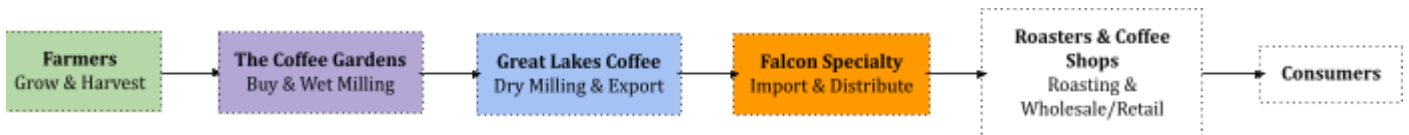


## The Coffee Gardens 2020/21 Transparency Report

The Coffee Gardens was established in 2017 with the goal of producing specialty coffee in an ethical way, offering a transparent and direct link between coffee farmers and coffee consumers. This transparency report allows us to share the breakdown of costs directly associated with producing our coffee with our customers and partners. This report also illustrates the number of people involved in the different stages of our coffee production, offering an insight into their contributions and levels of compensation.

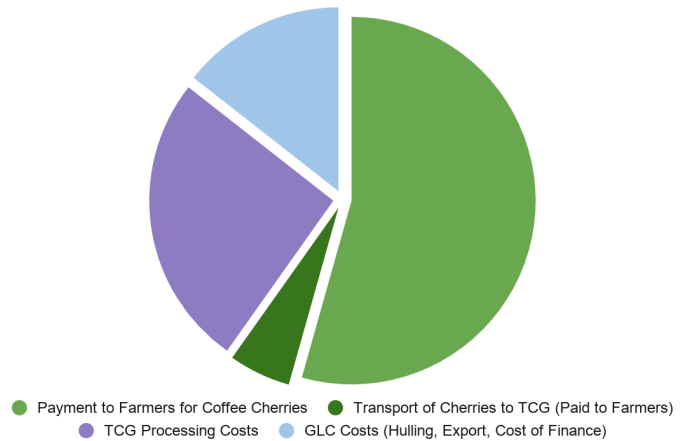
### Our Coffee's Journey



### Cost & Price Transparency

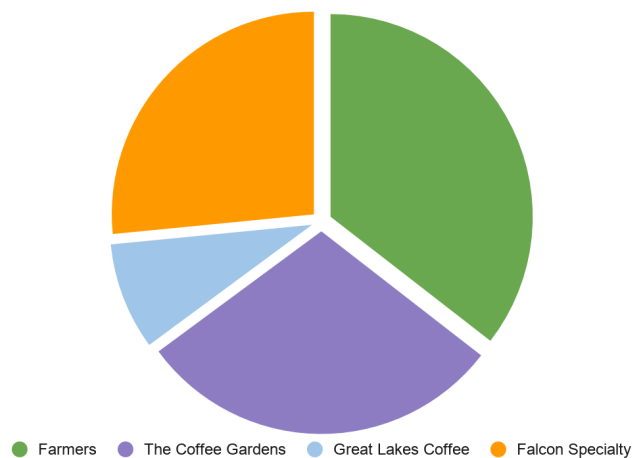
The following is a breakdown of the direct costs associated with producing our coffees in the 2019/20 harvest:

Cost Areas	\$ USD / KG of Export Green
Payment to Farmers for Coffee Cherries	\$2.90
Transport of Cherries to TCG (Paid to Farmers)	\$0.29
TCG Processing Costs	\$1.38
GLC Costs (Hulling, Export, Cost of Finance)	\$0.77
<b>Total Cost</b>	<b>\$5.34</b>



Below is a break down of the allocation of the total sale price, based on TCG coffee scoring 85+ points (SCA score), offered by Falcon Specialty to roasters in Europe:

Share of Wholesale Price (Europe)	\$ USD / KG of Export Green
Farmers	\$3.19
The Coffee Gardens	\$2.65
Great Lakes Coffee	\$0.77
Falcon Specialty	\$2.39
<b>Total Sale Price</b>	<b>\$9.00</b>



### Coffee Cherry Buying Transparency

The Coffee Gardens is transparent with our partner farmers about our buying policy and prices, providing each registered farmer with a contract and a buying-record book, communicating any price changes via SMS, and providing receipts for every transaction. Please see our Impact Report for more details on our buying practices.

# THE COFFEE GARDENS

DIRECT, ETHICAL, SPECIALTY

Average Price Offered	Cherry (KG)	Export Green Equiv.
The Coffee Gardens	1,470 UGX (40c USD)	\$2.98
Local Traders (supplying larger companies, inc. MNCs)	1,200-1,400 UGX (32c - 38c USD)	\$2.44-2.84

In order to incentivise better quality coffee, we try to pay a minimum of 100 UGX more than the market rate. This season, due to a smaller harvest across Uganda, the Multinational Corporations (MNCs) significantly raised the price of coffee cherries (well above the equivalent international market price) in order to meet targets. Such price hikes are typically short-term. Occasionally, in an attempt to penetrate our supply chain, local traders offered our registered farmers 100-200 UGX/KG more. The majority of our farmers remained loyal to us and chose to continue to supply us at our normal price. The reasons they gave were: our level of transparency, season-long reliable prices, and high expectations for our off-season bonus, training and input programs.



## Labour Transparency

The Coffee Gardens is an equal opportunity employer and prohibits child labour. Uganda has no minimum wage and The Coffee Gardens' policy is to pay staff at above market rate and provide additional benefits in order to ensure that the whole team is highly motivated. The following is a list of worker positions, rates and benefits:

Position	# Women	# Men	Salary Rates	Benefits
Executive Directors	1	1	N/A	Rent, Insurance, social security
Managers & Officers (Long Term Contracts)	2	3	\$165-380/m (above industry average)	Insurance, allowances, social security, savings scheme
Field & Processing Assistants (Long Term Contracts)	1	5	\$70-125/m (above industry average)	Insurance, allowances, social security, savings scheme

# THE COFFEE GARDENS

DIRECT. ETHICAL. SPECIALTY

Coffee Runners <i>(Workers paid per bag carried)</i>	20	83	\$1.90-\$5.75/d (above industry average)	Meal each day worked
Processing Station Workers <i>(Day Labourers)</i>	13	6	\$2.20/d (above industry average)	Breakfast and lunch each day worked
Drying Yard Workers <i>(Workers paid per bag carried/sorted)</i>	16	3	\$2.20-\$4.40/d (above industry average)	N/A
<b>Total</b>	<b>53</b>	<b>101</b>		

## Funding Transparency

- Great Lakes Coffee: provide us with a range of paid services including access to working capital, hulling, exporting, and warehousing, for a fixed fee of 35c/lb on exported coffee.
- Rabo Foundation: provided us with a restricted grant of \$13,500 in 2020 for farmer training, tree seedling distribution, Covid mitigation measures, and traceability technology. Also provided us with a small amount of working capital and a CAPEX loan for station upgrades at 10% interest/annum.
- Solidaridad: signed an MoU in February 2021 to deliver a range of programs to our farmers. The agreement includes technical support and restricted project funding totalling \$5,000.
- Roasters/Coffeeshops: BirdSong Coffee and Bean Press provided a grant of \$450 for tree planting activities.

## The True Cost of Coffee: Producing a 60 KG Bag

