India is the 7th largest coffee producer in the world with Chikmagalur district considered as the “homeland” of Indian Arabica coffee production. Rural livelihoods in Chikmagalur are mainly dependent on coffee production as the sector provides the major source of income for the rural population. Farm labour in coffee plantations requires a particular set of skills and in the light of limited options for mechanization, Arabica production is basically recognized as labour intensive.

- Arabica production requires an annual labour input of 114 man days per acre.
- 75% of the total labour input is provided by women.
- Harvesting alone amounts to 38% of the total labour input.
- Labour wages form 55% of the annual operational costs (INR 27000).
- Coffee plantations provide employment for about 11 months in a year.

Coffee plantations are currently confronted with a number of challenges which significantly hamper their performance. Impediments include:
- A movement of labours to non-plantation works;
- Crop losses due to severe scarcity of labours during harvesting season;
- Increasing production costs due to higher reservation wages and competition among growers to procure labours;
- Reduction in skills and productivity of labours; and
- Reducing profits due to increasing labour wages.

The performance of the sector may be put on a more sustainable basis if:
- The “import” of external labour sources during peak seasons (e.g. harvesting) is organized;
- Consensual wages involving growers and labours are fixed with the support of a mediating government;
- Mechanization innovations to increase the efficiency of labours are identified and applied; and
- Input subsidies to compensate for both the increase in wages as well as the stabilization of profit margins are provided.