

# **Colombia: A Renewed Coffee Growing**

## **Colombia: Una Caficultura Renovada**



**Federación Nacional de  
Cafeteros de Colombia**

**Juan Esteban Orduz  
President  
Colombian Coffee Federation  
New York**

**November 2012**

© Copyright FNC (2012)



# The Perfect Storm

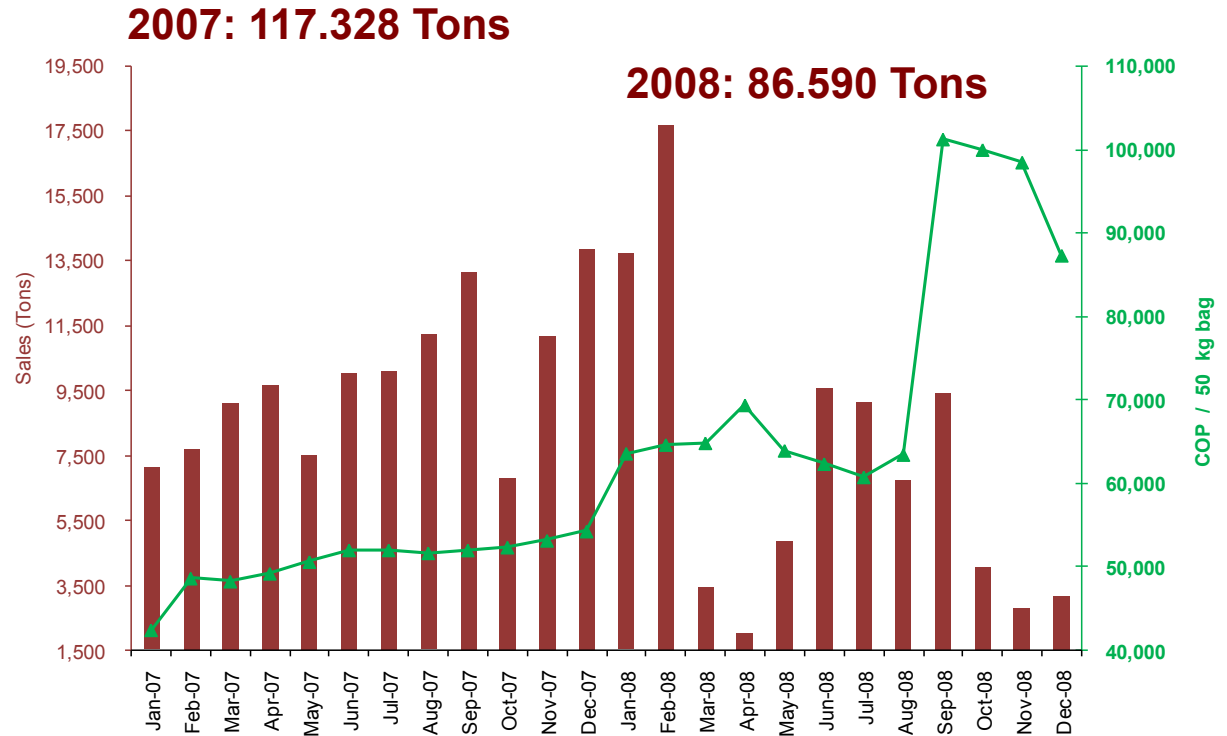
- 2008 - 2009
  - El Niño (Higher temperature – change in currents and winds in the Pacific Ocean)
    - Non typical dry weather in Colombia
      - » Increased berry borer
  - Low Fertilization
  - Lower production as of 2009



## High oil prices increased the cost of fertilizers - Less fertilization

### Urea Sales to Coffee Cooperatives

During 2008 the urea sales fell **26%**, if compared with 2007.

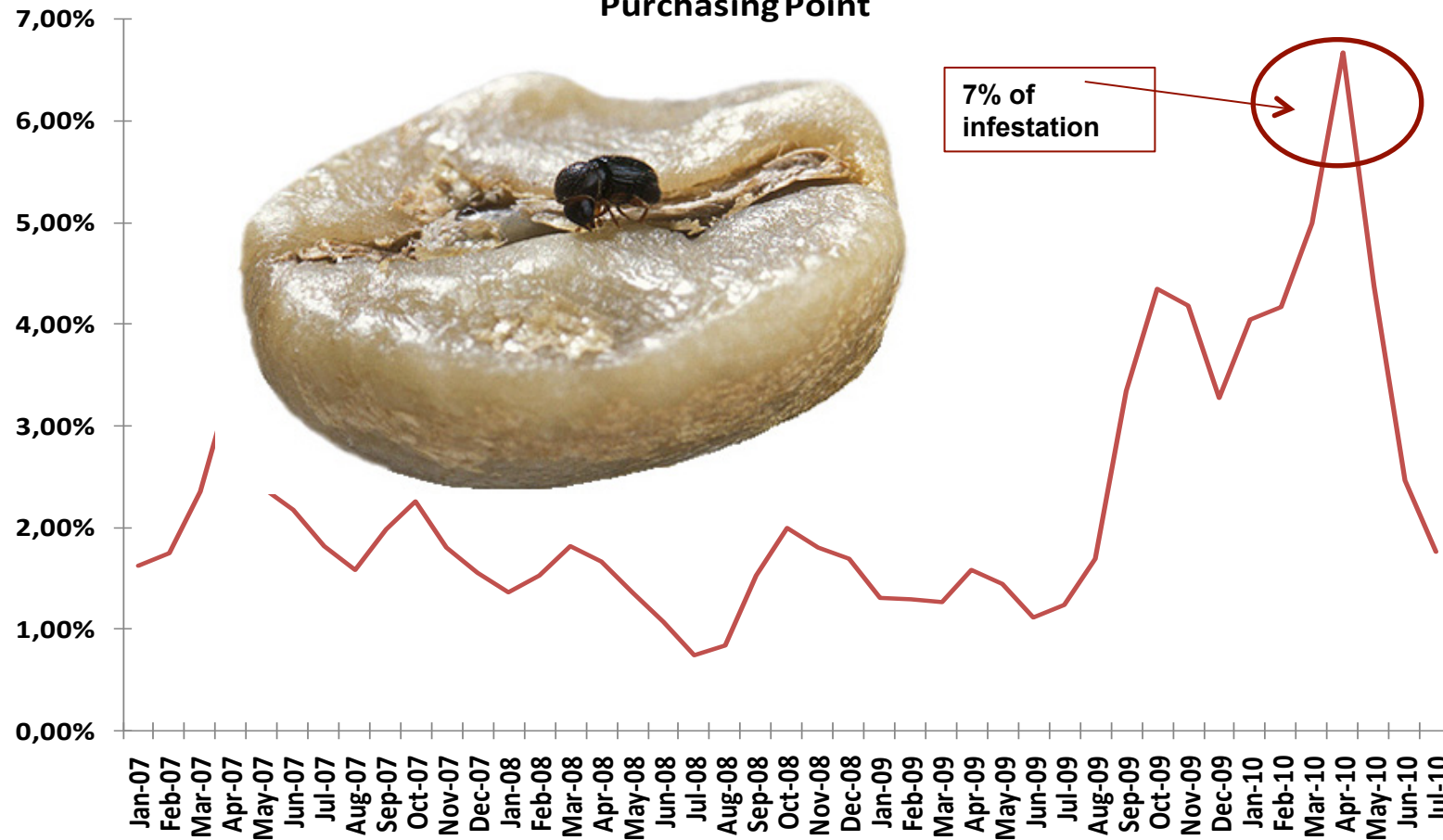


Source: Agroinsumos del Café



# Higher temperatures in 2009 increased coffee berry borer infestation

National Average % of Coffee Beans Affected by the Borer at the Purchasing Point





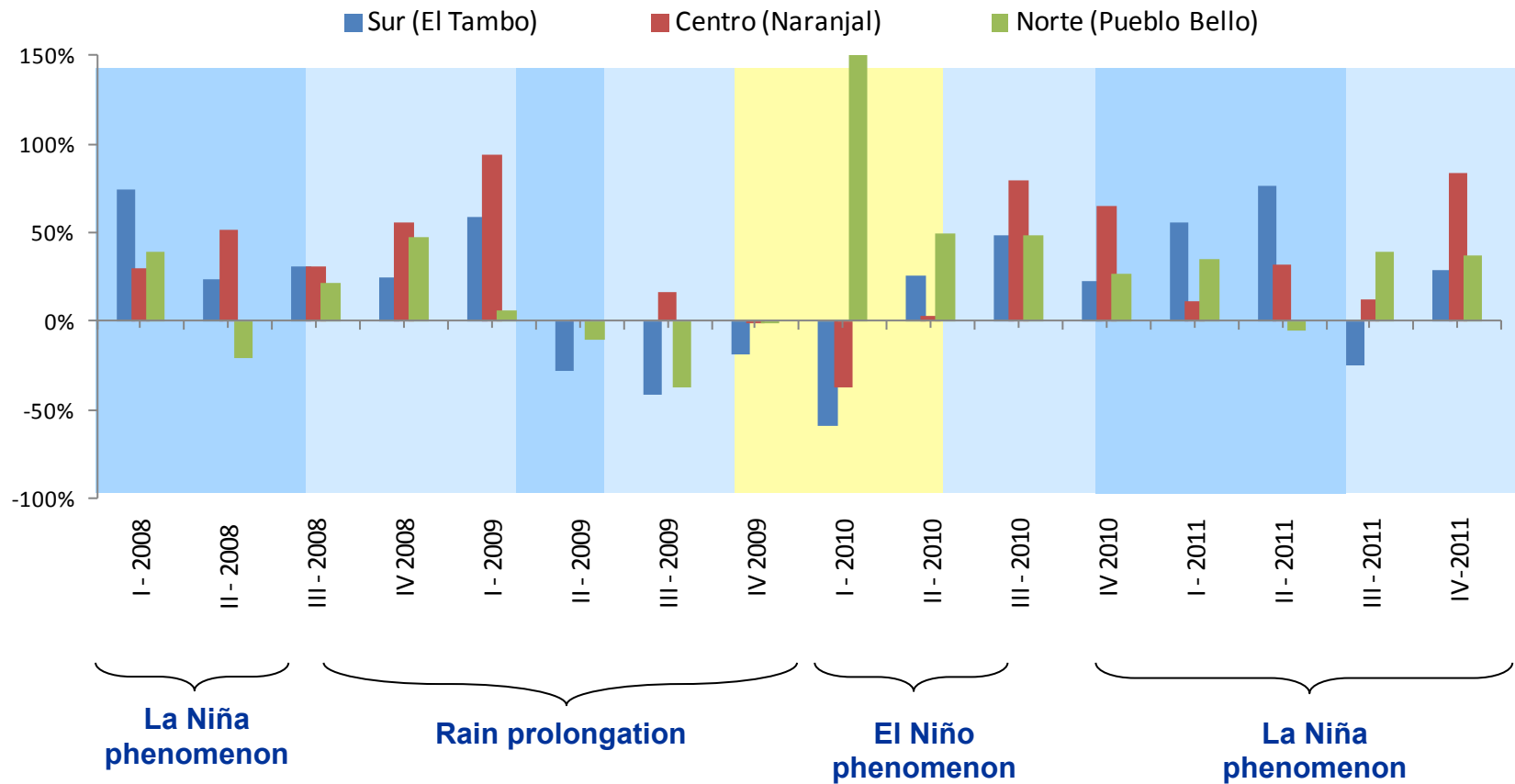
# The Perfect Storm

- 2009 – 2010 – 2011 – 2012 (1st. Sem.)
  - **LA NIÑA** (Lower temperature in the Pacific Ocean, affecting climate in Asia and America)
    - Rain above normal levels
      - Less than sufficient sunlight and high humidity
        - » No hydric stress
        - » Low and / or delayed flowering
        - » Increase in coffee rust
  - **Older trees and non resistant varietals**
  - **Less coffee production**



## Since 2008, coffee regions were affected by an increase in rain levels never seen before...

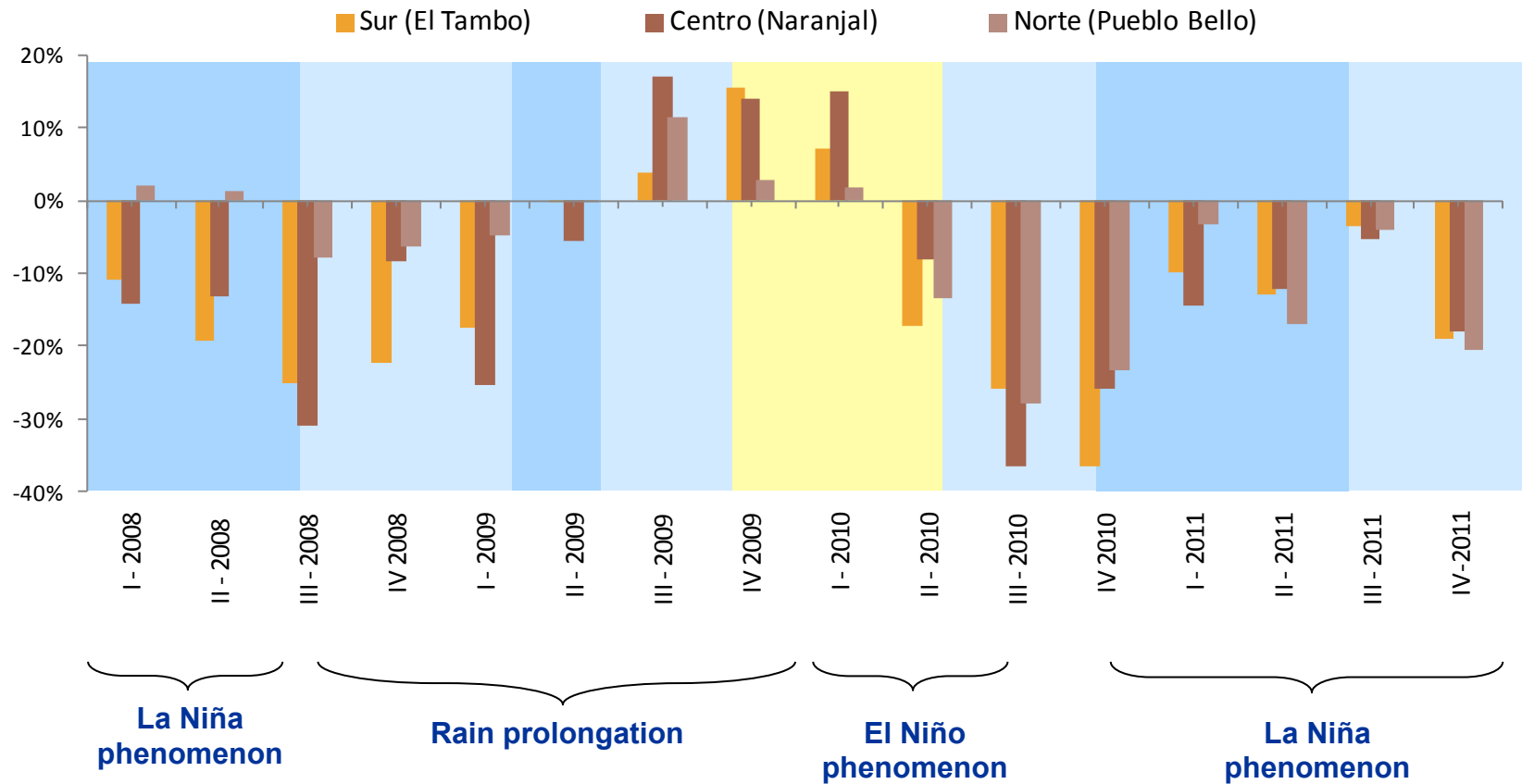
Observed Rainfall change from historic average  
(2008 – 2011)





## ... Decreasing the amount of sun exposure hours of the coffee trees

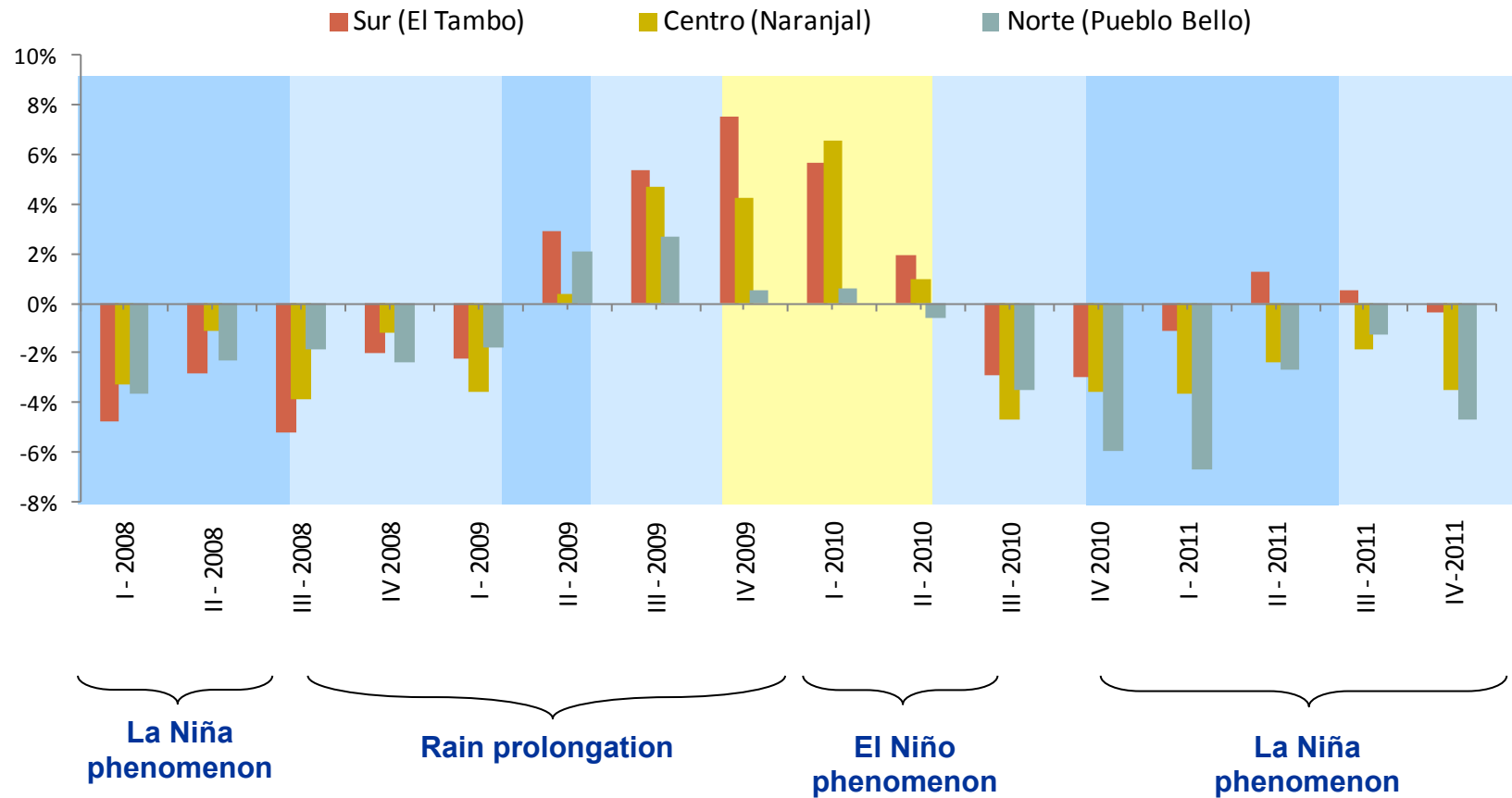
Observed solar light change from historic average  
(2008 – 2011)





## And causing falls in the average temperature

Observed temperature change from historical average  
(2008 – 2011)

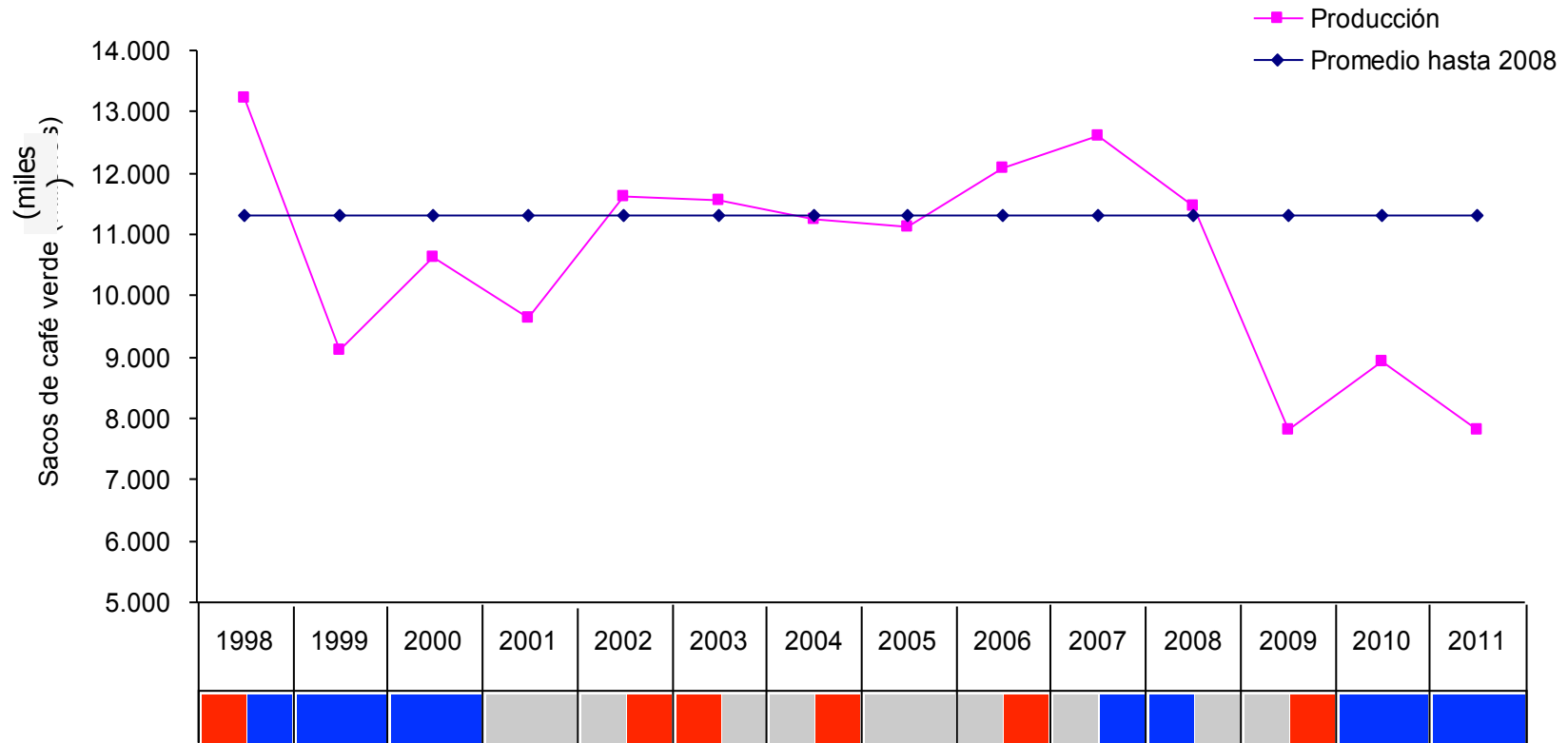






# Adverse Weather Conditions Affected the Coffee Production

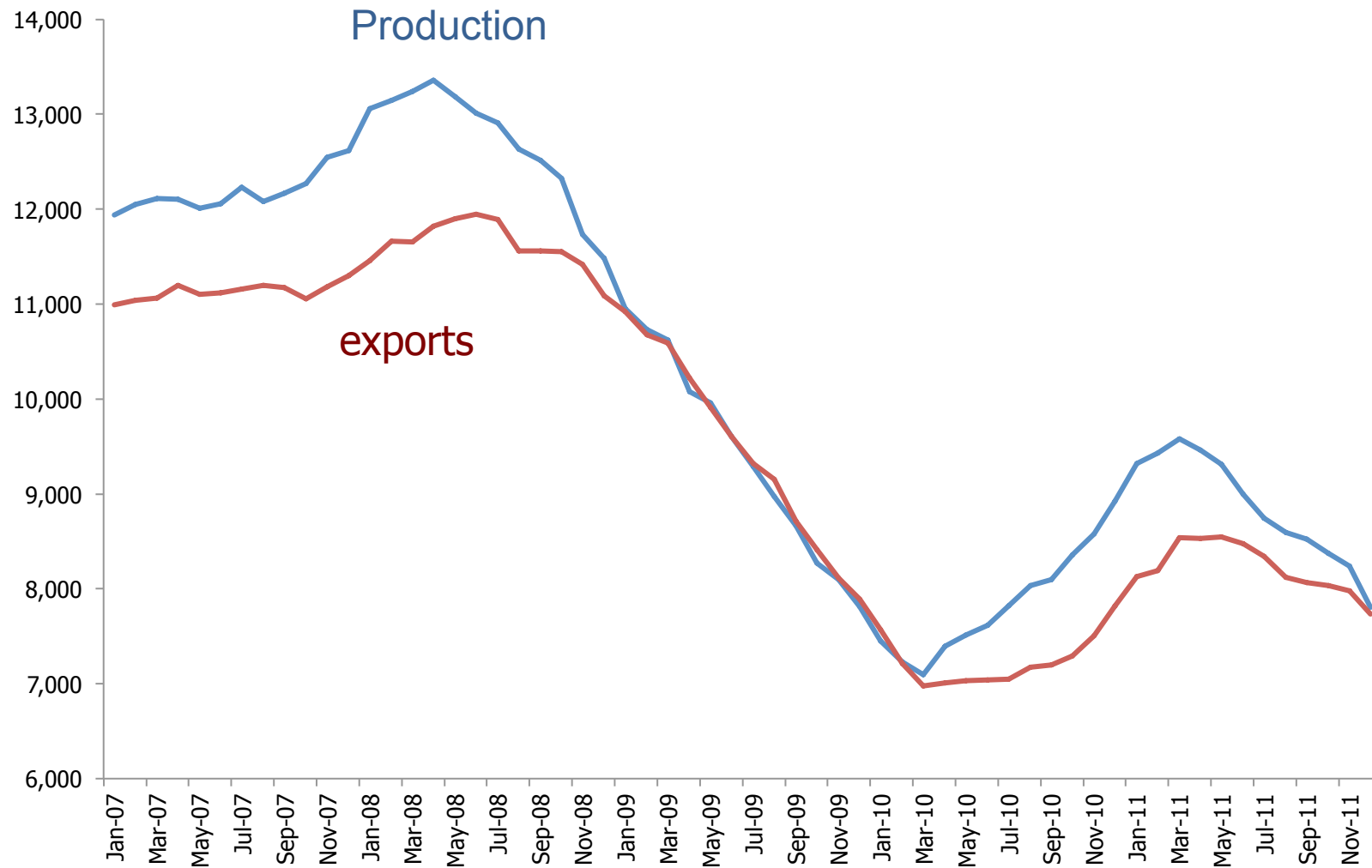
Coffee production vs. Weather conditions (Niño/Niña)  
(1998-2011)



Niño Niña Neutro



# Production and Exports 000 's 60kg bags





## In a nutshell

2009 to 2011 Colombian coffee production and exports decreased:

- **Bad weather:** El Niño and La Niña (2008 – 2012).
- **Low fertilization:** Mostly due to high prices of oil (2008).
- **Rust and berry borer:** The weather and the lower use of fertilizers caused higher levels of rust and berry borer.
- **Old and non rust resistant trees:** Low productivity due to old coffee trees.



# Light at the End of the Tunnel

## RECONFIGURATION:

- Our goal is to reach higher productivities and production every year.

## Renovation:

- **Renovation:** 117.000 hectares (290.000 acres) renovated in 2011. The process will continue at a rate of approximately 120,000 hectares (297,000 acres) renovated with resistant varieties per year.
- **High productivity and rust resistant varieties:** Castillo variety and its regional strands in all coffee departments.
- **Climatically Intelligent Coffee Agriculture:** This is our top challenge this year. Since not all its repercussions manifest in the same form in the different coffee regions, multilevel solutions are the answer - CENICAFE



# Light at the End of the Tunnel

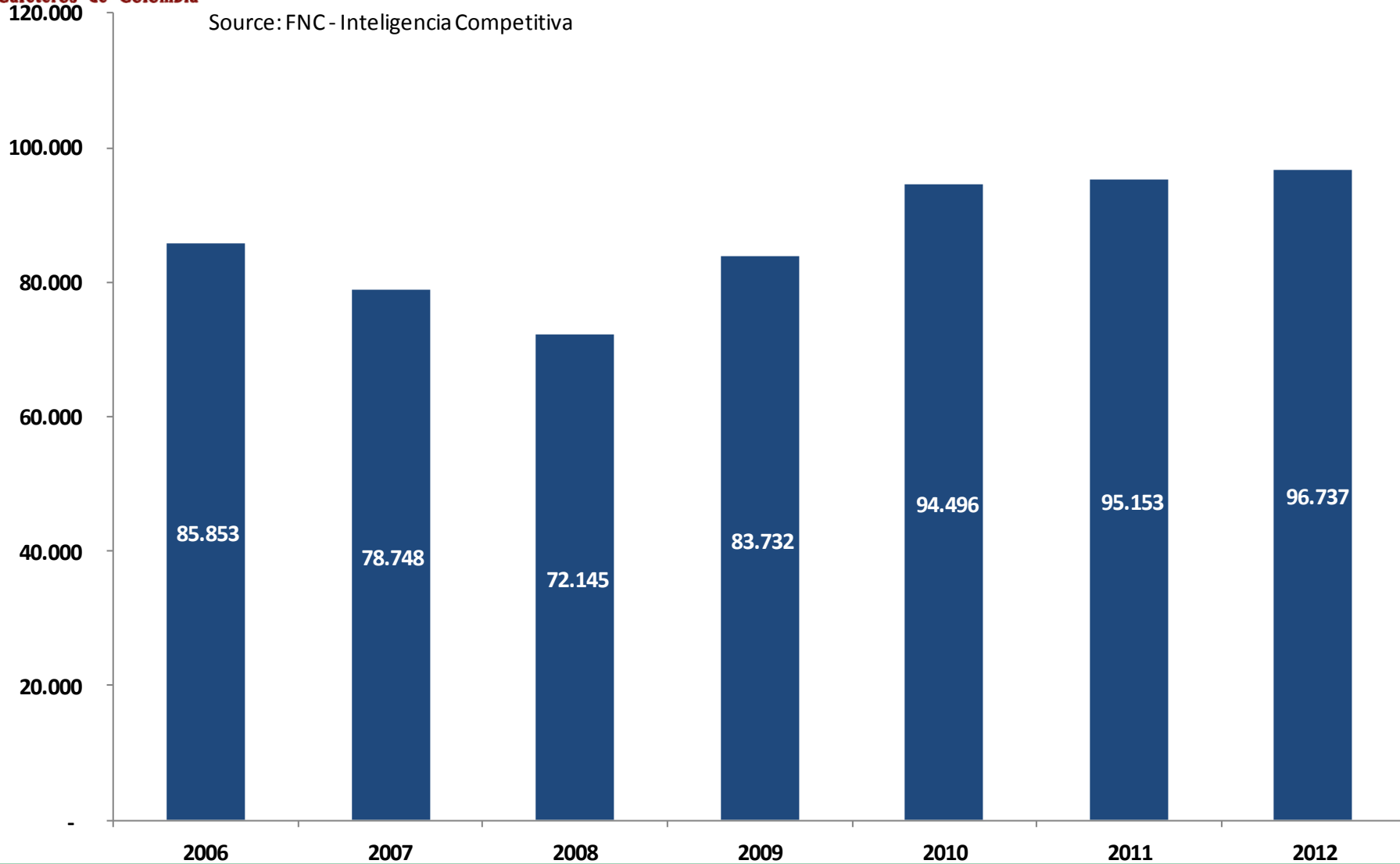
Circumstances have improved and measures have been taken:

- **Better weather:** End of La Niña phenomenon / mid 2012.
- **Good flowering:** Less rain at the beginning of 2012 has resulted in a better main crop.
- **More fertilizers:** Lower prices and FNC incentives with governmental support.
- **Renovated areas start producing:** The results from the first stages of the renovation start to increase productivity.
- **Expansion of total cultivated areas:** Incentives for expansion of the total cultivated areas. Now Colombia has 917,000 (2.26 million acres) cultivated hectares compared to 850,000 hectares (2.1 million acres) a couple of years ago.



## Sales of Fertilizers January - July [Tons]

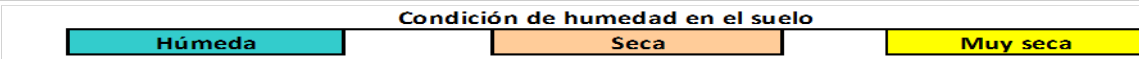
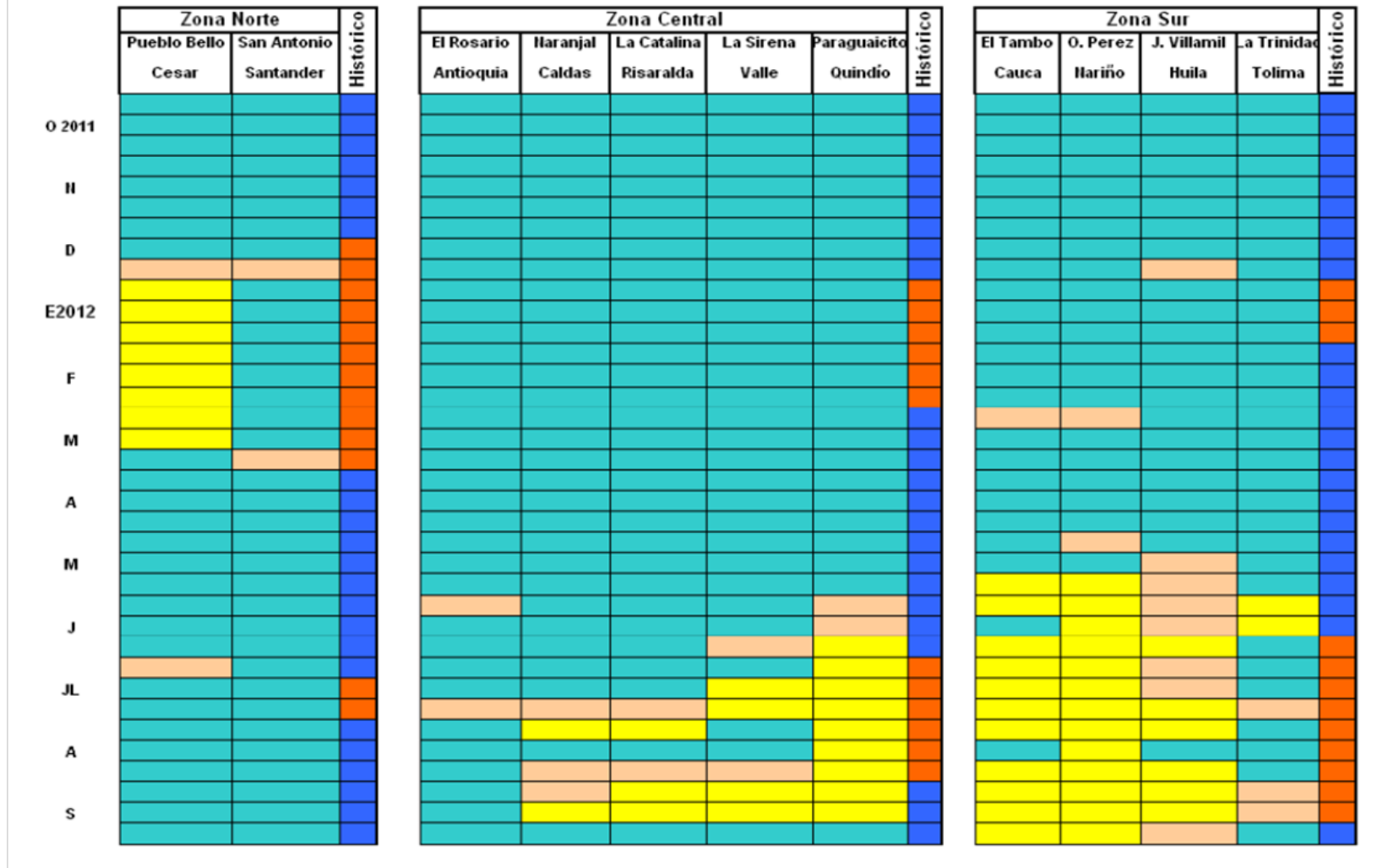
Source: FNC - Inteligencia Competitiva





Federación Nacional de Cafeteros de Colombia

# Better Weather Conditions (Hydric Stress) and flowering for Mitaca



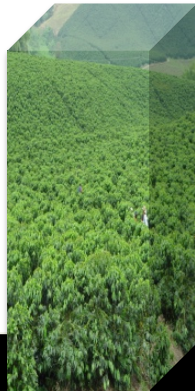


# In 2012, we will continue fighting against rust through the execution of the second phase of the "Ola Invernal" program

## EMERGENCY PLAN EXECUTION FOR PRODUCTION RECOVERY. II STAGE (2012)

STAGE I (2011)

161 K hectares  
(398 K acres)



180 K  
coffee  
growers



US\$ 31  
million



STAGE II (Until Sep 10 of 2012)

90 K hectares  
(222 K acres)



105 K  
coffee  
growers



US\$ 11  
million

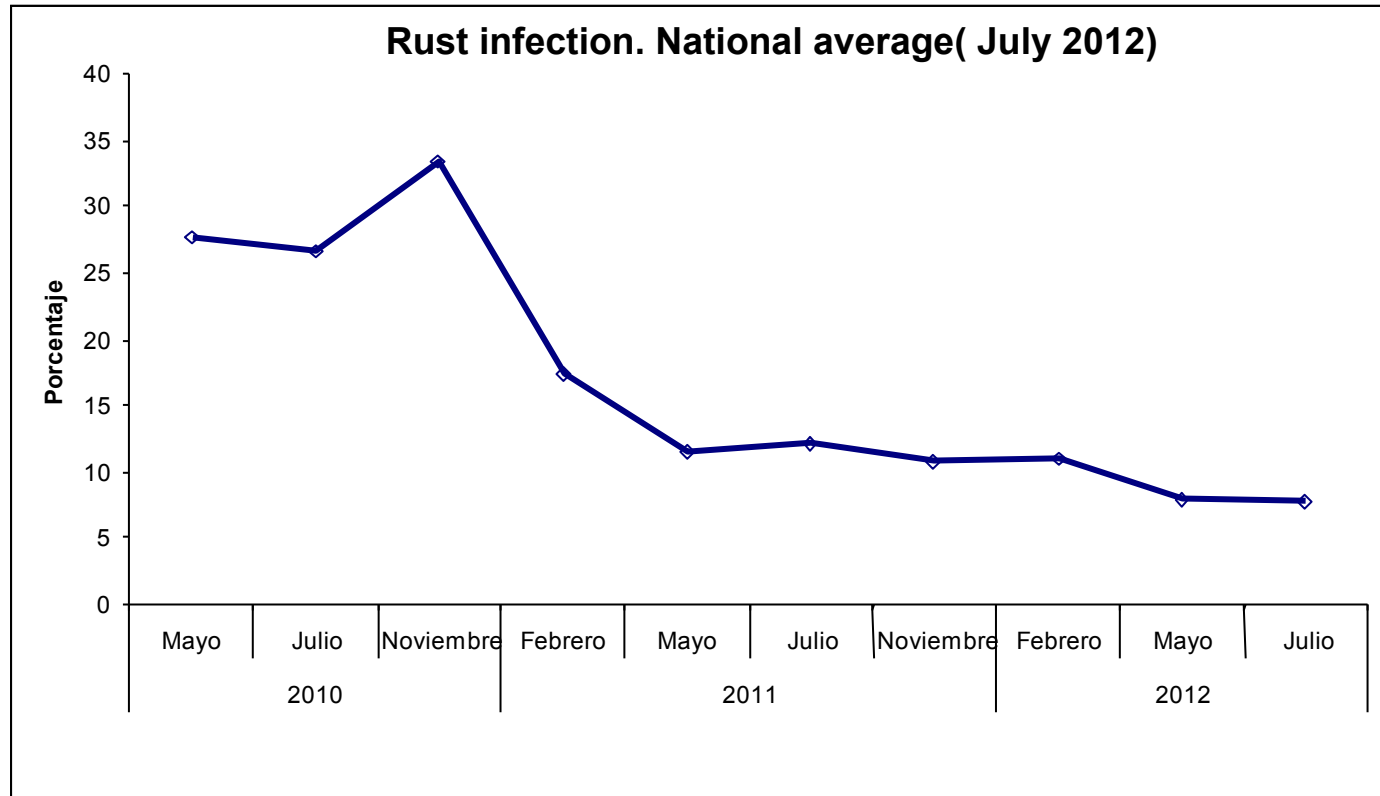


As a complement of the resources given by Colombia Humanitaria, coffee growers have invested \$20.237 millions buying fertilizers.





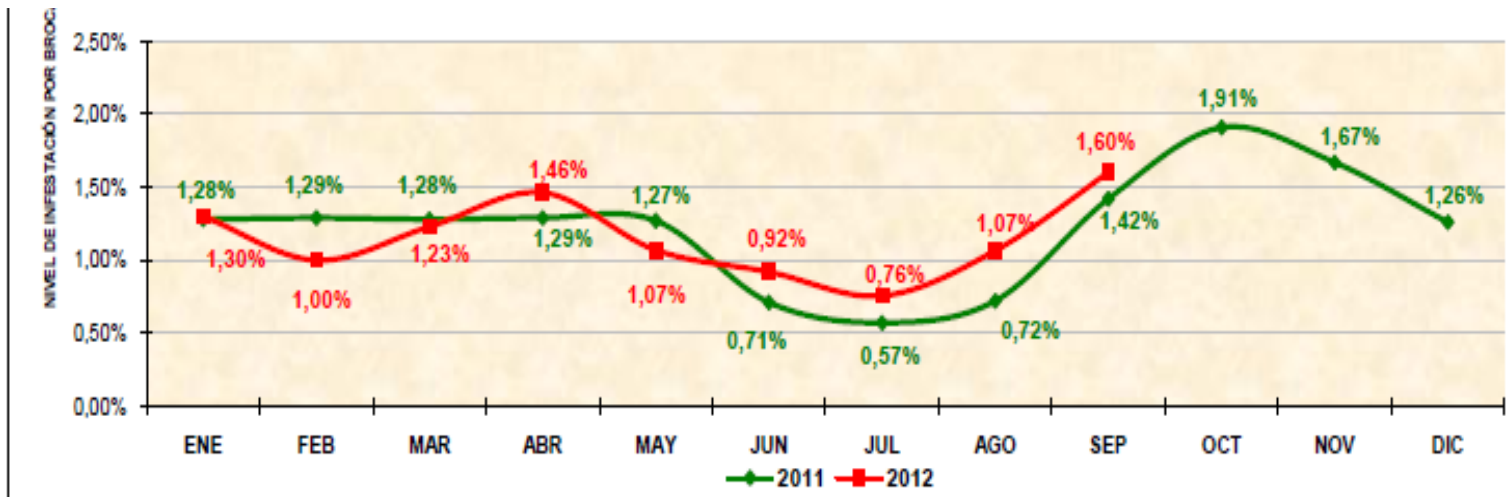
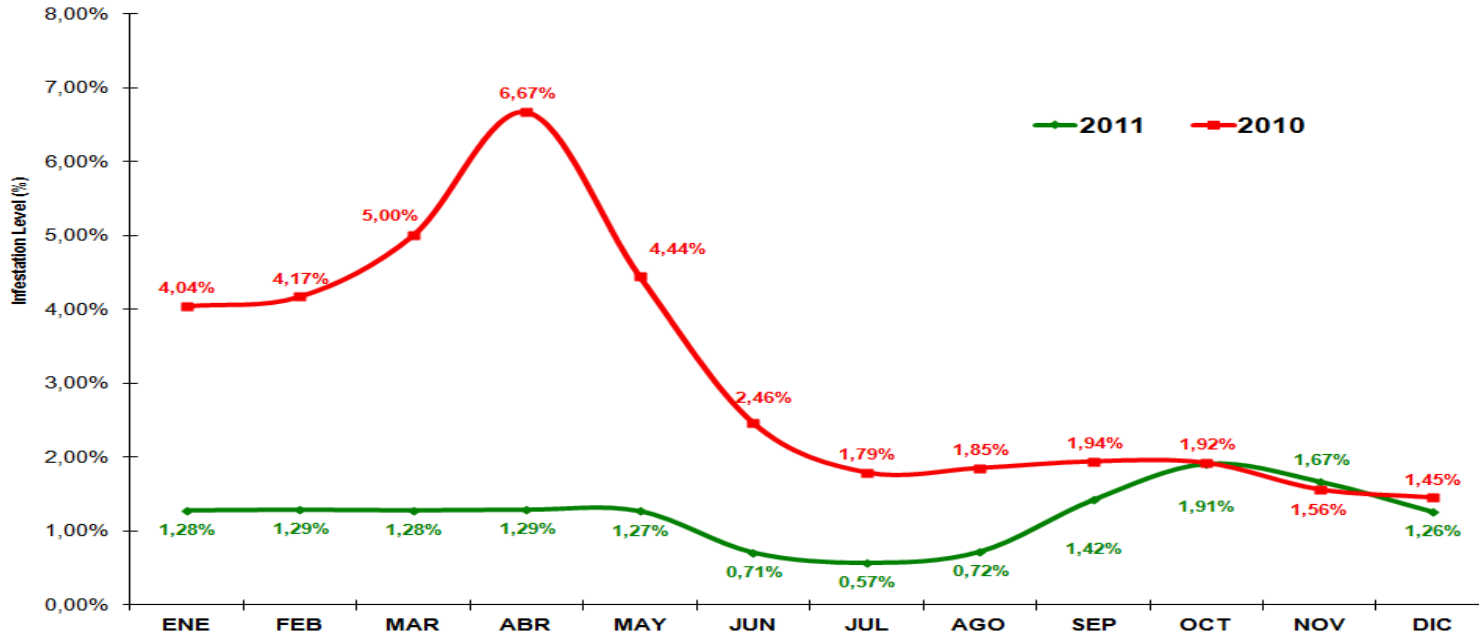
**As a result of these programs, the rust infection percentage has declined sharply.**



**National mean: 7,7%**



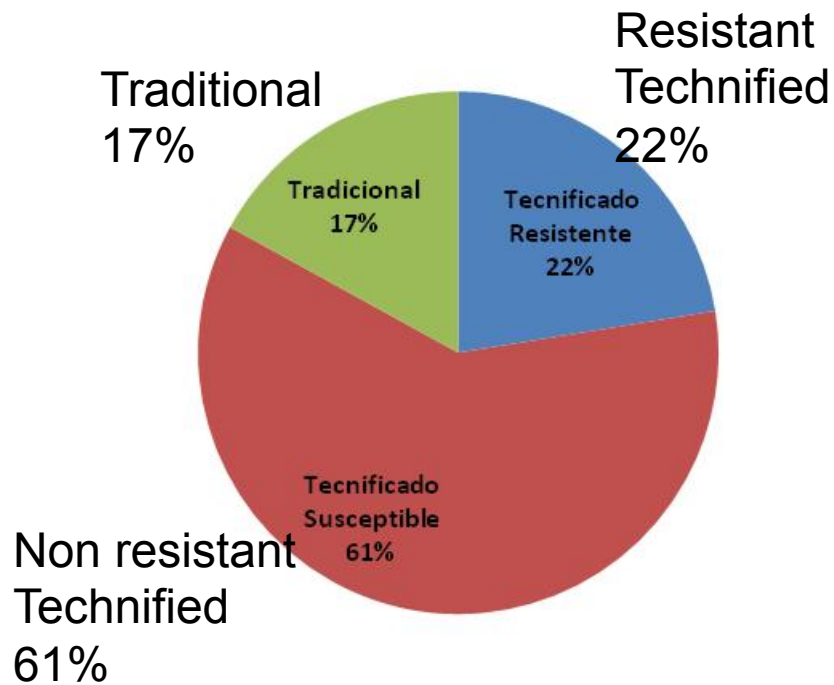
### Coffee Berry Borer Infestation (%)



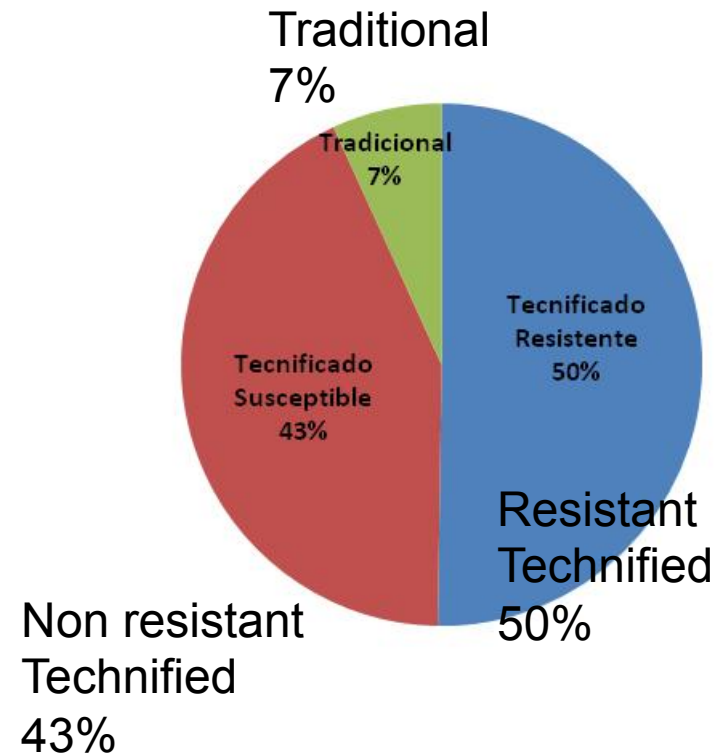


**Thanks to the renovation program, the area planted with young technified coffee in resistant varieties has doubled in the last three years.**

**Productive structure 2008**

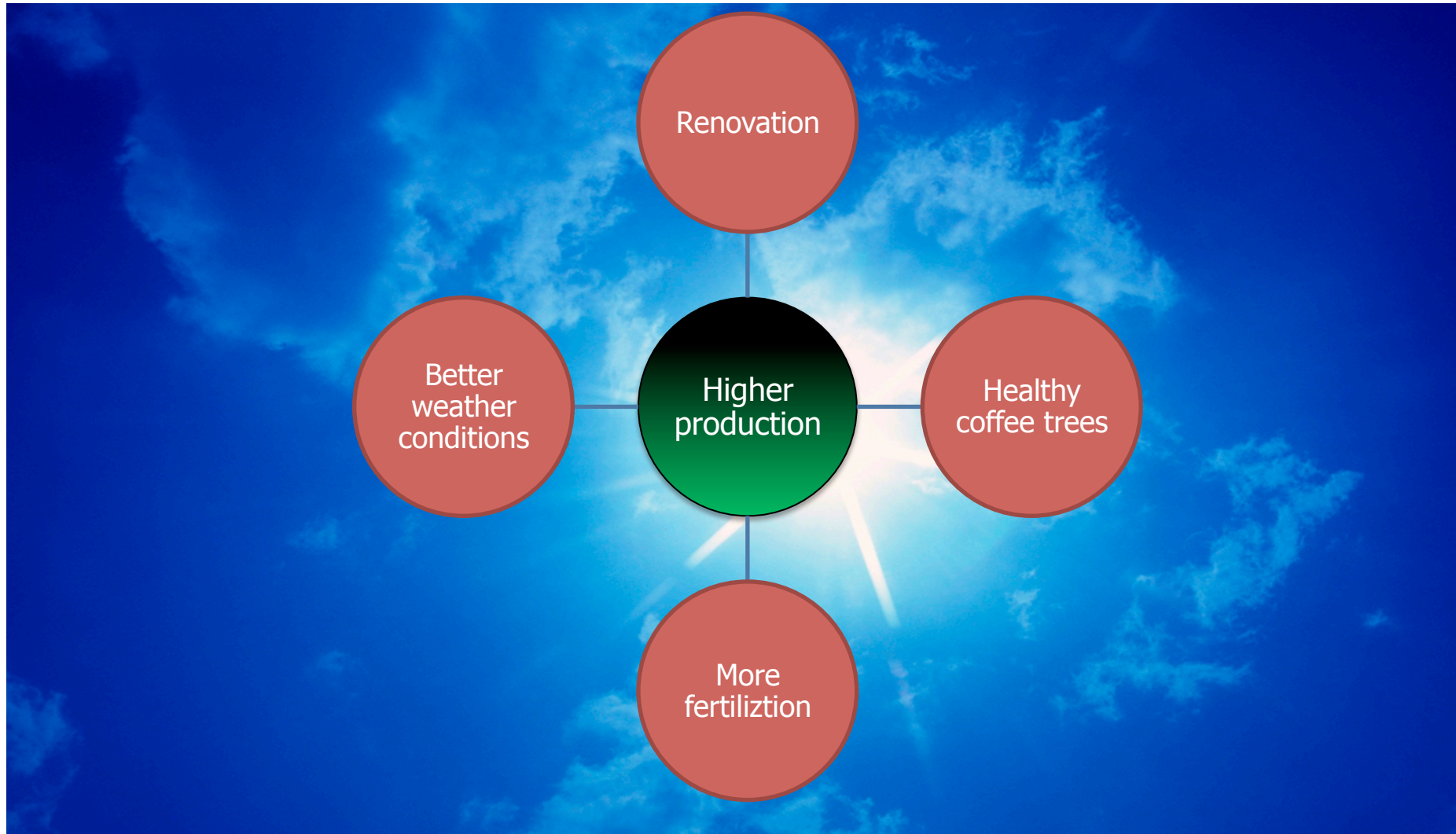


**Productive structure 2012 (Aug)**



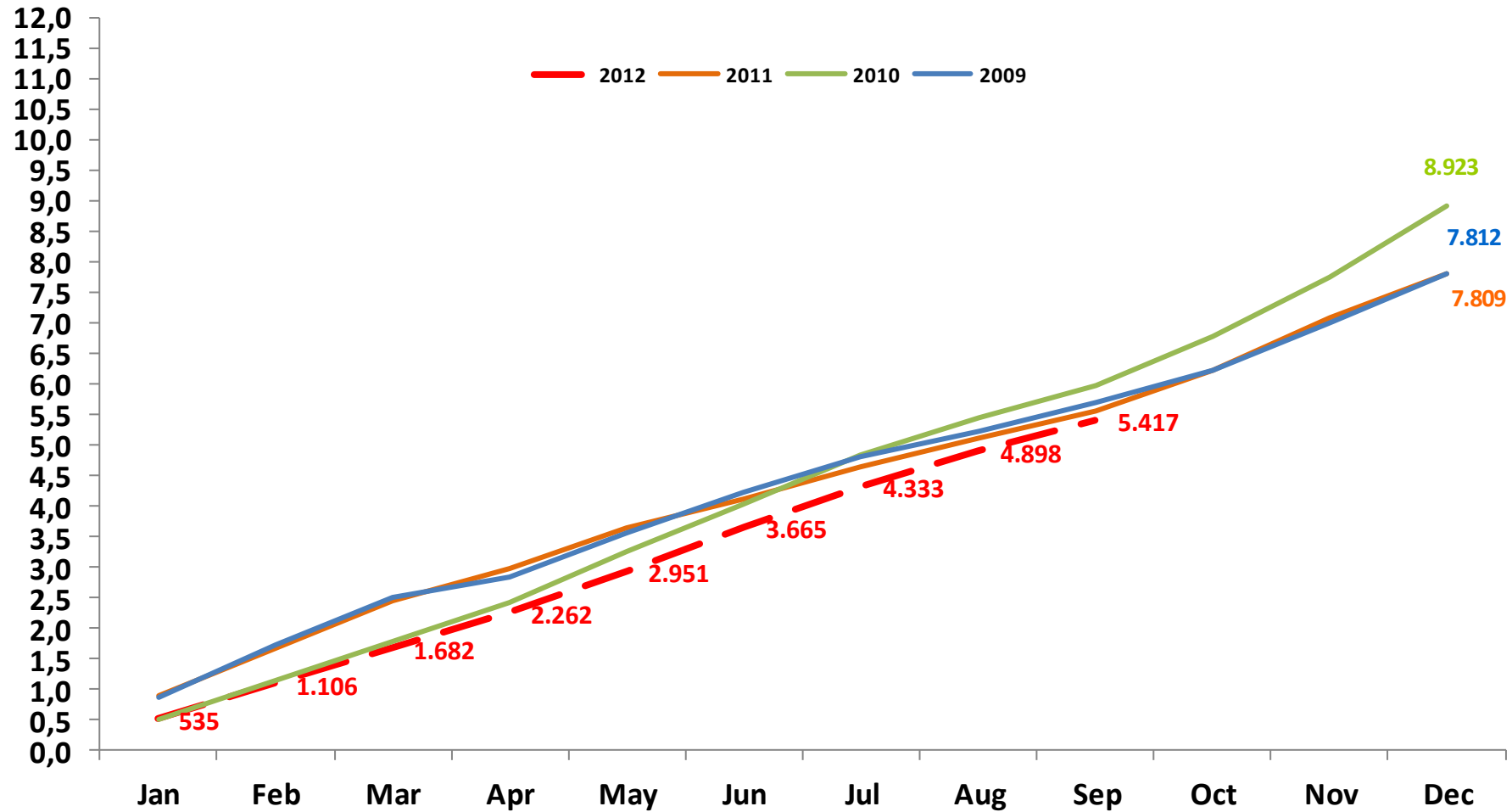
**The area planted in young technified and resistant coffee is 418.000 hectares (1 million acres).**

# The sun is shining again





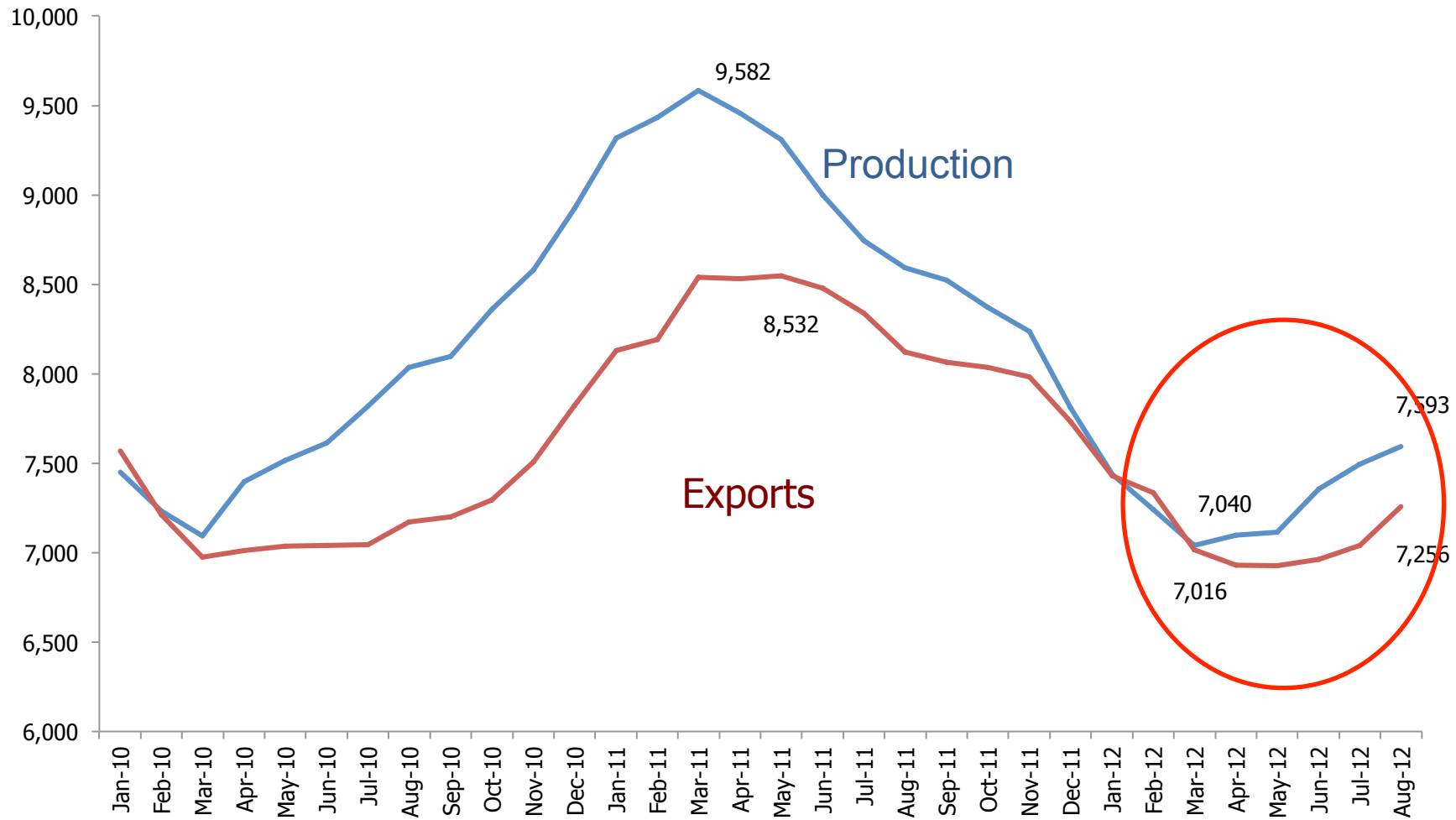
## Colombian Coffee Production [Thousand 60Kg Bags]



Source: Competitive Intelligence - FNC



# Positive trend in production and exports





Despite the production crisis, FNC has developed multiple strategies to add value to Colombian Coffee



# From the Farm to the Cup

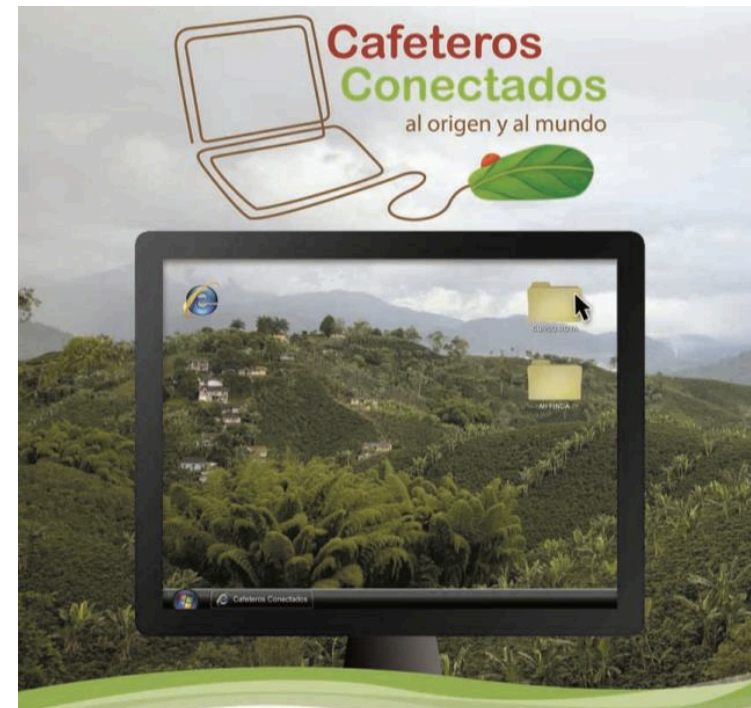
- **CENICAFE** - The most modern Research Center in coffee producing countries
- **"Extension" Service** – Productivity, social fabric and traceability
- **Quality Control** – Labs, directions, inspection at port
- **Value Added**
  - **Specialty Coffees** – Cup profile, origin, certified
  - **Freeze-dried coffee** (high quality soluble coffee)
  - **Juan Valdez Café** (Cafés in the U.S., Colombia, Ecuador, Chile and Spain)
  - **Coffee Extract**





# Manuel Mejía Foundation

The Manuel Mejía Foundation is a private entity created by the coffee guild back in 1960. It is an asset of the coffee growers with the mission of teaching the coffee grower, its family and the rural community to contribute to their well being, competitiveness and sustainability.





# Technical Support: Direct Contact with the Communities in the Coffee Region

The Extension Service (more than 1,400 agronomists and technicians) helps the rural population to:

- Improve the agricultural methods and techniques, hence ensuring quality
- Raise productivity and earnings, and
- Improve the educational and social standards of the rural life with the assistance of educational methods.





# SICA

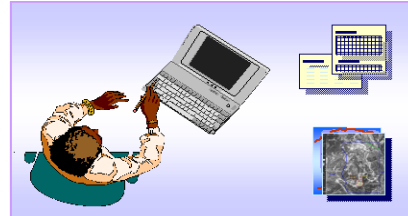


## INFORMATION CYCLE



*Daily*

*Coffee farm*

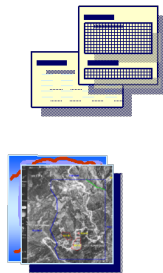


*Updated Information*



*Weekly*

*Regionals*



**Coffee grower**



**Farms**



**Visits**



**Education**



**Sica - Afic**



**Salir**

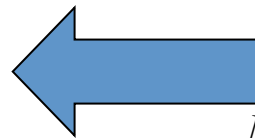


**Crops**



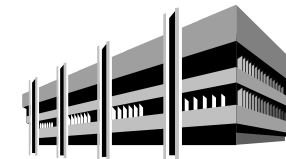
**Lots**

*Headquarters*



*Monthly*

**Committees**



*Monthly*





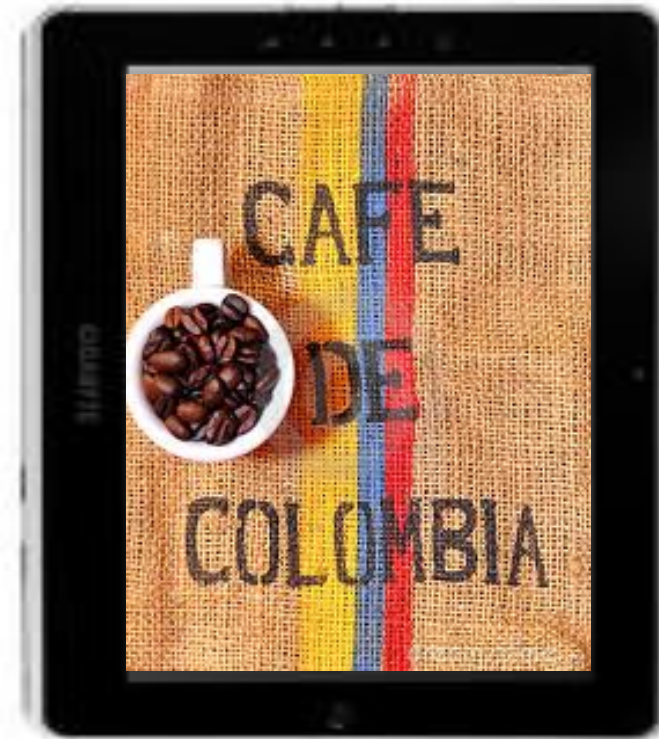
# Technology and Education

## From the Farm to the Tablet

### 2011-2012

Between 4 to 5 thousand coffee growers will have tablets for virtual information.

Last minute information about coffee prices, weather and real time data without even leaving the farm.





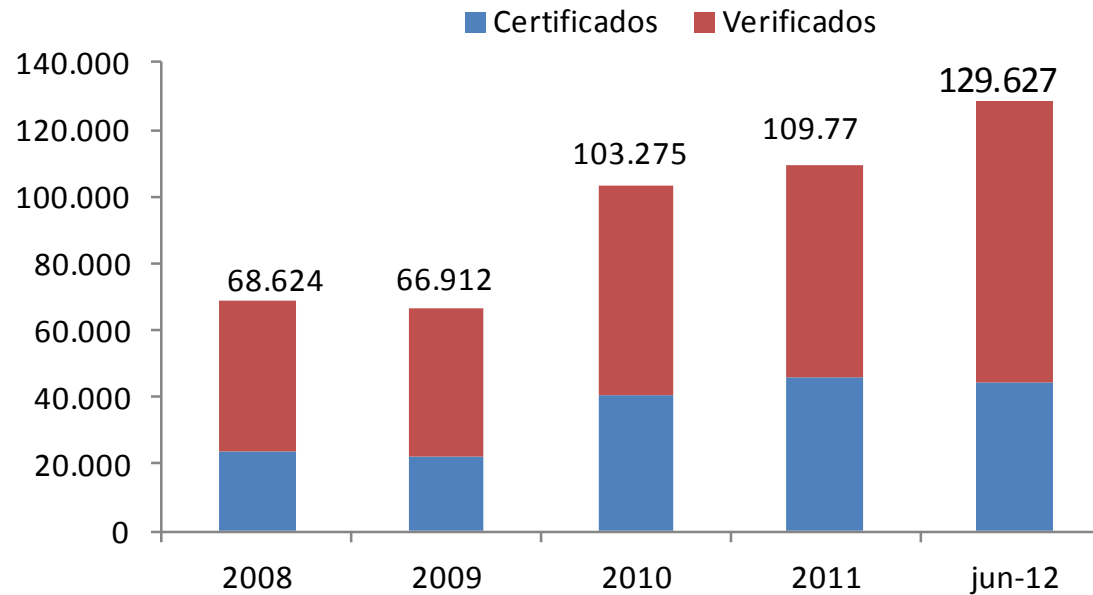
## Currently, 20% of Colombian coffee growers produce coffee under differentiated production programs



C.A.F.E. Practices



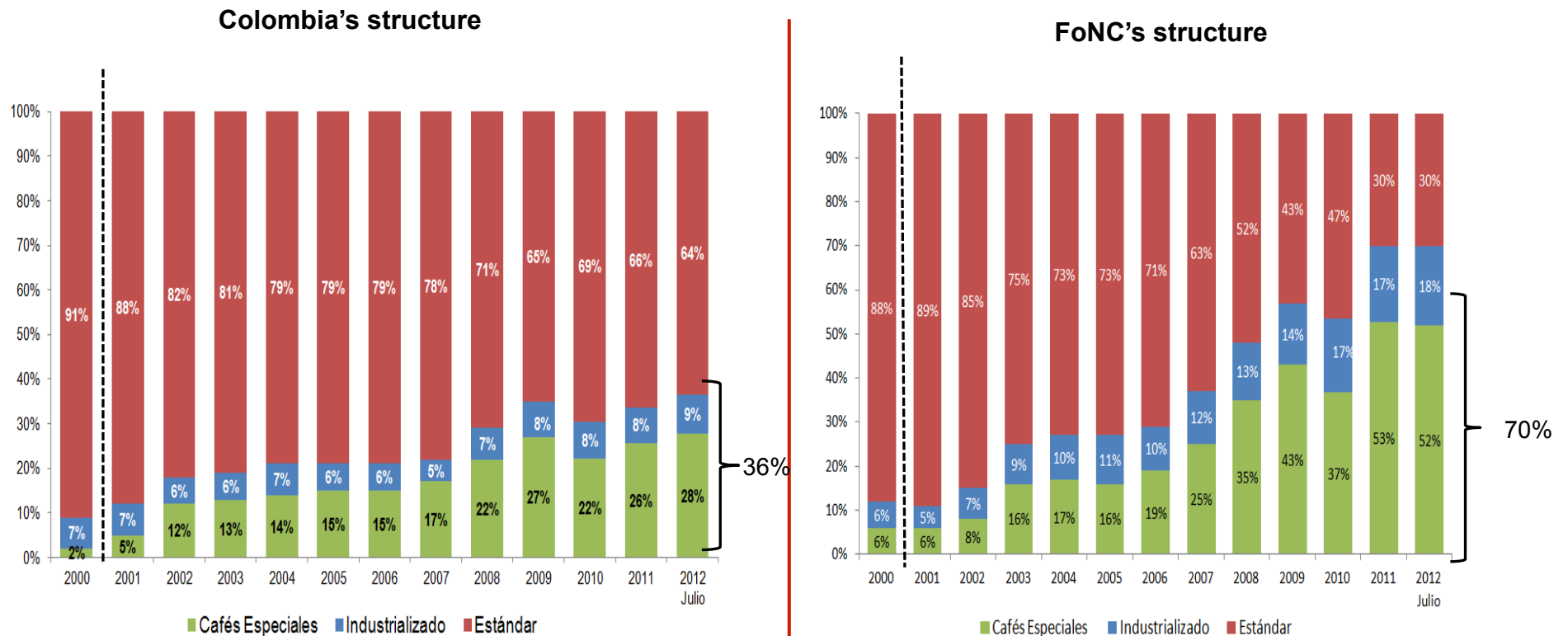
Number of coffee growers in certification or verification programs (2008 – 2012)





**This has led to a change in the structure of the coffee exports:  
At the beginning of 2000 only 9% of coffee exports was sold with aggregated value, in 2012 aggregated value exports account for 36%**

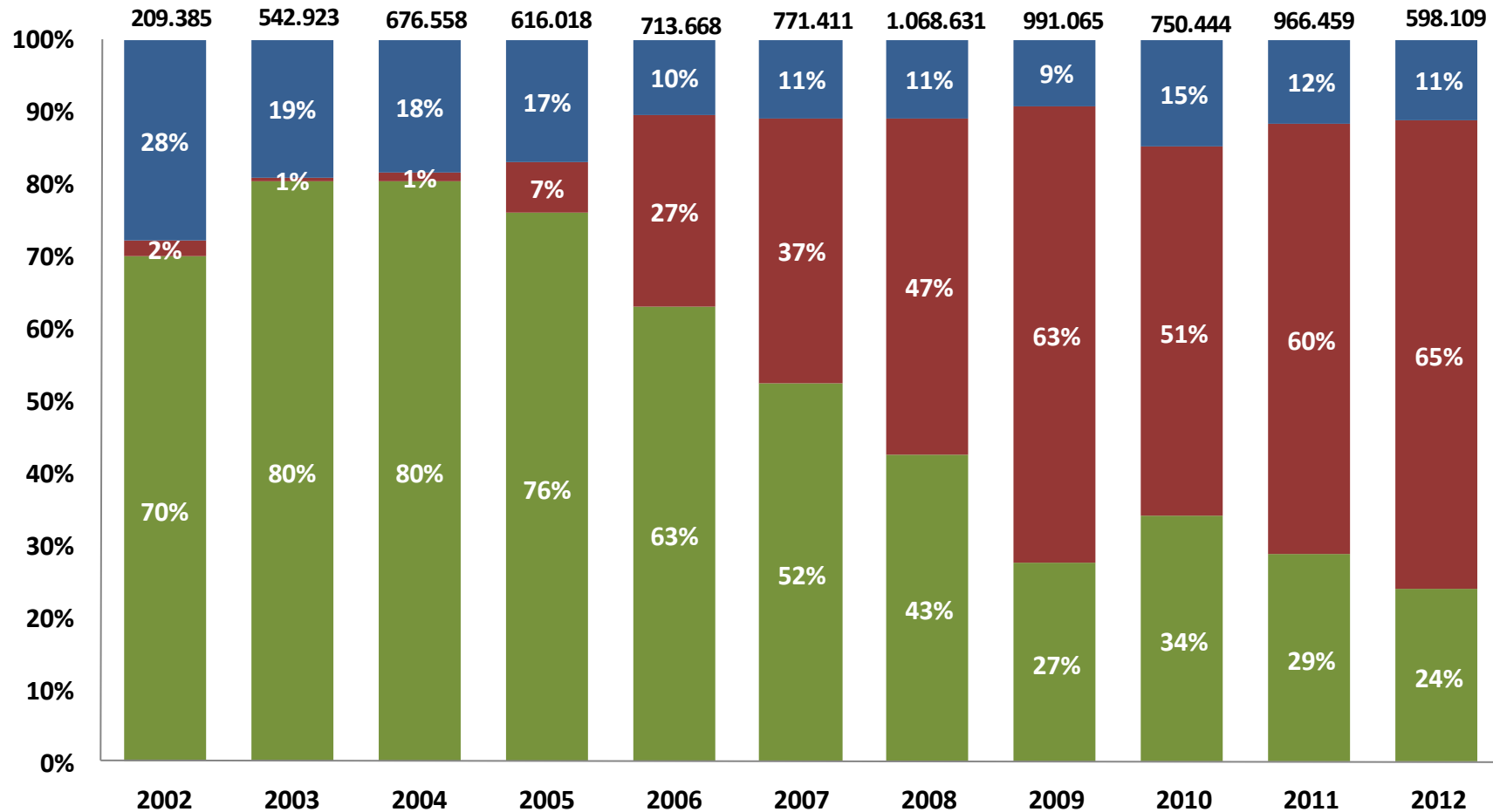
**Structure of coffee exports  
2000 – July 2012**





## FNC: Specialty Coffee Exports

■ Preparation ■ Sustainable ■ Origin



Source : Inteligencia Competitiva - FNC  
2012 until July



**Federación Nacional de  
Cafeteros de Colombia**

**THANK YOU**

