CLIMATE ACTION AND ACCESS TO FINANCE FOR COFFEE ENTERPRISES

Indonesia is one of the world’s leading coffee producers, but the changing climate threatens the livelihoods of coffee farmers. A partnership among USAID, Root Capital, and Keurig Dr. Pepper improves farmers’ climate resilience and increases their access to financing to strengthen small and medium coffee enterprises in the global market.

Drought, inconsistent rainfall, and heat stress threaten Indonesia’s agricultural sector, including coffee farming. Coffee farmers need to implement new practices to adapt to climate change and future shocks. Women farmers have less access to resources, information, and land than their male counterparts, resulting in lower productivity and income. Inclusive access to loans, business and digital training, and climate mitigation information will enable small and medium producers to compete in the global coffee market.
RESILIENT COFFEE

USAID’s Resilient Coffee program collaborates with Root Capital and Keurig Dr. Pepper to provide smallholder coffee farmers with the skills and resources to strengthen their businesses and increase sales.

Resilient Coffee strengthens core business management practices, increases access to business loans, promotes digital business solutions, builds climate resilience to adapt to climate change, and improves gender equality and social inclusion in small and medium sized coffee enterprises. The activity helps farmers secure better prices, prepares for climate shocks and stressors, and improves productivity.

Resilient Coffee works with 14,000 coffee farmers through 14 cooperatives in Aceh, East Java, and North Sumatra.

RESULTS

To date, Resilient Coffee has begun providing customized business training to four coffee cooperatives. One cooperative has begun receiving digital business training to improve data-driven planning, monitoring, and response to farm-level conditions, including climate resilience planning and action. Through Resilient Coffee, Root Capital has disbursed $1.3 loans to nine coffee SMEs to purchase coffee from the farmers.

By 2025, USAID, through Resilient Coffee, aims to achieve the following:

- Strengthen 14 coffee SMEs’ business management, accounting, financial analysis, financial planning, costs, pricing and profitability, internal controls, and financial literacy;
- Help 14 coffee SMEs increase their annual purchases from farmers; and
- Support 14,000 coffee farmers to improve sales.

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