

Peru: Sustainable Coffee In Detail

The UNDP's Green Commodities Programme started in Peru in 2016 with the support of the Ministry of Agriculture, the National Coffee Board and the Peruvian Chamber of Coffee and Cocoa, as well as the financial support of the Swiss State Secretariat for Economic Affairs (SECO).

Main objectives: *mainstreaming sustainable production practices in the coffee sector, working to reduce negative environmental and social impacts and improve producer families' livelihoods.*

The Importance of Coffee In Peru

Coffee is Peru's main agricultural export product.



**IT MAKES
UP 25% OF**
Peru's agricultural
income.

\$711

**IT CONTRIBUTED
US\$711**
million in export
revenue in 2018.



**IT IS EXPORTED TO
MORE THAN 50**
countries and it is famous
for its high quality.



**COFFEE FARMS
OCCUPY 25%**
of the total agricultural
area of the Peruvian
Amazon.



**THE COFFEE INDUSTRY
INVOLVES MORE THAN**
2 million Peruvians in the
production chain.

However, despite its global popularity - especially for organic production - the Peruvian coffee sector faces many challenges...

Addressing the Challenges of *Sustainability in the Coffee Sector*

As well as the economic benefits, coffee production in Peru is essential to social and environmental development. It provides a livelihood to 223,000 farming families. However, **poverty** is still widespread among small producers.



**85% ARE SMALL
FARMERS**
who manage coffee farms
between 1 – 5 hectares.



**65%
ARE OVER
50 years old.**



**80% RUN THEIR
FARMS**
without technical or
entrepreneurial assistance.



**ONLY 30% OF
SMALL PRODUCERS**
are united in an organizational
structure, mainly organized
in cooperatives.

Most have serious difficulties in accessing agricultural goods and services, showing a limited ability to face challenges, such as climate change, pest attacks, price volatility, and new competitors.



ONLY 16.5% OF COFFEE ACREAGE is managed by women.



SMALL FARMING FAMILIES oversee a total of 425,400 hectares of coffee crop.

One of the main challenges of the coffee sector is **low productivity**, which leads to the expansion of new plantations to primary forest areas. This problem, combined with the intensification of other un-planned agricultural activities, is becoming the main driver of **deforestation and ecosystem degradation**.

How the Green Commodities Programme helps

The GCP Programme in Peru has supported the Ministry of Agriculture and Irrigation (MAI) and the National Coffee Council to lead a multi-stakeholder collaboration to build a joint vision and **Coffee National Action Plan** to strengthen the sector in a systemic manner.

The **National Platform for Peruvian Coffee**, led by the Government and facilitated by UNDP GCP, is a space for discussion and public - private participation to organize a collaborative dialogue and build consensus on actions towards the sustainable production of coffee.

The **Coffee National Action Plan**, approved and legalized in 2018, represents the commitment of the different stakeholders to the development and improvement of coffee productivity, quality, financial tools, local and international trade, on - the - ground management and governance within the coffee sector in Peru.

The main challenge in sustainable coffee in Peru has been the lack of a national agenda to guide action towards sustainable production. Devising a National Action Plan under an inclusive participatory approach has been a major achievement of the Green Commodity Programme's work in Peru.

The **strategic action lines of the Plan** include:

- increasing **political ownership** in the Peruvian coffee sector,
- **strengthening governance and institutions** in the sector,
- leveraging resources to enhance technical assistance and access to credit for small-holder farmers,
- **committing to sustainable production practices**,
- mainstreaming communications,
- and **creating a joint roadmap for sector development**.

The **National Coffee Council participation in this process was central for success**.

Led by the Agriculture and Irrigation Ministry, it comprises both the National Coffee Board, which represents farmers and the Peruvian Coffee and Cocoa Chamber, which represent exporters.



The work of the GCP in 4 stages:

a) **Assessments** were first, such as Coffee Sector Baseline, Stakeholder Mapping, Root Cause Analysis, and a Guide for developing a National Action Plan. These identified the main challenges: low competitiveness and environmental and social sustainability. b) Secondly, the official launch of the **multi stakeholder dialogue** in the form of the **National Coffee Platform**, aimed at formulating the National Action Plan 2019-2030. Approximately 50 organizations, representing the entire value chain (business and producer associations, NGO's, private and public sector institutions) participated over six months in building consensus around a common vision. c) Thirdly, **multidisciplinary technical groups** analyzed sector challenges and examined strategic goals and action proposals. d) Finally, in October 2018, the **Coffee National Action Plan** was approved and gained public recognition and acknowledgement by the Ministry of Agriculture and Irrigation.



Root-Cause Analysis methodology was used to devise joint action increasing crop profitability, exports, improving quality of life of small farmers in the coffee regions, as well as reducing rural poverty,



Putting The Plan Into Action

The commitment will be reinforced by writing the Plan into law through the approval of a National Supreme Decree, which will ensure an effective multi-sector implementation process

The Coffee National Action Plan implementation process will also ensure the consolidation of the National Coffee Council (integrated by the Ministry of Agriculture, the National Coffee Board and the Peruvian Chamber of Coffee and Cocoa) as a dynamic leading institution representing coffee sector interests towards a sustainable economic, social and environmental development.

As a result of the Plan, the strengthened institutions representing the coffee sector in Peru will ensure the accomplishment of the following impacts:

- i) increased productivity per hectare,*
- ii) improved coffee quality,*
- iii) facilitated access to financial services,*
- iv) improved commercial positioning,*
- v) on-the-ground initiatives promoted**
- vi) and reinforced governance.*



A Story From The Field

San Martin Region – A success story from the Coffee National Action Plan

San Martin is a Peruvian Amazon region which contributes 29% of the national coffee production.

Its government, in alignment with the *Coffee National Action Plan*, has launched a Coffee Value Chain Development and Promotion Project in order to categorize coffee projects and initiatives that are currently being executed in the region. This initiative brings together all the relevant stakeholders (cooperation, public and private sectors, etc.) in the region and promotes an efficient coordination based on budget and agreed strategies, while focusing on coffee producers. *The Coffee National Action Plan* will allow an effective connection between this Regional Institutionalized Initiative and the National Platform for Peruvian Coffee, ensuring a multilevel dynamic



The Coffee National Action Plan has set the following goals by 2030:

- ☑ increase coffee exports by 120%
- ☑ increase export volumes by more than 13 million quintals
- ☑ increase production of parchment coffee by 15.9 million quintals
- ☑ reduction of GHG emissions by 1.73 million tCO₂ eq.*
- ☑ enhance livelihoods of coffee districts

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