SOCIAL SUSTAINABILITY STRONG COFFEE COMMUNITIES



Fairtrade coffee comes from certified producers in



€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.

'FOR US, THE MAIN ELEMENT OF FAIRTRADE CERTIFICATION AND WHAT DIFFERENTIATES IT FROM OTHERS, IS THE MARKET GUARANTEE AND THE POSSIBILITY OF SOCIAL INVESTMENT. IT IS THE ONLY CERTIFICATION THAT HAS ALLOWED US TO INVEST IN OUR FAMILIES.'

Timoteo Miranda COOMPROCOM Co-operative





SOCIAL SUSTAINABILITY: STRONG COFFEE COMMUNITIES

STRENGTHENING COFFEE COMMUNITIES

The security of the coffee supply chain depends on strong farming communities. Fairtrade helps build rural infrastructure, which becomes the backbone of coffee-farming communities. Access to Fairtrade capital and technical assistance encourages entrepreneurship at farm level leading to better yields and diversification – all of which means more income and stability for coffee farmers.

THE NEXT GENERATION OF COFFEE FARMERS

Fairtrade helps make coffee-growing an attractive and viable option for young people. It enables producers to invest in building their skills and knowledge and empowers them to become active participants in their communities.

A MOVEMENT FOR CHANGE

Businesses that buy and sell coffee play a key role in connecting the two ends of the value chain: farmers and consumers. A growing number of conscientious consumers want to be sure their shopping has a positive impact on producers and Fairtrade is an effective way of providing that assurance.

STRENGTHENING COFFEE COMMUNITIES

- Fairtrade enables investment in building rural infrastructure, which forms the backbone of coffee-farming communities and is central to their economies
- Access to Fairtrade capital and technical assistance encourages entrepreneurship at farmer level
- Fairtrade helps farmers combat food insecurity by providing stable incomes through the Minimum Price, better yields and diversification into side businesses.

BUILDING RURAL INFRASTRUCTURE

Many coffee-growing communities are in remote areas, far from basic infrastructure and services such as roads, electricity, schools and clinics. Arabica coffee, for example, is typically grown in mountainous regions where farms are accessible only by foot or on horseback. Tracks become dangerous or completely impassable during the rainy season, making it extremely difficult to transport coffee and for children to go to school or people to get medical help. This has an enormous impact on rural families and communities and makes it very difficult for them to function as strong social and economic units.

Fairtrade and the Fairtrade Premium mean farmers can invest in new infrastructure which forms the foundation of rural communities and is central to the local economy. Fairtrade Standards stipulate that farmers decide together – through farmers' organisations or co-operatives – how they want their community to develop and to prioritise and plan projects that benefit the whole community. This participation in decision making gives farmers a sense of ownership and is vital if rural communities are to be sustainable.

Many communities decide to invest their premium in building roads that are lifelines for scattered farming families. Building, refurbishing and equipping local schools and paying teachers' salaries are priorities as well. Farmers also invest in community health projects, using the premium to part-finance a new clinic or dispensary, provide an immunisation programme for local children or pay part of a doctor's salary. Co-operatives are in close contact with other community leaders, such as head teachers and local government authorities, to discuss what's needed.



'But this water doesn't only benefit these nine families. It benefits anyone who passes by and needs water for whatever use. We always offer it, because luckily, we have a lot of it and so if anyone needs it, we gladly share it because we know what it's like to need it.'

Timoteo Miranda

Local coffee farmer, central Nicaragua



Ensuring access to water for daily chores is another clear priority. For instance, water shortages cause severe problems in some hilly coffeegrowing regions of central Nicaragua. Members of COOMPROCOM cooperative agreed to invest their premium in building water tanks and installing piped water, which has benefited 140 families. In one small community of nine households. drinking water came from an unprotected pipe next to the dusty road or from the spring, which was often contaminated by household water. With the premium, the cooperative moved the water pipe and built simple washing facilities and toilets.

ENCOURAGING LOCAL ENTREPRENEURSHIP

Fairtrade encourages the growth of rural entrepreneurship. Many farmers are frustrated that they don't have the resources to expand their businesses, which perpetuates the cycle of underinvestment, low productivity and poor returns. Fairtrade helps farmers to break that cycle by encouraging them to form co-operatives that can support farm production and help farmers become entrepreneurs. Fairtrade cooperatives often become the hub of rural entrepreneurship and business activity in their communities.

They are where farmers gather to exchange ideas and information, to attend training events and to visit experimental plots that demonstrate the results of organic composting or new high-yield hybrids. Seeing results for themselves and knowing that expert help and finance is on hand gives farmers the confidence to experiment and put new ideas into practice back on their farms. Returns on investment can be slow in the coffee business, with new trees taking five to six years to produce optimum yields, but Fairtrade farmers are now feeling more confident to make the long-term investment.

Fairtrade co-operatives are also actively encouraging women's entrepreneurship in farming. In northern Nicaragua, Soppexcca co-operative runs a programme in which its women members were given loans to buy land to grow coffee. The women have now set up their own coffee brand, 'Las Hermanas' (the Sisters) and the profits have increased family incomes and supported health programmes such as cervical cancer screening for 5,000 women.



'We have organised ourselves respecting the role of women. Women today are not like they were before; we are now part of organisations. Fatima (our Manager) and me are examples of this and there are many others who also work in co-operatives - so we have increased the value of women and their self-esteem which used to be very low due to the macho culture inherited from our previous generations and which has now been replaced by gender equality – where we have mutual respect. And, for example, here this has meant that there are no instances of family violence here in the co-operative - it has been eradicated.'

Teresa Riviera President of Cooperativa Dantanli Los Robles, Soppexcca



'If you could see how it worked before. when we were conventional producers and we didn't have Fairtrade, the quality of our coffee was bad. We knew how to plant it, grow it and gather it, but that was it. We didn't really process it well, we used to just mix it all up, all the different colours and we used to leave it to ferment. we didn't wash it well and so the training we have had has helped us to learn a lot about coffee and now we know how to pick it only when it's mature, how to give it adequate fermentation, to wash it with good clean water and all of this has meant that our quality has improved.'

Juan Andres Member, Soppexcca

IMPROVING FOOD SECURITY

Food security cannot be taken for granted in many parts of the world and for up to five months a year, many coffee-growing families don't have enough food. It's so common that in Latin America the phenomenon has its own name: 'los meses flacos' (the thin months). It usually happens in the lead up to the harvest, when the lump sum farmers were paid for the previous year's crop has run out, or in the planting season when farmers have to spend precious resources on agricultural inputs such as fertilisers. It means families subsist on a basic diet of maize and beans if they are available, or parents skip meals altogether and children can't concentrate at school because they're hungry.

Nicaragua is the second poorest country in Latin America after Haiti and during the 'thin season' before the coffee harvest, farmers in central Nicaragua often rely on food programmes to feed their children. To tackle this. COOMPROCOM has invested its Fairtrade Premium income in programmes that focus on food and nutritional security in the community. These include setting up a revolving fund that allows farmers to access quick loans to make emergency purchases of food. Another is a programme focussing on child nutrition that encourages farmers to grow food crops (such as beans, rice, tomatoes and corn) and diversify diets so that they are less reliant on food purchases.

THE NEXT GENERATION OF COFFEE FARMERS

- Fairtrade helps to show young people that coffee farming is an attractive and viable option with the opportunity for innovation and learning
- Fairtrade organisations are actively investing in building the skills and knowledge of young people so they are in a position to run profitable businesses
- By providing young people with opportunities for leadership and the chance to be part of a global movement, Fairtrade empowers and enables them to take the lead on the future of coffee.



WORKING WITH YOUNG PEOPLE IS TO HAVE A VISION FOR OUR FUTURE'

Everyone in the industry has a role to play in securing the future of coffee. This will only happen when young people see that coffee growing offers a sustainable career and one that can be pursued with pride and fulfilment.

Producers see Fairtrade as part of the solution as with a stable income and technical support, farms are becoming more viable as both quality and yields are improving. With extra resources to invest in experimentation and development, young people are beginning to see the potential of coffee farming as a profitable and innovative business.





'Fairtrade gives us the Minimum Price and the security that when we spend time and money investing in turning conventional chemical farms into organic farms, in some cases lowering the productivity, Fairtrade gives us the security that we will get at least the minimum to be able to have a decent life in the future. to learn how to invest better and use all the premium to live in a different way, not just buying things but instead thinking a little more and making better use of those resources, so that there are better opportunities for us. I think the timing was perfect and we are proud of that and we are now seeing the results.'

Christian Dubon is a third-generation coffee farmer and member of the COMSA co-operative in Honduras. After completing school he wanted to follow in his father's footsteps, but to do it in a different, more profitable way.

TRANSFERRING SKILLS AND KNOW-HOW TO YOUNG FARMERS

Many farmers who have more recently been able to enhance their technical skills to improve productivity and quality are determined that their children are able to do the same. Being part of Fairtrade means farmers are not alone in the task of equipping their young people for the future. Through the Fairtrade Premium, co-operatives often fund scholarships and bursaries so young people – including promising students whose parents aren't members - can study agronomy and farm management at university. This brings returns for individual farmers, their families and the wider community as the skills and knowledge gained are dispersed more widely among young people.

For those who want to grow coffee, but whose family farms are too small to subdivide, co-operatives use the premium to give young people loans so they can buy their own plots. Some co-operatives invest in more specialised youth training such as Soppexcca's coffee cupping lab that is run by the sons and daughters of local producers or COOMPROCOM'S youth fund that trains young farmers to consistently produce high quality coffee.



Levi Ivan Valledares Forting Coffee farmer and member of UCA San Juan co-operative in Nicaragua, has four children. The eldest Jack is studying agro-ecology at a university in Managua.

'Here in Nicaragua, universities are very expensive and so most young people end their studies after finishing secondary school. It's very difficult to have the money to invest in a career. For us, the money has allowed us to plan to support him [Jack] in that way. so while we receive these benefits, we can make sure that he will continue with his studies. He liked agronomy because we have been working on coffee production together and he can see the benefits of becoming an agronomist. Hopefully once he graduates and returns we will no longer need to employ a technician. We have been thinking about our legacy that we will leave for our children and so I have already bought a plot of land for him so he can start to practice what he is learning in it.

'For us it's a family tradition, our grandparents and our parents were also producers. That's why I joined and now my children are also working on it. I am convinced that it allows us to very quickly break out of poverty. Well, it's never going to make us rich, but at least it gives us a more comfortable life.'

UCA SAN JUAN

YOUTH Empowerment

Fairtrade also enables young people to become active participants in their communities, including taking on leadership responsibility. Having a say in community and business development gives young people a stake and increases their commitment to the local area and to coffee. They also deeply value being part of a global movement such as Fairtrade and having the opportunity to meet young coffee farmers from other parts of the world. Fairtrade helps create such spaces for cross-learning and the exchange of ideas between generations and across the length of the coffee supply chain.

Young people have enthusiastically embraced the chance to learn new skills and put them into practice. For example, in northern Nicaragua, Soppexcca co-operative's special fund for training producers' children has encouraged over 200 young people to grow and export cocoa as an alternative source of income. They also produce chocolate bars, which they now sell locally and also plan to export in the future. 'Our children are born in the farms and from very young we teach them how to grow coffee, how to work it, to look after it and now we are teaching them to empower themselves, because this company needs a generational takeover.'

Enrique Mario Perez Coffee farmer and member of the COMSA co-operative's Board of Directors.



'When I joined the co-operative, I was afraid of having a role in it, because I thought that I lacked the experience. I had never been part of a co-operative before or held any position in a board or in any committee. First, I spent a year as a pre-member, then I was accepted as a member and I was elected as the Secretary of the Management Council and I was invited to attend meetings here in Soppexcca and then I met other women and men. For me, it has been a really good experience because I have met people from other co-operatives and have had the opportunity to exchange knowledge with other co-operatives.'

Gema Zeledon

Coffee farmer and President of La Union co-operative. At 27, she is also Soppexcca co-operative's youngest board member.

A MOVEMENT FOR CHANGE – Connecting Consumers To Farmers

- Businesses that buy and sell coffee play a key role in connecting producers and consumers
- A growing band of conscientious consumers want their shopping to have a positive impact and to know where their products come from
- Fairtrade is an effective and trusted way to connect consumers with producers.

THE POWER OF CONNECTION

Fairtrade is a global movement that seeks to make trade fairer through the power of consumers and producers. Businesses that buy and sell coffee and other commodities play a key role in connecting these two ends of the value chain. Through Fairtrade, consumers can see the impact that their buying habits have. This helps build a more personal connection to the goods they choose, transforming their experience and increasing their loyalty to the product and brand.

WHAT CONSUMERS WANT

Price isn't all that matters. A series of high-profile campaigns highlighting the problems of commodity supply chains means a growing proportion of shoppers are seriously interested in how the goods they buy are made and the effect they have on the people who make them and on the environment. Consumers increasingly expect companies to demonstrate that their products are ethically sourced and responsibly produced. Likewise, producers want consumers to be aware of the effort that goes behind producing a cup of coffee and why producers should be treated fairly.



FAIRTRADE - YOUR Most trusted channel

Consumers trust the FAIRTRADE Mark so Fairtrade is the most effective way to build a real connection between consumers and the farmers who grow your coffee. Consumers want to have this link with producers. Buying Fairtrade products gives them a powerful and credible way of building relationships with producers, addressing their concerns and helping to reduce poverty through their daily shop.

In the world of ethical labels, Fairtrade's uniqueness comes from its widespread grassroots campaign base in the UK, which involves hundreds of schools, universities and faith organisations. The ethical shopper is now becoming mainstream, with more than 700 companies in the UK already licensed to sell and trade in Fairtrade commodities. Fairtrade is a simple and powerful way of demonstrating business ethics and fits well with many businesses' sustainable brand image.



'It is a lot of hard work to sort and pick coffee. This work that we do here is the last stage of the classification of coffee. And Fairtrade is the highest quality of coffee that we export. There are 20 women working with me to ensure that this coffee is special and consumers should drink this because it has been grown with care.'

Maria Concepcion Molina One of 20 women employed by the Fairtrade co-operative COMSA at its processing plant in Honduras.



'I'd like to thank you and invite all those businessmen who are part of the movement, because Fairtrade is like a movement – not just a programme or a theory – to help us to convince the buyers and the consumers that it's worth supporting producers by paying fairer prices because that way, we will tackle one of the great problems that is affecting the global economy, which is the lack of equality in the distribution of wealth.

'Today's businessmen are part of a new economy and if we want to have solidarity and be responsible, we really need to have a different trading relationship with producers and this relationship needs to be based on values linked to equality and justice and I hope that they can still be profitable relationships where we can all win. Buyers and consumers get their products... and at the moment there is a lot of talk of 'win-win' situations. I think we need a 'win-win-win-win' situation, that way we will have a global economy that will be much more sustainable with a much more human face because, at the end of the day. producers are human beings.'

Víctor Hugo Carranza Salazar General Manager, Coopeagri co-operative in Costa Rica



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.

Credits:

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