

Value chain development and rural livelihoods in the Indonesian specialty coffee sector

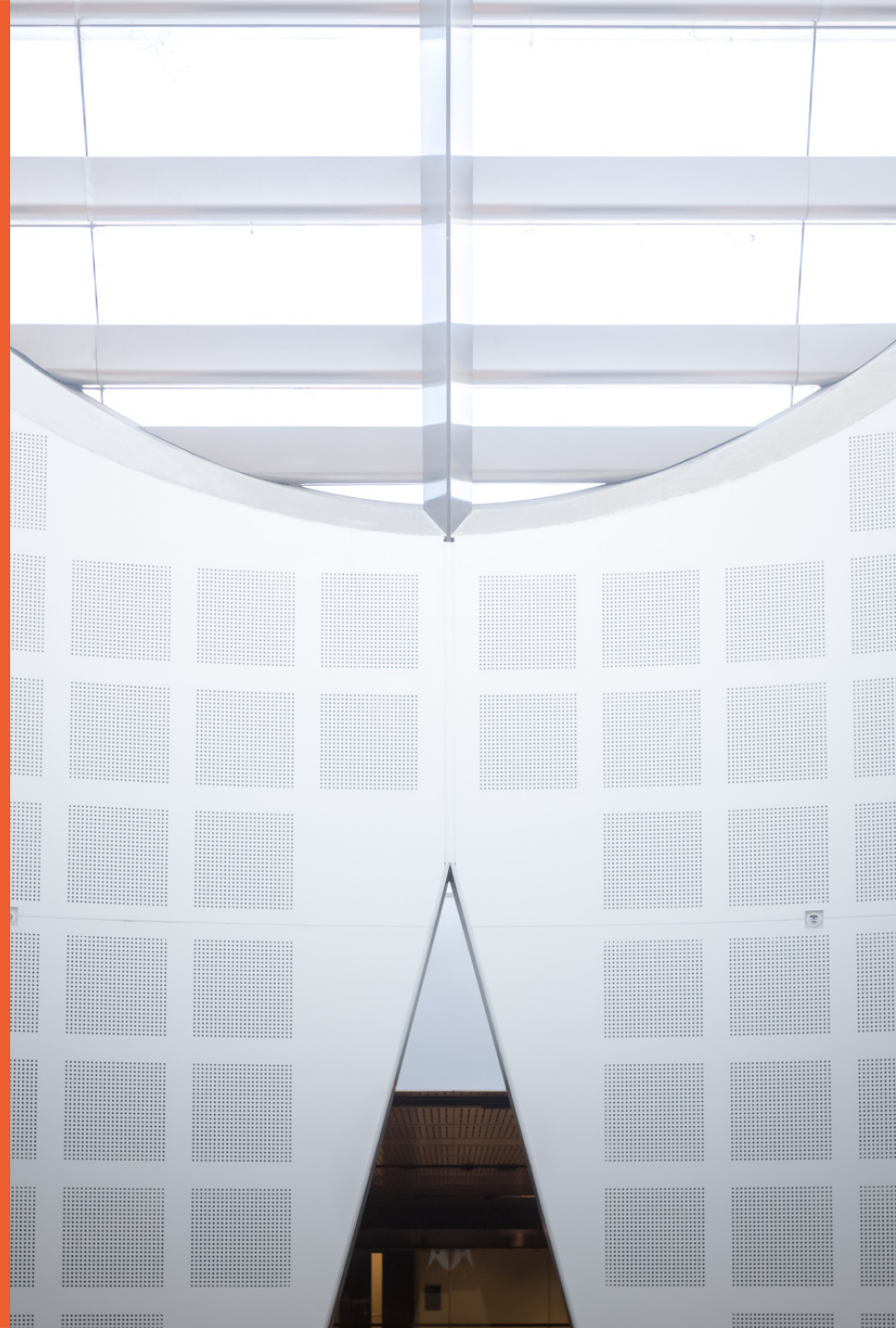
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What are the livelihood and sustainability impacts of value chain interventions in specialty coffee?

Opportunities:

- Growing consumption of specialty coffee
- Production of Arabica is dominated by smallholders in Indonesia
- A number of different interventions and value chain models being enacted by different actors (roasters, NGO's, government)

Challenges:

- Rural poverty
- Sustainability (CBB, yields, climate, extension)
- Limited knowledge of the livelihood impacts of various interventions on rural households

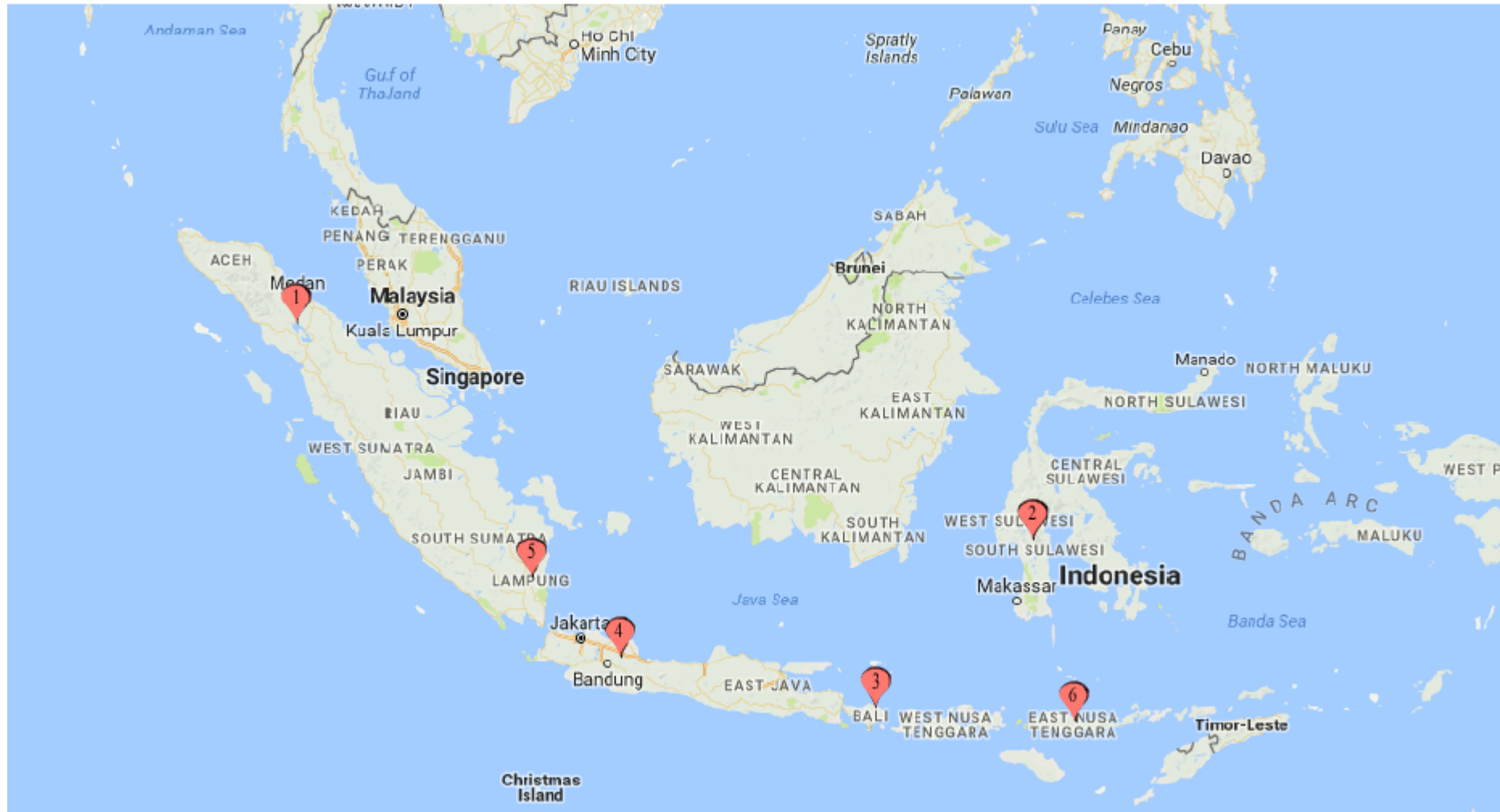
Our research

Evaluating three different value chain interventions:

- Third party certification schemes (e.g. Utz, Rainforest Alliance, CAFÉ Practices)
- Relationship coffee
- Geographical Indications (GI)



Our research sites



Case study: Sustainability certification schemes in North Sumatra

- Intervention by Medan-based exporter to certify coffee growers in Sidikalang area of North Sumatra (Utz & CAFÉ Practices)
- Aims: Secure supply and market access, achieve sustainability, eliminate harmful growing practices, improve farmer livelihoods
- Baseline survey in 2012 (100 target, 100 control), follow up survey in 2016



Case study: Sustainability certification schemes in North Sumatra

Results

- Major issues: low yields and CBB infestation
- Positive impacts: knowledge transfers and safety equipment

BUT

- Limited impact on price and farmer income
- Large attrition rate from target group
- Lack of appreciation for the role of coffee in local livelihood patterns, and local institutional structures

Thank you



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