



## Geographical Indications: The Case of Colombian Coffee

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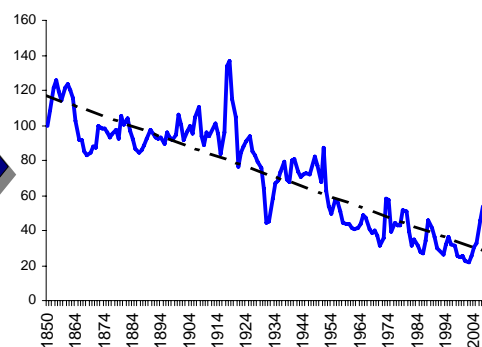
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### The Commodity Trap...

- No entry barriers
- Low transformation
- Non differentiated

The Economist: Commodity Price Index  
(1950=100)



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## Producing Colombian Coffee is not an easy task

Labour intensive



Washed



Uneven blooming



Steep mountains



Difficult infrastructure



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

Tecnical assistance



Quality Control



La orden de la orden.

PR & Advertising



R&D



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## 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.



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## Colombian coffee producers positioned their product and developed a sophisticated trademark portfolio



Juan Valdez  
CAFÉ



100%  
CAFÉ DE COLOMBIA



Juan Valdez  
caféREALE

Juan Valdez  
pods



**Buendía**



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## This equity needs to be protected: Trademarks and Certification Marks

- Trademarks:



Juan Valdez  
pods



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

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## 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.

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## 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.

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## 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.

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## 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.

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## 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.

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## 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



Technical Assistance



Quality Control



Promotion & Advertising



R&D

A System behind the Product

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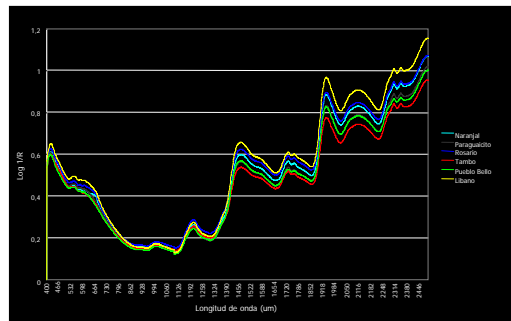


## Consistency is one of the key factors to guarantee a successful implementation



$$= G + E + G \times E$$

Phenotypic Components of coffee quality



G= Genotype  
E= Environment  
GxE= Interaction

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## 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.**

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## 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.

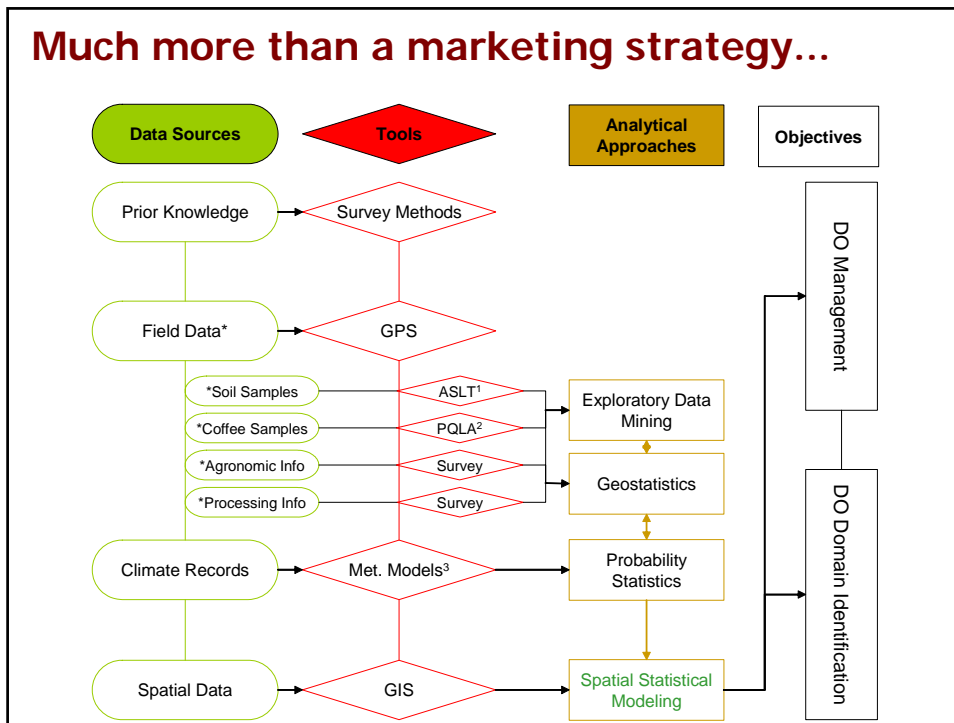


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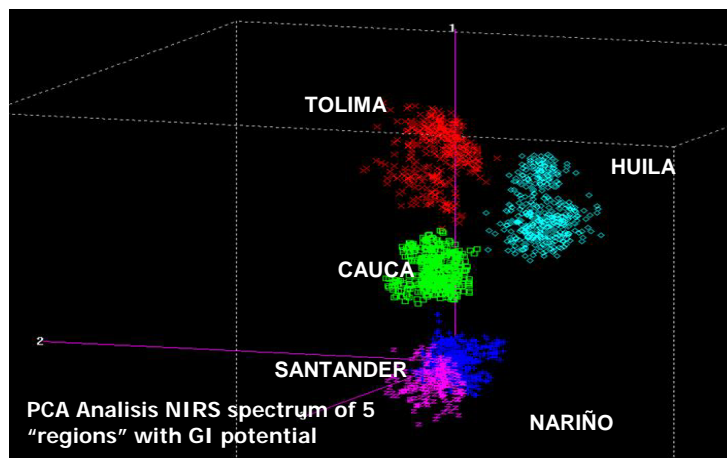
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## Much more than a marketing strategy...



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





## **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

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***Thanks***

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