



## LUTHERAN WORLD RELIEF'S APPROACH TO COFFEE

Worldwide, more than 25 million smallholder coffee farmers face challenges in maximizing their coffee yield, obtaining a fair price and meeting their families' basic needs. Many are increasingly vulnerable to several shocks at the household and community level, including climate change, volatile markets and food insecurity. To address these challenges, Lutheran World Relief (LWR) uses an agricultural value chain approach to support local partners and farming families build resilience and sustainably improve their livelihoods.

LWR strengthens the capacity of local organizations in the coffee value chain, to effectively support farmers' efforts to improve the health and productivity of their soil and minimize erosion through sustainable land management practices, such as crop diversification and rotation, conservation tillage, use of organic fertilizers and soil amendments. Understanding that small and medium enterprises (SMEs) are engines of growth for the agricultural sector, we support coffee farmers and entrepreneurs on their farms and with their small businesses through training, technical assistance, small grants, and improved market access for their products and services.

LWR has worked with smallholder coffee farmers since 1988, building on their skills and knowledge to increase yields, income and quality. By investing in women and youth in the coffee sector, we are committed to improving equity, strengthening the value chain and ensuring the future of coffee.

### Improving Coffee Quality and Farming for the Future

High coffee quality is a requirement for success in the specialty coffee market. LWR provides producers with technical assistance focused on quality improvement on the farm and throughout processing. LWR supports coffee farmers' adoption of climate-smart agricultural practices like crop diversification, the renovation of coffee plants and soil, and water conservation when washing coffee. Shade-grown coffee production is encouraged to improve coffee quality and soil health, as is the intercropping of fruit and timber trees in coffee parcels to supplement farming families' incomes and access to nutritious food. LWR promotes locally prepared organic fertilizers and bio-pest controls as low-cost and highly effective methods of improving coffee production.

### Expanding Access to Financing, Inputs and Markets

Access to credit is critical because it allows farmers to purchase vital inputs, such as seedlings and fertilizer, that are necessary to improving their coffee yields, quality and



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earnings. LWR facilitates pre-harvest financing by linking cooperatives to local and national financial institutions. In many cases, cooperatives that access credit can on-lend these resources to their member farmers, providing working capital for the upcoming season as well as reinforcing loyalty and value of being a member of the farmer cooperative. It strengthens the cooperatives' financial management systems, thereby facilitating access to credit and helping farmers secure loans to improve their productivity.

Coffee farmers also need reliable access to markets where they can sell their coffee at a fair price. LWR equips cooperatives with better information, improved bargaining power and stronger logistics as they connect farmers with markets for both conventional and certified coffees.

## Keeping Pace with a Changing World

For decades, the focus of coffee farmers on improved quality, quantity and pricing has not changed, yet recently the world around them has changed rapidly and unpredictably. While the three major drivers of this accelerated change are climate change, technology and youth migration, it has been exacerbated by the COVID-19 global pandemic forcing farmers and economies to adapt to a new normal.

Climate change is presenting unprecedented challenges in the form of frequent and unpredictable droughts, floods and increasing temperatures that are moving coffee production to higher, cooler altitudes. Some farmers are beginning to abandon coffee farming altogether as the areas suitable for coffee production shrink. LWR is working closely with coffee farmers in helping them implement climate-smart agricultural practices that can help to lower ground temperatures and improve water retention in the humid tropics.

LWR is combining the effectiveness of community promoters with the reach of smartphone technology to provide many coffee farmers with access to timely information on market prices, weather and best growing practices so they can receive a better and fairer share of their product's market value.

## In Practice

### Youth in Agri-business: Ensuring the Employment of Tomorrow

LWR is working in rural Honduras to address gaps in youth employment opportunities in the coffee sector through strengthening youth's transferable skills as technical advisers, rural promoters and coffee quality experts according to market demand; creating new job opportunities for trained youth; and facilitating opportunities for youth entrepreneurs to realize their potential through new agri-business ventures.

LWR works with local partner El Instituto Hondureño del Café (IHCAFE) to build youth skills in coffee production and post-harvest handling practices. Youth are learning about improved cultivation techniques and how to apply technology to production, such as IHCAFE's digital coffee app CafeMovil which provides instant access to an online toolbox of coffee cultivation manuals.

### Rural Economies and Agricultural Livelihoods (REAL) Strategy Pilot in Uganda

LWR worked to reduce poverty amongst Arabica coffee farming communities by strengthening local capacities of farmer organizations in Uganda and increasing opportunities for youth and women. The project supported increased access to extension services and prioritized improving coffee quality by centralizing processing at community-based micro-washing stations and developing management systems and staff competencies to strengthen operations. With the creation and expansion of Village Savings and Loan Association (VSLAs), farmers increased their access to credit with women in particular gaining financial independence and the ability to pay critical medical and education expenses as a result of their VSLA membership.

## The Corus Effect

Lutheran World Relief is part of Corus International, an ensemble of global leaders in international development and humanitarian assistance. In addition to Lutheran World Relief, the Corus family of organizations includes global public health agency IMA World Health, U.K.-based technology for development company CGA Technologies, impact investing group Ground Up Investing, and direct trade company Farmers Market Brands.

We operate as permanent partners, integrating expertise, disciplines, approaches and resources to overcome global health challenges, develop productive and stable economies, improve resilience in the face of climate change, and respond to natural disasters and humanitarian crises.

With the support of our family's diverse set of partners and funding – from multi- and bilateral institutions and foundations to the private sector and individuals – we invest in solutions that are innovative, scalable, holistic and move the needle towards transformational change.



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