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COFFEE IN INDIA

- Grown in some of the rainiest inhabited hill ranges
- Annual rain fall of 2000-4000mm, most of it in about 100 days during monsoon season
- Followed by more than 100 days of dry period
- In elevations ranging from 2500 feet to 5000 feet
COFFEE GROWING CONDITIONS

- Under a two tier shade - to maintain the microclimate needed for coffee
- This provides opportunity for associated crops in the form of /with the shade trees – supporting greater biodiversity
- Labour intensive cultivation practices, with labour cost accounting for over 65% of the cost of cultivation
Coffee in India is grown in the remote hilly and inaccessible areas and in resource poor settings, hence the only source of employment.

More than 500,000 workers are on coffee plantations i.e., about 2 million people’s livelihoods are directly linked to coffee plantations.

99% of the coffee growers are small and account for 70% production.
LABOUR WELFARE

- Employment on plantations require the social infrastructure and social benefits to the workers
- All coffee holdings above 5 hectares are required by law to provide basic housing, water supply and Sanitation to their workers.
- Also extend benefits for the health care to the workers and their families and education to their children, apart from provident fund, insurance etc.

WHY GOVERNMENT SUPPORT

- 99% growers are small (with less than 10 Ha)
- 75% are tiny, with less than 2 Ha holdings
- Large work force in resource poor settings
- Conditions that make these populations extremely vulnerable to shocks from market and changing climate
- All their vulnerabilities cannot be catered to by the market mechanisms
- Additionally, coffee plantations are also instrumental in preserving the biodiversity in the ecologically sensitive hill ranges
- Democratic welfare state has to respond to these challenges
SUPPORT REQUIRED

• Coffee sector requires support in several areas:
  • Capacity building
  • Investment support
  • Risk management
  • Market development

CAPACITY BUILDING – RESEARCH AND EXTENSION

• Central Coffee Research Institute (113 scientists and 277 extension personnel) provides:
  • New and improved plant material
  • Package of practices for different agro-climatic zones
  • Transfer of technology – on shade management, agronomic practices, eco-friendly plant protection measures, quality improvement measures etc
  • Timely advisories to respond to changing weather
INVESTMENT SUPPORT

• Government extends support to coffee growers for
  • Replanting
    • Graded subsidy from 25% to 40% for growers with different size holdings
  • On farm infrastructure
    • Water augmentation – 25% subsidy
    • Quality up-gradation, pollution abatement measures – 20% subsidy

RISK MANAGEMENT SUPPORT
(Rainfall Insurance Scheme for Coffee Growers (RISC))

• RISC provides insurance cover for critical periods – against
  • Inadequate rain for flowering
  • Deficit rain for backing
  • Excess rain during monsoon season
• The premium is determined by actuarial method
• Govt subsidizes 50% of the premium, for small growers with holdings upto 10 Ha
NON-TRADITIONAL TRIBAL GROWERS AND MDGs

- Tribal farmers in remote areas, mostly below the poverty line – are extended support to raise coffee plantations
- Start with the establishment of shade on completely barren lands under the guidance of the coffee board
- Farmer is paid wages for his labour - under rural employment guarantee scheme
- Additionally coffee board extends support:
  - $330 per hectare spread over three years.
  - For construction of drying yard at 50% of the cost
  - 90% subsidy on the cost of baby pulpers
- In the last 10 years more than 70,000 tribal farmers were covered,

SUPPORT FOR ASSOCIATED CROPS I

- Pepper: subsidy on pepper threshers at $150 per grower
- Bamboo mats at 50% subsidy for others and 90% subsidy for tribal growers
- Moisture meters at $55 per meter
- Support for organic certification at 50% of certification costs
- Support for conversion to organic production at $100 per hectare spread over two years
- Vermi-compost units at $50 per unit
SUPPORT FOR ASSOCIATED CROPS II

- Oranges: Assistance for rejuvenation at $220 per hectare for 2 hectares
- Bee Keeping: 50% subsidy for small farmers
- Farm machinery: Some coffee growing states provide subsidy on farm machinery like weed cutters and sprayers up to 33% of the cost
- Cardamom: Supply of suckers
- 5% interest subsidy on crop loans for coffee with associated crops

MARKET DEVELOPMENT SUPPORT

- Regular Consumption and attitude surveys
- Promotional Campaigns – coffee and health
- Support to set up roasting units – 25% on the cost of equipment in each unit for individuals and 40% of the cost of equipments for groups, ceilings of $55,000 and $88,000 respectively
- Kaapi Shastra - Capacity building on roasting, grinding and brewing
CONCLUSIONS I

- Small holders among coffee growers account for more than 70% of coffee production
- Small holder’s livelihoods are the most vulnerable in the whole coffee chain
- Being a perennial crop, exiting coffee is not an option
- Productivity and quality improvement are crucial for their sustainability
- To improve productivity and quality, large permanent investments with long payback period are needed on several counts

CONCLUSIONS II

- Small holders cannot afford to make such investments merely on promises of higher returns /prices
- The changing weather patterns have only increased the uncertainties of already vulnerable lot
- Considering that coffee in India is grown under precarious conditions, the assistance to the coffee producers is highly calibrated to protect the livelihoods
- Hope this provides some clues to others grappling with similar challenges
THANK YOU

*lets get some coffee*