

PLAYING FAIR

AGRODEV & LAS NUBES

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The coffee experience is full of choices. There is the initial choice of cream and/or sugar, decaf or not, but then there is dark roast or medium roast; Arabica or Robusta; single origin or blend; espresso or drip. Now there is a seemingly endless line of options for coffee: latte, Americano, non-fat, no foam, syrup shots, flavours... While most choices are about personal preference, a few choices have a greater impact than others. Fair trade is one of these choices, and if it isn't already on your list, you might consider adding it.



PHOTO: Farmer Luis Angel picks coffee on his farm in Quizarra, Costa Rica. Credit: Brett Cole.

Certified Fair Trade coffee is now available in some cafes and increasingly at your local grocery store. The international Fairtrade Labelling Organization (FLO) defines fair trade as “an alternative approach to conventional trade [that] is based on a partnership between producers and consumers.” According to Transfair Canada, it is a “system which guarantees that the supply chain is built on and functions according to standards of fairness, transparency and accountability.” The principles of fair trade also exist outside of certification and for some, it has become part of a passion and a way of life.

They may not seem all that similar, but both Hanacek and Daugherty have learned that if you love your coffee, are socially conscious and care about environmental sustainability, you might just find yourself more involved than you planned to be.

Coffee is big international business. This staple for many North Americans is the second largest legal trade commodity in the world (second to oil). While most of the consumption of coffee is done in the developed world, production is mostly in the developing world in countries such as Costa Rica, Kenya, Brazil, Uganda and more recently, Vietnam. This divide in coffee consumption and production between the developed and underdeveloped parts of the world is partly because of weather and landscape, but it is equally so because colonial governments introduced coffee to many of the countries now responsible for a large portions of the coffee trade. Initially governments offered incentives for farmers to start growing coffee. Drawn by these incentives, many farmers cleared virgin lands or tore out old subsistence crops to make space for coffee.

The business of coffee is not only in production and consumption. Before reaching the cup, coffee passes from the farmer to purchaser to processing plant to exporter to broker/importer to roaster to retailer and finally to you, the consumer.

By the time it reaches the retailer, coffee beans look very different from the fruit. Coffee berries are green when picked. The part of the berry used for drinking is, in fact, the seed. The pulp of the berries is removed in order to extract the seeds. The seeds are then dried and the outer shell is removed. Once again, the seeds are cleaned. This process usually occurs

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Among the Canadians who are dedicated to the principles of a fair and sustainable coffee trade are Blake Hanacek and Dr. Howard Daugherty. Hanacek is a co-founder of AGRODEV, a non-governmental organization that is developing sustainable, fair-trade and organic agriculture in Kenya. He’s also the CEO of AGRO Café, a Vancouver roasting house and coffee shop. Daugherty is a professor at York University and head of the Las Nubes program, a project that supports biological and ecological conservation in the tropical rainforest of Costa Rica.

before the green beans are exported. Once it is exported/imported, the green beans are roasted to become the dark glossy brown beans sold on the shelf (or more accurately, they become a range from matte cinnamon brown to dark glossy chocolate brown).

Fair trade claims to change the commodity system, bringing consumers closer to producers or indeed as FLO suggests, “into partnership.” The idea is that by eliminating the middle person, more of the consumption profit can be returned to producers (in this case, the coffee farmers), thus creating a fairer system.

In practice, though, fairly traded coffee does not necessarily change either the commodity chain or the production system. Some coffee chains and supermarkets carry Fair Trade-certified products to appease protesters and improve their marketing image, but still buy their coffee from the broker without knowing where it is grown or by whom. But Fair Trade does open the door to change. And those who choose to walk through that door are inspiring. Hanacek and Daugherty are both linked directly to the production and consumption of the coffee beans.

With a post-graduate degree in Agriculture, Hanacek worked for a number of development and agriculture organizations including the UN. For him, this work revealed development gaps being missed by these large bureaucracies. When Hanacek embarked on the AGRODEV project, he was looking to fill some of these gaps by working with smallhold farmers in Kenya to provide education and help them move to sustainable agriculture.

However, Hanacek discovered that the gaps were not only on the side of production. In 2005, he came home for a visit to Vancouver and

decided he would try to find a market for the coffee that he was helping to grow. Hanacek called the local roasters and brokers, explaining how purchasing the sustainable coffee directly from the farmers would increase their bottom line.

No one was interested. They were all buying beans from brokers in New York and weren’t interested in the direct market he offered. So Hanacek did what anyone inspired to change the world would do: create his own market by opening his own roasting house and coffee shop.

At AGRO Café, the link from bean to cup no longer runs through five intermediaries; instead producers and consumers are separated by only one or two degrees of separation. AGRO Café serves coffee sourced from around the world. Where Hanacek cannot go, he hires a small local company whose owners travel around the southern hemisphere trading directly with farmers.

All right, maybe not every passionate person would open a coffee shop. Others, such as Daugherty, create unique partnerships. The Las Nubes project began with a donation of land in Costa Rica. No, coffee is not grown on this land. The Las Nubes donation stipulated that the land remain pristine rain forest. Downstream from Las Nubes is another conservation project, the Tropical Sciences Centre. It is on land between these two projects that coffee is being cultivated.

With coffee farmers sandwiched between two environmental groups, it only made sense to Daugherty to help these farmers develop more sustainable agriculture practices. As with Hanacek, in Costa Rica Las Nubes researchers and students work directly with farmers. On the market side in Canada, though, instead of open-

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ing a coffee shop, Daugherty invited Timothy's World Coffee into the partnership. Although the link is not as direct, Las Nubes coffee also brings consumers closer to the producers.

The opportunity to link coffee drinkers and farmers so closely is no longer available for many other commodities. While there is a drive to have goods produced by large companies or corporate farms, coffee (despite being the number one export from the global South), continues to be grown largely on smallhold farms. This means that market values directly affect the lives of individuals.

Since the 1990s, the coffee market has been in crisis. In contrast to its big brother in trade, the coffee trade is experiencing the opposite of "peak oil." While the world is now consuming more oil than the earth can produce, people are consuming less coffee than is being produced. In 2002, farmers produced approximately 8% more coffee than was being consumed and over the last two decades, production has been increasing at a greater rate than consumption.

Free trade principles that guide the world market force farmers to sell their beans at less than subsistence prices. The price of coffee hit a 30 year low in 2001 at 45 cents per pound, and

recently reached a high of 164.4 cents in 2008. This market volatility exists not only over years and decades, but also on a daily basis. High volatility makes coffee an interesting stock for day traders, but on the other side of the world, it translates into a high degree of uncertainty in the lives of millions of farmers.

On the open market, there is no guaranteed price for coffee. Between 1962 and 1989, coffee markets were guided by governments through a series of International Coffee Agreements. Through a series of disputes between the governments involved, the ICA collapsed, with dire consequences for farmers.

Fair trade, on the other hand, requires a base price for coffee and premiums when the market value exceeds this base. It would seem like a clear choice for farmers. Indeed, in theory, it is. Even the FLO requirements for coffee that include many commitments such as ecologically sound coffee growth, fair labour wages and co-operative governance, are not the deterrents. As much as farmers want to receive a fair price for their coffee they are also all looking to make their crops more productive and better for the environment.

Hanacek and Daugherty found

PHOTO RIGHT: Two sisters watch as coffee beans from area farms are transferred into a truck headed to the processing facilities for CoopeAgri in San Isidro, Costa Rica.

Credit: Brett Cole.

no resistance at all when talking to farmers about Fair Trade and sustainable coffee production. They just can't afford it. With initial buy-in costs nearing 5-6 thousand dollars, Hanacek points out that the cost of certification is "100% the problem" that keeps farmer from converting their farms. Along with the cost, Daugherty also notes that the backlog for FLO certification is three to four years, meaning farmers must meet certification requirements years before they receive premium rates.

Because of their unique link to the farmers, Hanacek and Daugherty have been able to support farmers in their shift to sustainable and certified crops. Guaranteed markets provided by AGRO Café and the Las Nubes-Timothy's partnership offer premium prices to farmers before they become certified. Hanacek created two trademarks, "Transition" and "Crop2Cup" to represent these links. "Transition" coffee is coffee that is not yet certified, but the product of farmers who are in the process of converting their farms. "Crop2Cup" represents the direct link Hanacek makes between the farmer and the coffee drinker. In addition to premium pricing, through AGRODEV, Hanacek has been on the ground working directly with farmers



to meet the development and governance requirements.

Daugherty, who has a particular talent for developing partnerships, connected with COOPEAGRI, a farmers co-operative in Costa Rica to incorporate the farmers of the Las Nubes region. Timothy's agreed to buy their coffee at the Fair Trade premium prices before the coffee was certified. Through the university research program, students went down to Costa Rica and set up a greenhouse to grow

new seedlings for the farmers. While students learned about the tree species and their production, farmers received their new trees free.

Today, all the coffee being traded in the Las Nubes project is Fair Trade and is grown through ecologically sound methods. AGRO Café continues to serve a mix of Fair Trade certified, certified organic and transition coffee. Later this year, Hanacek also anticipates the first crop of certified Fair Trade coffee from Kenya.

Analyses of Fair Trade coffee all conclude that it is not in itself the solution. Criticisms include the imposition of external governance constructs on Indigenous peoples, the cost to farmers, and the inherent links to a capitalist system that requires consumers and producers to remain in the very roles that created the current crisis. As Hanacek observes, "It's a large wound and [Fair Trade] is a small Band-Aid. The wound is still bleeding."

Hanacek or Daugherty agree that the job is far from done. Both point to education as a key piece that is missing. With a whole range of certification programs including Fair Trade, organic, shade-grown, and bird-friendly being only the four most recognizable, it's hard for consum-

ers to know what each one means for farmers or the environment.

Hanacek sees the AGRO Café as a way to educate consumers while AGRODEV is a way to educate producers. With a more limited coffee scope, Daugherty sees a role for York University and the students to do more education. He has been disappointed by York's "greenvoicing": while York claims to support sustainable coffee, in fact, this coffee only makes up a very small portion of the coffee sold on campus. Student initiatives, not university promotion, have been responsible for increasing sales at York. After participating in the Las Nubes project, students return full of knowledge and enthusiasm that they look to share. No doubt the students also feed off of Daugherty's own enthusiasm.

With the energy that Daugherty and Hanacek continue to pour into sustainable, Fair Trade coffee, Canadians increasingly have access to another choice — the choice to make a small difference. Whether it's a latte or a French press coffee, that morning cup might only be one degree of separation from the farmers, and the extra dollar might mean the difference between sustainability and poverty.

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