

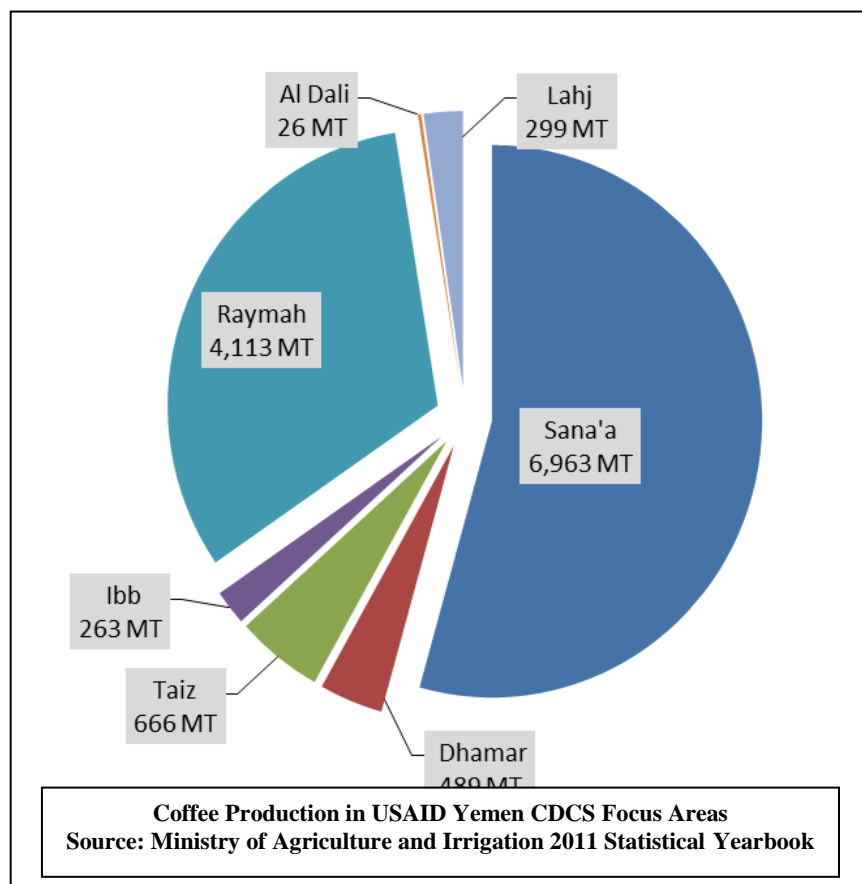
**Coffee to Resilience Pilot Program:
Coffee Sector Development in Food Insecure Areas of Yemen**
Support for Agriculture Sector Sustainability in Yemen

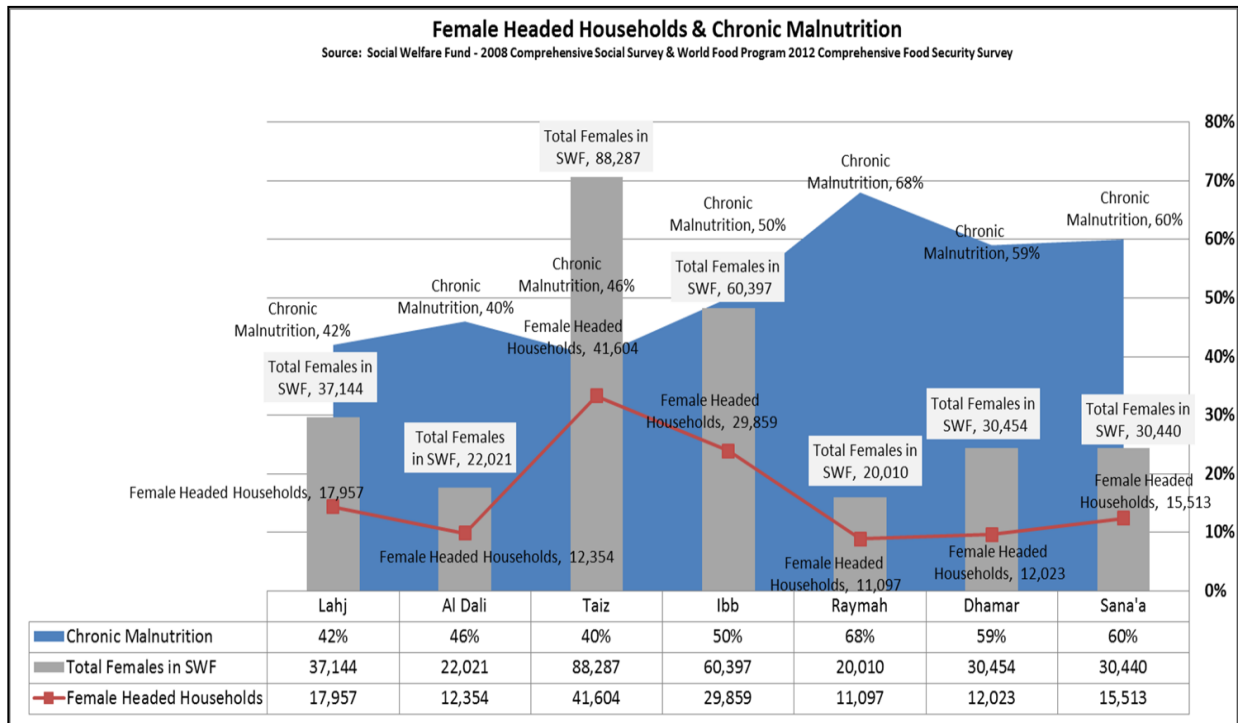
A key aspect of USAID Yemen programming is to improve food security and in doing so move Yemenis toward sustainable development and a society that is more resilient, self-sufficient, and invested in promoting stability and a better future. Under the Competitive Agriculture Systems for High Value Crops (CASH) Project, USAID is supporting activities that can help create high value, lucrative markets for Yemeni agricultural products and link smallholder producers to these markets with premium prices for their production. The theory of change is that, as market opportunities increase, farmers will have greater incentive to adopt cost effective practices to increase the production and quality of key products which will in turn promote high value product marketing, increase family incomes, and provide greater access to food. A key precept to this approach is that fully developed and competitive agriculture value chains are required to achieve increased food security.

The CASH Project, which was officially launched on April 30, 2014, at a conference in Sana'a, Yemen, will move forward in three phases: (1) Initial studies, end-market analyses, and review of opportunities; (2) Design and implementation of pilot “proof of concept” value chains; and (3) Implementation of long-term value chain programs.

Among the value chains under consideration is coffee, a key agriculture value chain providing income to over 90,000 farmers and directly benefiting more than 600,000 people in some of Yemen's most food insecure areas.

Some of Yemen's coffee production coincides with the highest rates of chronic malnutrition and food insecurity. For example, coffee production in Raymah is the second highest of all the USAID geographic focus areas while the same area has a chronic malnutrition rate of over 60 percent.





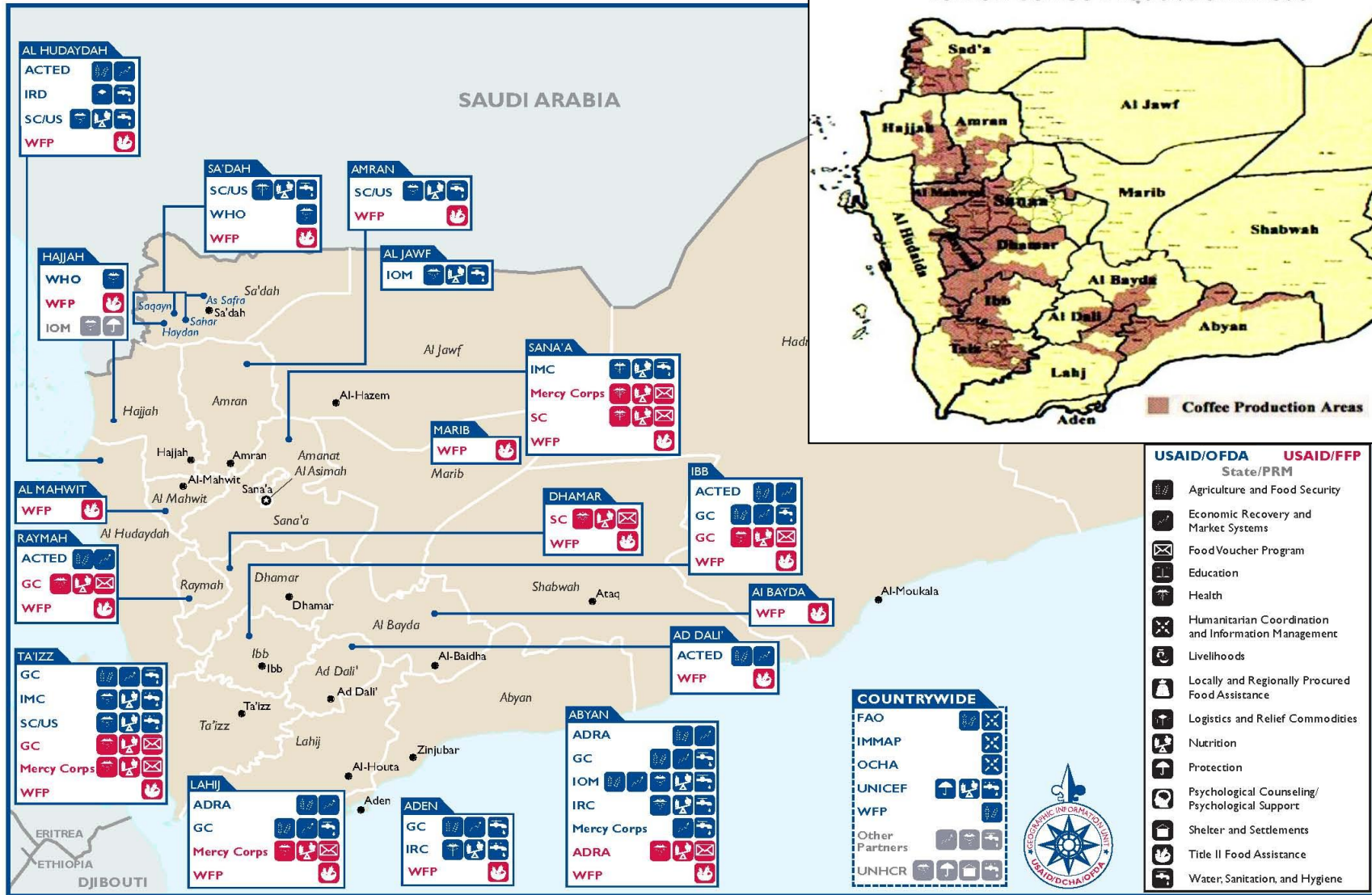
The Mission believes that while CASH will address the coffee value chain over the long run, there may be a danger of losing some immediate opportunities resulting from the Community Livelihoods Project agriculture component which draws to a close in June 2014. This is especially important since the Minister of Agriculture and Irrigation recently announced a new national development goal of increasing coffee production from 19,800 metric tons to 50,000 metric tons by 2019.¹

In order to take immediate action in Raymah and other coffee producing areas with high chronic malnutrition, the Mission should consider a pilot Specialty Coffee to Resilience Pilot Program over a two year period – July 2014 – June 2016. The “Coffee to Resilience Pilot Program” would provide technical assistance and support production, processing and marketing enhancement in the food insecure areas with significant coffee production capacity. The pilot effort would focus on developing production and processing capacity among small scale coffee farmers, promoting market access (Yemen green coffee exporters and international green coffee buyers), leveraging public and private sector investment, and supporting the development of ROYG National Coffee Strategy.

¹ In order to achieve a 150% increase in coffee production (going from the current 20,000 metric tons to 50,000 metric tons by 2019) will require Yemen to increase productivity to levels found in more developed coffee producing countries. With the right market incentives, this can be done through improved husbandry, increased irrigation efficiency, improved processing and a central focus on coffee production (as opposed to use of coffee for quisher).



ACTIVE USG HUMANITARIAN PROGRAMS IN YEMEN



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