

Brazil: Brewing Plans from World's Largest Coffee Coop

Contributed by Geovana Pagel
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The Guaxupé Regional Cooperative of Coffee Producers (Cooxupé), the largest coffee cooperative in the world, had already exported 1.3 million bags of coffee up to the end of September this year. The forecast, now, is that the volume should reach 1.5 million bags up to December.

"Our target is to end the year with revenues of around US\$ 313.5 million, about 30% greater than the total in 2003, US\$ 229.9 million (in current figures)," stated the president of Cooxupé, Carlos Alberto Paulino da Costa.

The cooperative exports to over 30 countries. The main markets are the United States, Germany, Belgium, Italy, Japan, and Switzerland.

According to Paulino da Costa, the Arab countries do not directly import coffee produced in Guaxupé, in the southeastern Brazilian state of Minas Gerais.

"Our coffee may enter the region through some European country that re-exports to the region, like Switzerland," he explained.

The president explained that there are no direct sales to the Middle East because the Arabs consume a kind of coffee with a different aroma and flavour from that produced in Minas Gerais.

"They prefer the Rio coffee, produced in states like Espírito Santo (another southeastern Brazilian state)," stated Paulino da Costa.

According to him, factors like the climate and locations for plantation define the different kinds of coffee, which generate different tastes.

"It is a pity that we do not have the kind of coffee that pleases the Arab market," he complained.

This year, despite maintaining good sector export performance, Cooxupé also hopes to strengthen participation in the area of grain.

"Brazil is currently one of the countries that uses the largest volume of technology in production of maize and soy. The country has productivity levels that reach the same figures as those of first world countries," stated the president.

According to him, grain is becoming a good business. "The producers in our cooperative know this as many of them have already diversified their activities betting on grain," he added.

For 2005 investment of around US\$ 1.4 million is forecasted in the construction of a maize storage and processing unit, to generate around 20 new direct jobs.

Cooxupé was established in 1932 as an agricultural credit cooperative, and was made into a coffee producer cooperative in 1957.

This year, the cooperative is commemorating 72 years in operation, and 47 years of activities in coffee receipt, processing, and trade.

The cooperative currently incorporates 9,000 producers and has approximately 1,200 employees. It receives coffee produced in 103 cities in the southern region of Minas, Alto Parnaíba (in the state savannah) and Vale do Rio Pardo, in the neighboring state of São Paulo, also in southeastern Brazil.

Growing

Cooxupé began its expansion in the states of Minas Gerais and São Paulo in 1977, expanding the number of producers in the cooperative.

In three years the group inaugurated the nuclei in Monte Santo de Minas, Cabo Verde, and the building where the head offices are still established, in Guaxupé.

At that time, the cooperative counted on over 1,300 producers, who traded an average of 400,000 bags of coffee.

In the 1980's, another seven branches were inaugurated: five in the state of Minas Gerais, in the cities of Guaranésia, Nova Resende, São Pedro da União, Alfenas and Carmo do Rio Claro, and two in the state of São Paulo, in Caconde and São José do Rio Pardo.

At the beginning of the 1990's, the number of producers was already over 5,500, most of them small farmers. Other investment took place in parallel to the export sector.

In 1982, Cooxupé inaugurated an animal feed factory, together with three silos for maize storage.

The company currently has six silos, each with a capacity for 2,400 tonnes of maize. In the animal feed factory, they produce 70 different kinds of concentrates and balanced animal feed, including food for bovines - milk and beef - pork, equines, and chicken.

Storage

Cooxupé is equipped to receive 44,000 bags of coffee per day, and to prepare 9,600 bags and ship 30,000 bags daily.

Through the cooperative's warehouses, with a capacity for storage of three million bags, an estimated 9% of Brazilian production is transferred every year, in the case of Minas Gerais production; the figure is as high as 16%.

Of the volume the cooperative processes every year, around 50% is turned to direct export, 25% goes to export companies, 24% is traded on the domestic market, and 1% is roasted by Cooxupé.

The organization is also the largest fertilizer retailer in the state of Minas Gerais and the largest retailer of coffee pesticides in Brazil. In the export area, the company is among the six largest green coffee exporters in Brazil.

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