



Australian Government

**Rural Industries Research and
Development Corporation**

Subtropical Coffee Conference and Industry Strategy

RIRDC Publication No. 10/080





Australian Government

**Rural Industries Research and
Development Corporation**

Subtropical Coffee Conference and Industry Strategy

By David Peasley

October 2010

RIRDC Publication No. 10/080
RIRDC Project No. PRJ 004680

© 2010 Rural Industries Research and Development Corporation.
All rights reserved.

ISBN 978-1-74254-051-1
ISSN 1440-6845

Subtropical Coffee Conference and Industry Strategy
Publication No. 10/080
Project No. PRJ-004680

The information contained in this publication is intended for general use to assist public knowledge and discussion and to help improve the development of sustainable regions. You must not rely on any information contained in this publication without taking specialist advice relevant to your particular circumstances.

While reasonable care has been taken in preparing this publication to ensure that information is true and correct, the Commonwealth of Australia gives no assurance as to the accuracy of any information in this publication.

The Commonwealth of Australia, the Rural Industries Research and Development Corporation (RIRDC), the authors or contributors expressly disclaim, to the maximum extent permitted by law, all responsibility and liability to any person, arising directly or indirectly from any act or omission, or for any consequences of any such act or omission, made in reliance on the contents of this publication, whether or not caused by any negligence on the part of the Commonwealth of Australia, RIRDC, the authors or contributors.

The Commonwealth of Australia does not necessarily endorse the views in this publication.

This publication is copyright. Apart from any use as permitted under the *Copyright Act 1968*, all other rights are reserved. However, wide dissemination is encouraged. Requests and inquiries concerning reproduction and rights should be addressed to the RIRDC Publications Manager on phone 02 6271 4165.

Contact Details

David Peasley
PO Box 542
MURWILLUMBAH NSW 2484

Phone: 02 6677 7174
Fax: 02 6677 7174
Email: peasleyhort@bigpond.com

In submitting this report, the researcher has agreed to RIRDC publishing this material in its edited form.

RIRDC Contact Details

Alan Davey
Senior Research Manager, New Plant Industries
Rural Industries Research and Development Corporation
Level 2, 15 National Circuit
BARTON ACT 2600

PO Box 4776
KINGSTON ACT 2604

Phone: 02 6271 4100
Fax: 02 6271 4199
Email: rirdc@rirdc.gov.au
Web: <http://www.rirdc.gov.au>

Electronically published by RIRDC in October 2010
Print-on-demand by Union Offset Printing, Canberra at www.rirdc.gov.au
or phone 1300 634 313

Foreword

This report details the development of an Industry Strategic Plan for the Australian Subtropical Coffee Industry from a 'Setting Directions' skills based workshop coordinated by David Peasley, Peasley Horticultural Services with the cooperation of the executive of the Australian Subtropical Coffee Association and the coffee industry.

Although the Australian subtropical coffee industry has established its potential to produce a unique high quality, 'cool climate' coffee suited to both the plunger and espresso market, using environmentally friendly production practices, the industry has lacked cohesion and consistency in product quality.

The development of a strategic plan involving representatives from every part of the coffee chain as well as research organisations and the tourism industry has been a high priority for the newly formed ASTCA to address the major issues facing the industry and setting a course of direction for the next five years.

This process was funded by RIRDC from core RIRDC funds.

This report is an addition to RIRDC's diverse range of over 2000 research publications and it forms part of our New Plant Products R&D program, which aims to increase industry competitiveness, capability and capacity.

Most of RIRDC's publications are available for viewing, free downloading or purchasing online at www.rirdc.gov.au. Purchases can also be made by phoning 1300 634 313.

Craig Burns
Managing Director
Rural Industries Research and Development Corporation

Contents

Foreword iii

Contents..... iv

Executive Summary..... v

Purpose of the Strategic Plan 1

Outcomes..... 2

Recommendations to RIRDC and Industry 3

Communication Strategy 4

Attachments 5

Strategic Plan..... 7

 Linking the Vision to Outcomes 7

 Our Vision for 2014 8

 Strategic Objectives 8

 Strategy for Action..... 9

Australian Subtropical Coffee Industry Strategic Plan (2010-2014) Summary Document..... 24

Executive Summary

What the report is about

This report details the process undertaken by David Peasley, Principal of Peasley Horticultural Services to convene key stakeholders from all sectors of the Australian subtropical coffee industry to develop an industry strategic plan. The first stage of the project was the organisation of a 'Setting Directions' workshop in October 2009, culminating in the development of this draft strategic plan for 2010 – 2014. This Plan provides a blueprint for the future development of the Australian subtropical coffee industry.

Who the report is targeted at

The report supplies information that is relevant to every sector of the Australian coffee industry from growers, agricultural service providers, harvester contractors, processors, roasters, buyers, the regional tourist industry, and educational and research institutions in the subtropical coffee growing regions of Australia in northern New South Wales and south east Queensland.

Background

- To ensure industry ownership of the first Strategic Plan for the subtropical coffee industry, a steering committee was formed to organise a professionally facilitated 'Setting Directions' Workshop involving 15 representatives selected on a skills and experience basis from every sector from growing through the coffee chain to research and tourism organisations.
- The steering committee then worked on the outcomes of the workshop to produce an over-arching draft strategic plan which was circulated to industry participants for input.
- This plan included the vision, strategic objectives and strategies and was presented to the February 2010 meeting of the Australian Subtropical Coffee Association (ASTCA) for endorsement.
- Once endorsed the plan was then worked on to fill in the specific actions required to implement the plan before reviewing final input from industry participants.
- The final plan and a summary leaflet constitute this report.
- It was decided that development of specific actions, R&D priorities and responsibility for carrying out the actions will follow in 2010/11, following an industry decision on how the activities will be funded.

Results/key findings

- An industry strategic plan and summary document has been produced following an interactive 'Setting Directions' workshop which involved skills based participants from every sector of the coffee industry and included research organisations and tourism industries.
- R&D priorities will follow the publication of the plan and the identification of funding sources to drive the activities.
- Funding opportunities are being investigated to enable implementation of the plan to commence.

Recommendations

- Publish the strategic plan and summary document on-line and in hard copy as soon as possible.
- Distribute the strategic plan to industry, the wider community and associated tourism and research organisations.
- Seek further investment from RIRDC and investigate alternative promotional and cooperative activities with compatible rural industries in the region.
- Appoint an industry development officer to coordinate and drive the activities.

Purpose of the Strategic Plan

Since its emergence in the 1990's the Australian subtropical coffee industry has not had a sustained strategic plan for the future development of the industry. As a result, progress has been limited to initiatives by individual businesses and individuals in developing management practices for growing, harvesting and processing. A lack of cohesion and inconsistent quality has restricted the advancement of the industry.

The subtropical region of coastal northern New South Wales hinterland and south east Queensland, has demonstrated its potential to produce a distinctive, high quality, 'cool climate' coffee suitable for both the plunger and espresso markets, using environmentally friendly natural production practices. High prices have been achieved for consistent quality product from the region.

The industry formed a new organisation, the Australian Subtropical Coffee Association (ASTCA) in 2008 by expanding membership from growers to also include agricultural service providers, harvester contractors, processors, roasters, buyers, the regional tourist industry and educational and research institutions. The aim is to advance the subtropical coffee industry by developing a market oriented focus based on a unique high quality product which meets world's best practice for quality and food safety. ASTCA is now focussed on research-based information on all aspects of the industry from growing, harvesting, processing, quality assessment and marketing. New leaders in the industry are now providing a strong market and consumer focus to future development of the industry.

A steering committee was established to organise the first 'Setting Directions' workshop and a professional facilitator appointed to assist the committee in organising and conducting the workshop. Fifteen participants were selected on a skills basis from every part of the supply chain and a keynote speaker with internationally respected credentials as a coffee judge, author, educator, taster and buyer, was invited to provide the international perspective on the potential for the future for Australian subtropical coffee.

To establish and grow the industry, ASTCA recognised the need for a strategic plan to be developed, drawing on the expertise and experience of leading producers, processors, roasters and marketers from the entire supply chain as well as supporting research and tourism based organisations.

The purpose of the strategic plan is to provide a working document that will underpin the further development of the Australian subtropical coffee industry. It will provide a context and a framework for current and future potential participants to be part of a profitable and environmentally sustainable industry producing coffee that is recognised worldwide for its quality, purity and distinctive flavour.

Outcomes

The selection of skills based participants, involving every sector of the coffee industry in the 'Setting Directions' workshop provided a positive interaction of all areas of the coffee supply chain as well as the research and tourism industries. Led by a professional facilitator to ensure full contribution of participants, ideas and broad perspectives brought to the workshop were discussed openly and incorporated into the planning background documents on the basis of consensus.

The follow-up work by members of the Steering Committee to put the document together involved many meetings and further input to ensure the document was accurate, useful and as representative as possible of all sections of the industry.

The final draft 'Strategic Plan' document provides a very clear direction for the industry and the strategies and actions required to meet the vision and underpinning strategic objectives of the Australian subtropical coffee industry.

Resourcing the priority objectives is the next task for the industry and active discussions on joint sponsorship and cooperation with other rural industries have been initiated.

Already there are encouraging signs from the workshop. A coffee tasting group of growers has now been formed holding regular monthly 'tastings' under the tutelage of a local roaster to improve the skills of growers to be able to identify key quality characteristics in their coffee and to identify or trouble shoot potential harvesting and processing problems.

Also, an Australian subtropical coffee logo has been designed and produced for use by ASTCA members, and a list of certifications standards, code of ethics and vendor declarations have been proposed to ensure consistent product quality and adherence to environmentally acceptable production practices.

The appointment of an Industry Development Officer to coordinate the implementation of the plan is essential.

The 'Strategic Plan' now provides a blue print for the future – a working document that will provide guidance to current and potential future participants in the Australian subtropical coffee industry. The Plan sets out a framework for an industry that is profitable, environmentally sustainable and aims to achieve worldwide recognition for the quality, purity and distinctive flavour of Australian subtropical coffee.

Recommendations to RIRDC and Industry

- The Strategic Plan and summary document should be published on line and in hard copy as soon as possible and distributed to industry and the wider community and associated industries including tourism and research organisations.
- The subtropical coffee industry through ASTCA should urgently investigate opportunities for joint promotions and fund raising activities to enable action on the plan to commence as soon as possible to maintain the momentum created by the workshop and strategic planning activities.
- Further investment by RIRDC will be sought to facilitate industry development. ASTCA however, realises the funding constraints on RIRDC and the need to actively seek alternative or supplementary funding.
- Appointment of an industry development officer/executive officer to coordinate and drive the activities is an essential highest priority.

Communication Strategy

- The Australian subtropical coffee strategic plan document will be available online and in hardcopy to all of the industry supply chain. The summary document is ideally suited to the broader community, tourist industry, schools and community education.
- Meetings are planned with other regional agricultural industries, particularly the milk industry to seek cooperation on joint promotions for coffee and milk at trade shows, displays, food fairs, etc.
- Local coffee brands will be encouraged to use the industry logo provided they meet the standard set for quality, consistency and adherence to acceptable production practices that will be specified in the industry best management practice guidelines.

Attachments

- **Attachment 1** – Australian Subtropical Coffee Industry’s Plan for the Future 2010-2014 - see separate attachment.
- **Attachment 2** – Australian Subtropical Coffee Industry Strategic Plan (2010-2014) Summary Document – see separate attachment.
- **Attachment 3** – 6 photos – see separate attachment.
 - 1. Coffee tree flowering
 - 2. Green coffee cherry
 - 3. Prime red cherry
 - 4. Dried parchment coffee
 - 5. Dry green bean ready for roasting
 - 6. Roasted coffee



**AUSTRALIAN SUBTROPICAL COFFEE INDUSTRY
A PLAN FOR THE FUTURE 2010-2014**



Strategic Plan

Linking the Vision to Outcomes

Vision

The primary focus of the industry.

Strategic Objectives

The key actions that industry must take to achieve the vision

Strategies

Broad strategic directions for achieving the Objectives

Strategic Actions

High level goals and actions for delivering the strategies

Project Action Plans

The project plans required to deliver the elements of the strategic plan. This does not form part of this strategic plan but will be developed as the next stage of the planning process with responsibility allocated to industry stakeholders and organisations for carrying out the plans.



Our Vision for 2014

The Australian Subtropical Coffee Industry will be profitable, environmentally sustainable and achieve worldwide market recognition for quality, purity and distinctive flavour.

Strategic Objectives

To achieve our vision the industry will:

1. Establish an effective industry organisation that will implement the industry strategic plan.
2. Create a united industry and focus it on profitability and competitiveness to increase production and efficiency for the entire supply chain.
3. Drive innovation and research to underpin the product, industry development and profitability.
4. Utilise the natural attributes of the region to drive ethical and environmentally sustainable production of pest and disease-free coffee.
5. Produce high quality and distinctive tasting coffee that engenders consumer confidence in the consistency, quality and integrity of Australian Subtropical Coffee.
6. Establish and promote a regional, national and international identity for Australian Subtropical Coffee.
7. Respond to and develop consumer expectations and demand and seek out market opportunities accordingly



AUSTRALIAN SUBTROPICAL COFFEE INDUSTRY

A PLAN FOR THE FUTURE 2010-2014

Strategy for Action

Each strategic objective is supported by a series of strategies and within the strategies are goals. These are the high level actions for delivering the strategy. Objectives, strategies and goals are outlined in the following pages.

Strategic objective	Strategies
1. Establish an effective industry organisation that will implement the industry's strategic plan.	1.1 Establish an active Secretariat to manage the effective implementation of the Strategic Plan. 1.2 Generate and maintain industry cohesion and communication strategies. 1.3 Establish partnerships with all sectors of the coffee industry 1.4 Establish links with organisations which have relevance to the production, distribution, promotion and regulation of coffee 1.5 Investigate a formal affiliation with the Australian Speciality Coffee Association and other appropriate international coffee organisations.
2. Create a united industry and focus it on profitability and competitiveness to increase production and efficiency for the entire supply chain.	2.1 Identify past, present and forecast levels of production and demand. 2.2 Correlate future levels of production to demand. 2.3 Establish benchmarks for viability of individual holdings. 2.4 Promote plantation expansion on land suitable for coffee production. 2.5 Encourage collaboration in the use of infrastructure used for harvesting and processing. 2.6 Establish and maintain a comprehensive and readily available information base of best industry practices.
3. Drive innovation and research to underpin the product, industry development and profitability.	3.1 Identify priority areas of research. 3.2 Identify sources of funding for research and development. 3.3 Encourage active participation of the industry in research and development. 3.4 Establish a centre of excellence for the coffee industry with a tertiary research institution.



AUSTRALIAN SUBTROPICAL COFFEE INDUSTRY

A PLAN FOR THE FUTURE 2010-2014

Strategic objective	Strategies
	<p>3.5 Raise the profile of the industry's regional and national significance to policy makers and the wider community.</p>
<p>4. Utilise the natural attributes of the region to drive ethical and environmentally sustainable production of pest and disease-free coffee.</p>	<p>4.1 Protect the present pest and disease-free status of the Australian Subtropical industry.</p> <p>4.2 Use natural production systems to promote soil and plant health.</p> <p>4.3 Implement the most efficient water use practices.</p> <p>4.4 Minimise the impact of coffee production processes on the environment generally, and on natural water courses in particular.</p> <p>4.5 Optimise the beneficial use of processed waste products.</p> <p>4.6 Establish the carbon credentials of the industry.</p> <p>4.7 Adopt practices that encourage biodiversity.</p> <p>4.8 Develop an industry Code of Ethics and Corporate Responsibility.</p>
<p>5. Produce high quality and distinctive tasting coffee that engenders consumer confidence in the consistency, quality and integrity of Australian Subtropical Coffee.</p>	<p>5.1 Ensure green bean coffee conforms to international quality standards.</p> <p>5.2 Produce high quality and distinctive tasting coffee</p> <p>5.3 Establish, improve and maintain production processes to ensure the consistent quality and integrity of Australian subtropical coffee.</p> <p>5.4 Develop and adapt Best Management Practices for all aspects of the chain from grower to wholesaler.</p> <p>5.5 Implement these protocols/practices.</p> <p>5.6 Educate the market chain, including the consumer, about quality and integrity aspects of Australian subtropical coffee.</p>



AUSTRALIAN SUBTROPICAL COFFEE INDUSTRY

A PLAN FOR THE FUTURE 2010-2014

Strategic objective	Strategies
6. Establish and promote a regional, national and international identity for Australian Subtropical Coffee.	6.1 Establish provenance (place of origin). 6.2 Create a consumer educational program based on the terroir ¹ of our region highlighting its unique qualities. 6.3 Foster direct farmer relationships. 6.4 Establish partnerships with all relevant industry sectors.
7. Respond to and develop consumer expectations and demand and seek out market opportunities accordingly.	7.1 Develop a marketing strategy which promotes the sub tropical brand. 7.2 Maintain integrity in marketing of Australian Subtropical Coffee. 7.3 Identify regional and national opportunities for promoting Australian sub tropical coffee. 7.4 Utilise innovative and dynamic marketing initiatives.

¹ *Terroir* was originally a French term used in wine, coffee and tea to denote special characteristics that geography bestowed upon particular varieties.



AUSTRALIAN SUBTROPICAL COFFEE INDUSTRY

A PLAN FOR THE FUTURE 2010-2014

OBJECTIVE 1	Establish an effective industry organisation that will implement the industry strategic plan.
--------------------	---

Strategy	Action
1.1 Establish an active Secretariat to manage the implementation of the Strategic Plan.	<ul style="list-style-type: none"> • Define roles and responsibilities of secretariat • Establish funding mechanism • Recruit and engage executive officer • Undertake annual review of plan and priorities.
1.2 Generate and maintain industry cohesion and communication strategies	<ul style="list-style-type: none"> • Develop communication strategy • Establish linkages within the ASTC industry
1.3 Establish partnerships with all sectors of the coffee industry	<ul style="list-style-type: none"> • Define component parts of the industry • Establish dialogue to identify points of synergy • Implement mechanisms of cooperation
1.4 Establish links with organisations which have relevance to the production, distribution, promotion and regulation of coffee	<ul style="list-style-type: none"> • Identify organisations of relevance • Establish dialogue • Implement mechanisms of cooperation
1.5 Investigate a formal affiliation with the Australian Speciality Coffee Association and other appropriate international coffee organisations.	<ul style="list-style-type: none"> • Invite ASCA President to visit • Identify opportunities & advantages of affiliation with ASCA • Identify opportunities & advantages of affiliation with international bodies • Implement mechanisms of affiliation.



AUSTRALIAN SUBTROPICAL COFFEE INDUSTRY

A PLAN FOR THE FUTURE 2010-2014

OBJECTIVE 2	Create a united industry and focus it on profitability and competitiveness to increase production and efficiency for the entire supply chain.
--------------------	---

Strategy	Action
2.1 Identify past, present and forecast levels of production and demand.	<ul style="list-style-type: none"> • Assemble historical records • Survey current industry status • Establish mechanisms for ongoing annual survey and forecast • Publish annual report
2.2 Correlate future levels of production to demand.	<ul style="list-style-type: none"> • Source national and international data on coffee consumption, prices, market segments • Acquire forward intelligence on demand for coffee in general and ASTC styles in particular • Correlate production and demand to future forecast trends
2.3 Establish benchmarks for viability of individual holdings	<ul style="list-style-type: none"> • Undertake an economic analysis of production costs and returns for various scales of operations • Disseminate/publish information
2.4 Promote plantation expansion on land suitable for coffee production.	<ul style="list-style-type: none"> • Identify areas for suitable production of coffee • Generate maps and disseminate information • Educate local government on value of land for coffee production and its low environmental impact (peri urban friendly)
2.5 Encourage collaboration in the use of infrastructure used for harvesting and processing.	<ul style="list-style-type: none"> • Identify infrastructure with potential for collaboration • Identify impediments and opportunities • Cost-benefit study on various options • Develop and implement an integrated plan
2.6 Establish and maintain a comprehensive and readily available information base of best industry practices.	<ul style="list-style-type: none"> • Obtain access to draft of Grower's manual • Establish funding • Undertake review and update of Manual • Disseminate relevant sections to industry



AUSTRALIAN SUBTROPICAL COFFEE INDUSTRY

A PLAN FOR THE FUTURE 2010-2014

OBJECTIVE 3	Drive innovation and research to underpin product and industry development and profitability.
--------------------	---

Strategy	Action
3.1 Identify priority areas of research.	<ul style="list-style-type: none"> • Workshop to identify priority areas for R&D • Prioritise and define research projects • Develop research plans for each priority
3.2 Identify sources of funding for research and development.	<ul style="list-style-type: none"> • Scope government and commercial funding sources • Match funding and research priorities
3.3 Encourage active participation of the industry in research and development.	<ul style="list-style-type: none"> • Identify opportunities for and support industry collaboration • Communicate progress and results of R&D to irrelevant industry sectors
3.4 Establish a centre of excellence for the coffee industry with a tertiary research institution.	<ul style="list-style-type: none"> • Define roles expected of Centre of Excellence for cool climate coffee • Canvas interest from tertiary institutes and private parties • Identify suitable location • Establish Centre of Excellence • Promote training and continuing education within each link of the industry chain
3.5 Raise the profile of the industry's regional and national significance to policy makers and the wider community.	<ul style="list-style-type: none"> • Produce documentation to publicise the Strategic Plan and other promotional materials • Identify and meet with stakeholders • Establish mechanisms for continuing relationships



AUSTRALIAN SUBTROPICAL COFFEE INDUSTRY

A PLAN FOR THE FUTURE 2010-2014

OBJECTIVE 4	Utilise the natural attributes of the region to drive ethical and environmentally sustainable production of pest and disease-free coffee.
--------------------	---

Strategy	Action
4.1 Protect the pest and disease-free status of the Australian Subtropical Coffee industry.	<ul style="list-style-type: none"> • Undertake a biosecurity risk assessment to identify pests and diseases that occur in Australia, the Pacific Rim and further a field that could pose a threat to the industry. • Develop a risk management strategy for the industry. • Implement risk management strategy.
4.2 Use natural production systems to promote soil and plant health.	<ul style="list-style-type: none"> • Compile the list of existing and potential components of the natural production systems applicable to subtropical coffee including nutrition, cover crops, composting, pest and disease control, water management, waste recycling and plantation design • Conduct a cost benefit analysis against traditional growing systems • Incorporate these components (e.g. Soil Health Card) into the growing manual Code of Practice and promotional material (e.g. environment accreditation credentials and regional tourism organisations). • Promote the benefits to growers, processors and consumers
4.3 Implement the most efficient water use practices	<ul style="list-style-type: none"> • Incorporate the irrigations strategies developed for subtropical coffee in the publication "Best Management Guidelines for Irrigation of Coffee in the Subtropics" (2003) into the Coffee Growers Manual • Encourage the use of mulching to reduce water use and promote plant and soil health • Encourage potential and new growers to investigate their water storage, access requirements and future supply requirements relative to their projected production area in the planning stage • Update the growers manual on new equipment including solar and wind power for processing and irrigation, monitoring devices



AUSTRALIAN SUBTROPICAL COFFEE INDUSTRY

A PLAN FOR THE FUTURE 2010-2014

Strategy	Action
	<p>and list of reputable service providers</p> <ul style="list-style-type: none"> • Encourage growers to undertake training in assessing water requirements for their particular plantation, soil type, system suitability, etc. • Utilise professionally trained service providers where possible
<p>4.4 Minimise the impact of coffee production processes on the environment generally, and on natural water courses in particular.</p>	<ul style="list-style-type: none"> • Carry out an audit of the innovative and successful waste management systems operating in the region • Determine the potential benefits of increasing the production of 'dry naturals'. If positive, promote this system as a means of reducing water requirement for processing • Establish 'Best Practice' systems for waste disposal and incorporate them into the growers' manual and promotional material and to support environmental accreditation credentials. • Conduct desktop research of other waste disposal systems operating overseas which have achieved environmental accreditation and assess their relevance for local conditions • Develop benchmarks for water use efficiency, waste water treatment, reuse, etc. • Investigate 'user-friendly' techniques and/or equipment for measuring water quality on farm
<p>4.5 Optimise the beneficial use of processed waste products.</p>	<ul style="list-style-type: none"> • Review literature and recent local research project results by GeoLink on the nutritional, biological and environmental benefits of waste product utilisation • Incorporate these results into the growers manual • Promote the reuse, recycling and environmental benefits of utilising waste products from coffee processing into promotional material and to support appropriate environmental accreditation application



AUSTRALIAN SUBTROPICAL COFFEE INDUSTRY

A PLAN FOR THE FUTURE 2010-2014

<p>4.6 Establish the carbon credentials of the industry.</p>	<ul style="list-style-type: none"> • Investigate what is required to conduct a carbon audit for coffee production using the recently completed macadamia industry carbon audit as a model • Determine the potential benefits and costs of conducting the audit • Decide whether to proceed based on available resources and industry priority • Select appropriate expertise to conduct the audit • Conduct the audit and incorporate findings into promotional material and to support environmental accreditation case
<p>4.7 Adopt practices that encourage biodiversity.</p>	<ul style="list-style-type: none"> • List the current and potential practices which encourage biodiversity in coffee production in the region, e.g., use of beneficial insect predators, selection of windbreak species to attract birds, construction of owl boxes adjacent to plantations, use of wildlife corridors, etc. • Publicise these practices in promoting the industry and incorporate into environmental accreditation document • Promote these practices to new and existing growers during the planning stage for their enterprise
<p>4.8 Develop an industry Code of Ethics and Corporate Responsibility.</p>	<ul style="list-style-type: none"> • Produce a list of certification standards for inclusion into the Code of Ethics including product origin labelling, use of natural production systems, biodiversity measures, environmental protection and measures to minimise conflict between neighbours • Develop a code of ethics for the Australian subtropical coffee industry • Determine the issues to be addressed by companies and corporations in the area of corporate responsibility including environmental, social and regional components • Incorporate relevant international environmental accreditation standards



AUSTRALIAN SUBTROPICAL COFFEE INDUSTRY

A PLAN FOR THE FUTURE 2010-2014

OBJECTIVE 5	Produce high quality and distinctive tasting coffee that engenders consumer confidence in the consistency, quality and integrity of Australian Subtropical Coffee.
--------------------	--

Strategy	Action
5.1 Ensure green bean coffee conforms to international quality standards.	<ul style="list-style-type: none"> • Gather information on international standards for green bean. • Disseminate information to industry • Develop vendor declarations/certificates to allow producers to attest to the grading and quality of their product. • Encourage roasters to buy product accompanied by a Vendor declaration.
5.2 Produce high quality and distinctive tasting coffee	<ul style="list-style-type: none"> • Identify characteristics of distinctiveness • Educate industry and consumers to identify these characteristics • Identify factors that influence flavour • Educate stake holders about flavour.
5.3 Establish, improve and maintain production processes to ensure the consistent quality and integrity of Australian subtropical coffee.	<ul style="list-style-type: none"> • Investigate the effect of and establish standard protocols for <ul style="list-style-type: none"> - the relationship between the mix of different levels of maturity of coffee cherry harvested and processed on the quality and flavour of the end product for the various styles of coffee. - dry pulping vs. wet pulping. - raisins – dried with skin on or re-process after soaking. - the effect of natural fermentation vs. enzyme fermentation to remove mucilage. - the effect of sun-drying, machine-drying or a combination thereof on coffee taste. - storage conditions • Disseminate this information to growers. • Incorporate into BMP documentation and QA program.



AUSTRALIAN SUBTROPICAL COFFEE INDUSTRY

A PLAN FOR THE FUTURE 2010-2014

<p>5.4 Develop or adapt Best Management Practices for all aspects of the chain from grower to wholesaler.</p>	<ul style="list-style-type: none">• Establishing and growing coffee in the subtropics• Harvesting• Processing• Storage• Grading system for dry green bean
<p>5.5 Implement these protocols.</p>	<ul style="list-style-type: none">• Incorporate BMPs into a recognised quality assurance program (ASTC QA)
<p>5.6 Educate the market chain, including the consumer, about quality and integrity aspects of Australian subtropical coffee.</p>	<ul style="list-style-type: none">• Develop promotional material that identifies ASTC QA product (e.g. signage, packaging, accreditation, vendor declarations).• Use this in the marketing strategy.



AUSTRALIAN SUBTROPICAL COFFEE INDUSTRY

A PLAN FOR THE FUTURE 2010-2014

OBJECTIVE 6	Establish and promote a regional, national and international identity for Australian Subtropical Coffee.
--------------------	--

Strategy	Action
6.1 Establish provenance (place of origin).	<ul style="list-style-type: none"> • Hold a workshop with members to identify and define the terroir that distinguishes Australian sub tropical coffee • Map the extent of the Australian sub tropical region having regard to the region's provenance • Promote and control the use of the ASTCA logo to identify the place of origin of the region's coffee and its distinctiveness.
6.2 Create a consumer educational program based on the terroir ² of our region highlighting its unique qualities.	<ul style="list-style-type: none"> • Conduct market research to understand how the target market receives and interprets product information • Prepare a strategy for disseminating information to the market place • Prepare and release information on the region's terroir and its distinctive coffee to consumers and key industry players and commentators • Attend events to disseminate information and demonstrate the region's qualities and its coffees
6.3 Foster direct farmer relationships.	<ul style="list-style-type: none"> • Hold a workshop to consider what scope there is to promote direct relationships between producers and consumers • Provide guidance to members on how to market their products • Obtain profiles on members and their practices and use it to connect consumers with those involved in coffee production. • Hold 'meet the farmer' forums at key marketing events

² *Terroir* was originally a French term used in wine, coffee and tea to denote special characteristics that geography bestowed upon particular varieties.



AUSTRALIAN SUBTROPICAL COFFEE INDUSTRY

A PLAN FOR THE FUTURE 2010-2014

6.4 Establish partnerships with all relevant industry sectors.

- Prepare and maintain a register of industry participants and other relevant industry statistics and information.
- Prepare a database of key stakeholders, authorities and commentators and supply them with regular updates of news and information
- Regularly seek out and react to information from key stakeholders, authorities and commentators
- Hold an annual seminar with key stakeholders, authorities and commentators and members



AUSTRALIAN SUBTROPICAL COFFEE INDUSTRY

A PLAN FOR THE FUTURE 2010-2014

OBJECTIVE 7	Respond to and develop consumer expectations and demand and seek out market opportunities accordingly.
--------------------	--

Strategy	Action
7.1 Develop a marketing strategy which promotes the sub tropical brand.	<ul style="list-style-type: none"> • Conduct market research to identify a target market and their consumer behaviour (this would include identifying consumer expectations of and attitudes towards the Subtropical coffee concept). • Create a marketing plan inclusive of all elements of the strategic plan, based on findings from 7.1 step 1. • Implement the launch phase of the subtropical concept on completion of the marketing plan.
7.2 Maintain integrity in marketing of Australian Subtropical Coffee.	<ul style="list-style-type: none"> • Ensure the logo policy is available and adhered to by all users. • Vigilance to maintain truth in labelling • Maintain truth in promotion (link to Code of Ethics)
7.3 Identify regional and national opportunities for promoting Australian subtropical coffee.	<ul style="list-style-type: none"> • Investigate potential linkages with local, state and federal government initiatives, inc. festivals and events, export activities and so on. • Create strong networks within the global coffee industry, through active participation on all national and some key international industry bodies. • Create a strong network outside of the coffee industry, through community engagement and participation on valuable associations.
7.4 Utilise innovative and dynamic marketing initiatives.	<ul style="list-style-type: none"> • Create a dynamic website which promotes an online community through blogs, wikis and active links to members of the association and other key industry stakeholders' websites. This would also include the educational program outlined in section 6.1 and 6.2 of the strategic plan. • Ensure each element of the marketing plan can respond to changes in consumer patterns, through continuous market research.



Glossary

Australian Subtropical Coffee	Coffee grown on the immediate hinterland of the eastern seaboard of Australia from Noosa in the North to Coffs Harbour in the South.
Peri-urban	Agricultural land abutting on to residential areas on the outskirts of towns
Terroir	Originally a French term used in wine, coffee and tea to denote special characteristics that geography bestowed upon particular varieties.

Australian Subtropical Coffee Industry Strategic Plan (2010-2014) Summary Document

AUSTRALIAN SUBTROPICAL COFFEE INDUSTRY



STRATEGIC PLAN (2010-2014)

SUMMARY DOCUMENT



Profitable and environmentally sustainable production of coffee recognised worldwide for its quality, purity and distinctive flavour.”

THE INDUSTRY

- A *'cool climate'* coffee growing region centred in the hinterland behind Byron Bay in northern New South Wales.
- The region supplied the *'colonies'* with coffee in the late 1800's but died out in the 1920's because of high labour costs. The industry rekindled during the 1980's and with the advent of machine harvesting in 1990, larger commercial plantations became established.
- There are two major production regions in Australia, tropical north Queensland and subtropical northern New South Wales. Each region has a distinctly different flavour profile due to their different climate and soil environments.
- The cooler subtropical conditions enable the region to produce either a high quality, medium acidity coffee suitable for the plunger market or a mild, easy drinking espresso.
- Due to the slower maturity of the bean from flowering to harvest, subtropical coffee creates a unique and versatile flavour profile.
- There are no major pests or disease affecting coffee in this region, enabling subtropical coffee to be produced using natural production systems and to meet community expectations for a clean sustainable environment.

DEVELOPMENT OF THE PLAN

The plan was developed in 2009/10 through industry consultation involving the entire supply chain and related educational and tourism organisations. Funding support was provided by the Rural Industries Research and Development Corporation and the Australian Subtropical Coffee Association.

OBJECTIVE 1 EFFECTIVE ORGANISATION	OBJECTIVE 2 PROFITABLE INDUSTRY	OBJECTIVE 3 INNOVATION & RESEARCH	OBJECTIVE 4 ENVIRONMENT & ETHICS	OBJECTIVE 5 QUALITY & INTEGRITY	OBJECTIVE 6 AUSTRALIAN SUBTROPICAL COFFEE	OBJECTIVE 7 MARKETING & PROMOTION
<p>Establish an effective industry organisation that will implement the industry strategic plan.</p>	<p>Create a united industry and focus it on profitability and competitiveness to increase production and efficiency for the entire supply chain.</p>	<p>Drive innovation and research to underpin the product, industry development and profitability</p>	<p>Utilise the natural attributes of the region to drive ethical and environmentally sustainable production of pest and disease-free coffee.</p>	<p>Produce high quality and distinctive tasting coffee that engenders consumer confidence in the consistency, quality and integrity of Australian Subtropical Coffee.</p>	<p>Establish and promote a regional, national and international identity for Australian Subtropical Coffee</p>	<p>Respond to and develop consumer expectations and demand and seek out market opportunities accordingly</p>
<p>Our industry will:</p> <ol style="list-style-type: none"> 1. Establish an active Secretariat to manage the implementation of the Strategic Plan 2. Generate and maintain industry cohesion and communication strategies 3. Establish partnerships with all sectors of the coffee industry 4. Establish links with organisations which have relevance to the production, distribution, promotion and regulation of coffee 5. Investigate a formal affiliation with the Australian Speciality Coffee Association and other appropriate international coffee organisations. 	<p>Our industry will:</p> <ol style="list-style-type: none"> 1. Identify past, present and forecast levels of production and demand. 2. Correlate future levels of production to demand. 3. Establish benchmarks for viability of individual holdings. 4. Promote plantation expansion on land suitable for coffee production. 5. Encourage collaboration in the use of infrastructure used for harvesting and processing. 6. Establish and maintain a comprehensive and readily available information base of best industry practices. 	<p>Our industry will:</p> <ol style="list-style-type: none"> 1. Identify priority areas of research. 2. Identify sources of funding for research and development. 3. Encourage active participation of the industry in research and development. 4. Establish a centre of excellence for the coffee industry with a tertiary research institution. 5. Raise the profile of the industry's regional and national significance to policy makers and the wider community. 	<p>Our industry will:</p> <ol style="list-style-type: none"> 1. Protect the present pest and disease-free status of the ASTC industry. 2. Use natural production systems to promote soil and plant health. 3. Implement the most efficient water use practices. 4. Minimise the impact of coffee production processes on the environment and on natural water courses. 5. Optimise beneficial use of processed waste products. 6. Establish the carbon credentials of the industry. 7. Adopt practices that promote biodiversity. 8. Develop an industry Code of Ethics and Corporate Responsibility. 	<p>Our industry will:</p> <ol style="list-style-type: none"> 1. Ensure green bean coffee conforms to international quality standards. 2. Produce high quality and distinctive tasting coffee 3. Establish, improve and maintain production processes to ensure the consistent quality and integrity of Australian subtropical coffee. 4. Develop and adapt Best Management Practices for all aspects of the chain from grower to wholesaler. 5. Implement these protocols. 6. Educate the market chain, including the consumer, about quality and integrity aspects of Australian subtropical coffee. 	<p>Our industry will:</p> <ol style="list-style-type: none"> 1. Establish provenance (place of origin). 2. Create a consumer educational program based on the terroir of our region highlighting its unique qualities. 3. Foster direct farmer relationships. 4. Establish partnerships with all relevant industry sectors. 	<p>Our industry will:</p> <ol style="list-style-type: none"> 1. Develop a marketing strategy which promotes the sub tropical brand. 2. Maintain integrity in marketing of Australian Subtropical Coffee. 3. Identify regional and national opportunities for promoting Australian sub tropical coffee. 4. Utilise innovative and dynamic marketing initiatives.

Attachment 3: Photos

1. Coffee tree flowering



2. Green coffee cherry



3. Prime red cherry



4. Dried parchment coffee



5. Dried green bean ready for roasting



6. Roasted coffee



Subtropical Coffee Conference and Industry Strategy

by David Peasley

Publication No. 10/080

Although the Australian subtropical coffee industry has established its potential to produce a unique high quality, 'cool climate' coffee suited to both the plunger and espresso market, the industry has lacked cohesion and consistency in product quality.

This report details the development of an Industry Strategic Plan for the Australian Subtropical Coffee Industry from a 'Setting Directions' skills based workshop with the cooperation of the executive of the Australian Subtropical Coffee Association and the coffee industry. The report describes the background to the need for a strategic plan, how the workshop was organised and conducted and the process post workshop to produce the final plan and summary document.

RIRDC is a partnership between government and industry to invest in R&D for more productive and sustainable rural industries. We invest in new and emerging rural industries, a suite of established rural industries and national rural issues.

Most of the information we produce can be downloaded for free or purchased from our website <www.rirdc.gov.au>.

RIRDC books can also be purchased by phoning 1300 634 313 for a local call fee.



Most RIRDC publications can be viewed and purchased at our website:

www.rirdc.gov.au

Contact RIRDC:

Level 2

15 National Circuit
Barton ACT 2600

PO Box 4776
Kingston ACT 2604

Ph: 02 6271 4100

Fax: 02 6271 4199

Email: rirdc@rirdc.gov.au

web: www.rirdc.gov.au

Bookshop: 1300 634 313

RIRDC Innovation for rural Australia