India is a significant global and regional producer, but has less potential for increasing national supply since SHFs drive only 60% of national production.

Quick facts: India is Asia’s second biggest producer

- Production: 305,000 tons in 2014
- Production share: 7th in the world, 2nd in Asia

Viability: Climate change could impact some areas of India

- Karnataka is the region that looks to be most severely affected by climate change
- There are few areas that are indicated to be in transformative need – but systemic adaptation could be needed in several places

Drivers of R&R need:

- ~50% of trees have passed peak productivity
- ~40% of Arabica trees are damaged by White Stem Borer
- ~15-20% of low land areas could be at risk of climate change
- Bad practices are less of an issue

Uplift potential: Some potential for SHFs, though limited national impact

- Potential increase in supply: ~5-15%
- Total national supply could increase ~5-15% if R&R and GAP is implemented on all SHF land in need of R&R

Notes:

1. The current yield is calculated on the basis of SHF production divided by SHF land area, the potential yield uplift is based on an internal estimate based on other mixed countries and current yields– this study cites an average SHF yield of 0.625 tons/hectare; (2) Rounded to the nearest 5%, estimate assumes that R&R and GAP increase yields with 40%, and the range reflects a 25-100% R&R success rate. Sources: FAOstat, Coffee production and land under coffee, 2014; ICO production statistics; USDA, Coffee Annual: India, 2017; Indian Coffee Board, Annual Report, 2016; Dalberg interviews

Other viability considerations:

- There are no government subsidies for coffee
- Interviews indicated that outlook for Robusta might be better than for Arabica, since Arabica has been badly hit by White Stem Borer disease
- India has started to position itself for speciality coffee markets
Indian SHFs produce the majority of national supply, though they are less dominant here than in other countries

### Enabling environment for R&R: Access to finance is the biggest problem

- Coffee share of GDP: N/A [Coffee share of exports: 0.2% (2015)]
- The Coffee Board is implementing the “XII Plan Scheme: Integrated coffee Development Project” (2012-2017) with supportive measures including rainfall insurance for SHFs and subsidies for farm mechanization, though the success of the plan is unclear
- There are several private nurseries in India which are owned by farmers themselves, or professional groups, and which meet current demand

### Political environment

- SHFs are highly credit constrained
- Few SHFs are organized into credit savings groups and thus cannot access microfinance funds

### Availability of inputs

- Low adoption of GAP and limited current availability TA

### Availability of finance

- The Agricultural Sector Strategic Plan aims to train extension service workers across the country, but there is limited funding so far

### Knowledge availability

- Indian Coffee Board – Renovation of Traditional Areas (since 2015): Component of the XII Plan Scheme. The purpose of the program is to renovate more than 3000 hectares of coffee land in traditional coffee growing areas

---

**Notes:** (1) Assuming a global SHF population of 20 million – we had two varying estimates on number of SHFs. Sources: FAOstat, Coffee production and land under coffee, 2014; ICO production statistics; USDA, Coffee Annual: India, 2017; Indian Coffee Board, Annual Report, 2016; Dalberg interviews