



# How can the EU support sustainable coffee production in the Global South?

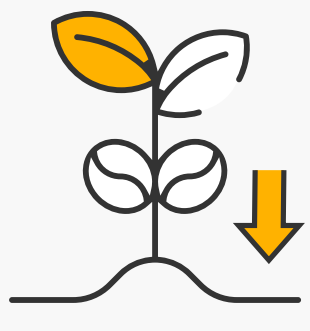



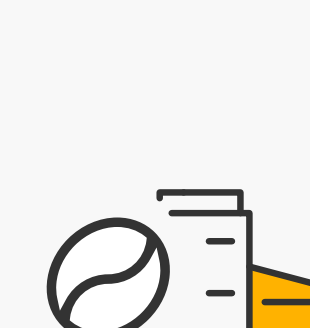


**Deforestation** in developing countries, largely driven by **high-value cash crop farming** like coffee, cocoa and palm oil, ranks as the **third-largest source of global carbon emissions (19%)**.

## How does the EUDR impact smallholder coffee farmers?

The European Union Regulation on Deforestation-Free Products (EUDR) aims to curb deforestation and to advance Sustainable Development Goals (SDGs), but it poses significant challenges for smallholder coffee farmers. Using household surveys, trade analysis, and policy reviews, we examined Indonesia and Uganda’s EUDR preparedness—two leading coffee producers—and its potential effects on livelihoods, productivity, and market access. The case studies illustrate the need to support smallholder farming in sustainability regulations, as agriculture alleviates poverty and food insecurity in developing countries, while also being vital for global food production.

## Findings show that:

-  Smallholder coffee farmers in Indonesia and Uganda are grappling with **diminishing productivity**. Limited access to inputs like fertilisers and credit further reduce produce, impacting **farmers’ incomes**.
-  From 2014 to 2022, **forest cover declined** by 12% in Uganda and 5% in Indonesia, while coffee cultivation increased by 92% and 4.5%, respectively.
-  EUDR provisions focus primarily on EU traders and operators, **lacking clear reporting obligations for producers**, including smallholders.
-  The coffee imported by the EU is a significant portion of Uganda’s and Indonesia’s total coffee exports, accounting for over 60% and 16%, respectively, making compliance crucial. However, EUDR requirements may impose significant **financial burdens for traceability**, hindering smallholders’ capacity to invest in productivity.
-  Existing **government programmes** in both countries **fall short in scale and efficiency** to enhance productivity while meeting EUDR demands. Challenges include low adoption rates of government initiatives, limited financing, inadequate training, and regional disparities.

## To support agricultural sustainability in the Global South, we must:

- **Facilitate partnerships.** Bi- and multilateral initiatives that foster cross-sector collaborations could bridge gaps in agricultural training, technology, and market access. Private-public programmes offering comprehensive support in agronomic practices and traceability systems can enhance productivity, income, and EUDR compliance in the Global South.
- **Introduce phased implementation.** The EU should clarify producer-specific provisions and allow smallholder farmers more time to adapt, ensuring inclusivity in meeting the EUDR standards.
- **Support local adaptations.** Tailoring compliance requirements to regional farming contexts is key. By working with importers and traders to align sustainable agricultural practices with local challenges, the EU can boost compliance while recognising contexts.
- **Promote innovation.** Active support from the EU is needed for Global South producers to adopt green practices. Trade restrictions alone may drive exports to regions with lower environmental standards.

With **high compliance costs** for traceability and sustainability, the EUDR may exacerbate challenges for **smallholder coffee farmers**, who produce over **90% of coffee** in Indonesia and Uganda.

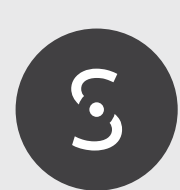


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Founded in 2013, **Southern Voice** is a network of think tanks across Africa, Asia, and Latin America & the Caribbean, aiming to transform the international development landscape and rebalance knowledge asymmetry.

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