PN-ABP-244

SUSTAIN

GUATEMALA

MAY 7, 1992

ORGANIC MARKETING WORKSHOP

S haring
U nited
S tates
T echnology to
A id in the
I mprovement of
N utrition

A U.S. Private Food Industry initiative
in collaboration with the U.S. Agency for International Development
through a Cooperative Agreement with the National Cooperative Business Association

Upgrading the Food Processing Industries in Developing Countries.

Why SUSTAIN?

SUSTAIN represents a successful collaborative effort between the U.S. food industry and the Agency for International Development (A.I.D.) to upgrade food processing in developing countries. It provides an excellent model for similar private-public sector joint ventures in health, agriculture and other areas of concern to developing countries.

Food processing is a major contributor to development. It serves multiple roles. Food processing can increase the available food supply by extending the life of perishable food products. It can improve the nutritional quality of the diet by making nutritious foods available the year round. It can lead to the growth of related enterprises in transportation, storage, distribution and marketing. And, it can produce much needed foreign exchange by creating value added products both for export and for internal substitution of imported processed foods.

The U.S. food industry has embraced the concept that freely sharing its expertise and knowledge is of mutual benefit to recipient and donor - to the recipient by improving current operations - to the donor by contributing to a healthier global future.

How SUSTAIN Works

A.I.D. missions and trade associations in developing countries publicize SUSTAIN's goals and activities. Executives of U.S. food companies with technical expertise and overall knowledge of the food industry serve as the SUSTAIN Steering Committee, providing guidance and overseeing activities.

Food related companies in developing countries submit their requests to SUSTAIN through the A.I.D. mission or a designated organization in their country. SUSTAIN screens all incoming requests and if necessary asks for additional information. Appropriate U.S. companies are then invited to respond.

Some problems can be readily resolved by providing information. Others require that consultants be sent. When a consultant is sent, the usual assignment is for one to three weeks. Upon completion of the assignment, the consultant prepares a report describing findings and making recommendations. Depending on need, some consultants may return for follow-up visits to ensure that recommendations have been appropriately implemented.

SUSTAIN Helps

Requests are diverse. Help may be needed to solve processing problems, to identify equipment needs and sources of new and used equipment, to train personnel in the use of new equipment and new technologies, to find new uses for indigenous commodities, to establish or improve quality assurance procedures, to control insects and rodents in food processing plants and to improve plant layouts and materials handling.

In the past, U.S. food companies, large and small, have provided technical assistance in the form of information, consultants and training to food processors in Africa, Asia, Latin American and the Caribbean.

PN-ABP-244

SUSTAIN PROGRAM

WORKSHOP ON ORGANIC MARKETING

Guatemala

MAY 7, 1992

WORKSHOP CONDUCTOR

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Elan International

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WORKSHOP PROCEEDINGS

ORGANIC MARKETING SEMINAR

May 5-7, 1992

I. INTRODUCTION

On May 7th, the SUSTAIN Program sponsored a volunteer specialist in organic marketing to conduct a seminar in Guatemala City, Guatemala. The seminar was hosted and organized by the Guatemala Association of Food Technologists. The SUSTAIN speaker, Gary Bremermann, works for Elan International, which is based in San Diego, California. Elan International is an import/export company dedicated to the promotion and distribution of sustainable agricultural products.

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II. ITINERARY

Tuesday, May 5--Arrived in Guatemala City and met with Mr. Juan Carlos Morales, a member of the Guatemalan Association of Food Technologists (AGAT) and one of the organizers of the seminar. The "organic marketing" segment was featured as part of a week-long seminar on "marketing." The seminar took place at the Camino Real Hotel. I was introduced to the attendees of the "marketing" seminar, who were mainly management staff from large food processing companies in Guatemala. There were two attendees from a milk products processing company in Nicaragua as well.

I attended the other segments of the seminar, which covered basic marketing principles and the need for coordination between marketing and production divisions. At the break, Mr. Clark MacDonald, President of AGTA, introduced me to Mr. Estuardo Castillo Ramirez of Carohe S.A., a producer and exporter of cashew nuts. Mr. Castillo was very interested in the organic market, and we discussed his products, their unique shelling process, and cashew production in Guatemala.

Wednesday, May 6--I attended the first part of the marketing seminar at the Chamber of Industry on publicity.

Thursday, May 7--I attended the two presentations before giving my own, one on strategic planning, and the other about developing a marketing plan. My presentation was the keynote speech of the seminar and had been advertised in the local newspapers. There were about ten people who attended specifically to learn more about the organic market.

The speech was given in Spanish and lasted about 40 minutes with a 20 minute question and answer session. It seemed to be well received. After the question and answer period, Mr. Clark MacDonald made a special presentation of a certificate to me for my participation, and he publicly recognized Project SUSTAIN and Elan International for making it possible for me to come to the seminar.

A cocktail reception followed the conclusion of the week-long seminar. The reception gave me the opportunity to speak personally with all of the people in attendance who were specifically interested in the organic market. This included the following people:

Sr. Juan Osberto Mendez--Economic Analyst, Guatemalan Chamber of Commerce
Sra. Regina Perez Jaggi--Agronomist, MAGA-IICA Agroindustry
Srs. Rene & Jean-Paul Tarot--Growers, Finca Salija
Sr. David G. Hammond--International Director, Altertec
Sr. Herbert Schwendener--Grower, Coffee Plantation

In addition to the above, there were others who expressed interest and said they would contact me via Sr. MacDonald and the AGTA offices.

I was extremely impressed by the level of quality of coverage of the subject and the professionalism with which the seminar was conducted. Some of this impression derived from having had lower expectations for a developing country, but, having frequently attended these kinds of seminars, I found it to be equal to or superior to seminars in the U.S.

The experience of going to Guatemala and participating in the event sponsored by AGTA was extremely positive. Sr. MacDonald, Sr. Morales, and Sr. Menendez were excellent hosts, and I felt that the trip marked the beginning of what could turn out to be a long and mutually beneficial relationship with their organization and its members.

WORKSHOP PROCEEDINGS

ORGANIC MARKETING SEMINAR

Thank you.....today I will give a very brief and general overview of marketing organic products. As you know, not only is the organic movement a completely different approach to agricultural production, from a marketing approach it also has many different aspects when compared to marketing in the conventional food market.

Before addressing the topic of marketing organic products, it must be explained that there is still an ongoing debate throughout the world of "What is organic?" Fortunately it is a healthy debate among people with different opinions but common goals-to support an agricultural production system that is sustainable and has minimum adverse impact on human health and the environment.

The Organic Foods Production Association (OFPANA) defines organic foods as "foods produced under a system of ecological soil management that relies on building humus levels through crop rotation, recyling organic wastes, applying balanced mineral amendments and the use of varieties resistant to disease and pests. When necessary, botanical or biological controls with minimum impact on health and the environment may be used. Organic goods are processed, packaged, transported, and stored to retain maximum nutritional value without the use of artificial preservatives, coloring or additives, irradiation or synthetic pesticides."

There are various interpretations of what this means and of which specific practices are allowable and not allowable, but the basic core concepts and their difference with current conventional agriculural production is clearly evident.

Because today's discussion will focus on the marketing aspects of organic foods products, I will not go too far into the details of production. For further information on the regulations of organic food production, OCIA has a Spanish version of their regulations which will give an excellent introduction into what is technically required.

Moving on to the marketing aspect, the encouraging news is that the market for organic food products is strong, large, and growing rapidly. It is, however, a difficult and complex market, and success does not come easy nor quickly. The basis for success is applied intelligence in deciding what to grow, how to process it, and who to market it to.

The organic and natural product market in the U.S. is now a 3 billion dollar per year market, with organic and natural foods comprising 60% of the market and food supplements comprising the remaining 40%. This figure is predicted to double within the next five years, a tremendous growth rate and one which has gotten the attention of the conventional food industry.

The U.S. is only one part of the truly global market for organic products. Europe in particular is further advanced in their understanding and acceptance of organic products and Japan, though lagging behind the U.S. and Europe in these factors, represents a huge potential market due to their great concern over food safety and their large import requirements for foodstuffs. Although our operations in Europe remain limited, I have been personally responsible for the development of the Japanese market for our products and I am very pleased with the results and am optimistic about the future prospects for growth.

With this in mind, allow me to explain the role of Elan International as an international organic product developer.

Elan International is a specialist in the development of organic coffee throughout Latin America. Elan has developed organic coffee projects in Guatemala, Peru, Mexico, and Colombia. It is also currently developing sources of organic teas, grains, spices, and herbs.

In its role as developer, Elan is responsible for identifying potential sources of organic coffee and then is active in every step along the way from the grower to the end user. Elan's main activities include managing the required documentation for certification in the country of origin and in linking suppliers with buyers in the U.S. and Japan. Elan also is active in the marketing of organic coffee, regularly attending industry trade events, promoting organic coffee in the media, educating distributors, retailers and end users, and strategically planning the expansion of organic coffee from alternative markets to conventional mainstream markets.

Elan works closely with the certifying agencies to guarantee the buyer that they are getting a genuinely organic product. One major difference between standard food and organic food production is the existence of a neutral, non-governmental third party which inspects each of these steps to ensure that the product is truly grown and processed by organic methods.

In the beginning of the organic food movement, these kinds of organizations did not exist. Organic food was sold based upon the word of the grower or food broker. As the market grew, so did the rise in false claims, a problem that still exists today.

In response to this and in order to assure the consumer that the product is genuinely organic. certifying organizations have been created that have strict rules of neutrality and objectivity.

These organizations operate independently, but are loosely affiliated under the International Federation of Organic Agricultural Movements (IFOAM) which has member organizations throughout the world.

The Organic Crop Improvement Association (OCIA) is one of these organizations, and is the one which certifies our coffees. We have chosen OCIA to certify our coffees because of its wide recognition in the U.S. market and because of its international operations.

The United Stated Department of Agriculture has recognized the importance of the certification process and certification requirements are being written into the implementation of the Farm Act of 1990, the first piece of legislation which addresses organic agricultural products. This legislation will serve to strengthen the organic food market, as strict controls and government recognition of organically grown foods will expose the products to a wider audience.

The existence of strong market opportunities is drawing producers from throughout the world to consider and implement organic production projects while demand requires buyers to search the world for unique and delicious food products. With its strong agricultural base and favorable climate, Guatemala is in an excellent position to supply various products to the organic foods market.

At this point, I would like to use coffee as a case study of how an organic food product is developed. Following this will be some additional information on additional considerations for interntational food processors.

VISUAL AID #1: Flow Chart From Grower to End User

Please keep in mind that although the growing stage is the most technically demanding stage of the organic production process, all stages along the way to the end user must also

be certified by a third-party certifier as organic in order for the product to be sold as organic.

The grower has the primary responsibility for ensuring that they are producing organically and that they can be certified as such. Elan then works with the grower to provide information on what the requirements are for certification and on methods that can be adopted to acheive them.

OCIA requires that a farm has a transition period of three years before being certified as organic. Therefore, we have had the best results with growers who are already growing organically or have already minimized synthetic chemical inputs in their production.

There is an important distinction to be made between "organic" and "natural" products. Organic is not only not using synthetic chemical inputs, it also requires an active effort by the grower to make an effort to build the soil and control pests naturally in order to maintain or increase yields. Thus, organic food production is a very active production process.

The certification process requires a thorough documentation of growing practices by questionnaire and an equally thorough site inspection before being approved as organic. It is here that the greatest problems occur, as many growers are unfamiliar with what is required for certification and the process can be time consuming.

At the beneficio level, there do not exist any purely organic beneficios and as a result, a mixed-use beneficio must be certified. The mixed-use poses another problem, as the beneficio must make it perfectly clear that the two coffees will not be mixed by keeping them stored separately and by processing them with separate machinery or by washing the machinery between lots. This requires vigilant managment and a commitment to maintaining the coffee in its organic state on the part of the beneficio.

The most important person for us in Guatemala is the exporter, who works together with us on the certification process and ensures that deliveries remain on schedule. Without the exporter we could not succeed.

Once shipped, there are no requirements for certification of the shipping line. The next stage is in assuring that the product will not get fumigated upon entering the destination

country. We have had no problems with coffee entering the United States, but Japan is much more likely to fumigate entire containers.

As in the country of production, the storage and processing facilities must be certified. In the case of coffee we use a regular coffee broker for storage and brokerage. They have set aside a separate part of their warehouse to store our organic coffees which come from different parts of Latin America.

The roaster, like the beneficio, is a mixed-use facility and as such, must demonstrate an understanding of organic concepts and the ability to clean the machinery in between lots so that the coffee does not get mixed.

Now that the coffee is roasted and ready to sell, I will shift my emphasis from an explanation of the organic development process and move into the marketing process.

Rather than bore you with more description of what we do, I would like to share with you the marketing principles which have helped us to succeed in the organic products business. Many of these principles are standard common business sense, but when applied to the organic market they reveal its unique nature.

First, QUALITY IS #1. People who purchase and consume organic foods are some of the choosiest consumers in the world. They are buying organic for a number of reasons; taste, personal health and the health of their familiy, concern over the environment and farm worker safety, etc. Demographically they tend to be affluent, higher educated and very sensitive to all the above issues. Perhaps they think TOO much about their food, but they are the people that currently form the core target of the organic market and are willing to spend the money for a quality product.

It is no surprise that the last few years have seen the coming together of the gourmet and organic foods markets. It used to be that these markets were unrelated. This was due partly to the image of organic farming as radical, something which was in opposition to the conservative outlook of the gourmet foods industry. However, the superior flavor and wide varieties of organic foods has attracted the attention of the gourmet foods industry and it has resulted in a mutually beneficial and profitable relationship.

This is not to say that all organic foods must be sold as gourmet or specialty foods. All food markets have room to include organic foods. The important point is that the food must be of superior quality to justify its slightly higher price and to convince the consumer to repurchase the product.

A consumer will try an organic product for reasons other than taste, but if the taste is not excellent, they will never come back to that product again. A good example of this comes from Japan where one of my customers introduced their first organic coffee, one from Kenya. Upon introduction, sales were incredible, indicating large interest and demand in such a product. However, repeat sales of the coffee were almost none. The reason, the quality of the coffee was very low, almost undrinkable.

An inferior product, whether organic or not, will not survive, and with any kind of price premium the product must really be of superior quality.

Two, DO YOUR RESEARCH. Accurate market research is the most effective way to avoid costly mistakes. Too often people have assumed that the organic market is wide open and is an easy place to make money. Unfortunately, this is not true and people who have assumed rather than making the effort to find out the truth have suffered great losses.

Although the amount of information available on the organic market is very small compared to that of the conventional food market, there is still plenty of information available in the English language which will assist in the planning process. These include directories of producers, brokers, distributors, and retailers in the organic industry; government reports, periodicals, association newsletters, and consulting reports.

I have brought some samples of various sources of information and many of them offer subscriptions to foreign countries. Even though they may not offer information on your specific interest, they are useful for providing a good overall picture of the size and scope of the organic market.

Third, CHOOSE GOOD PARTNERS. The importance of this cannot be overemphasized. To my great embarassment, there are many unscrupulous and ineffective companies in the organic foods business. Anytime there is an opportunity for good profits, these kinds of people are drawn into the industry looking

for a way to make money quickly and easily. At the same time, there are many capable and outstanding companies in the industry that make doing business both enjoyable and profitable.

In the international food business, relationships are the foundation of success. As I mentioned earlier, our success in Guatemala is dependent upon the ability and cooperation of the coffee exporter. We could not have afforded to make mistakes in choosing this key link in the chain and fortunately we have been very satisfied so far.

In the same way, choosing an appropriate company to work with in a country outside of Guatemala is a matter of great importance. Get to know the people that you will be working with. The Japanese are notorious for this and we have been asked questions about our business by them that I would not consider asking even my family members. Nevertheless, this kind of caution has produced good results for the Japanese in their international relationships.

Fourth, STRIVE FOR AND MAINTAIN YOUR INTEGRITY. Being in the organic foods business is like constantly being under a microscope. Because of the need to inspect all stages of the production process, every action will be viewed and judged by the neutral certifying organization. Consumers as well have the same level of vigilance in seeking out fraudulent behavior.

Organic agriculture is one business where cheating will not be tolerated nor rewarded. The incentive to cheat is high, but so is the likelihood of getting caught. Site inspection (sometimes by surprise), random sampling, and sophisticated laboratory testing are the cornerstones of the certification process.

Beyond this, however, is the fact that without a strong personal commitment to the principles of organic production, success is difficult, if not impossible. In many cases, the work required to produce organically cannot be driven by the profit motive alone. It also must be driven by being in agreement with the principles and taking pride and satisfaction in this work. Part of the certification process is a questionnaire which actually asks the person requesting certification what their reasons are for producing organically. This provides an opportunity to show the understanding of and commitment to organic agricultural principles.

Another issue involving integrity is that the organic foods business is still a small world and one plagued by gossip and unfounded rumors. You must be prepared to defend your practices as a result of rumors spread by competing firms or those who are threatened by the growth of the organic market.

In the U.S., from within the industry there are many accusations that a company's products are not truly organic. We have been a target of these kinds of accusations and have fought hard to defend ourselves and our suppliers from these unfounded accusations.

In Japan, there is a movement by the large coffee companies to restrict the use of the word "organic" on the packaging of coffee companies. Obviously they feel threatened and are trying to protect themselves from the emerging competition. Unfortunately, the system in Japan tends to protect the large corporate producers and this could become a difficult fight. This kind of tactic could not work in the United States, where both the use of "organic" and the rights of small producers are protected by law.

Therefore, the best defense against any threat is to abide by the organic regulations and to be ready to actively defend yourself by demonstrating your integrity.

Fifth, BE SENSITIVE TO PRICE. There is an interesting dynamic occuring in the organic foods business, the buyer is willing to pay a premium for quality organic foods and in seeing this, the seller is pushing the limits of price in order to maximize profits. This has led to a condition where prices have escalated beyond the reach of the average consumer and has limited the market for some organic products. Thus, many farmers sell only a part of their harvest as organic at organic prices and the rest of the same harvest at conventional prices.

Everyone in the organic foods business agrees that a premium is justifiable, especially for the farmer, but now the critical question is affordability. The mechanics of price elasticity suggest that profits can be increased by bringing down prices slightly lower to reach a broader market-those people interested in organic products but who are resistant to the high prices. The growth of the market due to greater affordability will increase volume and have the great benefit of expanding organically farmed acreage.

The opportunity for higher profit margins is an appropriate motivator for encouraging organic production, but over the long run, the price structure of the organic market will evolve, something that should be considered in any decision to enter the market.

Sixth, and speaking of motives, BE AWARE OF OTHER PEOPLE'S MOTIVES. The organic market is a unique market due to the fact that many people are involved in the business for reasons other than, or in addition to, profit. These motives include a concern with the environment, health, and the sustainability of our food production system. To many it is like a religion.

Those driven by these motivations do not respond as strongly to standard business considerations and this must be taken into account when dealing with them. This includes consumers and people on the supply side of the business as well.

Elan International is equally concerned with all of these motivators. Both from our personal concerns and from an understanding of the market, a portion of the profits from our sales go to a number of social and environmental programs that are important to our customers. The benefits are twofold, our market expands and good work is being supported. This has been called "alternative trade" by many, but we feel that it is merely the right thing to do.

Whether you agree with this approach or not, the important point is that in the organic industry, these kind of concerns are prevalent and must be understood especially if your company is accustomed to viewing things from a purely profit perspective.

Finally, THERE ARE NO QUICK REWARDS. A commitment to the organic market requires experimentation, patience, and a long-term outlook.

The opportunities are numerous. People WANT to buy food with less pesticides and which is grown sustainably. Now it is a matter of serving the consumer with quality, affordable products.

The market is strong and growing, and hard work in striving for quality and understanding the market will lead to success.

In conclusion, I have provided a broad and panoramic view of the organic market. To go into it in depth would require many days and would be beyond the abilities of just one person. Keep in mind that it quite different than that of the conventional food industry and that it is important to understand these differences before embarking on any new venture. Hopefully, I have interested you in looking further into this promising market and I welcome your questions and comments.

WORKSHOP PROCEEDINGS

ORGANIC MARKETING SEMINAR

Buenos tardes a todo Uds. y gracias por haberme invitado a esta reunion.

Hoy voy a darles una general y breve vista panoramica de lo que es el mercadeo de productos organicos. Como saben Uds. no solamente es el movimiento organico completamente diferente en su manera de producción agrícola sino que tambien su manera de mercadeo tiene diferentes aspectos cuando es comparada al método de mercadeo convencional.

Antes de dirigirme al tema de la técnica de venta de productos organicos, debo explicar que todavía existe atravéz del mundo una continua discusión de lo que es lo organico. Afortunadamente es una discusión saludable entre gente de diferentes opiniones, pero lleva el mismo fin--de apoyar un programa de producción agricultural que sea sostenible y que disminuya los impactos negativos en la salud y el medio ambiente.

De acuerdo con la Asociación de Productión de Alimento Organico, alimento organico es "todo aquel que sea producido dentro de un sistema de suelo de manejo ecológico que depende en el aumento del nivel de humus(mantillo)

através de la rotación de cultivo, la recirculación del desperdicio organico, la aplicación de balanceados enmiendas minerales y el uso de plantas variadas resistentes a las plagas y enfermedades. Cuando es necesario, el uso de control botánico o biológico es permitido cuando el daño a la salud y al medio ambiente es minimo.Los productos orgánicos son procesados, empacados, transportados, y almacenados para mantener su maximo valor nutritivo sin el uso de preservantes artificiales, colorantes o additivos, irradiación o pesticidas sinteticas."

Hay varias interpretaciones de lo que esto significa y cuales praticas especificas son permitidas o no permitidas, pero el concepto fundamental y su diferencia con el metodo actual de producción de agrícola convencional es claramente evidente.

La discusión de hoy enfocarará en los aspectos del mercadeo de alimentos orgánicos, los detalles de la producción seran discutidos levemente. Para mayor información sobre el reglamento de la producción de alimentos organicos La Asociación de Mejoramiento de la Cosecha Orgánica, OCIA, les puede proporcionar este reglamento que les dará una excelente introducción a los

requisitos tecnicos. Copias de este reglamento se pueden obtener en español.

Con relación a la técnica de venta, lo bueno es que el mercado de alimentos orgánicos es fuerte, grande, y va creciendo a rapidos pasos. Es, sin embargo, un mercado complicado y complejo donde el exito no llega con facilidad ni rapidez. La base del éxito es un plan estrategico en decidir que cosechar, como procesarlo, y como a distribuirlo.

El mercado de productos orgánicos y naturales en los Estados Unidos es en la actualidad de 3 mil millones de dólares anuales. De esto el sesenta porciento del mercado son alimentos orgánicos y el 40% restante son suplementos alimenticios. Se pronostica que este número se duplicará dentro de los siguientes cinco años. Este es un crecimiento tremendo y uno que ha recibido la atención de la industria de alimentos convencionales.

Los Estados Unidos es solamente una parte del verdadero mercado mundial de productos orgánicos. Europa en particular está más avanzada en el entendimiento y la

acceptación de productos orgánicos y Japon, aunque va atras de los Estado Unidos y Europa en estos factores, tiene el potencial de ser un gran mercado debido al grán interés que tienen en la seguridad de los alimentos y su gran demanda en la importación de alimentos.

Aunque nuestro operación en Europa es todavia limitada, yo he sido personalmente responsable en el desarollo del mercado Japones para nuestros productos y estoy muy satisfecho con los resultados y muy optimista en cuanto a las oportunidades de su crecimiento en el futuro.

Con esto pendiente, permitanme explicarles el papel que Elan Internacional desempena en el desarollo de productos orgánicos.

Elan Internacional es especialista en el desarollo de café orgánico atravez de Latino America. Elan ha desarollado proyectos de café orgánico en Guatemala, Peru, Mexico, y Colombia. Actualmente está desarollando fuentes de tés, granos, hierbas medicinales, y especies organicas.

En su papel como desarollador, Elan es responsable por haber identificado el potencial de las fuentes de café

orgánico y despues se ha dedicado a llevar el cafe desde el productor hasta el consumidor. Las actividades principales de Elan incluyen el manejo de la documentación requirida para la certificación en el pais de origen y en conectar productores con compradores en los Estados Unidos y Japon. Elan tambien es activa en el mercadeo de café orgánico, frecuentamente asiste conferencias de comercio, promoción de café con los medios publicitarios, y mantiene informados a los distribudores detallistas y consumidores. Tambien esta planeando extrategicamente la expansión de café orgánico del mercado alternativo al mercado convencional.

Elan trabaja cerca con las agencias certificadoras para garantizarle al comprador que estan obteniendo un producto genuinamente orgánico.

La diferencia mayor entre la producción de alimentos estandard y alimentos orgánicos es la existencia de un tercer partido neutral y sin connecion al gobierno que inspeciona cada uno de estos pasos para asegurar que el producto es verdaderamente cultivado y procesado por metodos orgánicos.

Al principio del movimiento de alimentos organicos estos tipos de organizaciones no existían. Los productos orgánicos eran vendidos basados en la palabra del productor o intermediano. Como fue creciendo el mercado tambien aumentaron las falsas declaraciones, y que aún hoy en dia persisten.

En respuesta a esto y para asegurarle al consumidor que el producto es genuinamente orgánico, fueron creadas organizaciones certificadoras que tienen un reglamento estricto de neutralidad y objetividad. Estas organizaciones funcionen independientemente pero estan vagamente afiliadas bajo la Federacion International de Movimientos de Agrícola Internacional (IFOAM) la cual tiene miembros por todo el mundo.

La Associación de Mejoramiento de la Cosecha Organica es una de estas organizaciones y es la que certifica nuestro café. Hemos escogido a está organiazación por su gran aceptación en el mercado de los Estados Unidos y por sus operaciones al nivel internacional.

El Departamento de Agricultura de los Estados Unidos ha reconocido por primera vez la importancia del proceso de

certificación y los requicitos de certificación serán protegidos por la ley. Esta legislación servirá para fortalecer el mercadeo de alimentos orgánicos. Ya que el control estricto y la aceptación de alimentos orgánicos por el gobierno expondrán los productos a un mercado mas ámplio.

La existencía de la oportunidades en este fuerte mercado está llamando la atención de productores de todo el mundo a considerar e implementar proyectos de producción orgánica mientras que la demanda require que los compradores busquen productos alimenticios únicos en su genero y deliciosos.

Guatemala, con su fuerte base agricultural y su clima favorable está en una excelente posición para abastecer al mercado orgánico por su variedad en productos.

En este momento quiero usar el café como el caso en estudio de como un producto orgánico es desarollado. En seguida les presentaré alguna información adicional sobre procesadores internacionales.

Por favor recuerden que el cultivo es el estado mas difícil tecnicamente dentro del proceso de produción

orgánico. Todo el proceso que nos lleva al consumidor tambien debe ser certificados por un certificador orgánico para que el producto pueda ser vendido como orgánico.

El productor tiene la primera responsibilidad de asegurar que su produción es verdaderamente orgánica y que se puede certificar como tál. En seguida, Elan colabara con el productor, ofreciendo información sobre los requisitos de certificación y métodos que se pueden adaptar para lograrlo.

OCIA exige que una finca tenga un periodo de transición de 3 años antes de recibir su certificacion orgánica. Debido a eso, los mejores resultados los hemos obtenidos de los cultivadores que ya estan cultivando orgánicamente o que han disminuido el uso de quimicos sinteticos.

Hay una distinción muy importante entre los productos orgánicos y naturales. Orgánico no es solamente el no usar químicos sinteticos. Tambien se require un activo esfuerzo de parte del productor para construir el suelo y controlar las plagas, para poder mantener y aumentar la producción.

El proceso de certificación requiere la completa documentación de las practicas usadas en los cultivos a base de un cuestionario y tambien al igual que una inspección

intensiva antes de ser aprobado como orgánico. Es aqui donde aparecen los mayores problemas ya que muchos cultivadores no estan familiarizados con lo que se require para completar la certificación y el proceso puede exigir mucho tiempo.

Con respecto al beneficio, no existen beneficios que se consideren orgánicos y como resultado un beneficio de uso mixto debe certificarse. El beneficio de uso mixto presenta otro problema y siempre se debe estar pendiente de que los dos cafés no se mezclen y deben ser almacenados y procesados con diferente maquinaria o lavando la maquinaria entre lotes. Esto require suma vigilancia y el compromiso de mantener el café en su estado orgánico por parte del beneficio.

La persona más importante para nosotros en Guatemala es el exportador, el cual colabora con nosotros en el proceso de certificación y asegura que la entrega del producto sea puntual. Sín el exportador no podemos tener éxito.

No existen requisitos para la certificación de la linea de transportacion. Lo que es de suma importancia es asegurarse que el producto no sea fumigado al entrar el pais destino. No hemos tenido problemas con la entrada de café en los Estados Unidos pero Japón es más propenso a fumigar contenedores enteros.

Al igual que en el pais de producción la bodega y la planta de proceso deben ser certificadas. En cuanto al café usamos la bodega de un intermediario de café estandard. Ellos han apartado una sección de su bodega para almacenar nuestros cafés orgánicos que vienen de distintas partes de Latino America.

El tostador, tanto como el beneficio es una facilidad de uso mixto y como tal debe demonstrar un entendimiento de los principios orgánicos y la habilidad de limpiar la maquinaria entre sus usos para que los cafés no se mezclen.

Ahora que el café ya esta tostado y listo para la venta cambiaré mi enfoque de la explicación del proceso del desarollo orgánico y me dirigiré al proceso de mercadeo. Para no aburirlos con mas detalles de lo que nosotros hacemos, me gustaría compartir con Uds. los principios de

mercadeo que nos han ayudado a tener éxito en el negocio de productos orgánicos. Muchos de estos principios son de sentido comun, pero cuando son aplicados al mercado orgánico revelan que son de una caracter único.

Inicialmente-LA CALIDAD ES LO PRIMERO. La gente que compra y consume alimentos orgánicos son de los mas exigentes consumidores del mundo. Estan comprando orgánico por varias razones--sabor, salud propia y la salud de sus familias, interés por el medio ambiente y la seguridad del campesino. Demograficamente, son afluentes, educados, y de alta sensibilidad a todos estos puntos. Quizás le dan mucho attención a su comida pero es la gente que en actualidad forman el corazon de la zona objectivo del mercado orgánico y estan dispuestos a pagar el precio por un producto de calidad.

No es soprendente que los ultimos años hemos visto la unión de los mercados de productos de tipo gourmet o epicureo y lo de productos orgánicos. No hace mucho tiempo que estos mercados estaban seperados. Esto se debe en parte a la idea de que el cultivo orgánico es extremista, algo que estaba opuesto al punto de vista conservador de la industria gourmet. Pero ahora, esta unión ha resultado en una

relación de beneficio y ganancia mutual.

No por esto podemos decir que todo los productos orgánicos se deben vender como gourmet o alimentos especiales. En todos los mercados de alimentos hay lugar para incluir alimentos organicos. Lo importante es que el producto debe ser de calidad superior para justificar su precio ligeramente alto y para convencer al consumidor de que vuelva a comprar el producto.

El consumidor probará el producto oragánico por varias razones pero si el sabor no es excelente lo lo volverán a comprar. Un buen ejemplo de esto vino de Japon donde unos de mis primeros clientes presentó el primer café orgánico de procedente de Kenya. Al presentarlo las ventas fueron increibles, indicando gran interés y demanda en tál producto. Sin embargo, no hubo repetición de compra. La razón fué que la calidad del café era muy baja y de mal sabor.

Un producto inferior, ya sea orgánico o no, no podrá sobrevivir y mas aun cuando lleva precio premium si no es de calidad superior.

Segundo-HACER UNA INVESTIGACIÓN. Un estudio exacto del mercado es la manera mas efectiva de evitar errores costosos. Frecuentamente la gente supone que el mercado orgánico es ámplio y es un lugar fácil de explotar. Desafortunadamente, esto no es verdad y las personas que han tomado esta actitud en lugar de hacer el esfuerzo de investigar han sufrido grandes perdida.

Aunque la cantidad de información disponible sobre el mercado orgánico es poca comparada con el mercado convencional, todavia hay bastante información disponible en Inglés que les puede ayudar en el proceso de planificación. Esta información incluye directorios o guías a los productores, intermediarios, distribuidores, y vendedores al menoreo en la industria orgánica, informes del gobiernos, revistas, boletinas de noticias de asociaciones, e informes de consulta.

He traido algunas muestras de varias fuentes de información y muchas de ellas ofrecen subscripciones a paises extranjeros. Aunque quizas no ofrescan información en su interés espicificos son útiles en dar una vista panoramica del tamaño y caracter del mercado orgánico.

Terceramente--ESCOJAN BUENOS SOCIOS. No puedo exagerar la importancia de esto. Me da pena decir que hay muchas compañias ineptas y sin escrupulos dentro de este negocio. Cada vez que hay una oportunidad para buenas ganancias estos tipos de personas son atraidos a la industria buscando una manera fácil y rápida de hacer dinero. A la misma vez hay muchas companias muy capaces que están sobresaliendo dentro de la industria que hacen esto negocio agradable y beneficioso.

En el negocio internacional de alimentos las relaciones son la fundacion del éxito. Como mencione anteriormente, nuestro éxito en Guatemala depende de la habilidad y la cooperación del exportador de café. No hubieramos podido darnos el lujo de cometer un error al escoger nuestro exportador. Afortunadamente hasta ahora estamos muy satisfechos.

De la misma manera, seleccionando una compañia con quien asociarse fuera de Guatemala es de mayor importancia. Conozcan la gente con quienes trabajarán. Los Japoneses son

notorios por esto. Y nos han hecho preguntas acerca de nuestro negocio que ni siquiera yo considerará hacerlas a miembros de mi propia familia. De qualquier manera este tipo de precaución ha producido buenos resultados para los Japoneses en sus negocios internacionales.

Cuarto--HACER UN ESFUERZO PARA MANTENER SU INTEGRIDAD. Cuando uno esta en este tipo de negocio siempre es vigilado por la necesidad de inspeccionar todas las etapas del proceso de produción. Toda acción será revisada y jusgada por la organizacion certificante y los consumidores llevan el mismo nivel de vigilancia al buscar comportamiento fraudulento.

La agrícola orgánica es un negocio donde el fraude no es tolerado ni recompensado. La incentiva para defraudar es alta pero tambien muy arriesgado. La inspeccion local (a veces de sopresa), pruebas al azar, y sofisticados examenes de laboratorio son la base del proceso certificación.

Mas allá de esto, sin embargo, existe el hecho que sin un fuerte conpromiso personal a los principios de la producción orgánica el éxito es difícil si no imposible. En muchos casos el trabajo requirido para la producción

orgánica no puede ser motivado solamente por la ganancia. Debe ser conducido en el de acuerdo con los principios orgullo y satisfacion en este tipo de trabajo. Parte del proceso de certificación es un cuestionario que actualmente le pregunta al la persona que pide la certificacion cuales son sus razones para producir orgánicamente. Esto proveé la oportunidad de demonstrar el entendimiento y su dedicación a los principios de agricultura organica.

Otra tema que envuelve la integridad es que los negocios de alimentos orgánicos son de un mundo muy pequeño y uno lleno de chismes, murmuraciones, y rumores sin base. Debes de estar preparado para defender sus practicas que resultan de rumores diseminados por las compañías dentro de la competencia o por esos que se sienten amenazados por el crecimiento del mercado orgánico.

En los Estados Unidos, dentro de la industria se oyen muchas acusaciones de que los productos de una compañia no son verdaderamente orgánicos. Nosotros hemos sido acusados de esto y hemos luchado para defendernos nosotros mismos y tambien a nuestros abastecedores de estas acusaciones infundadas. En el Japón hay un movimiento dirigido por las

grandes compañias de café para restrigir el uso de la palabra "orgánico" en el empaque de café. Ellos se sienten amenazados y estan tratando de protejerse de la competencia que va surgiendo. Desafortunadamente, el sistema en Japón suele protejer a los grandes productores y esto puede convertirse en una lucha difícil. Este tipo de tactica no puede funcionar en los Estados Unidos donde tanto el uso de orgánico y los derechos de los pequeños productores son protegidos por la ley.

Asi es que la mejor defensa en contra de cualquier amenaza es el de cumplir con el reglamento orgánico y estar listo para defenderse, demonstrando su integridad.

Quinto--SEA SENSIBLE AL PRECIO. Hay una dinámica muy interesante que se esta desarollando en los negocios de productos orgánicos. El consumidor está dispuesto a pagar un precio premium por alimentos orgánicos de buena calidad y al ver esto el vendedor esta empujando los límites del precio para aumentar la ganancia. Esto nos ha llevado a una situacción donde los precios han subido mas alla del alcanze del precio que puede pagar el consumidor y ha limitado el mercado de algunos productos orgánicos. Es así que muchos

cultivadores venden solamente parte de su cosecha como orgánica a precios orgánicos y el resto de la misma cosecha a precios convencionales.

Todas las personas en el negocio de alimentos orgánicos estan de acuerdo de que un precio premium es justo, especialmente para el cultivador, pero ahora la cuestion critica es el de poder tener los medio para comprarlo. La mecanica de la elasticidad de precio sugiere que la ganancia se puede aumentar bajando los precios ligeramente para alcanzar un mercado mas amplio entre las personas que estan interesadas en los productos orgánicos pero se resisten a pagar precios altos. El crecimiento del mercado debido a la afrontación aumentará el volumen y tendrá el gran beneficio de expandir el area de producción organica.

La oportunidad de un margen de ganancia mas alto es un motivador apropriado para stimular la producción orgánico, pero a lo largo, la estructura del precio de mercado orgánico cambiará, algo que debe considerarse en la decisión de entrar al mercado.

Sexto, y hablando de motivos-SIEMPRE ESTE PENDIENTE DE LOS MOTIVOS DE OTRAS PERSONAS. El mercado orgánico es único debido al hecho que muchas personas estan metidas en este negocio por otras razones ademas de la ganancia. Estos motivos incluyen un interes por el medio ambiente, salud, y el sostenimiento de nuestro sistema de produccion de alimentos. Para muchos es como una religión.

Elan Internacional esta igualmente interesado en todos estos motivadores. Tanto por nuestro interés personal como en el entendimiento del mercado. Una parte de nuestra ganancia de ventas va a un numero de programas de tipo social y de la protección del medio ambiente los cuales son tambien de importancia a nuestros clientes. Los beneficios son doble, nuestro mercado se extiende y el buen trabajo es apoyado. Muchos han llamado a esto un "mercado alternativo" pero nosotros sentimos que es lo correcto en hacer. Aunque esten o no de acuerdo con esto, el punto importante es que en la industria orgánica esté tipo de interes es frecuente y debe ser entendido especialmente si su compañia esta acostumbrada a ver las cosas solamente por la ganancia.

Finalmente--NO HAY RECOMPENSAS RÁPIDAS. Una dedicación al mercado orgánico require paciencia y una perspectiva de largo termino. Las oportunidades son numerosas; la gente que quiere comprar alimentos con menos pesticidas y que son cultivados de una manera sostenible. Hoy es cuestion de prover al consumidor con calidad y productos de buen precio. El mercado es fuerte y va creciendo.

Para concluir, les he dado una amplia vista panoramica del mercado orgánico. Discutirlo profundamente nos tomaría muchos días y se necesitarían la abilidades de muchas personas. Recuerden que es muy diferente del mercado de alimentos convencional y que es muy importante entender estas diferencias antes de aventurarse.

Espero haberlos interesado en este mercado que promete un gran futuro. Estoy a su disposición para recibir preguntas y comentarios. Mil gracias.

APPENDIX A

List of Participants
AGTA "Marketing of Food Products" Seminar
Guatemala City, Guatemala
May 4-7, 1992

Marco A. Barrios, Grasas y Aceites, S.A.

Regina Pérez Jeggi, IICA-Agroindustria

Rafael Solorzano, Altertec

Polly de Castaneda, Altertec

Roberto Martínez, Pasteurizadora La Perfecta-Nicaragua

León Grijalba, Pasteurizadora La Perfecta-Nicaragua

Javier Fernandez, Prexim

Mayra de Bocaro, Grausa

Juan José Ordonez, Student

Steve Barrientos, Student

Alvaro García, Cogainsa

Carlos Galvez, Galvi, S.A.

Berta Calderón

Vilma Tuy, Adeec

Byron Rabanales, Adeec

Edgar Asteguieta, Asteguieta & Company

Alfredo Morales, Campo Mar, S.A.

Celia Recinos, Bodegas de Mayores y Supermercados, S.A.

APPENDIX B

SUSTAIN PROGRAM

The program **Sharing U.S. Technology to Aid in the Improvement of Nutrition (SUSTAIN)** provides access to U.S. expertise in food processing to help improve nutrition in the developing world. Technical assistance is provided by volunteer professionals from U.S. food companies, universities, and other organizations who donate their time and expertise.

SUSTAIN was granted a five-year renewal from the U.S. Agency for International Development (USAID) on September 30, 1991. The program is managed under a cooperative agreement with the National Cooperative Business Association (NCBA) and receives advice from a Steering Committee made up of private sector representatives.

NCBA was founded in 1916 and is a membership association representing America's 45,000 cooperative businesses. Known overseas as CLUSA, NCBA works overseas with its own member co-ops, USAID, World Bank, UNDP, and other donor agencies to promote development and joint ventures in the third world.

Many benefits can accrue to the developing world through improvements in food processing. From the standpoint of alleviating hunger and improving nutrition, food processing has much to offer. It helps meet food and nutritional requirements and reduce post-harvest food losses. From the economic standpoint, food processing provides a means for increasing foreign exchange earnings through exporting value-added processed foods rather than commodities. It helps generate employment and stimulates technological development and the growth of allied industries.

SUSTAIN helps improve food quality, expand production, and lower operating costs of locally grown and processed foods by providing technical assistance in post-harvest food systems, including: (a) food safety, quality, and sanitation (b) food preservation and storage (c) food processing (d) food fortification (e) packaging (f) marketing (g) weaning foods and (h) environmental technologies.

How the Program Works

SUSTAIN receives requests for assistance from individual food companies, research institutions, and USAID. Short-term technical assistance is provided by experienced U.S. professionals who donate their time and expertise to the project. Missions are typically one to three weeks in duration. SUSTAIN covers international travel costs. Companies or host organizations requesting SUSTAIN assistance are asked to contribute towards in-country expenses. Due to budget constraints, priority is given to requests that can demonstrate an ability to improve the nutritional quality, safety, and availability of food in the local community.

SUSTAIN is able to solve many problems by providing information that exists either in technical literature or in the "memory" of a company. If the problem cannot be solved through correspondence, then SUSTAIN volunteers may be sent to provide short-term technical assistance. Workshops and seminars can also be organized to help address food technology issues. The program does not fund product or equipment acquisitions.

The program publishes a quarterly newsletter (*SUSTAIN Notes*) on food technology issues. It is provided gratis to approximately 1500 recipients in more than 50 countries.

For more information, please write to:

SUSTAIN Program
National Cooperative Business Association
1401 New York Avenue, NW, Suite 1100
Washington, DC 20005-2160
Phone: (202) 638-6222
Fax: (202) 628-6726

QUE ES AGTA?

La Asociación Guatemalteca de Tecnólogos en Alimentos (AGTA), es una entidad privada, científico tecnológica, cultural y educativa, no lucrativa, apolítica, no religiosa. Agrupa tanto a profesionales como a personas que trabajan en la industria alimenticia y por supuesto a estudiantes de las ramas afines a la misma.

Fue fundada en octubre de 1987 por profesionales que trabajan en la industria alimenticia, que vieron la necesidad de profesionalizar a la industria, como adelantar el desarrollo industrial y técnico de nuestro país en el "Area de la Ciencia y Tecnología de Alimentos" trayendo como consecuencia el mejoramiento de la calidad de los alimentos. Siendo a la fecha la única Asociación guatemalteca que agrupa a este gremio de profesionales. Goza de personalidad jurídica desde el 13 de agosto de 1991 y cuenta a la fecha con 75 socios individuales y 10 empresas asociadas.

AGTA a su vez se encuentra afiliada al "Institute of Food Tecnologist (IFT) de los E.E.U.U. y a la Asociación Latinoamericana y del Caribe de Ciencia y Tecnología de Alimentos. (ALCCTA).

Entre los principales objetivos de AGTA se encuentran los siguientes: (a) Elevar el nivel de conocimientos científicos y tecnológicos de los profesionales relacionados con la industria de alimentos; (b) Estimular el intercambio de información e ideas relacionadas con la Ciencias y Tecnología de Alimentos, así como la colaboración técnico científica entre los sectores involucrados mediante la organización periódica de seminarios y conferencias; (c) Proveer y difundir las investigaciones en la Ciencia y Tecnología de Alimentos y (d) Operar como organismo de opinión y asesoría en materias relacionadas con la Ciencia y Tecnología de Alimentos.

AGTA, edita bimensualmente la revista informativa de la Asociación, con noticias científicas y tecnológicas de importancia en la Industria de Alimentos del país y del área de Centro América, así como eventos a realizarse en el ámbito de la Ciencia y Tecnología de Alimentos. La Revista acepta para su publicación artículos relevantes a este área de la ciencia y publica además gratuitamente noticias y empleos disponibles y eventos de otras asociaciones similares. La revista se distribuye al personal de la Industria Alimentaria de Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica y Panamá.

Actualmente AGTA está organizando el Primer Congreso de la Industria de Alimentos- AGTA 92, a realizarse del 12 al 15 de febrero de 1992 en el Hotel "El Dorado". Todo se encuentra listo para que por primera vez en Guatemala se den cita industriales y empresarios, técnicos y profesionales, científicos y estudiantes, proveedores e interesados del fascinante mundo de los alimentos. El reto lo ha tomado AGTA, sin embargo el compromiso es de todos los que estamos empeñados en producir alimentos en cantidad suficiente y de calidad óptima para la población guatemalteca.

Si desea mayor información sobre como asociarse a AGTA, búsquenos en el stand número 5, solicítela al Apartado Postal 8F 01910, Guatemala, Guatemala, o con el Lic. Clark MacDonald, actual Presidente de la Asociación a los teléfonos: 310654 y 318362, Fax: 502-2-310167.

EVENTOS QUE AGTA HA ORGANIZADO

(Oct. 1990 a Dic. 1991)

- Seminario "Desarrollo de Productos Nuevos en la Industria de Alimentos". Oct. 15 y 16, 1990
- Convivio Navideño Dic. 1990
- Conferencia "Técnica Moderna en Lecherías" Feb. 1991 (Colaborando con la Cámara de Industria de Guatemala - CIG - ICAITI)
- Seminario "Gerencia de Calidad en la Industria de Alimentos" marzo 5, 6 y 7 1991 (Colaborando con CIG y Universidad de San Carlos de Guatemala - USAC).
- Conferencia "Estadística y Control de Calidad, Mayo 1991.
- Excursión a IFT 91, Dallas, Texas, Junio 1-6 1991.
- Conferencia "Procesamiento Aséptico de Vegetales" Junio 1991.
- Seminario "Etiquetado de Productos Alimenticios" Julio 2 y 3, 1991.
- Asamblea General, Sept. 1991.
- Exhibición de Catálogos de IFT 91, Nov. 1991.
- Conferencia de Prensa AGTA 92, Nov. 1991.
- Seminario "Higiene en la Industria de Alimentos", Dic. 6, 9, 11 y 12 1991. (Copatrocinado por CIG, USAC y AGTA).
- Convivio Navideño, Dic. 1991.

AGTA is Very Active

The Guatemalan Association of Food Technologists (AGTA) held their very successful First National Congress of the Food Industry and Industrial Exhibit in Guatemala City, February 12-15, 1992. The program, attended by about 130 food professionals from 8 countries, consisted of symposia, papers, and an exhibit. About 35 presentations dealt with: "Shelf Life of Foods", "Industrialization of Soybean Foods and Byproducts" (the 2 symposia) and a series of papers on food export opportunities, standards and regulations, quality control, packaging, product development, marketing and amaranth utilization. Affiliate organization, IFT and ATAM (Mexicán Association of Food Technologists) were represented on the program by Bob Bates and Carlos Alvarez, Chairman and Secretary of IFT's International Division respectively and past president of ATAM. The Food Industry Exhibit by about 35 Guatemalan and International food companies, and related organizations was well designed and presented.

The Executive Committee of AGTA and President Clark MacDonald are to be congratulated for a very well orchestrated conference. The symposia, papers, exhibit and social events would all do justice to a successful IFT Annual Meeting. AGTA certainly put the Guatemala Food Industry in a favorable light and set a high standard for Guatemalan hospitality.

Particularly impressive was the enthusiasm and dedication of AGTA's Executive Committee. This bodes well for the future of AGTA and the Guatemalan Food Industry. Excluding Dr. Ricardo Bressani, Scientific Program Coordinator, the average age of the group was about 35 (roughly the same length as Ricardo's impressive career). Ricardo was recognized for his appreciable contribution to Food Science and Nutrition in Guatemala and Internationally by being awarded AGTA's first honorary membership.

IFT is proud to be affiliated with such an enthusiastic and proficient group as AGTA. They are an important regional resource and an excellent model for food industry/institutional cooperation and development in LDC's. Look for the next AGTA Congress scheduled for 1994. It will be well worth attending.

Bob Bates

Elan
INTERNATIONAL IMPORT EXPORT

DATE: April 23, 1992
FAX TO: Ms. Liz Turner, Program Director, Project Sustain
FAX NO: 202.638.1374

Dear Liz,

Below is a very brief profile as per our discussion earlier today. I hope it will suffice as it is the moment's notice version. I will work on the outline over the weekend and send it to you on Monday. Regards, Gary Bre

Speaker Profile: Gary Bremermann, Elan Interntional

CURRENT EMPLOYMENT

* Project Development, Elan International- Responsible for the development of organic coffee sources and their certification in Guatemala. Certified coffee in three different regions of Guatemala. The coffee is now being sold in the U.S. and Japan under a number of different brand names and distribution channels.

* Export Management, Elan International- Responsible for marketing of organic coffee in Japan. Identified optimum targets in various distinct markets. Obtained commitments in three major markets; health foods, cooperatives, mainstream chain stores.

EDUCATION

* Master's of Pacific International Affairs, International Management/Japan, University of California at San Diego

* Bachelor of Arts in Environmental Studies, University of California at San Diego

RELATED EXPERIENCE

* Director of experimental organic food production project, University of California, San Diego

* Coordinated food and energy demonstration project, Lesvos, Greece

* New consumer product market development in Japan with three firms; RUI-TAKA Co., Ltd., Naigai Trading Co., Ltd., The Trondex Group

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Elan
INTERNATIONAL IMPORT EXPORT

WHO IS ELAN INTERNATIONAL?

Elan International is an import/export company dedicated to the promotion and distribution of sustainable agriculture products. ***Elan International's*** mission in all endeavors is the commitment to the economical, social, and environmental sustainability of the communities and countries it serves.

Elan International's emphasis is the development of programs that produce "organic" products. "Organic" or "sustainable" agriculture describes a system that is economically and ecologically viable to farmers crops, both long and short term. Organic farming is a production system which avoids or largely excludes the use of synthetically compounded fertilizers, growth regulators, or any type of insecticides or pesticides. To be recognized as "organic" the product should be certified by a recognized independent, third party certifying organization. ***Elan International's*** products have been "certified organic" by the Organic Crop Improvement Association (O.C.I.A.).

Elan International has successfully been importing green "organic" coffee beans from Peru, Mexico, and Guatemala into the United States and other countries. By the summer of 1992, ***Elan International*** will also offer "organic" green beans from Colombia. All of ***Elan International*** programs involve agricultural practices necessary to warrant sustainable, long term production. Organic farming, agroforestry, and other sound ecological practices provide a practical alternative for preserving the rainforest. This philosophy returns to the earth what has been taken from it.

Elan International's commitment includes helping the impoverished and needy citizens in the regions where the coffee is grown. Working with a Peruvian organization, Pro Natura, a program has been established to build a new beneficio in the Tabaconas Valley. This project will involve planting 120,000 trees to assist in re-forestation of the rainforest and also will help to improve the standards of living among the collectives of the Tabaconas Valley.

Working with these Non-Governmental Organizations (NGO's), ***Elan International*** is establishing programs to broaden the social and economical livelihoods of the people in the coffee developing countries. ***Elan International*** is dedicated to improving the lives of the people and communities it serves.

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CERTIFIED ORGANIC COFFEES FROM ELAN INTERNATIONAL

We welcome the opportunity to introduce you to "Certified Organically Grown Coffees" from Elan International. We are pleased to introduce "certified organic" coffees from Peru, Cafe Succhia; from Mexico, Cafe San Lucas; and from Guatemala, Cafe Coban. Elan International will also offer certified organic coffee from Colombia in the summer of 1992.

All certified organic coffees from Elan International are certified organic by the Organic Crop Improvement Association (OCIA). These special certified organic strictly hard bean coffees are grown at an altitude of over 5500 ft above sea level in the fertile region of San Ignacio in Northern Peru, Chiapas in Southern Mexico, and Coban in Guatemala. These coffees beans grow naturally without the use of chemicals in ideal weather conditions. These are some the finest "organically" grown coffees in the world.

Elan International is dedicated to sustainable agricultural products. "Organic" or "sustainable" agriculture covers all agricultural systems that promote the environmentally, socially and economically sound production of food. Conventional farming methods pose not only a threat to consumers' health but threatens longer range sustainability of our soil and ecosystem. Besides helping to replenish and rebuild our world's topsoil, organic farming also protects human health.

OCIA is a respected, internationally recognized, farmers owned and operated grass roots certifying program. OCIA certification guarantees that consumers can count on products grown and handled under uncompromising standards. All of Elan International's programs involve sustainable agricultural projects that:

- *Helps save the rain forest and the earth's soils*
- *Produces coffee grown without any chemicals*
- *Transfers farmers from coca to legitimate agriculture*

Elan International is dedicated to sustainable agriculture. Please feel free to contact us regarding our certified organic coffee programs. By knowing about the program being undertaken, you will better understand the support to the people and the country when you buy and sell these organic coffees. Thank you for your support of sustainable agriculture through the purchase of certified organic agriculture products.

For more information, contact Karen Cebreros or Mark Perkins.

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MAKING A DIFFERENCE

Life is difficult for peasant farmers of developing nations. Poverty, drug trafficking, and terrorism are just some of the obstacles that coffee farmers in Northern Peru have to face. Thanksgiving Coffee along with Elan International, an organization dedicated to the promotion and distribution of sustainable agricultural products, are working directly with these farmers in a project designed to improve the lives of the people of this area. This program, the "Tabaconas Valley Rainforest Project" will involve planting 120,000 trees to assist in re-forestation of the rainforest and also will help to improve the standards of living among the farmers collectives of the Tabaconas Valley.

The "Tabaconas Valley Rainforest Project" was created to help these farmers produce a superior coffee while teaching the farmers organic farming methods. An "agronom", an agricultural teacher, has been hired to help farmers increase yield while farming organically. New coffee trees will be planted with native trees to maintain the balance of the rainforest. Also a coffee processing facility is being built in the area to assure a higher quality of coffee and to help the farmers compete directly in the open market. The "Tabaconas Valley Rainforest Project" will enable this land to be productive for generations to come.

With your purchase of Inca Harvest, 15 cents from every package will go directly back to the farmers for the "Tabaconas Valley Rainforest Project".

WHAT IS "CERTIFIED ORGANICALLY GROWN" COFFEE?

"Certified organically grown" coffee is coffee which has been determined by an independent third party certifying program to be produced without the use of fertilizers, pesticides, insecticides and herbicides or other potentially harmful chemicals. Conventional farming methods pose not only a threat to consumers' health but threatens longer range sustainability of our soil and ecosystem. Besides helping to replenish and rebuild our world's topsoil, organic farming also protects human health.

Certification inspections are performed in every step of the harvesting, processing, preparing and transporting process to ensure the coffee remains truly organic. Throughout this process an organic audit trail is maintained from farmer to consumer. Each lot of coffee can be traced to a specific farm. Finally a lab analysis is performed prior to shipment. This guarantees the consistency and quality of Inca Harvest. This is your assurance that your package of Inca Harvest is "certified organic" each and every time.

Inca Harvest is certified by the Organic Crop Improvement Association (OCIA). OCIA is a respected, internationally recognized, farmers owned and operated grass roots certifying program. OCIA certification guarantees that consumers can count on products grown and handled under uncompromising standards.

Organic farming, agroforestry, and other sound ecological practices provide a practical alternative for preserving the rainforest. This philosophy returns to the earth what has been taken from it.