

Living Income Reference Price (LIRP) Update Report



TYPE OF LIRP
GENERIC



PRODUCT
GARDEN COFFEE



COUNTRY
ETHIOPIA



YEAR
2025

What is a LIRP?

Fairtrade has developed a holistic price discovery model for establishing LIRPs, which constitutes an integral part of its Living Income strategy. A LIRP indicates the price needed for a full-time farmer with a sustainable productivity level to earn a living income. The model is derived from the universal human right for everyone who works to receive a just and favourable remuneration, ensuring an existence worthy of human dignity.

LIRP update

The LIRP for organic arabica garden coffee from Ethiopia was originally established in 2023^[1]. Following the new Living Income benchmark study by the Global Living Wage Coalition^[2] the cost of decent living was adjusted.

To account for the inflation of on-farm production costs, the original costs of sustainable production were updated using consumer price indices (CPI)^[3] for the period between March 2023 and August 2025. During this time, smallholder farmers in Ethiopia experienced an inflation rate of 47.83%. This is the inflation used for this update.

The table below summarises the values from the original and the updated Living Income Reference Price calculation, including the cost of decent living, cost of sustainable production, sustainable yields and viable crop area.

YEAR	LIVING INCOME SHARE FROM COFFEE	COST OF SUSTAINABLE PRODUCTION	SUSTAINABLE YIELDS	VIABLE CROP AREA	LIRP
2023 (original report)	175,000 BIRR/YEAR	166,242 BIRR			74 BIRR / KG CHERRY
2025	192,980 BIRR/YEAR	245,749 BIRR	3,300 KG CHERRY / HA	1.4 HA	95 BIRR / KG CHERRY

Based on these calculations, the updated Farmgate LIRP for 2025 is: **95** BIRR / KG CHERRY.
(equivalent to 1.81USD/lbGBE at farmgate level^[4])

The estimated FOB price for 2025 is: **2.31** USD/lbGBE.

[1] See [original report](#)

[2] [Anker Living Income benchmark study](#)

[3] <https://tradingeconomics.com/ethiopia/consumer-price-index-cpi>

[4] applied exchange rate of 1USD=142.88Birr, source: <https://tradingeconomics.com/ethiopia/currency>