



**STUDY OF THE DOMINICAN COFFEE SECTOR FOR THE DEVELOPMENT OF CERTIFICATION FOR SPECIAL COFFEE**

**Ref.**

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Expert(s)	Country	Volume (md)	Amount (€)	Beneficiary	Funding	Start date	End date	Partner(s)	Reference
O. Bouyer	Dominican Republic	180	12,000 €	CODOCAFE	CIRAD	Feb. 2001	Jul. 2001	IICA	daviron@cirad.fr Off: +33 467 848 297

Detailed description of the project	Services provided
<p>The Dominican coffee sector has been in decline since the 1970s and, in the early 2000s, Dominican coffee represented no more than 1% of world trade. The decline of this industry was structural (aging plantations, lack of care taken during processing, loss of export markets, etc.), but was also due to an end to the International Coffee Agreement (ICA) in 1999, which led to the deregulation of world coffee prices and, last but not least, Hurricane Georges in 1998 was responsible for the destruction of many coffee plantations.</p> <p>Producer price stagnated in 2001 below US\$100 per hundredweight, which can be considered as the threshold of profitability for rural producers. In addition, the Green Coffee Association applied a penalty of US\$4 per hundredweight, due to the poor quality of the coffee, and importers were used to applying an 'unofficial' penalty of US\$10 per hundredweight for buying coffee under CIF (Cost, Insurance and Freight) and not under FOB (Free on Board).</p> <p>However, Dominican coffee, 85% of which is produced in high altitude areas (above 800m) is deemed to be of excellent quality, in part due to the fact that altitude fosters the emergence of flavours. Some sources, such Barahona and Cibao Altura, are even considered by coffee professionals to be among the most reputed in the world.</p> <p>To revive this sector, on which about 70,000 producers, 150 agro-industrials and, more generally, 700,000 people (10% of the population) depend, a project to improve the quality of Dominican coffees and to promote special coffees (gourmet, fair trade, organic) was launched in 2001.</p>	<p>The International Agricultural Research Centre for Development (CIRAD), in collaboration with the Inter-American Institute for Cooperation on Agriculture (IICA), had received financial support from the project donor, the French Development Agency (AFD) to study the practical conditions of the promotion of special coffees. Working at the heart of the Dominican Coffee Council (CODOCAFE), the expert provided the following services:</p> <ul style="list-style-type: none"> <li>- A Complete study of the Dominican coffee sector (from production to export) and existing local initiatives in terms of special coffees. Many coffee grower associations, 13 agro-industrials, several intermediaries and all the state services in charge of the coffee sector were consulted. This helped identify the strengths and weaknesses of the industry at all levels, as well as the distribution of margins and volumes among the stakeholders;</li> <li>- A large scale market analysis (433 export contracts analysed, more than 1,000 market survey questionnaires distributed in 59 countries) in order to identify the tastes and selection criteria of processors / retailers / special coffee consumers;</li> <li>- A Review of existing theoretical frameworks for the economic analysis of the certification of special coffees.</li> </ul> <p>All of this enabled the drawing up of practical recommendations with a view to the creation of a collective quality label for Dominican special coffees.</p>