

# roast



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# News Item

NEWS FROM THE WORLD OF COFFEE

## The Roya Crisis: Why Roasters Need to Engage Now

By Pam Kahl | photos courtesy of Coffee Analysts, Burlington, Vt.

Early this year, news began to spread about a particularly virulent strain of coffee leaf rust disease, *la roya* in Spanish, affecting Central America. The speed and magnitude of the problem in areas that grow some of the highest-quality coffee in the world was proving unmanageable. Like a house fire that suddenly jumps to neighboring dwellings, roya quickly moved across property lines, leaving wide swaths of leafless trees—even on farms that have been meticulously cared for. And trees at higher altitudes, previously immune from the fungus, quickly succumbed to the disease.

By mid-February three countries—Costa Rica, Guatemala and Honduras—had declared states of emergency because of expected broad-scale impact on their coffee-dependent economies. Experts have suggested crop losses of 30 to 70 percent and the potential loss of more than 500,000 coffee-related jobs in Latin America. In early May, Peru followed, signaling a geographic expansion of the disease.

Scenes at origin are grim. Yet roasters are not likely to experience the fallout from the roya crisis until later this year since the recent harvest, currently being delivered to roaster warehouses, was not much affected.

The challenge is that farmers are making decisions now about future coffee crops. Many are trying to figure out how best to rebuild and manage the corresponding costs. But for others, the decision is more dramatic—opting out of coffee altogether, making a short-term supply challenge permanent.

It's imperative that roasters begin to engage in conversations with their suppliers sooner than later. Producers will be looking to roasters for clear signs about what to expect in the way of support, especially with coffee prices expected to remain low due to recent bumper crops in Brazil and Vietnam. Roasters and farmers need to be having productive conversations now about how to collaboratively manage supply, quality and contract terms.

Cristina Gonzalez from Finca El Valle in Antigua, Guatemala, notes, "Many leaves have fallen. Some trees will eventually recover,



Leaf rust in Guatemala, spring 2013.

but we will need to uproot and replace others. There is worry about whether the affected trees will produce enough coffee to support my family. We've been in coffee a long time and our customer relationships are very important. We'd like to have conversations about the future and what's possible. We're hoping roasters are willing to work with us."

Roya has always been present on coffee farms, but mostly as a manageable nuisance (although there have been history-making outbreaks such as Colombia in the '80s). The disease has been rarely seen in high-elevation specialty coffee plots, which farmers once believed were immune to roya. The fungus significantly damages coffee plants, causing almost complete leaf loss and, in some cases, killing the tree. The physiological trauma to the tree lingers as the disease hinders cherry production and bean quality for several harvest cycles after infestation.

At the First International Roya Summit held in Guatemala immediately following this year's Specialty Coffee Association of America Expo, experts discussed various causes behind this year's outbreak. Consensus was climate change as the key culprit. Variables in weather patterns, such as torrential rains followed by intense heat, created humidity levels that provided a perfect breeding environment for the fungus. But ultimately it was agreed that a confluence of factors led to the severity. In addition to extreme weather patterns, agricultural homogeneity, lack of farmer knowledge of mitigation strategies, migration that allowed spores to easily spread from farm to farm, and limited economic resources that fostered a "wait and see" mindset, all contributed to the current situation.

This last factor demonstrates why roya is considered to be the most critical challenge facing the speciality coffee industry today. Smallholder farmers who represent a significant portion of the market, and often live at subsistence levels, simply don't have the financial means to justify spending money on precautionary application of



An affected tree in Guatemala, 2013.

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fungicides or other non-critical inputs. This contributes to heightened incidence of disease across many of the most vulnerable communities. In the aftermath of crises, they are the most likely to opt out of coffee farming altogether due to the inability to recover agriculturally and financially.

The challenge is that there is no “silver bullet” solution to roya. Chemical fungicides are considered the most effective in fighting the spread of the disease. But there are myriad variables, such as mixture, application technique and general farm health, that impact overall results. The issue is even more complex for organic farmers given their need to use materials that don’t threaten organic certification.

## Collaboration Is Key

As Michael Sheridan of Catholic Relief Services stated in a March 15 Coffeelands blog post, “It is hard to imagine a situation that calls for more pathological collaboration than the leaf rust crisis currently affecting Central America.”

Actors from across the specialty coffee supply chain—including governments, trade associations, financiers, certification organizations, research institutions, roasters and multilaterals—have rallied to figure out the best way to coordinate and contribute to a solution. The Roya Summit was a critical first step, followed by the United Nations’ announcement on the hiring of a coordinator for the emergency rust response effort. But there is still much work to do. Parsing the response into short- and long-term priorities offers the greatest chance of avoiding another crisis-level outbreak.

Tim Schilling, the executive director of World Coffee Research and a driving force behind the Summit, reflected on the big-picture view: “Most immediately, we are collectively focused on supporting farmers to adopt the disease management strategies and renovation schemes recommended at the Summit. Long-term, we are committed to research and development in order to recommend the best current resistant varieties and to find new varieties that deliver even stronger resistance while increasing quality to meet the needs of the market.”

In the meantime, organizations and coffee stakeholders have moved quickly to help address the immediate needs of farmers. Specifically:

■ **Fair Trade USA:** Announced in late March, Fair Trade USA’s Rust Response Fund is designed to support rust mitigation and prevention in the most affected regions.

“Responding to the rust crisis requires collaboration and a deep commitment to the relationships that hold the coffee industry together,” says Ben Corey-Moran, director of coffee supply. “Our fund is designed to enable roasters to channel support directly to producers. It’s a small step towards a much larger need for partnership to ensure the recovery of coffee for producers and industry alike.”

Fair Trade USA has provided \$50,000 in seed funding and will be collecting donations through the end of June. Individuals, companies and organizations can donate directly to the program that will allow farming organizations serving fair-trade producers to apply directly to Fair Trade USA for grants. One hundred percent of donations will be contributed to the grant fund. More information can be found at [www.fairtradeusa.org/donate/rust-defense](http://www.fairtradeusa.org/donate/rust-defense).



Leaf rust in Guatemala, 2013.

■ **Sustainable Harvest Coffee Importers:** Announced during Sustainable Harvest CEO David Griswold’s talk at this year’s SCAA Symposium, the Roya Recovery Project aims to help farmers—particularly those committed to organic certification. The multi-faceted disaster relief effort delivers a Spanish-language toolkit that contains a DVD and a training manual with detailed instruction on best practices as recommended by leading coffee institutions and agronomy experts; a web-based forum for building community and fostering ongoing conversation between farmers and experts; and a series of workshops for extensionists and farm managers that leverage the Let’s Talk Coffee training system to bring together stakeholders from across the supply chain to collaborate on recovery efforts.

“This project was envisioned after a series of conversations and site visits with our producer partners,” Griswold explains. “We were able to work quickly across the supply chain to engage funding partners and industry experts in developing the program and are pushing to get the content in the hands of farmers as soon as possible.”

Early supporters of the Roya Recovery Project include Cafe Moto, Cafe Mystique, Dillanos, Green Mountain Coffee Roasters, Oiko Credit and Progreso. Sustainable Harvest seeks to engage roasters, NGOs, finance organizations and others to maximize the reach of the program. Supporters can help fund the distribution of toolkits and/or sponsor a producer to attend the global roya workshop later this year. More information can be found at [www.royarecoveryproject.com](http://www.royarecoveryproject.com).

What makes this roya crisis particularly poignant is the disconnect between the crisis in Central American specialty coffee and the overall declining prices on the world “C” market. With a surplus of Brazilian and Vietnamese beans creating an oversupply of coffee, estimated at 15 million bags of surplus, “C” market prices may continue to drop. But for the farmers hit with a major loss of their coffee crop in Central America, some say they will need a doubling of premiums just to break even. Conversations between producers and roasters, based on transparency and trust, will be critical not only to the immediate recovery effort, but for ensuring this year’s outbreak won’t result in a permanent reduction in product availability from the Central American regions that historically have represented an estimated 70 percent of the coffees that contribute to the U.S. hub of the specialty coffee industry.

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