



INTERNATIONAL
COFFEE
ORGANIZATION



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**Preliminary results of the EUDR
survey – Letter to the President
of the European Commission**

The Executive Director attaches, for the information of ICO Members and the CPPTF, a letter sent to the President of the European Commission about the implementation of the European Union Deforestation Regulation – EUDR.



VANÚSIA NOGUEIRA
Executive Director

President Ursula von der Leyen
European Commission
Rue de la Loi / Wetstraat 200
1049 Brussels
Belgium

Ref. OL-99/01/2023

London, 1 December 2023

Subject: Implementation of the EUDR in the Coffee Value Chain: Survey promoted by the International Coffee Organization (ICO) and request for guidance for EU members, partner countries and industry.

Dear President von der Leyen,

The International Coffee Organization (ICO) is the only intergovernmental organization that brings together the governments of coffee producing and consuming countries to strengthen the global coffee sector and promote its sustainable expansion. Since its establishment in 1963 under the aegis of the United Nations, the Organization has consistently made economic, social and environmental sustainability the cornerstone of its initiatives.

Many countries that are now part of the European Union (EU) have been Members of the International Coffee Organization since its establishment 60 years ago. Under the current International Coffee Agreement 2007, the 27 Member States are collectively represented by the EU, which is also member (Sherpa) of the Coffee Public-Private Task Force (CPPTF), set up in 2019 to jointly address price volatility and long-term sustainability of the sector.

The wide diversity of actors and their perspectives enriches our actions and there is a consensus on the need to address the adverse effects of deforestation on economic and environmental stability, biodiversity and global warming. In this sense, the ICO welcomes your leadership and the proactive measures of the European Union, in accordance with the United Nations Sustainable Development Goals and international commitments and objectives to fight deforestation.

The ICO has actively engaged with all public and private coffee stakeholders and with relevant EU institutions throughout the evolution of the EU Regulation on deforestation-free products (EUDR). Our meeting with Commissioner Sinkevičius, earlier this year, as well as our regular interactions with DG INTPA and DG ENV, are proof of our ongoing commitment to facilitate dialogue and cooperation between the EU, partner countries and industry. Recognizing the Regulation's significance, the ICO has invested considerable resources to enhance awareness and understanding among our Members and stakeholders in the coffee sector, organizing webinars, conducting studies, facilitating

consultations and, more recently, identifying and helping to implement technical solutions to ensure effective compliance.

Within this context, I wish to bring to your kind attention the preliminary results of a survey being conducted by the ICO with the active participation of governments, public institutions, domestic and international private sector, producer organizations, and civil society. Although respondents are still submitting their answers, early indications suggest unanimous agreement on several key challenges posed by the EUDR, affecting all those engaged in the coffee value chain, from smallholder farmers to consumers. These include: (a) concern about the potential negative effect on smallholders as industry stakeholders have indicated that they would be very likely to stop sourcing from countries which are not ready to meet the EUDR requirements by the deadline; (b) eighty per cent (80%) of farmers are reported not to have mapped their coffee plots; (c) just one third (1/3) indicated that they had a traceability system for coffee; and (d) the majority of respondents reported that they were not ready to comply with the different requirements of the Regulation.

Like any other sector, coffee requires a stable and predictable environment to allow stakeholders to make informed decisions and take appropriate actions. Certainty in the interpretation and application of the EUDR is essential for its effective enforcement and the attainment of its intended goals related to deforestation-free sourcing.

The EUDR refers to certain information requirements to ensure regulatory compliance. However, there is no clarity as to how to be able to unequivocally: (i) establish that a product has been legally produced in a given producing country; and (ii) demonstrate and trace that the product has been sourced from a deforestation-free area. There is a compelling need to provide guidance to operators and competent authorities on those aspects. Moreover, the Information System (IS), another pivotal component of the EUDR, is also lacking precision in terms of compatibility with existing data management systems and guarantees regarding ownership and confidentiality of sensitive information.

President von der Leyen, to foster predictability and the effective implementation of the EUDR, we kindly request that the European Commission give due consideration to the following priority matters that need urgent attention and effective solutions:

1. Clarification on how coffee imported and transformed before 30 December 2024 will be treated, with emphasis on the need to perform checks on the product when this is placed on the EU market for the first time to facilitate the Regulation's implementation. This is due to the timing of production, purchase, shipment and entry into the EU for processing, distribution and consumption.
2. Bonded coffee concerns: for coffee custom cleared before 30 December 2024, no Due Diligence Statement (DDS) is required. We propose accepting dated proof of shipment or receipt into a European warehouse as valid evidence for legal coffee importation after the Regulation's entry into force, easing the burden on importers.
3. Benchmarking system not yet available to classify countries (high, standard, low risk) according to the level of risk of producing non-deforestation free commodities within that country.

As we navigate the complexities of implementing the EUDR, we wish to express our readiness to continue collaborating, even more closely, with the European Commission and all coffee stakeholders to engage in a productive and meaningful discussion on how to quickly address the aforementioned issues, so as to avoid unintended consequences, especially for smallholder coffee farmers who may

be excluded from opportunities to earn a decent and living income by accessing the European market, as well as for European industry and consumers.

President von der Leyen, at the ICO we are fully committed to the objectives of the EUDR and we applaud your achievements with the European Green Deal and your vision on environmental sustainability. We therefore hope to count on your and the whole Commission's support to take decisive action on these urgent matters and avail ourselves of this opportunity to renew the assurances of our highest consideration.

A handwritten signature in black ink, appearing to read 'Nogueira', with a large, stylized flourish above the name.

Vanúcia Nogueira
Executive Director

Cc:

Virginijus Sinkevičius, Commissioner ENV
Valdis Dombrovskis, Commissioner TRADE
Jutta Urpilainen, Commissioner INTPA