

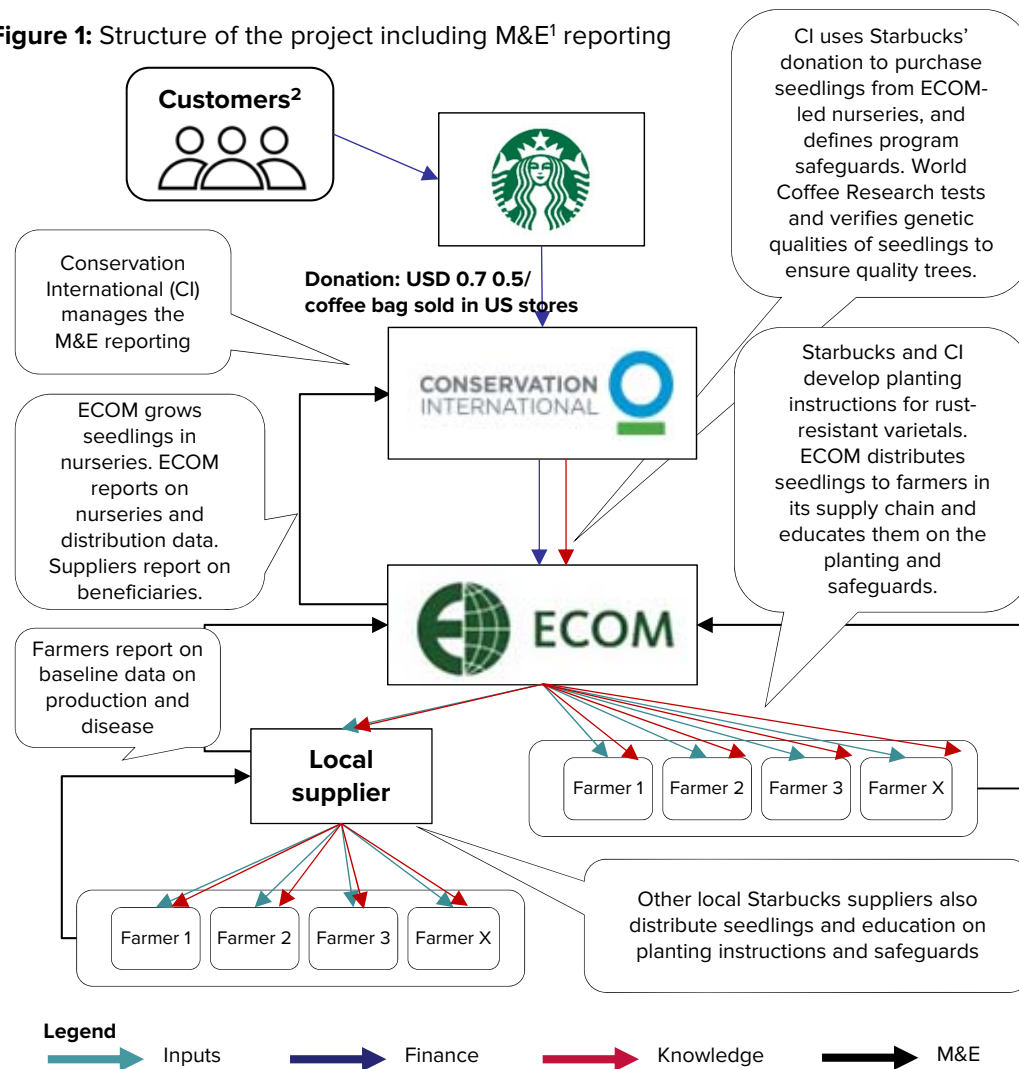
*Starbucks and Conservation International lead a grant-based renovation project with a strong environmental component and innovative consumer connection*



## One Tree for Every Bag Commitment Program (1T1B) - Starbucks

<b>R&amp;R type</b>	Grant-based renovation
<b>Countries</b>	Mexico, El Salvador, Guatemala
<b>Cost</b>	Total cost: \$19.5 million – USD 0.7 0.5/coffee bag sold
<b>Dates</b>	2015 – 2017
<b>Project context</b>	<ul style="list-style-type: none"> <li>In 2011/12, <i>La Roya</i> affected almost 50% of the total coffee growing area in Mexico and Central America, significantly reducing the SHF production.</li> <li>Starbucks launched the “One Tree for Every Bag Commitment” initiative to help ensure the long term supply of coffee and the economic future of farmers. Farmers supported are C.A.F.E. Practice verified</li> </ul>
<b>Objectives, activities, and results</b>	<ul style="list-style-type: none"> <li>Starbucks raised funds through consumers to finance the distribution of nearly 30 million rust-resistant trees in 2017 and extended commitment to 100 million trees by 2025 (with a focus on Mexico, El Salvador, and Guatemala and as part of Starbucks’ green buying program)</li> <li>Starbucks aims to ensure that 10 million trees are available per year to farmers in need (in the same three countries)</li> <li>It is still too early to evaluate yield uplifts, but preliminary socioeconomic and environmental results look promising....</li> <li>Expected value created: yield improvements and greater livelihood security, forest and shading trees preserved, job creation</li> <li>Value captured: Farmers are not required to sell their production to ECOM or to local suppliers. Starbucks may recoup part of its investment through increased production volumes, but the program mostly finances a public good.</li> </ul>

**Figure 1: Structure of the project including M&E<sup>1</sup> reporting**



Notes: (1) Monitoring and Evaluation. (2) Since its inception, the program has been funded through customer sales in Starbucks stores. Going forward, Starbucks is integrating the purchase of healthy, rust-resistant coffee trees into its green coffee buying program. By working with long-term suppliers, the company will seamlessly ensure that a total of 10 million coffee tree seedlings per year are available to farmers in need. Sources: Sustainable Coffee Challenge, *The Opportunity for Renovation at Scale – Meeting the needs of 1B+ new trees to restore productivity and sustain supply chain*, 2017; Dalberg interviews

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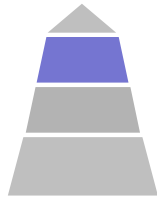
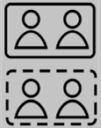
### Project context

#### Viability



- **Relevance:** SHFs in Central America and Mexico have the potential to increase yields by applying GAP and R&R. In addition, R&R can help build adaptive capacity by supporting disease resistance and adaptation to climate change.
- **Willingness:** Farmers in the program must adopt “Safeguards”. One safeguard concerns the “right of growers”: it acknowledges that the decision to renovate a portion of their land was made freely by the farmer him/herself.

#### Farmer segmentation



- **Country situation:** In the three countries, SHFs represent the bulk of coffee farmers. Their degree of integration within value chains varies by country, though most are in tight value chains.
- **Program segmentation:** ECOM, or local suppliers, select farmers from their supply chain. A tight link between farmers and suppliers prevents farmers from reselling the distributed seedlings.

#### R&R need



- **Country need:** Roughly 75,000 ha cultivated by SHFs would benefit from R&R in Mexico, El Salvador, and Guatemala.
- **Program objectives:** Starbucks raised funds to distribute nearly 30 million new trees. ECOM and local suppliers communicate farmers’ R&R needs, and CI monitors the tree distribution based on a needs analysis.

### Management of the three R&R components

#### Inputs

- **Providers:** ECOM
- **Challenges faced:**
  - Production of rust-resistant seedlings.
  - Physical distribution of seedlings and tracking of plants once distributed in remote areas may be difficult.
- **Solution:**
  - ECOM germinates seedlings in 12 local nurseries. The seeds produced are rust-resistant (variety *Marsellesa*) and the quality is monitored.
  - Starbucks is planning to support decentralized nurseries to ease distribution, but control of decentralized nurseries is more difficult.

#### Finance

- **Providers:** Starbucks is financing the seedlings and currently exploring other loan and financial assistance mechanisms.

#### Knowledge

- **Providers:** Conservation International (CI)
- **Challenges faced:** Farmers may use environmentally damaging agricultural practices.
- **Solution:** CI establishes “safeguards” concerning forest conservation and shade management. Local suppliers teach farmers to respect these safeguards that are in accordance with C.A.F.E. Practices. Local suppliers also provide technical assistance and education on GAP for the planted variety to SHFs. CI visits a sample of farms annually to ensure safeguards were respected. CI also works closely with Starbucks agronomists to produce detailed planting instructions for farmers to nurture plants in years 1-3.

### Lessons learned

- **M&E is critical to ensure renovation implementation success** – A well rounded monitoring system helps ensure that quality trees are being provided, beneficiaries respect environmental safeguards and that the program management, distribution and reach improves year over year.
- **Collaboration and communication between stakeholders enables the successful delivery of diverse project components** – Given the scale of the 1T1B program, in order to ensure timely germination of seedlings and to coordinate mass deliveries, Starbucks, CI and all suppliers needed to maintain close coordination, which included the use of standardized data tracking templates and farmer and agronomist outreach materials. Additionally, ensuring the seeds are distributed and planted at the right times is essential and an ongoing consideration that is managed and improved year on year.
- **Environmental safeguards in renovation projects should not be overlooked** – Renovation projects can have unanticipated impacts on forest conservation if not properly managed. For example, if farmers cut down old growth or shade trees in addition to replacing non-productive coffee trees, the consequence of deforestation and loss of forest connectivity can lead to deterioration of water resources and biodiversity. Program implementers should include safeguards in the design of their projects and ensure their implementation at farm level.

For more information, please contact: Starbucks Social Impact Team, [socialimpact@starbucks.com](mailto:socialimpact@starbucks.com); Raina Lang, Director, Sustainable Coffee Markets, CI, [rlang@conservation.org](mailto:rlang@conservation.org)