

The Role of Certification in Making Coffee Sustainable

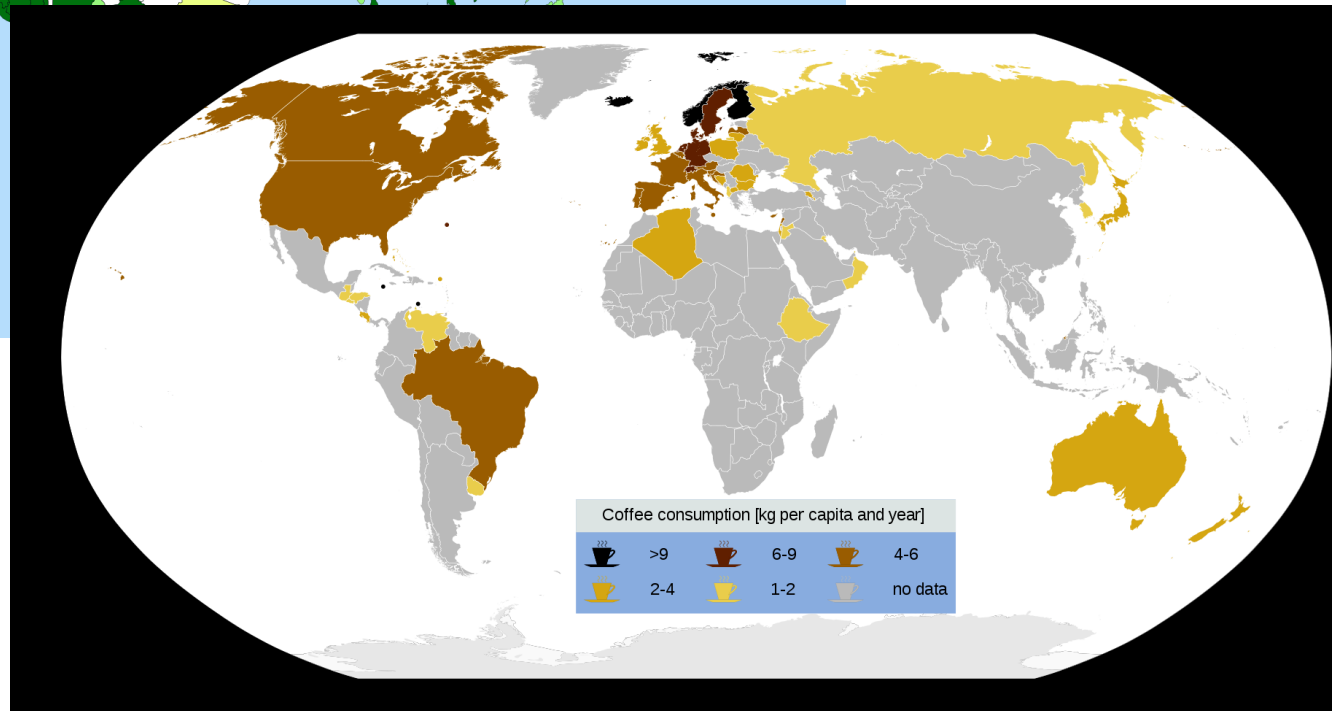
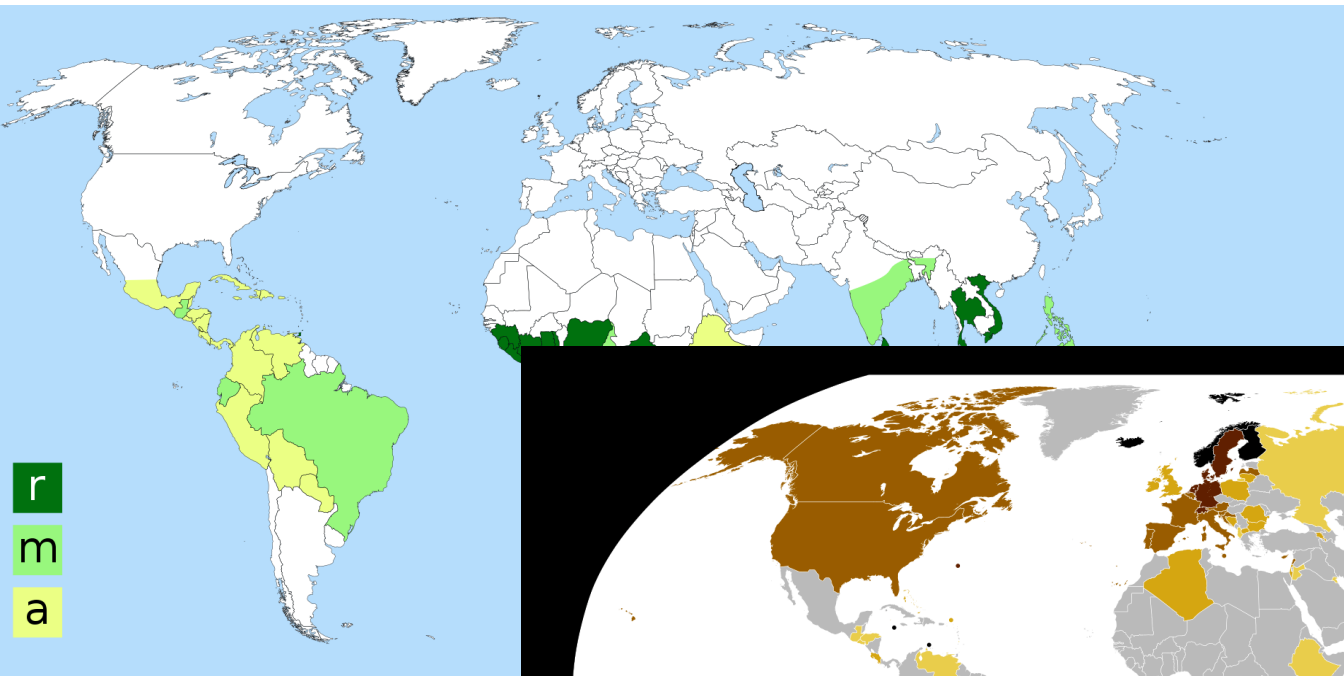
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4C Online Seminar:
Sustainability as a Core Requirement for Market Acceptance

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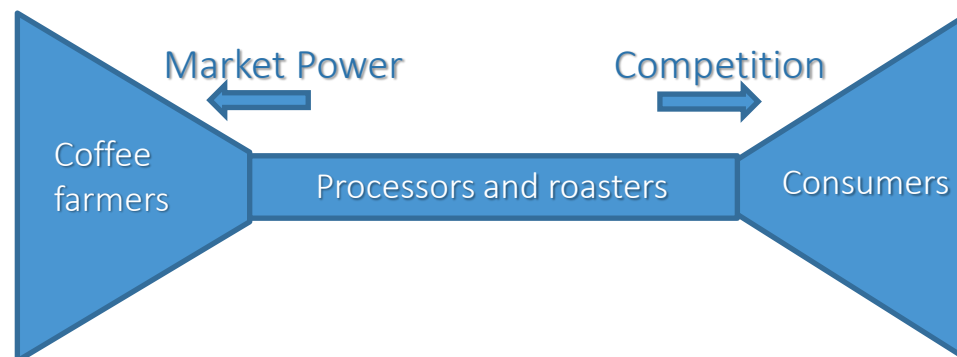
Produced in the tropics and
consumed mostly in richer and colder climates



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Main characteristics of the coffee supply chain

- There is a long supply chain from producers, middlemen exporters, importers, roasters, and retailers before coffee reaches the consumer
- Millions of smallholders in tropical countries produce coffee
 - Approximately 25 million farmers supporting about 125 million people
 - Often producing on small plots hardly supporting the livelihood of a family
- Few processors and roasters buy and process coffee with market power towards a large number of competing farmers
- Many consumers buy from a few roasters and are price sensitive



Main characteristics of the coffee supply chain

- Many *coffee*-producing countries have extreme poverty and lack effective social infrastructure: No safety net for coffee farmers
- In a highly volatile *coffee market*, producers and their families are vulnerable. The economic *sustainability* of the *industry* is strongly linked to the social *sustainability* of communities around the world: Lack of institutions and insurance
- Coffee sold often does not carry sufficient information about the social, economic, and ecologic sustainability of the particular brand: Consumers cannot make an informed buying decision

- What do we need?
- Information for Consumers
- Economic security for farmers
- Control of ecologic conditions
- Support for farmers

SDGs set the framework for sustainability challenges in the coffee sector

Many SDGs are relevant for coffee

Multiple challenges for sustainability: Economic, social, and ecologic



Economic Sustainability



- Support for productivity improvements
- Prices securing sufficient income
- Market access for farmers
- Risk management opportunities

Social Sustainability



- Secure human and labour rights
- Safe working conditions
- Food security

Ecologic Sustainability



- Protection of biodiversity
- Conservation of natural resources (soil, water)
- Ecologically sound management

Conditions for meeting the SDGs and mechanisms supporting SDGs

Activities along the supply chain:

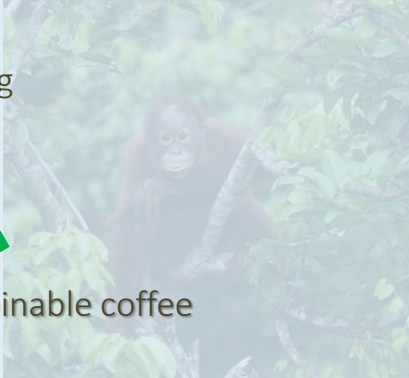
Economic Sustainability

- ✓ Willingness of consumers to secure and pay for sustainable coffee:
Requires information about the sustainability of the coffee they are buying
- ✓ Willingness of roasters to pay for sustainable coffee
Need to provide credible information to consumers
Need to engage producers, traders, and processors
Provide incentives to move toward sustainable coffee

Social Sustainability

- ✓ Willingness and ability of coffee farmers to conduct their coffee activity in a sustainable way
 - Requires knowledge about sustainable practices and improvements
 - Willingness to adjust practices
 - Potentially supporting a sufficient income
 - Financial incentives
 - Market access
 - Risk management opportunities

Ecologic Sustainability



- Protection of biodiversity
- Conservation of natural resources (soil, water)
- Ecologically sound management

This complex undertaking requires tremendous coordination!

Certification coordinates all these activities in an efficient and effective way!

Lessons for making coffee supply chains sustainable

- Coffee supply chains cover **complex spatial and economic landscapes**
- Millions of small coffee growers engage with large processors and roasters who sell to millions of consumers, creating **diverse market structures** with unequal market power
- Sustainable coffee supply chains require **empowerment of all segments of the supply chain**
- Especially **coffee farmers need support** through economic incentives and financial as well as knowledge means for moving towards sustainability
- The **SDGs identify challenges and give guidance** to the multidimensional aspects to be considered for sustainable coffee: No Poverty (SDG 1), Zero Hunger (SDG 2), Good Health and Well-being (SDG 3), Decent Work and Economic Growth (SDG 8), Responsible Consumption and Production (SDG 12), and Life on Land (SDG 15)
- **Economic, social, and ecologic sustainability** are most pressing issues for **coffee farmers** but need engagement and support along the whole supply chain
- Certification of the whole supply chain is the most effective and economically efficient way of pouring sustainable coffee into the cups in cold climates!