



International  
Labour  
Organization



## ▶ Sustainable supply chains to build forward better

Advancing decent work in five global supply chains of key importance to the European Union for a fair, resilient, and sustainable COVID-19 crisis recovery

### COFFEE PRODUCTION IN COLOMBIA FOR THE EUROPEAN MARKET

#### About the EC-ILO cooperation

The European Union (EU) Programme for Employment and Social Innovation (EaSI) has partnered with the International Labour Organization (ILO) for a joint intervention that uses global supply chains as an entry point for advancing decent work.

Over two years, the ILO and its Decent Work Teams and Country Offices will support governments, employers' and workers' organizations and other stakeholders in five countries and in further tiers of the supply chains, with new knowledge, tools, guidance, policy advice, technical assistance and training to address decent work challenges and opportunities in five sectors: coffee, electronics, fisheries, rubber gloves and textiles.

The COVID-19 crisis has highlighted the need for resilient and sustainable global supply chains. Decent work – employment creation along with social protection, respect for rights at work, and access to social dialogue – is essential for inclusive growth and eliminating poverty.

This Action will support the EU's commitment to responsible global leadership, to the Sustainable Development Goals, and to promoting international labour standards.

#### The industry at a glance

Coffee is grown in more than 70 countries in Africa, Asia and Latin America. Around 80 per cent of the world's coffee is produced by 25 million farmers, the majority of which are smallholders, each with less than 10 hectares of land.

Coffee consumption has almost doubled over the past 20 years and the global coffee market is expected to reach \$15.63 billion by 2024. Around 65 per cent of coffee is produced in Brazil, Vietnam, Indonesia and Colombia.



#### The EU and Colombia

Europe is the world's largest coffee market. The EU imported 173,000 tonnes of coffee from Colombia in 2018, making Colombia the fourth most important source of coffee.

Colombia and the EU have joined 49 member countries and signed the International Coffee Organization's 2007 International Coffee Agreement, which aims at facilitating international trade and promoting a sustainable coffee economy for the benefit of all stakeholders, and particularly for small-scale farmers in coffee producing countries.

Colombia is the fourth largest green coffee producer in the world, and the third-largest coffee exporting country. It exports about 90 per cent of its coffee production. The coffee industry is estimated to employ 743,000 workers, and accounts for 40 per cent of the country's rural labour force. There are almost as many women (48 per cent) as men (52 per cent) working in the industry.

The two main coffee-producing regions in Colombia are the central region, including the so-called Coffee Triangle, and the south, where coffee production is expanding. In total, there are about 877,141 hectares of land dedicated to coffee production, but the area has recently decreased because of low coffee prices and because farmers have moved to other, more profitable crops. Climate change is increasingly having an effect on coffee growing and production in Colombia.

## Structure of the supply chain

The Colombian coffee value chain relies on farmers, who produce the dry, raw coffee beans and an extensive network of domestic marketing companies consisting of coffee farmers' cooperatives and numerous buyers or intermediaries, threshers and exporters. The green coffee beans, which result from threshing, go to external marketing companies or to the domestic market for use in the domestic roasting industry.

Colombia's coffee supply chain differs from other coffee chains in several aspects. First, harvesting occurs year round in Colombia while other countries typically have shorter, more intense harvesting periods. With two harvests a year, Colombia can produce up to 14 million 60 kilo bags. Second, nearly all farmers process the coffee bean before selling it; elsewhere, it is more common for farmers to sell cherries directly to processors, which usually have more resources. Third, cooperatives have a strong presence in Colombia, accounting for 35 per cent of coffee sales, the highest share in Latin America.

## Decent work challenges and opportunities

Up to 85 per cent of coffee production takes place in the informal economy, which suffers from decent work deficits such as long working hours, low and insecure wages, limited access to social security and insurance, limited inspections and lack of information for the workers. Other labour issues include violation of workers' and employers' organizing rights such as violation of freedom of association.

Migrant workers are among the most vulnerable workers in the coffee supply chain in Colombia. Particularly in the central region, migrant workers conduct much of the work, responding to labour shortages especially during the harvest season. Many workers move from one region to another following the coffee harvests in different regions.

The Government of Colombia and the coffee growers' associations are working with employers' and workers' organizations in Colombia to continuously develop the industry, which is faced with increasing competition and changes in consumption and demand. This includes new supply chain models, investments in new technology and skills, and ensuring that producers have access to international markets for goods of higher value than those already exported. This will also require greater attention to addressing informality and respect for fundamental principles and rights at work.

## COVID-19 and the coffee industry in Colombia

The immediate impact of COVID-19 has been a drop in world coffee exports from 11.15 million bags in June 2019

to 10.57 million bags in June 2020. Some initial evidence shows that the COVID-19 crisis has increased the risks of child labour among vulnerable and poor households in coffee producing regions. International coffee prices have recently risen and are likely to see continued increases as countries stockpile coffee in case supply chains are hit harder by COVID-19. While this might benefit some producers and traders, Colombian coffee producers are navigating an increasingly uncertain future.



© CIAT

Coffee plantation worker

The government and the National Coffee Federation promoted biosafety protocols to prevent and mitigate COVID-19 risks of infections for workers in coffee plantations. Lockdown measures have further affected transport and shipping, which has caused great disruption in the global coffee supply chain, and led to further labour shortages with 87 per cent of the processing units that reduced their operating capacity. They also have an impact on worker mobility, as many workers who are used to travelling between regions following the coffee harvest seasons have not been able to do so due to travel restrictions. This has created a need for recruiting more local workforce, some of whom are in vulnerable situation.

## Key constituents and stakeholders

The Action will work with different stakeholders in the EU, in Colombia and along the supply chain. Key Colombian stakeholders are the: Ministry of Labour, Ministry of Agriculture and Rural Development, Federación Nacional de Cafeteros de Colombia, Central Unitaria de Trabajadores de Colombia, Confederación de Trabajadores de Colombia, and Confederación General del Trabajo.

Using global supply chains as an entry point to advance decent work, the Action will also work with other key stakeholders in the coffee industry in Colombia and across all sectors of its economy and with stakeholders in lower tiers, upstream and downstream, including in the EU.

### Contact details

International Labour Organization  
4, Route des Morillons  
CH-1211 Geneva 22  
Switzerland

Sectoral Policies Department  
E: [sector@ilo.org](mailto:sector@ilo.org)