



# Coffee Industry Corporation NEWSLETTER

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## **MISSION STATEMENT**

To increase financial returns, productivity, production and market access for female and male coffee farmers and others along the value chain, with motivated, competent and continuously learning actors.

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**The CIC newsletter is produced by the CIC Community Information.**

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We would love to hear from you. If you wish to share a coffee story or send a comment or feedback, kindly email to the addresses provided below and we will be more than happy to contact you to run your story in our next issue.

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## Cover photo:

CIC Acting CEO Charles Dambui together with DAL Secretary Dr Vele Pat Illa'ava, Minister for Agriculture & Livestock Tommy Tomscoll, Parliament Speaker Theo Zurenuoc and winners of the 2015 National Cupping Competition (Avina Cooperative) during the presentation night at Holiday Inn, Port Moresby.

# CIC'S MARKETING UNIT GETS FACELIFT

As more effort is made towards showcasing and marketing PNG's finest coffees, the CIC marketing office is currently under a major face lift to complement the initiative.

Feka Builders, a local construction company based in Goroka, has been contracted to do changes to the new office set up built within the main CIC complex. The office will be the first point of contact in relation to any promotional coffee activities, drives and initiatives and not to mention information and coffee gift packs for visitors.

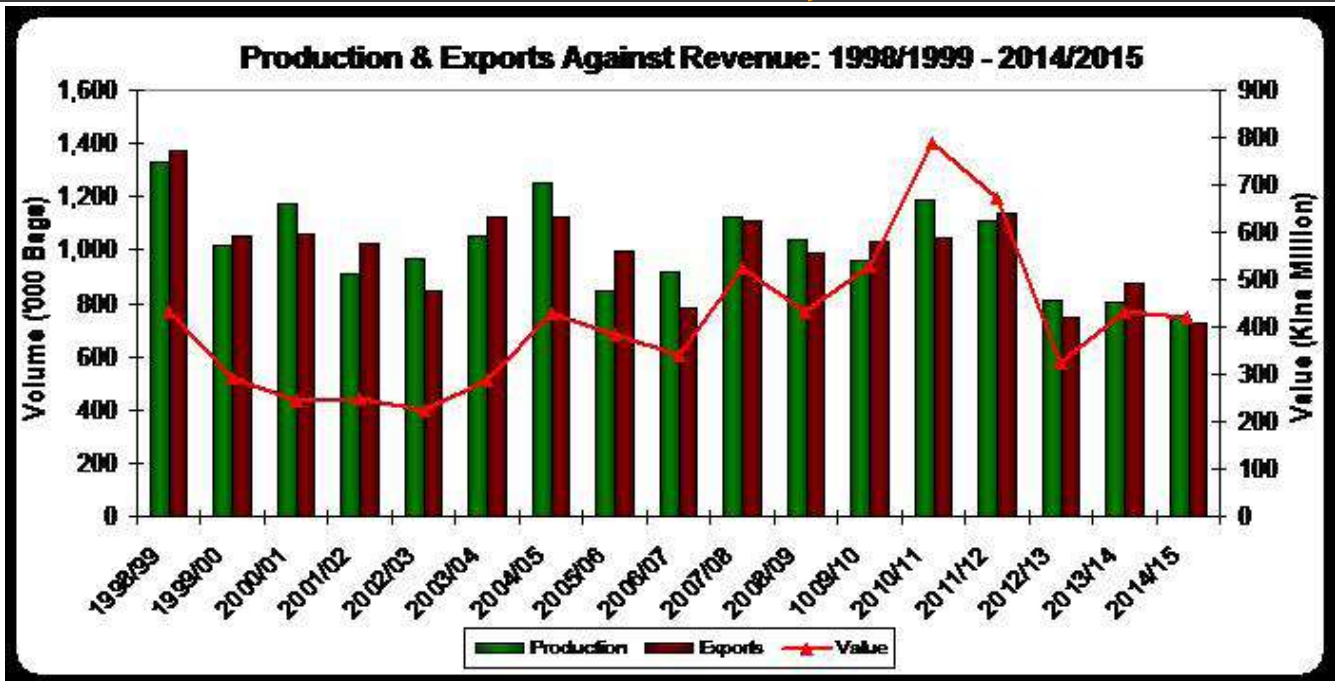
CIC Industry Operations Division General Manager, Steven Tu-mae, said that once the set-up is complete, it will complement the marketing and promotions initiatives of CIC and also look at promoting local coffee consumption through the mini coffee shop that will come with it.

Apart from work stations for officers, there will be a waiting area show room and for visitors who always look out for a coffee souvenirs and gifts for their loved ones or friends.

The new office space is set to be completed by the end of the first quarter of 2016.



# Domestic Market Report with Brian Manny



Coffee production in 2014/15 coffee-year fell to 1983/84 level and recorded the lowest in the last three (3) decades totaled 756,440 bags (45,386 tons), down by 6% from 804,707 bags (48,282 tons) in 2013/2014 coffee-year and 23% low on five-year average. The decline in production over the last four (4) years mainly attributed to weather related impacts which continue to distort normal flowering and fruit development cycle. With the possible increased rural-urban migration and government’s free education policy causing stress on labour, coffee production has seen a downward trend in the last four (4) years. The free education policy reduces farmer’s obligation to pay fees, and as a result may turn farmers away from attending to their gardens. Chart 1 above shows production and exports against export earnings for 1998/99 – 2014/2015 coffee-years.

## Exports Volume and Value

Volume of coffee exported in 2014/2015 coffee-year totaled 726,047 bags (43,563 tons), representing a decline of 17% from previous coffee-year and down by 20% on five-year average. This outcome was attributed to low production this 2014/2015 coffee-year. The weighted average export price was K9.61 per kilogram (K9,605.00 per ton), representing an increase of 17% from previous coffee-year. The decline in export volume more than offset the increase in export price resulting in a 3% low in export receipts to K418.421 million in 2014/2015 coffee-year, compared to previous coffee-year.

In 2014/2015 coffee-year, the smallholder sector continues to be the industry’s “backbone”, accounting for about 94% of 2014/2015 coffee-year production. This represents a growth of 10% from 85% in the last three (3) years, followed by Blocks (4%) and Plantations (2%). Production by Blocks and Plantation sectors has both declined by over half in the same period. The smallholders sector grew mostly on its own accord with little farm inputs unlike the managed sectors (plantations and Blocks) that are high-cost producers. Unless there is a major intervention to support existing and rehabilitate run-down plantations and blocks, the future of the industry lies with the smallholder sector.

# K2M PARTNERSHIP DEAL TO GROW COFFEE IN IALIBU-PANGIA

lalibu - Pangia District , unheard of in the coffee industry sector, is now destined to become a force to be reckoned with following an informal joint K2million commitment by both the Coffee Industry Corporation (CIC) and the lalibu Pangia District Development Authority (DDA) on Monday (21st August 2015), at the district's headquarter in lalibu.

Chief Executive Officer of the lalibu Pangia DDA, Ron Yamuna who for the first time witnessed a very high level CIC delegation led by Caretaker Acting Chief Executive Officer of CIC, Steven Tumae, General Manager of Research & Growers Services Division, Dr Mark Kenny Senior Coffee Inspector Johnem Pusa, Marketing & Evaluation Analyst Leo Aroga, National Coordinator of Extension Officers Simon Gesip and other senior officers of the CIC, was quick to declare that the Pangia area was suitable to grow coffee.

Mr Yamuna assured the CIC team of his DDA's counterpart funding of K1 million towards coffee extension programs in the district, indicating that the money would be made available by end of this month when the lalibu Pangia DDA meets. The DDA CEO expressed relief saying CIC's visit to the district was very timely, adding that the district would now see coffee becoming an end product to them when the commodity gets into full swing over the next couple of years.

Mr Yamuna expressed his personal commitment to seeing that coffee planting program in the lalibu Pangia District's is immediately implemented under the CIC's District by District (DxD) private public partnership program. He echoed that Prime Minister Peter O'Neill was supportive of the coffee extension rollout program, further expressing; "It's (coffee) an opportunity for lalibu Pangia, we cant

let it go past". Apart from the Pangia are, Mr Yamuna also identified Kaupena in the Imbongu District and Kuare LLG in the Kagua Erave District as the suitable coffee growing areas. Under the DxD program CIC enters into agreements with coffee growing districts where funding of the coffee programs are apportioned on a kina to kina arrangement and the CIC manages the funds and also executes the programs.

To kick start the program, Caretaker CIC acting CEO Tumae assured Mr Yamuna that a Mobile Coffee Extension Officer would be immediately dispatched to the district start preparing for the actual work. Both the CIC and lalibu Pangia DDA will study terms of a draft Memorandum of Agreement for the coffee extension program and make necessary amendments before meeting again for the formal execution of the agreement.



*CIC team with villagers during the visit to lalibu*

# NARI RUNS MEDIA WORKSHOP FOR PARTNERS

A four-days Media & Communications workshop was run by the National Agricultural Research Institute (NARI) in Lae, Morobe Province from July 20th -23rd 2015. The training was facilitated by communication experts from 'Econnect', a communications consultant company based in Brisbane ,Australia.

The workshop was attended by 18 women from various agricultural organizations which included National Agriculture Quarantine & Inspections Authority (NAQIA), Fresh Produce Development Agency (FPDA), PNG Women in Agriculture, Coffee Industry Corporation (CIC), a participant from the Charles Darwin University (CDU) and the National Agricultural Research Institute (NARI).

Cadet Economist from CIC Natsaha Onesimo was one of the participants who was humbled to receive the first prize award for outstanding performances in the four-day workshop.

"There were mainly two things that I hoped to get out of the workshop when I left Goroka for Lae. My expectations were to learn cognitive presentation and writing skills that would help me to concisely and effectively communicate my work in speaking and writing, and to be able to design brochures suitable for a general public audience in the upcoming 'Coffee Expo' which will be held in Port Moresby in September", said Natasha.

She added that she was privileged to meet other sophisticated women from different areas of the agricultural sector



and learning about their work and why it's important and realizing after completing the training that there is so much one can say with very few words in a short very timing.

Some of the skills learnt during the workshop included 'How to prepare and structure an effective presentation and delivering it with style, Writing 'fact sheets' and producing posters and brochures and Writing a proposal and a report.

Natasha said that the things she had learnt from this workshop would help her to write concisely in her monthly, quarterly and annual reports, and also to structure and deliver effective presentations.

*Ms Onesimo handing out brochures she designed to interested onlookers during the 2015 National Cupping Competition mini expo in Port Moresby*

The Media and Communication workshop including other ICT training have been conducted in previous years by NARI in partnership with the Charles Darwin University to agricultural development partners in the country.

The training is part of a project funded through the AusAid Public Sector Linkages Program and is aimed to build the capacity of women in leadership, decision-making and communication.

# CIC farewells a colleague

**By John Supa**

The Coffee Industry Corporation (CIC) Ltd sadly lost John Barry, one of CIC's senior employees at the Sir Joseph Nombri Memorial Hospital in Kundiawa on the afternoon of Tuesday, 22nd September 2015.

"JB", as he was affectionately renowned for and addressed, was at the time of his passing, the incumbent Coffee Inspector attached to the Industry Regulations & Compliance (IRC) section. Additionally, the CIC management also appointed him as the Supervisor of the Livestock Development Corporation owned Zuguru cattle farm, where he was residing at Zuguru located along the Highlands Highway just before the Bena Bridge.

Owing to JB's outgoing personality, general respect for others, especially amongst fellow CIC employees; both genders and more so, his passionate desires to protecting CIC from antagonisms and the interests of the coffee industry itself, the CIC management declared an unofficial public holiday on the 07th October 2015.

That was the day CIC employees from all over the country accessible by road transport, converged on to Goroka where a very long and colorful procession, convoyed the hearse containing late JB's casket to hand over to the Kabiufa people headed by former Governor General of PNG, Sir Silas Atopare.

JB was no doubt a pillar of strength at CIC as was echoed by the top echelon of CIC during their speeches to formally hand-over late JB to his relatives in a very tearful and moving event.

The late JB was finally laid to rest at his residential property at Kabiufa village. He is survived by wife Sharon, sons Mateo and Clyde and daughter Messi.

May JB rest in eternal peace!



**Above:** Colleagues at CIC carry JB's casket at the Funeral Home in Goroka

**Top right-** Late John Barry



## **From page 07.....Avina Corp takes Home Grand Award-2015 NCCC**

Since the announcement of some major policies, CIC has shifted its focus from its normal research and extension and is now focusing on market driven initiatives looking at market opportunities for farmers. Present at the closing night was the Minister for DAL Hon. Tommy Tomscoll, DAL Secretary Dr Vele Pat Illa'ava, Speaker Theodore Zurenuoc and other senior government and private sector representatives.

Mr Dambui thanked the government through the Ministry of DAL for supporting the agriculture sector and CIC in particular to run the event for the second time around.

### **2015 National Coffee Cupping Competition Top 5 Winners:**

- 1. Avina Coffee Cooperative, Kainantu, Eastern Highlands Province- 2015 Grand Winners- Toyota Land Cruiser**
- 2. Langimar Coffee Producers of Morobe Province (Consistent Cup Award) – K20, 000**
- 3. Rainbow Coffee Cooperative, Kainantu, Eastern Highlands Province (Aroma Cup Award) - K15, 000**
- 4. Rikarika Coffee Cooperative, Henganofi, Eastern Highlands Province (Flavoured Cup Award)-K10, 000**
- 5. Kubor-Kosem Limited, Jiwaka (Clean Culture Blend Cup)- K5, 000**



**Left:** CIC Acting CEO Mr Dambui giving his closing remarks on the awards night as NZ cupper Fraser Lovell looks on

**Above:** Japanese cupper during the national competition in Port Moresby

**The Coffee Industry Corporation would like to thank the following partners for their invaluable support towards the 2015 National Coffee Cupping Competition:**

- \* Express Freight Management**
- \* National Development Bank**
- \* Brian Bell Group of Companies**
- \* PNG Finest Coffee Ltd**
- \* Dept. of Trade, Commerce & Industry - Cooperative Society Unit**
- \* Investment Promotion Authority**
- \* Westpac Bank**

# Demucilagers for four Cooperatives

Four cooperative groups under CIC's extension program have each received demucilagers which included water supply materials, Solar Panels, Samsung Mobile Phones and Laptops. This comes after the launching and presentation of the four demucilagers to the cooperatives by Fairtrade in partnership with CIC in August 2015.

The launching was to embrace the networking partnership between CIC, Fairtrade and the coffee growing communities.

The cooperatives were Neknasi, Unen Choit, Untpina and Komkul. All groups are current CIC active groups who are going through certification processes under Fairtrade and Organic. Three of them are pre applicants awaiting certification whilst Neknasi Cooperative is a certified group under Fairtrade.

The demucilagers were funded by IFAD through Fairtrade. National Farmer Training and Extension Coordinator Simon Gesip said that it is an Extension Innovation and the extension officers on the ground will provide the day to day monitoring and supervision and technical advice to the groups.

"We also have our partners (Fairtrade) who will also make sure compliance procedures are strictly followed from time to time, stressed Mr Gesip. Over the last three years, the Farmer, Training and Extension unit has been struggling to provide this assistance to the named cooperatives when Fairtrade and IFAD came to their aid.

Mr Gesip added that in the past three years, they had delivered over 50 Ha coffees to farmers around the coffee growing provinces from a K85, 000 funding last year.



"Under this partnership, we are hopeful that next year we could extend to other districts in the Highlands Region and Momase," said Mr Gesip



**Above:** CIC Management with Fairtrade-ANZ Team in Jiwaka during the launching and **Right:** Fairtrade-ANZ CEO Molly Harris Olson testing out the demucilager with CIC's National Farmer Training and Extension Coordinator Simon Gesip giving a hand

# CIC IN PICTURES



*Tourists checking out coffee packets during the 2015 Goroka show*



*National Farmer Training Coordinator Simon Gesip, CIC Mechanical Engineer Tobias Kumie with Fairtrade-ANZ CEO Molly Harris Olson during the Demucilager Launch in Jiwaka*



*Provincial DAL officer inspecting honey bee hives before transportation to farmers in Usino by CIC*



*A young girl dressed in traditional attire as she harvests coffee cherries*

# CIC IN PICTURES



*CIC Accountant in discussion with invited guests during the 2015 NCCC*



*Promoting smallholder coffees packed in 250 grams packets-  
Kanite Kirapim Association*



*Post Harvest Officer Marty-Linda Hasu entering data during the Re-  
gional Cupping Competition in Aiyura*



*Senior Experimentalist Bernard Tabuli weighing coffee samples  
during the 2015 Regional Cupping Competition*

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