

COFFEE AND DEFORESTATION

WHY IT OCCURS & WHAT YOUR COMPANY CAN DO

THE COFFEE INDUSTRY

The production and consumption of coffee creates a giant industry that grows bigger each year. A report by Conservation International predicts that coffee demand will double or even triple by 2050 and a 2014 study demonstrates that the industry increases by 2 percent every year, largely due to forests being cleared for new planting lands. This phenomenon illustrates the dire need to address the negative impact on the environment that coffee has perpetuated with deforestation.

WHY COFFEE CAUSES DEFORESTATION

According to the Conservation International report, the two most prominent types of coffee are Arabica and Robusta. Each type requires different production methods: traditionally, Arabica is a shade-grown crop, meaning that it requires coverage, cooler temperatures and higher altitudes to thrive, while Robusta is cultivated in direct sunlight and grown at lower altitudes with higher temperatures. Although Robusta makes up a smaller percentage of total production, its share is growing more rapidly, as farmers prefer to work with a less constrained plant. Shade-grown coffee is regarded as more ecologically friendly, but sun-grown crops are increasingly popular, incentivizing farmers to clear land and make a profit.

COUNTRIES INVOLVED

Per the UN Food and Agriculture Organization, the primary coffee producing countries are Brazil and Vietnam, with Indonesia and Colombia not far behind. South America is by far the largest producing region, accounting for around 57 percent of production. On the other hand, the UK, US, and the EU made up 62 percent of global coffee consumers in 2018. Each country plays an integral part in regulating the coffee supply chain and industry, and a comprehensive response to commodity-based deforestation needs to involve both producers and consumers.

THE PRIVATE SECTOR

What is currently being done to combat deforestation due to coffee production? The UN estimates around 500 countries have pledged to work against this form of deforestation. However, as with any profitable product, it is difficult to incentivize corporations benefiting from illegal cultivation practices to implement more sustainable policies, as often they would rather maintain the status quo and keep production costs as low as possible than push for environmental reforms.

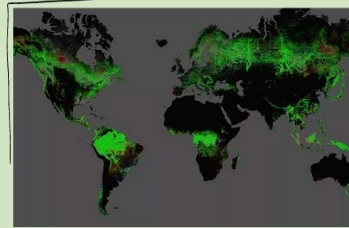
NEXT STEPS

PRIVATE SECTOR SOLUTIONS

In a 2018 report, researchers evaluated the effectiveness of different company approaches to deforestation and found that broad corporate goals and vague sustainability pledges alone were indicators of potential greenwashing. Rather, private actors are better off combining sustainability efforts with measurable actions in producer countries. Some potentially effective private actions include support for eco-friendly legal reforms in producing nations and endorsement of certification programs for commodity production, which try to incentivize smallholder farmers to become certified in sustainable farming practices by offering access to specific markets, training resources, and more.

WHY GET INVOLVED?

Corporate social responsibility is becoming increasingly important for the private sector to consider in their supply chain. Studies have shown that consumers look to businesses that promote sustainability and social justice issues, and companies that provide products made ethically can benefit financially as well. In addition, Forbes emphasizes that these changes must be legitimate - companies found greenwashing risk being exposed to legal action and public opinion backlash. Ensuring that supply chains protect the environment and all of its stakeholders is not only the future way of doing business but also the present.



This map details global deforestation between 2000-2012 through satellite imagery. Source: University of Maryland

TAKEAWAYS

Comprehensive supply-chain interventions coupled with actionable commitments from private companies and increased regulation from importing governments will be able to combat this worrying trend of deforestation, even as the coffee industry grows. Commodity-based agriculture continues to be the greatest threat to the world's forests, and a deforestation-free coffee industry is still an extremely long way away, but action has begun to take place against illegal encroachment, and green initiatives will only improve through continuous public-private partnerships, good governance, and transparency. Make changes to your supply chain today in order to benefit your company, its stakeholders, and the environment.

JG GLOBAL ADVISORY

JG Global Advisory has the experience and expertise needed to help your team with projects related to combating illegal deforestation and supporting clean supply chains and sustainable commodity production. We provide services for corporate social responsibility, strategic planning, environmental impact assessments and more. Contact us today at info@jgglobaladvisory.com.



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