Coffee

Our commitment

Continuously improve our green coffee supply chain

Why it matters

Coffee is one of Nestlé’s most important commodities. Globally, demand for coffee continues to rise, but with limited arable land available and with other crops competing with coffee for space, there are considerable challenges for producers. Further significant challenges include low coffee prices, primarily resulting from temporary...
oversupply, and the effects of climate change in coffee-growing regions across the world.

Our objectives

**By 2020**

70% of the total Nescafé coffee supply to be responsibly sourced

- In progress

**By 2020**

*Nescafé* to improve the quality, quantity and sustainability of its coffee supply chain by distributing 220 million coffee plantlets

- In progress

**By 2020**

*Nescafé* to improve coffee farm economics in at least four coffee-sourcing countries

- In progress

**By 2020**

*Nescafé* to monitor and improve labor rights in at least two coffee-sourcing countries
By 2020

Source toward 100% of the coffee for Nespresso’s permanent range through its AAA Sustainable Quality Program on coffee sourcing

What we are doing

In 2019, 65% of our total Nescafé coffee supply was responsibly sourced, keeping us on track to meet our 2020 target. We continued to train farmers in best agricultural practices, carrying out 7228 training sessions. Read more about it in our 2019 progress report.

Our approach to addressing the low coffee price cycle

Global market prices for coffee remained low during 2019, with arabica prices in particular falling to their lowest level in many years. Inevitably, this has had an impact on farmers’ household livelihoods and their ability to continue investing in their farms and on sustainable practices. We support farmers’ income by continuing to increase our purchases of responsibly sourced coffee, and continuing to make significant investments in our field programs, including diversification, plant research and breeding. In addition, we are actively engaged with the global coffee sector to develop shared actions, through pre-competitive organizations such as the Global Coffee Platform and the Sustainable Coffee Challenge. Nestlé is participating, along with our peers and suppliers, in the Taskforce for Coffee Living Income, which is coordinated by the IDH, the Sustainable Trade Initiative. We have also become a signatory of the International Coffee Organization’s London Declaration on price levels, price volatility and the long-term sustainability of the coffee sector, as a vehicle to explore and implement collaborative solutions.

Specifically on labor rights in coffee farming, we are actively supporting and participating in collaborative initiatives by the Sustainable Coffee Challenge (Global), Verité (Colombia, Mexico and Brazil) and InPacto (Brazil).

Our gender equality strategy in the coffee supply chain
Gender equality is a key concern in the coffee supply chain and an important aspect of coffee sustainability. The *Nespresso AAA Sustainable Quality Program* developed a Gender Equality Strategy in 2017 to address this and created a gender analysis tool for coffee smallholders to help understand the issues.

As part of this work, in partnership with the [KIT Royal Tropical Institute](https://www.kit.nl), an independent body with 25 years’ experience of gender equality work, we are running a Gender Capacity Strengthening Program to facilitate transformative change. Operating in Brazil, Colombia, Costa Rica, Guatemala, India, Indonesia, Mexico, Nicaragua, and Peru, the project is building the capacity of more than 250 Nespresso agronomists to bring about deep, structural change for gender equality. It does so through a series of active, participatory learning and action plans over six months, including mentoring and special assignments to complement workshop-based learning. Training also includes field visits where participants are accompanied by their mentors, in order to strengthen understanding of the relationship between agronomists and those they support.

The training is designed to help agronomists question social norms, attitudes, behaviors, power relationships and the social systems that underlie them. Module 1 was implemented in 2019 in Brazil, Colombia, Costa Rica, India, Nicaragua and Peru, with an initial three-day workshop for 219 agronomists. After completing the training, the agronomists will now continue their work with coffee co-operatives and farmers’ groups, equipped with a much better understanding of how to identify and address gender inequalities within those communities.

Read more about our work to empower women in our supply chain.

**Demonstrating our commitment**

**Developing new coffee varieties**

For decades, coffee has been an important export product in Central America, being a very significant contributor to the economies of Honduras and Guatemala. However, the spread of the coffee leaf rust disease in 2011–12 had a massive impact on production, resulting in loss of income and unemployment for many farmers and farm workers.

Nestlé Research has been running a breeding program for well over a decade, creating and selecting new and improved coffee varieties with greater resistance to leaf rust and other diseases, as well as providing better yield and quality. Initial field trials produced improvements of up to 50% in yields. This is a long-term process, as the plants take 10–12 years to come through our Plant Science department’s breeding and selection process, and another 6–7 years of testing in the field. They are only released once they have proved their value to produce higher yields, better quality and resistance to diseases in the local environment.
At present we have 49 trials in place, with 13 new arabica and 14 new robusta varieties across El Salvador, Guatemala, Honduras and Nicaragua. We will soon expand the program to 81 trials. We also shared or selected new arabica and robusta varieties for trials in Mexico, Colombia, Ecuador, Thailand, India, Vietnam and the Philippines during 2019.

Planting trees to combat climate change

Planting native trees to deliver specific benefits – such as reduced soil erosion, water provision, and temperature regulation – is an important part of Nespresso’s strategy to help coffee growers adapt to climate change. We are on track to meet our 2020 target to plant 5 million trees in the AAA coffee farms and landscapes, and our program is being implemented in 14 of the 15 countries supplying Nespresso. Around 60% of the coffee in scope is from carbon-verified operations (either Ecocert Reforestation Solidaire or Verified Carbon Standard). These operations act as verification for Nespresso’s carbon mitigation roadmap.

Reviving coffee growing in Zimbabwe

Through its Reviving Origins program, since 2013 Nespresso has been investing in reviving the coffee production of regions that have been blighted by conflict, economic hardship, or environmental disasters. In 2019, we launched two new coffees, Zimbabwe and Cafécito de Puerto Rico bringing to life the revival work carried out with farmers in regions affected by conflict. Zimbabwe was featured in a special ‘Beyond the Bean’ story in National Geographic, while the Puerto Rico range was promoted by the nonprofit organization Hispanic Federation. In December, Nespresso signed an agreement with Mozambique’s Gorongosa National Park as part of Reviving Origins. Through the agreement, we will promote sustainable farming practices and agroforestry production to support farmers in the park to improve the quality of their coffee and improve their livelihoods.

Improving labor rights in Mexico and the Philippines

We maintained our partnership with non-governmental organizations (NGOs) Verité and Certificadora de Productos Sustentables (PPS) in 2019, aimed at improving workers’ labor rights in Mexico, and partnered with coffee certifier 4C services to conduct a scoping study in the Philippines.
In Mexico, during the 2018/19 crop season, Verité trained PPS, our agronomists and several large Mexican farmers on labor rights and local labor legislation. PPS then visited 293 medium to large farms during harvest time to carry out specific labor rights assessments. Nine farms within, or related to, our supply chain were identified with child labor risks at the time of the visits. From these nine farms, we requested our suppliers to remove five from our value chain. For the remaining four, corrective actions were undertaken and followed up locally as a condition for these farms to continue supplying us coffee.

In the Philippines, particular issues identified in rural areas included noncompliance with local minimum wage legislation in agriculture production activities and the low level of school enrolment among children. Working with 4C Services, we are assessing the situation and identifying root causes and potential solutions to address and rectify this.

Protecting Brazilian watersheds

The Consórcio Cerrado das Aguas (CWC) is a public–private landscape initiative launched in Patrocinio, Brazil, in 2013 by Nespresso, with the support of the International Union for Conservation of Nature. In 2019, with the aid of a USD 400 000 (CHF 387 600) donation by the Critical Ecosystems Partnership Fund, the consortium launched an innovative scheme to safeguard the biodiversity and water supplies of the country’s central highlands plains. The area is one of Brazil’s main coffee-growing areas and globally recognized for its important biodiversity, but it is increasingly threatened by unsustainable land use, inefficient water management and climate change. Nestlé is engaging with other stakeholders to make a five-year commitment to support the initiative, which includes land restoration and reward systems for coffee producers who adopt sustainable practices.

Developing coffee growers in Mexico

Mexico is an area of rich potential for coffee growth, and Nestlé sources directly from many smallholder farmers there. However, a lack of available education and opportunities for young people is leading to high migration from coffee-growing areas. To assist improvements and provide training to coffee farmers, we have worked with Tecnologico de Monterrey in Veracruz to develop the Nescafé School program. The program aims to:

- Equip young farmers with the knowledge and skills needed to build successful, sustainable and profitable farming businesses.
- Develop agripreneurs as role models and teachers in their local communities.

The program involves a week-long training seminar once a year, focusing on issues
such as business management, diversification, IT skills, and fostering an entrepreneurial spirit. In the eight years since the program was established, more than 600 coffee farmers have been trained.

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**Improving smallholder coffee farming systems: Thailand**

As part of the *Nescafé Plan* in Thailand and our agripreneurship program, our Agriservices team has developed and trained Nescafé Ambassadors to become leaders and role models in their local communities. The Nescafé Ambassadors gain skills and knowledge of the Nescafé Better Farming Practices (NBFP), which they then share within their farming communities. The aim is to help their fellow farmers increase coffee productivity, sustain green coffee quality and reduce growing costs. This will enable them to optimize coffee growing, rather than replacing it with other crops.

Among the skills and support the Ambassadors receive are:

- Practical training, focusing on crop yield, soil fertility improvements, cost reductions, and grafting and pruning practices.
- Regular coaching visits to follow up with farm groups and motivate group members to implement agreed actions.

In addition, the adoption and impact of NBFP is monitored through five KPIs focused on yield, production cost, quality, volumes and sustainability practices. This, together with impact evaluation of the training and farmer group action plans, helps to increase individual accountability.

By the end of 2019, 10 Nescafé Ambassadors, who will cover 60 farmer groups, had been trained. Already, 50% of the groups have adopted NBFP on their farms.

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**Improving smallholder coffee farming systems: Southeast Asia**

Nestlé and German development agency GIZ joined forces in 2018 to improve coffee production and farm economics in a sustainable way in selected areas in Indonesia, the Philippines, and Thailand. We work with 10 500 smallholder coffee farmers and their families (7000 in Indonesia, 1500 in the Philippines and 2000 in Thailand). Our aim is to increase both farmers’ economics and coffee productivity by improving farm management, agricultural methods and self-organization. The partnership is structured around four pillars:

- **Training**, through the Farmer Business School approach to teaching farm management. This includes modern agricultural practices, as well as agripreneurship (promoting the smallholders’ business skills), to lay the basis for professionalized farm management. Additional farmers will receive training on
how to optimize land usage and which crops go best with coffee. Coffee farmers will be encouraged to apply improved agronomic practices and to run their farms as agricultural businesses, making better economic decisions.

- **Strengthening** smallholder groups and organizations according to local needs. Experience has shown that the effect of training can be increased by encouraging a group or village to take up newly learned techniques, instead of motivating farmers individually. Therefore, the project empowers farmer groups to take over key practices from the training and support each other in their implementation.
- Policy and stakeholder dialogue: best practices and key learning points are shared through dialogue and cooperation with local and national governments, NGOs and civil society to embed them locally.
- Monitoring and evaluation.

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**Related supply chain disclosure document**

- Coffee Tier 1 (pdf, 125Kb)

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**Related report**

- Our sustainable journey - Ten years of the Nescafé Plan (pdf, 4 Mb)

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**Related policies**

- Rural Development Framework, update 2015 (pdf, 2Mb)
- Commitment on Child Labour in Agricultural Supply Chains (pdf, 200Kb)
- Corporate Business Principles (pdf, 1Mb)
- Responsible Sourcing Standard (pdf, 2Mb)
- Commitment on Deforestation and Forest Stewardship (pdf, 300Kb)
- Commitment on Farm Animal Welfare (pdf, 1Mb)
- Natural Capital: Water in Agriculture (pdf, 6Mb)
- Natural Capital: Biodiversity (pdf, 4Mb)
- Nestlé Cocoa & Forests Initiative Action Plan (pdf, 860Kb)

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**Find out more**

*Respecting and promoting human rights*

We aim to be exemplary in respecting human rights and labor practices
Protecting workers and children

We are working to ensure good conditions for workers in our supply chain and tackle child labor.

How we implement responsible sourcing

Our commitment to implement responsible sourcing in our supply chain and promote animal welfare.
The power of coffee

Striving for sustainability and equality
Meet the next-gen female farmers
Finding their own economic independence through coffee

Coffee's great hope
Inspiring the next generation of coffee farmers
Riding the ‘third wave’ of coffee

Cold brew, Nitro or Nescafé Gold – we’ve got some special coffees brewing...

Grown respectfully

The Nescafé Plan helps coffee farmers like Eduardo thrive
Spilling the (coffee) beans
An inside look into the Nestlé-Starbucks partnership

Cleaner rivers
The coffee mill boosting incomes and cutting pollution
Nestlé News

Signup for Global Nestlé News

Sign up

Compliance Concerns

Let us know your concerns

Tell us

Contact us

Across the globe, Nestlé are here to help answer your queries

Contact us

Nestlé

We unlock the power of food to enhance quality of life for everyone, today and for generations to come