A Conversation with Alejandro Cadena for The CRS Coffeelands Blog 27 November 2014

COFFEELANDS: Why do you heart Caturra so much?

ALEJANDRO: When we started working in Colombia in 2002, about 90% of the coffees that we purchased were 100% Caturra, with the rest being blends with some Colombia and Typica. Back in those days, Roya was not an issue and farmers really did not take that into account. There was very little talk about varieties.

At that time, all Colombian coffee was the result of blends of lots from many farmers; there was no lot separation or cupping prior to purchase. This approach resulted in average qualities across the board and plenty of inconsistency from lot to lot.

In 2002, we revolutionized the coffee industry in Colombia by cupping every single lot delivered to us by growers, separating by grade and identifying the best lots and rewarding the best growers. As we sent the first samples to potential customers, most could not believe that we were sending them Colombian coffees. Roasters commented that these coffees tasted like Kenyas, very sweet, clean, balanced and complex. The lot separation of these Caturra coffees proved that Colombia had fantastic potential for super high quality coffee, and opened the door to a sustainable business that today works with more than 2,000 small and medium sized coffee producers in Colombia, allowing them to improve their family's quality of life, and employs more than 50 people, most of them young sons and daughters of coffee growers.

When you cupped the Colombia Sensory Trial samples, you had a pronounced preference for Caturra. You preferred it 14 times to six for Castillo, with two "ties." Your 14 preferences for Caturra were more pronounced (average margin of 2.2 points) than your six preferences for Castillo (1.4 points). You gave Caturra scores of 86 or more seven times, compared to just one for Castillo. You even gave Caturras scores of 88 and 88.5, which I know is high praise coming from a quality stickler like you. Is this consistent with the magnitude of your preferences throughout Colombia?

Frankly, I am not surprised at all with those results. I have cupped Castillo samples since 2007, way before it was even known by most producers in Colombia, and I have seldom been impressed with its cup quality. When people ask me what is the average difference in cup score between the two varieties I always say that Castillo has a handicap of 2 points versus Caturra, which, coincidentally, is about the average margin that you calculated from my cupping of the Colombia Sensory Trial samples. I have never given a 100% Castillo a score higher than 86 points.

Looking back at my cupping notes of the samples of the Variety Trial, when I preferred Castillo to Caturra, it was generally because Caturra showed some processing issue (e.g., ferment) or because their finish was dry, the latter being a characteristic that we generally attribute to Quakers due to rust damage. The cup quality of Caturra today is inferior to those of Caturra ten years ago when rust was not as widely spread as it is today. I attribute that quality drop to the effects of leaf rust on bean development, which end up affecting cup quality. But in the absence of Roya (or processing issues), I think my results would have been even more in favor of Caturra. It says a lot to me that even with that "natural handicap" that Caturra has, it consistently out-cups Castillo.

What is the message you are trying to communicate to growers around the question of varietal selection, both with your tee shirt and your direct conversations with them?

In our cupping labs and warehouses we never ask producers upfront what variety is the coffee that they are bringing. We only ask them after our quality analysis is complete. We have never told any producer not to plant Castillo or even worse, to eradicate their Castillo trees. For us that is a personal

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decision. When they ask us what to plant, we give them all the facts we have, both pros and cons of each variety. We make it clear that it is their decision and that whatever they decide will have an impact on their earning potential and their access to the specialty market over the next 5 to 10 years.

The t-shirt was done in response to a massive campaign in Colombia that started in 2009 that asked farmers to uproot their Caturra trees and replace them with Castillo. We wanted to let farmers know that getting rid of Caturra was not the only choice and as a buyer we wanted to continue to purchase and pay top prices for their Caturra. Our message was clear: We found a significant cup quality difference in Caturra and we wanted to make sure that growers were aware of it. So, what better way to advertise that than to have walking billboards with that message (all members of our PECA program and our QC-Analysts also wear these t-shirt on a regular basis). These t-shirts also provide us with a practical tool to counterbalance the message that the growers were receiving with regards to Castillo.

A lot of producers want to know which variety cups better but are afraid to ask. So the t-shirt is a good way to "break the ice" and have that dialogue with producers, telling them what we (and the majority of our buyers) think about the benefits of Caturra. Every small grower wants to get a higher price for his or her coffee and the truth is that we have found that we can pay better prices for Caturra than for Castillo.

What is your general reaction to this post I published on the Coffeelands blog on 24 November?

In general, I agree that variety is becoming more important, both to roasters and to coffee producers everywhere. There are clearly varieties that consistently perform better than others in the cupping table. Geishas, for example, have for almost 10 years received a substantial price premium versus other more traditional varieties, because of its unique cup profile, but also because of the novelty and scarcity. Both the novelty and scarcity are starting to fade as more growers start producing them and therefore prices for Geishas are falling.

I believe that it's just a matter of time when other susceptible varieties will start to receive price premiums because of scarcity and cup quality. Typica is slowly on the verge of extinction as farmers are abandoning it because it is very low yielding and rust susceptible. But in my opinion, Typica is a very elegant and complex variety in the cup and buyers are starting to search for Typica.

What parts of the post do you reject?

First, I completely disagree that Caturra and Typica are second-class varieties. I think both these varieties should be in Tier 1.

One of the best coffees that we source from Colombia that consistently shines (and has done so every single year since 2004) is Nelson Melo's "Las Acacias", an organic producer from Popayan. Nelson almost lost all his trees in 2009 to Roya, yet he has not planted any Castillo. The vast majority of producers that we work with in Cauca that pre-2009 had Caturra did change to Castillo. Today yields have recovered but quality overall is 4 points lower that in 2008. And out of more than 20 producers that used to produce microlots, this year Nelson Melo was the only microlot producer in Cauca, with most of his coffee scoring 89+. Guess what varieties he has: Caturra, Bourbon and Typica.

Another example that Caturra and Typica varieties are not second class is Finca San Luis. That farm has a lot called "La Gloria" that we discovered in 2009 that tastes like no other coffee out there: bright, dense, tropical, grapefruit, lime, floral, honey, mint and ginger. Roasters around the world have

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consistently scored this coffee 90+. It has been a Good Food Awards finalist 3 years. The "La Gloria" lot is a specific part of the farm that has planted about 50% Caturra, 30% Typica, 10% Colombia and 10% Castillo. Given this mix of varieties, we started to cup each of them separate with buyers and the winner was always Typica, followed by Caturra, with the lowest consistently being Castillo. The Typica is so good, that we now have 10 hectares of 100% Typica planted in this farm.

Second, I don't agree that it is difficult to distinguish Castillo from Caturra in a blind cupping. We have cupped so many Castillo that we can now distinguish a Castillo (or even a blend of Caturra with Castillo) relatively easily. While Castillo starts out with bright acidity and sweetness, it usually displays a vegetal characteristic that is more pronounced as the cup cools, losing its balance and sweetness. That bright acidity that some cuppers enjoy turns to a metallic flavor which I describe as pencil lead, but that some cuppers in our company describe as asphalt. Some of our cuppers have learned to identify Castillo after roasting—something that Tim Hill also pointed out in his conversation with you—as Castillo tend to roast very unevenly as if they were a lower density coffee. As coffee buyers become more familiar with those flavors, I believe that they will punish Castillo even more.

Finally, I don't think that Caturra's days are numbered. We are seeing a lot of producers that are taking down their Castillo and planting Caturra again. Others have decided to keep their Castillo but to plant Caturras in new areas. And they are doing this because they have seen that their Castillos usually cup below 84 points (and our minimum acceptance score is 84) and that the much higher yields promised are not really true, especially at farms at higher elevation. Some growers are also planting Typica, Maragogype, Bourbon, and even Geishas, which is great because I think diversity is the way to go (and diversity can also mean having some Castillo). And if Castillo ends up being 99% of what is planted in Colombia as some would like, producers that keep their Caturra will see their prices rise as they will have a rarity.

So you do believe that there is a sensory basis for a variety play for Caturra?

Absolutely. I have no doubt that Caturra is a variety that can produce an exceptional cup quality, on par or even better than Bourbon, SL28, Pacamara and Typica, at least in Colombia.

Even if there is a sensory basis for it, is it becoming too challenging to operationalize as more and more of Colombia's coffeelands convert from Caturra to Castillo?

It is definitely becoming more challenging to find high quality Colombian coffee as Roya has become a bigger problem and growers have converted to Castillo. To be able to satisfy our customer's demands, we have had to multiply our purchasing points by 5 and our staff by 3 since 2009 and only this year we have been able to reach the export levels we had in 2007. But those challenges come with the opportunity to have a very diversified supplier base and a very diverse array of products/origins to offer.

Do you believe buyers are creating sufficient financial incentives for Caturra?

I think it's still too early to tell. Only now are buyers beginning to fully grasp the distinction between Castillo and Caturra. Once specialty buyers fully understand the differences (in cup quality, risks, production costs and yields), if they want to get high quality Colombian coffee they will have to be willing to provide significant financial incentives for Caturra. And these incentives will have to be even more substantial for organic Caturras (or any other non-rust resistant variety). Once thing that I believe will happen is that Castillo will become a "commodity variety."

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What measures might be taken to more closely align the interests of growers and buyers around Caturra and other traditional varieties?

I'm an economist who strongly believes that "the market" has to send clear signs to growers. Therefore if buyers want to align their interests with the growers, they must be willing to pay significant premiums. But money is not the only way. There needs to be more education and more transparency within the chain.

The success of our model is proof that giving producers economic incentives for producing higher quality, together with providing feedback and education, is the best way to align the interest of all parties and achieve what we all want: a delicious cup of coffee that helps us all live happier. (In Spanish we say: ;Café delicioso para vivir más sabroso!)

Let's talk about the production issue. Do you have data from your operations to suggest whether there is a yield gap between Castillo and Caturra? If so, is there one? How big is it?

We do not have hard data about the yield gap between Castillo and Caturra. That is something that would be great to have and I hope one day we can do it. But that data is hard to collect and it would vary a lot from farm to farm because of altitude, phytosanitary conditions, soil, nutrition, etc. I don't really think there is sufficient evidence at the farm level that Castillo does have higher yields than Caturra, all other factors being equal. We have producers that complain that Castillo (generally at high altitude) produces plenty of leaves but few cherries. Most growers do coincide that Castillo is more demanding in terms of farm management: If you don't apply fertilizer on time or apply less than what it requires, trees will suffer.

I can say that the producers that have been able to keep Roya under control in their Caturra trees and are constantly renovating by pruning or stumping have been able to achieve very good yields. You have to remember that the reason why Colombia replaced Typica with Caturra in the 1970's and 80's was because it was higher yielding. Colombia more than doubled its production in the course of 15 years by taking this direction, going from about 7 million bags in the early 1970's to over 16 million bags in 1991, with the same amount of land. Caturra has never been popular in other countries because it requires a lot of water. But in Colombia it has thrived as an excellent variety (both in quality and yield), probably because we get plenty of rainfall well distributed year round.

What role does official agronomic and financial support play in all this? Do you believe that Colombia's coffee institutions should offer more support—seed provision, agronomic assistance, loans and financial incentives—for renovation with Caturra or other traditional varieties?

To me, and this is a personal feeling, the answer cannot continue to be assistance or subsidies. Instead, Colombia's coffee institutions should concentrate on providing education, know-how and training to coffee producers and to bring them closer to the market. Only if we have real coffee entrepreneurs, will we have a sustainable coffee industry. Let the growers decide if they want to produce volume or quality, but give them the know-how to profitably produce one or the other (or a little bit of both).

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I know Virmax works to help growers committed to Caturra manage coffee leaf rust and narrow the productivity gap between Castillo and Caturra. Can you explain more about your approach—how you finance it, who delivers it, what it consists of, etc.—and the results you have seen in the field?

In 2011 we realized that if we wanted to grow the business and achieve a consistent supply of high quality coffee we needed to invest more in grower education. So we created what we call the "Programa de Educacion a Caficultores - PECA", which in English means "Grower Education Program". And we asked our customers to pay for the cost of the program by contributing a few cents extra per lb. Everybody agreed.

Today, we have an agronomist that leads the program and is in charge of 13 "educators" who each month have to visit at least 30 farms to check on their progress and help them with any issues they are facing at their farm. Educators are selected from within the community, and are either growers or sons/daughters of coffee growers.

PECA focuses on 4 main areas: productivity and efficiency, cup quality, environmental sustainability and farm management. It is the first area where we tackle the effects of coffee leaf rust, educating producers on how to have healthy and productive trees. This is achieved through efficient nutrition (using soil analysis) and the effective use of fungicides to prevent and/or control rust. The program puts a lot of emphasis in proactive farm administration, as the only way to keep rust under control is to have a calendar of application of fungicides and stick to it. Our approach is more technical advisory than assistance. Our ultimate goal with this program is to educate better producers, producers who really understand what happens in their farms and during the processing of their beans and that use this knowledge to continuously improve.

So far we have seen that growers appreciate the fact that we are not telling them what to do, but taking the time to teach them and answer their questions. We are also learning a lot from producers and also learning how to better communicate with producers. The results so far are: cleaner and more efficient facilities, lower costs and healthier trees due to fertilization based on soil analysis, lower rust infestation rates at most farms in the program, with lower use of systemic fungicides. But the best result so far is motivated producers that are anxious to learn and progress.

What else would you like to add regarding this discussion? What aspects of the issue am I missing?

Many producers that we used to work with decided to take the "easy" route, as switching to a resistant variety means less work in the farm. Let's hope those producers are able to achieve higher yields; otherwise they will be worse off instead of better. At this point, the question in a lot of grower's mind is whether to shoot for the promise of higher yields with potentially less work or the potential for higher quality in the cup that requires attention to detail and hard work, but that has been proven to give them a consistently higher price.