

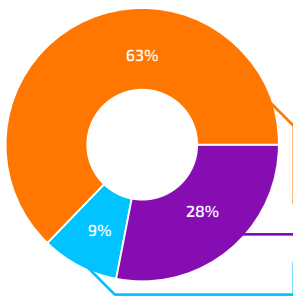
Fairtrade Coffee: Impact at a Glance



FAIRTRADE INTERNATIONAL

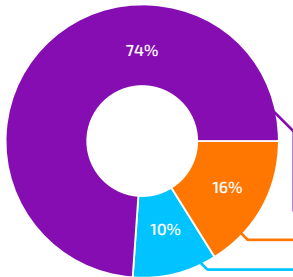
Fairtrade coffee helps build **sustainable livelihoods** that support farmers, the **environment**, and the **future** of coffee.

Fairtrade Coffee Facts & Figures:



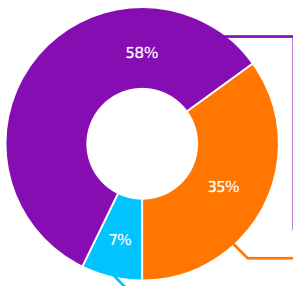
845,000 coffee farmers

- 63% in Africa and the Middle East
- 28% in Latin America and the Caribbean
- 9% in Asia Pacific



624 Fairtrade coffee producer organisations

- 74% Latin America and the Caribbean
- 16% in Africa and the Middle East
- 10% in Asia Pacific



1,019,000 hectares

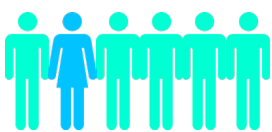
- are farmed under Fairtrade coffee certification
- 58% Latin America and the Caribbean
 - 35% in Africa and the Middle East
 - 7% in Asia Pacific

Coffee farming is mostly a family business, handed down through the generations.

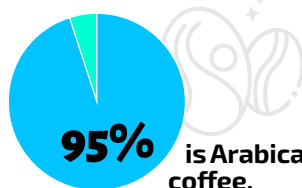
It's also a hard way to earn a living these days.

- **Low incomes, high costs and price volatility** mean farming families struggle with the day-to-day, and aren't able to invest in farm improvements.
- **Climate change** means crop loss or lower quality, which also reduces income.
- **Young people don't see a future** in coffee farming.

Fairtrade is working with farmers to improve livelihoods today, and for the next generation.



1 in 6 Fairtrade coffee farmers are women.



is Arabica coffee.

64%

of sales in 2022 were organic coffee.

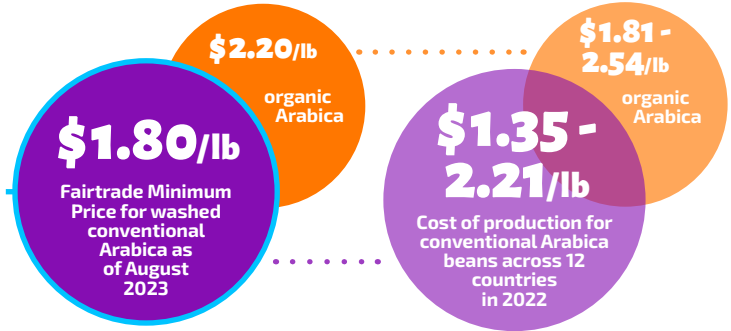
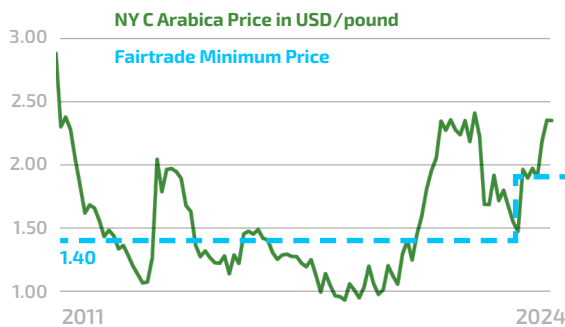
43%

of all Fairtrade coffee produced is organic.

What difference does Fairtrade make?

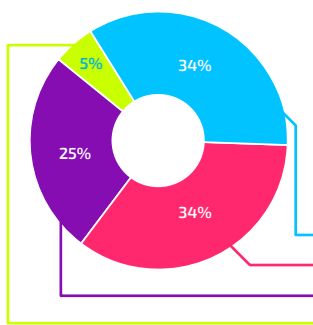
1. Stable prices to plan for the future

The Fairtrade Minimum Price provides a safety net for farmers.



From 2011 through 2022, the Fairtrade Minimum Price was above the New York C price for Arabica beans **53% of the time**, providing much needed stability. Our new minimum prices better cover farmers' actual costs to grow coffee, so they can invest in their farms and have a decent standard of living. Cooperatives can always negotiate for higher prices, receiving the market price when it is higher.

The Fairtrade Premium is an extra sum paid on top of selling price to cooperatives, who decide democratically how to use it. Premium funds have a significant impact on production practices and farmer incomes:

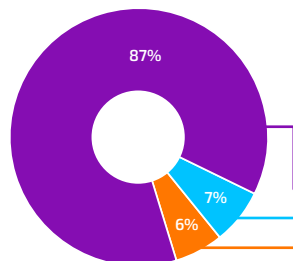
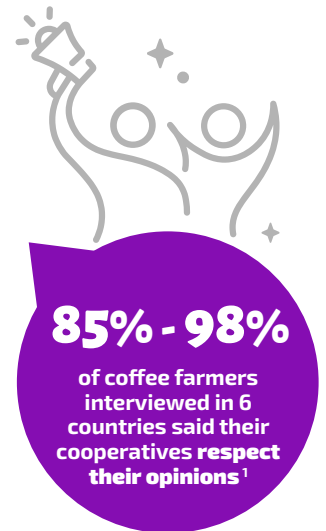


€96.4 million

Fairtrade Premium earned by coffee cooperatives in 2022

How coffee cooperatives invested their Fairtrade Premium funds in 2022:

- 34% improving production, including quality
- 34% business & organisational development
- 25% financial benefits for farmers
- 5% social investments



231,310 metric tonnes

of Fairtrade coffee were sold by Fairtrade producers in 2022

- 87% from Latin America and the Caribbean
- 7% from Asia Pacific
- 6% from Africa and the Middle East



In 2022, coffee cooperatives sold on average **33% of their coffee on Fairtrade terms**. This is an improvement over the previous year (24%), however it is mostly due to a drop in volumes produced, likely due to climate change and cost of farm inputs such as fertiliser.

¹ Fairtrade International, 2022. Tracking Fairtrade's Impact: results of household surveys with banana, cocoa and coffee farmers (2016-2018).



Photo: Midaly García Huamán / CLAC



FAIRTRADE
INTERNATIONAL

What difference does Fairtrade make?

2. Contributes to better livelihoods and higher incomes, depending on the context



Fairtrade can lead to higher incomes for coffee farmers, especially when certain factors are in place. These include a higher share of production sold on Fairtrade terms, strong cooperatives, and additional organic certification, as well as higher quality and value addition which Fairtrade Premium investments can support.^{2,3,4} High production and labour costs and climate change effects can reduce farm profitability.⁵ Benefits for coffee workers' incomes is an area for improvement.⁶

50%
higher incomes and better price stability, according to a 10-year study comparing a Fairtrade coffee cooperative in Peru with non-Fairtrade farmers. Rising costs in 2021 reduced the income gains.³

50% - 66%
higher net revenue for Fairtrade coffee farmers vs non-Fairtrade in Nicaragua and India respectively.⁷

Farmers in Papua New Guinea reported **standard of living benefits** thanks to Fairtrade: Improved housing, increased savings, access to healthcare, and ability to pay school fees, among others.⁸

Fairtrade also sets voluntary living income reference prices for companies that want to go further in their sustainability commitment.

To date, Fairtrade has set **7 country or regional Living Income Reference Prices** for coffee: Colombia, Ethiopia, Honduras, Nicaragua, Peru, Indonesia's Aceh region, Uganda

Learn more: www.fairtrade.net/issue/living-income-reference-prices

3. Strong, democratic cooperatives



Well managed cooperatives support farmer members, including to improve agricultural practices, provide access to credit, and support in times of crisis.

Farmers who are members of strong Fairtrade cooperatives – ones that provide farm extension services (training), access to **credit**, have **good connections with traders** and **stronger collective action** – had **higher net revenues**, and in some cases **higher incomes**, as compared to those that provide fewer services.³

Fairtrade coffee farmers in Indonesia were **15% more likely to receive support from their cooperative during the COVID-19** pandemic than non-Fairtrade farmers. The Fairtrade coffee households were also rated **13% more resilient** than non-Fairtrade (including economic, environmental, social wellbeing and governance factors).⁹

² Bermudez S, Voora V, Larrea C, 2022. Global Market Report: Coffee prices and sustainability. International Institute for Sustainable Development (IISD).
³ Mauthofer T and Santos M, 2022. Assessing the impact of Fairtrade on poverty reduction and economic resilience through rural development. 2nd follow-up study. By Mainlevel Consulting AG, presented to Fairtrade Germany.
⁴ Donovan J, Blare T, Peña M, 2020. When Fairtrade is not enough: coffee cooperative development and the role of certification systems. Food Chain vol. 9, no. 1.
⁵ Panhuyzen S and Pierrot J, 2020. Coffee Barometer.
⁶ Dragusanu R and Nunn N, 2020. The Effects of Fair Trade Certification: Evidence From Coffee Producers in Costa Rica.
⁷ Jena PR and Grote U, 2022. Do certification schemes enhance coffee yields and household income? Lessons learned across continents. Front. Sustain. Food Syst.
⁸ Mackenzie E, Knight M, Allen M, Gonapa M, Hamago M, 2022. Fairtrade impact study in coffee communities in Papua New Guinea: Impact study report. By Sustineo, presented to Fairtrade Australia and New Zealand.
⁹ Günther MK and Afroz B, 2022. Fairtrade certification and producer resilience in times of crises. By Scio Network and Athena Infonomics, presented to Fairtrade International.



4. Tackling climate change and deforestation

Broad studies are limited on these topics, although programmes have provided encouraging results. The Fairtrade Coffee Standard is being reviewed in 2023 to update deforestation and climate change resilience requirements.

The Fairtrade Coffee Standard now includes requirements that align with the EU Deforestation Regulation, including having farm-level geolocation data, deforestation risk assessment, and an earlier cut-off date than the EU regulation requires. Thanks to a partnership with Satelligence, all Fairtrade coffee cooperatives can have access to free deforestation risk monitoring analysis that they can share with their commercial partners.

272

coffee farmers

participated in a Fairtrade **Climate Academy in Kenya**, including learning sustainable land management practices (organic farming, agroforestry). For instance, farmers' **use of shade trees more than doubled** compared to non-participants.¹⁰ Now 10,000 farmers in Kenya and 1,200 in Ethiopia are taking part in the next phase.

272

Fairtrade coffee cooperatives

designed climate change adaptation plans in 2021-2022



120

women coffee farmers

in Peru are working to improve biodiversity and reforest land, while also improving their coffee quality and participation within their cooperative.

Read more: www.fairtrade.net/news/coffee-standard-update-expanding-deforestation-prevention

5. Opportunities for women and the next generation of farmers

Fairtrade cooperatives must have a gender policy to promote the inclusion of women, and are encouraged to create opportunities for young people as well.



In a study of **6 coffee cooperatives from Guatemala**, Indonesia and Kenya, Fairtrade coops had **more women in leadership** than non-Fairtrade coops. **Women's committees** have been successful in raising issues and finding solutions, such as access to credit or training for women.¹¹

More than **500 women coffee farmers** in Kenya improved their coffee yields by 40% and their coffee quality by 60% through the **Fairtrade Growing Women in Coffee programme**, plus launched their own brand: **Zawadi Coffee**.¹⁰

9 coops in Bolivia trained **young people**, who then built demonstration plots to showcase **sustainable agricultural practices**. 330 farmers reported a 57% in their production as a result of adopting the practices.¹⁰

¹⁰ Fairtrade climate change projects: Learning from experience, 2021. We also published a free guide and videos for other coffee producers to benefit from the same insights (<https://www.fairtrade.net/library/climate-academy-guide-for-coffee-producers-kenya-2021>)

¹¹ Gallagher EJ, Monterroso I, Sanjaya IM, 2020. Women's access, equity and empowerment: progress and uptake of the Fairtrade gender strategy 2016-2020. By CIFOR, presented to Fairtrade International. By Scio Network and Athena Infonomics, presented to Fairtrade International.

Fair is working together

Fairtrade offers multiple ways that companies and brands can put their values into action. Work with us to transform your supply chain and discover what is fair.

For detailed information visit www.fairtrade.net/act/fairtrade-for-business or contact your local national Fairtrade organisation.



the
future
is fair