

Fluctuating coffee prices are putting mental pressure on Vietnamese farmers

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While your invigorating morning coffee may become cheaper when there are large fluctuations in the world market price, they are a major additional psychological burden for the farmers who grow the coffee.

This is documented in a new international study on the effect of income uncertainty on the mental health of Vietnamese coffee farmers. The study "Commodity price volatility and the psychological well-being of farmers" was conducted by Finn Tarp together with Saurabh Singhal from Lancaster University. It is [published](#) in the *American Journal of Agricultural Economics*.

"Our results suggest that not only poverty, but also the risk of poverty caused by fluctuating prices has a significant additional negative effect on the mental well-being of farmers in [low-income countries](#)," says Finn Tarp, Professor at the University of Copenhagen and Coordinator of the Development Economics Research Group (DERG).

Poverty and mental illness are linked

According to the WHO, poor mental health is one of the heaviest components of the global burden of disease. This burden is largely borne by people in low-income countries, as [mental illness](#) and poverty are closely linked. It is estimated that as much as 80% of the world's depressive disorders occur in low- and middle-income countries, but they are often overlooked, even though they should be at the center of the struggle against the many dimensions of poverty.

"The soaring socio-economic costs of mental illness are rightly a growing international concern. It is therefore imperative to investigate the underlying sources of mental illness and formulate effective economic policy responses and social interventions," says Finn Tarp.

In Vietnam, volatile coffee prices contribute to the mental health burden by reducing farmers' expectations of future economic prospects, increasing their cognitive load and [alcohol consumption](#)—and by reducing farmers' social capital. They also sleep worse, feel more lonely, are depressed, can't concentrate as well as they used to, and feel

significantly more diffuse anxiety in an already extremely tense daily life.

Need for a safety net

The new study not only tells us something about [public health](#) in Vietnam. The results are likely to be transferable to other low- and [middle-income countries](#) whose populations are heavily dependent on [agricultural exports](#), according to the researchers.

The study points to the need for effective social safety nets to protect [smallholder farmers](#) from price fluctuations on the world market.

"Governments should consider introducing policies that stabilize farmers' incomes, for example by offering price insurance or increasing access to market-based risk management," suggests Finn Tarp.

"At the same time, it is important to raise awareness of the particular problem of mental illness among farmers and offer support to those affected. Better material wealth is necessary to fight [poverty](#), but more is needed to improve the quality of life of individuals."

Coffee: A risky crop

- Vietnam is one of the largest coffee producers in the world. Coffee is a perennial crop and production takes place primarily in the central highlands on small family-run farms.
- Coffee trees have a lifespan of more than 50 years, and cutting down the trees to make the land suitable for other forms of agricultural production is an expensive and labor-demanding task. Conversion is costly. This means that when coffee prices are low, farmers are unable to abandon [coffee production](#) in

favor of other crops.

- When you can't quickly adjust the area of coffee trees, farmers are vulnerable when there are large fluctuations in international commodity prices. This creates economic uncertainty, which leads to increased mental distress among coffee farmers.

More information: Saurabh Singhal et al, Commodity price volatility and the psychological well-being of farmers, *American Journal of Agricultural Economics* (2024). [DOI: 10.1111/ajae.12468](https://doi.org/10.1111/ajae.12468)

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