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Eleonora Escalante Strategy
presents
the Summer Saga of the year

Cacao and Coffee 101.

Success strategies for Small Farm Holders

Episode 6.

Customer Segments

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Cacao and Coffee 101.
Success Strategies for Small Farm Holders

Next saga:
Human Talent:
From Feudal
Slaves to Digital
Beggars.
As of
October 1st

Outline Calendar *One Season: From May 22nd to September 11th, 2026*

22-May Episode 1 Introduction	29-May Episode 2 A new philosophy beyond circular economy	5-June Episode 3 Sustainability: Beyond caring for the land Part I	12-June Episode 4 Sustainability: Beyond caring for the land Part II	17-22 June Teacher´s week Pedagogical Pause El Salvador Happy Teacher's Day	26-June Episode 5 New Models of Ownership & Corporate Governance
3-July Episode 6 Customer Segments	10-July Episode 7 Value Propositions I	17-July Episode 8 Value Propositions II	24-July Episode 9 Distribution Channels	31-July Episode 10 Certifications Quality Control FAIRTRADE	1-9 August Annual Holiday to Honor San Salvador the Divine Savior of the World
14-August Episode 11 Key Resources	21-August Episode 12 Revenue Streams Cost Structure	28-August Episode 13 Competitiveness, Research & Innovation	04-Sept Episode 14 Financing & Access to Capital	11-Sept Episode 15 Key Partnerships	18-September Episode 16 Epilogue Summary Conclusions Research Agenda

This outline is subject to change if the author considers it appropriate for your learning experience.

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State of the Art Corporate Strategy

Customer Segments

AGENDA

Cacao and Coffee 101. Success Strategies for Small Farm Holders

1. What is imported by the midstream & downstream
2. Selection of 3 possible customer segments for Small-Farm holders using the AOC/PDO system
3. Next week: Construction of the 3 CVPs

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Customer Segments

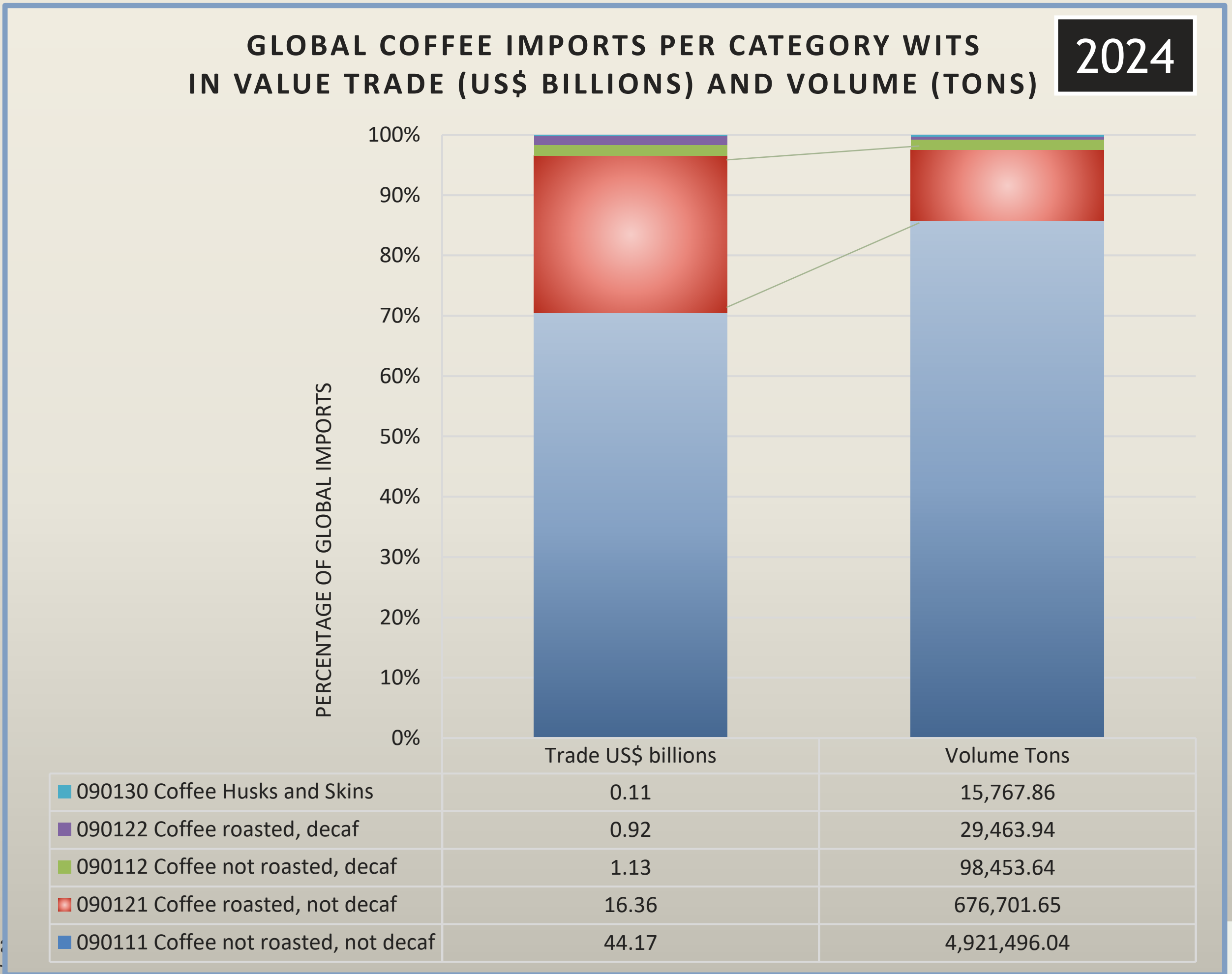
What is imported by the midstream & downstream?

The selection of customer segments is based by the customer preferences and the proven demand of the final product.
The small farmers of the tropical belt nations are required to rethink in the products,
A shift in the imports will happen, and inevitably, the midstream players will need to reconsider their procurement and respective value chains.

Coffee Global Imports 2024

Eighteen countries imported the 80% of coffee not roasted, not decaf (green beans) during 2024.
These nations are: the European Union, United States, Germany, Italy, Japan, Spain, Switzerland, France, Canada, China, Korea, Rep., Netherlands, United Kingdom, Belgium, Poland, Australia, Sweden, and the Russian Federation.
The green coffee beans (category coffee not roasted-not decaf) represent 70% in trade (USD), and 86% in weight (kg). The categories used in imports are related to the variety (Robusta or Arabica), and if coffee is roasted, not roasted, decaf or not decaf.
The price per kg is CIF.

Code WITS	***Category***	***Trade US$ billions***	***Volume Tons***
090111	Coffee not roasted, not decaf	44.17	4,921,496.04
090121	Coffee roasted, not decaf	16.36	676,701.65
090112	Coffee not roasted, decaf	1.13	98,453.64
090122	Coffee roasted, decaf	0.92	29,463.94
090130	Coffee Husks and Skins	0.11	15,767.86
090140	Coffee substitutes containing coffee	Not relevant to consider	
	Total with +/- 8% error margin	$ 62.69	$ 5,741,883.14



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Customer Segments

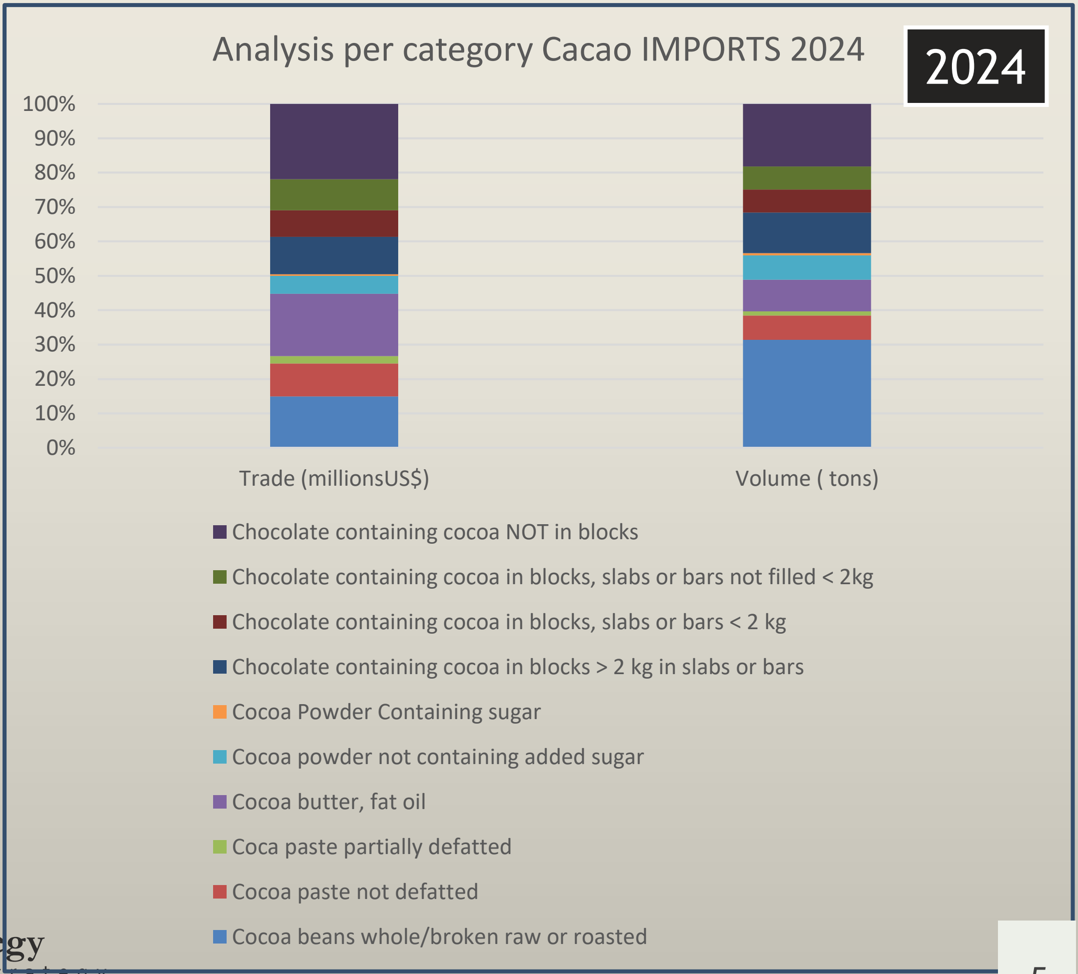
What is imported by the midstream & downstream?

Right now, the value of the cacao beans imported from the tropical belt nations is the foundation for more than 73 billion dollars in aggregated revenues value trade.

Cacao Global Imports 2024

80% of imports of the cacao beans whole/broken raw or roasted is done by the European Union, the Netherlands, USA, Malaysia, Germany, Indonesia, France, Turkey and the UK.
The table below shows the categories of imports of cacao: cacao beans (15%), cacao paste (12%), cocoa butter (18%), Chocolate containing cocoa in blocks, slabs and bars > 2kg (11%), Chocolate containing cocoa not in blocks (22%). Look at the stacked figures at your right). The price per kg is CIF.

Analysis per category Cacao IMPORTS 2024			
Code	*Name Product*	*Trade (millionsUS$)*	*Volume (tons)*
180100	Cocoa beans whole/broken raw or roasted	$ 12,929.37	2,393,088.88
180310	Cocoa paste not defatted	$ 8,297.82	541,230.85
180320	Cocoa paste partially defatted	$ 1,866.71	92,014.67
180400	Cocoa butter, fat oil	$ 15,750.31	700,558.41
180500	Cocoa powder not containing added sugar	$ 4,503.14	541,645.66
180610	Cocoa Powder Containing sugar	$ 377.58	50,890.38
180620	Chocolate containing cocoa in blocks > 2 kg in slabs or bars	$ 9,452.04	901,072.36
180631	Chocolate containing cocoa in blocks, slabs or bars < 2 kg	$ 6,667.19	512,267.99
180632	Chocolate containing cocoa in blocks, slabs or bars not filled <	$ 7,863.27	510,093.84
180690	Chocolate containing cocoa NOT in blocks	$ 18,984.54	1,385,481.80
	Total Imports 2024	**$ 86,691.96**	**7,628,344.82**



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Customer Segments

Let´s observe what is imported by the midstream & downstream

Currently, the 5 most important importers of coffee and cacao are:

1. **MNCs Vertically Integrated conglomerates:** Starbucks, Nestlé, etc.
2. **Country level Intermediaries:** National coffee or cacao associations, Big cooperatives.
3. **Midstream Semifinished Processors:** As Cocoa Paste or cocoa butter products, as Coffee Roasters/Decaf specialists.
4. **Bean Traders:** Intermediaries who buy the beans and transfer it to other midstream or upstream players. Example: Cargill, Olam, Ecom, etc.
5. **Downstream Big retailers:** Confectionary big manufacturers, Bakeries, etc.

What is important for the midstream and downstream players?

1. Source of origin of the beans (Geographic Indicators)
2. Traceability.
3. Beans come from certified planters
4. Beans are fairtrade-organic
5. Beans come from one single farm
6. Good food-safety measures of the remotion of mucilage and the quality of the fermentation-drying process of the beans
7. Plantations are environmentally friendly
8. Specialty Beans are of high quality-formula: the flavor & aroma characteristics = genetics of the variety + terroir + cultivation practices.
9. Variety of the plant
10. No diseases

There is a mismatch

Despite the importance of the certifications and geographic Indications, most of the trade is passing through all the filters of the midstream-downstream players. The intermediaries (Bean traders) rely on other intermediaries, and the transference of information about the quality of the beans (cacao or coffee) is not all the time transparent.

However, the beans are commercially traded, imported and categorized using the following categories now:

Coffee beans:

Roasted Decaf	Not Roasted Decaf
Roasted not Decaf	Not Roasted Not Decaf

Cacao beans:

Roasted whole	Not Roasted whole
Roasted broken	Not Roasted Broken

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FRANCE | EUROPEAN UNION

AOC = PDO

Customer Segments

Selection of 3 possible customer segments for Small-Farm holders using a new PDO system

Currently, the 5 most important importers of coffee and cacao are:

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Cacao

Customer Segment 1:

A MNC that wants to buy a mix of Ecuadorian Heirloom and Ancient Nacional and other varieties of cacao with Floral and Nutty flavors, fairtrade organic, with a Protected Designation of Origin (PDO) validated by the European Union.

The MNC wants to work with 300 small farmers (aggregated total land of 3,000-4,000 hectares).

The MNC wants all the small farmers to set a PDO program with the following elements: Air quality control, moisture control, rainfall management, waste residual management, sunlight-shade management, temperature control, wind mitigation, and testing of the mix of varieties for the flavor required.

Customer Segment 2:

A cocoa intermediary wants to buy cocoa paste directly to 500 Peruvian small farmers associated in the production of cacao (aggregated total land between 4,000 to 6,000 hectares).

The company wants the cocoa paste coming from a mix of 5 different varieties: amelonado, Iquitos, Marañon; Nanay and Forastero.

The prerequisite: All farmers must agree to set a PDO program with the same elements listed above.

Coffee

Customer Segment 3:

A MNC wants to buy a specific mix of coffee of at least 7 varieties from Central America, to help them to reach a PDO program.

The MNC wants to work with 300 small farmers (aggregated production from a total land of 3,000-4,000 hectares).

The MNC wants to build a matrix using different blends from the varieties to establish a relationship between 3 types of roasting and 5 types of flavors

Blends Matrix of 7 varieties

Flavors

1. Nutty
2. Floral
3. Earthy
4. Fruity
5. Spiced

Roasted

1. Light
2. Medium
3. Dark

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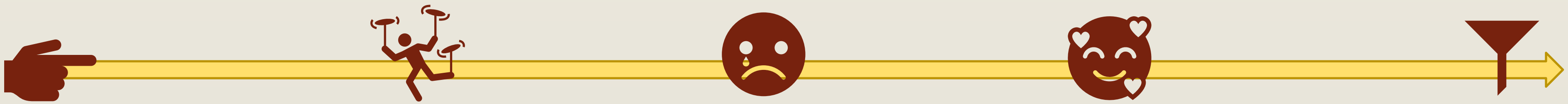
Customer Segments

Next Week: Generic CVPs for Small Farm holders

The Customer Profile



Select customer segment

Select a Customer Segment that you want to profile

Identify Customer Jobs

Ask what tasks your customers are trying to complete. Map out all their jobs by writing each one on an individual sticky note or Post-it.
Use the criteria explained to classify them

Identify Customer Pains

What pains do your customers have?
Write down as many as you can come up with, including problems, unresolved requests, lack offs, obstacles and risks
Use sticky notes.

Identify Customer Gains

What improvements or value-added features and benefits do your client want to achieve?
Write down as many gains as you can find.
Use sticky notes

Prioritize jobs, pains and gains

Categorize jobs, pains and gains in a prioritization column, as you can see in slide 14.

Customer Segments

Next Week: Generic CVPs for Small Farm holders

The Customer Profile

Customer Jobs

Customer jobs describe:

- What customers are trying to achieve?
- What activities are they trying to accomplish?
- What jobs are the clients to get done?
- What chores or duties or responsibilities are they trying to succeed?
- What assignments or lines of work are they trying to complete?

Customer Gains

Gains or wants are described as:

- Benefits or results that clients **want**
- Upshots the clients **crave** essentially to perform the jobs
- Advantages or improvements that will make the client happy
- Gains can be required, expected, desired or unexpected.
- Gains are benefits, results, outcomes, advantages or characteristics that customers wish.

Customer Pains

Pains are described as:

- Anything that annoys or cause anguish/upset or displease the client before, during and after he/she is trying to get a job done.
- Obstacles that prevent the client to accomplish an activity or endeavour.
- Pains are undesired outcomes
- Pains are problems
- Pains are undesired characteristics of the job the realize
- Pains are also risks or undesired potential outcomes or negative consequences.
- Pains are Lack of something, or an absence, deficiency, or a necessity not fulfilled.

Customer Segments

Next Week: Generic CVPs for Small Farm holders

The Customer Profile

Customer Jobs

Actions
What are the activities or tasks undertaken by the customer

Senses
speak
see
write
hear
perceive
smell
taste
touch
move
What and how does the client perform those tasks?

Emotions
What does she/he feel or/and think ?

Rationale
?
Why does she/he accomplish the task?

Basic Segmentation
- Behavioural
- Geographic
- Demographic
- Psychographic

Customer Segments

Next Week: Generic CVPs for Small Farm holders

The Customer Profile

The prioritization of the features of jobs, gains and pains can only occur if we describe them as concrete as possible under specific contexts for the customer segment in demand.

Customer Jobs

Level of Job Importance

+Important

- Insignificant

Customer Gains

Grade Gain Relevance

+ Essential

- Nice to Have

Customer Pains

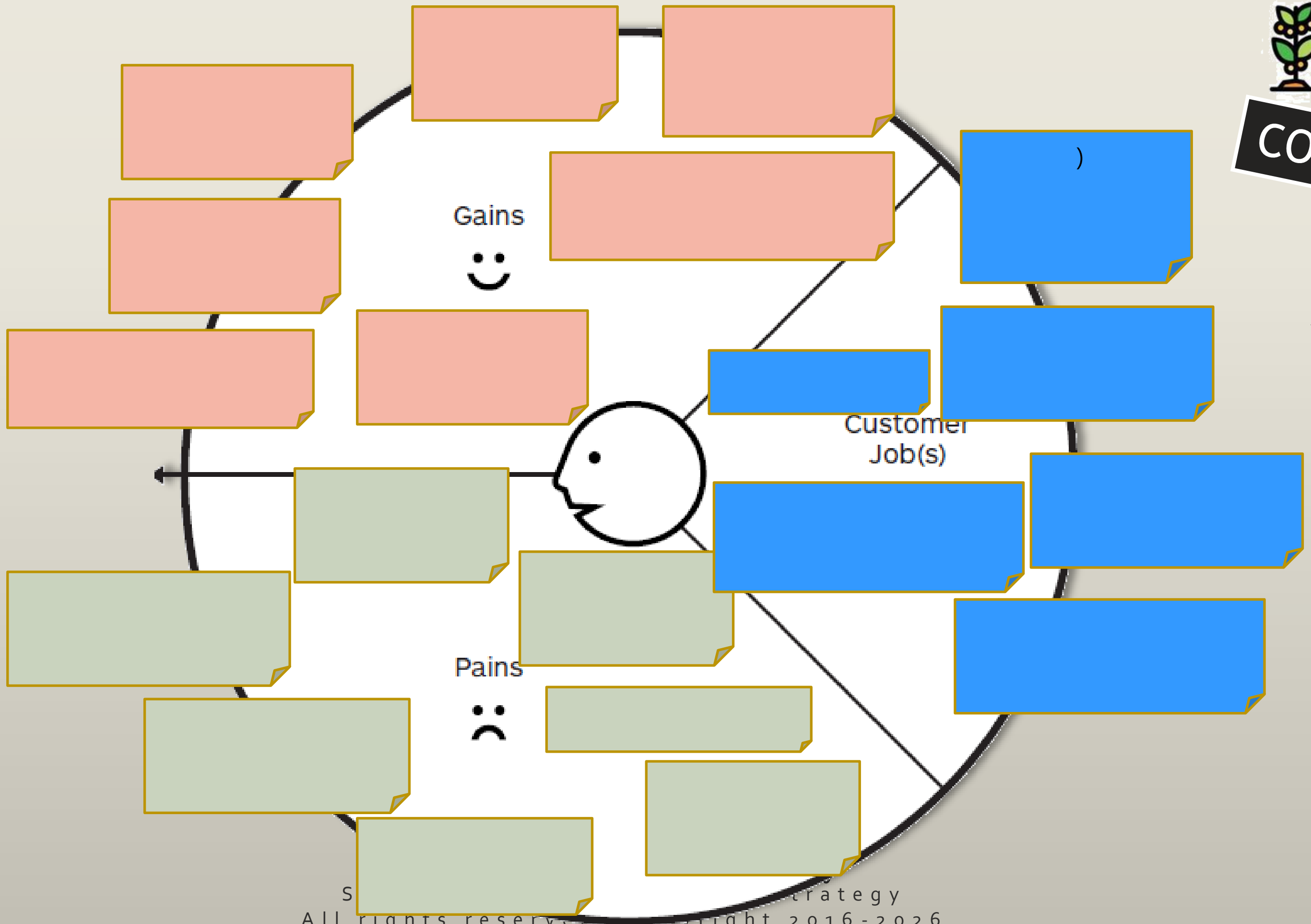
Degree Pain severity

+ Extremely high

-Moderate or low

Customer Segments

Next week: Generic CVPs for Small Farm holders



The Customer Profile

Next Week
We will build 1 CVP for coffee and 2 CVPs for Cacao

Customer Segments

Bibliography 1/2

1. *It will be added over the weekend.*

All the variables measured by the AOC (Appellation origin controlee) terroir assessment are sources of projects that will require climate change financing.
Can you see the link that connects the harvests with possibilities of green finance?
Without a doubt we believe that all the farms on the tropical belt will benefit from an AOC system segmentation. Our contribution is to open the eyes to all the global value chain players about it. The upstream pricing commodity mistake must be fixed first. And with it, the transparence of the whole value chain will be correct for all, the upstream (farmers), midstream (European-American processors of the beans), downstream (Final transformers into experiences for the ultimate consumers).

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Thank you

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