

GLOBAL MARKET REPORT**Coffee and Sustainability**

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August 2026

Market Overview

Coffee is one of the most widely traded and consumed agricultural commodities worldwide, sustaining the livelihoods of some 25 million farmers and employing millions of people throughout the value chain (Food and Agriculture Organization of the United Nations [FAO], n.d.). In this report, we look at the broader growth in production and consumption trends (Market Overview Section) and take a deep dive into the specific market growth in voluntary sustainability standard-certified coffee (Focus on Sustainability Market Section).

A Market Brewing on Price, Not Production

In 2023, global coffee production reached 11 million tonnes (FAO, 2026). Production grew at a steady pace from 2008 to 2018, after which the volumes have fluctuated, resulting in a relatively constant trend since 2018. Export volumes reached 7.45 million tonnes during the 2023/2024 period (International

Coffee Organization [ICO], 2023), representing 67.7% of total production.

Brazil remains the world's leading exporter of coffee. In the 2023/2024 period, it exported approximately 2.6 million tonnes (United States Department of Agriculture, 2025), representing 36.2% of total world exports. Viet Nam and Colombia follow with export volumes of around 1.32 million and 0.64 million tonnes, respectively. On the demand side, the main importers have remained consistent, with the European Union (EU), the United States, and Japan importing 2.6 million, 1.3 million, and 0.4 million tonnes, respectively, in 2023/2024 (United States Department of Agriculture, 2025).¹

Between 2019 and 2024, export volumes remained relatively stable, with a compound annual growth rate (CAGR) of 0% (0.1% per year), while export values rose at a CAGR of 13.4% (an estimated 87.36% difference between 2019 and 2024), from USD 18.33

¹ Volumes represent coffee beans only. Roasted and soluble coffee is excluded. For world production volumes, FAOSTAT is used as the reference. ICO is used as the reference for export volumes worldwide. For export volumes and import volumes by country, the United States Department of Agriculture is used as the reference. The values between these sources vary slightly, likely due to methodological differences.

billion in 2019 to USD 34.3 billion in 2024 (Food and Agriculture Organization of the United Nations, 2026). This divergence suggests that the value of recent growth in the global coffee trade has been driven primarily by rising market prices rather than significant changes in production or export volumes.

The significant increase in global coffee prices in 2024 (similar to the major spike in 2022) was primarily due to adverse weather conditions that disrupted production in major producing countries. In 2023/24, prolonged dry weather in Viet Nam and excessive rains that damaged coffee cherries in Indonesia contributed to the reduction in coffee supplies, reducing exports by 10% and 23% for Viet Nam and Indonesia, respectively (Panhuysen & de Vries, 2023). The dry and hot weather conditions in Brazil, partly linked to El Niño, also contributed to a decline in global coffee production and the price surge (FAO, 2025). Additionally, shipping disruptions further influenced the decreased supply of coffee. Longer transit times due to the Red Sea shipping crisis have changed traditional trading routes, forcing coffee shipments that initially went through the Suez Canal to reroute around Africa, quadrupling delivery times and tripling shipping costs (Commodities Hub, 2024). Coupled with the appreciation of the U.S. dollar, these increases in global coffee prices have led to high prices in European destination markets, forcing European importers and roasters to raise their prices down the supply chain, further increasing costs for the end consumer.

Despite ongoing cost pressures and supply-side challenges, the total coffee industry continues to generate over USD 200 billion in annual revenue (FAO, 2025), reflecting its considerable economic importance. Looking

ahead, the coffee market is expected to expand steadily, with an estimated CAGR of 5.18% between 2026 and 2031 (Mordor Intelligence, 2026b).

Coffee Demand Continues to Grow

While overall coffee production was constant between 2019 and 2023, consumption grew by 4.9%, from around 10.1 million tonnes in 2019/2020 to 10.6 million tonnes in 2023/2024 (ICO, 2023). Europe remains the world's largest coffee consumption market, accounting for 30.7% of global consumption in 2023/2024, equivalent to 3.26 million tonnes. It is followed by the Asia-Pacific region with a share of 25.8%, North America with 17.5%, and South America with 15.8%. While traditional consumer markets remain dominant, demand dynamics are gradually shifting (ICO, 2023).

Emerging markets in the Global South, particularly in the Asia-Pacific region, are experiencing notable growth in domestic coffee consumption. Data from 2019–2023 shows that Asia & Oceania increased consumption at a CAGR of 3.32%. Over the same period, Africa reached 0.75 million tonnes (CAGR of 0.82%), while Central America and the Caribbean markets grew at a 1.3% rate (ICO, 2023).

Several large emerging economies illustrate this transformation. In Indonesia, domestic coffee consumption has tripled since before the pandemic, reaching approximately 0.3 million tonnes and making the country the fourth-largest coffee consumer globally (Reporter Linker, 2023). This growth has

been partly driven by the widespread use of delivery platforms for coffee, such as apps like GoFood (Charles, 2025b). In India, although per-capita consumption remains relatively low, the country's large population and rapidly expanding coffee culture are expected to double the size of the coffee sector by 2030, driven by a young and increasingly urban middle class. Meanwhile, China has emerged as a major driver of global demand, with coffee consumption increasing by nearly 150% over the past decade (Charles, 2025b).

Navigating Climate and Supply Chain Risks

The Challenge of Climate Change

Global coffee production has varied regionally since 2020. Major producing countries, including Brazil, Viet Nam, Colombia, Indonesia, and Ethiopia, grow both Arabica, which thrives in high-altitude and cooler climates, and Robusta, which is better suited to warmer, lower-altitude environments. Climate change presents significant challenges for producers, particularly smallholder farmers in tropical developing countries. Rising temperatures, irregular rainfall, and more frequent extreme weather events are already affecting yields, increasing pest and disease pressures, and altering the geographic suitability of coffee cultivation. Arabica is expected to shift toward higher elevations, while some traditional growing regions may become less viable by 2050, whereas Robusta may expand or remain suitable in lower-altitude, warmer areas (Kishaija et al., 2025, p. 3). These pressures are compounded by

deforestation and biodiversity loss linked to coffee expansion. In Brazil, which accounts for roughly 40% of global supply, forest clearing associated with overall agricultural expansion, including coffee, has contributed to habitat degradation, soil erosion, and declining ecosystem resilience (Coffee Watch, 2025). Deforestation also disrupts regional water cycles, intensifying heat and drought conditions. Recurrent drought episodes over the past decade have exposed the environmental vulnerability of coffee systems while contributing to supply instability and price volatility (Coffee Watch, 2025, p. 13).

Similarly, climate and environmental pressures are affecting other major coffee-producing regions. Modelling studies indicate substantial reductions in suitable Arabica areas and severe yield losses in Mexico, where rain-fed coffee production declined by 40% to 80% during El Niño-related dry periods, and prolonged droughts disrupted coffee cycles (García-Martínez & Lira-Noriega, 2026). In East Africa, changing climate has caused yield losses and declines of wild *Coffea Arabica* populations, especially in Ethiopia (Olana Jawo et al., 2023), where projections suggest 65%–100% of bioclimatically suitable areas could be lost by 2080 (Davis et al., 2012).

At the same time, new suitable areas may emerge at higher elevations. In East Africa, suitable zones are projected to shift to 800–2500 metres, with losses in lowlands of Uganda and Tanzania but potential gains in the highlands of Ethiopia and Kenya. However, the shift poses environmental challenges. Moving coffee cultivation into forested, high-biodiversity areas could increase deforestation and threaten ecosystems in the Amazon, Indonesia,

Papua New Guinea, and Central Africa. Addressing these risks will require policies and conservation strategies that integrate local communities to balance production and ecosystem protection (Olana Jawo et al., 2023).

Regulatory Sustainability Initiatives

Alongside these climate and environmental challenges, coffee producers must also navigate evolving market and regulatory pressures that increasingly shape production practices and trade. Between 2022 and 2025, the global coffee industry faced several market challenges, with various trade-related regulations defining sustainability requirements that shape market access and trade dynamics in the sector. In the European Union, the Corporate Sustainability Due Diligence Directive represents a central pillar of this evolving regulatory landscape, aiming to promote responsible business conduct, including the protection of human rights and the environment, across global value chains.

Under the most recent provisional political agreement reached by EU co-legislators in late 2025, mandatory due diligence obligations, such as identifying and managing risks across the value chain to reduce the negative impact on people and the planet, will apply primarily to very large companies operating in or generating significant sales within the EU market (European Parliament, 2025).

Implementation of the directive's core due diligence obligations is expected to unfold progressively, with full application anticipated around mid-2029. While this extended timeline provides short-term

adjustment space, the regulation signals tightening compliance expectations for exporters supplying large EU-based buyers. This could significantly impact coffee flows and prices given that the EU market's share is between 35% and 40% of total coffee imports (ICO, 2024).

The directive is expected to place increasing pressure on coffee producers by pushing coffee companies toward more responsible practices, which could result in higher demand for sustainably certified coffee as producers are required to comply with risk reduction measures. Additionally, the new European Union Regulation on Deforestation-free Products (EUDR) will require partner countries, exporters, and traders operating in the EU market to ensure that several commodities, including coffee, placed on the market are deforestation-free, with a cut-off date of December 31, 2020 (European Commission, 2025). Although the European Union has postponed the EUDR's application until December 30, 2026, for large and medium-sized operators and June 30, 2027, for small and medium enterprises, the coffee sector continues to face significant challenges in preparing for compliance, particularly with respect to geolocation and full traceability of production plots (Sarmiento, 2025). For instance, in Kenya, only 30% of the country's coffee-growing area across 16 of the 33 counties has been geo-mapped using satellite imagery (Woods, 2025). The European Commission has signalled that the EUDR will undergo a simplification review, with measures expected to be proposed by April 2026.

Geopolitical Tension and Economic Fragmentation

Other important considerations affecting the coffee sector include trade barriers such as tariffs and geopolitical conflicts. In mid 2025, the United States announced reciprocal tariff rates affecting major coffee-producing countries, with Viet Nam, Indonesia, and Brazil facing tariff rates for their exports to the United States of 20%, 19%, and 10%,² respectively (Chau & Bach, 2021). Such measures may increase costs for coffee roasters, compress margins, and disrupt established trade flows. However, in February 2026, the U.S Supreme Court ruled that the International Emergency Economic Powers Act does not provide statutory authority to impose tariffs, rendering those measures invalid and creating legal uncertainty regarding the enforcement and durability of recently announced reciprocal tariff policies (McAllister et al., 2026). This evolving legal and geopolitical landscape adds further volatility to the global coffee market, where trade policy shifts can affect supply chains and pricing dynamics.

The Russia-Ukraine war continues to disrupt fertilizer trade by limiting reliable exports and constraining supply, despite market adjustments since 2022. Fertilizer markets remain highly volatile, and rising input prices continue to strain farm finances in coffee-producing countries, especially in industrial and high-intensity production systems (Parum, 2025).

The expanding regulatory landscape, which sets requirements for advancing sustainability and deforestation-free commodity production in the coffee value chain, together with the volatility of fertilizer markets, may present an opportunity for coffee farmers to reduce reliance on synthetic fertilizers by shifting toward more sustainable forms of coffee production, including agroforestry, use of bioinputs, or other practices promoted by different voluntary sustainability standards (VSSs). In addition, the EUDR explicitly recognizes VSSs as valuable tools for conducting risk assessments and providing complementary information on compliance (Sarmiento, 2025).

Despite Post-Pandemic Price Surges, Many Coffee Farmers Remain Below Living Income

Beyond its global economic scale, coffee production plays a critical role in the livelihoods of millions of people. The sector supports up to 25 million farming households worldwide and is largely concentrated in developing countries, where coffee represents a major source of export earnings. In several African countries, coffee accounts for a substantial share of total merchandise exports; for instance, in 2023, it represented 33.8% in Ethiopia, 22.6% in Burundi, and 15.4% in Uganda (FAO, 2025). Furthermore, most coffee is primarily grown by smallholder farmers. Out of 12.5 million coffee farms

² Brazil's total tariff burden differed from the standard reciprocal-tariff structure. Alongside the 10% baseline reciprocal rate, an additional 40% country-specific tariff was imposed in mid-2025, bringing Brazil's effective rate to approximately 50% (Imperative Logistics, 2025).

worldwide, 95% are sized 5 ha or less, and 84% span less than 2 ha (Panhuisen & Pierrot, 2020, p.56).

Since the COVID-19 pandemic, coffee prices have increased sharply, reaching historically high levels in 2024. As discussed in the previous section, this surge has been driven not only by post-pandemic supply chain disruptions and global inflationary pressures but also by mounting production challenges in producing countries, including labour shortages, rising input costs, and climate-related shocks. However, this rise in international prices has not proportionally translated into higher incomes for coffee farmers. While higher market prices have the potential to improve farm revenues, these gains have been largely offset by the same cost pressures affecting producers. However, higher green coffee prices do not always result in increased farm-gate prices, as value distribution along the supply chain remains uneven (Bermudez et al., 2022).³ Many farmers continue to face cash-flow constraints due to delayed payments and extended payment terms, limiting their ability to fully benefit from favourable price movements. As a result, despite record market prices since the pandemic hovering above USD 2 per pound from April 2024 and even breaching USD 4 per pound in March 2025, income growth for coffee farmers has been uneven (Charles, 2025a).

Challenges persist in ensuring fair livelihoods in most of the top 10 coffee-producing countries (Figure 3), where the average income of coffee producers remains at or below the poverty line, with Brazil standing

out as the only country where the average net income for coffee producers exceeds some living income estimates (Cordes & Sagan, 2021). For instance, Uganda had the largest gap between coffee net income and living income in 2023: the average coffee farmer earned only USD 88 per year, while the estimated annual average living income was USD 4,675 (Cordes et al., 2021). In Indonesia, the living income for a reference coffee-farming family in 2024 was USD 332.88 per month, while the average actual income was USD 168.10 per month, about half of the estimated living income (Viandrito et al., 2024).

³ See IISD's 2022 Global Market Report for a fuller treatment of value-chain margins and the power asymmetries between producers and downstream buyers (Bermudez et al., 2022).

Focus on Sustainability Market

Voluntary Sustainability Standards Continue to Be a Central Market-Based Mechanism to Address the Environmental and Social Challenges Reshaping the Global Coffee Sector

Against this backdrop of price volatility, climate stress, tightening regulations, and persistent livelihood challenges, the distinction between conventional and more sustainable production models becomes increasingly significant. While the global coffee market continues to expand in value, structural imbalances and environmental pressures raise questions about the long-term viability and equity of current production and consumption patterns. These dynamics have contributed to growing interest in alternative mechanisms, particularly VSSs, which seek to address environmental degradation and social inequities within global coffee supply chains. This section examines recent trends in VSS-compliant production and consumption, situating them within the broader transformation of the coffee sector.

Certified coffee supply continues to expand, but conversion to demand lags. VSSs are systems that aim to promote responsible practices among coffee producers and improve sustainability throughout the coffee supply chain. Operating as market-based governance tools, they establish environmental and social criteria that

producers voluntarily adopt in exchange for certification and improved access to high-value markets. These standards aim to address deforestation, labour rights, fair wages, and other socio-economic and environmental impacts of the coffee industry (UN Trade & Development, n.d.). They often support farmers with extension services, monitoring tools, and links to buyers.

Coffee Sustainability Certifications Continue to Mature and Expand

Coffee compliant with VSSs has expanded considerably. Certified production volumes increased from less than 0.5 million tonnes in 2008, peaking at approximately 2.9 million MT in 2014, before declining and stabilizing around 1.8 million tonnes by 2023 (Figure 1), with a promising CAGR of 7% between 2019 and 2023. Meanwhile, potential VSS (the gap between maximum and minimum estimates) share now accounts for 42% of the VSS-compliant total (up from 18% in 2008), reflecting a widening range of uncertainty in certified volume estimates. The widening range between the VSS minimum and maximum estimates (represented by the potential VSS band in Figure 1) illustrates the increasing complexity of certification reporting over time. The range between minimum and maximum estimates arises primarily from the risk of double-counting: because a single volume of coffee can be certified under more than one VSS simultaneously (e.g., both Fairtrade

and Rainforest Alliance), the same volume may be reported by multiple schemes, making it difficult to determine the true non-overlapping total of VSS-compliant production without risking overstatement.

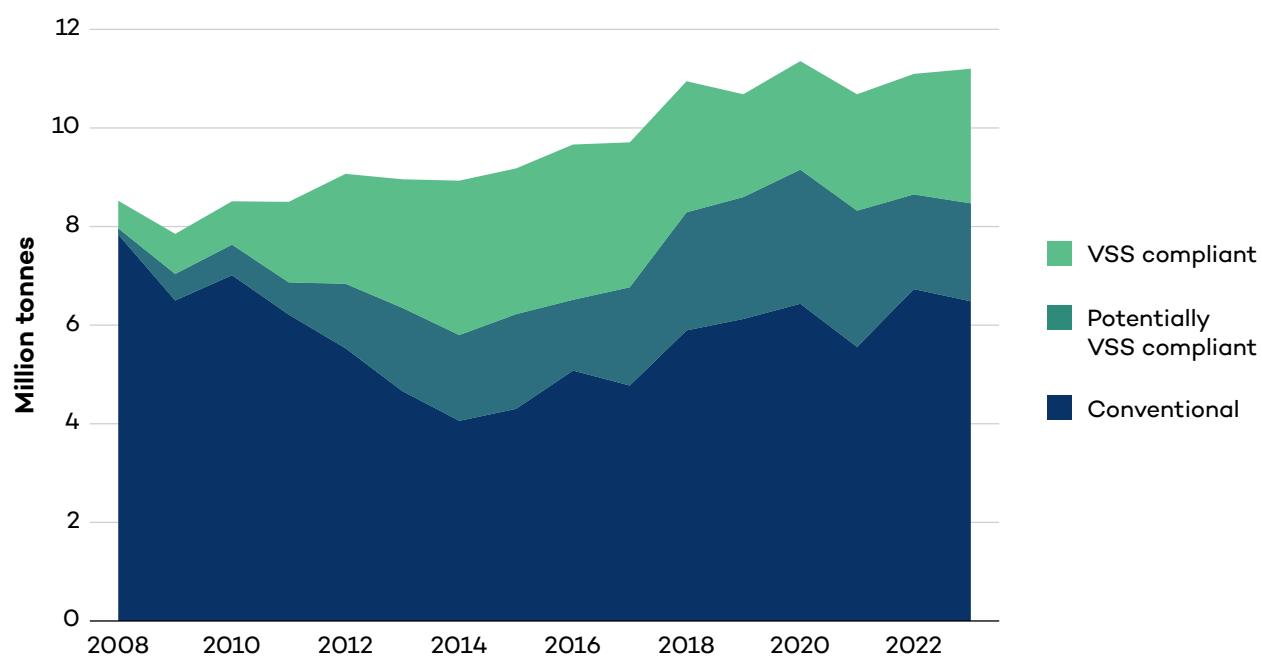
In the coffee sector, the most prominent VSSs as of 2023, based on certified volumes, include the Common Code for the Coffee Community (4C) (1.83 million tonnes), Rainforest Alliance (1.78 million tonnes), Fairtrade International (0.58 million tonnes), and Organic (0.53 million tonnes), each with a CAGR between 2019 and 2023 of 3.3%, 0.4%, -8.5%, and 9.2%, respectively. In 2023,

overall VSS-compliant production reached 24% to 42.1% of total production volumes.

Combined, these standards certified a minimum of nearly 2 million ha, representing 16.3% of the global coffee area. In one year alone, between 2022-2023, harvested area increased by 15.8%, marking one of the fastest growth rates among major commodities. The minimum certified area increased by 11.1% between 2019 and 2023. Rainforest Alliance accounts for the largest certified share, with over 1 million ha or 8.6% of global coffee area, while organic recorded the highest 1-year growth in 2022-2023 (+19.3%) (Kemper et al., 2025).

Global coffee production from 2008 to 2023

Figure 1. Coffee that complies with VSSs reached 24.4% to 42.1% of total production in 2023



Sources: Food and Agriculture Organization of the United Nations, 2026; Kemper et al., 2025.

Note: The most up-to-date information comes from the last survey (2023) conducted in partnership with ITC and FiBL for *The State of Sustainable Markets 2025: Statistics and Emerging Trends*.

Conventional (non-VSS-certified) coffee has declined as a share of total global production since 2008. While most of the decline occurred between 2008 and 2014, when its share dropped to nearly 46%, conventional production appears to have stabilized, fluctuating modestly over the following decade (54% average), representing 58% of total production in 2023 (Figure 1).

Despite a slight CAGR decline of -0.7% over the 2019–2023 period, Brazil remains the world’s leading producer of VSS-compliant coffee, followed by Viet Nam, Colombia, Honduras, Ethiopia, Peru, and Mexico (Figure 3). Colombia and Indonesia recorded more significant contractions during the same period, with CAGRs of -8.2% and -3.4%, respectively. Among the least developed countries, the Democratic Republic of the Congo saw certified volumes decline at a CAGR of -9.1%, and Haiti’s disappearance from certified production data highlights the persistent vulnerability of fragile states, underscoring the need for targeted VSS support in these contexts.

Regarding the greatest potential for expansion (based on the size of their conventional production), Brazil, Viet Nam, Indonesia, Colombia, and Ethiopia continue to be at the top. Between 2019 and 2023, Ethiopia and Viet Nam emerged as standout performers, posting VSS-certified volume growth at a CAGR between 2019 and 2023 of 11.8% and 5.9%, respectively, suggesting that the earlier identified potential in IISD’s 2022 Coffee report (Bermudez et al., 2022) is increasingly being realized.

Ethiopia, Honduras, Uganda, and India are among the coffee-growing countries with low and medium Human Development Index

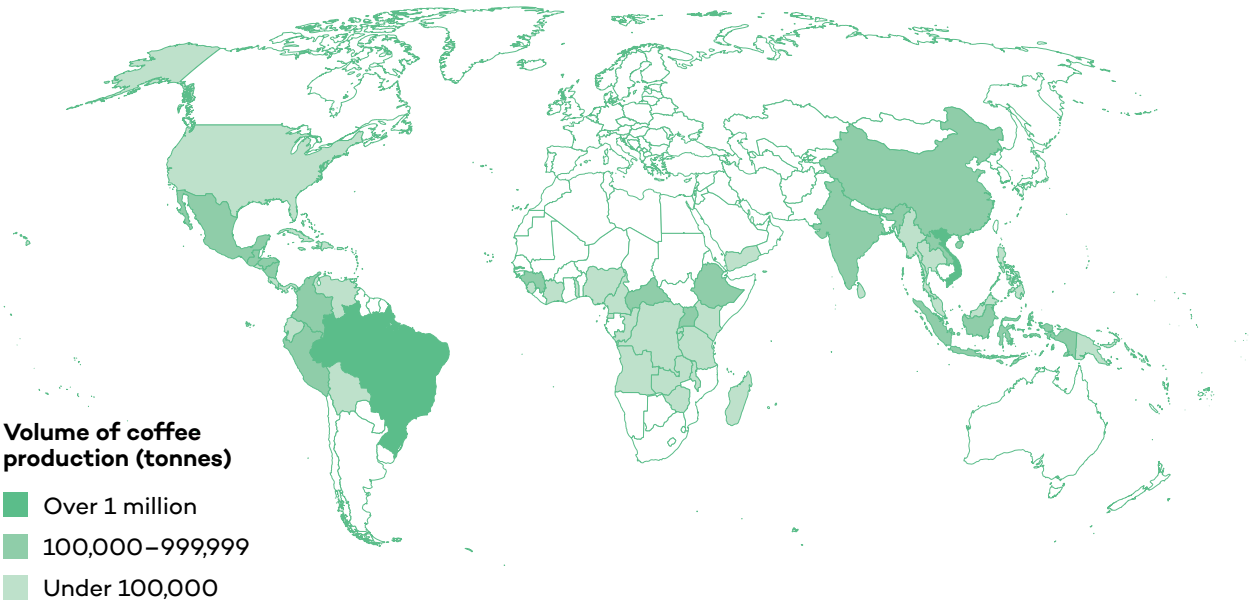
scores that also offer the greatest potential for expanding VSS-compliant production. Each country has a large share of conventional (not-yet-certified) production that could convert, combined with existing VSS infrastructure and market presence that could make such conversion feasible. In other words, these countries have considerable room to grow their certified share, rather than already having high VSS compliance.

VSSs are also implementing additional programs to support producers in complying with their requirements, ultimately expanding the use of sustainable agricultural practices and supporting producers’ livelihoods. The Rainforest Alliance has introduced a regenerative agriculture certification standard for coffee, designed to expand VSS-compliant production through science-based criteria and measurable impact indicators. The program has been implemented across coffee farms in Brazil, Costa Rica, Mexico, and Nicaragua, where it supports farmers in improving soil health, biodiversity, and climate resilience while gaining access to certified markets. By providing a clear pathway to certification, the initiative helps scale sustainable coffee production and strengthen the resilience of global supply chains (Rainforest Alliance, 2025).

In addition to broad government and VSS programs that support overall coffee production, several initiatives specifically aim to empower women coffee farmers and address gender inequalities within the sector. For instance, the Café Femenino program is a leading global initiative dedicated to breaking the cycle of poverty among women coffee farmers, including those in Colombia and Brazil.

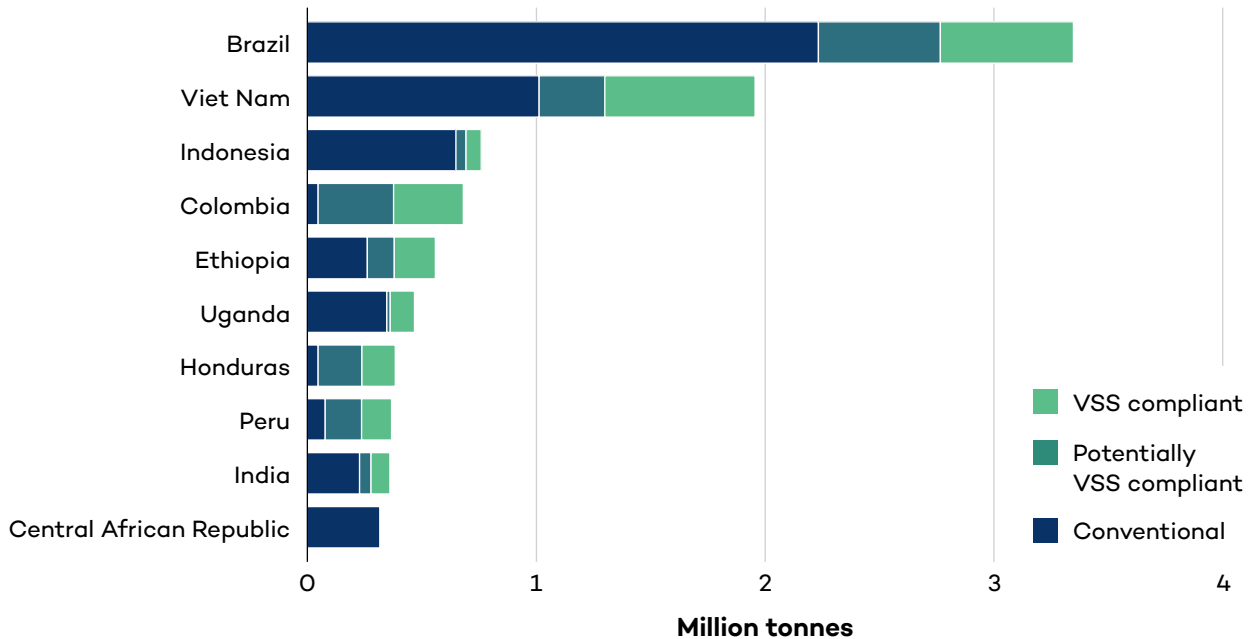
Coffee-growing regions of the world

Figure 2. Distribution of coffee production in 2023



Sources: Food and Agriculture Organization of the United Nations, 2026; Kemper et al., 2025.

Figure 3. Top coffee-producing countries in 2023



Source: Food and Agriculture Organization of the United Nations, 2026; Kemper et al., 2025.

By fairly compensating women farmers for their coffee and providing grants to selected projects, the program fosters women's participation in social, political, and professional organizations, enhancing their role and influence within their communities (Café Femenino, n.d.). In addition, the organization supports women's cooperatives in obtaining Fair Trade and Organic certifications for additional income (Bastías, 2025).

Demand, Not Production, Sets the Ceiling

Global coffee consumption continues to expand, with VSS-compliant coffee gaining relevance as consumers increasingly factor environmental, social, and health considerations into their purchasing decisions. Issues such as gender inequality and unfair working conditions are gaining prominence in purchasing decisions, reflecting a growing awareness of the challenges faced by coffee-growing communities worldwide. This shift is underpinned by a set of common drivers visible across regions: rising urbanization, expanding café culture, growing middle classes, and the influence of younger consumer cohorts (particularly Millennials and Gen Z) who associate certified coffee with quality, traceability, and ethical sourcing (Mordor Intelligence, 2026b). Social media has further amplified this dynamic, turning coffee into an experience and a values statement rather than simply a caffeinated beverage (Grand View Research, 2026; Mordor Intelligence, 2026).

Despite this momentum, a structural imbalance persists. Certified production

frequently outpaces actual market demand, meaning a significant share of certified coffee is ultimately sold through conventional channels. In 2023, approximately 51% of certified coffee production was sold as certified. This is a reminder that nearly half still enters conventional markets (Pascucci, 2024). Addressing this gap will require stronger buyer engagement, improved traceability systems, and greater consumer awareness (Kemper et al., 2025).

Europe and North America represent the largest and most mature markets for VSS-certified coffee, supported by strong retail infrastructure, established consumption habits, and robust regulatory frameworks promoting sustainability commitments. Demand for organic and Fairtrade products is particularly well established in countries such as Germany, the United Kingdom, and France (Business Research Insights, 2026). Both regions also show a clear shift toward specialty, ready-to-drink, and health-oriented products, where certified coffee aligns with these consumer demands. Consumers in these markets continue to demonstrate willingness to pay a premium for coffee that combines quality, origin transparency, and sustainability, though cost-of-living pressures have moderated growth in some segments (Kemper et al., 2025; Pascucci, 2024).

Asia-Pacific is one of the fastest-growing coffee consumption regions globally, and while VSS demand remains uneven, it is gaining momentum. In Japan, South Korea, and Australia, higher-income consumers are increasingly attentive to sustainability, health, and product origin (Business Research Insights, 2026; Ken Research, 2026). In Viet Nam, domestic coffee consumption is growing at an average annual rate of 6.6%,

with younger urban consumers particularly receptive to sustainable and traceable coffee linked to health, quality, and origin storytelling (B & Company, 2025; Ken Research, 2025). In Indonesia, willingness to pay for certified products increases significantly once consumers understand the value behind certification labels, though awareness remains limited (Rifai et al., 2026).

Latin America, as one of the world's primary certified coffee-producing regions, presents a paradox: high certified output but relatively limited domestic uptake. Conventional and instant coffee still dominate local consumption in countries like Colombia and Mexico, though urbanization and income growth are gradually expanding the specialty coffee segment. In Mexico, demand for organic and sustainably sourced coffee is rising among younger consumers motivated by environmental awareness and café culture (Renub Research, 2026; Technavio, 2025). In Brazil, specialty coffee is increasingly associated with sustainability, traceability, and direct trade, with consumers showing strong engagement with production origins and farmer stories (Giovane da Silva et al., 2022).

Africa reflects an emerging consumption base where VSS-compliant coffee remains nascent but shows clear growth potential. Across the continent, urbanization and rising disposable incomes are driving café culture expansion and diversification beyond instant coffee. In Kenya, growing consumer awareness is supporting demand for specialty beverages and manual brewing methods (Muraga, 2024). In Rwanda, coffee is increasingly viewed as a social beverage tied to community gatherings and business interactions (Ntirenganya, 2025). In South Africa, demand for sustainable

coffee is rising alongside a growing café sector (AgriOrbit, 2025). In most African markets, sustainability is not yet a primary consumption driver, but the trajectory suggests future growth potential, particularly if the value proposition of certification is better communicated to consumers.

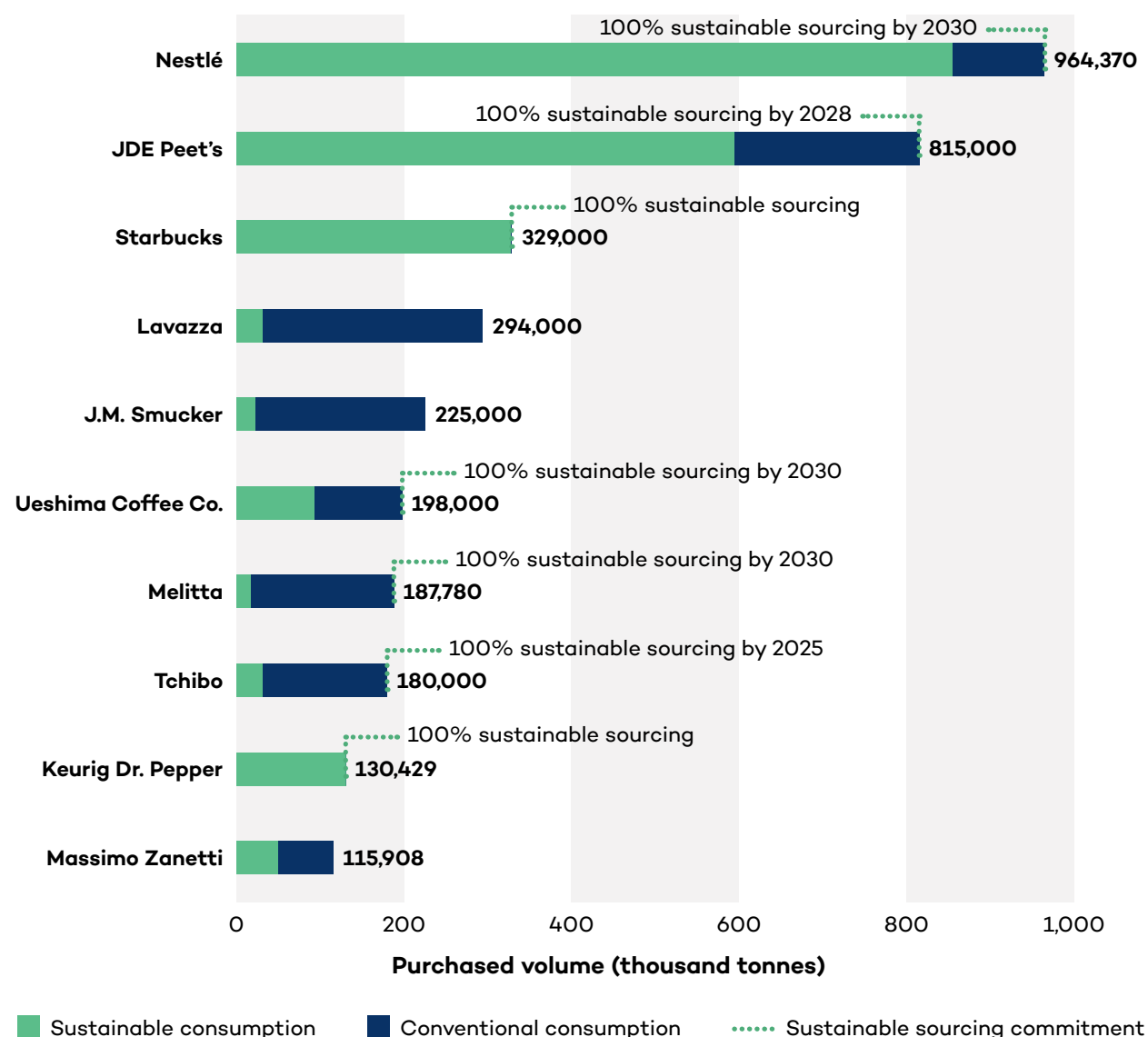
Taken together, these regional dynamics point to a global coffee market in transition: one where the foundations for VSS demand (awareness, urbanization, youth-driven values, and café culture) are broadly shared, but where the pace and depth of uptake vary considerably. The future of sustainable coffee will depend less on production capacity than on closing the gap between certified supply and certified demand through stronger consumer awareness, improved traceability, and more effective communication of certification value.

To better understand the role of coffee companies in increasing the availability of VSS-certified coffee, we look at some of the largest coffee-roasting companies, which together sourced an estimated 3.4 million tonnes in 2024, accounting for nearly 43% of total global coffee exports (a similar share to 2020) (Figure 4). Of this total, around 62.7% (2.2 million tonnes) was compliant with a VSS or a corporate sustainability initiative, a marked increase from 39% in 2020. Corporate sustainability initiatives such as Starbucks C.A.F.E. Practices and Nestlé's Nespresso AAA account for a substantial share of this figure and are included in our analysis because they represent large volumes of coffee.

Their growing prominence, however, warrants an important distinction. These initiatives (programs designed and run by

Progress on sustainable sourcing commitments

Figure 4. Sourcing volumes of major coffee-roasting companies and their sustainable sourcing commitments in 2024



Source: Authors' estimations based on Coffee Barometer, 2026; Global Coffee Platform, 2025. Specific company sources: Jacobs Douwe Egberts, 2025; Keurig Dr Pepper, 2025; Massimo Zanetti, 2024; Nestlé, 2025; Panhuysen & De Vries, 2023; Starbucks, 2025; Tchibo, 2025; UCC Group, 2025.

the sourcing companies themselves rather than by independent bodies) have emerged as a popular alternative to third-party VSS certification, but they constitute second-party assurance. Under third-party certification, the scheme is not owned or managed by the buyer, audit firm, or certificate holder, and an independent body oversees the competence and impartiality of those conducting the audits (Global Coffee Platform, 2024). Second-party schemes lack that independent layer. While some are benchmarked against established standards (e.g., Nespresso AAA against the Rainforest Alliance), and Starbucks reports certifying nearly 100% of its coffee under C.A.F.E. Practices, adoption of a company-run program is not in itself a guarantee of good on-the-ground practices. Some producers under these initiatives may also hold a third-party VSS certification, though the sourcing companies do not necessarily require it.

The expansion of these corporate programs is a welcome sign that major buyers are taking greater responsibility for their supply chains. However, they should complement—rather than substitute for—independent certification. Established third-party schemes carry longer track records and have built the institutional infrastructure (accredited and independently overseen auditors, publicly available standards, and grievance and oversight mechanisms) designed to keep producers' interests at the centre and to keep certification impartial and accountable. Ensuring that corporate initiatives are verified against, or reviewed by, such external bodies remains essential to safeguard the credibility of sustainability claims and, above all, the benefit to producers.

Compared with IISD's previous 2022 Global Market Report (Bermudez et al., 2022), which described a sector whose sourcing commitments were largely unmet (roughly 3.5 million tonnes purchased by the 10 largest roasters in 2020, of which only about 39% was sustainably sourced), several major buyers had either fallen short of their targets or set none at all. Nestlé, Starbucks, and Keurig Dr Pepper now report shares at or near universal coverage (88.67%, 99.75%, and 100%, respectively). At the same time, ambition has also increased. JDE Peet's, which in 2022 targeted just 40% responsible sourcing by 2025, now reports 72.94% and commits to full coverage by 2028, while Strauss and other firms that had previously not disclosed a target have since adopted 100% goals. Yet the gains remain uneven. A cluster of roasters continues to lag—Tchibo at 18%, Lavazza at 11%, and Melitta, whose share has fallen from nearly 25% in 2020 to 9.19% in 2024—and several, including Lavazza, Smucker, and Massimo Zanetti, still publish no sustainable-sourcing target at all. As discussed in Section 1, EU domicile does not equal current Corporate Sustainability Due Diligence Directive compliance. The directive's due diligence obligations take full effect only from 2029, meaning Lavazza and Massimo Zanetti face this regulatory pressure on a lag rather than immediately. The overall direction of travel is clearly positive, but the widening distance between frontrunners and laggards suggests that sector-wide progress now hinges on the least committed buyers catching up.

Overall, the updated data show that several major buyers have reached very high levels of sustainable sourcing, particularly Nestlé, Starbucks, and KDP, while others are

progressing toward full certification within the next few years. Compared to previous reporting periods, the sector demonstrates significant advancement in responsible sourcing commitments. Several forces are converging to drive this shift. Foremost is regulatory pressure, where the EUDR, which applies to large operators from December 30, 2026, will require all coffee placed on the EU market to be traceable to deforestation-free plots of land, prompting major buyers to invest heavily in traceability and verified sourcing ahead of the deadline (European Commission, 2025). This regulatory shift is reinforced by mounting consumer expectations: recent choice-experiment research finds that coffee consumers are willing to pay measurable premiums for sustainability-labelled coffee, particularly where labels communicate social rather than purely environmental benefits (Fuller

& Grebitus, 2023; Merbah & Benito-Hernández, 2024), and by companies' own public sustainability and climate targets, many of which set explicit timelines for reaching full coverage.

These gains should nonetheless be read with some caution. Part of the reported increase reflects the expansion of corporate, company-owned initiatives rather than independent third-party certification, and the underlying figures are largely self-reported against differing definitions of “responsibly” or “ethically” sourced, which limits their comparability across companies. Sustained, credible progress will therefore depend not only on rising sourcing percentages but on the robustness of the assurance behind them—and, ultimately, on closing the gap between certified supply and certified demand.

Key Takeaways

The coffee sector in recent years has faced a mismatch between price and production. On one hand, global production has remained essentially flat even as consumption continues to grow. This gap has steadily eroded the global reserves buffer that historically cushioned the market against a bad harvest, leaving prices exposed to any single season's shock. On the other hand, price volatility has become more structural than a temporary shock, driven by an escalating mix of climate stress on major growing regions, geopolitical trade friction, and persistently uneven value distribution along the supply chain. These pressures fall hardest on producers, where despite the price surges of recent years,

farmers in most major producing countries continue to earn well below any reasonable living income benchmark. There is no silver bullet to this complex set of supply chain issues, but VSS certification remains one valuable market-based tool among several—capable of advancing climate adaptation practices and finance, fairer farm-gate pricing mechanisms, and social fairness for smallholders and women producers.

Realizing the full potential of sustainable coffee will require coordinated action on both sides of the market. On the production side, expanding VSS-compliant volumes depends on sustained public and private investment directed increasingly toward the

high-potential, lower-income origins where certification remains underdeveloped, and paired with the extension services, monitoring, and finance that allow smallholders to meet and maintain standards. Just as important is safeguarding the credibility of that production through independent, third-party assurance, so that rising certified volumes reflect genuine improvements on the ground rather than a proliferation of company-owned claims.

On the consumption side, the more binding constraint is demand. This calls for firmer purchasing commitments from roasters and retailers, more transparent traceability systems that connect verified supply to willing buyers, and clearer communication of what

certification delivers; particularly in the fast-growing markets of Asia, Latin America, and Africa, where limited awareness and purchasing power (rather than unwillingness to pay) remain the main barrier. Ultimately, the future of VSS-compliant coffee will be shaped less by how much can be certified than by whether producers, companies, consumers, and regulators can align to close the persistent gap between sustainable supply and sustainable demand.

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Peer reviewer: Damian Raess, PhD, Interdisciplinary Department of International Studies, Université Laval

Acknowledgements

The authors are grateful to external reviewer Damian Raess (PhD), professor at the Interdisciplinary Department of International Studies, Université Laval, for his comprehensive review and thoughtful comments to the draft. At IISD, the authors were glad for the support from Cristina Larrea, who provided direction, guidance, and contributions throughout the development of the report, and Naifah Putri, for her early research contributions. Finally, the authors are deeply grateful to the principal donor, the Swedish International Development Cooperation Agency (SIDA), for making this research possible.

The Sustainable Commodities Marketplace Series provides a market performance overview and outlook for key agricultural commodities that comply with a number of voluntary sustainability standards (VSSs), focusing on global sustainable consumption and production. Each year, the series focuses on a different overarching theme, with individual reports for that year devoted to providing a market update for a chosen commodity. These reports are designed to be accessible and relevant for a range of audiences, including supply chain decision makers, procurement officers, policy-makers, and producers. The series builds on *The State of Sustainable Markets 2021*, a joint publication from IISD, the International Trade Center (ITC), and the Research Institute of Organic Agriculture (FiBL), which examines over a dozen sustainability standards for various commodities.

The *Global Market Report* analyzes trends in coffee production, consumption, trade flows, and other relevant areas. It uses 2023 data for coffee production that is VSS-compliant, given that this was the most current data available when we conducted the analysis. The report also examines prices and margins in the coffee sector, looking at how VSSs contribute to increasing farm prices. It also provides recommendations to VSSs and other actors to increase the price and income that farmers obtain for their soybeans and build sustainable and resilient soybean systems.

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Published by the International Institute for Sustainable Development.

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