

Neumann Kaffee Gruppe



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NEWS RELEASE FOR IMMEDIATE CIRCULATION (Date: 01Oct19)

**Neumann Kaffee Gruppe (NKG) takes its business in producing countries to the next level with the creation of NKG BLOOM, a globally unique impact banking-backed initiative which will reach 300,000 coffee families by 2030.**

**NKG BLOOM - Coffee sourcing with a purpose.**

**Hamburg, Germany:**

Neumann Kaffee Gruppe (NKG), the world's leading green coffee service and trading group, has for decades pioneered real sustainability in the coffee world with a clear vision for the necessity of an economically viable business for all involved in the green coffee supply chain. NKG runs a diverse variety of sustainability projects, in all sizes and scopes, in nearly all coffee-producing countries. These include activities such as those of [International Coffee Partners](#), as well as managing its own larger scale farms as vital parts of coffee communities in Brazil, Mexico and Uganda.

Now, NKG is furthering these efforts and introducing a new dimension to its business — and an important step towards responsible business conduct.

In response to the long-term impact that price-volatility, climate change, adverse weather conditions and politics are having on coffee farmers' ability to generate a reasonable return from their work, NKG is introducing NKG BLOOM: a long-term sustainable-sourcing initiative designed to address poverty in coffee communities, financially empower coffee farmers and ensure a healthy future for coffee.

NKG BLOOM is not a quick fix or customer drivers' scheme but a long-term investment in and commitment to the weakest of those involved in the green coffee chain in full knowledge of their critical importance to the business of NKG and our industry overall.

NKG BLOOM is a unique combination of field-based educational efforts, real-time mobile technology and the industry's first impact banking-backed initiative for coffee production.

“NKG BLOOM is not a marketing strategy, it is not a philanthropic endeavor or a feel-good project. It's about the way we want to do business in the long term. It will cost us a lot of money and effort, but it is simply the right thing to do,” says David M. Neumann, Neumann Gruppe's Group CEO. “Lending to smallholder farmers in some of the poorest places in the world is a risky proposition, but it's critical to unlocking the potential that these farmers hold for global agriculture and development in their own countries and communities.”

To form the core of NKG BLOOM, NKG led the creation of a Coffee Smallholder Livelihoods Facility — an innovative \$25 million revolving facility involving leading European banks [ABN AMRO](#), [Rabobank](#) and [BNP Paribas](#) that was signed into existence in August of this year.

Also, and for the first time, the partner banks will share the direct risks on farmer defaults. The facility is further backed by two complementary default guarantees by the U.S. Agency for International Development ([USAID](#)) and [IDH the Sustainable Trade Initiative](#).

NKG has set itself the ambitious goal of reaching at least 300,000 coffee families through NKG BLOOM, in 10 major coffee producing countries by 2030. In doing so, it will offer urgently needed resources, such as finance, farm-input and know-how. In 2017, a pilot project was launched as NKG BLOOM Uganda.

NKG is working with [NewForesight](#), an independent strategic consultancy specializing in sustainability challenges, as external long-term partner and validator of NKG BLOOM, to ensure it indeed delivers provable, structural changes.

In 2019, NKG BLOOM will be introduced in Colombia, Honduras, Kenya and Mexico, and furthered in Uganda, with the establishment and staffing of permanent Farmer Services Units (FSUs) based at the respective local NKG company. The FSUs will be charged with realizing NKG Bloom's three key tenets:

- **Enabling farmers to realize their full potential**
- **Supporting inclusive sustainability**
- **Striving for transparency and traceability**

“Ultimately, the Smallholder Livelihoods Facility enables us to bring the power of the global financial markets — long the missing piece — to smallholder coffee farmers,” says Catalina Eikenberg, who heads NKG Sustainable Business Unit in Hamburg. “We’ve set ourselves an ambitious goal and we’re excited to make it happen.”

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*Contact:*

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*About Neumann Kaffee Gruppe*

Neumann Kaffee Gruppe (NKG) is the world’s leading green coffee service group. With 49 companies in 27 countries, we are active in the sectors of Farming, Export, Import, Specialties and Services. NKG has more than 2,000 highly skilled employees offering a range of products and services along the green coffee value chain.

<https://www.nkg.coffee>

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