



## 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. Only Hawaii is suitable for coffee production domestically. 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, 19 countries, and includes U.S. companies such as J.M. Smucker, Keurig Green Mountain, and Starbucks, and American institutions like Root Capital, Texas A&M University, and World Coffee Research.

Together, we are combatting 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 plantations 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, 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.

**Colombia:** As a part of a broad strategy to reduce conflict and promote peace in this country, USAID takes an integrated approach to support the coffee sector. Its efforts promote sustainable livelihoods, environmental sustainability and the inclusion of vulnerable populations in the specialty coffee value chains. These efforts include a partnership with Starbucks, which provides technical support, technology, and market opportunities to over 17,000 smallholder coffee farmers, half of whom reside in conflict areas.

**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. An upcoming activity will build capacities of farmer cooperatives and small businesses, facilitating connections between farms and markets, improving the business environment, and promoting downward connections to engage poor households in these markets. This activity will collaborate with USAID's governance, health, finance and Food for Peace efforts to increase farmers' access to finance, improve governmental services to enable trade, and improve farmers' production and access to nutritious foods as a complement to coffee value chains work.

**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 Yirgacheffe, Sidama and Jimma. Recent USAID efforts have partnered with the private sector to establish a coffee traceability system. Through Feed the Future, USAID's new 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 Rural Value Chains Project promotes sustainable market-led growth in rural areas (including the coffee sector) to reduce rural poverty and chronic malnutrition. It does this by expanding the participation of poor rural households in value chains and connecting them to local, regional and international markets. The project also provides technical assistance and training in good agricultural management practices to help rural families improve the quality and productivity of coffee and horticulture products. Two smaller USAID projects also work in the coffee sector in Guatemala. One is MIPFuturo, which helps coffee growers use biological products to combat coffee rust disease. The other is the Farm Force Program, which uses mobile technology to make traceability and compliance an integral part of smallholder production, including a pilot program with coffee.

**Honduras:** Coffee is one of the two priority value chains for USAID's work 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 production, productivity and the quality of coffee. This includes training on integrated crop production practices to improve phytosanitary status of their plantations and increase yields; facilitating access to credit and inputs; and access to post-harvest technologies to improve coffee quality. USAID is also partnering with buyers and exporters to increase farmers' access to better and specialty markets and certification of coffee plantations. USAID-led efforts

at the national and community level assembled a comprehensive response to the coffee rust outbreak. USAID chaired a multi-agency coffee rust working group that worked with Honduras' Ministry of Agriculture to implement coffee rust mitigation measures.

**Nepal:** A USAID program completed in March 2017 provided coffee growing families with training on tree nursery management and pest control. The project also helped connect coffee growers to buyers.

**Peru:** USAID is helping more than 3,500 coffee producers transition from growing illicit coca used to make cocaine to integrating into commercial relationships with coffee exporters and cooperatives. Through a public-private partnership, USAID is helping small-scale coffee farmers increase their productivity and bring more hectares under agroforestry systems; improving market access for these growers; facilitating rural financial services; and strengthening cooperatives and producer groups.

**Rwanda:** The Feed the Future African Great Lakes Region Coffee Support Program is combatting an antestia beetle outbreak and its associated potato taste defect while working to help growers increase coffee yields through a combination of research, capacity building, outreach, and policy engagement. The end goal is to boost the sustainability of coffee production in the region and preserve Rwanda's legacy among roasters, retailers and consumers around the globe as a source of world-class coffee.

**South Sudan:** Through a partnership with Nespresso and TechnoServe, USAID was working with farmers to revive high-quality coffee production in South Sudan, while developing commercial channels to enable its sale and export. Nespresso had invested over \$1.5 million in the project. The program was suspended (as of March 2017) due to insecurity in the region.

**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 farmers and entrepreneurs involved in 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 also provides direct support to help growers expand both the volume and the quality of coffee crops, including through the Feed the Future Commodity Production and Marketing activity, the Alur Highlands Coffee Alliance, and the Gender-Based Advocacy for Ugandan National Coffee Policy activity.

**Yemen:** USAID has made substantial investments in supporting the coffee sector in Yemen. Due to the security situation, those activities are suspended currently, although limited support to coffee farmers continues under a broad livelihoods and safety net program.

## **REGIONAL PROGRAMS:**

**Better Harvest (Cosecha) Program:** The project partners with Technoserve and the J.M.Smucker company 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.

**USAID Sustainable Agriculture and Food Security Program:** This program, ended in March 2017, was a five-year grant agreement implemented by the UNOPS Regional Unit for Sustainable Rural Development. The program worked to strengthen regional food security policy and provided technical assistance grants to cooperatives working in coffee and cacao, which helped them improve product quality and gain access to markets. It worked in Guatemala, Honduras, El Salvador and Nicaragua.

## **GLOBAL PROGRAMS:**

**Helping Coffee Farmers Adapt:** Weather changes are threatening coffee production and farmers' livelihoods in many regions. The Feed the Future Alliance for Resilient Coffee 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.

**Coffee Farmer Resilience Fund:** Root Capital, the Skoll Foundation, the Inter-American Development Bank, and leading coffee companies such as Keurig Green Mountain, Inc., Cooperative Coffees and Starbucks are helping smallholder coffee farmers overcome coffee leaf rust and build more resilient livelihoods through the Coffee Farmer Resilience Initiative. The program provides long-term finance and technical assistance to coffee cooperatives for renovation and rehabilitation of farmers' coffee trees.

**Revitalizing the Central American, Caribbean, and Peruvian Coffee Sectors after the Rust Crisis of 2012:** This partnership with the coffee industry and World Coffee Research aims to address several voids that continue to impede the production and sustainability of coffee-producing 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 very 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 (*Hemileia vastatrix*) infection on coffee.