

Coffee Producing Nations Demand Economic Sustainability For Growers

CoffeeNetwork (New York)- The worlds' coffee producing nations have coincided in saying producers urgently need better incomes to guarantee the growers' sustainability.

Presidents from many countries in the world, including Colombia and Central American nations, said economic sustainability for growers is necessary to allow producers stay afloat in the business.

"Nothing that is proposed makes sense if coffee farming is not a profitable activity for all actors in the chain, including - of course - the producers. Without the raw material, there is no chain," Colombia's president Juan Manuel Santos told an audience of 1,200 attendees at the World's First Coffee Producers forum in Medellin (Colombia).

Santos recalled that the world coffee market has been concentrating on a smaller number of players, both in production and marketing, so that the whole business has become more vulnerable, and it is enough that one of the actors is in trouble to affect the rest of the industry.

"In many cases, coffee growers' access to the market - especially the small ones - is increasingly disadvantageous and (they) must negotiate in very unequal conditions, which should motivate a calm and realistic discussion of how to compensate for these asymmetries," Santos, a coffee expert as he represented Colombia to the International Coffee Organization in London for nine years, said.

Costa Rica's President Luis Guillermo Solís said the world needs to understand the importance of the sustainability of the whole chain, starting with the welfare of the producers.

"Today the 25 million producing families (in the world) are clamoring governments and markets for more attention to their needs. We do not ask for subsidies or alms, but support. The sustainability of this sector is a responsibility of all," said Solís, urging a collective commitment.

El Salvador's vice president Oscar Ortiz said coffee-producing nations must seek a shared effort to ensure sustainability for growers. "If we don't bring in higher incomes to growers, young coffee growers won't want to produce coffee," Ortiz said.

Coffee-producing nations must ensure a better redistribution of income so that smaller growers can get a higher income for the beans they produce.

President Santos said a cup of coffee in the US costs US\$3.50, but producers are receiving less than US\$0.50. He added that it is the interests of everyone to ensure growers receive a higher income, so that they can guarantee future production for global consumers.

US former president Bill Clinton stressed that the co-responsibility of the coffee chain is needed.

"We need to see coffee as a pillar for a more stable society," Clinton said, noting that coffee growing is an economic activity that prevents illicit activities, such as coca growing, from expanding further.

To ensure coffee sustainability, former President Clinton proposed setting a grand goal and then breaking it down into smaller, achievable goals.

Clinton also suggested coffee growers to diversify by complementing bean production with other crops or with complement coffee with ecotourism.

HIGHER PRICES

Jeffrey Sachs, a well-known leader in sustainable development, suggests increasing by five cents the final price for a cup of coffee to significantly improve the growers' income.

"If I pay five cents more for this cup of coffee, the producer would receive double what he receives now. It is clear that a small increase for consumers would mean a huge increase for producers. That's fair trade," he said in a press conference on the sidelines of the Forum.

Making simple calculations, Professor Sachs said that a pound of coffee equals about 25 cups of the drink, so at a price of \$ 1.25 a pound, each cup contains barely the equivalent of 5 cents of coffee, which the producer should receive.

Sachs acknowledged that this slight increase in the final price in the US and Europe, where there is a higher purchasing power, would not imply a great sacrifice for consumers, especially if it is achieved on a voluntary basis.

Sachs acknowledged that coffee plays a pivotal in the society as the agricultural product generates rural development and social welfare.

Sachs added that if each person in the world drinks a cup of coffee each day, coffee demand would increase five times, demanding a strong effort to increase production.

PRODUCTION AT A LOSS

Coffee Growers Associations in Central America are demanding higher prices as the majority of those nations are producing beans at a loss.

Guatemala's coffee producing association ANACAFE said production costs stands there between US\$200 and US\$250 per quintal (46kg), but they are receiving nowadays US\$177 per quintal, said Ricardo Arenas, President of ANACAFE.

ANACAFE warn if traders and final consumers do not guarantee an economic sustainability for growers, bean producers in the country will keep on migrating to the US and abandon coffee farms, the General Manager of Guatemala's National Coffee Association, Evelio Francisco Alvarado, said.

"Coffee production in Central America has been declining 3% each year for the past ten years. If corrective measures are not taken, coffee production in Central America could disappear," Alvarado said in Medellin.

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