

United Nations Trade and Development (UNCTAD)

GLOBAL COMMODITIES FORUM

9-10 December 2024, Geneva

Side event: Strengthening traceability in Latin American coffee value chains

**UN Trade and Development (UNCTAD) – UN Development Programme (UNDP) / Regional Bureau
for Latin America and the Caribbean Joint Agreement to Strengthen Traceability in Latin
American Coffee Value Chains
9 December 2024**

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The views expressed are those of the author and do not necessarily reflect the views of UNCTAD.

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

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Side Event: Strengthening traceability in Latin American coffee value chains

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➤ The 2E Challenges faced by Coffee VCs

▶ Economic:

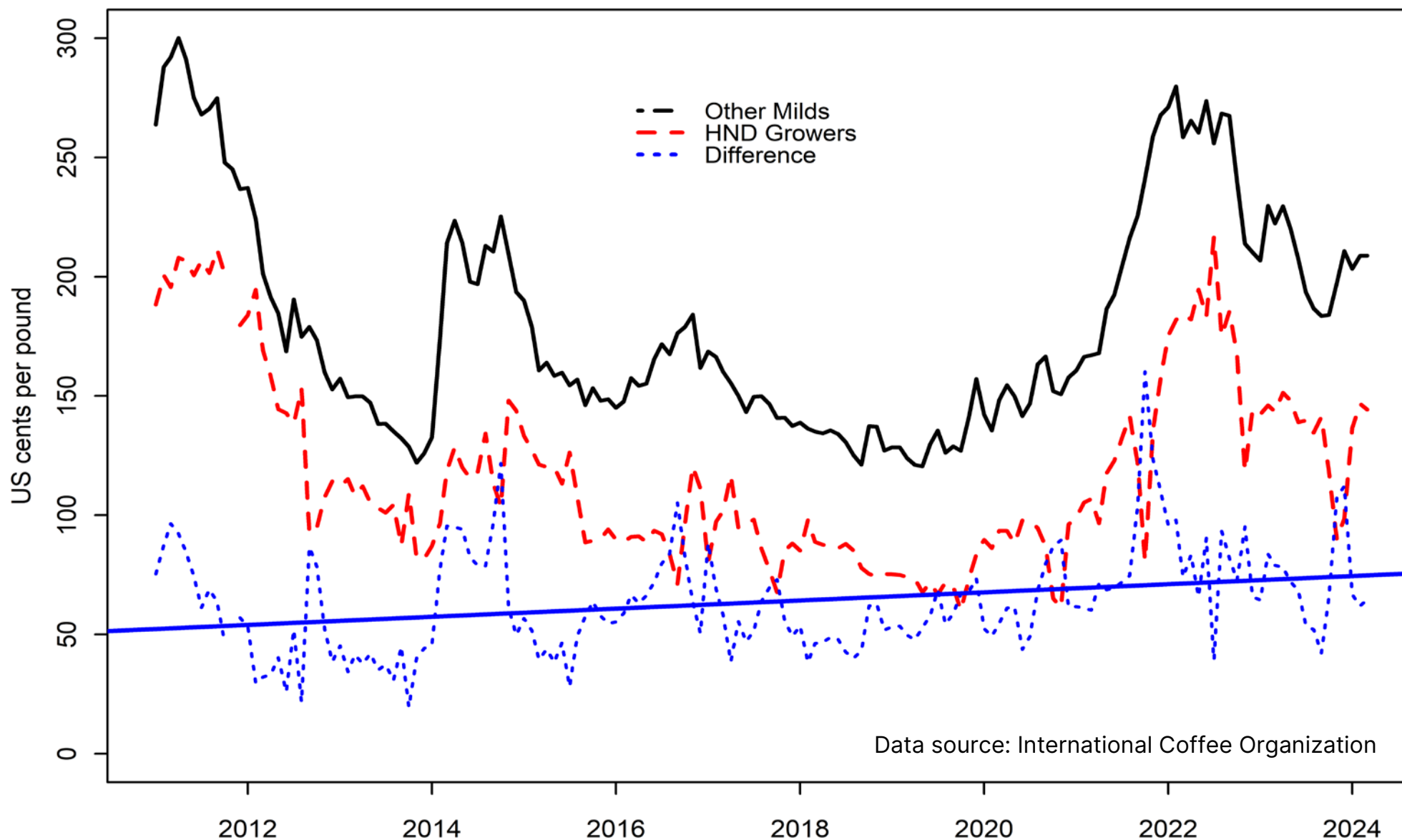
- Low margins of farmers, and its consequences (i.e. low replanting, low use of fertilizers, impact on varieties chosen (low inputs but low productivity), on workers' wage ceilings, on migration, etc).
- High income volatility and high volatility of input prices.
- Impact of market power along different segments of the VC.
- Others: access to credit and inputs, infrastructure, certification

▶ Environmental:

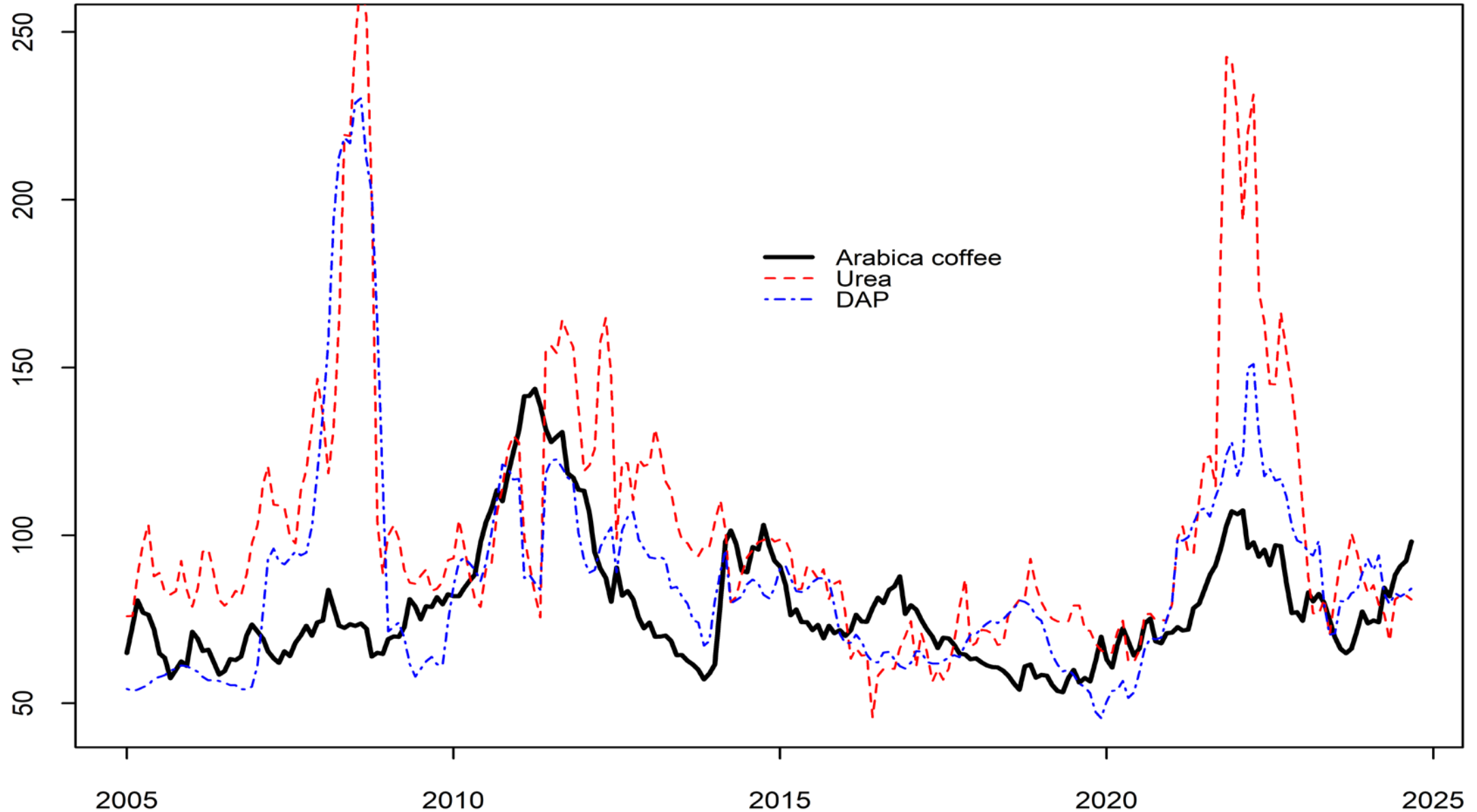
- Climate change and impact on weather patterns (e.g. ENSO).
- Increased incidence of pests and diseases (e.g. leaf rust).
- Deforestation and land degradation (causes and consequences)



Honduras: International and Producer Coffee Prices



Arabica Coffee, N and P Fertilizer Real Prices (2010=100)



Data source: World Bank and US Bureau of Labor

PE-5N

200 m

PE-5N

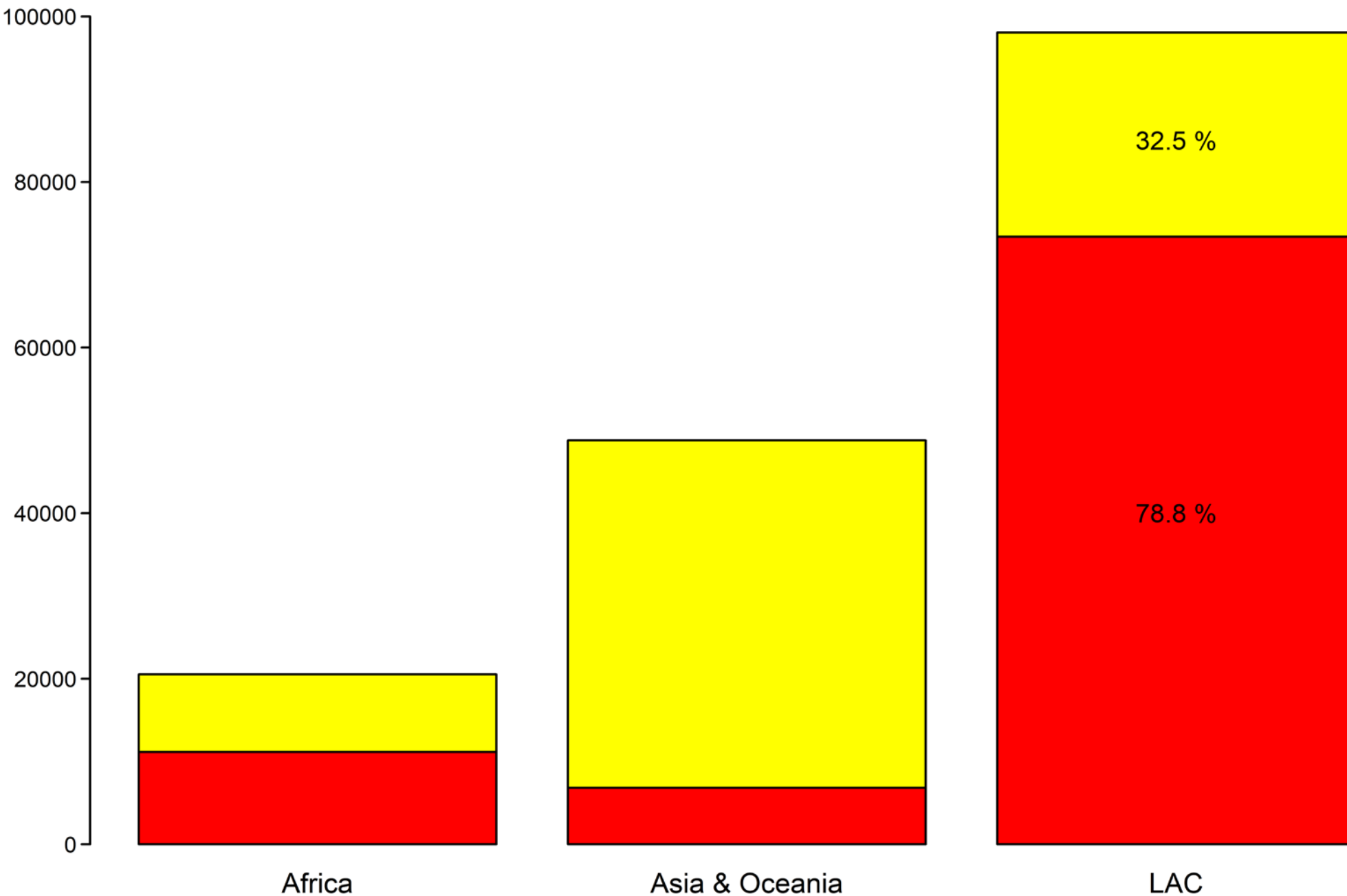


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➤ Traceability of Agricultural VCs

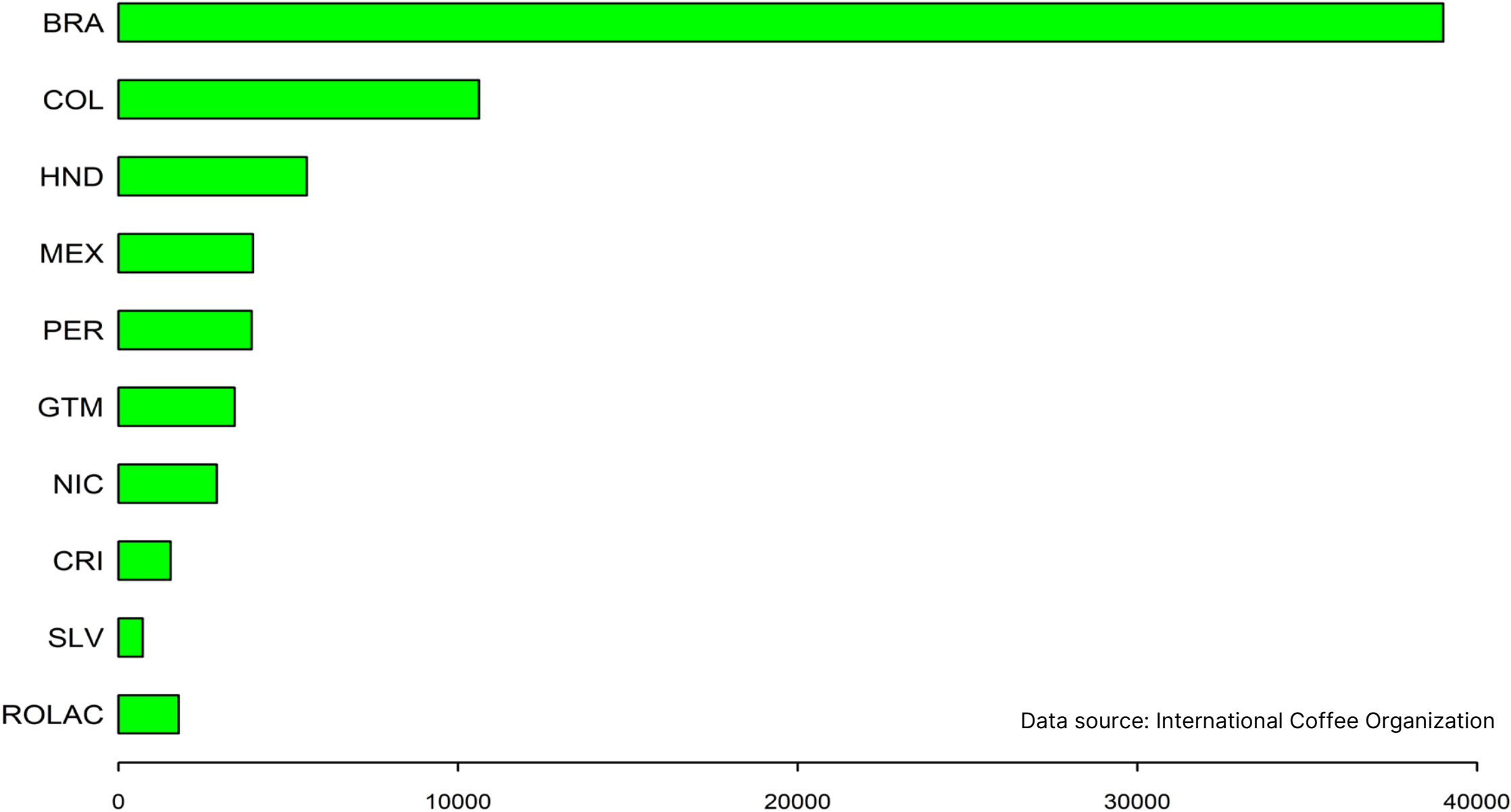
- ▶ Different traceability tools are available on the market.
- ▶ There is an argument in favour of coordination within the same value chain and for a public policy role (e.g. competition issues).
- ▶ Functions to be fulfilled (RT/mandatory standards):
 - Geo-reference of the origin of production (polygons).
 - Compliance with legal standards at origin
 - Verification of deforestation uses remote sensing.
- ▶ There are different technical implementation challenges: e.g. **interoperability** of different systems, **scalability**, and **balance** between **applicability**, **complexity** and **cost**.
- ▶ Traceability implementation is key for **Inclusivity**

Coffee Production by Region - 2022/23 (Thousands of 60 Kg bags)



Data source:
International Coffee Organization

Arabica Coffee Production in LAC - 2022/23 (Thousands of 60 Kg bags)



Data source: International Coffee Organization

➤ UNCTAD's Capacity Building - Coffee

- ▶ New project (2025-2028) in Lao PDR, Thailand and Vietnam.
- ▶ Project: *“Sustainable coffee export strategies and traceability for a green, sustainable, and inclusive economy in Asia”*.
- ▶ Objective: *To improve the ability of public and private stakeholders in selected Asian developing countries to build national productive and export capacity in coffee.*
- ▶ Focused on the Arabica coffee value chain, dominated by smallholders, with an important gender component.
- ▶ Will obtain primary survey data on the three countries to inform policy actions, building on other previous and ongoing work.
- ▶ Has dedicated sustainability and gender analysis components included in the project, in addition to the economic one.

➤ UNCTAD-UNDP Collaboration on Coffee

- ▶ Initial focus on Latin America and the Caribbean.
- ▶ Building on the strengths of each partner
- ▶ Objective: To promote economically, environmentally, and socially sustainable agricultural policies and practices in the region, by:
 - 1 Contributing to the design and implementation of policy-based Standards and Guidelines, and assisting countries with policy and regulatory frameworks that lead to increased sustainability.
 - 2 Enhancing Transparency and Accountability by strengthening public monitoring and reporting systems to ensure transparency and traceability.
 - 3 Foster multi-stakeholder Collaboration by promoting ongoing dialogues among government, the private sector, and civil society stakeholders.
 - 4 Strengthen local Capacities and Knowledge Sharing by establishing platforms for training, knowledge exchange, and sharing of best practices.

Thank you!

