



ENVIRONMENTAL SUSTAINABILITY

THE FUTURE OF COFFEE



Fairtrade coffee comes
from certified producers in


28
countries

€28.8M

was generated through
the Fairtrade Premium
to invest in business and
community projects

UNDER THE FAIRTRADE SYSTEM

- Farmers are guaranteed to receive at least the Fairtrade Minimum Price for their coffee which aims to cover their costs of production and act as a safety net when market prices fall below a sustainable level
- Coffee farmers also receive the Fairtrade Premium and must use at least 25 per cent of it to enhance productivity and quality, for example by investing in processing facilities
- Farmers also use the premium for community projects, such as investing in healthcare or the provision of clean water
- Technical support allows farmers to improve yields and quality and offer reliable, sustainable coffee to the market
- Farmers build longer-term, more stable trading relationships with their buyers
- Fairtrade is underpinned by independently audited supply chain standards, which are set in consultation with farmers and industry partners.



More than

580,000

small-scale coffee farmers
are part of Fairtrade

THE NEED FOR FAIRTRADE

- Coffee is grown in more than 70 countries in Africa, Asia and Latin America
- The coffee industry relies on small-scale farmers. Around 80 per cent of the world's coffee is produced by 25 million smallholders each with less than 10 hectares of land
- Many live on less than \$2 a day, often in remote areas, and eke out a precarious existence
- faced with rising input costs, little access to credit to invest in production and increasingly erratic climate conditions
- Some farmers can't see a future in growing coffee and are forced to leave their farms in search of alternative work
- This weakens the coffee supply chain and often spells disaster for families and their communities.

**'THE WHOLE CONCEPT OF FAIRTRADE
CERTIFICATION HAS TO DO WITH THE
TRANSFORMATION OF THE COUNTRYSIDE.
IT'S NOT JUST A LABEL. THAT'S WHY, WHEN
WE WERE CONSIDERING THE OTHER OPTIONS
FOR CERTIFICATION, WE DECIDED TO STAY
WITH ONLY FAIRTRADE.'**

Fatima Ismael
Soppexcca Co-operative





ENVIRONMENTAL SUSTAINABILITY: THE FUTURE OF COFFEE

ADAPTING TO CLIMATE CHANGE

Climate change is already having an impact on the coffee industry, with disrupted weather patterns and the emergence of new diseases and pests. Fairtrade gives farmers much-needed liquidity, as well as increased skills and knowledge through technical advice, to invest in prevention and mitigation strategies.

PROTECTING THE ENVIRONMENT

Fairtrade Standards help producers make environmental protection an integral part of their farm management, including reducing pollution, limiting the use of harmful chemicals and finding organic alternatives. A large percentage of Fairtrade coffee co-operatives are also certified organic.

BETTER QUALITY COFFEE

Fairtrade enables co-operatives to invest in field-level technical assistance which, along with market knowledge gained from close links with buyers, means farmers learn how to improve quality at source.

ADAPTING TO CLIMATE CHANGE

- Climate change is resulting in an increase in pests and diseases that affect coffee production. Fairtrade gives farmers vital liquidity, as well as technical advice, to invest in solutions
- Co-operatives use their premium to help producers renovate their farms, enabling them to replace thousands of diseased coffee trees
- Being part of Fairtrade means farmers have access to more technical knowledge and have greater awareness of climate issues and the impact they have on their lives and crops.

BETTER PEST AND DISEASE CONTROL

Climate change is causing a variety of environmental changes, including erratic weather patterns, the emergence of new pests and the rapid spread of diseases. As with all crops, coffee production is facing serious consequences as a result of these changes. For example, the current problem of leaf rust (La Roya) in Latin America is the result of increased rainfall, humidity and higher temperatures. The fungus attacks the leaves of coffee trees causing the leaves to fall and make the tree unproductive. Farmers have had no choice but to chop down acres of coffee farms because trees have been lost to La Roya. Even those trees that survive have been severely affected in both productivity and quality. In Honduras, over half of the national coffee production area has been affected, with an accompanying drop in productivity estimated to be as much as 38 per cent.

The Fairtrade Premium gives farmers a much-needed injection of cash to respond to such emergencies. Fairtrade co-operatives are helping farmers combat the disease by supplying them with new low-cost coffee saplings to replace old, more susceptible trees and low-cost organic pesticides to control the spread of the fungus. Awareness-raising workshops and constant interaction between farmers, through the co-operative, mean farmers can learn from each other and better handle the problem collectively. Investments are also being made in new 'experimentation plots' and nurseries where pest-resistant and more productive varieties of coffee are being developed and tested.



'We also offer training in management practices. At present with the problems we are having with 'La Roya', we are also including a module related to the integrated management of farms, so not just about organic agriculture, but also about the introduction of resilient varieties, crop quality, management of drought, cupping characteristics and greenhouses – because the majority of producers are working on these issues, as well as on the management of shade and the options that producers have for the renovation of coffee plants depends on the percentage of damage they have in their farms.'

Sonia Vasquez
Director of Technical Assistance
at COMSA, in Honduras

RENOVATING COFFEE FARMS

To secure future productivity, many co-operatives spend their premium on helping farmers replace old or diseased coffee trees with new varieties grown in their own nurseries. Cafe Organica Marcala (COMSA) in western Honduras has already set aside around 50 hectares to grow an estimated two million new coffee plants in seed beds and nurseries, which members can buy at cost price.

With \$1,800 from the Fairtrade Premium, Nicaraguan coffee farmer Marlene del Carmen Gonzales Jarquim, a member of the Soppexcca co-operative in Nicaragua, is renovating parts of her farm devastated by leaf rust.



'I'm suffering the effects of 'La Roya', so what we are trying to do is to compensate for everything we have lost due to this pest. I lost two plots, so we will try to plant coffee in two new plots... I will go to the nursery and then take all the plants to the farm and plant them. It's better to start again rather than to work with the sick plants, which are full of germs that can give us lots of problems. So I think it's better to take everything that is useless out and to start again, even though it will be more expensive for me.'

Marlene del Carmen Gonzales Jarquim
Member of the Soppexcca
co-operative in Nicaragua

FARMER KNOWLEDGE AND AWARENESS

Building farmers' skills and knowledge through technical support is also crucial. Being part of Fairtrade means farmers have access to training and information and are better aware of climate issues and the impact these have on their lives and crops. For instance, dedicated training on tackling leaf rust means farmers are better prepared. After attending an event on leaf rust, one farmer in Honduras was able to spot, treat and contain an outbreak on his farm within 24 hours.

Awareness programmes highlight the use of shade trees to help protect sensitive coffee trees from increased daytime temperatures and to prevent the air temperature dropping too dramatically at night. Many co-operatives invest their premium in nurseries where shade tree saplings are grown and supplied to farmers at low cost. Technicians also advise farmers on improving soil fertility and plant nutrition, the use of animal and green manure, agro-forestry and inter-cropping, integrated pest management and water harvesting and conservation.





'Climate change has started to affect our coffee crops as well as our producers' other crops. The traditional coffee varieties that our producers grow (Caturra and Bourbon) are being affected by the increase in temperature and we are also seeing new pests. All this results in less income and more food shortages for them, so we have introduced technologies, invested in production materials, in reforestation and in the introduction of new varieties that are better able to adapt to the new climate.'

Ervin Miranda
General Manager of COOMPROCOM
co-operative in central Nicaragua

PROTECTING THE ENVIRONMENT

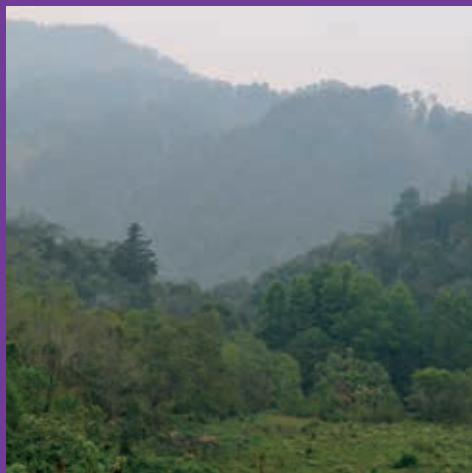
- Fairtrade encourages investment in reforestation, helping to protect soils and improve the micro-climate
- Fairtrade's approach to environmental education leads to better water management practices and a reduction in pollution
- Fairtrade Standards help farmers to switch to environmentally friendly agricultural practices, such as developing nutrient-rich soils, thus reducing the use of chemicals
- A large percentage of Fairtrade coffee co-operatives are also organic certified. Fairtrade encourages and enables producers to continue to protect the natural environment and make it an integral part of their farm management.

REFORESTATION

Planting trees on cleared, degraded land helps improve the micro-climate, protects soils, provides a habitat for indigenous wildlife and a healthier living environment for farmers and their families. Recognising these multiple benefits, many co-operatives choose to invest their premium in reforestation projects.

In central Nicaragua, COOMPROCOM began its reforestation projects in 2010 with support from Fairtrade partners. It now has 16 new areas of reforested land and 60 per cent of its members are planting new coffee and shade trees.

Soppexcca in northern Nicaragua has also chosen to invest a large proportion of its premium in reforestation. Six years ago, part of Roger Antonio Garcia Hernandez's farm was stripped of trees, but with Soppexcca's help he has transformed the landscape.



'I have changed my farm in order to help the environment, because I feel that this can help a lot. I am also planting cedar trees at the moment, pink cedar trees. Soppexcca is supporting me to plant these and they are now very tall and they are in a plot where there was huge deforestation. It practically didn't have any trees at all, but now, five or six years later, we bought it and now with our efforts to plant trees, we are contributing to the environment.'

Roger Antonio Garcia Hernandez
Coffee farmer in northern Nicaragua
Member, Soppexcca

BETTER WATER MANAGEMENT

Many Fairtrade co-operatives run environmental awareness programmes in their communities. This makes farmers more aware of issues such as water contamination, which is a serious problem in farming communities as large amounts of water used for washing coffee is not treated and often finds its way into unprotected drinking water sources.

Both individually and collectively, farmers invest part of their premium in better water management. This ranges from investing in concrete water channels on the farm, to new ecological wet processing facilities for the benefit of all co-operative members, to protecting drinking water sources.



REDUCED USE OF CHEMICALS

Fairtrade's environmental standards – against which farmers are audited – prohibit the use of certain agro-chemicals that are harmful to the environment and health. Many co-operatives use the premium to train farmers on the correct and safe use of permitted pesticides, while also advising them on how to switch to environmentally friendly practices such as developing nutrient-rich soils that support healthy plants and encourage wildlife to help control pests and diseases.



'A good proportion of the social premium is dedicated to reforestation programmes, to programmes for the protection of water sources and to capacity building programmes on the correct use of agro-chemicals, because as an organisation we have opted to follow the ethical principles linked to sustainable production. All this knowledge has been the result of the Fairtrade principles, including ones about the environment, which we follow closely... We don't see it as just a product in a cup – because behind every cup lies a forest that is being protected and that serves as a home to all our birds and other species – so small coffee plantations represent a unit for agro-ecologic diversification.'

Fatima Ismael
General Manager of Soppexcca
in Nicaragua

ORGANIC COFFEE

A large percentage of Fairtrade certified coffee co-operatives are also organic certified. COMSA, an association of small-scale coffee producers in western Honduras, was founded in 2000 as a way to support farmers during the global coffee crisis and to access the organic market's higher prices. After four or five years, farmers realised there was more to organic farming than the type of fertiliser they used – for them it was about incorporating principles and values into farming practices as well as balancing the needs of business, society, family and the environment. They were Fairtrade certified in 2005 after being attracted by a stable Minimum Price and by access to finance, business support, technical advice and specialist markets.



COMSA aims to improve quality by reviving depleted soils and stopping the use of harmful chemicals. It uses its Fairtrade Premium to experiment with different combinations of minerals to make organic compost and fertilisers, which it provides to farmers free of charge. It also collects and distributes waste coffee pulp and honey so farmers can make their own fertiliser. Not only is it better for the soil and the coffee, it's also around 50 times cheaper than conventional fertiliser.



'Our philosophy is for producers not to simply learn the 'recipe' but instead for them to experiment, because that's what organic agriculture is about. It's not just about buying our compost, applying three ounces and that's it. We are always researching and the funds for materials or if we need to hire someone, are covered by the funds from the premium. We also try to document and publish findings on our web page and to share it with young people, with children, producers, technicians and students who visit us. We share all of our results with them so that everyone can access this knowledge.'

Luis Rodolfo Peñalba Sarmiento
General Manager at COMSA
in Honduras

BETTER QUALITY COFFEE

- The key to improved quality is field-level technical assistance. Fairtrade producers invest in professional staff who provide farmers with training and skills
- Close links with buyers means Fairtrade farmers learn what the market needs and wants and can put that knowledge into practice on their farms, improving quality at source
- Fairtrade farmers invest their premium in quality improvements, such as better processing and cupping facilities as well as training and information.

FARM-LEVEL TECHNICAL ASSISTANCE

Coffee co-operatives know that getting technical know-how into the hands of farmers is the key to improving coffee quality. Through the Fairtrade Premium, co-operatives can invest in technology and information transfer to the farm level by employing teams of professional technicians and agronomists. Farmers are taught to nurture the coffee trees, provide adequate shade and nutrition and pick coffee cherries carefully – all of which helps produce superior quality coffee.

Putting in place efficient collection systems also protects the quality of the coffee and keeps the beans fresh before processing. Many Fairtrade co-operatives have recognised this and built hundreds of collection points across coffee villages, which reduces farmers' transportation time and costs and protects coffee quality.



'Our technical assistance programme is financed by Fairtrade funds. In this area there are three technicians who offer assistance basically in three ways: by visiting the farms directly, evaluating the conditions and then offering recommendations to solve any problems. A second way is through events, technical talks out in the communities where we invite producers and give them a talk about how to produce and manage their coffee harvest in the correct way. A third way is through the demonstration plots, which showcase and validate the results of our work to producers.'

Edgar Mendez Arias
Technical Assistant at Coopeagri
co-operative in Costa Rica



'The quality of our coffee is very important to our organisation, in fact through field technicians, the co-operative advises us on the characteristics our products should have in order to be attractive in the market. We are aware, and I am personally aware, of the fact that quality is at the core of what we need to do in order to obtain good prices. There is no point in producing a lot of coffee if it's of low quality. For us quality is fundamental.'

David Celedon
Member of the UCA San Juan
co-operative in Nicaragua

UNDERSTANDING MARKET NEEDS

To produce quality coffee, farmers need to understand the market. Being part of Fairtrade and having direct relationships with buyers exposes farmers to new sources of market information which they then bring back to their farms and co-operatives to put what they've learned into practice.

Fairtrade's extensive networks not only put farmers' organisations in direct contact with buyers but also give farmers the opportunity to attend trade fairs and exhibitions. This provides co-operatives with valuable insight into the international coffee market.

INVESTING IN QUALITY IMPROVEMENTS

Fairtrade Premium guidelines for coffee stipulate that organisations must invest at least a quarter of their premium in enhancing productivity or quality. This has encouraged investments in quality enhancing activities, both at farm and organisational level.

At farm level, better washing plays an important role in improving coffee quality which boosts incomes as higher-quality coffee fetches a better price. Many co-operatives use their premium to help farmers install simple washing and drying facilities on farms. Farmers receive training on how their own processing affects the quality of their coffee so they can refine their methods accordingly.



'I am very grateful to Fairtrade for what we have been able to achieve. Before, I used to peel my coffee with a small machine, which didn't work properly, but now thanks to Fairtrade we have used our premiums as a counterpart in a project that has allowed us to buy new machines. Now we are able to peel our coffee better and have better washing facilities both of which result in better quality – which is what the market demands.'

Jose Cruz Mercado
Member of COOMPROCOM
co-operative in Nicaragua



'We evaluate the coffee and tell the team of advisors that there are processes that are not being followed properly, because we are able to identify positive and negative characteristics of the coffee. They are in charge of telling producers what they are doing well or not so well and so this feedback allows us to guarantee a better quality of our producers' coffee.'

Ruben Picado Cordero
Officer in Coopeagri's Quality
Control Department

At an organisational level, investments in dry processing mills are being made to ensure more control over coffee production and quality assurance. Another trend has been to build in-house cupping and quality-testing laboratories. This allows organisations to test quality before export, benchmark their performance and negotiate the right price with buyers for the right quality of coffee. Ten years ago, Coopeagri in Costa Rica chose to invest in a new cupping centre which is of international standard. The centre's trained staff assesses the taste, aroma and other characteristics of the coffee to make sure it meets export requirements.

The content in this brochure is based on interviews conducted during a field trip by the Fairtrade Foundation to five Fairtrade certified coffee organisations in Central America.

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