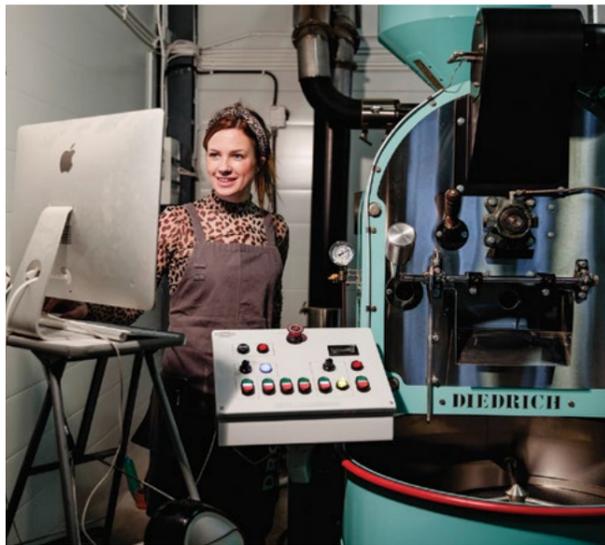


SUSTAINABILITY UPDATE: BUILDING AWARENESS OF THE COFFEE PRICE CRISIS

By Joanna Alm



Joanna Alm. Photo by Christian Gustavsson



Coffee price crisis panel debate at CRG Camp 2019. Photo by Patrick Switzer

IN 2019, AWARENESS of the coffee price crisis spread rapidly through the industry. The Specialty Coffee Association (SCA) took the lead by launching the Coffee Price Crisis Response Initiative (CPCRI), and more roasters than ever shared the FOB (free on board) prices they pay for their coffees. The SCA is publishing reports with findings and recommendations, and has held events to further awareness about the crisis among members of the coffee community. At the Coffee Roasters Guild (CRG), the voices of our members are clear—we want to pay more for coffee.

Industry stakeholders set up the Specialty Coffee Transaction Guide (transactionguide.coffee) to allow coffee producers to regain some control over the pricing of their product. With an analysis of coffee prices separated into origin, harvest, volume and SCA cupping score, producers can see the price that no less than 57 data donors have presented over the past three years. The Transaction Guide analyzed 38,070 contracts—covering 628 million pounds of specialty coffee—in just the past year. This is a massive accumulation of data that provides an indication of where prices in specialty coffee are today. One of the key observations from this data is that the quantity of lower-quality coffees (80–84 points) traded by this group of respondents declined over the past three years.

When the CPCRI conducted its analysis of the crisis, it confirmed what we already suspected—that the value distribution in the coffee chain is uneven. When the coffee business is thriving, those who are working on the green coffee production side benefit less than green coffee buyers and roasters. Conversely, the coffee price crisis has less of an impact on the business of green coffee buyers or roasters than on the farmers, millworkers and producers.



Coffee price crisis panel debate at CRG Camp 2019. Photo by Patrick Switzer

It is also widely known today that the uneven value distribution involves more than just monetary value. Do you have insurance if you get sick or hurt yourself at work? Do you have the same rights as your colleague? How tenuous is your living situation on your income? Of course, it would not be possible to improve these values without paying proper prices for coffee, but these values are also key to sustainable coffee production.

The specialty coffee industry deserves kudos for taking responsibility and having the courage to speak up about unsustainable coffee prices, but there is no magic bullet that will fix the value gap in coffee. Providing education, building awareness and ensuring transparency are only the first steps.

The industry has many challenges ahead when it comes to attaining sustainable prices for coffee. In 2020, we will certainly gain even more knowledge from initiatives such as CPCRI and the Transaction Guide. The cost of living study that is being conducted by Fair Trade USA, the brave action plan of CPCRI, and transparency reports are taking our understanding to a new level. If we can see the real prices for coffee—what it would cost in different countries to produce coffee at a secure standard, where every worker is secured, where the pickers are not brought in from a neighboring country for lower costs, where workers have

security in the violent areas, and where everyone has access to clean water and electricity—we can begin to see a sustainable future for coffee.

For specialty coffee roasters, this has been a starting point—a new way of looking at the situation that we cannot ignore. We are walking into the new year aware that coffee prices are too low, and every one of us roasters should take responsibility for the coffee we are buying. It is going to take hard work and a lot of courage—now and in the next 10 years. I am super excited to see where the next decade may take us toward a more even value distribution, with coffee priced as it should be.



FLAMEKEEPER is a column by the Coffee Roasters Guild. To learn more, visit crg.coffee.

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