A Rare Opportunity

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A Second Chance
To Make a First Impression
If you weren’t in the coffee industry in the 1970’s:

1. You probably have never seen coffees grown in the Philippines;

2. You are uncertain if they even grow coffee in the Philippines;

3. If they do grow coffee, you are not certain if it is Arabica or Robusta;

1. If it is Arabica coffee, you would be amazed that it is “specialty” coffee.
Philippine coffee has the rare opportunity to reintroduce itself to the world market. It is a great chance to make a good **FIRST IMPRESSION**, because:

- The market for high value coffees has grown tremendously since the 1970’s;
- There are now international standards for “specialty” Arabica coffee quality;
- There are now international standards for “fine” Robusta coffee quality;
- There have been tremendous advances in coffee technology since the 1970’s.
What kind of new picture do you want to paint for the world coffee market to see?

Key on your strengths:
• Abundant natural resources and great biodiversity;
• Unique micro-climates (ecotopos) scattered over 7,500 islands (300,000 sq. km);
• Large population and great economic potential;
• Long history of coffee cultivation;
• Great academic institutions.
What coffee producing country do you most resemble?

1. Viet Nam
2. Brazil
3. India
4. Indonesia
1. Uganda
Indonesia!

Similarities:
1. Vast array of islands with 1000’s of different micro-climates;
2. Producing both Arabica and Robusta coffees, with the majority being Robusta;
3. Large population and great economic potential;
4. Well known for its high quality Arabica coffees but relatively unknown for its high quality Robusta coffees;

1. Struggling to make Robusta coffees economically viable.
The “New Look” Philippine Coffee Sector

“*The global leader* in producing Fine Robusta Coffees”

“The *leading advocate* for producing high value Specialty Arabica Coffees”
A Strong Trade Association “PCBi”

- With the support of:
  - Cavite State University (CSU)
  - Benquet State University (BSU)
  - Mindanao Development Authority (MDA)
  - Department of Agriculture (DA)
  - Department of Trade and Industry (DTI)

- PCBi will unify the fragmented Philippine coffee sector into an engine of economic growth.
The Important Role of Coffee Trade Associations

A short overview
Premise

Trade Associations are the point at which to capture the energy, innovation and resources of the private sector
SCAA Examples

- Vision
- Capitalization
- Promotion dollars
OPERATION REBOUND

“Vision”

‘Hope – Growth – Opportunity’
Specialty Coffee “Capitalization”

- Coffee Cafes – 15,500 units @ $500,000/unit = $7.75 Billion
- Coffee Kiosks – 3,600 units @ $100,000/unit = $0.36 Billion
- Coffee Carts – 2,900 units @ $50,000/unit = $0.14 Billion
- Retail Roasters – 1,900 units @ $750,000/unit = $1.4 Billion

- Total Market Capital = $9.6 Billion
Promotional Dollars

“Promotion”

- SCAA 1991 – 2006
  - Annual operating budget = $3,000,000 with $300,000 reserve
  - 15 years x $3,000,000 = $45,000,000
  - Primarily spent on industry training to improve the technical skills of the members and promotional events (WBC) that developed consumer awareness of the industry and our products.
BUILDING A VIABLE COFFEE TRADE ASSOCIATION IS THE KEY STEP IN USING THE PRIVATE SECTOR RESOURCES TO ACCELERATE THE GROWTH OF THE PHILIPPINE COFFEE SECTOR
PCBi Strategies Moving Forward

• Adopt international standards for “Fine Robusta” and “Specialty Arabica” coffees.

• Train cuppers, Q and R Graders to assess quality based on cupping scores to increase the market value of high quality coffees.

• Establish a trade association to enhance the reputation of Philippine coffees for consumers, both nationally and internationally.
PCBi Strategies Moving Forward

• Identify micro-climates (ecotopos) producing “Fine Robusta” and “Specialty Arabica” coffees and encourage seedling production and planting.

• Support cupping competitions and programs to reward quality and create awareness of high value Philippine coffees among roasters and importers.

• Communicate with Philippine farmers about support opportunities, standards, and market driven rewards for differentiated, high value coffees.
PCBi Strategies Moving Forward

- Partner with CQI to establish a dynamic working relationship to improve the quality of Robusta and Arabica coffees grown in the Philippines.

- Adopt CQI’s cupping and grading protocols to set Philippine industry standards for the production of high value coffees.

- Assist CQI in partnering with CSU’s National Coffee Research and Development Center on science based research and real-time analysis of cup flavor to accelerate the discovery of high quality coffees grown in the Philippines.
The “New Look” Philippines Coffee Sector:

What limits us is not what we are.

What limits us is what we think we are not.
The “New Look” Philippines Coffee Sector:

PCBi will establish the Philippine Islands as the world’s preeminent supplier of high quality “Fine Robusta” coffees and will create a world class promotion program for high quality “Specialty Arabica” coffees.
Thank You