INDONESIAN COFFEE DIPLOMACY TOWARDS THE UNITED STATES THROUGH INDONESIAN COFFEE CUPPING

Henike Primawanti
Universitas Komputer Indonesia, Bandung, Indonesia

Azizah Tisnakusumahnita
Universitas Komputer Indonesia, Bandung, Indonesia

Diyat Nurrahman
Universitas Komputer Indonesia, Bandung, Indonesia

ABSTRACT
This article aims to analyse the implementation of Indonesian Coffee Diplomacy towards the United States through Indonesian Coffee Cupping. For this purpose, the researcher outlines Indonesian Coffee Cupping as a diplomatic tool in improving Bilateral Relations between the two countries, the challenges of Indonesian Coffee Diplomacy through Indonesian Coffee Cupping towards the United States, and the prospects of Indonesian Coffee Cupping in increasing Indonesian coffee exports to the United States. The researcher used a qualitative method by collecting literature studies, documentation studies, and internet searches. The results of this study found that Indonesian Coffee Cupping is beneficial for Bilateral Relations, especially the economic sector in promoting Indonesian coffee products and fulfilling the demand for coffee in the United States market. This article is expected to be a reference for academics and stakeholders in formulating economic policies for both countries.

Keywords: Diplomacy, Coffee, Indonesia, United States, Indonesian Coffee Cupping

INTRODUCTION
As an actor in international relations, the state plays a significant role with its existence that cannot only stand alone. Countries in the world must have different needs and interests, in which many countries have difficulty in fulfilling them. Thus, it requires other countries to fulfil the needs and interests in the country. In fact, recognition as a sovereign state at the beginning of the establishment of a country is needed to validly confirm the existence of the relevant country. Of course, this recognition is not obtained independently. However, it needs to be based on mutual recognition that can only be established when countries are involved in a good relationship. Coupled with globalisation, where national boundaries are diminishing and relations between countries are becoming more intense. Relationships between the two countries as well as in a larger scope can be established when diplomacy is implemented with maximum effort. Diplomacy in this era of globalisation plays an important role in achieving the fulfilment of the needs and interests of a country concerned, even diplomacy has been established for a long time, where the development of diplomacy began since the formation of a group of humans and created relationships between other groups. Therefore, in the current era of globalisation, diplomacy acts as a tool to establish good relations...
relations with other countries in the world that will lead to the fulfilment of needs and interests, especially the national interests of a country.

Researchers also found previous research that is relevant to the research being carried out, including research on the promotion of Indonesian exports in an effort to increase coffee exports to America written by Muhammad Ivan Adriansyah, entitled “Promosi Ekspor Indonesia dalam Upaya Peningkatan Ekspor Kopi ke Amerika Serikat Periode 2017-2020” which explains that Indonesian coffee exports to the United States have a significant influence on the Indonesian economy. Furthermore, the research that became our reference was about Indonesian coffee gastrodiplomacy in the United States through the “Event Specialty Coffee Association of American Expo 2021” which explained that the event met the three main objectives of nation branding, including to attract tourists and encourage investment into the country. Then there is a study conducted by Rea Efaim Purba on the “Analisis Ekspor Kopi Indonesia Ke Amerika dan Faktor-Faktor yang Mempengaruhinya” and next is research from Widiastutie S entitled “Diplomasi Kopi Indonesia di Kancah Dunia”. The research we are reviewing is regarding Indonesian diplomacy from the United States in the coffee sector which is carried out through promotion through Indonesian Coffee Cupping which is related to Indonesia's economic growth.

Indonesia is actively involved in various international forums. Bilateral, regional, and multilateral forums have been explored by Indonesia in its active diplomacy in the global sphere. This active involvement has led Indonesia to a variety of collaborations. For example, the active role of Indonesia’s diplomacy as a developing country in south-south cooperation or south-north cooperation. As a developing country, the country’s economy cannot be separated from the contribution of the agricultural sector. Agriculture plays a crucial role in the economy of developing countries such as Indonesia, with the agricultural sector contributing significantly to employment opportunities and foreign exchange. Indonesia, as the 4th largest coffee producer in the world, relies on its agricultural sector as a source of export surplus, particularly in coffee commodities exported to various countries, including the United States. Indonesia’s coffee exports to the United States have a positive impact on the country’s balance of trade and payments, despite a decline in the 2004-2008 period. Nonetheless, foreign relations between Indonesia and the United States remain very important, especially in the context of economic diplomacy. The United States, as one of the first countries to establish diplomatic relations with Indonesia after Independence, is a vital potential market for products and investments.

Coffee Cupping, as a coffee quality assessment process, has a significant role in increasing the popularity of Indonesian coffee in the United States. In this process, Indonesian coffee is often positively rated for its aroma, flavour, and acidity. This not only strengthens Indonesia’s position as a quality coffee producer, but can also be used as an economic diplomacy tool to improve bilateral relations between Indonesia and the United States. Coffee Diplomacy run by the Indonesian government through Indonesian Coffee Cupping has been organised in several agendas of activities abroad, precisely in the United States. Such as the Hybrid Coffee Business Matching and Cupping activity entitled "A Cup of Java: The Original Taste of Indonesian Coffee" which took place at the Outdoor Rooftop 5th Floor of the Consulate General of the Republic of Indonesia in Los Angeles provides a significant opportunity for coffee products from Indonesia to be more exposed and well known in the scope of the United States market, where the export performance of coffee products from Indonesia to the United States can also be boosted.

LITERATURE REVIEW

1. Diplomacy

Diplomacy is the art of negotiating or negotiating by a diplomat with other parties to achieve a certain goal. The meaning of diplomacy can also be interpreted as a way to convey a message that has a specific purpose through a diplomat in negotiations. Diplomacy can simply be defined as a political process by which political entities, generally countries, conduct foreign relations with other countries. Diplomacy includes at least 3 main functions including representation, negotiation, and reporting. The first is representation which functions as a representative of diplomats including substantive representation and symbolic representation. The second is negotiation, which is a
process where explicit proposals are put forward with various reasons for the purpose of reaching an agreement on an exchange of interests. The third is reporting, namely gathering information to state decision makers is the main activity of diplomats and diplomatic missions abroad.

2. Bilateral Relations

According to Yanuar Ikbar in his book entitled “Metodeologi dan Teori Hubungan Internasional” found that bilateral cooperation is cooperation carried out by 2 countries, and usually this relationship is official and diplomatic in nature, trade, education, and culture, for example bilateral relations between Indonesia and the United States. In bilateral relations there is also bilateral cooperation, which refers to the interaction of mutual influence between two countries. The cooperation also involves other parties. For example, companies, institutions, and international organisations. Because in essence, every anarchic international state needs other countries so that its state principles are fulfilled. Bilateral cooperation is one of the efforts to integrate views to fulfil the common interests to be achieved.

METHODOLOGY

In this research, researchers used qualitative research methods. Qualitative research methods are tools, techniques, and strategies used by researchers to help collect, interpret, and analyse their data. In qualitative research, the researcher is an important part of the research. Because in producing valid data interpretations, the subjective role of the researcher is needed. The purpose of this qualitative research is to understand a phenomenon in a natural social context by prioritising the process of in-depth communication interaction between the researcher and the phenomenon under study. Then, in collecting data related to this research. Researchers used literature study techniques, reviewing relevant archives and internet searches, with the type of data coming from books, journals, articles, trusted online news, and other documents that support this research. This research discusses Indonesian Coffee Diplomacy towards the United States through Indonesian Coffee Cupping

DISCUSSION

1. Indonesian Coffee Cupping in Improving Indonesia-United States Bilateral Relations

Every country in the world needs other countries to fulfil its needs and interests. In an effort to fulfil these needs, these countries eventually establish relationships between countries and many countries based on different needs, which cannot only be fulfilled by their own countries. Therefore, the relationship that has been established will then lead these countries to be able to continue it into a co-operation to try to fulfil the needs of each country. Indonesia’s foreign relations with many countries in various forums have started since Indonesia proclaimed its independence. Both bilateral, regional, and multilateral have been established between Indonesia and other countries. In establishing these relations, Indonesia tries to promote a form of community life that upholds the values of mutual respect, non-interference in the internal affairs of other countries, rejection of the use of violence and consultation, and prioritises consensus in every decision-making process. Currently, Indonesia has established bilateral cooperation with 162 countries and one special territory in the form of a non-self-governing territory.

One of Indonesia’s cooperation partners is the United States. The United States has an important role in Indonesia’s economic relations, both as a trading partner and as an investor. Indonesia and the United States officially opened diplomatic relations on 28 December 1949 and in 2019 are at the Strategic Partnership stage. A stage that is so important for both countries to jointly share the responsibility of finding solutions to global challenges, while strengthening strategic cooperation between the two countries. Considering that in 2024 the diplomatic relationship between Indonesia and the United States will turn 75 years old, it is a long time for both countries to have mature experience in dealing with the dynamics of global challenges. In November 2023, President Joseph R. Biden, Jr. and Indonesian President Joko Widodo met in Washington, D.C. to celebrate 75 years of diplomatic relations and recognise the two countries’ shared values of democracy and pluralism as well as a shared
commitment to a rules-based international order, the two leaders committed to advancing the Indonesia-US relationship towards a Comprehensive Strategic Partnership. In the eight years since the establishment of the Indonesia-US Strategic Partnership, the two countries have made tremendous progress in enhancing mutual understanding and trust and strengthening cooperation. The steep journey of bilateral relations between the two countries has been accompanied by results that over time have continued to increase, signalling success in improving relations between Indonesia and the United States. Moreover, currently the two countries have agreed to establish a Comprehensive Strategic Partnership. Seeing this opportunity, the bilateral relationship between the two countries led to an increase in cooperation which was then transformed into various forms, one of which was through the promotion of typical Indonesian products and commodities.

The superiority of Indonesian commodities undeniably plays an important role in the global market. One of Indonesia's main export commodities is coffee. In fact, Indonesia itself produces one of the most expensive coffees in the world, “Kopi Luwak”. In the last 3 years from 2020 to 2022, efforts to promote this distinctive Indonesian commodity have been wrapped into a business called Coffee Diplomacy as a means for the Government of Indonesia to improve the reputation of coffee commodities and increase Indonesian coffee exports abroad. In the context of international relations, Indonesian coffee diplomacy is a nation branding effort that aims to form a positive national image of Indonesian culture, while creating opportunities for economic cooperation to improve the welfare of the Indonesian people.

On 19 March 2018, during his state visit to New Zealand, President Joko Widodo promoted Coffee Diplomacy which is expected to be a new tool to strengthen bilateral relations between Indonesia and New Zealand. This came about, when President Joko Widodo heard that the people of New Zealand are very fond of drinking coffee. President Joko Widodo also heard that coffee from Indonesia is quite popular in New Zealand, namely Sumatra Coffee and West Java Coffee. Coffee Diplomacy can certainly be a new strategy in improving Indonesia's bilateral relations with many countries out there. Plus, nowadays, the culture of drinking coffee is increasingly popular in various countries. With the United States as such a strategic and ideal partner for Indonesia, Coffee Diplomacy is a tantalising diplomatic tool to be used in increasing Indonesia's coffee exports.

Reflecting on this, Coffee Diplomacy is then implemented into various activities to promote Indonesian coffee commodities abroad, one of which is through Indonesian Coffee Cupping with an activity called Hybrid Business Matching and Cupping conducted by the Indonesian Consulate General Los Angeles in collaboration with the Indonesia Trade Promotion Center Los Angeles (ITPC-LA). This activity is hybrid in nature by combining virtual participation and in person participation. Because this activity was carried out in the midst of the COVID-19 Pandemic during 2021, the implementation continued to prioritise health and social distancing protocols. With the aim of promoting Indonesian coffee beans to coffee shop owners and coffee roasters around the City of Los Angeles. This activity was carried out by presenting samples of Indonesian coffee ore and serving coffee cupping directly to potential buyers.

Five Indonesian Small and Medium-sized Enterprises (SMEs) coffee suppliers participated in the event, both in person, namely, Opal Coffee and Red Goni Inc, and virtually, namely PT Dua Harimau, Ephraim Coffee, and Kopi Kalyan. From the results of the Coffee Cupping session, some of the coffee samples were the participants' favourites, including Java Pineapple, Bondowoso, and Wahana Longberry Washed. As a result of the event, coffee purchase commitments were secured, estimated to be worth approximately USD 100,000. The increase in the number of vaccinations and the decrease in the number of cases per day of COVID-19, especially in the state of California during the Pandemic, is a good opportunity to continue to encourage the promotion of Indonesian coffee to coffee shop owners and coffee roasters who are preparing to reopen their businesses, because it is projected that the business sector will soon return to normal in the midst of the COVID-19 Pandemic summer at that time [12]. According to a report by the Indonesian Ministry of Trade in 2022, in 2020 and 2021, the US became the 2nd largest trading partner for RI. While the previous year, the US became the 4th largest trading partner and export destination after China, Japan, and Singapore.
Table 1. Indonesian Coffee Exports to the United States 2018–2022

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Weight (Tonnes)</th>
<th>FOB Value ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>52.083,5</td>
<td>254.030,7</td>
</tr>
<tr>
<td>2019</td>
<td>58.666,2</td>
<td>253.830,1</td>
</tr>
<tr>
<td>2020</td>
<td>54.473,7</td>
<td>202.352,0</td>
</tr>
<tr>
<td>2021</td>
<td>57.694,0</td>
<td>194.769,1</td>
</tr>
<tr>
<td>2022</td>
<td>55.810,1</td>
<td>268.554,2</td>
</tr>
</tbody>
</table>

Notes: Processed from customs documents of Ditjen Bea dan Cukai (PEB dan PIB)
Source: Badan Pusat Statistik

Based on the table above there is an increase and decrease in terms of net weight (tonnes), in 2018 it was found to be 52,083.5. However, throughout its journey over the past five years it has not been so progressive in its increase. Although, in reality, it does not always decrease because in 2019 and 2021 it increased. This means that even though Indonesia is among the top countries with the highest coffee exports, there are still increases and decreases in its exports, especially to the United States. The existence of Indonesian Coffee Cupping as an implementation of Indonesian coffee diplomacy can be used in Indonesia’s strategy to strengthen bilateral relations with the United States. Through Coffee Cupping by bringing together coffee industry players such as SME coffee suppliers from Indonesia and coffee shop owners and Coffee Roasters from the United States in the Indonesian Coffee Cupping event can help strengthen business networks between the two countries and increase investment opportunities, especially exports in the Indonesian coffee sector. As happened in the Hybrid Business Matching and Cupping activity carried out by the Indonesian Consulate General Los Angeles in collaboration with the Indonesia Trade Promotion Center Los Angeles (ITPC-LA) in 2021, the activity succeeded in obtaining a coffee purchase commitment estimated to be worth around USD 100,000. This proves that Coffee Diplomacy is starting to be recognised by the global community and can increase opportunities for more abundant coffee purchases in the future.

2. Challenges in the Implementation of Indonesian Coffee Diplomacy towards the United States through Indonesian Coffee Cupping

2.1. Limited Coffee Production

Arabica coffee is in demand in the US market, but it is still a challenge due to the limited area of arabica plantations in Indonesia. As a result, most of Indonesia’s coffee exports (80 per cent) consist of robusta beans, and the rest of arabica beans. This type of coffee requires a certain area to grow, especially only in areas with altitudes above 1,000 metres. In addition, many things need to be considered in the effort to cultivate arabica beans in Indonesia. Indonesia’s coffee plantation area in 2022 reached 1.29 million hectares, an increase of 0.5 per cent compared to the previous year which reached 1.28 million hectares. The majority of coffee plantations in Indonesia are smallholder plantations, namely 1.26 hectares (ha). Meanwhile, large-scale coffee plantations managed by the state and the private sector amount to 23,200 ha.

Adjustments to market demand are necessary, so that promotions can be more targeted. Given the challenges faced by Indonesia today, the country’s coffee production is still dominated by robusta coffee, which is actually less desirable to the US market. This is because arabica coffee cultivation is more costly, labour-intensive and time-consuming, right down to post-harvest conditions. Because the majority of Indonesian coffee farmers are limited in tools, capital, and traditional processes, the production of arabica coffee beans is not optimal [16]. As coffee diplomacy is present in an effort to promote Indonesian coffee commodities, it should be tailored to market demand...
so that promotion does not only contain introduction efforts. However, it is also an effective marketing platform, so that it can benefit many parties in it.

2.2. Unstable Prices

Coffee prices in the coming year are predicted to decline due to a potential recession. Based on Rabobank's prediction that the price of agricultural commodities, one of which is coffee, will decline due to the gloomy macroeconomic potential resulting from the spike in energy prices as a result of the geopolitics between Russia and Ukraine. The potential for reduced wheat supply due to uncertain weather in the European Union, the United States, and Argentina also adds weight to global sentiment. In its projections, Rabobank explained that these sentiments would reduce coffee demand below the average level by 1.5%. "Agricultural commodity prices may fall not because of increased production but because of very weak demand," Rabobank Head of Agricultural Commodity Market Research Carlos Mera was quoted as saying by Reuters. Similarly, the International Coffee Organization (ICO) has also lowered its forecast for global coffee consumption growth until 2030, which is predicted to fall in the range of 1-2%.

Coffee exports from Indonesia to the United States can be said to fluctuate, when compared to Indonesia's coffee exports to the United States in the last five years, where in 2021 the net weight of Indonesia's coffee exports was 57,694.0 tonnes to the United States with a FOB value of USD 194,769.1. Meanwhile, in 2022 it was 55,810.1 tonnes with a FOB value of USD 268,554.2. Despite the fluctuations, US market prices and demand are sometimes inversely proportional. Considering, FOB coffee in 2022 has increased. However, demand decreased from the previous year. Agricultural commodity prices, which are not expected to stabilise until 2030, will also overshadow the market price of coffee. The threat of fluctuations in coffee commodities is inevitable. However, this declining consumption growth or declining demand for coffee is sometimes inversely proportional in coffee commodities. Because in 2022, although coffee exports to the United States decreased, the FOB value actually increased from the previous year.

2.3. Competition with Other Countries

As explained in the previous data, Indonesia is not the only country that produces high-quality coffee. There are many other countries that also produce high-quality coffee such as Brazil, Ethiopia, Colombia, and Kenya. Therefore, the competition to market Indonesian coffee in the United States is getting tougher. For example, Brazil, as the world's largest coffee exporter. Brazil does have a number of advantages that Indonesia should learn from. So far, Brazil's arabica coffees are considered to be of high quality, driven by fantastic production and export figures. No wonder 20.64% of the US coffee market is controlled by Brazil with its various arabica coffee variants.

Seeing that the target market is the United States. Therefore, it is necessary to adapt to the interests of the market demand. Competition with the largest coffee-producing countries in the world should be taken into consideration. Because almost all coffee exporting countries to the United States have advantages in the type of arabica coffee. For this reason, Indonesia needs to study and develop renewable technology in an effort to increase arabica coffee production to the United States. As well as a superior strategy so that it can compete better with other countries.

3. Indonesian Coffee Export Opportunities with the Indonesian Coffee Cupping to the United States

As a country with a large market share, the United States has a significant role in providing adequate market land for exporting countries in the world. This opportunity should be the main focus of every country in an effort to advance the economy of their respective countries. Especially Indonesia, Indonesia's abundant and superior main commodities make more value for Indonesia to enter a large country like the United States. One of Indonesia's leading commodities is coffee. Indonesia's coffee export value reached US$809.16 million or equivalent to IDR11.64 trillion (exchange rate IDR14,379.5/US$) in 2020. Of that amount, there are eight main destination countries for Indonesian coffee exports. Reported on the dataindonesia.id page based on data from the Badan Pusat Statistik (BPS) noted that the value of Indonesian coffee exports in 2020 reached US$809.16 million or equivalent to IDR 11.64 trillion (exchange rate of IDR 14,379.5/US$). This amount decreased by 7.24% compared to the previous year, which amounted to US$872.36 million. Throughout 2020, the United States became the largest destination country.
for Indonesian coffee exports with a value of US$202.4 million. This amount decreased by 20.28% compared to 2010 which reached US$253.83 million.

Reporting from databoks.katadata.co.id. Indonesia is one of the largest coffee producing countries in the world. Meanwhile, based on data from the Badan Pusat Statistik (BPS), in 2021 Indonesia exported coffee weighing 384.51 thousand tons to various countries with a total value of US $849.37 million. Where the US became the main destination for national coffee exports with a volume reaching 57.69 thousand tons or 15% of total exports last year. While the value reached US $202.35 million. Not only that, Indonesian coffee is also selling well in the global arena. In 2022, the value of Indonesia’s coffee exports continues to increase. In that year, Indonesia’s coffee exports also experienced a significant increase. Launching data from the Central Statistics Agency (BPS) for the January - October 2022 period, Indonesia’s coffee exports soared 40.78% to US$918 million or equivalent to Rp14.29 trillion (assuming an exchange rate of Rp15,570/US$) when compared to the same period in 2021. The largest destination country for Indonesian coffee exports is the United States (US) with an export value of US$225 million or equivalent to Rp3.5 trillion. The export value also skyrocketed 55.71%.

Seeing Indonesia has an advantage as one of the largest coffee producing countries in the world with the United States over the past few years being the largest Indonesian coffee export destination provides a significant opportunity for Indonesia to expand the promotion of superior Indonesian coffees to the United States. Especially with the existence of Indonesian Coffee Cupping, the Hybrid Business Matching and Cupping activity carried out by the Indonesian Consulate General Los Angeles in collaboration with the Indonesia Trade Promotion Center Los Angeles (ITPC-LA) successfully obtained a coffee purchase commitment estimated to be worth around USD 100,000. This proves that Indonesian Coffee Cupping can be a good effort for Indonesia to be able to expand the promotion of the advantages of Indonesian coffee commodities and reap profits to increase the value of Indonesian coffee exports.

CONCLUSION AND RECOMMENDATION

In this case, the conclusion that can be drawn is that the existence of Indonesian Coffee Cupping has a good influence on bilateral relations between the two countries, especially in the economic sector. With the road passed, starting from promoting Indonesian coffee products to the United States which has succeeded in showing such significant prospects. The existence of these efforts can be a solution in the future for Indonesia to increase the value and volume of its coffee exports abroad. Especially with the challenges that predict a decrease in the amount of global coffee consumption in 2030. Where in an effort to save its coffee exports, Indonesia can face this through Indonesian Coffee Cupping, so that qualified quality provides opportunities for Indonesia to survive and adapt when these challenges begin to arise. In fact, in terms of coffee exports, Indonesia has increased in the last three years with the United States as the main market share. Overall, the existence of bilateral relations between the two countries in Coffee Diplomacy provides a good advantage for the national economy. It can be seen, through Indonesian Coffee Cupping which also has a good influence in increasing Indonesian coffee exports to the United States.

ACKNOWLEDGEMENT

In this section, researchers would like to thank all teammates who sincerely gave their best contribution in doing this paper well, because these contributions were so valuable for the realization of this paper. Researchers also would like to thank for the opportunity that has been given, so that this research can be carried out. Researchers also expressed our deepest gratitude and best appreciation to our teammates on behalf of Khalida Putri Prameswari, who although no longer with us. In the journey of this paper, her contributions and examples have inspired us to complete this paper.
REFERENCES


ABOUT THE AUTHORS

Henike Primawanti, email: henike@email.unikom.ac.id

Dr. Henike Primawanti is a lecturer in the International Relations Study Program at Universitas Komputer Indonesia. She teaches e-government, Gender in International Relations, International Information and Communication, International Relations in the region.

Azizah Tisnakusumahnita, email: azizah.44320012@mahasiswa.unikom.ac.id

Azizah Tisnakusumahnita is a student in International Relations at Universitas Komputer Indonesia. She is student that ambitious and dedicated in everything she does. She is interested in studies International Relations issues, such as Diplomacy and East Asian Studies.

Diyat Nurrahman, email: diyat.44320024@mahasiswa.unikom.ac.id

Diyat Nurrahman is an International Relations student studying at Universitas Komputer Indonesia and he is now 22 years old and passionate and dedicated in everything he does. He has a background in social and political science, with a particular interest in foreign policy. He loves exploring new things and always interested in learning. In addition, He has good analytical skills and like to work in a team. He believes that collaboration is the key to achieving common goals. Outside of work, He enjoy reading books, traveling, and enjoying time with family and friends.