



Live Webinar

Coffee Price Crisis: Spotlight on the Specialty Coffee Transaction Guide

Monday, February 11, 2019
7:00am PST / 3:00pm GMT



Chad Trewick



Peter W. Roberts

#CoffeePriceCrisis

Welcome

Before we get started:

- This webinar is being recorded and will be uploaded to SCA News
- Submit questions using the Questions panel
- Use the "raise hand" function to ask a question during the Q&A



Meet the Panelists



Chad Trewick
Founder
Reciprocafé



Peter W. Roberts
Professor
Emory University



Ric Rhinehart
Executive Director
Emeritus



Moderator
Ellie Hudson
Director of Steering
and Strategy
for Advocacy



What We'll Cover Today

- Overview of the SCA's initiative to address the coffee price crisis by Ric Rhinehart
- Learn about the Specialty Coffee Transaction Guide from Chad Trewick and Peter Roberts
- Q&A



SCA's Coffee Price Crisis Response Initiative

An overview of the SCA's response to the price crisis and activities planned through 2019.



The Problem

The current coffee value chain and systems have roots in colonial and neo-colonial systems.

The net impact has been a value chain that consistently **undervalues** the **labor** of farmers and farm workers in most geographies where coffee is produced.



The Response

Announced in December, the SCA's response to the price crisis aims to understand the problem and provide **alternative price discovery mechanisms** for the coffee sector.

Led by a team of staff based in the SCA's Sustainability Center with support from experts and interested people from diverse backgrounds within the coffee community.



The Solutions

Price discovery mechanisms in the current market do not effectively address the real cost of labor today.

Alternative price discovery mechanisms that comply with antitrust laws must be pursued so that coffee farms become profitable enterprises and the specialty coffee industry continues to thrive.



Timeline

First six months of 2019

- Explore alternative price discovery tools
- Organize in-person and online town halls
- Amplify work published by others, including SCA volunteers and individuals from the private sector, academia, producing countries, and other parts of the community



Timeline

Second half of 2019

- Publish recommended approaches and interventions to the coffee price crisis for the specialty coffee sector
- Made publicly available around September 2019



Coffee Price Crisis: Spotlight on the Specialty Coffee Transaction Guide





SPECIALTY COFFEE TRANSACTION GUIDE

February 11, 2019

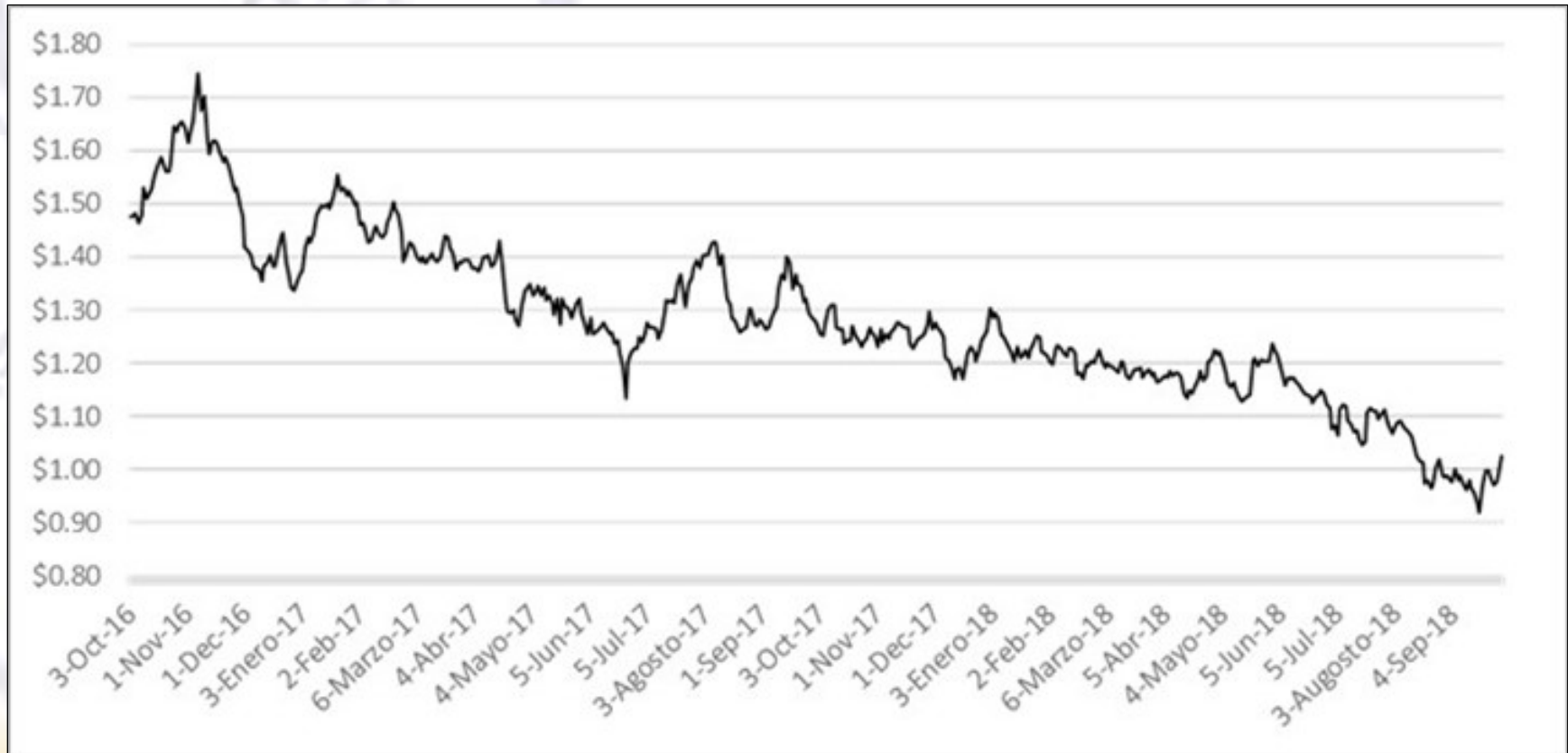


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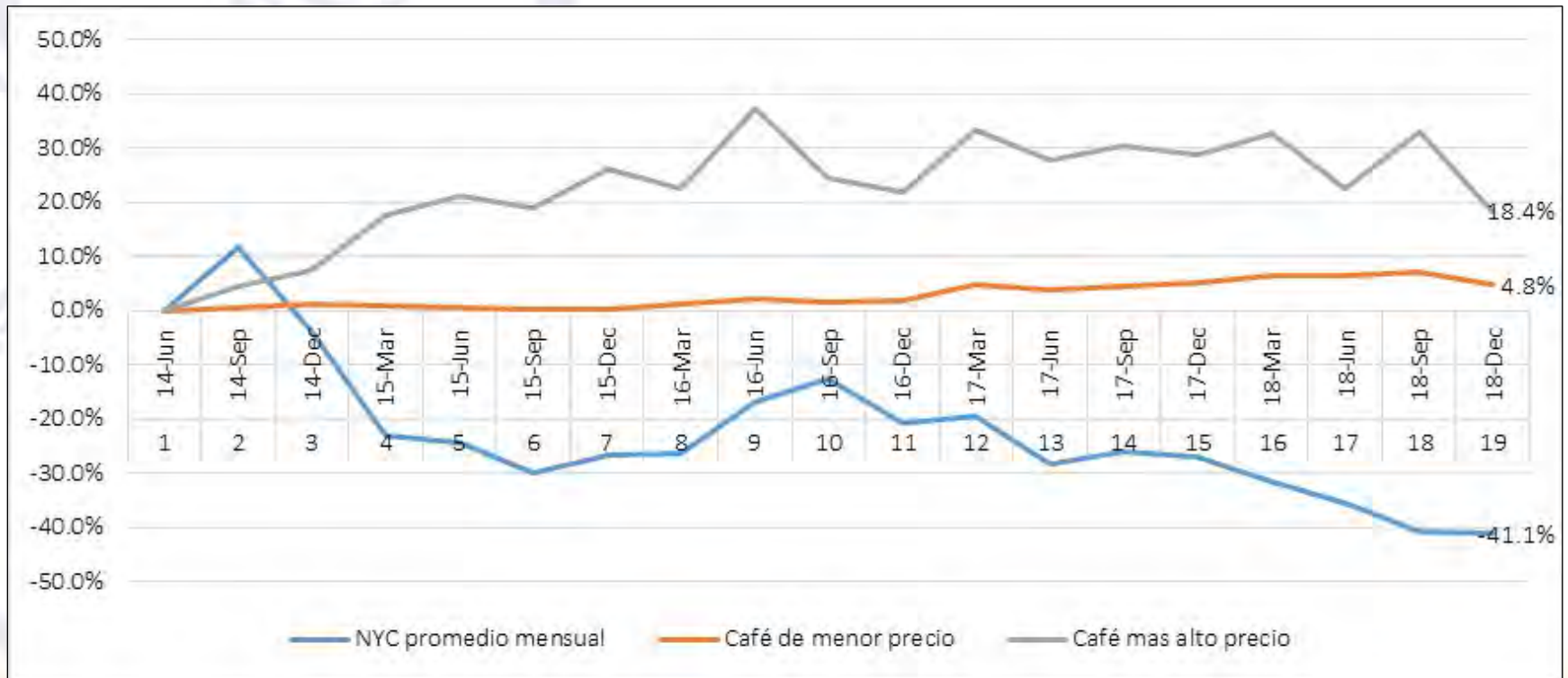
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A Big Problem For Specialty Coffee

Coffee Commodity Price (New York 'C')



Cumulative Price Changes – Retail and Commodity (%)



One Possible Solution? Different Reference Prices



Current Sample

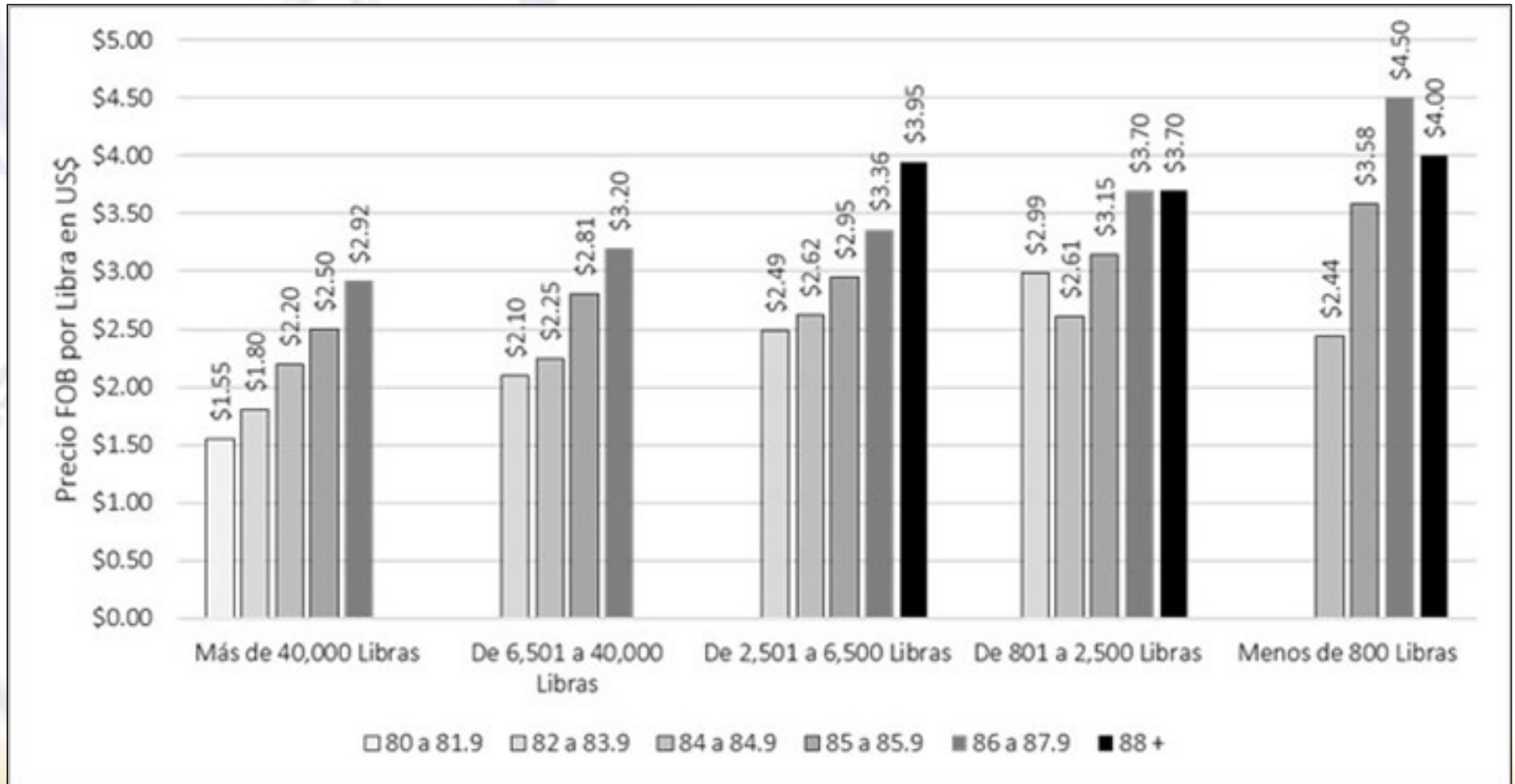
Período	Contratos	Total Libras (millones)	Valor Total* (millones)
2017/18	5,108	66.51	USD 151.62
2016/17	5,675	79.06	USD 189.60
Total	10,783	145.58	USD 341.22

Two Years of FOB Prices

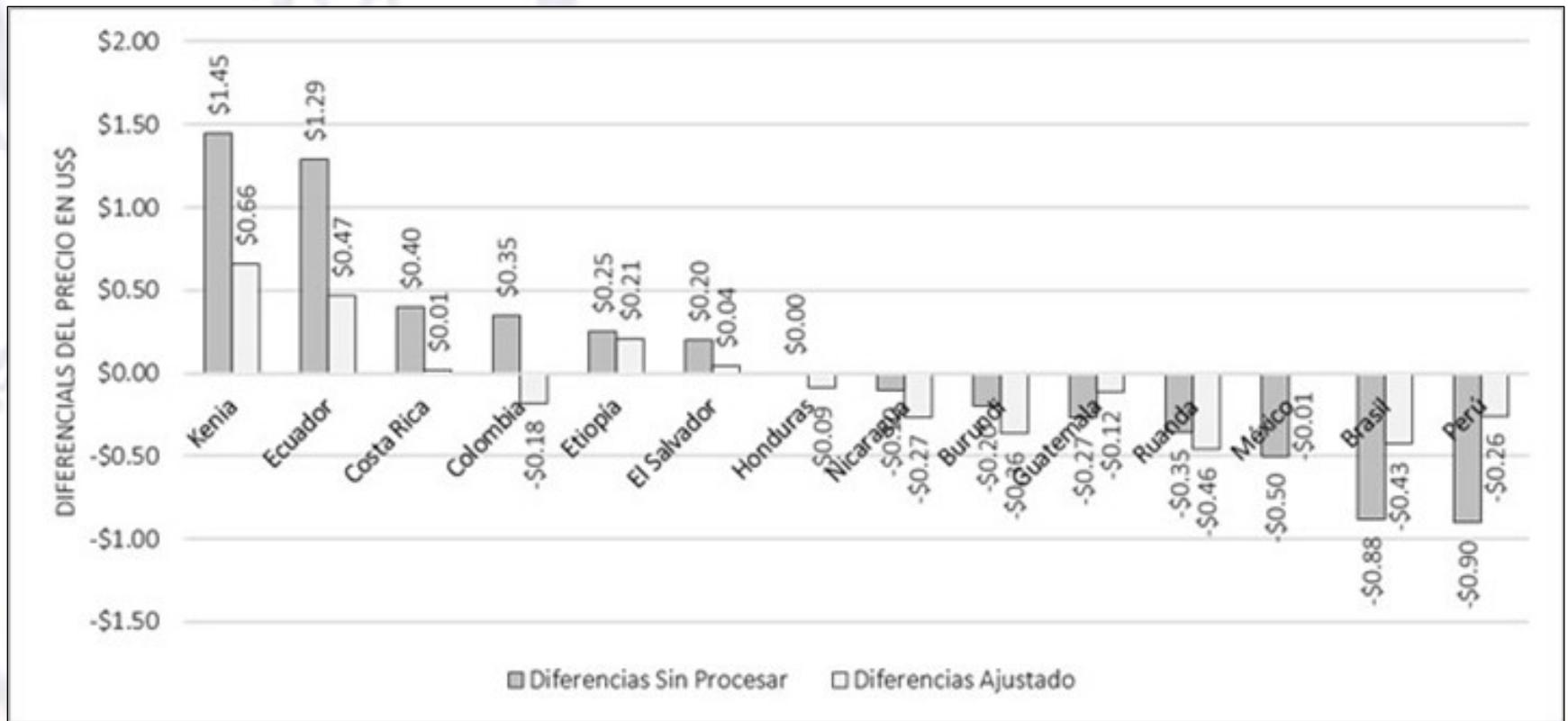
Período	Contratos	Precio Límite Inferior (5º percentil)	Precio Medio (mediana)	Precio Limite Superior (95º percentil)
2017/18	5,108	USD 1.55	USD 3.00	USD 9.05
2016/17	5,675	USD 1.60	USD 3.00	USD 9.20



Price Slopes by Quality Score (2017/2018)



Median Prices by Country Raw and Adjusted for Quality & Quantity



Different Scenarios Require Different References

Escenario	Empiece Aquí:	En lugar de Aquí:	Rango de Discusión:
Vender/Comprar <u>un contenedor de café con puntaje de 83</u> que fue producido <u>en Colombia</u>	\$2.50 (mediana de tabla 6) menos descuento ajustado para Colombia de \$0.18 (ver Figura 6); \$2.32.	\$1.01 (Bolsa de NY , 28 de Diciembre, 2018)	Desde \$1.47 a \$3.20 (rango de Tabla 6)
Vender/Comprar <u>2,000 libras de café con puntaje de 87</u> que fue producido <u>en Guatemala.</u>	\$3.70 (Tabla 6) menos descuento ajustado para Guatemala de \$0.12 (Figura 6); o \$3.58.	\$1.01 (Bolsa de NY , 28 de Diciembre, 2018)	Desde \$2.77 a \$10.05 (rango de Tabla 6)



Plans For the Near Future

- Expand the roster of data donors. Ampliar la lista de donantes de datos.
- Track and support usage in conversations. Seguimiento y uso de soporte en conversaciones.
- Publish data briefs and research projects. Publicar informes de datos y proyectos de investigación.
- Develop an updated business capacity at origin. Desarrollar una capacidad empresarial actualizada en origen.





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Q&A

Comments and questions about the SCA's initiative:
pricecrisis@sca.coffee

Comments and questions about the Specialty Coffee
Transaction Guide:
transactionguide.coffee/contact





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