Working internationally to improve the quality of coffee and the lives of people who produce it.

DAVID ROCHE
Executive Director

MARIO FERNANDEZ
Technical Director

LISA CONWAY
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LISA CONWAY
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MARIO FERNANDEZ
Technical Director

DAVID ROCHE
Executive Director

W e l l c o m e
CQI is reading these emerging trends in coffee quality and positioning itself in the middle of the flow. For the first time since the creation of our Q Robusta Program, we are actively developing new professional certificates for key roles of the producing side of the specialty coffee industry. In 2017, we are launching our Quality Processing Certificate Program, which will enable coffee processing professionals and experts to acquire a sound theoretical foundation of their daily work and to have their professional competencies certified. We are expecting the new Quality Processing Certificate to become a tool to create a global community of processing professionals and a catalyst to improve coffee quality worldwide, just like the Q Program has been for cuppers in the last decade. The program will become available globally in 2018, and in the meantime, we are also actively working on other potential certificate programs for producing countries, and on technical improvements for the Q Program, to better reflect the emerging trends.

As a charitable trust, we are focusing on diversifying our funding sources for a sustainable future. However, programs funded by our longtime partner, the U.S. Agency for International Development (USAID), cannot be understated. USAID projects have contributed significantly to many global improvements in the coffee sector, which in turn have enabled other organizations to assist producers with production, market growth, and income security. Further, USAID enabled the establishment of CQI’s Coffee Corps™ Program, which has deployed over 500 volunteers in 14 years and created impactful connections at origin.

Our Q Program now accounts for about 50% of our revenue, with over 5,000 Q Arabica and Robusta Graders worldwide. And as a leader in technical training, CQI is focusing on new programs for coffee professionals, most notably processing and producing certification programs. This will keep us on the forefront of emerging trends in coffee production and global quality improvement initiatives.

Lastly, our collaborative approach to quality improvements is influencing long-term strategy. CQI has formal relationships with significant players in the industry, which helps drive our long term objectives. We welcome new partners and new challenges, and as always, thank you for your ongoing support.

David Roche

In our 20+ years as an organization we have worked on over 80 projects in dozens of countries, all of them focused on coffee quality improvement.

Mario Fernandez

These are exciting times for the specialty coffee industry, from the technical point of view. We are witnessing the emergence of new specialty coffee origins, new specialty coffee markets, a renewed interest around coffee processing, and even an innovative approach to sensory analysis of coffee.

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Our offices in Colombia and China are now fully established and actively working in operations and projects in their respective regions. We now have a more solid presence in both Southeast Asia and Latin America. This is enabling CQI to become a more global organization, which also opens possibilities for cross-pollination among coffee producing countries, as technologies and ideas are shared among our partners- like you- across the world. I look forward to working with you soon, wherever it may be.
Nothing CQI does is possible without the support of our donors, partners, and sponsors. Together, we’re creating a common language of quality that has an enormous effect on the entire supply chain, now and for generations to come.

At CQI, we believe that vibrant farming communities, where everyone is contributing to their potential, will produce better coffee and more of it. We also recognize our industry’s formidable capacity to harness the power of collective action. To address this opportunity, CQI is spearheading a collaborative initiative, the Partnership for Gender Equity (PGE).
China has been growing coffee for more than 120 years, but only recently is the origin gaining attention by the global coffee community. However, there is still significant work to be done before China is seen as a major specialty coffee origin due to problems along the supply chain: lack of varietal diversity, insufficient training and knowledge, and few incentives to produce specialty coffees.

Recognizing these weaknesses, Yunnan International Coffee Exchange (YCE) reached out to CQI to assist them in helping Yunnan farmers. Now our In-Country Partner, YCE and CQI are working to improve the country’s coffee quality and sell high quality Yunnan coffee to a broader market. The collaboration has focused on everything from agricultural and processing practices to cupping training to marketing and branding development. Additionally, CQI supported the Best of Yunnan Green Coffee Competition, which highlighted excellent coffees and connected new buyers to this growing market.

2017 will be focused on a number of projects, including processing protocol trials on pilot farms, creating a production and processing manual for Yunnan coffee, and developing the U.S. market for Yunnan coffee.
Since 2003, CQI has hosted trainings and formed partnerships with numerous organizations within Colombia. We’ve worked hard to integrate a common language of quality, the Q, into its supply chain, and we continue to provide training to meet the needs of the continuously evolving coffee landscape.

This year, we focused on building partnerships to expand our reach and broaden our impact. With SENA, we hosted two roasting courses in Huila, which provided hands-on practical skills for 32 students. Aside from several Pre-Q and Q Courses, we collaborated with Catación Pública to provide a naturals workshop with an added day of practical farm experience in Cundinamarca. We also signed a Memorandum of Understanding with Tecnicalfe, a “technopark” opening near Popayan that boasts a state-of-the-art processing plant, a farm with 150 cultivars, and a cupping lab. In 2017, we’ll be working with this innovative institution as it opens its facilities to increase research and collaboratively manage solutions to coffee farming and processing.
CQI is a key implementing partner with Winrock International on the USAID VC-RD project. Halfway into this program, 6000 smallholder farmers have been trained, impacting about 3000 acres. It is expected that about 35MT of specialty coffee will be produced in the 2016/17 harvest season.

CQI’s contributions include technical support to improve coffee production and processing, cupper training, association and organizational development and market linkages. This includes a focus on enabling smallholder communities to pick, sort, and process coffees to ensure quality and specialty coffee standards, tracking systems, financial literacy, and other key capacity building considerations.

During this program, Myanmar has made impressive strides to shift from a producer of low grade commodity coffee to high value specialty coffees sold in the global marketplace. Shan smallholder communities and the Mandalay Coffee Growers (MCG) are quickly becoming well known for their natural processed and washed coffees. The Myanmar Coffee Association is a key player supporting international marketing efforts and increasing domestic consumption; MCG is a lead processor and exporter for the country. The local roasting business community is also getting involved.

As of 2016, Myanmar has five Licensed Q Graders. The practice of cupping coffee and a common language of quality (the Q) is now integrated throughout the value chain. Interest from green buyers in this origin is substantial, and buyers can now find trained cuppers to work with.

CQI is pleased to have private partners, most notably Atlas Coffee Importers, import the first containers of specialty coffee to the U.S.. The export of specialty grade coffees is expected to increase annually beyond the life of this project, with Myanmar’s specialty coffee reputation already well established.
In support of the MinPACT project, CQI is working with ACDI/VOCA on methods and approaches to improve the quality of arabica and robusta coffee grown in the Philippines and support the growth and development of an inclusive, specialty coffee sector. But what’s truly unique about this origin is that we aren’t focused on increasing high quality export coffee, since the Philippines is a net importer of coffee (i.e., they consume a lot). In 2016, our activities included production and processing trainings, association development, coffee standards, lab development, and extensive cupper training.

In June 2016, CQI met with the Philippines Coffee Board (PCBi) to refine the organization’s purpose, mission, vision, and draft a strategic plan for the organization. At this time, CQI concluded, “With the support of their state universities, most notably Cavite State University, Benguet State University, and eventually Central Mindanao University, the Department of Agriculture, and the Department of Trade and Industry, PCBi can help unify the fragmented Philippine coffee sector into an engine of economic growth.” As a result of CQI’s meetings, PCBi identified relevant priorities and a time-based plan to establish the Philippine Islands as the world’s preeminent supplier of high quality robusta coffees and to create a world class promotion program for specialty arabic coffees.

CQI and PCBi have signed an In-Country Partner agreement and a Memorandum of Understanding. These agreements establish a dynamic working relationship for the benefit of the Philippines and will promote the welfare of coffee producers and the quality of their coffee. These agreements appoint PCBi as the regional grading center to grade green coffee using CQI’s Q Protocols as well as manage its country’s Q Grader Training Program.

2017 boasts new activities designed to benefit unified, national sector goals. We certainly look forward to working cooperatively with the entire Philippine coffee sector next year, and for years to come.
OUR YEAR IN NUMBERS

A REVIEW OF THE Q

TOTAL COURSES | 299
---|---
Q ARABICA GRADERS | 1,941
Q ROBUSTA GRADERS | 106
TOTAL STUDENTS | 3,506
COURSES RECEIVED | 143
Q CERTIFIED COFFEES | 136
AVERAGE SCORE | 82.86
TOTAL COUNTRIES | 31

Colombia
Roaster training
Naturals workshop

Burundi
Lab development

U.S.
Q Instructor training and calibrations
Willy Fooni honored at CQI Luncheon

Mexico & Honduras
PGE research

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Adi Taropepatka
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Sara Monocchi
Summer Lewis
Sylva Gutierrez
Ted Lingle
Thomas Sproten
Tom Mitchell
Rosinta Situmorang

Myanmar
First PGE pilot
First Licensed Q Graders
2nd Annual Cupping Competition

Philippines
First CQI trainings
Agronomic, harvest, and post harvest training

ALLIANCE MATCHING
The fair market value of goods and services donated by our expert volunteers.

TOTAL TRIPS | 18
TOTAL HOURS | 1,504
TOTAL IN U.S. DOLLARS | $94,000

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Bob Osgood
Candice Madison
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Rosinta Situmorang

VOLUNTEERS
Allen Liebowitz
Andrew Hetzel
Charlie Habegger
Connie Blumhardt
Craig Holt
Curtis Ball
Daniel Jung
Gloria Pedroza
Joel Shuler
Juliet Han
Juliette West
Lay Onedzio
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The Partnership for Gender Equity (PGE) was founded by CQI in 2014 to better understand the impact of gender inequity in the coffee value chain and to encourage industry to take action to reduce these inequities. Core components of PGE’s work include identifying tools and resources to catalyze engagement, conducting research and testing indicators to measure success, and building a community of practice for industry actors to engage in building gender equity across different geographies and contexts.

Since the launch of PGE’s Stage 1 research report in 2015, The Way Forward, coffee industry members have demonstrated greater awareness about the importance of gender equity and an eagerness to get involved. 2016 was an important year in creating a stronger foundation for supporting those industry members to catalyze gender equity across the coffee sector.

In PGE’s Stage 2, we are bringing together private companies, development agencies, research institutions, and practitioners to identify, test, and scale an intervention strategy that will increase gender equity in coffee-producing households, organizations, and communities. Not only will this strategy lead to positive social outcomes for farming families, it will lead to greater coffee quality and productivity throughout the supply chain.

Together with key stakeholders in Stage 2, PGE has also begun to lay the foundation for a common measurement framework, crafting guidance for industry actors to support them as they integrate gender-specific methodologies into their policies and practices. To field-test our proposed metrics as well as our intervention strategy, PGE is piloting projects in Myanmar and Nicaragua. Additional projects are under development in Honduras, Kenya, Mexico, Peru, and Uganda. By engaging in a robust evaluation of these pilots, their success, and the effective application of our measurement framework, PGE will be able to share lessons learned and propose practices to scale up across the industry.
In East Africa, CQI has been extremely successful with regional and key bilateral projects for nearly two decades. And in Burundi, where CQI has been working since 2009, a good deal of attention has been paid to training members of the value chain to differentiate quality coffees through cupping. But now CQI is working in Burundi with UNIDO and its Project Trade Capacity Building Programme, whose goal is to improve the export performance of the country and to facilitate the access of the Burundian products to international and regional markets.

To meet the goals of this project, CQI is focusing on developing central lab facilities, as they are a critical component to build the capacity of a coffee sector. Technical Director Mario Fernandez visited Burundi this year to provide improvement plans for ARFIC, a central lab in the country. The goal is for the lab is to not merely act as an agent to discover and help differentiate high-quality lots, but to also play a key role in the quality improvement: by providing feedback and advice to producers. Mario held a workshop with 40 attendees and worked with national stakeholders to develop a plan for the coming year that will help the project achieve its goals, since Burundi has all the components to move forward quickly due to its geography and high level of education and expertise.
Mbula Musau became Africa’s first certified Q Instructor in 2013, and she was also the first African to teach internationally for CQI. So it’s no surprise that Mbula is now conquering more “firsts”: the first African woman to open the first Specialty Coffee Association International Campus in Kenya: Utake Coffee Limited.

Utake is an innovative company specializing in coffee quality training, marketing, research consultancy, and development management. While the lab is based out of Kenya, Mbula travels the world delivering world class services and participating in strategic coffee sector development with an emphasis on the African context. This is done through collaborating with organizations and institutions around the world such as CQI, International Women’s Coffee Alliance (IWCA), International Trade Centre (ITC), African Fine Coffee Association (AFCA), and other national institutions in coffee producing countries.

With a Master’s of Science in Development Management and fluent in four languages, Mbula continues to be engaged in the specialty coffee community as an instructor, leader, cupper, and friend.

“It’s amazing and inspiring to be part of the team of consultants of a globally recognized institute of coffee quality and training such as CQI. The history and wealth of knowledge is unmatched, and the high levels of expertise are a constant aspiration for me.”
SPOTLIGHT ON VOLUNTEERS

For the past year, I had the opportunity to work with CQI on USAID-funded Value Chains for Rural Development project in Myanmar. It has been truly an inspiring experience. CQI focuses on elevating the quality of large coffee farms, but focuses especially on working with smallholder coffee communities whose livelihoods heavily rely on coffee production. Another important aspect of CQI’s work is the ability to connect coffee producers with high premium markets. Working on improving quality alone is not enough to increase livelihoods: marketing and promoting new, improved coffees to specialty green coffee buyers is just as important. Export prices for Myanmar coffee have never been as high as in the past year. It is giving coffee production a whole new meaning among smallholder coffee producers and provides the necessary incentives to continue the work that CQI started for many years to come.

Through its network of partners and consultants, CQI has substantially changed the coffee quality landscape in Myanmar, transforming a relatively unknown origin into one of the most sought after coffee regions in the U.S. and elsewhere.

LAST YEAR, I WAS VERY LUCKY TO GO TO THE PHILIPPINES AND MYANMAR AS A CQI VOLUNTEER. CQI IS AN ORGANIZATION THAT FOCUSES ON COFFEE QUALITY AND SUPPORTING DEVELOPING COUNTRIES TO IMPROVE THEIR QUALITY, WHICH IS REALLY IMPORTANT TO THE COFFEE FARMERS THEY ARE WORKING WITH. THROUGH MY EXPERIENCES VOLUNTEERING, I NOTICED THAT MANY COFFEE FARMERS GROW COFFEE FOR THREE, FOUR, OR MORE GENERATIONS. BUT THINGS CHANGE: THE WEATHER, THE VARIETIES, THE PEOPLE. MANY FARMERS ARE LACKING KEY KNOWLEDGE AND NEW RESEARCH MATERIALS THAT CAN HELP SUPPORT THEM AND THEIR FAMILIES. THEY NEED HELP TO LEARN AND PRACTICE THE LATEST RESEARCH AND FARMING AND PROCESSING TECHNIQUES, FROM WHICH THEY WILL RECEIVE GREAT BENEFIT AND IMPROVE THEIR LIVELIHOODS. CQI IS JUST THE ORGANIZATION TO HELP THEM. BECAUSE OF THIS PROGRAM, I GOT THE CHANCE TO VISIT DIFFERENT COFFEE COUNTRIES, UNDERSTAND DIFFERENT CULTURES, AND MAKE FRIENDS WITH A LOT OF NICE PEOPLE.

I ASSISTED SEVERAL DIFFERENT INSTRUCTORS SENT BY CQI. THEY ALL HAVE THEIR OWN UNIQUE TEACHING STYLE, AND I LEARNED A LOT FROM THESE GREAT INSTRUCTORS, BOTH IN COFFEE KNOWLEDGE AND TEACHING METHODS, AND I CAN APPLY WHAT I LEARNED TO COURSES I WILL TEACH IN THE FUTURE.

I AM SO APPRECIATIVE OF CQI FOR GIVING ME THESE OPPORTUNITIES TO LEARN ABOUT DIFFERENT COFFEE CULTURES AND SUPPORT FARMERS IN DIFFERENT COUNTRIES. THESE HAVE ALL BEEN REALLY AMAZING AND MEANINGFUL EXPERIENCES FOR ME.
### FINANCIALS

<table>
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<tr>
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<tr>
<td><strong>Support and Revenues</strong></td>
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*Unaudited **Audited

### 2016 LUNCHEON SPONSORS

#### PLATINUM

- SIlver
- AMFOTEK

#### SILVER

- 云南咖啡交易中心

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- BUNN
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- Keurig

#### PREMIUM TABLE

- Atlantic Specialty Coffee
- Atlas Coffee Importers
- Coffee Resources
- The Coffee Source
- Colombian Coffee Federation
- InterAmerican
- Int'l Coffee Consulting
- Olen
- Sustainable Harvest
- Winrock Int'l

#### TABLE

- Boyd Coffee
- CoffeeLand Inc.
- Deli Café
- Gaviña
- Woongho Coffee
- Farmer Brothers

#### PRINT

- Pinhalense
Celebrating half a century of roasting excellence in the U.S.A.

Our 50th anniversary means a lot to us, for many reasons. Our story started over a century ago in the mountains of southern Cuba and blossomed in Los Angeles in 1967. Today, we carry on the dream of our grandfather—to make sure everyone has a great cup of coffee.