



Coffee Challenges 2024

Massimiliano Fabian

Demus S.p.A. President

Chair International Coffee Council 2022-2023

International Coffee Convention 2024, Mannheim, Germany

October 17-18, 2024





The coffee sector is facing significant challenges in 2024

- ▶ EU deforestation regulation (EUDR)
- ▶ Reclassification of dichloromethane (DCM)
- ▶ Increase in coffee stock exchange prices
- ▶ Corporate Sustainability Due Diligence Directive (CSDDD)



EU Deforestation Regulation

- Challenges in meeting the requirements of the EU deforestation regulation
 - 80% of farmers have not mapped their coffee plots
 - Lack of clear guidelines and harmonization
 - EU Commission proposed a delay of the regulation's implementation by 12 months
- 



Reclassification of Dichloromethane (DCM)

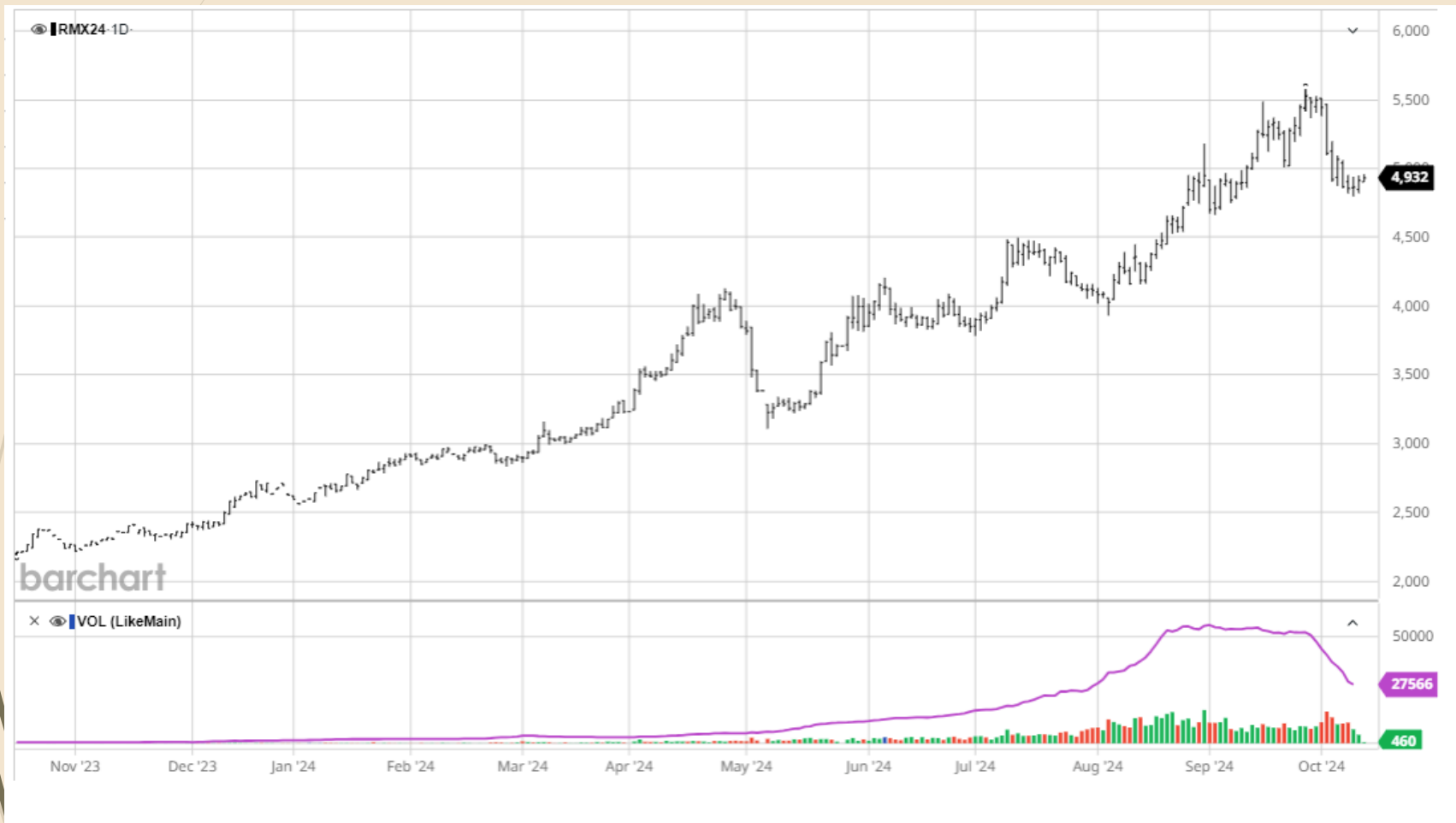
- ▶ Proposal to reclassify DCM as a carcinogen cat. 1B and Mutagen 2 in the EU
- ▶ RAC opinion expected within February 2025
- ▶ No (new) scientific evidence supporting this reclassification
- ▶ Rejection of DCM decaffeination ban in California
- ▶ Silent at the US FDA level
- ▶ Negative impact on food and pharmaceutical industries (including caffeine production)
- ▶ Extra UE industry will not be affected – EU industry will be less competitive



Increase in Coffee Stock Exchange Prices

- Significant rise in Robusta and Arabica prices in the last year
- Lack of availability of coffee stored in the European ports (low stocks in importing countries with increased volatility)
- Speculative issues
- Increase of transit time especially from Vietnam, India and Indonesia – shipping delays
- Impact of climate change on yield of coffee plantations
- Increased consumption in new/producing countries

Robusta coffee stock exchange nov-23/oct-24 (source barchart.com)



Arabica coffee stock exchange nov-23/oct-24 (source barchart.com)





Corporate Sustainability Due Diligence Directive (CSDDD)



- ▶ The Directive requires companies to ensure human rights and environmental due diligence
- ▶ Support by the European Coffee Federation
- ▶ Aims to promote sustainable and responsible coffee value chains



Conclusions



- The coffee sector faces multiple challenges is affecting market dynamics and consumer prices
- Efforts in sustainability and regulatory compliance are crucial for the industry's future
- International relationships are key in a global coffee market, with an important role for ICO and other related institutions
- Cooperation & development even more important



Dr. Massimiliano Fabian
Demus S.p.A. Trieste – Italia

Tel: +39 040 280858

e-mail:

mfabian@demus.it