



PRAXIS
ETHIOPIAN COFFEE PARTNER

www.praxis.com.et

A DIVISION OF
PRAXIS INTERNATIONAL BUSINESS PVT. LTD. CO

COMPANY
PROFILE

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WHO WE ARE



We are Praxis, an Ethiopian Coffee Partner.

We source, process and supply fine Ethiopian Coffee to the world; by partnering with growers & suppliers locally and traders & roasters internationally.

Praxis Coffee is a division of Praxis International Business Pvt. Ltd. Co., a company based in Ethiopia that was established in 2013. With over 100 employees, the company has an annual turnover of 10 million USD. Praxis also has a division that is engaged in the distribution of fast-moving consumer goods (FMCG).

Our diverse product offerings, commitment to quality and schedules, professional team and business processes, partnership-oriented approach, and ethical values make us one of the top choices for sourcing Ethiopian coffee.

Our aspiration is to be the most preferred Ethiopian Coffee Partner.

WHY WORK WITH US?

1. Partnership <ul style="list-style-type: none">• We define our relationship with our clients and suppliers/growers as a partnership.• We strive to ensure these partnerships are long-term and mutually beneficial. <p>We source, process and supply fine Ethiopian Coffee to the world.</p>	2. Product Offering <ul style="list-style-type: none">• We offer a wide variety of fine Ethiopian coffee with different origins, processing types, and grades. We also guarantee stock availability year-round in accordance with the offerings of each season.• To ensure this, we have established strong partnerships with growers and suppliers.	3. VALUES / PRINCIPLES <ul style="list-style-type: none">• Integrity and professional ethics are uncompromising values that define every aspect of our operations and communications. We reinforce these values with transparency.• Professionalism is at the core of our team formation and operations, driving superior performance.
4. Business Process & Approach <ul style="list-style-type: none">• We proudly have a highly qualified, experienced, and dedicated team of professionals.• We use standard operating procedures (SOPs) that allow us to effectively execute routine business activities. We also implement technology solutions to automate and streamline our operations, customizing our SOPs to best accommodate the specific requirements of our clients.• We emphasize the importance of clear and detailed communication between us and our clients. Our team proactively communicates with you, providing all updates and responding to your queries in a timely manner.	5. Quality & Delivery Time <ul style="list-style-type: none">• We deliver the promised quality coffee within the agreed delivery timeframe/schedule.• Clients can always reach out to us for justified claims, which we ensure are discussed and addressed quickly.• Our detail-oriented, systematic, and quality-focused approaches/processes in supply chain, stock management, processing, logistics, and quality control, enabled with technology, assure quality and reliability. <p>Our aspiration is to be the most preferred Ethiopian Coffee Partner.</p>	

ETHIOPIAN COFFEE: INTRODUCTION

ETHIOPIAN

COFFEE



Ethiopia, a country in East Africa, is known for its diverse cultures and is the second most populous and one of the largest countries in the continent. Agriculture is the country's major economic income.

Legend has it that the discovery of coffee dates back to the sixth century in Ethiopia. The story of Kaldi, a goat herder from Ethiopia's Southern Kaffa region, is a popular and often recounted tale. Kaldi and his goats are traditionally credited with the discovery of coffee beans. As the story goes, Kaldi took his goats out to pasture, and they began feeding on the red cherries of the yet unknown plant. A little while later, he witnessed his animals were in a state of euphoria. Their excitement spurred him to try the cherries for himself – the rest is history.

Regardless of the legend of Kaldi and his goats, it is certain that coffee was first discovered in the forests of southern Ethiopia. The beans would ultimately find their way to the Arabian Peninsula, where coffee gained immense popularity and became a staple.

Following the popularity of the beans, coffee made its way to Europe, Asia, and the rest of the world through merchants, immigrants, and pilgrims.

In the centuries since, coffee has become a daily ritual for billions of people all around the world. Many cannot start their day without a cup, making coffee the second most widely consumed beverage globally after water. It is also one of the most traded agricultural commodities, with producers in tropical and sub-tropical regions shipping huge volumes to consumers across the world.

Ethiopia remains one of the major sources of coffee globally, ranked as the 5th largest coffee producer/exporter in the world in 2021 and the largest coffee producer/exporter in Africa. For example, according to the International Coffee Organization, the world consumed about ten billion kilograms of coffee in 2021, of which 250 million kgs were exported from Ethiopia. The Ethiopian highlands provide ideal conditions for growing coffee.

Now, many varieties of coffee are produced and consumed worldwide, with Arabica and Robusta dominating the market.

Arabica is the oldest variety, which was first discovered in Ethiopia and introduced to the world. This popular coffee variety received its name because it made its way and was known to the world through the Arabian Peninsula. It grows best in rainy climates at higher elevations and is widely preferred for its superior taste. Arabica is the most popular variety of coffee, accounting for close to 60% of the world's coffee production.

Robusta is named after the size and roundness of its beans. It is more flexible in terms of the climates where it can grow.

Robusta is characterized by a peculiar, bitter taste.

Ethiopian Arabica coffee beans are grown at altitudes between 1,500 and 2,200 meters in the highlands. Due to the diverse topographies and ecosystems, there are many variants of Ethiopian Coffee such as Yirgacheffe, Sidamo, Lekempti/Wellega, Harrar, Guji, Kaffa, and Limmu/Djimmah, among others. Each of these has its own unique flavor and taste. Ethiopian coffee growers mainly adhere to either Dry or Wet processing methods.

Coffee is a very important element of the Ethiopian economy, a country with a population of over 120 million. It is intertwined with the lives of millions directly dependent on the coffee value chain. About 15 million farmers, processors, and traders depend on the beans for a living. It is also by far the largest source of foreign currency for the country, which largely relies on agricultural production for export.

Coffee is also an integral part of Ethiopian culture. It can be said that every household in the country consumes coffee on a daily basis, often with colorful traditional ceremonies. The ceremony consists of three rounds, with each pot of coffee brewed lighter than the previous. A typical ceremony gathers families, friends, and neighbors for conversation and laughter with traditional snacks and incense. Coffee is also served in workplaces and small coffee shops, which are often packed with customers. Yet, the most premium quality beans are reserved for the export market.

ETHIOPIAN COFFEE: ORIGINS

Ethiopia's highlands create ideal conditions for growing coffee, which is one of the reasons why the country is among the major suppliers of coffee globally. Additionally, Ethiopia's diverse topographies and ecosystems offer many coffee growing regions, each with unique coffee bean characteristics (such as shape and color) and coffee cup profiles (including acidity, sweetness, and body). The major origins and varieties are listed and described below:



Sidamo: This coffee from Southern Ethiopia is grown at altitudes between 1550 and 2200 meters and produces small to medium-sized oval-shaped greenish to grayish beans. It has a lemony and cardamom flavor with bright acidity. Sidama coffee is harvested between October and January and is characterized by a spicy floral fragrance and full body.

Yirgacheffe: This coffee type is grown at high altitudes of 1500–2200 meters in the southern part of Ethiopia. The beans, which are mid-sized and grayish-blue, are harvested between October and January. Yirgacheffe is one of the finest highland-grown coffees, with a flora fruity flavor, delicate teal-like sweetness, light to medium body, and vibrant aftertaste.

Lekempti/Wellega: This coffee type is produced in Western Ethiopia at high altitudes of 1500-2300 meters above sea level. The beans, harvested between November and January, have a bold-oval to oblong shape with pointed ends and a greenish to brownish color. The coffee type is valued for its pleasant fruity flavor, good acidity, short aftertaste, and medium body.

Harrar: This coffee is produced in eastern Ethiopia and harvested between November and January. The beans are of medium to long pointed size and have a golden color. Harrar coffee has a spicy fragrance and mocha flavor. Grown at an altitude of 1500-2700 meters, it is also known for having a lingering aftertaste and a full body.

Guji: This coffee is grown in Southern Ethiopia at a high altitude of 2000-2150 meters and harvested between October and January. Its small to medium round-sized beans are bluish to grayish in color and have high-intensity acidity. Guji coffee is known for its peachy sweetness, medium to full body, and delicate aftertaste.

Kaffa: This coffee is grown in southwestern Ethiopia, the area believed to be the origin of coffee. Produced at altitudes of 1200-1800 meters, the beans have a bold greenish color and are harvested between November and January. This coffee type has complex flavor notes and a smoky aftertaste, typically with delicate sweetness and medium to high cup profile.

Limmu/Djimmah: This coffee is produced in southwestern Ethiopia and is known for its spicy fragrance, winey flavor, and citrus sweetness. The beans, round-shaped with greenish to bluish color, are harvested between November and January. The plant is grown at high altitudes of 1400-2000m.

Other Origins: Apart from the most popular coffee origins in Ethiopia mentioned above, the country is blessed with many more varieties.

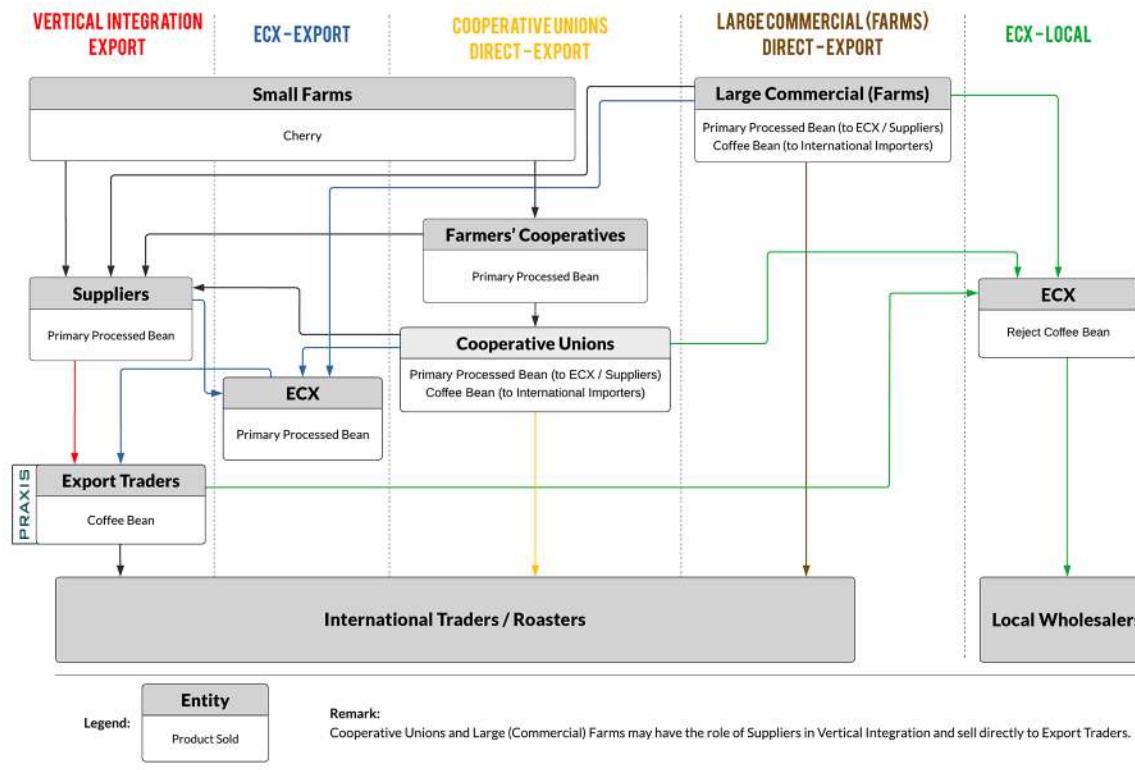
A comprehensive list and description of all Ethiopian coffee origins is published by Ethiopian Commodity Exchange.

<https://www.ecx.com.et/Pages/Coffee.aspx#CO>

ETHIOPIAN COFFEE: SUPPLY CHAIN

The supply chain of Ethiopian Coffee involves various entities. There are four options for the export coffee transactions: Vertical Integration, ECX, Cooperative Unions: Direct, and Large (Commercial) Farms: Direct. Coffee supplied for the local market also has a significant volume and is an important part of the supply chain.

The supply chain and the place of Praxis Coffee in the chain is indicated in the diagram and table below.



S/N	Entity	Product Sold	Activity
1	Small Farms	Cherry	Growing , Harvesting , Primary Processing (Partly)
2	Large (Commercial) Farms	Primary Processed Bean <i>(to ECX / Suppliers)</i> Coffee Bean <i>(to International Importers)</i> Reject Coffee Bean <i>(to ECX)</i>	Growing, Harvesting, Primary Processing Secondary Processing, Warehousing, Exporting
3	Suppliers	Primary Processed Bean	Primary Processing Warehousing
4	Farmer's Cooperatives	Primary Processed Bean	Primary Processing Warehousing
5	Cooperative Unions	Primary Processed Bean <i>(to ECX / Suppliers)</i> Coffee Bean <i>(to International Importers)</i> Reject Coffee Bean <i>(to ECX)</i>	Secondary Processing Warehousing , Exporting
6	ECX	Primary Processed Bean <i>(to Export Traders)</i> Reject Coffee Bean <i>(to Local Wholesalers)</i>	Warehousing, Trading Platform Grading - Primary Processed Coffee - Secondary Processed Coffee - Reject
7	Export Traders <u>PRAXIS COFFEE</u>	Coffee Bean <i>(to International Importers)</i> Reject Coffee Bean <i>(to ECX)</i>	Secondary Processing Warehousing , Exporting

ETHIOPIAN COFFEE: GROWING & PROCESSING

1. Growing

In Ethiopia, coffee is grown in under four different systems:

- **Forest Coffee:** Also known as "wild coffee," this type of coffee is grown from seeds scattered in the forest.
- **Semi-Forest Coffee:** These coffee plants are generated from seedlings cultivated in nurseries and placed in thinned forests. Farmers clear weeds annually to facilitate harvesting.
- **Garden Coffee:** This method involves farmers cultivating coffee in their own vicinity at modest densities, primarily using organic fertilizers.
- **Plantation Coffee:** Large commercial farms grow plantation coffee using recommended agronomic practices, including better seedlings, spacing, mulching, manuring, weeding, shade regulation, and pruning. Plantation coffee is cultivated on previously cleared land, with seedlings raised in nurseries and routinely planted alongside shade plants.



The coffee harvest season, spans from October to December and the peak of the season is November. Harvesting usually continues throughout the entire harvest season for most farms because coffee beans don't ripen together at one time; hence farmers practice selective harvesting by picking ripe red cherries.

2. Processing

The most widely used coffee processing methods in Ethiopia are Dry processing and Wet processing. Other processing types like Honey processing and Anaerobic processing are also sometimes used.

2.1 Dry Processing

This is the oldest and simplest coffee processing method. Coffee processed through this method is known as "Unwashed", "Dry Processed", "Sun-Dried" or "Natural" coffee. Dry processing method involves Primary and Secondary phases described below:

- **Dry: Primary Processing**

The dry primary processing of coffee cherries begins with the delivery of cherries to the primary processing station, where they undergo cleaning and sorting to separate ripe cherries from unripe, overripe, and damaged ones, as well as any dirt or twigs. The cleaned and sorted ripe cherries are then spread out in a thin layer in the drying bed to sun dry. Once the cherries have dried, they are stored until they are



needed for hulling, a process that involves removing the dried husk and parchment layer surrounding the coffee beans. After hulling, the coffee beans are placed in bags for delivery to a Secondary processing facility.

- **Dry: Secondary Processing**

At secondary processing facility, the beans undergo a cleaning process which involves sorting, and grading based on size, color, and quality, with the aim of removing impurities and defects as per the required quality and grade standard. Then after the beans are packed and made ready for export.

2.2 Wet Processing

This processing method is relatively more sophisticated. Coffee processed through this method is known as "Washed" or "Wet Processed" coffee. Wet processing, like Dry processing, involves Primary and Secondary phases described below:

- **Wet: Primary Processing**

Wet Primary processing, like Dry processing, begins with the delivery of selectively picked coffee cherries to the primary processing station. Here, the cherries undergo cleaning and sorting to separate ripe cherries from unripe, overripe, and damaged ones, along with any dirt or twigs. This is typically followed by a flotation process on washing channels to separate cherries with defects from the desired ripe cherries. The next step involves de-pulping, where the outer skin or fruit pulp is removed from the coffee beans, usually within 8-12 hours after harvest. The de-pulped beans, still covered in a sticky mucilage layer, are placed in fermentation tanks to undergo fermentation to remove the mucilage.



Following fermentation, the coffee beans are moved to washing channels for a thorough wash, removing the remaining mucilage, and leaving the beans with the parchment layer. Subsequently, the beans are spread out in a thin layer in the drying area to sun dry. Once dried, they are stored with the parchment layer in bags for delivery to a Secondary processing facility.

- **Wet: Secondary Processing**

At Secondary processing facility the beans first undergo a hulling process which removes the parchment layer from the beans followed by a cleaning process which involves polishing, sorting, and grading based on size, color, and quality, with the aim of removing impurities and defects as per the required quality and grade standard. Then after the beans are packed and made ready for export.

OUR PRODUCTS

Variety	Quality	Origin	Grade	Processing
Arabica Coffee	Commercial	Sidamo	G2	Washed
		Yirgacheffee	G2	Washed
		Guji	G2	Washed
		Limmu	G2	Washed
		Sidamo	G4	Unwashed
		Guji	G4	Unwashed
		Lekempti	G4	Unwashed
		Lekempti	G5	Unwashed
		Djimmah	G4	Unwashed
		Djimmah	G5	Unwashed
Arabica Coffee	Speciality	Sidamo	G1	Washed
		Yirgacheffee	G1	Washed
		Guji	G1	Washed
		Limmu	G1	Washed
		Sidamo	G1	Unwashed
		Guji	G1	Unwashed

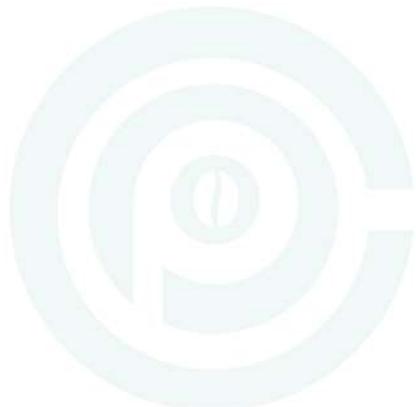
SALES PROCEDURE

At Praxis, we follow a systematic sales, processing, and delivery approach.

Our step-by step procedures, including options & terms (packing options and minimum order quantity), are stipulated below.

No	Step	Description
1	Quotation/Offer	We stock fine Ethiopian coffee with a wide variety of origins, processing types, and grades. Our offerings are listed in the "Our Products" section. Additional stock varieties can also be made available as per the request/requirement of Clients.
2	Sample	Upon request, we provide up to 1kg sample to Clients' local offices or use courier services to deliver to Clients abroad.
3	Stock Inspection	We share pictures and arrange physical inspection of our stock as per the requirement of Clients.
4	Order Confirmation	After accepting Praxis Coffee's offer or negotiating on a counterproposal, Clients confirm orders through an email or a purchase order. The minimum order quantity is 20 feet container load (FCL), around 19-21 tons.
5	Contract Signing	We sign a Sales/Purchase Contract with the Client. Typical contract terms include origin, grade, quantity, price, payment term, delivery term (incoterm), shipment period/date, packing details, and labeling (bag marking) detail, container loading detail, and the list of required documents.
6	Contract Registration	The signed contracts are registered with the National Bank of Ethiopia (NBE). The minimum selling price and other applicable conditions are verified by the bank as per the regulations.
7	LC Opening/Payment	As per contract terms, the Client opens a Letter of Credit (LC) and/or transfers an advance payment.
8	Processing (cleaning) the product	We process (clean) the coffee as per the quality standard agreed upon with the Client.
9	Quality Assurance	We implement quality assurance procedures during and post-processing (raw and cup values) to ensure what is promised to the Client is delivered. Read more about our 'Quality Assurance'.
10	Packing & Labeling	We pack and label the processed (cleaned) coffee as specified in the contract. Standard packing size options are 60kg, 50kg, 30 kg, and 19-21 MT (for bulk). Other sizes can be arranged according to the requests of Clients. Packing materials we use are Jute bag, Jute bag with GrainPro, and Polypropylene bag (for bulk).

No	Step	Description
11	Export Authorizations & Certifications	We process and obtain a "Cleanness and Grade Certificate" from Ethiopian Coffee & Tea Authority (ECTA), a "Phyto-Sanitary Certificate" from the Ministry of Agriculture (MoA), and a "Fumigation Certificate" from an authorized fumigator, etc.
12	Shipping Instruction	The Client sends shipping instruction, which includes shipping line, the latest date of shipment, destination, etc.; upon which we book vessel and container/s.
13	Loading in Container & Sealing	We load the processed, packed, labeled, and quality-certified coffee in 20ft containers. The containers are then sealed in the presence of our representative and the concerned regulatory bodies.
14	Bank Permit & Customs Clearance	We request and obtain an export bank permit. We also complete Ethiopian export customs clearance procedures through our clearing agent.
15	Transportation to Djibouti (port)/Destination	We transport containers to Djibouti using trucks or trains for loading onto vessels. Ethiopia, being landlocked, mostly relies on Djibouti port for exporting by sea. If the destination is accessible by inland transportation, we transport the containers by truck to the destination, in which case steps 17 and 18 are not applicable.
16	Djibouti Customs Clearance	Our clearing agent completes the export customs clearance process in Djibouti.
17	Vessel Onboarding	The container is handed over to the shipping line and loaded onboard the vessel as per the booking.
18	Document Submission to Bank (Client)	We submit commercial, quality, and logistics documents to the Client's bank, and eventually, the Client through our bank, as per the contract and LC. These documents include: commercial invoice, packing list, phytosanitary certificate, fumigation certificate, iso certificate, quality certificate, weight certificate, bill of lading, certificate of origin, and any other documents as per contract.
19	Payment Settlement	The Client's bank (The Client) settles the payment for the shipment as per the contract, LC, and documents we submitted through the bank.
20	Feedback/ Issue Handling	We collect and receive customer feedback to ensure customer satisfaction. All issues are appropriately addressed and used to enhance future performance.



Our aspiration is to be the most preferred Ethiopian Coffee Partner.

A DIVISION OF
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