ACCELERATING INVESTMENTS IN COFFEE R&R

8th Consultative Forum on Coffee Sector Finance
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The Sustainable Coffee Challenge is a dynamic and diverse coalition sets out to create a common language, increase transparency, and drive collective action.
COLLECTIVE ACTION NETWORK

COFFEE FARM R&R

Accelerate the responsible investments and in renovation & rehabilitation (R&R) across the industry, by sharing experiences, incorporating best practices and coordinating efforts and resources.
>50% of the 7 million hectares of global smallholder coffee land could benefit from R&R

Farmers could accrue between USD ~1-3 billion at farmgate prices through increased coffee sales per year

Without R&R, a similar increase in yields and value would require an expansion of coffee land onto ~1-3 million hectares of new land under current yields
Governments and actors in coffee value chains have invested $1.2 billion
FINANCING R&R ACROSS FARMER SEGMENTS

Coffee farmer pyramid

1. Large & medium farmers
   - Commercial SHFs in tight value chains
     ~1.5 million farmers
   - Commercial SHFs in loose value chains
     ~4 million farmers
   -Disconnected SHFs
     ~12 million farmers

2. Credit risk
3. Transaction costs
4. Capacity to take on R&R
5. R&R Need

Notes: (1) Estimates of number of SHFs in each segment comes from Hans R. Neumann Stiftung, ‘Structure of the coffee sector and implications for R&R’, 2017, methodology from: Dalberg, ‘Inflection point: Unlocking growth in the era of farmer finance’, 2016; (2) These farms are generally not considered for this Guidebook as they are, at least partly, able to self-finance R&R. Source: Dalberg analysis and Dalberg interviews.
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