



“There was **downward price pressure** on coffee prices in recent years due to increases in supplies of coffee from countries with **low costs of production**. On one hand, countries such as **Brazil** were able to become low cost producers through **economies of scale**, erosion of the real against the dollar, and their relatively **advanced agricultural sector**, while on the other hand, countries such as **Vietnam** were able to increase low cost supplies through subsidized production and low labor costs.”

“...the crisis was coming to a **breaking point** as producers had lost significant amounts of money in successive years...”

“At the same time, commodity prices for most crops were depressed, and many rural economies offered little opportunity for non farm diversification, leaving farmers with few sustainable alternatives.”



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2002 Global Coffee Summit: Searching for Solutions

COFFEE



What Guides Our Work

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.

Purpose: The Price Crisis Response (PCR) initiative exists to confront low commodity futures prices and price volatility, which threaten the specialty coffee industry, and to support the development and utilization of alternative economic models for specialty coffee.

Problem statement: Chronically low prices, and pricing volatility, combined with the embedded systems that work to deter actors to respond to low prices with a more equitable distribution of value, contribute to unsustainable livelihoods for coffee farming communities and the specialty sector as a whole.

For more information: sca.coffee/pricemission or pricemission@sca.coffee

Conventional approach



**“The
Root Cause”**

“right answer” thinking
limited solution set

Cause Mapping method



“The Root”

is a system...
multiple optional solutions
select the best

Value: the fair return or equivalent in goods, services, or money for something exchanged

Estimated Market Value of Coffee:

\$200-250 Billion

Value Share: The portion of overall market value retained by an actor in the value chain

Producer share of coffee market:

1991 – 30%

2001 – 15%

2018 – 10%

Value Creation: The primary aim of any business entity. Creating value for customers helps sell products and services.

Producer create value when they cultivate and harvest coffee.

Values: A person's principles, beliefs, or standards of behavior; one's judgment of what is important in life.

We are also compelled to consider the **sustainability** of the product when defining **specialty** coffee. That is, even if a coffee results in a great tasting beverage, if it does so at the cost of the dignity, value or well-being of the people and land involved, it cannot truly be a specialty coffee.

