UTZ is the largest certification program in the world for sustainable coffee.

More than 480,000 coffee farmers and workers benefit from the UTZ program.

UTZ certified coffee is produced in 23 countries.

In 2017, more than 43.8 billion cups of UTZ certified coffee were enjoyed in 84 countries.
Introduction

The main goal of this report is to present the scope and scale of the UTZ coffee program in 2017 – calendar year. The statistics report is written in order to inform our stakeholders and is part of our commitment to transparency.

The statistics report focuses on the key indicators related to:

- **Market uptake**: sales of UTZ certified coffee
- **Program reach**: UTZ certified coffee production, premiums being paid and multi-certification of this production

This report is part of the UTZ monitoring and evaluation system. Most of the data in this report is collected via our online traceability system, the Good Inside Portal.

We recognize that there may be shortcomings with the reliability of the data. We look forward to receiving your feedback. For more information, please contact the Monitoring & Evaluation Department at ME@utz.org

©2018 UTZ

Information presented here is for informative purposes only. UTZ grants permission to use information for personal, non-commercial use, without any right to resell or redistribute information or to compile or create derivative works therefrom.
Summary

A stable supply base

- UTZ supply remains stable with Arabica volume growing and compensating slight Robusta decline
- More than 225 thousand farmers and over 250 thousand workers reached
- 43% of UTZ coffee certificate holders are also certified for one or more other schemes, being UTZ-Rainforest Alliance the most common combination. Multi-certification is most common in Africa

An increasing market demand for UTZ certified coffee

- Increased demand for UTZ was reflected in 14% increase in first buyer sales; with higher sales of both Arabica and Robusta Coffee
- Increasing commitments for certified coffee of European retailers
- Significant growth of demand for UTZ soluble coffee
- In 2017, farmers were able to sell 43% of certified coffee as UTZ
Content

1. Reach
2. First buyer sales
3. Premium
4. Estimated production
5. Supply-demand trend
6. Multi-certification
1.1 Geographical reach
The UTZ Coffee program reached 23 producing countries.

Compared to 2016 El Salvador (1 group and 1 estate) and Panama (1 estate) weren’t anymore in the program.
1.2 Program reach

5% more land was reached by the UTZ coffee program in 2017, but there were 14% less workers. The number of farmers reached remained fairly stable.

- The growth in area was mostly driven by Latin America, particularly Brazil and Colombia.
- The number of farmers remained fairly stable. The decrease of 0.2% was mostly driven by Africa.
- The largest absolute decrease in the number of workers was seen in Vietnam and Honduras.
2.1 Global first buyer sales

The UTZ coffee 1\textsuperscript{st} buyer sales increased with 14\% from 2016 to 2017

- Increased demand coming mainly from:
  - Western Europe - driven by private labels
  - Northern Europe - driven by A-brands
- Substantial volumes were sold to the coffee soluble industry

\textit{First Buyer Sales} are all confirmed sales from the producer to the first buyer.
Private labels are products under own company name manufactured by a third party. A-brands are own branded products.

* From 2015 onwards volumes are reported in Green coffee equivalent
2.2 First buyer sales per origin

Most UTZ coffee came from Brazil (38%), Vietnam (17%) and Honduras (13%).

- 9% increase in Latin America mainly due to more sales from Honduras, Nicaragua and Guatemala
- 31% increase in Asia with all countries increasing their sales, except for China
- 31% increase in Africa with all countries increasing their sales, except for Ethiopia and Kenya

*First Buyer Sales* are all confirmed sales from the producer to the first buyer.

*Other* includes: Indonesia, Tanzania, Peru, India, Ethiopia, Costa Rica, Kenya, Guatemala, China, Papua New Guinea, Uganda, Mexico, Rwanda, Burundi, DR of Congo & Zambia
2.3 Split Arabica vs Robusta

Almost 40% increase in Robusta first buyer sales and 10% increase in Arabica

- Robusta volume sold increased with almost 40% with all UTZ producing countries increasing their sales
- Vietnam and India sold most of the UTZ certified Robusta coffee
- Almost 10% increase in Arabica sales mainly driven by increase in sales of Arabica coffee from Honduras

‘First Buyer Sales’ are all confirmed sales from the producer to the first buyer.
Arabica sales consists of Colombian Milds, Other Mild Arabicas & Brazil & other Natural Arabicas
* From 2015 onwards volumes are reported in green coffee equivalent
2.4 First buyer sales per coffee quality classification

Increase in sales for all coffee qualities except for the Brazilian Arabica sales which decreased with 6%

- Brazilian and other natural Arabicas decreased with 6%
- Other Arabica Milds coffee qualities increased with 42%
- Robusta sales increased with 39%
- Colombian Milds increased with 9%

*First Buyer Sales’ are all the confirmed sales from the producer to the first buyer.
Arabica sales consists of Colombian Milds, Other Mild Arabicas & Brazil & other Natural Arabicas

*Coffee quality classification for a small volume of Arabica coffee is unknown
2.5 Market uptake
Sales growth was also reflected in new supply chain actors and labeled packages

- 87 supply chain actors joined the UTZ coffee program in 2017, a relative growth in members of 13%
- First supply chain actors joined in Hong Kong and the Russian Federation
- In 2017, there were 1,609 new labeled coffee products on the market

'Supply Chain Actors' include traders, roasters and retailers
3.1 Premium
UTZ average coffee cash premium increased to 3.60 $c/lbs

- The UTZ Premium is an additional cash amount paid above the market price for a similar conventional (non-certified/non-verified) product. It is mandatory and agreed upon between the certified group or producer and the first buyer.
- UTZ average coffee premium increased with 7%, with an increase of 9% for Arabica to 3.78 Cents/ lb and a decrease of 3% for Robusta to 2.77 Cents/ lb in 2017.

Global average UTZ Cash Premium ($c/lbs)

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global</td>
<td>3.37</td>
<td>3.60</td>
</tr>
<tr>
<td>Arabica</td>
<td>3.46</td>
<td>3.78</td>
</tr>
<tr>
<td>Robusta</td>
<td>2.87</td>
<td>2.77</td>
</tr>
</tbody>
</table>

GLOBAL AVERAGE UTZ CASH PREMIUM (\$C/LBS)

UTZ premium calculations are based on transactions data recorded in the UTZ traceability system. Previous years values above 20 $c/lbs were excluded from the analysis. In 2017 values above 30 $c/lbs are excluded. This change will improve our analysis and understanding of the UTZ premium.
3.2 Premium per country

There are significant differences in the UTZ average coffee cash premium among countries.

- Premiums differ per country, producer and buyer because of several aspects such as quality, proportion of in-kind premium, and negotiation powers.
- Largest absolute increase seen in India.
- Largest absolute decrease seen in Indonesia.

*UTZ premium calculations are based on transactions data recorded in the UTZ traceability system. Values above 30 $c/lbs are excluded from the analysis. Countries with less than 3 CHs not included.*
4.1 UTZ estimated production

UTZ estimated production remained stable despite a decrease in Robusta coffee

- 2% more certified Arabica volume, 15% reduction in Robusta volume
- Estimated production in Latin America and Africa remained quite stable with an increase of 2% and 1% respectively
- Estimated production in Asia decreased by 11% mainly due to a decrease in production in Vietnam

Estimated production is based on license information from licenses valid on December 31st 2017
4.2 UTZ estimated production per origin

Growth in certified volume in Colombia compensated the decline in Vietnam

- 79% of UTZ certified coffee volume comes from 5 countries: Brazil, Vietnam, Honduras, Peru and Colombia
- Largest absolute growth in Colombia because of an increase in the number of farmers and area
- Largest absolute decline in Vietnam because of a decrease in the number of group members and weather conditions

Estimated production is based on license information from licenses valid on December 31st, 2017

*Other includes: India, Laos, Indonesia, Nicaragua, Costa Rica, Kenya, Mexico, Uganda, China, Tanzania, Papua New Guinea, Rwanda, Burundi, DR of Congo, Dominican Republic, Ethiopia, Guatemala & Zambia
5.1 Supply-demand trend

Producers sold on average 43% of their estimated production as UTZ. Increasing trend since 2015

- The share of estimated production that was sold as UTZ increased in 2017 for all regions
  - Largest increase seen in Asia from 27% in 2016 to 40% in 2017
  - Latin America increased from 42% in 2016 to 45% in 2017
  - Africa increased from 18% in 2016 to 24% in 2017

Supply Demand is based on first buyers sales and estimated production 2017. It indicates a trend but not an absolute number.
6.1 Multi-certification: Certificate holders

43% of UTZ coffee certificate holders are also certified for one or more other schemes.

- Decrease in multi-certified CHs for all schemes included in the analysis
- Rainforest Alliance (RFA) was once again the most common scheme in combination with UTZ
- Multi certification is most common in Africa (78%), followed by Latin America (42%) and Asia (33%)

Multi-certified represents the number of UTZ coffee certificate holders that were also certified for one or more of the following schemes: Fair Trade; Rainforest Alliance; Organic are included in the analysis. 4C and ‘Other’ schemes are excluded from the total Multi-certification figures for UTZ since these are practices and not a certification schemes.