Understand, Design, Act: Climate-proof your supply chain

Module 4: How can I scale up climate smart agriculture?

19. July 2018
Module 4: How can I scale up Climate Smart Agriculture?

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Moderators

Caroline Glowka
Global Coffee Platform

Katherine Selengia
Hanns R. Neumann Stiftung
Let’s discuss today

• Challenges of scaling climate smart agriculture
• Solutions
• Questions and Answers
1. Click on “Raise Hand” button
   If you want to **comment** or ask questions

2. Use the Q&A box
   To place your questions and get feedback from the panelists

3. We will silence your mic
   To avoid undesired **background noises**. But you can always ask to speak!

4. Remember
   This session is being recorded for archive purposes
Path to Collective Action

Introduction
Risk Profiles
Tools
Scale
Monitoring
Business Case
Collaboration

Collective action at origin!

Building Common Ground

Understand
Design
Act

Honduras
Uganda

+ Climate Catalogue as resource
Opportunities in Honduras and Uganda

Honduras
- Platform Agenda
- Contribute to National Coffee Platform’s agenda
- Multi-stakeholder collaboration
- Progress will be measured
- Learnings & results will be shared with the sector

Uganda
- Climate Change Working Group
Opportunities in Honduras and Uganda

Honduras

Platform Agenda

Short survey
July

Call with interested stakeholders
September

Country workshops
October

Turn commitment into action
November

Uganda

Climate Change Working Group

Global Coffee Platform
The Experts

Bambi Semroc
Conservation International

Daniele Giovannucci
Committee on Sustainability Assessment (COSA)

Mark Lundy
International Centre for Tropical Agriculture (CIAT)

Elena Serfilippi
Committee on Sustainability Assessment (COSA)

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Danielle Knueppel
World Coffee Research

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Kealy Sloan
Sustainable Food Lab

George Watene
Global Coffee Platform

Kate Selengia
Hanns R. Neumann Stiftung

Elizabeth Teague
Root Capital
WHERE WE’RE AT

Learn about the tools, training materials and research that support the implementation of climate smart agriculture at the farm level.

1. Understanding climate change and the coffee sector
2. How is climate change affecting my supply chain?
3. How can I manage the effects climate change is having on my supply chain?
4. How can I scale up CSA?
5. How do I know if my investment in CSA is working?
6. How can I convince my company and others to invest in CSA?
CHALLENGES:

If climate is already affecting coffee, why isn’t climate-smart agriculture more widely adopted?

How can I help scale climate-smart agriculture within my supply chain?
LEARNING OBJECTIVES

How can I scale up climate-smart agriculture, particularly at the base of my supply chain?

• Understand challenges in achieving scaled adoption of climate-smart agriculture, particularly at the farm level

• Learn about a training strategy (“stepwise investment pathways”) to promote higher adoption of climate-smart practices among smallholder farmers

• Learn about pathways to finance adoption of climate-smart practices, with a focus on finance to/from local businesses purchasing coffee from smallholder farmers
How can I scale up climate-smart agriculture, particularly at the base of my supply chain?

• Go small before you go big.

• Consider multiple scaling pathways.

• Look for opportunities to leverage existing technical assistance and finance pathways to achieve scale.
Levels of intervention

Plant
Plot
Farm/household
Community/landscape
Markets
Institutions
Policy

Practices: GAPs, irrigation
Strategies: diversification
Enablers: insurance, microfinance
CURRENT COFFEE NET INCOME PER HECTARE

Current farmer net income per ha from coffee (Hundreds US$ / ha)

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<tr>
<td>Arabica</td>
<td>7.1</td>
<td>6.8</td>
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<td>4.8</td>
<td>4.8</td>
<td>4.4</td>
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| # of farmers in selected farmer type | 129k | 220k | 2000k | 96k | 571k | 235k | 42k | 132k | 573k | 507k | 1161k |

- Relatively high yields and low costs make coffee more profitable in countries such as Brazil and Vietnam, despite lower prices.
- Overall, the number of farmers in Brazil and high yields make it the leader in coffee production, though farming is less profitable for farmers (Arabica, <10ha, un-mechanized, in Minas Gerais).
- Farmers may struggle with rising production costs. For example, in Colombia, despite high yields and prices, profitability is lower due to high costs.
Changes expected by 2050

How am I going to pay the next school fees???
Stepwise
Although farmers are often trained in best practice, they cannot afford best practice.

There is a lot of “mal-investments”
Stepwise pathways are:

- Developed participatory, using expert knowledge
- Site specific
- Tested in the field using trials
- Include cost x benefit analysis
We already see big differences in trials.
Learning sites

In partnership with

Hanns R. Neumann Stiftung

Olam

Kawacom Uganda Limited
How do we finance scaled climate-smart agriculture?
Different climate-smart investments will require different types of capital.

**Incremental adaptation** where climate is most likely to remain suitable and adaption will be achieved by a change of practices and ideally improved strategies and enablers.

**Systemic adaptation** where climate is likely to remain suitable but with substantial stress through comprehensive change of practices accompanied by changes of strategy and adequate enablers.

**Transformational adaptation** where climate is likely to make coffee production unfeasible, will require a focus on strategic change and adequate enablers as practices alone may be uneconomical.
Small-to-medium-sized enterprises can be a vehicle for funding climate-smart agriculture at scale.

- Enterprises → farmers
  - Non-cash investments (goods and services)
  - Microcredit
- Financial institutions → enterprises
- Buyers → enterprises
Scaling climate-smart agriculture through enterprise investments in farmers: Technical assistance
Scaling climate-smart agriculture through enterprise investments in farmers: Technical assistance

Demonstration plots to show the value of specific climate-smart practices, like:

- Cover cropping
- Mulching
Scaling climate-smart agriculture through enterprise investments in farmers: Inputs
Scaling climate-smart agriculture through enterprise investments in farmers: Microcredit for renovation and rehabilitation

For details, refer to:
“Renovation & Rehabilitation for Resilience Coffee Farms: A Guidebook for Roasters, Traders, and Supply Chain Partners”
Scaling climate-smart agriculture through credit for enterprises: Loans for climate-smart equipment or infrastructure
Scaling climate-smart agriculture through investments in enterprises: Pricing incentives from buyers
How can I scale up climate-smart agriculture, particularly at the base of my supply chain?

• Go small before you go big.

• Consider multiple scaling pathways.

• Look for opportunities to leverage existing technical assistance and finance pathways to achieve scale.
WHERE WE’RE HEADED

Learn about innovative ways to “de-risk” CSA for the farmer and the private sector, and the potential for financing approaches to CSA.

1. Understanding climate change and the coffee sector
2. How is climate change affecting my supply chain?
3. How can I manage the effects climate change is having on my supply chain?
4. How can I scale up CSA?
5. How do I know if my investment in CSA is working?
6. How can I convince my company and others to invest in CSA?
RESOURCES

• Coffee&climate toolbox, with Sourcebook and case studies: toolbox.coffeeandclimate.org


• “Renovation & Rehabilitation for Resilience Coffee Farms: A Guidebook for Roasters, Traders, and Supply Chain Partners,” Dalberg Advisors, with support from USAID’s Bureau for Food Security, on behalf of the Sustainable Coffee Challenge

• “Financing Farm Renovation: How to Build Resilience Using a Blend of Capital,” Root Capital
Questions & Answers
Module 4: How can I scale up Climate Smart Agriculture?

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### Next Modules

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<td>Understanding climate change</td>
<td>Introduction</td>
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<tr>
<td>2</td>
<td>June 12th</td>
<td>How is climate change affecting my supply chain?</td>
<td>Risk Profiles</td>
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<td>3</td>
<td>June 28th</td>
<td>How can I manage the effects climate change is having on my supply chain?</td>
<td>Tools</td>
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<td>4</td>
<td>July 19th</td>
<td>How can I scale up CSA?</td>
<td>Scale</td>
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<td>5</td>
<td>September 27th</td>
<td>How do I know my investment in CSA is working?</td>
<td>Monitoring</td>
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<td>October 25th</td>
<td>How can I convince my company and others to invest in CSA?</td>
<td>Business Case</td>
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<td>7</td>
<td>November 8th, December 6th</td>
<td>How can collaboration work? Bringing action to origin!</td>
<td>Collaboration</td>
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**Duration:** 75 minutes per module  
**Time:** 3pm CEST | 9am EDT | 6am PDT

[Link to CSA Learning Series](#)
# Participants in Module 4

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<th>Name</th>
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<td>Kim Coburn</td>
<td>Equal Exchange</td>
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<td>Nguyen truc bong son</td>
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<td>Thomas Delbar</td>
<td>Supremo</td>
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