Cordillera Coffee Development Framework Plan
# ARABICA Coffee VALUE CHAIN Map

## Function: Input Provision
- Nursery Estab & Maintenance
- Seedling Prodn
- Organic Fertilizer Production
- Sale of Fertilizer & other Inputs

## Function: Coffee Prodn
- Plantation Estab & Maintenance
- Fertilizer
- Weeding
- Irrigation
- Harvesting

## Function: Pre-Processing
- Wet Processing
- Drying
- De-Pulping
- Storage

## Function: Trading
- Storage
- Drying
- Sorting/Grading
- Roasting
- Grinding
- Pasking

## Function: Processing
- Drying
- Sorting/Grading
- Roasting
- Grinding
- Pasking

## Function: Mktg Distribution
- Storage Distribution

## Function: Consumption
- Households
- Hotels/Restaurants/Café
- Coffee Alliance
- Special Coffee Manufacturer

## Actors
- Farmers
- MASOs
- SUCs
- Coops
- Agri-Supply Traders

## Actors: Farmers
- Coffee
- Processors
- Sari-Sari Stores
- Millers/Hullers

## Actors: Farmers/Coops
- Processors
- Groceries/Hotels
- Restaurants/Pasalubong Centers

## Actors: Enablers
- DA
- Office of the Cong
- DENR
- PGO
- MASOs
- MacNut
- Rocky Mt. Cafe
- DA
- Beekeepers
- Office of the Cong
- MASOs
- PGO
- Rocky Mt. Cafe
- DA/DOST
- DOLE
- DTI
- Office of the Cong
- MASOs
- PGO
- Rocky Mt. Cafe
- DOST
- DOLE
- DTI
- Office of the Cong
- MASOs
- PGO
- Rocky Mt. Cafe
- DA
- DTI
- Office of the Cong
- MASOs
- PGO
- Rocky Mt. Cafe
Coffee Facts: Demand vs. Supply

Who drinks coffee?

2011

- a total of 137.9 million bags or 8,274 million kg of coffee was consumed worldwide

69.24% was consumed by coffee importing countries

30.76% was consumed by coffee exporting countries

PHILIPPINES (2010)

<table>
<thead>
<tr>
<th>Consumption</th>
<th>Production</th>
<th>Gap</th>
</tr>
</thead>
<tbody>
<tr>
<td>129 M Kg</td>
<td>94.54 M Kg</td>
<td>34.46 M Kg</td>
</tr>
</tbody>
</table>
- Low Productivity
- Low and decreasing production
- Low profit
- Difficulty in maintaining quality standards

Increased productivity
Expand production areas
Improved enforcement of quality standards
Increased profitability
Baseline Data (2013)

- Production Yield: 0.6 MT/ha
- Yield per tree (GCB) 0.3 kg

<table>
<thead>
<tr>
<th>COUNTRY</th>
<th>PRODUCTION YIELD – GREEN BEANS (Tons/hectare)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Philippines</td>
<td>0.20 – 0.30</td>
</tr>
<tr>
<td>Indonesia</td>
<td>0.67</td>
</tr>
<tr>
<td>Vietnam</td>
<td>2.4</td>
</tr>
</tbody>
</table>

ISSUE #1
Low Productivity

Increased productivity

INDICATOR: Productivity Yield Per Tree (GCB)

TARGET: 50% Increase

- Arabica
- Robusta
- Excelsa
- Liberica
<table>
<thead>
<tr>
<th>Coffee Variety</th>
<th>Production Area (hectares)</th>
<th>Production Volume (metric tons)</th>
<th>Yield (tons / hectare)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arabica</td>
<td>619</td>
<td>548.34</td>
<td>0.89</td>
</tr>
<tr>
<td>Excelsa</td>
<td>215</td>
<td>84.05</td>
<td>0.39</td>
</tr>
<tr>
<td>Liberica</td>
<td>16</td>
<td>16.56</td>
<td>1.04</td>
</tr>
<tr>
<td>Robusta</td>
<td>5,845</td>
<td>4,815.87</td>
<td>0.82</td>
</tr>
<tr>
<td>TOTAL</td>
<td>6,695</td>
<td>5,464.82</td>
<td>0.82</td>
</tr>
</tbody>
</table>
Baseline Data (2013)

• 6,695 ha (PSA)

TARGET:
50% increase of expansion areas

INDICATOR: Production Area
ISSUE# 3

Low profit

• Increased profitability

INDICATOR: Profitability Target

TARGET:
40% Increase

PROFIT
## Difficulty in Maintaining Quality Standards

- **Issue #4**

  **Improved quality of CAR coffee products**

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enforcement of quality standards targets</td>
<td></td>
</tr>
<tr>
<td>- Percentage of seedlings suppliers accredited</td>
<td>At least 1 accredited and certified nursery per province</td>
</tr>
<tr>
<td>- Number of centralized coffee secondary (roasting, grinding, blending, packing) processing centers</td>
<td>At least 1 per province</td>
</tr>
</tbody>
</table>
Preferred source of coffee

Increased income of all coffee industry players in CAR

Increased productivity

Expand production areas

Increased profitability

Improved quality

vision

Goal
## Fast Growing Coffee Industry

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of coffee farmers</td>
<td>30% increase</td>
</tr>
<tr>
<td>Number of coffee organization</td>
<td>At least 1 per municipality (coffee area)</td>
</tr>
<tr>
<td>Number of registered coffee shops</td>
<td>At least two per key tourist town and emerging urban area</td>
</tr>
<tr>
<td>Number of quality coffee products (coffee-based)</td>
<td>At least 6 new products developed (1 per SUC)</td>
</tr>
<tr>
<td>Percentage share to national coffee production</td>
<td>From 7 to 10% national share</td>
</tr>
</tbody>
</table>
STRATEGIC OBJECTIVES

- Increased Productivity
- Expand production areas
- Increased Profitability in coffee production and processing
- Improved advocacy/enforcement of standards
1. To increase productivity

- Rejuvenate of aging coffee trees
- Improve soil fertility
- Use of quality planting materials
- Acquisition of high yielding varieties/strains
- Establish tissue culture and clonal plant nurseries
- Provide adequate irrigation
- Support mechanism (e.g., financial, equipment, extension activities, trainings)

STRATEGIES
2

To expand production areas

- Identify and develop expansion areas for coffee production
- Promote inter cropping of coffee with cash crops or high value crops to discourage the conversion of coffee plantations to other uses
- Resolve land tenure problems (by referring to agencies concerned)
STRATEGIES

3

To increase profit of farmers and entrepreneurs

• Improve access to production areas and the market
• Improving technology in sorting, roasting, processing and packaging
• Increase access to government support
• Strengthen farmers’ organizations
STRATEGIES

4
To improve quality of CAR’s coffee and coffee products

- Regulate coffee planting materials suppliers
- Promote zoning – one variety per farm for newly established farm
- Conduct more research and development on coffee
- Capability building for coffee growers
4

To improve quality of CAR’s coffee and coffee products

- Comply with quality standards
- Strengthen coffee councils
- Provide appropriate equipment for primary and secondary processing
- Strictly follow grading system
- Organizing and strengthen farmers organizations
- Advocate for wet processing (for Arabica coffee)
- Putting up of Centralized processing centers
4

To improve quality of CAR’s coffee and coffee products

• Conduct continuing R and D on coffee (seed to cup)
• Capability building for coffee growers
• Capacitation and empowerment of coffee farmers
1. Coffee Production Program

- Coffee Rehabilitation
- (Rejuvenation of Old Coffee Trees, replanting)
- Coffee Area Expansion
- Coffee Nurseries Accreditation and Certification
- Coffee intercropping
- Mapping and tagging of coffee plantations
- Soil Analysis
- Land suitability assessments
- Coffee zone establishment
- Establishment of baseline data on coffee
- IEC on Good Agricultural Practices
2. Coffee Marketing Program

- Coffee branding and standardization
- Market matching and Promotion
- Packaging and Labeling assistance
- Participation to local, national and international trade fairs

3. Infrastructure and Equipment Support Program

- Improved Farm to Market Road
- Cable transport /tramline
- Irrigations
- Hermetic storage
- Coffee laboratories (from seed to cup)
4. Training Programs on Coffee

- Training on good agricultural practices for coffee production
- Training on good manufacturing practices for coffee products
- Training on postharvest processing for coffee
- Training on conformance with national and international quality standards in coffee
- Training for Extension Workers
- Training on Proper Observance of Protocol on Processing
- Training on Coffee Packaging
- Training for Cooperative
- Training of trainers (seed to cup)
- Benchmarking to other regions
5. Coffee Institution Building

- Creation and Strengthening of Coffee Councils (regional, provincial, municipal)
- Strengthening of Farmers Organizations
- Organization of the RDC Task Force on Coffee
- Benchmarking to other regions/countries
6. Research and Development

- Flavor Profile (per origin and variety)
- Varietal improvement for yield
- Consumption profile
- Product development
- Intercropping studies (shading, etc)
- Post harvest processing and handling practices
- Socio- economics and Policy studies
- Other relevant studies
- Technology transfer
7. Credit Assistance and Capital Building Program

- Financing forum
- IEC on available credit facilities
- Assistance to access credit from formal financial institutions

8. Land Tenure Assistance

9. Post-harvest Facilities and Equipment
Implementation Mechanism

1. Regional Coffee Task force (RCTF) to coordinate the programs, projects, roles/responsibilities of various organizations

2. Members: DA, DENR, DTI, DOST, 6 SUCS, HARRDEC, 1 representative from NGO
Thank you very much...

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