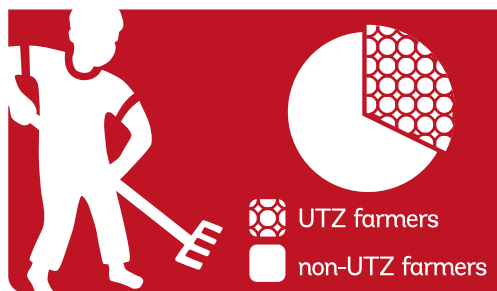


IMPACT REPORT

UTZ COFFEE PROGRAM

COLOMBIA



THE STUDY



The research was carried out by the Centre for Regional Entrepreneurial and Coffee Studies (CRECE), a non-profit organization based in Colombia, with 28 years' experience in socio-economic research and consulting. The data used for this impact evaluation was drawn from data collected between 2008 and 2011 as part of a broader study that was conducted by CRECE in collaboration with Committee on Sustainable Assessment (COSA).

KEY FINDINGS



BETTER FARMING METHODS

Improved training meant that there was an upward trend in the percentage of UTZ farmers that applied fertilizers in accordance with the technical recommendations from the extension service (increasing from 53% in year 1 to 80% in year 4), compared to a decrease for the non-certified farmers (34% to 32%).



BETTER WORKING CONDITIONS

During the first year of certification UTZ farmers received on average 110 hours of training per year compared to just 18 hours received by non-certified farmers. By year 4, more UTZ certified farms provided workers with protective gear (81% v 35%) and had access to first aid kits (60% v 17%) than non-certified farms.



BETTER CARE FOR NATURE

UTZ farmers were found to use significantly less water in coffee processing than control farmers, with a significantly higher proportion of UTZ farmers having adopted methods to treat wastewater (65%) after the milling process, compared to the control group (6%) by year 4.



BETTER INCOME

Good agricultural practices meant UTZ farmers had lower production costs, this combined with higher revenues - positively influenced by the UTZ premium - meant UTZ farmers were able to achieve significantly higher net income. By year 4, UTZ farmers' net income per kilo was 65% higher than if they were not part of the program.



BETTER CROP

UTZ farmers' greater adoption of good agricultural practices meant in spite of external factors effecting yields, UTZ farmers' yields dropped by just 1% by year 4 compared to a 52% drop by non-certified farmers. In addition, record keeping on large UTZ farms increased from 43% to 75% in 4 years.



BETTER ENVIRONMENT

Better environmental practices had a positive impact on the environmental sustainability of UTZ farms. Their environmental sustainability index was 73.8 points in year 4, an increase of 26.6 points, a significant difference compared to the situation in the absence of the UTZ program.

CONTEXT

The study took place in the context of decreasing harvests and historically high prices between 2008 and 2012. During this period coffee authorities, including the National Federation of Coffee Growers (FNC), with the support of national government and several donors, took policy actions to help producers increase productivity. These policies influenced both certified and non-certified farmers.

RESEARCH METHODS

- ✓ Baseline
- ⊘ Case studies
- ✓ Counterfactual
- ✓ Statistical analysis
- ✓ Validation workshop

LEARNINGS

Gaining insights into the impact of the UTZ program is crucial for the continuous optimization of our standards. Better insight leads to better results which benefit all UTZ certified farms.



Widening our reach - In the sample just 6.4% of UTZ farms were the smallest of farms (those under 1 ha) compared to the national average of almost 30%. The continued development of the coffee program in Colombia has seen us reach out to more groups in areas such as Huila helping to ensure size of farms is not a barrier to benefitting from the UTZ program.



Labor contracts - The study found just 5% of UTZ farmers provided written contracts to their workers and that the majority of labor agreements were verbal. Verbal agreements are in accordance with Colombian law, and the UTZ Code of Conduct, but we believe written contracts are best practice. We will continue to work with estate owners to ensure estate owners provide written contracts for all their permanent workers (those employed over 3 months).



Supporting smallholder farms - Whilst larger farms increased their record keeping, the study found smaller farms record keeping decreased in the final year. We know anecdotally that record keeping is harder for smallholder farmers than larger estates and is something we shall look to continue to improve through training and monitoring.



Ensuring greater training - Training amongst UTZ farmers is higher throughout the 4 years studied; however a significant reduction in training hours was observed after year 1 does raise some concerns. Our new Code has clear requirements on continual learning including specific topics to be covered. We are also exploring ways to make direct information services available to UTZ farmers, making use of ICT tools such as mobile phone technology.

UTZ RESPONSE

"The study confirms our Theory of Change and shows that in the Colombian context (2008 - 2011) our program has been effective in achieving its goals. We are particularly pleased to note that in spite of the challenging external situations coffee farmers were facing - including severe climatic conditions; extremely high fertilizer prices, Coffee Berry Borer (CBB) infestation and a severe outbreak of coffee rust - better agricultural practices meant UTZ farmers were able to maintain their yield and actually increase their productivity and income."

To read the full response, go to: www.utz.org

UTZ IN COLOMBIA

- The UTZ coffee program in Colombia began in 2002, with one farm in the Caldas department, by 2012 the program had grown to include 30 estates and over 5,000 group members.
- UTZ certified coffee grew from 42 metric tons in 2003 to 9,218 metric tons in 2012 - with a peak of 12,352 metric tons in 2008.
- Coffee is cultivated in an area of around 900,000 hectares, spread over 3,600,000 hectares in Colombia. In 2012 UTZ certified coffee accounted for 13.7% of the country's coffee production.
- Over 2 million people in Colombia depend on coffee production for their livelihood.



ABOUT UTZ

UTZ stands for sustainable farming and better opportunities for farmers, their families and our planet.

The UTZ program enables farmers to learn better farming methods, improve working conditions and take better care of their children, and the environment. Through the UTZ program farmers grow better crops, generate more income and create better opportunities whilst safeguarding the environment and securing the earth's natural resources.

Now and in the future. And that tastes a lot better.