Differentiation or De-commoditization of the coffee sector
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?
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?
### CHALLENGES

#### Small holder farmers

<table>
<thead>
<tr>
<th>Country</th>
<th>Number of Smallholder Farmers</th>
<th>Annual Production [MT]</th>
<th>Share of Total Production</th>
<th>Farms above 10 Hectares</th>
<th>Annual Production [MT]</th>
<th>Share of Production</th>
</tr>
</thead>
<tbody>
<tr>
<td>Burundi</td>
<td>3,229,702</td>
<td>21,000</td>
<td>100%</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Ethiopia</td>
<td>7,500,000</td>
<td>260,763</td>
<td>95%</td>
<td>n/a</td>
<td>13,724</td>
<td>5%</td>
</tr>
<tr>
<td>Kenya</td>
<td>3,850,000</td>
<td>27,192</td>
<td>55%</td>
<td>770</td>
<td>22,224</td>
<td>45%</td>
</tr>
<tr>
<td>Rwanda</td>
<td>2,400,000</td>
<td>24,000</td>
<td>100%</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Tanzania</td>
<td>2,400,000</td>
<td>44,628</td>
<td>95%</td>
<td>110</td>
<td>2,349</td>
<td>5%</td>
</tr>
<tr>
<td>Uganda</td>
<td>8,000,000</td>
<td>170,805</td>
<td>98%</td>
<td>n/o</td>
<td>3,486</td>
<td>2%</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>27,379,702</strong></td>
<td><strong>548,388</strong></td>
<td><strong>91%</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Note: n/a – not applicable; n/o - not obtained*
CHALLENGES

Price

GATE SALE PRICE CT/LB 2010/12

- Brasil: 170.16
- Costa Rica: 164.96
- Ethiopia: 111.2372222
- Colombia: 195.6386111

0 50 100 150 200 250
Estimated coffee volume sold as Fair Trade, Rainforest Alliance, Utz, or C.A.F.E. Practices certified
Million 60 kg bags

Source: TechnoServe
CHALLENGES

Knowing the customer

- Cup Quality
- Supplier Reliability
- Consistency
- Processing Quality
- Customer Demand
- Price
- Delivery Times
- Certifications and awards
- Ease of doing business in country
- Access to information

Important | Not Important
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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