



Good food, Good life

Business and Human Rights Resource Center: Invitation to respond - High hopes, low prices. How Nestlé is driving Mexican coffee farmers to ruin

Nestlé's response as of April 8, 2024

The matter has been resolved to the mutual satisfaction of all parties, even prior to the publication of the aforementioned article.

At the end of February this year, a working session took place between representatives of the Mexican federal and state authorities, the Mexican Coffee Institute, suppliers, representatives of coffee farmers from Chiapas (including the ones mentioned in the report), and Nestlé Mexico. We worked on solutions that benefit all stakeholders in the coffee value chain and that we are now taking forward in a constructive and open way.

Nestlé in Mexico continues to prioritize the local purchase of Robusta and Arabica coffee, regardless of fluctuations in international prices, because we value the positive impact it has on the economy and the development of Mexican coffee-growing communities.

Under the Nescafé Plan, we pay a premium price for responsibly sourced coffee. Coffee prices are subject to supply and demand and are set on the open marketplace.

The Nescafé Plan helps increase the income of coffee farmers by helping them increase productivity, optimize production costs and diversify income sources. This includes for example paying premiums for responsibly sourced coffee, 4C certified; financing, with zero interest rates, the purchase of fertilizers at a more competitive price; distributing high-yielding and disease-resistant coffee plantlets to renew and rejuvenate coffee farms, increasing productivity per hectare by up to 50%; incorporating organic fertilizers and optimization of synthetic fertilizers to help reduce production costs; promoting intercropping for alternative sources of income: training and technical assistance on sustainable agricultural practices.

The Nescafé Plan aims to increase the overall income of farmers, it does not determine coffee prices. As in every open marketplace, the coffee price is subject to supply and demand and is set on the trading market.

All premiums that we pay through the Nescafé Plan for responsibly sourced coffee are subject to supply and demand for a particular origin and/or quality. We offer competitive prices in an open marketplace.

Coffee farmers sell their coffee as dry cherry to the coffee mills, who then process it and sell it to Nestlé. Farmers are free to sell their production to whom they decide, as there are no exclusivity agreements that oblige them to sell their coffee to Nestlé.

Nestlé Mexico has been working with coffee farmers and suppliers for nearly 20 years with on-the-ground trainings and technical assistance, supporting coffee farmers to rejuvenate farms, transitioning to regenerative agricultural practices, and financing the purchase of inputs for their farms (i.e. organic fertilizers).



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The Soconusco region in Chiapas has the ideal agroecological conditions to grow Robusta coffee. We have provided 19 million Robusta coffee plantlets to farmers who were already cultivating this variety and to those in areas where Arabica coffee does not thrive properly.

Nestlé in Mexico buys green coffee, both Robusta and Arabica, through the coffee mills (our suppliers) with whom we have purchasing agreements in place. We offer competitive commercial conditions to our suppliers and adhere to purchasing standards and best practices that promote and respect free trade.

The mills, as intermediaries, play an important role in the coffee supply chain. We invite them to actively work on improving the efficiency of their own operations to help maximize the final price for the producers.

We have invested over 600 million pesos (USD 36 million) in the Nescafé Plan in Mexico since 2010.

The impact assessment we conduct regularly through independent farmer surveys shows a high satisfaction rate with the Nescafé Plan in Mexico and with the coffee plantlets we provide.

We look forward to continuing working with the Mexican farmers for the many years to come.