



PRESS RELEASE

New partnership charts course towards prosperous incomes

ICO & IDH team up on increasing incomes for smallholder coffee farmers

London 30 March 2022 - A sustainable coffee sector is one that can assure fair distribution of value across the value chain. A new partnership between the International Coffee Organization (ICO) and IDH - the Sustainable Trade Initiative (IDH) will lay the groundwork for living and prosperous incomes for coffee farmers through the promotion of policy development, public and private sector dialogue, resource mobilization, and pre-competitive work.

Although coffee benchmark prices on the global market have surpassed a 10-year high, most coffee farmers and their families continue to live well below recognized living income standards. For example, [a 2019 report](#) (PDF) found that 80 percent of Colombian farmers earn less than a living income, with 73 percent living below the poverty line¹ despite well-organized support for the coffee sector by the Colombian government. If conditions are not optimized, even high prices can be insufficient for achieving a living or prosperous income. Achieving a living income hinges on market prices and specific conditions at the farm level, such as production costs, land size and yield requirements.

“Steep rises in price are often an anomaly with farmers holding the bill afterward. When adjusted for inflation, the market price for green coffee has declined over the last twenty years even as costs of production continue to rise” said José Sette, ICO Executive Director. “This wide-ranging partnership will increase movement towards living incomes affording farmers decent livelihoods and the ability to deal with volatile markets.”

ICO and IDH are uniquely positioned to jointly address the challenge through their complementary capacities and experiences. Created in 1963, the ICO is an intergovernmental organization, that brings together exporting and importing governments and implements the International Coffee Agreement (2007) with the objective of strengthening the global coffee sector and promoting its sustainable economic, social and environmental development. IDH leverages public-private partnerships to drive systems change in global trade by innovating and investing in pre-competitive solutions with the private sector.

¹ <https://www.idhsustainabletrade.com/publication/task-force-for-coffee-living-income-report-summary>

Together, ICO and IDH are uniting forces, expertise and networks to work towards a prosperous coffee sector for coffee farmers. This partnership builds on commitments from ICO's [Coffee Public Private Task Force \(CPPTF\)](#), which was created in 2018 to establish a dialogue on coffee price levels among key public and private stakeholders in the coffee sector. IDH will team up with the Task Force and its companies, governments and international supporting organisations, and draw on its active community of stakeholders working to close living income gaps across a variety of commodity sectors, such as coffee and cocoa.

IDH's [Living Income Roadmap](#) provides companies with five steps to help them take ambitious actions to close living income gaps. The organization is currently designing a multistakeholder framework that goes beyond private sector actions to create clarity on the roles of governments, investors, farmers, and other stakeholders.

“Public-private collaborations, like this partnership, are the key to distributing value more equitably in an inequitable value chain. Companies need to step up and challenge their assumed roles, and governments must act as critical enablers of rural development,” said Jordy van Honk, Global Director of Agricultural Commodities at IDH.

ICO and IDH collaboration

The partnership will focus on four concrete areas of collaboration:

- (a) Support the ongoing work of the ICO's CPPTF with both financial and human resources, and leverage work that IDH is doing in the field.
- (b) Co-facilitate and plan the 4th [CEO and Global Coffee Leaders Forum](#) (using living and prosperous income and value distribution as a framework).
- (c) Start defining prosperous income as part of the work under ICO's CPPTF and build on IDH and the Colombian Coffee Growers Federation's (FNC) work on Living Income and Prosperity and the Sustainable Development Goals (SDGs).
- (d) Work closely with ICO representatives to normalize key concepts around living income, value distribution, risk distribution, and policy alignment.

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About IDH:

IDH-the Sustainable Trade Initiative (IDH) restores flourishing markets with better jobs, better incomes and a better environment. When IDH is successful, companies rebalance the relationships between the workers they employ, the customers they serve and the planet that serves us all.

IDH achieves this by creating public-private partnerships, and by using data to design, test and invest in more sustainable ways of doing business. Headquartered in the Netherlands, IDH has over 290 employees globally, operating in 20 landscapes and 12 commodities and sourcing regions with over 1000 public and private partners. In 13 years of operation, IDH has generated over 390 M in private sector investment and support for new business models that create positive impact. This has reached 4 M farmers with access to finance or good agricultural practices; supported protection, restoration, and sustainable rehabilitation of over 550,000 hectares of agrarian landscapes; improved the working conditions and wages of over 580,500 laborers.

IDH's work is made possible because of the funding and trust of multiple European governments and private foundations, including the Governments of Netherlands, Denmark, and Switzerland. For more information, go to www.idhsustainabletrade.com or follow @IDHTrade on Twitter and LinkedIn.

About ICO:

The International Coffee Organization (ICO) is the only intergovernmental organization in the coffee sector bringing together producing/exporting and importing Governments to tackle the challenges facing the world coffee sector through international cooperation.

It contributes to the development of a sustainable global coffee sector and to poverty reduction in developing countries to achieve the UN Sustainable Development Goals (SDGs) while providing a high-level forum for all public and private stakeholders in the sector; official statistics on coffee production, trade and consumption; and support for the promotion of coffee consumption and the development and funding of technical cooperation projects, as well as public-private partnerships. For more information please visit www.ico.org.