

Emerging Challenges for Farm Labour in the Indian Coffee Sector

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1. Background

Agricultural production systems in India are often labour intensive and exposed to a high level of farm risk (production and market risk). Though agricultural labour is considered to be abundant in most parts of rural India, the coffee sector of Karnataka state is subject to conditions pointing at different dynamics. The Sustainable Livelihoods Approach served as a research framework to assess the impact of labour scarcity in the coffee plantation sector in Chikmagalur district. Data collection was facilitated via Rapid Rural Appraisal methods, including semi-structured questionnaires and key informant interviews.

Key question addressed – The impact of labour scarcity on coffee plantation sector in Chikmagalur district.

2. Coffee production

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.

3. Labour in coffee production

- 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.

Figure 1: Labour scarcity in coffee production activities (n = 20)

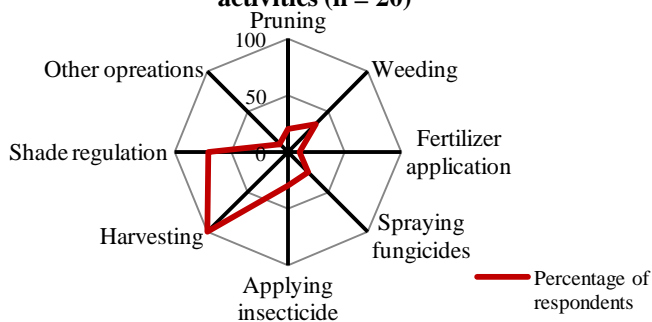
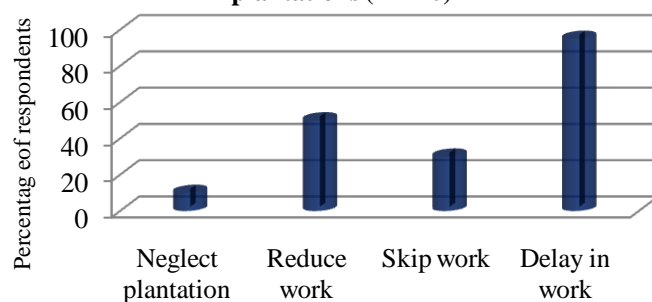


Figure 2: Impact of labour scarcity on coffee plantations (n = 20)



4. Emerging challenges

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.

5. Opportunities

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.

