

A STUDY ON THE FINANCIAL WELL-BEING OF COFFEE FARMERS IN KERALA

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ABSTRACT

The study examined the financial well-being of coffee farmers in selected areas of Wayanad and Idukki districts of Kerala and analysed the factors, challenges, and sustainable practices associated with it. A quantitative, descriptive, and analytical cross-sectional survey design was adopted. Primary data were collected through a structured questionnaire from 150 coffee farmers, comprising 75 respondents from each district. The instrument measured financial well-being, economic, financial, production-related, and institutional factors, challenges, and sustainable farming and financial management practices. The data were analysed using EDUSTAT. Mean, standard deviation, frequency, percentage, Pearson correlation, and multiple linear regression were employed. The results showed that 67.33 per cent of the farmers had a moderate level of financial well-being. The influencing-factor score had a significant positive relationship with financial well-being, whereas challenges had a significant negative relationship. Sustainable farming and financial management practices were also positively associated with financial well-being. The combined regression model explained 53.6 per cent of the variance in financial well-being, and challenges emerged as the strongest predictor. The study concluded that improved institutional credit, risk protection, market access, income diversification, climate resilience, and financial management may strengthen the financial well-being of coffee farmers.

KEY WORDS

Financial well-being; Coffee farmers; Sustainable farming

INTRODUCTION

Agriculture remains an important source of livelihood for rural households, but farm-based income is frequently exposed to production uncertainty, climatic variability, fluctuating market prices, and increasing cultivation costs. These conditions make the financial position of farming households different from that of households receiving regular salaries or fixed income. For farmers, financial well-being depends not only on the amount of income earned but also on the stability of that income, the ability to meet household and farming expenses, access to savings and credit, capacity to repay debt, and preparedness for unexpected financial shocks.

Financial well-being is a multidimensional concept that reflects an individual's capacity to meet present financial obligations, maintain control over day-to-day finances, absorb unexpected expenses, and feel secure about the future. The Consumer Financial Protection Bureau (2015) identified present financial control, the capacity to absorb financial shocks, progress towards

financial goals, and freedom of financial choice as central components of financial well-being. Brügger et al. (2017) similarly conceptualised financial well-being in relation to an individual's current and anticipated standard of living and financial freedom. Financial well-being therefore extends beyond objective indicators such as income and wealth and includes the individual's perception of financial stability, security, and freedom of choice.

The relevance of financial well-being is particularly evident among agricultural households because their financial position is affected by a combination of personal financial behaviour and external economic conditions. Netemeyer et al. (2018) described perceived financial well-being in terms of present money-management stress and expected future financial security. In the case of farmers, these dimensions may be influenced by farm productivity, input costs, agricultural debt, access to insurance, price realisation, income diversification, and institutional assistance.

Coffee is an important commercial crop in India and is cultivated mainly in the traditional coffee-growing states of Karnataka, Kerala, and Tamil Nadu. Kerala is an important producer of coffee, particularly Robusta coffee, and Wayanad accounts for a substantial share of the State's coffee production (Coffee Board of India, n.d.-b). Coffee cultivation is integrated with pepper, arecanut, banana, and other crops in many parts of Kerala, making it economically significant for rural livelihoods and local agricultural systems.

Despite its economic importance, coffee cultivation is affected by rising input costs, labour scarcity, pests and diseases, market uncertainty, and changing climatic conditions. These problems can reduce farm profitability, destabilise household income, and increase dependence on borrowing. Therefore, assessing the financial well-being of coffee farmers is necessary for understanding whether the income generated from cultivation enables farming households to meet present obligations, cope with financial risks, and maintain long-term financial security.

The present study examined the financial well-being of coffee farmers in selected areas of Wayanad and Idukki districts of Kerala. It assessed their existing level of financial well-being, identified the economic, financial, production-related, and institutional factors associated with it, examined the major challenges faced by farmers, and analysed the relationship of sustainable farming and financial management practices with financial well-being. The study provides evidence that may support integrated interventions for improving the financial resilience and sustainability of coffee-farming households.

BACKGROUND OF THE STUDY

Coffee cultivation in Kerala is concentrated mainly in Wayanad and the high-range regions of the State. Wayanad is particularly important because coffee is integrated with pepper, arecanut, banana, and other crops in diversified farming systems. Indian coffee is traditionally grown under shade, and coffee farms frequently include several spice and fruit crops (Coffee Board of India, n.d.-a). Such intercropping can support income diversification, protect the soil, and reduce complete dependence on a single crop.

The economic condition of coffee farmers is closely related to productivity and the price received for their produce. A favourable harvest may not necessarily result in improved financial well-being when expenditure on inputs, labour, interest, and marketing is high. Similarly, an increase in market price may provide limited benefit when production declines because of drought, excessive rainfall, or pest incidence. The financial well-being of farmers should therefore be examined by considering both income-generating conditions and the risks that affect the continuity and stability of income.

Karunakaran (2017) identified labour scarcity, high production costs, pests and diseases, low coffee prices, marketing difficulties, unusual climatic conditions, and limited access to technological improvements as important problems experienced by coffee growers in Kerala. The study also observed that programmes implemented through the Coffee Board provided certain benefits to growers. These findings indicate that the financial position of coffee farmers is influenced by production, market, technological, and institutional conditions rather than by income alone.

Climate variability has become a major concern for coffee-based farming households. Anjitha et al. (2024), in a study of coffee-based farm households in Wayanad, found that altered rainfall patterns, temperature fluctuations, water scarcity, limited access to subsidies, and unsuitable production practices increased household vulnerability. The authors emphasised irrigation improvement, weather-based insurance, localised weather information, and resilient agricultural practices as important measures for reducing the vulnerability of small and marginal farmers.

Financial and institutional arrangements are equally important in determining the capacity of coffee farmers to respond to such difficulties. Access to affordable institutional credit can enable farmers to purchase inputs, maintain plantations, and invest in productivity improvements. However, high interest costs, unsuitable repayment schedules, inadequate collateral, and delays in financial assistance may increase indebtedness. Crop insurance can reduce the financial consequences of crop failure, but limited coverage, low awareness, and delays in claim settlement may reduce its effectiveness. Farmer organisations and cooperatives may improve access to credit, technical information, inputs, and collective marketing opportunities.

Sustainable farming practices have both environmental and economic relevance. Soil conservation, shade management, water conservation, integrated pest management, crop diversification, and the use of climate-resilient planting materials can improve the long-term productive capacity of coffee farms. The Kerala Climate Resilient Agri-Value Chain Modernization Project recognises the need to strengthen climate resilience, modernise agricultural value chains, and improve the commercial opportunities available to farmers (World Bank, 2024). Such initiatives demonstrate the growing policy emphasis on connecting climate resilience, productivity, market access, and livelihood security.

Financial management practices are also likely to affect the financial well-being of coffee farmers. Budgeting, maintenance of farm accounts, regular saving, creation of emergency funds, comparison of credit alternatives, and planned loan repayment can improve financial control. Separating farm expenditure from household expenditure may enable farmers to assess the actual profitability of coffee cultivation. Similarly, price comparison, collective marketing, processing, and value addition can improve the returns obtained from coffee produce.

Although previous studies have examined the production, profitability, marketing, and climatic problems associated with coffee cultivation, the financial well-being of coffee farmers has received relatively limited attention as an integrated construct. An assessment based only on income or profitability may not adequately capture farmers' ability to manage debt, maintain savings, meet family requirements, and withstand unexpected financial shocks. The present study addressed this need by examining financial well-being together with its economic, financial, production-related, and institutional determinants, the challenges experienced by farmers, and the sustainable practices adopted by them.

RESEARCH QUESTIONS

1. What is the level of financial well-being of coffee farmers in Kerala?
2. What are the major economic, financial, production-related, and institutional factors associated with the financial well-being of coffee farmers?
3. What are the major challenges faced by coffee farmers in attaining financial well-being?
4. What is the relationship between the challenges faced by coffee farmers and their financial well-being?
5. What is the relationship between sustainable farming and financial management practices and the financial well-being of coffee farmers?

RESEARCH OBJECTIVES

1. To assess the level of financial well-being of coffee farmers in Kerala.
2. To identify the major economic, financial, production-related, and institutional factors associated with the financial well-being of coffee farmers.
3. To examine the major challenges faced by coffee farmers in Kerala in attaining financial well-being.
4. To examine the relationship between the challenges faced by coffee farmers and their financial well-being.
5. To examine the sustainable farming and financial management practices adopted by coffee farmers and assess their relationship with financial well-being.

HYPOTHESES

H₁: Economic, financial, production-related, and institutional factors significantly and positively predict the financial well-being of coffee farmers.

H₂: The challenges faced by coffee farmers significantly and negatively predict their financial well-being.

H₃: Sustainable farming and financial management practices significantly and positively predict the financial well-being of coffee farmers.

METHODOLOGY

The study adopted a quantitative, descriptive, and analytical survey design to examine the financial well-being of coffee farmers. The survey method was appropriate because the study sought to assess the existing level of financial well-being, identify its associated factors, examine the challenges experienced by coffee farmers, and determine the predictive contribution of sustainable farming and financial management practices. The study was cross-sectional in nature, as the required information was collected from the respondents at a particular point in time.

The population of the study comprised coffee farmers in Kerala. For practical accessibility, coffee farmers from Wayanad and Idukki, the selected coffee-growing districts, constituted the accessible population. A total of 150 coffee farmers were included in the study, with 75 respondents selected from Wayanad and 75 respondents selected from Idukki. A multistage sampling technique was adopted. In the first stage, Wayanad and Idukki districts were selected. In the subsequent stages,

coffee-growing areas were identified, and the required respondents were selected from the chosen areas.

Primary data were collected using a structured questionnaire developed in accordance with the objectives and hypotheses of the study. The questionnaire consisted of five major sections. The first section collected the personal, farming, and financial characteristics of the respondents. The second section contained 25 statements measuring financial well-being. The third section contained 30 statements assessing economic, financial, production-related, and institutional factors. The fourth section contained 45 statements examining production, climatic, market, financial, institutional, household, and livelihood challenges. The fifth section contained 38 statements measuring sustainable farming and financial management practices.

The Financial Well-Being Scale and the Factors Influencing Financial Well-Being Scale used five-point agreement response formats ranging from 1 for Strongly Disagree to 5 for Strongly Agree. The negatively worded statements in the Financial Well-Being Scale were reverse scored before calculating the total and mean scores. The Challenges Scale used a five-point response format ranging from 1 for Not a Challenge to 5 for Very Serious Challenge. The Sustainable Farming and Financial Management Practices Scale used responses ranging from 1 for Never to 5 for Always. Higher scores represented higher financial well-being, greater agreement with the statements relating to the identified factors, greater severity of challenges, and greater adoption of sustainable practices, respectively.

The respondents were informed that the information provided would be used only for academic purposes and would be kept confidential. Participation was voluntary, and the responses were analysed in aggregate form.

The data were coded, classified, and analysed using EDUSTAT. Frequency and percentage were used to classify the respondents according to their level of financial well-being. Mean and standard deviation were used to describe the principal variables and their dimensions. Pearson's product-moment correlation was employed to examine the relationships between the predictor variables and financial well-being. Multiple linear regression analysis was used to determine the independent predictive contribution of the identified factors, challenges, and sustainable farming and financial management practices to the financial well-being of coffee farmers. The hypotheses were tested at the 0.05 level of significance. Since the study used a cross-sectional survey design, the results were interpreted as associations and statistical predictions rather than causal effects.

DATA ANALYSIS AND INTERPRETATION

The data collected from 150 coffee farmers were analysed using descriptive statistics, Pearson's product-moment correlation, and multiple linear regression. Descriptive statistics were used to assess financial well-being and to describe the principal influencing factors, challenges, and sustainable practices. Pearson correlation was used to examine the direction and strength of the relationships among the major variables. Multiple regression analysis was employed to estimate the independent predictive contribution of the three predictor variables to financial well-being. The hypotheses were tested at the 0.05 level of significance.

Descriptive Analysis of the Major Variables

Table 1

Descriptive Statistics of the Major Study Variables

Variable	N	Mean	Standard Deviation	Minimum	Maximum
Financial Well-Being	150	3.111	0.655	1.720	4.760
Factors Influencing Financial Well-Being	150	3.362	0.573	1.900	4.967
Challenges to Financial Well-Being	150	3.559	0.604	1.844	4.867
Sustainable Farming and Financial Management Practices	150	3.345	0.589	1.526	4.658

Table 1 shows that the mean financial well-being score of the coffee farmers was 3.111 with a standard deviation of 0.655. This indicated that the farmers generally possessed a moderate level of financial well-being. The mean score for factors influencing financial well-being was 3.362, suggesting that the respondents generally agreed with the statements relating to economic, financial, production-related, and institutional factors. The mean challenge score was 3.559, indicating that the farmers experienced challenges ranging from moderate to serious. The mean score for sustainable farming and financial management practices was 3.345, showing that these practices were adopted between sometimes and often. The standard deviations indicated a reasonable degree of variation among the respondents.

Level of Financial Well-Being

For interpretation, mean scores below 2.34 were treated as low, scores from 2.34 to 3.66 as moderate, and scores of 3.67 and above as high.

Table 2

Level of Financial Well-Being of Coffee Farmers

Level of Financial Well-Being	Frequency	Percentage
Low	18	12.00
Moderate	101	67.33
High	31	20.67
Total	150	100.00

Table 2 reveals that 101 respondents, representing 67.33 per cent of the sample, had a moderate level of financial well-being. A high level was reported by 31 farmers, representing 20.67 per cent, whereas 18 farmers, representing 12.00 per cent, had a low level. The findings indicated that the majority of the coffee farmers were able to manage their regular financial requirements to a certain extent but did not possess strong financial security. The relatively small proportion of farmers in the high category suggests that only a limited number had adequate income stability, savings, manageable debt, and the capacity to meet unexpected expenses

Dimension-Wise Analysis

Table 3: Dimension-Wise Mean Scores and Ranks

Main Variable	Dimension	Mean	Standard Deviation	Rank within Variable
Influencing Factors	Economic Factors	3.434	0.662	1
	Institutional Factors	3.379	0.608	2
	Financial Factors	3.339	0.629	3
	Production-Related Factors	3.299	0.612	4
Challenges	Financial and Institutional Challenges	3.588	0.632	1
	Climate and Environmental Challenges	3.575	0.612	2
	Household and Livelihood Challenges	3.559	0.657	3
	Market and Price-Related Challenges	3.551	0.671	4
	Production-Related Challenges	3.527	0.650	5
Sustainable Practices	Sustainable Farming Practices	3.397	0.604	1
	Financial Management Practices	3.298	0.602	2

Table 3 shows that economic factors obtained the highest mean score among the factors influencing financial well-being, with a mean of 3.434. Income stability, coffee prices, productivity, income from intercroops, and market demand were therefore perceived as particularly important. Institutional factors ranked second, followed by financial and production-related factors. Financial and institutional challenges obtained the highest challenge mean of 3.588, followed by climate and environmental challenges. However, all five challenge dimensions recorded relatively high mean scores, demonstrating that the farmers faced interconnected financial, climatic, market, household, and production difficulties. Sustainable farming practices obtained a higher mean than financial management practices, indicating that farming-related practices were adopted more frequently than systematic budgeting, record keeping, saving, insurance, and financial planning.

Relationships among the Major Variables

Table 4: Correlation of the Predictor Variables with Financial Well-Being

Predictor Variable	Pearson Correlation with Financial Well-Being (r)	p-value	Nature of Relationship
Factors Influencing Financial Well-Being	0.460	< .001	Moderate positive
Challenges to Financial Well-Being	-0.517	< .001	Moderate negative
Sustainable Farming and Financial Management Practices	0.473	< .001	Moderate positive

Note. N = 150.

Table 4 indicates that the factors influencing financial well-being had a statistically significant positive relationship with the financial well-being of coffee farmers, $r = .460$, $p < .001$. Higher scores on the influencing-factor scale were therefore associated with higher financial well-being. Challenges had a statistically significant negative relationship with financial well-being, $r = -.517$, $p < .001$, and represented the strongest bivariate relationship observed in the analysis. Sustainable farming and financial management practices had a statistically significant positive relationship with financial well-being, $r = .473$, $p < .001$. Greater adoption of such practices was consequently associated with higher financial well-being and a greater capacity to manage financial difficulties.

Testing of the Hypotheses

Multiple linear regression analysis was conducted with financial well-being as the dependent variable. Factors influencing financial well-being, challenges, and sustainable farming and financial management practices were entered simultaneously as predictor variables.

Table 5: Multiple Regression Analysis Predicting Financial Well-Being

Predictor	B	Standard Error	Standardised β	t-value	p-value
Constant	2.555	0.358	—	7.134	< .001
Factors Influencing Financial Well-Being	0.405	0.069	0.355	5.850	< .001
Challenges to Financial Well-Being	-0.512	0.062	-0.471	-8.257	< .001
Sustainable Farming and Financial Management Practices	0.304	0.068	0.273	4.455	< .001

Note. $R = .732$; $R^2 = .536$; adjusted $R^2 = .526$; standard error of estimate = .451; $F(3, 146) = 56.194$, $p < .001$; Durbin-Watson = 2.154.

Table 5 shows that the overall multiple regression model was statistically significant, $F(3, 146) = 56.194$, $p < .001$. The three predictor variables collectively explained 53.6 per cent of the variance in the financial well-being of coffee farmers. The adjusted R^2 value of .526 indicated that the model retained substantial explanatory power after adjustment for the number of predictors.

Factors influencing financial well-being significantly and positively predicted financial well-being, $B = 0.405$, $\beta = .355$, $t = 5.850$, $p < .001$. When the other variables were held constant, a one-unit increase in the influencing-factor score was associated with an increase of 0.405 units in financial well-being. Therefore, the null hypothesis that economic, financial, production-related, and institutional factors do not significantly and positively predict financial well-being was rejected.

Challenges significantly and negatively predicted financial well-being, $B = -0.512$, $\beta = -.471$, $t = -8.257$, $p < .001$. A one-unit increase in the challenge score was associated with a reduction of 0.512 units in financial well-being when the other predictors were controlled. Challenges also recorded the largest standardised regression coefficient, indicating that they were the strongest predictor in the model. Therefore, the null hypothesis that challenges do not significantly and negatively predict financial well-being was rejected.

Sustainable farming and financial management practices significantly and positively predicted financial well-being, $B = 0.304$, $\beta = .273$, $t = 4.455$, $p < .001$. A one-unit increase in the practice score was associated with an increase of 0.304 units in financial well-being after controlling for the other predictors. Therefore, the null hypothesis that sustainable farming and financial management practices do not significantly and positively predict financial well-being was rejected.

The estimated regression equation was: Financial Well-Being = $2.555 + 0.405$ (Influencing Factors) – 0.512 (Challenges) + 0.304 (Sustainable Practices).

Summary of Hypothesis Testing

Table 6: Decisions on the Hypotheses

Null Hypothesis	Decision	Result
Economic, financial, production-related, and institutional factors do not significantly and positively predict financial well-being.	Rejected	The factors significantly and positively predicted financial well-being.
Challenges do not significantly and negatively predict financial well-being.	Rejected	Challenges significantly and negatively predicted financial well-being.
Sustainable farming and financial management practices do not significantly and positively predict financial well-being.	Rejected	The practices significantly and positively predicted financial well-being.

Table 6 summarises the decisions regarding the hypotheses. All three null hypotheses were rejected. Higher financial well-being was associated with higher scores on the economic, financial, production-related, and institutional factor scale and with greater adoption of sustainable farming and financial management practices. In contrast, higher challenge scores were associated with lower financial well-being.

DISCUSSION OF THE RESULTS

The study found that the financial well-being of the sampled coffee farmers was predominantly moderate. The overall mean score was 3.111, and 67.33 per cent of the respondents belonged to the moderate category. Only 20.67 per cent reported a high level, while 12.00 per cent experienced a low level. The result indicates that the majority of the respondents were able to meet their regular household and farming expenses to a reasonable extent but did not possess strong financial stability. Their financial position remained vulnerable to income fluctuations, unexpected expenditure, loan obligations, and changes in coffee price and productivity.

The moderate financial well-being of the respondents can be understood in the context of the distinctive nature of coffee farming. Income from coffee cultivation is seasonal and is affected by production volume, input expenditure, labour cost, weather conditions, and market prices. Consequently, even farmers earning a reasonable income during favourable seasons may experience difficulty in maintaining a stable flow of income throughout the year. This interpretation is consistent with the broader conception of financial well-being as present financial control and future financial security rather than income alone (Consumer Financial Protection Bureau, 2015; Netemeyer et al., 2018).

Among the factors influencing financial well-being, economic factors obtained the highest mean score. Stable coffee prices, productivity, market demand, income from intercropping, and fair returns from produce therefore played an important role in determining the financial condition of coffee farmers. Institutional and financial factors were also influential. Access to affordable credit, crop insurance, government assistance, market information, cooperative support, and farmer organisations can strengthen the ability of farmers to manage risk and make productive investments.

The correlation and regression results showed that the composite score for economic, financial, production-related, and institutional factors was positively associated with and significantly predicted financial well-being. The finding supports the view that the financial position of coffee farmers is related not only to individual financial behaviour but also to the production, market, and institutional environment. Karunakaran (2017) similarly identified cost, labour, price, marketing, technology, and institutional support as important economic aspects of coffee cultivation in Kerala. The study further revealed that coffee farmers experienced moderately serious challenges. Financial and institutional challenges obtained the highest mean, followed by climatic and environmental challenges. Problems relating to agricultural credit, interest burden, loan repayment, crop insurance, and institutional assistance can increase financial vulnerability. Climate-related difficulties such as irregular rainfall, drought, excessive rainfall, rising temperature, pests, and diseases can affect the reliability of coffee production and income. The prominence of these climatic risks corresponds with the vulnerability identified among coffee-based farm households in Wayanad by Anjitha et al. (2024).

Challenges had a significant negative relationship with financial well-being and emerged as the strongest predictor in the regression model. This finding indicates that production risk, market

uncertainty, climatic variability, institutional limitations, household expenditure, and indebtedness were closely associated with financial vulnerability among the respondents. Improving financial well-being therefore requires not merely higher production or price but also effective mechanisms for reducing and managing the risks experienced by farming households.

Sustainable farming and financial management practices had a significant positive relationship with and positively predicted financial well-being. Farmers who adopted intercropping, soil and water conservation, improved cultivation methods, crop diversification, budgeting, record keeping, regular saving, credit comparison, and market-price comparison tended to report better financial well-being. These practices may improve productivity, control costs, diversify income, support credit management, and reduce exposure to agricultural risks. The finding also supports the policy emphasis of the KERA Project on climate resilience, value-chain improvement, and stronger livelihood opportunities for farmers (World Bank, 2024).

Sustainable farming practices recorded a slightly higher mean than financial management practices. This suggests that the respondents adopted agricultural and environmental practices more frequently than systematic financial practices. Although farmers appeared to recognise the importance of sustainable cultivation, budgeting, financial record keeping, emergency saving, and insurance were comparatively less established. Strengthening financial management skills may therefore provide an additional pathway for improving the financial security of coffee-farming households.

The multiple regression model explained 53.6 per cent of the variance in financial well-being. All three predictor variables remained significant when considered simultaneously. Challenges had the strongest independent predictive contribution, followed by the influencing-factor score and sustainable farming and financial management practices. The findings collectively indicate that the financial well-being of the sampled coffee farmers was multidimensional and was associated with economic and institutional conditions, the severity of risks and challenges, and the adoption of sustainable and financially responsible practices.

IMPLICATIONS OF THE STUDY

The findings have important implications for coffee farmers, financial institutions, farmer organisations, and government agencies. Since the financial well-being of the majority of farmers was only moderate, interventions should focus not only on increasing agricultural production but also on improving income stability, savings, debt management, and financial resilience. Programmes intended for coffee farmers should integrate farm-development support with financial planning and risk-management assistance.

The positive association of economic factors with financial well-being implies that stable and remunerative coffee prices are important for strengthening the financial condition of farmers. Measures should improve price information, bargaining power, direct marketing, collective selling, and access to premium coffee markets. Farmer cooperatives and producer organisations can aggregate produce, reduce dependence on intermediaries, and improve price realisation. Facilities for grading, processing, branding, and value addition may also enable farmers to retain a larger share of the final value of coffee.

The strong negative association between challenges and financial well-being indicates the need for more responsive credit and insurance systems. Banks and cooperative institutions should provide timely and affordable agricultural loans with repayment schedules suited to the seasonal nature of coffee income. Loan restructuring or temporary repayment relief may be considered when farmers

experience severe crop loss or unfavourable market conditions. Crop insurance schemes should be simplified, expanded, and made more responsive to climate-related and production-related losses. Delays in claim settlement and institutional assistance should also be minimised.

The prominence of climatic and environmental challenges implies that financial well-being cannot be separated from climate resilience. Coffee farmers should be supported in adopting water conservation, soil protection, shade management, integrated pest management, crop diversification, and climate-resilient coffee varieties. Agricultural extension agencies and the Coffee Board may provide location-specific training and technical support to help farmers reduce production risks and maintain long-term productivity.

The positive association between sustainable farming practices and financial well-being indicates that environmental sustainability may also support financial sustainability. Assistance for replanting ageing coffee plants, improving irrigation, adopting organic inputs, and introducing disease-resistant varieties may reduce long-term costs and stabilise income. Certification and sustainable coffee programmes may provide access to premium markets, provided that the costs and procedural requirements are manageable for small growers.

The findings also point to the need for improving financial literacy and financial management among coffee farmers. Training may cover budgeting, maintenance of farm accounts, calculation of production costs, saving, loan comparison, insurance, digital banking, and investment planning. Farmers should be encouraged to separate household expenditure from farm expenditure and to maintain emergency funds for periods of low production or unexpected expenditure. Such practices can reduce dependence on informal borrowing and improve financial decision-making.

Income diversification should be promoted as a strategy for reducing dependence on coffee alone. Intercropping, livestock activities, value-added products, and suitable non-farm income sources may help farming households maintain a more regular income throughout the year. Diversification can also provide protection when coffee prices decline or production is affected by climatic and biological risks.

Policies intended to improve the welfare of coffee farmers should therefore adopt an integrated approach. Increasing productivity alone may not produce lasting financial well-being unless farmers also receive adequate market support, institutional finance, insurance protection, financial education, and opportunities for income diversification. Coordinated action among government departments, the Coffee Board, banks, cooperatives, farmer organisations, and agricultural extension agencies is necessary to improve the financial security and long-term sustainability of coffee-farming households in Kerala.

LIMITATIONS OF THE STUDY

The study was confined to 150 coffee farmers from selected areas of Wayanad and Idukki. It used self-reported, cross-sectional data; therefore, the findings reflected respondents' perceptions at one point in time, did not establish causality, and should be generalised beyond the selected districts only with caution.

CONCLUSION

The study concluded that the financial well-being of the sampled coffee farmers in selected areas of Wayanad and Idukki was predominantly moderate. Economic, financial, production-related, and institutional factor scores and sustainable farming and financial management practices were positively associated with financial well-being, whereas the challenges faced by farmers were

negatively associated with it. Challenges emerged as the strongest predictor, indicating that improvements in farm income alone may not ensure lasting financial security unless major risks and constraints are also addressed. The findings suggest that affordable institutional credit, effective crop insurance, timely government assistance, stable marketing arrangements, income diversification, climate-resilient farming, and systematic financial planning may strengthen the financial well-being of coffee-farming households. Coordinated action among farmers, cooperatives, financial institutions, the Coffee Board, and government agencies is therefore required.

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