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Farmers’ and academia’s views”

Market and business strategy analysis of Panamanian specialty coffee

LOÏC WÜTHRICH, INGRID FROMM

Bern University of Applied Sciences, School of Agricultural, Forest and Food Sciences (HAFL), Switzerland

Abstract

The coffee industry underwent major changes during the crisis of the 1990s and faced many challenges. In Panama, the crisis resulted in the abandonment of coffee production by many producers. However, some of them persevered, resulting in a local specialty coffee boom several years later. The Lamastus family is partly responsible for this boom. Thanks to their knowledge, their great experience, but above all thanks to their passion for coffee, they founded the Specialty Coffee Association of Panama in collaboration with other regional producers. Today, Panamanian coffee has managed to forge a reputation as one of the best coffees in the world.

Lamastus Family Estates recently began to increase their production by acquiring two new fincas, to build on the success of Panamanian specialty coffee, thus doubling their production. To avoid a situation where supply exceeds demand, this study evaluates the international market for Panamanian specialty coffee and performs a business analysis. Practical recommendations are given, to focus on the main levers at their disposal to increase sales.

For this purpose, this study has been based on various reports, scientific documents, and literature about specialty coffee markets in different countries. Expert interviews were conducted to obtain more accurate data for some countries. An index revealing the most promising markets for specialty coffee was created. The business analysis was mainly done by identifying the main competitors of the finca, analysing their communication tools and through a SWOT analysis and a Risk Management Matrix.

The market for specialty coffee is not saturated and continues to grow. Several promising markets have been identified and the Lamastus family has the capacity to develop or consolidate. Different trends and consumption preferences have been identified in different markets. The finca’s communication tools are well mastered, but with potential for improvement. The positioning of their coffee as a luxury product is partly achieved but needs to be consolidated and further developed. There are no risks that currently endanger the operation’s activities, but many risks have been identified. However, the strengths and opportunities of the operation should allow for the mitigation or elimination of these risks.

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