



HOW USAID WORKS TO MAKE THE COFFEE SUPPLY CHAIN SUSTAINABLE

The U.S. coffee industry, responsible for nearly 1.7 million American jobs and \$225 billion of national Gross Domestic Product, is almost entirely dependent on overseas production. Through the Feed the Future initiative, USAID works closely with U.S. coffee companies to ensure a steady supply of quality coffee by assisting the world's many at-risk coffee producers on whom our industry depends.

USAID's work on coffee spans three continents, 17 countries, and includes U.S. companies such as J.M. Smucker, Keurig Green Mountain, and Starbucks, and American institutions like Root Capital, TechnoServe, Tetra Tech, and World Coffee Research.

Together, we are combating threats from pests such as the antestia beetle outbreak in Rwanda and diseases that endanger global coffee crops such as coffee leaf rust. We're connecting farmers to regional and international traders, so they can access global markets and supply chains. But access is not enough, which is why we also help small-scale farmers boost productivity, improve quality control, and certify their farms so they can meet international standards and compete in global markets.

This is a win-win: Coffee is not only a popular beverage consumed by one-third of the world's population; it is also a critical source of income for some 25 million small-scale farmers in developing countries. By investing in efforts that help smallholder coffee producers in Africa, Latin America, the Caribbean, and Asia boost their productivity and incomes, we are transforming lives and supporting thousands of U.S. jobs in the process.

COUNTRY PROGRAMS:

Burma: The Value Chains for Rural Development project is helping modernize smallholder agriculture in Burma. The overall goal of this project is to sustainably reduce poverty and hunger in the country by improving smallholder productivity and profitability (including in the coffee sector), strengthening connections between farms and markets, and increasing private sector engagement to upgrade farmer productivity and access to markets. USAID is also helping Burmese coffee farmers enter international markets, including the United States.

Burundi: USAID supports the Burundi Coffee Alliance Project, a public-private partnership that harnesses investment from two of the biggest coffee exporters in Burundi: Olam International and Sucafina SA. The partnership promotes better agricultural practices among smallholder farmers, strengthens infrastructure, and improves farmers' sustainable access to markets. The development partnership targets 22,500 smallholder farmers.

Colombia: As a part of a broad strategy to reduce conflict and promote peace in this country, the Producers to Markets Alliance (PMA) increases the competitiveness of smallholder farmers within

marginalized rural communities in five value chains, including coffee. In specialty coffee, USAID supports increased on-farm productivity, improves coffee quality through the implementation of good postharvest practices, and helps connect producer organizations to external buyers, targeting 44 commercial partner alliances with 15,620 coffee producers. PMA is also promoting private sector alliances with Boot Coffee to improve post-harvest practices and with Starbucks to increase profitability for coffee growing families.

Democratic Republic of Congo: USAID is helping the DRC modernize its coffee industry by strengthening coffee cooperatives in South Kivu, enhancing the quantity and quality of specialty coffee production, and building direct market connections with international coffee traders. A recently awarded program, implemented by Tetra Tech and other partners, will target 15,000 coffee farmers to increase production and marketing of specialty coffee. The consortium which includes TechnoServe, World Coffee Research, Search for Common Ground, J.E. Austin and Associates, and Banyan Global will also support gender equity, women's empowerment, improved access to finance, and conflict sensitivity and behavior change communications.

Ethiopia: The country is proud to be the origin of Arabica coffee. USAID helps its farmers improve productivity and the country to strengthen its coffee industry and promote Ethiopian coffees on the world stage. USAID's efforts are aligned to the Government of Ethiopia's Agriculture Growth Program and the Agriculture Commercialization Cluster strategy, which focuses on Ethiopia's world-renowned coffee growing areas in Yirgecheffe, Sidama and Jimma. Recent USAID efforts have partnered with the private sector to establish a coffee traceability system. Through Feed the Future, the Ethiopia Value Chain program provides technical assistance to help growers improve farm productivity, financial and non-financial support systems for businesses, and public-private dialogues about business policies and improvements to related public services.

Guatemala: USAID's Coffee Value Chain Project promotes sustainable market-led growth of the coffee sector to reduce rural poverty by providing training and technical assistance to promote the adoption of best agricultural practices and new technologies, in order to increase yields, reduce post-harvest loss, and improve soil and water management. The Project will also provide assistance to expand markets through promoting value-added agricultural production and improving market linkages to access higher-value coffee markets. The project is being implemented by the Guatemalan Federation of Coffee Cooperatives (Fedecocagua), which represents more than 20,000 smallholder coffee producers through member cooperatives. This project will bring together this economy to scale and expand the reach of the federation to new smallholder coffee farmers, giving them the technical assistance and market access needed to increase their production and incomes. The Feed the Future portfolio will continue to support the use of biological pest control products, renovation of coffee farms with new varieties, and advanced surveillance systems to manage and combat coffee rust disease.

Honduras: Coffee is one of the two priority value chains in Honduras to increase household incomes and improve nutrition. USAID is working directly with more than 15,000 coffee growers, providing technical assistance to increase their incomes through higher production and productivity, improved quality of coffee and access to better markets. This includes training on integrated crop production practices, improve phytosanitary issues and increase yields; facilitating access to credit and inputs; and access to post-harvest technologies to improve coffee quality. In June 2018, USAID signed a Global Development Alliance (GDA) to establish the Coffee Alliance activity with COHONDUCAFE Foundation, Compañía Hondureña del Cafe (COHONDUCAFE), and Jacobs Douwe Egberts (JDE).

These private sector partners have a direct interest in increasing productivity and creating market linkages that align with their core business model. The high-level goal of this Alliance is to increase household income by 25 percent for additional 4,800 coffee grower households through increased productivity and access to markets and credit.

Peru: Being the second largest cocaine producing country in the world, the Government of Peru has successfully adopted a counter-narcotics strategy focused on eradication, interdiction, and alternative development with U.S. Government's support. Coffee is the second most widely used crop substitute for coca. USAID recently awarded a Global Development Alliance to assist coffee farmers in post-eradication areas. By the end of this five year public-private partnership, CAFE (Coffee Alliance for Excellence) will have leveraged \$12.5 million in private sector investment to help farmers more profitably manage their farms and off-farm businesses so as to increase income and not return to coca cultivation. The main goal of the agreement is to increase income by an average of 50 percent for 10,000 coffee producing households during five years.

Uganda: In addition to actively participating in the monthly meetings of the Uganda Coffee Platform's National Steering Committee, USAID is boosting the country's coffee sector in several ways. USAID supports the AgriBusiness Initiative Trust, a multi-stakeholder activity, which works with smallholder farmers and entrepreneurs along the coffee value chain. The Feed the Future Enabling Environment for Agriculture program is helping Uganda develop the policy and regulatory framework for the commodity. USAID has also been providing direct support to help growers expand both the volume and the quality of the country's Arabica and Robusta production, through the Feed the Future Commodity Production and Marketing, the Alur Highlands Coffee Alliance, and the Gender-Based Advocacy for Ugandan National Coffee Policy activities, among others. Many of these interventions recently came to an end, with new follow-up activities currently in the design phase.

REGIONAL PROGRAMS:

Better Coffee Harvest (Cosechemos Mas Cafe) Program: The project partners with TechnoServe, the J.M. Smucker company and the PIMCO Foundation to provide training and technical assistance to 6,000 Central American smallholder coffee farmers (4,000 in Nicaragua and 2,000 in El Salvador) to increase coffee productivity by 25 percent. These efforts include sharing improved agronomic practices that growers can use to counter the impacts of coffee leaf rust and expanding opportunities for smallholder market access to appropriate inputs and improved livelihoods beyond coffee.

Coffee Resilience Project for Central America (CORE): The purpose of the CORE Project is to help create a more robust and resilient coffee sector in the three Northern Triangle Countries of Central America, El Salvador, Honduras and Guatemala, by reducing risk and strengthening adaptive capacities of smallholder coffee farmers to create greater economic opportunities. CORE enhances producer livelihoods by improving their capabilities to identify and use rust-resilient coffee varieties, implement better agricultural management, adopt innovative technologies, and diversify farm products. The Activity will directly benefit 25,000 small coffee farmers.

GLOBAL PROGRAMS:

Feed the Future Alliance for Resilient Coffee: The program helps coffee farmers adapt to changing growing conditions that threaten coffee production and farmers' livelihoods in many regions. The program involves a consortium of seven key organizations and focuses on bringing together the coffee sector's leading initiatives to promote further private sector engagement in helping smallholder farmers adapt. The activity will result in a suite of tools and strategies that enable companies and farmers to make more effective investments to increase coffee sector's resilience.

Revitalizing the Central American, Caribbean, and Peruvian Coffee Sectors after the Rust Crisis: This partnership with the coffee industry and World Coffee Research aims to address several gaps that continue to impede the production and sustainability of coffee operations in Guatemala, Honduras, El Salvador, Costa Rica, Panama, Dominican Republic, Jamaica, and Peru. Projects are focused on genetic variety trials to guide future coffee breeding efforts and establish a professional seed and seedling sector. Other important components of this project include training of future coffee professionals, including the next generation of coffee breeders in graduate programs at Texas A&M University, and applied research on the mechanisms and interactions involved with coffee leaf rust fungus infection on coffee.

Renovation & Rehabilitation Guidebook and the Sustainable Coffee Challenge: Working with the Renovation & Rehabilitation Collective Action Network of the Sustainable Coffee Challenge (SCC), USAID funded the development of an in-depth guidebook for supply chain actors, donors and NGOs interested in helping farmers renovate their aging and diseased coffee trees. The Network has set an ambitious goal to encourage the renovation of 1 billion trees, and is bringing together actors from across the coffee sector to increase investment to meet this goal. The *Guidebook for Roasters, Traders and Supply Chain Partners* notes that research and rehabilitation best practices could benefit more than half of the 7 million hectares of smallholder coffee lands, increasing global production anywhere from 5-20 percent and generating \$1-3 billion for farmers from additional coffee sales. USAID also sits on the Advisory Board of the SCC, which is working to make coffee the first 100 percent sustainable commodity in the world.

Partnership for Sustainable Coffee: Through this Global Development Alliance (GDA) with Root Capital and Keurig Green Mountain, USAID aims to increase improved farmer techniques, resilience, and competitiveness of coffee enterprises and farmers in the context of changing market dynamics and climate change. The project aims to unlock the potential of coffee enterprises to generate positive impact on farmer communities by higher incomes, jobs in rural areas, environmental stewardship, gender equity, and opportunities for youth. The goal of the project is to strengthen and improve the resilience of over 100 coffee enterprises in Colombia, Peru, Rwanda, Uganda, and Indonesia that play a fundamental role in connecting over 90,000 smallholder farmers (representing roughly 492,000 farmer household members) with global markets.