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Commissioner for Environment, Oceans and Fisheries Mr. Virginijus Sinkevičius Wetstraat 200 1049 Brussels Belgium

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Hamburg, 18. Februar 2024

Application of the EU Deforestation Regulation (EUDR) planned for the end of the year is not possible; Delay of application and debureaucratisation urgently required

Dear Mr. Comissioner Sinkevičius,

We are writing to you on behalf of the German coffee industry. The German coffee industry collectively represents the German coffee market as the second largest green coffee importer in the world and the largest in the European Union. We expressly welcome the EU's efforts to strengthen sustainability and protect the world's forests globally.

However, it is important to note that the upcoming application of the EU Deforestation Regulation (EUDR), which aims to ensure that the coffee supply chain is deforestation-free in order to protect forests, will not be possible by the planned deadline of 30 December 2024.

We therefore emphatically call for the application of the EUDR to be postponed for the following two key reasons:

- The majority of the 12 million coffee farmers will not be able to provide the information and data urgently needed for the application of the EUDR by the end of the year.
- The European EUDR information system lacks the urgently needed interface for transferring the millions of data records.

Furthermore, we call for the postponement of the application of the EUDR until two significant de-bureaucratization measures for coffee are implemented, which in no way increase the risk of deforestation:

- One-off due diligence statement upon import into the EU
- Possibility of providing areas of several farmers/cooperatives instead of just individual farmers / plots of land.

Vorstand John Brands Bent B. Dietrich Bernd Schopf Dr. Frank Strege Hauptgeschäftsführer Holger Preibisch Geschäftsführer Prof. Dr. Johannes Hielscher Bankverbindung Deutsche Bank IBAN DE66200700000540247400 BIC DEUTDEHH Rechts- und Steuerangaben Amtsgericht Hamburg Vereinsregister-Nr. VR 4043 USt-IdNr.: DE 1187 21 246 St-Nr.: 17/449/00944



Due to the lack of information and data from the coffee producing countries and the lack of an interface to the EUDR-information system, proper application of the EUDR appears impossible. The result is a ban on the import of large parts of the world's coffee, as required by the EUDR.

Application of the EUDR at the end of the year would mean

- The majority of the world's 12 million coffee farmers are at risk of losing their of their livelihoods as they are denied access to the world's second largest coffee-importing country. The majority of the world's coffee farmers will be unable to to provide the data and information required by the EUDR for imports into the EU.
- Only a small proportion of the world's green coffee is still available for the German and EU markets.
- There will be a shortage of coffee on the German and European markets from the beginning of 2025, and the prices for the coffee available at that time will rise significantly.

Let us note that the German coffee industry is truly not known for being politically loud. Rather, we stand for constructive, sustainably oriented action. As a pioneer in the field of sustainability, we have already developed several concrete tools for fulfilling and documenting EUDR due diligence obligations for the upcoming application of the EUDR, which will be available to our 370 members in full functionality for implementing the EUDR in February 2024. However, the EUDR can only be applied if the required data and information is available from the coffee-producing countries and if the millions of data can be transferred into the EUDR information system with an interface.

At this point, we must clearly state that the EUDR in its current form and due to the inadequate preparation of the EUDR information system as well as the not yet finalised preparation in coffee producing countries represents an unsolvable task for the German coffee industry. We therefore urgently request your support for the postponement, debureaucratisation and optimisation of the EUDR.

We are at your disposal for a more in-depth conversation.

Yours sincerely

Holger Preibisch

CEO



The reasons for our demands:

Delaying the EUDR: Coffee farmers and producing countries are far from being adequately prepared to implement the EUDR.

Geocoordinates and relevant information for the EUDR due diligence declaration must be obtained from around 12 million coffee farms worldwide. This is a huge task in a very complex global supply chain. For about a year, all coffee importers and roasters in the EU have been working intensively with farmers to obtain the necessary information. But we have to be clear: this is not possible without the concrete involvement of local structures in the coffee-growing countries. Experience has shown that national solutions are much more efficient for farmers, traders and roasters than each company in the supply chain approaching coffee farmers with its own requirements. There are also legal issues to be resolved in some countries: Who has the rights to the farmers' data?

It is likely that only two or three coffee producing countries, together with their farmers and exporters, will be able to provide the necessary data on a comprehensive basis. Almost all other coffee producing countries in Latin America, Africa and Asia are still at the beginning of the enormous task of collecting and providing the relevant data together with their customers in the EU. Programmes to support coffee farmers and coffee-growing countries are only gradually being put in place by the EU and its Member States.

It is already clear that the required data will only have been collected for a minority of coffee farmers by the planned date of application of the EUDR. This is not an abstract threat scenario, but is based on statements from the International Coffee Organisation (ICO), of which all 27 EU countries and the major coffee producing countries are full members. According to the ICO, 80% of coffee farms have not yet been mapped and are therefore not compliant with the EUDR regulation. This means that from now on, large parts of the world's coffee farmers will not be allowed to sell coffee in the EU because of the EUDR. Millions of coffee farmers would lose their livelihoods.

Further joint efforts are needed to support all coffee farmers to provide the necessary information to comply with the EUDR.

We therefore call for the application of the EUDR to be postponed until the coffee-growing countries / coffee farmers are prepared to provide the data and information required for the EUDR.



Postponement of EUDR: The EU's EUDR information system is not ready to implement the EUDR. In particular, the urgently needed interface to the system is missing.

The pilot phase of the EUSR, completed in January, showed that the essential technical requirements are not available.

We have compiled the experiences and feedback of five well-known coffee companies that participated in the pilot phase of the EUDR information system. In addition to a long list of improvements that need to be made, the EUDR Information System suffers from one major shortcoming: a much-needed interface is missing. Consequently, all the data required for the due diligence report has to be entered manually or uploaded individually. This is extremely inefficient and bureaucratic, while also creating enormous potential for error.

To illustrate, around 60,000 containers of coffee arrive in Germany annually. On average, one container contains 20 to 2000 different plots of land /farmers. Each one has to be uploaded/entered individually. During the pilot phase of the EUDR information system, it became clear that it takes about 30 to 60 seconds to enter/upload the individual information for each farmer/plot of land. Even if the delivery of a container "only" comes from 200 different farmers, and if it takes "only" 45 seconds to upload/enter the data of one farmer, this means an effort of at least 2.5 hours of pure manual data entry for ONE container - if all EUDR relevant information is already available. Extrapolated to the 60,000 containers imported into Germany each year, this means 150,000 hours of data entry per year for the containers imported into Germany. It should be noted that this time is not spent on the necessary risk assessments and mitigation measures, but on burdensome and error-prone manual data entry.

In reality, the burden of data entry is likely to be much greater than this: This is because the EUDR requires due diligence not only for imports into the EU, but also for each coffee transfer in the supply chain and for exports from the EU.

This clearly shows that there is an urgent need for an EU interface to transfer the data required by the EUDR. As long as the EU does not provide such an interface, it is not possible to implement the EUDR.

We therefore call for the EUDR to be postponed until the EU provides an interface for the transfer of data to the EUDR information system.



Postpone the EUDR until the following de-bureaucratisation has been achieved, without reducing the protective purpose of the EUDR: only one due diligence statement at import into the EU.

The pilot phase of the EUDR information system has also clearly shown how excessive the workload is due to the fact that the EUDR requires the due diligence statement to be reprepared/transmitted to the EU at each stage of the value chain and the due diligence obligations to be re-performed/reviewed. This requirement creates a considerable amount of additional work, as roasters, for example, have to spend a lot of time documenting how they mix large quantities of green coffee in silos during further processing and storage, and which batches are delivered to which customers in which mix.

There is no justification for this effort, which is enshrined in the EUDR: The purpose of the EUDR for coffee can be achieved by simply requiring the Due Diligence Statement to be submitted once at the point of import into the EU, since coffee is grown exclusively outside the EU and therefore all coffee must be imported into the EU. This will ensure that all coffee trade, processing and consumption in the EU is deforestation-free. Additional, renewed due diligence statements for coffee that has already been imported into the EU are superfluous, lead to an increased workload and do not provide any additional legal certainty.

We therefore request that a Due Diligence Statement be required only once for the moment of importing into the EU.



Postponement of the EUDR until the following reduction in bureaucracy has been implemented, without reducing the protective purpose of the EUDR: Territorial approach instead of individual geo-coordinates / polygons

The EUDR currently requires the "plotl of land" to be specified as a geocoordinate or polygon in the due diligence statement. Therefore, for each coffee bean, the individual farmer must be identified and their exact cropping details provided. More than one farmer can be specified if more than one farmer is to be considered as a supplier. This means that all of the farmers' details have to be identified and included in the due diligence statement. This is clearly an enormous amount of work: If the coffee is purchased or processed by a cooperative (an association of small farmers) or by several farmers, it is generally not possible to identify the individual farmer whose coffee was purchased, as coffee from many different farmers is mixed in the cooperative or when processed in the growing country. This means that all of the data for all of the farmers has to be identified and entered into the EUDR information system.

This can be illustrated with figures: The large Cooxupé cooperative in Brazil, which is very important for the German coffee market, consists of around 18,000 farmers. According to the current understanding of the EUDR, when buying coffee from this cooperative, the data of all 18,000 farmers would have to be determined and included individually in the due diligence statement for the coffee delivery. This is not feasible. This is where a significant simplification can be achieved for the farmers, the importers, the roasters and the "competent authority", without weakening the protection against deforestation:

Instead of requiring each individual farmer's geocoordinates to be submitted to the cooperative, it should be possible to specify entire/large areas where several farmers grow coffee, e.g. entire cooperatives or coffee mill/community districts. On the one hand, there would be a significant reduction in the volume of data, as there would no longer be hundreds or thousands of data per cooperative in the due diligence statement, but only ONE large polygon of the cooperative or community. On the other hand, there would even be an increase in the protection against deforestation, as the deforestation risk assessment would not be for a large number of individual coordinates, but for a large total area which would encompass the large number of individual coordinates.

Thus, the proposed simplification of the EUDR actually significantly increases the area protected from deforestation.

Our request therefore is the following: Instead of the obligation to declare individual "plots" per farmer, create the possibility to declare larger areas/cooperatives/communities.



About the German Coffee Association

The German Coffee Association unites more than 370 coffee companies from all areas of the sector: from sustainability organisations to certifiers, almost all well-known global coffee traders, all well-known brand roasters as well as private label roasters, over 170 small speciality roasters, manufacturers of soluble or decaffeinated coffee and many more. The roots of the German Coffee Association date back to 1886. The association in its present form was founded in 1969. For its outstanding work, the Association was awarded the "Association of the Year" prize by the Deutsche Gesellschaft für Verbandsmanagement (DGVM) in 2014 and 2018.

Finally, we would like to reiterate that the German coffee industry is aware of and takes its supply chain responsibilities seriously. In contrast to other industries, the German Coffee Association did not take a negative position on the Supply Chain Due Diligence Act, but rather developed a comprehensive risk analysis for the 18 most important coffee-growing countries at an early stage as an industry solution, which is now used as the main basis for risk analyses in accordance with the LkSG. In addition, the Deutscher Kaffeeverband and some of its members run an international coffee grievance mechanism, www.ear4u.org/de.

The German Coffee Association has also developed a comprehensive industry solution for the EUDR. It consists of three different tools:

- EUDR Coffee Compass: A handbook with interactive maps on the risk of deforestation in the 18 most important countries where coffee is grown.
- EUDR Legislation List: Comprehensive collection of the 500 most important laws in coffee-growing countries to be checked and complied with under the EUDR.
- EUDR Coffee Check: Innovative online tool that automatically checks deforestation and other risks for specific coffee shipments according to the EUDR and documents all steps of the due diligence process.

At the same time, it is clear that although this industry solution for the German coffee industry to implement the EUDR is ready for operation, there are missing the necessary geo-coordinates and other relevant information from the coffee-growing countries to implement the EUDR. On the other hand, the interface to the EUDR information system is missing. This would allow all available information and data to be transferred quickly and securely to the EU. This problem exists not only with our tool, but with every other system that implements the EUDR.

Therefore, the EUDR cannot be implemented today or by the end of the year. In the interests of all affected by the EUDR, we call on you to delay the application of the EUDR, due to be 30 December 2024, and to significantly reduce the bureaucratic burden of the EUDR, so that protection against deforestation in the coffee supply chain can be provided in a legally secure and efficient manner in the future.