



PHILIPPINE COFFEE ALLIANCE

HISTORY OF COFFEE



BEGINNINGS OF COFFEE

- × Coffee drinking is said to have originated in Kaffa, a province in Ethiopia.
- × The Ethiopians were the first to discover the beverage in the beans of a tropical evergreen tree of the genus *Coffea*, thru the goats, after eating the berries and showed leaping and jumping



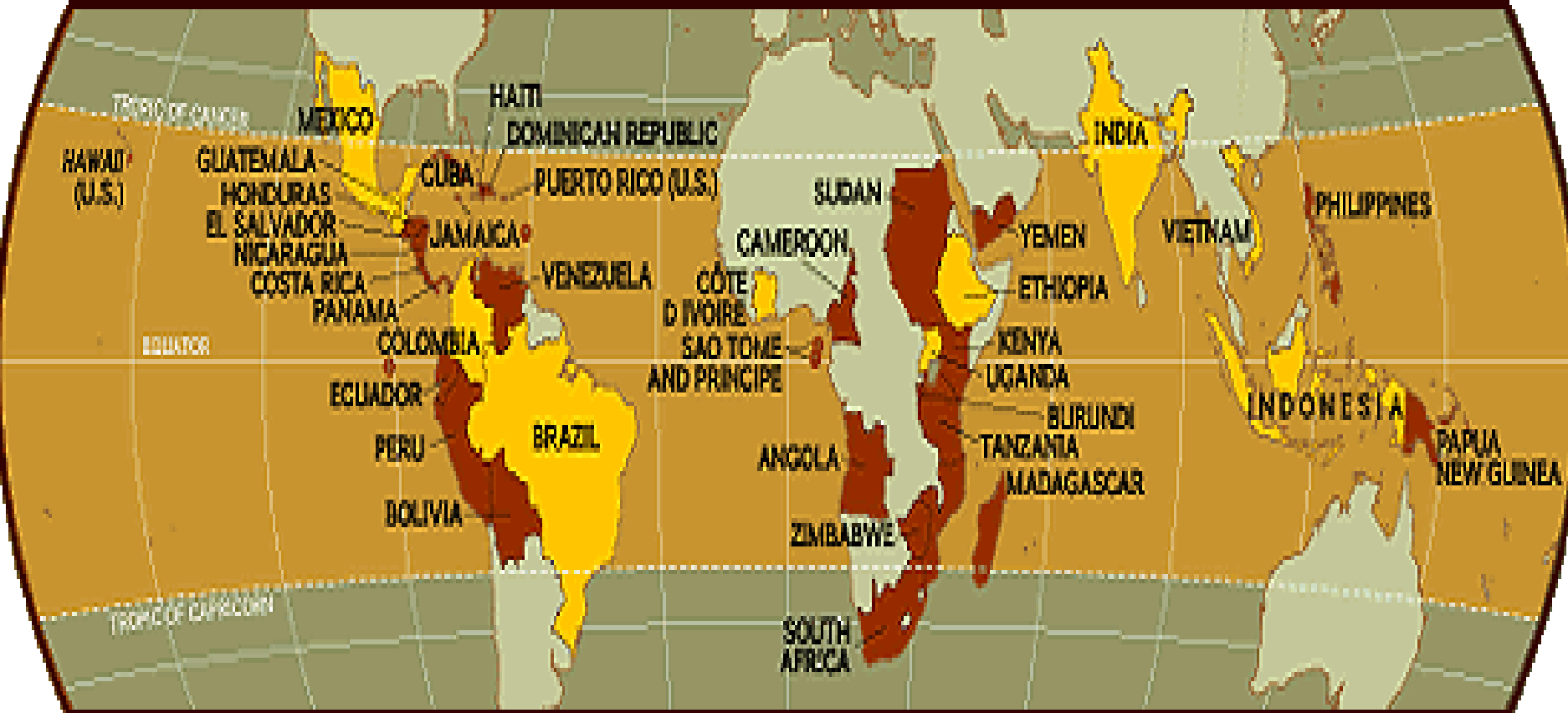
- × The legend of Kaldi and his dancing goats, this is where coffee was first discovered around 6th Century B.C. according to most historical accounts

Coffee History



Historia del Café


COFFEE PLANTING AREAS IN THE WORLD



COFFEE BELT OF THE WORLD



Taste Your Way Up the Mountain



Very High Altitude—5,000 ft	fruit, spice, floral, berry, wine	Ethiopia, Colombia, Kenya Guatemala, Sulawesi Papua New Guinea
High Altitude—4,000 ft	citrus, vanilla, chocolate, nut	Costa Rica, Java Sumatra, Nicaragua Mexico Altura
Medium Altitude—3,000 ft	smooth sweet	Brazil Bourbon Santos
Low Altitude—2,500 ft	subtle soft	Hawaiian Kona
Very Low—2,000 ft	mild simple bland	



COFFEE

- Arabica is considered to be the best coffee in the world, it accounts for 75-80 percent of the world's production.
- Arabica excels for its aromatic flavor and low caffeine content of 0.8 - 1.5% compared
- Robusta, Excelsa and Liberica coffee with an inferior tasting beverage with higher caffeine content (2-2.5%)

TOP TEN COFFEE EXPORTING COUNTRIES

RANK	COUNTRY	TOTAL PRODUCTION ('000 MT)
1	Brazil	2,595
2	Vietnam	1,650
3	Colombia	810
4	Indonesia	660
5	Ethiopia	384
6	Honduras	348
7	India	348
8	Uganda	288
9	Mexico	234
10	Guatemala	204

Source: Philippine Statistic Authority (PSA) Coffee Commodity Industry Paper 2019



PHILIPPINE COFFEE INDUSTRY SITUATIONER





Reinvigorate

Philippine C  FFEE

PHILIPPINES

- ❑ Coffee was introduced in the Philippines as early as 1740, when a Spanish Franciscan friar planted the first coffee tree in Lipa, Batangas. Coffee introduced from the Philippines came from Mexico.
- ❑ Coffee production was later promoted by Augustinian friars Elias Nebreda and Benito Varas in other parts of Batangas such as Ibaan, Lemery, San Jose, Taal, and Tanauan.

PHILIPPINES

☐ Coffee plantations became part of the foundation of Batangas' economy and Lipa was later labeled as the coffee capital of the Philippines.

☐ Following the aftermath of the American Civil War, in the 1865, there was a sudden increase of demand for Philippine coffee in the United States since it became cheaper importing coffee from the Philippines than importing coffee from Brazil

PHILIPPINES

- ❑ Batangas barako coffee was shipped from Manila to San Francisco. Half of the Philippines' coffee export in that year were shipped to San Francisco
- ❑ Coffee also began to be exported to Europe following the opening of the Suez Canal in 1869
- ❑ In 1876, Coffee was introduced in the town of Amadeo in neighboring Cavite and the province began producing coffee.

PHILIPPINES

❑ Lipa remained as the main producer of coffee in the Philippines and Batangas barako costed 5 times compared to Java beans

❑ In 1880, the Philippines was the fourth largest exporter of coffee beans. Coffee production in competitor regions of Brazil, Africa and Java declined when coffee rust plagued the regions and from 1887 to 1889, the Philippines was the only source of coffee in the world.

PHILIPPINES

- ❑ In 1889, Coffee production in the country saw a great decline following the introduction of coffee rust in the country and increased incidence of insect infestation virtually destroying almost all coffee trees in Batangas
- ❑ By 1891, coffee production in the country was reduced to $\frac{1}{6}$ of its total production two years earlier. By this period, Brazil has regained its position as a major coffee producer.

PHILIPPINES

- ❑ Surviving coffee seedlings were transferred to Cavite as many farmers in Batangas shifted to growing other crops.
- ❑ During the 1950s, the Philippine government, with assistance from Americans, introduced a variety of coffee to the country which is more resistant

PHILIPPINES

☐ Instant coffee began to be produced in commercial quantities which resulted to the increase of demand for coffee. Many farmers began shifting back to growing coffee in the 1960s

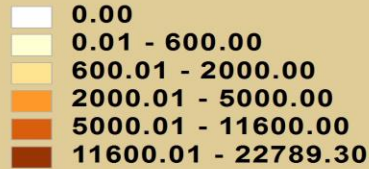
☐ Importation of coffee were momentarily stopped due to a surplus in the world market due to sudden proliferation of coffee farms. In 1980, the Philippines became a member of the [International Coffee Organization](#) (ICO).

COFFEE MILE STONES IN THE PHILIPPINES

- ✓ 1740 – Introduction of coffee in the Philippines
- ✓ 1880 - Coffee exportation in the world, 4th
- ✓ 1890 - Destruction of coffee plantations by coffee rust
- ✓ 1930 - Introduction of new resistant varieties
- ✓ - Brewed coffee market liberica, arabica, robusta
- 1945 - Instant coffee introduced by American soldiers
- ✓ 1960 - Manufacture of instant coffee by Nestle
- ✓ 1970 - Coffee Development Program Robusta Planting
- ✓ 1980 – Expansion of Robusta and Arabica/ Decline prices
- ✓ 1990 - 2017 Declines production, Area/ Rebirth of Coffee Industry

COFFEE PRODUCTION IN THE PHILIPPINES

VOLUME OF COFFEE (MT) 2010



COFFEE VARIETY*

ARABICA



LIBERICA



ROBUSTA



EXCELSA

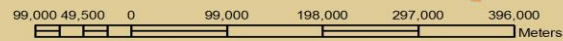


The Philippines is said to be one among the few producers of the four varieties of coffee, namely Arabica, Liberica, Robusta, and Excelsa. Nowadays, there is a growing number of coffee drinkers among the Filipinos; thus, the significance of coffee production. The country is presently trying to revive the coffee industry to not merely satisfy the demand of coffee drinkers but also to provide more quality rich coffee and the prospect of once again being one of the top exporter of coffee beans worldwide.



Is this

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Key Production Areas

REGION	PRODUCTION (MT)	AREA (Ha)
PHILIPPINES	60,312.76	113,351.88
CAR	2,198.99	5,983.00
Ilocos Region	158.03	785.18
Cagayan Valley	877.86	4,398.00
Central Luzon	1,040.17	1,484.00
CALABARZON	2,057.66	13,296.00
MIMAROPA	158.31	928.75
Bicol Region	226.37	475.00
Western Visayas	4,218.95	9,906.20
Central Visayas	191.36	2,132.50
Eastern Visayas	60.67	190.00
Zamboanga Peninsula	508.43	872.00
Northern Mindanao	5,739.12	11,650.40
Davao Region	10,833.22	16,309.00
SOCCSKSARGEN	19,901.90	26,304.25
CARAGA	1,664.53	4,673.60
ARMM	10,477.19	13,964.00

Source: Philippine Statistic Authority (PSA)

Other Crops: Volume of Production by Geolocation, Crop and Year

	2013	2014	2015	2016	2017	2018
PHILIPPINES						
Coffee (dried berries)	78,633.92	75,454.49	72,341.82	68,822.93	62,077.95	60,312.76
Coffee Arabica (dried berries)	18,593.54	18,028.46	17,433.95	16,755.83	14,484.67	13,706.19
Coffee Excelsa (dried berries)	4,916.84	4,725.17	4,546.41	4,268.61	4,064.45	4,039.32
Coffee Liberica (dried berries)	563.24	532.87	514.40	499.42	496.01	496.37
Coffee Robusta (dried berries)	54,560.30	52,167.99	49,847.06	47,299.07	43,032.81	42,070.88

Source: Philippine Statistic Authority (PSA)

Commercial Crops: Farmgate Prices by Geolocation, Commodity, Period and Year

PHILIPPINES	2013	2014	2015	2016	2017	2018
Coffee Arabica, dried beans	83.94	82.09	96.21	93.37	113.37	118.04
Coffee Excelsa, dried beans	65.64	68.35	73.99	76.29	88.75	87.83
Coffee Robusta, dried beans	67.84	76.10	75.25	77.16	86.75	82.54

Source: Philippine Statistic Authority (PSA)



Why Farmers Invest in COFFEE?

COFFEE VARIETIES

1. Arabica



2. Robusta



3. Liberica -Barako



4. Excelsa



Features and Environmental Requirements of Coffee

Parameters/ Features	Liberica	Excelsa	Robusta	Arabica
Pollination	Self-Fertile	Self - Fertile	Infertile	Self-Fertile
Flower to Ripe Cherry	10-11 months	10 -11 months	9-10 months	9 months
Elevation (MASL)	<100-600	<100-600	<20-600	>900-2000
Slope	0-25°	0-25°	0-25°	0-25°
Temperature, °C	21-30	21-30	17-30	17-26
Sunshine requirements	Full	Full	Full/Partial shade	Full/Partial shade
Wind requirements	Slight	Slight	Slight	Slight
Relative humidity, %	70-90	70-90	75-85	75-90
Annual Rainfall (mm)	1000-2000	1000-2000	1000-2000	2500-3500
Typhoon	Relatively free	Relatively free	Relatively free	Relatively free
Soil pH	5.6-6.8	5.6-6.8	5.6-6.8	5.6- 6.8
Soil depth, m	1.5	1.5	1.5	1.5
Organic matter (OM)	Rich in OM	Rich in OM	Rich in OM	Rich in OM
Genetic make-up	Self-fertile	Self-fertile	Infertile	Self-fertile
Caffein Content,%	2.0-2.5	2.0-2.5	2.0-2.5	0.8-1.5
Tree/Leaf size	big	big	medium	small

WHY COFFEE ? BAKIT KAPE?

- Coffee, next to water, is the most drank liquid all over the world
- Highly in demand product, 2nd commodity traded in the world next to oil / **pinaka mabiling kalakal sa mundo sumusunod sa langis**
- Create jobs and livelihood / **paglikha ng trabaho at kabuhayan**
- Eradicate poverty / **pawiin ang kahirapan**

WHY COFFEE ? BAKIT KAPE?

- Climate change mitigation strategy / **stratehiya sa pagbabago ng panahon**
- Reforestation – Example: EO 26 National Greening Program / **pagtatanim panunumbalik ng kaluntian sa kabundukan.**



WHY COFFEE? BAKIT KAPE

- Value chain product / **dagdag** kita sa produkto
- Maximize land use / **lubos** ng paggamit ng lupa
- Longer and stable shelf life / **matagal** na pag-iimbak ng kape
- Reduce Importation **Mabawasan** ang inaangkat na kapeng **arabika at robusta** ng bansa
- Healthy food with medicinal benefits / **tiyak** na **malusog** na **pagkain**

COFFEE TRENDS/ GALAW NG KAPE

- **1. High Demand of Coffee Beans**
 - (expansion of coffee shops nationwide using roast and ground coffee especially arabica)
- **2. Expanding growing areas** for arabica, liberica, and robusta

COFFEE TRENDS/ GALAW NG KAPE

- Instant coffee mixes 3 in 1 (**Pinaghalong Pulbos na kape**) continued to gain popularity in the trade channels in 2013 - kape, kamoteng kahoy at artipisyal na asukal
- mainly due to ease in preparation – **madaling ihanda**
- minimal time involved, **Maiksing oras paghahanda**
- busy life styles – **Abalang estilo ng buhay**
- busy consumer foodservice operators – **abala na mga may kainan**
- compare to **brewing fresh coffee make it difficult** to meet demand (Euromonitor).

COFFEE TRENDS

- **Rising imports** of coffee mixes e.g. Kopico, San Mig Coffee, etc.
- In **2010 Nestle Philippines continued to dominate** with 81% share of off-trade volume sales and 89% share of off-trade value sales. – strong brand name, extensive distribution network and well diversified product portfolio (Euromonitor).

ISSUES AND CONCERNS/ PROBLEMA SA KAPE

- **DECLINING PRODUCTION** – 30- 35,000 MT/yr conversion of coffee lands to other crops, commercial, residential use (**Bumababang produksyon**), Increasing Importation
- **LOW YIELD** (300 kilos per hectare) poor soil- low level of fertility, senile trees, low yielding varieties
- **POOR FARM MANAGEMENT**
 - organic coffee by nature, no fertilization, no pruning, no pest control, limited knowledge on coffee good practices, improper post-harvest processing

Health benefits of coffee

Sources:
Gunnars, K. 13 Health Benefits of Coffee, Based on Science
Shmerling, R. The latest scoop on the health benefits of coffee




**REEL
TIME**



reeltimegmanewstv11



@reeltime docu

A man in a gym, wearing a dark tank top and shorts, is shown from the side, lifting a dumbbell with his right arm. He has a focused expression and is looking down at the weight. The background is a blurred gym setting with various pieces of equipment.

Drinking coffee can help burn fat.

According to nutritionists, a daily cup of coffee can help boost your metabolic rate which helps you burn more fat.


**REEL
TIME**



reeltimegmanewstv11



@reeltime docu



Drinking coffee can stimulate hair growth.

According to study done by German dermatologist Tobias Fischer, caffeine contains nutrients that penetrates the scalp which then increases the reproduction of hair follicles.


**REEL
TIME**



reeltimegmanewstv11



@reeltime docu

A man in a suit and glasses stands behind two women seated at a desk. They are all looking at a laptop. The woman on the left is a Black woman with curly hair, and the woman on the right is a white woman with curly hair and glasses. A blue mug is on the desk in the foreground.

Drinking coffee can improve brain function and memory.

According to Dr. Serena Dudek of the National Institute of Environmental Health Sciences, caffeine promotes the release of neurotransmitters like noradrenaline, dopamine, and serotonin, which in turn boosts brain function.

**REEL
TIME**



reeltimegmanewstv11



@reeltime docu

A close-up, high-resolution photograph of a human eye, showing the iris, pupil, and eyelashes. The eye is looking slightly to the right. The lighting is soft, highlighting the texture of the skin and the detail of the eye.

Drinking coffee can help prevent blindness.

Researchers at Cornell University found that chlorogenic acid, a strong antioxidant contained in coffee, prevents the deterioration of eyesight.

**REEL
TIME**



reeltimegmanewstv11



@reeltime docu

Drinking coffee reduces the risk of developing cancer.

Researchers from Southampton and the University of Edinburgh have found that drinking three to five cups of coffee a day can reduce the risk of liver cancer.

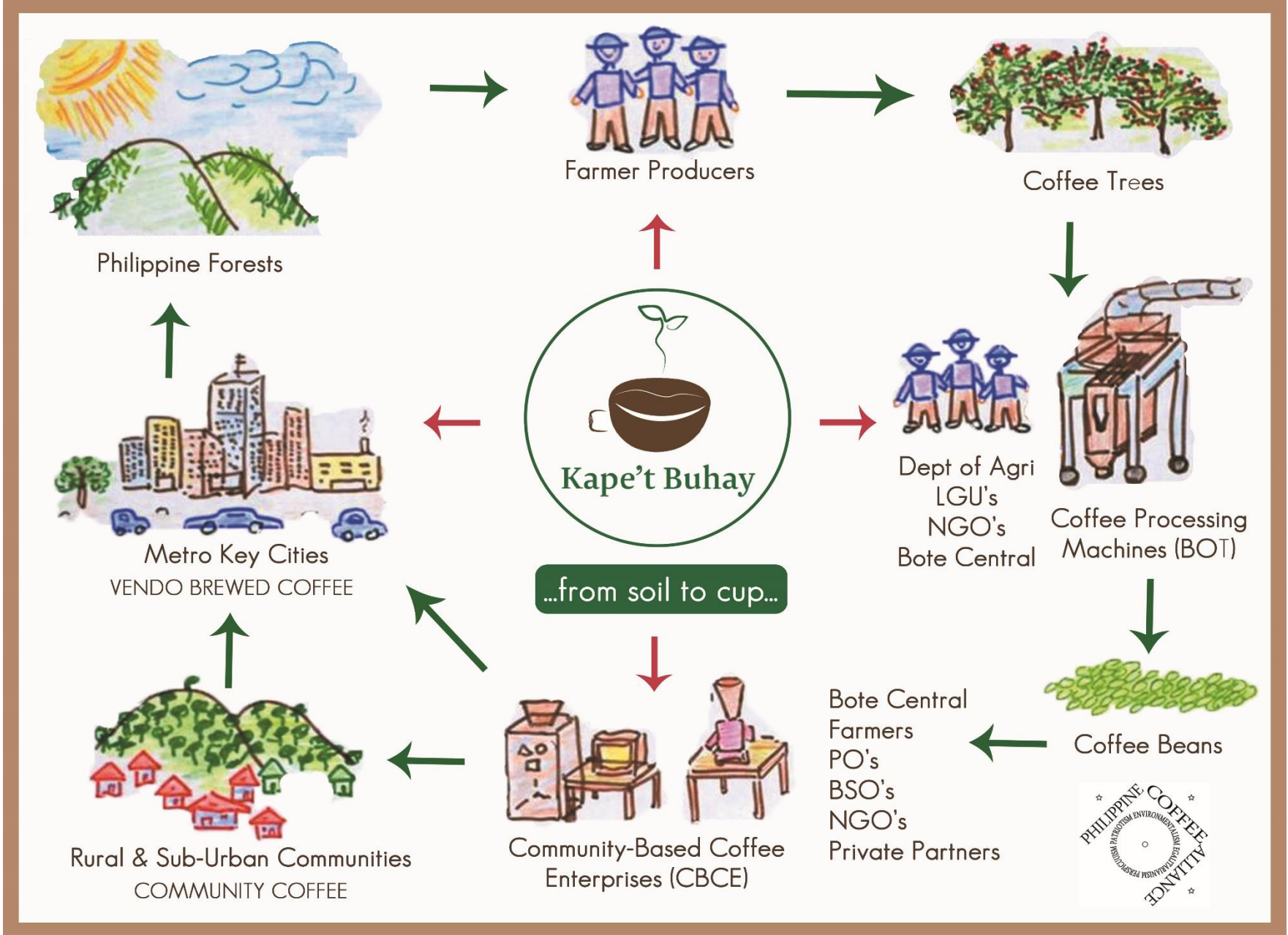
**REEL
TIME**



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Philippine Coffee Alliance Business Model



**“Empowering the Coffee Value
Chains of Forest Communities
via Community Based
Social Enterprises”**

Kape't Buhay



PCAi Engagements in BUKIDNON and MISAMIS ORIENTAL FOREST LANDSCAPES



Transplanting



Technical Assistance with Experts



Learning Visit



Nursey Establishment



Institutional Development



Provision of Post-harvest Facilities



Post-Harvest Training



Rituals



Participation to Meetings



Baseline Survey



Monitoring



Coaching and Mentoring of Coffee Doctors



Seedling Distribution



Community Meetings



Monitoring of Seedlings



Farm Visits



Assistance to Community Coffee Products



Coffee Post Harvest and Processing Facilities



DEHULLER



DEPULPER



MOISTURE METER



WEIGHING SCALE



FULLY AUTOMATIC
COMPUTERIZED
HOT AIR COFFEE ROASTER



DEDICATED BULK
COFFEE GRINDER



SOLAR DRIER



PACKAGING SEALER ,
ALUMINUM FOIL & STAND



Local Community Branded Coffees – Indigenous Tribes





Extra Income for the Informal Sector





FARMER -
PRODUCER



DISTRIBUTION & SALES
BOP Market

PHL MARKET

COMMISSARIES

FAST FOOD CHAINS

SUPERMARKETS

HOTELS

HOUSEHOLDS

farmers
detached



Soluble Coffee Industry
P40 Billion Pesos / year
800 million USD

Cafe' Business
P10 Billion Pesos / year
250 million USD



We import coffee!

Social Enterprise & Forest Conservation



Ripe cherry

Php 30-50 / kilo

Green Coffee
Bean GCB



Php 110 – 300 / kilo

Roast & Ground

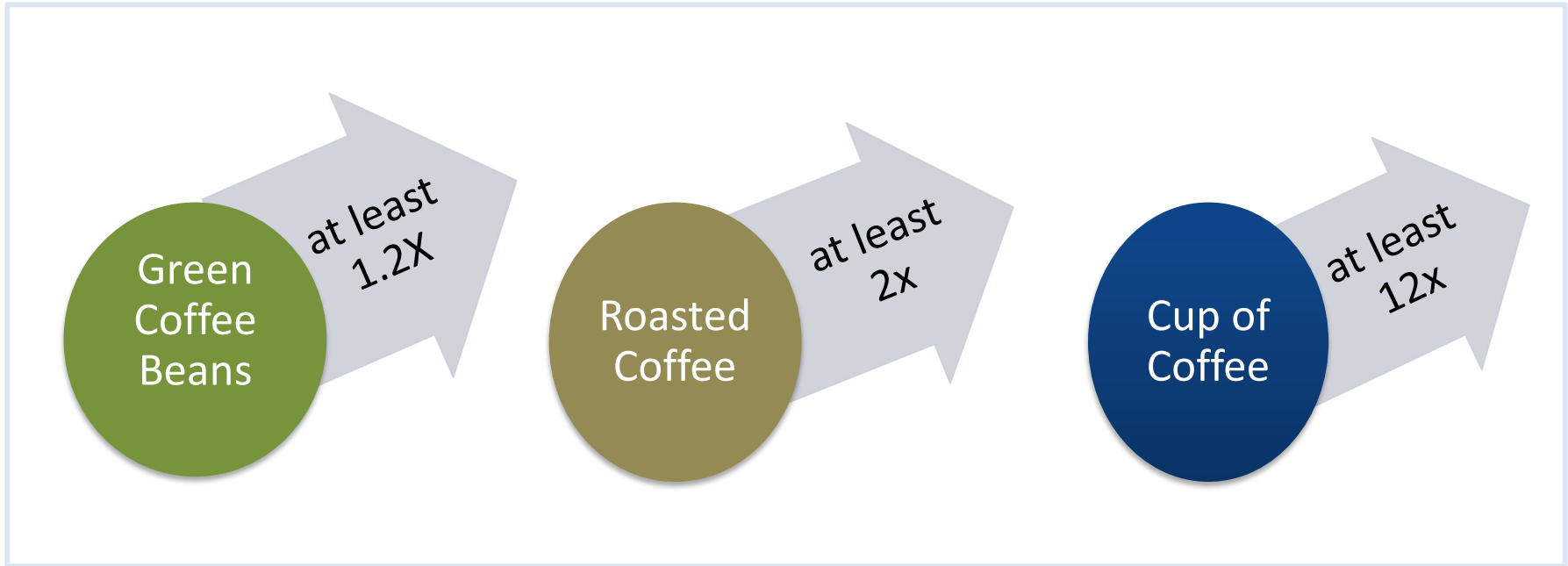


Php 400 – 1,200 / kilo

Brewed /
Espresso Based

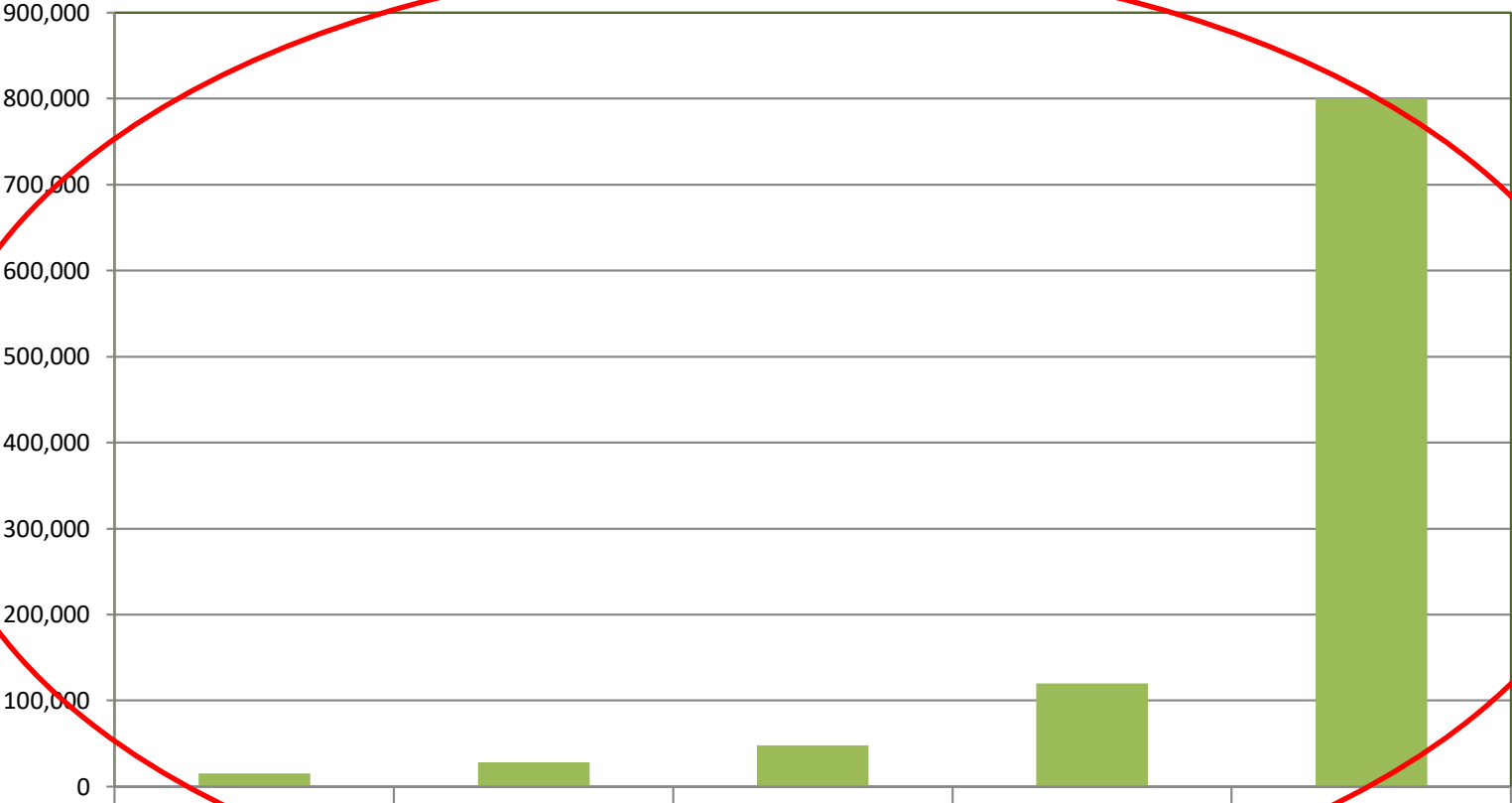


Php 10 – 150 / cup



COFFEE VALUE CHAIN - *Value of green beans increase in areas where Community Based Coffee Enterprises (CBCEs) are established*

COFFEE VALUE CHAIN : PROFIT MARGINS



Nurseries
 1 hectare
 1,000 trees
 500kgs gcb hectare

Growers Robusta

Growers Arabica
 Above-market prices for GCBs

Roasters
 100 cups from 1 kilo
 .75 usd / cup

Beverage Retailers

KAPE MARAMAG COFFEE BUSINESS MODEL

KAPE MARAMAG COFFEE VALUE CHAIN

Processing / Brewing

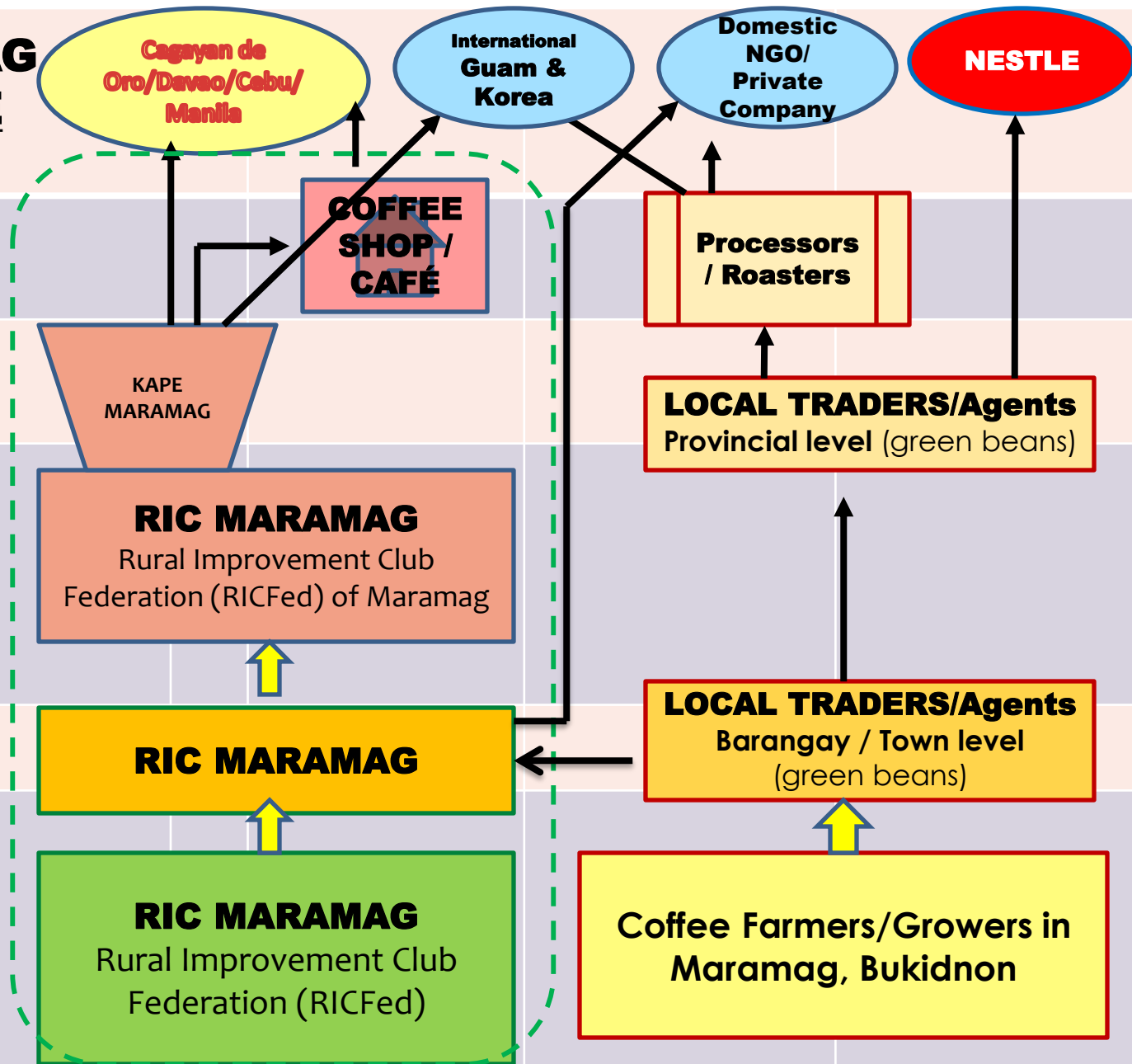
Retailing & Wholesaling

Trading

Packaging & Labeling
Grinding;
Roasting (1 unit;
50 kgs/day);
Sorting

Trading (green beans)

Packing & Storing;
Drying & hulling;
Harvesting &
Depulping;
Coffee farming





NOW I CAN...

- ...ROAST a world-class coffee.
- ...SUSTAIN a fair-trade buying price for the farmers' produce of green beans.
- ...BE PROUD of my Ifugao Kape product.
- ...BECOME a Social Entrepreneur.

By: Fr. Valentin Dimas

Fr. Valentin Dimas *Fr. Valentin Dimas* *Fr. Valentin Dimas*





Kafe Balos

MINDANAO CIVET COFFEE

It is in the Philippines where you will find one of the world's finest and most coveted produced coffees which have been eaten and passed through the digestive tract of the nocturnal, cat-like animal called palm civet, locally known as Balos (Pardaliparus philippensis) by the I'lan tribes. Owing to its nature, these cats regurgitate their diet with forest fruits, wild berries and roots. Having an excellent palate, they are known to eat the sweetest, ripest and premium quality coffee berries. The Balos rummage the external husk covering the seedling (skin), passing through the civet's digestive system, where they are naturally fermented and decaffeinated before being expelled as coffee parchment.

Active hunters, forest dwellers search the forest floor and carefully handpick these precious coffee parchment droppings from the wild Balos. The parchment are thoroughly washed, sundried and carefully hulled. The cleaned beans are precision sorted then yield the aromatic, unique and distinctive drink up to the last drop of your coffee.

Once you try Kafe Balos, you support the preservation of the Balos and become an active partner in the conservation and rehabilitation of its habitat (rainforest). You also support the economic and cultural sustainability of the special communities who serve as forest guards.



Coffee Blends



Greentropics Coffees are available in 7 250 grams and packaging:

- ✓ Matutum
- ✓ Sarangani
- ✓ Davao
- ✓ Lake Sebu

GREEN TROPICS COFFEE ENTERPRISE



NOW I CAN BE ASSURED OF THE ACCESS OF HIGH QUALITY MATERIALS AND EQUIPMENT FOR OUR COFFEE PROCESSING BUSINESS.

FRED B. FREDELUCES
Greentropics Coffee Enterprise



Now I can serve
far better coffee since
I am now a barista thru
the sponsorship of PCA.









5 11:50AM

THE PHILIPPINE COFFEE ALLIANCE :



Unites

Cooperation

become Farmer Entrepreneurs

Educate & Train

Technology

Market Links

Financing

Consolidates



NO CAGE FOR COFFEE



COFFEE ALAMID
www.arengga.com



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