

PRESS RELEASE

Latin America's Agricultural Exports at Risk? KOLTIVA's Traceability Tools for EUDR-Ready Supply Chains

- Latin America plays a crucial role in supplying key commodities to the European Union (EU), including coffee, cocoa, and soy, with exports reaching billions of dollars annually
- The EU's new Regulation requires strict adherence to deforestation-free practices, supply chain traceability, and risk assessments, posing significant challenges for small and medium-sized enterprises (SMEs), cooperatives, and businesses across the region
- KOLTIVA will host an expert-led webinar on November 6, 2024, offering practical guidance on the EU Deforestation Regulation (EUDR) compliance for Latin American producers, cooperatives, and SMEs exporting to EU markets.

Bogota, October 11, 2024 – Latin America holds significant economic importance in global agriculture, supplying vital commodities to the European Union (EU). Countries such as Brazil, Argentina, Colombia, and Peru have emerged as key exporters of coffee, cocoa, soy, and palm oil, supplying global markets' demand and supporting local economies.

In 2023, Brazil led Latin American coffee exports with a staggering value of \$7.35 billion, followed by Colombia at \$2.9 billion and Honduras at \$1.48 billion, according to a Statista report (2024). Meanwhile, Peru was among the top global exporters of fine cocoa beans, sending \$102.12 million worth of cocoa to European chocolate manufacturers in 2022 (Trading Economics, 2024).

However, the region's economic gains have come at a steep environmental cost. Latin America and the Caribbean account for 44% of global tropical forest loss, driven largely by commercial agriculture, which contributes to 77% of deforestation in the region (Forest Trends, 2021). Brazil alone loses 1.7 million hectares of forest annually, contributing one-third of global tropical deforestation, making it a focal point for sustainability concerns (OurWorldInData, 2021).

EUDR: A Game-Changer for Latin American Exporters

To curb the environmental toll of agriculture, the EU is rolling out the European Union Deforestation-Free Regulation (EUDR), set to be enforced by the end of 2024. The EUDR aims to eliminate deforestation-linked products from the EU market by imposing rigorous supply chain traceability, risk assessments, and Due Diligence Statement (DDS) reporting requirements for commodities entering the EU.

This regulatory shift poses serious challenges for businesses in Latin America, where transparency and traceability in the supply chain are often underdeveloped. Without compliance, exporters risk restricted access to EU markets, financial penalties, and damage to their reputations, potentially jeopardizing billions in export revenues. For Latin American producers—many of whom operate as cooperatives or small-to-medium-sized enterprises (SMEs)—adhering to the EUDR is not just an environmental mandate but a business









imperative. Failure to comply could result in the loss of critical market access to one of their largest trading partners.

What Are the Main Challenges?

The primary challenge for Latin American exporters lies in the lack of established infrastructure for supply chain transparency. Many businesses still rely on traditional methods of data collection, often inconsistent or incomplete, making compliance with the EUDR difficult.

"Latin American producers, especially SMEs, face a steep learning curve when it comes to EUDR compliance. It's not just about meeting new standards; it requires rethinking how data is collected and managed across the entire supply chain," said Silvan Ziegler, Head of Markets for Latin America at KOLTIVA. "Without proper tools and guidance, these businesses risk losing access to the EU market."

Additionally, the complexity of the EUDR requirements for Due Diligence Statement (DDS) and risk assessment adds further layers of difficulty. Many SMEs lack the technical expertise and resources to implement these changes independently.

KOLTIVA, a global leader in agriculture and supply chain traceability solutions, is stepping up to help Latin American businesses, cooperatives, and SMEs navigate the challenges of the EUDR. With over 11 years of experience supporting businesses across 65 countries, KOLTIVA has developed robust tools like *KoltiTrace MIS*, which enable comprehensive supply chain data collection, management, and reporting.

"Traceability is no longer a 'nice-to-have'; it's a necessity. Our platform simplifies the process for businesses, especially SMEs, by offering end-to-end solutions—from risk assessments to DDR submissions," Silvan added. "We're here to ensure businesses can meet the EUDR's demands without disrupting their operations."

Beyond Traceability Talks on Steering Latin America Businesses Toward EUDR Compliance

To help Latin American exporters get ahead of these challenges, KOLTIVA will host a webinar on November 6, 2024. Titled *Beyond Traceability Talks: Steering Latin America's Businesses Toward EUDR Compliance*, this event, featuring **Manfred Borer, CEO and Co-Founder KOLTIVA**, **Silvan Ziegler, Head of Markets Latin America KOLTIVA**, and other distinguished experts, will provide hands-on advice, including success stories from real EUDR projects, practical strategies for supply chain risk assessment, and actionable steps for full compliance. Attendees will also have the opportunity to engage directly with the experts and gain insights into how the company's solutions can be tailored to their unique needs.

KOLTIVA are currently working with multiple clients around the globe on the EUDR compliance efforts. In Latin America, it works with notable clients from rubber, cacao, coffee, and other commodities to expedite their EUDR compliance, but also other projects with cooperatives and business entities on traceability, supply chain mapping, smallholder capacity building, and implementation of an innovative geographical indications traceability system. Its modular

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approach, consisting of KoltiTrace, KoltiSkills, and KoltiVerify ensure all requirements from the EU are met.

As a registered Operator (Authorized Representative), KOLTIVA is actively engaged in the pilot phase of integrating our systems with the TRACES platform. TRACES is an online system that oversees EU-mandated certifications related to the importation of animals, animal products, food, and plants, as well as intra-EU trade and exports of certain animal products. This integration allows the clients to designate KOLTIVA as their representative for compliance with the European Union Deforestation Regulation (EUDR).

Don't miss this essential event-As urgency surrounding EUDR compliance cannot be overstated, and the risks for non-compliance are significant. learn more about the in-depth analysis and actionable strategies for businesses, cooperatives, and SMEs in achieving compliance and driving sustainable agricultural practices across Latin America. To sign up for the webinar, visit https://www.koltiva.com/beyondtraceability-talks.

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About Koltiva

Offering human-centered technology and boots-on-the-ground solutions that digitize agribusinesses and help smallholder producers transition to sustainable practices and traceable sourcing, KOLTIVA is recognized as the leading global sustainable agriculture and supply chain traceability startup. As a global technology provider, it constructs ethical, transparent, and sustainable supply chains, assisting enterprises in fortifying their resilience and transparency. The company helps businesses, and their suppliers comply with ever-changing regulations and consumer demands worldwide with traceability solutions. Operating in more than 65 countries and fortified by a network of customer support offices in 16 countries, KOLTIVA is committed in supporting over 11,800 enterprises in establishing transparent and robust supply chains while empower ring over 1,600,000 producers to increase their annual income. www.koltiva.com

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