

# Options for Companies to Address the Right to Food

## Learnings from a pilot audit in Kenya

In Kenya, the Food Security Standard (FSS) underwent a reality check in a smallholder coffee grower context. The pilot audit was held within a regular Rainforest Alliance audit at the Kangunu Cooperative in Murang'a County. It provided the FSS Team an insight into the options cooperatives and coffee-trading companies have to address food security but also showed limits and indicated where other actors in the value chain have to act and take responsibilities.

The audited cooperative has around 2.500 active members who grow coffee and deliver it to the cooperative's own wet mill. Their small farms are highly diversified and typically hold 150 to 250 coffee trees which are the main source of cash income in most of the cases.

Kenyan coffee is known for its good quality, a significant part of it belongs to the specialty segment. Apart from coffee, the farmers grow food for their own consumption, they often have a few cows and goats, and, depending on the farm size, also grow tea as another cash crop. In 2007, the Kenyan Government requested coffee cooperatives to collaborate with marketing agencies. Since then, the Coffee Management Services Ltd. (CMS) sells the Kangunu coffee on the global market.

Challenges for coffee smallholders and marketing agents in Kenya

The challenges of Kenya's farmers are manifold: According to the World Bank, the share of the

country's fertile land is only 10%. At the same time, around 70% of the rural population of Kenya make their living from farming (FAO). Most of them are smallholders. After tea and horticulture, the country's major agricultural export good is coffee. Mu-

rang'a has a population density of 524 people per square kilometre which is very high regarding the low average of 90 people per square kilometre in the rest of the country. Due to the growing population there is hardly any land left to buy or rent for smallholders.

In Murang'a an average of 6 persons live on small farms of one

to two acres. The average coffee farmer is 62 years old. The younger generation is more and more attracted by urban settings rather than staying in the coffee farming sector where the yearly income is very unpredictable.

According to the Global Hunger Index, the food insecurity situation in Kenya is "severe". In the audited area farmers are at risk of food insecurity, some had to skip a meal for a couple of weeks per



Coffee beans drying at the Kangunu Factory

year, but overall no severe hunger situation has occurred. The phases of food insecurity were reported to be mainly due to food price peaks at the local markets and falling coffee prices at the international coffee market. Therefore, the coffee farmers have low earnings and sometimes don't even reach the break-even point. In the last coffee season of 2018/19, an additional factor were the cold weather conditions which led to very low harvests. According to CMS, only 21% of the coffee farms were economically viable. Combined with weather-damaged food crops, this led to food and income shortages of the farmers.

#### Taking in account the farmers situation along the value chain

The journey of a coffee bean from the tree to the cup is quite straightforward: It is harvested, milled and dried in the production countries, exported and then roasted and packed in the consumption countries. Kenya is known for its specialty coffee which is traded at comparatively higher prices on international markets. But still, the main value creation is accumulated in the consumer countries.

CMS' aim is to achieve better prices on the Coffee Auction by promoting Kangunu to produce high quality coffee. To reach that goal, CMS has developed a strategy to promote and support the farmers. This program encompasses good agricultural practices trainings for the farmers to achieve better coffee quality and higher yields. Additionally, CMS aims to support farmers' livelihoods and food security through trainings that address the cultivation of food crops and food preparation to promote healthy food. Also improved vegetable and maize seeds are provided and the dairy production is supported. However, this is not sufficient to ensure that farmers are all year-round food secure, especially as global coffee market prices are low.

But of course, CMS is not the only actor who could further engage for the farmers' food security. Also, coffee importing companies in consumer countries have to respect the Right to Food in their international value chains. A world market price for coffee below the production costs, like it is the case in 2019, is dangerous as it can lead to severe income

gaps and food shortages of the coffee farmers. Price making mechanisms should take in account, that generating at least living incomes is crucial not only for farmers' food security and decent living conditions, but also for the continuity of high-quality coffee production. Profits must be generated from coffee to be able to do the necessary investments in the coffee farms such as rejuvenation of old trees and replacement of older varieties with those better adapted to the changing climate. The younger generation is currently leaving the coffee sector which will lead to a significant reduction of coffee farming. By making the sector more attractive, the rural exodus could be reduced.

#### Certification eases the implementation of the Right to Food

Integrating the FSS into sustainability audits enable companies like CMS to have a closer picture of the food security situation, identify gaps and areas of improvement. Of course, local companies will not be able to achieve much if the coffee buyers and consumers do not request and pay for this. By introducing the FSS into sustainability standards, a higher level of sensitivity for local food security can be reached for all actors and companies involved in the value chain. Results of the audit could be communicated up to the level of coffee buyers and consumers in high income countries. The FSS should be used in coffee price negotiations and its implementation has to be associated with price premiums. With the FSS, all actors of the coffee value chain are enabled to follow their due diligence and contribute to the respect of the Human Right to Food of farmers.

#### FSS | PROJECT

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