**Exogenous vs. Endogenous: The Challenge of Coffee Price Dynamics**

**Problem: Coffee Price Behavior**
- Highly volatile, subject to exogenous dynamics of international market (coffee stocks, prices, exchange rate, quality fees).
- Determines farmers’ income. Its behavior discourages coffee growing and lowers quality of life.

**Goal**
- To design policies that empower coffee growers through their own decision-making.
- This means to ask if endogenous dynamics that could be created by the decisions of coffee growers may overcome the exogenous force of price.

**Actors-Based Methodology**
- Nation Federal of Coffee growers
- Support programs for coffee growers that bring technology and innovation.
- Coffee growers dynamics.
- Agro-Tourism
- Preference to sell dry coffee
- R1
- Preference to sell wet coffee
- R2
- High productivity
- R6
- Self-Brand
- R8

**Policy Recommendations**
- Coffee growers can make better decisions making the monthly profit less sensitive to the impact of exogenous dynamics.
- High impact policies: **Self Brand** (Cultivation, production and direct sale of products derived from coffee under its own brand), **Agro Tourism** (Agricultural tourism programs in coffee farms, where you can learn about the process of growing and producing coffee), and **High Productivity** (Productivity increase per Ha as a result of technical assistance and implementation of good cultivation practices.)
- An endogenous point of view may help coffee growers making decisions that improves their own lives under the threat of exogenous volatility.

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**Policy simulations**

**Approach**
Following Richardson (2011)

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**Model**

**Exogenous**
Understanding and leveraging, but failing

**Endogenous**
Achieving, Misguided, Misunderstanding

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**True state of affairs**

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