







### SCOPI NEW STAFF: PROGRAM COORDINATOR



Mahmud Rifai
Program Coordinator
SCOPI

Welcome on board to the new Program Coordinator of SCOPI – we hope you embark on an impactful journey with SCOPI to enhance sustainable coffee production and improve the prosperity of coffee farmers in Indonesia!

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### ofi Media Visit Takes Journalists Deep Dive into Indonesian Coffee

For journalists nestled in the world of food and coffee, 29th – 30th November held an exciting adventure: the ofi Media Visit (ofi MV). Hosted by ofi (Olam Food Ingredients), one of SCOPI members, a company renowned for its sustainable coffee trade and export practices, the event offered a behind-the-scenes peek into the heart of Indonesian coffee. SCOPI seized the opportunity to illuminate its vital contribution to the industry.



The adventure began in the ofi warehouse, where journalists navigated the world of coffee storage and savored the unique flavors of different beans in a cupping session. Ofi's presentation on their regenerative agriculture program added another layer, showcasing their commitment to responsible practices.

Next, participants visited the Ara Cahyani Gayo (ACG) Cooperative and a local processing unit in Jelobok Village. These firsthand experiences brought the discussions to life, offering a glimpse into the realities of coffee production and the challenges faced by farmers and processors.

Day two saw SCOPI leading with comprehensive presentation and interview on their role in ensuring coffee Good Agriculture Practices (GAP) and Coffee National Sustainability Curriculum (NSC) implementation through ofi's field staff as Master Trainers (MT). This interactive session fostered a deeper understanding of SCOPI's impact on the ground, showcasing how their efforts translate into real for coffee farming improvements communities.

The heart of the event was Farmers Day, a vibrant celebration of the people who bring Indonesian coffee to life. This festive occasion fostered community and appreciation for the dedication and skill of coffee farmers.

Wrapping up the experience, participants witnessed polygon mapping in Sedie Jadi village and explored ofi's organic supply chain in Suka Rame Village. These activities cemented the knowledge gained throughout the event, providing a holistic picture of Indonesian coffee.



Beyond exploring ofi's impressive operations, SCOPI used this occasion to highlight its dedication to the Good Agricultural Practices (GAP) and Good Handling Process (GHP) of coffee. Through programs like the National Sustainability Curriculum (NSC) and Master Trainer (MT) initiative, SCOPI empowers farmers and field staff, including ofi's teams, to cultivate high-quality, ethically sourced coffee.

The ofi Media Visit wasn't just a trip; it was a dialogue, a learning experience, and an exciting adventure. Journalists left with a renewed appreciation for Indonesian coffee's complexities and joys, empowered by the knowledge of ofi and SCOPI's unwavering commitment to its sustainable development.









## SCOPI Brews Progress in Coffee MUG Program: A Field Report

Over three days (December 1st - 3rd, 2023), SCOPI's Master Trainer Upgrade (MUG) program embarked on a fruitful journey through the coffee highlands of Central Aceh, Bener Meriah, and Karo Regency. This expedition wasn't merely a coffee tour; it was a meticulous cultivation of partnerships, a watchful observation of advancement, program and collaborative brew for thriving Indonesian coffee future.



### Building Bridges for Sustainable Growth

In Bener Meriah, SCOPI presented their best practices with the Acting Regent Drs. H. Haili Yoga, M.M., and his staff. The prospect of joint efforts to enhance coffee extension officer capacity and promote the National Sustainability Curriculum on Coffee GAP and GHP (NSC) in Bener Meriah was warmly received, paving the way for future collaboration.

A refresher session in Central Aceh brought together Master Trainers (MT), stakeholders, the Agricultural Agency represented by Mr. Sulwan Amri, and Fairtrade consultant Mrs. Wardah Hasyim.



This collaborative exchange was a rich blend of program progress updates, plans including and **Business** MT certification batch 2, SCOPI's 2030 strategy, Andragogi techniques effective farmer training, and critical topics like organic farming and deforestation in Gayo coffee. As skills were enhanced and collective efforts solidified. the session ensured sustainable future for Indonesian coffee, one sip at a time.

Further solidifying existing bonds, SCOPI sat down with Pak Rizwan Husin, head of Baitul Qiradh Cooperative (KBQ) of Baburayyan, a long-standing partner. Discussions swirled around the Environmental Fund Management Agency's follow-up program for social forestry coffee cultivation, while broader issues like coffee development in Central Aceh and Indonesia. To add a richer flavor to the partnership, SCOPI secured KBQ Baburayyan's invaluable contributions to the Coffee VR 360 experience project, promising an immersive experience.



"Being an MT isn't just about teaching farmers how to grow good coffee. It's also about helping them work together to solve problems on their own, making them more independent and ensuring our relationship lasts beyond any single training session."

Sulwan Amri – Agricultural Agency of Central Aceh

## Witnessing Progress in the Field

The Central Aceh Demo Plot in Atu Lintang, a flourishing continuation of the Bebesen plot established in November 2023, was the first sip of progress managed collaboratively by the Temas Miko farmer group. A well-equipped selfhelp group nursery and the innovative integration with MT Pak Salman's MT Business program, which blends coffee land and livestock for diversification, were like perfectly balanced notes on the cup. Farmers' desires for post-harvest training in 2024 to refine green bean processing boost their bargaining provided a hint of future direction, a welcome twist to the program's recipe.



In Karo, the transformative power of the MT Business program (Sub-program of Coffee MUG) was brewed to perfection at Mr. Budiman Sembiring's farm. His fully organic coffee haven, cultivated with meticulous adherence to GAP and GHP principles, was a testament to the program's effectiveness. Mr. Budiman's heartfelt gratitude for the business grant, including a drying floor and roasting machine, that empowered him to realize his business aspirations, warmed the hearts of everyone present. This visit was a potent shot of inspiration, showcasing the MT Business program's ability to empower coffee farmers to succeed.

#### **Ensuring VIP Visit Success**

Equally crucial, SCOPI met with key Karo stakeholders, including the Head of the Plantation Division (Mr. Hendrawan Girsang) and Mr. Irwan Depari (Extension officer and MT candidate). Discussions focused on MUG program updates and future activities. A visit to the Lepar Samura Jambur (Village Hall), slated for the upcoming ITFC VIP Visit event, provided an opportunity to explain the concept and logistics, solidifying venue preparations. Furthermore, the Karo demo plot, as well as the ITFC VIP visit venue, revealed good plant conditions with minor areas for improvement to maximize the presentation. SCOPI remains committed to meticulous follow-up to ensure an optimal ITFC VIP experience.



## A Toast to Collaboration and Progress

The field visit concluded on a bittersweet note, leaving behind a warm sense of progress and optimism. New partnerships were forged, existing ties strengthened, and valuable insights assembled, all essential ingredients for the program's evolution. The dedication of farmers, MTs, and stakeholders, coupled with SCOPI's unwavering commitment, ensures a future full of the rich aroma and bold flavor of a thriving Indonesian coffee industry.

#### About Coffee MUG Program: Indonesia Coffee Export Development

Starting in 2021, The International Islamic Trade Finance Corporation (ITFC) partnered with SCOPI to implement the Coffee MUG Program, a 5-year program, that aims to attain a sustainable and impactful increase in the quantity and quality of coffee yield in Indonesia by extending capacity-building for Master Trainers and promoting GAP-GHP to coffee farmers.



## What is EUDR and its Impact on the Indonesian Coffee Industry

The European Union Deforestation-free Regulation (EUDR) is a policy established by the European Union Parliament regarding deforestation-free export commodities which consist of 7 commodities including Coffee, Cocoa, Palm Oil, Wood, Beef, Soybeans and Rubber, and its derivative products. Basically, this policy has been negotiated since a long time ago but was only promulgated in April 2023 and officially implemented starting from June 29th, 2023 onwards. The European Union has provided a transition period for the implementation of this new rule until the end of December 2024.

Under the EUDR, business operators who import a product into the EU market should carry out "due diligence" or should have standard measures in place to ensure the legality of the commodities/products they purchase. This regulation is part of the European Union's efforts to support sustainable trade, protect forests and reduce the impact of deforestation. Since implementation, the European Union has continued to tighten these rules to ensure that products circulating on the European Union market come from legal sources, have clear traceability and comply with sustainability principles. Producers who sell their coffee on the European Union market must be able to prove that no deforestation has occurred in their supply chain with a cut-off date of December 2020.





Mandatory due diligence is carried out by operators who place their products on the EU market, where the EU operator needs to issue a due diligence statement confirming that the incoming product should include 3 aspects, including **Legality**: the incoming product must be legal following the laws of the country of production, including no violations against of human rights and labour/worker rights; **Deforestation free**: where products which enter the EU market are not from a land where deforestation practice took place (cut-off date 30 December 2020); and **Traceability**: There are strict documents that link commodities to the plot of land where the commodity is produced (required to use polygons if the land managed has an area of more than four hectares). The information provided by certification or other third-party verification systems (4C, RA-UTZ, Cafe Practices, etc.) may support but

does not replace the operator's due diligence obligations. Furthermore, the EUDR also implements a benchmarking scheme that classifies a country for its deforestation into three levels; low, standard and high-risk.

The European Union Deforestation Regulation (EUDR), which will come into force at the end of 2024 and has the aim of eradicating deforestation, is actually commendable. The aim of implementing this policy is to ensure that commodities entering the European Union market are obtained legally, free from deforestation and support the sustainable agriculture policies. However, it should also be noted that there is still a lot of controversy coming from this regulation, especially regarding the complexity of its implementation network at the ground level.



The EUDR requires precise mapping of every coffee farm, where smallholder coffee farmers obligated to provide their information precisely. This creates logistical challenges for farmers with limited resources. The mandatory mapping of every small farm owned by farmers is challenging, where not only due to limited resources but also limited support of infrastructure (such as internet connection and lack of information) are other obstacles to implementing this regulation. The obstacles and challenges are not only from the uneven internet coverage which makes the mapping process difficult, but also the cases of land ownership disputes as well as the lack of law enforcement to proceed with the due diligence requirements.



The fact that not all coffee farmers understand EUDR is proven by the huge number of those who have never heard about this regulation. When the SCOPI interviewed several farmer cooperatives, the results stated that they did not know much about what EUDR is, how this regulation is implemented, what mandatory due diligence requirements must be met, and what requirements must be prepared to fulfil the required due diligence. Besides, the different definitions of forest, especially between the definitions used by the EU and the Indonesian Government are still being debated. So, this is still far from being agreed upon by all parties, especially farmers as the most affected parties by the implementation of this regulation.

As information about EUDR regulations develops at the ground level, smallholder farmers will eventually find themselves at a crossroads between compliance, sustainability and economic viability. EUDR can be seen as an opportunity for smallholder coffee farmers. However, this opportunity should strengthened by support from the European Union, as this will help them meet the growing global demand for sustainably sourced products. For this reason, collaborative efforts are needed to ensure that the EUDR can become a regulation that truly encourages environmental conservation and sustainability without burdening coffee farmers.



## DISKO: THE CHALLENGES ON THE GLOBAL COFFEE MARKET DEMAND: EUDR - EUROPEAN UNION DEFORESTRATIO-FREE REGULATION

SCOPI held another DISKO (discussion about coffee). This time, SCOPI raises a theme on a regulation that currently becomes a "hot" topic which is discussed by coffee enthusiasts throughout the world. However, in fact, this regulation is not widely known by coffee industry actors, especially farmers, cooperatives and also extension officers in the upstream. To carry out its functions, SCOPI invited competent explain clearly experts, to participants about the EU deforestationfree regulation that has been issued by the European Union parliament.

This activity was held on November 17th, 2023, and was attended by actors in the coffee industry and stakeholders who wanted to get information on the new regulations that had been passed by the EU parliament. Several mandatory requirements must be met by commodities to enter the European Union market (including coffee), where the product must fulfil at least aspects, legality, deforestation-free and the principle of traceability.

At this event, there was a representative of the EU Delegation to Indonesia, Ms. Eloise O'Caroll as a Program Manager for Forestry, Natural Resources and Energy who conveyed and explained the concept, objectives, scope and principles of implementing the EUDR, Joint Task Force EUDR between Indonesia, Malaysia and the European Union, and also cooperation projects which are being carried out by the European Union to support the implementation of the EUDR. Another speaker in this discussion was Mr. Martinus Nata, a Senior Vice President of Sustainability Project Management from PT. Surveyor Indonesia. He explained the support system provided by Surveyor Indonesia to help the readiness of coffee farmers to face the implementation of EUDR regulations before December 31st, 2024.

Apart from Ms. Eloise and Mr. Martinus Nata, SCOPI also invited two other speakers who are coming from farmer cooperatives, Mr. Wildan Mustofa from Frinsa Agrolestari and Ms. Istiqamah from



the Usaha Tani Gayo Cooperative. These two speakers provided information about the current level of conditions of farmers/cooperatives, their knowledge about the regulation, what steps should be taken to address the regulation and what support is needed in preparing the implementation of the regulations before the end of 2024.

At the end of this discussion, the Coordinating Ministry for Economic Affairs, which was represented by Ms. Dr. Musdalifah, MSc. as an Expert Staff of Connectivity, Development of Services and Natural Resources, delivered the Closing Remarks and closed the discussion. She conveyed that coffee is one of Indonesia's important commodities and is an economic resource for the society, especially smallholder coffee farmers, who do not want Indonesian coffee to be marginalized because it will burden them to meet the trade requirements on the European Union market. Therefore, the Government invites all stakeholders in the coffee sector to work together and synergize in preparing for the challenges of this regulation and also preparing the efforts to ensure that Indonesian coffee can still exist in the global trade markets. In the end, Bu Musdalifah conveyed that she believes with the experiences and support of all hard working and joint synergy, the Indonesian Coffee Industry can face and transform the challenges of EUDR regulations into a "golden" opportunity to show that Indonesia is a sustainable coffee producing and exporting country in the world.

## DISEMINATION RESULT OF LIVING INCOME BENCHMARK STUDY - SCOPI AND GIZ

The "Living Income Benchmark" is an estimate of a decent standard of living costs for a coffee-farming household. Then this standard would be used to assess how much the income gap is for small coffee farmers in the coffee-producing countries. This "Living Income Benchmark" study is a commitment from the International Coffee Organization (ICO) as a joint activity to close the gap in decent income to achieve prosperity goals for coffee farmers. The research aims to measure the value of the standard of living costs for families (targeted smallholder coffee farmers) using Anker Methodology, which developed by Richard and Martha Anker and is commonly used in various countries. In conducting this research, ICO partnered with the Anker Research Institute to conduct a more in-depth study to calculate a decent standard of living income for small-scale coffee farmers (smallholders) in most coffee-producing countries, including Indonesia.

SCOPI worked together with GIZ (through the Coffee++ program) and Nestle Indonesia to conduct the event of dissemination results on the Living Income Benchmark Study and FGD (Focus Group Discussion) on December 7th, 2023, at the Radisson hotel, in Lampung Province. This activity is a follow-up action from the dissemination of study results held previously by the Ministry of Trade in Jakarta.





activity came with the This "Dissemination of ICO studies: A decent standard of living income for Indonesian Robusta coffee farmers" and was attended coffee stakeholders in bv Lampung province, such as the provincial government, plantation department of coffee-producing district, private companies (roasters and traders), NGOs, and also academics. In this dissemination and FGD, Yayasan Aceh Hijau as the representing Anker implementer the Research Institute (appointed by the International Coffee Organization to carry



out studies in several countries including Indonesia) was one of the main speakers who presented the results of the study. Apart from Yayasan Aceh Hijau, another participant was the representatives of the TEEBAgrifood Program, who also presented the results of a study on the Actual Income of Robusta Coffee Farmers for Tanggamus Regency.

These two activities were run successfully and interesting, where the participants from various backgrounds were very enthusiastic in participating in the activities which are carried out from morning to evening. In the study's result presentation, it was mentioned that the standard of living income for robusta coffee farmers in West Lampung was IDR. 5,223,868,-. Meanwhile, the actual living income of farmers (for Tanggamus district) based on the results of a study conducted by the TEEBAgrifood Team was IDR. 2,746,280,-

Through the results of the presentations from these two expertise, it is hoped that all the participants will be able to understand the value of a decent living income for coffee farmers and what the actual income of farmers is, so furthermore they will understand the difference or gap between decent income and actual income of farmers. This gap can be used as a reference to determine the prosperity gap experienced by farmers. Furthermore, it is hoped that through the dissemination of this study, all stakeholders could have a strategic plan for creating policies or programs that can be implemented to close the gaps in prosperity values that occur among coffee farmers.

Through the presentations from these experts, it is hoped that all the participants will be able to understand the value of a decent living income for coffee farmers and what the actual income of farmers, so they will understand the difference or gap between decent income and actual income of the farmers. This result can be used as a reference to determine the prosperity gap by farmers. experienced Furthermore, through the dissemination of this study, it is hoped that all stakeholders could have a strategic plan to creating policies or programs that can be implemented to close the gaps in coffee farmers prosperity.

In further discussion, there were several inputs from various stakeholders who participated in the event. The highlighted important points were including: The need to add social costs to the component of calculating the cost of living for a coffee farmers, where social costs such as for celebrating festive season, ceremony, or condolence fund, were other component of expenditures that have quite a large percentage, especially in Indonesian society. Another additional spending was for cigarettes. It needs to be calculated and included in the component of household expenditure, as it took a large portion of expense especially for smoking family. Smoking cigarretes was a part of culture, in some regions in Indonesia, as what other people did with alcohol (beer, wine, etc) in some other countries. Hence. this expenditures need to be considered, especially in Indonesia.

### **JAKARTA COFFEE WEEK**

Jakarta Coffee Week 2023 carries the theme 'Past, Present, Future' to take coffee enthusiasts on a journey through the history of coffee, explore the current coffee world, and envision the future of coffee.

SCOPI participated in Jacoweek through the "Pasar Kopi" a collaboration between Sakadala and JAJALO during Jakarta Coffee Week 2023 held from November 3rd to 5th, 2023. Throughout the three-day event, the Coffee Market served as a stage for SCOPI to introduce itself to visitors, and particularly to promote high-quality coffee beans produced by farmers associated with SCOPI's Master Trainer (MT) and other SCOPI members. A total of 22 Master Trainers from various regions participated by sending their coffee beans, totaling 83.5 kilograms.

Jakarta Coffee Week has become one of the golden moments to deeply share the enthusiasm for supporting local coffee and strategizing steps towards a more sustainable future for the coffee industry. Through this participation, SCOPI once again invites all coffee lovers to collectively create a sustainable future for coffee.



### PERKEBUNAN INDONESIA EXPO (BUNEX)

SCOPI has participated in the 2023 Indonesia Plantation Expo (BUNEX) which was organized by the Directorate General of Plantations, Ministry of Agriculture of Indonesia. The event took place at Hall 3 ICE BSD Tangerang from September 7th to 9th 2023. SCOPI represented by the Executive Director, Ms Ade Aryani, was (Focus present on the FGD Group Discussion) activity with the theme "Downstream Plantation for Global Economic Resilience".

In the Focus Group Discussion, Ms Ade Aryani expressed how SCOPI support the resilience of the national coffee economy. Furthermore, she conveys SCOPI's strategic plan until 2030, which focuses on increasing sustainable coffee productivity





and improving the prosperity of coffee farmers in Indonesia. Through this strategic plan, SCOPI was expected to support the government's efforts to increase Indonesian coffee productivity and also the added value of Indonesian coffee products. Moreover, SCOPI hoped that Indonesian coffee products remain competitive both in the domestic and international markets so that, this commodity can continue to provide greater economic benefits and improve the prosperity of Indonesian coffee farmers in the future.

Through the Indonesian Plantation Expo (BUNEX) in 2023, the Minister of Agriculture of the Republic of Indonesia, Mr. Syahrul Yasin Limpo, expected that the BUNEX agenda would become a forum for developing advanced, independent and modern Indonesian

plantations. Furthermore, this activity can be a good way to promote entrepreneurship (investment) in the plantation subsector, increasing the of motivation Indonesian producers/farmers to become stronger and able to compete both locally and globally, as well as being tools for collaboration and synergy. Hence, Indonesian farmers will be able to interact with each other, work together and innovate.



### **BALI INTERFOOD EXPO**

On September 7-9, 2023, the Bali Interfood EXPO was once again held, and SCOPI received a special invitation to participate in this event to showcase the diversity of coffee from across Indonesia.

Bali Interfood 2023 is an international exhibition focusing on the F&B sector, food ingredients, equipment, technology, and food services. The event organisers provided a platform for SCOPI to promote local coffee products with the aim of facilitating business relationships, expanding networks, and highlighting quality products. SCOPI was present to introduce coffee produced by MT SCOPI, farmers associated with MT SCOPI, and other SCOPI members.



Supported by various parties including ICA (Indonesia Coffee Academy), Rikolto, Subak Abian Bali, and farmers associated with MT SCOPI, SCOPI enthusiastically introduced the excellence of local coffee to exhibition visitors. In an effort to enhance appreciation local coffee. **SCOPI** for successfully showcased a variety of coffee types and qualities produced by local farmers through Bali Interfood Expo.



### TRADE EXPO INDONESIA

In the pursuit of promoting sustainable trade for global economic resilience, Sustainable Coffee Platform of Indonesia (SCOPI) proudly participates in the Trade Expo Indonesia (TEI) 2023. Taking place from the 18th to the 22nd of October 2023, TEI serves as an excellent platform for SCOPI to showcase the sustainable coffee products of Indonesia to a global audience.

As a leading organization in promoting sustainable coffee farming practices in Indonesia, SCOPI is committed to the principles of social, economic, and environmental responsibility. With a vision to develop Indonesia's coffee industry, SCOPI aims to highlight the nation's efforts in embracing sustainability and its impact on the global market.

During TEI 2023, SCOPI promotes various sustainable coffee products sourced different regions in Indonesia. A total of 28 Master Trainers from various regions participated by sending their coffee beans, totaling 147 kg of coffee beans. These products are obtained through sustainable coffee farming practices implemented by coffee farmers under the guidance of SCOPI's Master Trainers based on the Arabica and Robusta National Sustainable Curriculum. These practices include integrated farming, waste management, environmentally-friendly production methods. By introducing these products, SCOPI aims to raise awareness about the importance of sustainable coffee farming practices and their positive impact on the environment and society.

One of the key focuses of SCOPI's participation in TEI 2023 is to introduce and promote various sustainable coffee programs carried out by the organization. These programs aim to support coffee farmers in improving the quality of their crops and provide assistance in managing their coffee businesses. By sharing these programs, SCOPI hopes to inspire and engage more stakeholders in the sustainable coffee industry in Indonesia.

As TEI 2023 gathers international participants and visitors, SCOPI invites everyone to visit SCOPI Stand and discover the rich diversity and quality of sustainable coffee from Indonesia. This event serves as an opportunity to strengthen partnerships, exchange knowledge, and collectively work towards a more sustainable and resilient global economy.





# GROW ASIA INVESTMENT FORUM

On September 12, 2023, SCOPI participated in the Grow Asia Investment Forum organized by Grow Asia in collaboration with PISAgro. SCOPI's presence at the forum is a crucial step in supporting collective efforts to address food system challenges and identify investment opportunities in the Southeast Asian region. The event successfully brought together leaders from various including government, business, financial institutions, philanthropy, and international organizations.

In support of smallholder farming, Grow Asia introduced their latest initiative, #GrowBeyondFund worth USD\$1 billion. This public-private funding model aims to support smallholder farming over the next 10 years, targeting more than 70 million small and medium-sized enterprises (SMEs) in Southeast Asia. #GrowBeyondFund is considered the most innovative and ambitious Public-Private Grow Asia impact fund. A key component of this initiative is the ASEAN Sustainable Agriculture Loan Facility (ASALF), designed to address the current fragmentation of climate financing that poses a barrier to the development of the agricultural sector.





SCOPI is enthusiastic about contributing to this transformative journey towards building a more resilient food system in Southeast Asia. Together with government, business sectors, and various stakeholders, SCOPI is confident that this collaboration can overcome existing challenges and realize a brighter and sustainable future for the entire community in the region.

