



Better farming  
Better future

# Coffee Statistics Report 2016



# Introduction

The main goal of this report is to present the scope and scale of the UTZ coffee program in 2016. The statistics report is written in order to inform our stakeholders and is part of our commitment to transparency.

The statistics report focuses on the key indicators related to:

- **Market uptake:** sales of UTZ certified coffee
- **Program reach:** UTZ certified coffee production, premiums being paid and multi-certification of this production

This report is part of the UTZ monitoring and evaluation system. Most of the data in this report is collected via our online traceability system, the Good Inside Portal.

We recognize that there may be shortcomings with the reliability of the data. We look forward to receiving your feedback. For more information, please contact the Monitoring & Evaluation Department at [ME@utz.org](mailto:ME@utz.org)

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5. Supply-demand trend
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# 1. Reach

With Laos joining, now 25 producing countries over the globe

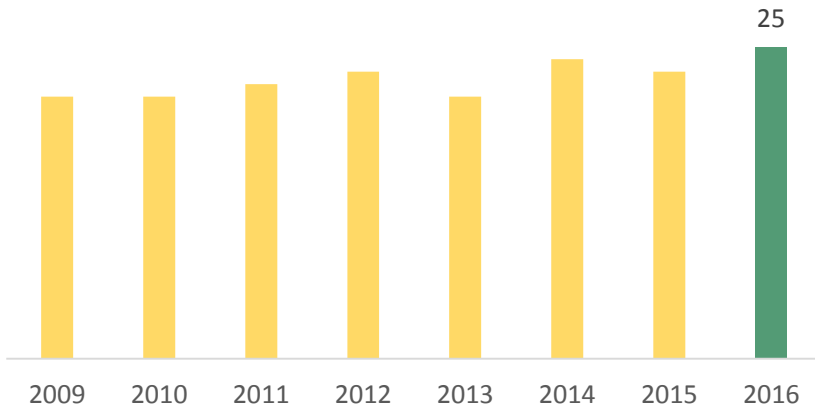


# 1. Reach

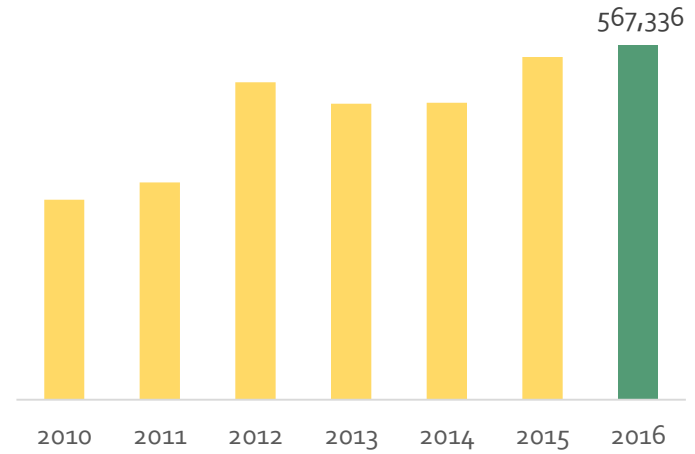
The reach of the UTZ program increased over 2016 with 12 % more farmers, 15% more workers and 3% more land



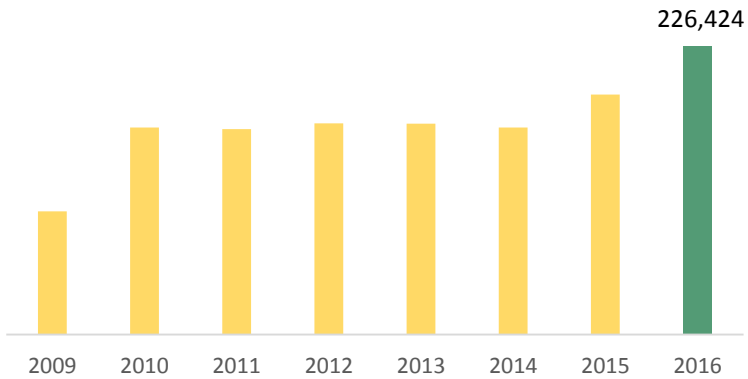
# Producing countries



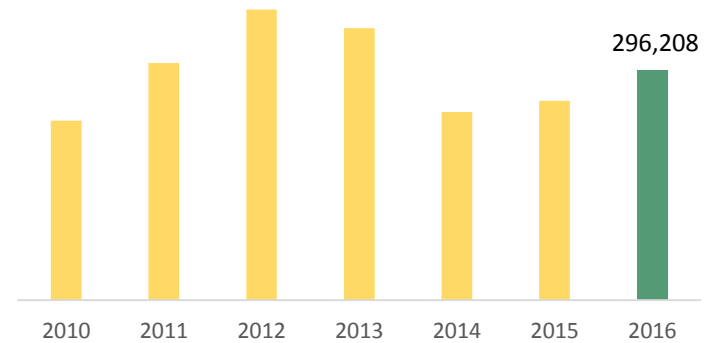
Area (ha)



# of farmers

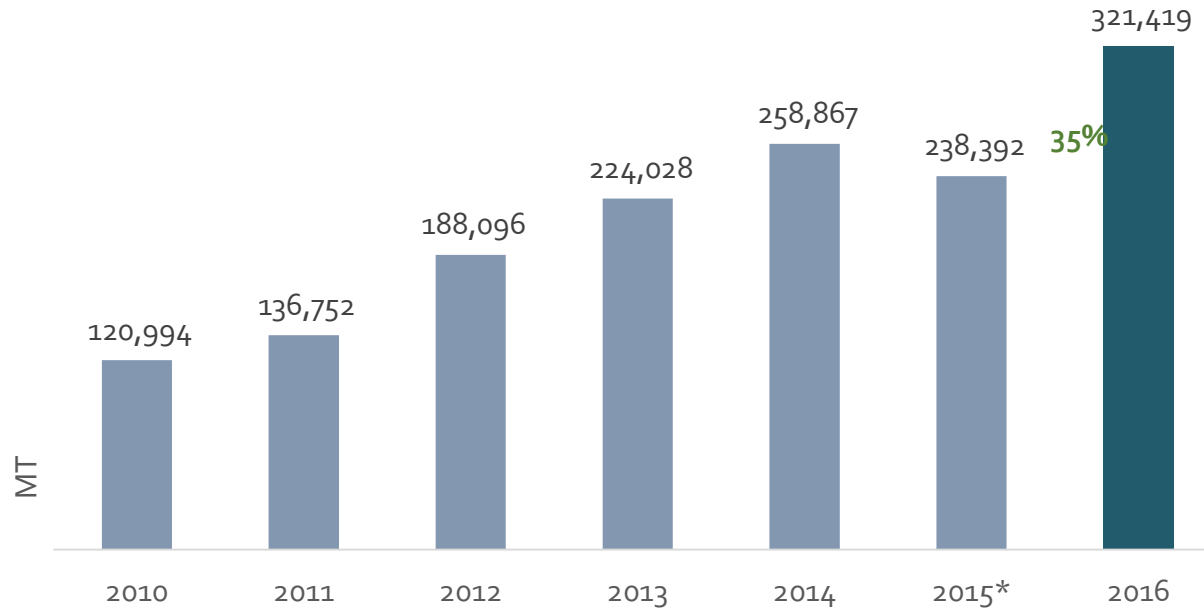


# of workers



## 2.1 Global sales

The UTZ coffee sales - the volume UTZ certified coffee bought from producers - increased by 35% from 2015 to 2016



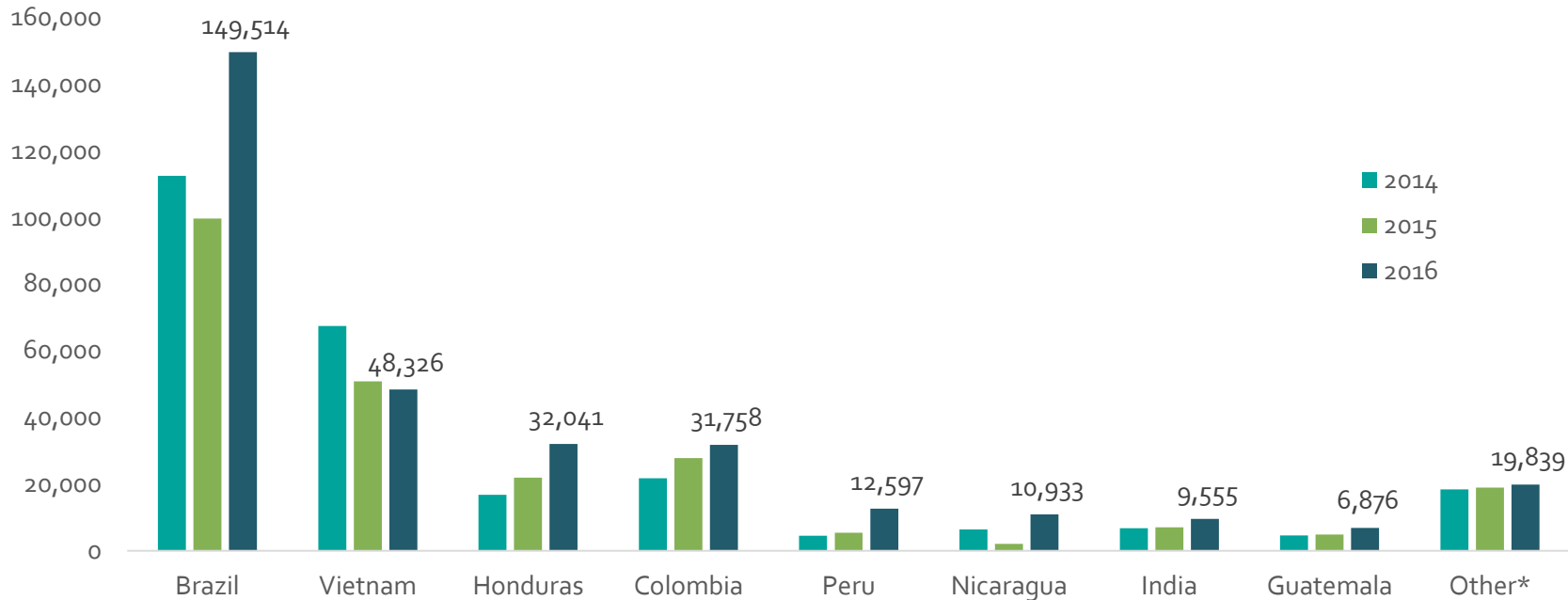
- UTZ sales recovered from temporary drop in 2015 and picked up positive trend
- Increased sales mainly came from Western and Northern Europe, both due to existing partners increasing their commitments and some new joining
- Total volume sold by UTZ farmers increased by 35 percent in 2016
- 85% of the global coffee sales were Arabica and the remaining 15% were Robusta coffee

*'First Buyer Sales' are sales from the producer to the first buyer.*

*\* From 2015 onwards volumes are reported in Green Coffee equivalent.*

## 2.2 Sales per origin country

Largest increase in Brazil (50%) and Honduras (46%), a small loss in Vietnam (5%)



- 35% increase in UTZ coffee sold from Latin America because of more sales from Brazil, Honduras, Colombia, Peru, Nicaragua, Guatemala
- Coffee sales from Asian remained stable: India compensated for the decrease of 5% in sales from Vietnam
- 3% less coffee sold from Africa because of 10% drop in Kenyan coffee

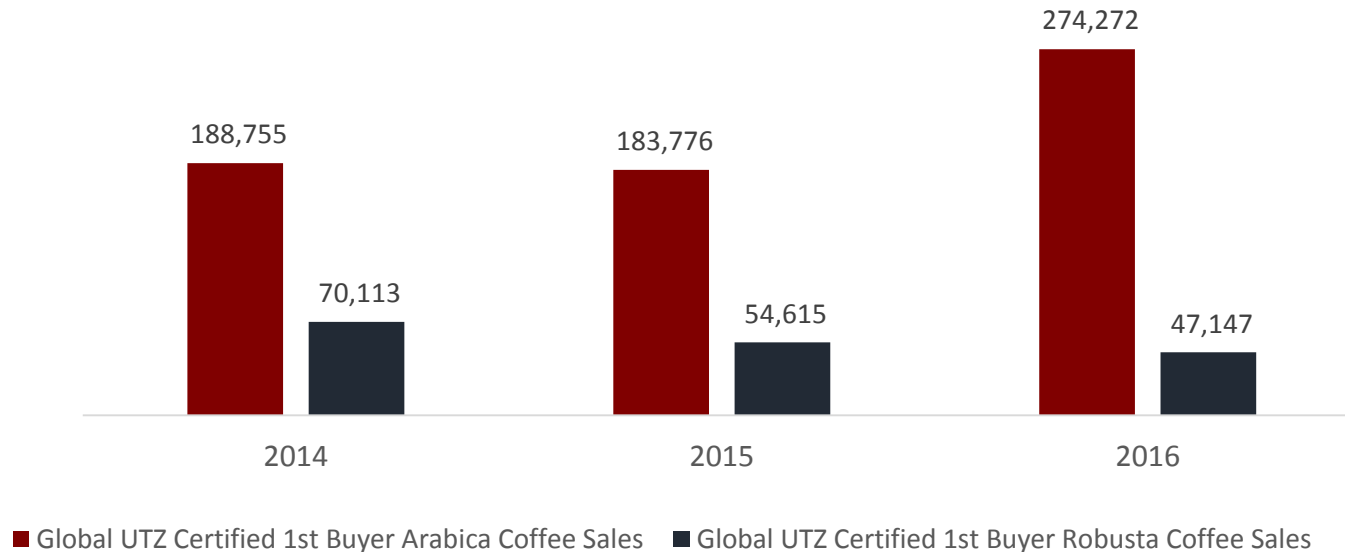
*'First Buyer Sales' are sales from the producer to the first buyer.*

*\*Other includes Mexico, Uganda, Ethiopia, Indonesia, Costa Rica, Kenya, China, Tanzania, Papua New Guinea, Rwanda, Burundi, DR of Congo, Panama, Bolivia, Dominican Republic, El Salvador & Zambia*

## 2.3 Split Arabica vs Robusta

Almost 50% increase in Arabica sales but a 14% decrease in Robusta sales

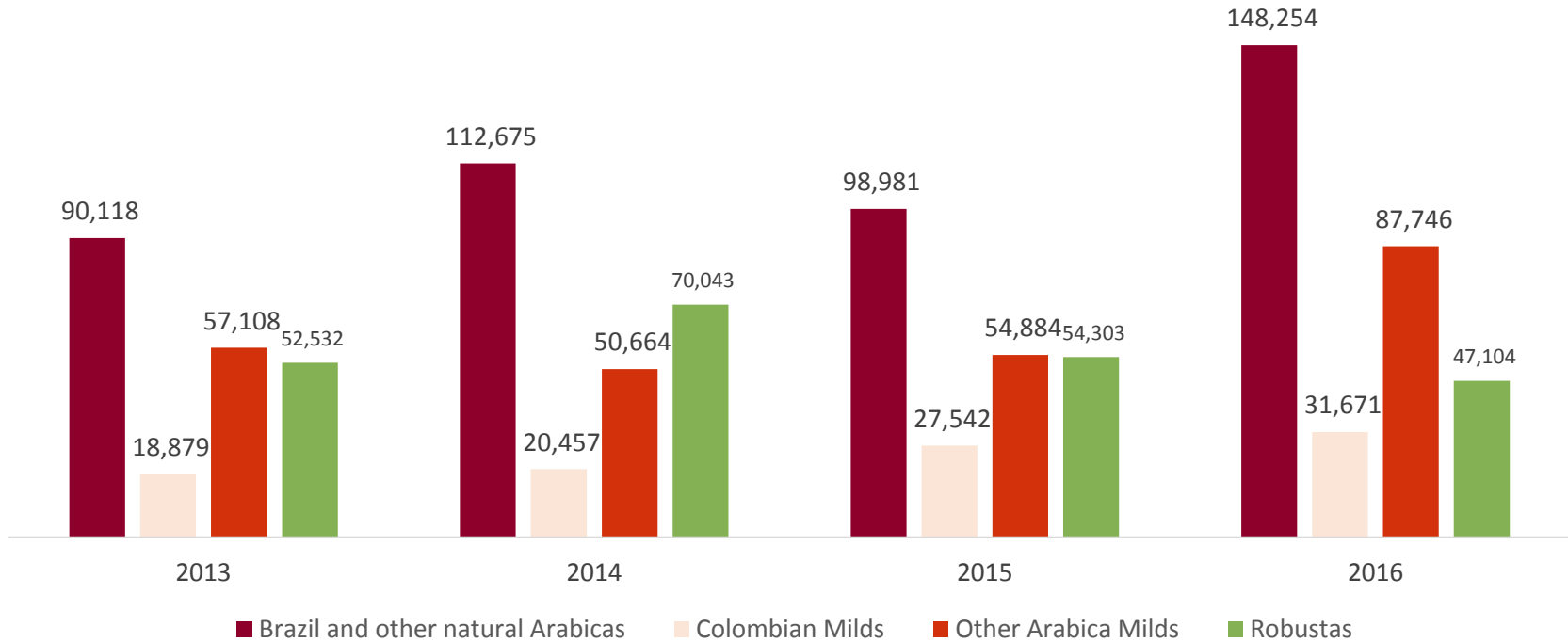
Global UTZ certified First Buyer Coffee Sales (MT)



- Arabica volume sold increased by almost 50%
- Vietnam and India sold most of the UTZ certified Robusta coffee
- Robusta coffee sales increased in Brazil, Mexico and India and decreased in Vietnam, Indonesia and Uganda

## 2.4 Sales per coffee quality classification

Colombian and Brazilian Arabica sales increased since 2015



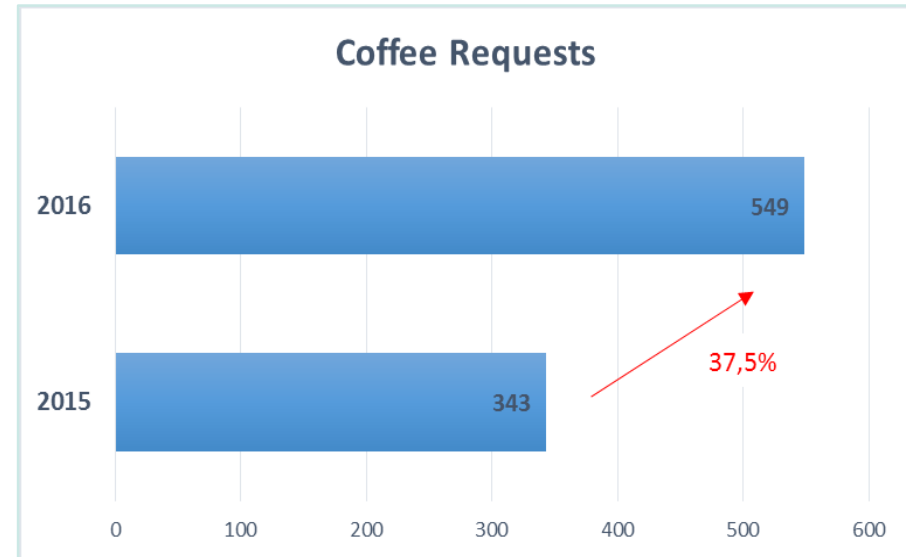
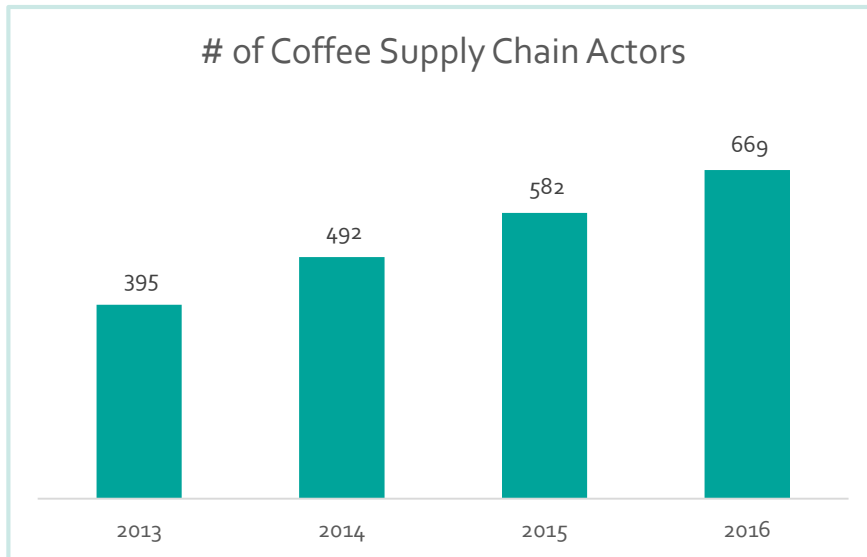
- Brazilian and other mild Arabica coffee qualities saw largest increase (more than 50%) compared to 2015 sales
  - Account for 46% of volume sold
- Colombian Arabica mild quality sales increased by 15%
  - And make up 27% of UTZ sales
- Robusta sales decreased by 14 % compared to 2015

*'First Buyer Sales' are sales from the producer to the first buyer.*

*Arabica sales consists of Colombian Milds, Other Mild Arabicas & Brazil & other Natural Arabicas*

## 2.5 Market uptake

Increase in number of newly registered supply chain actors and number of new label approvals reflects increased market uptake of UTZ coffee



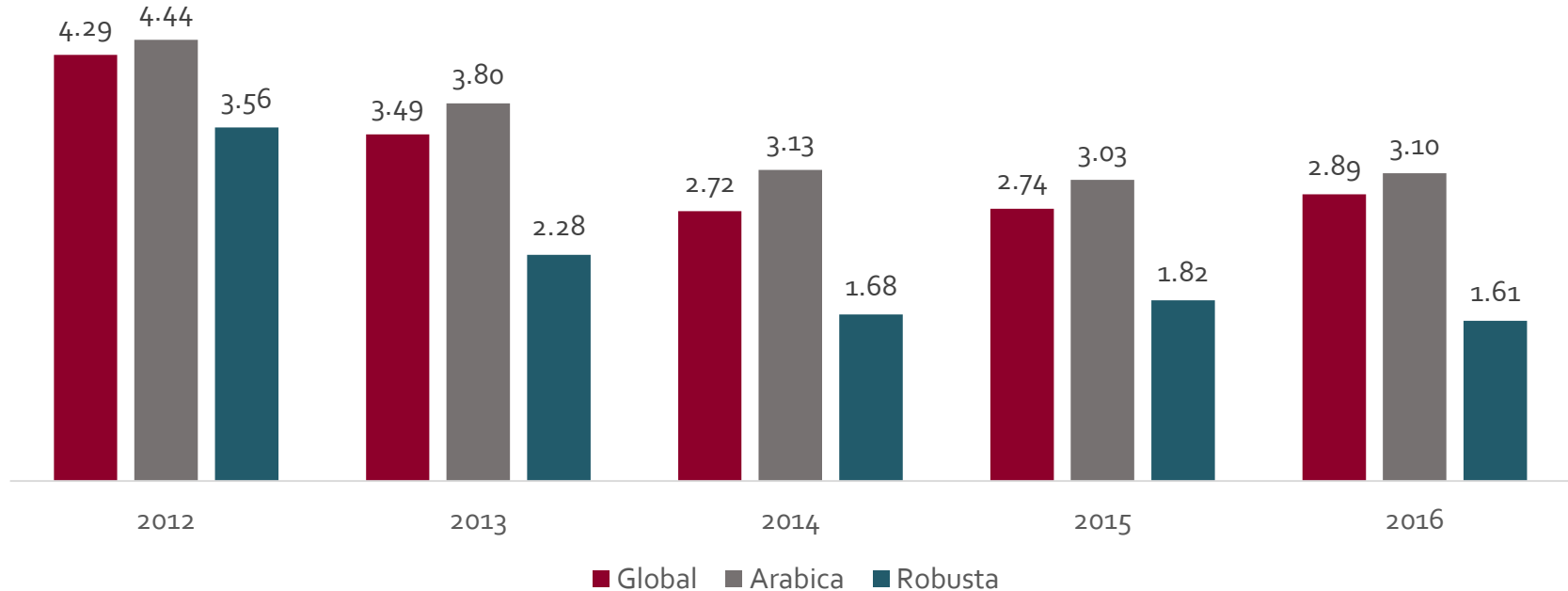
- The number of Supply chain actors in the UTZ Program increased by 87
  - First members joined the UTZ program in 2016 in Ecuador, El Salvador, Rwanda, Zambia, Greece & Latvia
- The number of labeling approval requests increased by 37.5%
  - This resulted in 360 approved SKUs for Coffee
  - And coffee products with the UTZ name or logo available in 89 countries, 17 of them new

## 3.1 Premium

UTZ average coffee premium remained stable at 2.89 \$/lb



Global average UTZ premium (\$/lbs)



- The UTZ Premium is an additional cash amount paid above the market price for a similar conventional (non-certified/non-verified) product. It is mandatory and agreed upon between the certified group or producer and the first buyer.
- The average UTZ premium, as registered in the Good Inside Portal (GIP) increased by 2% for Arabica to 3.10 Cents/ lb and decreased by 11% for Robusta to 1.61 Cents/ lb in 2016.

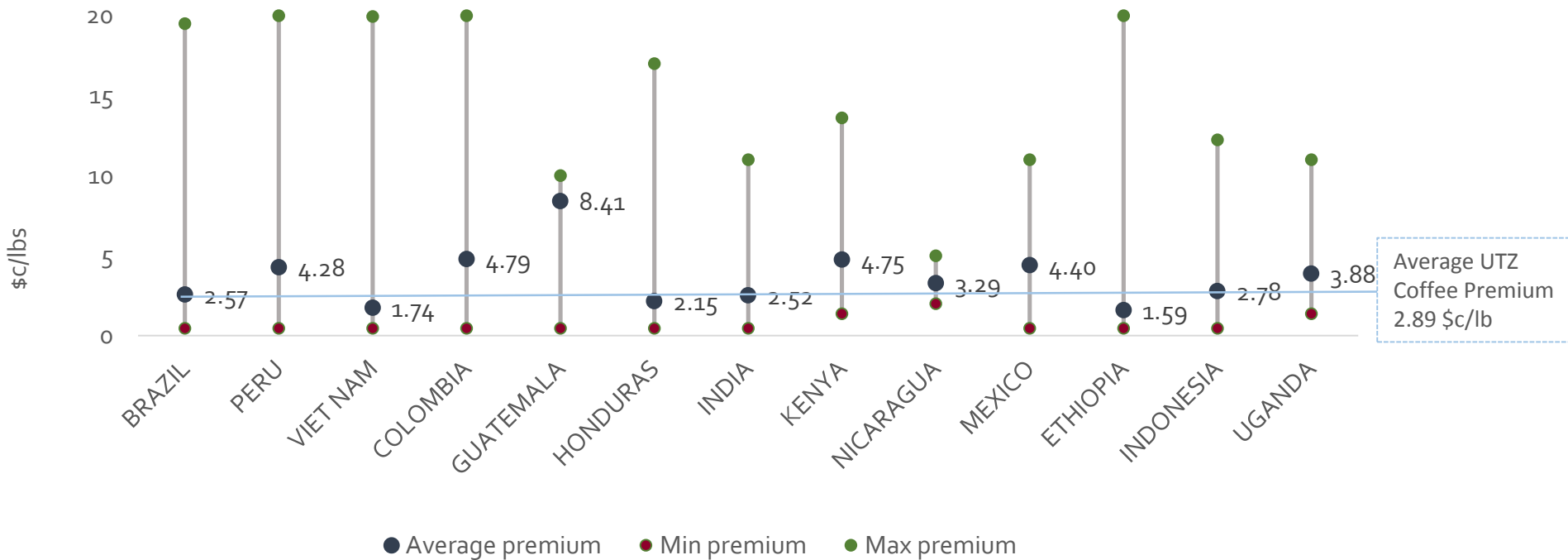
*UTZ premium calculations are based on transactions data recorded in the GIP. Values above 20 \$/lbs are excluded from analysis.*

## 3.2 Premiums per country

A detailed look shows a large variation in premiums within and among countries



UTZ premium distribution 2016



- The average UTZ premium increased for Guatemala, Colombia, Kenya, Ethiopia, Indonesia and Uganda
- In most countries we see large differences between premiums entered in the GIP

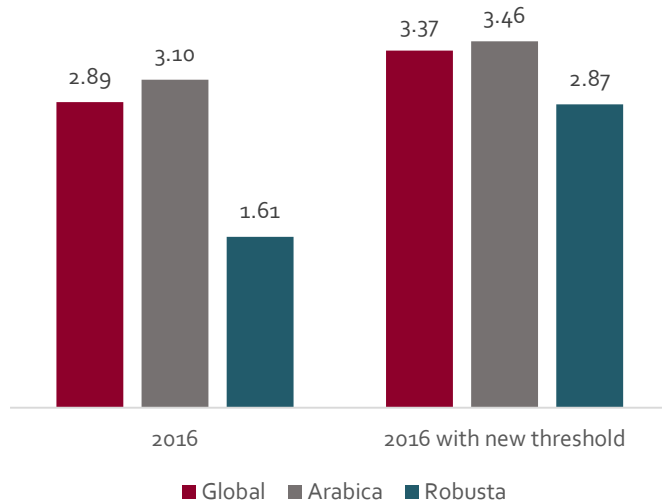
UTZ premium calculations are based on transactions data recorded in the GIP. Values above 20 \$c/lbs are excluded from analysis.

# 3.3 Premium transparency

## Improving our analyses

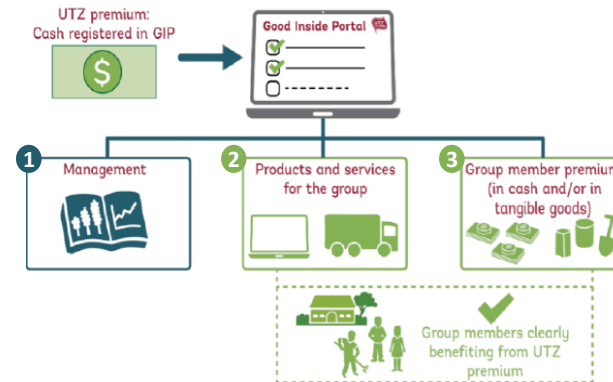


Global average UTZ coffee premium (\$cents/lb)



- After consultation, the maximum acceptable threshold for entries in the GIP will be set at 30 \$c/lbs.
- This change will change and improve our analysis of the UTZ premium

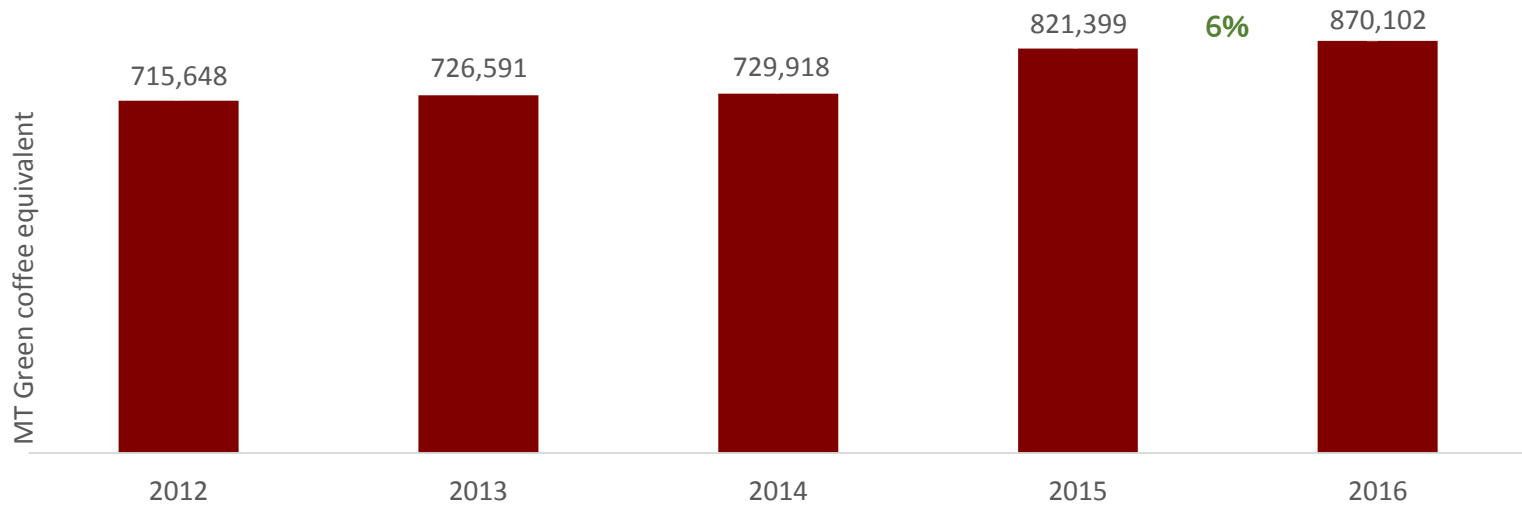
UTZ premium distribution



- We work towards improving our knowledge on the use of premium
- We collect additional information during the audit
- First data is available, but still needs validation from the field

## 4.1 Global Estimated Production

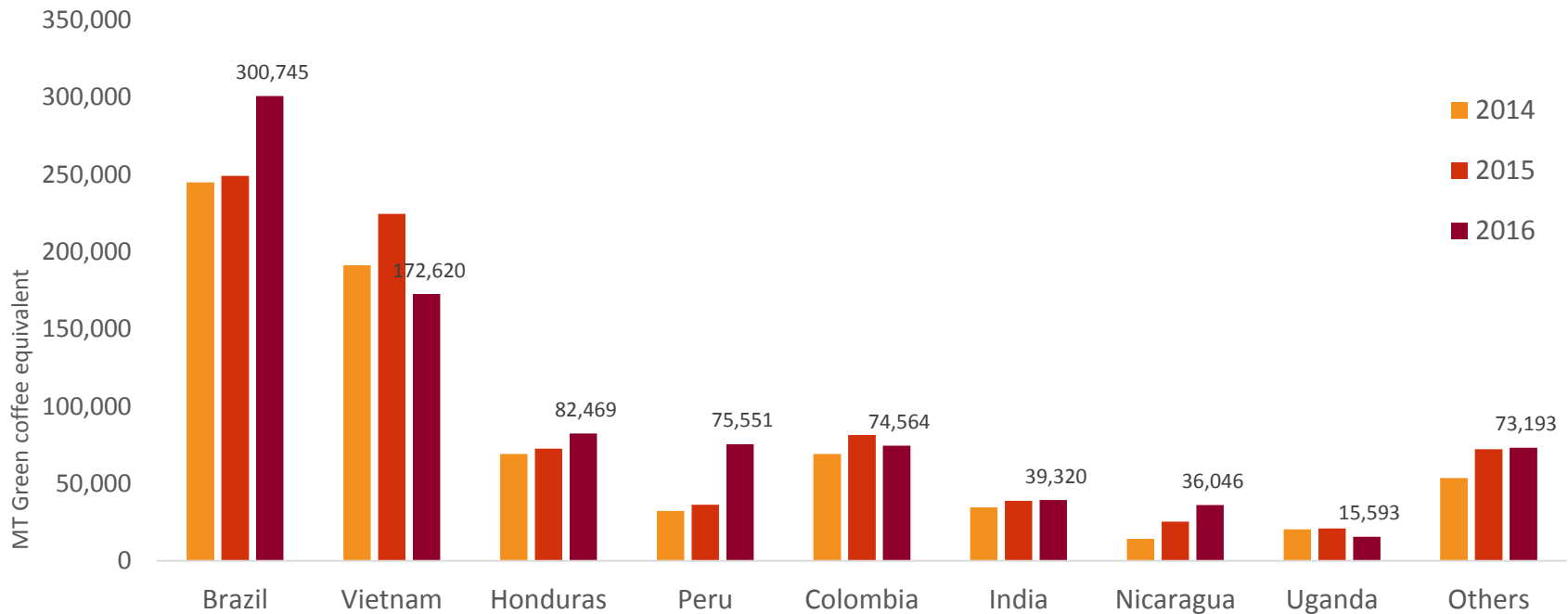
The UTZ Certified coffee volume (estimated production) increased with 6% in volume mostly driven by increase in Arabica



- 20% more UTZ certified coffee in Latin America
  - Brazil estimated production grows despite 2 members leaving the program
  - Peru and Nicaragua also contributing to the increase with new members
- 19% decrease in estimated production in Asia
  - Due to decrease in production in Vietnam
- Estimated production in Africa remained stable
  - DR Congo, Burundi and Rwanda compensate for decrease in Uganda and Kenya
- 17% more certified Arabica volume, 22% reduction in Robusta volume

*Estimated production is based on license information from licenses valid on December 31st 2016*

## 4.2 Estimated Production per Origin Country



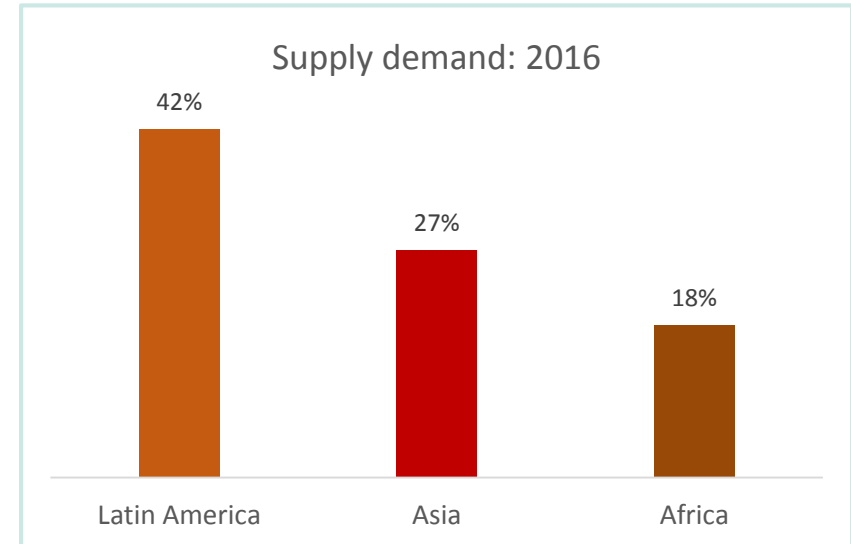
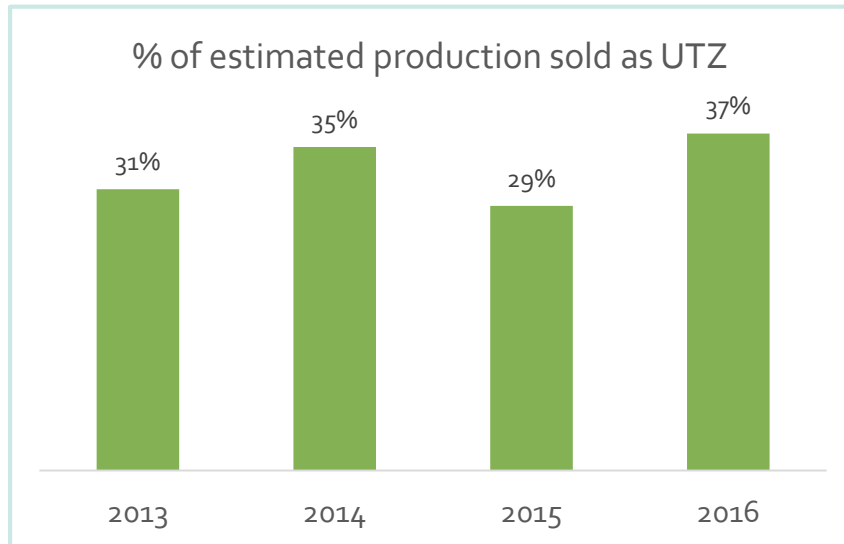
- 80% of UTZ certified coffee volume comes from 5 countries: Brazil, Vietnam, Honduras, Peru and Columbia
- Largest growth in Brazil (21%) and Peru (108%)
- Largest decline in Vietnam (23%) and Uganda (25%)

*Estimated production is based on license information from licenses valid on December 31st 2016*

*\*Other includes: Mexico, Ethiopia, Guatemala Indonesia, Costa Rica, Kenya, China, Tanzania, Papua New Guinea, Rwanda, Burundi, DR of Congo, Panama, Bolivia, Dominican Republic, El Salvador & Zambia*

## 5. Supply-demand trends

Increase in supply/demand ratio to 37%, because demand grew faster than supply for certified coffee

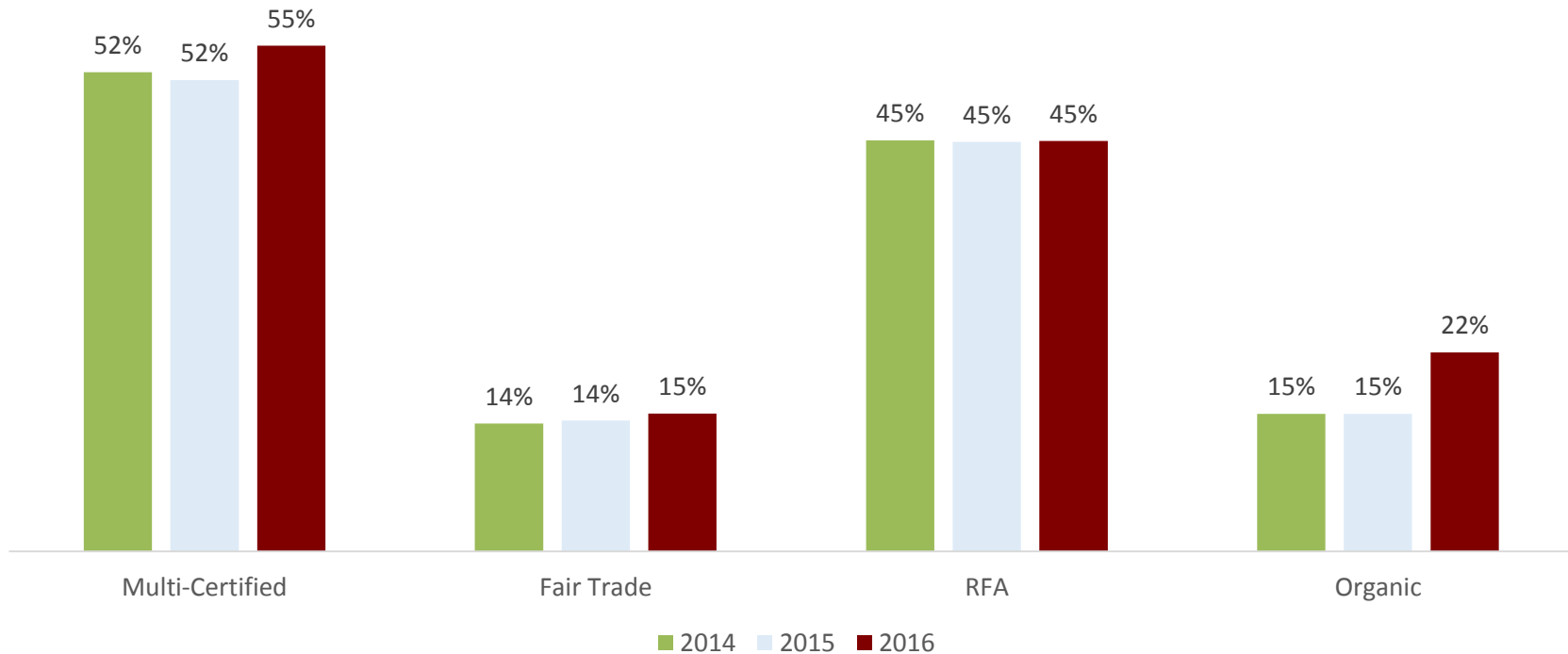


- The supply-demand ratio measures the share of estimated production volume that was sold as UTZ
- The supply demand ratio for coffee that was sold as UTZ increased for all regions
  - Latin America increased by 24% from 2015 to 2016 driven by increase in supply and a bigger increase in demand for UTZ coffee from Latin American countries
  - Asia increased by 24% from 2015 to 2016 due to stable sales but a drop in supply
  - Africa decreased to 18% due to decrease in sales and stable production volumes

*Supply Demand is based on first buyers sales and estimated production 2016. It indicates a trend but not an absolute number.*

## 6. Multi-certification

Increase to 55% due to a growth in organic-UTZ certification; double certification with Rainforest Alliance is predominant



- 55% of estimated production is also certified for one or more other schemes
  - Rainforest Alliance (RFA) was once again the most common in combination with UTZ
  - Increase in volume both UTZ and Organic certified
- Multi certification is most common in Africa (79%), followed by Latin America (65%) and Asia (25%)
  - Multi-certification increased in all countries except Vietnam, Indonesia, Ethiopia and Burundi

*Multi-certified represents the volume of estimated coffee production that was UTZ certified as well certified for one or more of the following schemes: Fair Trade; Rainforest Alliance; Organic*

## 7. Conclusions

Continuous reach of the UTZ Program in both origin and market

### Continuous reach with a stable supply base



- Small increase in estimated production volume and certified area
- First producers joined UTZ in Laos and Zambia
- Over half a million farmers and workers reached

### Increase market demand for UTZ certified coffee



- Increased demand for UTZ reflected in 35% increase in first buyer sales; 17 out of 20 top buyers increased their UTZ coffee volumes
- Increase is due to new and growing commitments to source certified coffee by partners in Western and Northern Europe and the US
- Demand for UTZ coffee in Brazilian and other Arabica coffee grew, while demand for Vietnam and other Robusta coffee decreased

### Increase in supply-demand ratio & multi certification



- In 2016, 37% of certified coffee was sold as UTZ, an increase from 2015
- Multi-certification increased to 55% of the volume mainly due to new certificate holders from Peru joining the program who are also Organic certified. This is related to an increasing demand for the combination UTZ-organic in especially Northern Europe
- The average premium paid for a pound of UTZ coffee stabilized around 2.89 \$cents after a year by year decrease.