

# **“Saving the World”, One Fair Trade Cup of Coffee at a Time?**

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## Abstract

Coffee is the second-largest globally traded commodity after oil (Murray et al., 2007). As a result, coffee has woven its way into society's social, economic, and political fabric. Unfortunately, the coffee industry has also enabled multiple facets of inequality with negative impacts on its producers because of the volatile nature of its production and markets. To aid in producer equality, the Fair Trade initiative emerged as a social movement to ameliorate the alarmingly high rates of poverty faced by small-scale farmers. Fair Trade attempts to reconfigure capitalist trade relations to ensure fairness within trade relations (Ruiz & Luetchford, 2021, p.885).

The overarching objective of this major paper will be to investigate the benefits and limitations of the Fair Trade partnership. A literature review of food movements, specifically food justice, will prove that Fair Trade fits within a reformist political trend that often reproduces, rather than reconfigures, structural inequalities (Ruiz & Luetchford, 2021, p.885).

The analysis in the major paper includes a comparison of the coffee industry from the perspective of coffee farmers in Costa Rica, contrasted with Ontario coffee roasters. The Costa Rican small-scale producers are active members of cooperatives and grow coffee as a stable source of income. They shed light on the realities of Fair Trade and working with cooperatives. Understanding the daily realities of producers will be vital in making recommendations on improving Fair Trade policies and practices. The second portion of the analysis will focus on Ontario's coffee roasters. These individuals operate coffee roasters and work closely with cooperatives to maintain a highly ethical partnership. This research component aims to identify the impact that coffee roasters (in the global North) have on small-scale producers (in the global South). For this major research paper, Ontario's coffee industry will be limited to coffee roasters who work with Global South cooperatives that sell Fair Trade and other sustainable coffees but not specifically from Costa Rica.

A consensus gathered from the interviews was that they are all working collectively to make positive changes in the coffee industry. On the producer level, they work with the cooperatives to earn a fair and decent living for their family farm while challenging the injustices at general assemblies. On the coffee roaster side, both Planet Bean and Equator are challenging the status quo by delivering premium coffee and making an actual difference in producers' lives.

## Foreword

The major paper fulfills the learning objectives and requirements of my Master's in Environmental Studies degree.

The major paper fulfills Learning Objectives 1.2: To develop a deep understanding of Fair Trade mechanisms and their socioeconomic inequalities. Working as a Sustainability Engagement Intern at York University allowed me to conduct a deep analysis of Fair Trade. During the internship, I heavily researched Fair Trade's business practices and worked alongside York University faculty, staff, and students to help advance York University Fair Trade Campus. As well as 1.3: To study agroecology as a holistic food approach to food production that uses economic, social, and environmental knowledge to challenge dominant food corporations and advocate for food justice. Within the course, ENVS 6599, Independent Directed Study, a partner and I created a podcast discussing the future of food sovereignty. The podcast featured food justice, food insecurity, agroecology, socioeconomic inequalities, and ideas of progress. This acted as a pivotal first step in researching holistic food approaches. The political food discourses

The major paper fulfills Learning Objectives 2.2: To analyze the coffee commodity chain and its relation to Fair Trade. The analysis will look at how Fair Trade policies can help or hinder the distribution of profits and other socioeconomic benefits more evenly for farmers. A study of the coffee commodity chain was done to understand the logistics of the coffee industry. Interviews contrasting producers and coffee roasters allowed for a comparison and gaps within the commodity chain to be identified.

The major paper fulfills Learning Objectives 3.1: To obtain qualitative research through interviews with farmers to gain their perspective on the day-to-day challenges they face concerning Fair Trade. As well as 3.2: To gain working knowledge about coffee cooperatives as a possible solution to help lessen socioeconomic inequality. I interviewed two Ontario coffee roasters and two small-scale producers from Costa Rica during the term to understand the benefits and challenges of producing Fair Trade coffee. All interviewees provided detailed examples of the realities of working with cooperatives, including the benefits and limitations.

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A special thanks to Professor Leesa Fawcett, one of the reasons I chose to complete the MES program. In the summer of 2019, Leesa instructed the Natural History class at the Las Nubes Campus in Costa Rica. That trip has forever changed my life, and I will hold those key memories close to my heart. The pivotal moment was when I was listening to stories of injustice from small-scale producers. I was full of emotions such as anger, guilt, sorrow, and pain. Those emotions ignited the passion for change and justice I would carry out in the MES program. My fight has only begun, and I will continue to challenge the status quo and be a part of the change for tomorrow.

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## **Introduction**

The Coffee industry represents more than US\$100 billion in annual sales and supports the livelihoods of 25 million farmers across the globe, including farmers who are considered small-scale (Firl, 2021, p.47). Coffee has become a staple drink in many individuals' lives, with the average Canadian consuming 2.7 cups of coffee daily (Coffee Association of Canada, October 2020). In April 2020, the Coffee Association of Canada piloted the annual coffee drinking study. The results show that coffee and tap water are the most consumed beverages for people aged 18-79, with coffee making up 71% and tap water making up 63% of total drinks consumed daily (Coffee Association of Canada, October 2020). Coffee is typically planted five years before its first harvest, leaving producers to estimate its future demand. If overplanted, the remaining crop is left to sell below market value, burdening producers financially. Coffee producers are left to diversify their crops to ensure a profit is garnered in the case of coffee overproduction.

Social movements emerge as a response creating action-based solutions to combat the effects of inequality. Fair Trade is one social movement aimed at ameliorating small-scale farmers' alarmingly high poverty rates. However, Fair Trade remains embedded in a complex and evolving Western notion of economy and morality (Luetchford, 2008, pg.155). This positioning breeds socioeconomic inequalities within the Fair Trade movement, which hinders the ability to close the gap. Furthermore, since Fair Trade is situated within the neoliberal framework (of market-based solutions for social ills), long-term solutions may be difficult if individuals only look for solutions that function within the current capitalist system (Loveless, 2012). For this reason, coffee farmers are left without sufficient protection against the unpredictable nature of coffee production and consumption.

The major paper is separated into two main sections, the first being a literature review and the second an analysis of interviews among small-scale producers and Ontario coffee roasters. Chapter One explores North American food movements, specifically analyzing food justice as an alternative to traditional food systems. The paper explores specific characteristics of food justice and different political trends. Chapter One concludes with the differences between food justice and food sovereignty. Chapter Two provides an in-depth analysis of Fair Trade, exploring the history of the movement and how fair the movement truly is. Chapter Two critically explores the commodity chain and its socioeconomic gaps. Chapter Two comments on how Fair Trade is connected back to the reformist political discourse. Chapter Three provides a historical overview

of the Costa Rican coffee industry. The paper then explores a successful cooperative called CoopeAgri in Costa Rica. Chapter Three concludes with briefly touching on the Covid-19 pandemic's impact on the coffee industry. Chapter Four explores Ontario's coffee roasters who uphold strong partnerships with different cooperatives in the Global South. Chapter Five focuses on the methodology for the major paper, including the literature review's reasoning and introduction to the four interviews conducted. Chapter Six focuses on the analysis of the interviews. The analysis is broken down into six themes that remained prevalent throughout all interviews.

## **Chapter 1: Food Movements**

### Food Justice

Food movements generally address the need for healthy and affordable food. North American food movements have recently adopted the term food justice. Food justice distinguishes between traditional industrial food systems and more ecologically sustainable alternatives (Cadieux & Slocum, 2015, p.2). Many authors interpreted and defined food justice over the years. For this research paper, I used the definition by Cadieux and Slocum. The author's approach toward food justice was guided by a feminist, antiracist, and anti-colonial commitment to work with, not report on, marginalized people (Cadieux & Slocum, 2015, p. 2). Cadieux and Slocum explain that food justice (2015, p.3) calls for a transformation in the current food system, including but not limited to eliminating disparities and inequalities. It seeks to alleviate adverse effects by addressing systemic poverty issues and pushing access to healthy and affordable food (Cadieux & Slocum, 2015, p.3). A food justice approach aims to recognize the right to food, better safety nets, and sustainable or locally produced food (Holt-Giménez, 2011, p.322). A food justice model works towards investing in marginalized communities, implementing plans that will benefit the communities and promote agroecological food production (Holt-Giménez, 2011, p.322).

Precisely what is the food justice moment working to combat? One of the many answers lies within Friedmann and McMichael's (1989, p.93) framework of the food regime, where they identified problems within the linear process of agricultural modernization. The food regime showcases the role of food in the global political economy and highlights the historical contradictions. Specifically, the authors explain how food regimes produce crisis, transformation, and transition (McMichael, 2009). Three food regimes occurred, the first spanning from the late 1800s through the Great Depression (Holt-Gimenez, 2011). The first food regime linked food imports from the Global South to the Global North. The second food regime was from 1950-to 1973 and was known as the USA food regime. Post-World War II, the USA became a hegemonic power. One main economic goal was to convert communities into commodity-producing units to produce political control (Friedmann & McMichael, 1989). The USA had two threads of interest: finding new markets for the increased wheat surplus and seeking cheap food for industrialization (Friedmann & McMichael, 1989). The third food regime examined in this section is the corporate food regime. It is characterized by corporations' monopoly and market power (Holt-Gimenez, 2011). Food systems are dominated by monopolized, globalized, centralized industrial agri-food

complexes (Holt-Gimenez, 2011, p.312). The World Bank and International Monetary Fund (IMF) work alongside neoliberalism to help deregulate policies. Nations became dependent on imports and borrowing money from the World Bank. Like many banks, the World Bank operates on similar grounds. The World Bank collects interest on borrowed money at a pre-determined rate, and those who were not successful in accumulating capital were subject to structural adjustments. Food aid is an example of control used to destroy foreign agriculture and open the markets for northern agricultural surplus (Holt-Gimenez, 2011). Multinational corporations formed monopolies that further dominated the industrial and agricultural sectors. Well-known examples include Nestle, Walmart, Starbucks, and Kellogg's. Corporations today control trade, labour, property, investments, and technology and can have more power than governments (Holt-Gimenez, 2011). Inequality is high even with corporations implementing their corporate social responsibility (CSR) version.

#### Characteristics of Food Justice

In the article "What does it mean to do food justice" (2015), Cadieux and Slocum described what food justice could look like in the future. According to the authors, there are four areas in which organizing toward food justice happens. The first recognizes structural power relations as necessary to confront race, class, and gender privileges. Food justice acknowledges and confronts historical and social trauma and is fueled by the power of global hierarchies of privilege. The second is designing exchange mechanisms that build communal reliance and control through cooperation, trust, and sharing economies. The third is creating innovative methods to use, share, own, and manage land, and place it outside the market and the rationale of extraction. Fourth, food justice applies agroecological land-use practices that benefit more-than-human life and society. Lastly, the authors argue for establishing a reciprocal trade relationship that guarantees a minimum income and does not depend on women's unpaid social reproduction (Cadieux & Slocum, 2015, p.13).

#### Food Trends and Political Discourses

Many individuals have criticized the effectiveness of the food movement and have been very skeptical of the corporate food regime. Some have argued for a radical and complete structural transformation of the current system to provide more equitable food alternatives. Others have

supported neoliberal discourses (Holt-Giménez, 2011). Four main political discourses center on food trends. The four are neoliberal, reformist, progressive, and radical (Holt-Giménez, 2011, p.321). The following is taken from the chapter “Food Security, Food Justice, or Food Sovereignty” in a book called *Cultivating Food Justice: Race, Class, Sustainability* by Holt-Giménez (2011).

The first political trend that has dominated over several decades has been indisputably neoliberal (Holt-Giménez, 2011, p.321). Neoliberalism can be seen in the corporate food regime as multinational corporations and liberal markets dominate it. The neoliberal approach seeks a food enterprise discourse to solve world hunger and end poverty. It is heavily financially supported by institutions like World Bank, IMF, and World Trade Organization. Overcoming poverty is, in this view, solved by expanding global markets and increasing technological innovations. Overproduction of goods is often the outcome in the food system instead of solving the deeply rooted issues. Another common neoliberal tactic deprives local people and small-scale producers of producing their crops. Small-scale producers are often coerced into converting their local farms into corporate farms where they have little decision-making and autonomy over their farms.

The second political trend is reformist. The reformist trend is supported by aid agencies and works to employ a food security discourse (Holt-Giménez, 2011, p.321). Food security seeks to mainstream less inequitable and less environmentally damaging alternatives into the existing market structures. The main mechanism in the reformist trend is to use incentive-based certifications to change consumers' purchasing behaviour. Many environmental, social, and humanitarian organizations follow the reformist trend since they depend economically on government or corporate funding. “Sustainability” is often a buzzword used in policies to advocate for a greener alternative to environmentally degrading practices.

The third is a progressive trend. The progressive trend employs a food justice discourse grounded in empowering the individual. Environmental movements in this trend occur gradually, focusing on grassroots movements that focus on equitable and sustainable food systems. There is a push from agro-industrial food practices to organic agriculture and small-scale farming. There is a greater emphasis on local production, processing, and consumption of organic foods. The approach to the food crisis is centring on the right to food, safety nets, and increased individual involvement in decision-making regarding community food systems (Holt-Giménez, 2011, p.321). More local and community initiatives are in the progressive trend, such as community gardens,

local markets, and school programs. Food Policy Councils throughout Canada encourage strong participation and commitment to equity and sustainable food practices. Food Policy Councils gather governments, local businesses, and civilians to manage food systems within the existing food regime.

The final political trend is radical, which employs a food sovereignty discourse. The radical trend can be seen as a complete transformation of the current food systems that work to address the root causes of poverty and hunger in the food system and solve them (Holt-Giménez, 2011, p.321). The radical political trend is modelled after dismantling multinational corporations, redistributing their wealth, and employing a food sovereignty concept that works with marginalized communities. Furthermore, radical movements utilize international engagements to; aid in land reform, granting communities rights to water and seeds, reviving peasant agricultural and agroecological practices, and reducing dumping and overproduction through regulated markets and supply (Holt-Giménez, 2011, p.321). The most notable organization spearheading this movement from the Global South have been the Brazilian Landless Workers Movement and La Via Campesina (Holt-Giménez, 2011, p.321).

#### Food Justice vs Food Sovereignty

Food justice and food sovereignty are terms commonly used in food movement scholarship and activism and are often used interchangeably but have slightly different meanings. “Food justice and food sovereignty aim to institutionalize equity in and control over the food system” (Cadieux & Slocum, 2015, p. 3). They do this by advocating for greater control over production and consumption to diminish exploitative relations, promoting equity along all stages of the food system by increasing distribution and agency for overall environmental and social well-being. However, food justice and food sovereignty have institutional divides, a major gap that needs to be bridged in the food movement, which also goes for rural-urban and north-south divides. Food justice is typically addressed at the local level in urban areas and often has an optimistic view of authoritative entities and their ability to incite change. In contrast, food sovereignty is a global movement that adopts a more radical approach to fostering change outside government entities and institutions (Cadieux & Slocum, 2015, p. 3).

Food justice critics have argued that institutions often advocate for food justice but speak little on how to achieve it (Cadieux & Slocum, 2015, p.2). Outside Cadieux and Slocum's (2015,

p.2) work, there has been a call to action regarding increased food accountability and activism. The critique is that incorporating food justice practices involves a radical global movement that fosters change outside governments, institutions, and multinational corporations (Cadieux & Slocum, 2015). Ultimately, inequities embedded in food systems need to be unlearned.

## **Chapter Two: The World of Fair(er) Trade**

### The History of the Fair Trade Movement

The Fair Trade movement emerged from an environment that used market-based solutions to foster change. Fair Trade's facets include the movement, the principles, the certification process, and the finished good. The Fair Trade movement dates back to the late 1940s in Europe when Sale Exchange for Refugee Rehabilitation and Vocation (SERRV), Oxfam UK, and other faith and development groups sold handicrafts in the peripheral countries at above-market prices (Murray et al., 2007). During the 1960s and 1970s, these Alternative Trade Organizations (ATOs) grew significantly. Alternative Trade included several features, first was solidarity-based commercial relations between producer organizations and ATOs to support small-scale producers. The second was a commitment to improving small-scale producers' productive and organizational capacities. The third was an increase in retail capacity to make purchasing convenient, which took place in Europe, establishing thousands of popular handicraft stores known as "World Shops" (Reed, 2021, p.77).

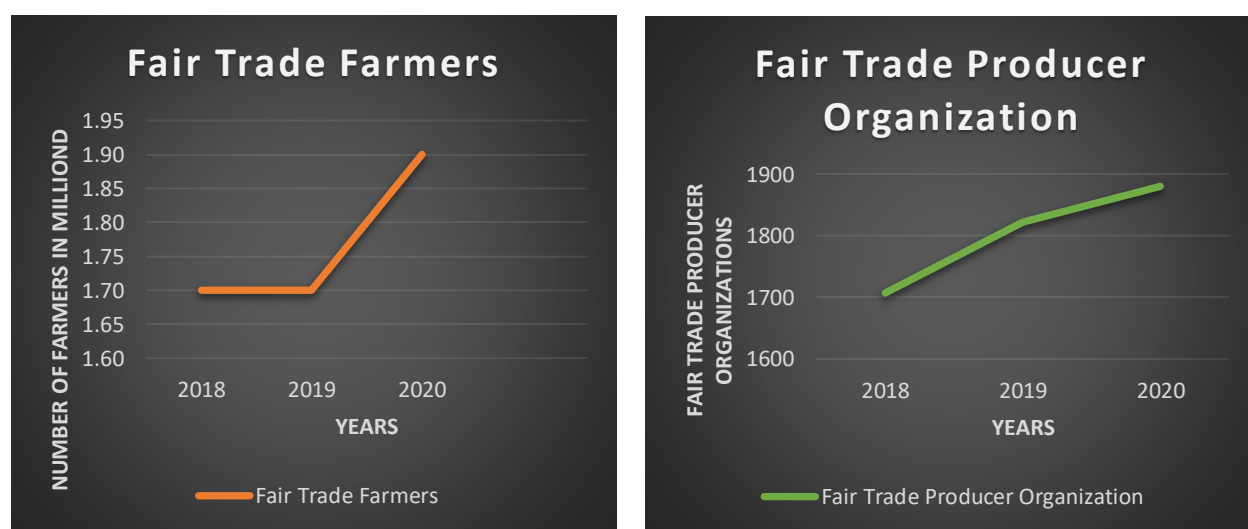
In 1988, an organization of small producers in Mexico named the Union of Indigenous Communities of the Isthmus Region (commonly known as the Spanish acronym UCIRI) teamed up with Dutch non-governmental organization Solidaridad and established the Max Havelaar Certification (Reed, 2021, p.77). The certification was designed to induce corporate buyers to act fairly with small-scale coffee producers by leveraging support from ethical consumers rather than relying on laws or policies enforced by the states (Reed, 2021, p.78). The certification scheme today is known as Fair Trade. The Fair Trade certification quickly became highly successful in its first year as Max Havelaar captured 1.8 percent of the Dutch coffee market (Reed, 2021, p.78). Max Havelaar's success in the Netherlands grew into four major associations during the 1990s. The first association was the Network of European World Shops (NEWS!) and the European Fair Trade Association (EFTA), formed in 1991. The NEWS! and EFTA represent national world shop associations and ATOs across Europe (Murray et al., 2007, p.16). The third association was the Fair Trade Federation (FTF), representing ATOs in the United States, Canada, and Asia (Murray et al., 2007, p.16). The International Fair Trade Association (IFAT) is the last association, which has recently emerged as the most international and largest umbrella group (Murray et al., 2007, p.16).

The certification and labelling strategy have been successful in increasing Fair Trade sales. European Fair Trade labelling groups consolidated their activities to form the Fairtrade Labelling Organizations International (FLO) umbrella group in 1997 (Murray et al., 2007, pg.17). FLO represents 20 national initiatives, fifteen in Europe, three in North America, and two in the Pacific region and continues to grow (Murray et al., 2007). The labelling model of Fair Trade relies on independent certification, where producers and consumers are mediated by formalized rules, standards, and product labelling procedures (Raynolds, 2002). In the certified Fair Trade model, sales are mainly handled by mainstream commercial enterprises. Mostly indirectly, labelling organizations communicate with producers by implementing certification standards and procedures (Murray et al., 2007). FLO regulates certification standards and markets overseen by national initiatives like TransFair USA and the UK Fairtrade Foundation. In addition, FLO developed formal standards for traders and producers (Murray et al., 2007). Traders licensed by FLO must pay a fee for the use of the Fair Trade label and must: (1) buy from approved grower organizations using long-term contracts; (2) guarantee payment of the FLO minimum price established to cover the costs of sustainable production and living; (3) pay an additional social premium to be invested in community development; and (4) provide partial prepayment, upon request, at the time of purchase rather than waiting until the commodity is sold to retailers (Murray et al., 2007, pg.19).

### Crunching the Numbers

In the article “Small farmer cooperatives and voluntary coffee certifications: Rewarding progressive farmers of engendering widespread change in Costa Rica?” (Snider et al., 2017, p. 237), the authors explain how the final price of coffee is comprised of three components which are the base price, the differential, and the certification premium. The distinction between the differential and the certification premium is subjective. The base price is the Arabica price on the New York Stock Exchange (NYSE). Depending on the individual contract conditions, the base price of a seller and buyer contract may coincide with the NYSE price. For Fair Trade coffee, the producer is guaranteed a minimum base price of US\$1.40/pound for washed Arabica coffee. The second component is differential. The differential is based on the country’s global coffee quality reputation and its availability in the market. The final sale price can be higher or lower than the base price because the differential is subtracted from the base price. According to Fairtrade

International’s “Reference Guide on prevailing differentials for Coffee - Period: June 17th – June 28th, 2019” (2019), for Costa Rica’s hard bean per 46 kilos, the differential price has been +\$85. The third component of the final sale price is the certification premium. Fairtrade guarantees that the purchaser pays US\$0.20/pound to oblige to the social and economic contract embedded within Fairtrade practices. Certifications premiums are the most beneficial when world coffee prices are low. Within FLO, a lack of political autonomy adversely affected small-scale producers' economic autonomy. Some of the issues were the unfair competition multinational corporations had, the lack of transparency in corporate practices and the lack of disclosure requirements by FLO to disclose what percentage of fair trade sales constitute their sales (Reed, 2021, p.82).



**Figure 1:** Number of Fair Trade Farmers over the last three years (Fairtrade, 2021).

**Figure 2:** Number of Fair Trade Producer Organizations over the last three years (Fairtrade, 2021).

Fair Trade directly responds to globalization and international trade (Murray et al., 2007). Fair Trade works to alleviate poverty in the global South through a strategy of "trade, not aid," improving farmer and worker livelihoods through direct sales, better prices, and stable market links as well as support for producer organizations and communities (Murray et al., 2007, pg. 15). This movement also works to educate Northern consumers about the negative consequences of conventional trade, offer fairly traded alternative products, and promote the selection of more ethical purchases (Murray et al., 2007, pg. 15). Figure one and two displayed above compare the

Number of Fair Trade Farms compared to Fair Trade Producer Organizations from the years 2018-2020. The data was taken directly from the FairTrade 2020-2021 Annual report. In 2020, there were approximately 1.9 million Fair Trade farmers from 71 countries. Of those, 1880 Fairtrade certified producer organizations, an increase of 58 programs from the previous year (Fairtrade, 2021). Compared to 2019, where there were 1.7 million Fair Trade farmers. However, there were 1822 Fairtrade certified producer programs (Fairtrade 2020). Comparing 2019 with 2018, there was the same number of Fair Trade farmers at 1.7 million from 73 countries. Comparing the figures to 2018, there were only 1707 Fairtrade-certified producer organizations. However, comparing 2018, 2019, and 2020, each year, one less country participates in Fairtrade (Fairtrade, 2019). From the annual reports comparing the last three years, there has been an increase in Fair Trade farmers but a decrease in participating countries. On a positive note, there has been a steady increase in Fairtrade certified producer organizations. As a result, more farmers benefit from the program and ensure their crops obtain the highest quality.

The two goals of Fair Trade have been to foster trade links between Northern consumers and Southern producers and advocate for change in unequal trade practices (Murray et al., 2007). In addition, Fair Trade has five core principles 1) market access for marginalized producers; 2) sustainable and equitable trading relationships; 3) capacity building and empowerment; 4) consumer awareness-raising and advocacy; and 5) Fair Trade as a social contract between buyers and producers (Bennett and Raynolds, 2015, pg. 4). One of the overarching challenges of the Fair Trade movement has been redefining the movement itself (Murray et al., 2007), which means that traditionally, Northern non-governmental organizations (NGOs) work on behalf of peripheral workers. More recently, peripheral workers want to increase their ability to participate in the debates and decisions of Fair Trade.

How Fair is Fair Trade?

Fair Trade has made positive impacts on various aspects of workers' lives. However, there are flaws in the policies that hinder its ability to continue to flourish. Although Fair Trade is seen to have a positive impact, there are limitations for workers and producers at the local level (Fridell, 2007). Farmers are not always given the proper training and support to promote active participation in decision-making (Murray, Raynolds & Taylor, 2004). Training and support are

critical in ensuring the active participation of less advantaged members. Most farmers have elementary education, limiting their knowledge of international languages and understanding of global markets (Murray et al., 2004). At the same time, producers are rich in traditional knowledge of the land, climate, and biodiversity. Since western knowledge is dominant over traditional knowledge, it impedes their ability to participate in conversation and advocate for change. These factors make it challenging to maintain strong democratic organizations and meet global production and trade expectations. Without understanding the global markets, it is easier for organizations to take advantage of the farmer. Using non-accessible language poses another negotiation issue and is another form of exploitation. Using jargon or highly inaccessible language is a form of intentional exclusion—knowing that most farmers limited education and a language barrier gives corporations a competitive and unfair advantage. The farmers cannot correctly negotiate if they cannot understand the terms and conditions. Alternatively, words can be misinterpreted intentionally or unintentionally if someone translates a contract. Language is one control tactic that ensures injustice is maintained and dominance is set.

Access to land, labour, and capital are significant challenges for farmers seeking to ensure the quantity and quality of exports (Murray et al., 2004, p.1115). Many farmers grow monocrops or a few different kinds of crops. Growing a select number of crops can be problematic as the farmer depends on the product's demand and market price (Barratt Brown, 1993). Weather can also harm the crop, making it a bad harvesting season. It can also be harmful to the farmer as there might not be enough land to grow the crop, a lack of capital to experiment, or a lack of labour to harvest the crop. The dominance exerted over farmers lies in the control and source of the capital. Since capital is supplied from the core nations, the profits will flow back to the core, not to the peripheral nations where capital accumulates (Barratt Brown, 1993). It remains difficult for farmers to accumulate capital if it lies in other nations' hands. If they cannot gain a competitive advantage with technology and infrastructure, capital will flow back to the core nations. The lack of access to technology and infrastructure poses an additional challenge in raising productivity and efficiency (Fridell, 2007; Barratt Brown, 1993). The machinery, new technology, and capital must evolve and stay current. Without those, the farmer is in jeopardy. The investment is necessary to increase farm productivity, which lies with the core nations' capitalists (Barratt Brown, 1993). Peripheral countries must mainly conjure their capital and equipment from outside their frontiers and pay for core prices and borrowing costs at core countries' interest rates (Barratt Brown, 1993,

pg.43). The partnership creates a dependency effect as the farmers feel like they have few options to purchase machinery at a reasonable price. Hence, they unwillingly buy from core nations. As a result, farmers have higher debt, with interest rates growing yearly (Barratt Brown, 1993, pg.43).

Fair Trade policies usually do not address equality for migrant workers. Migrant workers are poorer and have fewer rights and benefits than small-scale farmers (Murray et al., 2007). Migrant workers can only benefit indirectly from activities and are often excluded from the Fair Trade initiatives. For example, workers have no work permits, and many individuals and families walk long distances to avoid border controls (Luetchford, 2008, pg.78). There is a heavy reliance on temporary workers on the farm that receive little to no recognition. Words are taken from Peter Luetchford on page 78, "manual agricultural labourers work the hardest but earn the least." They are not guaranteed the same Fair Trade wage as other farmers. The individuals are often mistrusted, and their position within the farm remains ambiguous (Luetchford, 2008, pg.78). Since some individuals work without a permit, they are hard to trace or hold accountable for their agreements (Luetchford, 2008). "They are part of the community, but not recognized as in it" (Luetchford, 2008, pg.78). Migrant workers participate in the same activities as others but are not a part of the community; they are often looked at as the "others." This means they do not fit into the community but are a central part of the harvest.

#### Fair Trade Critique of Profits and Commodity Chain.

The commodity chain is where a commodity passes through production processes until the good is a finished product. Adding "value at each stage" makes the product profitable. For example, the initial phase of a coffee commodity chain is where the farmers grow and tend the bean. This stage has the least amount of "value" to be derived. As the bean passes down the chain, each contributor is paid less than the next. Along with the commodity chain, a middle agent assists in passing the commodity down the chain into finished goods. The role of intermediaries in commodity chains is interesting. Depending on which side of the world one lives in, they are both loved and hated. They are the indispensable linkage between the producer and consumer (Barratt Brown, 1993, pg.64). The middle agent in producer societies is generally hated because they appear to take most of the profits without manual labour (Barratt Brown, 1993, pg.64). In consumer societies, they are admired because they deliver the products to the consumer with ease and convivence (Barratt Brown, 1993, pg.64).

Aside from intermediaries, producers often face many challenges once the crop is harvested. Even if the crop is ready to be sold, they often do not have storage facilities, including refrigeration and vacuum packing, to preserve and keep the crop fresh (Barratt Brown, 1993). With few options, farmers often sell their crops all at once to make a sale. However, in some cases, the farmer takes a price for their crop that barely covers their costs, even excluding labour (Barratt Brown, 1993). In addition, producers often do not have facilities for processing, packaging, and storing critical elements along the commodity chain, which adds value to the final product (Fridell 2007; Barratt Brown 1993). Often, the intermediaries have the capital and benefit from the added value at all stages of processing, packaging, transporting, and marketing the product from the producer to the consumer (Barratt Brown, 1993, pg. 42).

Other elements are not factored into the crop's profit. Even though not traded physically, local energy use, pollution, time, and local jobs may become 'embodied in' and associated with trade (Lenzen & Wiedmann, 2018). All vital elements are not accounted for in the final price. Measuring the environmental and social impacts are also challenging. Maintaining a higher minimum price for Fair Trade goods is vital to account for the elements not traded physically. Fair Trade aims to alter trade relations along the mainstream coffee commodity chain (Taylor, 2005, p.134). Raynolds argues that "commodity networks are not given in time or space, but are ideologically and materially constructed, maintained, and transformed by individual and collective actors" (2002, p. 404). Ideally, eliminating the middle agents could give the farmers more power and control over their crop trade. As a result, the farmer could generate more profit, which would help their farm generate higher productivity inputs. It would also aid in lessening the inequality gaps such as education, training, and empowerment.

#### Fair Trade is a Reformist Discourse

According to the food movement political discourse, Fair Trade fits within a reformist discourse under the corporate food regime. Fairtrade aims to make a profit through fair exchange as it offers a personal achievement motivated by profit. (Luetchford, 2008, pg.155). Therefore, often Fair Trade reproduces, rather than reconfiguring, structural inequalities in the commodity markets (Ruiz & Luetchford, 2021, p.885). It does not address the root issue but provides market-based solutions and makes Fair Trade certification mainstream. Market-based solutions imply that individuals only need to purchase healthier food, not address the fundamental issues within food

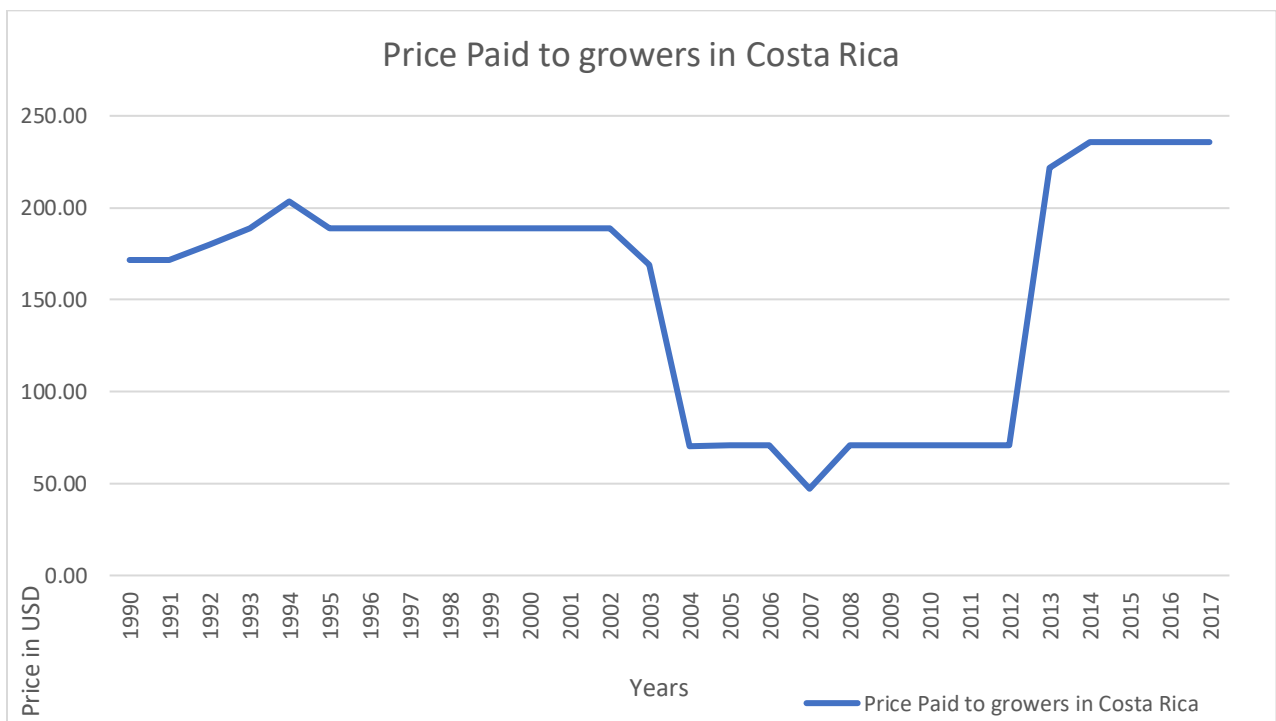
systems to solve food issues (Holt-Giménez, 2011). Market-based solutions are also undemocratic, as individuals actively need monetary funds to participate (Holt-Giménez, 2011). Therefore, market-based food justice programs are split between the communities they seek to serve and the wealthier patrons who enable the financial success of their projects (Holt-Giménez, 2011, p.326). When an individual purchases a product with the Fair Trade certification, it makes the consumer feel that they are doing their part to support marginalized communities by simply buying a Fair Trade good. Instead of helping to solve the root causes of inequality. The same is true for food movements that include elements of greenwashing or fair-washing that conceal and reproduce inequality instead of addressing the root issue (Cadieux & Slocum, 2015). The notion of fair-washing has been seen with retailers using their power in the coffee supply chain to leverage sustainability programmes as a strategic business tool (Lister & Dauvergne, 2013). Retailers will create “sustainability” initiatives to grow demand and profit from the higher price margins associated with specialty coffees. Marketing techniques retailers often employ by utilizing sustainability initiatives to rebrand their specialty coffee as distinctly unique (Lister & Dauvergne, 2013). Despite Fair Trade advocating to mend structural inequality gaps, it plays within the rules of capitalism and commodity markets.

## Chapter 3: Coffee Industry in Costa Rica

### Coffee Production in Costa Rica

Between 1830 and 1930 in Latin America, the period is known as “the coffee century.” Coffee expanded into different parts of Latin America, where colonizers found fertile grounds to grow the cash crop. Brazil, during this time, became the largest plantation system, where each plantation could grow over 100,000 coffee trees with the help of slave labour (LeBrun, 2019, p. 10). In terms of Costa Rica’s coffee production, the exact date of when the first plant arrived is not exact. However, it is anticipated that coffee production began sometime during the 18<sup>th</sup> century, when most colonial production occurred in Latin America and the Caribbean islands (LeBrun, 2019). Unlike other countries, Costa Rica’s coffee production resulted in democracy, egalitarian relations, small-scale producers, and slow economic growth (Pendergrast, 2010, p.38). In 1821, Costa Rican government turned to farming as a solution to boost their economy after becoming independent from Spain (Loveless, 2012). The government offered their people farmland and encouraged coffee farming, acting as a stable family business that generated wealth and a livelihood for the Costa Rican people (Loveless, 2012, p. 3). By the 1830s, small-scale farms were the norm, and the industry developed gradually without the need for repressive government intervention (Pendergrast, 2010, p.39). Figure 3 shows the prices paid to growers in Costa Rica from 1990-2017. In 1969 coffee provided 10% of Costa Rican national income and 50% of its exports (Loveless, 2012, p. 3). During the same period between the 1960s to the 1980s, coffee sales were regulated by the International Coffee Agreement, which set quotas, controlled, and maintained coffee prices (Loveless, 2012, p. 3). The world price for coffee set by commodity traders on the New York Coffee, Sugar and Cocoa Exchange fluctuated between \$1.00 and \$1.50 per pound (Loveless, 2012, p. 3). On July 4th, 1989, the International Coffee Agreement collapsed because of the American government and a coffee surplus from non- International Coffee Agreement members (Loveless, 2012, p. 4) since the American government shifted its foreign policy from a focus on South America to Mexico and Central America (Loveless, 2012, p. 4). The collapse of the International Coffee Agreement as the regulating body exposed producers to a free market, causing coffee prices to fall to 49 cents per pound in 1992 (Loveless, 2012, p. 3). The market volatility caused extremely low prices, which did not cover the cost of production nor allow farmers to make any profit on their crops. The coffee market crash left many producers suffering

while still trying to produce much of the world’s coffee supply. After a slight rebound between 1994 and 1998, coffee prices reached an all-time low in December 2001, dropping to 41 cents per pound (Loveless, 2012, p. 3). Producers have also received less profit since the commodity chain is structured in a way where value and profit are added along the chain stages where farmers receive the least amount of profit for their raw crops. During the 2000s, coffee prices continued to be volatile, where prices would rebound and then drop. However, from 2019 to 2020, Costa Rica produced 1.5 million 60 kilograms of coffee bags, which increased total production between 2019-2020 (International Coffee Organization, 2021). Even with the ups and downs of the coffee industry, two-thirds of the total farms in Costa Rica are still family-owned and operated. Generational farming has shaped cultural practices and traditions by small-scale family farming (Loveless, 2012).



**Figure 3:** Price Paid to Growers in Costa Rica (Loveless, 2012).

There has been limited literature that solely focuses on Costa Rica's coffee production for two main reasons. Firstly, Costa Rica remains a small producer compared to other Central American countries, which produce more coffee per year (LeBrun, 2019). Secondly, the state has maintained peace since its brief civil war in 1947. As a result, Costa Rica has a stable democracy

and steady economic growth with no military conflicts (LeBrun, 2019). Since much of the coffee history in Central America has focused on how coffee played into the democratic participation of labour, it drew scholars away from Costa Rica and focused on other Central American countries (LeBrun, 2019, p.6).

Costa Rican coffee is grown in fertile soils of volcanic origin and low acidity, making coffee production ideal. According to records, “around 80% of the coffee-growing area is located between 800 and 1,600 meters of altitude. The temperatures range between 17° to 28° C with annual rainfall between 2,000 and 3,000 millimetres” (ICAFFE, 2022). To ensure the highest quality of coffee, insecticides are not used on coffee plantations, and pest and weed control are handled with a mixture of environmentally cautious chemicals and manual work. Chemicals are applied on a plant per plant basis to ensure no contaminated water by agrochemicals. In addition, each region of Costa Rica signed a Quality Improvement Agreement in which coffee farmer-owners have committed to receiving and processing only ripe crops, which guarantees a higher quality in each coffee cup. Costa Rica governs the coffee sector through a semi-autonomous organization called the Costa Rican Coffee Institute (ICAFFE), regulated by the Law of the Republic of Costa Rica (Snider et al., 2017). ICAFFE was founded in 1933 to promote an equitable production model to support Costa Rican coffee sector (ICAFFE, 2022). ICAFFE approves a fair minimum price that coffee mills must pay to their producer to ensure fair compensation for labour. Although having a governing body, the 20th-century farmers in the country faced a series of coffee crises and market volatility that impacted their livelihoods (Samper, 2010). As a result, in 1985, a German Non-Governmental Organization (NGO) established an agricultural development agency and introduced Fair Trade in Costa Rica (Babin, 2015).

### CoopeAgri, Costa Rica

Cooperative food systems involve an interconnected web of economic, social, and environmental activities focusing on food (Sumner et al., 2014, p. 48). Food cooperatives are rooted in inclusion, cooperation among participants, connections between farmers and consumers, and sustainable food systems (Sumner et al., 2014). A critical aspect of cooperative food systems is that the activities must be mutually beneficial within the production, processing, distribution, wholesaling, retailing, consumption, and disposal of food (Sumner et al., 2014, p.49). In addition, the cooperative must be committed to cooperation and democratic decision-making among

participants. Sumner et al. (2014, p.49) describe food cooperatives' three main ownership structures. The first is producer cooperatives that give producers decision-making and power. The second is worker cooperatives that involve enterprises owned by their workers. The third is consumer cooperatives, which involve enterprises owned by the people who buy from the cooperative, benefiting the members who shop there. Lastly, the fourth kind of cooperative is a multistakeholder cooperative that incorporates many of these classes of membership into one organization (Sumner et al., 2014, p.49). The type of cooperative that this research paper will focus on are worker cooperatives.

Cooperatives are responsible for around 40% of Costa Rica's coffee production and over 700 registered cooperatives across all agricultural industries (LeBrun, 2019, p.48). One of the many cooperatives in Costa Rica is CoopeAgri. The history of CoopeAgri originated in the 1950s and 1960 when a group of wealthy entrepreneurs seized the opportunity to make road improvements in the Municipality of Perez Zeledon in Southern Costa Rica to make coffee production more accessible (CoopeAgri, 2022, History of CoopeAgri, para 1). It was the work of Nicanor Hidalgo, Alejandro Rojas, Monsignor Delfín Quesada, Father Delio Arguedas and Milton Fonseca Balmaceda that turned an unpaved road into a establish cooperative (CoopeAgri, 2022, History of CoopeAgri, para 1). By 1962 391 producers were building a strong community-based organization to improve the standard of living (FairTrade Foundation, 2022, About CoopeAgri, para. 1). Coffee is the main cash crop grown on farms in this region. From 391 members in 1962, CoopeAgri now has over 8,000 members, 700 temporary and permanent workers who grow coffee on plots averaging 1.3 hectares (FairTrade Foundation, 2022, About CoopeAgri, para. 1).

The subsequent information was translated from the CoopeAgri website page. The following are requirements to be a member of the cooperative (CoopeAgri, 2022, Requirements of CoopeAgri, para 1). The first requirement is to be over fifteen years old and be a coffee or cane producer. They must receive an induction talk prior to joining. They must show proof of a residence card, a copy of the identity card of a beneficiary, proof of address, and proof of legal possession of the farm. The individual must sign the Associative Cooperative contract and be willing to apply standards of good productivity and quality practices of raw material. An important portion of the membership is that the individual must comply with the current Fair Trade certification policies. Finally, coffee producers with a minimum delivery of 10 fanegas (units of capacity. Meaning 1 fanegas is roughly equal to 1.58 U.S. bushels). The benefits of joining

CoopeAgri are access to medical clinics, educational programs for adults, return of surpluses, a 2% bonus for purchases in commercial businesses of the cooperative, financial aid for deaths, and finally, the Future Leaders Program for children and youth (CoopeAgri, 2022, Requirements of CoopeAgri, para 2). CoopeAgri offers technical support for its members, including fertilization programs, soil analysis, seedling programs, agricultural research programs, credits and subsidies, surcharges to the official liquidation, a network of collection centers, and the advocacy of producer interests. (CoopeAgri, 2022, Requirements of CoopeAgri, para 3). CoopeAgri markets itself as the ideal way to produce and sell coffee, maintaining equity and transparency within its practices. However, in the analysis from the producer's perspective, foundational issues question these claims.

### Drawbacks to Cooperatives

Compared to other Latin American countries, Costa Rica has higher labour costs in agricultural production (Loveless, 2012). Due to these higher labour costs, farmers gravitate towards synthetic inputs when producing specialty coffee, as it becomes less attractive to produce organically than agro-industrial practices (Loveless, 2012, p.6). Fair Trade or other specialty coffee is more attractive in other countries such as Guatemala or Nicaragua. This is because their labour costs are lower, and production is less intensive, resulting in less expensive organic coffee (Sinder et al. 2017, p. 236). The high input intensity when producing coffee puts Costa Rica at a global competitive disadvantage since retailers often go to less input-intensive countries (Sinder et al. 2017, p. 236). From the producer's perspective, Costa Rican coffee producers receive the same prices for their crops as other farmers in the Global South, where farming inputs are lower (Loveless, 2012, p.6). Finally, there is a gap in the literature regarding the need to increase producer wages that cover the cost of production, certification, and selling of the commodity higher than in conventional markets (Loveless, 2012, p.6). There has been little research on the direct financial benefit of higher wages for producers in Costa Rica resulting from participation in Fair Trade marketing networks (Babin, 2015, p.100). Instead, the research in Costa Rica has centred around the evaluation of indirect benefits leveraged by larger cooperatives (Babin, 2015). Furthermore, the literature does not account for the perspective of farmers who have left Fair Trade cooperatives and are selling their coffee independently. It tends to focus on those trying to become Fair Trade members and those who are active participants.

Relating the information to political discourses, cooperatives are reformist rather than radical (Luetchford, 2008, p.13). The Cooperative's goals are to improve the negotiation power of small-scale producers in the market in a country where small-scale coffee farmers play a vital role in their nation (Luetchford, 2008, p.13). Producers may control means of production within the borders of their farmers but then give up that power to institutions that govern processing and export (Luetchford, 2008, p.13). A proposed solution offered by cooperatives and farmer participants in this study is to share ownership of the industrial and commercial side of the business to avoid private control over the commodity (Luetchford, 2008, p.13).

### Covid-19 Pandemic and Costa Rica's Coffee Production

The Covid-19 pandemic impacted many international businesses, causing severe economic and social impacts worldwide. With coffee being extremely volatile, the ICO indicator fell below the 100 US cents/lb mark in June 2020 (ICO Report, 2020). Surprisingly, while many sectors suffered from the Covid-19 pandemic, coffee production in Costa Rica increased by 5.1% to 1.5 million bags from 2019 to 2020 (ICO Report, 2020). The 2019 to 2020 harvest occurred before the enactment of Covid-19 social distancing and other measures (ICO Report, 2020). The harvest timing allowed Costa Rica not to face logistical challenges at the destination ports. Taken from the International Coffee Organization's (ICO) Coffee Development Report for 2020, the Ministry of Agriculture and Livestock of Costa Rica increased sanitary protocols developed by the ICAFE to ensure the health and safety of producers during the harvest 2020 to 2021 (ICO Report, 2020). To increase employment, ICAFE initiated a campaign for those interested in working on the coffee harvest, and according to ICO, around 12,000 people responded. At the same time, the demand for workers was expected to be approximately 70,000 from August 2020 to March 2021. With border closures, coupled with the reliance on migrant workers from Nicaragua and Panama, 2020 to 2021 was expected to be impacted (ICO Report, 2020).

The International Coffee Organization launched a survey on May 20th, 2020, called *Impact of Covid-19 on the Global Coffee Sector: Survey of ICO Exporting Members*. The Spanish members included Brazil, Cameroon, Colombia, Costa Rica, El Salvador, Ethiopia, Gabon, India, Indonesia, Mexico, Nicaragua, Papua New Guinea, Peru, Rwanda, Sierra Leone, and Viet Nam. The survey aimed to assess the short- and long-term impact of covid-19 on their coffee sectors from farm to export gate. The goal was to gather insights and advocate for the dire need for

resources and funding to help mitigate the negative impact of covid-19 on the health, social, and economic life of all those working in the coffee sector (ICO Report, 2020, p.1). In addition, the survey posed the question of which factors contributed to the impact on the nation's coffee sectors from the pandemic. For example, travel restrictions and social distancing measures caused a spike in the cost of coffee production while impacting employment and revenues generated in the coffee sector (ICO Report, 2020, p.3). Another highlight of the survey was the results of the economic impact on coffee-producing households. Of the nineteen participants, 70% expect that income derived from coffee production and other income-generating activities will decrease because of Covid-19 (ICO Report, 2020, p.5). Lastly, almost 50% of participants expect input costs to rise (ICO Report, 2020, p.5). The increase in cost inputs causes financial strain on the small-scale producers, which could negatively impact their farms and overall livelihood.

## Chapter 4: Ontario Coffee Cooperatives

Over the past three decades, the balance of power within the coffee industry shifted from coffee producers to coffee consumers (Elder et al. 2014, p.78). Coffee consumers have increasingly wanted higher quality and organic blends of coffee. It is no surprise that multinational corporations such as Walmart, Costco, Starbucks, McDonald's, and Tim Hortons drive the higher grade of specialty coffee. Particularly specialty coffee that meets voluntary sustainable standards such as Fair Trade. Many retailers have adopted 'sustainability' as a crucial competitive vehicle to increase prices and drive sales. For example, 67% of shoppers recognize the Fairtrade mark and 87% trust the label (Fairtrade, 2021). In addition, 7 out of 10 individuals feel that they are part of a community standing up for fairness and justice when they buy Fairtrade. (Fairtrade, 2021). However, the 'sustainable' marking campaigns often include greenwashing or fair washing. As a result, the retailer's policies and practices are not as equitable as they claim to be.

There has been a decrease in the dependence on international traders and an increase in locally sourced cooperatives in coffee-producing countries (Elder et al., 2014). Literature focuses on international coffee roasters and big multinational corporations but little on Canada's roasters. There are many coffee roasting companies located in Ontario. However, few are part of more extensive partnerships with cooperatives. Cooperative Coffees, one of the more prominent and well-known roasters, was founded in 1997 ("Cooperative Coffee History," 2021). Cooperative Coffees is a Canadian and American green coffee importer that works directly with producer cooperatives worldwide. According to Cooperative Coffee's website, its goal is to "foster business relations that promote fairer, transparent, and ecologically sustainable practices" ("Cooperative Coffee History," 2021, para. 2). The direct trade partnership aids in the overall well-being of the farmer's family and community by increasing sales, profits, and revenues. Cooperative Coffees comprises twenty-three community-based coffee roasters in the United States of America and Canada ("Cooperative Coffee History," 2021). The three in Ontario are Alternative Grounds, Coutts Coffee, and Equator Coffee Roaster. On the production side, Cooperative Coffees is partnered with twenty-eight global producer cooperatives from thirteen different countries ("Cooperative Coffee History," 2021). Some of the producer partners come from the countries of Latin America, Southeast Asia, and Africa. Cooperative Coffees states that they are actively working to reduce inequality within the global coffee trade ("Cooperative Coffee History," 2021, para. 3).

One of the drawbacks of operating a cooperative is that a general lack of public awareness and understanding of the business model can often hinder the cooperative's ability to attract potential partnerships (Ontario Co-operative Association, 2021). One of the research gaps surrounding Canadian coffee cooperatives is that much of the information comes from their websites. As the academic literature speaks to the general nature of cooperatives, it is not specific to Canada. It is also difficult to trace where many Canadian and, specifically, Ontario coffee roasters import their coffee. Some roasters, such as Cooperative Coffee and North Roast Coffee Roaster, disclose where the coffee comes from, but many others do not. There has been literature on cooperative federations and cooperative value chains, but little is written on relationships within cooperatives (Sumner et al., 2014).

## Chapter 5: Methodology

Most of the research has been gathered from literary analysis of relevant material that has already been published. For example, primary and secondary sources have come from books, academic articles, magazines, blog posts, and Fair Trade and farmer podcasts. In addition, I have attended Fair Trade-themed events to gather information about the Fair Trade initiatives worldwide and from York University. For this major paper, one crucial aspect is small-scale producers' narratives. The art of story-telling aids in understanding daily life as a small-scale producer and the injustices these individuals have or continue to face. These stories are often intentionally or unintentionally left out and are not told in academic literature. Therefore, I needed to listen to the stories of those who have lived experiences that they are willing to share. It is important to note that I have let the speaker's voice do the talking instead of summarizing, paraphrasing, and representing the individual when retelling a story. One guiding principle I have used throughout all interviews was “Being granted time by participants is a privilege, not a right” (Fujii, 2018, p.91).

Due to Covid-19, my initial research has been modified to follow the regulations of Ontario's provincial and Canada's federal governments. I conducted Zoom interviews with small-scale farmers in San José, Costa Rica, through my York University Zoom account. The FES Human Participants Research Committee approved all interview questions on behalf of York University. Before each interview, the individual signed a consent form and received a description of the research intent and a list of questions. The purpose of the email was to ensure that each participant had ample time to review and ask questions before the interview. Confidentiality will be maintained by keeping their names and identities anonymous. The questions have been designed based on farmer experiences but have been crafted not to bring up any emotional trauma. Questions did not directly or indirectly expose confidential information to ensure cyber safety. The interviews were coded using a qualitative data technique highlighted in the book *Interviewing in Social Science Research* (2018) by Lee Ann Fujii. The codes informed the subject matter discussed in the interviews. Data were secured during the zoom call to ensure no security breaches.

The second part of the case study involved speaking with coffee roasters who work with small to medium-sized cooperatives from whom they buy their coffee. I contacted roasters and conducted Zoom semi-structured interviews to understand how their business operates and how they are contributing to their corporate social responsibility. The interviews contributed to mending the literature gap found regarding Ontario coffee cooperatives. The goal of the interviews was to understand what coffee roasters in the Global North are tangibly doing to mend socioeconomic inequalities within the Global South. I

followed the same guidelines as the interviews with small-scale producers to ensure confidentiality, respect, and transparency within the research. All data has been stored securely in an encrypted file folder on my computer that no one will have access to in both scenarios.

## Chapter 6: Analysis

The following is an analysis of the interviews conducted over the last several months. It will be broken down into different themes based on the subject matter discussed during the interviews. For example, some elements were more prevalent on the producer than on the consumer and vice versa, depending on the topic and expertise.

### Passion for Justice

A letter titled *Letter from a Birmingham Jail* from Martin Luther King Jr (1963) expressed, “Injustice anywhere is a threat to justice everywhere. We are caught in an inescapable network of mutuality, tied in a single garment of destiny. Whatever affects one directly affects all indirectly.” The above quote expresses that injustice caused indirectly or directly affects all forms of life. The emotion that derives from injustice sparks the passion for change. The emotion of anger, guilt, and heartache fuelled my passion for justice in Costa Rica in 2019. It became my motivation and drive to seek out inequality gaps within the coffee commodity chain and shed light on such injustice. Many individuals before me have felt the same emotions and passion for change. In speaking with each coffee roaster, they shared their story of how their passion for justice started.

The individual from Planet Bean expressed how they got their first taste of global injustice first-hand when they started working and travelling overseas. Coupled with global injustice, this individual had a particular interest in tropical rainforests and saw the destruction that was taking place. That experience led them to work for a small non-profit organization where they specialized in education surrounding global issues and tropical deforestation. In the presentation, they delivered one of many action items articulated to support the Fair Trade organization. Supporting Fair Trade aided the coffee farmers who lived adjacent to tropical forests and served as an alternative to cutting down forests. As a result, producers could grow coffee within the forests instead of cutting down trees to grow food or harvest wood. The interviewee stated, “I'm interested in Praxis, so informed action and talking about this Fair Trade concept.” The informed action resulted in the birth in 1997 of the coffee roastery in Guelph when they started to purchase green coffee that was certified fair trade and organic. By 1998, the coffee roastery became one of the early signers of Fair Trade, originally called Transfer Canada but renamed Fair Trade Canada. They concluded the reason for their work was that they were “grounded in social justice and

ecological sustainability. That was how I wanted to start this business, participate in fair trade through a cooperative structure.”

The interviewee from Planet Bean shared that they operate a roastery in Guelph and two coffee bars. One of the coffee bars is attached to the roastery so one can look through a window from the coffee bar. Consumers can see how the coffee is roasted as they buy their favourite blend. In terms of beans, they carry certified organic through different channels. Warehouses store the beans until they are roasted daily to maintain freshness. They sell their coffee at coffee bars, retail supermarkets, online stores, and food services. In addition, they have an increased presence at Waterloo, Guelph, and Western universities.

The second interviewee shared that in 1996 they found articles about “fair trade” and the ideas behind Fair Trade forming in Europe at the time. After graduating with their Master’s degree in International Development and having an entrepreneurial spirit, the individual knew they needed to have a more direct impact on a global scale. Their passion for justice aided in taking matters into their hand. The element of direct impact sparked an interest in forming a business roasting coffee in Canada. After investigation, passion, and research, their coffee roastery began selling Fair trade organic coffee in 1998. The business name was derived from the word ‘Equate,’ which means the benefit of drinking coffee for the consumer and all people along the commodity chain (“Our Story,” 2022, para 1). A passion for injustice sparked their interest and love for coffee which made their business successful. Both roasters share a similar goal to deliver high-quality coffee mutually beneficial to both the producer and consumer. At the same time, they were upholding the highest ethical standards in their business practices.

### Seasonal Harvest

The coffee harvest is an integral part of coffee production. During both producer interviews, they shared how challenging it is to grow coffee. It takes almost three years to grow and harvest the coffee bean. During the three years, the producer must constantly tend to the plant by cleaning and fertilizing the land. The second small-scale producer interviewee explained how he started farming with his father and siblings. As he grew older, he took ownership of the five-acre family farm. He originally tried to grow other crops but now only specializes in the production of coffee. On his five acres of land, he can grow up to 3000 plants. During the harvest, he hires individuals from Nicaragua to clean the coffee and prepare it for harvest. The interviewee also

explained that growing coffee means you have to strongly manage your finances because it does not generate much income. In addition, to growing coffee, he has another job since living on the sale of coffee is challenging. He told me a story that about 20 years ago, Santa Elena was flourishing with coffee plantations, but as people got to know the work that went into harvesting coffee, they decided that it was better to go to the city to find a job. As a result, many people decided to sell the farmland to find work elsewhere. At this point in the interview, the individual stopped explaining the story as they were getting emotional about the history of their people selling the land. He ended the conversation by telling me that nobody wants to work in coffee anymore as it is much easier to sell the farm and work elsewhere. If the majority of producers have the same mentality, it allows larger corporations to dominate the market and further squeeze out the remaining small-scale producers.

In contrast with the first producer interviewee, he also admitted that coffee is difficult to grow. On his twenty acres of land, he grows a combination of coffee, sugar cane, pepper, cocoa, turmeric, and ginger root. In addition, he owns another farm in the highlands which is 1700 metres above sea level, where he grows high-quality coffee. He explained that growing coffee at that altitude is not easy. The land is tricky to navigate as workers have expressed they must hold on to the plantation guardrails to avoid slipping. It is no doubt that growing and harvesting coffee is a challenging task, but the love of the bean makes the hard work worth it.

### Fair Trade and Ethical Certifications

The following section analyzes the different perspectives on Fair Trade's benefits and limitations. First are the benefits of Fair Trade from the Planet Bean interviewee. Fair Trade can be broken down into two main components, the first is the impact on the home economy, and the second is the community component. The impact on the home economy is when producers generate higher income that improves their livelihoods. An example was when the interviewee visited a cooperative called Cafe Feminino in Peru. When they first met a cooperative member, she had a small house with a dirt floor, cooking on an open fire. The importance of Café Feminino is that women are decision makers. Over time, the cooperative became successful, and in most cases where children rarely made it past primary school, they were going to university. The other aspect of Fair Trade is the community component. The community component is broken down

into cooperatives' social and physical infrastructure. Meaning members of cooperatives learn transferable skills such as financial management, planning, reporting, and decision making. Individuals also learn governance, which to the interviewee, was the most important skill in a Fair Trade cooperative. Individuals who may not have a strong educational background can be active participants in understanding democratic organizations. Producers can apply the transferable skills to other areas such as governments, banks, or Non-Governmental Organizations. Individuals can work together to influence government and make technological advances to their communities with the revenue streams from crops and Fair Trade Premiums. The interviewee shared an example that in Ethiopia, producers have created a bank called The Oromia Coffee Farmer's Cooperative bank. The bank is owned by some of the poorest farmers but was able to finance a community bank.

#### Challenges with Fair Trade

I asked the Planet Bean interviewee what they saw as the main challenges of Fair Trade. The interviewee shared they have been on the board of Fair Trade International for around six years, so they saw communication as one of the main issues. Before they explained the challenge with communication, they provided context around the type of communication that occurs. Twenty-five representatives from the consumer perspective get elected to the board of directors from organizations like Fair Trade Canada. On the producer side, thirty-three regions of producer networks are from Latin America, the Caribbean, Africa, and the Asian Pacific. Each region has representatives from the producer groups who also “worked through the system” to sit on this board. The interviewee explained that they sit on the board with a coffee farmer from Nicaragua, a honey farmer from Mexico, a chocolate farmer from Ivory Coast and a spice farmer from Sri Lanka, to name a few. Connecting to governance, a coffee farmer from Mexico can work their way “through the system” and become an active member internationally. The interviewee expressed that

“The most spectacular thing about Fair Trade is that it is transparent, democratic, and owned by us. When you buy fair trade coffee, you're participating in it. The most transformative aspect of Fair Trade is the creation of knowledge by individuals who would be marginalized otherwise in terms of governance and understanding economics,

international trade, and being able to critique and become active participants in changing it.”

The challenge then, according to the interview, becomes communicating the incredibly complicated and complex message of Fair Trade. The logo on Fair Trade products encompasses only a small portion of all goals Fair Trade works to accomplish. It takes some application from the person to conduct their research about the products they are purchasing. As well as differentiating between other products that market themselves as “ethical.”

The second challenge the Planet Bean interviewee saw was the governance involved in Fair Trade. Firstly, getting individuals to think about the importance of governance is challenging. Consumers often rely on the logo when purchasing Fair Trade products instead of thinking about the producers who stand behind the organization. The interviewee shared that for many years producers did not have a voice in decision-making, and it was only in the last eight years that producers were included in conversations. The inclusion of producers resulted in every country having their own Fair Trade network. Therefore, creating a democratic organization based on true consultation takes a lot of time getting people to make a unanimous decision. It becomes a complex and complicated organization to govern. Decisions in this way do not occur quickly and sometimes “go against their interests as an organization, according to the interviewee.” When multiple individuals work in the same direction, people sometimes have different ideas for solving problems. The challenge becomes figuring out how to incorporate their ideas instead of marginalizing and alienating the producer.

The third Fair Trade challenge Planet Bean identified was the noise around other ethical certifications. A recent increase in ethical certifications has often resulted in greenwashing. But often, the ethical certifications do not have any authenticity. It is challenging to differentiate between quality ethical certifications and greenwashing marketing schemes. In contrast to the Planet Bean perspective, Equator Coffee Roasters is also Fair Trade certified but does not use the current logo. They maintain the highest level of transparency with their partnerships with cooperatives that well exceed Fair Trade standards which can be seen on the website called [Fairtradeproof.org](http://Fairtradeproof.org). They felt that the Fair Trade logo and the fees to put that logo on the bag were being used for more “marketing, bureaucratic activities than helping farmers.” Instead, Equator removed the logo while paying Fair Trade labelling organization fees. Then, they diverted the

funds that would have gone towards the label into direct assistance, particularly through an organization called School Box.

The Planet Bean interviewee did admit that there are certain levels of corruption within the organization. However, they shared that one must keep in mind that there are still producers who are heavily involved in Fair Trade. All individuals must work unanimously to make decisions that will benefit such producers. Since the corruption in management will only hurt the producers in the end. According to Equator interviewees, the model of Fair Trade is not the best model that could be used. For example, the transparency around Fair Trade's hefty fees tends to be blurred as they often support Fair Trade salaries in Germany. The lack of transparency was also briefly touched upon during the interview with Planet Bean as they admitted the degree of corruption. In terms of the high fee rates, Equator explained that one can repurpose the money for better use while still maintaining the highest degree of transparency.

#### Becoming B-Corp certified

The following section was a topic heavily discussed during the Equator interview. In addition, further research was conducted after the interview to gain a deeper understanding of B-Lab's mission and ethical certification.

The non-profit organization B-Lab has gained popularity for their unique B Corporations certifications. The problem B-Lab identified with the current economic system was that businesses fail to meet their potential and promise to foster positive impact. B-Lab identified three key aspects that reinforce the problematic role of business which are the design of legal systems, business behaviour, operations and corporate culture, and the dominant narratives around business and success ("About B-Lab, 2022, para.1). The B-Lab movement challenges the current economic system through creating standards, policies, tools, and programs that shift the behaviour, culture, and structural underpinnings of capitalism ("About B-Lab, 2022, para.1). The gaps within business practices lead to three types of negative impacts that B-Lab identified which are structural social and economic inequality, environmental degradation and resource extraction, and the decline of individual well-being and loss of social cohesion ("About B-Lab, 2022, para.2). The solution has been to employ a theory of change where they foster partnerships with different movements,

policymakers, and activists (“About B-Lab, 2022, para.2). B-Lab catalyzes stakeholders and proves a Certified B Corporation logo on their products. The certifications ensure businesses are continuously exceeding social and environmental performance standards, accountability, and transparency (“About B-Lab, 2022, para.1). Businesses can adopt B Lab’s standards by using five global strategies: drive the adoption of standards to manage business impact (“About B-Lab, 2022, para.3); Second, certify and engage businesses to improve their impact (“About B-Lab, 2022, para.3); Third, articulate and amplify business stories as an equitable force for good (“About B-Lab, 2022, para.3); Fourth, catalyze policy change to enable business as a force for good (“About B-Lab, 2022, para.3); Finally, develop a network of local, regional, and global communities for change (“About B-Lab, 2022, para.3). The standards work to impact positively and transforming the global economy into a more inclusive, equitable, and regenerative system (“About B-Lab, 2022, para.3).

Obtaining the B-Corp certification was an important ethical personal choice for Equator. Being an active member of B-Lab helps Equator set improvement goals each year. It helps to create better employee culture and benefits overall. Equator shared

“Instead of benefiting the corporation's shareholders, you are benefiting the stakeholders. That includes the producers you buy from, the employees, the environment, and the community. Encompassing all those elements gives us positive goals to work towards and ways to be better.”

B-Lab surpasses the ethical standards and practices of Fair Trade by not only setting goals but helping businesses transform the current economic system. Companies that obtain their B-Corp certification display the logo on their products. Using the B-Lab tools, policies, and resources lessens the negative impacts on social and economic inequality, environmental degradation, and resource extraction. In addition, it helps to foster strong ethical business practices for an inclusive future.

#### Fair Trade from the Producer Perspective

To contrast a Fair Trade perspective, I asked Producer Two to share their thoughts about Fair Trade. Producer two shared that they thought Fair Trade was a great organization with a strong vision of helping producers. But in the last few years, “the mechanism of buying coffee or selling

coffee more of a business tool than a real connection with the producer and consumer to make more justice.” The broken connection between producer and consumer is what needs to be mended to create ethical business practices. Aside from the Fair Trade business practices, they explained the realities of the Fair Trade premiums and community fund. The premiums are intended for the producers to ensure they receive a “fair” price for their produce crops. Yet, CoopeAgri will take the dollar value of the Fair Trade premium and dictate that a certain percentage will be paid in cash, and the remainder will be given in the form of a credit to purchase supplies from the CoopeAgri store. CoopeAgri said that 100% of the Fair Trade premium was paid through credit or loan during the pandemic. Costa Rican producers were extremely upset that they were not given their promised money while battling a global pandemic. The Second Producer interviewee explained that it should not have been up to CoopeAgri to decide how to give money to producers. They also said that CoopeAgri never asked producers how they would like to receive their funds; producers were told they had to use their earned Fair Trade premiums on the CoopeAgri stores. “This year, we are going to fight at the general assembly. I am a delegate, so that I can go and fight. We are very mad with CoopeAgri.”

#### CoopeAgri vs Selling independently

The following section compares the two producers' perspectives on participating in CoopeAgri versus selling their crops independently. Fair Trade coffee comes directly from the cooperatives partnering with Fair Trade. If producers choose to sell their coffee independently from the cooperatives, they forgo the Fair Trade label and premiums associated with the membership. The Fair Trade premiums and added benefits make the cooperative an attractive choice when deciding who to sell to.

Producer Two sells the majority of his spices to a luxury hotel. He explained that highly affluent individuals visit the hotel worldwide. Aside from the hotel, he sells crops to CoopeAgri, a cooperative located in Costa Rica. He describes CoopeAgri as

“A bunch of people who get together and work together in the same direction. CoopeAgri says they fight in the same market but think like a company. CoopeAgri says they must fight in the market but think as a company. They think by themselves to keep the co-op running and forget the people. That’s why some people don’t like the co-op and are not cooperative with each other.”

He explained that there is only one center in Santa Elena, CoopeAgri, to receive coffee. Therefore, you must sell your coffee to CoopeAgri since there is a lack of competition. Once you harvest the first couple of bushels, CoopeAgri will pay the producer in installments until the next few bushels are ready for harvest.

Producer One went into finer detail about the structure of CoopeAgri. He explained that he sells his coffee to the cooperative since there is a lack of competition in the area. The producers feel that “you have to send your coffee to CoopeAgri; there is no choice. They control everything, and they make their own rules.” According to the producer, there are only micro benefits to working with CoopeAgri. For example, chemicals are easily accessible, and producers can get access to loans. Since it takes three years to harvest the first coffee bushel, the cooperative gives you a loan to help you start the process. CoopeAgri calculates how big the loan is based on each acre of coffee plantation. CoopeAgri gives around 2.5 million colons for each acre of land (2.5 million colons at the exchange rate of 1.90 is approximately \$4,750 Canadian). The loan that CoopeAgri provides the small-scale farmer is at a low-interest rate. For the first three years, while the producer is waiting for their crops to grow, the loan is interest-free, but payments start when the coffee is harvested.

During the interview, Producer One shared their thoughts about selling their coffee independently from CoopeAgri. He explained that since the price of coffee is high, it is best to sell it separately from CoopeAgri because one will generate more profit. When the coffee harvest is ready, they will keep a portion of the fanega to sell independently and give the rest to CoopeAgri. He then shared that their brand is called Café Glosbe CR, which translates land, autonomy, and freedom. Typically, he sells to people who have tasted the coffee in the community. Typically, when coffee prices are high, he will get paid 3000 Colon (5.98 CAD) by CoopeAgri and 6000 Colon (11.96 CAD) from his clients for the same volume of coffee. Since this producer has been planting coffee for many years, he shared a trick to save money and produce higher quality coffee. He explained that

“I keep the coffee for five years to harvest the good stuff. After five years, most people cut the plantation down, but you have to trim it. First, you cut half the plant down then that same plant will take another year to produce coffee. One coffee plantation can last long if you make small trims yearly. Unfortunately, not many people keep the same plant over five years.”

In contrast, Producer Two had a different perspective to share. Individuals in Costa Rica who have left CoopeAgri opened micro mills where they have contacts with big companies in countries such as Korea and Japan. He explained that to leave the cooperative and be successful, you must have high-quality coffee to sell directly to international coffee roasters. He stated, “If you are successful with the micro mills, then you will have a much better life than you were living before. But it is very hard to have a micro mill and deliver high-quality coffee.” Therefore, if a producer does not grow the highest quality coffee, it would be best to sell directly to CoopeAgri since it is a steady income.

A vital question that was crucial to ask was whether each producer had the autonomy and ability to make their own decisions on their farm. Both agreed that they make all the important decisions on their farm and can experiment with different techniques and quality. They shared that ICAFE and CoopeAgri have their own “engineers” that one can seek if they require help. They advise how to reproduce coffee and which products to use for a successful harvest. Producer one shared that

“Sometimes, the cooperative will tell you to use a specific chemical which is expensive, and I will lose money. If you are new to coffee, you will do whatever they say. But there is something always behind what they say. They want to sell their products and chemicals. We found they are not good in that way because they are expensive. But the knowledge year after year with growing coffee, you will know what to do. They cannot trick you.”

Despite CoopeAgri providing multiple benefits to producers, they are generating a higher profit off the products they sell. Producers feel that since they have the knowledge and farming experience, they can make the best decisions regarding the needs of their farm. The Second Producer ended off the section of the interview with, “The way I handle my farm is the decision comes from my wife and me. I am the engineer on my farm. This kind of life that I live gives me a chance to learn every day. I go around walking, and I look at the crops. I watch and talk to the plants, and they listen.”

The interviewee at Planet Bean commented on producers leaving the cooperative to sell their coffee independently at a higher price. Their comment was similar to producers in that when coffee prices are high; it is best to sell independently. Yet, coyotes will inflate the coffee prices to get producers to leave the cooperative and sell to them directly. Producers are under the impression

they are making more profit from direct trade than the cooperative, but the same coyote will pay a higher price one year and lower the next. After leaving the cooperative, it is difficult to get back in. In cases of direct trade, it may work in very few cases. The interviewee shared that if one researches where direct trade coffee comes from, they will find that the small roasters in Canada call themselves direct trade. But they are likely buying from brokers selling the same coffee that Planet Bean sells, except they do not pay the Fair Trade fees. From Equator's anecdotal discussions, producers were much more loyal to the cooperative than Fair Trade, as Fair Trade was only one part of the entire system. According to them, there is an understanding, particularly in Central America, that being a cooperative member can lead them to have a better life than they can on their own.

### The Reality of Coffee

One of the biggest challenges to equality within the coffee industry is the structure of the commodity chain. Equator commented that commodity markets have no association with the cost of production. The price of coffee is an arbitrary number that producers' livelihoods depend upon. The Equator interviewee shares that the “truth about coffee and injustice is that the sum of the poorest people particularly in the Americas are subsidizing the wealthiest people's coffee and have been for a long time.” Equator raised a theoretical question: "Is raising quality a better strategy than Fair Trade?" Ultimately, one must provide value to get rewarded for it. The quality of coffee can often be raised by education, processing organic, and ethical certifications.

Producer Two shared that the coffee industry is extremely volatile, with the price of coffee constantly fluctuating. Producers could generate higher profits since the price of coffee was high, coupled with Brazil's harvest misfortune. In 2021, Brazil faced abnormally dry weather conditions during their main growing season (Evans, 2021). Brazil, which typically produces around one-third of the world's supply of coffee beans, faced serious impacts due to the extreme drought (Evans, 2021). Brazil's 2022/2023 harvest has also been impacted as of June 21, 2022; farmers had only harvested around 35% of the crop (Samora & Teixeira, 2022). This is significantly slower than previous years' 44% harvest average (Samora & Teixeira, 2022). Small-scale producers gained new contracts and partnerships with different roasters who would typically get their coffee from Brazil. Producers such as the interviewee were able to invest in their farms and produce high-quality coffee. In previous years, if producers did not have the means to invest, their quality was

sacrificed. They also shared those businesses are always looking to get the lowest possible price for their coffee because

“The world has a lot of coffee like in Brazil and Honduras. But Costa Rica is so small that the world might not even know that Costa Rica produces coffee at once. But Costa Rica has very, very, very good quality coffee, and our coffee businesses are very serious about their business and contracts. So, other countries will say they do not have coffee to sell because the companies will want to buy it for a low price to save the coffee for themselves and sell it to the highest buyer. But Costa Rica will never do that because we are responsible to the business.”

From the roaster’s perspective, since they are in a long-term relationship with producers, and are committed to buying their coffee, an interruption in weather or a bad crop may not be the best quality grade coffee. Therefore, roasters must be creative to find ways to use a coffee that maybe did not come from the best harvest.

The final question that all interviewees were asked was where they saw the future of Fair Trade going in the next few years. The interviewee from Plant Bean shared their optimistic views. “Since I became a board member, which is not because of me, it has become a better organization. Bits and pieces improved decision-making and how to work together collectively to establish goals. So, I’m positive about the future of Fair Trade.” Fair Trade is also looking to move away from minimum prices to living incomes. It is still in the early works and still being researched. Data gathering is another aspect that is improving. Gathering data from producers back to consuming countries about the changes that are occurring because of Fair trade is important. The interviewee commented that they could share stories anecdotally, but there is no affirmative data that supports the changes in producers’ livelihoods. A team is researching how to obtain faster reporting instead of waiting for annual reports with year, year and a half, or two years old data. Fair Trade continues to grow, develop, and build alliances with partners worldwide. Their final interview comment was, “It is just about communicating the message. People want to participate in economic systems that do not harm others. Corporations are hesitant to learn that, but with Fair Trade, you can guarantee that we are taking a little bit of the inequality out of the relationship.”

Producer Two shared their views on the future of the coffee industry in contrast to the roaster’s perspective. They shared the idea that if an individual is a coffee roaster in Canada, they should

partner up with producers to own a portion of the producer's farm, and the producers should own a portion of the coffee roaster's business. They said that "businesses will have the guarantee that there will be quality coffee in the coffee shop because countries like Costa Rica are very small producers and the majority of farmers only a few hectares of land are not enough to keep the family above the poverty line." It brings money back into the home economy since both parties are in business together and ensure the quality of coffee and a truly fair price. They shared their final thought about the coffee industry

"If we want to survive, we must do something or die out. It is impossible to keep the business if you do not care about both sides of the business. The future would be very dark and very sad. We must find new ways to market the coffee and connect the producers, the roaster, and the roaster with the consumer. Some people have money to invest in coffee without knowing anything about it, which makes it volatile because if anything happens in the world, the prices can drop. They are using coffee to make money. They do not care about the coffee industry, producers, or the environment. They only care about making money. We must fight to make the coffee industry fair for producers."

## **Concluding Thoughts**

It is without a doubt that there is a dire need for change towards creating a holistic food system that encourages environmental and social well-being. The debate becomes which path to create a just food system. Social movements such as Fair Trade have always been an integral movement to foster change. Social movements aid in creating action-based solutions to combat the effects of inequality, raise awareness, and demand change. Streamlining away from harmful agroecological practices to a holistic food system is one of the many ways to restore justice to the food system. Rejecting top-down approaches and adopting horizontal approaches such as Fair Trade claims to break down negative stereotypes towards small-scale producers. Instead, horizontal approaches foster trust, genuine engagement, confidence and sharing between producers. It emphasizes that everyone has everyone's experience and knowledge is valuable (Holt-Giménez, 2006).

The coffee industry allows for unethical, immoral, and unjust business practices. With coffee prices being volatile and subject to drop overnight, practices must be in place to protect the producer's livelihood. It is the responsibility of all individuals to put equality back into the coffee commodity chain. On one side, coffee businesses are responsible for maintaining mutually beneficial partnerships with producers. On the other side, consumers have the responsibility to ensure they are making ethical choices before making any purchase. This involves researching the company they are purchasing from, the type of quality, and any logo that may be marketed. Making ethical consumption choices will keep businesses accountable for their ethical practices and hold them to a higher level of corporate social responsibility.

One solution Equator mentioned was the ethical choice of obtaining the B-Corp Certification. B-Corp Certification exceeds the social and environmental performance standards, accountability, and transparency within business practices (“About B-Lab, 2022, para.1). The social movement challenges the current economic system that shifts the behaviour, culture, and structural underpinnings of capitalism (“About B-Lab, 2022, para.1). It goes beyond the ethical standards of Fair Trade as it does not try to work within the system to create fairness. The B-Corp logo on coffee bags proves the business upholds the highest ethical practices.

One of the main findings during the interviews with both coffee roasters and small-scale producers was that they all agreed that Fair Trade maintains strong ethical principles that aid in helping producers earn a fair living. The issues lie in the practices and policies that Fair Trade

employs. But Fair Trade, according to Planet Bean, are making vital improvements that will add to the transparency and credibility of the organization—gathering data from producers to consumers and having quantitative data that proves the physical, social, and economic improvements from the Fair Trade premiums.

Coffee roasters that maintain strong relationships with cooperatives have been actively making a difference in producers' lives. To reiterate from Planet Bean, members of cooperatives have gone from cooking on an open fire to having a fully functional kitchen. The cooperatives must maintain ethical practices that keep the producer's interests at heart. To reiterate from Producer Two's interview, small-scale farmers have been extremely upset with how CoopeAgri has handled their money during the pandemic. The interesting point that Producer Two raised was that if the producer and coffee roasters owned the business together, it could ensure high-quality coffee and higher ethical business practices.

With injustice growing daily, it becomes crucial to empower farmers and youth to build confidence within farming to create a catalytic effect. Where more learners become teachers, the process takes on a self-perpetuating momentum (Shortfall, 1994). Alliances globally must be formed to disrupt, dismantle, and move beyond the current oppressive food system. However, creating social and environmental change within the food system continues to be a reflexive process, as there will never be one perfect solution to combat poverty and injustice. Fostering meaningful change is not about creating a utopian world but making a positive change in individuals' lives. "Saving the World," One Fair Trade Cup of Coffee at a Time? Fair Trade may not be able to solve all the world's injustices, but it does work to alleviate some of the unjustness in the coffee industry.

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## Appendix

### Appendix 1: Interview questions for participants

#### Interview Questions for Coffee Roasters

1. How did you get into the coffee business?
2. Can you describe the structure of your business? How does it operate?
3. What business practices that sets you apart from other coffee roasters/ suppliers?
4. What kind of coffee do you sell? How many coffee blends are Fair Trade certified?
5. What are the biggest successes and drawbacks you face when selling Fair Trade coffee?
6. Describe your relationship with cooperatives. What are the advantages and disadvantages of working with cooperatives?
7. How do you work with the individuals of the cooperatives to ensure equality for farmers?
8. Describe the ways in which your company is ensuring environmental sustainability?
9. What changes do you predict farming will see over the next 20 years?
10. What do you want North American coffee consumers to know about Fair Trade coffee?

#### Interview Questions for Small-Scale Farmers

1. When did you start farming? Did you grow up on a farm?
2. What types of crops do you grow? Do you focus on growing only coffee or is your farm diversified?
3. Are you apart of a larger cooperative or are you an independent producer? If you are not a part of a co-operative, why haven't you joined or why have you left?
4. What are the benefits of a co-operative? What are the challenges?
5. Why did become a Fair Trade member? How has it or have not improved your livelihood?
6. What has been the biggest challenges with either farming or growing Fair Trade coffee that is not being talked about?
7. Has your financial situation gotten better since joining Fair Trade or has it remained the same?
8. Do you feel that you have control over your farm? In other words, do you feel that you are able to make decisions regarding your farm? Are there any forces that compromise your independence?
9. What changes do you predict farming in Costa Rica will see over the next 20 years?
10. What do you want us to know in North America about farming in Latin America?

### Appendix 2: Interviewee Transcripts

#### Planet Bean Interview Transcripts

Q: How did you get into the coffee business?

A: I traveled in my youth. Worked overseas, spent a lot of time in what we then described as developing countries. Saw global inequality first-hand. Also was interested in forests, in particular

tropical rainforests, and saw the destruction and the threats associated with it. When I returned to Canada, I got myself a job working for a small non-profit in Guelph that did what was called global education which was essentially talking to people in the community about global issues and local elections. And I did a lot of stuff on tropical deforestation because I had some nice slides of forests and some slides of the destruction of forests, and so I created a presentation, and I did it thousands of times and one of the things that I articulated at the end of it in terms of an action, I mean there were a bunch of actions, but one of them was support, fair trade. It gives coffee farmers and farmers who live near tropical forests alternatives to cutting down the forests in terms of having an economy so instead of having to cut down the trees to grow food or hardwood. They could actually grow coffee in the forests, so that was that was how I first became a proponent of Fair trade. So then I'm interested in Praxis, so informed action, so in as well as talking about this this fair trade concept.

Q: Can you describe the structure of your business? How does it operate?

A: I decided in 1997 to establish coffee roastery in Guelph, and so we got a model used roaster and we started to purchase green coffee that was certified fair trade and organic. In 1998, we became one of the early signers on to Fair Trade was called Transfer Canada, then now it's Fair Trade Canada. So, we were early licensee. So essentially my reason I was grounded in social justice and ecological sustainability, so that's informed how I wanted to start this business, participate in fair trade through a cooperative structure here. We've changed the co-ops every once in a while. Just because of problems, but it's always been based in a cooperative structure worker cooperative structure and roasted coffee. And so, we learned about coffee. Didn't know anything about it when we started, and so the other thing that we were quickly apart of was specialty coffee movement because the coffee that we bought was fine Arabica high-quality coffee. We had to do that because we had to justify the price. And so rather than just buy the cheap stuff, we bought the really good stuff. And that way we could sell the coffee for a price that would fulfill the Fair trade mandate, but also you know, make it business that was viable.

Q: What business practices that sets you apart from other coffee roasters/ suppliers?

A: We have a roastery in Guelph and we have two coffee bars. One of them is attached to the roastery, so you can look through a window from the coffee bar. You're buying a coffee and you can look in and see people roasting and the other one is downtown and what is normally a very highly traffic area, but not lately. And so, you know, the roastery operates five days a week. We have beans, green beans, all certified organic. It has to go through organic channels. So, there's a large warehouse in Toronto where the coffee is most of the coffee stored and then we have the smaller word warehouse in Guelph. Both of them are certified organic. so we move the green coffee to our warehouse. And then we roast daily. So, the coffee is always fresh. And so, we service our two coffee bars, but then we also sell into supermarkets like Longos and specialty markets and food service. So, so we have that we have a wholesale business where we roasted to order and then ship out that goes to markets and food service and other establishments. We have an online store. And so. So that's basically it, yeah. So, in order to justify the price, that's why our coffee is at the high end. It you know. Usually, a little bit more expensive than Starbucks. And so, you know, we get coffee, most of our largest coffee countries are Mexico and Peru.

Q: Describe your relationship with cooperatives. What are the advantages and disadvantages of working with cooperatives? And What are the biggest successes and drawbacks you face when selling Fair Trade coffee?

A: We get coffee from Guatemala, Sumatra Ghia Hyland's, Ethiopia. And then we, you know, we occasionally get coffees from places like the Congo, Honduras. Just depending on on we do short runs as well, but the bulk of our coffee comes from Mexico, Peru, and Ethiopia. And the Peruvian coop is very interesting 'cause its women's coop. We've been there for since the very beginning. It sells the coffee called Cafe Feminino. And in the Co-op in Mexico is in Chapa's. It's real cool little little Co-op growth, really good coffee. And so, one of the things that we like to do is to have long term relationships with the people we buy coffee from so we can. Learn from them so they know who's buying their coffee. So, I like to visit them and take photographs and videos. So, if you come to our stores, you'll see their pictures of actual producers, not fake producers. And there's video running all the time. That shows pictures of our producers and their situation, and so you know, I've been able to track changes in their lives through time that are result of Fair trade. And that's really nice. And so, some of them, you know, our colleagues, their partners as opposed to suppliers and that's really important to us that we have had that long term relationship with you know producers in particular the ones in Peru, Mexico, and Ethiopia and now Sumatra, Gaia. Those are the four that we communicate with on a regular basis and we have long term commitments with in terms of wanting to buy their coffee until their stories.

The way I look at Fair trade I look at it in two ways. One is the impact on the home economy and so you see changes like, you know, in in Peru. I've visited this one woman three times. She was the president of the Cafe Feminino movement. So, when I first met her, you know, she had an old house, a dirt floor. She was cooking on an open fire. Her kids, you know, were in primary school. One of the issues in this particular part of Peru that young women very rarely make it past primary school. What this cafe Feminino project has done is it has made women's lives more important to the household, because they're growing their own coffee. Attributing to the home economy in the past, the men were the ones who went and got the money, and so they would often drink it away or, you know, spend it on things that not the home economy. And so, it never necessarily made it home. There was high levels of sexual violence in this area 70% of women reported physical and sexual violence. And so that's the background. So, you know I visited Sabina over the years and now she's gotta flush toilet now she's not cooking over an open fire anymore. So she's not inhaling flames and having stuff in her eyes. They've got an energy efficient wood stove that the Co-op helped. The build to, you know, concrete, very simple, but very effective. She's got cement floors and some of her houses. Her kids are most remarkably, the little girl that I met so many years ago is now gone to university. She has a PhD. And that would have been uncertain unheard of, unheard of, absolutely unheard of. So that might be an outlier in terms of the experiences of producers, but it's indicative of the kind of change that can occur an often does occur in these for these women and for farmers in general in terms of their home economy. So seen improvement in Ethiopia, where farmers were living in traditional round leaf built like thatch houses with thatched roofs waddle and daub, so with mud on the walls and stuff, and you know, and a dirt floor and cooking over open fires. And now you go, and they have an actual structure with walls and a tin roof. Some of them have electricity, whereas before that was completely unheard of. They're still carrying water. But they have clean water now because they've created. Wells and boreholes and stuff. So that's sort of the home economic impact. So, there's more money going into the account into the

home economy, which means that they are making improvements to their lives. Their families have better nutrition. Other kids are going to school all that wonderful stuff, so then there's the other part of Fair trade that I think that is equally, if not more important the Community component. In that, in order to participate in fair trade in coffee, you have to be in an organization, so you have to be in. It's mostly co-ops, the vast majority of them are co-ops. So that means in rural communities in the middle of nowhere, at a group of people who come together to create a Co-op. And so, in order to do that, they have to learn stuff. They have to learn financial management and planning reporting. They have to understand how finances work. All that sort of stuff to understand their relationship, usually they're part of a cooperative union, so there's a bigger coop hub that they are apart of. They learn how to make decisions, which is really important. They learn governance, which is, to me, one of the most important things that comes at a fair trade. They learn how to govern themselves, so they learn what an organization is. How you make decisions, how many people you need to make decisions, how many, how much power a vote has? How you record those things. And people who they might even be illiterate, suddenly find themselves in organizations where they're active participants in understanding of democratic organization. Those skills often unavailable to those people are suddenly there learning them and their transferable to other things, so they may be interested in local government and so suddenly they understand how local government works because they got this background in governance or they may get involved in the community bank. Or in an NGO, they're able more to have a more sophisticated understanding about their relationship with NGOs. And so that's to me, the most transformative component because those co-ops, so this social infrastructure that's created by this Co-op then translate also into physical infrastructure. So, you get the quads and they have an economy of scale. It's not just one farmer who could never afford to own a pickup truck, but maybe maybe you got 40 farmers, and together they can own a pickup truck and they can own a mill. Or they can build a road or a bridge in Ethiopia. They've got electrical installations and schools that they've built. So, there's all these things that are created as a result of this community enterprise because it's generating a little bit of revenue, not only through its own activities, but also through the Fair trade premium. That's really the fuel that goes into these co-ops, because that fair trade premium that's added on day, every pound of coffee goes directly to these co-ops. And so these co-ops can then use that and leverage it may be partnered with NGOs or just with their own money, or in some cases they've created their own banks. In Ethiopia, they have created the most. Remarkable bank, the Oromia Coffee Farmers Cooperative bank. It's fantastic, and it is enabled them to finance its theirs. They have been able to finance it, use it to finance a new coffee, sorting and processing facility, and all kinds of little infrastructure projects wrote. Oromia Region, and it's been absolutely transformative. This bank in its own by some of the poorest farmers on Earth and so it's quite the phenomenon. So that's to me, the most exciting part of Fair trade. Most folks learned about governance, which then transforms into all kinds of skills at the game. So then what happens? I'm on the board of Fair Trade Canada and have been for. Six years? I don't know. My term is ending this year. So that's and so also I'm on the board of Fair Trade International. And so I got nominated by Fair Trade in Canada to be on the board of Fair Trade International. You have representatives like me from from tiny little companies in Canada who are involved in fair trade and have these connections with producers. And also, so there's there's those are nominated by the National Fair trade organizations like Fair Trade Canada. And there's 25 of those around the world. And then there's producers. So, there's 33 regions globally of producer networks, Latin America and the Caribbean, Africa, an Asian Pacific. Each one of those regions has representatives who come from the producer groups who also worked through the system and who sit on this board as

well. I'm on the board with the coffee farmer from Nicaragua, honey farmer from Mexico, chocolate farmer from Ivory Coast and a spice farmer from Sri Lanka. So, their representing producers from the producer side and I'm representing the consumer side or in or the roasting Norwood licensee side, but ultimately the consuming side so they come together at Fair Trade International. We also have proof reps, an NFO reps and then independent reps. Who are, you know, and have some profile. Together we govern this entity that at Fair Trade International. There is a whole lot of staff that are really smart people in Europe, in Bond, that's where a Fairtrade international headquartered at all the producer networks have staff and then all the NFO's obviously have staff like Fair Trade Canada. All those people represented in the General Assembly. The General Assembly is what actually elects the Board of Directors, and the Board of Directors is what helps to guide the guide, the direction of the organization through its employees and all these bits and pieces. And so that example of learning about governance in the coop means that a honey farmer from Mexico can work his way through the system to become active at an international level. In a way that you never could do in so many other ways, a be representative of that sector. So that to me, is the most spectacular thing about fair trade is that it is transparent and it's democratic and it's owned by us. It's owned by you and it's owned by me. When you buy fair trade coffee, you're actually participating in this movement, and you can actively participate, you could say, hey, I want to be on the Fair Trade Canada board. So, there you're operating by working as a group, you're having making decisions, you're governing it. You might be managing a little budget. All that stuff is connected to this global movement. If you look at all of the other ethical certifications none of them have that component. None of them have participants participation by me, and you and producers in the actual governance and decision making of that organization. To me, that is the most beautiful thing about this. I mean then then obviously there's a financial component which is related to the home economy in the price and the premium which is related to community develop and all that stuff. But to me, what is most transformative is the creation of knowledge. By people who would be marginalized otherwise in terms of governance and understanding economics, understanding international trade, and being able to critique it and become active participants in changing it.

Q: What are the biggest successes and drawbacks you face when selling Fair Trade coffee?

So. The first challenge is communicating all the stuff I just told you and more. I mean, I didn't talk about ecological sustainability- human rights, gender, there's all kinds of stuff. That I could make an equally long answer about. It is a very it's incredibly complicated and complex story to tell. Um it's hard to do that with the little logo on a bag. It takes some application from the person. That to me is number one. Is is because there's all kinds of other ethical or so-called ethical labels. Ecological labels I think there are huge different points of differentiation, but to get people to even think about the importance of governance, which you have obviously thought about, it's a long trip. It's a long journey to get them to that point because they don't even think of that. Most of them don't even understand governance in their own context, right? They would have. They don't have any connection to governance in their own lives there. The price thing is easy to describe and the fair trade premium in terms of community development is easy to describe, but it's still a very complicated thing. And I mean the points of differentiation to me are the governance components and that's really hard to chat about. So, communicating our messages is one of the things that is difficult and that's why we need young minds in particular, you know, to help us communicate the message of Fair trade, especially to their peers in ways that are comprehensible. So that's that's

one of them. But our structure the way it is evolved, Fair Trade International and all the fair trade bits and pieces, it wasn't planned. It just evolves, right? So, this little thing happened in the Netherlands with the connection with the Co-op in Mexico. And they said, hey, let's slap a label onto it called Max Kavalier and then hey, let's have third party authentication about the trade relationship. And then another country looked at and said, hey, that's a really good idea. What we're going to do the same thing, and we're going to call ourselves Max Havelaar. Then another country comes along saying we're going to do it. We're going to call it transfair. And then eventually they said, hey, we're all doing this thing. Why don't we all get together and have a some sort of connection together and then and then it's like, OK, let's create this thing called Fair Trade International. But we're still all going to be different organizations. And so that's how this thing evolved. And then for many, many, many years, producers weren't apart of that at all. It's only in the last, I don't know, eight years that producers have actually owned half, half of it now the way they do now. And so, which was dumb, but the beautiful thing about fair trade is it evolves, it learns it's like, oh, OK, that's a dumb. Why don't we have producers were doing this for them or is it we're helping them to do this for themselves? So how do we incorporate their voices in our decision-making? Oh well, why don't we make them part of it? So now we've got all those people, right? So we got all those regions and then all those little every country has its own. Every producer country has its own little Fair trade network. So that means it's a very complicated organization to govern and making decisions. If you actually want to create a democratic organization and have an organization that's based on true consultation means you have to spend a lot of time getting people to understand what the decision is. What the different bits and pieces are and then agreeing and sometimes they may make decisions that actually go against their own interests as an organization. So that's another challenge is that decisions can't happen quickly. They can, but they often don't. People look at fair trade say, oh God, I don't want to be involved with them. They take so long to take, just make decisions and everything, and it's because we're not a hierarchy. We don't have a boss at the top. It's because we are working together collectively to try to make decisions that are beneficial. Rational and transparent. That's I mean to me that's an advantage, but it's also a disadvantage because it's we're not all these work walking in the same direction, sometimes people have different ideas and we have to figure out how to incorporate their ideas instead of, you know marginalizing and alienating. Then a third component in terms of disadvantage is the noise around other ethical certifications. It's so easy, I can slap fair trade on a bag of coffee and have nothing I can just say, hey, this is this is fair trade, Bob's Fair trade coffee and not have any authentication or anything. It's like maybe I donate \$10 to the World Wildlife Fund year or something, I don't know. And so that's the other thing is that is that there's so many other ethical certifications differentiating ourselves. Is a challenge, but what we know is that they do surveys, and they look at world opinion on labels and fair trade is always amongst the most trusted labels and the most trusted ethical label in the world. So that's good. Others are starting to creep up. Like Rainforest Alliance is creeping up. They have structures that are in no way transparent or democratic and involved producers at all. Communication of the message, governance, and then the competition from other labels, I'd say those are the three big issues, I mean like an organization like Fair Trade International, you're going to have some slip ups, you know, so we're going to have some corruption, there's going to be somebody trying to fudge the numbers and so that's what appears on the Guardian newspaper, you know, fair trades fake because some little producer somewhere screwed around. It's just going to happen, but you can't base the whole movement on a couple of bad actors, right? It just you just can't. You have to look at the everything and figure out a way to deal with those in a way that doesn't hurt producers, right?

'cause you have to keep that in mind. There's still producers involved in those organizations. The management might be corrupt but not only is the movement being hurt but often the producers are also being hurt so we have to have some level of compassion for the impact on that on them as well. On the Fair Trade International Board our tendency is to lean in the direction of the producers voice because the people who are involved in fair trade tend to be have an affinity for it. Which means they understand it and they are interested in supporting producers. And so that means that the decisions that are made tend to lean towards producers now.

There are certain points in time when the coffee price is higher people have obviously cooperative to sell in dependently. The Fair trade minimum price is supposed to always be higher than the New York Stock Exchange. So there's the minimum price and then if the New York Stock Exchange goes above it, then fair trade price is also going to above it. Sometimes it just can't keep up or buyers will go an inflate the prices they paid to farmers. So that they can get their coffee and then they leave the coop, right. And that means in it's hard to get back in. And so often they will then take advantage of them later in later harvests after they have after they've gotten them out of their coop. Well, would they be able to benefit more from leaving the cooperative or able to sell higher? Yeah. So. So in some circumstances, yes. But the thing about with the coop is that you've got. I mean, first of all, there's a minimum price, you know you're going to get that. You've gotten infrastructure, right? A coyote or a coffee trader because often. You know, farmers in small scale farmers don't have trucks or anything like that, so. If they're not apart of the coop, then they have to figure out a way to get their coffee to the market or have the market come to them. Could you know the local coyote will come with their truck and buy their coffee? And so that means they're going to get a lower price unless it's in one of those situations where the the coyotes trying to hoodwink the farmer into by paying them a higher price one year and then lowering it over the next. With the Co-op then you know that you've got an infrastructure there that's going to help you get your coffee to market. You've got traders who are working on your behalf to try to get the best price possible, and you've got more coffee, right. It's more attractive to buyers because it's not just one farmer. It's a whole bunch of farmers together now. There is this thing called direct trade. Direct trade may work in very few cases. But if you actually start to look at where direct trade coffee comes from, you'll find that it is the small roasters in Canada who call themselves direct trade are likely buying from brokers who are selling the same coffee that I'm buying? I'm not a real expert in understanding the economics of direct trade. What I do know is that farmers prefer from what I understand, and from anecdotal discussions, prefer to work with fair trade because it has that level of security. It has the premium; the prices are are understood. And they can participate in the in the governance. Those are some of the things that they articulate is being interesting for them in terms of the difference between selling direct and direct the economics of it are can be unless he got a shipping container or a half a container. And if you're a really small producer, it can be difficult, but once in a while you know somebody, you'll grow a coffee that shoots through the sky and you know they get 5 bucks a pound or something like that and you can still do that in fair trade like our Ethiopian coffees that are very expensive.

Q: What do you want North American coffee consumers to know about Fair Trade coffee?

A: There is a new strategy. It's a five-year strategy. You should check it out if you haven't. Since I became a member of the board and this is not because of me, it's because of a lot of people. It's become a better organization. I think it's really starting to understand how bits and pieces better

how things relate to each other. To improve decision-making and how to work together collectively to establish goals both with all the producer groups. So, I'm really really, really positive about fair trade. It's a messaging is still a huge problem. We have to think we have to crack that nut. We have to be able to tell people what is so exciting and what makes fair trade so different. But if you look, you should check out the strategy. We're looking at moving from minimum price is to living incomes, which is really exciting. It's going to be hard to do, but at least we're engaging in the conversation. Climate change is a big part of the strategy and gender and youth as well. And but a big part of it is getting impact data. Getting data back to consuming countries from producers about the changes that are occurring as a result of Fair trade. People who sell fair trade products want to know what the changes are. And so, I can tell you stories anecdotally, etc. But that's all it is, is anecdotes. And so, what we need is actual data. And so, we're building that. That capacity at the farm level, you know you got the pilot project that starting where we've given whole bunch of farmers cell phones and they're able to we're working with some data. Data people trying to figure out, you know, the sort of information we want and how to get it back so that we can have faster reporting instead of waiting usually in the past you know you get reports annually and then they have to be digested in it, you might get data that's like a year, year and a half, two years old. And so, we want to speed that up so that so that we can have sort of round the clock analysis of how fair trade is impacting small scale farmers. So that's very exciting. That's all part of the strategy. So, I think you know we're growing. If we could keep growing and we can build allies with licenses, then that would be great. I feel good about it. I mean, I love the governance. I like the direction of the strategy. In Canada in particular, my God, we've got a great organization. Now was a little rough 15 years ago or ten years ago even, but now it's rock and roll, excellent executive director, incredibly competent staff and dedicated and sales are growing and we're diversifying. I think that there's a lot of upsides to fair trade. It's just really it's about communicating the message. I think that people want to participate in economic systems that don't screw other people. I think corporations are very hesitant to learn that, but with fair trade, you have that. That sort of guarantee that we're taking a little bit of the screwing out of the out of the relationship.

## Equator Interview Transcripts

Q: How did you get into the coffee business?

A: I found some articles about fair trade and the ideas of Fair trade forming in Europe at the time. And of course, that was mostly to do with with coffee and, you know bananas, sugar. But it just started in Europe and the Fair Trade Canada hadn't even been formed yet, so we began our journey very entrepreneurial. I couldn't work for an institution 'cause I would freak out. Even after getting a master's degree in international development qualifies, you to drive a truck somewhere or work for the government. And I just- I knew I couldn't survive that, so I needed to have more direct impact and doing things myself. So, I realized we could form a business roasting coffee in Canada that took a little investigation and and so that's how we started.

Q: Can you describe the structure of your business? How does it operate?

A: We are Fair trade certified. The only difference is we don't use the current logo. So, we have our buying cooperatives that we were a part of well exceeds fair trade standards. All of the documentation of the coffee from the producer to the buyer and pricing is much beyond fair trade.

So, we were well exceeding that. The only difference is we felt like the logo itself and the fees to put that logo on the bag were being used for more marketing, bureaucratic things than actually helping farmers. So, we took the logo, and still pay our minimum fees to the fair trade labeling organization. But we diverted the funds that were for the label into direct assistance, particularly through an organization called School Box.

Coop coffees, which is our buying group, is 24 other coffee roasters like equator in North America and we buy directly from small producer co-ops. That relationship provides a lot of authenticity that, you know, being a importing company, it doesn't really care about the farmers of the price, they're just putting the label on it in order to sell to a different market. Like that's not what we do. There's some historical perspective to have on the flow organization and actually has an origin point on the planet. It was originally from Europe, right, Germany, and in Germany particularly they don't have neighborhood roasting companies, they don't have small roasting companies that had a large roasting companies, so they knew they were going to change the behaviour of these large roasting companies. So, they wanted to fit a system into an existing system. What we found in North America is either. Or since then, you might say you believe in fair trade or you don't. Let's say so like the label doesn't really fit it's actually not a good model. It's not a good way to do fair trade. There's the the fees and all that stuff for to support an NGO and their salaries in Germany. It's not really because you could do this. You could do the same thing with transparency for a lot less money. Right. And so it becomes this obstacle that is unnecessary and we felt like we could repurpose that money to better use. Some other principles of Fair trade that I think are really important, which are different than direct trade. Direct trade you could call it like, particularly with the 3rd wave coffee companies. It's like a one-night stand. They they're going and buying the highest quality what they want. But they're not in a long-term relationship with that. Which fair trade is part of creating. Well, in direct rate, yeah, but that's there's, there's some really big distinctions. The values of Fair trade I think are really good and strong and pretty strong amongst other coffees members, but not all of us would put the label on the bag for fair trade just because we're exceeding the minimum price standards we have. There are some really good ideas within that, that direct trade doesn't associate with. Now the other thing I would say is that our contracts. And co-op coffees have started to look more like a direct trade contract because we consulted. With some of the first direct traders that were had good intentions. So in that regard quality should drive a higher price. Whereas fair trade doesn't have an association quality coffee. Our contracts do both, like we have a high minimum price without the the farmer organizations set the time of the contract. Which is also different because as the market fluctuates. People try to lock in the price to their advantage. Anyway this is just some of these aspects it will pay more for a higher quality coffee it's built into the contract

Q: What business practices that sets you apart from other coffee roasters/ suppliers?

A: For us that was just more of a personal choice to become B-Corp certified to hold us to a higher standard, something basically we were doing, but it just made it measurable and have goals for improvement year over year. Encompassed even a little more than some of the things that we were intentionally working on like the he environmental stewardship, the things that we've really enjoyed looking into and diving in deeper and it's really creating more employee culture and better benefits for our own employees as well. For B-corp, basically, instead of benefiting the corporation's shareholders, you are benefiting the stakeholders. That includes the producers you

buy from, the employees, the environment, and the community. Encompassing all those elements gives us positive goals to work towards and ways to be better

Q: Describe your relationship with cooperatives. What are the advantages and disadvantages of working with cooperatives?

A: We have a huge advantage of having participated with Coop coffees since 2010 or 11 or so, and the reason that is because that organization is grown as a more sophisticated green bean buying company, even though it's a Co-op. We have staff that handle the importation and cut the coffee, and there's there's a certain amount of risk in buying directly. And you really kind of have to know what you're doing. That's why people rely on importing companies because they have expertise in it. So so a small company wants, you know, authentic relationship with fair trade usually can't do that and less they work through someone else.

We haven't had some of the drawbacks because Coop, coffees is doing their job right there like they were testing the quality. They are handling regular interaction with the co-ops to see what their production is like. The question we're asking as a Co-op, I want to know. All I would say over fair trade principles is what does it cost to produce a pound of coffee? Because that's how we're setting on pricing. It's not because of the New York Stock Exchange.

One of the drawbacks I would say is that because you have that long term relationship and you're committed to buying their coffee. You can be hit by an interruption in weather or a bad crop or something where you've committed to coffee that ends up not being the grade that you need it to be. So then having to get creative and finding ways to use a coffee that's maybe not the highest Quality..

I'll tell you a story. The manager of a Costa Rica Coop said something to me and I was young at the time like we just started. He said that Fair trade isn't that big a deal, but the Co-op is. See, they were much more loyal to the cooperative and fair trade, like fair trade was only a part. This is only a part of their business even today, right? So, the point there is that there is a huge understanding, particularly in Central America, that as the coop they can do better than they can on their own. They can do better. Sharing their resource is that they can on their own. And that was really great for me to hear from them so long ago, there's so much involved in the processing of the coffee that if one farmer had to be responsible for all of that themselves, it would be a huge investment, whereas if they can gather their resources and pay for the wash station or the truck that they need or the. The separation station or the drawing patio or the like, all of those things are big expenses and to share that is much more valuable than trying to do it yourself.

The structure of the supply chain- the commodity markets have no association with the cost of production. Right. So that's macroeconomics. That that has to change its that's what's wrong with the system, right? Because you have this arbitrary number that's dependent on the life left. Peoples livelihoods are dependent upon. It has nothing to do with the cost of production which has resulted in why you felt terrible when you first learned. The truth about coffee and injustice is that the sum of the poorest people. Particularly. In the Americas are are subsidizing the wealthiest people's coffee and have been for a long time.

One of the questions to ask in regards to this is to do with quality. The question could be like a theoretical question. Is raising quality a better strategy than fair trade? I've learned in this world you have to provide value in order to get rewarded for it. You can't presume to be rewarded without value, and for coffee the quality can be often times can be raised by, you know, education processing organic. Methods of care and so sharing knowledge and sharing.

We had any visit in February with a group that we've been connected with for a long time and they've only recently started working with the coffee farmers in their area. They do more mission work in terms of serving the community, but what they found is that farms were giving up on coffee because it just wasn't enough. And so, people offered them to buy the farm from them. And they said no, you keep the farm will work with you to figure out how to make this function. And so they've worked, grown from how many farms are they with, you know, like it doesn't or something. But they're also sending them home with some of their own coffee to drink as they weren't even drinking their own coffee. They just go to the grocery store and buy the cheapest coffee 'cause it left them green. They'll process some of their coffee and hand it back and help them to see what it taste like and gain pride and their product and they're really transforming that area back into one that's proud of their coffee and actually make a living from it, it's really neat.

#### Small-Scale Producer 1 Interview Transcripts

Q: When did you start farming? Did you grow up on a farm?

A: In my life I started with my father... siblings... I keep working on the coffee almost all my life, I know the coffee. Yes, I own the farm, my father owned it first. I just grow coffee.

Q: What types of crops do you grow? Do you focus on growing only coffee or is your farm diversified?

A: Tried to plant plantain but it didn't work so I only keep the coffee. It is cery hard to grow the coffee it takes time it takes almost 3 years for the coffee to grow. You have to keep working, cleaning, put chemicals and a lot of stuff to get a lot of stuff- the first harvest. For 1 acre it is 3000 plants.

Q: Are you apart of a larger cooperative or are you an independent producer? If you are not a part of a co-operative, why haven't you joined or why have you left?

A: I sell to the company CoopeAgri. What I do is I sell all my bad stuff to CoopeAgri and I keep the good stuff for my clients. You can measure the coffee by , biggest unit of measurement. Let's say I have 100 fanega I keep 20 of 100 fanega and to sell it to the people who usually buy it from me.

Q: What are the benefits of a co-operative? What are the challenges? Part 1

A: CoopeAgri gives you good benefits. It is easy to get chemicals, get money. It takes 3 years for the first harvest. Easy to get credit to get started with growing coffee. Credit like in a bank but pay

monthly interest. For example, the first 3 years is free in the means of no interest rate. While the coffee is growing. Then after 3 years you have to pay because the coffee is ready to harvest.

The challenge is that CoopeAgri is the only one they have around. You have to sell your coffee to them like it no matter what, you have to send your coffee there is no choice. They control everything. There is no competition in the area. They can make their own rules. There are only micro benefits like small benefits to process coffee. Like personal things. They won't accept people from outside, they want people from around the area.

Q: Why did become a Fair Trade member? How has it or have not improved your livelihood?

A: We don't sell Fair Trade coffee only normal coffee. We would like to do something with Fair Trade but that takes time it's another process and its very expensive process.

Q: Has your financial situation gotten better since joining Fair Trade or has it remained the same?

A: The price right now is good now but before its not too good. That's why you sell it separate from CoopeAgri. We sell it and get more money for it. Right now, it is a good price on the New York Stock Exchange because of the Brazil coffee is going down. So, costa Rica's coffee is going higher. When Brazil has problems they lose a lot of money and contracts, so our coffee goes higher. It sounds horrible but we benefit when they have a bad harvest.

You don't make a lot of money- I have to manage and save money. I have another job, so it is not like we are living just of coffee because that it hard. Living just with coffee money is hard. 20 years ago, we used to have plantations of coffee all around Santa Elena but people got to know that it is better to go to the city to find a job and will make more money than just coffee plantations so they decided to make loads in their farm and sell it. Lots of population leaving Santa Elena making lots of their farm and sell parts of their land to people in San Jose from other places. ... *stopped talking because the individual was getting emotional about the history of people selling their land to other people* nobody wants to work in coffee its easier to sell the farm no complications of life and go work somewhere else. I love to work coffee but mot to many people love to grow coffee.

Q: What are the benefits of a co-operative? What are the challenges? Part 2

Cooperative gives you 3000 Colone for every kilogram of coffee. I got a big loan. They give you for every acre they give around 2.5 million colons. They calculate how much you can get per acre of coffee plantation. They won't give you more than that. They give you that much money because they know you will make more than that. But they know I have to keep money for working, buying stuff, pay workers. I have somebody that helps me. They work for me. They clean the coffee and get it ready for harvest. They are many things to do you have no idea. I have 5 acres of land to get ready. I need 17 people to help me. My boys don't want to help me. Everyone wants the people from Nicaragua. They are not free people to work. If we have to do something for the coffee there is no one to help us. We have to wait until they become free. We don't have Costa Rican hands to help us harvest the coffee. We have to use Nicaragua people to help.

I can make more money if I sell my coffee myself. Because if I keep selling to the co-op I keep getting few money. But I can get more money. I keep the coffee for 5 years the good stuff. Then I have to trim it. You cut half the plant then the plant will take another year to produce coffee. 1 coffee plantation can last a long time. Not many people keep the same plant over 5 years. That's why you do a small cut. We used to have a kind of coffee that was so sensitive to fungus. It will take the coffee plant leave and kill it. We have a better kind of coffee of another name. less sensitive to fungus to too much rain, a lot of sun. you need to plant a type of tree that provides shade so it will protect the coffee plant against rain and sun and other things. You will easily lose a plantation and ruin the economy.

Q: Do you feel that you have control over your farm? In other words, do you feel that you are able to make decisions regarding your farm? Are there any forces that compromise your independence?

A: I can make the decision on my farm not the co-op. Sometimes the cooperative will tell you to use a specific chemical which is expensive, and I will lose money. If you are new with coffee, you will do whatever they say. But there is something always behind what they say. They want to sell their products and chemicals. We found they are not good in that way because they are expensive. But the knowledge year after year with growing coffee, you will know what to do. They cannot trick you. There is ICAFE- you have to go to this institution and ask for help. You tell them I had a horrible problem with my coffee plantation. And they have a professional person. They will tell you what to do and what do use which chemical and fertilizer to use to help you reproduce your coffee. Our brand is called Café Glosbe CR. Which means land, autonomy, and freedom.

#### Small-Scale Producer 2 Interview Transcripts

Q: What types of crops do you grow? Do you focus on growing only coffee or is your farm diversified?

A: We have coffee, sugar cane, peppers, cocoa, cucumber, ginger root. 20 acres of land. Me and my family own the farm I have another farm at the highlands. 1700 metres above sea level and the coffee over there is very good and very special. We sell our crops to a luxury hotel. Only very rich people go to this hotel, and we sell our spices to them. We are very happy. People from Hollywood come. Some people want to come to the farm. We are not ready to open the farm to that kind of people.

Q: Are you apart of a larger cooperative or are you an independent producer? If you are not a part of a co-operative, why haven't you joined or why have you left?

A: I sell to CoopeAgri but there are micro mills and they sell that kind of coffee that is very expensive and they sell to Korea, Japan, they pay good money. High-quality. Coffee is not easy to grow. That land its high and very hilly. Very hard to walk hard to harvest we finished the harvest and the people helping they claim they have to hold on to the plantation to keep on the side without falling down. They are from Indigenous people from Panama.

Q: What are the benefits of a co-operative? What are the challenges?

A: CoopeAgri are a bunch of people who get together and work together by the same direction. CoopeAgri says they fight in the same market but think like a company. CoopeAgri says they must fight in the market, but they think as a company. They think by themselves to keep the co-op running and forget the people. That's why some people don't like the co-op are not cooperative with each other. The people who have micro mills are selling directly the coffee to the roasters and before they were members of CoopeAgri and now that they left they have better living than before. Some people following but in order to leave you have to have very high-quality of coffee otherwise you cannot do that with the micro mills. In this town Santa Elena there is only one center to receive the coffee – no other company have the center in Santa Elena only CoopeAgri. You have to deliver the coffee to CoopeAgri because nobody will receive the coffee. There is no competition.

The way we sell the coffee. We start the harvest we sell the first couple of bushels. They pay one part of the total money For example, the final price is \$100 they pay \$75 upfront and the rest they will pay within 8 months. They give you loan for fertilizer, chemicals, seeds. For myself, the competition they work only if they see very good business for them the other ways they don't care. This coffee down here is not the quality is not very good and CoopeAgri don't care. If tomorrow the coffee is good then CoopeAgri will be there to get the coffee but if the next day the coffee isn't good again they will be gone. There is no security with them to keep the farm. I like them.

We try to have to good coffee, but you have to work very hard. This year thank god, the price is very good. The problems happening in Brazil the pandemic is very good to push the price of coffee very high. This year next year and the 3 years is going to be good coffee prices. We can invest a little more money in the farm and there will be better quality before we don't have the money so the quality is going to be sacrificed to have a good harvest. I was talking to my wife last night and this year with the money we get already with the coffee I pay all the bills, I invest I have the fertilizer for the whole year in the storage, around the world is not going to be enough globally, for the sugar cane harvest I haven't used the money. For financially it is very well. But now I have to invest the money we have to be intelligent. I want to work a little more on the plantation. I want to put a little factory with another business, we need some equipment, I have to fix my house- the roof is very bad. I need a lot of money to fix the house but I have to save money.

Q: Do you feel that you have control over your farm? In other words, do you feel that you are able to make decisions regarding your farm? Are there any forces that compromise your independence?

A: CoopeAgri have agricultural engineer to come and give direction/ tell you what product to use on with this problem on the farm. But the way I handle my farm is the decision it takes with my wife and me. I am the engineer on my farm. This kind of life that I live it gives me a chance to learn everyday. I go around walking and I look at the crops I watch – I talk to the plant and they listen. I have grapes I planted grapes 3 years ago and I don't even see one grape. One day I got very mad, and I say 3 years is enough if next year I don't see any grapes I am going to cut and burn the plant. So, I cut a little branch and I put a little fertilizer and next year it started to produce grapes. ICAFE do not help. The only guarantee is that the law we have going to be respected about how much money your supposed to be to use with each panaga. More money you use in the mill process the less money you keep.

Q: Why did become a Fair Trade member? How has it or have not improved your livelihood?

A: I think Fair Trade at the beginning was very good but the past years you see this mechanism of buy coffee or sell coffee is a business tool than a real connection with the producer and consumer to make more justice. Look we have a price from FT and this price is for the produce but the CoopeAgri take the price and ask they say. 50% cash 50% credit to buy stuff form the CoopeAgri store. This year with the pandemic with the general assembly so this year 100% of the Fair Trade price is the credit or loan. They don't give us the money and the people the mad. This price Fair Trade is not CoopeAgri's its mine, I am supposed to do whatever I like not whatever you say I am supposed to do with the money. They are very mad with CoopeAgri. They didn't ask with the Fair trade money. They told us it was going to be this way. This year we are going to fight at the general assembly. I am a delegate so I can go and fight. Fair Trade price fee is too expensive.

Q: What changes do you predict farming in Costa Rica will see over the next 20 years?

If you are in the coffee business I think you should be an owner of three or four or one mill roaster in Canada it is very important you make partnership or aligns with producers to keep prices that permit to work and you have the guarantee that you will have quality coffee in your shop because countries like Costa Rica that we are very small producers most people only have a few hectores many times it is not enough to keep the family above the poverty line. So, more and more families are saying they do not want to grow coffee so they go to the city to find a job and give the land to another person. The world has a lot of coffee like in Brazil and Honduras. Costa Rica is so small that the world might not even know that at one time, Costa Rica produces coffee. But Costa Rica has very, very, very good quality coffee, and our coffee businesses are very serious about their business and their contracts. So, other countries will say they do not have coffee to sell because the companies will want to buy the coffee for a low price to save the coffee for themselves and sell it to the highest buyer. But Costa Rica will never do that because we are responsible to the business. That's why I say the roasters make aligns with the producers and I think the best thing that can happen with the partnership is that the producers own a part of the business, and the business owners own a part of the farm. To guarantee that the business will work together. Its not one business better than another it is both people working together.

Q: What do you want us to know in North America about farming in Latin America?

A: If we want to survive, we must do something, or we will die out. It is impossible to keep the business if you do not care if both sides of the business. The future would be very dark and very sad. We must find new ways to market the coffee, connect the producers, the roaster, and the roaster with the consumer. Some people just have money to invest in the coffee without knowing anything about it, which makes it volatile because if anything happens in the world, the prices can drop. They are using coffee to make money they do not care about the coffee industry, producers, the environment they only care to make money. We must fight to make the coffee industry fair for producers.