Costa Rica is a relatively small producer with high R&R need driven by age of trees, disease and climate change.

**Quick facts: Costa Rica is a relatively small Arabica producer**

- Production '000 tons, 2014: 84
- Production share Global & region: 14th in world
- Coffee land '000 hectares, 2014: 81
- Varieties Arabica-Robusta: 100% A 0% R

**Viability: Western and Northern areas are exposed to climate change**

- Costa Rica could be impacted by climate change, especially in its Western and Northern growing areas
- There is need for both transformation and systemic adaptation

**R&R need: ~75% of land is in need of R&R**

- SHF land in R&R need out of all land '000 hectares: 81
- No need: 20
- R&R need: 61

**Drivers of R&R need:**

Need is mostly driven by high age of trees (75% of trees have passed peak productivity), but also La Roya (affects 40% of trees) and climate change.

**Uplift potential: Significant uplift for SHFs, though little impact on supply**

**Potential increase in supply ~10-50%**

Total national supply could increase ~10-50% if R&R and GAP is implemented on all SHF land in need of R&R.

**Other viability considerations**

- Costa Rica has a well-functioning and transparent coffee sector that is relatively easy to invest in
- Production costs are high compared to other countries – partly as a result of government regulation: There is a relatively high minimum wage and imposition of 42% of social security tax.
- There is a strong enabling environment that contributes to the well-functioning of the coffee sector
- Diversification of income is needed – it takes around eight hectares to sustain a family of five, but average SHF farm size is around three hectares
- Farmer share of the coffee price is guaranteed by law

Notes:
1. The current yield is based on a specific estimate from the Coffee Institute of Costa Rica (ICAFFE) and does not correspond to a manual calculation of SHF production divided with SHF land
2. Rounded to the nearest 5%, estimate assumes that R&R and GAP increase yields with 100%, and the range reflects a 25-100% R&R success rate. Sources: Dalberg interviews
Costa Rica is dominated by SHFs that work in a well-structured coffee sector with strong government support and access to R&R project components.

**Farmer segmentation: Production is dominated by strong SHFs**

- **National production is dominated by SHFs in tight value chains**
  
  Around 45% of SHFs are connected to coops and micro-mills. Farmer organizations are well run and help to conduct R&R. Farmers receive support to market efficiently through Banking System for Development.

  - **# SHFs '000**
    - 41 (~0.5% of global SHFs)

  - **SHF land '000 hectares**
    - 79 (~97% of national land) – farm size typically ~3 hectares

  - **SHF production '000 tons**
    - 53 (~60% of national production)

  - **Assessment of SHF orgs.**
    - SHFs are typically organized in coops and micro-mills

  - **Links to market**
    - A majority of SHFs have strong links to market

**Examples of R&R programs: There has been a national replanting program in Costa Rica in recent years**

- **National Program for Coffee Plantation Renewal (PNRC) (2010-2015)** – National replanting program with objective to replant 16,000 hectares, with funding of USD 81 million. Only 16% of objective was achieved

**Enabling environment for R&R: Strong environment for R&R**

- **Political environment**
  - Coffee share of GDP: 0.7% in 2011 - Coffee exports reached $374.9 million in calendar year 2011
  - 55 of 81 cantons produce coffee – coffee is a major sector geographically and politically
  - There is strong political support and the coffee sector is tightly regulated for increased transparency

- **Availability of inputs**
  - Costa Rica has authorized seed production programs
  - The Coffee Institute of Costa Rica produces the seeds and a government body regulates this production

- **Availability of finance**
  - The Banking System for Development helps finance coffee production and R&R
  - Farmers have access to flexible loan products through public banks
  - The Coffee Institute of Costa Rica has a national research centre on coffee production

- **Knowledge availability**
  - SHFs cannot afford agronomists, but The Coffee Institute of Costa Rica has six regional offices that are fully in charge of implementing new capabilities for SHFs.