Collaboration to ensure the Economic Viability of Coffee Farming: Where do we stand?
Speakers

• José Sette, Executive Director, International Coffee Organization
• Carlos Brando, Director, P&A Marketing Brazil
• Karel W. Valken, Global Head Trade & Commodity Finance Agri, Rabobank
• Annette Pensel, Executive Director, Global Coffee Platform
José Sette
International Coffee Organization
Creating an Enabling Environment for High Productivity in Coffee Farming

International Coffee Organization

Global Coffee Sustainability Conference
Geneva, 4 October 2017
Results from the 7th Forum on Coffee Sector Finance

- Forum took place during the week of the 120th Session of the Coffee Council in Côte d’Ivoire
- Theme: “Creating an enabling environment for high productivity in coffee farming”
Background – Global productivity

South America

Central America & Mexico

Africa

Asia

Production

Yield

Area

Production

Yield

Area

Production

Yield

Area

Production

Yield

Area
Country cases presented

- Brazil
- Côte d'Ivoire
- Colombia
- Ethiopia
- Honduras
- Vietnam
Factors determining productivity

• Farm-level
  – Skills & availability of extension services
  – Access to input and regional/international output markets
  – Access to finance (financial literacy, risk management)
  – Effective farmers associations (post-harvest processing, marketing of crops)
Factors determining productivity

- Policies & regulatory framework
  - Market regulations (marketing boards, tariffs)
  - Specific coffee sector policies (e.g. response to coffee leaf rust & climate change adaptation)
  - Coffee institutions & research institutes (develop and disseminate new varieties)

- Demand side including domestic consumption
Thank you
Global Coffee Platform & International Coffee Organisation Sign MoU
Carlos Brando
P&A Marketing Brazil
INSTITUTIONAL ENGAGEMENT
TO ADVANCE SUSTAINABILITY
AND THE ECONOMIC VIABILITY OF FARMING
Change of paradigm: Grower is the greatest beneficiary

Coffee Sustainability Curriculum (CSC)
Problem for growers is not credit but awareness and projects (technical assistance) and even with credit… grower has to pay… viability of coffee farming.

US$ 20 billion in credit lines to implement sustainability in all coffee producing regions.
NATIONAL ADVISORY BOARD

- national leadership level
- strategy / policy
- validation
- political support (private and government levels)
BRAZIL WORKING GROUP

STATE EXTENSION SERVICES:  FEDERAL AGENCIES:  COMPANIES:  SUSTAINABILITY STANDARDS:

• technical  • proposes / designs activities
• gross-roots  • ownership

SUPPLY CHAIN INSTITUTIONS:  MEMBER REPRESENTATIVES:

BWG
UNLOCKING THIRD-PARTY FUNDING VIA ROLL OUT AND INSTITUTIONALIZATION OF CSC

18 FUNDAMENTAL ITEMS OF COFFEE SUSTAINABILITY CURRICULUM
20% ITEMS / 80% PROBLEMS
## Unlocking Third Party Funding via Extension Services and Coops (in Groups)

### State Extension Services

<table>
<thead>
<tr>
<th>State Extension Services</th>
<th>Annual Budget (million US$)</th>
<th>Number of Technicians</th>
<th>Coffee Technicians</th>
</tr>
</thead>
<tbody>
<tr>
<td>EMATER-MG</td>
<td>80</td>
<td>650</td>
<td>240</td>
</tr>
<tr>
<td>INCAPER-ES</td>
<td>31</td>
<td>212</td>
<td>153</td>
</tr>
<tr>
<td>CATI-SP</td>
<td>72</td>
<td>683</td>
<td>73</td>
</tr>
<tr>
<td>EMATER-RO</td>
<td>32</td>
<td>300</td>
<td>90</td>
</tr>
<tr>
<td>EMATER-PR</td>
<td>80</td>
<td>727</td>
<td>33</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>295</strong></td>
<td><strong>2572</strong></td>
<td><strong>589</strong></td>
</tr>
</tbody>
</table>

Estimated budget for coffee: US$ 70 million

250,000 small + mid growers ÷ 589 technicians ≈ 400 growers per technician

### Area (ha) and Production

<table>
<thead>
<tr>
<th>Area (ha)</th>
<th>Production (million bags)</th>
<th>Production (%)</th>
<th>Number of Growers</th>
<th>% of Growers</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-10</td>
<td>15.7</td>
<td>36%</td>
<td>230,000</td>
<td>79%</td>
</tr>
<tr>
<td>10-20</td>
<td>6.7</td>
<td>16%</td>
<td>20,000</td>
<td>7%</td>
</tr>
<tr>
<td>20-50</td>
<td>7.8</td>
<td>18%</td>
<td>10,000</td>
<td>3%</td>
</tr>
<tr>
<td>&gt;50</td>
<td>13.0</td>
<td>30%</td>
<td>30,000</td>
<td>10%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>43.2</strong></td>
<td><strong>52%</strong></td>
<td><strong>290,000</strong></td>
<td></td>
</tr>
</tbody>
</table>

COOPS ($) 27,000 growers (small + mid size)
UNLOCKING RESOURCES VIA MORE EFFICIENT EXTENSION SERVICES

IMPACT OF GROUP APPROACH:
FROM 1 TECHNICIAN FOR 60 TO 80 GROWERS
TO 1 TECHNICIAN FOR 250 GROWERS

PILOT PROJECTS TO BREAK PARADIGMS
MEASURING RESULTS
EVALUATING SUSTAINABILITY: INDICATORS DEFINED

- Definition
  - defined by Brazil Working Group (BWG) in February
  - finalized in BWG meeting in August
  - endorsed by NAB in September

- Why
  - important to measure implementation of program
  - know and quantify reality
  - show strong points and attack weak ones
  - measure evolution
  - continuous process with widening scope

NATIONAL SUSTAINABILITY INDICATORS
TO DEFINE AND COMPARE SUSTAINABLE REGIONS
MEASURING RESULTS
EVALUATING SUSTAINABILITY:
GCP APP TO MONITOR INDICATORS
(CSC PRACTICES)

• Compatible with notebook, tablet or smartphone

• Simple and friendly offline data entry

• Evaluate implementation of practices and indicators

• Measure status and evolution, compare members and regions

• Available for members

• Under construction: to be ready soon

IT IS NOT ABOUT SIMPLY DOING IT.
IT IS NECESSARY TO MEASURE AND SHOW, COMPARE AND EVOLVE
TWO-LEVEL GOVERNANCE / PLATFORM AND GCP MEMBER INITIATIVES

- National Advisory Board (NAB): political instance that defines policies, establishes strategies and validates actions, and

- Brazil Working Group (BWG): technical instance that suggests actions and structures activities

- Secretariat of the Brazilian Platform and the coordination of the Brazil Program are carried out by P&A

- Grass-roots participation
- Access to leadership level
- Collaborative construction
- Multi-stakeholder decision process
- Ownership + commitment

GOVERNANCE CAN BE USED OR CUSTOMIZED FOR GENERAL, SECTORIAL, REGIONAL OR LOCAL GCP MEMBER INITIATIVES
IF ALL KEPT ON TRACK
GCP HELPS RELEASE EARMARKED FUNDS,
ADVANCE SUSTAINABILITY AND EMBED IT INTO THE BRAZILIAN COFFEE BUSINESS TO ENSURE THE ECONOMIC VIABILITY OF COFFEE PRODUCTION

GCP BRAZIL PROGRAM CATALYZES THE PROCESS
BWG
Brazil Working Group

NAB
National Advisory Board
GCP MEMBERS INVOLVED IN BRAZIL PROGRAM

[Image of various logos and names related to the GCP Members involved in the Brazil Program]
Coffee Sustainability Curriculum (CSC)
Sustainability: grower is the greatest beneficiary.

- Rational Irrigation
- Good Living Conditions
- Waste Treatment and Disposal
- Greater Productivity
- Individual Protection Equipment
- Protection of Natural Vegetation
- Recycling
- Leaf and Soil Analysis
- Integrated Pest Management
- Training and Demonstration
- Safe Agrochemicals Storage
- Registered Agrochemicals and Safe Package Disposal
- Cost Control
- Compliance with Labor Laws
- Weed Management
- Health, Hygiene, and Services
- Involve Women and Youngsters
CSC Training Courses partners

1600 Technicians

80 to 100,000 Potential coffee farmers
GCP INDICATORS

- MEASUREMENT
- COMPARISON
- SHOWING EVOLUTION

CSC APP TO MONITOR CSC PRACTICES
IF ALL KEPT ON TRACK GCP HELPS RELEASE EARMARKED FUNDS, ADVANCE SUSTAINABILITY AND EMBED IT INTO THE BRAZILIAN COFFEE BUSINESS TO ENSURE THE ECONOMIC VIABILITY OF COFFEE PRODUCTION

GCP BRAZIL PROGRAM CATALYZES THE PROCESS

THANK YOU
THANK YOU!
Karel Valken
Rabobank
Banking for Coffee: Financing every link in the chain

Rabobank Foundation and Rabo Rural Fund
Total investment of USD 57,860,000...
...in over 150 companies and cooperatives
Reaching over 4,700,000 smallholder farmers globally
Of which 50% of the clients are active in the coffee industry

Rabobank’s commitment: Total reach to be increased with 35% by 2020
Annette Pensel
Executive Director, Global Coffee Platform
Building a sustainable coffee world, together.
GCP MEMBERS
GCP MEMBERS
GCP MEMBERS
GCP MEMBERS
GCP MEMBERS
GCP MEMBERS

SCTA
ORGANIC
ACOB
AFCA
JUNTA NACIONAL DEL CAFÉ
CLAC
FAIRTRADE
Anacafé
ABIC
Conselho Nacional do Café
DEUTSCHER KAFFEEVERBAND
BMZ
 Federal Ministry for Economic Cooperation and Development
IDH
Specialty Coffee Association
ADECAFEH
Cecafé
Conselhos dos Exportadores de Café do Brasil
European Coffee Federation
Building a sustainable coffee world, together.