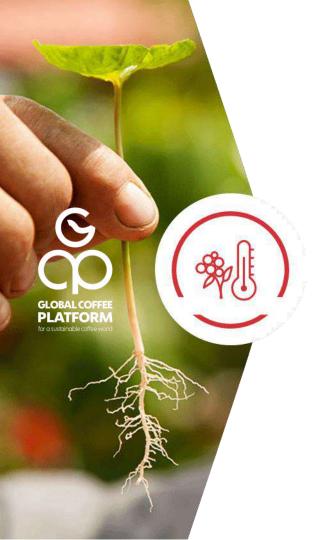


Understand,
Design, Act:
Climate-proof
your supply chain

Module 1: **Understand climate change**

07. June 2018



Introduction



Katherine Selengia

Program Manager Hanns R. Neumann Stiftung



Kealy Sloan

Project Manager Sustainable Food Lab



Caroline Glowka

Program Manager Global Coffee Platform





1. Click on "Raise Hand" button



If you want to comment or ask questions

2. Use the Q&A box



To **place your questions** and get feedback from to the panelists

3. We will silence your mic



To avoid undesired **background noises**. But you can always ask to speak!

4. Remember

REC

This session is being recorded for archive purposes

GCP GOALS













Thriving & Sustainable
Coffee Sector

1

IMPROVED LIVELIHOODS

2

FARMER PROSPERITY

3

CONSERVATION
OF NATURAL
RESOURCES





Get active in the Collective Action Network



Climate
Smart
Agriculture

The CSA enables:

- **Coffee farmers** to **adapt** and **build resilience** towards climate change and its consequences
- **Coffee sector partners** to formulate **concrete action** in building resilience towards climate change and its consequences for coffee

GCP partners in 2018

Alliance for Resilient Coffee

Climate Catalogue





















Neumann Stiftung

Hanns R.







www.allianceforresilientcoffee.org



Some of your thoughts on what to get out of the Learning Series



"Partnerships and practices to scale up CSA initiatives in coffee sector"



"Hear from other experts on **cutting edge strategies**, technical & **financial models**, and **opportunities for collaboration**."



"Improve my knowledge to share with stakeholders and get more information to support my point of view with them."



"A **better understanding** of what diverse possibilities there are to actively address this issue, and a **functional network** with whom climate change and its implications can be tackled."



Some activities on climate change



"We will conduct scientific research trials to better define our possible contribution to adaptation"



"We consider it a significant risk. We address the risk through diversity **KEURIG** of our supply base, funding for varietal R&D, and support for GREEN MOUNTAIN farmers to adopt climate-smart agricultural practices."



"Develop climate catalogue, partner with others to innovate and develop upscaling models"



"I believe climate risk is one of the most substantial elements facing the industry. Our organization currently has many direct **relationships** with producers in which we broadly discuss the threat, but I don't believe we integrate climate discussion or solutions as much as we should."

Objectives of the Learning Series



Understand climate change



Plan, implement, and scale effective CSA





Learn how to assess your supply chain risks





Convey the value of investment in CSA



Path to Collective Action

Understanding climate change

How is climate change affecting my supply chain?

How can I manage the effects climate change is having on my supply chain?

How can I scale up CSA?

How do I know my investment in CSA is working?

How can I convince my company and others to invest in CSA?

How can collaboration work? Bringing action to origin!

Modules

+ Climate Catalogue as resource

Introduction

Risk Profiles

Tools

Scale

Monitoring

Business Case

Collaboration

Path to Collective Action

Introduction

Risk Profiles

Tools

Scale

Monitoring

Business Case

Collaboration

Building Common Ground

Understand

Design

Act

Collective action at origin!





Uganda

+ Climate Catalogue as resource

Opportunities in Honduras and Uganda



Contribute to National Coffee Platform's agenda

> Multistakeholder collaboration

Learnings & results will be shared with the sector

Progress will be measured





The Experts



Celia Harvey

Conservation International



Caroline Glowka

Global Coffee Platform



George Watene

Global Coffee Platform



Daniele Giovannucci

Committee on Sustainability Assessment (COSA)



Kate Selengia

Hanns R. Neumann Stiftung



Mark Lundy

International Centre for Tropical Agriculture (CIAT)



Laurence Jassogne

International Institute for Tropical Agriculture (IITA)



Elizabeth Teague

Root Capital



Elena Serfilippi

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Sustainable Food Lab



Hanna Neuschwander

World Coffee Research





Katherine Selengia

Program Manager Hanns R. Neumann Stiftung



Kealy Sloan

Project Manager Sustainable Food Lab



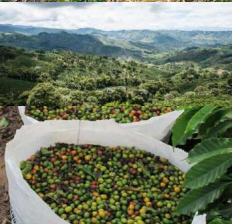


THE FEED THE FUTURE ALLIANCE FOR RESILIENT COFFEE









THE ARC CONSORTIUM





















OUR GOAL

Increase uptake of Climate Smart Agriculture by:

Aligning

Aligning internally on what CSA is, from plot to policy, to provide unified, coherent guidance to the coffee sector

Creating

Generating <u>public goods</u>, including knowledge products and tools like: Country climate risk profile, on-farm climate vulnerability survey, etc

Testing

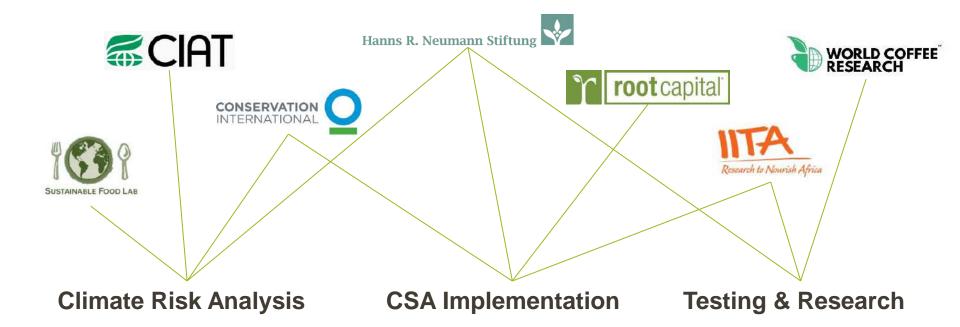
Offering <u>CSA piloting opportunities</u> in Guatemala, Honduras and Uganda, with ways for different coffee sector actors to get involved

Sharing

Investigating and sharing innovative ways to mainstream and scale CSA within business as usual











CLIMATE SMART COFFEE









The world is warming.



The rate of global warming is uneven.



Global rainfall is increasing.



The world is experiencing more extreme weather.





Weather

atmospheric conditions at a particular place (air temp/ pressure, humidity, wind speed, cloudiness, precipitation)

Climate

weather averaged over a long period of time (typically 30 years)



Climate variability

variations in the current state of the climate (the amount of rainfall received from year to year; includes droughts, floods, and conditions that result from El Niño and La Niña events)



any significant change in climate that lasts for an extended period of time (typically decades) due to natural variability or human activity





Global warming

increase in average global temperature

Regional or local warming

can be caused by a change in land use and can exacerbate local climate conditions and extremes.



Climate hazards

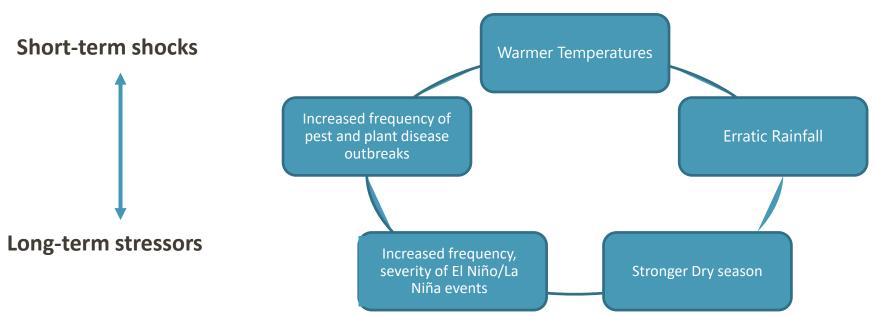
potentially damaging weather events or phenomena (increasing temperatures, changes in rainfall patterns, more intense/frequent extreme storms, floods, wind, droughts)

Climate impact

the effects of climate change in natural or human systems



CLIMATE RISKS TO COFFEE





CLIMATE EFFECTS IN HONDURAS

Increase in adverse climatic events

storms

irregular rainfall

increasing temperature range

drought

high temperatures

high winds

Impact on coffee production

more pests, disease and weeds

post-harvest risks

soil erosion

irregular flowering

Coffee Suitability

45% of area potentially suitable under current conditions may become unsuitable even with adaptation

20% will require substantial adaptation to improve resilience

35% will only require incremental adaptation to improve resilience





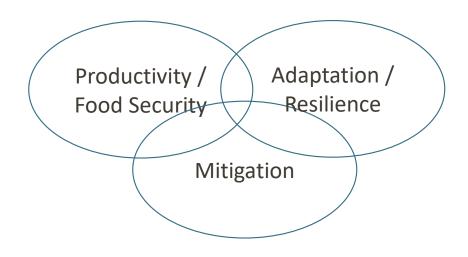
WHAT IS CLIMATE SMART AGRICULTURE?

Productivity a increase agricultural productivity a incomes from crops, livestock and fish, without negatively impacting the increases productivity, environment encies resilience (adaptation),

Attablation of madional prosperoid the face

goals" (FAO). **Mitigation**: to reduce or remove greenhouse gases

of elooks and one setterm expenses





WHAT DOES CSA LOOK LIKE?



Practices... ...implemented on-farm to adapt to current climate variability



Strategies... ...implemented on- and off-farm, within the cooperative, community or supply chain, that adapt to current climate variability and prepare for long-term climate change



Enablers... supported by actors on- and off-farm to establish conditions needed to implement CSA strategies and to adopt CSA practices



THINGS CAN BE TURNED AROUND

Name: Hermogenes Deras

Location: Sensentí, Ocotepeque,

Honduras

Altitude (m.a.s.l.): 900

Adaptation practices:

2015





	Adaptation	Tree Height	Tree Width	Bags of 60kg gb/ha		Income USD
Α	Control	1.3	1.0	5.4	Estándar/78	704
В	Brachiaria Ruziziensis	1.6	1.3	11.0	Estándar/79	1,430
С	Brachiaria Ruziziensis y Gandul	1.7	1.3	16.5	HB (Duro)/80	2,295



WHAT DOES CSA LOOK LIKE?

Incremental Change

Systemic Change

Transformative Change

Practices...

Cover crops, fertilizers

Irrigation

Switch to Robusta

Strategies...

Organic matter management within the farm

On-farm diversification

Move away from coffee farming, or farming altogether

Enablers...

CSA extension, weather stations for better forecasting

Crop insurance, access to finance to support adaptation

Developing new value chains for new cash crop systems





COMPANY INVESTMENT IN CLIMATE SMART AGRICULTURE



Supply and Reputation are key drivers for adaptation investments





Company roles in smallholder adaptation



1. Direct Service Providers: *Providing in-depth, direct farmer services*



2. Collaborators: Sharing the task of service provision via collaboration



3. Catalysts: Sparking action in the sector level





Challenges to CSA Investment

- What is "climate smart"?
- Information needs to be easily accessible and usable
- Analytics and tools need to be targeted and simple
- Role of industry is critical but not complete
- Ongoing engagement and collaboration is critical for practice change
- Profitability comes first
- Farmer adoption is difficult



Steps to Addressing Climate Change







Olam in Uganda

Olam provides **direct services** to farmers and invests in CSA as a way to **secure supply**

Gain understanding of best practices

Demonstration Plots

Climate smart practices

Weather stations

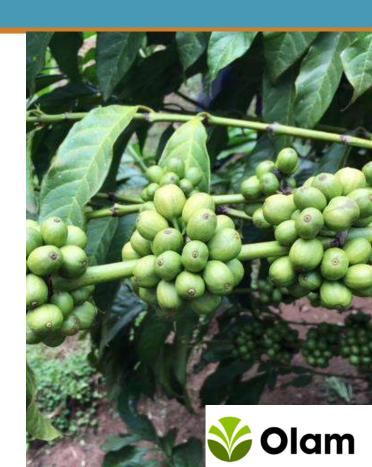
Improve uptake of CSA

Farmer Segmentation

Gender workshops

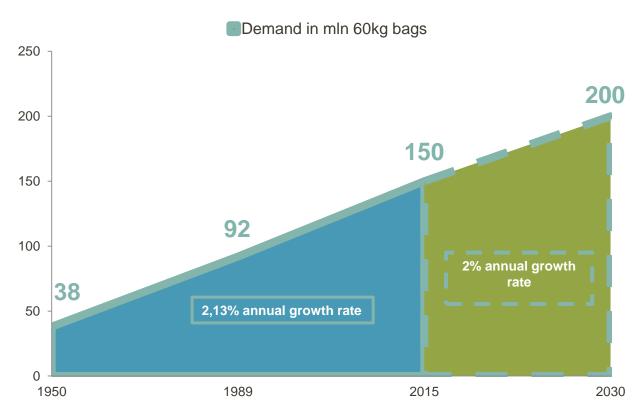
Stepwise investment

Monitoring information





Future of Coffee



Source: NKG - Milano EXPO by MRN



Resources

For more information, check out these resources:

CCAFs Climate-Smart Agriculture 101 website

CIAT, Green Line Consulting, IITA and Sustainable Food Lab, 2017: <u>Private Sector Consultation on Climate Smart Agriculture</u>

Feed the Future Alliance for Resilient Coffee website

Initiative for coffee&climate Sourcebook, 2015: <u>Climate Change Adaptation in Coffee Production</u>

Root Capital and Sustainable Food Lab, 2018: <u>Introduction to Measuring Smallholder</u> <u>Resilience in Agriculture Supply Chains</u>

Questions

Do you have any questions, please?

Please raise your hand or post them in the Q&A box.



Next Modules

Duration: 75 minutes per module **Time:** 3pm CEST | 9am EDT | 6am PDT

1	June 7 th	Understanding climate change	Introduction
2	June 12 th	How is climate change affecting my supply chain?	Risk profiles
3	June 28 th	How can I manage the effects climate change is having on my supply chain?	Tools
4	July 19 th	How can I scale up CSA?	Scale
5	September 27 th	How do I know my investment in CSA is working?	Monitoring
6	October 25 th	How can I convince my company and others to invest in CSA?	Business Case
7	November 8 th December 6 th	How can collaboration work? Bringing action to origin!	Collaboration

Link to <u>CSA Learning Series</u>

Participants of the Learning Series, Module 1

Lieke Guinee	Agri-Logic	
Marie-Lisa Schmitz	ALDI SÜD	
Pablo Fernandez Kolb	CIAT	
João Paulo Costa Rodrigues	Coocacer Araguari	
Daniel Oryem	Ecom Trading	
Katrien Delaet	EFICO	
Dorien Van Dun	EFICO NV	
Lina Alejandra Lozano	Expocafé S.A.	
Pedro Gonzalez	FNC	
Susan Macdonald	Global Bright Futures	
Kerstin Linne	Green Line Consulting	
Jan von Enden	HRNS North America	
Jesus Alvarado	ICADE	
	IDH Sustainable Trade	
Jenny Kwan	Initiative	
Tharic Galuchi	lmaflora	
Lydia Namutebi	Kawacom Uganda Limited	
	KAWACoM UGNADA	
ASELE BENJAMIN	LIMITED	

Shannon Higgins	Mother Parkers Tea & Coffee
Marcus Laws	NCBA CLUSA
lgor Motar	Nestlé
Pablo Alvear	Rikolto
Thomas Delbar	Supremo
Jeronimo Bollen	Sustainable Harvest
Liam	Sustainable Harvest
Hannah Ward	Twin
Elizabeth Newman	USAID
Curt Reintsma	USAID
Pablo Ramirez	Winrock International
Katharina Plassmann	Yara International ASA
Nestor Meneses	
Williams Ferreira	
Tomasito	
Solidaridad Latinoamerica	
Alberto Ponce	







CSA Learning Series



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Understand,
Design, Act:
Climate-proof
your supply chain

Module 2: How is climate change affecting my supply chain?

12. June 2018

Module 2: How is climate change affecting my supply chain?

With:





Mark Lundy



Theme Lead, Sustainable Food Systems International Centre for Tropical Agriculture

Moderators



Caroline Glowka Global Coffee Platform



Katherine SelengiaHanns R. Neumann Stiftung



Kealy SloanSustainable Food Lab





GLOBAL COFFEE PLATFORM

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GCP partners in 2018

Alliance for Resilient Coffee

Climate Catalogue





























www.allianceforresilientcoffee.org

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The Experts



Celia Harvey Conservation



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Global Coffee Platform



George Watene Global Coffee Platform



Daniele Giovannucci

Committee on Sustainability Assessment (COSA)



Danielle Knueppel

Global Coffee **Monitoring Program**



Kate Selengia

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Mark Lundy

International Centre for Tropical Agriculture (CIAT)



Laurence Jassogne

International Institute for Tropical Agriculture (IITA)



Elizabeth Teague

Root Capital



Elena Serfilippi

Committee on Sustainability Assessment (COSA)



Kealy Sloan

Sustainable Food Lab

Module 2: How is climate change affecting my supply chain?





Marc Lundy



Theme Lead, Sustainable Food Systems International Centre for Tropical Agriculture



WHERE WE ARE IN THE WEBINAR SERIES

Learn more about the tools and resources available to assess risk and resilience in your supply chain and how to use them for decision-making.

 Understanding climate change and the coffee sector

2. How is climate change affecting my supply chain?

3. How can I manage the effects climate change is having on my supply chain?

4. How can I scale up CSA?

5. How do I know if my investment in CSA is working?

6. How can I convince my company and others to invest in CSA?

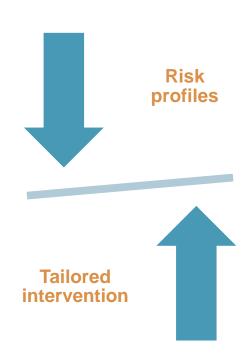
7. How can collaboration work? Bringing action to Origin.



Learning objectives

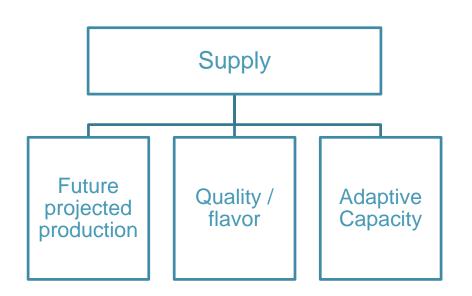
How is climate change affecting my supply chain?

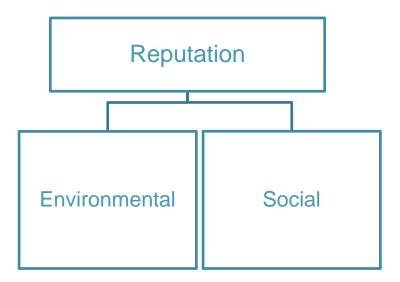
- Understand how climate change is already affecting coffee production
- Understand risk profiles and climate suitability maps and how they can be used
- 3. Understand how to determine farmer resilience in your supply chain
- 4. Understand how to manage climate risk in relation to farmer resilience



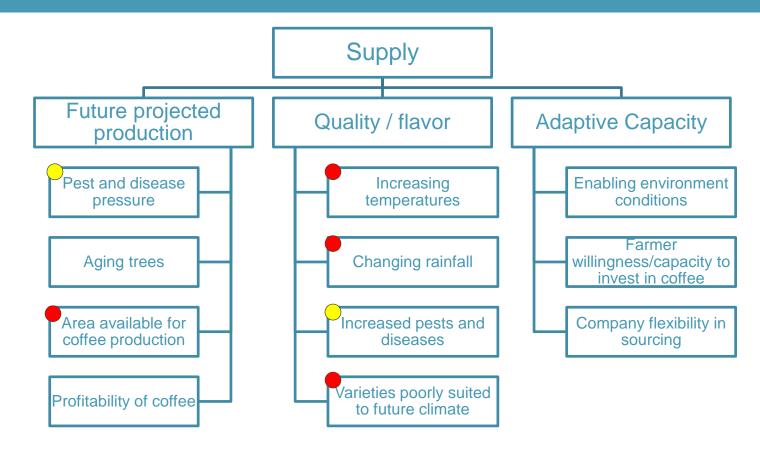


CLIMATE RISKS

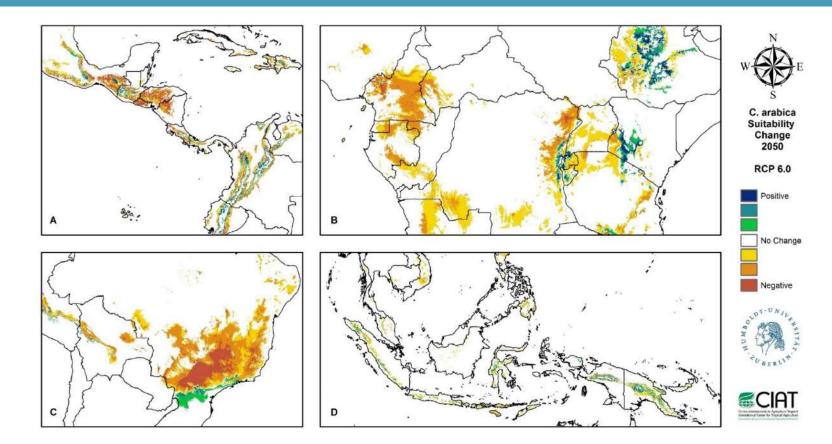


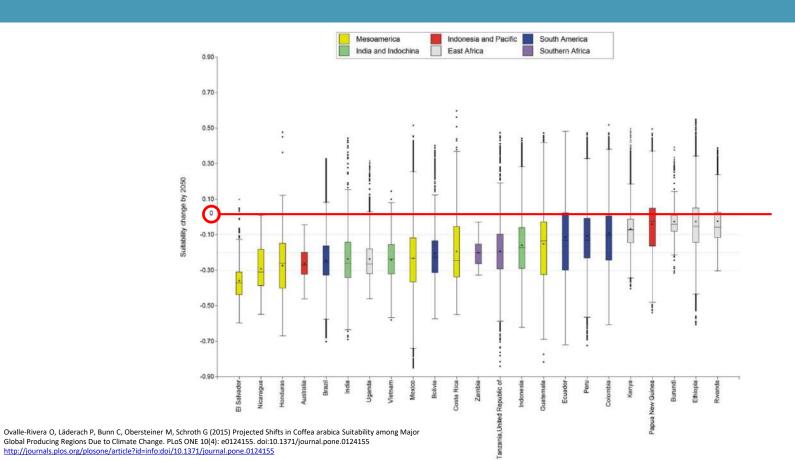








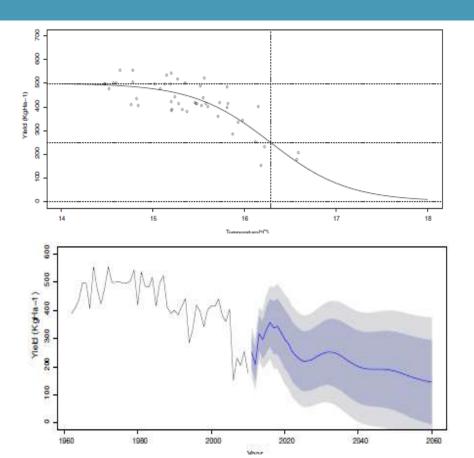




We are already seeing impacts







In Tanzania, every 1°C increase reduces yields by 137 kg/ha





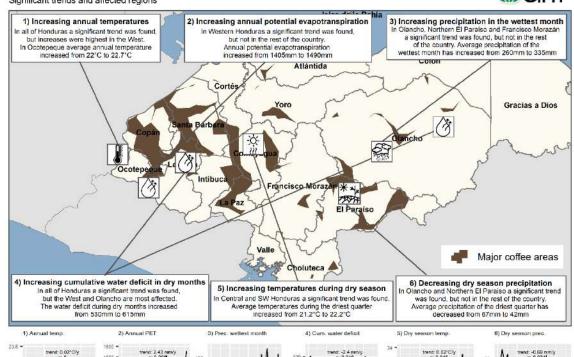
Climate trends vary by space and time

- Precipitation more extreme throughout the year
- Higher temperatures
- Higher evapotranspiration

Climate trends in Honduras 1980-2016

Significant trends and affected regions





Key messages:

Climate change impacts are here now.

Climate change varies over space & time. This means tailored adaptation strategies.

Projections based on business as usual (e.g. no action).

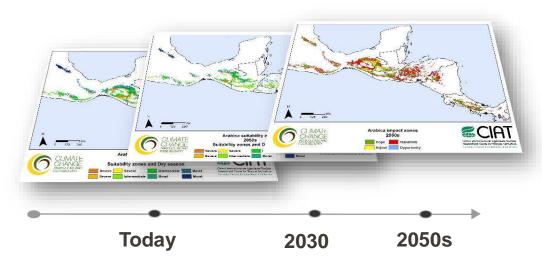
So, what can we do?

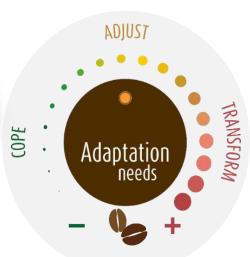


KEEP
CALM
AND
CARRY
ON



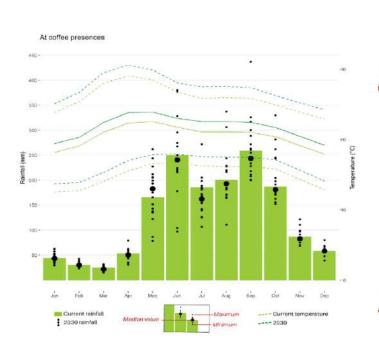
Map the impact gradient to understand the risk of climate change over time

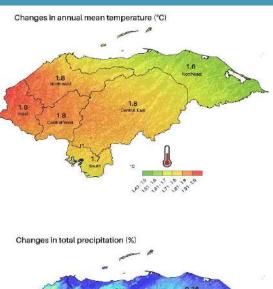






- Temperatures will continue to increase
- Precipitation changes differ by region and global climate models are uncertain





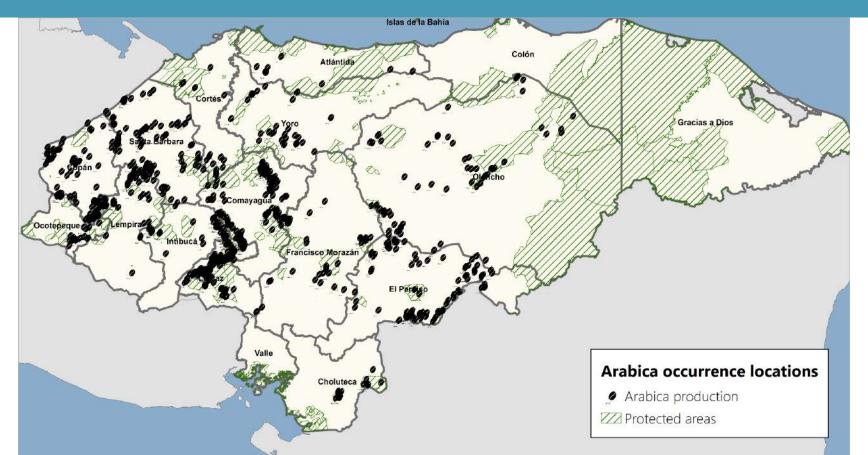


CONCEPTUAL APPROACH

- Coffee is currently produced under good climatic conditions
- We can learn from these locations and evaluate future data
- Machine learning approach:
 - Complex climate data
 - Missing climate data
 - Insufficient coffee physiological knowledge
 - High future uncertainty of precipitation projections







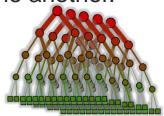


Туре		Bioclimatic variables
	BIO 1	Annual mean temperature
	BIO 2	Mean diurnal range (mean of monthly (max temp - min temp)
O	BIO 3	Isothermality (BIO2/BIO7) (*100)
Femperature	BIO 4	Temperature seasonality (standard deviation *100)
<u>a</u>	BIO 5	Max temperature of warmest month
be	BIO 6	Min temperature of coldest month
E	BIO 7	Temperature annual range (BIO5-BIO6)
<u>a</u>	BIO 8	Mean temperature of wettest quarter
-	BIO 9	Mean temperature of driest quarter
	BIO 10	Mean temperature of warmest quarter
	BIO 11	Mean temperature of coldest quarter
	BIO 12	Annual precipitation
_	BIO 13	Precipitation of wettest month
.0	BIO 14	Precipitation of driest month
tat	BIO 15	Precipitation seasonality (coefficient of variation)
Precipitation	BIO 16	Precipitation of wettest quarter
	BIO 17	Precipitation of driest quarter
	BIO 18	Precipitation of warmest quarter
-	BIO 19	Precipitation of coldest quarter
	BIO 20	Number of consecutive months < 40mm precipitation

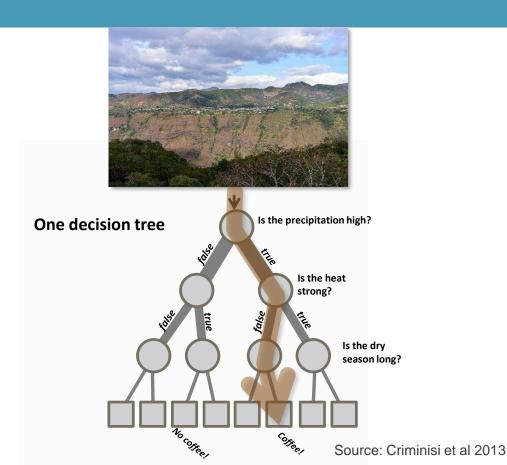


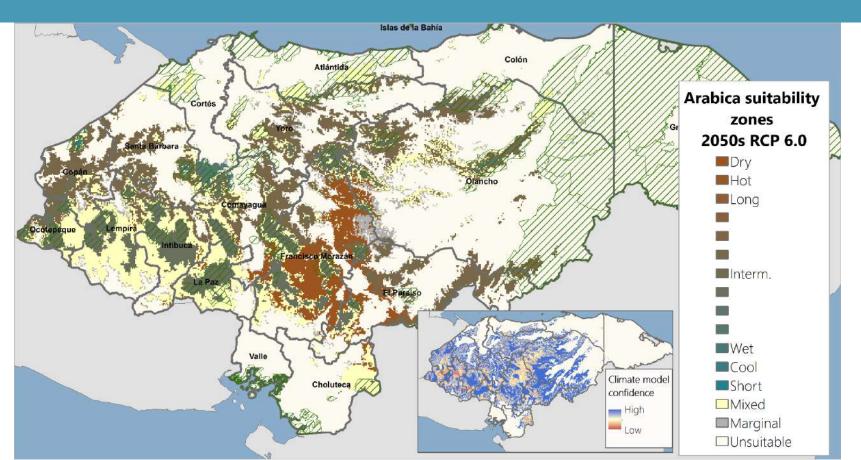
RANDOM FORESTS

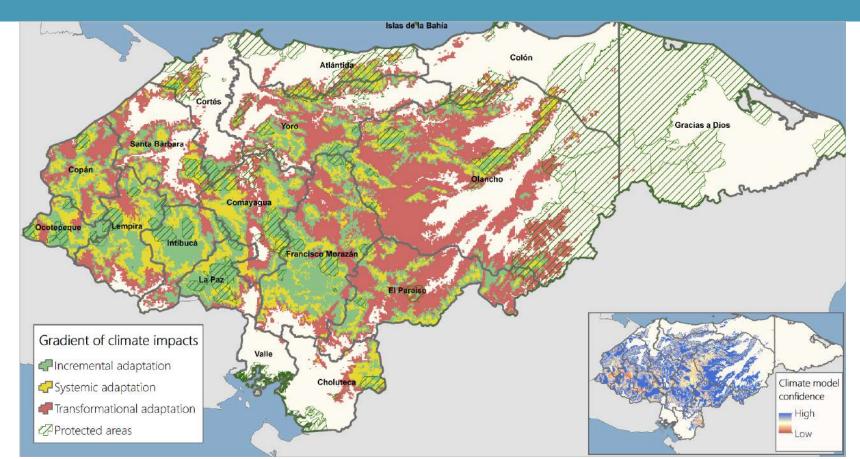
A forest is an ensemble of trees.
 The trees are all slightly different from one another.



- The output is the mean classification
- Very robust against overfitting







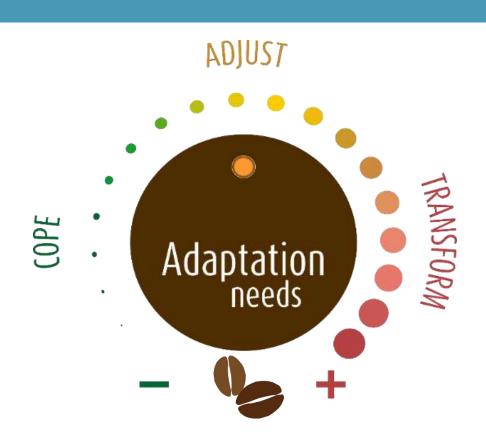


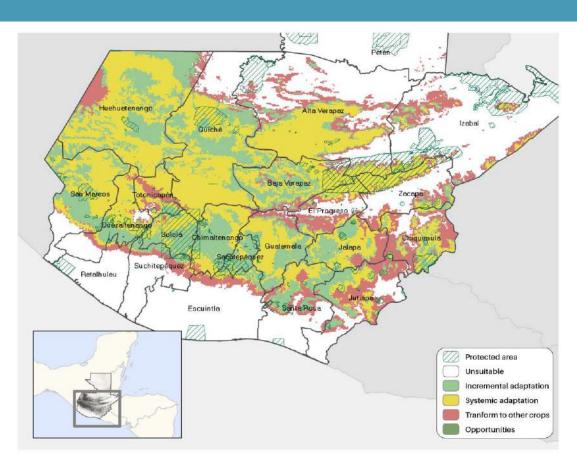
Incremental adaptation where climate is most likely to remain suitable and adaption will be achieved by a change of practices and ideally improved strategies and enablers

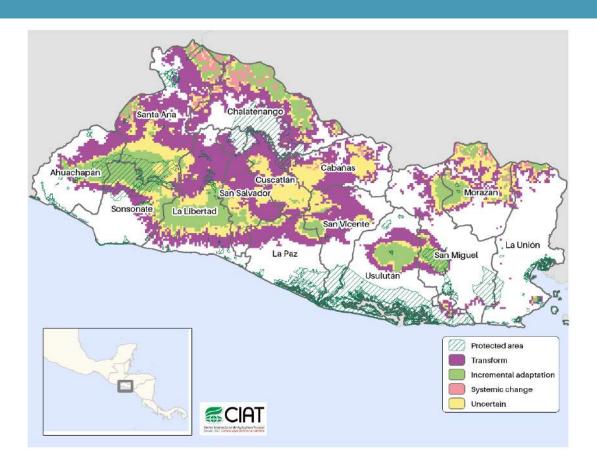
Systemic adaptation where climate is most likely to remain suitable but with substantial stress through comprehensive change of practices accompanied by changes of strategy and adequate enablers

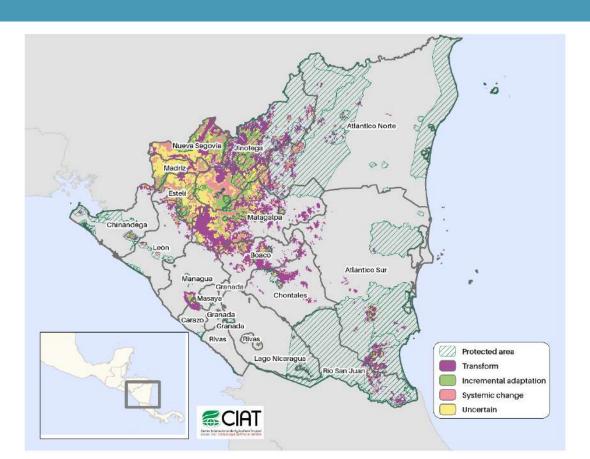
Transformational adaptation

where climate is likely to make coffee production unfeasible, will require a focus on strategic change and adequate enablers as practices alone may be uneconomical

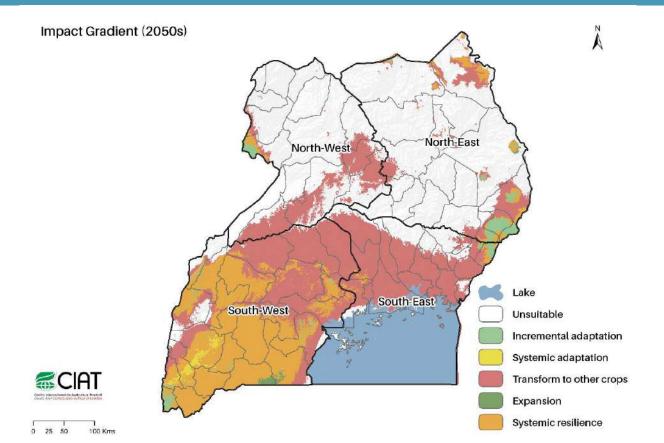
















largest coffee producer in Central America. Low cost of production. generation change, and institutional support resulted in an average annual production growth of

Honduras is now the Most production is shaded at altitudes above 900masl. Many plantations were recently renovated but remain susceptible to major climate driven diseases.

Coffee production areas in Honduras have become drier and hotter over the past three decades. Annual temperatures have risen across the country, potential evapotranspiration increased and the distribution of precipitation has become more variable.

110,000

95%

13% Families have Of total production is Of farmers are produced by temale-led coffee as smallholders. primary income.

1/10

46 years Workers are Of coffee is produced by Average age employeed by smallholders with farms of farmers coffee sector with less than 2ha.

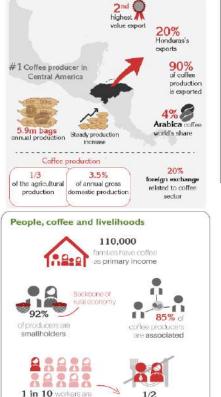
Higher temperatures and reduced cloud cover will increase the water needs of the coffee crop, in which case water stress may rise despite unchanged water availability.

Easter Honduras Olancho, El Paralso, and Francisco Morazán will be more alected by climate

Central Honduras In La Pax, Comayagua, and Yoro lepartments impacts will be relative systematic adaptations efforts



potentially suitable under current conditions will become unsuitable for

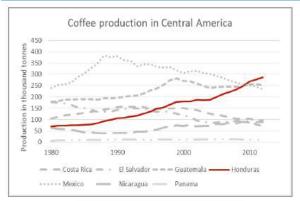


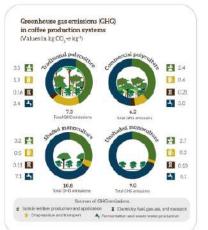
live in extreme

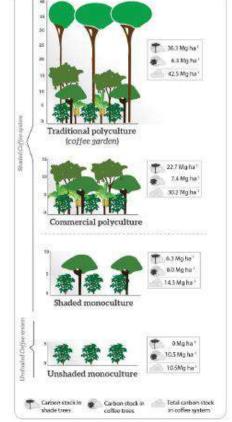
poverty

employed by the

coffee sector



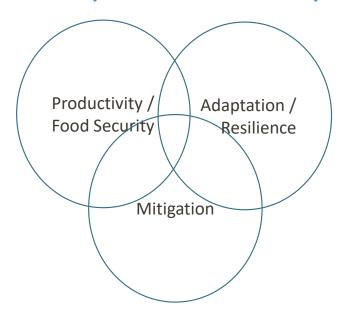






WHAT IS CLIMATE SMART AGRICULTURE?

Climate Smart Agriculture endeavors to improve the integration of agriculture development and climate responsiveness



- It's not about starting from scratch; it's about reevaluating what you're doing with a climate lens.
- With multiple goals, there will be trade-offs to manage.
- CSA must be context-specific.
- Vulnerable groups, incl. women, are disproportionately affected by climate. CSA must be inclusive.



WHAT DOES CSA LOOK LIKE IN PRACTICE?

implemented on-farm to adapt to current climate variability (and to a lesser extent, prepare for climate change)



- Cover crops
- Shade management
- Distancing
- Trenches

implemented on- and off-farm, within the producer organization, community or supply chain, that adapt to current & future climate

- Diversification
- Choosing resilient varieties
- Changing processing methods

supported by actors onand off-farm to establish the conditions needed to implement CSA strategies and to adopt CSA practices



- Weather insurance
- Weather stations
- Innovations in payment terms to promote CSA



WHAT DOES CSA LOOK LIKE IN PRACTICE?



Incremental Change



Systemic Change



Transformative Change



Cover crops, fertilizers

Irrigation, novel varieties, novel soil management

Switch to Robusta or other crops



Organic matter management within the farm, conservation of riparian areas

On-farm diversification (e.g. new crops for subsistence or commercial use), different processing methods

Moving away from coffee farming, or farming altogether



CSA extension, weather stations for better forecasting, carbon insetting, incentives for process & quality

Crop insurance (drought, hail), access to finance to support adaptation, carbon insetting

Developing new value chains for new cash crop systems





INCREMENTAL CHANGE

•	FARMER ////	PRODUCER ORGANIZATION	TRADER	ROASTER
Practices	Cover crops, fertilizers, GAP	Good governance, transparent pricing & payment mechanisms, extension & credit	Good governance, transparent pricing & payment mechanisms	Traceability, transparent pricing & payment mechanisms
××**× Strategies	Organic matter management within the farm, conservation of riparian areas	CSA adapted extension services, improved processing & post harvest, access to adapted germplasm	Product differentiation, carbon insetting	Product differentiation, carbon insetting
Enablers	CSA extension, weather stations for better forecasting, carbon insetting, incentivizing process vs quality	Quality differentials, cupping labs, CSA credit (R&R), access to adapted germplasm (WCR), weather stations information, knowledge management	Price differentials, access to adapted germplasm (WCR), information, knowledge management	Consistent price differentials, earmarks for WCR, information & knowledge management, transparent trade & payment processes





SYSTEMIC CHANGE

3131LIVIIC CHANGE				
	FARMER	PRODUCER ORGANIZATION	TRADER	ROASTER
Practices	Irrigation, novel varieties, novel soil management	Good governance, transparent pricing & payment mechanisms, extension & credit	Good governance, transparent pricing & payment mechanisms	Traceability, transparent pricing & payment mechanisms
**** Strategies	On-farm diversification (e.g. new crops for subsistence or commercial use), different processing methods	CSA adapted extension services, low-water processing, access to adapted germplasm, product diversification	Process-based differentiation (i.e. voluntary certifications), carbon insetting, volume incentives	Process-based differentiation (i.e. voluntary certifications), carbon insetting
Enablers	Crop insurance (drought, hail), access to finance to support adaptation	Adapted germplasm (WCR), weather stations information, knowledge management, crop insurance (drought, hail), access to finance to support adaptation	Access to adapted germplasm (WCR), information, knowledge management, crop insurance (drought, hail), access to finance to support adaptation	Earmarks for WCR, information & knowledge management, transparent trade & payment processes, carbon insetting





TRANSFORMATIVE CHANGE

J	FARMER	PRODUCER ORGANIZATION	TRADER	ROASTER
Practices	Switch to robusta, better adapted non-coffee crops	Good governance, transparent pricing & payment mechanisms, extension & credit for non-coffee crops	Good governance, transparent pricing & payment mechanisms for non-coffee crops	Traceability, transparent pricing & payment mechanisms for declining / disappearing coffee production
***** Strategies	Diversify livelihood strategies away from farming or out of farming entirely	Identify new crop options, provide access to technologies and training, build new commercial relationships	Identify new commercially viable crops to replace coffee	Diversify coffee sourcing regions
Enablers	Developing new value chains for new cash crop systems	Market information, commercial contacts with non-coffee buyers	Market information, commercial contacts with non-coffee buyers, access to adapted production technologies, credit and crop insurance	Information on other viable coffee regions for quantity and quality requirements

In conclusion

Take action now to minimize impacts.

Combine scientific insights with business incentives along the value chain.

Partnerships are critical.

Resilience is a long-term process.



WHERE WE'RE HEADED

Learn about the tools, training materials and resources that support implementation of climate smart agriculture at the farm level, and the research that underpins them.

1. Understanding climate change and the coffee sector

2. How is climate change affecting my supply chain?

3. How can I manage the effects climate change is having on my supply chain?

4. How can I scale up CSA?

5. How do I know if my investment in CSA is working?

6. How can I convince my company and others to invest in CSA?

7. How can collaboration work? Bringing action to Origin.



Resources

Bunn C, Castro F, Lundy M (2017) The impact of climate change on coffee production in Central America. San Pedro Sula, Honduras

Bunn C, Läderach P, Ovalle Rivera O, Kirschke D (2015a) A bitter cup: climate change profile of global production of Arabica and Robusta coffee. Climatic Change 129:89–101. doi: 10.1007/s10584-014-1306-x

Bunn C, Läderach P, Pérez Jimenez JG, et al (2015b) Multiclass Classification of Agro-Ecological Zones for Arabica Coffee: An Improved Understanding of the Impacts of Climate Change. PLOS ONE 10:e0140490. doi: 10.1371/journal.pone.0140490

Ovalle-Rivera O, Läderach P, Bunn C, et al (2015) Projected Shifts in Coffea arabica Suitability among Major Global Producing Regions Due to Climate Change. PLOS ONE 10:e0124155. doi: 10.1371/journal.pone.0124155

Schroth G, Läderach P, Blackburn Cuero DS, et al (2015) Winner or loser of climate change? A modeling study of current and future climatic suitability of Arabica coffee in Indonesia. Regional Environmental Change 15:1473–1482. doi: 10.1007/s10113-014-0713-x

https://www.allianceforresilientcoffee.org/

Contact:

cbunn@cgiar.org m.lundy@cgiar.org



Next Modules

Duration: 75 minutes per module **Time:** 3pm CEST | 9am EDT | 6am PDT

1	June 7 th	Understanding climate change	Introduction
2	June 12 th	How is climate change affecting my supply chain?	Risk Profiles
3	June 28 th	How can I manage the effects climate change is having on my supply chain?	Tools
4	July 19 th	How can I scale up CSA?	Scale
5	September 27 th	How do I know my investment in CSA is working?	Monitoring
6	October 25 th	How can I convince my company and others to invest in CSA?	Business Case
7	November 8 th December 6 th	How can collaboration work? Bringing action to origin!	Collaboration

Link to <u>CSA Learning Series</u>

Particpants in Module 2

Lieke Guinee Agri-Logic Katharina von Knobloch ALDI SüD

Carolin Ehrensperger Bernhard Rothfos

Pablo Fernandez Kolb CIAT Fernando Rodriguez-Camayo CIAT

Peter Baker Climate Edge Joel Castro COHONDUCAFE

Daniele COSA Elena Serfilippi COSA

Lina Alejandra Lozano Expocafé S.A.

Elsebeth Nordlund Fairtrade America

Pedro Gonzalez FNC

Susan Macdonald Global Bright Futures
Kerstin Linne Green Line Consulting

Tessa Meulensteen

Jenny Kwan IDH Sustainable Trade Initiative

IDH

Lydia Namutebi ASELE BENJAMIN

Philip von der Goltz

Nora Johnson

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KAWACoM UGNADA LIMITED

List + Beisler GmbH

Massimo Zanetti Beverage USA

NCBA CLUSA

Nestle

Nestle ZAOA

Niehoffs Kaffeerösterei GmbH

Olam Tanzania Limited

Rgc coffee Rikolto

Severe Weather Consult Ltd

Solidaridad SUPRACAFE Supremo USAID







CSA Learning Series



Kealy Sloan
Sustainable Food Lab
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Hanns R. Neumann Stiftung
katherine.selengia@hrnstiftung.org



Caroline GlowkaGlobal Coffee Platform
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Understand,
Design, Act:
Climate-proof
your supply chain

Module 3:

How can I manage the effects climate change is having on my supply chain?

28. June 2018

Module 3: How can I manage the effects climate change is having on my supply chain?





Danielle Knueppel
Global Coffee Monitoring Program Director
World Coffee Research



Katherine Selengia

Program Manager

Hanns R. Neumann Stiftung







8

1. Click on "Raise Hand" button



If you want to comment or ask questions

2. Use the Q&A box



To **place your questions** and get feedback from to the panelists

3. We will silence your mic



To avoid undesired **background noises**. But you can always ask to speak!

4. Remember

REC

This session is being recorded for archive purposes

GCP partners in 2018

Alliance for Resilient Coffee

Climate Catalogue





















Neumann Stiftung

Hanns R.







www.allianceforresilientcoffee.org

Objectives of the Learning Series



Understand climate change



Plan, implement, and scale effective CSA





Learn how to assess your supply chain risks



Convey the value of investment in CSA



Path to Collective Action

Introduction

Risk Profiles

Tools

Scale

Monitoring

Business Case

Collaboration

Building Common Ground

Understand

Design

Act

Collective action at origin!





Uganda

Opportunities in Honduras and Uganda



Contribute to National Coffee Platform's agenda

Multi-stakeholder collaboration

Learnings & results will be shared with the sector

Progress will be measured





The Experts



Celia Harvey Conservation



Caroline Glowka

Global Coffee Platform



George Watene Global Coffee Platform



Daniele Giovannucci

Committee on Sustainability Assessment (COSA)



Danielle Knueppel

Global Coffee **Monitoring Program**



Kate Selengia

Hanns R. Neumann Stiftung



Mark Lundy

International Centre for Tropical Agriculture (CIAT)



Laurence Jassogne

International Institute for Tropical Agriculture (IITA)



Elizabeth Teague

Root Capital



Elena Serfilippi

Committee on Sustainability Assessment (COSA)



Kealy Sloan

Sustainable Food Lab

Module 3: How can I manage the effects climate change is having on my supply chain?





Danielle KnueppelWorld Coffee Research



Katherine Selengia Hanns R. Neumann Stiftung



WHERE WE'RE AT

Learn about the tools, training materials and research that support the implementation of climate smart agriculture at the farm level.

 Understanding climate change and the coffee sector

2. How is climate change affecting my supply chain?

3. How can I manage the effects climate change is having on my supply chain?

4. How can I scale up CSA?

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6. How can I convince my company and others to invest in CSA?

7. How can collaboration work? Bringing action to Origin.



LEARNING OBJECTIVES

How can I manage the effects climate change is having on my supply chain?

- Understand the challenges in managing the effects of climate variability and climate change at the farm level.
- Understand research currently being conducted on CSA practices and strategies, including on resilient varieties
- Understand the c&c approach and toolbox, and how they can be used



CHALLENGES:

If climate is already affecting coffee, why isn't CSA more widely adopted?





WHAT DOES CSA LOOK LIKE IN PRACTICE?

implemented on-farm to adapt to current climate variability (and to a lesser extent, prepare for climate change)



- Cover crops
- Shade management
- Distancing
- Trenches

implemented on- and off-farm, within the producer organization, community or supply chain, that adapt to current & future climate

- Diversification
- Choosing resilient varieties
- Changing processing methods

supported by actors onand off-farm to establish the conditions needed to implement CSA strategies and to adopt CSA practices

- **Financing**
- Weather insurance
- Weather stations
- Innovations in payment terms to promote CSA



WHAT DOES CSA LOOK LIKE IN PRACTICE?



Incremental Change



Systemic Change



Transformative Change



Cover crops, fertilizers, etc

Irrigation, novel varieties, novel soil management, etc

Switch to Robusta or other crops, etc



Organic matter management within the farm, conservation of riparian areas, etc

On-farm diversification (e.g. new crops for subsistence or commercial use), different processing methods, etc

Moving away from coffee farming, or farming altogether, etc



CSA extension, weather stations for better forecasting, carbon insetting, incentives for process & quality, etc

Crop insurance (drought, hail), access to finance to support adaptation, carbon insetting, etc

Developing new value chains for new cash crop systems, etc



BUT WHICH PRACTICES, STRATEGIES, & ENABLERS?

- Cash flow
- Appetite for risk
- Reliance on coffee
- Access to:
 - Inputs
 - Equipment
 - Training
 - Weather data
 - Infrastructure
 - Financing



- Altitude
- Slope
- Shade
- Soil type
- Soil cover
- Pests & diseases
- Plant variety



RESEARCH:

What do we already know about which CSA practices and strategies are working? What research is in progress?





Demand is rising. Climate change is putting unprecedented pressure on farmers and the landscape—while globalization gives coffee farmers other opportunities for how to make a living.

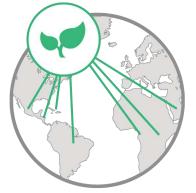


By 2050, need to double world production, but suitable land will decline by half.





Regional Breeding Hubs F1 hybrids



Global network of trial sites









New standards

Decision tools

Using advances in agricultural science, it is possible to dramatically improve coffee yields, coffee quality, climate resilience, and farmer livelihoods.

For example, new F1 hybrid varieties have shown: Tolerant to diseases and pests 22-46% yield increases Capable of scoring 90+ Climate resilient More profit per hectare

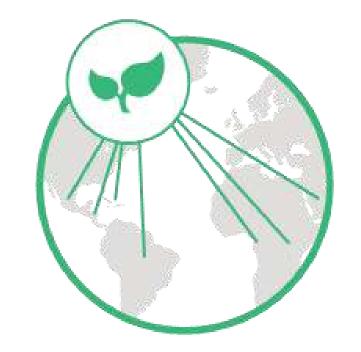
It's not enough To create new varieties

The best variety in the world doesn't help the farmer...

- if it's not tested in local conditions
- if he or she doesn't know about it
- if it isn't a good plant
- if he or she isn't convinced of its value, and can't get a loan to renovate their farm

IMLVT

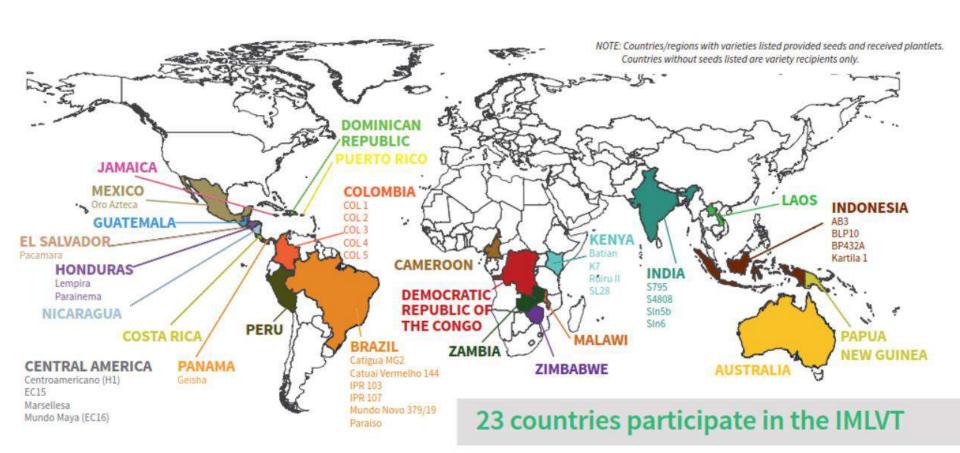
INTERNATIONAL MULTI LOCATION VARIETY TRIAL



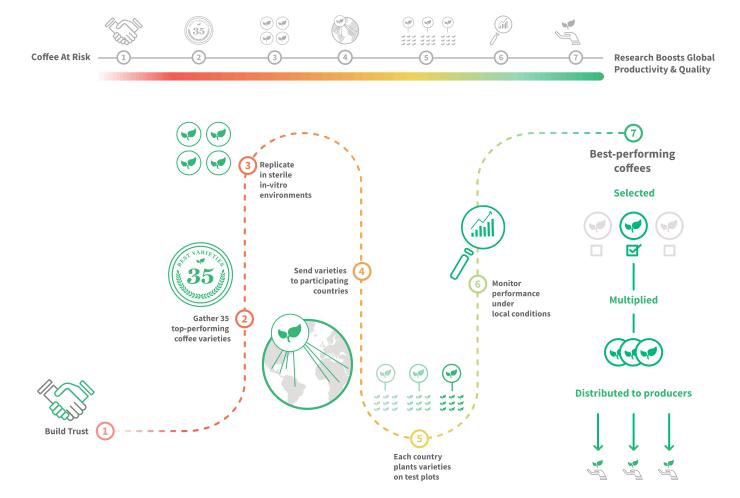
The best variety in the world doesn't do a farmer any good if it's not tested in local conditions.



PARTNER COUNTRIES



IMLVT HOW IT WORKS

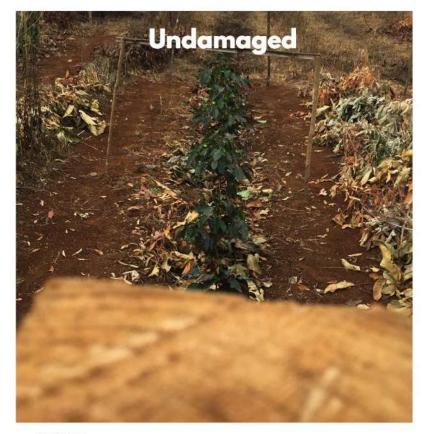


Major frost in Laos

6 February **2.1°C** at 7 am

Majority of plants severely damaged—"blackened"





BUT all F1 hybrids (H1, EC15, EC16) were undamaged



The best variety in the world doesn't do a farmer any good if he or she doesn't know about it.

First-ever global coffee variety catalog





Online, free, open-source **50,000** people reached in 9 countries

varieties.worldcoffeeresearch.org

CENTROAMERICANO HI

Very high yielding with very good quality potential. Well-adapted for agroforestry.

Appearance

STATURE

Dwarf/Compact





LEAF TIP COLOR

Green

Large



BEAN SIZE





Agronomics

OPTIMAL ALTITUDE 5°N to 5°S: 1000m 5-15°N and 5-15°S: >700m

>15°N and >15°S: 400m

COFFEE LEAF RUST

Resistant

QUALITY POTENTIAL AT HIGH ALTITUDE Very Good

COFFEE BERRY DISEASE (CBD)

Tolerant

YIELD POTENTIAL Very High

AAAAA

NEMATODES

Susceptible

RIPENING OF FRUIT	Average
CHERRY-TO-GREEN-BEAM OUTTURN	Very High
PLANTING DENSITY	3000-4000 (using single stem pruning)
ADDITIONAL AGRONOMIC INFORMATION	Requires careful nutrition for roots to become established, avoiding too much nitrogen (N). An Important note about F1 hybrids: Seeds taken from hybrid plants will not have the same characteristics os the porent plants. This is called "segregation." It means that the child plant will not look or behave the same as the parent, with potential losses of yield, disease resistance, quality, or other agronomic performance traits. The variety should only be reproduced through clonal propagation and purchased from trusted nurseries.
enetics	
LINEAGE	T5296 x Rume Sudan

Year Two Very High

A 11 - 1-112a-

YEAR OF FIRST PRODUCTION

MUTRITION REQUIREMENT

BREEDER	CIRAD-CATIE-ICAFE-IHCAFE-PROCAFE-ANACAFE
INTELLECTUAL PROPERTY RIGHTS	This plant is in the public domain in Costa Rica, El Salvador, Guatemala and Honduras; outside of these countries, permission should be requested from PROMECAFE.



The best variety in the world doesn't help the farmer if it isn't a good plant.



We train and certify nurseries to ensure they are producing genetically pure and healthy plants.

WCR Verified



The first global standard to certify that coffee seed producers and plant nurseries are producing healthy and genetically pure plants.





Nursery Standards

The nursery follows best practices for raising healthy, disease-free plants.



Genetic Purity

The coffee variety has been identified using World Coffee Resources DNA fingerprinting so farmers can be certain they are buying the correct variety.



Education

The nursery makes information about the agronomic performance of different varieties available to farmers so they can make an informed choice.



Breeder's Rights

The nursery gives credit to breeders and their rights are respected.



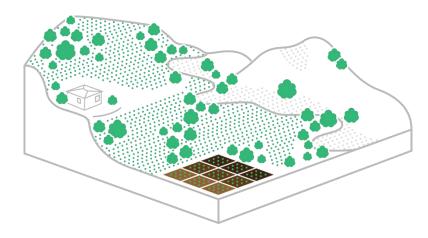
Absolutely. Farmers deserve to be able to trust that they are buying

- Plants that are healthy
- Plants that are genetically correct (the "true" variety)



The best variety in the world doesn't help the farmer if she or he isn't convinced of its value, and can't get a loan to renovate their farm.

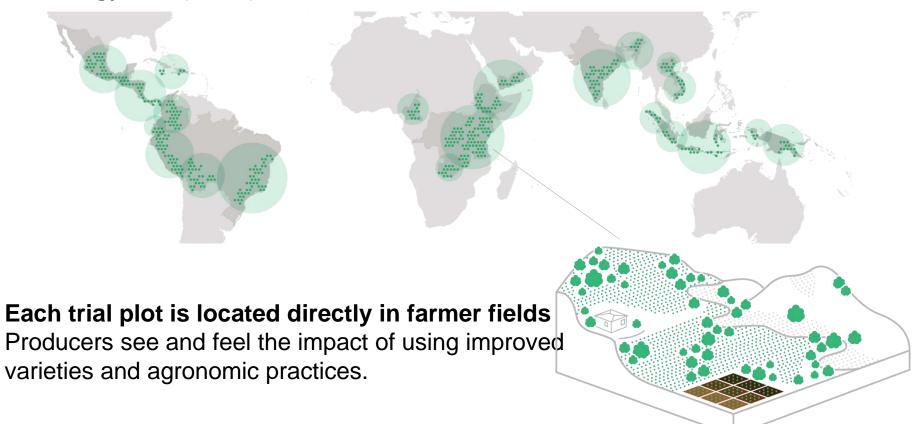
Global Coffee Monitoring Program



Test in farmer fields



The Global Coffee Monitoring Program (GCMP) is a network of hundreds of On-Farm Technology Trials (OFTTs)...



Focus on varieties and realistic, profitable CLIMATE SMART practices

Farmer's most important assets:

- plants
- soils

But often, varieties are **outdated** and soils are **depleted**. Sooner or later this leads to a downward production spiral.

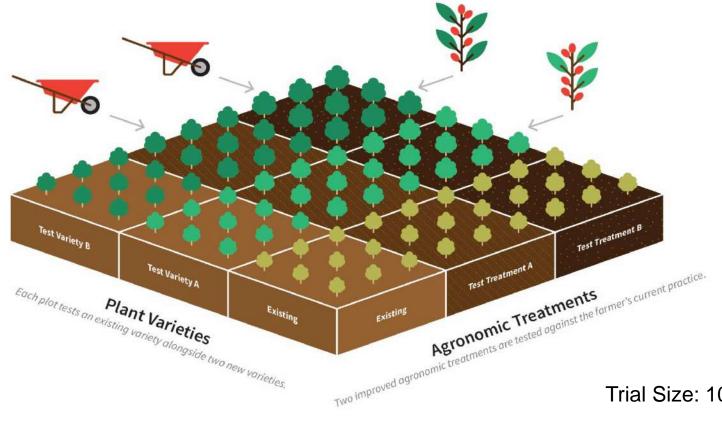
- Consequence... coffee unattractive. Farmers eventually leave coffee farming altogether.
- Adoption of improved varieties and agricultural practices can substantively increase a farm's profitability, keeping farmers in coffee.





Design of an On-Farm Technology Trial





Trial Size: 1000m² -- 5000m²



Coffee Varieties for OFTTs

- Considerations -- altitude, yield, pest and disease tolerance, cup quality and availability
- Control varieties
 - typically or currently used in farms
- Variety A (national varieties)
 - selected from the most promising, best performing national varieties
- Variety B (regional varieties)
 - the best performing and most promising in the region (i.e., Batian in East Africa)











Examples of Climate Smart Agronomic Treatments

- Appropriate for the type of farm
- address limitations
- Farmers are interested in testing
- Farmers would continue after the trial

Training and Communication with Partner Agronomists



* WhatsApp Groups to communicate, ask and share





Standardized Data Collection

- Basic farm characteristics
- GPS location
- Socioeconomic data
- Soil analysis and pH
- Daily Temperature and Rainfall

- Field Operations (labor, inputs, costs)
- Early vegetative growth
- Pest and disease
- Yield (output)
- Bean and Cup quality



Estimated number of new **Arabica OFTTs** per Country and Year

Robusta OFTTs

starting in 2020

El Salvador
Guatemala
Costa Rica
Nicaragua
Honduras
Panama
Mexico
Jamaica
Puerto Rico
Dominican
Republic
Peru
Colombia
Brazil
Rwanda
Uganda
DRC
Burundi
Kenya
Ethiopia
Zambia
Malawi
Zimbabwe
India
Indonesia
Laos
China
Philippines

Vietnam

3

Total

Benefits of Participating and Outcomes



Lifting Profitability

Through rigorous monitoring of costs, labor inputs, and yield and price increases for farmers according to different farming systems, the trial will provide unparalleled data for improving farm profitability and helping farmers secure small loans.



Monitoring Platform

The trial will serve as a global monitoring platform to track the impact of climate change on the quality and production of coffee as well as the movement of diseases and pests around the world.



Smarter Farming

This network of hundreds of scientifically designed plots will result in significant advances in knowledge about coffee variety performance, soil treatments, and farming practices.



Global Benefit

For the coffee industry as a whole, the trial will accelerate the adoption of new varieties that are high quality, disease resistant, and higher yielding and will enable investment in large-scale renovation projects. This will provide an overall boost to the global supply of high quality coffee.





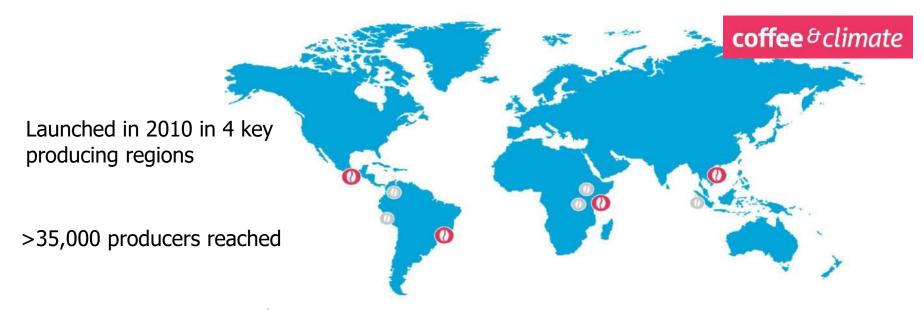
SOLUTIONS:

What tools can we use to design and implement a CSA at the farm level?

How can you select the CSA practices, strategies and enablers appropriate for your context?



The initiative for coffee&climate





We've been working to...

Understand which practices and strategies work in which contexts. (c&c case studies)

Share that information publicly. (c&c toolbox)

Help producers and producer organizations to select appropriate practices and strategies and implement. (c&c approach)



coffee&climate toolbox



find a tool see the evidence submit a tool

anglish | especial | portugues | tiding vita

welcome to the c&c toolbox

In response to the needs of coffee farmers, the c&c toolbox was developed as an open online platform to effectively tackle climate change. The c&c toolbox is a compilation of tools, climate maps, case studies, guidelines and further training materials that equip farmers and farming communities with valuable information. It provides a platform to exchange knowledge on known and innovative adaptation practices which we develop alongside some of the world's leading climate experts and bridge the gap between science and farmer know-how.

discover the c&c toolbox and start taking action now.

search the circ toolbox

latest tools and case studies



On-Farm Climate Monitoring

Measuring and recording the air and soil temperature on your farm has become much cheaper, allowing plot level temperature and humidity to be measured, logged [...]

- + case studies + pictures
- * further leformation



Case Study - Rainwater Harvesting - Tanzania





Monitoring Devices

Because of climate change and increasingly extreme weather events (especially during El Niño) the need to quantify what happens in coffee plots becomes ever more [...]

► pictures → further information

title newest



Cover Crops

Cover crops refer to a wide n sown to cover bare ground - more systematic change - e.g. switch to Robusta. other crops including annuals, horticulture

case studies pictures

test updated on Oct. 20th, 2017.



Gypsum Application to Soil

With certain types of soil, such as those found in the Cerrado region of Brazil, application of large quantities of gypsum (calcium sulfate) to the [....] read more

pictures

last umbilled on Oct. 32nd, 2017



Use of Mycorrhizae in Seedlings and Nursery

Adding mycorrhizae to the soil of seedlings in polybags for both coffee and shade trees can improve root nutrition, because mycorrhizal fungi feeds on the [....] read more

> case studies > pictures

ant umprised on Cat. 22nd, 2017



Biochar

Biochar is another name for charcoal, produced by heating wood or other vegetable-based materials in an oxygen-restricted chamber. The fine carbon skeleton left after this [6th[...] read more ...

pictures

last upperson on Opt. 15th, 2017



Climatic Zoning

For planning purposes it is useful to determine which coffee lands can be categorized as optimal, sub-optimal or unsuitable and how these have been changing [...][...] read more

pictures

of unblind on SH, LSW, 2017

1 2 3 4

filter by

topics

adapt / diversity carbon sequestration

decision

diagnostics

implementation

management practices

post harvest

rehabilitation

risk analysis

a show all topics

climate hazards

air humidity

drought

rain

temperature

winds and cloudiness

» show all climate hazards

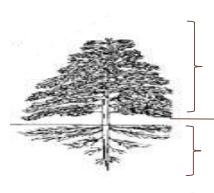
countries content types

| booklet / brochure

case studies

info sheet

Case Studies: measurement indicators & equipment



Stress
Temperature
Relative humidity
Lightness
Vegetative growth
Erosion

Root development: width and length Temperature of the soil Soil humidity & fertility Mortality





Case Study 1: Practice in C. America



Demoplot Location: Sensentí, Ocotepeque, Honduras

Altitude (m.a.s.l.): 900

Age of the plant: 4 years (est. Sept 2012)

Climate hazard: High temperature and drought

Impacts: Poor root and foliage development, poor fruit filling, flower abortion, dead plants

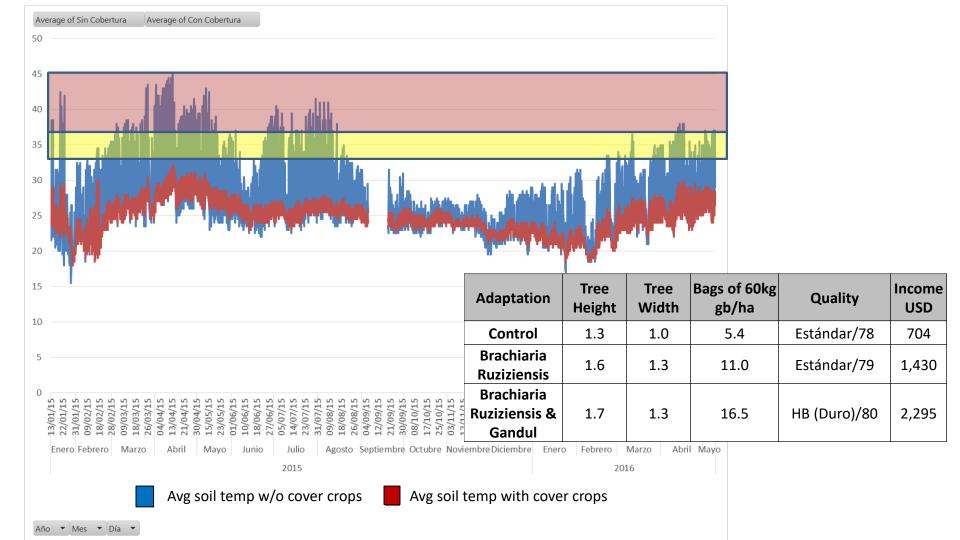
CSA practices:

- Cover crop (Brachiaria)
- Temporary shade (Gandul)





Hanns R. Neumann Stiftung



Case Study 2: Practice in Vietnam



Water-saving irrigation technique in the Central Highlands

No cost to implement, saves \$\$ on water and fuel

Trialed with 17 farmers and 3 agronomists, scaled with 900+ farmers

All farmers reduced water use by 30%



Case Study 3: Strategy in Tanzania

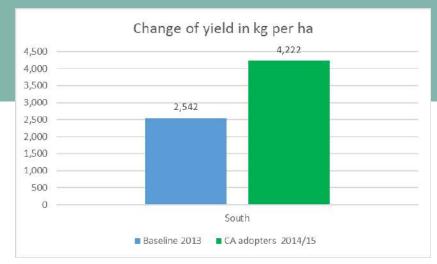


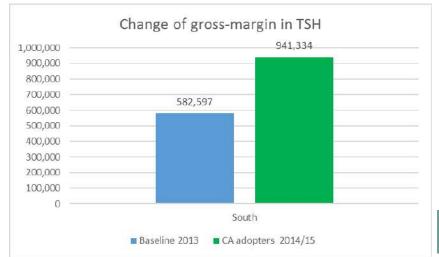
Conservation agriculture on maize production within coffee farming systems in Mbeya

Trialed with 200 farmers

Results:

- Maintained soil structure by preventing erosion
- Increased yields 25%-100% in first season
- Diversified farmer income, reducing risk of crop failure & ensuring food security
- Spillover of soil conservation practices from coffee e.g. mulching
- Reduced loss of top-soil leads to a longterm perspective for cultivation







Case Study 4: Enabler in Brazil

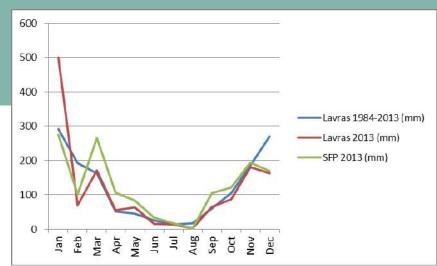


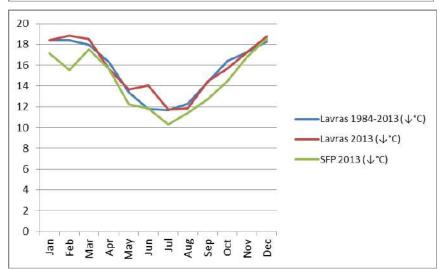
Weather data collection in 4 communities of Sao Francisco de Paula

4 producers measure daily rainfall & temperature (max. and min.) + weather datasheets (collected monthly and entered into database by technicians).

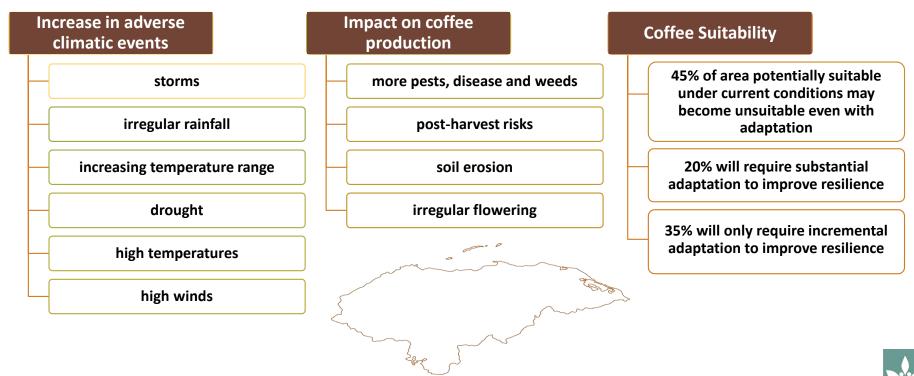
Results:

- Improved knowledge of local climate & effects on the coffee system
- Development of community-based weather experts
- Technicians compare local data collected with historical weather station data





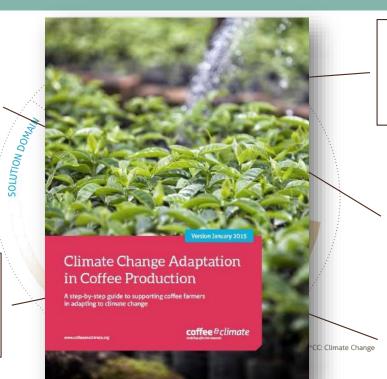
How do we develop a climate adaptation plan?



The c&c approach

- Cost/benefit analysis
- Measurement of adaptive capacity, resilience Participatory evaluation
- Case studies

- Farmer Field Schools
- On-farm trials (incl OFTTs)
- Demonstration plots Data collection



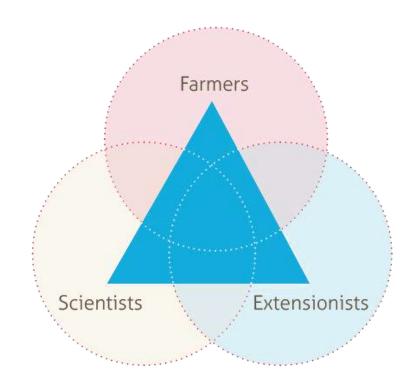
- Intro to CC
- CIAT climate maps & country reports c&c toolbox

Triangulation:

- Farmer diagnostic
- Focus group discussions Climate witness workshops Scientific information
- Collection of adaptation options
- Framework for prioritization
- Plan for implementation Development of indicators



Triangulation of risk assessments

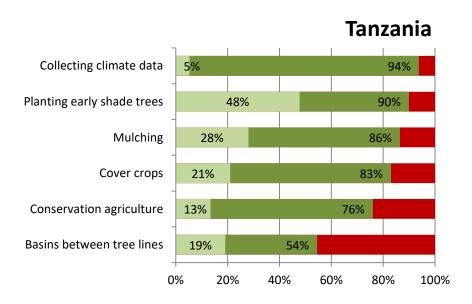


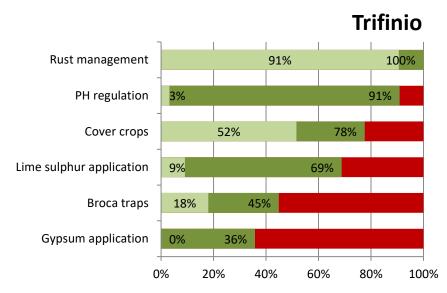


Adaptation planning

Acceptability	Affordability	Timing	Urgency
How open are producers to applying this practice or strategy?	Can the producer afford to apply this practice or strategy? Is there financing available?	How long will this practice or strategy take to yield results?	How urgent is the climate threat to which this practice or strategy responds?

Adoption rates after 2 years





Source: Farmer field book data 2013 and 2014



Building extensionists' capacity



Step 1: Setting the Scene Step 2: Assessment of climate challenges

Step 3: Adaptation planning Step 4: Adaptation Implementation

Step 5: Lessons learned

We lead a workshop for your extension team, introducing the c&c approach, establishing expectations and deliverables

1 week

We lead data collection, with support from your team

~1 month (not including development of country climate risk profile)

We lead field meetings with producers and technicians, with support from your team

~2 months

We develop adaptation plans with your team and producers

~1 month

Your team leads farmer field schools, demoplot exchanges and data collection, with backstopping from us

~2 years

We lead assessment and development of case studies, with support from your team and producers

Annually



Why consider this approach within your supply chain?

Proof of concept: Evidence-based results (case studies, demo and validation plots)

Scaleable model: ToT curriculum, workshop formats, can integrate with existing extension message

Open source: Knowledge hub and regional knowledge management mean you continue to benefit from latest findings





WHERE WE'RE HEADED

Learn about innovative ways to "de-risk" CSA for the farmer and the private sector, and the potential for financing approaches to CSA.

1. Understanding climate change and the coffee sector

2. How is climate change affecting my supply chain?

3. How can I manage the effects climate change is having on my supply chain?

4. How can I scale up CSA?

5. How do I know if my investment in CSA is working?

6. How can I convince my company and others to invest in CSA?

7. How can collaboration work? Bringing action to Origin.



RESOURCES

- Coffee&climate toolbox, with Sourcebook and case studies: toolbox.coffeeandclimate.org
- WCR Website: worldcoffeeresearch.org
 Interactive Variety Catalog: varieties.worldcoffeeresearch.org
- Paper on Agro-ecological Zones for Arabica
 Coffee: https://worldcoffeeresearch.org/work/agro-ecological-zones-arabica-coffee/
- Global Coffee Conservation
 Strategy: https://worldcoffeeresearch.org/work/global-coffee-strategy/



Q & A

Contact Details





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Next Modules

Duration: 75 minutes per module **Time:** 3pm CEST | 9am EDT | 6am PDT

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7	November 8 th December 6 th	How can collaboration work? Bringing action to origin!	Collaboration

Link to CSA Learning Series

Particpants in Module 3

Alexandre Dutheil	
Ana Carsalade	
Andreas Kirk	ØNSK
ASELE BENJAMIN	KAWACoM UGNADA LIMITED
CAROLINA JARAMILLO GIRALDO	Empresa de Pesquisa Agropecuária de Minas Gerais (Epamig-Sudeste)
Chris Davidson	Atlas Coffee Importers
Dorien Van Dun	EFICO NV
Jan von Enden	HRNS North America
Katharina Plassmann	Yara International ASA
Katrien Delaet	EFICO
Kim Elena Ionescu	Specialty Coffee Association
Lars Wehmeier	Niehoffs Kaffeerösterei HmbH

Lydia Namutebi	Kawacom Uganda Limited
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Napoleon Molina	Rikolto
Nicole Gobeth	Solidaridad
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Pauline Vaskou	Tesco PLC
Pedro Gonzalez	FNC
Peter Baker	Climate Edge
Philip von der Goltz	List + Beisler GmbH
Reena Eddiks	Volcafe
Susan Macdonald	Global Bright Futures
Tessa Meulensteen	IDH
Tharic Galuchi	lmaflora
Thomas Delbar	Supremo
cmahugu	Founder







CSA Learning Series



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Understand,
Design, Act:
Climate-proof
your supply chain

Module 4:

How can I scale up climate smart agriculture?

19. July 2018

Module 4: How can I scale up Climate Smart Agriculture?





Elizabeth Teague
Senior Social & Environmental Performance Manager
Root Capital



Laurence Jassogne
Systems Agronomist
International Institute of Tropical Agriculture (IITA)











<u>ه</u>

1. Click on "Raise Hand" button



If you want to comment or ask questions

2. Use the Q&A box



To **place your questions** and get feedback from to the panelists

3. We will silence your mic



To avoid undesired **background noises**.
But you can always ask to speak!

4. Remember

REC

This session is being recorded for archive purposes

Path to Collective Action

Introduction

Risk Profiles

Tools

Scale

Monitoring

Business Case

Collaboration

Building Common Ground

Understand

Design

Act

Collective action at origin!





Uganda

Opportunities in Honduras and Uganda



Contribute to National Coffee Platform's agenda

Multi-stakeholder collaboration

Progress will be measured

Learnings & results will be shared with the sector



Opportunities in Honduras and Uganda



Short survey

July

Call with interested stakeholders

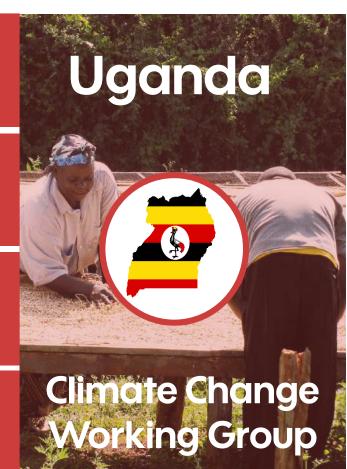
September

Country workshops

October

Turn committment into action

November





The Experts



Bambi Semroc Conservation



Caroline Glowka Global Coffee Platform



George Watene Global Coffee Platform



Daniele Giovannucci

Committee on Sustainability Assessment (COSA)



Danielle Knueppel World Coffee Research



Kate Selengia Hanns R. Neumann Stiftung



Mark Lundy

International Centre for **Tropical Agriculture** (CIAT)



Laurence Jassogne

International Institute for **Tropical Agriculture** (IITA)



Elizabeth Teague

Root Capital



Elena Serfilippi

Committee on Sustainability Assessment (COSA)



Kealy Sloan

Sustainable Food Lab



WHERE WE'RE AT

Learn about the tools, training materials and research that support the implementation of climate smart agriculture at the farm level.

 Understanding climate change and the coffee sector

2. How is climate change affecting my supply chain?

3. How can I manage the effects climate change is having on my supply chain?

4. How can I scale up CSA?

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CHALLENGES:

If climate is already affecting coffee, why isn't climate-smart agriculture more widely adopted?

How can I help scale climate-smart agriculture within my supply chain?





LEARNING OBJECTIVES

How can I scale up climate-smart agriculture, particularly at the base of my supply chain?

- Understand challenges in achieving scaled adoption of climatesmart agriculture, particularly at the farm level
- Learn about a training strategy ("stepwise investment pathways") to promote higher adoption of climate-smart practices among smallholder farmers
- Learn about pathways to finance adoption of climate-smart practices, with a focus on finance to/from local businesses purchasing coffee from smallholder farmers



KEY THEMES

How can I scale up climate-smart agriculture, particularly at the base of my supply chain?

- Go small before you go big.
- Consider multiple scaling pathways.
- Look for opportunities to leverage existing technical assistance and finance pathways to achieve scale.



Levels of intervention

Plant

Plot

Farm/household

Community/landscape

Markets

Institutions

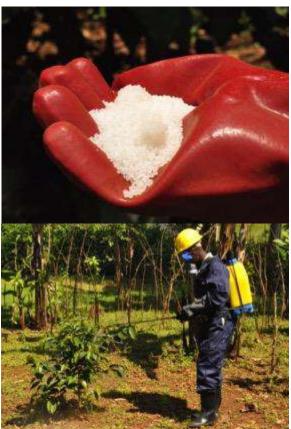
Policy

Practices: GAPs, irrigation

Strategies: diversification

Enablers: insurance, microfinance







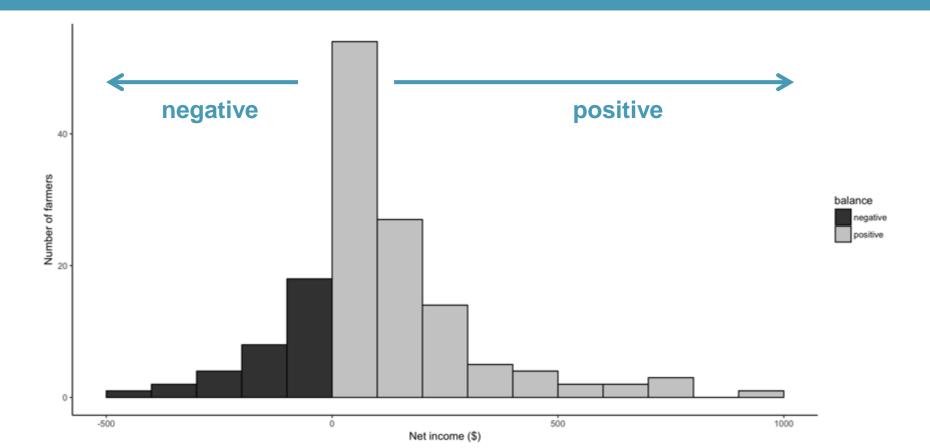


CURRENT COFFEE NET INCOME PER HECTARE

Current farmer net income per ha from coffee (Hundreds US\$ / ha)

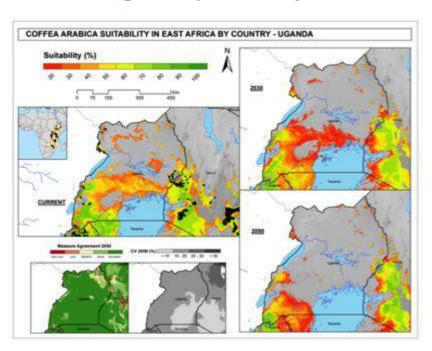


- Relatively high yields and low costs make coffee more profitable in countries such as Brazil and Vietnam, despite lower prices
- Overall, the number of farmers in Brazil and high yields make it the leader in coffee production, though farming is less profitable for farmers (Arabica, <10ha, un-mechanized, in Minas Gerais)
- Farmers may struggle with rising production costs. For example, in Colombia, despite high yields and prices, profitability is lower due to high costs





Changes expected by 2050



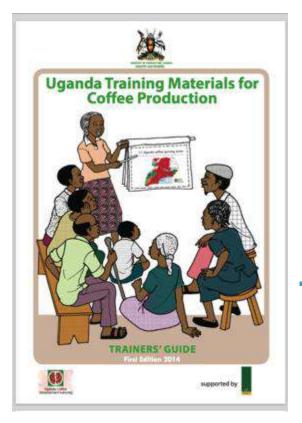
How am I going to pay the next school fees???





Stepwise





Although farmers are often trained in best practice, they cannot afford best practice

There is a lot of "mal-investments"



Stepwise pathways are:

- Developed participatory, using expert knowledge
- Site specific
- Tested in the field using trials
- Include cost x benefit analysis



Step 1

Mechanical weeding

Phased stumping

Pruning

De-suckering

De-capping

Shade tree planting

Phased construction of water harvesting structures

Intercropping with legumes

Intercropping with bananas

Manure

Step 2

Step 1+

De silting trenches

Planting grass along trenches

Gap filling

Cultural pest and disease control

Mulching

Step3

Step 1 + Step 2 +

Planting soil conservation structures (hedge rows)

Coffee tree training-used in gap filling & the stumped ones

Managing hedge rows

Step 4

Step 1 + Step 2 + Step 3 +

Chemical pest and disease control

Inorganic fertilizer (basal and foliar)

Irrigation (drip, micro basins, water harvesting ditch) 02.05

03

15

2

Experted vield pear





We already see big differences in trials



Learning sites







In partnership with





























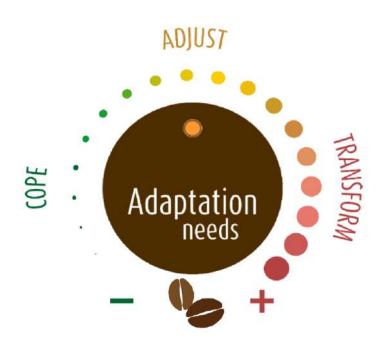
Different climate-smart investments will require different types of capital.

Financial risk and cost to serve **Incremental adaptation** where climate is most likely to remain suitable and adaption will be achieved by a change of practices and ideally improved strategies and enablers

Systemic adaptation where climate is most likely to remain suitable but with substantial stress through comprehensive change of practices accompanied by changes of strategy and adequate enablers

Transformational adaptation

where climate is likely to make coffee production unfeasible, will require a focus on strategic change and adequate enablers as practices alone may be uneconomical



Small-to-medium-sized enterprises can be a vehicle for funding climate-smart agriculture at scale.

- Enterprises → farmers
 - Non-cash investments (goods and services)
 - Microcredit
- Financial institutions -> enterprises
- Buyers → enterprises



Scaling climate-smart agriculture through enterprise investments in farmers: Technical assistance











Scaling climate-smart agriculture through enterprise investments in farmers: Technical assistance











Demonstration plots to show the value of specific climate-smart practices, like:

- Cover cropping
- Mulching

Scaling climate-smart agriculture through enterprise investments in farmers: Inputs





Scaling climate-smart agriculture through enterprise investments in farmers: Microcredit for renovation and rehabilitation







For details, refer to:

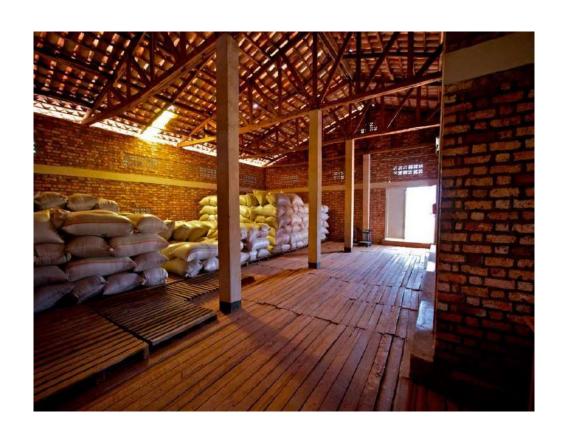
"Renovation & Rehabilitation for Resilience Coffee Farms: A Guidebook for Roasters, Traders, and Supply Chain Partners"

Scaling climate-smart agriculture through credit for enterprises: Loans for climate-smart equipment or infrastructure





Scaling climate-smart agriculture through investments in enterprises: Pricing incentives from buyers







KEY THEMES

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RESOURCES

- Coffee&climate toolbox, with Sourcebook and case studies: toolbox.coffeeandclimate.org
- "Taking life step-by-step: incrementally adopting climate-smart agricultural practices," Onno Giller (IITA), <u>CCAFS website</u>
- "Renovation & Rehabilitation for Resilience Coffee Farms: A Guidebook for Roasters, Traders, and Supply Chain Partners," Dalberg Advisors, with support from USAID's Bureau for Food Security, on behalf of the <u>Sustainable Coffee Challenge</u>
- "Financing Farm Renovation: How to Build Resilience Using a Blend of Capital," <u>Root Capital</u>



Questions & Answers

Module 4: How can I scale up Climate Smart Agriculture?





Elizabeth Teague

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Link to CSA Learning Series

Particpants in Module 4

Ana Carsalade	
Anna SNIDER	University of Wisconsin
Disha Chandra Mohan	
Dorien Van Dun	EFICO NV
Elena Cioffi	
elena serfilippi	COSA
Elizabeth Newman	USAID
Gina Canales	Jacobs Douwe Egberts
Graham Mitchell	Sustainable Innovations Inc
Jaime Baena Tovar	FNC
Katharina von Knobloch	ALDI SÜD
Kim Coburn	Equal Exchange
Nguyen truc bong son	1957
Pedro Gonzalez	FNC
Susan Macdonald	Global Bright Futures
Thomas Delbar	Supremo







CSA Learning Series



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Understand,
Design, Act:
Climate-proof
your supply chain

Module 5: **How do I know my investment in climate smart agriculture is working?**

27. September 2018

Module 5: How do I know my investment in Climate Smart Agriculture is working?



Kealy SloanProject Manager
Sustainable Food Lab



Daniele GiovannucciPresident
Committee on Sustainability Assessment (COSA)



Pablo Ruiz Manager Latin America Hanns R. Neumann Stiftung



George Watene
Program Manager
Global Coffee Platform



Bambi SemrocVice President, Sustainable Markets and Strategy
Conservation International



GLOBAL COFFEE





Katherine Selengia Hanns R. Neumann Stiftung





1. Click on "Raise Hand" button



If you want to comment or ask questions

2. Use the Q&A box



To **place your questions** and get feedback from to the panelists

3. Your mic is silenced



To avoid undesired **background noises**. But you can raise your hand to speak!

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Path to Collective Action

Introduction

Risk Profiles

Tools

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Business Case

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Understand

Design

Act

Collective action at origin!





Uganda

Opportunities in Honduras and Uganda

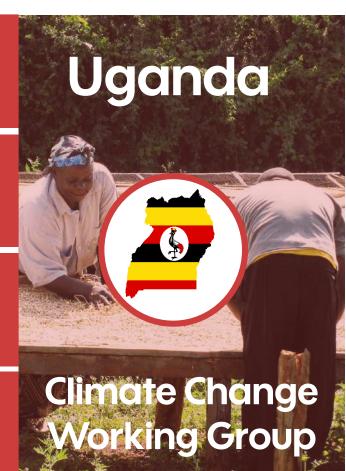


Survey conducted

Discussion with interested survey stakeholders

Direct outreach in countries to discuss tangible projects

Get committment





WHERE WE'RE AT

Get to know climate resilience indicators and monitoring & evaluation tools for CSA and understand how they can be used to monitor supply chain risk and resilience building.

 Understanding climate change and the coffee sector

2. How is climate change affecting my supply chain?

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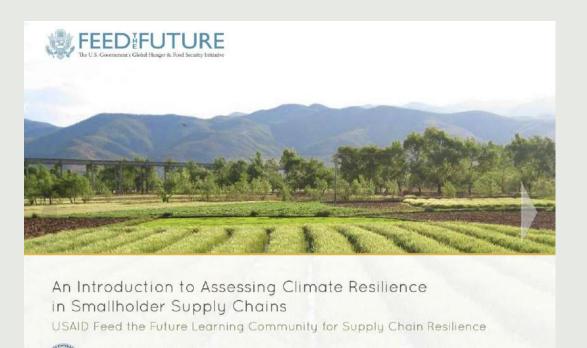
4. How can I scale up CSA?

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Assessing Climate Resilience in Smallholder Supply Chains



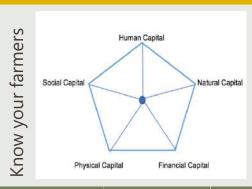
To read the full Guide, visit: https://sustainablefoodlab.org/5612-2/

5 Steps to Measuring Smallholder Resilience



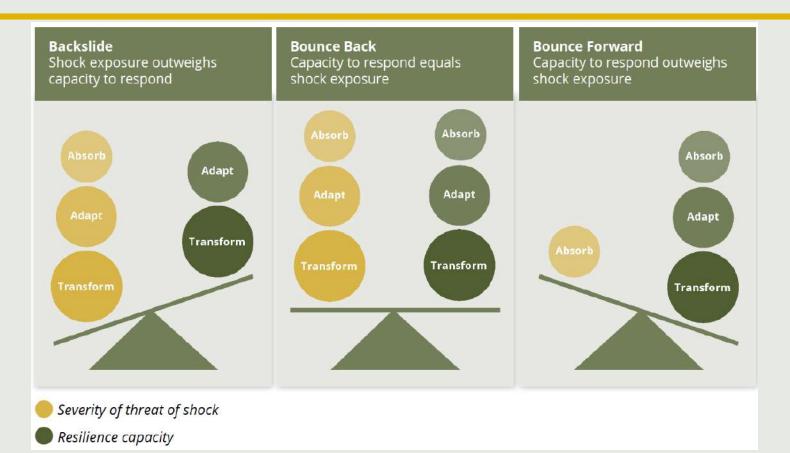
Steps 1-2: Know your risk and know your farmers





		Financial Capital	Human Capital	Natural Capital	Physical Capital	Social Capital
	Absorptive Capacity	Net income/ poverty level	Food security and nutrition	On-farm soil health	Access to early- warning Systems	Access to informal safety nets
Farm Level	Adaptive Capacity	Use of credit	Use of relevant climate smart agricultural practices	Access to "climate- ready" ¹⁸ varieties of focus crop	Access to climate change projections	Access to knowledge- sharing groups re: climate change
	Transformative Capacity	Saving sufficient for on-farm investment	Innovation potential	Access to quality planting material for alternative, climate- ready crops	Access to alternative, climate-ready value chains	Quality of enabling environment

Step 3: Know your resilience in the face of climate risk



Step 4-5: Know how to build resilience and know your progress



Designing interventions with monitoring in mind makes for more effective monitoring and more successful interventions









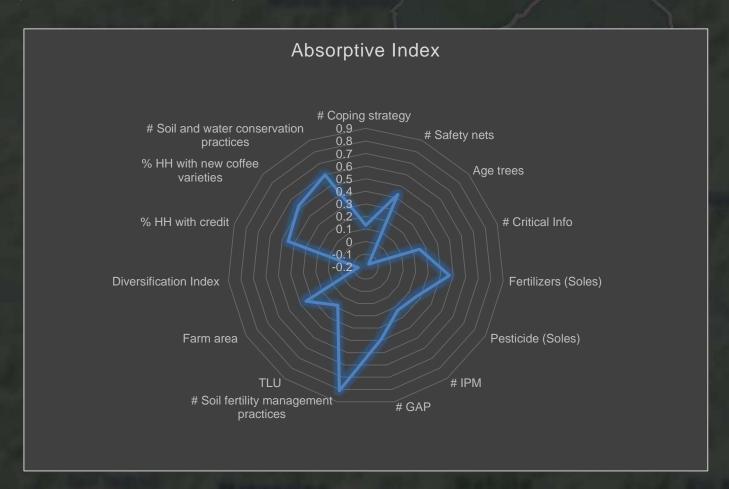


SIMPLIFY intrinsic complexity

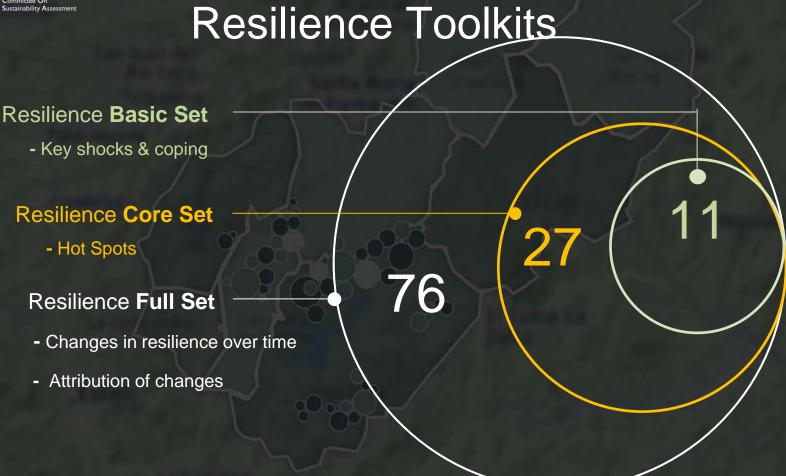
	Capacity Capital		Core Element	Indicator	Description
	Transformative	Physical	Basic Services	Access to ICT	Availability of phone, TV/radio, internet
Social	Absorptive O	Socio Political	Safety nets	Access to Informal Safety Nets	Availability of support in case of necessity (food, work, cash)
E	Adaptive	Financial	Diversification	Diversified Crops & Livelihood	Number of other crops or animal products produced for sale or consumption
Economic	Adaptive 2	Financial	Savings	Savings tools	Types of household savings tools (cash, group, bank)
E	Adaptive (Control of the Control of	Natural	Conservation	Erosion	Severity and prevalence of observed erosion on farm (in relation to slope)
Environmental	Adaptive (Adaptive	Natural	Tree Density	Forestation	Number and types of trees planted or removed and amount of land area altered



Dynamic Sustainability Indices make it easier















Resilience Tools for Landscapes











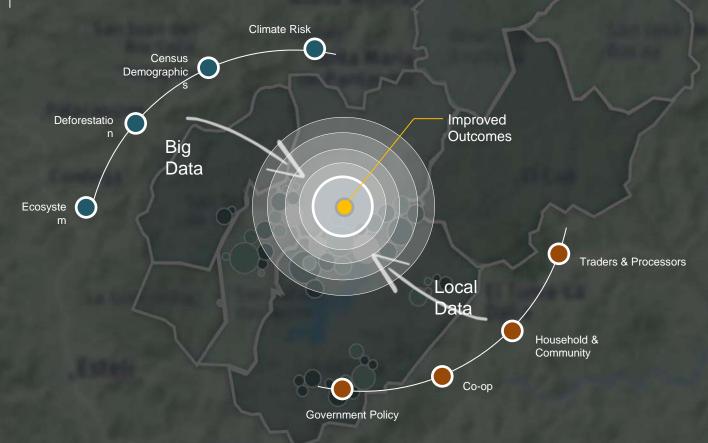




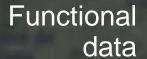


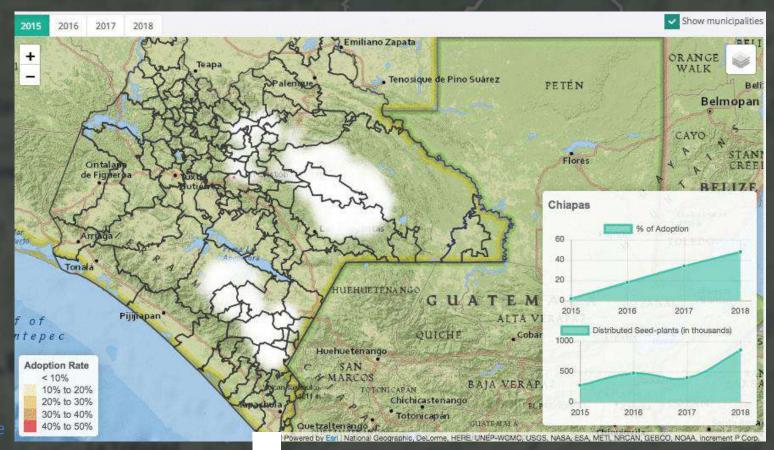


COSA Dynamic Sustainability



Dynamic Sustainability







Engaging
Stakeholders
in the Data



Objective: Practical tools for managing resilience

Pragmatic

Low cost

Simple

1

Key insights on critical points

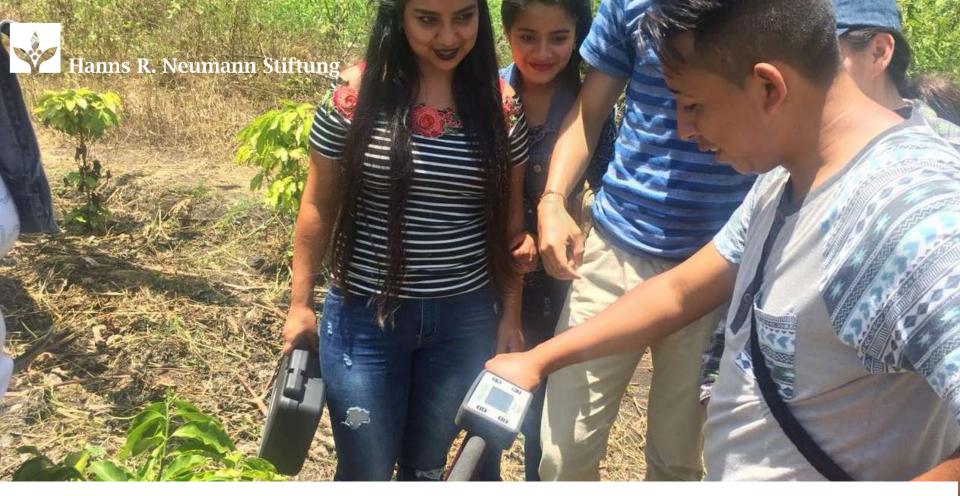
No barriers to use

3

Easier shared learning to be scaleable

Let's collaborate!

the COSA team



CLIMATE VULNERABILITY TOOL FOR COFFEE



ON-FARM CLIMATE VULNERABILITY TOOL

Assesses on-farm (agronomic) vulnerability according to:

Exposure (climate risks)

Sensitivity (on-farm conditions)

Adaptive Capacity (agronomic practices and economic characteristics)

- Survey questions are designed specifically to measure relevant conditions for coffee production. Currently, questions are tailored to the Trifinio region of Guatemala and Honduras where the tool has been developed.
- Available in SurveyCTO for data collection with smartphones





SURVEY COMPONENTS

- Farmer characterization
- Farm administration
- Technical assistance and networks
- Climate and extreme events
- Pest & Diseases
- Soil management
- Crop management
- Forest & Water

Examples of conditions evaluated in soil management:

- Slope
- Erosion
- Planting using contour lines
- Live barriers
- Cover crops





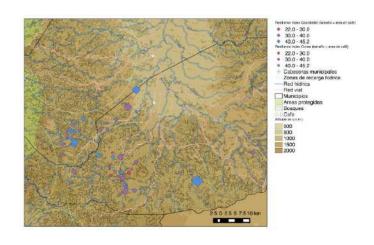
RESULTS

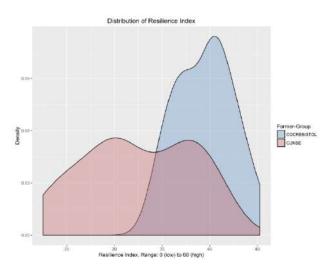
- Determine the climate events that farmers perceive are affecting them most
- Understand the climate impacts generated by the climate events
- Identify practices that farmers are adopting (or not)
- Evaluate results at farm, farmer organization, altitude, community or municipality
- Private sector is able to understand climate risks in their sourcing regions





RESULTS





c&c piloting in two coops of Honduras





OPPORTUNITIES

- Pilot the tool in your location in partnership with the ARC project
- Understand climate vulnerability in coffee production better
- Aggregate data to better understand how farmers are being affected by climate and how they are currently responding (and identify gaps)







In 2017, the GCP and Sustainable Coffee Challenge jointly developed with partners and members and launched a Sustainability Progress Framework for the coffee sector. Eight (8) common outcomes have been identified.

These include: income, access, equality, water quality, forests, purchase of sustainable coffee, productivity and quality

A set of **common metrics** were also proposed, which could facilitate collective progress measurement on key outcomes and reporting.

The GCP further facilitated **prioritization of indicators for reporting** and settled at 15 aspirational common indicators through voting, SDG rationalization and a Board advisoryworking group. The success of this reporting on common indicators very much depends on the engagement of a broad base of stakeholders.

Common indicator work is an extension of aligning how we measure the common outcomes in the Sustainability Progress Framework.



ECONOMIC (prosperity)

	issue/ core elements (focus area of sustainability)	SDG	Indicators (characteristics considered over time)
EC1	Profit	2.3	Net income from coffee
EC2	Yield	2.3	Productivity improvement to optimal target
EC3	Costs	2.4	Optimization of cost per kg to optimal target
EC4	Chain efficiency/ returns distribution	9.3	Share of FOB price to farmer
EC5	Sustainable purchases	12 december 12.6	 Volume of sustainable purchases by buyer and as a proportion of total Change in amount bought year to year







SOCIAL (improved wellbeing / livelihoods)

	issue/ core elements (focus area of sustainability)	SDG	Indicators (characteristics considered over time)
SOI	Poverty	1 thur 1.2	% of households below national poverty lines
SO2	Wages	8 contraction 8	Proportion of workers earning at least minimum wage Proportion of workers earning living wage where defined
SO3	Child labour	8 2004 May 8.7	No. of Child labour monitoring and remediation systems in regions of high risk of Child Labour No. of children identified in unacceptable labor conditions No. of instances of child labor remediated
SO4	Hunger	2 2	Number of Days Without Food
SO5	Labour practices	8 SERVICE PRINTE	No. and % of farmers trained in Labour Practices No. and % of workers trained in Labour Practices



ENVIRONMENTAL (conserve nature)

	issue/ core elements (focus area of sustainability)	SDG	Indicators (characteristics considered over time)
ENI	Forest and ecosystem protection	15.1	Area of, high deforestation risk (could be remotely checked) Area of (high) deforestation & encroachment vs baseline (or year before?)
EN2	Fertilizer use	2.4	Optimised fertiliser application based on soil analyses
EN3	Water	6 SHAWATE 6.4	Water use optimization for efficiency in litres per KG to optimal target
EN4	Pest control / hazards	12 standard account of the control o	Optimised use of pesticide/agrochemical usage through IPM
EN5	Soil	2.4	Adoption of soil management practices





- Guide on choice of areas to measure
- Help in common message of the change we are making towards sustainability
- Learn from measurement to help on our improvement strategies

STATUS

- 1. Four indicators are the first **Common Indicators** to pilot:
 - (i) Sustainable purchases-EC5,
 - (ii) Yield-EC2,
 - (iii) Wages-SO2,
 - (iv) Water use-EN3.
- 1. Only **Sustainable purchases is** piloted by all for 2018, the other three are voluntary and will be worked on in innovative ways with interested members, also to test the reporting tool. Deforestation will be innovatively looked at in collaboration with Global Forest watch
- 2. Information about all **15 high-level aspirational** Common Indicators will be shared within membership and sector for orientation and further consultation. The application of the further indicators (beyond the above four) has no fixed time period. Their composition might change as a result from pilot projects.

35

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A NEW WAY OF THINKING

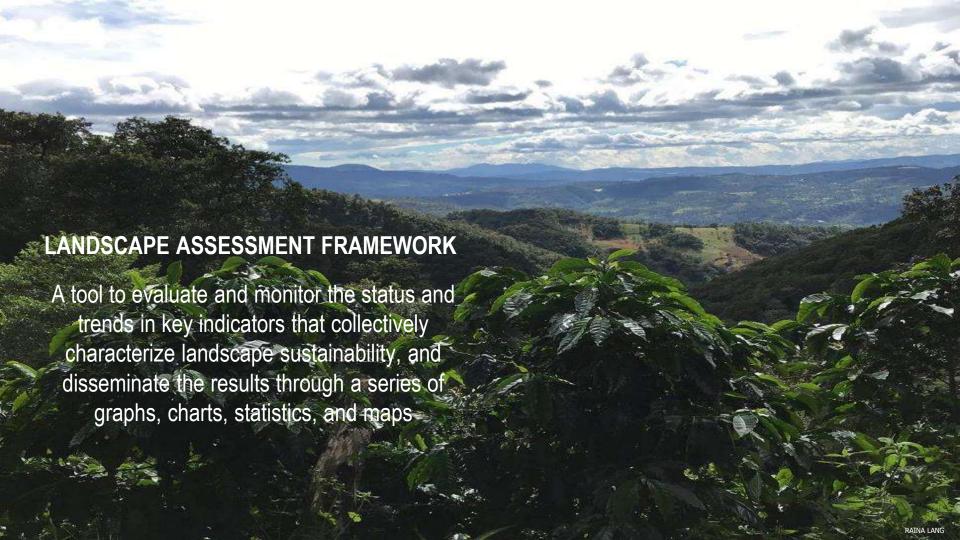


IN A SUSTAINABLE LANDSCAPE

- Natural ecosystems and resources are conserved or restored
- Agricultural systems are economically viable and resilient to climate change
- Rural livelihoods and well-being of all social groups are improved
- Local decision-making processes are inclusive and equitable

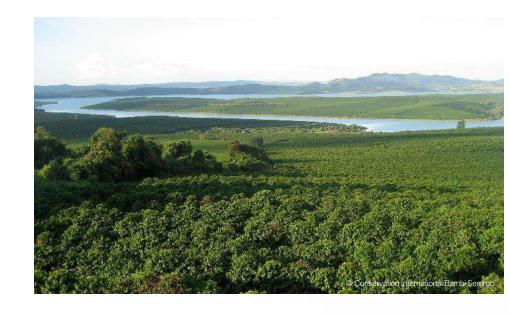






STEPS

- A desk review of existing data
- The creation of an online dashboard to present initial findings
- A field visit to the landscape, which includes interviews with local actors as well as ground truthing of satellite images
- An analysis of the landscape and production presented in a summary card.

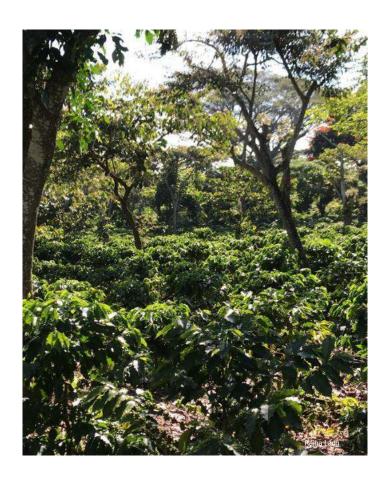






OCOTEPEQUE, HONDURAS

- Mountainous region in western Honduras with approximately 150,000 residents.
- Relatively dense forest cover
- Continued deforestation due to agricultural expansion and urbanization.
- Agriculture, esp. coffee, is the primary economic activity.
- Part of the Trifinio Biosphere Reserve, which spans portions of Honduras, Guatemala, and El Salvador.

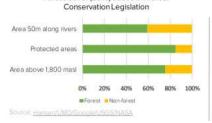


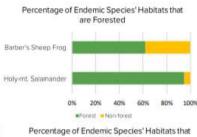
OCOTEPEQUE RESULTS

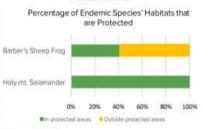
LAND USE CHANGE



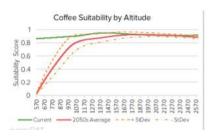


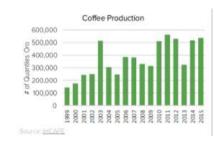




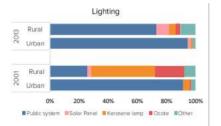


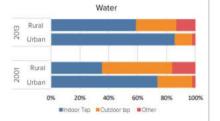
PRODUCTION

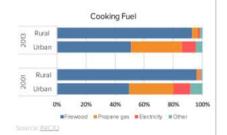




HUMAN WELL-BEING



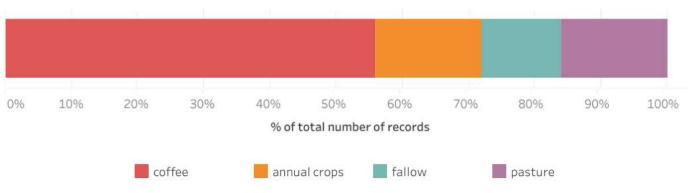




FOREST LOSS

In Ocotepeque, 57% of land that was previously deforested now has coffee growing on it.

Post-deforestation land use in Ocotepeque



The post-deforestation data was created by generating 50 random points within the area that had forest loss since 2000. Those random points were visually classified using high-resolution images. Approximately 20% of the points were verified on the ground; the accuracy was 80%.



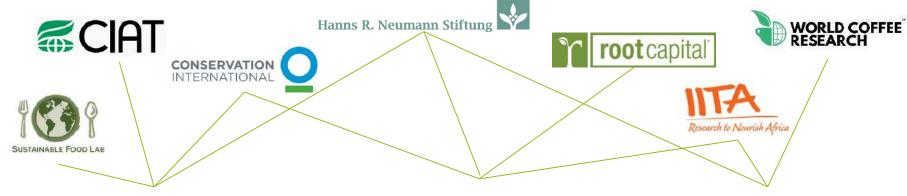
IDENTIFIED NEEDS

- More efficient cook stove program to reduce dependency on firewood
- Reforestation of areas above 1800masl and within 50 m of rivers to improve compliance with forest policies
- Fire control to avoid forest and coffee losses
- Potential for youth-targeted programs to sustain coffee production
- Promote farm renovation to optimize productivity and reduce climate vulnerability
- Technology to streamline data collection
- Promote crop diversification to reduce vulnerability



Questions & Answers





Climate Risk Analysis

- Country Risk Profiles
- Landscape Assessments
- On-Farm Climate Vulnerability Assessments

CSA Implementation

- coffee&climate Approach
- Stepwise Investment Pathways

Testing & Research

- On-Farm Technology Trials
- Farmer Segmentation Analysis



HOW TO WORK WITH ARC: KNOW WHAT YOU WANT?

- A la carte: Apply one or more tools within your supply chain(s).
 - We'll do the heavy lifting.
- Combo platter: Incorporate one or more tools into your own sustainability approach (in one or more locales).
 - We'll work side by side with you, to make sure our tools fit in seamlessly with your existing work.
- The whole enchilada: Develop a full project with us, from start to finish.





HOW TO WORK WITH ARC: NOT SURE WHAT YOU WANT?

- Help us expand our reach within Honduras, Guatemala and Uganda with more farmers and more CSA activities
- Choose your own farmer organization(s) and locations for us to launch CSA activities

GCP and ARC are aligned on this approach
As lead organization of ARC, HRNS will coordinate on behalf of the consortium.

Contact **Kate Selengia** (<u>katherine.Selengia@hrnstiftung.org</u>) to get the conversation started.







Next Modules

Duration: 75 minutes per module **Time:** 3pm CEST | 9am EDT | 6am PDT

1	June 7 th	Understanding climate change	Introduction
2	June 12 th	How is climate change affecting my supply chain?	Risk Profiles
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6	October 25 th	How can I convince my company and others to invest in CSA?	Business Case
7	November 8 th December 6 th	How can collaboration work? Bringing action to origin!	Collaboration

Link to <u>CSA Learning Series</u>

Participants in Module 5

Susan	Mcdonald	Global Bright Future
PedroF.Gonzalez		Café de Colombia
Marcus	Laws	NCBA
Hubert		COSA
Fredeline	Joseph	
Raina	Lang	Conservation International
Sylvia	Calfat	COSA
Louise	Salinas	COSA
Fernando	Rodriguez	CGIAR
Patrick	Kerr	COSA
Pablo	Fernandez Kolb	CIAT
Elena	Serfilippi (COSA)	COSA
Elizabeth	Teague	Root Capital
Tessa	Meulensteen	IDH
Martin	Kangi	Ecom Trading
Lydia	Namutebi	Ecom Trading
Kim	Elena Ionescu	SCA
Jerónimo	Bollen (Sustainable Harvest)	Sustainable Harvest
Pavel	Muñoz	COSA
Jan	von Enden	Hanns R. Neumann Stiftung
NapoleónMolina		Rikolto
Paloma	Silva	Louis Dreyfus
Graham		Sustainable Innovations
Lars Wehmeier		Niehoff Kaffee







CSA Learning Series



Kealy Sloan
Sustainable Food Lab
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Katherine Selengia
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Caroline GlowkaGlobal Coffee Platform
glowka@globalcoffeeplatform.org



Understand, Design,
Act:
Climate-proof your
supply chain

Module 6:

How can I convince my
company and others to work
on CSA?

25. October 2018

Module 5: How can I convice my company and others to in CSA?



Kealy SloanProject Manager
Sustainable Food Lab



Monica Firl

Director of Sustainability

CoopCoffees



Mark Lundy
Theme Lead, Sustainable Food Systems
International Centre for Tropical Agriculture



Piet van Asten

Agronomy Head –

Coffee Plantations – Vice President

Olam International



Meredith Taylor
Sustainability Manager
Counter Culture Coffee













If you want to comment or ask questions

2. Use the Q&A box



To place your questions and get feedback from to the panelists

3. Your mic is silenced



To avoid undesired background noises. But you can raise your hand to speak!

4. Remember



This session is being recorded for archive purposes



Path to Collective Action

Introduction

Risk Profiles

Tools

Scale

Monitoring

Business Case

Collaboration

Building Common Ground

Understand

Design

Act

Collective action at origin!





Uganda

Opportunities in Honduras and Uganda



Western Honduras

Survey conducted

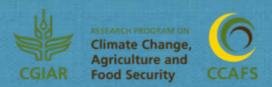
Discussion with interested survey stakeholders

Direct outreach in countries to discuss tangible projects

Get committment







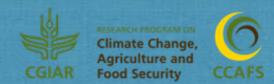
Challenge

Sector actors need to build systems that meet increasing demand while remaining profitable and sustainable in the face of climate change. Long-term investments needed for adaptation do not always align well with business models and funding cycles, especially when prices/margins are low

Climate Smart Agriculture

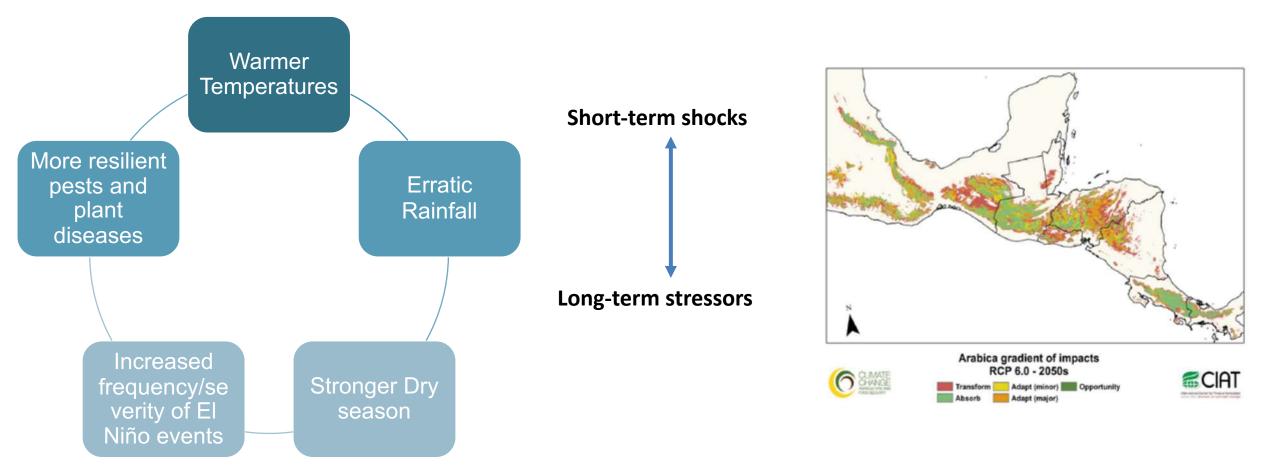
- 1.) Productivity: increasing volume produced
- 2. Adaptation: Enhancing resilience of producers and supply chains
- 3.) Mitigation: Reducing Emissions







ADAPTATION: Climate change impacts **coffee** *producers* in both the short and long-term

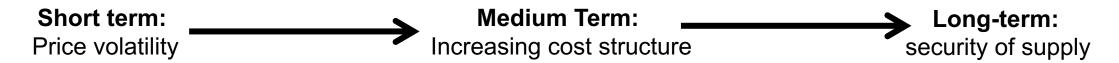






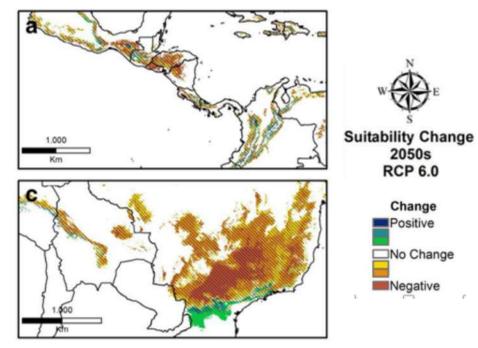


ADAPTATION: Climate change impacts coffee companies in the short and long-term





Financial Times, "Coffee Industry Warned of Volatile Prices" April 2017

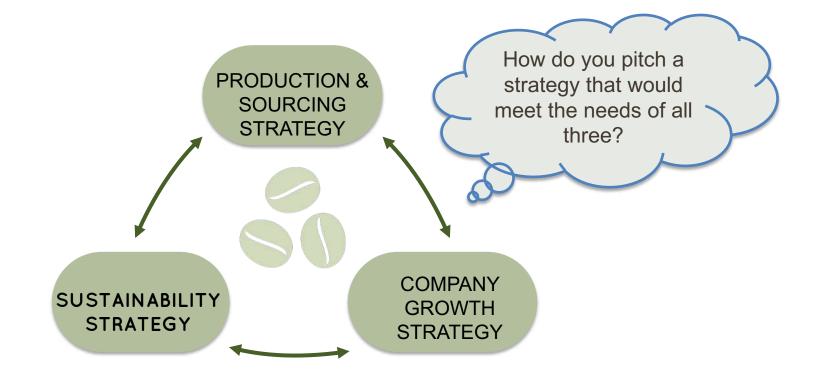


Bunn, C., Läderach, P., Ovalle Rivera, O. et al. Climatic Change (2015) 129: 89. https://doi.org/10.1007/s10584-014-1306-x



Approach

Connect climate change with the bottom line of coffee business





How are other food and beverage companies looking at investing in climate change adaptation?



From 2016-2017 interviews conducted by Sustainable Food Lab



The challenge

Shifting sourcing regions is a current strategy to mitigate risk, but in the future, there will be fewer places to which one can shift.

Ellen Silva, General Mills





The potential payoff

Carbon is at the heart of livelihoods. When soil is depleted, when there is erosion and deforestation, the result is poverty. If we develop sustainable farming practices...we can have a double impact on poverty reduction and the climate.

Bernard Giraud, Groupe Danone





The need for collaboration

The point is to get to a critical mass of activity to move the needle on challenges you can't solve by yourself.

Duncan Pollard, Nestle





The Business Case

More CEOs understand the topic, and that the cost of inaction is higher than the cost of action. As a result, the industry is galvanizing and organizing itself.

Paul Polman, Unilever

From WeMeanBusinessCoalition.org



Northwest of the cocoa belt will no longer be suitable for cocoa.

Without adaptation, farmers will give up cocoa or lose their crop to drought.

Annual losses of 60-100%.

In traditional cocoa regions climate will remain suitable but hazards have to be expected.

Without adaptation, increased pest and disease pressure, and drought cause

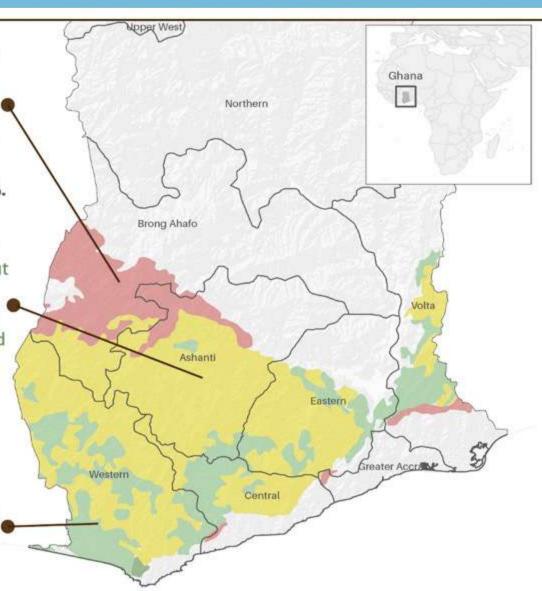
losses of 30-50%.

Western region

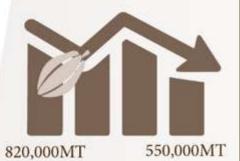
Climate will remain highly suitable.

Without adaptation, increased pest and disease pressure causes

losses of 10-20%.



Cocoa production can only be sustained with a well-directed adaptation effort



Potential losses amount to 1/3 of current production, or 270,000 metric tons.





Sustainability of Supply, Reputation and Quality are key drivers for CSA investment







General Drivers for Sustainability and CSR investments

SHAREHOLDER/ CUSTOMER
PRESSURE
BUYER REQUIREMENTS
LICENSE TO OPERATE
LEGAL COMPLIANCE

CO-FUNDING OPPORTUNITIES
AVOIDED REGULATION
IMPROVED LEGISLATION
IMPROVED STAKEHOLDER RELATIONS
NGO ADVOCACY
COST SAVING

Decide on your entry point to start the conversation on climate risk and resilience

Entry points vary for different companies



















What role does your company play?



1. Direct Service Providers: Providing in-depth, holistic direct farmer services.

What are the most serious weather related challenges farmers face and what are the corresponding climate smart **practices** to promote resilience? How do you get farmers to adopt these **practices**?



2. Collaborators: Sharing the burden of service provision via collaboration.

How to leverage resources to provide knowledge and support to build climate resilience strategies?



3. Catalysts: Sparking action in the sector at a high level with a light touch on-the-ground.

What are the major climate risks that farmers face in the long-term and what are the **enablers** needed to build resilience? How do we get the information and resources to farmers/service providers across geographies?



Climate adaptation concerns the entire value chain

implemented on-farm to adapt to current climate variability (and to a lesser extent, prepare for climate change)

- Cover crops
- Shade management
- Distancing
- Trenches

Strategies

implemented on- and off-farm, within the producer organization, community or supply chain, that adapt to current & future climate



- Choosing resilient varieties
- Changing processing methods

Enablers

supported by actors on- and offfarm to establish the conditions needed to implement CSA strategies and to adopt CSA practices



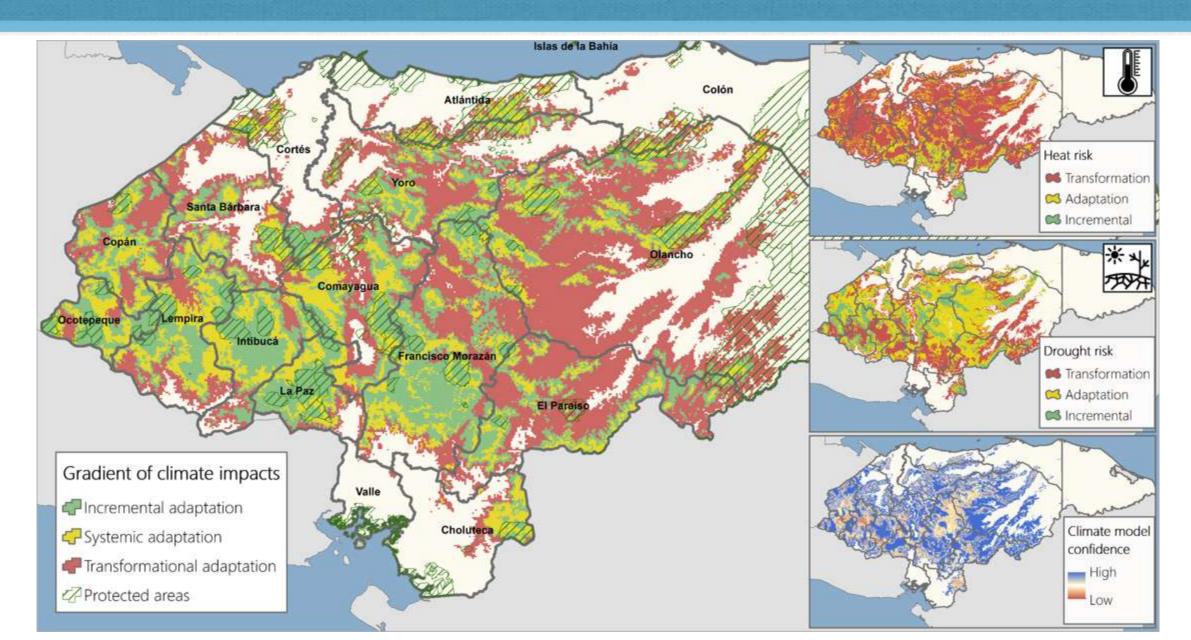


- Weather stations
- Innovations in payment terms to promote CSA





Understand the climate risk faced in your company's supply chain(s)

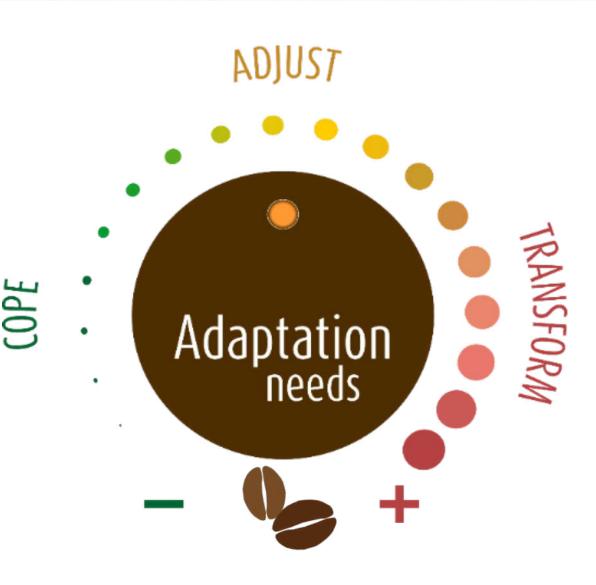


Incremental adaptation where climate is most likely to remain suitable and adaption will be achieved by a change of practices and ideally improved strategies and enablers

Systemic adaptation where climate is most likely to remain suitable but with substantial stress through comprehensive change of practices accompanied by changes of strategy and adequate enablers

Transformational adaptation

where climate is likely to make coffee production unfeasible, will require a focus on strategic change and adequate enablers as practices alone may be uneconomical





SYSTEMIC CHANGE



FARMER

Irrigation, novel varieties, novel soil management



PRODUCER ORGANIZATION

Good governance, transparent pricing & payment mechanisms, extension & credit



TRADER

Good governance, transparent pricing & payment mechanisms



Traceability, transparent

pricing & payment mechanisms



Practices

Strategies

On-farm diversification (e.g. new crops for subsistence or commercial use), different processing methods

CSA adapted extension services, low-water processing, access to adapted germplasm, product diversification

Process-based differentiation (i.e. voluntary certifications), carbon insetting, volume incentives

Process-based differentiation (i.e. voluntary certifications), carbon insetting



Crop insurance (drought, hail), access to finance to support adaptation

Adapted germplasm (WCR), weather stations information, knowledge management, crop insurance (drought, hail), access to finance to support adaptation

Access to adapted germplasm (WCR), information, knowledge management, crop insurance (drought, hail), access to finance to support adaptation

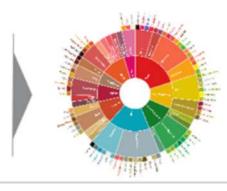
Earmarks for WCR, information & knowledge management, transparent trade & payment processes, carbon insetting





Understand how the coffee segment affects strategy design



















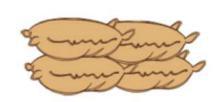


















How three companies approach investment in climate-smart agriculture









- Counter Culture drivers for CSA investment: Quality and Protection of long-term supply
- Quality investment strategy:
 Reduce farmer risk





- Sustainability investment strategy: Farmer-identified interventions
- Goal: Build price of CSA practices into price for coffee

- Challenges:
 - How much does it cost to do x practice?
 - How do you know x practice is being done?
 - Price traceability
 - Measuring ROI when the goal is avoided loss



FAIR, ORGANIC, DIRECT

... a green coffee importing cooperative, committed to building and supporting "Fair and Direct" trade relationships that benefit small-scale farmer families, their communities and exporting organizations.





RISING TEMPERATURES AND ERRATIC WEATHER CAUSE MASSIVE LOSS OF PRODUCTION CAPACITY IN COFFEE GROWER REGIONS



- Of the 25 million coffee farmers/workers around the world, the vast majority are smallholders and depend almost entirely on coffee for their livelihood.
- Recent industry research predicts, some 50 % of current coffee regions would no longer be suitable for production by the year 2050, due to climate change.



COOP COFFEES "CLIMATE ENGAGEMENT" TIMELINE



2013 - 2014

Jan to March: devastation seen during staff and roaster travels, and reports back from producers; June to July: BoD proposal and vote agreeing to set a .05/lb "Roya Premium"-raised nearly \$45K in 6 mos; Aug to March: funds support 10 projects based on proposals submitted by producers.

INVITED TO JOIN COFFEE FARMER RESILIENCY FUND



2014 – 2017 with Root Capital / Progreso Match Fund

CC invests \$300,000 leveraged to some \$635,000 supporting 11 producer cooperatives in five countries – with projects such as: field renovation, learning and exchange around improved and regenerative organic practices, and hiring organically trained and orientated agronomists to strengthen producer coops' technical teams.

FRAMING OUR WORK TO ENGAGE WITH GLOBAL ISSUES



2017 - 2020

The "Carbon, Climate and Coffee Initiative" is becoming an important part of our collective identity. Generating a producer support fund through a .03/lb "Carbon Tax" on all imports, allows us to invest in ecological solutions to climate challenges, and is an example of genuine commitment take responsibility for our carbon footprint, while supporting local communities — both at home and abroad.



WORKING TOGETHER FOR A BETTER FUTURE IN COFFEE

For more information, please visit:

www.coopcoffees.coop



How does Olam invest in CSA?



- Train farmers through our own field teams
- Provide some knowledge/inputs/credit go digital
- Provide access to knowledge through our LBAs
- Through R&D in our own coffee plantations & upstream
- Leverage partnerships (CCAFS, SFL, Univ, NGOs)



Why do Olam teams invest in CSA?



- Olam visibility as leader sustainability
 - Leadership vision because it's the right thing
 - Customer demand stickiness and premiums
 - Shareholders create long term value
- Improving stakeholder relations in sourcing area 'license'
- Co-funding opportunities to access knowledge/services



Resources

- Climate-Smart Coffee in Honduras country brief https://cgspace.cgiar.org/handle/10568/97530
- The economic case for climate action in West-African cocoa production Cost of Inaction Ghana https://cgspace.cgiar.org/handle/10568/97167
- Impact of climate change on coffee in Central America https://cgspace.cgiar.org/handle/10568/93348
- A Bitter Cup: climate change profile of global production of Arabica and Robusta coffee https://cgspace.cgiar.org/handle/10568/53031

Sadler, M. 2015. The Role of Resilient Supply Chains in the Face of Climate Change



INCREMENTAL CHANGE





PRODUCER ORGANIZATION



TRADER



ROASTER



Cover crops, fertilizers, **GAP**

Good governance, transparent pricing & payment mechanisms, extension & credit

Good governance, transparent pricing & payment mechanisms Traceability, transparent pricing & payment mechanisms



Strategies

Organic matter management within the farm, conservation of riparian areas

CSA adapted extension services, improved processing & post harvest, access to adapted germplasm

Product differentiation, carbon insetting

Product differentiation. carbon insetting





CSA extension, weather stations for better forecasting, carbon insetting, incentivizing process vs quality

Quality differentials, cupping labs, CSA credit (R&R), access to adapted germplasm (WCR), weather stations information, knowledge management

Price differentials, access to adapted germplasm (WCR), information, knowledge management

Consistent price differentials, earmarks for WCR, information & knowledge management, transparent trade & payment processes



TRANSFORMATIVE CHANGE



Practices



Strategies





adapted non-coffee crops

Diversify livelihood strategies

away from farming or out of

Switch to robusta, better



PRODUCER ORGANIZATION

Good governance, transparent pricing & payment mechanisms, extension & credit for non-coffee crops

access to technologies and

relationships

Identify new crop options, provide

training, build new commercial



TRADER

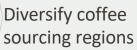
Good governance, transparent pricing & payment mechanisms for non-coffee crops



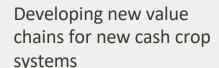
Traceability, transparent pricing & payment mechanisms for declining / disappearing coffee

production

Identify new commercially viable crops to replace coffee



sourcing regions



farming entirely

Market information, commercial contacts with noncoffee buyers

Market information, commercial contacts with noncoffee buyers, access to adapted production technologies, credit and crop insurance

Information on other viable coffee regions for quantity and quality requirements



Questions?



Next Modules

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CSA Learning Series



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