United Nations Conference on Trade and Development

UNCTAD-ICO Workshop on

Fostering sustainable development in coffee-exporting countries

18 February 2020, Palais des Nations, Geneva

Challenges: Green Coffee Market

By

Michael von Lührte, Secretary General, Swiss Coffee Trade Association (SCTA)

The views expressed are those of the author and do not necessarily reflect the views of UNCTAD.
Challenges
Green Coffee Market

Climate Change
Low Prices / Sustainability
Origin Concentration

Michael von Luehrte
Secretary General

UNCTAD/ICO Workshop, Geneva, Feb 18, 2020
Coffee is produced mainly by smallholders in the tropics – economic viability is critical for the future.

Map showing areas of coffee cultivation:
r: Coffea canephora
m: Coffea canephora and Coffea arabica
a: Coffea arabica

Coffee is facing a challenge

Climate Change

Rising Demand

Competition for Land

The long term issue and challenge
Meeting future demand for coffee could require at least doubling production by 2050

More coffee needs to be produced on less land

Need to produce an additional 4-14 million tons of coffee by 2050 to meet future demand.

Meeting this demand will require a renewed focus on productivity of coffee farms.

There is a significant risk of coffee expanding into new areas – potentially natural forests.

Current coffee prices and the risk of climate change require immediate and long-term action by all sector stakeholders.

Source: [www.conservation.org/coffeereport](http://www.conservation.org/coffeereport)
Low coffee prices are threatening smallholder farmers mainly in Africa, Central America /Peru.

The immediate challenge - low producer prices

Long-term Green Coffee Prices are driven by the underlying supply/demand equation - the cycles are showing a typical boom and bust and reverse towards the cost of production.
The most competitive producers Brazil/Vietnam are gaining market share and expand production.

The mid term challenge is to preserve diversity of production and qualities without distorting the underlying supply/demand economics.

Production of Brazil and Vietnam vs. Rest of the World (RoW)

- **RoW**
- **Brazil + Vietnam**
- **Share**