

84-445



Office of the Minnesota Secretary of State

Minnesota Public Benefit Corporation / Annual Benefit Report

Minnesota Statutes, Chapter 304A



Read the instructions before completing this form
Must be filed by March 31
Filing Fee: \$55 for expedited service in-person and online filings, \$35 if submitted by mail

The Annual Benefit Report covers the 12 month period ending on December 31 of the previous year.
Notice: Failure to file this form by March 31 of this year will result in the revocation of the corporation's public benefit status without further notice from the Secretary of State, pursuant to Minnesota Statutes, Section 304A.301

1. Corporate Name: (Required) Peace Coffee, SBC

2. The public benefit corporation's board of directors has reviewed and approved this report.

3. Enter the information of your public benefit corporation's specific or general benefit, with regard to the period covered by this report as required by 304A. 201 subd. 2 or 3 in the field below (see instructions for further information): Note: Use additional sheets if needed. (Required)

See Attached

4. I, the undersigned, certify that I am the chief executive officer of this public benefit corporation. I further certify that I have signed this document no more than 30 days before the document is delivered to the secretary of state for filing, and that this document is current when signed. I further certify that I have completed all required fields, and that the information in this document is true and correct and in compliance with the applicable chapter of Minnesota Statutes. I understand that by signing this document I am subject to the penalties of perjury as set forth in Section 609.48 as if I had signed this document under oath.

[Signature]
Signature of Public Benefit Corporation's Chief Executive Officer

3/29/2016
Date (Must be dated within 30 days before the report is delivered to the Secretary of State for Filing)

Email Address for Official Notices

Enter an email address to which the Secretary of State can forward official notices required by law and other notices:

anne@peacecoffee.com

Check here to have your email address excluded from requests for bulk data, to the extent allowed by Minnesota law.

List a name and daytime phone number of a person who can be contacted about this form:

Anne Costello 612-870-3440
Contact Name Phone Number

Entities that own, lease, or have any financial interest in agricultural land or land capable of being farmed must register with the MN Dept. of Agriculture's Corporate Farm Program.

Does this entity own, lease, or have any financial interest in agricultural land or land capable of being farmed?
 Yes No

Peace Coffee, SBC 2015 Annual Report



Peace Coffee was founded in 1996 by the Institute for Agriculture and Trade Policy out of conversations with a group of coffee farmers in Mexico. The question: How to support small-scale coffee farmers in their quest for a fair livelihood. Twenty years later, those conversations still drive every business decision.

Our organization is founded on the conviction that it is possible to pay coffee farmers a fair price, support the communities where we do business, and run a profitable business. We believe the best way to achieve this is by purchasing 100% fair trade, organic certified coffee from small farmer cooperatives throughout the world. In 2015 we purchased a total of 734,900 pounds of coffee from a total of 12 countries and 20 small farmer cooperatives. We paid nearly \$370,000 in fair trade and organic premiums directly to cooperatives. These premiums are used for various projects chosen by our farmer partners, spanning from agricultural services and processing improvements to schools and healthcare for the community. We work with our importing cooperative to ensure what we pay our producer partners reflects the intensive stewardship required to produce an organic and quality cup of coffee.

Additionally in 2015, Peace Coffee contributed nearly \$25,000 into the Coffee Farmers Resilience Fund. The ultimate goal of this fund is to support experiments to deepen organic agronomy and provide on-farm trainings in climate resilient practices to coffee producers and farmer organizations. By helping to fund key initiatives to address the realities of climate change and a disease called coffee leaf rust, we hope to make specialty coffee more sustainable for producers.

We engage all along our supply chain to further our mission of buying more coffee from small-scale producers at fair prices. In January, we brought a coffee buyer from a local natural food co-op to Oaxaca, Mexico. Few educational moments in coffee rival the conversations that ensue when a buyer's world meets up with a producer's reality of price and yields. In June, our Director of Coffee participated in a cupping competition, the first of its kind, in the Democratic Republic of Congo. As a result of years of intense conflict and violence, the coffee market had fallen into a drastic decline. An important step in rebuilding is creating an understanding between coffee farmers and coffee buyers of the potential and quality of coffee from the DRC, the motivation behind the cupping. Also in June, our CEO and a member of our delivery team traveled to Guatemala to attend a Producer/Roaster Exchange to learn best practices in intensive organic agriculture. Throughout this event, roasters and producers discussed what is needed to thrive today and in future. In October, our Head Roaster led a workshop in Sumatra to increase producers' understanding of cup quality. Not only did this collaboration allow each party to understand how

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their work impacts the bigger picture, it yielded a broader consensus of best practices in processing.

As 2016 marks our 20th anniversary, our focus remains on our producer partners, on supporting their livelihoods and their organizations. We continue to look ahead to the coming decades, to ever stronger communities and better coffee here at home and around the globe!

