
INDIA AND THE GLOBAL COFFEE TRADE: A STUDY OF LEGAL AND TRADE DYNAMICS

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ABSTRACT

India ranks among the top five coffee-exporting countries across the globe. According to the World IP Organization, a minimum of 3 million cups of coffee are consumed across the globe. With a distinct position as a producer of high-quality Robusta and Arabica beans and a player in the instant coffee segment, India has enormous potential in the trade market. This paper focuses on the legal and trade dynamics, focusing on India's involvement in the global trade market. This paper draws data and policy insights from the Coffee Board of India, DGCI&S (Directorate General of Commercial Intelligence and Statistics), APEDA (Agricultural and Processed Food Products, Exports and Development Authority), and international trade reports. India's outdated legal framework, most notably the Coffee Act of 1942, fails to address modern trade requirements, including traceability, climate-linked regulations, and enforcement of sustainability certifications. The lack of a coherent ESG-linked legal framework, particularly compared to global leaders such as Brazil and Vietnam, leaves Indian exporters and smallholders under-equipped to meet evolving international standards, such as the EU Deforestation Regulation (EUDR) and WTO-sanctioned SPS measures. Intellectual Property (IP) is an unrecognized area, especially Geographical Indications (GIs) such as Kodagu Arabica, Chikkamagalur Arabica, and Araku Valley Arabica. These GIs often offer market distinction and market branding identity, but their weak enforcement and lack of global recognition limit their potential. The paper emphasizes the IP-based branding and integrating climate-resilient trade policies. Strengthening India's IP strategy and regulatory capacity will enhance export competitiveness and legal resilience in a sustainability-driven international coffee economy.

Keywords: Indian Coffee Trade, Legal Framework, Coffee Act of 1942, Traceability and Sustainability Compliance, EU Deforestation Regulation (EUDR).

1. INTRODUCTION

Coffee ranks among the world's most important agricultural commodities, second only to crude oil in global trade value.¹ It is grown in over sixty countries, primarily in the "coffee belt" that wraps around the earth near the equator, and the coffee trade provides a living for nearly 125 million people worldwide.² The international coffee economy is a multifaceted trade issue founded in law, policy, and sustainability.³

In this broader picture, India offers a unique case study. In the popular imagination, it is a tea-drinking nation, but it is also the world's fifth-largest coffee exporter, accounting for about 4–5 percent of global production.⁴ With coffee exports that combine two areas of comparative advantage, high-quality Arabica and Robusta beans, and an advanced instant coffee sector⁵ India also exports nearly 70 percent of its coffee production. In fact, Europe (Italy, Germany, and Belgium in particular) is its largest market, with many additional opportunities in Russia, the Middle East, and North America.⁶

At the same time, India's coffee sector has structural weaknesses that have inhibited its competitiveness in the broader coffee economy. The Coffee Act of 1942, enacted while India was still a colony, was intended to stabilize prices through pooling and is the primary piece of legislation governing the industry.⁷ Although the Act has proven effective in wartime and immediately after independence, it is fair to say that it has never undergone a fundamental revision or modernization to incorporate liberalization, sustainability, and international trade obligations. Brazil and Vietnam, the other two major global exporters have revised their legislative and institutional structures to favor trade liberalization, sustainability certification, and branding⁸.

India's use of Intellectual Property Rights (IPR) is similarly underdeveloped. The Geographical Indications of Goods (Registration and Protection) Act, 1999, provides for the registration of

¹ Stefano Ponte, *The "Latte Revolution"? Regulation, Markets and Consumption in the Global Coffee Chain*, 30 *World Dev.* 1099, 1099 (2002).

² Int'l Coffee Org., *Coffee Development Report 2020* 12 (2020).

³ Daniel Gervais, *Geographical Indications and Trade*, 9 *Int'l Prop. J.* 1, 4 (2004).

⁴ Coffee Bd. of India, *Coffee Statistics 2022–23* 4 (2023).

⁵ Agricultural & Processed Food Prods. Export Dev. Auth. (APEDA), *Export Data on Coffee* (2022).

⁶ Agricultural & Processed Food Prods. Export Dev. Auth. (APEDA), *Export Data on Coffee* (2022).

⁷ *The Coffee Act, No. 7 of 1942*, India Code (1942).

⁸ S. Chandrasekhar, *Agricultural Liberalization and Commodity Boards in India*, 35 *Econ. & Pol. Wkly.* 2145, 2147 (2000).

products based on their origin.⁹ Four Indian coffees Kodagu Arabica, Chikkamagalur Arabica, Araku Valley Arabica, and Wayanad Robusta have achieved GI registration. Unfortunately, enforcement is weak, international recognition is limited, and institutional support is fragmented.¹⁰ While Colombian coffee has achieved international recognition under the GI "Café de Colombia," Indian coffee GIs have not.

Finally, India faces increasing challenges in terms of sustainability-led trade regimes. The European Union's Deforestation Regulation (EUDR), effective in 2023, requires coffee imports to be deforestation-free and fully traceable, enabling geolocation data to be tracked.¹¹ At the multilateral level, similar obligations for food safety, plant health, and technical conformity are set out in the WTO's Sanitary and Phytosanitary (SPS) and Technical Barriers to Trade (TBT) Agreements.¹² These measures are progressively becoming non-tariff trade barriers. Handicapped by several factors, including the need to deal with smallholder-dominated sectors such as India (where 70 percent of growers farm under 2 hectares), companies may find compliance with these measures prohibitively costly and resource-intensive.

These factors naturally lead to pressing research questions: how might the Coffee Act, 1942, be amended to cater for contemporary trade and sustainability contexts? What role could GIs, trademarks or certification marks play, as part of the global coffee identity of India, in practical markets? What can India learn from Brazil and Vietnam's approaches to institutional design, sustainability initiatives, or IP enforcement?

This article uses doctrinal-analytical methodology to evaluate these issues. Drawing on statutory law, WTO agreements, comparative evidence, and policy documents, this article examines the interface among law, trade, and sustainability in India's coffee sector.¹³ The gist of the matter is that Indian law is outdated, fragmented, and not sustainable for twenty-first-century trade.¹⁴ On the part of India, enhancing intellectual property, adding commodity sustainability compliance, or even amending the Coffee Act to fit the contemporary context

⁹ Nguyen Thanh Tam, Vietnam's Coffee Trade Policies and Global Competitiveness, 15 J. Agric. Pol'y 201, 210–12 (2021).

¹⁰ The Geographical Indications of Goods (Registration and Protection) Act, No. 48 of 1999, India Code (1999).

¹¹ Coffee Bd. of India, Annual Report 2021–22 37 (2022).

¹² World Intell. Prop. Org. (WIPO), GI Case Study: Café de Colombia (2018).

¹³ Regulation 2023/1115 of the European Parliament and of the Council of 31 May 2023, 2023 O.J. (L 150) 206.

¹⁴ Agreement on the Application of Sanitary and Phytosanitary Measures art. 2, Apr. 15, 1994, Marrakesh Agreement Establishing the World Trade Org., Annex 1A, 1867 U.N.T.S. 493.

will be substantial challenges to improving livelihood income in the global coffee economy.¹⁵

2. THE COFFEE ACT OF 1942 AND INDIA'S LEGAL FRAMEWORK

The Coffee Act of 1942 emerged from economic arrangements during the Second World War. The Act was passed by the colonial government in an effort to stabilize a market that was collapsing in price on a global scale and in a time of oversupply.¹⁶ It created the Coffee Board of India, mandated growers to deliver Coffee into a centrally-controlled, or pooled, system, and delegated authority to the Board for marketing, distributing, and exporting.¹⁷ The pooled nature of the system insulated producers from market fluctuations, while at the same time allowing the Board to have a central mechanism for managing exports.¹⁸

After independence, the Act was still in force until the 1990s under economic liberalization, when mandatory pooling was removed.¹⁹ Growers were also eventually able to trade directly with consumers; this was an incredible transition from public-commerce or public-managed commerce to a market economy. Regardless, the statute was neither repealed nor comprehensively amended.²⁰ Thus, provisions remained outdated in the post-liberalized context, constructing a legal framework no longer in accordance with realities.

Today, the Coffee Board is still in place to comply with the provisions of the Coffee Act, 1942; however, its functions exist mainly in promotion and advisory.²¹ The Board spends taxpayer dollars on research and extension services for growers and export promotion efforts.²² But again, there remains no statutory authority for the Board to face new challenges in the global marketplace.²³ Thus, this institutional weakness has contributed to India's inability to adjust to changes in global norms.

The Act also does not address intellectual property concerns. The idea of GIs had not yet been

¹⁵ Coffee Bd. of India, Coffee Development Report (2019)

¹⁶ Coffee Bd. of India, Coffee Development Report (2019).

¹⁷ The Coffee Act, No. 7 of 1942, § 4, India Code (1942).

¹⁸ The Coffee Act, No. 7 of 1942, § 6, India Code (1942).

¹⁹ S. Chandrasekhar, Agricultural Liberalization and Commodity Boards in India, 35 Econ. & Pol. Wkly. 2145, 2149 (2000).

²⁰ S. Chandrasekhar, Agricultural Liberalization and Commodity Boards in India, 35 Econ. & Pol. Wkly. 2145, 2149 (2000).

²¹ Coffee Bd. of India, Annual Report 2020–21 12 (2021).

²² Coffee Bd. of India, Annual Report 2020–21 12 (2021).

²³ Int'l Coffee Org., The Future of Coffee Sustainability (2021).

legalized when the Act was lauded.²⁴ Nowadays, producers are using the GI Act of 1999 and the Trade Marks Act of 1999 to protect their branding.²⁵ The Tennant Coffee Act and IP law are not integrated, so GIs stand alone as instruments of export encouragement.

Moreover, the Act is silent about international trade obligations. For example, WTO members are subject to the SPS and TBT Agreements and must implement transparent, science-based standards to claim food safety or technical conformity.²⁶ Coffee, more than almost any product, is subject to these rules in importing markets, from residue levels to contamination checks to packaging.²⁷ Brazil and Vietnam have integrated these international obligations under domestic law and into policy.²⁸ The Indian Coffee Act enters neither, leaving exporters to determine whether the international obligations apply without a statutory base.

Environmental sustainability and sustainability issues are also absent. Under the EU's EUDR, for example, Coffee is now required to be deforestation-free and traceable.²⁹ Many smallholders in India, however, simply do not have the means to comply without institutional support.³⁰ Private certifications like Fairtrade or Rainforest Alliance exist, but they are voluntary, incoherent, and expensive without statutory backing.³¹ The issue is made worse by the fragmentation of institutions. The Coffee Board is not the only agency that engages in export promotion and statistics, as several other institutions, such as APEDA and DGCI&S, undertake some of the same functions.³² In the absence of one universal institution, overlapping responsibilities in institutional roles and a lack of robust enforcement of various responsibilities continue.³³

In conclusion, the Coffee Act of 1942, originally designed for pooling Coffee during wartime, has become an outdated legal concept. Yet, it does not speak to IP, compliance with trade law

²⁴ Daniel Gervais, *Geographical Indications and Trade*, 9 *Int'l Prop. J.* 1, 6 (2004).

²⁵ Trade Marks Act, No. 47 of 1999, India Code (1999).

²⁶ Agreement on the Application of Sanitary and Phytosanitary Measures art. 2, Apr. 15, 1994, Marrakesh Agreement Establishing the World Trade Org., Annex 1A, 1867 U.N.T.S. 493.

²⁷ WTO, Committee on Sanitary and Phytosanitary Measures: 2019 Annual Report 8 (2019).

²⁸ Nguyen Thanh Tam, *Vietnam's Coffee Trade Policies and Global Competitiveness*, 15 *J. Agric. Pol'y* 201, 213–14 (2021).

²⁹ Regulation 2023/1115 of the European Parliament and of the Council of 31 May 2023, art. 3, 2023 O.J. (L 150) 206.

³⁰ Coffee Bd. of India, *Coffee Development Report* (2019).

³¹ Fairtrade Int'l, *Annual Report 2021–22* 16 (2022).

³² Agricultural & Processed Food Prods. Export Dev. Auth. (APEDA), *Coffee Export Promotion Schemes* (2021).

³³ Coffee Bd. of India, *Annual Report 2020–21* 22 (2021).

obligations, or sustainability.³⁴ There is a need for reform to update the statute, combine the range of existing (and new) institutional frameworks, and modernize the Indian coffee sector to align with international standards.

3. COMPARATIVE LEGAL PERSPECTIVES: BRAZIL AND VIETNAM

3.1 BRAZIL

Brazil grows and sells more coffee than any other nation, producing just over a third of the world's supply. Brazil's system of governance has changed over the years.³⁵ The Brazilian Coffee Institute (IBC) was established in the 1950s to manage exports and stabilize markets, but ceased to exist in the 1990s.³⁶ Entities like the Brazilian Coffee Council and cooperatives now accomplish the IBC's work.³⁷

Brazil takes WTO obligations into account when enshrining laws in its domestic regulations to comply with the SPS and TBT standards of the WTO.³⁸ The national government also conducts stringent phytosanitary inspections in order to reduce the potential risk of refusal of entry for exports to Canada.³⁹ Embrapa Café and other research organizations are also available to assist growers with disease management, climate resilience, and innovations in technology.⁴⁰

Brazil has also embraced sustainability in its national coffee policy. The Certifica Minas Café program and Brazilian Coffee Sustainability Curriculum help train farmers to meet international standards for sustainability.⁴¹ These efforts will help protect Brazil's sustainability history and enable it to comply with forthcoming EU regulations, while improving Brazil's position as a source of sustainable coffee.

On the IP front, Brazil utilizes Geographical Indications. The Cerrado Mineiro GI achieves international recognition and has Governmental enforcement in accordance with producer associations. The GI has helped Brazil leverage its place as a producer of high-quality premium

³⁴ S. Chandrasekhar, Agricultural Liberalization and Commodity Boards in India, 35 *Econ. & Pol. Wkly.* 2145, 2150 (2000).

³⁵ Int'l Coffee Org., *Coffee Market Report 2022 5* (2022).

³⁶ Marcelo Paixão, The Brazilian Coffee Institute and Market Stabilization, 42 *J. Latin Am. Stud.* 87, 89 (1998).

³⁷ Marcelo Paixão, The Brazilian Coffee Institute and Market Stabilization, 42 *J. Latin Am. Stud.* 87, 90 (1998).

³⁸ WTO, *Brazil Trade Policy Review* 33 (2017).

³⁹ Embrapa Café, *Research Priorities for Coffee 2020–25* (2020).

⁴⁰ Certifica Minas Café, *Program Manual* (2019).

⁴¹ World Intell. Prop. Org. (WIPO), *Geographical Indications Case Study: Cerrado Mineiro Coffee* (2018).

coffee, not merely as a major exporter.

3.2 VIETNAM

Vietnam, now the second-largest exporter, transformed its coffee sector through the Đổi Mới reforms in 1986.⁴² The Ministry of Agriculture and Rural Development (MARD) and the Vietnam Coffee and Cocoa Association (VICOFA) oversee centralized regulation.⁴³ Unlike India's fragmented institutions, Vietnam benefits from cohesive oversight.

Vietnam has adopted global sustainability certifications, such as UTZ, Rainforest Alliance, and 4C.⁴⁴ The adoption of these certifications helped them secure access to premium markets.⁴⁵ The government incentivizes digital traceability platforms that give importers confidence about the verified sources.⁴⁶

About IPR, Vietnam has made progress with the Buon Ma Thuot GI, which is protected domestically and defended internationally.⁴⁷ In 2013, Vietnam opposed and regained unauthorized registrations in China, which also showed institutional capability in enforcing IP rights in the international space.⁴⁸

3.3 LESSONS FOR INDIA

The comparison demonstrates three lessons. The first is that Brazil and Vietnam have more modern systems that meet WTO and sustainability standards, contrasting with India's antiquated Coffee Act.⁴⁹ The second lesson is that both look to institutionalize sustainability and traceability, while India's sustainability and traceability are more disparate.⁵⁰ The third lesson learned here is that both use their IP purposely; Brazil becomes the GIs recognized internationally, while Vietnam defends them abroad. India, in contrast, falls farther back than

⁴²Vietnam Coffee & Cocoa Ass'n (VICOFA), Annual Report 2021 (2021).

⁴³ Rainforest Alliance, Vietnam Coffee Certification Overview (2020).

⁴⁴ Ministry of Agric. & Rural Dev. (Vietnam), Digital Traceability in Vietnam's Agriculture (2021).

⁴⁵ Vietnam Coffee & Cocoa Ass'n (VICOFA), Buon Ma Thuot GI Protection Report (2013).

⁴⁶ S. Chandrasekhar, Agricultural Liberalization and Commodity Boards in India, 35 Econ. & Pol. Wkly. 2145, 2150 (2000).

⁴⁷ Vietnam Coffee & Cocoa Ass'n (VICOFA), Buon Ma Thuot GI Protection Report (2013).

⁴⁸ Nguyen Thanh Tam, *Vietnam's Coffee Trade Policies and Global Competitiveness*, 15 J. Agric. Pol'y 201, 214–15 (2021).

⁴⁹ World Intell. Prop. Org. (WIPO), *GI Enforcement Case Studies: Vietnam* (2014).

⁵⁰ Daniel Gervais, Geographical Indications and Trade, 9 Int'l Prop. J. 1, 12–14 (2004).

they both.⁵¹

4. INTELLECTUAL PROPERTY RIGHTS AND GEOGRAPHICAL INDICATIONS IN THE COFFEE TRADE

Intellectual Property (IP) is essential in the global coffee market. Geographical Indications (GIs), for example, tie quality and reputation to place, thus offering a chance for producers to charge a premium in the marketplace.⁵² India has coffee GIs, including Kodagu Arabica, Chikkamagalur Arabica, Bababudangiris Arabica, Araku Valley Arabica, and Wayanad Robusta. However, these have not found sufficient opportunities for use outside of India.

Nationally, the Colombian coffee sector offers a path forward through Café de Colombia, where the National Federation of Coffee Growers links the cooperative and legal structure necessary for IP protection with hard-marketing leverage to create a global brand.⁵³ Ethiopia has followed suit, securing trademarks on Sidamo, Harar, and Yirgacheffe coffees and negotiating with Starbucks thus demonstrating how developing countries can develop ways to leverage IP. Both cases demonstrate that protecting GIs requires registration, global enforcement, and sustainability through promotion.

India's framework is inherently fragmented. The Coffee Board does not have statutory obligations over any IP promotion. Producers would have to seek enforcement on their own, which is expensive.⁵⁴ Without this inclusion of GI promotion into export policy, Indian coffees are likely to be obscured by competitors on the global scene.⁵⁵

A coherent IP strategy would comprise three components: (1) International registration of Indian GIs in local markets such as the European Union and the U.S.; (2) A Coffee Board mandate that includes GI promotion into its process; (3) Partnerships with private exporters to develop branding campaigns. Without this process, Indian coffees cannot become distinct globally.

⁵¹ Coffee Bd. of India, Annual Report 2021–22 37 (2022).

⁵² World Intell. Prop. Org. (WIPO), GI Case Study: Café de Colombia (2018).

⁵³ Int'l Trade Ctr., Ethiopia: The Trademarking Initiative in Coffee (2007).

⁵⁴ Agricultural & Processed Food Prods. Export Dev. Auth. (APEDA), *Challenges in GI Enforcement* (2021).

⁵⁵ Coffee Bd. of India, *Annual Report 2020–21* 28 (2021).

5. SUSTAINABILITY LAW AND TRADE REGULATIONS

Global trade is increasingly governed by sustainability-linked law. The WTO's SPS Agreement ensures science-based safety measures, while the TBT Agreement prevents disguised trade barriers.⁵⁶ Compliance is mandatory for exporters.

The EU's Deforestation Regulation now requires that coffee imports be proven deforestation-free and traceable.⁵⁷ This regulation is poised to reshape global supply chains. Brazil and Vietnam have already implemented compliance systems.⁵⁸ India risks exclusion unless it legislates to support exporters.

Private certifications have partially filled the gap, but without statutory integration, they remain fragmented.⁵⁹ Climate-related measures are also growing through COP agreements and the WTO's Trade and Environment Committee.⁶⁰ Constraints on access to essential markets due to non-tariff barriers will accrue if India does not revise its legal arrangements.

6. CHALLENGES FOR INDIA'S COFFEE SECTOR

While India's coffee industry is doing relatively well in terms of scale of exports and recognition of quality, it has a number of systemic constraints that inhibit competitiveness with the global market. While these constraints stem from obsolete legislation, a disintegration of organizations, ineffective use of intellectual property, vulnerabilities of smallholder farmers, and the effects of climate change, they create a cycle of compatibility that prevents India from tapping into the inherent effect of its comparative advantage in coffee.⁶¹

The most important of those constraints is the enduring applicability of the 1942 Coffee Act. Extending from the colonial context, there has not been a change or amendment to account for twenty-first-century trading realities.⁶² The Coffee Act is not responsive to India's

⁵⁶ Agreement on the Application of Sanitary and Phytosanitary Measures art. 2, Apr. 15, 1994, Marrakesh Agreement Establishing the World Trade Org., Annex 1A, 1867 U.N.T.S. 493.

⁵⁷ Regulation 2023/1115 of the European Parliament and of the Council of 31 May 2023, art. 4, 2023 O.J. (L 150) 206.

⁵⁸ WTO, Brazil Trade Policy Review 41 (2017); Vietnam Coffee & Cocoa Ass'n (VICOFA), Annual Report 2021 (2021).

⁵⁹ Fairtrade Int'l, Annual Report 2021–22 16 (2022).

⁶⁰ WTO, Committee on Trade and Environment Annual Report 2020 7 (2020).

⁶¹ The Coffee Act, No. 7 of 1942, India Code (1942).

⁶² Agreement on the Application of Sanitary and Phytosanitary Measures art. 2, Apr. 15, 1994, Marrakesh Agreement Establishing the World Trade Org., Annex 1A, 1867 U.N.T.S. 493.

commitments for the regulation of global agricultural trade in accordance with either the World Trade Organization Sanitary and Phytosanitary (SPS) Agreement or the Technical Barriers to Trade (TBT) Agreement.⁶³ The Coffee Act does not address compliance with new sustainability regulatory approaches like the European Union's (EU) Deforestation Regulation (EUDR), which establishes geolocation-based traceability for all coffee imported to the EU, which also impacts coffee imported to other markets with sustainability regulations. The consequence of the Coffee Act not addressing these issues is that, exporters are left with the individual responsibility of compliance, usually at great expense, without regulatory mechanisms or support, which undermines the credibility and competitiveness of India's coffee industry in the global marketplace.

The sector is weakened by further institutional fragmentation. Governance is spread across multiple bodies, from the Coffee Board of India to the Agricultural and Processed Food Products Export Development Authority (APEDA) and the Directorate General of Commercial Intelligence and Statistics (DGCI&S).⁶⁴ Shared governance weakens accountability, and some functions become duplicated, particularly with export promotion, data collection, and sustainability certification.⁶⁵ Compared to Vietnam, where national-level governance is concentrated in the Ministry of Agriculture and Rural Development and the Vietnam Coffee and Cocoa Association, India faces incoherence and a lack of responsiveness to trade pressures at the international level.⁶⁶

Another correlated issue is weak enforcement and use of intellectual property rights. India has seen some success in formally registering coffee varieties, including Kodagu Arabica, Chikkamagalur Arabica, Araku Valley Arabica, and Wayanad Robusta, under the Geographical Indications of Goods (Registration and Protection) Act, 1999.⁶⁷ But there is little enforcement, whether in India or abroad. Producers do not have the financial means to take infringers to court abroad, and government institutions have failed to champion or incentivize global GI registrations or even collaborate on marketing as needed.⁶⁸ As a result, Indian coffees do not enjoy the same brand recognition as Café de Colombia or branded Ethiopian coffees,

⁶³ Agreement on Technical Barriers to Trade art. 2, Apr. 15, 1994, Marrakesh Agreement Establishing the World Trade Org., Annex 1A, 1868 U.N.T.S. 120.

⁶⁴ Agricultural & Processed Food Prods. Export Dev. Auth. (APEDA), Coffee Export Promotion Schemes (2021).

⁶⁵ Coffee Bd. of India, Annual Report 2020–21 22 (2021).

⁶⁶ Vietnam Coffee & Cocoa Ass'n (VICOFA), Annual Report 2021 (2021).

⁶⁷ The Geographical Indications of Goods (Registration and Protection) Act, No. 48 of 1999, India Code (1999).

⁶⁸ Coffee Bd. of India, Annual Report 2021–22 40 (2022).

such as Sidamo and Yirgacheffe. With no intentional IP strategy, Indian coffee continues to be exported as bulk, preventing it from earning higher premiums for differentiation in the international specialty coffee market.⁶⁹

The structure of coffee farming in India is also another challenge. Almost 70% of farmers are smallholders who manage less than two hectares of land.⁷⁰ Although smallholder farms encourage diversified crops, the system makes meeting traceability/ certification requirements challenging. Initiatives such as Fairtrade, UTZ, or Rainforest Alliance certification consume extensive financial and administrative resources. For smallholder farmers in India, the certification process is too costly, and as a result, the farmers are excluded from premium sustainability-certified markets.⁷¹ Land fragmentation also makes it more logistically difficult to establish a credible digital traceability system, which is becoming more frequently demanded by importing countries.⁷²

Finally, climate change, in and of itself, continues to be a risk that we can all measure. Increases in temperature, unpredictability of rainfall, and pest outbreaks, like coffee rust, all decrease yields and quality of Indian coffee.⁷³ Regardless of a potential hardening of prospects, India's legal frameworks for coffee do not currently include consideration of climate adaptation.⁷⁴ There are no statutory provisions for climate-resilient crop research, insurance schemes, or coordinated funds for migration. Therefore, smallholder growers are vulnerable to ecological uncertainty and international market shocks.

In summary, the challenges faced by India's coffee sector are many-sided. An out-of-date frame of reference, absent institutional structures, under-utilized intellectual property, pre-set constraints on smallholder producers, and climate risk, erode India's competitiveness. If we cannot find answers that involve legal reform, and the development and institutional changes into a legal framework, India faces increasing risks of falling behind in an increasingly sustainable global coffee economy.

⁶⁹ World Intell. Prop. Org. (WIPO), GI Case Study: Café de Colombia (2018).

⁷⁰ Int'l Trade Ctr., Ethiopia: The Trademarking Initiative in Coffee (2007).

⁷¹ Coffee Bd. of India, Coffee Statistics 2022–23 37 (2023).

⁷² Rainforest Alliance, Certification and Assurance Report 2020 11 (2020).

⁷³ Int'l Coffee Org., Coffee Development Report 2020 77 (2020).

⁷⁴ Embrapa Café, Climate Change and Coffee Research Priorities (2019).

7. PROPOSED LEGAL AND POLICY REFORMS

Reforming India's coffee sector requires a thorough strategy that tackles old laws and enhances institutional capacity, mainstreams intellectual property into promoting exports, and helps smallholders meet sustainability standards. The overarching objective should be to replace the fragmented, colonial-era framework with a modern statute that reflects global trade realities, sustainability imperatives, and branding opportunities.

The first priority is to repeal and replace the Coffee Act of 1942.⁷⁵ The Act, designed for a pooling system that no longer exists, is ill-suited for a liberalized trade environment. A new Coffee Development and Trade Act could consolidate dramatic and regulatory functions in the sector into a single entity, include explicit goals for sustainability and traceability, as well as be underpinned by India's commitments to the WTO and bilateral trade agreements.⁷⁶ Statutory provisions for digital traceability, environmental safeguards and standards, and ESG compliance would position Indian exporters on firm legal standing in complying with growing requirements such as the EU Deforestation Requirement.⁷⁷ giving smallholder farmers the stability, support, and security in the increasingly complex world of sustainable compliance and international trade.

Secondly, reforms must tackle institutional fragmentation. Currently, the Coffee Board, APEDA, and DGCI&S have considerable overlapping mandates.⁷⁸ Transferring these mandates into a single organization that holds absolute authority, potentially a reformed Coffee Board with its statutory tasks clearly established, should help carry out those tasks more efficiently and with accountability.⁷⁹ An effectual merged organization would oversee research, certification, export promotion, and IP strategy altogether, reducing duplication across organizations and promoting a more coherent strategic plan for the domestic and international coffee community of stakeholders. One can learn from Brazil's integrated (government-sponsored) model of cooperatives (and for-export research institutes), as well as the centralized governance of specific domains of farming in Vietnam, specifically coffee,

⁷⁵ The Coffee Act, No. 7 of 1942, India Code (1942).

⁷⁶ S. Chandrasekhar, Agricultural Liberalization and Commodity Boards in India, 35 *Econ. & Pol. Wkly.* 2145, 2149 (2000).

⁷⁷ Regulation 2023/1115 of the European Parliament and of the Council of 31 May 2023, 2023 O.J. (L 150) 206.

⁷⁸ Agricultural & Processed Food Prods. Export Dev. Auth. (APEDA), Coffee Export Promotion Schemes (2021).

⁷⁹ Coffee Bd. of India, Annual Report 2020–21 22 (2021).

under the Ministry of Agriculture and Rural Development.⁸⁰

Third, India needs to link its intellectual property promotion strategy to its coffee strategy. India has a number of GIs (geographical indications) which have, or may have, some traction, but few, if any, have been seriously marketed or are effectively organized through the Coffee Board to promote them.⁸¹ The revised legal framework could address the Coffee Board taking a role to support the registration of Indian GIs in major markets, i.e., the EU, the United States, and Japan, among others.⁸² The proposed legal framework could also support Indian (GIs) in developing organizations to take on pooled legal responsibility for Indian GIs abroad, thus lowering the individual and smaller producer associations' overall costs and providing a group legal strategy for protection abroad. It could also consider methods to promote Indian coffee brands globally, similar to how Colombia has marketed its product using "Juan Valdez," or how Ethiopia has marketed coffee through a trademark negotiation.⁸³ Linking GIs to sustainability certifications would be a starting point to strengthen their marketing appeal in environmentally conscious consumer markets.

To conclude, interventions should be designed to disrupt the vulnerability inherent in the smallholder farmer context. Almost 70% of farmers farm on smallholdings, and the cost and uncertainty of certification for sustainability and traceability is so prohibitive that many farmers step back altogether.⁸⁴ Reformed laws could provide for targeted subsidies, capacity building, and affordable certification. The government could support digital platforms that allow smallholder farmers to upload their geo-data for sharing with EUDR. Insurance programs or resources for climate adaptation could add additional resilience to shocks from climate-related events.⁸⁵

Finally, India must bring climate change and sustainability laws to its coffee industry.⁸⁶ For example, adapting the law to climate change, such as receiving funding for regulated, climate-resilient varieties, water use regulations, and pest management, would bolster long-term

⁸⁰ Vietnam Coffee & Cocoa Ass'n (VICOFA), Annual Report 2021 (2021); Embrapa Café, Research Priorities for Coffee 2020–25 (2020).

⁸¹ The Geographical Indications of Goods (Registration and Protection) Act, No. 48 of 1999, India Code (1999).

⁸² Coffee Bd. of India, Annual Report 2021–22 40 (2022)

⁸³ World Intell. Prop. Org. (WIPO), GI Case Study: Café de Colombia (2018); Int'l Trade Ctr., Ethiopia: The Trademarking Initiative in Coffee (2007).

⁸⁴ Coffee Bd. of India, Coffee Statistics 2022–23 37 (2023).

⁸⁵ Fairtrade Int'l, *Annual Report 2021–22* 16 (2022).

⁸⁶ Int'l Coffee Org., *Coffee Development Report 2020* 77 (2020).

competitiveness.⁸⁷ Moreover, such laws must be in harmony with India's obligations under the Paris Agreement and obligations under the WTO Trade Committee on this issue to ensure coherence between domestic and international law.

Pragmatically, legal reform cannot be piecemeal. India needs a statute that combines trade, intellectual property, sustainability, and smallholder rights within one legal framework.⁸⁸ If India brings its laws, regulations, and institutions into the 21st century, it is possible to shift away from coffee being bulk sold and transform its identity into a reputable, sustainable, branded, and high-quality coffee producer.⁸⁹

8. CONCLUSION

India's coffee industry holds an ambiguous position in the global market. While India is one of the top five exporters in volume and produces coffees of unique quality, its regulatory and institutional system is largely obsolete, fragmented, and underdeveloped.⁹⁰ Moreover, the continued prominence of the Coffee Act of 1942 indicates this disconnection. This legislation was originally designed to stabilize markets through pooling, but is now entirely misaligned with contemporary realities of trade liberalization, sustainability obligations, or IP enforcement.⁹¹

The comparative examples of Brazil and Vietnam illustrate the costs of Indian inaction. Brazil has instituted sustainability commitments into its national coffee policies, increasing recognition of coffee's unique qualities through Geographical Indications like Cerrado Mineiro.⁹² Though a late entrant, Vietnam combined governance through institutionalization with digital traceability systems, meeting new non-tariff measures in importing markets.⁹³ These examples illustrate the benefits of contemporary law, coalesced institutions, and actively developed IP strategies, areas where India continues to lag.

The ineffective use of Intellectual Property Rights, especially as far as Geographical Indications (GI) are concerned, represents serious lost potential. While a number of Indian

⁸⁷ Embrapa Café, *Climate Change and Coffee Research Priorities* (2019).

⁸⁸ WTO, Committee on Trade and Environment Annual Report 2020 7 (2020).

⁸⁹ Daniel Gervais, *Geographical Indications and Trade*, 9 Int'l Prop. J. 1, 12–14 (2004).

⁹⁰ Coffee Bd. of India, *Coffee Statistics 2022–23* 15 (2023).

⁹¹ The Coffee Act, No. 7 of 1942, India Code (1942).

⁹² World Intell. Prop. Org. (WIPO), *Geographical Indications: Case Study on Cerrado Mineiro Coffee* (2019)

⁹³ Vietnam Coffee & Cocoa Ass'n (VICOFA), *Annual Report 2021* (2021).

coffees, such as Kodagu Arabica and Araku Valley Arabica, have a GI status, they do little to facilitate enforcement and a coordinated branding approach to leveraging the potential of Indian coffee, to enable representation of Indian coffees in worldwide commodities.⁹⁴ To date, the coffees continue to exist only in the world of bulk commodities, meaning that Indian coffees lose the price premiums placed on coffees such as those produced in Café de Colombia, or trademarked coffees produced in Ethiopia.⁹⁵ The existence of legal instruments to support sustainability and traceability requirements further limits exporters from gaining access in valued and significant markets, such as those that are involved in the European Union, which is developing a deforestation-free regulations agenda.⁹⁶

At the same time, the structural dependence on smallholders in India is both an asset and a limitation. On the one hand, smallholder cultivation puts cash and assets in rural communities in a way to maintain crop diversification, but small-holders also create challenges for complying with many sustainability and traceability standards in global supply chains. Unless there are large reforms that provide smallholders with opportunities for subsidized training and tools, and digitization opportunities, smallholders will run the risk of not engaging in sustainability-based supply chains.⁹⁷

The next steps call for actions of the comprehensive legal reform that will replace the Coffee Act of 1942 with a contemporary statute, and provide both institutional jurisdictional placements⁹⁸, sustainability compliance, and embed the promotion of the intellectual property legal framework.⁹⁹ The new Coffee Board of Directors creates the ability to formally align statutory powers to oversee export promotion, certification, and GI enforcement, which is needed to create coherence within the legal framework and attention to climate adaptation within the statutory framework, and attention to insurance schemes and smallholder support.¹⁰⁰

In summary, the coffee sector in India is at an inflection point; without reform, India may become relatively irrelevant with more adaptive competitors, but with reform, India can focus on its position as a sustainable, branded, and globally competitive coffee producer. The

⁹⁴ The Geographical Indications of Goods (Registration and Protection) Act, No. 48 of 1999, India Code (1999).

⁹⁵ Int'l Trade Ctr., Ethiopia: The Trademarking and Licensing Initiative in Coffee (2007).

⁹⁶ World Intell. Prop. Org. (WIPO), GI Case Study: Café de Colombia (2018).

⁹⁷ Regulation 2023/1115 of the European Parliament and of the Council of 31 May 2023, 2023 O.J. (L 150) 206.

⁹⁸ Fairtrade Int'l, Annual Report 2021–22 22 (2022).

⁹⁹ S. Chandrasekhar, Agricultural Liberalization and Commodity Boards in India, 35 Econ. & Pol. Wkly. 2145, 2149 (2000).

¹⁰⁰ Embrapa Café, Climate Change and Coffee Research Priorities (2019).

timeline is urgent, and the opportunity is significant; if India can align the legal framework with the demands of the 21st century, there will be an opportunity to evolve coffee from a commodity to a quality, sustainable, and recognized global market symbol.¹⁰¹

¹⁰¹ Int'l Coffee Org., Coffee Development Report 2020 77 (2020).