

## USE OF GEOGRAPHICAL INDICATIONS FOR COFFEE: EXPERIENCE OF INDONESIA\*)

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### (Slide no. 1)

Mr. Chairman, Ladies and Gentlemen,

First of all let me to extend my deep thanks to the Executive Director of the International Coffee Organization in inviting and facilitating me that this presentation is possible.

Secondly, as requested, in this presentation I would like to share the Indonesian coffee industry experiences on the use of Geographical Indication (GI). Let me also inform to all of you if GI is a new system for the country.

### (Slide no. 2)

Mr. Chairman, Ladies and Gentlemen,

Coffee has been cultivated in Indonesia (Java) more than 3 centuries; up to now it is still to be an important commodity for the country, even though it shares less than 1 % of the total foreign exchange earning. The country produces Arabica and Robusta coffees spread over islands of the archipelago, which are cultivated mostly by smallholding farmers, instead of government and private estates. Recently the total growing area is about 1.2 million ha and the main producing area is Sumatra. Total production is estimated about 550.000 tons annually.

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During last 5 years, Arabica coffee export from Indonesia increased gradually, for example in the coffee year of 2005/2006 the country exported more than one million bags of Arabica which mostly went to specialty market segment.

### (Slide no. 4)

Mr. Chairman, Ladies and Gentlemen,

Indonesia produces a lot of specialty coffee with geographic origin name such as Gayo Coffee from Aceh (Sumatra), Mandheling coffee from North Sumatra, Lintong Coffee from North Sumatra, Java Coffee from Java, Java Estate Coffee from East Java, Java "Kopi Luwak" (Java Civet-Cat Coffee) from Java, Toraja Coffee from South Sulawesi, Kalosi Coffee from South Sulawesi, Kintamani Bali Coffee from Bali, Flores-Bajawa Coffee from Flores (East Nusa Tenggara), Baliem Highland coffee from Papua, etc.

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I would like to provide an example of Sumatra Mandheling coffee which is well known with its complex flavor and excellent aroma, light acidity and strong body, almost syrupy mouth feel. The coffee is produced at geographical area of Bukit Barisan Highland, North Sumatra at 1,000 m to 1,600 m altitude, fertile volcanic soil, and wet climate as well as very near to equator (north). The coffee is processed traditional by semi washed preparation, typically the parchment removal is done when the bean still moist with moisture content at about 30 – 35 %. After the wet hulling the green beans are continued for sun drying until 12 – 13 % of moisture content. The coffee produced by the Batak ethnic with estimate annual production about 10,000 to 15,000 tons of green bean.

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Mr. Chairman, Ladies and Gentlemen,

Human hands don't harvest the bean that makes this rare brew, but "LUWAK" (*Paradoxorus hermaphroditus*) – a civet cat, does it! "Luwak" is native at South East Asia, Sumatra and Java in particular. They move at night, creep a long the limbs of coffee bush, sniffing out of sweet red coffee cherries and selecting only the tastiest. After chewing off the fruity exterior, they swallow the hard innards. In the animals' stomachs, enzymes in the gastric juices massage the beans. Human then collects and process the rest of the droppings to have green coffee for roasting. The result is a delicacy beverage. It's called "KOPI LUWAK"!

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Mr. Chairman, Ladies and Gentlemen,

From the two above cases let me to ask the seminar participants to learn about a concept of "terroir" shortly. It is a French word, and I really don't know what the English word is? A "terroir" is a multifactor system in which the cultivated plant, the grower practices and the environment interact together to obtain an original product. In coffee, "terroir" will significantly influence to cup profile so that we can recognize different wonderful fine taste from different areas in the world. What I understood, "Terroir" coffee is also to be mentioned as "appellation coffee" or "origin coffee". The coffee used to have good reputation in the world market that it needs legal protection in order to avoid unfair competition in trading practices.

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As a member of the World Trade Organization, Indonesia recognizes Trade Related Aspects on Intellectual Property Rights (TRIPS) Agreement. In complying the TRIPS Agreement Geographical Indication (GI) protection is regulated under the national Trademark Law No. 15 of 2001, Chapter VII, which provides the Protection of GI and Protection of Indication of Source. In order to implement provision of Article 56 paragraph (9) of the Law, Government Regulation No. 15/2007 regarding Geographical Indications has been signed by

the President on 4 September 2007. The procedure how to register Protection of GI based on the regulation as mentioned at the slide.

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Mr. Chairman, Ladies and Gentlemen,

One essential thing on the registration of the GI protection is substantive examination, in which basically to assess the Book of Requirement already prepared by the producers managing group. Book of requirement tells how the way to produce such origin product by a community, including how to maintain the quality and avoiding product imitation.

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In this respect I would like to provide an example of Book of Requirement prepared by Arabica coffee farmer community at Kintamani highland of Bali. Coffee farmers at Kintamani work in groups which traditionally called as "Subak Abian", meaning farmer group on upland area. The "Subak Abian" works upon Hinduism philosophy of "Tri Hita Karana", meaning "Three Happiness Causes", consists of dedicate to the God almighty, maintaining good relation to other men and environment protection. Let me say if Kintamani Bali not just a good coffee, but it also a philosophy coffee!

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Mr. Chairman, Ladies and Gentlemen,

On the Book of Requirement the Balinese agreed to put their product with geographical name of « **Kintamani Bali** » Arabica coffee, while the product type is green coffee or roasted and/or ground coffee obtained from the Kintamani highland of Bali by applying fully washed preparation.

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The community has also characterized their product specification. Concerning the specification of the production and processing conditions consist of 100% from selected Arabica varieties, specific soil and climate (altitude > 900 m), grown under shade, combined with other crops and organically fertilized as well as red cherries carefully selected and processed by wet method. Cup taste profile is also specific as described a clean cup, free from defects, a net acidity (from medium to high), medium body, a bitterness less marked or sometimes non marked, and strong aroma quality and intensity, with eventual fruity taste, often lemony.

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Kintamani territory relief, climate and soil are suitable for Arabica coffee growing. As mentioned, in this territory the traditional organizations called «*Subak Abian*» manages the coffee production and processing, following the Hindu philosophy of «*Tri Hita Karana*». The territory has been delimited for about 6,000 ha of

Arabica coffee growing with the following criteria of only Arabica coffee production, soils and climate characteristics homogeneous, Arabica production system homogenous and collective management of the coffee production within «*Subak Abian*» homogeneous.

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Book of Requirement also mentioned the production of red cherries and wet process up to parchment beans as well as storage (2 months) must be conducted at delimited area. Drying, hulling, final storing and green bean packaging must be done inside Bali Island. Then, the roasting and grinding can be carried out anywhere.

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Book of Requirement also mentioned if Arabica coffee has been planted in Bali since early 19th century. Even if there were big fluctuations in the size of the lands planted, coffee has always been one of the most important crops and catalyst for local development. Used as everyday beverage, during ceremonies, as remedy... coffee appears to be an important part of the local culture.

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Production and processing methods also well described on the Book of Requirement. Rules concerning cherries production consist of plant density, shade, varieties, fertilizer used organic only, pruning, pest and disease control without using any synthetic pesticides as well as crop diversification. While rules on coffee processing cover sorting of red cherries and time between harvest and process, cherries floating and pulp removing, fermentation time, washing and drying, storage, hulling and sorting, roasting, and packaging.

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Control of the Book of Requirement fulfillment is mentioned to be very important thing. Concerning on-farm control is carried out by three different ways namely auto-control by each farmer, control by the « *Subak Abian* » and control by the GI Managing Group (GIMG). While concerning the processing control will be done by the « *Subak Abian* » and by the GIMG.

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Product traceability was also mentioned on the Book of Requirement. It was initiated by membership registration, namely each *Subak Abian* member who produce coffee has been registered and received a GI card (3,208 producers of 61 *Subak Abian*). In order to control of red cherries origin each *Subak Abian* is registered by the processing unit, and GIMG check the red cherries origin for each lot. Tracing the coffee lots flows is conducted as follow:

- Right after processing, the PU identifies each bag with a lot code,
- Each processing unit has to form 10 or 15 lots from their yearly coffee production,

- These lots codes are kept up to GI coffee selling (if the certification is obtained), and allow a complete traceability.

Once a year, GIMG checks the conformity of the amounts of coffee sold with the amounts of red cherries bought from GI producers.

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On the Book of Requirement the community also mentioned on maintaining of quality, specify product quality and put labeling of the « KINTAMANI BALI » Arabica coffee. During the process, each processing unit has to form 10 or 15 lots. The quality of each lot is tested by the GIMG, thanks to a cup profile (cup testing) by a team of 5 panelists are in charge of the quality and specificity control for all the lots. Finally, all the coffee bags and coffee packets sold with the GI certification should include, name of GI 'Kintamani Bali' Arabica coffee, logo of the GI and lot code.

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Mr. Chairman, Ladies and Gentlemen,

In applying the Protection of GI, the Indonesian coffee industry is facing several strong points and opportunities; in contrast it also noted some weaknesses and threats. The strong points are protection for GI coffees, rights belong to a community, improving product reputation in the market and avoiding unfair competition. The opportunities described in applying GI protection system are a lot of specialty coffee from different geographical origin, GI as a marketing tool, expectation to get better price and support rural development. Lack of knowledge on the GI system will be the main weakness instead of small producers normally live at remote areas, takes time for socialization and product transformation conducted outside the area. Conflict with trademark and low awareness from small producers are the main threats faced by the coffee industry in Indonesia.

I thank you very much for your kind attention!