



Coffee Quality Institute®

Differentiation or De-commoditization of the coffee sector

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ACHIEVING OUR MISSION

We achieve our mission by working in coffee producing countries in three fundamental program areas:

Q & Educational Programs

Foster a global language of coffee quality and value

Technical Services

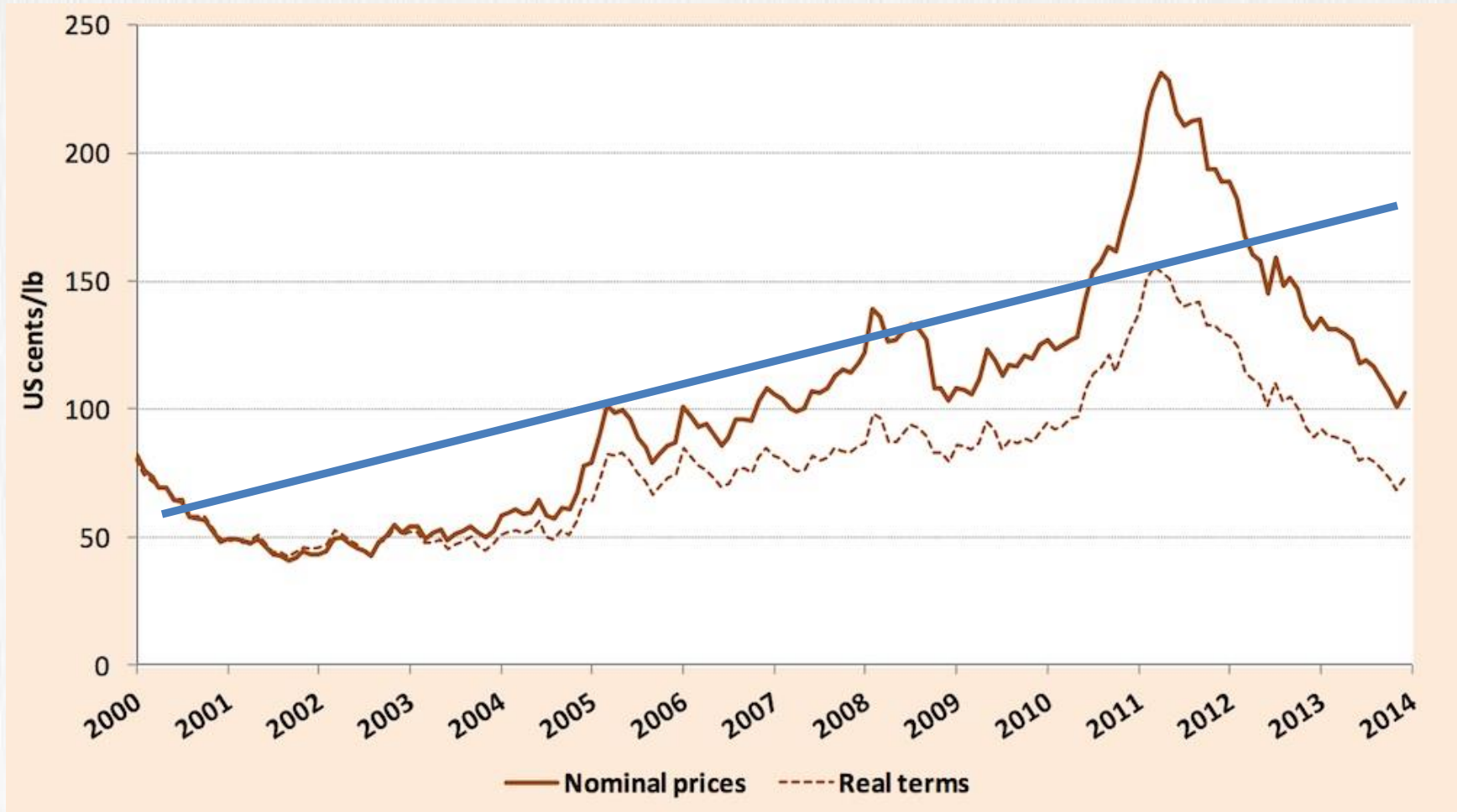
Enhance producer livelihoods and industry competitiveness

Global Partnerships

Collaborate to build supply chain reliability



What is de-commoditization or differentiation ?



Picture courtesy International Coffee Organization



Target

Increase exports of Fully Washed Coffee (FWC) and export revenues by 18%.

Background

- In 2012, coffee accounted for almost 30% of Rwanda's total export revenue.
- If Rwanda were to double the amount of coffee exported as FWC, holding constant total coffee export volumes, it could expect a 10-20% increase in coffee export revenues (3-6% increase in total export revenues).
- Domestic value added is substantially higher for fully washed coffee, compared with ordinary coffee (ORD) (FWC generates approximately \$0.70-\$0.10 more domestic value added per kilogram).



Quality Coffee Methods

Natural Coffee

Semi-washed coffee

Washed Coffee



How can I get a differentiated price for my coffee?



Small holder farmers

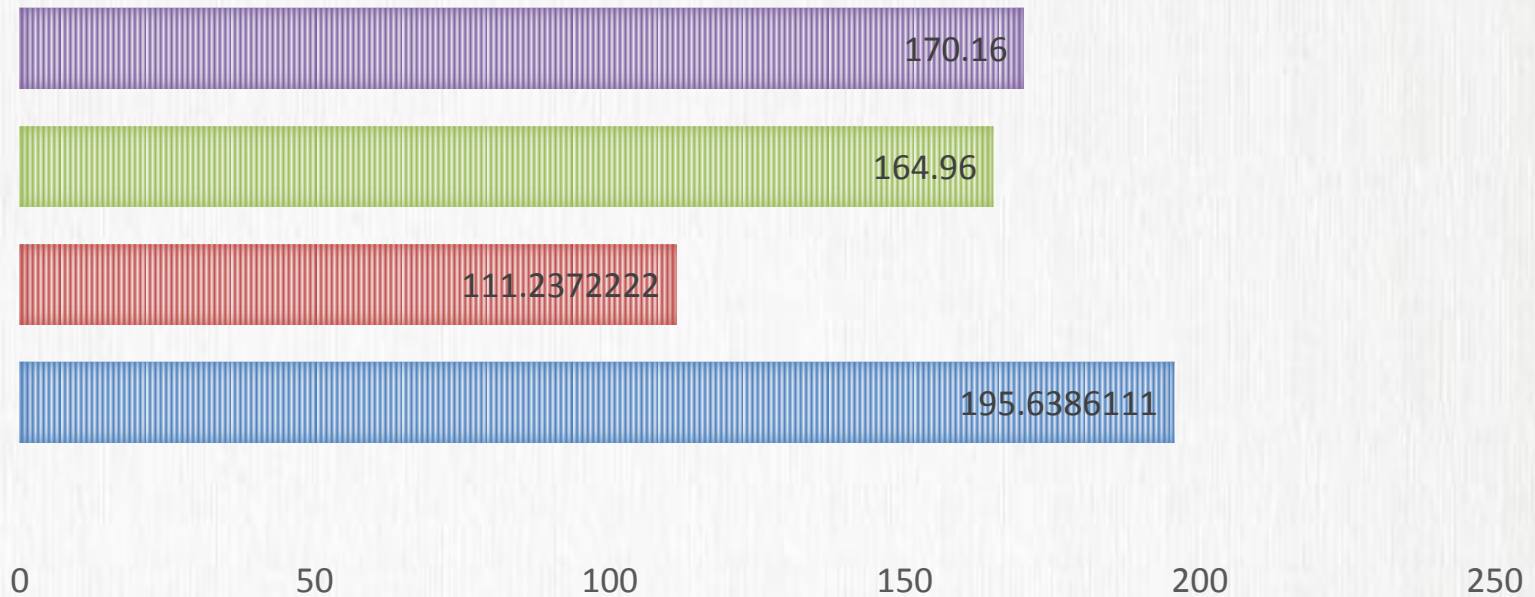
Country	Number of Smallholder Farmers	Annual Production [MT]	Share of Total Production	Farms above 10 Hectares	Annual Production [MT]	Share of Production
Burundi	3,229,702	21,000	100%	n/a	n/a	n/a
Ethiopia	7,500,000	260,763	95%	n/a	13,724	5%
Kenya	3,850,000	27,192	55%	770	22,224	45%
Rwanda	2,400,000	24,000	100%	n/a	n/a	n/a
Tanzania	2,400,000	44,628	95%	110	2,349	5%
Uganda	8,000,000	170,805	98%	n/o	3,486	2%
Totals	27,379,702	548,388	91%	<i>n/a – not applicable; n/o - not obtained</i>		



Price

GATE SALE PRICE CT/LB 2010/12

■ Brasil ■ Costa Rica ■ Ethiopia ■ Colombia

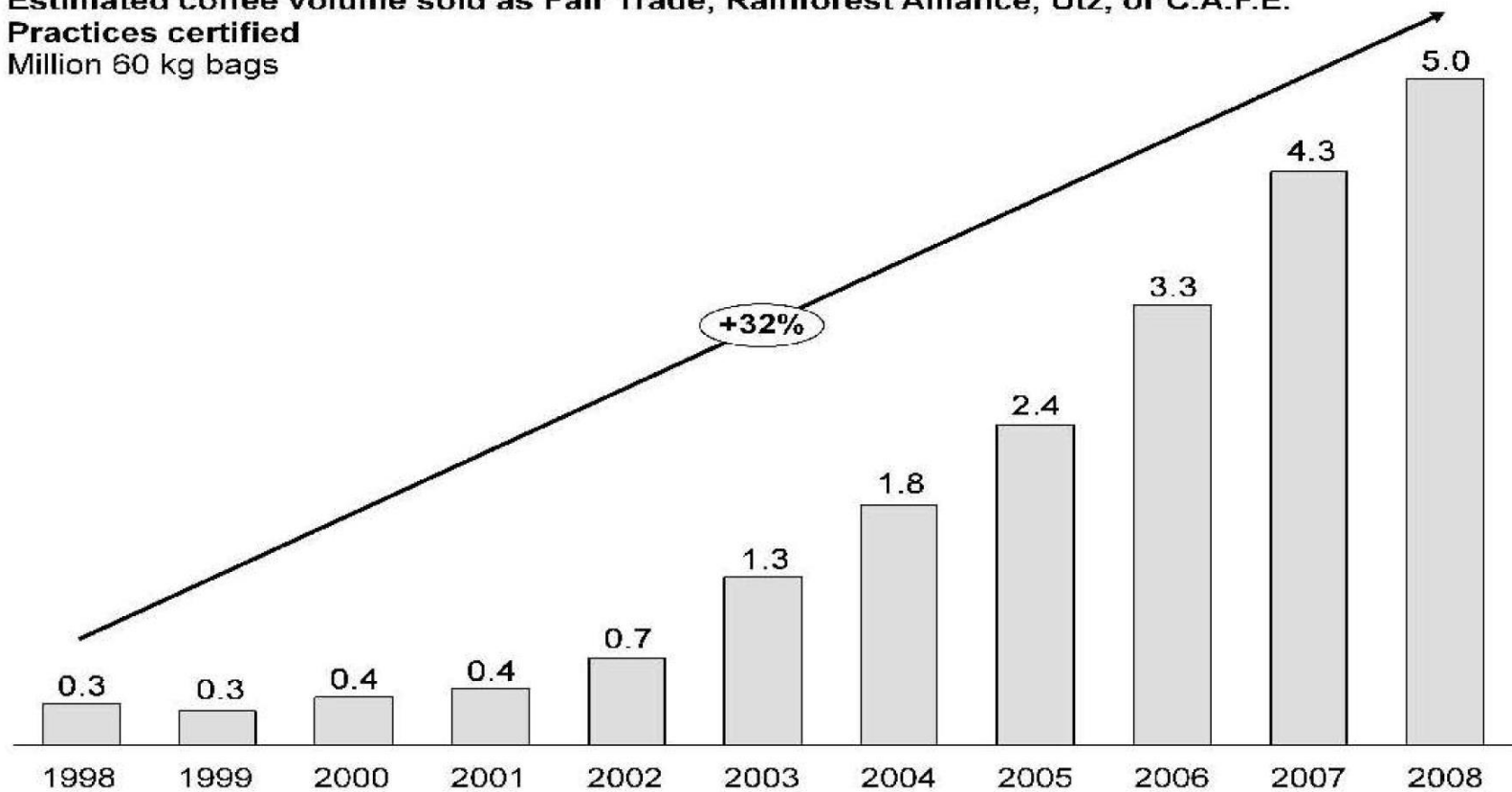


Certification

Estimated coffee volume sold as Fair Trade, Rainforest Alliance, Utz, or C.A.F.E.

Practices certified

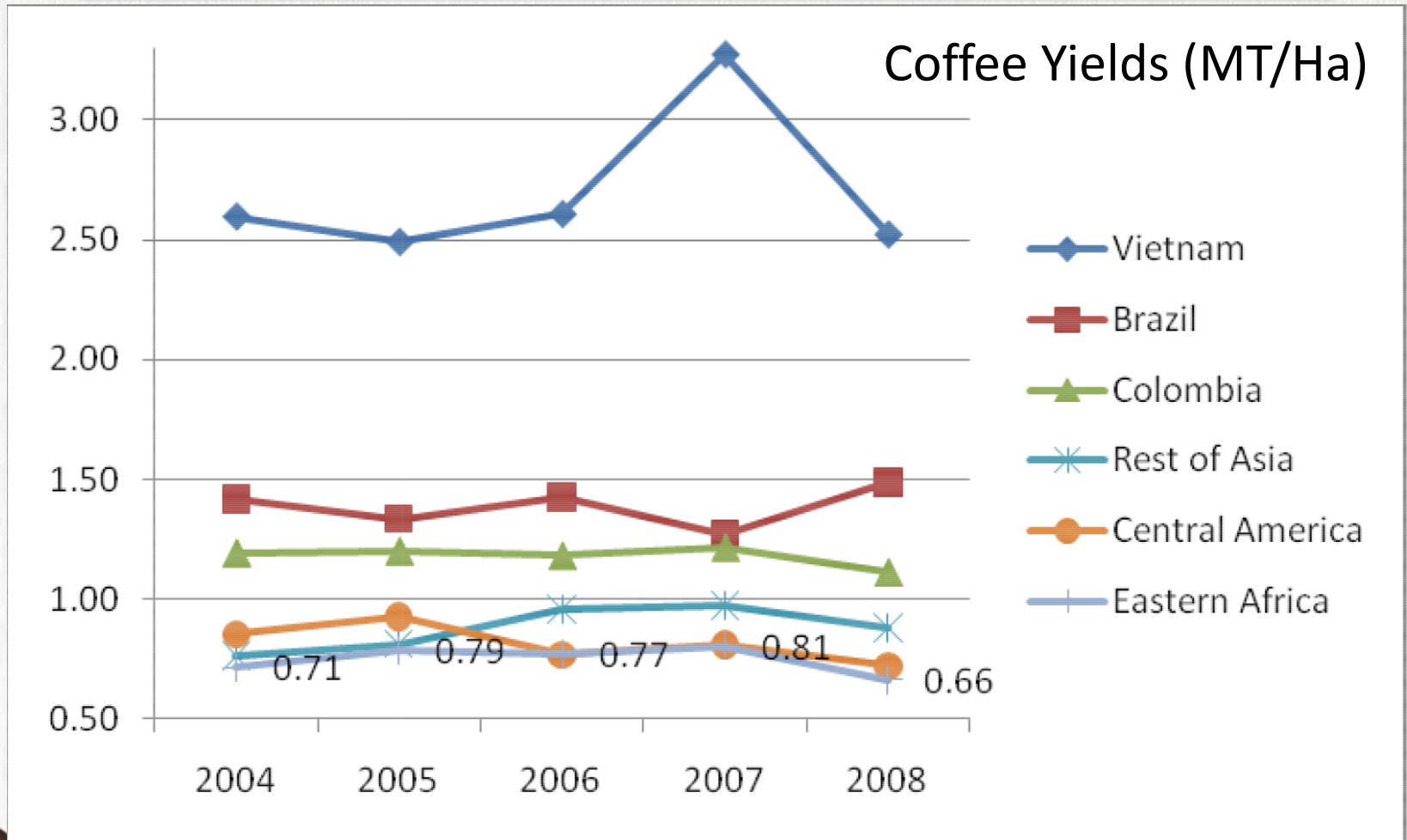
Million 60 kg bags



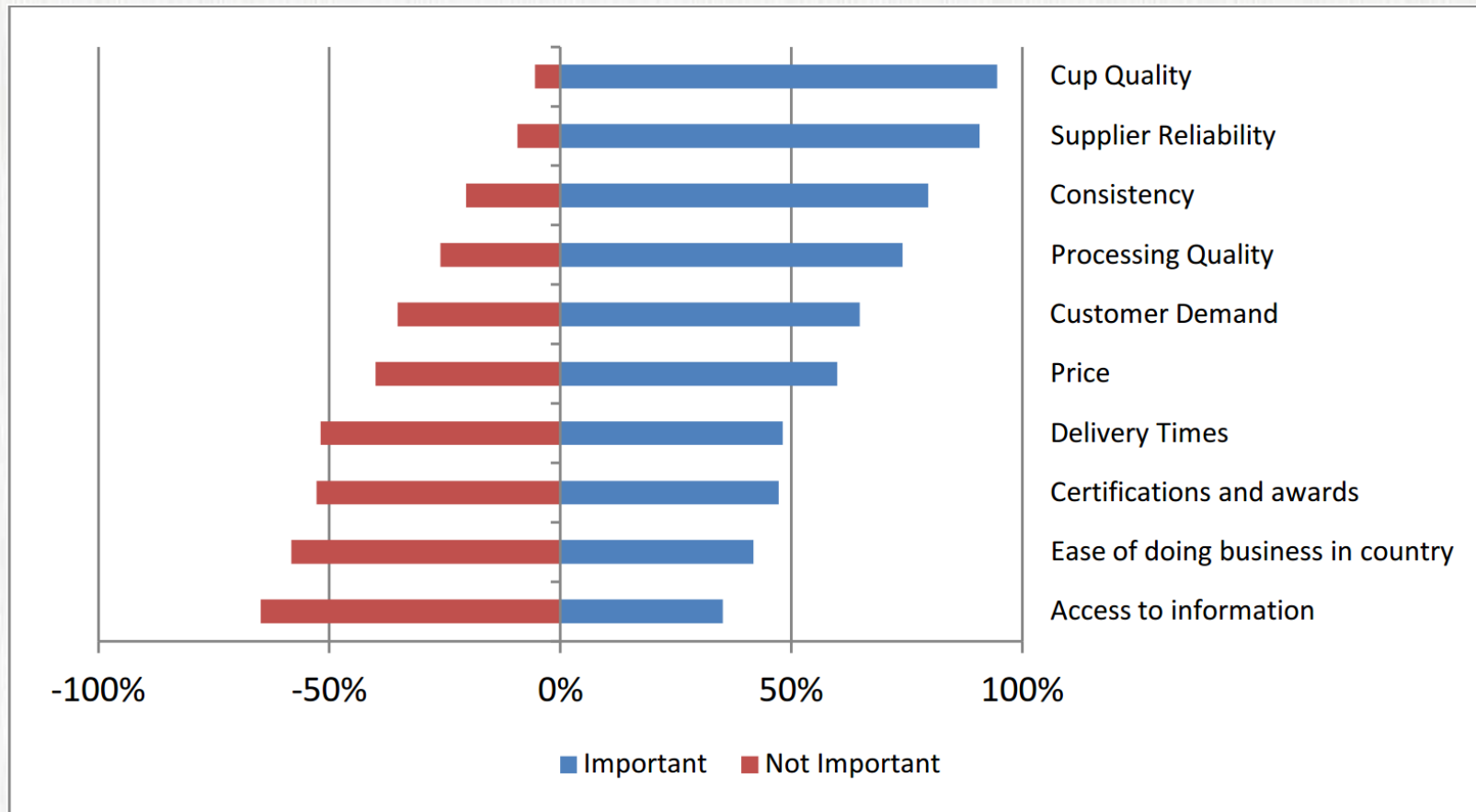
Source: TechnoServe



Yield



Knowing the customer



Final Words

“Coffee Quality is just a consequence of investing in people.”

Any coffee developing strategy must include farmer’s training and their inclusion in the coffee market by protecting their ownership throughout the value chain. As a result quality will come and profit will follow.

The key words to end poverty are:
Inclusion, Independence and Opportunity.



THANK YOU VERY MUCH !!

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