Geographical Indications: The Case of Colombian Coffee

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The Commodity Trap...

- No entry barriers
- Low transformation
- Non differentiated

The Economist: Commodity Price Index (1950=100)
Producing Colombian Coffee is not an easy task

Labour intensive  Steep mountains

Washed  Uneven blooming  Difficult infrastructure

That's why origin differentiation has always been at the heart of Café de Colombia's marketing strategy

Tecnical assistance  Quality Control  R&D

PR & Advertising
The road towards origin differentiation...

- In the 1950s Colombia was the first producing country that took an active stance towards marketing its product and gave a “face” to a commodity.

- With a push-pull strategy the FNC achieved to create a segment for 100% Colombian coffee within the coffee category. Consumers demand it, and roasters offer it within their product portfolio.

Colombian coffee producers positioned their product and developed a sophisticated trademark portfolio
This equity needs to be protected: Trademarks and Certification Marks

- Trademarks:

  ![Trademark Logos]

  Distinctive, recognized, powerful. However, relevant only to certain segments. Cannot be used for geographic denominations.

Protection of Café de Colombia: Trademarks and Certification Marks

- Certification and/or Official Marks:

  *Colombian* (for coffee)

  An alternative for certain jurisdictions. We have used them since 1980’s. However, not necessarily associated with quality standards.

  - Enforcement is difficult and expensive
  - Do not provide insurance against “Colombian blend” or “Colombian type”
  - Labeling officials are not as familiar with CM’s as they are with TM.
Geographical Indications: a step ahead in coffee origin differentiation

Protected Geographical Indication (PGI) name of a region, a specific place or a country, used to describe an agricultural product or a foodstuff originating in that region, specific place or country, and which possesses a specific quality, reputation or other characteristics attributable to that geographical origin, and the production and/or processing and/or preparation of which take place in the defined geographical area.

GI’s: more than just a seal

• Characteristics that link the product to a Geographical Zone.

• Represent producers and their effort to maintain the quality and consistency of their products.

• Quality controls along the product chain to guarantee consistency and maintain the product’s reputation.

• Promotion efforts to position the GI among consumers worldwide.

• Partnership between the producer and the industry in order to communicate and protect the product’s unique characteristics.
GI’s fit perfectly with our differentiation goals

• Provide producers the opportunity to position their origin and communicate directly with consumers who demand it.

• **Protect the reputation** that producers of well-known origins have built.

• An effective and reliable instrument to ensure fair labeling.

• **A tool to educate** and generate less price sensitive and loyal consumers.

Our Conclusion: GI’s benefit all actors in the coffee chain

• Producers: Opportunity to position their origin and communicate directly with consumers who demand it. Accordingly, they can be rewarded for their quality efforts.

• Roasters: Using GI’s allow them to protect their quality and reputation and know who and what is behind the product they bought

• Retailers: Traceability requirements, food safety and high value products are usually associated with GIs

• Consumers: Demand more accurate information about products and their link to quality factors. GI’s are the perfect and reliable instrument.
The Café de Colombia GI Case

In the 1950s Colombia was the first producing country that took an active stance towards marketing its product and gave a “face” to a commodity.

The Growers need to be organized

A defined zone

Technical Assistance

Quality Control

A System behind the Product

Consistency is one of the key factors to guarantee a successful implementation

=G + E + GxE

Phenotypic Components of coffee quality

Spectral profile of Caturra variety in different environments

G= Genotype
E= Environment
GxE= Interaction
What we have accomplished

• Local
  – Café de Colombia was recognized as the first Colombian Denomination of Origin in February 2005

• Andean
  – The D.O. recognition has been acknowledged by Peru, Ecuador and Bolivia

• European
  – In September 2007, “Café de Colombia” was granted the Protected Geographical Indication status by the European Commission.

Most importantly, we have given our growers a communication channel with the consumer.

The road ahead...

• Implementation and control:
  – Getting coffee chain members involved.
  – Enforcement.

• Beyond Country Origin:
  – Regional Geographical Indications
  – Finding the link between geographical and organoleptic characteristics at the regional level.
Much more than a marketing strategy...

Data Sources
- Prior Knowledge
- Field Data
  - *Soil Samples
  - *Coffee Samples
  - *Agronomic Info
  - *Processing Info
- Climate Records
- Spatial Data

Tools
- Survey Methods
- GPS
- ASLT
- PQLA
- Survey
- Met. Models
- GIS

Analytical Approaches
- Exploratory Data Mining
- Geostatistics
- Probability Statistics
- Spatial Statistical Modeling

Objectives
- DO Management
- DO Domain Identification

Through technology we have been successful at identifying objective criteria to differentiate and protect regional origins.

PCA Analysis NIRS spectrum of 5 “regions” with GI potential

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We have learned that...

- Intellectual Property is no longer limited to the urban society. Coffee growers can use it as a means to reach the consumer and protect their products. Growers are the rightful “owners” of the reputation they have built.

- It takes more than the recognition to have a successful GI. The real challenges lie in the implementation and control.

- Technology plays an important role in establishing objective criteria for the definition, control and protection of the D.O.’s

Thanks