

Voluntary Report – Voluntary - Public Distribution

Date: March 06, 2026

Report Number: BR2026-0008

Report Name: Brewing Opportunity - Brazil's Specialty Coffee Sector Shows Strong Potential

Country: Brazil

Post: Brasilia

Report Category: Coffee, Market Promotion/Competition, Agricultural Situation, Agriculture in the News

Prepared By: Marcela Formiga

Approved By: Joseph Degreenia

Report Highlights:

Brazil, the world's largest coffee producer and exporter, has recently experienced a rise in domestic appreciation and production of specialty coffee. This growth is driven by dedicated producers, and strong research networks. Production, often small-scale and linked to sustainability certifications, requires significant investment and expertise, with profitability limited by challenges such as restricted access to credit, postharvest infrastructure, and technical support. The United States is the main export market, and Brazil is actively promoting specialty coffee globally through initiatives focused on quality and innovation.

Brazil is the world's largest coffee producer and exporter, and the second-largest coffee-consuming country. While the highest quality coffee beans are historically exported, domestic appreciation for specialty coffee has surged in recent years. Production has experienced rapid growth and attracted an increasing number of consumers.

Brazil's specialty coffee supply chain presents several key strengths. The country benefits from optimal weather that favors the harvest of diverse coffee cultivars and a growing number of producers dedicated to increasing coffee quality. In addition, a strengthening network of research institutions and cooperatives prioritizes innovation and technical advancement, while the domestic market for coffee consumption continues to rise.

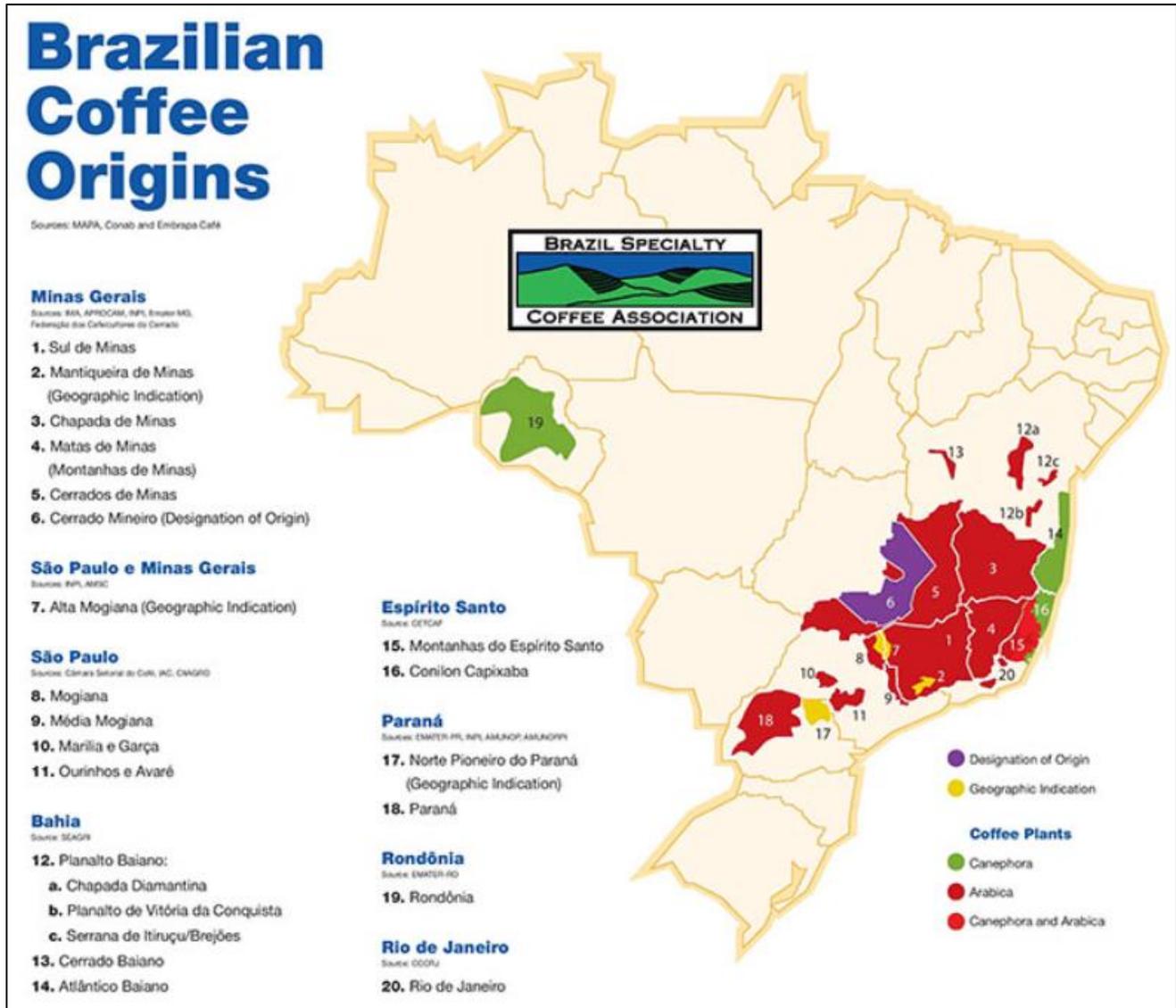
However, significant challenges and weaknesses persist, such as difficulties to access rural credit and insufficient access to postharvest infrastructure to fund operations, equipment, and development. In addition, many producers experience uneven availability of technical assistance and a limited number of certified warehouses and exporters, which decreases their profitability. These structural barriers hinder wider participation in the specialty coffee sector, particularly for small producers.

Specialty coffee typically costs about 50 percent more than conventional coffee for consumers. However, beyond the higher price, the specialty segment fosters medium- and long-term loyalty among buyers, offering producers greater purchase security across multiple future harvests.

Coffee Regions

Harvest is mainly concentrated in high-altitude regions, including the main producing states of Minas Gerais, Espírito Santo, and São Paulo. Temperature and elevation significantly affect coffee quality, where higher elevations and milder temperatures result in denser beans and more acidic beverages.

Figure 1
Brazilian Coffee Origins



Data Source: Brazil Specialty Coffee Association (BSCA)

Minas Gerais is the leading producer of arabica and specialty coffee, particularly in Sul de Minas, Cerrado Mineiro, and Matas de Minas. The production chain is well-structured, with a high concentration of producers, roasters, warehouses, brokers, associations, cooperatives, and exporters. The

state alone produces more coffee than most of the countries in the world, at around 24 million 60-kg bags per year, accounting for nearly half of Brazil's total production.

The region is divided into sub-regions, each with distinct characteristics:

- **Chapada Diamantina:** With altitudes of 800–1,000 meters above sea level and mild temperatures, this region is ideal for arabica coffee. Coffees are full-bodied, velvety, sweet, and have citric acidity.
- **Cerrado Mineiro:** Crops are located at 800–1,200 meters. The region was the first in Brazil to receive Designation of Origin (DO) status in 2013. Medium to large-sized farms are most common, spread over 55 municipalities. Coffees benefit from excellent seasonality and are known for their unique characteristics.
- **Sul de Minas:** With mild temperatures and high altitudes (800–1,400 meters), this region is a major producer of specialty coffees. Farms are traditionally small, and the region is home to the world's largest coffee cooperative (COOXUPÉ). Coffees feature high acidity and sweet flavor.
- **Matas de Minas:** Comprising 64 municipalities in the Atlantic Forest, this region has Geographical Indication (GI) status. Most properties are small farms, with less than 20 hectares. Coffees have medium to full body, medium acidity, and high sweetness.
- **Mantiqueira de Minas:** Located in southern Minas Gerais, this high-altitude region (1,000–1,400 meters) is highly awarded and recognized for its distinctive sensory profile. The temperature variations, with hot days and cold nights, favor the slow ripening of the cherries, producing a sweeter and more aromatic coffee. In 2011, the area was recognized with a Geographical Indication (GI).

Espírito Santo is the second-largest coffee-producing state, primarily of commodity-grade robusta/conilon, but also produces high-quality arabica in high-altitude regions. The region uses washed or semi-washed processing due to its misty, humid climate. Some of the main regions are:

- **Caparaó:** Divided between Espírito Santo and Minas Gerais, this mountainous region relies on manual harvesting. Many properties are small and family-owned farms. It has a Designation of Origin (DO) status since 2021.
- **Montanhas do Espírito Santo:** With 16 municipalities above 400 meters, this region produces mostly arabica on small, family farms. Coffees have medium to high acidity, sweetness, and aromatic complexity. The area has also received a Designation of Origin (DO) status in 2021.

São Paulo is recognized for specialty coffee with a sweet and balanced profile. The main regions are:

- **Alta Mogiana:** The region is a traditional coffee producer, encompassing 15 municipalities in the state of São Paulo and 8 municipalities in Minas Gerais. Coffees have a strong aroma, creamy body, and well-balanced acidity and the region was recognized with a Geographical Indication (GI).
- **Média Mogiana:** Includes eight municipalities in São Paulo, with some areas above 1,000 meters and an average mild weather throughout the year. Coffees have medium sweetness, medium body, and good acidity. The region was recognized with a Geographical Indication (GI) in 2016.

Rondônia specializes in growing conilon, the Brazilian robusta coffee. With a tropical climate, Rondônia crops grow under high temperatures and low altitudes, nestled in the Amazon rainforest. The Matas de Rondônia region received Designation of Origin (DO) status in 2021.

Paraná is the southernmost coffee region in the world. Once a thriving coffee producer, the state recently decreased production. However, coffee producers remain very motivated in the region, allied with cooperatives and agronomic research institutes. The main producing region is Norte Pioneiro do Paraná, where almost 90 percent of the production comes from small properties, with the coffee being planted in purple soil, known for its volcanic properties. With its 45 municipalities, Norte Pioneiro do Paraná earned Geographical Indication (GI) status in 2021.

Bahia began coffee production in the 1970s, making it the newest region of the country. However, the state quickly gained prominence as a high-quality coffee producer, using innovative technology and full mechanization. High altitudes, warm temperatures, and maximized efficiency result in one of the highest productivity rates in Brazil. The Oeste da Bahia region was recognized with a Geographical Indication (GI) in 2019.

Definition and Classification

The grading system of the Specialty Coffee Association (SCA), which sets global specialty coffee standards, evaluates arabica coffee on a 100-point scale, with 80 points or higher classified as "specialty." Coffees are assessed for aroma, flavor, acidity, body, balance, sweetness, uniformity, and aftertaste, and must have 0 to 5 defects per 350g of milled beans. SCA scoring grades are:

- 90–100 (Outstanding): Exceptionally rare, top-tier coffee.
- 85–89.99 (Excellent): High-quality, distinct flavor profile.
- 80–84.99 (Very Good): Standard specialty coffee.
- Below 80: Not considered specialty coffee.

Brazil adopts different classification categories depending on the grading organization. The classification process also considers screen size, with larger beans often associated with higher quality.

Brazil's Ministry of Agriculture established the Brazilian Official Classification (COB) in 2002, outlining protocols for cupping and grading green coffee. The COB system aligns with the SCA scores, with "soft" taste in the cup test considered specialty. Coffees are ranked as strictly soft, soft, just soft, hard, riada, rio, and rio zona.

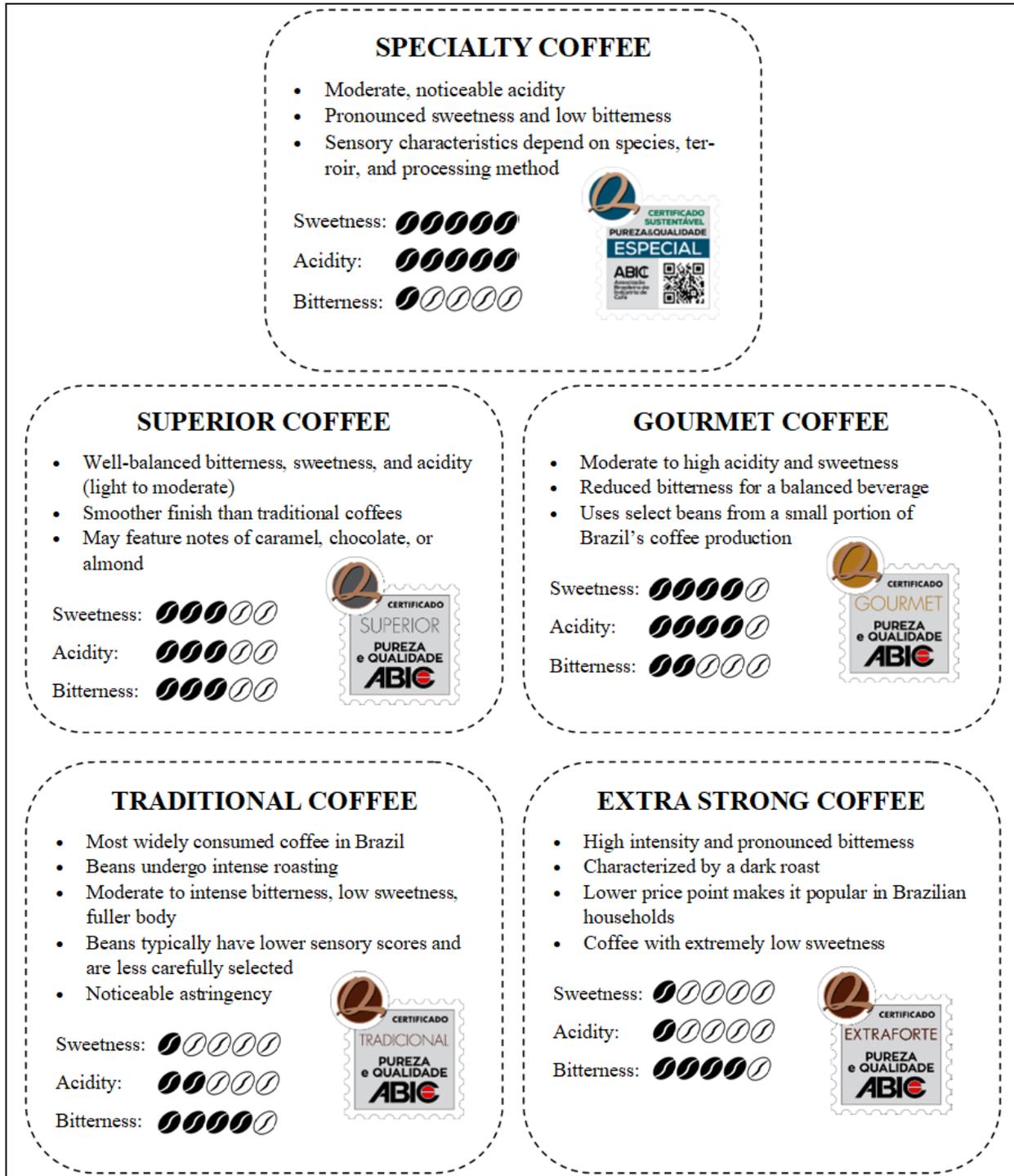
- 85 SCA points or above: Strictly soft beverage (high sweetness, clean, pleasant)
- 80–84 points: Soft beverage (clean, medium sweetness, less complex)
- 75–79 points: Just soft beverage (less sweet, rougher)
- 71–75 points: Hard beverage (harder cup, less sweet, often used for espresso)

The Brazilian Coffee Industry Association (ABIC) classifies roasted coffee into five categories: specialty, gourmet, superior, traditional, and extra strong, through the Coffee Quality Program (PQC) created in 2004. Each category is defined by sensory characteristics such as sweetness, acidity, and

bitterness. Through its Roasted Coffee Certification Program, ABIC has become a reference in coffee classification in Brazil.

Figure 2

Coffee Classification by the Brazilian Coffee Industry Association (ABIC)



Data Source: Brazilian Coffee Industry Association (ABIC); Figure USDA Brasilia

In May 2025, the Brazil Specialty Coffee Association (BSCA) partnered with the SCA and adopted the Coffee Value Assessment (CVA) as their official protocol for evaluating Brazilian specialty coffees. The CVA assesses physical, affective, descriptive, and extrinsic attributes, providing a shared language for producers and buyers. The BSCA, developers of the Cup of Excellence program, aims to standardize communication and connect producers and buyers in Brazil and globally.

In addition to the previously mentioned scoring systems, Brazilian producers use other certification methods to meet international standards, such as organic and fair-trade certificates. However, these methods don't necessarily mean that the coffees classify as 'specialty'.

Furthermore, Brazilian robusta/conilon coffee's improving quality has driven stronger demand and higher prices, necessitating better quality assessment methods. As the second largest producer of this type of coffee in the world, behind Vietnam, Brazil experienced increased robusta prices in early 2025.

Recognizing this importance, the SCA revised its evaluation course for arabica and robusta graders in 2025. The updated guidelines enable specialty coffee graders to accurately describe and score both species. In 2026, the SCA plans to revise its flavor descriptor lexicon to include attributes specific to robusta coffee.

Challenges That Hinder Growth

Genetics plays a crucial role in specialty coffee production, yet available data on coffee cultivars' genetic potential often conflicts due to inconsistent methodology. This problem extends to the different classification systems used globally and within Brazil.

The World Coffee Research (WCR) categorizes the quality of arabica coffee cultivars into five levels, ranging from very low to exceptional. For example, the WCR lists known varieties such as Geisha, Pacamara, and Mibirizi as exceptional, but Brazil's National Registry of Cultivars (RNC) indicates that none of these cultivars are officially registered for cultivation in Brazil. However, the WCR currently excludes many important Brazilian cultivars, including those that produce exceptionally high-quality, high-scoring coffee.

These cataloguing discrepancies may cause financial losses for Brazilian producers. Without international recognition, producers face difficulty obtaining certifications, higher production costs, and reduced profitability.

Specialty coffees often come from farms with socio-environmental sustainability certifications and good agricultural practices. Very high-quality coffees are typically produced in micro lots, sometimes as small as one 60-kg bag. Even larger lots rarely fill an entire container.

The production chain of specialty coffee requires not only strong technical and practical knowledge, but demands significant investments during sowing, harvest and, particularly, in postharvest infrastructure, such as washers, pulpers, separators, and dryers.

Although there have been recent advances, the industry continues to face technological and managerial limitations because specialty coffee production in Brazil remains concentrated to a limited number of small producers.

Consumption: Brazilians Acquire a Taste for Specialty Coffee

Although Brazil is the world's largest coffee producer, domestic appreciation for specialty coffee is relatively recent. Historically, the best beans were exported, while domestic consumption focused on lower-quality coffees. Since the 2000s, specialty coffee culture grew, with consumers seeking selected beans, different preparation methods, and more conscious consumption.

A survey commissioned by ABIC in September 2025 revealed that 24 percent of respondents reported reducing their coffee consumption in Brazil, markedly up from just 3 percent in the 2023 survey, 5 percent in 2021, and 7 percent in 2019. This decline in consumption aligns with ABIC's retail sales data, which indicated a 5.4 percent drop year-to-date due to higher prices. Besides decreasing purchase volumes, consumer buying patterns have shifted, with 39 percent opting for cheaper coffee alternatives.

However, according to ABIC, in Brazil, the consumption of specialty coffee grew by 15 percent annually, a growth rate higher than that of traditional coffee, which typically increases by 3.5 percent per year. The annual consumption of specialty coffees is around 70,000 tons, representing 5 to 10 percent of total consumption in the sector.

The trend in the growth of the specialty coffee market is explained by the increasing number of consumers who opt for higher quality products. These consumers are interested in new preparation methods, tend to go to coffee shops that prioritize coffee extraction and quality, buy differentiated beans, are concerned about the origin of the product, and are often concerned about sustainable practices during production.

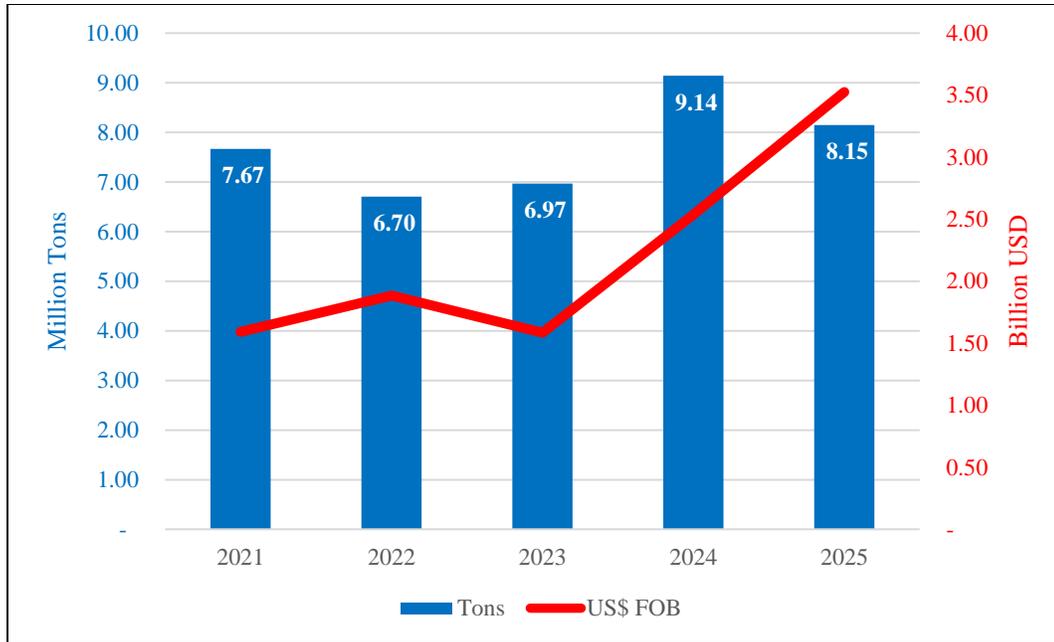
According to the ABIC study, specialty coffee consumers are 20 percent Class A (wealthy), 50 percent Class B (upper-middle class), and 30 percent Class C (middle class). Most of these consumers are located in the Southeast region (45%), followed by the Northeast (22%) and South (17%). Additionally, the majority of consumers are in the age group above 40 years old (40%). The remainder are between 18 and 30 years old (35%), followed by 31 and 40 years old (25%).

Trade Decreases, Revenue Increases, and the U.S. remains the main destination of Specialty Coffee

Specialty coffee does not have its own classification standard, catalogued based on preparation, rather than quality. For this reason, there is no specific trade data exclusively on specialty coffee. However, the Brazilian Coffee Exporters Council (CECAFE) classifies into a single category what it calls differentiated coffee, or those that have certificates for sustainable practices, superior quality, or special characteristics.

According to CECAFE, these differentiated coffees accounted for 20 percent of total Brazilian exports between January and December 2025, with 8.1 million bags exported. This volume is 11 percent lower than the previous year. However, foreign exchange earnings from shipments of differentiated coffees in 2025 reached USD 3.5 billion, 39 percent above the value obtained in 2024. This was due to favorable exchange rate fluctuations for exporters.

Figure 3
Brazilian Exports of Differentiated Coffee*

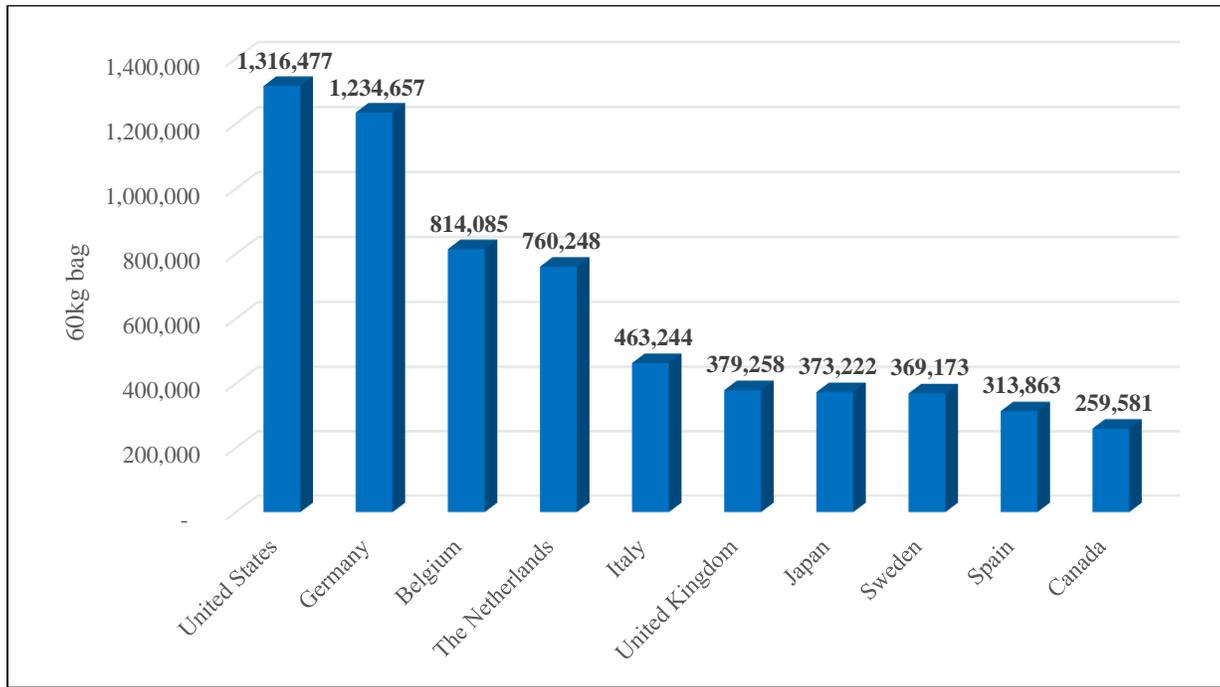


Data Source: *Brazilian Coffee Exporters Council (CECAFE); Graph Post Brasilia; *coffees with certificates for sustainable practices, superior quality, or special characteristics*

The United States remained the main destination for differentiated coffees, importing 1.3 million bags from January to December 2025, equivalent to 16 percent of the total, followed by Germany, with 1.2 million bags (15%); Belgium, with 814,085 bags (10%); The Netherlands, with 760,248 bags (9%); and Italy, with 463,244 bags (6%).

Figure 4

Main Destination of Differentiated Coffees from Brazil in 2025*

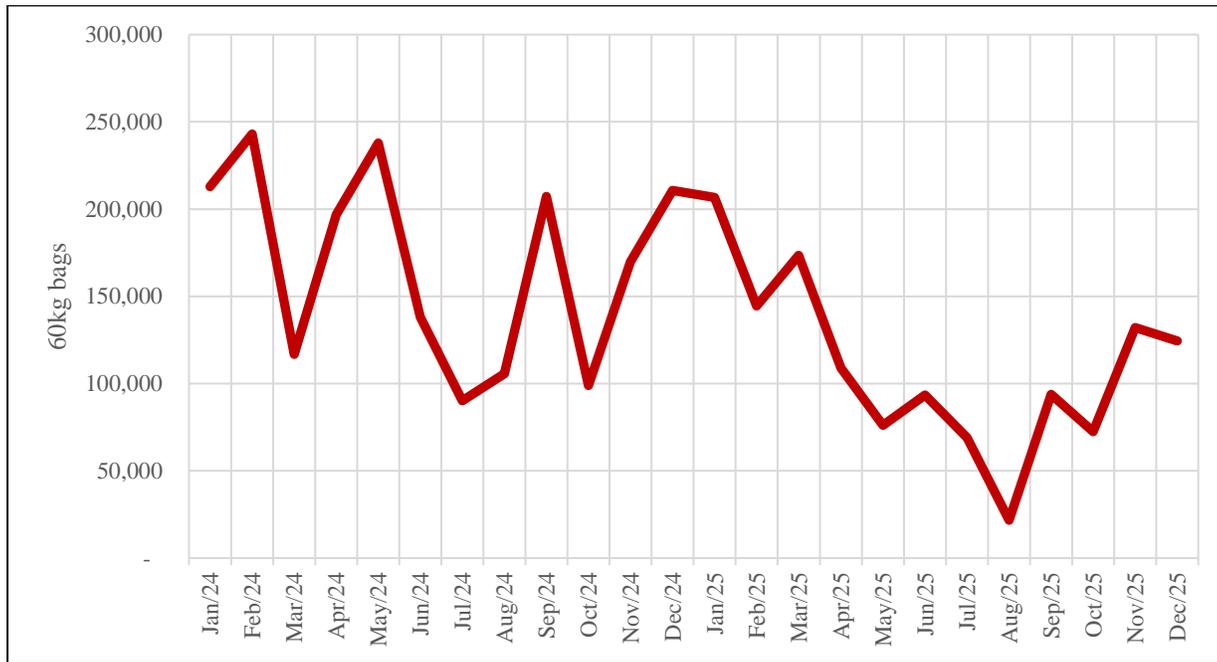


*Data Source: Brazilian Coffee Exporters Council (CECAFE); Graph Post Brasilia; *coffees with certificates for sustainable practices, superior quality, or special characteristics*

According to the BSCA, the high volumes of exports of specialty coffee to European countries such as Germany, Belgium and The Netherlands is justified by their importance as distribution hubs.

The trend is for growth in the specialty coffee segment, with increasing international demand for quality, traceability, and sustainability. From August to October 2025, shipments of Brazilian specialty coffees to the United States totaled 190 thousand 60-kg bags, a 55 percent drop compared to 412 thousand bags recorded during the same period in 2024.

Figure 5
Brazilian Differentiated Coffee Exports to the United States*



Data Source: Brazilian Coffee Exporters Council (CECAFE); Graph Post Brasilia; *coffees with certificates for sustainable practices, superior quality, or special characteristics

Brazilian Promotion and Outlook

Brazil is actively promoting its specialty coffee abroad. The “Brazil. The Coffee Nation” project, a partnership between BSCA and the Brazilian Agency for Export and Investment Promotion (ApexBrasil), aims to promote Brazilian specialty coffees internationally, highlighting quality, diversity, traceability, and sustainability. Activities include trade fairs, events, branding campaigns, and direct support to companies in strategic markets such as the United States, Japan, China, South Korea, the United Arab Emirates, France, and Australia for specialty green coffee. Processed products (roasting and grinding) will be concentrated in markets such as Canada, Chile, China, and the United States. The project, running until August 2027, seeks to expand Brazil’s global leadership in specialty coffees and boost exports.

Strong international demand, quality improvements, and targeted promotion will drive the expected growth in Brazil's specialty coffee sector. By emphasizing sustainability and innovation, the sector will strengthen Brazil's significance in specialty coffee production and exports.

Attachments:

No Attachments.