



**KIT** Royal  
Tropical  
Institute



## Who supplies KIT coffee?

In search of a coffee brand that matches the sustainability ideals of KIT Royal Tropical Institute.

Andrea Vos  
Royal Tropical Institute, Amsterdam  
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# 1 Introduction

At KIT Royal Tropical Institute, the Post-2015 Sustainable Development Agenda is in our DNA. KIT is based in Amsterdam and is the home of SDG House: a community of sustainability experts and social entrepreneurs that hosts over 50 organisations. We seek to translate practice into global knowledge and bring global knowledge to inform best practices to build inclusive and sustainable societies. In addition to our advisory services on sustainable economic development, gender, health and intercultural collaboration, KIT owns and operates Amsterdam Tropen Hotel, De Tropen café and restaurant, and offers conference facilities for knowledge exchange and intercultural cooperation. The revenues of these hospitality activities are re-invested to support our independent research and operations.

Efforts have been made over the past years to make fundamental changes in the way that the KIT building and KIT staff both produce and consume goods and services (SDG 12). We commit ourselves to walk the talk and continuously explore how we can best live up to our core values of inclusion, transparency, independence and sustainability. We do this by not only focussing on the content of our work, but also in the way we work and select our partners. As part of this effort, KIT seeks to team up with a high quality coffee brand for the next three years that is committed to reduce its ecological footprint and increase equality in their supply chain.

The stakes are high in the coffee sector with unfair value distributions, volatile and low prices and limited transparency combined with a high carbon footprint of coffee production and consumption and increasing climatic pressures on smallholders. At the same time, an increasing number of coffee brands have high ambitions to maximize coffee quality and simultaneously contribute to social justice and sustainability through direct trading with coffee producers. Each brand does this according to their own sustainability strategy, which could range from 100% organic to slavery-free. Their objectives and definitions of sustainable development differ, which makes some brands perform better on environmental aspects of their production and others on workers' rights, gender equality or social justice.

This brings us to the question: what kind of sustainability do we as KIT want to support? In this report, we detail our assessment of five pioneering coffee brands that have been selected based on their commitment to transparency and fair value distribution, experience with business to business coffee delivery and proximity (location). In our assessment we zoom in on environmental sustainability in the Netherlands and origin countries as well as socio-economic sustainability, including transparency around value distribution, coffee prices, partnerships, inclusiveness, social services and trainings. Good coffee, along with a reliable internet connection, is one of the most important elements to keep employees, residents and guests happy. In 2019, the residents and guests of the KIT building, café and hotel consumed over 3000kg of coffee beans (!). That is why quality and customer service make up the third and fourth dimension of the assessment framework.

This report starts with a concise description of key concepts in the high quality coffee scene and lays out the methodology and selection process (Section 2). Section 3 introduces the assessment framework and approach to scoring. In Section 4 we share our analysis of the selected brand's sustainability strategies, customer service and quality. Section 5 concludes our study and lays out recommendations and next steps for KIT.

## 2 Deep dive in the high quality coffee scene

### 2.1 Context

KIT chooses high quality over bulk coffee and sets foot in the 'third wave coffee movement' that prioritizes taste and direct trade relationships with farmers over low prices and standardization. But what potential does the third wave movement, speciality coffee and direct trade have for socio-economic and environmental sustainability?

Third wave coffee refers to a different mind-set about producing and enjoying a cup of coffee. Rather than just "a cup of coffee", coffee is treated as an artisanal product and appreciated like a good glass of wine. It is all about the specifics of how coffee is farmed, processed, roasted and prepared to highlight unique flavours and complexity. Coffee served in "third wave" coffee shops is mostly graded "specialty coffee". Specialty coffee beans are the result of specific microclimates and soils, production practices and careful processing. To be qualified as specialty, these beans need to pass through multiple aspect grading and cupping tests, including colour, odour, taste, and score 80 points or higher on the coffee review scale<sup>1</sup>, Specialty coffee is free of primary defects, faults, taints and has distinctive attributes, for example in aroma, flavour, body, balance etcetera.

Alongside quality and unique taste, direct trade relationships with farmers are one of the pillars of the third wave of coffee and take priority over price and standardization. Everywhere you will find the "story" behind your cup on your coffee that explains how the farmer, importer, roaster and barista have created a distinct flavour profile in your cup of coffee. To be able to tell this story, coffee is sourced from farms instead of countries and directly from farmers or cooperatives instead of the stock market. "Direct trade" is about direct partnerships between coffee roasters and farmers and on generating mutual trust and transparency through personal relationships, price negotiation and information sharing. It generally reflects the ethical principles of the coffee roaster with a clear emphasis on investing in quality and innovation. Direct traders tends to offer higher prices for specialty coffee, tailored premiums and trainings. Because direct trade is not necessarily certified, farmers can sell their coffee without having to be part of a cooperative and cooperatives do not have to bear high certification costs, two known barriers for smallholder farmers to participate in Fairtrade coffee schemes<sup>2</sup>. On the other hand, there is no single definition, no common environmental or social standards and no guarantee on transparency, fair value distribution or third party verification.

All in all, the third wave of coffee offers a lot of potential to improve quality, create shared value and improve the livelihoods of smallholder famers. However, it also depends entirely on the integrity, ambition and knowledge of each separate coffee company. This report will guide you through our search of a coffee value chain that matches KIT's sustainability ideals.

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<sup>1</sup> See Specialty Coffee Association's best practices and protocols for green coffee grading here: <https://sca.coffee/research/protocols-best-practices>

<sup>2</sup> See for example Tellman, Gray and Bacon. Not Fair Enough: Historic and Institutional Barriers to Fair Trade Coffee in El Salvador. *Journal of Latin American Geography*, Volume 10, Number 2, 2011, pp. 107-127

## 2.2 Methodology

This study started with a desk review of sustainability efforts in coffee, both in the Netherlands and in origin countries as well as relevant research, reports and news articles on sustainability in coffee (also see Annex 3). In the Netherlands, “third wave” coffee roasters, importers and specialty coffee shops that roast their own coffee have started mushrooming since 2000. In 2018, NGO FairFood has started a #WakeCupCall campaign<sup>3</sup> for honest coffee and looked for coffee brands that guaranteed a fair price for farmers. They identified 31 Fairfood Coffee Ambassadors that are setting a positive example in the world of Dutch coffee. In 2020, the Dutch ASN Bank<sup>4</sup> also analysed the recent boom in coffee brands and grouped 32 coffee brands into four categories: (1) “pioneers” who innovate to make every step in their supply chain sustainable, (2) certified, “decent coffee”, (3) “stubborn coffee” with corporate standards and (4) “wrong coffee” without any social or sustainability efforts. The desk review, along with Fairfood’s coffee ambassadors and the ASN coffee pioneers provided us with a long list of pioneering Dutch coffee brands (see Annex A).

To narrow down our search, we came up with three criteria that allowed us to make a first selection of five promising coffee brands for interviews. Firstly, the brand’s website needed to include a clear indication of transparency of value distribution within the companies’ supply chain. Second, brands needed to have demonstrated experience with delivering coffee to middle to large-scale businesses to ensure stability, flexibility and reliable customer service. As a final selection criteria, the brand to be based in Amsterdam or surroundings to limit transportation in the Netherlands and work with local entrepreneurs.

The desk review (see Annex C) and interviews with Lisanne Oonk (Cultivar) and Channa Brunt (Fairfood) helped us shape a topic list for the interviews with the five selected brands (see Annex B) as well as the socio-economic and environmental sustainability dimensions of the assessment framework (see Section 3.1). We assessed each indicator based on a qualitative 0-1-2 scoring (see Section 3.2). Anna Laven (KIT) reviewed the assessment and final report.

## 2.3 Dutch coffee brands: the first selection

In alphabetical order:

- ❖ **Bocca Coffee Roasters** was set up in 2001 and roasts coffee from importer and partner Trabocca, both founded by Menno Simons. Sourcing started in Ethiopia and has expanded to various locations in Brazil, Peru, Colombia and Kenya. Trabocca is currently piloting a blockchain project<sup>5</sup> with FairFood and is committed to contribute to a living income. Both Bocca and Trabocca are relatively large in scale with considerable experience delivering coffee to all types of organizations.
- ❖ **Good Beans** was established in 2017 by Cody Reid-Dodick and Harald Stangeland. Together they roast coffee from two dedicated origins (Rwanda and Nicaragua), imported by This Side Up. Through its partnership with This Side Up and local exporters, Good Beans can show the value distribution of its coffee and has experience delivering coffee to small and mid-sized businesses.

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<sup>3</sup> Fairfood WakeCupCall: <https://wakecupcall.nl/>

<sup>4</sup> ASN Duurzame Koffie Overzicht: <https://www.asnbank.nl/zo-maakt-geld-gelukkig/drink-jij-zuivere-koffie.html>

<sup>5</sup> Block chain: a public digital traceability platform to trace products from farm to fork (or cup!). For more on Trabocca’s blockchain pilot: <https://trace.fairfood.org/consumer-interface/#/web/trabocca>

- ❖ **Moyee** was founded by Guido van Staveren in 2013 and sources its coffee mainly from Ethiopia. What makes Moyee unique is its FairChain initiative that aims to leave 50% of coffee revenue in the country of origin. Most of the value addition (through roasting) also happens in origin. Moyee supplies a number of other small, middle and large-sized organizations with coffee, including us at KIT.
- ❖ **This Side Up** was launched in 2013 when Lennart Clerckx started importing coffee from Rwanda. Right now, This Side Up imports coffee from all over the world's coffee belt and roasts some of its coffee as well. As part of their business strategy, This Side Up has a number of sustainability initiatives, including the Circular Coffee Collective<sup>6</sup>. What made This Side Up stand out in our search, is that it provides for every coffee origin a detailed producer profile with price breakdown of its green coffee.
- ❖ **Wakuli** was founded in 2019 by Yorick Bruins and Joris Oostenbroek. Wakuli buys its coffee from This Side Up, Algrano, Caradela and Cultivar and gives a clear price breakdown on its website and is transparent about Wakuli's cut of coffee revenue. Wakuli delivers to small and mid-sized companies.

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<sup>6</sup> <https://circularcoffeecollective.com/>



## 3 The KIT coffee assessment framework

The coffee assessment framework consists of four dimensions. The environmental and socio-economic dimensions reflect KIT's core values: inclusion, transparency, independence and sustainability. The other two dimensions, coffee quality and customer service and price, reflect KIT's ambition to provide optimal service to KIT's employees, residents and guests. All four dimensions are qualitatively assessed equally and detailed in Figure 1.

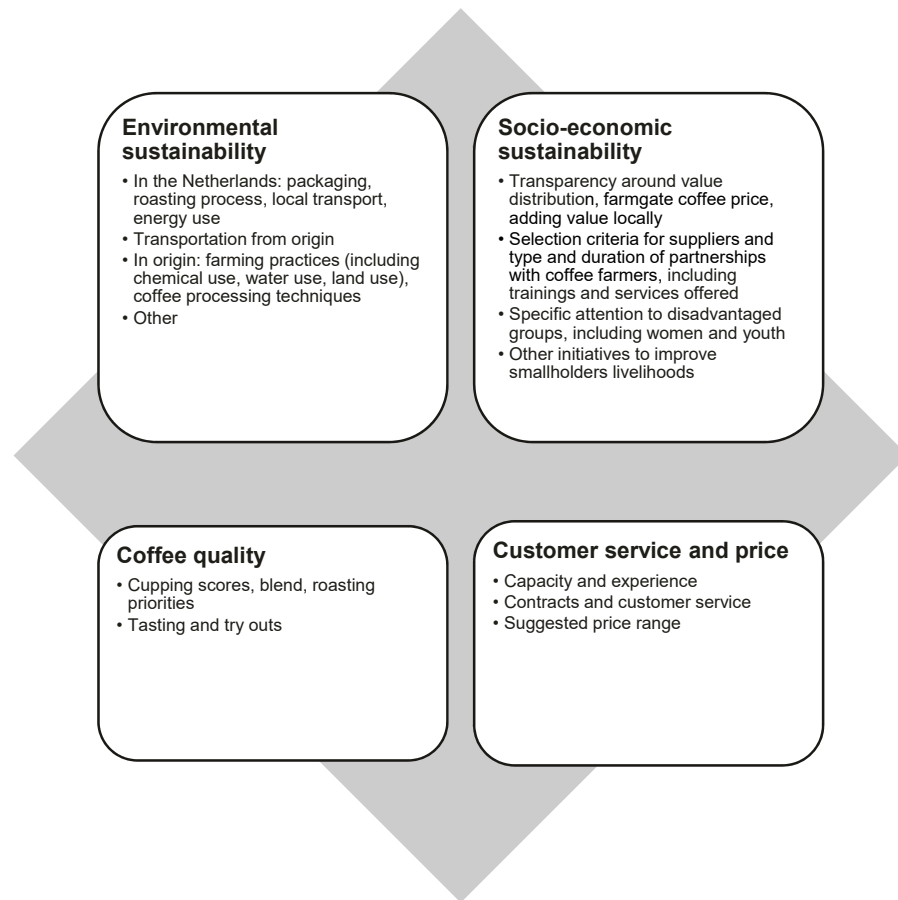


Figure 1: KIT coffee assessment framework

### 3.1 Scoring

Socio-economic and environmental sustainability criteria were assessed using a qualitative 0-1-2 scoring:

- “0” means that the company has not considered this aspect or is not taking any action in this area;
- “1” is given when the company is actively looking to improve or has made some progress in this area.
- A brand is scored with a “2” when it is implementing cutting-edge initiatives, seeing exciting results or when an innovative strategy is particularly well-thought out.

For **customer service and price**, we scored capacity and experience with '0' if there appeared to be considerable risks relating to capacity, stability and flexibility. We scored customer service with "1" if it met all requirements and scored "2" when it exceeded expectations. For price, we added a "1" if the coffee price suggested (or range) is similar to the current price KIT pays<sup>7</sup>. A "0" score was allocated if the (average) proposed coffee price was above the current price and "2" if the (average) coffee price suggested was below the current coffee price.

The **quality** dimension will be assessed separately through tasting and try-out in a next phase with the two finalists. This final stage will determine which brand is selected to supply KIT coffee.

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<sup>7</sup> KIT currently pays 17 EUR per kilo of roasted coffee beans.



## 4 Analysis of sustainability strategies

### 4.1 Environmental sustainability

#### What is at stake?

Coffee production and consumption puts a considerable strain on the environment. Environmental risks associated with the production of coffee in origin countries are deforestation and loss of biodiversity in monocultures, soil erosion in unshaded production systems, and high use of agro-chemicals in conventional coffee farming<sup>8</sup>. On the other hand, climate change will have one of the most significant effects on smallholder coffee farmers, evidenced in increasing temperatures, pests and diseases<sup>9,10</sup>.

Throughout the coffee supply chain, carbon emissions are high. Carbon footprint calculations do not only include emissions in origin, but also in transportation and consuming countries. Roasting, packaging, grinding, purchasing and especially actual coffee consumption<sup>11</sup> in the Netherlands total the biggest chunk in coffee's carbon footprint<sup>12</sup>. Climate mitigation and adaptation in all parts of the coffee supply chain is therefore urgent and of great importance.

#### Analysis of operations and strategy: narrative

In terms of **packaging**, all brands are using (or are planning to do so soon) recycled, biodegradable or re-usable options with no trade-offs on coffee quality. This Side Up, Wakuli and Good Beans deliver to businesses in reusable plastic tubs. Bocca is experimenting with 100% recyclable plastic packaging and looking for biodegradable options. From June 2020, Moyee will also have recyclable packaging and is experimenting with boxes and cans depending on the interest and demands of its business clients. In addition to its re-usable tubs, This Side Up is innovating with recycling projects for the imported coffee bags and re-using carton boxes with its clients. Wakuli delivers to individual consumers in CO2 neutral packaging through a reforestation programme.

Wakuli and Good Beans rent '**roasting time**' in shared roasting spaces. Moyee roasts some of its coffee in the Netherlands, also using this method. The collective use of roasting facilities is efficient in terms of energy and material use. Bocca and This Side Up have their own facilities as does Moyee for their majority of coffee roasted in origin. Both Bocca and This Side Up have made efforts to make its roasting process more efficient. Bocca was the first in Europe

<sup>8</sup> See for example: van Rikxoort, H., Schroth, G., Läderach, P. *et al.* Carbon footprints and carbon stocks reveal climate-friendly coffee production. *Agron. Sustain. Dev.* 34, 887–897.

<sup>9</sup> International Trade Center (ITC) Coffee Guide (<http://www.thecoffeeguide.org/coffee-guide/climate-change-and-the-coffee-industry/summary/>)

<sup>10</sup> An overview of some potential impacts of climate change to the coffee value chain by the Sustainability Council of the Specialty Coffee Association of America (SCAA) and allied non-profit organizations: <http://www.scaa.org/PDF/scaa-wp-climate-change.pdf>

<sup>11</sup> The Guardian on carbon emission of coffees, lattes and cappuccinos: <https://www.theguardian.com/environment/green-living-blog/2010/jun/17/carbon-footprint-of-tea-coffee>

<sup>12</sup> See for example: Bernard, Killian, Lloyd, Rivera, Mélissa, Soto, Dávid, & Navichoc (2013). Carbon Footprint across the Coffee Supply Chain: The Case of Costa Rican Coffee. *Journal of Agricultural Science and Technology* B3, 151-170

with its energy efficient Loring roaster and Moyee and This Side Up are actively looking for high-capacity roasters on biogas or electricity, respectively.

All brands except Moyee **transport** 100% of coffee over sea in containers. Depending on the origin, this is in full containers or a space is rented in containers that would otherwise be half-empty. Moyee transports some of its (roasted) coffee by air, but is looking to shift completely to ship transport. In the Netherlands, all brands use the PostNL system for its business clients. Wakuli and Good Beans indicated that they can also deliver by bike to smaller clients. Bocca and Moyee are also looking to deliver by bike in Amsterdam.

This Side Up is a frontrunner in terms of efficient **energy use** in the Netherlands. They are currently building a circular office from waste materials with energy from the roaster and solar panels. Moyee works in a co-working space and Wakuli gets its energy from Greenchoice and contribute to their loyalty programme.

**Other environmental sustainability initiatives** in the Netherlands include the Circular Coffee Collective recently started by This Side Up and partners. This collective links coffee farmers directly to its business clients through the Circular Coffee Fund<sup>13</sup> (to which KIT is already connected) that farmers use for sustainable and circular investments at farm-level. This Side Up is looking to partner with Groen Collect for collecting coffee waste for recycling into soap, ink, biogas and mushrooms. Moyee is connected to multiple sustainability initiatives. Based on the ambitions of their business clients, they can create links with a number of possible circular projects.

All brands are focussing in different degrees and varying per origin on deforestation, efficient water use, **climate-smart agriculture** and reducing the use of agro-chemicals. Wakuli supports its farmers and cooperation to become organic certified. This Side Up is promoting the use of biological pesticides, agroforestry demo plots and setting up a market for cascara, a coffee by-product, in all its origins. This Side Up donates 1 euro per kilo coffee in the Circular Coffee Fund to invest in sustainable and circular initiatives on the farm and trainings in collaboration with Progreso. Bocca (through Trabocca) invests in organic certification, reforestation programmes and water-saving eco pulpers. They have agronomists in the field that help increase productivity to combat deforestation and help farmers select the right shade trees. Moyee works on sustainable land management through agroforestry and climate-smart-agriculture practices with biological pesticides and organic composting to increase CO<sub>2</sub> absorption and decrease CO<sub>2</sub> emissions.

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<sup>13</sup> <https://www.circularcoffeefund.com/>

## Assessing operations and strategy: scoring



## 4.2 Socio-economic sustainability

### What is at stake?

Global coffee value chains suffer from great inequalities and unfair value distribution resulting in low incomes for smallholder coffee farmers<sup>14</sup>. For example, Fairfood calculated that on average, farmers receive 1% of the price of an espresso in the Netherlands. In a best case scenario, this does not allow smallholder farmers to invest to improve coffee quality and climate resilience. However, in a worst case scenario, low prices result in unliveable incomes for farmers that are far below national poverty lines. This reality is exacerbated for disadvantaged groups such as women<sup>15</sup>, youth or indigenous farmers, who already start off with limited access and control over land, time, finance, training and tend to have limited bargaining power in their households or communities.

Farmers who produce specialty coffee through direct trade mechanisms, are generally able to get a higher farm gate price than their colleagues who produce for the bulk market. However, that does not always guarantee that they make a living income<sup>16</sup>. Specialty coffee requires

<sup>14</sup> <https://fairfood.nl/wp-content/uploads/2018/10/Time-for-some-truly-good-coffee-spreads.pdf>

<sup>15</sup> <https://www.kit.nl/wp-content/uploads/2019/11/Changing-the-terms-of-women%E2%80%99s-engagement-in-cocoa-and-coffee-supply-chains.pdf>

<sup>16</sup> The Living Income Community of Practice defines living income as "The net annual income required for a household in a particular place to afford a decent standard of living for all members of that household"

even more quality investments from coffee producers. In addition, farm size, yield, negotiated price and other variables such as household size determine whether they can afford a decent standard of living. Specifically for farmers cultivating more sustainably produced or higher quality coffee, higher prices, better traceability, transparency and long term relationships are key to narrow their living income gap<sup>17,18</sup>. Long term contracts are a provision of predictability, stability and trust in sourcing relationships. Increased transparency and traceability can increase farmers' access to markets, increase their bargaining power and result in higher prices.

### **Analysing operations and strategy: narrative**

**Transparency & value distribution** in the chain: This Side Up stands out for disclosing a detailed price breakdown on their website for each of their coffee origins. Wakuli also prominently reveals the average value distribution of their coffee, including their own cut. Good beans is able to show the price breakdown of their coffee through This Side Up, but does not disclose its own cut on their website. In May 2020, Bocca launched a blockchain pilot with FairFood<sup>19</sup>, making a part of their supply chain in Ethiopia 100% transparent and up to public verification. Moyee coined its "FairChain" approach<sup>20</sup> which aims to leave a larger share of the value of coffee in the producing country (Ethiopia) by investing in roasting facilities there. Moyee also uses blockchain and indicated a price breakdown in the annex of their 2015 impact report. In its last impact report (2017), Moyee succeeded to leave 32% of value in origin by roasting a proportion of its coffee there and also selling to the local market<sup>21</sup>.

**Farm gate prices**<sup>22</sup>: Bocca's blockchain shows that in Guji, Ethiopia, 6.3 euros per kilogram roasted coffee goes to the farmer<sup>23</sup>. About 6.5 euro (7\$) of This Side Up coffee is paid directly to farmers in Ngula, Congo<sup>24</sup> and Peruvian farmers in Wakuli's chain receive 6.5 euros per kg roasted coffee. Of the coffee roasted by Good Beans, farmers see about 6 euro (\$6.5)<sup>25</sup>. According to Moyee's most recent detailed impact report (2017), Moyee pays farmers "20% above market price with its FairChain premium" and Moyee's Ethiopian roasters are paid 'market-conform' wages. At the time of the study, we were unable to access Moyee's blockchain livefeed to determine actual farmgate prices paid to farmers per kg coffee.

*Reference: the Fairtrade minimum price is 3.29 EUR per kilo for washed Arabica coffee (1.40USD/lb plus an additional 0.2USD/lb premium for the cooperative). For organic production, an additional 0.3USD/lb is paid. In their study, IDH calculated 2.62 EUR/kg as market price for specialty coffee (1.29 USD/lb)<sup>17</sup>*

All brands put forward quality and transparency as key principles when it comes to **partnerships** with suppliers and/or farmers. This Side Up and Moyee also emphasize the importance of direct relationships with farmers. This Side Up selects their farmers and trade

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Calculations include cost of food, water, housing, education, healthcare, transport, clothing, and other essential needs including provision for unexpected events.

<sup>17</sup> Task Force For Coffee Living Income (2019) Strategy Handbook: A Fact-Based Exploration of the Living and Pricing Strategies that Close the Gap. *The Sustainable Trade Initiative (IDH)*.

<sup>18</sup> <https://fairfood.nl/wp-content/uploads/2018/10/Time-for-some-truly-good-coffee-spreads.pdf>

<sup>19</sup> <https://fairfood.nl/en/blockchain-cases/trabocca/>

<sup>20</sup> See <https://www.moyeecoffee.com/impact/>

<sup>21</sup> <http://impact.moyeecoffee.com/impact-report-2017>

<sup>22</sup> We checked how much farmers receive in their pockets per kg roasted coffee. For brands that are transparent of the value distribution of multiple origins (e.g. This Side Up, Wakuli and Good Beans), results are based on their coffee suggestion for KIT.

<sup>23</sup> <https://fairfood.nl/en/blog/can-a-coffee-farmer-pay-the-rent/>

<sup>24</sup> <https://thissideup.coffee/ngula>

<sup>25</sup> <https://thissideup.coffee/coko>

partners also based on their drive for innovation and entrepreneurship. Moyee emphasized that it wants to include all farmers, and supports underperforming ones. In terms of collaboration, all brands emphasize the importance of mutual trust and aim for long-term relationships. The actual contracts with farmers are signed for 1-year, except Moyee who strives for 3-year contracts based on the highest price of the three previous years.

This Side Up is one of the initiators of the Circular Coffee Collective<sup>26</sup>. This collective connects offices directly to the coffee farmer to ensure longer term stability and the opportunity to have open communication about quality and sustainability. Both Wakuli and This Side Up suggest to connect KIT directly to one origin/cooperative. This implies high transparency, possibility for open dialogue about farming practices and sustainability in origin and high stability for farmers if KIT commits to a multi-year collaboration.

Most brands offer **trainings and services** focussing on quality, productivity and sustainability, either directly or indirectly with NGO partners. Wakuli collaborates with Cultivar in Peru and through This Side Up also with Progreso in several countries. This Side Up emphasized that it delivers trainings based on the needs that farmers express. Bocca and Moyee set up their own trainings and Moyee provides individual smallholder farmers with microloans through its blockchain initiative<sup>27</sup>.

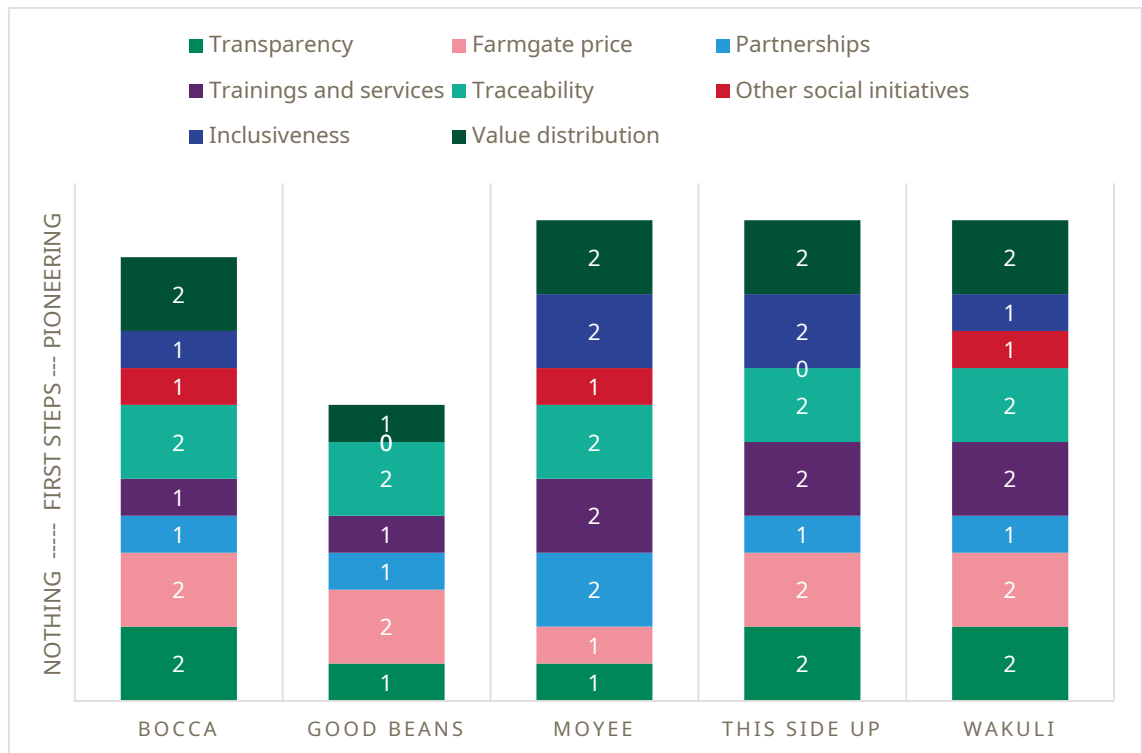
There is some focus on **inclusiveness** in origin, mainly by reaching and benefitting women. This Side Up and Wakuli invest in women-only coffee projects and female leadership. Bocca emphasizes the importance of gender equality with local partners and cooperatives and Moyee supports female farmers with opening bank accounts, gender quota in roasting facilities and factories and an initiative to increase women's income in the off-season. In one of its roasteries in the Netherlands, This Side Up and Wakuli employ people with poor job prospects. In origin, Bocca has invested in several social projects in some of its origins, including schooling and health initiatives.

### **Analysing operations and strategy: scoring**

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<sup>26</sup> <https://circularcoffeecollective.com/>

<sup>27</sup> Petrutiu, S. and Kruijssen, F., 2020. *Harnessing Blockchain Technology For Commodity Chains*. KIT Working Papers. [online] Amsterdam: KIT Royal Tropical Institute. Available at: <[https://www.kit.nl/wp-content/uploads/2020/08/Working\\_Paper\\_Blockchain\\_Final.pdf](https://www.kit.nl/wp-content/uploads/2020/08/Working_Paper_Blockchain_Final.pdf)>



### 4.3 Customer service, experience and price

Capacity and experience: Bocca and Moyee are the biggest brands; coffee delivered to KIT would amount to less than 2.5% of their total capacity. They deliver coffee to several large offices, bars and restaurants. Both brands do not see any challenges in delivering to KIT. This Side Up has a medium capacity out of which KIT would make up less than 5%. They deliver to various cafés and restaurants, mid-sized offices and recently won a tender from The Hague municipality. For Wakuli, the youngest brand, KIT would be the largest client and make up 10% of their total capacity. Wakuli does have experience delivering coffee to over 20 business clients. Both This Side Up and Wakuli mentioned they require some flexibility from KIT to internally prepare for the first coffee delivery to KIT. Good Beans has experience delivering only to smaller business clients. KIT would make up over 50% of their total capacity, bringing substantial risks for stability of coffee supply.

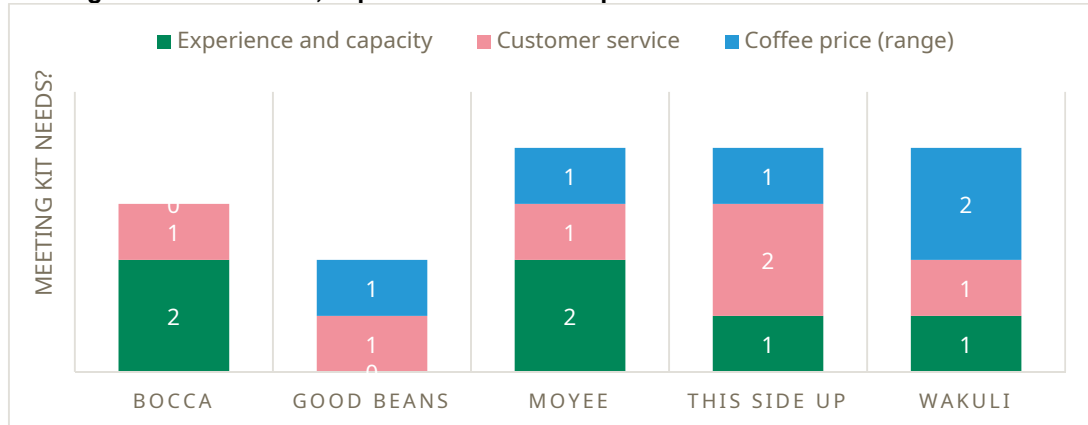
This Side Up and Wakuli indicated that they have flexible contracts with 1-2 months' notice. However, This Side Up mentioned that if KIT would decide for a longer-term contract with one origin, that this would provide more stability for the farmers. Bocca generally signs 2-3 year contracts.

Customer service for all brands is relatively similar. They will follow up on all questions or issues regarding taste by changing the blend composition, roasting profile or checking the coffee machine. All brands recommend purchasing machines (if needed) instead of leasing them. They can connect KIT to high quality coffee machine retailers. The maintenance of the machine is also done externally and generally includes regular maintenance and support with malfunctioning. Wakuli added that they check and, if necessary, adjust the machines every 3 months. All parties can deliver a complete package with sugar, honey, (oat)milk, etcetera. This

Side Up emphasised that they always look for the most sustainable options. For example, their sugar is 100% traceable.

All brands proposed price ranges for the delivery of roasted coffee beans per kilo. All would like to explore with KIT exactly which price/quality and flavour ratio meets KIT's criteria. Wakuli proposes a price range of 15-19 euros, with a preference for its 15 euro Peruvian coffee in collaboration with Cultivar. Moyee currently delivers to KIT a blend of 17 euro and This Side Up has proposed a price range between 16.5-25 euro per kg. Bocca offered a price range of 20 – 26 euro per kilo.

#### Scoring customer service, experience and coffee price



## 4.4 Coffee quality

Coffee is graded on a universal 100 point quality scale. All brands make use of Q-graders to determine cupping scores at multiple points in their supply chains, including testing for different coffee machines. From a cupping score of 80, a coffee is graded as 'specialty coffee': the highest grade for coffee. Coffee is deemed 'market grade' from 60. Bocca only works with coffees that have a cupping score of 85 and higher. Wakuli's coffee are cupped at 84 and This Side Up starts at 78. Moyee indicated that cupping scores for their coffees range between 68-82+.

Usually the higher the cupping score the higher the coffee price for the buyer and farmer. Here it is up to KIT to determine what quality/price ratio makes sense. It is also important to note that the quality of the coffee in your cup of coffee not only depends on its cupping score, but also on the coffee machine, water quality and machine maintenance. All brands invited KIT for a tasting at their roasteries and can also organize a try-out at KIT offices.

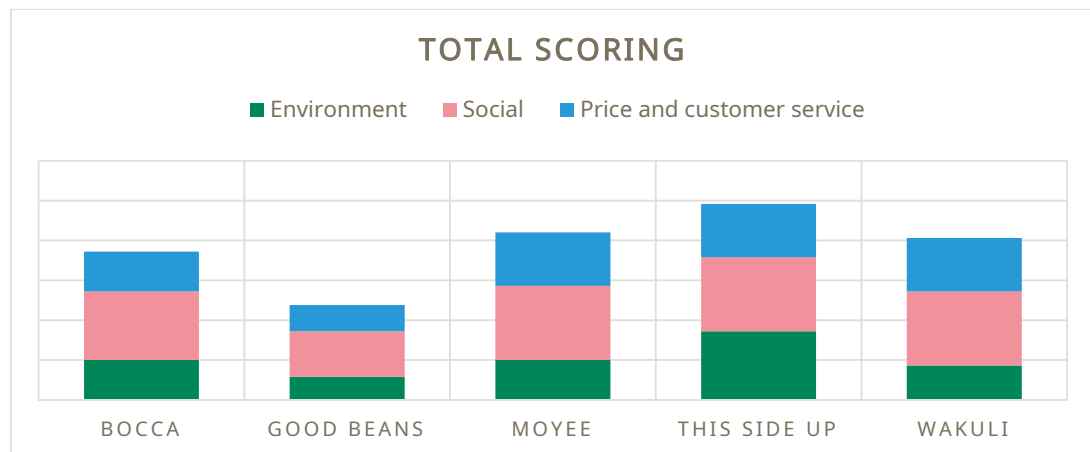


## 5 From talking to tasting: next steps for KIT

Storytelling is an increasingly important part of corporate strategies. The ambition and purpose of storytelling ranges from marketing to potential customers to demonstrating a just distribution of costs and benefits in the supply chain. This report has taken a deep dive in the Dutch high quality coffee scene and 'story proofed' the sustainability strategies of five trailblazing coffee brands. We developed key environmental and socio-economic sustainability criteria to compare and assess how these brands deal with ecological packaging to climate-smart agricultural practices and fair value distributions to partnerships.

We can conclude that all brands interviewed are pioneers in their own right. Bocca, Moyee, This Side Up and Wakuli are strong contenders with socio-economic and environmental sustainability at the core of their business strategy. Bocca is a large-scale and established brand with more than a decade of experience. They invest in innovative projects and have the capacity to scale them up. Moyee stands out with its unique 'FairChain' approach which aims to leave at least 50% of value in the country of origin as well as their 3-year contracts with farmers. This Side Up and Wakuli bring fresh energy to the sector with their extreme transparency, high farm gate prices and solid commitment to equal partnerships with producers. This Side Up in particular is a strong pioneer when it comes to its cutting-edge initiatives on environmental sustainability.

After a deep-dive analysis on socio-economic and environmental sustainability as well as price and customer service, we recommend **Moyee** and **This Side Up** to be included in the final stage of choosing KIT's coffee: tasting and try-outs in KIT offices.



The key incentive of this study has been to find and story-proof a coffee brand to supply KIT's coffee for the next three years. A second objective has been to inspire other organizations and increase knowledge and demand for ethically sourced coffee. This study has also sparked an internal conversation at KIT: where do we see our added value as big coffee consumer? Is it to contribute to consolidating and scaling well-established brands or to boost smaller organizations that have just started to roll out their business plans? Similarly, how do we see our relationship with this brand: as provider of excellent coffee such as Moyee or as facilitator of a direct exchange with one coffee origin or cooperative, for example through the This Side Up's Circular Coffee Collective? Along with the final tasting phase, KIT should consider what kind of impact it seeks to catalyze – both on company-level and in the (selected) origin country.

# Annexes

## Annex A: long list of coffee brands

Name	Location	Experience delivering to offices	Transparency on coffee price breakdown or value distribution in supply chain?
<b>Moyee</b>	Amsterdam	Yes + examples on website	Yes: Fair Chain impact reports and blockchain. Part of Futureproof Coffee Collective <sup>28</sup> .
<b>This side up</b>	Amsterdam	Yes + examples on website	Yes: very detailed information and price breakdown per origin. Part of Futureproof Coffee Collective.
<b>Bocca coffee</b>	Amsterdam (roastery in Dronten)	Yes + examples on website	Yes: blockchain initiative and mention they pay 56% over the fairtrade price. Part of Futureproof Coffee Collective.
<b>Good Beans</b>	Amsterdam	Yes	Yes: mentions price transparency through This Side Up
<b>Wakuli</b>	Amsterdam	Yes	Yes: transparent value distribution with price division on website. Part of Futureproof Coffee Collective.
<b>GOSLING</b>	Amsterdam	Yes + examples on website	Farmgate price on website. Part of Futureproof Coffee Collective.
<b>Dagger Coffee</b>	Utrecht	Focus on horeca	No
<b>Back to black</b>	Amsterdam	yes	No
<b>Beanbrothers</b>	Amsterdam	No	No
<b>Ikigai</b>	Arnhem/Deventer	Yes	Not explicitly, but is a This Side Up partner.
<b>Boot</b>	Amersfoort	Yes	Not explicitly, but is a This Side Up partner. Part of Future Proof Coffee Collective

<sup>28</sup> Futureproof Coffee Collective is driven by group of coffee companies and facilitated by MVO Nederland to measure the true price of coffee: the actual cost of coffee, including the social and environmental costs of the production process. More information: <https://mvo-nederland.foleon.com/imvo-magazine-2019/internationalwork/futureproof-coffee-collective/>

Name	Location	Experience delivering to offices	Transparency on coffee price breakdown or value distribution in supply chain?
<b>Kinti koffie</b>	Utrecht	Yes	Commitment to transparency on website. Farmgate price is based on Fairtrade price with 'Kinti premium'. Part of Futureproof Coffee Collective.
<b>Branderij Luijendijk</b>	Schiedam	Yes	No
<b>Roast Factory</b>	Den Haag	Yes	Not explicitly, but is a This Side Up partner.
<b>Henry's coffee</b>	Amsterdam	Focus on horeca	No
<b>Keen coffee</b>	Utrecht	Focus on horeca	No. Part of Future Proof Coffee Collective
<b>Nordkapp coffee</b>	Utrecht	Focus on horeca	Commitment to transparency on website and This Side Up partner. Part of Futureproof Coffee Collective.
<b>Zwarte Koffie</b>	Ede	Yes	No
<b>Koffiestation</b>	Groningen	Yes	No
<b>80Days</b>	Maarn	Yes	Yes: website details full price breakdown
<b>Stean's beans</b>	Amsterdam	Yes	Commitment to transparency on website
<b>Badeta</b>	Amsterdam	Yes, with examples	No
<b>The Coffee Quest</b>	Amsterdam (warehouse Zoeterwoude)	No (importer of green beans) in	Commitment to transparency on website. Part of Futureproof Coffee Collective.
<b>EEK Coffee</b>	Zeewolde	Yes	Commitment to transparency on website and a EUR0,50 premium per kg coffee for farmers.
<b>Medellin Secret</b>	Laren	Yes	No
<b>Usawa Coffee</b>	Gemert	Yes	Not explicitly, but is a This Side Up partner.

## Annex B: interview topic list

### Introduction

- Introductions
- Objectives and process of study
- Interview objectives

### Environmental sustainability in the Netherlands

- Type of packaging, re-use and recycling initiatives
- Energy-efficient roasting protocols
- Type of coffee transportation (from origin to the Netherlands and within the Netherlands)
- Efficient energy use within the Netherlands, energy supplier
- Other sustainability or circular initiatives within the Netherlands

### Environmental sustainability in origin

- Programs or strategy on deforestation, agro-ecology, input-use, water-use
- Innovative coffee processing techniques
- Other environmental sustainability initiatives in origin

### Socio-economic sustainability

- Value distribution in the chain
- Farm gate prices and quality premiums
- Selection criteria for partners
- Contracts with farmers

- Trainings or services for farmers
- Coffee traceability
- Gender strategy, youth strategy, outreach to vulnerable farmers
- Other initiatives to improve the wellbeing of farmers

### Quality

- Single origin or blends
- Roasting priorities
- Determining coffee quality
- Cupping scores
- Other

### Price and customer service

- Current capacity
- Other clients similar to KIT
- Potential challenges
- Type of contracts
- Try-outs
- Customer service
- Coffee machines and maintenance
- Other products (milk, sugar etc)
- Price ranges per kilo

Questions or comments

## Annex C: References

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