

Global Coffee industry experts urge public-private collaboration to invest in regenerative agriculture

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In a round table organised by illycaffè at the UN Headquarters in New York on the occasion of the Ernesto Illy International Coffee Award 2023, was attended by some of the world's leading experts in the sector.

Vanusia Nogueira, Executive Director, International Coffee Organization, Andrea Illy, chairman of illycaffè and co-chair of Regenerative Society Foundation, Jeffrey Sachs, economist and co-chair Regenerative Society Foundation, Oscar Schaps, President of the Latin America division of Trading StoneX Financial Inc. and commodity trader, and Glaucio De Castro, President of Federação dos Cafeicultores do Cerrado Mineiro.

The situations of coffee producing countries around the world vary, but two common factors loom over the future of coffee production: social development and the need to adapt to climate change. Coffee production has traditionally been a mainstay of agriculture for millions of people living in tropical mountainous areas: about **12.5 million farms**, run by small farmers, work on a few hectares of land. Ninety-five per cent of these do not exceed five hectares and **84%** have an area of less than two hectares. Coffee producers often have little alternative to growing this product, which creates a considerable dependency for the exports of many countries. However, over the past two decades, low and volatile coffee prices have had a worrying impact on farming communities. According to Coffee Barometer, this is particularly relevant for producers in countries that contribute **15%** of global volumes, such as those in Africa and Central America. Now, the remarkable improvements that coffee culture has nevertheless achieved in recent decades through the process of 'de-commoditisation' - improvements that still have a long way to go before achieving economic, social and environmental sustainability - are at risk of being reversed due to climate change.

The direction that emerged from the round table points towards regenerative agriculture, which has proven to be more resilient and to produce both environmental and health benefits, although it requires investments in the order of **Â\$10 billion** over the next ten years. Therefore, since producer countries do not have sufficient economic-financial capacity, it is necessary to activate private public partnerships that can mobilise international supply chain funds. This is a major challenge, which has already engaged the most important governmental, intergovernmental, non-governmental and private stakeholders for some years now.

EconomistÂ Jeffrey Sachs. "True economic development aims to transform our society by creating sustainable increases in wellbeing through investments in human capital, physical infrastructure, and business enterprise, all with attention to the preservation of natural capital on which our economy and survival depend. After decades of severe human-induced environmental degradation, we need to transform our economies to the core principles of sustainable development and the regeneration of natural capital. The most basic principle of all is to act for the common good. This means that we must start from cooperation within our communities, our nations, and globally".

"Two things are needed for adaptation to climate change: improved agronomic practices and the renewal of plantations with more resistant varieties. Regenerative agriculture seems to provide an answer to the first need, and I hope that this will become a model for the whole coffee culture. As far as renewal is concerned, we need to speed up considerably," says **Andrea Illy**. 'All this requires supply chain investments that cannot be delayed any longer.