



**TECHNOSERVE**  
BUSINESS SOLUTIONS TO POVERTY

# Creating sustainable coffee industries in Africa; Why won't coffee roasters just pay higher prices?

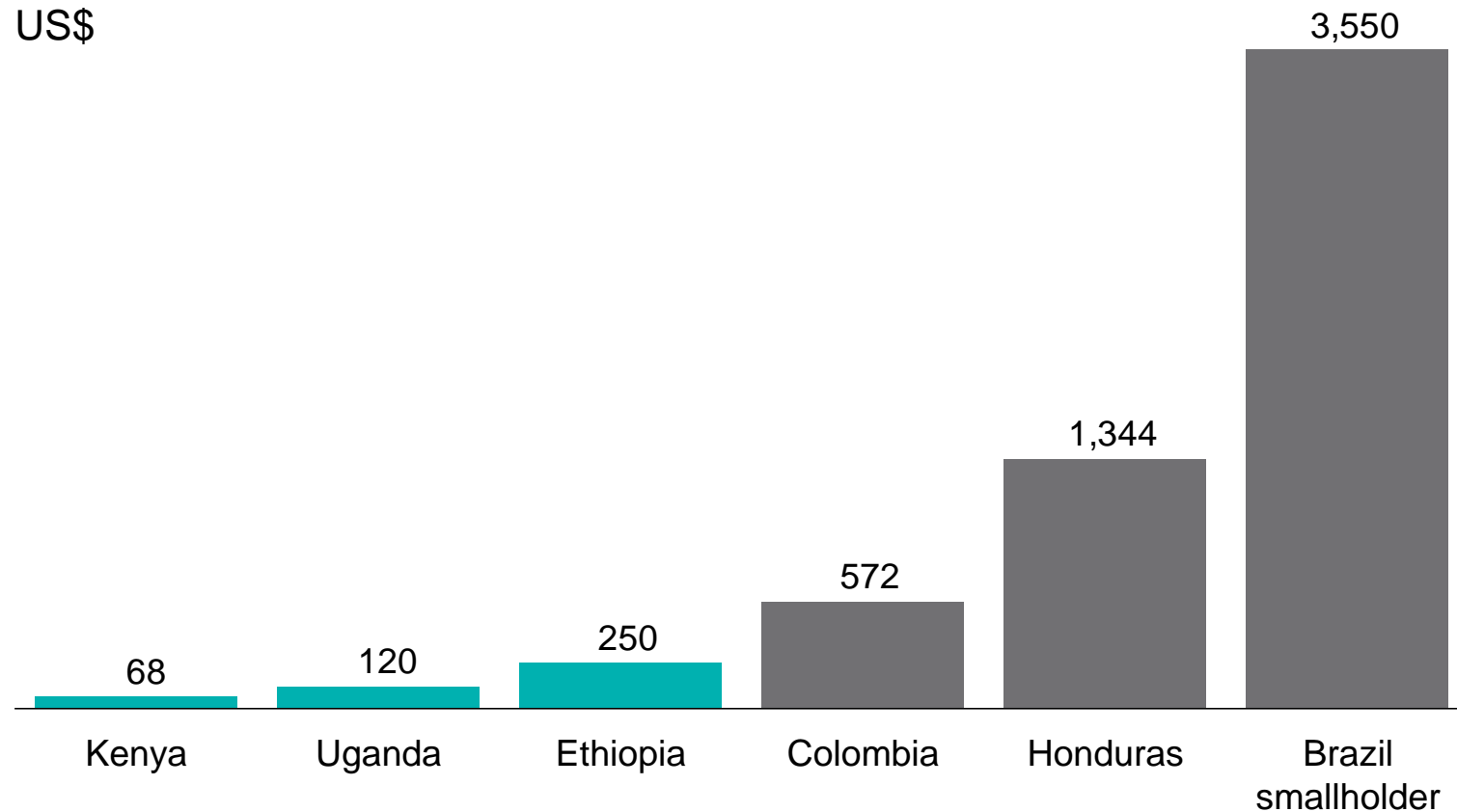
**AFCA**

**15<sup>th</sup> February 2018**



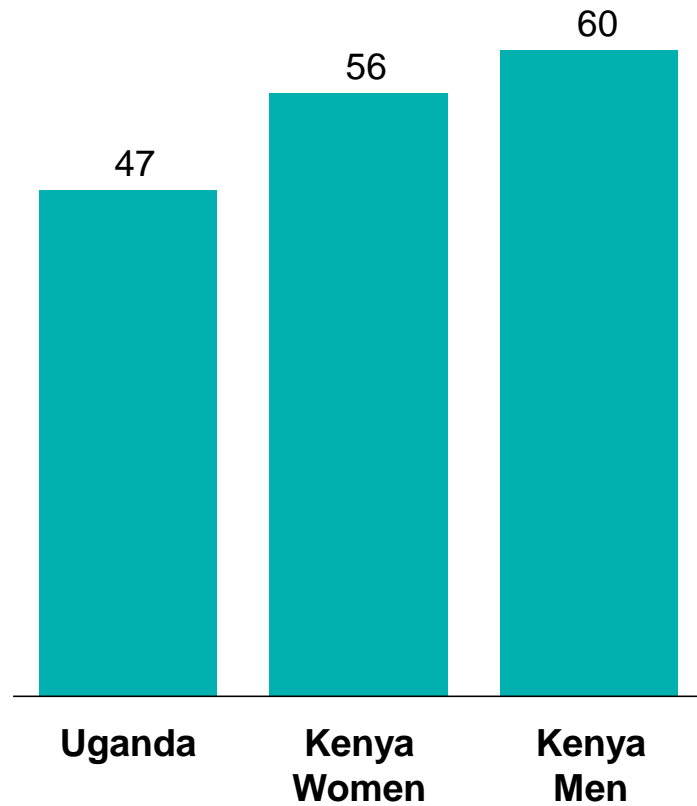
# African coffee farmers are struggling

Average income per farmer  
US\$



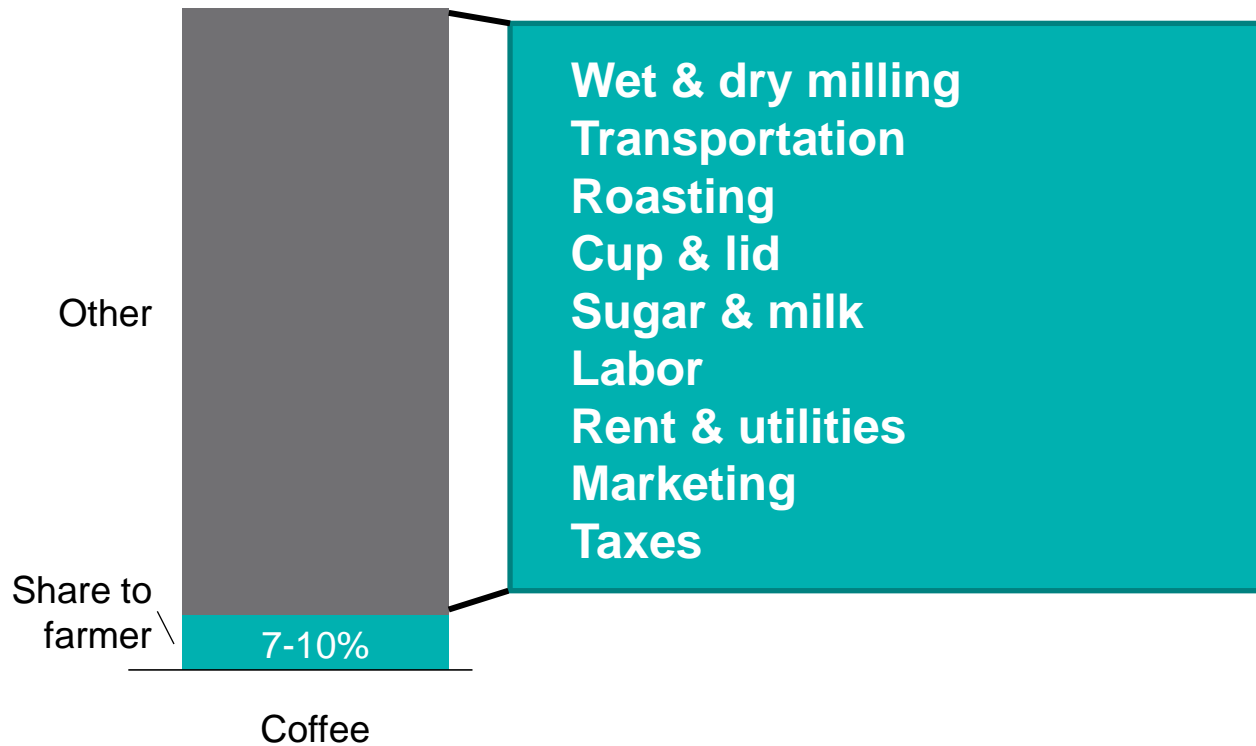
# African coffee farmers are dying out

Average age of farmers  
2017



# Are coffee farmers getting a fair share of the price?

Farmer share of retail price by commodity  
%

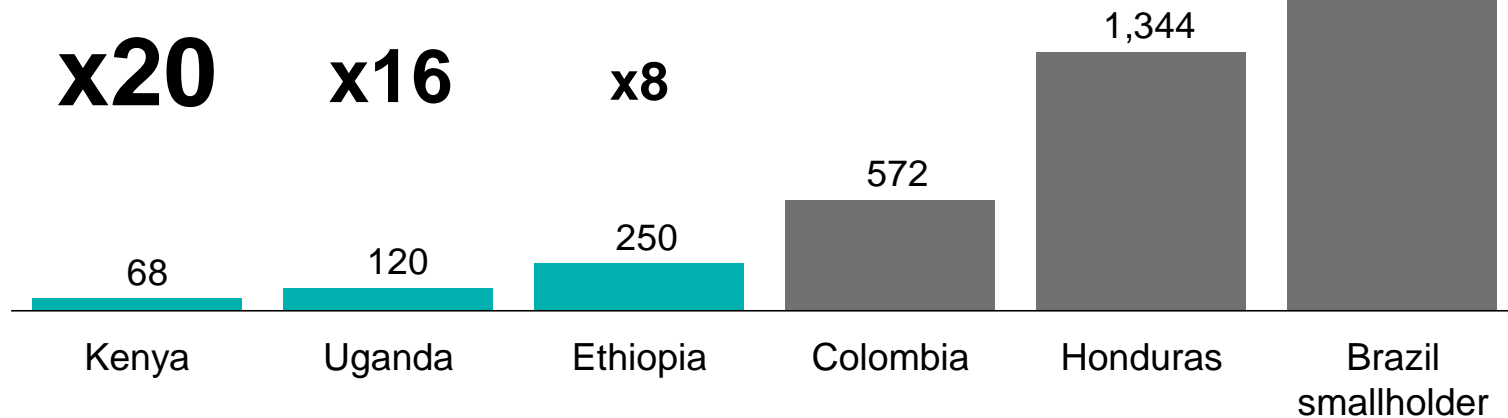


# How much of a price increase is needed to achieve a Living Wage?

Average income per farmer  
US\$

\$2,600 Living Wage for a Family

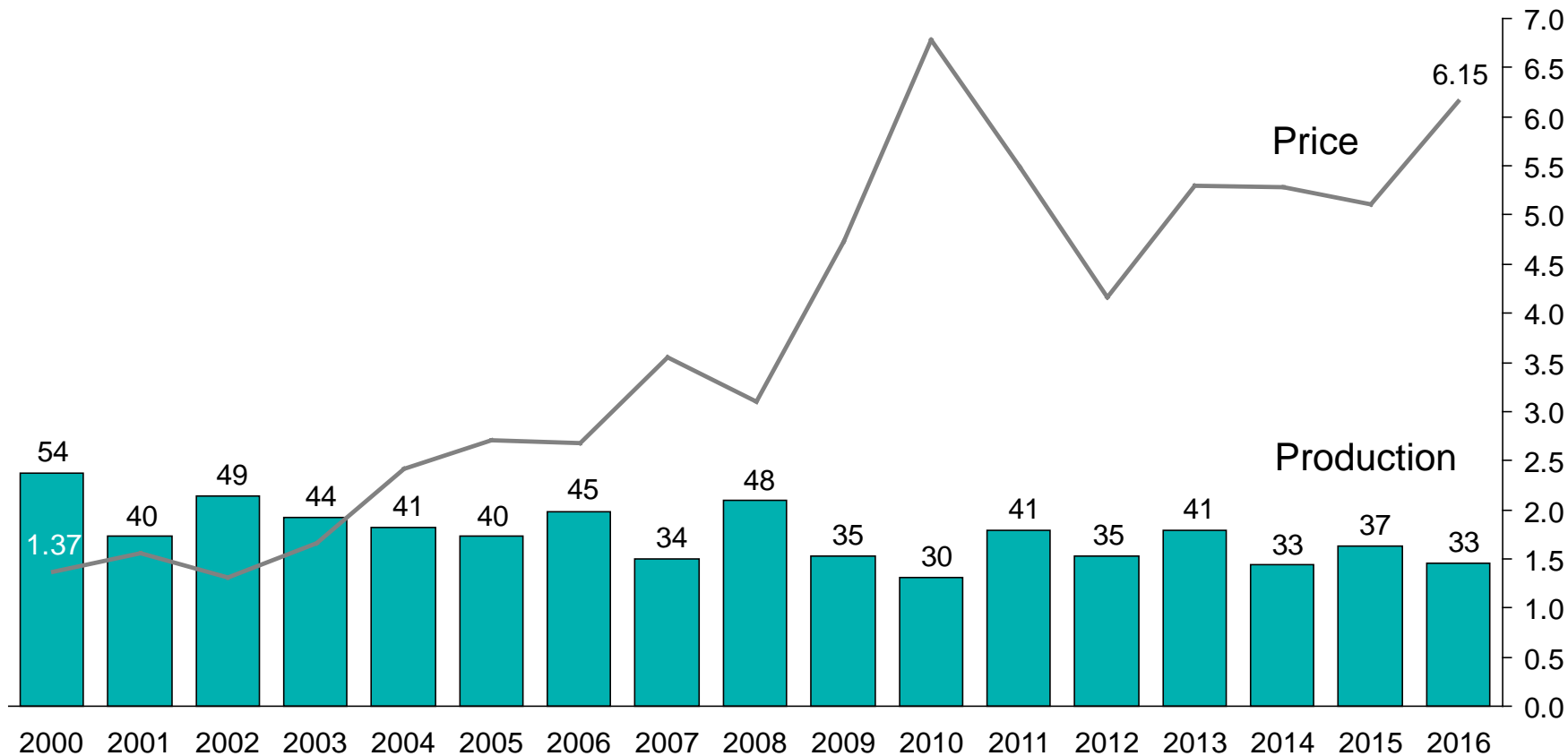
Price increase to reach Living Wage



# Will higher prices result in higher production?

## Kenya coffee price and production

US\$ per kilogram green & thousands metric tons green



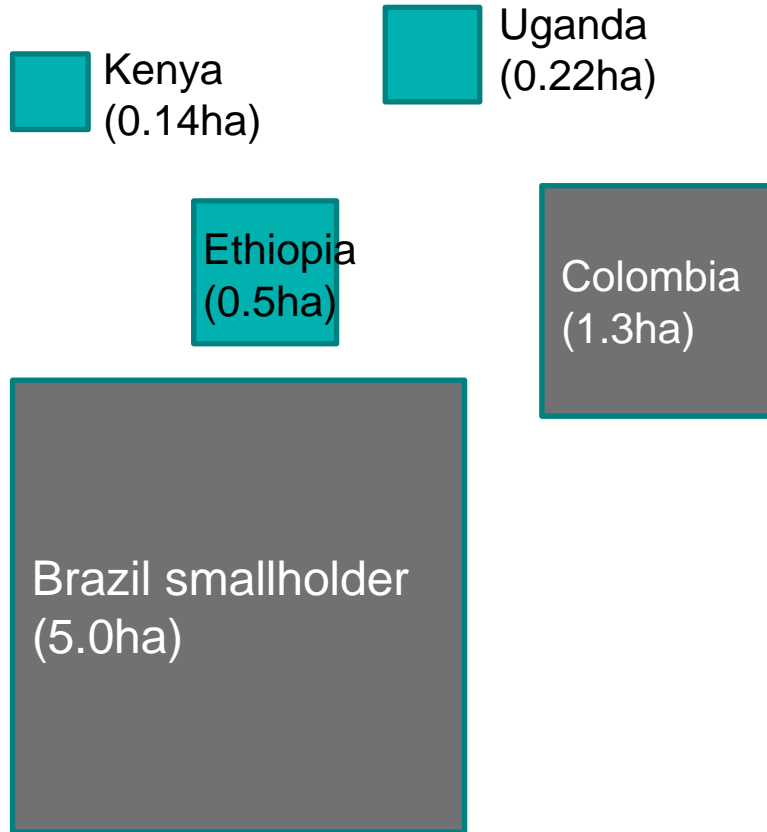
Note: years are crop years, i.e. 2000 is 2000/01; Price and production based on auction sales and direct exports

Source: Taylor Winch (Kenya)

# So what's causing low incomes for African farmers?

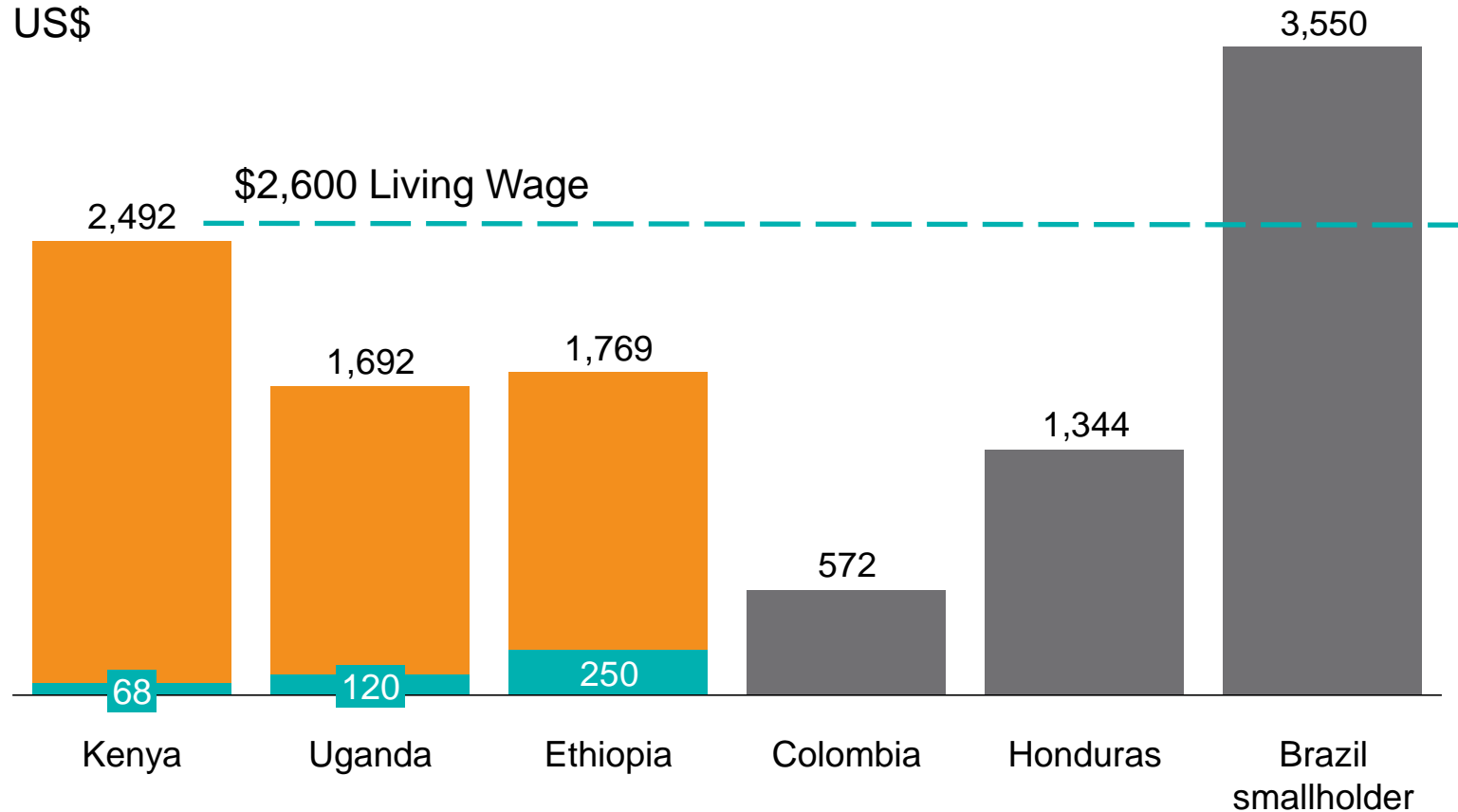
## Coffee farm size (to scale)

Hectares



# What would incomes be if coffee farm size increased to one hectare and productivity increased 200%?

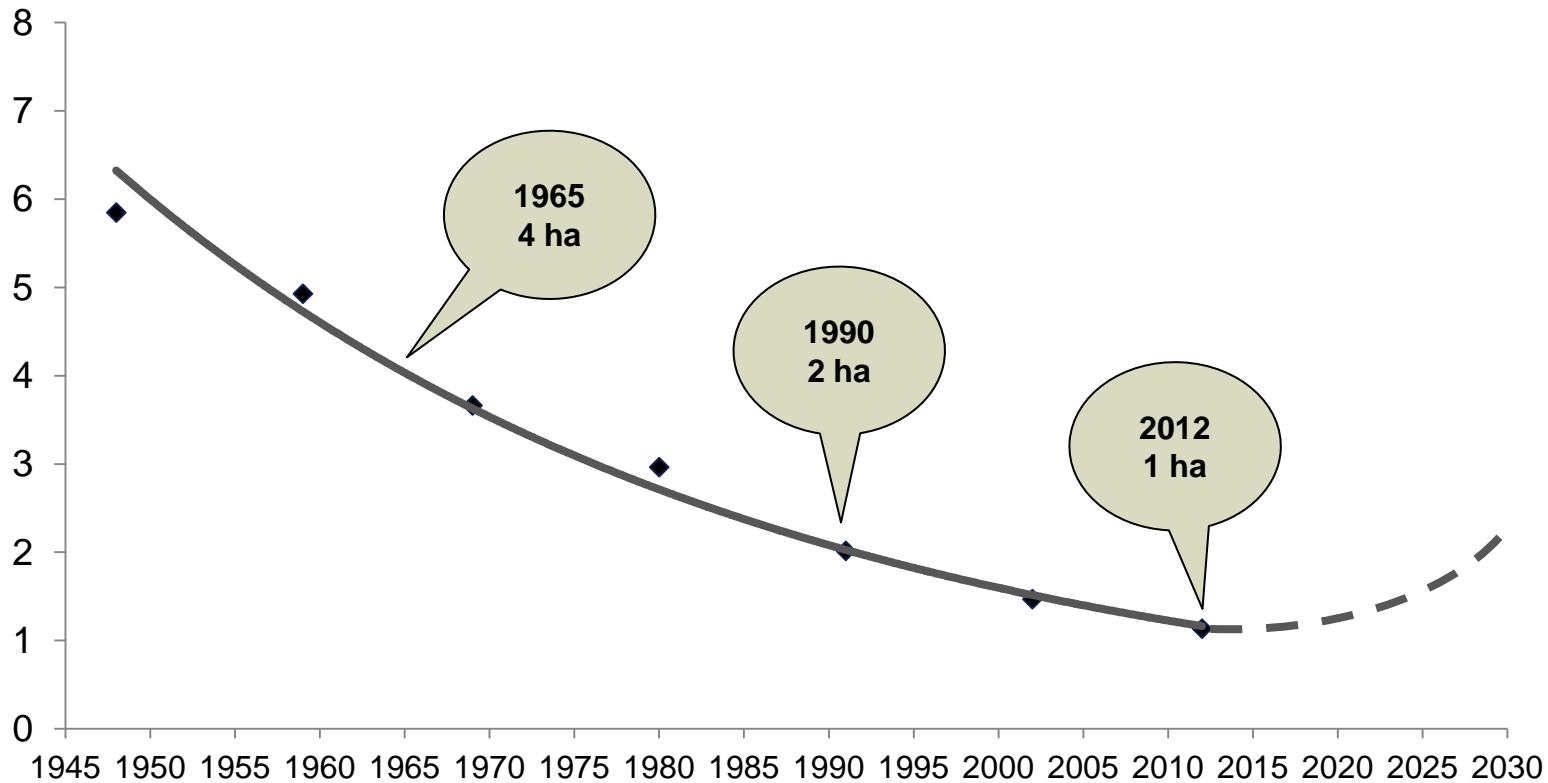
Average income per farmer  
US\$





# But how can we reverse the trend of shrinking farm size?

**Uganda average smallholder farm size**  
All crops, Hectares









# How are we going to build sustainable industries?

## Coffee industry investment needs & sources

US\$ million

