Colombian Coffee

4C Global Sustainability Conference
1. Who is FNC
2. What we have been doing for Coffee Growers' Sustainability
3. Our current challenge: PRICE
Agenda

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Colombian Coffee Growers Federation (FNC)

Represents Colombian coffee growers since 1927

An Association of producers that represents over **500K** coffee producers in Colombia

We have over **388K** that are directly affiliated to FNC and have their intelligent Coffee ID (federated coffee growers)

In 2018 we had coffee election where **4,776** representatives were elected democratically
Who is FNC

We deliver 3 main services to Colombian Coffee Producers:

- Coffee marketing service: Purchase Guarantee
- Research and Extension Service
- Social development
Our strategy: Coffee Growers' Profitability

Profitability is the first step for Sustainability

Profit = Price \times Quantity - Costs
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Growing participation in production volume of coffees sustainable, but the gaps vs. sales continue.

Current situation in Colombia

Between 60% and 70% of coffee total production is certified/verified.

The gap between production and sales continues.

**Certified/ verified actually sold

**Total production of the country

Source: Solidaridad, February 2019
Opportunities for Colombian market

1. **Focalize Efforts:**
   1. Conservation and soil management
   2. Financial viability of coffee growing families
   3. Improve social conditions in the countryside

2. **Focalize Efforts:**
   Social and environmental costs must be internalized in the calculation of overall costs. Also, implement specific projects and technical support.

3. **Empowerment:**
   Projects designed from above often ignore real needs. But through self-management and community organization value can be generated contributing with the communities.

Source: Solidaridad, February 2019
<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2012</th>
<th>2018</th>
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</thead>
<tbody>
<tr>
<td>Coffee Growers</td>
<td>362</td>
<td>37.376</td>
<td>112.844</td>
</tr>
<tr>
<td>Area (Ha)</td>
<td>674</td>
<td>146.801</td>
<td>304.097</td>
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Growing participation in production volume of coffees sustainable, but the gaps vs. sales.

Evolution of the 4c program-FNC

2007
1 Unit

2010
10 Units

2018
18 Units
## Evolution of 4C units

<table>
<thead>
<tr>
<th>Dimension</th>
<th>2010</th>
<th>2014</th>
<th>2018</th>
<th>Variation</th>
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<tbody>
<tr>
<td>Economic</td>
<td>1.7</td>
<td>1.2</td>
<td>1.3</td>
<td>+13%</td>
</tr>
<tr>
<td>Social</td>
<td>1.8</td>
<td>1.4</td>
<td>1.4</td>
<td>+13%</td>
</tr>
<tr>
<td>Environmental</td>
<td>2.3</td>
<td>1.7</td>
<td>1.6</td>
<td>+22%</td>
</tr>
</tbody>
</table>
Most improve criterias

**Economic**
- Productivity & Profitability: 3 to 1.40 (50% Improvement)

**Social**
- Salaries/health and safety: 3 to 1.56 (48% improvement)

**Environmental**
- Wastewater: 3 to 1.89 (38% Improvement)
Most improve criterias

**Economic**
- Renewal Program
- Increase in densities
- Proper fertilization plans

**Social**
- Educational campaigns

**Environmental**
- Decrease in the amount of water used in wet milling
- Identification and protection of water sources
  - Soil coverage and better fertilization due to soil analysis
What we have been doing

- 7,520 farm visits by sustainability team of the cooperatives
- 95,400 coffee growers trained
- 89,720 farm visits by the extension service
- 1,970 professionals trained in the implementation of the Common Code for the Coffee Community (4C)
- 95,000 units distributed (Guide for continuous improvement and critical points related to wastewater, pesticides, health)
- 82 audits
26% of coffee growers within a 4C unit in Colombia, have been able to reach another Sustainability Voluntary Standard.
Challenges

- Waste water and coffee processing water management
- Pesticides usage
- Health and safety conditions
- Dangerous waste management
- Soil Management
- Organic matter usage
- Sales records
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New York “C”

Real Price
Colombian Coffee Internal Price

Note: *estimate cost at dry mill
Let’s all continue to work for Coffee Growers' Profitability