



POCKET GUIDE

# ACHIEVING LIVING INCOME

*Produced by Sustainable Food Lab*

# ACHIEVING LIVING INCOME

## Introduction

In many coffee origins, coffee farming households continue to struggle to make ends meet, with estimated average coffee income falling at or below the poverty line in many countries, and far below the living income benchmark (the cost of a decent standard of living), in most. Low and volatile coffee prices, low productivity and farm investment, small land sizes and climate change are all exacerbating factors.<sup>1</sup>

Global trade can play a powerful role in alleviating poverty, and companies that source coffee from smallholder farmers have an opportunity and shared obligation to ensure that their trading terms and sustainability programs support farmers to afford a decent standard of living. This is not only good for farming households, but also for their company partners to improve supply security and reduce reputational risks.

Coffee companies increasingly seek to understand the incomes of farming households in their supply chains. Based on this visibility, companies have the ability to leverage and adjust their trading practices as a primary income driver and funnel additional support programs accordingly.

This pocket guide gives an overview of the living income concept and tips to get started, including:

- The living income concept and how it relates to living wage
- The business case for a living income approach
- The five steps of a living income approach

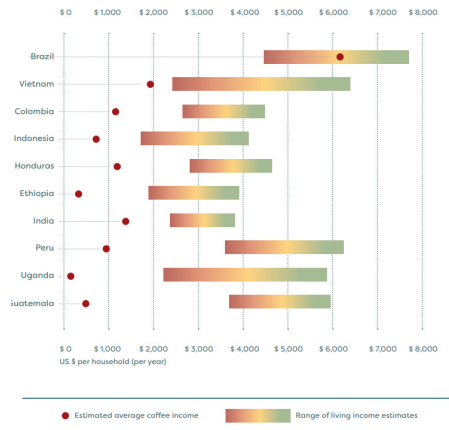


FIGURE 1. COUNTRY OVERVIEW LIVING INCOME - COFFEE INCOME - COFFEE BAROMETER, 2023  
ADAPTED FROM: CORDES, K. AND SAGAN, M. (2021). RESPONSIBLE COFFEE SOURCING: TOWARDS A  
LIVING INCOME FOR PRODUCERS PG.18 COLUMBIA CENTER ON SUSTAINABLE INVESTMENT

- Key factors of successful living income programs
- The intersection of living income with environmental impact areas
- Setting an inclusive living income commitment
- Company examples of living income work



<sup>1</sup> Sjoerd Panhuysen and Frederik de Vries, "Coffee Barometer 2023", [https://coffeebarometer.org/documents\\_resources/coffee\\_barometer\\_2023.pdf](https://coffeebarometer.org/documents_resources/coffee_barometer_2023.pdf).

# LIVING INCOME CONCEPT

The living income concept refers to the ability of households to afford a decent standard of living. This means that the net income of a household, derived from various income sources, is sufficient to cover the costs of a decent standard of living. “Decent” means having access to nutritious food, clean water, sanitary housing, education, healthcare, transportation, clothing, and other essential needs, including provisions for unexpected events.<sup>2</sup>

The living income approach requires understanding both the current net household income of farming households (generally done through a study in a given sourcing area) and the cost of living in a specific area (derived from a third-party, open-source living income benchmark study).

## Difference between living income and living wage

While both concepts stem from the cost of a decent standard of living in a particular geography, the concept of living income is inherently different from the concept of a living wage. Living wage is the monthly wage an individual should earn, from contractual employment, to contribute to a household’s decent standard of living. In contrast, living income is the annual net household income, including all on- and off-farm sources of income by all household members, needed for a household to afford the cost of a decent standard of living.

Living wage benchmarks and living income benchmarks use the same underlying data

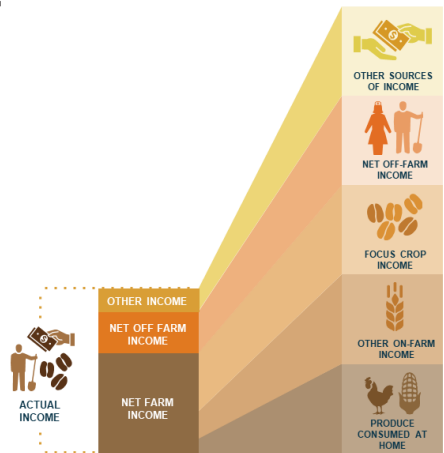


FIGURE 2: SOURCES OF INCOME THAT CONTRIBUTE TO HOUSEHOLD ACTUAL INCOME (ANKER, 2024)



– the cost of a decent standard of living for a specific location – but a living wage is calculated for an individual and includes taxes and living income is calculated for a household and includes only the cost of living in that location.

Coffee farming households are independent businesspeople, rather than employees, who often earn income in a variety of ways. This is why practitioners tend to use living income, as opposed to living wage, when addressing the challenge of poverty among farming communities. Living wage is most appropriate for analyses with farmworkers on coffee farms.

<sup>2</sup> “Anker Methodology,” Anker Research Institute, accessed August 6, 2024, <https://www.ankerresearchinstitute.org/anker-methodology>.

## Why living income?

A coffee company's role with its farmer partners is to support them to produce and sell coffee sustainably. Therefore, farmer income and profitability is a primary focus for a corporate sustainability strategy.

Ensuring that farmers earn a sufficient income is a necessary enabler of a good livelihood, allowing them to invest in sustainable practices and improve their overall quality of life.

Coffee companies, however, only buy a portion of farming households' coffee production and coffee is only one of several income sources for many households. Taking a living income approach helps to shed light on the financial role of coffee in the lives of producing households and therefore supports companies to better understand their role and responsibility in supporting income improvement.

## Living income in relation to other poverty measures

Most critically, the living income concept, as opposed to other poverty measures, allows a robust and quantifiable discussion on coffee price. Prices are typically obscured in the dialogue on sustainability programs or markets when measures of sustainable livelihoods, for example, are used. As opposed to the challenges of understanding if a company is supporting sustainable farming livelihoods, the living income approach provides a straightforward measure to assess whether the coffee farming household could make a living income, given the current trading

relationship with the company.<sup>3</sup> Companies can develop living income reference prices internally and/or use third-party living income reference prices (which are developed non-competitively and following anti-trust laws).<sup>4</sup>

The concept of living income assesses whether employers or buyers are providing the compensation and investment needed to enable a farming family to earn enough to reach or exceed the living income benchmark. The concept does not measure what the family does with their earnings nor whether they have access to quality food, housing, education, or health care. Consequently, other types of non-monetary poverty measures can complement a living income assessment and offer considerable value in situations where both the market and the livelihoods status of farming households are being assessed.<sup>5</sup> For an in-depth review of the Multidimensional Poverty Index, the DLH Wealth Index, and the Progress out of Poverty Index and how these other poverty measures relate to living income, see the [Living Income Community of Practice paper on this topic](#).



3 Johannes von Engelhardt, Molly Leavens, and Stephanie Daniels, "Monetary and Non-Monetary Poverty Measures from a Living Income Perspective" (Living Income Community of Practice, September 2023), [https://www.living-income.com/fileadmin/living\\_income/Publications/Studies/MPI\\_paper\\_and\\_Living\\_Income.pdf](https://www.living-income.com/fileadmin/living_income/Publications/Studies/MPI_paper_and_Living_Income.pdf).

4 "Living Income Reference Prices," Fairtrade International, accessed August 6, 2024, <https://www.fairtrade.net/issue/living-income-reference-prices>.

5 Engelhardt, Leavens, and Daniels, "Monetary and Non-Monetary Poverty Measures from a Living Income Perspective."

# THE BUSINESS CASE FOR A LIVING INCOME APPROACH

Working to improve the income of smallholder coffee farmers directly benefits coffee companies in three ways:

## 1. Coffee supply security

- Improved income helps maintain coffee supply by encouraging farmers to continue growing coffee.
- Farming households who earn a living income can invest in better farming practices and technologies, improving coffee quality, productivity and climate resilience.

## 2. Reputation

- Negative publicity from poverty in coffee producing regions can damage a company's reputation. Working towards a living income for farmers helps mitigate this risk, contribute to brand propositions and company public image, and improve public evaluations/ rankings of corporations.

- Companies that support living income can position themselves as leaders in social responsibility, spearheading positive change and setting industry standards.
- 3. **Compliance and due diligence**
  - Taking a living income approach helps companies comply with international human rights standards and upcoming legislation, such as the European Union's Directive on Corporate Sustainability Due Diligence (CSDDD).<sup>6,7</sup>
  - Poverty is the single greatest driver for child labor and forced labor.<sup>8,9</sup> Thus, improving the income of coffee farming households can help to mitigate the risk of human rights violations in coffee producing areas and their larger communities.



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6 United Nations Human Rights Office of the High Commissioner, "Guiding Principles on Business and Human Rights", 2011. [https://www.ohchr.org/sites/default/files/documents/publications/guidingprinciplesbusinesshr\\_en.pdf](https://www.ohchr.org/sites/default/files/documents/publications/guidingprinciplesbusinesshr_en.pdf)

7 European Commission, "Corporate Sustainability Due Diligence," accessed 7 Aug 2024. [https://commission.europa.eu/business-economy-euro/doing-business-eu/sustainability-due-diligence-responsible-business/corporate-sustainability-due-diligence\\_en](https://commission.europa.eu/business-economy-euro/doing-business-eu/sustainability-due-diligence-responsible-business/corporate-sustainability-due-diligence_en)

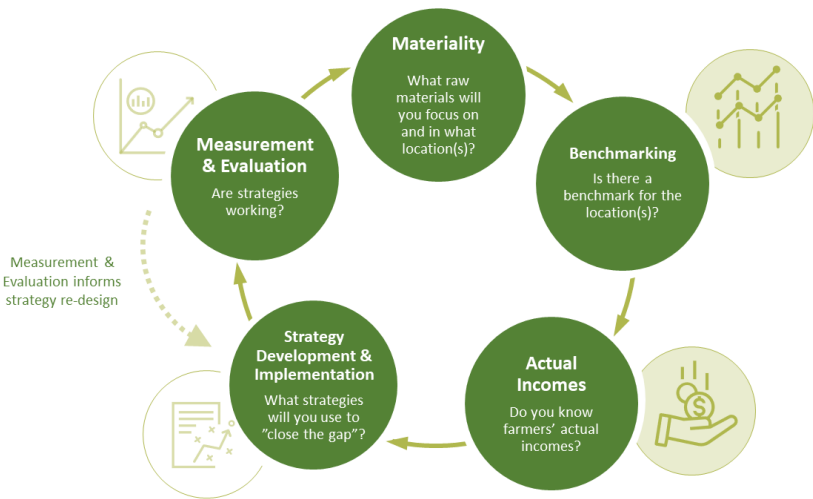
8 "Causes | International Labour Organization," July 13, 2011, <https://www.ilo.org/resource/causes>.

9 "Profits and Poverty: The Economics of Forced Labour | International Labour Organization," March 19, 2024, <https://www.ilo.org/publications/major-publications/profits-and-poverty-economics-forced-labour>.

# LIVING INCOME APPROACH

There are five main steps to implementing a living income approach. A long-term strategic and multi-year commitment is required for any company that aims to effectively help close living incomes gaps

in their supply chains. For more detailed information, please see [“Guiding steps toward living income in the supply chain”](#).



## 1. Materiality – Selecting Where to Start

Companies should first conduct a materiality assessment to understand where to prioritize living income investments. Materiality assessments should include:

- Determining coffee sourcing regions that are critical to the company from a commercial spend and volume perspective.
- Mapping the incidence and severity of poverty in these sourcing regions. As described in the “Setting an inclusive living income commitment” section of this guidebook, companies can use living income as a motivating factor to ‘hang in’ and see smallholder origins as the high impact origins where they are able to make the most progress.

- Mapping any additional relevant contextual factors: reputational risk, level of political conflict, portion of buy that is traceable, and/or team on the ground that is especially eager or has the capacity to engage.

## 2. Benchmarking – Finding and Adjusting a Living Income Benchmark

To understand farming households’ ability to afford a decent standard of living, companies must compare actual farming household income to a living income benchmark. Once priority areas have been identified, use the Align Tool website or the Global Living Wage Coalition website to find the most geographically appropriate living income or living wage benchmark for the focus area. Both databases include the same studies and are searchable by

country.<sup>10,11</sup> Ensure the benchmark covers the specific area of interest or a geographic area with a similar cost of living.

Thanks to the work of the Global Living Wage Coalition and the International Coffee Organization's Coffee Public Private Task Force, there is now a benchmark in most coffee producing origins.<sup>12</sup>

Living income benchmarks are used in two main ways: 1) to understand income gaps by comparing current household incomes to the living income benchmark, and 2) to set goals and measure progress by providing context around current farmer income and informing targets for increasing income.

### ***Adjusting a living income benchmark:***

Once a benchmark is selected, it may need to be adjusted to most accurately compare actual income of farming households in the specific study area.

*Data timeliness:* Adjust the benchmark for inflation using the country-level consumer price index if the benchmark data is older than a year.

*Household size:* Adjust the benchmark if the household size in the actual income study differs from the household size used in the benchmark. For more information on the different methodologies for adjusting for household size, see the Fairtrade Foundation report on this topic.<sup>13</sup>

For more detailed information about living income benchmarks, see the [Living Income Community of Practice benchmark guide](#).<sup>14</sup>

## **3. Actual Incomes – Understanding Farmer Partner Basics and Actual Incomes**

To improve farmer income, companies first need to know where their coffee comes from, and the challenges faced by coffee growers and workers in those origins in attaining a decent livelihood. Even within the same geography, farmers will differ in their income earned from coffee and have different characteristics that may need different strategies to address the living income gap. Understanding the current income and challenges helps to identify targeted strategies going forward.

For more details about methodologies to collect relevant data on farming households, see the Living Income Community of Practice [Practitioner's guide](#) and [FAQs](#) on income measurement.<sup>15,16</sup>

## **4. Strategy – Developing and Implementing a Living Income Strategy**

Working from an understanding of current farming household income and key challenges to income improvement, companies should design living income programs to improve income in a holistic way and address the key challenges faced by different types of farming households.

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10 "Source Map - Source Map - ALIGN," accessed August 6, 2024, <https://align-tool.com/source-map>.

11 "Resource Library," Global Living Wage Coalition, accessed August 6, 2024, <https://www.globallivingwage.org/resource-library/>.

12 "ICO's Coffee Public Private Task Force Brings Attention to Decent Standard of Living for Coffee Farmers Worldwide," Global Living Wage Coalition, accessed August 6, 2024, <https://www.globallivingwage.org/announcements/press-release-ico-coffee-farmers-benchmarks/>. And <https://icocoffee.org/global-knowledge-hub/document/#living-prosperous-income>

13 Carley-Jane Stanton and Rachel Wadham, "Adjusting Living Income Benchmarks for Household Size in the Cocoa Sector" (Fairtrade Foundation, n.d.), [https://www.living-income.com/fileadmin/user\\_upload/Adjusting\\_Living\\_Income\\_Benchmarks\\_for\\_Household\\_Size\\_in\\_the\\_Cocoa\\_Sector.pdf](https://www.living-income.com/fileadmin/user_upload/Adjusting_Living_Income_Benchmarks_for_Household_Size_in_the_Cocoa_Sector.pdf).

14 "Looking for a Living Income Benchmark?" (Living Income Community of Practice, May 2020), [https://c69aa8ac-6965-42b2-abb7-0f0b86c23d2e.filesusr.com/ugd/0c5ab3\\_4a0b8a8112d74abc86b2260984a967ae.pdf](https://c69aa8ac-6965-42b2-abb7-0f0b86c23d2e.filesusr.com/ugd/0c5ab3_4a0b8a8112d74abc86b2260984a967ae.pdf).

15 ISEAL, "Income Measurement Practitioner's Guide" (Living Income Community of Practice, March 2022), [https://www.living-income.com/fileadmin/living\\_income/Publications/Other\\_Relevant\\_Publications/Income\\_Measurement\\_Practitioner\\_s\\_Guide.pdf](https://www.living-income.com/fileadmin/living_income/Publications/Other_Relevant_Publications/Income_Measurement_Practitioner_s_Guide.pdf).

16 "Looking to Measure Incomes and the Income Gap?" (Living Income Community of Practice, October 2021), [https://www.living-income.com/fileadmin/living\\_income/Publications/Other\\_Relevant\\_Publications/FAQ\\_Looking\\_to\\_measure\\_incomes\\_and\\_the\\_income\\_gap\\_FAQ.pdf](https://www.living-income.com/fileadmin/living_income/Publications/Other_Relevant_Publications/FAQ_Looking_to_measure_incomes_and_the_income_gap_FAQ.pdf).

## ***Living income program definition***

A living income program differs from traditional farmer support programs in that it must include four main criteria: <sup>17</sup>



### **BASELINE**

- 1) a baseline living income gap has been measured and challenges have been assessed



### **MIX OF INTERVENTIONS**

- 2) a mix of interventions are used to address challenges to multiple income drivers (e.g. price, productivity, cost of production, diversified income sources)



### **NARROW THE INCOME GAP**

- 3) the goal of the program is explicitly to narrow the living income gap, and



### **MONITORING AND LEARNING AGENDA**

- 4) the program is accompanied by a monitoring and learning agenda.

## ***Program design***

Key steps that a company can take to create an environment in which farming households can thrive include:

1. Implementing trading practices that provide a stable market and de-risk or ensure a good return on a farming household's investment. Examples: payment timing, price premiums, direct purchasing, long-term purchasing agreements.
2. Providing agronomic support that helps farming households to improve productivity, efficiency, and climate resilience. Examples: input financing, nursery establishment, farm coaches.
3. Supporting households to build better farm/business management and support diversified income generation. Examples: support Village Savings and Loan Associations (VSLA), support youth entrepreneurship programs, support farmer business school programs.

**Overcoming barriers**

Implementing successful living income programs can be difficult due to a variety of challenges.

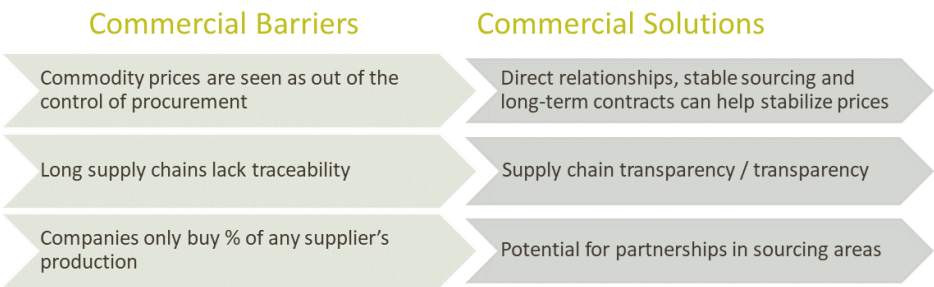
Companies face numerous commercial barriers when implementing a living income program. However, many of these barriers can be addressed through commercial solutions as a part of the program design.

In addition to commercial barriers, there are contextual barriers to successful living income programs, including:

- 1. Emerging economy governments often struggle to fund and sustain adequate social services and infrastructure for competitive agriculture.

- 2. Poverty is multi-dimensional and a result of multiple factors, many beyond the control of a single coffee company (e.g., political unrest, weather, roads, public health services, etc.).

Contextual barriers are more difficult for coffee companies to address. However, these barriers are important to consider when understanding the environment in which a company is working, identifying partners for collaboration around these issues, and setting realistic targets for progress. Developing partnerships for collective action through multi-stakeholder initiatives, at the global, regional, national and/ or landscape level, are critical for addressing these barriers.



**5. Measurement and Evaluation**

Tracking key drivers of income for farming households helps programs to understand what's working, what's not, and how to deliver programs more effectively to reach living income goals. Living income measurement generally includes: a baseline study to understand the current living

income gap of farming households, an endline study (after 3-5 years) to understand the change in the living income gap, and program monitoring in the interim to understand key farm level indicators of progress (such as adoption of agricultural practices, productivity, price and cost of production).

17 Kealy Sloan, Molly Leavens, and Stephanie Daniels, "Aligned Inclusive Living Income Narrative and Indicators" (Living Income Community of Practice, June 2024), [https://www.living-income.com/fileadmin/living\\_income/The\\_Concept/Measurement/LICOP\\_publication\\_-\\_Aligned\\_Inclusive\\_Living\\_Income\\_Narrative\\_and\\_Indicators.pdf](https://www.living-income.com/fileadmin/living_income/The_Concept/Measurement/LICOP_publication_-_Aligned_Inclusive_Living_Income_Narrative_and_Indicators.pdf).

## Living income metrics

Those measuring living income programs should be conscious to use inclusive living income metrics that highlight progress across different types of farmers, rather than focus on the percent of farmers that reach or exceed the living income benchmark. Similarly, the Sustainable Coffee Challenge has a collective commitment to a people, nature and climate positive coffee sector, with a suite of unique metrics related to each of its [2050 goals and 2025 targets](#) for people, planet, coffee and markets. The 2025 PEOPLE target is to: fully protect the rights and well-being of coffee workers and establish living income/ wage benchmarks in at least 80% of ICO member producing countries and initiate public-private interventions to close and surpass living income/ wage gaps<sup>18</sup>, with [associated metrics for farmer and worker wellbeing and prosperity](#). Progress against the target is reported in the Sustainable Coffee Challenge's [annual report](#). Furthermore, whereas PEOPLE metrics stretch to wider themes outside of living income and wage, the Living Income Community of Practice website has [a full list of indicators](#) designed to provide a comprehensive understanding of living income and progress toward closing the living income gap for smallholder farmers.<sup>19</sup>

Living Income Community of Practice indicators are divided into three categories:

1. *Key Indicators for Actual Income Measurement:* Used to measure the current income of farming households. These include: focus crop (i.e., coffee) net income and other income generating sources.
2. *Progress Indicators:* Used to track changes in key income drivers over time to show the effectiveness of interventions. These include: the change in total volume sold in a focus area, the change in farm economic efficiency (measured as the cost per unit of production) and change in stable contracting (percentage change of households with stable contracts that include price agreements).
3. *High-Level Progress Indicators:* Provide a broader view of progress within a living income initiative, useful for public reporting. These include: the percentage of households in a living income program and the change in the living income gap (the percentage change in the living income benchmark earned by the median “typical” farming household from baseline to current year).

## Living income reporting

Standard reporting ensures that studies on living income are comparable, allowing for better alignment and learning across the sector. Standard reporting includes using aligned indicators where possible (see above) and best practices in data

analysis and reporting (such as using median values where possible to illustrate the “typical” farmer and avoid skew that is often present when using the mean). While it is encouraged to work toward aligned indicators, there are still many valid methods of collecting living income data.

To foster better learning and comparability across studies, it is strongly encouraged to note these decisions using the “LICOP Study Template for Alignment”.<sup>20</sup>

Starting in 2024, the GRI sector standard on Agriculture, Aquaculture, and Fishing includes recommendations for reporting on living income.<sup>21</sup>

# KEY FACTORS OF SUCCESS FOR LIVING INCOME PROGRAMS

As living income approaches continue to gain traction across sectors, key lessons continue to surface. The Living Income Community of Practice published [16 Key Factors for Successful Private Sector Living Income Programmes](#).<sup>22</sup> Below are a selection of these key factors, organized by three pathways for private sectors interventions:

## Invest in your value chain

- Producer organizations should be front-and-center as a primary agent for living income impact for smallholder farming communities
- Monitoring and evaluation of the impact of living income initiatives improve program implementation, support successful scale up of practices, and can help to secure future funding.

## Adapt your business practices

- Strengthened procurement practices,

including price premiums, contract predictability, transparency, value distribution, and risk sharing are critical for improving income from the focus crop. Linking sustainability and procurement can create long-term value for the company, producer organizations, and producers.

- Sustainability of solutions – long-term and sustainably funded programs, not projects, are needed to create the environment for success.

## Collaborate at sector level

- Where possible, standardize impact data to streamline collection and analysis across the value chain to reduce burden for producers and producer organizations and enable collaborative programming and sector wide precompetitive data sharing.
- Align programs with national development plans when possible.

# INTERSECTION OF LIVING INCOME WITH ENVIRONMENTAL IMPACT AREAS

The Sustainable Coffee Challenge emphasizes that achieving a sustainable coffee sector requires investments

that link social/economic outcomes to environmental outcomes. Profitable farmers with higher net household income

18 In support of and alignment with the ambitious goals of the ICO’s Coffee Public Private Task Force  
19 Sloan, Leavens, and Daniels.  
20 Sloan, Leavens, and Daniels.  
21 “GRI 13: Agriculture, Aquaculture and Fishing, Sectors 2022” (Global Reporting Initiative, January 2024), <https://www.globalreporting.org/search/?query=GRI+13>.  
22 “16 Key Factors for Successful Private Sector Living Income Programmes” (Living Income Community of Practice, June 2024), [https://www.living-income.com/fileadmin/living\\_income/Publications/Other\\_Relevant\\_Publications/16\\_Key\\_Factors\\_for\\_Successful\\_Private\\_Sector\\_Living\\_Income\\_Programmes.pdf](https://www.living-income.com/fileadmin/living_income/Publications/Other_Relevant_Publications/16_Key_Factors_for_Successful_Private_Sector_Living_Income_Programmes.pdf).

are better able to invest in their farms, and with proper support, invest in practices that are beneficial to the environment. Adopting climate smart / regenerative practices can help to lower farms' GHG emissions and can help farming households enhance their resilience to the impacts of climate change.

Halting and reverse nature loss, in turn, protects the future for farming, which depends on soil health and biodiversity. There is no successful climate and nature

program without considering the farm economics of adopting climate smart or regenerative practices, and no successful income program that ignores climate and nature risks. Tying livelihoods and regenerative agriculture together into holistic programs can also progress multiple company commitments at the same time, thus improving support from internal leadership who want to deliver on those commitments.

## SETTING AN INCLUSIVE LIVING INCOME COMMITMENT

Living income is an inclusive concept that encourages strategies that increase household income for all farming households. Companies should frame living income goals around improving key drivers of income (volume produced, efficiency, price) and focus on the progress of the median ("typical") farming household in narrowing the living income gap. In this way, companies can use living income as a motivating factor to 'hang in' and see smallholder origins as the high impact origins where they are able to make the most progress.

In the same vein, companies are discouraged from setting targets that commit to getting 100% of farmer partners to a living income with no parameters or criteria. Such commitments could incentivize a move away from the most vulnerable farming households, as they are not likely to reach the living income benchmark due to factors beyond a company's control – namely land size. This presents a risk that buyers importing into the EU will depart from the farmers and countries that most need trade for development.<sup>23</sup>



CI/PHOTO BY FACHRUDIN MANSUNJAYA



CI/PHOTO BY HAROLDO CASTRO

<sup>23</sup> Sloan, Leavens, and Daniels, "Aligned Inclusive Living Income Narrative and Indicators."

# PEOPLE + MARKETS DRAFT MATURITY MATRIX

Sustainable Coffee Challenge has developed a maturity matrix to track the development of company sustainability commitments, policies, and actions from “lagging” to “on-par” to “leader”. The draft matrix is below with bolded text indicating people-focused strategic guidance, whereas the other text may apply to all types of public coffee commitments or policies.

Components of Commitment or Policy	LAGGING No Approach	ON-PARR Compliance-Based Approach	LEADER Investment-Based Approach
SCOPE	<ul style="list-style-type: none"><li>No public commitment; organization at severe risk</li><li>Urgent need to conduct materiality and climate impact assessments</li></ul>	<ul style="list-style-type: none"><li>Commodity-specific commitment re <b>social compliance</b></li><li>Commitment is SMART</li><li>Public annual reporting</li><li>Supply chain aligned investments</li><li>Traceability</li><li>Responsibly sourced</li></ul>	<ul style="list-style-type: none"><li><b>Income based commodity-specific commitment</b></li><li><b>Move from outputs to impacts</b></li><li><b>Includes farmer programs + trading practices</b></li><li>Enterprise-wide <b>human rights policy</b> across commodities</li><li>Commitment is SMART</li><li>Public annual reporting</li></ul>
IMPLEMENTATION		<ul style="list-style-type: none"><li><b>Free, prior and informed consent (FPIC) process</b></li><li>M&amp;E</li><li>GIS mapping and monitoring</li><li>Supplier requirements (e.g., Code of Conduct, clear guidance for implementation of commitment)</li><li>Public list of suppliers</li><li>Certifications/3rd party assurance</li></ul>	<ul style="list-style-type: none"><li>Clear guidance for implementation of policy (internal and external)</li><li>Landscape approach to reach impact at scale</li><li>Collective action</li><li><b>Farmers in supply chain supported with land tenure, +gender and youth programming</b></li></ul>
NON-COMPLIANCE		<ul style="list-style-type: none"><li>Grievance mechanism (company-specific)</li></ul>	<ul style="list-style-type: none"><li>Grievance mechanism (landscape/shared)</li></ul>
ACCOUNTABILITY			<ul style="list-style-type: none"><li>Organizational leadership publicly accountable for delivery</li></ul>

## COMPANY EXAMPLES OF LIVING INCOME WORK

A number of Sustainable Coffee Challenge companies and organizations are working to improve farmer incomes towards closing living income and wage gaps. A few examples are listed below.

- Azahar Coffee**’s Sustainable Coffee Buyers Guide uses field data to track earnings and costs of production. These values inform socially conscious coffee buyers about prices required for farmers to achieve different levels of income – from minimum wage to living income to prosperity levels.<sup>24</sup>

- **Nestlé** launched Nescafé Plan 2030 in 2022 to help drive regenerative agriculture, reduce greenhouse gas emissions and improve farmers' livelihoods by using a mix of interventions including promoting regenerative agriculture practice adoption, cash transfers for the adoption of certain coffee practices, income diversification, long-term trading relationships, and annual monitoring.<sup>25,26</sup>
- **Bellwether Coffee** has committed to purchasing 100% of their coffees using the Living Income framework by 2025. Their framework, built with Fairtrade and Heifer, is built on the living income reference price model.<sup>27</sup>
- **Caravela** has developed their Atlas system to track and visualize costs of production across origins.<sup>28</sup>
- **Ofi's** AtSource program and their LIGHT income model for multiple coffee origins allows the modelling of different strategies to close income gaps. This informs their living income commitments in their 2024 sustainability strategy Choices for Change.<sup>29</sup>
- **Moyee's** living income program aims to help farmers achieve living incomes not only by improving quality and yields but also by lowering production costs, investing in digitization, and accessing credit and healthcare. It also pays a living income differential.<sup>30</sup>



24 <https://www.coffeebuyers.org>

25 <https://www.nestle.com/media/pressreleases/allpressreleases/sustainable-coffee-nescafe-plan-2030>

26 [https://sustainablefoodlab.org/wp-content/uploads/2024/05/Nescafe-Plans-journey-toward-LI-and-Regen-Ag-in-Indonesia\\_Final.pdf](https://sustainablefoodlab.org/wp-content/uploads/2024/05/Nescafe-Plans-journey-toward-LI-and-Regen-Ag-in-Indonesia_Final.pdf).

27 <https://bellwethercoffee.com/blog/making-an-impact-with-bellwether-what-to-know-about-living-income-pricing-and-the-farmer-impact-fund#:~:text=So%20far%2C%20Bellwether%20has%20signed,Living%20Income%20framework%20by%202025,&text=Bellwether%20goes%20above%20and%20beyond,further%20investments%20in%20coffee%20communities>.

28 <https://intelligence.coffee/2022/05/coffee-sustainable-living-income-crisis/>

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[www.sustaincoffee.org](http://www.sustaincoffee.org)

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