



FOR IMMEDIATE RELEASE

SCA Publishes Price Crisis Response Summary of Work

May 14, 2020—The Specialty Coffee Association (SCA) has published a summary of work by the Price Crisis Response (PCR) Initiative, first commissioned in December 2018. Aimed at understanding and addressing the price crisis affecting coffee farmers and threatening the supply chain, the project intentionally focused on identifying interventions with the most potential for long-term, systemic change, rather than a short-term fix.

Following the price crisis in 2002, our industry turned to solutions focused on delivering greater value to consumers or introducing new market segments, but in hindsight, these have had a negligible impact on addressing the problem of stagnant producer income: only a tiny proportion of the increased value filters down to growers in the current model.

Identifying unequal value distribution as a key root cause, the PCR summary of work outlines opportunities to work towards a more equitable specialty coffee industry and issued five recommendations focused on shifting the balance of ownership, finance, risk distribution, information access, and governance.

Arriving at these recommendations was the result of applying a systems change approach, aimed at bringing about lasting change by altering underlying structures and supporting mechanisms which make the system operate in a particular way. These can include policies, routines, relationships, resources, power structures, and values.

Two main outputs for this initiative therefore are a systems map and specific recommendations to guide the industry towards the initiative's vision: A specialty coffee sector that distributes value equitably, fosters resilient coffee farming communities that are economically prosperous, and values diverse producers of differentiated coffees.

Systems Map

The specialty coffee sector faces many complex interrelated challenges, and it is clear many of the fundamental systems are entrenching inequity and unsustainable practices.

The work of the PCR Initiative has been informed by systems change thinking and methodologies. A systems approach shifts the focus from individual parts of a system to how the parts are organized, recognizing that interactions of the parts are not static, but dynamic and fluid. This approach also acknowledges that change is non-linear and happens at multiple levels—from the niche to landscape level changes—over multiple time scales.

A preview of the resulting systems map is available [here](#).

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Recommendations

Following the desk research, stakeholder interviews, four industry convenings, learnings from our peer review process, and countless hours of discussion among the group, the PCR summary of work has identified a series of recommendations, selected for their strong potential to foment long-term change in the coffee sector.

Each recommendation encompasses years of work ahead, across multiple projects, organizations, and platforms.

1. Create more equitable and distributive models of governance (decision-making power) by pursuing new models of governance, resisting the hegemony of buyers, reimagining antitrust policies to protect smallholders, and strengthening producer institutions.
2. Enable equitable information sharing (access) by promoting and supporting new models and tools for trading practices, improving producers' access to market information and bargaining power, and developing two-way transparency to support producer-consumer trust.
3. Pursue equitable risk distribution by redistributing the burden/risk of climate shocks across the value chain, supporting the development of price risk management tools and training directed at growers, and supporting the diversification of options for farmers in non-viable coffee-producing communities.
4. Produce a collective mindset shift within the specialty sector by interpreting the coffee system as a complex value network rather than a linear supply chain, by defining "specialty coffee" to include sustainability in addition to taste/quality, and supporting education on the creation and sharing of value.
5. Support equitable distribution of finance and ownership by establishing new pricing norms based on dignified incomes, promoting "share of value" obtained by producers as a key differentiator and selling point, recognizing farmers' value creation through irreplaceable service of cultivating the material upon which the whole sector depends, and encouraging business models where producers maintain ownership rights to the coffee at all stages of the value chain to ensure producers receive rewards commensurate to the rewards of brand owners.

The report goes in-depth about ways of implementing each recommendation, as well as identifying specific goals, barriers to these goals, and strategies to overcome the barriers.

Addressing the creation and equitable distribution of value will require challenging the status quo, changing business practices, and reconsidering assumptions—something the SCA as a neutral organization is willing and able to do credibly—and socializing its conclusions and recommendations. As an industry leader with an audience that spans the coffee value chain, the SCA has a responsibility to address the price crisis and in doing so honors its commitment to living its values.

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Note to Editors

- [Read a summary of the report in Issue 12 of 25](#)
- Preview the systems map [here](#)
- Read the full report [here](#)

About the Price Crisis Response (PCR) Initiative

Launched in December 2018 by the SCA, the Coffee Price Crisis Response Initiative is aimed at understanding and addressing the price crisis affecting coffee and publishing a report with recommendations for the coffee industry. Tracing the flows of finance through the value chain, finds it highly concentrated at the consumer end; this is at odds with the increasing level of risk borne by growers in the face of climate change and increased costs. Higher coffee prices and premiums often aren't enough to cover the cost of sustainable production and dignified livelihoods for coffee communities, and this is particularly true of quality premiums that use the C market for price discovery. Learn more at sca.coffee/pricecrisis.

About the Specialty Coffee Association

The SCA is a trade association built on foundations of openness, inclusivity, and the power of shared knowledge. SCA's purpose is to foster global coffee communities to support activities to make coffee a more sustainable, equitable and thriving activity for the whole value chain. From coffee farmers to baristas and roasters, our membership spans the globe, encompassing every element of the coffee value chain. The SCA acts as a unifying force within the specialty coffee industry and works to make coffee better by raising standards worldwide through a collaborative and progressive approach. Dedicated to building an industry that is fair, sustainable, and nurturing for all, the SCA draws on years of insights and inspiration from the specialty coffee community. Learn more at sca.coffee.

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