

Contacts:

Kaitlin Cordes (Columbia Center on Sustainable Investment; Head: Land and Agriculture)
[+1 \(917\) 658-5172](tel:+19176585172) (GMT-5 time zone) | kaitlin.cordes@law.columbia.edu

Perrine Toledano (Columbia Center on Sustainable Investment; Head: Extractive Industries)
[+972 54-731-8584](tel:+972547318584) (GMT+3 time zone) | ptoled@law.columbia.edu

Collective action needed to make coffee sustainable, Columbia University report says

The study released today, led by Professor Jeffrey Sachs and commissioned by the World Coffee Producers Forum, addresses the imbalances and sustainability challenges of the coffee value chain, and provides recommendations on how these can be addressed

New York, October 1, 2019—Today, on International Coffee Day, the [Columbia Center on Sustainable Investment](#) (CCSI) released a widely-anticipated report: “[Ensuring Economic Viability and Sustainability of Coffee Production](#).” The study, led by Professor Jeffrey Sachs, was commissioned by the World Coffee Producers Forum (WCPF) after its first meeting in 2017 in Medellín, where producers from across the globe had gathered to discuss ways to address the coffee price crisis. Preliminary conclusions from the report were presented at the 2nd WCPF in July, in Campinas, Brazil.

The report analyses the root causes that have led to low green coffee bean prices, which has decimated the livelihoods of many coffee producers, despite the high prices that consumers often pay for a beverage beloved around the world. The report also describes the results of new quantitative supply and demand models that test for potential climate change impacts. The models project that, by 2050, 75% of suitable land for Arabica coffee production and 63% of land for Robusta coffee production will be lost due to climate change, although the amount of remaining suitable land at that time will still be more than the total amount of land currently under coffee cultivation. The models also show that coffee prices are not expected to significantly recover without intervention, given the potential for increased low-cost production in Brazil.

Based on these findings, Professor Sachs called on the coffee industry and producing countries to work in a coordinated manner to ensure sustainability, noting that “*in the face of the ongoing low prices and deepening climate crisis, the coffee sector must undertake strong concerted efforts to support a sustainable and resilient future for producers and the sector overall.*”

Roberto Vélez, CEO of the Colombian Coffee Growers Federation, said, “*the coffee value chain is worth between 200 – 250 billion dollars a year, of which producers receive less than 10%. Many farmers in most producing countries cannot even cover their production costs; that is just wrong. The coffee industry cannot turn a blind eye on the gravity of the situation. Economic sustainability needs to be addressed immediately under a principle of co-responsibility, if we want to ensure the quality, diversity and sustainability of coffee that consumers expect all over the world.*”

To achieve social, environmental, and economic sustainability along the coffee supply chain, the CCSI report calls for the development of National Coffee Sustainability Plans and contributions from major coffee industry actors of no more than half a US penny per cup towards a new Global Coffee Fund. These funds would help to fill critical financing gaps for sustainability investments

in coffee-producing regions and would be used to leverage additional funding from governments and donors. The report also includes other recommendations for increasing coffee producer profits.

“The serious and independent work of Prof. Sachs and his team at CCSI will stir the discussion of the future of the coffee value chain. None of the players -producers, traders, roasters and consumers, public or private- can afford to stay on the side of the joint work needed to make the coffee value chain environmentally, socially and more important, economically sustainable. The biggest predator of the environment and social fabric is poverty,” said Juan Esteban Orduz, from the Colombian Coffee Growers Federation in North America and coordinator of the World Coffee Producers Forum.

Professor Sachs added: *“Without sustained collective action, including pre-competitive contributions from roasters and retailers, more coffee producers will be in extreme poverty, and origins will be increasingly concentrated in a few countries. The industry risks losing much of its diversity and resilience. The major roasters and retailers should step forward to help ensure sustainability of the global industry, and governments and multilateral agencies should also increase their support alongside the industry.”*

René León, Executive Director of Promecafé stated that *“it is necessary to have an open and candid discussion about the future of coffee and the negative impact of the current price crisis that, if not taken care of, will continue leading to more poverty, insecurity and illegal migrations all over the world. This report is a very important contribution to such discussion.”*

According to Ishak Lukenge, Chairman of the African Fine Coffees Association, *“many producers have come to a point where they cannot even take adequate care of their families, let alone their farms or their communities. In the current almost monopsonic situation, the more profitable links of the value chain, especially the roasters and retailers, cannot avoid their responsibility and must secure the future of the whole chain.”*

The report and executive summary can be found at
<http://ccsi.columbia.edu/work/projects/coffee/>.

Columbia Center on Sustainable Investment (CCSI): CCSI is a joint center of Columbia Law School and the Earth Institute at Columbia University, and is the only university-based applied research center and forum dedicated to the study, practice, and discussion of sustainable international investment.

Colombian Coffee Growers Federation (FNC): Founded in 1927, the non-profit organization FNC represents 540,000 Colombian coffee-growing families both nationally and internationally, defending their rights and seeking ways to improve their quality of life. The work of the Federation focuses on improving the livelihood of coffee growers and their families, ensuring sustainability and strengthening common interests within coffee-growing communities while positioning Colombian coffee in the international markets.

Promecafé: The Regional Cooperative Program for Technological Development and Modernization of Coffee Production (Programa Cooperativo Regional para el Desarrollo Tecnológico y Modernización de la Caficultura - PROMECAFE) is a research and cooperation network formed by the coffee institutions of Guatemala, El Salvador, Honduras, Costa Rica, Panama, The Dominican Republic, and Jamaica, as well as IICA and CATIE. In its 40 years of existence, Promecafé has contributed to improving and modernizing coffee production in those countries, joining efforts at a regional level for cooperative and participative work and implementing coordinated actions within strategic alliances.

African Fine Coffees Association (AFCA): Founded in July 2000, the **African Fine Coffees Association (AFCA)** is a regional non-profit, non-political, and member-driven association representing coffee sectors in 12 member countries. The Secretariat is hosted in Kampala, Uganda. AFCA members include both private and public sector coffee stakeholders, including producers, exporters, international importers, roasters, policy makers, transporters, and trade representatives.

###