



# **Café de Colombia: protecting and promoting a well-known origin**

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# Café de Colombia: protecting and promoting a well-known origin

- I. About the National Federation of Coffee Growers of Colombia**
- II. Marketing origin through differentiation
- III. Geographical Indications: a step forward



## I. About the National Federation of Coffee Growers of Colombia



### National Federation of Coffee Growers of Colombia (FNC)

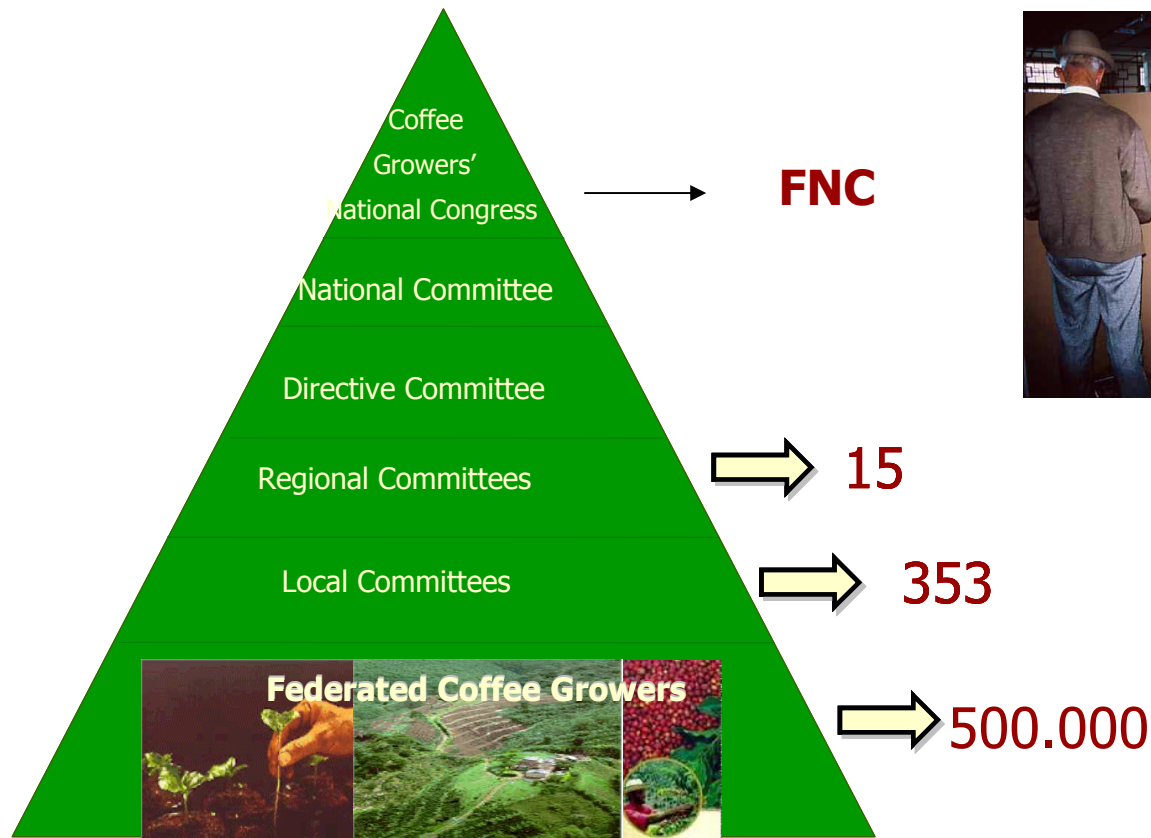
- Founded in 1927, by the coffee growers of Colombia, the Federation is the non-profit, democratic and active advocate of more than 500,000 small *cafeteros*.
- With the funds of the *National Coffee Fund*, the FNC is dedicated to improve the life in the coffee-growing communities and to protect and promote the Colombian Coffee Industry.



# I. About the National Federation of Coffee Growers of Colombia

## FNC: a democratic organization

Through democratic elections, Colombia's coffee growers choose their representatives to the different instances of the organization.



The Coffee Growers' National Congress elects FNC's CEO, and authorizes him to represent the interests of Colombian Coffee Growers.



## I. About the National Federation of Coffee Growers of Colombia

### Some of FNC's Objectives...

1. Ensure the well-being of Colombia's coffee growers by working towards the sustainability of Colombian coffee.
2. Foster a system in which Colombian Coffee growers receive the best possible price for their coffee.
3. Protect and Promote Colombian Coffee and guarantee its positioning in the global coffee market.





## I. About the National Federation of Coffee Growers of Colombia

### Colombian Coffee...

- Is **exclusively Arabica**
- Is grown in the Colombian mountains by coffee growers who, through the years, have mastered their **traditional manual harvesting and humid processing techniques.**
- Their careful selection, classification and milling processes, result in a world-known quality product characterized by its **mild and clean cup, pronounced aroma and mid-high acidity and body.**





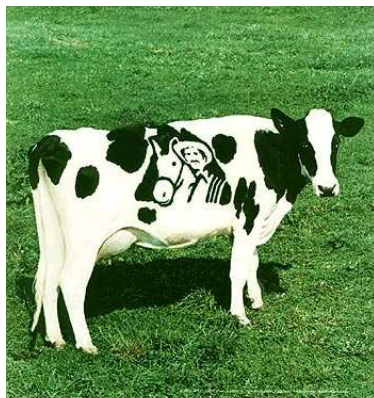
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## II. Marketing Origin through differentiation



Origin differentiation has always been at the center of Café de Colombia's marketing strategy



PR & Advertising



R&D





## II. Marketing Origin through differentiation

### The Road towards origin differentiation...

For the first time a producing country takes an active stance towards marketing its product and gives 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.





As a result of its advertisement and promotional investment, the FNC built a brand portfolio that represents a valuable asset for Colombian coffee growers and satisfies different needs



Juan Valdez  
café REALE



## II. Marketing Origin through differentiation



### A relevant brand and product for each segment and occasion

Master Brand



“Colombian Coffee”

Business Segment	Instant	Traditional	Premium	Retail	Innovation
Product Brands					 
Ingredient Brands					
B2B Brands					

\* For use by FONC brands only

## II. Marketing Origin through differentiation

Reaching the consumer through different ways...



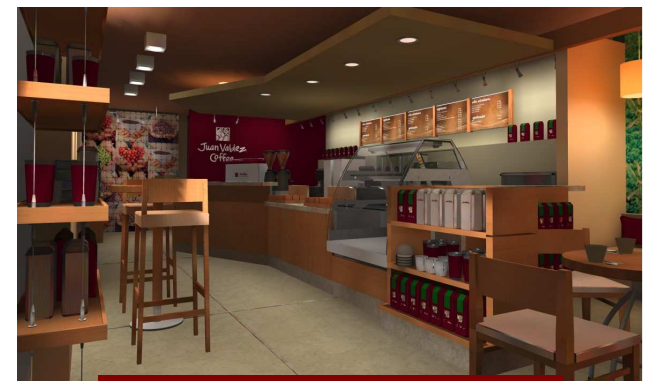
**Product**



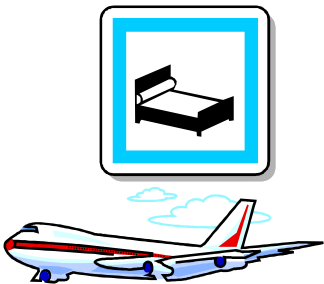
**Brand**



**Character**



**Experience**

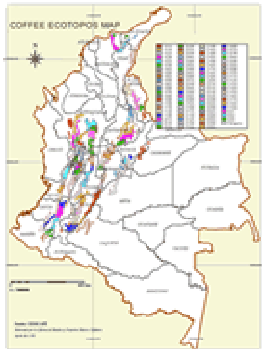


**Strategic Partners**



## II. Marketing Origin through differentiation

### Taking new steps to strengthen the origin differentiation strategy



Climate & Soil



*Coffea arabica*  
The Plant



Traceability



Control Structures



## Café de Colombia



Topography



Research



Hand-picking



Tradition



Processing



Reputation





# Café de Colombia: protecting and promoting a well-known origin

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- III. Geographical Indications: a step forward**



## Why are geographical indications an interesting alternative to pursue?

- New generations have greater access and interest for more information about the products they consume.
- Globalization has generated a niche of more conscious and demanding consumers.
- Origin has become an important differentiation tool.
- Trade regulations are shifting towards greater traceability requirements.



### III. Geographical Indications: a step forward

**New generations have greater access and interest for more information about the products they consume.**

- Greater access to global information: internet, specialized publications, etc.
- Increased exposure to cultural diversity.



X(25-38 yrs): 33%  
(U.S.) are coffee  
drinkers



Y(10-24yrs): 23% (U.S.) are coffee  
drinkers

*McKinsey & Company. Food  
service 2010: America's  
Appetite Matures*

**Commercial brands are no longer enough. New consumers are practical and knowledgeable. They seek to make informed decisions about the products they consume.**

### III. Geographical Indications: a step forward



**Globalization has generated a niche of more conscious and demanding consumers.**

New consumption trends:

Innovative/exotic

Fresh

Fair Trade

Organic

Environment-friendly

+ information

Traceability

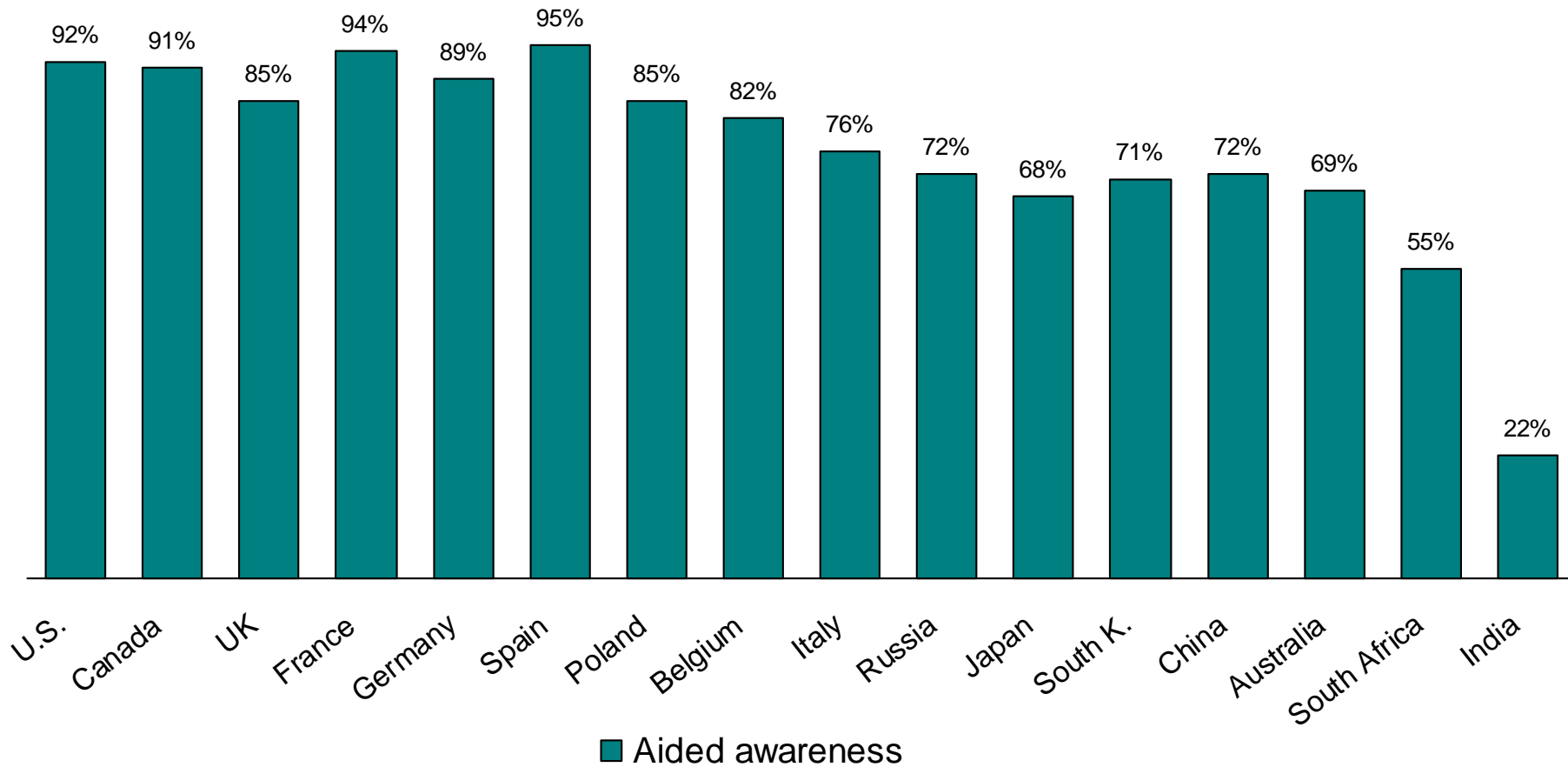




### III. Geographical Indications: a step forward

## Origin has become an important differentiation tool.

### Awareness of Colombia as a coffee-growing country



KRC Research 2004/2005





## Trade regulations are shifting towards greater traceability requirements for food products.

➤ *Traceability demands the industry to have systems and procedures that guaranty the availability of information about products and suppliers for consumers and regulating authorities.*

- The Bio-terrorism law in the U.S. demands a traceability system for products destined for human and animal feeding.
- In the European case, Ruling 178/02 of the European Commission, requires that, from January 2005, all producing, transforming and distributing companies of food products must have traceability systems.
- In Japan, the Ministry of Agriculture has regulated the labeling of food products. The “Law Concerning Standardization and Proper Labeling of Agricultural and Forestry Products” (JAS) requires labels to include information about origin, ingredients and storing methods.



## “Café de Colombia” Protected Geographical Indication



- In February 2005, the Colombian government ratified Café de Colombia as a “D.O.-G.I.”
- In June 2005, “Café de Colombia” became the first agricultural product from a non-EU nation to apply for the Protected Geographical Indication recognition to the EU
- In September 2007, “Café de Colombia” was granted PGI recognition by the European Commission.



### III. Geographical Indications: a step forward

## Geographical Indications represent an opportunity for the industry to respond to emerging consumption trends

- European Consumers perceive GI's as:
  - Origin Guarantee: 37%
  - Quality Guarantee: 37%
  - Guarantee of place and method of production: 56%
  - Tradition: 17%
- Geographical Indications represent a potentially attractive commercialization tool for producers around the world:
  - 43% of European consumers were willing to pay up to an extra 10% for GI products
  - 8% of European consumers were willing to pay up to an extra 20% for GI products
  - 3% of European consumers were willing to pay up to an extra 30% for GI products

*Study developed by the European Commission 1999*

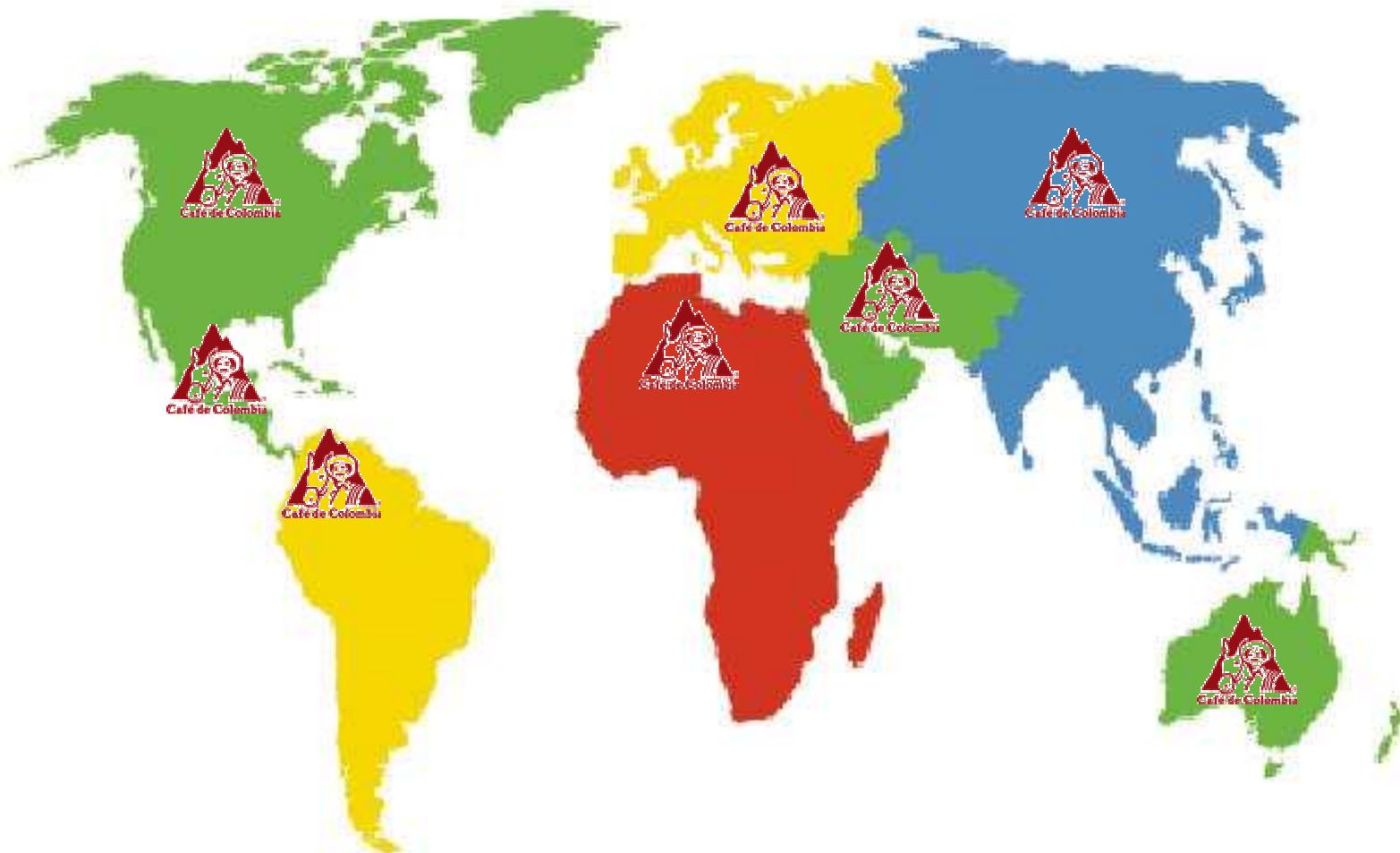


# Geographical Indications: a step forward

- For consumers and regulators of food products, Geographical Indications are a **source of information and credibility**. Equally, they are becoming a source of growth and development for producers around the world.
- Food safety, health and environmental concerns, are increasingly present in today's markets. Regulations are shifting towards more demanding systems where **traceability guarantees** are essential.
- Emerging consumer trends have created an ideal environment for GI's to flourish. Consumers' demand for **more and better information about the products** they consume represents an opportunity for systems that guarantee origin and methods of production.



**The recognition and consistent quality of Colombian Coffee have allowed it to cross borders and penetrate new markets...**







**...and have created the opportunity of extending the brand portfolio in order to reach the consumer directly, while keeping the promise of consistent quality and origin differentiation behind the brand**





**Thank you.**

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Colombia

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