

# Honduran Coffee Fetches Top Prices in Americas Auction

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Redacción Central

Tegucigalpa. Honduras' coffee champion Gregorio Martínez has started reaping the rewards achieving the highest quality in his coffee. Previously, his selling price was six Lempiras (Lps) per pound of coffee, and yesterday he sold his product at \$13 per lb, equivalent to almost 240 Lps.

The quality is worth it, and "Goyo" Martínez's beans were recognized in Honduras' first foray into international Internet auctions, nearly two months after he won the first place in the local "cup of excellence" competition.

This success caught him by surprise, but it did not surprise 6 of the 20 judges from the international jury. They awarded him with 100 per cent scores, and a European judge stated that he had not tasted anything like this coffee anywhere in the world.



Gregorio Martínez in his farm at aldea El Pezote, Lepaera, Lempira.

The 95,69 score that Martínez got in May made Japan's Maruyama Coffea for Mikatajuku Group pay \$13 per pound on a 10 sack purchase, worth a total of \$19,500.

Erwin Mierisch, the Cup of Excellence representative in Nicaragua, acknowledged that no electronic sales in Central America had exceeded the 10 dollar limit, as it did happen in Honduras.

## The Aroma of the Winner

The \$13 price received by the Honduran producer topped those received by the first place winners from Nicaragua, \$12; Guatemala, \$7; El Salvador, \$6, and it was worth 19 times the \$0.68 price at yesterday's closing of the New York Stock Exchange. Brazil will hold its competition in October.

The second runner-up was Marisabel Caballero, with a \$10.05 price, followed by Ezri Moisés Herrera, with \$6.30.

Martínez, 48, said that after hurricane Mitch, in late 1998, he decided to "produce better quality coffee, and now I am harvesting a good result". He added that "The price we obtained is good, but we can improve it".

Martínez, who has a small farm at 1,560 meters of altitude above sea level in the El Pezote, Lepaera, Lempira region, scored his first place in the coffee auction with coffee from the "pacas" variety, while Herrera (1,540 mts) and Caballero used the "catuai" variety.

## Promising Image

A presidential representative stated that "the path of Honduran coffee is in excellence". Vicente

Williams, who represented President Ricardo Maduro, stated that Honduran producers are now aware of the importance of the “added value” in coffee growing activities.”

The minister of Commerce, Norman García, stated that “Goyo” Martínez should personify the image of Honduran coffee. The minister stated that “Juan Valdez” is the expensive product of marketing efforts by Colombian coffee growers to increase their sales and attain recognition in international markets. They invested thousands of dollars in creating an image. Gregorio Martínez, on the other hand, is a flesh and bone character, and he must become the icon and representative of the quality of the national coffee industry.

The minister stated that “The coffee that ‘Goyo’ produced blew the judges’ mind away in the cup of excellence competition. Historical, six of them gave him a 100 per cent grade,” and he added that “We feel proud of the achievements of a small producer who is responsible with quality. This shows that it is not necessary to be a big entrepreneur in order to be successful in business”.

### **The Competition**

The national competitiveness program will coordinate, together with national and international organizations, the upcoming Cup of Excellence events in Honduras.

“We hope that in the upcoming years more national winners will be able to get prices of \$16 or more per pound of their coffee, which should favor the image of our national products,” said García.

Ihcafé manager, David Valeriano, pointed out that the high prices obtained in the electronic auction show that Hondurans can do things well if we set ourselves to it, and he added that “As of this moment, Honduran coffee growers have a commitment to quality.”

Special coffee production is growing at 8% per year, while traditional coffee production remains almost static, and its price is bound by changes in the New York Stock Market.

“We are preparing ourselves to organize the next Cup of Excellence competition. We hope to have the same level of bean quality next year,” he said.

### **The Tours**

Ihcafé invited “Goyo” Martínez to take part in a series of international events sponsored by the Cup of Excellence organization, which will take place in Italy and Spain, as well as a coffee fair that will take place in London during this current year.

“At each one of the activities we will present samples of the 21 national coffees that took part in the electronic auction,” said Valeriano.

Ihcafé is expecting a surge in the upcoming sales contracts for traditional Honduran coffee, and a substantial drop in the price differential or punishments for an alleged low quality of our aroma beans.

### **The Best Ones**

The Chairman of Ihcafé, Fredy Espinoza, pointed out that Honduran beans are showing their quality in international forums. This year Honduras will receive close to \$ 240 million for the sale of nearly 3.5 million coffee sacks. Omar Funes, Ihcafé’s Technical Manager, said that the average

of \$487.08 per sack paid yesterday exceeded those obtained in other Central American auctions.

On June 22 of this year, El Salvador sold 1,319.9 quintales (100 lb sacks) of coffee from its internal Cup of Excellence competition at \$291,287. The average selling price during this auction was \$220,67 per sack. Guatemala sold 618 sacks, at \$202,661, this past June as well, at a maximum price of \$7.65 per lb. This was done on an Internet auction set up by the National Coffee Association. According to the Costa Rica Coffee Institute, Costa Rica held its own auction in May, with prices for 90% of the coffees auctioned on the Internet above \$200 per quintal.

### **The Event**

The electronic coffee auction, which took place in a Tegucigalpa Hotel, started at 7 in the morning, and finished four hours later.

It was a party. The participants beamed with excitement as they witnessed the price movements that were recorded on the web site of the Cup of Excellence organization, which was being projected on a giant screen in the hotel conference room.

The sale turned out to be a novelty. The prices offered by the international buyers, mostly in the US, Europe, and Japan, were immediately shown through the website of the Cup of Excellence, which is in charge of promoting the competition events in Central America.

In order to guarantee a transparent process, the buyers received a code, unlike deals done in the New York Stock Exchange, which are done personally.

Towards the end of the session, emotions were overflowing, as the price of Mr. Martinez's coffee started at \$9.50 at 10 in the morning, remained static at \$11 for several hours, and finally closed at \$13. Mr. Martinez received \$19,500 for the 10 quintales he sold, equivalent to Lps 355,290.

Jorge Márquez got the lowest price per pound, at \$ 3.50 per pound.

### **The Secrets**

1 Allow bees to touch on the flowers of the coffee bushes, because he [Mr. Martinez] says it allows it to get polenized with the honey they pick up from wild berries in the surroundings.

2 "These are virgin lands that do not know what herbicides are", Mr. Martínez points out.

3 Clean the crops with special machetes that do not erode the soil or scratch the plant's absorbent hairs.

4 Wild berries and plums help keep the acidity of the soil, which is why he keeps these plants in the surroundings, or between rows in his coffee patch.

5 He does not allow the coffee to fall into the ground, instead he uses metal meshes for drying, and instead of moving it with a rake, moves it with his own hands.

6 He leaves waste material from cuts in the ground, so that it will become compost once it dries and mixes up with the humid soil.

7 Everything is done in the farm, from the picking to the pulp removal, to the drying process.

8 Everything is done naturally, except for the fertilization process, which he hopes to turn into 100% organic.

9 He keeps a natural compost mound near his coffee patch, made up by coffee pulp and sediments from California-type earthworms.

10 The water for washing the coffee comes from a nearby mountain. The farmer is in charge of bringing it down with hoses to a cement tank, which is always kept spotless, as he explains "I do not allow any dirty water residues, even if we have finished washing at midnight."

11 He keeps *broca* at bay by using traps made of plastic containers. These containers are filled halfway with pheromones, which attract the female *broca* towards them, and away from the plant.