Coffee sector in Colombia

Statistics and overview of the value chain – November 2024

Elisa Ciravegna, Verina Ingram and María A. Naranjo

Susanna Cocchini, Natalia Herrera and Timon Weitkamp

Project commissioned by the Netherlands Embassy in Bogotá, Colombia and funded by Ministry of Agriculture, Fisheries, Food Security and Nature – LVVN (BO-43-113-044)

Photo by Dan Cong on Unsplash

Coffee sector in Colombia

Statistics and overview of the value chain – November 2024

Disclosure: All views and interpretations expressed in this document are those of the authors and not necessarily those of the supporting or cooperating institutions or individuals.

The EU has postponed enforcement, officially setting 30 December 2025, as the compliance deadline for the European Union Deforestation Regulation (EUDR). Consequently, the dates in this report have been updated to reflect this revised timeline.

WAGENINGEN UNIVERSITY & RESEARCH

RESILIENCE

Photo by Dan Cong on Unsplash

Table of content

1 Overview of Colombian coffee sector

2 Production statistics

3 Export

4 Value chain

5 Relevant stakeholders

6 Policy context

7 Hotspots for traceability

8 Deforestation-free regulation (EUDR)

Photo by Rodrigo Flores on Unsplash

1

Overview of Colombian coffee sector

WAGENINGEN
UNIVERSITY & RESEARCH

Colombian coffee sector

- Colombia is the **third-highest coffee producer in the world** by volume, behind Brazil and Vietnam (FAO).
- Colombia is world's largest producer of Arabica coffee (FNC 2024).
- The coffee sector is as a key driver of the Colombian economy, it represents **about the 15% of the agricultural GDP** (Minagricultura, 2022) .

Social aspects

- The coffee sector in Colombia is characterised by the overwhelming predominance of smallholder farmers, with an average field of 1.5 hectares. Approx 552,000 producers and about 360,000 FNC federated coffee growers (FNC 2024)
- The so-called ***cultura cafetera*** is very strong in Colombia. It is based on principles of democratic participation, solidarity, commitment, pursuit of the common good and sustainable development. It constitutes a social and strategic capital for Colombia (FNC,2022).
- **Women play key role** in the industry, heading approximately 30% of coffee farms (FNC,2022) and and carrying out coffee work that does not involve the handling of dangerous products or the handling of loads (OIT, 2022).
- The **average age of coffee growers is relatively high** (55-60 years) (ICO, 2021), so the FCN has put in place policies to promote generational replacement of employment in the coffee sector (FNC, 2023)
- Since 2021, the harvesting activity has been affected by labour shortages, resulting in itinerant workers (mostly migrants from Venezuela) filling this gap (Coffee Intelligence, 2022).

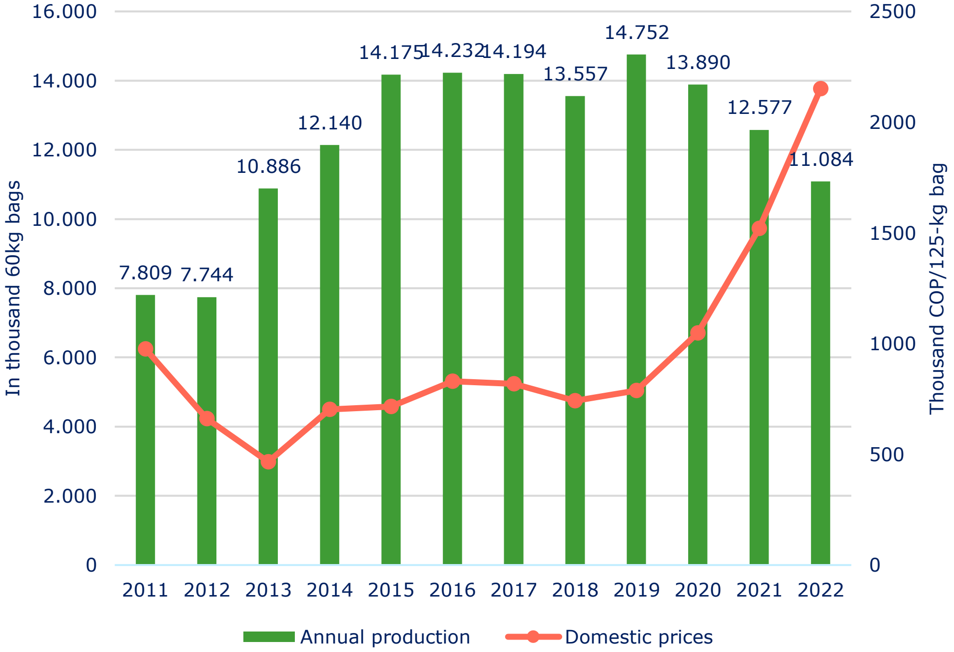
2

Photo by PROJETO CAFÉ GATO-MOURISCO on Unsplash

Production statistics

Total coffee annual production

- The decreasing trend in recent years is the result of excess precipitation due to a prolonged La Niña phenomenon (FNC, 2023).
- Colombian coffee prices on the domestic market have increased in recent years, driven by high international prices, the devaluation of the Colombian peso and the quality differential that Colombian coffee receives on the market (USDA, 2022).



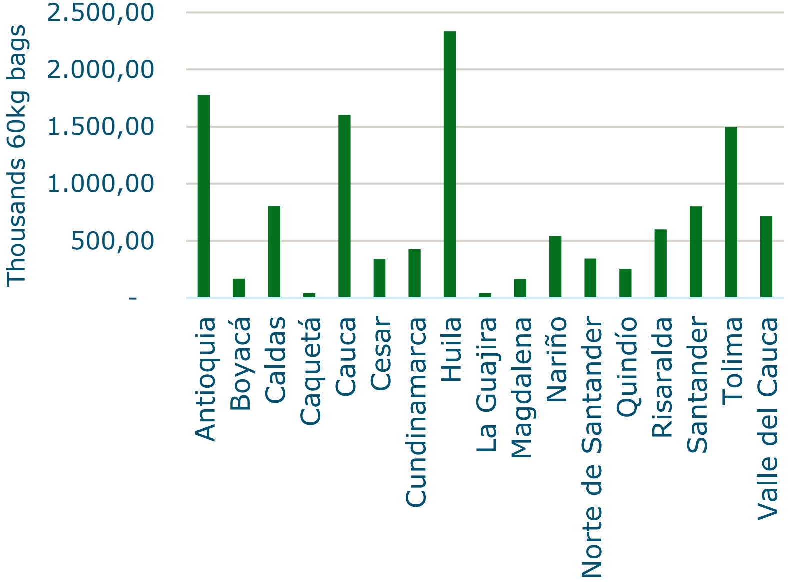
Source: FNC database

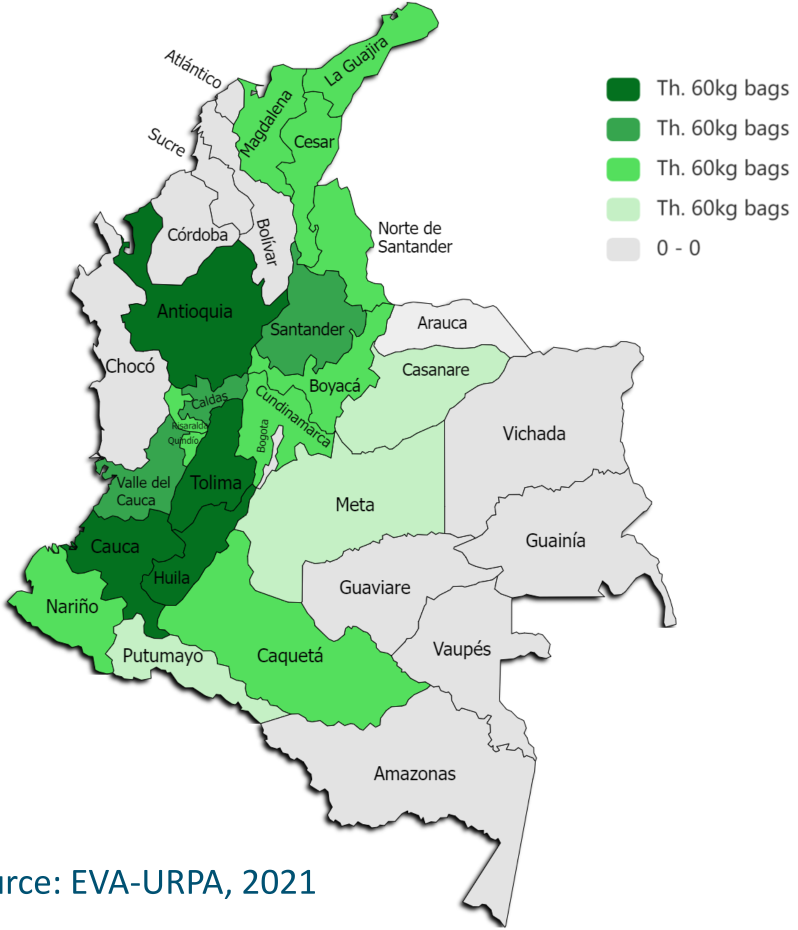
Coffee growing areas in Colombia

- The highlighted area shows the regions where coffee is grown in Colombia.
- The main producing departments, ranked by production volume, are Huila, the *Eje Cafetero* (departments of Quindío, Caldas, Risaralda*)*, Antioquia, Tolima, Cauca, Valle del Cauca, Santander and Nariño.

Source: FNC database, 2021

Coffee production by department in 2021





Source: EVA-URPA, 2021

WAGENINGEN UNIVERSITY & RESEARCH

Coffee cultivation and forest area in Colombia

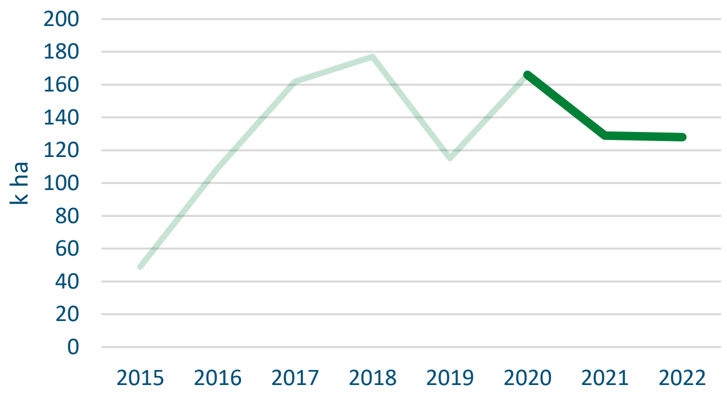
- Arabica cultivation overlaps with intact forest areas (CIAT (coffee) & Hansen et al. (forest)).
- With potential deforestation risk

Source: coffee.resilienceatlas.org

WAGENINGEN
UNIVERSITY & RESEARCH

Forest & landcover change in Colombia

PRIMARY FOREST LOSS IN COLOMBIA



	Region	Tree cover loss
1	Caquetá	486 kha
2	Meta *	390 kha
3	Antioquia	310 kha
4	Guaviare	276 kha
5	Putumayo	230 kha

* Rice production

- From 2011 to 2022, Colombia lost 1.32M ha of humid primary forest, making up 43% of its total tree cover loss in the same time period.

- Top 5 regions responsible for 55% of all tree cover loss between 2011 and 2022.
- Of the regions listed only Antioquia is a coffee producing region, the others are mainly for livestock farming making this a potential high deforestation risk region.

Source: GFW, 2023

The Forest and Carbon Monitoring System (SMByC) by IDEAM

- The Forest and Carbon Monitoring System (SMByC) by IDEAM (Colombian Institute of Hydrology, Meteorology and Environmental Studies) is an tool designed to monitor and protect Colombian ecosystems from deforestation.
- By utilising high-resolution images from Sentinel, Landsat, and Planet Scope satellites, SMByC can pinpoint areas affected by deforestation, providing detailed multi-temporal analyses.
- GFW excels in tracking global trends, IDEAM's SMByC is more precise for national-level assessments, making it invaluable for understanding specific risks and deforestation patterns in Colombia. Minister of the Environment, 2021

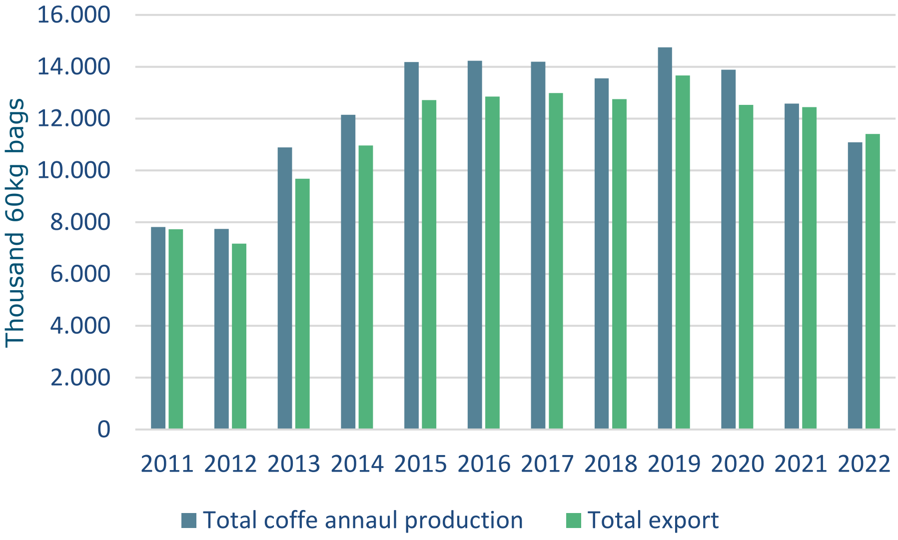
3

Exports

WAGENINGEN
UNIVERSITY & RESEARCH

Total Colombian coffee export

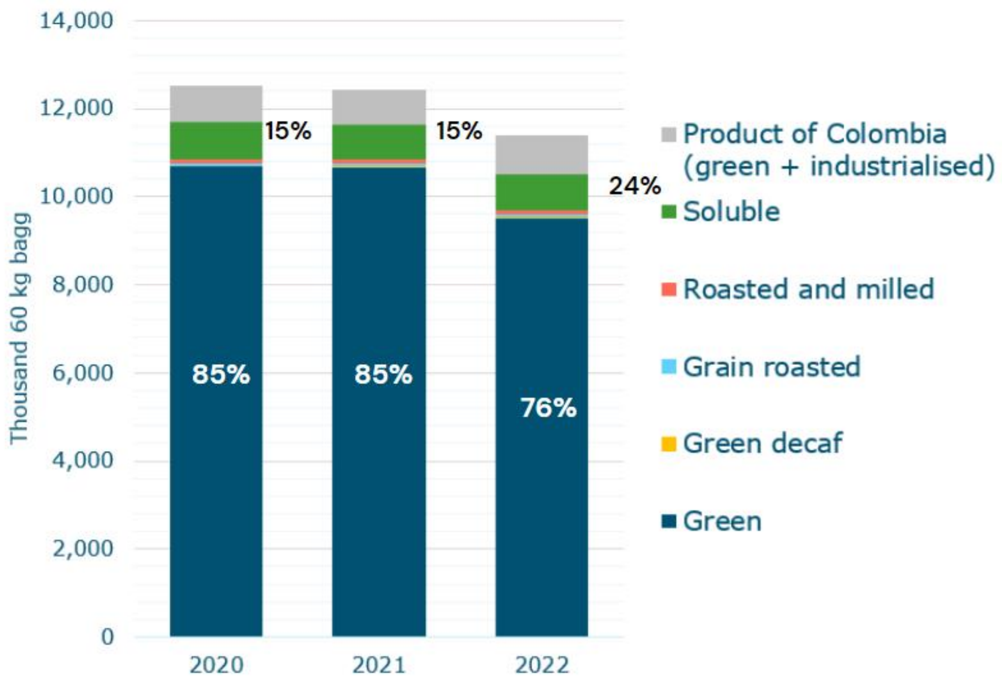
- In the last 10 years, exports of Colombian green coffee have doubled, supported by an increase in production.
- The major importers of Colombian coffee are the United States, Japan and Europe.
- In 2023/24, coffee exports are forecasted to slightly increase by 1.5% compared with the previous year, due to the expected more favourable weather.

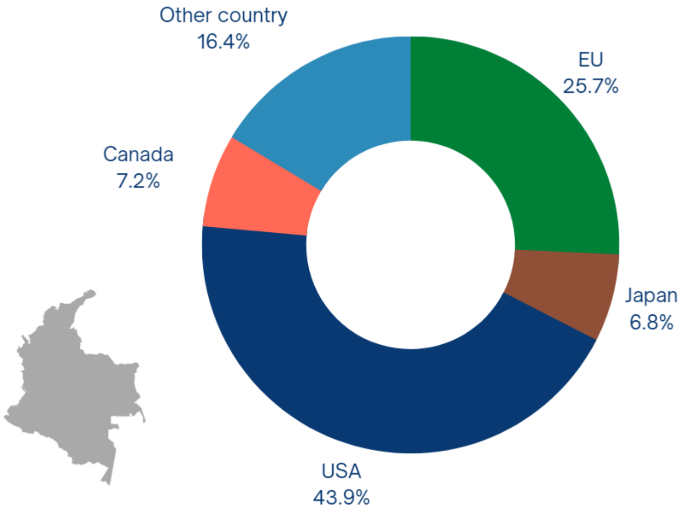


Source: FNC database

WAGENINGEN UNIVERSITY & RESEARCH

Colombian exports statistics

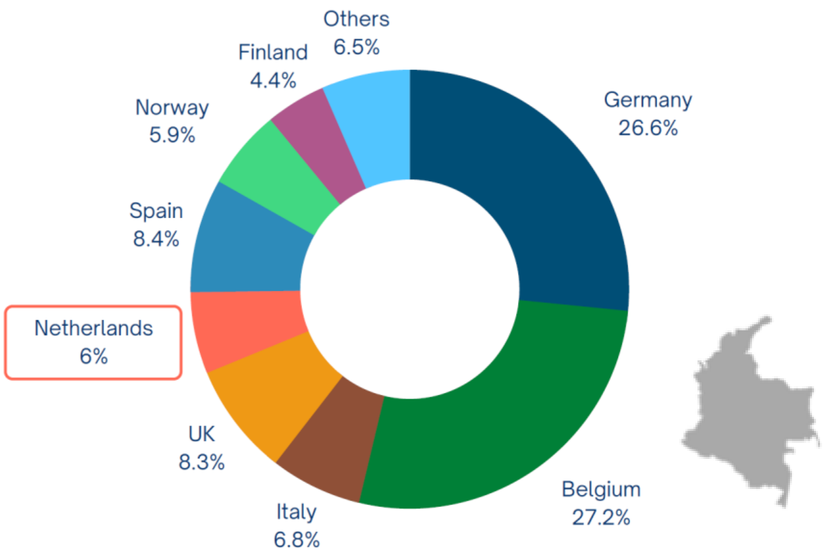


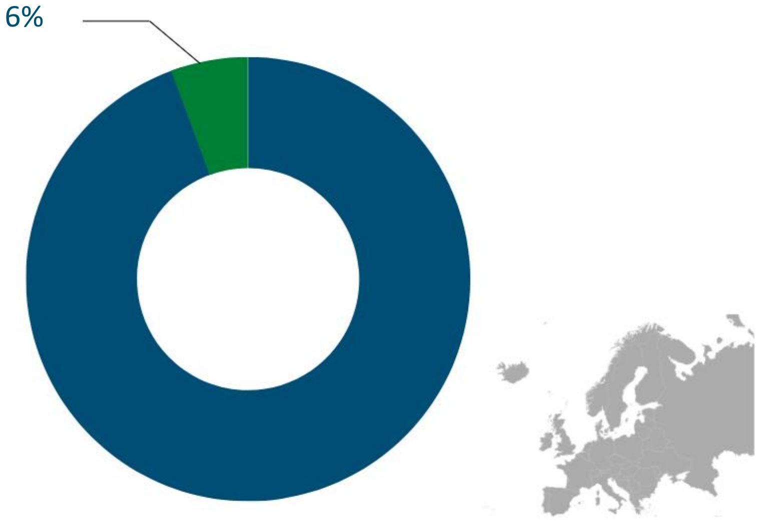


Colombian green coffee exports globally in 2022

Source: FNC database

Picture of the Colombian coffee trade in Europe



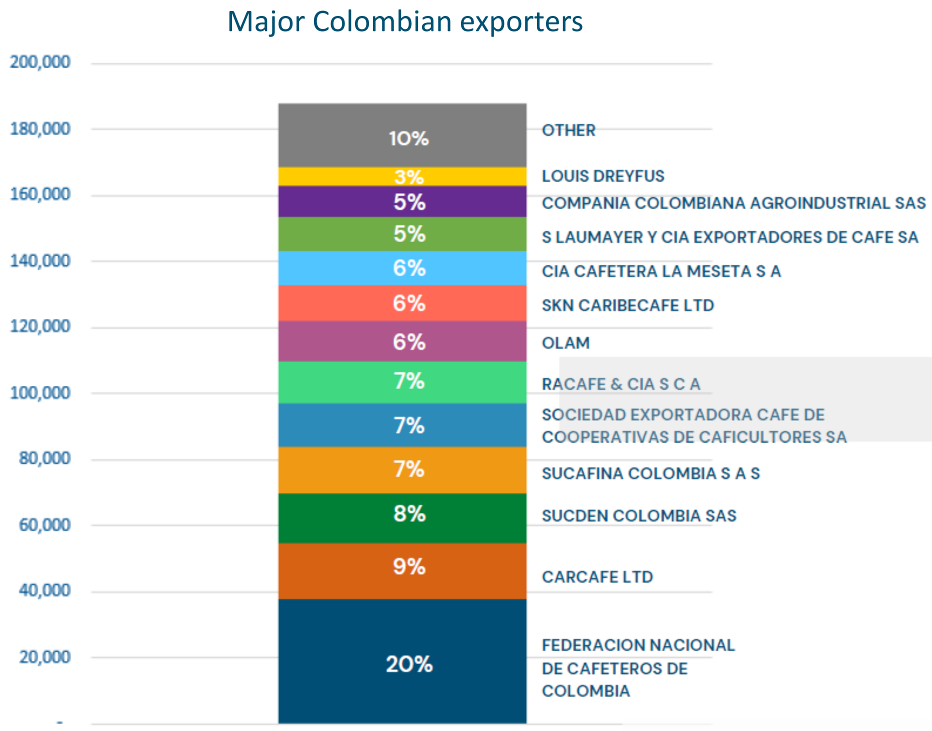


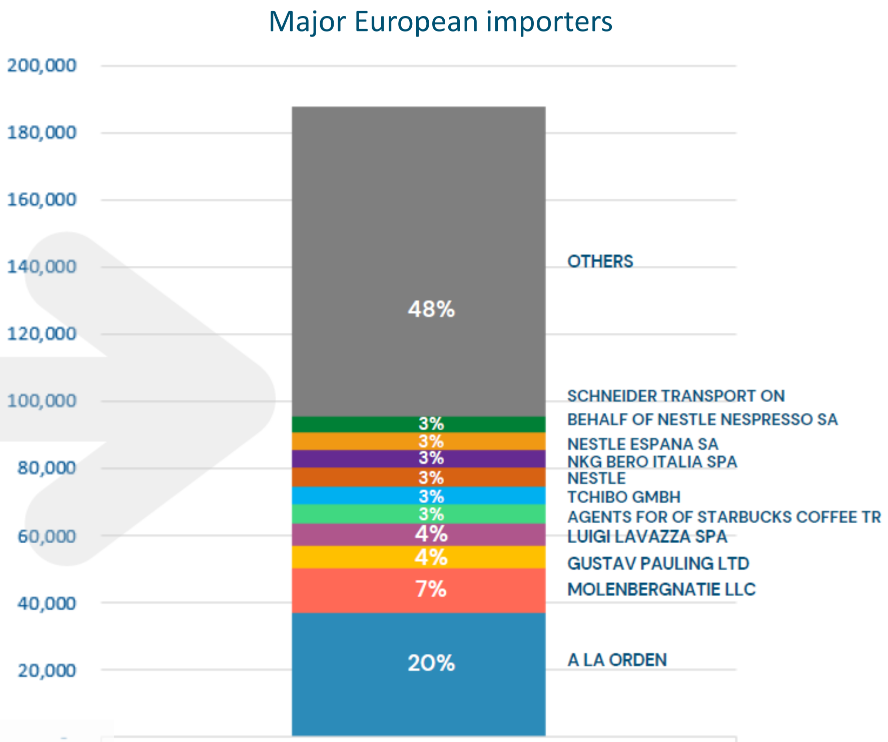
- Share of Colombian green coffee exported to EU by country in 2022
- Percentage of Colombian green coffee imported in Europe in 2022

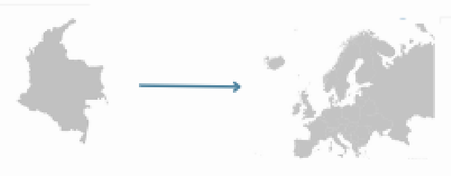
WAGENINGEN
UNIVERSITY & RESEARCH

Source: FNC database

Major trade actors in Colombia to Europe exports



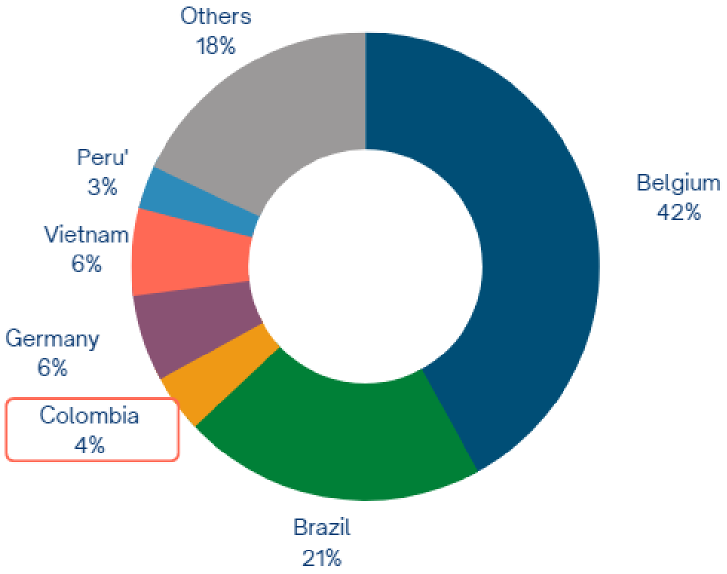




WAGENINGEN UNIVERSITY & RESEARCH

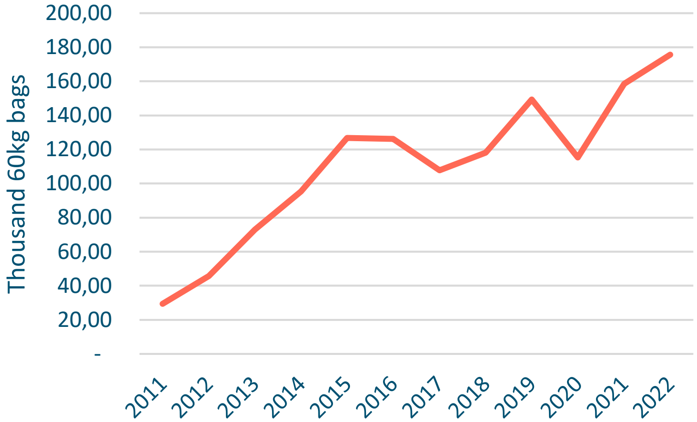
Source: Trase Supply Chain, 2021

Export data Colombia to the Netherlands



- Dutch coffee imports in 2022 by country

Colombian green coffee export in the Netherlands trend



- The Netherlands is an important trade hub, re-exporting many different products including coffee.

WAGENINGEN UNIVERSITY & RESEARCH

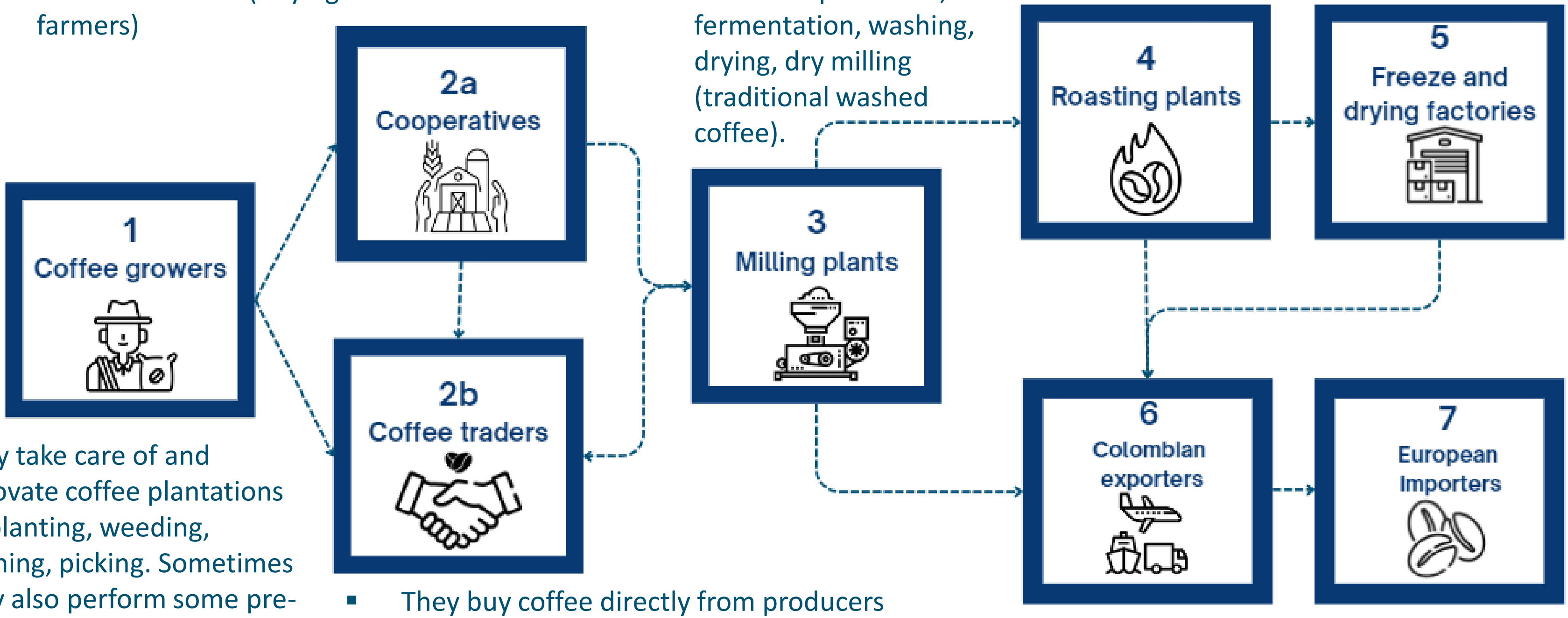
Source: FNC database – Trade Map

4

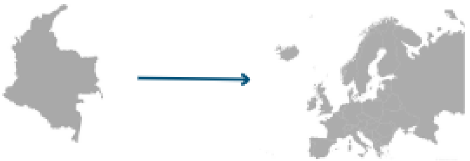
Value chain

Nathan Dumlao on Unsplash

- Cooperatives play a definitive role in linking together the economic, social, and cultural needs of farmers (Buying coffee from small farmers)
- Where coffee cherries become green coffee beans. Pulp removal, fermentation, washing, drying, dry milling (traditional washed coffee).
- Roasting, grinding, extracting, drying-freezing, process to make derivative products (such as instant, soluble and lyophilized coffee), packaging.



- They take care of and renovate coffee plantations by planting, weeding, pruning, picking. Sometimes they also perform some pre-processing (pulp removal, fermentation, washing, drying)
- They buy coffee directly from producers or grower associations and or directly export it or sell it to export companies



WAGENINGEN
UNIVERSITY & RESEARCH

Source: Figure adaptation European Coffee Federation

Certification in Colombia:

- Geographic origin – FNC voluntary system:
    - Protected geographical indication (Café de Colombia)
    - Regional denomination of origin
- About 300.000 ha coffee "Productive–Protector-Forest"

- Approx 454.000 ha grown/certified under ssustainability systems - voluntary international 3rd party systems (CBI, 2021)
    - 4C
    - Rainforest Alliance - 2nd largest producer globally 70,000 tons 2019
    - Fair trade - largest global producer 24,000 tons 2019
    - Organic
    - Organic + Fairtrade – 259,000 tons 2019
    - C.A.F.E. Practices

5

Photo by Fatih Arslan via Canva

Relevant stakeholders

Coffee cultivation:

Key actors:

- **Coffee growers/farmers:** actual daily farm work, from planting to harvest;
- **Input providers:** provide seedlings for new or renewed cultivations, and agricultural inputs (e.g fertilizers);
- **Daily/seasonal workers:** support during harvest season.

Other supporting actors:

- FNC (Federación Nacional de Cafeteros): agronomic and business support, runs the **SICA** (Coffee Information System): is a geo-referenced database created to provide information on coffee growers, the characteristics of their farms and plantations
- Cenicafé, Agrosavia, Universities, Servicio Nacional de Aprendizaje (SENA), Ministry of Agriculture (technical research),
- ICA (Instituto Colombiano Agropecuario): certification of GAP farms
- Other international certifications

Primary processing and evaluation:

Key actors:

- Producers
- Cooperatives
- Traders
- Almacafé (part of FNC): support in logistic and business
- Cupping laboratories (part of FNC): where coffee is evaluated, regional based.

Other supporting actors:

- Producers, cooperative and traders can process the coffee in the registered mills
- FNC: dry milling plants registration, quality control of Colombian Coffee “stamp”

Secondary processing:

Products:

- Derivatives: soluble, decaffeinated, roasted and ground coffee.
- Other products that may contain coffee: processed confectionery, chocolate bars, spreads, cosmetics, shampoo ...

Key actors:

- Roasters
- Other companies (packaging, collecting, freezing, drying, process derivative products, confectionery companies, cosmetics companies...)

Other supporting actors:

- FNC: roasters registration, soluble coffee plants registration

Distribution and consumption:

Key actors:

- Traders
- Importers
- Directorate-General for Health and Food Safety (EC): pesticide traceability review and labelling review
- Wholesale distributors
- Retailers
- HORECA industry
- Consumers

Other supporting actors:

- Directorate-General for Trade (EC): facilitates commercial agreements between countries
- International Coffee Organizations (ICO)
- EU delegation in Colombia

WAGENINGEN
UNIVERSITY & RESEARCH

6

Policy context

Photo by Negative Space via Canva

Key definitions in Colombian policy

- **Deforestation:** Definitive elimination of forest cover for other uses. Example: When the forest is cleared for agricultural or livestock production (Ministry of Environment).
- **Natural Forest:** Land occupied mainly by trees that may contain shrubs, palms, bamboo, grasses and lianas, in which tree cover predominates with a **minimum canopy density of 30%,** a minimum in situ canopy height of 5 meters at the time of identification and a minimum **area of one hectare**. Tree cover of commercial forest plantations, palm plantations and trees planted for agricultural production are excluded (IDEAM).
- **Agroforestry System:** A form of production that combines forest species with agricultural species and/or livestock production areas, with a spatial-temporal distribution of trees in the production system that clearly indicates their introduction as a forestry component (Ministry of Agriculture).

Definitions used in the EU deforestation regulation

- **Deforestation**: conversion of forest to agricultural use (human-induced or not)
- **Forest**: land spanning more than **0,5 hectares with trees** higher than 5 metres and a canopy **cover of more than 10%** or trees able to reach those thresholds in situ, **excluding land that is predominantly under agricultural or urban land use**
- **Agricultural use:** use of land for the purpose of agriculture, including for agricultural plantations, and includes livestock and set-aside agricultural areas;
- **Agricultural plantations:** tree stands in agricultural production systems, such as fruit tree plantations, oil palm plantations, olive orchards and agroforestry systems when crops are grown under tree cover. It includes all plantations of the relevant commodities other than wood. Agricultural plantations are excluded from the definition of 'forest';
- **Deforestation free:** (a) that the relevant products contain, have been fed with or have been made using, commodities that, were produced on land that has not been subject to deforestation after 31 December 2020, and (b) in case of relevant products that contain or have been made using wood, that the wood has been harvested from the forest without inducing forest degradation after 31 December 2020.

WAGENINGEN UNIVERSITY & RESEARCH

(Council of the European Union 2022)

Colombian regulatory framework:

Key actors:

- ICA (Instituto Colombiano Agropecuario): production permit, phytosanitary regulations and controls.
- Ministry of Labor, Ministry of Health: regulation of work conditions in coffee cultivations.
- Ministry of Environment: decrees for the management of water and leachates in coffee postharvest.
- Chamber of Commerce/DIAN: business permit.
- INVIMA (Instituto Nacional de Vigilancia de Medicamentos y Alimentos): export permit for 'manipulated' food products
- FNC: national registry of exporters, *repeso* certificate, origin certificate *ICO*
- Almacafé: purchase, storage, conservation, transformation, distribution and quality control of coffee
- Ministry of Trade: free trade agreements, anti-narcotics police registry.
- PROCOLOMBIA: promotion of exports, tourism, investment, country brand.

European regulatory framework:

Key actors:

- European Commission (EC),
    - Directorate General for Health and Food Safety: policy, legislation and implementation of food safety measures, including pesticides- and organic (if relevant) regulations (CBI, 2021)
    - Directorate General for the Environment: EUDR
    - EU Delegation to Colombia
- National Customs Authorities: inspection of goods, documents (e.g. declaration of conformity) and means of transport to ensure compliance with customs, trade and security regulations.
- European Food Safety Agency – EFSA: Technical and scientific role in food safety risk assessment.

Photo by Tookapic via Canva

7

Hotspots for traceability

WAGENINGEN UNIVERSITY & RESEARCH

Hotspots in the coffee value chain 1/2

- **Collection and processing**

- Standardization of traceability processes in processing plants for to have sectoral wide reliable traceability
- Traceability is not yet implemented for soluble, ground and milled coffee, and exported products that contain coffee
- Alignment and coordination with Colombian and international exporters to provide chain wide understanding of how the EUDR will affect farmers.

- **Market**

- Risk that Colombia avoids EU market due to EUDR as Europe is NOT main export destination
- Data sharing and open data is key for an effective traceability system and assessing the impact of the EUDR on those not participating in the FNC system

Hotspots in the coffee value chain 2/2

- **Data**

- How is traceability system data managed and by whom? Who has access to the data? How are certification systems addressing this? An exclusive role of the private sector (as EUDR aims).

- **Land**

- Property and land registry represent a challenge and could affect monitoring and accountability.

- **Forest and agroforestry definitions**

- The differences EU and Colombian definitions of forest, coffee agroforestry and coffee under shade (see Box 1.3) need to be resolved to ensure alignment between Colombian law and EUDR.

Photo by JancickaL via Canva

8

Deforestation-free regulation (EUDR)

Regulation lays down rules regarding the placing and making available on the Union market as well as the export from the Union of relevant products that **contain**, **have been fed** with or have been made **using relevant** commodities.

Cattle, cocoa, **coffee**, oil palm, rubber, soya and wood

With the aim

a) minimising the Union's contribution to deforestation and forest degradation worldwide, thereby contributing to a reduction in global deforestation;
b) reducing the Union's contribution to greenhouse gas emissions and global biodiversity loss.

WAGENINGEN UNIVERSITY & RESEARCH

[Regulation (EU) 2023/1115 of the European Parliament and of the Council of 31 May 2023 on the making available on the Union market and the export from the Union of certain commodities and products associated with deforestation and forest degradation and repealing Regulation (EU) No 995/2010]

What are the key elements of the EUDR?

Benchmarking system	• Assigns to third countries or parts of countries a level of risk related to deforestation (low, standard or high)
Cut-off date	• Determines 31 December 2020, for implementing mandatory due diligence rules
Due diligence statements	• Introduces the requirement of tracing the geographic location of each plot of land where the commodity was produced
EU Observatory	• Monitor changes in forest cover while considering human rights and the balance between environmental protection and business interests.

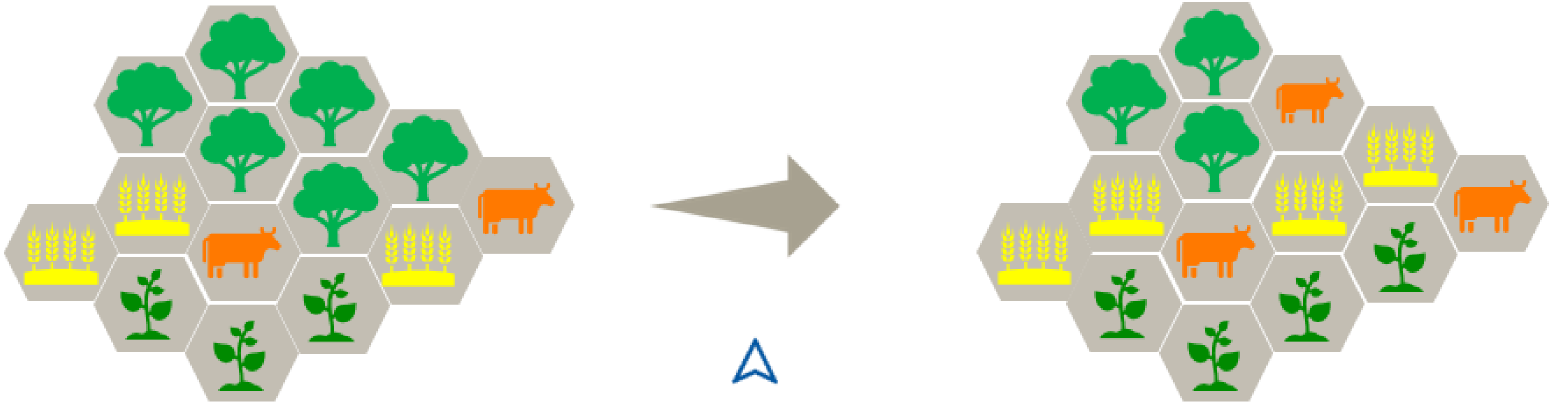
Benchmarking system

- A level of risk would determine the requirements and specific obligations for operators and member states' authorities to carry out inspections and controls
- Risk of deforestation from all 'relevant commodities'
  - low-risk sectors must comply with high-risk due diligence when high-risk sectors are present

- How is the risk determined
  - ✓ Rate of deforestation and degradation
  - ✓ Rate of agricultural expansion
  - ✓ Production trends of commodities
- Level of controls for operators*
  - ✓ 3% standard risk
  - ✓ 9% High risk
  - ✓ 1% Low risk
- Timeline
  - ✓ 29 June 2023, all countries with a standard level of risk
  - ✓ 30 Dec 2025, risk differentiation
  - ✓ 30 June 2026, for SMEs

WAGENINGEN UNIVERSITY & RESEARCH

Cut-off date



31 December 2020

Agricultural land expansion and forest loss occurring **after** the cut-off date, would be considered deforestation

Due diligence statements for traceability (Art 9)

a. Description (trade name, type of relevant product);

b. Quantity;

c. the country of production and, where relevant, parts thereof;

d. the **geolocation of all plots** of land where the relevant commodities that the relevant product contains, or has been made using, were produced, as well as the date or time range of production;

e. the name, postal address and email address of any business or person **from whom** they have been supplied with the relevant products;

f. the name, postal address and email address of any business, operator or trader **to whom** the relevant products have been supplied;

g. adequately conclusive and **verifiable information** that the relevant products are deforestation-free;

h. adequately conclusive and verifiable information that the relevant commodities have been **produced in accordance with the relevant legislation of the country of production**, including any arrangement conferring the right to use the respective area for the purposes of the production of the relevant commodity.

EU observatory

- Launched by the Commission in order to **better monitor changes** in the world’s forest cover and related drivers.
- Building on existing monitoring tools, including ***Copernicus* products** and other publicly or privately available sources,
- Should **facilitate access to information** on supply chains for public entities, consumers and businesses,
- Providing **easy-to-understand data** and information linking deforestation, forest degradation and changes in the world’s forest cover to Union demand for, and trade in, commodities and products.

Timeline EUDR

Proposal to European Commission

- **November 19, 2021**

EU General Council approval

- **June 28, 2022**

Approval in the European Parliament

- **September 13, 2022**

Trilogue negotioations

Compromise reached between European Commission, Council and Parliament

- **December 6, 2022**

Adoption by Council and Parliament

- **March 2023**

Entry into force of the Regulation

- **9 June 2023** *(Published Official Journal)*
- **30 June 2023**

Application of the Regulation

18 months from adoption **(30 Dec 2025)** (bigger companies)

24 months from adoption **(30 June 2024)** (SMEs)

References

Photo via Canva

References 1/2

- Café de Colombia. (n.d.-a). *PROTECTED GEOGRAPHICAL INDICATION -*. Retrieved August 14, 2023, from https://www.cafedecolombia.com/particulares/protected-geographical-indication/?lang=en
- Café de Colombia. (n.d.-b). *REGIONAL DENOMINATION OF ORIGIN -*. Retrieved August 14, 2023, from https://www.cafedecolombia.com/particulares/regional-denomination-of-origin/?lang=en
- CBI. (2021a, August 11). *Entering the Dutch coffee market | CBI*. https://www.cbi.eu/market-information/coffee/netherlands-0/market-entry
- CBI. (2021b, August 11). *Entering the European market for certified coffee*. https://www.cbi.eu/market-information/coffee/certified-coffee/market-entry
- Coffee Intelligence. (2022, February 21). *Why more female coffee farmers should be in decision-making roles.* https://intelligence.coffee/2022/02/why-more-female-coffee-farmers-should-be-in-decision-making-roles/
- Coffee Relience Atlas. (2023). *Sustainable Coffee Challenge | Map*. https://coffee.resilienceatlas.org/
- Coffeee Intelligence. (2022). *Who are Colombia's coffee pickers?* https://intelligence.coffee/2022/09/who-are-colombia-coffee-pickers/
- FAO. (n.d.). *FAOSTAT - Coffee* [dataset]. Retrieved August 7, 2023, from https://www.fao.org/faostat/en/#search/coffee
- FAO. (2023). *Coffee | FAO | Food and Agriculture Organization of the United Nations*. https://www.fao.org/markets-and-trade/commodities/coffee/en/
- FNC. (2023a). *Coffee Statistics—Coffee prices, area and production* [dataset]. https://federaciondecafeteros.org/wp/coffee-statistics/?lang=en
- FNC. (2023b). *Coffee Statistics—Colombian coffee exports* [dataset]. https://federaciondecafeteros.org/wp/coffee-statistics/?lang=en
- FNC. (2022, February 12). *¿Cómo y donde viven las familias cafeteras? | Compro café de Colombia*. https://comprocafedecolombia.com/como-y-donde-viven-las-familias-cafeteras/
- FNC. (2023c). *Desarrollo Social: Familias cafeteras con equidad de género y empalme generacional-* https://federaciondecafeteros.org/wp/sostenibilidad/eje-social/desarrollo-social-familias-cafeteras-con-equidad-de-genero-y-empalme-generacional/
- FNC Press. (2021, May 18). *Coffee grows 21.4% in the first quarter and marks agricultural GDP of 3.3%*—National Federation of Coffee Growers. https://federaciondecafeteros.org/wp/listado-noticias/cafe-crece-214-en-primer-trimestre-y-jalona-pib-agropecuario-de-33/

References 2/2

- FNC Press. (2023, January 4). *Producción anual de café de Colombia cierra 2022 en 11,1 millones de sacos*—Federación Nacional de Cafeteros. https://federaciondecafeteros.org/wp/listado-noticias/produccion-anual-de-cafe-de-colombia-cierra-2022-en-111-millones-de-sacos/
- GFW. (2023). *Colombia Deforestation Rates & Statistics* | GFW. https://www.globalforestwatch.org/dashboards/country/COL
- GOV.CO. (n.d.). *Cultivos Forestales con fines comerciales*. Retrieved August 4, 2023, from https://www.minagricultura.gov.co/Normatividad/Paginas/Decreto-1071-2015/Cultivos-Forestales-con-fines-comerciales.aspx
- GOV.CO. (2022). *Proyectamos que la producción de café estará en 13,2 millones de sacos este 2022, lo que representará un crecimiento de 5% frente al año anterior*": Ministro Rodolfo Zea Navarro. https://www.minagricultura.gov.co/noticias/Paginas/Proyectamos-que-la-producci%C3%B3n-de-caf%C3%A9-estar%C3%A1-en-13,2-millones-de-sacos-este-2022,-lo-que-representar%C3%A1-un-crecimiento-de-5-f.aspx
- ICO. (2021). *The future of coffee* (Coffee Development Report). International Coffee Organisation.
- IDEAM. (n.d.). Superficie cubierta por bosque natural ARCHIVOS RELACIONADOS - SUPERFICIE CUBIERTA POR BOSQUE NATURAL - IDEAM. Retrieved August 4, 2023, from http://www.ideam.gov.co/web/ecosistemas/superficie-cubierta-por-bosque-natural
- MinAgricultura. (2018). *Agricultura Campesina, Familiar y Comunitaria ACFC* (p. pag 13). Agricultura Campesina, Familiar y Comunitaria ACFC
- MinAmbiente. (n.d.). *Glosario—Ministerio de Ambiente y Desarrollo Sostenible*. Retrieved August 4, 2023, from https://www.minambiente.gov.co/glosario/
- Trase - *Colombian Coffee Supply Chain*—Data Explorer. Retrieved August 7, 2023, from https://explore.trase.earth/explore/COLOMBIA/COFFEE/fob?includes_domestic=true&year=2021&region_type=DEPARTMENT&region_level=2
- USDA. (2022). Coffee Semi-annual (Coffee CO2022-0022). https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Coffee%20Semi-annual_Bogota_Colombia_CO2022-0022.pdf