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SOLUTION

Eleonora Escalante Strategy
presents
the Summer Saga of the year

Cacao and Coffee 101.

Success strategies for Small Farm Holders

Episode 7.

Value Propositions 1

Solution Customer Profile 3:

Roasted Coffee-Central America

www.eleonoraescalantestrategy.com

Solution Homework

Last Friday, we invited the coffee-lovers to fill the following five slides with the elements that they may know. This is our solution. First Loop

Customer Profile 3

Roasted Coffee-not decaf
Central America

Blend Matrix

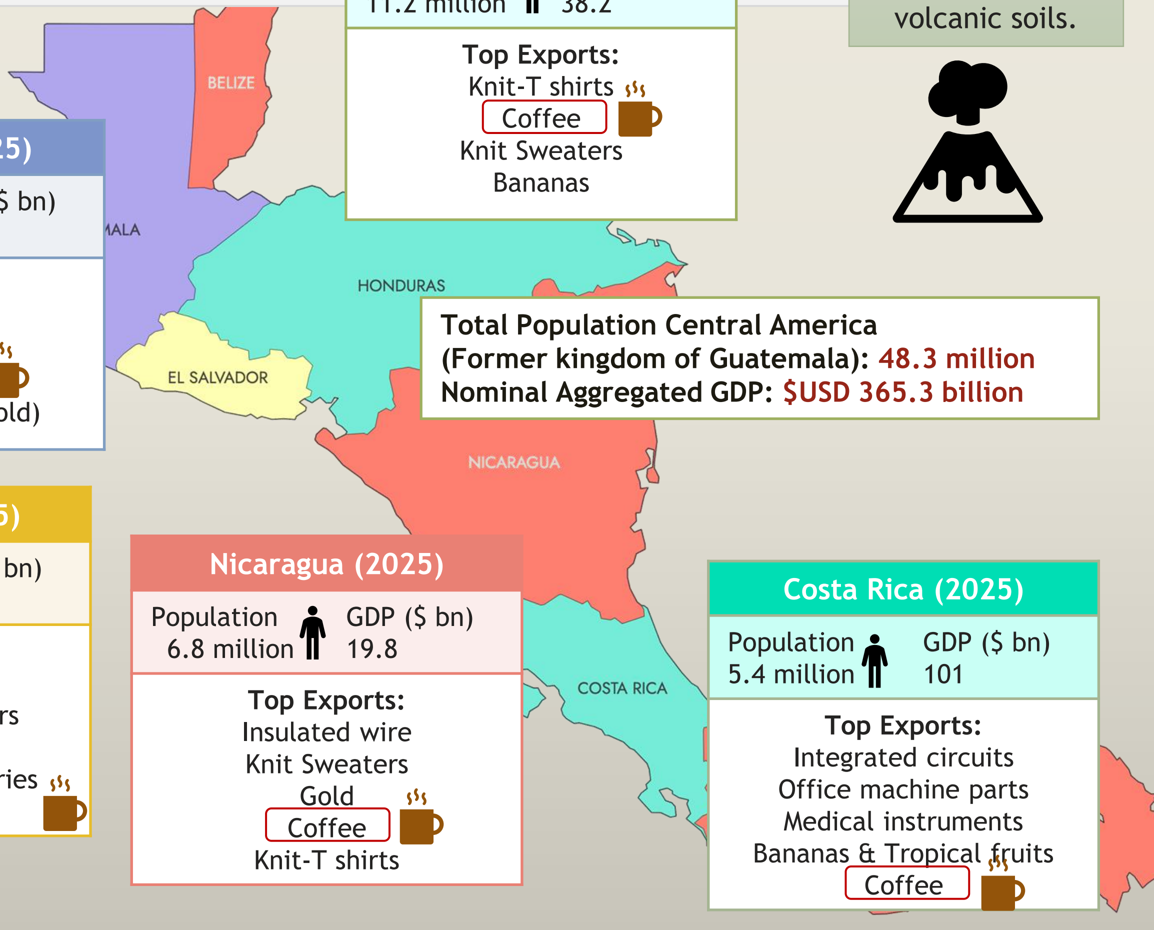
Value Propositions Part I

Customer Profile 3: Coffee Roasted - Not decaf Blend Central America

Coffee Roasted - Not decaf Blend Matrix Central America

Why Central America?

- The client (A multinational Corporation) is interested in Central America as a whole region as an exporter block of coffee.
- The mandate is to deal with the nations of the former Kingdom of Guatemala as a "block"(Panamá is not included in the agreement).
- The client wants to deal with the coffee upstream economic sector of Central America, because all these nations (with exception of Costa Rica) have shown a negative number of Net exports of goods and services (%GDP) for several years.
- The MNC is in the business of importing coffee for more than 70 years and has identified a particular market niche of Central American blends that might represent a good source of growth for the coffee sector (particularly for the medium size farms, with a focus on small-farmers size).
- Their special interest are the small-farmers of the whole region.
- The MNC wants to help the coffee sector to reduce inequality. All these nations show GINI index (around 0.5), and the MNC is committed to raise the income per day of coffee workers to at least USD$15-20 pppd.



Guatemala (2025)

Population 18.9 million | GDP ($ bn) 120.6

Top Exports:
Raw Sugar
Bananas
Coffee
Precious Metals (gold)

Honduras

Population 11.2 million | GDP ($ bn) 38.2

Top Exports:
Knit-T shirts
Coffee
Knit Sweaters
Bananas

The differentiation of the coffee flavor is in the unique volcanic soils.

Total Population Central America (Former kingdom of Guatemala): 48.3 million
Nominal Aggregated GDP: $USD 365.3 billion

El Salvador (2025)

Population 6.43 million | GDP ($ bn) 36.7

Top Exports:
Knit-T Shirts
Electrical Capacitors
Knit Sweaters
Knit socks and Hosieries
Coffee

Nicaragua (2025)

Population 6.8 million | GDP ($ bn) 19.8

Top Exports:
Insulated wire
Knit Sweaters
Gold
Coffee
Knit-T shirts

Costa Rica (2025)

Population 5.4 million | GDP ($ bn) 101

Top Exports:
Integrated circuits
Office machine parts
Medical instruments
Bananas & Tropical fruits
Coffee

Cacao and Coffee 101.
Success Strategies for Small Farm Holders

Value Propositions Part I

Customer Profile 3: Coffee Roasted - Not decaf Blend Central America

Coffee *Coffee Roasted - Not decaf Blend Matrix Central America*

Customer Segment 3:
Roasted Coffee-not decaf Central America
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

What are the flavors expected?

Country	Mix of Flavors of interest for the client
Guatemala	Chocolate-Caramel-spicy-citrus-fruity
El Salvador	Caramel, Almond, Milky-Chocolate, Tropical Fruits, Sweet Spicy, soft Florals
Honduras	Caramel, Chocolate, Citrus, Berries, Brown-Sugar, Nuts
Nicaragua	Cocoa, Soft-florals, Tropical Fruit, Spice, Apple
Costa Rica	Honey, Citrus, Florals, Red fruits, Caramel.

What are the varieties of Coffee thriving in Central America

	Possible Arabica Varieties to Explore	
Central America	Anacafe 14	Esperanza
	Bourbon	Geisha
	Catisic	H3
	Catuai	Ihcafe 90
	Caturra	Java
	Centroamericano	Lempira
	Costa Rica 95	Maragogipe
	Cuscatleco	Milenio
	Mundo Maya	Paraiso
	Pacamara	Venecia
	Pacas	Villa Sarchi
	Parainema	Other F1 Hybrids

What is the general commercial roasting scale?

Value Propositions Part I

Customer Profile 3: Coffee Roasted - Not decaf Blend Central America

Coffee: *Coffee Roasted - Not decaf Blend Matrix Central America*

What are the milestones of the MNC-European Union project for the small-farmers?

1. ***First: Creation of a State Coffee Agency***. The government coffee agency will be funded totally with donated funds from the European Union. This bureau will oversee the whole process of AOC or PDO licensing to each farmer, including the measuring of the sustainable management strategy to recover the soil and manage the rainfall, waste-residual, shade, wind mitigation, climate change, etc. Each farm will have a sustainable mgmt. strategic plan to fulfill. The EU will monitor directly and a PDO or AOC stamp of approval must be in place for each small farmer once the process is finished.
2. ***Second: Each small farm will provide one or two specialty bean class.*** The MNC client wants each farmer to perfectionate the correct process of each washed or natural or honey (different processes) to create a particular specialty type of bean per coffee-regions with an AOC clear characterization per farmer. This is why the MNC client needs each small-farmer with their own AOC/PDO license to raise the value of the coffee.
3. ***Third: Roasting Plant per zone***. The MNC wants to set up a state-of-the-art premium roasting, milling, quality lab, and packaging facility for each region of production granting an equity participation the AOC licensed farmers, who will co-own the roasting plant. Blends occur here.
4. ***Fourth: Monitoring and Control***. The quality supervision and special attention to control the quality of each small farmer with the AOC requirement will be in the hands of a bureau composed by a representative of each nation institutes for coffee research, the EU supervisors, and the member of the government coffee agency with each small farmer green beans arriving to the roasting process plant.

What is the format required by the client

Format	Degree of Roasting
Whole roasted beans Size and type of packaging to be contracted accordingly	Light Medium Medium-Dark
Ground 340 g	Light Medium Medium-Dark

How to build a matrix of blending for the 7 chosen varieties ?

Each farmer is responsible of its own green-bean quality according to the AOC or PDO license
Each farmer knows by heart and with good training how to deliver good green beans to the roasting plant.
The blending will be done in the lab of the centralized roasting plant to ensure consistency in separating the beans from each farm, varieties and processing methods. This will grant more control over quality and traceability of the beans, as much as the percentage of beans for each blend demanded by the MNC.

What is the market niche chosen by the MNC?

The marketing strategy of the MNC is segmented by importer nations which do not have Central American blends positioned in their countries: The MNC has already committed contracts to retail these Central American specialty coffee beans in the EU, in Turkey, South Corea, Russia, Japan, Saudi Arabia, UAE nations, and a nascent luxury demand in China.

The small farmer AOC or PDO license is crucial in this project given the nature of the MNC´s clients

Value Propositions Part I

Customer Profile 3: Coffee Roasted – Not decaf Blend Central America

Coffee: *Coffee Roasted – Not decaf Blend Matrix Central America*

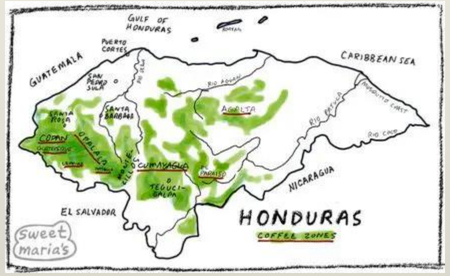
What is the status of the PDO process for Coffee in Central America?

To our understanding, no country in Central America has a Local PDO or AOC system yet. They have some efforts of DO (Denomination of origin), but not at the level of a European Union PDO.
It is well possible that some farmers could have a private measuring with their own AOC variables in place, to ensure the quality of their green beans exported to USA or Europe.
The main coffee players of Central America have been immersed in inventory, re-planting, and reconversion of their coffee plantations. Small farmers with devoted faithful owners have also done the same.
Each nation has been working hard during the last couple of decades, to overcome all the troubles and difficulties at the operational level of their farms. However, they lack a strong support to overcome their issues. Without money they have not solved what they already know.

Breeders and research institutes in Central America have been experimenting with hybrids of different varieties of Arabica Coffee, F1, and some experiments with Robusta introgressed hybrids to help the plants to resist leaf rust.
Central American coffee farmers have been interested to elevate the quality of their coffee, associated with very high cup quality (one of the best ones in the world, much better than Brazilian), but sadly with lower yields, and susceptible to diseases.
Many Central American small farmers do not know what varieties they have, and the AOC/PDO process will help them to identify the value of their plants.
Some farmers have participated in the WCR Multilocation Variety Trial.

Source: Coffee Varieties Catalog, World Coffee Research, 2025.

All the small farmers (with less than 10 Ha of land) must be shareholders of the regional roasting plant/micro milling facility/lab. As owners of the plant, they should hire roasting specialists and lab-quality control for each blend with supervision of the EU and the government coffee agency. However, operationally they should focus on the exceptional quality of their plantations and harvests and process to deliver excellent green beans.



Identified regions of Coffee, where a roasting plant and quality lab will be required.
Source: https://library.sweetmarias.com/coffee-producing-countries/

Value Propositions Part I

Customer Profile 3: Coffee Roasted - Not decaf Blend Central America

Coffee: *Coffee Roasted - Not decaf Blend Matrix Central America*

How to art craft a customer profile for the MNC of this case?

The MNC already knows all the market niches in each of the listed countries: Turkey, South Corea, Russia, Japan, and some niches in China.
The MNC is a vertically integrated midstream-downstream corporation. In consequence their main clients are its own division of coffee shops, on-line retail, hotel and third-party restaurant clients, and many other multiple segments of clients, which are different in each of the nations listed.
We have no time to create all the Customer profiles (according to the end-users). But our students should know that the MNC has at least 7 separate and autonomous customer profiles (these are called unbundled customer segments):

1. Coffee shops
2. On-line retail
3. Hotels Chains
4. Restaurants-high end segment
5. Government bureaus
6. Bakeshops
7. Supermarkets
8. Other

Eleonora Escalante Strategy will prepare one CVP for the MNC considering the High-End demanding segment. This is just to illustrate our students about how to do it. However, the small farmers should create a separate CVP for each of the clients of the MNC, to comprehend what is the MNC looking for.

The MNC wants different blends coming from each nation of Central America, the idea is to position the Central America coffee in the top of mind of the clients, and market it in the nations where consumption of Exceptional Coffee from Central America could be paid off to sustain the farmers and raise their quality of life.

*Small Farmers should think as the MNC and the MNC reasons to buy their blends of high-end coffee, and why the PDO or AOC is important.
Central America as a branding coffee PDO will be for the first time "ever" circulating in nations that have no idea of our flavors, our coffee specialty acidity, our coffee aromas, degree of sweetness, etc. Our region will be experienced in the palate of the clients of the MNC with a coinage of origin.*

Source: Maps of coffee regions https://library.sweetmarias.com/coffee-producing-countries/

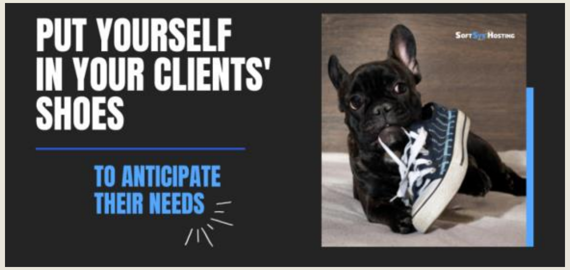
Value Propositions Part I

Customer Profile 3: Coffee Roasted - Not decaf Blend Central America

Coffee: *Coffee Roasted - Not decaf Blend Matrix Central America*

Why is it important for the small farmers to obtain a PDO of Origin for their coffee´s terroir?

The PDO (protected designation of origin) is not the same as the PGI (protected geographic indication) for European Union Standards. At the moment of this publication, the Coffee of Colombia or Brazil or Vietnam do not have a PDO. Brazil holds a GI (geographic Indication), and Colombia holds a PGI (2007). Let´s see the example of Colombia.



PROTECTED GEOGRAPHICAL INDICATION ≠ PROTECTED DESIGNATION OF ORIGIN

At least one of the stages of production, processing or preparation takes place in the region

Every part of the production, processing and preparation process must take place in the specific region

Protection Logo	*Protection Mechanism*	*Territory and Procedure*
Café de Colombia	*Trademark*	*Valid over 140 nations. Trademark License Agreement.*
Colombian	*Certification Mark*	*Valid in North America and China. Trademark License Agreement*
IGP	*Protected Geographical Indication EU and Switzerland (PGI)*	*As of 2007 European Union and Switzerland (2014). It is a PGI certification, not a PDO.*
CO Colombia	*Denomination of Origin (DO)*	*Local DO by Government of Colombia, adm. by FNC (Colombian coffee growers Federation). As of 2005 for Andean nations.* *EU has given a GI or DO for Café de Nariño, Café de Cauca, and Café de Huila.*
	EU- Colombia Free Trade Agreement	*As of 2013. Regional Coffees do not pay taxes. Duty Free*
EUDR	*European Union Deforestation Regulation EUDR*	*In Process*

The importance of a Protected Designation of Origin is to elevate to the maximum standard the value of the beans. The market niches of the MNC are highly esteemed by their client´s top demanding requests of upper quality.
To launch Coffee from Central American regions at the level of a PDO is the shift from generic to differentiation positioning.
In the case of this particular MNC, their markets appreciate the high quality.

Source: https://agriculture.ec.europa.eu/farming/geographical-indications-and-quality-schemes/geographical-indications-and-quality-schemes-explained_en

Value Propositions Part I

Customer Profile 3: Coffee Roasted - Not decaf Blend Central America

Coffee: *Coffee Roasted - Not decaf Blend Matrix Central America*

To preserve the flavor and aromas: different packaging according to the EU coffee regulations

The Multinational Corporation wants the imported roasted whole-bean coffee to be clearly identified with all its terroir characteristics, process of washing, flavors, roasting level, altitude, and quality control stamp of approval from the regulatory roasting lab. It should comply with all the regulatory EU branding requirements.
The ground roasted coffee format should be in 340 g in compliance with the EU coffee packaging regulations (PPWR): recyclable, well labeled, and sealed to keep the quality flavors of the ground roasted beans on point
The whole roasted beans packaging varies according to the type of customer segments of the MNC. The format of the packaging varies in response to each of the MNC needs. However, the priority is to keep the integrity of the beans flavor-aromas for 6-12 months. Read. https://eur-lex.europa.eu/eli/reg/2025/40/oj

To use a vacuum sealed coffee bag for roasted coffee might be an option to extend coffee´s shelf life and quality consistency, however, the new EU PWWR requires the exporters to use new formulas of sustainable custom recyclable materials that can be vacuum sealed while complying with the new standards..

For more information: https://www.thebagbroker.eu/blog/ppwr-eu-packaging-regulation-coffee/

Customer Profile 3

Value Propositions Part 1

Customer Gains

Customer Profile 3: Roasted Coffee Blended Central America

Required Gains These are the must gains

- Access to PDO roasted coffee in compliance to all the EU regulations
- Ensure a high-quality supply of roasted whole beans, and ground coffee in different size-packaging for the MNC needs.
- Build an optimal cost structure of farming and roasting for Central American farmers in accordance with the PDO of each micro-region.
- Regenerate the coffee plantations of Central America to ensure its continuous supply
- Elevate the income level of the farmers and coffee-workers

Desired Gains These are the wish-wanted gains.

- Construct climate risk capabilities in the mentality of the small farmers for mitigation of climate change effects.
- Build a robust culture of environmental-ecological problem solving in the farmers: managing thermal stress, rainfall water systems, enhancing adequate soil moisture, implementing regenerative and rejuvenation practices of their coffee plantations
- Securing an economic viability for the small-farmers operational needs by structuring feasible and flexible production processes (at the farm-harvesting, and at the roasting-quality and packaging level)
- Provide a proven and efficient ecosystem for the farmers to engage with coffee production for a long-term succession with the next generations.

Expected Gains These are the additional added value gains.

- Fix all the gaps and accumulated historical issues of the upstream small farmers
- Design, test-prototype, and roll-out a thorough coffee nation ecosystem that works for the needs and wants of the farmers at 6 levels: Policies, Financial Capital, Culture, Support Structure, Human Capital, Access to Markets, and Operational Excellence
- Monitor the small farmers training for full comprehension of the PDO, terroir and environmental safeguarding of their coffee regions.
- Enhance productivity while keeping the high-quality of the beans.

Unexpected Gains These are nice to have gains

- Create Trustworthiness: Annihilate the historical tradition of distrust between the downstream-retailers and the upstream farmers through transparency, accountability, and reliability in each of the process steps.
- Increase Research-Development and innovation in the small farmers, for new projects ahead
- Create a unique high standard for coffee farm management, with the help of the governments of the coffee nations, the EU supervision, and the economic-financial improvement of the business model, with the option to open-up to new future opportunities while serving other intl. clients.

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Success Strategies for Small Farm Holders

Customer Profile 3

Value Propositions Part 1.

Customer Pains

Customer Profile 3: Roasted Coffee Blended Central America

Undesired Outcomes
These are unwished results the client don´t want

- Not access to excellent quality beans with PDOs on time (as scheduled in the project).
- PDOs process for each nation are not well managed under the regulatory frameworks of the EU by the respective government agency
- The farmers do not want to engage in roasting and packaging the beans
- PDO for each region and Central America is not approved according to the project schedule
- Lack of coffee-workers to participate in each of the farmers' activities.

Obstacles
These are the blockers of the project

- Violence and political uncertainty of the coffee nations of Central America.
- Cultural opposition to “care for the land” by not believing in the hazards and risks of climate change
- Any event that could stop the European Union to support in covering all the expenses related to the PDO licensing of each small farmer
- Global war in Europe because of Ukraine-Russia, and Middle-East Ormuz escalation

Unwanted Problems
These are additional troubles

- Lack of time and dedication of the small-farmers to be trained in all the aspects of the project: technical, operational, financial, climate risks, environmental, etc.
- Lack of support from the Government of each coffee nation to the project
- Lack of long-term vision to re-create the foundations of the importance in coffee small-farming at each nation level.

Potential Risks
These are risks with negative consequences.

- Lack of Trust in the project.
- Lack of participation from the new generations (as inheritors of their parents' farms)
- Constant migration to the USA
- Lack of readiness in the main players of the project: farmers, government coffee agency, financial players, social communities
- Since the land is not the collateral for the farmers, but the beans and the roasting plant/packaging/quality lab facility: lack of enthusiasm and passion to accomplish the milestones of the project.

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Customer Profile 3

Customer Jobs

Value Propositions Part 1.

Customer Profile 3: Roasted Coffee Blended Central America

Functional

- The MNC offers a unique blend of premium Central America coffee for the first time ever in multiple non-EU locations.
- The MNC places the Roasted-Coffee special blend Central America with all the EU-PDO legal requirements in full compliance
- The MNC deals with exigent clients that look for safe and high-quality coffee at all its omni-retail points of sale: restaurants, hotel chains, government bureaus, on-line sales, coffee-shops, several bakeshops, supermarkets
- The MNC wants to position the Central America coffee at the top of mind of the clients as a powerful unique high-quality option in comparison to other nations.
- The MNC builds the elevation of the coffee value chain to help small-producers to raise from poverty

Social

- The MNC is committed to help the small farmers to raise their quality of life in Central America. It is a corporate strategy duty directly coming from the CEO and the Board of Directors
- The MNC is engaged to elevate the quality of the beans and keep the desired flavor-aroma consistency for their clients
- The MNC is interested to delegate the roasting process to the nations of origin, in their quest to comply with the PDO for each regional coffee zone.
- The MNC wants to change and transforms an historic mistake and imbalance of the coffee global value chain while complying with the SDGs
- The MNC wishes to position the Central American coffee top of mind in coffee consumers, to create a coffee identity, top branding reputation and helping the small farmers for the future.

Personal/Emotional/Sensorial

- The MNC extends the experience of coffee-tasting using all the barismo methods to offer a unique comparison of the taste.
- The MNC provides central American coffee quality tied to different flavors of origin to provoke a portfolio of emotional positive reactions in the clients
- The MNC arranges the sensory tasting experience and links it with the recognition of a new coffee identity per 7 regional Central American clusters of unique flavor and aromas, never tasted before in these markets.
- The MNC educates its clients in the culture of sensory-emotionally driven coffee brew to establish a new luxury pattern of consumption.

Support

- The MNC informs and actively positions the Central American blends brand as ecologically friendly: using non-pollution methods from farm to cup, to support the farmers PDO environmental practices.
- The MNC wants to comply with 8 of the 17 United Nations SDG goals: (1) No Poverty, (2) Zero Hunger, (3) Good Health & Well being, (4) Quality Education, (8) Decent jobs and economic growth, (10) Reduced Inequalities, (12) Responsible production and Consumption, (15) Life on Land.
- The MNC wants to support the project financing structure, as a co-guarantor of the mechanisms for solving the financing troubles of the farmers.

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Customer Profile 3

Value Propositions Part 1

Customer Profile 3: Roasted Coffee Blended Central America

Customer Jobs

Level of Job Importance

+Important

Ensure the high-quality of the beans by procuring coffee from PDO established small farmers.
Positions the new Central American brand in the top of mind of the MNC clients.
Elevate the economic value of the beans over time
Educate in the sensory-emotionally driven coffee brew
Support the farmers PDO environmental practices
Make profits
Comply with 8 of the UN SDGs
Creation of a coffee identity in the Central American exporters' nation

- Insignificant

Customer Gains

Grade Gain Relevance

+ Essential

Access to PDO roasted coffee in compliance with the EU standards
Create trustworthiness with the scope of the project and the financial terms of the deal
Environmental-ecological practices in place in each farm
Elevate the income per day $ 15 to 20 pppd
Fill the gaps and accumulated historical issues of the upstream small farmers
Build problem solving skills when facing climate change
Coffee nations ecosystem totally in place and functioning

- Nice to Have

Customer Pains

Degree Pain severity

+ Extremely high

Violence, political uncertainty, social unrest
Global war caused by current conflicts in Europe and the Middle East.
Any event that could stop the EU to support all expenses related to the PDO licensing of each farmer
Farmers not wanting to engage in roasting and packaging
Cultural opposition about caring for the land
Over-run of the project
Constant migration to the USA
Lack of workers for the farms
Lack of trust in the project

-Moderate or low

SOLUTION

Value Propositions Part 1

Customer Profile 3: Roasted Coffee blended Central America

COFFEE

Gains

- Environmental, farming mgmt. ecological farming in place
- Prove to the industry that it is possible to provide income of $20pppd
- Each farmer from each region holding a PDO
- Coffee national ecosystems perfected and functioning
- Fix the historical issues of coffee in Central America
- Create Trustworthiness in the whole global coffee supply chain

Customer Job(s)

- Access to PDO CA roasted coffee in compliance with EU
- Support the PDO process for the farmers
- Ensure supply of high-quality roasted coffee
- Comply with 8 of the 17 United Nations SDGs
- Position the New CA coffee blends brand in the top of mind of MNC clients
- Make profits
- Elevate the economic value of the beans internationally
- Captivate clients at the omni-channel level with the CA coffee blends
- Make Farmers happy-> Coffee products cause happiness in MNC clients
- Raise the quality of life of the farmers

Pains

- Violence, Political Uncertainty, social unrest
- Global War affecting value chain
- Project overrun Lack of support from governments
- Farmers not wanting to engage in the project
- EU stops to provide the necessary funds
- Lack of workers for the farms
- Lack of trust in the project

CA= Central America

Photo from Microsoft Stock Images

Thank you

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Success strategies for Small Farm Holders

https://eleonoraescalantestrategy.com/