), along with invaluable assistance from USAID, we were able to create concrete standards for Fine Robusta.

"Robusta can tolerate global warming, resist deadly plagues and provide food security to hungry farmers after the Arabica harvest," said Andrew Hetzel, one of CQI’s first Certified R Instructors. “Why have we ignored Robusta so long? The answer is simple: no market exists to reward quality. Robusta farmers know that good coffee receives the same low commodity price as the rest, so no effort is made to improve. The R Coffee System is breaking that cycle and changing lives. The R Coffee System creates a specialty market for Robusta. We’re teaching Robusta producers and buyers that there’s a different way, a path to better livelihood by embracing quality in Robusta, just as there is with Arabica. After all, Robusta is coffee too."

Currently, we have 84 Licensed R Graders in nine countries and the numbers continue to increase. Even more exciting is the launch of our R Instructor training program, which has generated international interest. In Uganda and Indonesia, we’ve begun training R Graders to become Robusta Instructors so they can increase capacity in their countries without our direct support. It’s an exciting opportunity that builds leadership while promoting standards based on quality: a win for everyone.

One of Uganda’s first R Assistant Instructors, Faith Asanji, remarks, “The CQI Robusta program has brought an improvement in the quality of Robusta coffee and awareness of the distinctive Robusta attributes. The program is also impacting the perception that many people, especially buyers and consumers, have on Robusta coffee; they are beginning to appreciate it. Yet just years ago, it was referred to as harsh, unclean and bitter. Thanks to CQI, I have gained knowledge and am still gaining more from their team of experts, which will continue to further my career.”

2013 should be an even more exciting year, as the momentum continues to build around the program and we increase the cadre of coffee professionals who can identify the nuances of Fine Robusta. CQI looks forward to leveling the playing field for this elusive species as more people throughout the supply chain begin to embrace it with open arms.
With heartfelt appreciation

A warm thank you to our 2012 sponsors and Coffee Corps Volunteers™, without whom, our work would not be possible.

Eduardo Ambrocio
Luz Stella Artajo
Gabe Boscana
Carlos Brando
Luis Campos
Rolando Cañas
Juan Carlos Balcazar Cardenas
Beth Anne Caspersen
Mauricio Cercone
Elias Coronel
Graciano Cruz
Chris Davidson
Mario Fernandez
Jayson Galvis
Andrew Hetzel
Dennis Jackson
Aaron De Lazzer
Laura Equivel M
Eliaringa Macha
Sunalini Menon

Ben Myers
Elia Mkwawa
Victor Molina
Sabino Montero
Julian Morales
Mbula Musau
K.C. O’Keefe
David Pohl
Christian Rasch
Raul Rodas
Doreen Rweihangwe
Ephram Sebatigita
Marcia Yoko Shimosaka
Bruno Souza
Rodolfo Trampe
Emma Tumwesigye
Jose Nicolas Velez
Madeliene Villa
Geoff Watts
Jean Nicolas Wintgens

www.coffeeinstitute.org