

Next Generation Coffee Fund

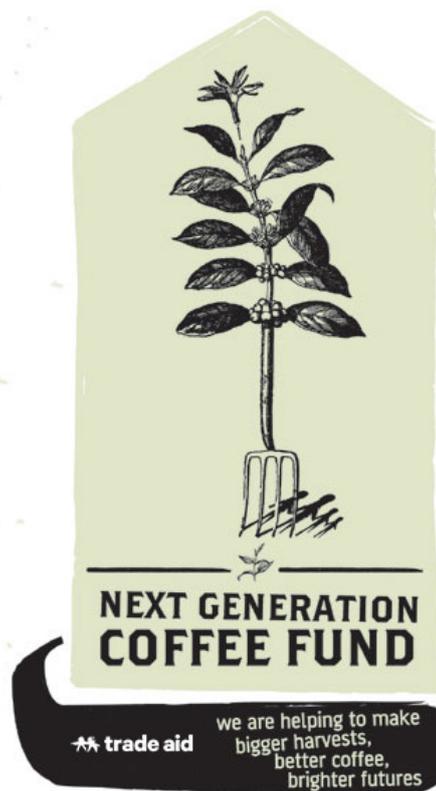
Supporting sustainable livelihoods for coffee-growing families

All around the world, millions of small-scale coffee farmers are losing income as their harvests decrease in size from year to year. Their trees are getting old, and the amount of coffee they are able to produce from their aging trees is in decline. These farmers harvest about half the amount of coffee that their land could sustainably produce, and their ever-diminishing incomes challenge their ability to adequately support their families.

At the same time, Western buyers of high-quality coffee are finding it increasingly difficult to access the coffee they want to buy, as demand outstrips supply.

Overall, world coffee production is actually increasing, but this is largely due to new coffee-growing areas - such as Vietnam - being brought into production. A typical existing coffee farmer is producing less coffee from year to year, and their livelihoods are increasingly under threat.

Sound farm management would result in older coffee trees being gradually replaced by new plantings, and any farmer who receives technical support (including all the farmers who belong to the coffee co-operatives supported by Trade Aid) knows this only too well. But in order to replace old trees and make way for new growth, a farmer must undergo a short-term loss of production; neither new trees, nor older trees that would be cut down to regenerate new branches, will produce coffee for the following three years. This short-term loss of income - a modest amount perhaps in our terms - is insuperable for many coffee farmers, who have neither spare cash to see themselves through these leaner years, nor access to affordable financing from any lender.



"I'd like to renew my farm by planting new seedlings. Higher prices alone aren't enough for us, as our production is continually falling"

- **Juan Jimenez**, coffee farmer, Guaya'b
Asociacion Civil
co-operative, Guatemala



PICTURED RIGHT
Olga Araque of APCO co-operative, Colombia, with one of her recently planted coffee trees. The co-op's main focus now is supporting members to renovate more of their coffee.

While fair trade coffee co-operatives are making efforts to support their farmer members as they work to renovate their coffee farms, they have very limited cash resources themselves. Trade Aid's 'Next Generation' coffee fund is designed to help them to accelerate their work in this area.

How does the fund work?

Trade Aid welcomes grants that are paid into a revolving loan fund; this money is paid out to coffee co-operatives which pass it on to their farmer

members in the form of soft loans, as bridging finance expressly to be used for crop renovation work. As farmers plant new trees and increase their harvests, they can in time, begin to pay back their loans to their co-operative which in turn makes financing available to other farmers seeking to replant sections of their farm.



By this method, farmers can eventually expect to double their harvest (and their incomes). This will benefit their customers (who seek more high quality coffee every year, in an environment where specialty coffee is becoming increasingly hard to secure). But most importantly, it will benefit coffee farmers who, without access to other credit, otherwise have very limited opportunity to improve their lives as they work hard to bring on the next generation.

For more information on any aspect of the **Next Generation Coffee Fund** - or to register your interest - please contact Justin Purser on: 0508 872332 ext 236 or email: justin.purser@tradeaid.org.nz