

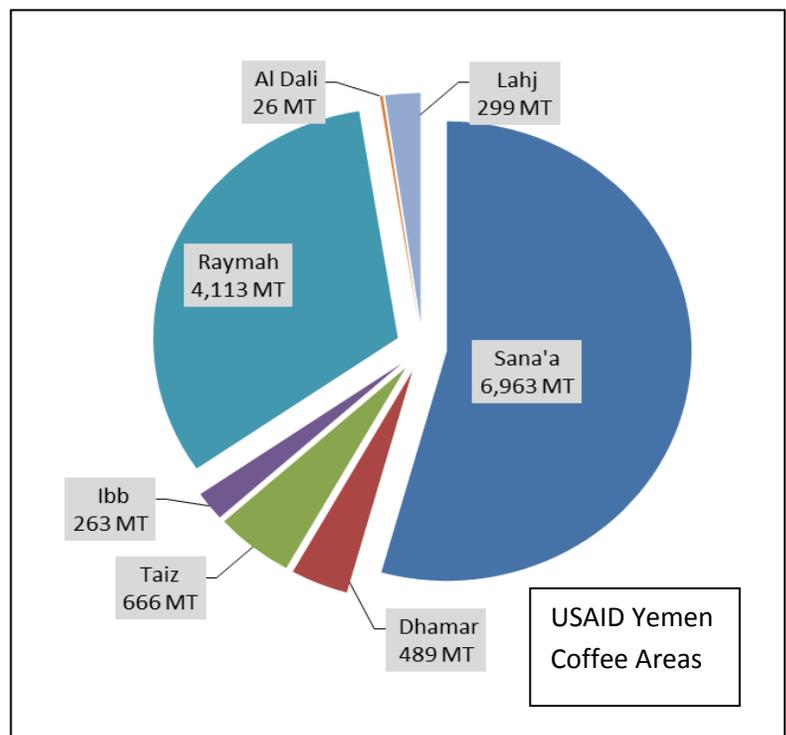
## Briefing USAID Yemen Coffee Sector Activities

Coffee is produced in Yemen on over 35,000 hectares and benefits more than 500,000 Yemeni citizens. Since 2006, the coffee production in Yemen has increased slightly from 17,293 metric tons in 2003 to 19,275 in 2011. Yemeni coffee is known for its high quality historically but low productivity and inconsistent quality has limited its impact in global specialty coffee markets. USAID Yemen and other donors in cooperation with the Republic of Yemen Government (ROYG) have initiated programs to increase coffee production, improve quality, strengthen coffee sector institutions and increase water productivity. These efforts are being implemented in the most food insecure areas of the country with the goal of increasing rural incomes, improving food security and moving the country toward sustainable development and a society that is more resilient, self-sufficient, and invested in promoting stability and a better future.

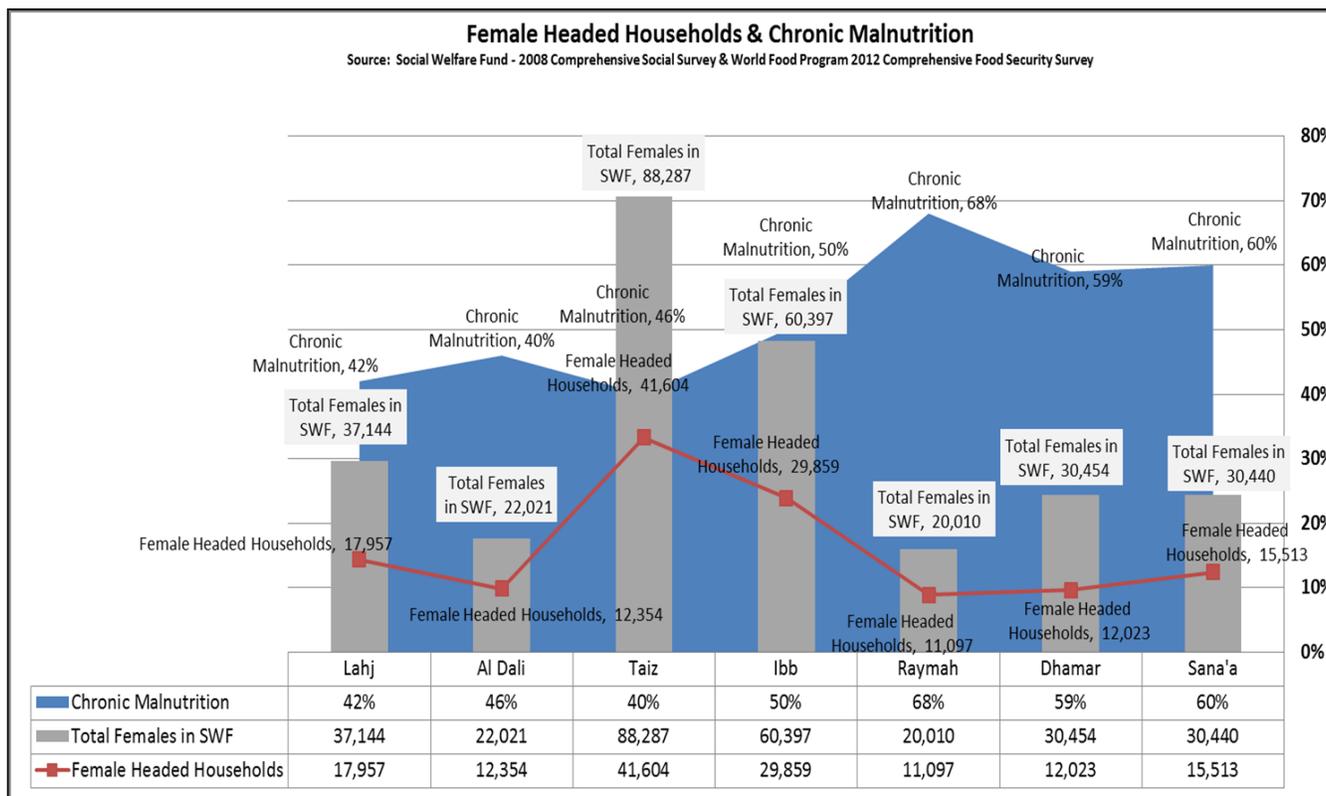
Under the Competitive Agriculture Systems for High Value Crops (CASH) Project, USAID Yemen is supporting activities that can help create high value, lucrative markets for Yemeni agricultural products and link smallholder producers to these markets with premium prices for their production. The theory 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.



In fact, approximately one half of the food insecure population of Yemen lives in prime coffee producing regions. See the graph below depicting chronic malnutrition and vulnerable households in these areas. Finding ways to increase coffee productivity, improve farm-gate prices of coffee, and increasing the volume and value of export sales of coffee could have a significant impact on social and economic conditions.

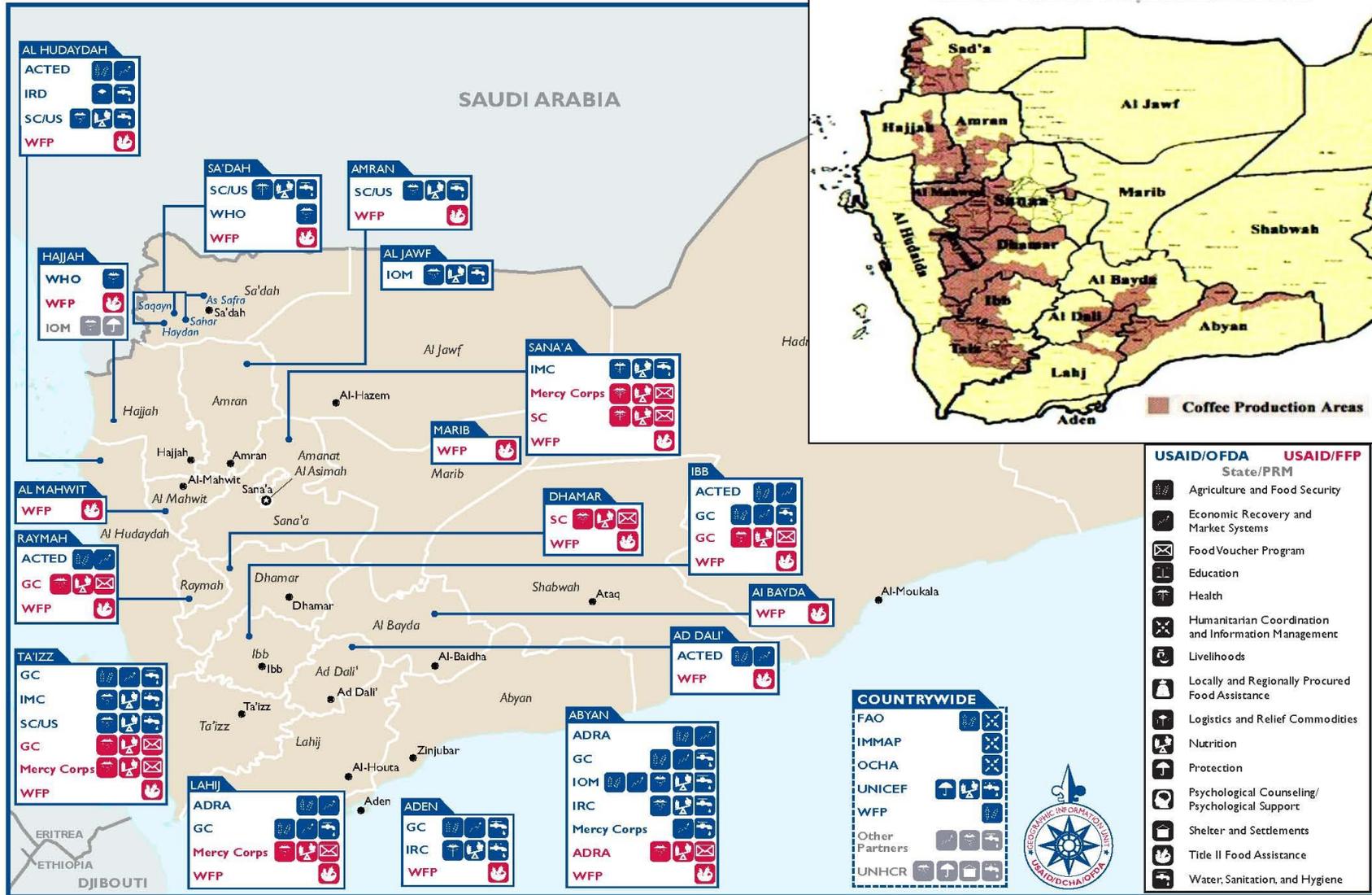


Support provided under CASH will include technical assistance to improve production and processing, drip irrigation systems to increase water use efficiency, Integrated Pest Management support for control of disease and pests, portable driers to improve quality, and marketing support. Coffee yields for participating coffee farmers are expected to increase from 250 kgs/ha to 425 kgs/ha and family incomes are expected to increase by 250% over the 5 year life of program. Gross margin per hectare is projected to double over the life of the project.

In order to address these issues, the CASH project will: (1) design programs to address production and marketing constraints in order to increase small-scale farmer productivity, lower production costs and improve rural incomes; (2) identify key markets and develop strategies to access these markets by creating equitable partnerships that strengthen agriculture value chains and provide increased returns to all participants; and (3) create mechanisms to leverage private investment in the agriculture sector as well as increase capital investments of Republic of Yemen Government (ROYG) and Other Donors. There overall focus should be on creating synergy for innovative models that can be scaled up as their effectiveness is proven with a goal of linking small holder agricultural production to lucrative markets.



# ACTIVE USG HUMANITARIAN PROGRAMS IN YEMEN



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