

Coffee in the Global Economy

What role does coffee play in the global economy?

A: Coffee is the world's second most valuable traded commodity, behind only petroleum. There are approximately 20 million farmers and coffee workers in over 50 countries involved in producing coffee around the world. Coffee was traditionally developed as a colonial cash crop, planted by serfs or wage laborers in tropical climates on large plantations of landowners for sale in colonial countries. Coffee producers, like most agricultural workers around the world, are kept in a cycle of poverty and debt by the current global economy designed to exploit cheap labor and keep consumer prices low. An estimated 11 million hectares of the world's farmland are dedicated to coffee cultivation. The largest producer and exporter is Brazil, followed by Colombia, Vietnam, Indonesia, and Mexico. Around the globe, the annual consumption of coffee has expanded to 12 billion pounds. For more information about the history of Latin America and coffee, see *Coffee and Power* by Jeffrey Paige (in bibliography)

What role does coffee play in the US economy?

A: Coffee is the US's second most valuable commodity import. According to the International Coffee Organization, the US imported 2.64 billion pounds of coffee in 1998 (26% of world imports). The US primarily purchases coffee from Brazil, Colombia, Mexico, Guatemala, and Vietnam. We also buy a fair amount from Indonesia, Costa Rica, Peru, El Salvador, Ecuador, Venezuela, Honduras, as well as Uganda, Thailand, Nicaragua, India, and Papua New Guinea. In the U.S. alone, over 130 million consumers are coffee drinkers. In recent years, specialty or gourmet coffee has escalated to a cultural necessity, as consumers shift their purchasing tastes to high quality brew. New cafés have been opening at an explosive rate, making specialty coffee mainstream and increasing profit margins for specialty coffee roasters and retailers. The Specialty Coffee Association of America estimated that there are 10,000 coffee cafes and 2,500 specialty stores selling coffee. Chains represent 30% of all coffee retail stores, but the majority remain in the hands of independent owners or small family businesses.

How are coffee prices currently set?

A: Coffee prices are set according to the New York "C" Contract market. The price of coffee fluctuates wildly in this speculative economy, generally hovering around \$1 per pound. Most coffee is traded by speculators in New York - they trade approximately 8-10 times the amount of actual coffee produced each year. The single most influential factor in world coffee prices is the weather in Brazil. Droughts and frosts portend shortages of coffee and the price increases.

Specialty coffee is often imported at a negotiated price over the C market, which is considered a 'quality premium'. Most of those premiums never reach the coffee farmer, but rather stay in the hands of the exporter. This creates a disincentive for farmers to increase their quality, as they do not receive the direct benefits of increased investment in producing better coffee.

What is the commodity chain of the coffee industry?

A: Coffee is an extremely powerful commodity, reigning as the world's most heavily traded product, behind petroleum, and the largest food import of the United States. The global commodity chain for coffee involves a string of producers, middlemen, exporters, importers, roasters, and retailers before reaching the consumer.

Coffee is a vital source of export for many of the developing countries that grow it. Some 20 million families in 50 countries now work directly in the cultivation of coffee; an estimated 11 million hectares of the world's farmland are dedicated to coffee cultivation. Arabica and Robusta are the two principle species of coffee harvested today. Approximately 70% of the world's

production is the Arabica bean, used for higher-grade and specialty coffees, and 80% of this bean comes from Latin America. Robusta is grown primarily in Africa and Asia.

Most small farmers sell directly to middlemen exporters who are commonly referred to as coyotes. These coyotes are known to take advantage of small farmers, paying them below market price for their harvests and keeping a high percentage for themselves. In contrast, large coffee estate owners usually process and export their own harvests that are sold at the prices set by the New York Coffee Exchange. However, extremely low wages (\$2-3/day) and poor working conditions for farmworkers characterize coffee plantation jobs.

Importers purchase green coffee from established exporters and large plantation owners in producing countries. Only those importers in the specialty coffee segment buy directly from the small farmer cooperatives. Importers provide a crucial service to roasters who do not have the capital resources to obtain quality green coffee from around the world. Importers bring in large container loads and hold inventory, selling gradually through numerous small orders. Since many roasters rely on this service, importers wield a great deal of influence over the types of green coffee that are sold in the US.

There are approximately 1200 roasters in the US today. Large roasters usually have one blend of recipes and sell to large retailers - the Big Three (Kraft, which owns Maxwell House and Sanka, owned by Philip Morris; Procter & Gamble, which owns Folgers and Millstone; and Nestle) maintain over 60% of total green bean volume. Microroasters, or those who roast up to 500 bags of coffee a year, offer the product we know as specialty coffee. Most roasters buy coffee from importers in small, frequent purchases. Roasters have the highest profit margin in the value chain, thus making them an important link in the commodity chain.

Retailers usually purchase packaged coffee from roasters, although an increasing number of retailers are also roasting their own beans for sale. The Specialty Coffee Association of America estimated that there are 10,000 cafes and 2,500 specialty stores selling coffee. Chains represent approximately 30% of all coffee retail stores. However, supermarkets and traditional retail chains are still the primary channel for both specialty coffee and non-specialty coffee, and they hold about 60% of marketshare of total coffee sales. Around the globe, the annual consumption of coffee is 12 billion pounds and in the U.S. alone, over 130 million consumers are coffee drinkers.

Coffee Production and Labor

What is the economic situation of small farmers in the coffee industry?

A: Coffee is produced both on large plantations and by small farmers. Typically, Fair Trade farmers cultivate less than 3 hectares of coffee and harvest 1,000-3,000 pounds of unroasted coffee a year. Small farmers are perhaps more aptly defined by those farmers who rely principally on their own families' labor. This makes Fair Trade potentially representative of an estimated 75% of all coffee farmers. Many coffee farmers receive prices for their harvest that can be less than the costs of production, forcing them into a cycle of poverty and debt. They are often forced to sell to middlemen who pay them half the market price, generally between \$.30-.50 per pound. Family farmers usually bring in a cash income of \$500-\$1,000 a year for their coffee.

What are the labor problems and working conditions in the coffee industry?

A: Conditions for coffee workers on large plantations varies widely, but most are paid the equivalent to sweatshop wages and toil under abysmal working conditions. In Guatemala for

example, coffee pickers have to pick a 100-pound quota in order to get the minimum wage of less than \$3/day. A recent study of plantations in Guatemala showed that over half of all coffee pickers don't receive the minimum wage, in violation of Guatemalan labor laws. Workers interviewed in the study were also subject to forced overtime without compensation, and most often did not receive their legally-mandated employee benefits. The total average income reported was Quetzales 1006 (\$127.37/month). According to 1998 data published by Guatemala's National Institute of Statistics, the cost of the Basic Food Basket for a family of five was 1353.86 Quetzales per month (\$171.37 @7.90 exchange rate). The Basket of Goods and Services (including food, education, healthcare, clothing, and transportation) was Q2470.55 (\$312.72).

Because of this situation, many coffee workers bring their children to help them in the fields in order to pick the daily quota. These child workers are not officially employed and therefore not subject to labor protections. While children in most rural families work at an earlier age than urban children, a February 4 investigative report by ABC-affiliate KGO television in San Francisco revealed children as young as 6 or 8 years old at work in the fields. We believe that the best way to prevent child labor in the fields is to pay workers a living wage.

Working conditions on these plantations are harsh; as migrant farmworkers, many workers sleep in temporary shelters with rows of bunk beds. Many times they cook, wash and bathe from the same water source. The study of coffee plantations in Guatemala revealed that only 13% of coffee workers have completed their primary education. Most were not provided with legally-mandated adequate health care.

Most coffee workers, like many agricultural workers around the world, are not guaranteed their basic labor rights including the right to organize. The rural nature of farmwork makes them especially vulnerable to threats and coercion, as plantation owners can take advantage of their control over the workforce to keep them from organizing into unions to demand their rights. Many countries have adequate labor laws such as minimum wage, mandated health and safety requirements, and freedom to form a union, but these rights are usually not enforced.

Coffee and the Environment

What are some of the environmental issues, like pesticides and biodiversity, with coffee production?

A: Coffee farming originally developed in Africa as an understory crop beneath diverse shade trees that provided habitat for wildlife such as birds, butterflies, insects, and animals. Traditional farmers usually use sustainable agricultural techniques including composting coffee pulp, rotating crops, and not applying expensive chemicals and fertilizers. In addition, they usually cultivate food alongside cash crops, and intercrop other plants such as banana and nut trees which provide food security as well as additional sources of income.

In the 1970s and 80s, as part of the general shift to 'technified agriculture' during the so-called Green Revolution, the US Agency for International Development and other groups gave \$80 million dollars for plantations in Central America to replace traditional shade grown farming techniques with 'sun cultivation' techniques in order to increase yields. This resulted in the destruction of vast forests and biodiversity of over 1.1 million hectares. 'Sun cultivated' coffee involves the cutting down of trees, monocropping, and the input of chemical fertilizers and pesticides. This type of industrial coffee farming leads to severe environmental problems, such as pesticide pollution, deforestation and the extinction of songbirds through habitat destruction. The Smithsonian Institute has identified industrial coffee production as one of the major threats to songbirds in the hemisphere due to deforestation - the birds no longer have a habitat in which to

live. Soil and water sources continue to be severely degraded by many coffee farms, as coffee pulp is often dumped into streams. In addition to the harmful effects on the environment caused by the use of chemical pesticides and herbicides in coffee cultivation, workers are also at risk of drinking contaminated water and being poisoned by pesticides.

For these reasons, many bird, tree, and biodiversity conservationists have developed standards for promoting "shade-grown" or "bird-friendly" certified coffee -- that is, coffee grown under a canopy of diverse trees that provide habitat to birds. The Smithsonian Migratory Bird Center, as well as Rainforest Alliance and the Seattle Audubon Society, all promote various labels of coffee that promote tree and bird conserving farming practices. In addition, many consumers are committed to purchasing organic coffee in order to promote sustainable farming techniques in poor countries.

For more information, see the Proceedings of the First Sustainable Coffee Congress by the Smithsonian Institute, which is a valuable resource on all issues of sustainability.

How does Fair Trade address environmental issues such as shade grown and organic?

A: About 85% of Fair Trade Certified coffee is shade grown and either passive or certified organic. Over half of the certified organic coffee is produced by Fair Trade cooperatives, but unless the coffee is Fair Trade Certified, there is no guarantee that the farmer received the benefit. Certified organic coffee in the Fair Trade market receive a \$.15 premium per pound. Typically, small farmers have never had the money to finance cutting down of the trees or purchase large amounts of chemical fertilizers and pesticides. Small farmers have traditionally passed on sustainable farming techniques to their children. We believe that small farmers are the best stewards of the land, with the highest interest in living in and passing on land with healthy soil free from harmful pesticides to their children. Paying farmers a fair wage with incentives for ecological practices is the best way to encourage sustainable farming. Fair Trade helps guarantee that the benefits of organic farming techniques reach the farmer as well as the consumer and the environment.

We support the shade grown/bird-friendly as well as organic labeling movements as an important tool for consumers to make responsible choices about environmental conservation, and support the double- or triple-labeling of coffee. Most consumers who believe in supporting living wages for farmers also support sustainable farming practices that promote environmental conservation.

How does the Fair Trade certification process differ from organic and shade grown certifications?

A: Organic, Shade Grown, and Bird-Friendly certification labels have contributed important and valuable efforts to promoting sustainable agriculture techniques that benefit farmers and the environment. However, they do not carry the encompassing attributes of the Fair Trade Certification process. Organic coffee is certified according to strict legal criteria. There are a number of different certifying agencies (QAI, OCIA) that all certify according to the same California Organic Foods Act in accordance with the standards of the International Federation of Organic Agricultural Movements (IFOAM). Shade coffee (bird-friendly) is currently certified by several groups (Rainforest Alliance, Seattle Audubon Society, Smithsonian Institute) but they work with slightly different criteria and do not have comprehensive monitoring procedures. Of these, the Smithsonian Institute has the strongest and most scientifically-based criteria and the best monitoring capability. Fair Trade Certification works with a ten year old comprehensive system of monitoring according to international standards.

Most (85%) Fair Trade Certified coffee is organic and shade grown, and most Shade and Organic coffee comes from farms that are organized as part of the Fair Trade network.

Unfortunately, most organic or shade grown coffee is not Fair Trade; you still have to look for the Fair Trade Certified label to know if the farmer got a fair price.

Notably, unlike organic certification, all Fair Trade coffee monitoring and certification costs are paid by the roasters in the consuming countries, not the farmers.

In sum, we believe Fair Trade, Shade/Bird Friendly and Organic labeling initiatives to be symbiotic, because what is good for the workers is good for trees, birds, and our shared environment. Many consumers are looking for coffee that is multiply certified; labor and ecological standards overlap and are mutually beneficial.

The History of Fair Trade

How did the concept of Fair Trade originate?

A: The Fair Trade movement began in the late 1950s as alternative trade organizations (ATOs) emerged in Europe and the US to promote grassroots development through direct, equitable trade. These ATOs bought directly from Third World producers, eliminating the middlemen, and paid the producers a fair price while providing assistance in developing trading experience and market contacts. Such experiences helped producers raise their incomes while reducing their dependency on commercial middlemen. These first ATOs were primarily "Third World shops" which dealt mainly in handicrafts. Today, there are 3,000 of these shops in Europe organized in the Network of European World Shops, and about 100 in the US, organized in the Fair Trade Federation.

How was the concept of Fair Trade Certification developed?

A: The first Fair Trade certification initiative, called Max Havelaar, was proposed in Holland in 1988. It marked an important departure from the ATO model. The Fair Trade seal was offered to mainstream coffee roasters who were willing to trade even a fraction of their total volume on Fair Trade terms. By bringing in larger coffee roasters and pushing Fair Trade into mainstream supermarkets, this seal exposed many more consumers to the benefits of Fair Trade coffee and greatly increased the number of farmers who benefit from Fair Trade.

After the Fair Trade seal demonstrated itself as a viable marketing concept, several groups from other countries in Europe adopted the initiative, many under the name of TransFair. However, for most of their history, the Fair Trade labeling organizations remained a collection of independent, autonomous, nationally based initiatives that shared criteria and worked with the same farmers, but pursued common goals with different strategies. There are currently Fair Trade Certification seals in 17 different importing countries.

How did the Fairtrade Labeling Organizations international originate?

A: In 1997, Fair Trade labelers formed an international umbrella group called Fair Trade Labeling Organizations (FLO) International. The 17-member organization follows a set criteria which defines Fair Trade for each product certified under the Fair Trade system, including coffee, tea, cocoa, sugar, honey, bananas and orange juice. For each commodity, there is a shared International Fair Trade Registry of farmers who have undergone a formal application process and have been approved to sell to the Fair Trade market. Monitoring and certification systems are maintained by FLO, which has field monitors in each producer region or country who annually visit all of the producer coops. Each member of FLO contributes to international monitoring costs with its annual dues.

How did Fair Trade coffee in the US get started?

A: In 1986, Equal Exchange was established to import Nicaraguan coffee as an expression of solidarity with the people and revolution of Nicaragua, after the Reagan administration imposed an unfair trade embargo. Equal Exchange became the only ATO in the US to focus exclusively on Fair Trade coffee, trading according to the international standards before there was a monitoring agency in the US. In the fourteen years since its inception, Equal Exchange has built a small but important niche for Fair Trade coffee, earning the respect and recognition of the specialty coffee industry and helping many farmers to keep their land during the low ebbs in the world coffee market. Other companies such as Peace Coffee in Minneapolis, Zapatista Coffee in Denver, Café Mam in Oregon, Café Campesino in Georgia, and Dean's Beans in Massachusetts have also been active promoting fair prices for farmers over the last five years, as well as promoting education about the coffee industry and the need for Fair Trade.

How did Fair Trade Certification in the US get started?

A: TransFair USA is the only FLO-affiliated, non-profit Fair Trade certification organization in the United States. TransFair USA was founded in 1996, but due to lack of funding was stagnant until 1998, when it incorporated in Oakland under the leadership of longtime coffee farmer advocate Paul Rice. Initially, the organization focused on certifying coffee importers who were willing to trade according to Fair Trade criteria. In 1999, that focus shifted to roasters. In 1999 they focused most of their energies on Bay Area companies, but many socially responsible roasters across the nation have become licensees, especially after the April 2000 SCAA conference where TransFair brought producers from a dozen different Fair Trade cooperatives to show their product. In the fall of 2000 their focus is on Boston and the greater Northeast. As of mid-2000, there were over 50 importers and roasters licensed to sell Fair Trade coffee with the TransFair USA label. In addition, TransFair is active around promotion and consumer education around Fair Trade coffee. See www.transfairusa.org for more information.

Fair Trade Criteria and Monitoring

What are the Fairtrade Labeling Organizations (FLO) criteria for roasters and importers?

A: Any coffee roaster that complies with the following conditions can apply for the right to use of one of the Fair Trade Labels of FLO-International.

1. The purchasing price must have been fixed in accordance with the conditions established for this effect by FLO-International:
 - Guaranteed floor price of \$1.26 per pound for washed arabica.
 - For Arabicas the New York "C" market shall be the basis of calculation. The price shall be established in US\$-cents per pound, plus or minus the prevailing differential for the relevant quality, basis F.O.B. origin, net shipped weight. Over the established prices, there shall be a fixed premium of 5 US\$-cents per pound.
 - For certified organic or biological coffee with officially recognized certification, that will be sold as such, an additional premium of 15 US\$-cents per pound green coffee will be due, on top of the FLO-International price.
2. The roaster/buyer is obliged to facilitate the coffee producers access to credit-facilities at the beginning of the harvest season, up to 60% of the value of the contracted coffee at Fair Trade conditions, at regular international interest rates. The credit will be cancelled upon shipment of the coffee.
3. Producers and roasters/buyers depend on reliability and continuity. For that reason, relations between both should be based on long term contracts (1 to 10 years).

The floor price of the Fair Trade criteria acts as a safety net, protecting small farmers when fluctuating market prices fall extremely low. Currently, the floor price for conventionally grown Arabica beans is \$1.26/pound and \$1.41/pound if the coffee is certified organic. When the market price is above the floor price, as it was during the 1994-98 period, the Fair Trade price is an additional \$0.05/pound premium above normal market price. Therefore, the Fair Trade floor price is most relevant in times like the present, when the world market price hovers around \$0.85/pound (meaning that most small farmers are only getting \$0.20-0.40/pound). The Fair Trade floor prices were determined after considerable field research into production and living costs in various coffee-growing countries. Negotiation in 1988 between European Fair Trade leaders, farmer representatives and the industry established the initial floor prices. The Fair Trade criteria around credit are especially important for small farmers. Without access to credit during the "lean months" between harvests, small farmers often are forced to sell the future rights to their harvests to local middlemen at extremely low prices in exchange for some cash up front. At harvest time, the farmers are not allowed to pay off the middlemen with cash - they must hand over the coffee. So without access to credit, many farmers would not be able to take advantage of the opportunity to sell at Fair Trade prices. This is why credit is built into the Fair Trade criteria as an obligation of the importer.

What are the Fairtrade Labeling Organizations criteria for producers?

A: FLO maintains a Coffee Producers Registry that is open to associations of small farmers who meet several criteria that can be summed up in the following way. They have to be poor; only small farmers who are not dependent on hired labor, not plantations, are represented. And they have to be democratically organized as small farmer associations that are independent and transparent. Representatives from FLO annually inspect Fair Trade farms in producing countries. The exact FLO criteria for Producers are the following:

1. the majority of the members of the organization are small scale producers of coffee. By small producers are understood those that are not structurally dependent on hired labor, managing their farm mainly with their own and their family's labor-force;
2. the organization is independent and democratically controlled by its members. This means that the members of the organizations participate in the decision-making process which determines the general strategy of their organization, including decisions related to the destiny of the additional resources which result from operations in the framework of this agreement;
3. administrative transparency and effective control by the members and its Board over the management is secured, minimizing the risk of fraud and offering members the necessary instruments to be able to act adequately in case of fraud;
4. the philosophy motivating the organization is based on the concept and practice of solidarity;
5. no form of political, racial, religious or sexual discrimination is practiced;
6. the organization is statutarily open to new members;
7. the organization is politically independent, and there are sufficient guarantees that the organization will not become the instrument of any political party or interest;
8. the organization shares with the FLO-International and with the other organizations inscribed in the Producers' Register the following principles and general objectives:
 - integral economic development, concentrating on improvement of production techniques and diversification of the production, in order to diminish dependency on one single product as a cash crop;
 - integral organizational development, improving the managerial and administrative capacity of the actual and future leadership of the organization and ensuring full participation of the members in the definition of strategies and the use of extra income resulting from fair trade;
 - integral social development, for instance through health care and educational programs, improvement of housing and water supply, thus creating better living conditions for the members and their families and the communities they live in;

- sustainable development strategies, applying production techniques which respect the specific ecosystems and contribute to the conservation and a sustainable use of natural resources, in order to avoid as much as possible - or even totally - the use of chemical inputs;
- integral human participation, offering especially women the opportunity to play a more active role in the development process and in the decision making process and management of the organization;
- improvement of the quality of the products as a strategic requirement for the small producers to defend themselves on both the Fair Trade Market and the regular market.

Logically, it is necessary that the quality of the coffee offered for exportation complies with the minimum quality standards as required by the different markets, and the organization must count with the management capacity to effectively export the coffee and act as a reliable commercial partner.

There are no criteria made for farm practices that the Fair Trade farmers must follow, even though Fair Trade standards explicitly support the development of organic agriculture and environmental protection. At the Fair Trade Producers' Assembly in June 1997, the producer groups themselves proposed a set of environmental standards. These standards included the use of leguminous trees, cultivation of timber species on the coffee farm, and windbreaks. These producer-derived indicators emphasize the awareness of "shade" as a beneficial farm practice, decreasing the likelihood that farmers will transfer to "sun" grown coffee as they increase their profits.

How does the certification process work?

A: As a member of the international Fair Trade network, TransFairUSA is responsible for monitoring the paper trail from crop to cup to ensure Fair Trade practices were followed throughout.

Producers

FLO maintains a Coffee Producers Registry that is open to associations of small farmers as detailed above. FLO maintains field monitors in countries and regions of origin, and makes annual visits to ensure producer compliance with the Fair Trade criteria. The majority of cooperatives fulfill or surpass the requirements of FLO's criteria wholeheartedly. If producer cooperatives are found not in compliance, they can be put on probation for a period to allow for improvement, and in rare cases, dismissed from the list for serious violations.

Importers and Roasters

In the U.S., coffee importers and roasters must sign a licensing agreement with TransFair USA in order to sell Fair Trade Certified coffee using TransFair's trademarked seal on their products. TransFair's Monitoring Department handles the US side of the coffee trail by monitoring licensee paperwork, including sales receipts and tracking numbers. Roasters must pay a licensing fee of 10 cents per pound to TransFair to ensure the sustainability of the system, and to ensure that costs for certification are born in the North rather than by the farmers.

Coffee Industry's Code of Conduct

Does the Fair Trade system work with large plantations?

A: Fair Trade is fundamentally focused on the small farmer, the producer of the great majority of the world's coffee. Therefore, it cannot address all of the social inequities associated with coffee production around the world. As noted earlier, by deliberately excluding plantations from the Fair Trade coffee market, the movement does little to improve the lot of landless farmworkers employed on those estates.

In contrast, in the case of tea and bananas, two largely plantation-grown crops, Fair Traders have developed criteria that address wages, living and working conditions of farmworkers, the

right to organize, and even mechanisms for profit-sharing. Fair Trade inspectors report that monitoring and verification of fulfillment of these criteria for large estates are more challenging tasks than with small farmer cooperatives. Nevertheless, Fair Trade labelers made a political decision to engage the large-estate sector in the case of these two commodities. However, there has been contention involving bringing plantation grown coffee into the scene, because of the importance of the issue of land reform.

The Fair Trade coffee market is still too small to support both small farmers and plantations. Presently, less than half the total production volume of the small farmers on the International Fair Trade Register is sold at Fair Trade terms because worldwide demand is still too small to absorb it all. Bringing plantation grown coffee into the Fair Trade market would further dilute the position of the small holders. Therefore, any discussion of opening Fair Trade markets to estate owners (and farmworkers) should be postponed until the market grows large enough to absorb them without undermining the position of the small farmer cooperatives.

Is there a Code of Conduct for the treatment of workers on large plantations?

A: In lieu of developing Fair Trade criteria for plantation grown coffee, some Fair Trade leaders in Europe are promoting the development of a Code of Conduct to address the industry's sourcing practices and, in particular, the issues of wages and working conditions on large coffee estates. In July 1999, the European Fair Trade Association issued an open invitation to consumer and religious organizations across Europe to join them in a campaign to pressure the European Coffee Federation to implement a Code of Conduct or "Guidelines for Ethical Trading". A television documentary exploring the deplorable conditions on Guatemalan coffee estates sparked a massive response to this invitation. The European Coffee Federation, representing the large European roasters and importers, responded by discussing the subject of responsible business in their 1999 annual meeting. Global Exchange has agreed to be the US partner in this international effort, and is looking for other labor advocates interested in participating in this effort.

So far, the only effort in this direction in the U.S. has been Starbucks' 1995 Framework for action for sourcing coffee in Guatemala, which it only half-heartedly implemented after consumer pressure (coordinated by the US/Guatemala Labor Exchange, now US/LEAP) was applied. Global Exchange is maintaining pressure on Starbucks, demanding that they implement their Framework for Action plan. The rest of the U.S. coffee industry has yet to seriously look at Sourcing Guidelines or a Code of Conduct that effectively addresses the issues of wages, working conditions and organizing rights on plantations.

The Fair Trade Certified Coffee Campaign

What is the history of the Fair Trade coffee movement?

A: Global Exchange began spearheading a campaign to promote Fair Trade coffee in the summer of 1999. During the summer we focused our campaign on our local Bay Area. We organized a coalition of interested human rights, environmental, church, social justice, and student organizations that believed in the model of Fair Trade and wanted to help promote living wages for farmers. We outreached to the local press and generated stories about Fair Trade in the *Oakland Tribune*, *San Francisco Chronicle*, *Contra Costa Times*, *San Francisco Examiner*, and *San Jose Mercury News* about Fair Trade coffee. We helped to host Santiago Rivera, a farmer from San Francisco's Sister City of Estelí, Nicaragua, for an event with San Francisco Supervisor and living wage advocate Tom Ammiano. We worked with San Francisco, [Berkeley](#), and [Oakland](#) city councils to be the first governments in the country to offer Fair Trade Certified [purchasing restrictions](#).

We increased the retail outlets that offer Fair Trade Certified coffee from just 4 to over 100 in just a few months! Our volunteers set up informational tables at many local events, hosted

speakers on Fair Trade coffee at local schools and churches, and brought awareness to the need to purchase Fair Trade to a critical mass of people in the Bay Area.

In the fall of 1999 we began sowing the seeds for our nationwide campaign focusing on helping community activists and college students coordinate Fair Trade coffee campaigns on their campuses. We now have a network of over [50 communities](#), predominantly colleges, that are organizing educational outreach and campaigning to promote Fair Trade coffee and purchasing restrictions locally. Students at schools including Ohio University, Portland State, University of Chicago, Tulane, and Columbia are working to get sweatshop coffee off their campuses and replace it with Fair Trade Certified coffee, and students at UC Davis, College of the Atlantic, and SUNY Binghamton have already been successful. United Students Against Sweatshops, the Student Alliance to Reform Corporations, and student environmental organizations have participated in Fair Trade Certified coffee activities on their campuses, identifying it as an important tool towards decorporatizing our universities and greening our campuses. In addition, we continue to work with churches, environmental groups, unions, and other social justice communities to promote Fair Trade for farmers. We have [contacts](#) in your city and an [Action Kit](#) full of tools to get started!

Is there enough consumer demand for Fair Trade coffee?

A: According to the 1998 Cone/Roper benchmark study, 78% percent of consumers would rather purchase a product associated with a cause about which they believe. 54% say that they would pay more for a product that supports their cause. TransFair's 1997 consumer study revealed that 49% of specialty coffee drinkers surveyed said they would buy Fair Trade coffee. In the post-WTO climate, more and more people are demanding Fair Trade products. Most people in this country would rather buy a cup of coffee picked under fair trade conditions than sweatshop labor conditions.

What You Can Do

Be sure to check out our [Action Kit](#) which is full of ideas and resources.

What can any community organization do to support Fair Trade?

A: Help start a campaign in your community that will highlight the importance of paying farmers a living wage. Distribute educational leaflets and local events and local cafés, particularly ones that might be interested in offering Fair Trade coffee. Send a letter to local roasters and cafés from your organizational letterhead asking them to talk with TransFair about offering Fair Trade coffee. Make sure that your local community serves Fair Trade Certified coffee at community events. Encourage your community organization to purchase Fair Trade products for fundraisers and organizational gifts. Check out our Action Pack for more ideas.

What role can campus activists play?

A: Fair Trade provides a sustainable alternative to corporate free trade practices. Bringing Fair Trade Certified coffee to our campuses to replace corporate coffee is an important step towards replacing environmentally & socially exploitative product sourcing with sustainable development practices and decorporatizing our universities. It is a visible and achievable goal that can be incorporated into current campaigns, used to recruit new activists, and network labor, environmental, social justice, and other organizations, not to mention Asian, African, and Latin American Studies, along with International Relations, Labor Departments, Women's Studies, Environmental Studies, students, staff, and faculty, etc. Fair Trade practices are environmentally sustainable, fair, and independently monitored - all of which are essential components of a green campus and a democratic global economy. Campus activists have been key players in the anti-sweatshop movement. Now we have a chance to promote purchasing restrictions on our campuses for Fair Trade Certified coffee. Check out our Action Pack for tools and resources.

What can teachers, professors, and graduate students do?

A: Invite a guest speaker to your classroom to talk about Fair Trade. Order a copy of the video Santiago's Story and show it to your students. Have them discuss Fair Trade, what it means and what they can do to support it. Follow up with concrete actions (delivering postcards and petitions to a local Starbucks for example, or organizing a public education presentation on Fair Trade for

the community). Discuss with the students what it means to take concrete action in promoting fairness in the global economy. Check out our Action Pack for more ideas.

There is also a serious need for expanded research around Fair Trade issues, such as the improvement in farmers' lives, working conditions on coffee plantations, consumer research, and movement strategies. If you are interested in researching themes of use to the Fair Trade movement, contact deborah@globalexchange.org.

What role can labor unions play?

A: Labor unions have been at the forefront of the movement for Fair Trade in the global economy, and have played an important role in the Fair Trade movement in Europe and Canada. Make sure that your local workplace serves Fair Trade Certified coffee. Make it a demand of a union contract that the worksite sells on Fair Trade Certified coffee, for example at a hotel. Make the connections between farmworker issues at home and abroad. Check out our Action Pack for more ideas.

What role can religious groups play?

A: Religious organizations have a long history of supporting social justice and promoting positive solutions to global injustice. Send a letter to local cafes and grocery stores asking them to sell Fair Trade coffee. Have an event at your social hour or religious education classes to show the video, Santiago's Story, discuss Fair Trade, and write letters to your local stores. Make sure that your local place of worship serves Fair Trade Certified coffee at coffee hour or other events. Encourage your church to purchase Fair Trade coffee as a fundraiser - check out the Fair Trade Certified vendor list. Check out our Action Kit for more ideas. Also, see [this article](#) from *The Catholic Voice*.

What can regular consumers do to support Fair Trade?

A: Consumers can play a powerful role in demanding that coffee companies offer us the choice to buy Fair Trade Certified coffee. We can demand that they take responsibility for the working conditions of the people who produce the product that makes their business successful.

- Buy Fair Trade Certified coffee.
- Ask for Fair Trade Certified coffee where you shop.
- Drop a note in the suggestion box at your local grocery store or café.
- Get involved in the Fair Trade movement -- contact us for information on how you can help build Fair Trade in your community!
- Check out Ten Things You Can Do for Fair Trade for more suggestions.