

Study Shows Nicaragua Growers Benefit From Cup of Excellence

January 26New York, Jan. 26 (CoffeeNetwork) Nicaraguan growers have successfully tapped into the Cup of Excellence competition, as a fresh assessment gives valid proof that the program has huge benefits to many more coffee producers than just the winners of the coveted award.

Five years after the Cup of Excellence program was first conducted in Nicaragua, The Alliance for Coffee Excellence (ACE) asked the internationally recognized McKinsey & Company to help with an analysis of the impact the competition and auction program has had on the coffee industry as a whole.

"Nicaragua was selected because there are very few other promotional programs for specialty coffee in place and the specific COE impact could be discerned easier than if it was only a portion of the overall country effort at marketing premium coffees to the marketplace," said the Alliance.

The study "indicates that Nicaragua receives about nine times the cost of the program in benefits to the entire coffee industry. Mainly due to the stringent competition process, overall quality and recognition for that quality in the marketplace have both dramatically improved, leading to increased roaster interest and more coffee being sold at a premium," said the Alliance in a press release.

The data was collected and analyzed over a 3-week period with interviews of more than 75 stakeholders representing both the producers and the marketplace. It addresses both the benefits available and the challenges facing the sustainability of continuing the program with limited outside funding.

"The interviews and data analysis conducted by McKinsey consultants on a pro bono basis will provide the basis for a long-term strategic planning session in Managua in mid January," said Susie Spindler Executive Director of ACE. "Given our limited cash resources we were extremely pleased that a company with the reputation of McKinsey & Company would agree to partner with ACE and provide us with a more neutral perspective of the strengths and weaknesses of The Cup of Excellence program."

"We already know that along with its huge benefits, the program faces a number of challenges mainly due to funding in many of our partner countries and with the data that has been collected we can now focus on the most critical of these," she said.

The Executive summary and the results of the Nicaragua strategic planning session will be available online at www.cupofexcellence.org <<http://www.cupofexcellence.org>> beginning February 1, 2007.

The non-profit Alliance for Coffee Excellence, Inc. whose mission statement is to increase appreciation of the world's finest coffees and the farmers that produce them manages the Cup of Excellence program worldwide. Partner countries including Nicaragua, Brazil, El Salvador, Honduras, Colombia, Guatemala, Costa Rica and Bolivia have seen record prices for their top coffees.

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