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## Pound of Coffee reaches \$13 on Internet Auction

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*Authorities. The Agriculture vice minister, Germán Pérez, addresses the attendees at the moment the coffee reaches the \$13 price.*

**Tegucigalpa.** Honduran coffee growing wrote a new page in its history yesterday. The first electronic auction was a success, as coffee from producer Gregorio Martínez reached a price of \$13 per lb, 17 times more the price recorded in the New York Stock.

The Internet coffee auction started at 7:00 in the morning at a well know Tegucigalpa hotel, and carried on for nearly four hours. The attendees included government officers, coffee growers, representatives from

international organizations, and 21 winning producers from the "Honduras 2004 Cup of Excellence".

This commercial event had a festive ambiance to it, since the participants reacted excitedly to the movements recorded and broadcast in the "Cup Excellence" web page, which was shown on a giant screen at the room where the event took place.

### Process

Even though only 414 quintals (100 lbs) were traded, the first Internet auction was a long process, and it signifies Honduras' entrance to the international market of graded coffees.

Fredy Espinoza, chairman of the board of the Honduran Coffee Institute (Ihcafé), said that 680 producers delivered their samples in the regional competition, in order to pick out the 21 winners of the national event.

Gregorio Martínez, 48, winner of the "Cup of Excellence" competition, is a humble producer from El Pezote, Lempira, obtained a 95.69 per cent grade from a the 17 international judges. In a very humble way, the producer, who is now part of Honduras' coffee growing history, stated that the highest price he had obtained so far this year was Lps 6 (Lempiras) for the same beans that the he sold yesterday for \$13 per lb to Maruyama Coffea for Mikatajuku Group from Japan.

He added that he has owned a 2.1 hectare farm, where he grows nearly 70 quintals per season, and that he almost always sells to the middle men that visit his impoverished community to buy aroma beans.

### Auction

The Internet sale turned out to be a novelty for those present. The prices

offered by the international buyers, mainly from the US, the EU, and Japan, were immediately known through the "Cup of Excellence web site," which is in charge of promoting the event in Central America.

The auction was an exercise in real time, and unlike stock markets, the buyers were provided with a code in order to guarantee transparency in the whole process without being present personally, as it is done in NY or London.

The most exciting moments came near the closing time, that is, between 9:50 and 10:00 AM, since Martínez's coffee remained static at \$11 for a long time, but afterwards started climbing to \$11.30, \$12.54 and finally \$13. Gregorio Martínez got \$19,500 for the 15 quintals of special coffee he sold, equivalent to Lps 355,290. The lowest price was \$3.50 per lb.

Erwin Mierisch, "Cup of Excellence" representative in Nicaragua said that never had two lots surpassed the \$10 barrier in Central America, as it had happened in Honduras. The \$13 price registered here is the highest in the auctions that have been carried out in the region this year, even though previous years have had good prices, such as \$21 in Panama, \$14.75 in El Salvador, and \$11.75 in Guatemala.