



CLIMATE CHANGE ALREADY HITTING WORLD COFFEE & TEA FARMERS HARD

Three-year initiative shows adaptation is imperative but solutions are obtainable

12th October 2009: Climate change is already wreaking havoc for the world's coffee and tea growing regions, and sustainable adaptation is now the only option to safeguard millions of lives, according to experts.

The next decade will see existing climatic conditions become increasingly chaotic, making many of the areas in which crops are currently grown unsuitable.

This bleak forecast has emerged from an initiative known as AdapCC, a three-year collaborative project undertaken by Cafédirect, the ethical hot drinks pioneer and the German Technical Cooperation (or GTZ). Focusing on four key grower regions around the world, this unique initiative has created replicable examples of how smallholder farmers can successfully cope with the impacts of climate change and improve their access to financial and technical support.

The projection coincides with a drought-driven record spike in Kenyan tea prices, as well as instances of decline in annual coffee harvests across the world this year:

- 50% of national harvest lost in Nicaragua due to extreme weather¹
- 30% national fall expected in Peru – third largest producer in South America²
- 40% of national crops in Uganda damaged by rainfall³
- 28% fall in national coffee exports from Ethiopia, Africa's largest producer of beans⁴

Coffee and tea production are among the first and most serious agricultural casualties of climate change, because crops tend to grow only within a very limited subtropical climatic range. Rising temperatures and changing patterns of precipitation will have a devastating impact for many countries – such as Kenya, Uganda, Ethiopia, Brazil, Peru, Mexico, Nicaragua – that depend on tea and coffee as a vitally important export. And many regions are already suffering its serious effects. It is estimated that a change of only 1C would cost the world's biggest coffee grower, Brazil, more than \$113m per year⁵.

Since coffee has an upper temperature limit, after which yields dramatically decline, growers are being forced to ever-higher altitudes, rising on average by 3-4 meters per year. AdapCC research conducted on the pilot areas in Peru, Nicaragua and Mexico predicted a rise of up to 2.5 degrees Celsius with mean annual rainfall rising in Peru, but falling by up to 150mm in Nicaragua and Mexico.⁶

¹ Lack of rain affects bean, El Financiero, Gustavo Bustamente, March 2009

² Coffee production in Peru should fall 30 per cent in 2009, Reuters, Dana Ford, May 2009

³ Uganda: Hostile weather hurts coffee volumes, revenue, The Monitor, Dorothy Nakaweesi June 2009

⁴ Ethiopian coffee exports fall to six-year low after drought, Bloomberg, Jason McLure, July 2009

⁵ Climate change threatens Brazil's rich agriculture, Reuters, Raymond Colitt, May 2009

⁶ AdapCC, 2009



The AdapCC research has shown a link between yields and increasingly unpredictable rainfall and temperature patterns. As a result of these changes, the quality and quantity of yields is predicted to decrease across each of the four regions.

Smallholder growers, by whom the majority of the world's coffee is farmed, will without doubt be worst affected. Calculations suggest that growers in some regions could see their annual incomes slashed by up to 90%⁷ over the next decade and a half.

Developed over three years, in four countries – Kenya, Mexico, Peru and Nicaragua – AdapCC is the first programme of its kind to pioneer a regionally-specific practical response to climate change. Working with a coalition of local producers and international experts in each region, AdapCC has worked directly with the grower communities to collaboratively develop a range of technical and financial strategies to cope with increasingly chaotic farming conditions. In some regions (Kenya) this means diversifying into other crops, such as passion fruit, using land to sell carbon credits (Peru), improving water planning or cultivating native tree species to bind soil structures and prevent mudslides.

Experts estimate \$75bn is needed to fund adaptation in developing countries per year, according to a report by the World Bank published this month. International commitments to provide the necessary resources are still currently vague.

Commenting on AdapCC, Wolfgang Weinmann, Head of Strategic of Development, Cafédirect said, "Climate change is real, it's happening right now, and its effects are most severe for those least equipped to deal with them.

"Over past three years, we've worked with growers around the world, all of whom are dealing daily with a phenomenon that necessitates immediate adaptation, not just long-term mitigation. While there's no universal panacea to the problems farmers face, AdapCC has clearly demonstrated that by working directly with the grower communities, we can collectively combat the effects of climate change.

AdapCC provides replicable, region specific, and perhaps most importantly, scalable solutions that help counter the impacts of climate change. The challenge for Cafédirect and those interested in sustainable livelihoods in the developing world, is to take these findings on board and develop long-term partnerships that safeguards not only the supply chain but the interests of the grower."

AdapCC has the potential to serve as the model for successful adaptation to climate change for the millions of smallholder farmers around the world. Although the three-year pilot initiative comes to a close in February 2010, increasing interest from the likes of the Kenyan Ministry of Agriculture suggests that the wider implications of the project have only just begun.

– Ends –

⁷ German Technical Cooperation (GTZ) & CATIE, Jeremy Haggard - forecasting a decrease of annual net income per family from US\$ 500 to US\$ 50



Notes to editors:

For further information about this story, or if you would like to speak to a spokesperson, please contact:

Adam Barber / Roland Godfrey-Davies

adam@hellochalk.com / roland@hellochalk.com

020 7440 9830

About AdapCC

The culmination of a three-year public/private partnership between Cafédirect and GTZ, AdapCC has created replicable examples of how smallholder farmers can successfully cope with the impacts of climate change and improve their access to financial support.

Further information about the initiative can be found at <http://www.adapcc.org>

About Cafédirect

Founded in response to the 1989 plunge in market prices, following the collapse of the International Coffee Agreement, Cafédirect is successful and pioneering ethical business.

Providing an important link between the grower and consumer communities, the business works with over 40 grower organisations across 14 developing countries, encompassing over 260,000 farmers and directly improves the lives of more than 1.2 million people around the world.

In the past ten years, we have invested more than £3.3 million of our profits directly into the businesses and communities of our growers, and paid more than £13 million over and above market prices for our raw materials.

Pioneering grower initiatives and consumer engagements for more than 18 years, Cafédirect has developed and works to its own [Gold Standard](#), consistently setting the bar for ethical business leadership. In a report issued by Millward Brown in 2007, UK consumers voted us the most recommended brand in the nation in a survey of 2,000 companies.

Photos to accompany press release

Photos to accompany this press release can be found in the Cafédirect online News Room, in the Photo Gallery - http://www.cafedirect.co.uk/our_business/newsroom/pressgallery

Cafédirect plc Unit F, Zetland House, 5-25 Scrutton Street, London, EC2A 4HJ
T +44 (0)20 7033 6000 F +44 (0)20 7033 6001 E info@cafedirect.co.uk www.cafedirect.co.uk

A member of IFAT (International Federation for Alternative Trade). Cafédirect plc registered in Scotland.
Registered address: 24 Great King Street, Edinburgh EH3 6QN, UK Registered No 141496 VAT No 646 2626 30