The Utilization of Geographical Indication Protection System for Indonesian Coffee: Impact on Farmers and Coffee Industry
Ranggalawe Suryasaladin Sugiri

To cite this version:
Ranggalawe Suryasaladin Sugiri. The Utilization of Geographical Indication Protection System for Indonesian Coffee: Impact on Farmers and Coffee Industry. Worldwide Perspectives on Geographical Indications, Centre de Coopération Internationale en Recherche Agronomique pour le Développement [Cirad], Jul 2022, Montpellier, France. hal-03791216

HAL Id: hal-03791216
https://hal.science/hal-03791216
Submitted on 29 Sep 2022

HAL is a multi-disciplinary open access archive for the deposit and dissemination of scientific research documents, whether they are published or not. The documents may come from teaching and research institutions in France or abroad, or from public or private research centers.

L’archive ouverte pluridisciplinaire HAL, est destinée au dépôt et à la diffusion de documents scientifiques de niveau recherche, publiés ou non, émanant des établissements d’enseignement et de recherche français ou étrangers, des laboratoires publics ou privés.
The Utilization of Geographical Indication Protection System for Indonesian Coffee: Impact on Farmers and Coffee Industry

Ranggalawe Suryosaladin Sugiri

Abstract - Coffee as one of the most traded Indonesia agricultural product, has great economic value and potential due the diversity of Indonesia Coffee caused by fertile and volcanic soils throughout Indonesia Archipelago. Since 2008, Indonesia government implementing Geographical Indication (GI) protection system to boost Indonesia Coffee production and market. This paper examines and analyse whether the GI protection for coffee production benefit Indonesia coffee farmers and industry. The positive impacts are examined and challenges are identified for the development of Indonesia GI Coffee in the future.

Keywords – Geographical Indication, Indonesia Coffee, Indonesia GI law and policy

Introduction: Diversity of Indonesian Coffee

Indonesia is one of the countries with large coffee production in the world. Of the seven largest Coffee Producder country in the world, Indonesia ranked fourth with total coffee production as much as 648,000 tons. Total export volume for Indonesian coffee up to year 2021 is 380,000 tons. Indonesia’s 10 destination export countries are United States, Germany, Malaysia, Italy, Japan, Russia, Egypt, United Kingdom, Belgium and Canada. United States ranks first as Indonesia’s destination coffee export country with total average of 67,000 tons in a year with export value of 202 million USD.

Indonesia as a tropical country in the equator located in the ring of fire of the pacific, has variety volcanic soil condition, climate and rainfall that is different one area to another, these factors affecting the Indonesia’s coffee production, which is largely planted on the hills and foot of mountains. Ever since it was being introduced by the Dutch colonial government in Java at the end of 17th century, coffee plantation in Indonesia were spread throughout Java, Sumatera, South Sulawesi, Bali, Flores and Papua region. The vast majority of the coffee plantation in Indonesia is Robusta (72 percent of approximately 1.2 million hectares coffee plants in Indonesia is robusta plantation), which is absorbed by international and local instant coffee industries, however in decades along with the global increasing of specialty coffee market, demand for Indonesian Arabica coffee was also rising. Not only among the international brand specialty coffee shops, in the last decades, the cafe outlets in big cities in Indonesia, coffee entrepreneurs also competing each other to present diverse arabica specialty to their consumers. Indonesian young people attracted to cafe and coffee business in Indonesia is also increasing within the last five years throughout large cities in Indonesia, where we can find dozens even hundreds coffee shops serving local coffee in jakarta (Indonesia’s capital) and other big tourist destination cities in Indonesia.

The Use of Geographical Indication to Indonesia Coffee Trade System

With regards to the Geographical Indication, where a coffee product in the market using name of the region or location to give signal to the consumers in relation to uniqueness and special characteristic of the coffee from that certain area, Indonesia has a few historical records that also required attention from Coffee enthusiasts. In the era prior to World War II, Indonesian coffee that was exported by the Dutch colonial government was known as “Java”. Java is an island in Indonesia where most of coffee exported by the Dutch colonial government originated from, namely west part and east part of Java. There was a record that the name of “Java” in European cafes at that time, identifying a specific variant of coffee, where that coffee originated from Java region has a distinctive flavor and taste, consumers named it as “Old Brown Java”. This flavor was derived from the process of transporting coffee beans from southeast asia islands by the Dutch where those beans were stored in an “oak barrel” and dampened during the sea voyage towards Europe. After the second world war, some of Indonesian coffee naming was also famous worldwide such as “Mandheling” which is a coffee from North Sumatera, “Toraja” was a coffee name renowned in Japan coffee market that was originated from South Sulawesi in the ’70s until ’90s decades, and “Gayo” was originated from South Aceh mountains also famous in European coffee market in the past decade. Coffee originating from the easternmost part of Indonesia, namely “Papua” within the past five years also starting to get lots of enthusiasm from local and international coffee industries.

Despite region-based name in Indonesian Coffee marketing has been recognized long enough according to the above explanation, however not until 2008, the Indonesian government with the support from CIRAD initiated the utilization of Geographical Indication protection system to be implemented on coffee plant production in Indonesia, namely Kopi Kintamani (a region in the northeast Bali mountains) from Bali Island. Coffee is deemed as one of farming product that qualified “terroir” concept, given to soil and environment where the coffee was planted would affect its characteristic of its flavor and taste, both before roasting and after roasting. Since 2008 until this writing is created, not less than 37 registrations of Indonesian Coffee Geographical Indication were submitted by coffee farmer association and institution supported by the local government. They have high hopes that their coffee can be acknowledged by coffee consumers and national and worldwide coffee industries, which can increase demand on Indonesian local coffee which automatically impacting the local farmer welfare.

In its practice, since 2008, the use of GI to protect Indonesian local coffee products facing some...
challenges. The most significant challenge is relating with how far the use of GI protection for coffee can bring positive benefits for farmers as well as national coffee trade system. As known, the local coffee market is currently dominated by coffee producers that marketing processed and/or roasted coffee, either by instant coffee industries or roastery and coffee shops. In such kind of trade system, most of producers are trying to serve coffee with individual distinctive brand in the form of Blended Coffee. Consumer demand on a “Single-Origin” coffee is just a small part, which is around 30 percent of the total coffee demand from consumers. The use of GI protection is predicted could be beneficial to support Single Origin coffee trade system. In marketing Single Origin coffee, coffee producers are expected to guarantee the quality and characteristic of such coffee that is using certain name/region in relation with coffee that is protected by the Geographical Indication.

To analyse the impact related with Geographical Indication protection against Indonesian coffee production from local farmer perspective and national coffee industry, we conducted a series interview with coffee farmers, association of coffee geographical indication protection, and coffee industry practitioners in Indonesia since 2019. We also simultaneously conducted small Market test method on several sample of Indonesian coffee product that has registered as Geographical Indication protected coffee.

Conclusion: The Need To Enhance Indonesian Coffee Geographical Indication Association

We concluded that there are significant impact on the Geographical Indication implementation on the coffee trade system model in several region, however, it is still required policies and more robust effort from the government and relevant parties in developing the organisation capacity and association geographical indication coffee protection in Indonesia in terms of assisting the coffee farmers to develop quality assurance strategy and quality of Geographical Indication coffee, marketing strategy and advertisement strategy, particularly introduction relating to Geographical Indication Coffee quality to the Indonesian coffee consumers on the downstream trade system at national level and overseas.

ACKNOWLEDGEMENT

I would like to thank the Organization Committee for providing this template and most of the detailed instructions included in it.

REFERENCES


Hughes, Justin. 2017. The Limited Promise of Geographical Indications for Farmers in Developing Countries, Justin Hughes. Edited by Irene Calboli and Ng Loy Wee Loon. Geographical Indications at The Coffee World Conference. Montpellier, France – 5 to 8 of July, 2022


