

FACTORS LEADING TO QUALITY AND PRICING OF SPECIALTY COFFEE IN COSTA RICA

Conor Sexton, Lawrence University
Advisor: MS Michael McCoy

Recently, globalization and changing consumer demands have led to a growing niche coffee market, differentiated by extreme high quality and greater emphasis on environmental origin. Several coffee mills in Costa Rica have adapted to meet new demands, using new processing methods and more selective sorting to improve quality, with some participating in quality-based competitions like “Cup of Excellence”, organized by the Alliance for Coffee Excellence. My research objectives were to investigate several environmental factors and mill practices to estimate their relationship to scored quality, and to estimate the relationship between quality and price. I interviewed 16 mill owners/employees about their practices, quality-scores, and selling prices in the Los Santos region of Costa Rica, in the mountains south of the capital San José. I also collected soil samples from specific lots, and external data from a variety of sources, including Instituto del Café de Costa Rica (ICAFFE). A strong negative relationship existed between mean price/hundredweight (quintal) and percentage of traditional, washed-process production ($R^2=31.7\%$; $P=0.0565$). A strong negative relationship existed between mean price/quintal and production in quintals/year ($R^2=68\%$; $P<0.0001$). Mean cupping (quality test) scores differed between coffee sorting methods ($P=0.0572$), and between mills’ participation in Cup of Excellence ($P=0.0307$). Finally, mean cupping scores and mean price/quintal were strongly positively related ($R^2=40\%$; $P=0.0207$). Environmental factors were related to mean cupping scores and price, though not significantly. My results suggested that mill practices can be changed to achieve greater quality scores, which in turn are strongly related to greater sale prices. I recommend that mills increase their use of novelty processes, participate in Cup of Excellence, and form stronger relationships with foreign buyers. More research is needed on environmental factors and their relationship with coffee quality and price, especially on soil factors.