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the Fairtrade experience in Chiapas

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**UNIVERSITÉ
DE GENÈVE**

**GENEVA SCHOOL
OF SOCIAL SCIENCES**
Department of Sociology

ENHANCING THE LIVELIHOOD OF MEXICAN COFFEE FARMERS THROUGH CERTIFICATION: THE FAIRTRADE EXPERIENCE IN CHIAPAS

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Master Thesis

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1. INTRODUCTION

Incredibly rooted in our pattern of consumption, coffee is a highly coveted commodity in the global economy. With approximately 175 million bags produced worldwide in 2020/21 (USDA, 2021), the global coffee market is considerable and characterized by highly volatile prices and the extreme poverty of many of its farmers (Naegele, 2019). Indeed, millions of poor people live in what is called “The Bean Belt”, a geographic zone including 70 countries with tropical climates, perfect for growing coffee (TED, 2016). The global coffee market can be described as a vulnerable and essentially cyclical market with prices consistently shifting. This vulnerability is caused by diverse variables, such as natural events (drought, heavy rains, natural disasters), structural global oversupply, shifts in agents’ bargaining power in the coffee chain, and the failure to renew the International Coffee Agreement (ICA), an agreement that was set to stabilize the market in terms of fluctuations in the levels of world supplies, stocks and prices for coffee (Johannessen & Wilhite, 2010). Due to the coffee market profile, voluntary sustainability standards addressing sustainability concerns are widespread and of different natures.

The Fairtrade network, through a market-based approach, promotes social and environmental development for producers (Johannessen & Wilhite, 2010). The main tool developed by Fairtrade International is the Fairtrade label that addresses poverty issues and incorporates standards of minimum price and social premium, assuring coffee growers that their products will be bought at a fair price (Naegele, 2019). Aiming at countering mainstream trade practices that revolve around free-market competition, Fairtrade can be seen as an effort to reinterpret trade using alternative norms of “sustainable development”, “fairness” and “partnership”, challenging historically rooted international trade inequalities. Furthermore, Fairtrade initiatives attempt to create more egalitarian commodity networks by linking marginalized producers with progressive consumers (Raynolds, 2009). The sale of Fairtrade-certified coffee through a dedicated market is intended to diminish the nodes in the commodity supply chain so that more incomes can be captured by coffee producers (Naylor, 2018). While the coffee market has a large proportion of Fairtrade sales, the global market share of Fairtrade coffee remains small (Naegele, 2019). Indeed, in 2019, Fairtrade coffee was only representing about 2% of the global coffee market (Fairtrade America, 2019). In Switzerland, a country with a significantly large market for fair trade products, the share of Fairtrade coffee reached an estimated 11% of the total market in 2019, which is among the highest percentage that can be found comparable to other developed countries (CBI, 2021).

Our study focuses on the Fairtrade coffee commodity produced by small Mexican farmers and regulated by Fairtrade organizations. As a data-rich commodity industry (Darrian et al., 2015), the coffee sector is well-suited to study the impact of Fairtrade certification and the way the supply chain is articulated around Fairtrade standards and values. For this analysis, Mexico is our country of choice, with a focus on the region of Chiapas. Since Mexico is one of the first countries where Fairtrade coffee standards were implemented, we have access to a lot of information, brought by official Fairtrade statistics and extensive academic literature that tackles the subject. Despite being surpassed in recent years by other

Latin American countries such as Colombia or Brazil, the production of Fairtrade coffee remains relatively important, with 85,000 hectares of land dedicated to it and around 22,223 metric tons of coffee produced in 2019 (Fairtrade International, 2019). The number of Mexican farmers and workers living off the production of Fairtrade coffee is estimated at 37,316 in 2019 (Fairtrade International, 2019), and the majority of them live in high altitude regions such as in the states of Chiapas, Veracruz, Oaxaca, and Puebla (Folch & Planas, 2019).

Along with Mexican farmers that are very often organized in producer cooperatives, international traders, coffee manufacturers, and consumers are part of the Fairtrade coffee supply chain. Our study incorporates an analysis of this supply chain, as we believe that evaluating the commitment of the different actors is key to unraveling Fairtrade successes and shortcomings. An emphasis is being placed on market-driven supply chain actors that pursue mainstream business practices with conventional norms. Indeed, the economic participation of these agents contributed highly to the growth of Fairtrade markets. However, their growing dominance, formal and informal influence may have affected Fairtrade core values and governance since their level of commitment and their interests do not reflect the values that inspired the creation of the Fairtrade system, rendering the initiatives less effective (Taylor et al., 2005).

Through a qualitative approach, our study attempts to evaluate how effective the implementation of Fairtrade certification in Mexico is to enhance the livelihood of local coffee farmers. We will also question whether the Fairtrade mainstreaming strategy that has been pursued through the inclusion of conventional economic actors was a viable choice to fulfill the organization's missions. While our study explores the entire Fairtrade landscape to capture its complexity, we must be precise that a focus is being put on the North and South American regions.

To answer our questioning, we must first shed light on the Fairtrade system. Therefore, our analysis starts with a brief literature review, painting the scope of academic opinions on the subject. As a second step, we will portray the Fairtrade organization using a historical and descriptive perspective to understand its origin, essence, and functioning. Third, we will overview the Fairtrade coffee supply chain to capture how the different actors' interests are articulated, and what role they play in this context. With the knowledge acquired, we will then proceed to the core of our analysis where we attempt to assess Fairtrade successes and shortcomings, using mainly interview materials and the "solidarity economy" theoretical framework. This section will be followed by our contribution on what can be done to improve the Fairtrade system.

2. LITERATURE REVIEW

As we have previously mentioned, the academic literature about Fairtrade's impact on Mexican coffee producers is quite rich, despite a decrease in recent years of the amount of Fairtrade policy analysis research. Scholars seem to share a common opinion on the effectiveness of Fairtrade for Mexican coffee farmers. Indeed, there is a shared belief that the Fairtrade network has failed in delivering on its commitments, although some successes can be underlined. Several subtopics can be discerned in this literature.

On the matter of Fairtrade's economic benefits for farmers, authors tend to agree that the Fairtrade minimum price and the premium system are underwhelming, resulting in low-profit distribution, too little to affect farmers' financial situations. They argue that the price for Fairtrade coffee products should be higher to overcome this limit, without however being so high that ethical consumers become discouraged (Naegele, 2019; Naylor, 2018). Furthermore, scholars advance that the larger share of economic income extracted from the sale of Fairtrade coffee end up in consumer countries (Johannessen & Wilhite, 2010). This is, for the most part, because Fairtrade coffee is positioned within the conventional market, an environment where large multinational companies have great control over the supply chain.

The functioning of Fairtrade certification is also highly criticized by scholars. Several authors consider that the certification fees that small coffee producers have to assume are unjustifiably too costly, with claims that the Fairtrade premium profit captured by the latter is almost entirely dedicated to covering these fees (de Janvry et al., 2015; Victor Claar, 2016; Naylor, 2017). On a positive note, Fairtrade certification may lead to a higher propensity of community investments due to an increase in social cohesion, as Fairtrade requires farmers to be organized in cooperatives to be certified (Gitter et al., 2012). Moreover, when certified, farmer cooperatives are officially members of the Fairtrade network. By being part of a global system, local coffee producers may be able to affirm and maintain their political and economic autonomy through certification (Naylor, 2017).

From these commonly-found criticisms, the academic literature seems to be relatively unanimous on the idea that Fairtrade does not directly benefit coffee farmers, but rather the producer cooperatives (Johannessen & Wilhite, 2010). Even then, cooperatives may struggle to capture the benefits of the Fairtrade system, as deeply rooted political tensions between communities often impede the strategic reinvestment of social premiums and the coordination needed to pursue community-development plans (Naylor, 2017).

For many authors, Fairtrade started as a promising alternative trade model but lost its essence along the way, with mainstreaming becoming the dominant strategy leading to inconsistent trade relations (Johannessen & Wilhite, 2010; Reynolds, 2009). By cultivating an image of small coffee farmers from the global South thriving off Fairtrade coffee production thanks to ethical consumers from the global North, the Fairtrade network has exaggerated its benefits and lost sight of what really mattered (Johannessen & Wilhite, 2010; Naylor, 2018). This aspect is mirrored by the fact that coffee farmers are often not aware of being part of a Fairtrade cooperative, and more largely of a global network, since they may not individually feel the benefits of Fairtrade (Johannessen & Wilhite, 2010; Naegele, 2019). Several scholars also criticize the concentration of power in the Fairtrade network, in which the voices of farmers are hardly taken into consideration in the decision-making

processes, which is perceived as a form of eco- or neo-colonialism (Cole & Brown, 2014; Taylor et al., 2005).

Fairtrade may therefore be more valuable to large multinational companies (coffee manufacturers and retailers) as a tool to acquire market power in niche markets and “fair-wash” their corporate image, without being legally constrained by a dimension of compulsory and monitored ethical commitment (Johannessen & Wilhite, 2010; Naegele, 2019; Taylor et al., 2005). Dominating the Fairtrade market, multinational companies also bolster the competition between Fairtrade producers. Indeed, these companies have a preference for buying Fairtrade coffee (of good quality and with precise trace records) in large quantities, making it difficult for small farmer cooperatives to compete with larger ones and reap the potential benefits of Fairtrade (Johannessen & Wilhite, 2010; Raynolds, 2009).

3. THE FAIRTRADE MOVEMENT: A HISTORICAL AND DESCRIPTIVE PERSPECTIVE

3.1. INTRODUCTION AND GENERAL REMARKS

The first chapter of this work provides a historical and descriptive perspective on the Fairtrade Organization. We will start by analyzing the variables that pushed for the creation of the organization, emphasizing the Alternative Trade Organizations (ATO) model. We will then discuss the development of the Fairtrade network, the logic and main purposes of the organization, and the standards used to fulfill their objectives. Finally, we will have a look at an important aspect of the organization, the division between Fairtrade USA and Fairtrade international. This chapter is essential in understanding the functioning of the organization and it will give many clues on the shortcomings of the Fairtrade system, which is useful for the rest of our work.

3.2. THE ALTERNATIVE TRADE ORGANIZATIONS (ATO) MODEL

Understanding the intricacies of the Fairtrade organization as we know it today calls for a look back at its origins. The emergence of the Alternative Trade Organization (ATO) movement plays an important role in the foundation of Fairtrade. By definition, ATOs are “nonprofit businesses that market crafts, gifts, and food from developing countries through mail-order catalogs and retail stores in many regions of the world” (Littrell & Dickson, 1997). Working at first hand with producer groups on several tasks such as product design, quality control, management, and shipping, ATOs assume a combination of exporting and retailing roles. Values of social justice and sustainable development are at the core of this model, fueling a mission-based marketing strategy. In this sense, these organizations aim at developing equal partnerships between the producers, retailers, and consumers, actors that form the marketing channel (Geiger-Oneto & Arnould, 2011). A central notion shared among ATOs is based on the idea that products such as commodities, textiles, and handicrafts, marketed by producers in developing countries, should be sold at a price above one of the free trade markets (Leclair, 2003). This notion is considered essential to ensure a reasonable standard of living in producer countries and is a core value supported by the Fairtrade international organization. The establishment of ATOs can be retraced to the post-World War II period, where these organizations started buying handicrafts from associated producers at an advantageous price and selling them to committed consumers. In Europe in the 1960s and 1970s, many “world shops”, which are specialized outlets offering and promoting Fair Trade products, were created. ATO initiatives also reached the North American region, selling products through catalogs and stores. By the 1980s, shared norms and practices were established leading to the creation of an institutional framework of ATOs associations. The largest at that time was the International Federation of Alternative Traders (IFAT), which will become the World Fair Trade Organization in 1989. (Raynolds, 2009). The Alternative Trade Organizations model, therefore, paved the road for the Fairtrade movement and the creation of Fairtrade International.

3.3. CREATION AND DEVELOPMENT OF THE FAIRTRADE NETWORK

As we have seen with the ATO movement, a collective consciousness on fairer trade conditions has been existing for more than a century, way before the creation of Fairtrade International as we know it today. While limited numerically speaking, initiatives aiming at empowering and developing marginalized communities using market tools can be traced back to the early 1900s (Naylor, 2017). It took several years for this view to spread across the world, and to pave the road for a global, coordinated, and influential organization working to make trade fairer through certification and market-based schemes.

The first Fairtrade labeling organization, Max Havelaar, was founded in 1988. Its creation finds its origins in the Netherlands where a Dutch church-based NGO called “Solidaridad” brought forward the idea of sensitizing the broad public to fair practices through the creation of a Fairtrade label (Johannessen & Wilhite, 2010). According to the literature, this way of conceiving fair trade came from the experience of a Dutch priest who observed that Mexican coffee producers in the mountains of Oaxaca were struggling to make a living out of their production due to the low prices offered by buyers (Darian et al., 2015). The Max Havelaar label was therefore created to tackle such issues and improve the standard of living of marginalized communities. Its name carries a strong and symbolic meaning, being taken from Multatuli’s 1860 novel “Max Havelaar: Or the Coffee Auctions of the Dutch Trading Company”, a novel written as a way to protest against the abuse of the Dutch colonizers in Java and Sumatra (Johannessen & Wilhite, 2010). One of the successes of Max Havelaar comes from the cooperation between farmers and activists in creating this third-party certification scheme (Naylor, 2017). Beyond the cooperative and social characteristic that gives Max Havelaar its identity, a significant factor that made the organization thrive is economic. Provided certification fees were paid, conventional importers that were in line with Max Havelaar standards had the opportunity to use the organizations’ label on their products. These agreements proved to be very lucrative for traders, since they were able to establish themselves in new markets, diversifying their portfolio and capturing the benefits of a new and rising demand (Johannessen & Wilhite, 2010). The Fairtrade label added significant values to common commodities, and its strong symbolic meaning was a perfect tool to conquer niche markets, which drew more and more corporate traders into this business throughout the years. Max Havelaar – and the Fairtrade network as a whole – totally assumed the usage of their label by commercial partners. While this network had been heavily influenced by the Fairtrade movement that emerged with the ATOs, the purpose to use conventional market actors and tools remains an important characteristic that distinguishes the two models (Johannessen & Wilhite, 2010). Following the Max Havelaar success story, akin national organizations were created in developed countries such as TransFair Deutschland, Max Havelaar France, or Transfair USA (which will later become Fair Trade USA). As the movement was gaining in popularity, these organizations founded, in 1997, the Fairtrade Labeling Organization (FLO), an umbrella organization defining and updating the standards catalog of multiple commodities, including coffee (Naegele, 2019). The purpose of its creation was to provide an umbrella for newly created and upcoming regional certifications and the establishment of an international fair trade certification label (Naylor, 2017). The FLO is part of an informal umbrella network called FINE, which defines the Fairtrade network. FINE is composed of four main entities which are the Fairtrade Labelling Organizations (FLO), the World Fair Trade Organization (WFTO), the Network of European Worldshops (NEWS!), and the European Fair Trade Association (EFTA). The FLO will later become Fairtrade International and, under FINE, will keep coordinating

the various definitions, standards, and initiatives of fair trade between countries (Johannesen & Wilhite, 2010).

3.4. LOGIC OF THE ORGANIZATION AND MAIN PURPOSES

Fairtrade International, as we know it today, continues to be deeply attached to the fair-trade values that emerged more than three decades ago. Its focus remains the empowerment of producers and their organizations through the promise of a fair price for their goods and the encouragement for them to take control of their businesses and reinvest the benefits within their communities (Darian et al., 2015). However, the Fairtrade network has gained a significant influence and legitimacy worldwide, and its functioning has been heavily codified and modernized. Indeed, while the nascent fair trade movement revolved around the sale of products in “world shops”, the present Fairtrade system is illustrated by the will to cooperate, not only with the producers as we previously mentioned but also with all the actors of the value chain, whether they are mainstream retailers, manufacturers or traders (Naegele, 2019).

3.4.1. SYSTEM ORGANIZATION

The Fairtrade system that operates in our modern days is a complex global system composed of a wide variety of agents. Its strength comes from its highly participative and inclusive way of functioning, emphasizing a will of empowering farmers and workers from developing countries and connecting them to consumers and businesses. This part is by no means an exhaustive description of all the organizational layers that constitute the Fairtrade network, but a simplification of its structure that will serve us throughout our analysis.

The system is composed of four distinct actors (or categories of actors) (Fairtrade International, n. d.).

The first category includes three regional producer networks. The networks are regional associations that encourage Fairtrade certified producer organizations to join voluntarily. They are the official representatives of small-scale producers, workers, and further producer stakeholders and are found in three regions of the world: Africa and the Middle East, Asia-Pacific, and Latin America and the Caribbean. For the sake of promoting inclusivity, democracy, and participation, producer networks are heavily involved in the decision-making processes of Fairtrade International, having 50 percent of the vote at the organizations’ General Assembly. Since these networks are comprised of around 1800 producer organizations, which represent over 1.7 million farmers and workers, producer networks are of great use for Fairtrade International to enhance the organization’s impact. It allows the making of new standards and policies to be more in consideration with the farmers and workers’ needs, and capture better the local complexity that these actors live in.

The second category is constituted by national Fairtrade organizations and marketing organizations. National Fairtrade organizations are the entities that license the Fairtrade marks that are found on retailed products. They actively promote the Fairtrade ideology within their borders, and many are founding members of Fairtrade International. Fairtrade marketing organizations fill a similar role. While they do not directly license the Fairtrade marks (Fairtrade International is endorsing this task), they allow for the expansion of Fairtrade’s influence through the marketing and promotion of related products at a national

scale. They also support national companies that are willing to make their supply chain more sustainable and join the Fairtrade movement. Within national Fairtrade organizations, a specific type of actor is worth mentioning, which is the technical staff. Providing continuity and serving as interlocutors in fair trade networks, they play a decisive role in the organization's formal governance systems. They also enable the possibility of obtaining funds from governments and international entities. The diversity of technical staffs' career backgrounds enriches the Fairtrade movement and creates many opportunities for the organization to be more successful. They are, for instance, biologists, accountants, marketing specialists, agronomists, or anthropologists (Taylor et al., 2005).

The third actor is Fairtrade International, the non-profit, multi-stakeholder association and umbrella organization. It is the central entity of the Fairtrade movement that coordinates the activities of its member organizations and is the rightful owner of the Fairtrade mark. The decisions taken at Fairtrade International are the result of close cooperation between the system members and certified producer organizations, where selected representatives form the Board of Directors and the Fairtrade General Assembly.

Finally, the fourth actor and the backbone of the Fairtrade movement is FLOCERT, the main independent certifier of the organization. Through thoughtful processes of certification, the global certifier ensures the presence of fair practices within all supply chains subject to the Fairtrade policy. To support notions of sustainability and global trade fairness, FLOCERT assists willing producers, traders, and brands to make their businesses more sustainable through an entire range of strategies. For the sake of integrity and credibility, the certifier also actively verify that all companies operating under the Fairtrade label are meeting and maintaining a specific set of standards (FLOCERT, n. d.).

As we can see, Fairtrade International incorporates a wide diversity of stakeholders, which can prove to be challenging when it comes to monitoring and coordinating all efforts.

3.4.2. THE DIVISION: FAIRTRADE-FOR-ALL

In January 2012, Fairtrade USA took an important decision that caused an uproar in the global fair-trade community. Based on market access and product range arguments (Naylor, 2017), Fairtrade USA decided to split from Fairtrade International, the umbrella organization. The discord arose when Fairtrade USA, to widen the Fairtrade movement influence, wished to extend the scope of certification to plantations, which are large farms relying on employed labor. Fairtrade International rejected this idea, as the organization did not want to lose its focus of assisting small producer organizations and family businesses (Naegelé, 2019), and have been afraid that such initiative could break with the founding goal of empowering small producers in the global market, challenging the very essence and meaning of "fair trade". Following the departure, Fairtrade USA implemented a new policy to incorporate large-scale plantations into its certification system and launched the "Fair Trade for All" campaign. Paul Rice, founder, and CEO of Fairtrade USA justified its policy in an open letter to the Fairtrade community by enumerating three reasons for the change (Cole & Brown, 2014). First, there was a wish to reduce inconsistencies in the certification process. Since commodities such as bananas and tea grown on plantations were already eligible for certification, Rice supports the claim that other products (originating from plantations), such as coffee, should also be fair trade certified, for the sake of consistency. Second, Paul Rice thinks that the obtainable consistency is a way of increasing consumer

awareness about fair trade initiatives since it allows a market expansion for fair trade products. Third, he explains that the greater availability and sales of Fairtrade products will contribute to educating consumers on producers' struggles and living conditions. This (assumed) rise of the demand should, at the same time, help improve the livelihood of millions of people, including farmers but also seasonal workers, so that Fairtrade will not only assist producers that have the privileges of being landholders and cooperative members. This way of thinking is however not popular in the Fairtrade global community. Many shared common worries about plantations, advancing that they do not provide the same health, safety, and economic benefits for small producers as do cooperatives, and their inclusion in certification processes represent a risk for the respect of Fairtrade's core values. It also affects the consumer trust toward the Fairtrade label, since it has become harder to know the origin of Fairtrade coffee. There is no certitude about the origin of coffee, as it could be grown by small producers organized democratically through cooperatives, or originating from large plantations controlled by prosperous landowners, an origin that Fairtrade USA, through their label, would not differentiate.

Beyond the "Fair Trade for All" policy and the separation of Fairtrade USA from the umbrella organization, it is worth mentioning that the conception of fair trade remains extremely similar between the community official members. The core standards and values of Fairtrade are identical between Fairtrade USA and other Fairtrade institutions, the former also effectively recognizing Fairtrade International certification (Naegele, 2019).

3.4.3. GOVERNANCE AND STRATEGY

As we have mentioned before, the core mission of Fairtrade International is to empower producers from developing countries, giving them a chance to make a decent living from their produced commodities and to gain access to mainstream markets without being at a disadvantage. Upon joining Fairtrade, producers can expect access to fairer trade opportunities, and extensive resources and support from the organization, so that they may have "more control over their work and their lives" (Fairtrade International, n. d.). Notions of climate change, inequality, social justice, and radical collaboration between stakeholders tailor the organizations' strategy. However, instead of opposing themselves to the mainstream, capitalist, and global market economy that may have been the variable creating issues that these core values are fighting against, Fairtrade is actively using market mechanisms to make a change. Integrating producers from developing countries into the world economy and encouraging them to carry their activity in a mainstream business manner is what Fairtrade considers key objectives to reduce inequalities. The Fairtrade initiative can be considered as a "mainstreaming strategy" in which rapid growth in market share is sought through placement in conventional markets (Taylor et al., 2005). For this approach to be successful, the organization insists on the principle of "fairness". As such, the Fairtrade strategy is centered around three main tenets. The first supports the claim that decent livelihoods are a human right. The second stresses the importance of social justice as a driver for sustainability. The third underlines that deep impacts must be achieved through radical collaboration. Fairtrade's strategy is built around a will to shift the balance of power in favor of farmers and workers, assisting them with tailored solutions and services, so that they may gain access to untapped markets. The organization also stresses the importance to advocate for fair trade values and encourage citizen engagement so that policy action can be driven in an effective manner to tackle core sustainability issues (power

imbalance in the supply chains, climate change, inequality, human rights). Fairtrade International also acknowledges the necessity of digitalization in supply chains, allowing the maximization of physical traceability for products and fair access to information for producers (Fairtrade International, n. d.).

3.5. FAIRTRADE CERTIFICATION AND STANDARDS

To carry their strategy and fulfill their objectives, Fairtrade International highly values the operationalization of strong certification processes, giving their label significant credibility, legitimacy, and representativity of core sustainable values. This approach is supported by a specific set of independently monitored socio-environmental standards. In this system, Fairtrade International establishes standards for production and development and conjointly works with the autonomous agency FLOCERT, the independent verification body that reviews producers' activities through recurrent audits billed to suppliers. Importers and distributors are then licensed to use the Fairtrade label on products that comply with the standards by Fairtrade national initiatives (Raynolds, 2009). Specifically for small producers, production standards are re-examined every 5 years based on consultations with stakeholders and in concord in conformity with the International Labor Organization (ILO) and ISEAL (Code of Good Practice in Standard Setting) conventions (Naylor, 2017). Since certification aims at effectively providing economic premiums for social and environmental investments (which is especially important for small producers that have struggled for a long time to get adequate compensation for their commodities), strong and precise standards are needed to obtain impactful results (Cole & Brown, 2014).

Since our study tackles the Fairtrade coffee industry and its impact on the lives of small Mexican producers, we will have a look at the three main standards for this commodity that are actively set to enhance the financial stability of small coffee growers. The following part is based on the “Fairtrade Standard for Coffee” document (Fairtrade International, 2021) covering the purchase and sale of Arabica and Robusta coffee green beans, and applying to small producers organizations, and traders.

The “Price and Fairtrade Premium” is a fundamental principle and the main tool designed to financially support local producers and is framed by several standards. The first one, the “market price reference” standard (4.1.1), describes the application and computation of the “Fairtrade Minimum Price” and the “Fairtrade Premium”. The application of this principle happens when markets prices for conventional coffee are higher than the Fairtrade Minimum Price. In this case, traders and producers must agree on Fairtrade coffee prices based on the Fairtrade reference for market prices which includes two types of differentials and the Fairtrade Premium.

Table 1: “Fairtrade Standard for Coffee”, Fairtrade International, 2021.

Reference market price or FMP (whichever is higher)		+ Fairtrade organic differential (in case of organic coffee)	+ Fairtrade Premium
NYC' (Arabica) or London RC (Robusta)	+ prevailing differential		

Fairtrade International consider, as reference market prices, the ICE New York C contract in US\$-cents per pound for Arabica type of coffee, and the ICE London RC contract in US\$ per metric ton for Robusta type of coffee, to which is added (in both cases) the prevailing differential (positive or negative) relevant to the quality and origin of coffee, the basis FOB origin and the net shipped weight. A differential is to be agreed with between the producers and the buyers based on a baseline differential that prevails in the mainstream, non-Fairtrade coffee market. This prevailing differential takes into consideration the actual quality of coffee, the shipment date, logistic dimensions, risk, and availability. It is not possible to apply a negative differential to the Fairtrade Minimum Price. Furthermore, the standard precise that the reference market price can never be below the Fairtrade Minimum Price. The Fairtrade coffee price also incorporates an organic differential (in case the coffee produced is of this nature) and a stable premium calculated per pound. Both the Fairtrade organic differential and premium values are fixed by Fairtrade International and are not up for negotiation by the concerned economic agents.

Table 2: “Fairtrade Minimum Price and Premium table”, Fairtrade International. <https://www.fairtrade.net/standard/minimum-price-info>

Product	Quality	Form	Country / Region	Producer Scope	Price level (INCOTERMS)	Quantity / Unit	Currency	Fairtrade minimum price	Fairtrade premium	Date of validity	Specific Product Standard	Product specific information
Coffee	Conventional	Arabica	Worldwide	SPO	FOB	1 pound	USD	1.35	0.2	4/1/2011	Coffee	Natural; at least 0.05 of the FP to be used for productivity/quality
Coffee	Conventional	Arabica	Worldwide	SPO	FOB	1 pound	USD	1.4	0.2	4/1/2011	Coffee	Washed; at least 0.05 of the FP to be used for productivity/quality
Coffee	Conventional	Robusta	Worldwide	SPO	FOB	1 pound	USD	1.01	0.2	4/1/2011	Coffee	Natural; at least 0.05 of the FP to be used for productivity/quality
Coffee	Conventional	Robusta	Worldwide	SPO	FOB	1 pound	USD	1.05	0.2	4/1/2011	Coffee	Washed; at least 0.05 of the FP to be used for productivity/quality
Coffee	Organic	Arabica	Worldwide	SPO	FOB	1 pound	USD	1.65	0.2	4/1/2011	Coffee	Natural; Organic differential: +0.30
Coffee	Organic	Arabica	Worldwide	SPO	FOB	1 pound	USD	1.7	0.2	4/1/2011	Coffee	Washed; Organic differential: +0.30
Coffee	Organic	Robusta	Worldwide	SPO	FOB	1 pound	USD	1.31	0.2	4/1/2011	Coffee	Natural; Organic differential: +0.30
Coffee	Organic	Robusta	Worldwide	SPO	FOB	1 pound	USD	1.35	0.2	4/1/2011	Coffee	Washed; Organic differential: +0.30

This table describes the Fairtrade Minimum Price along with the Fairtrade premium for each variety of coffee (Arabica or Robusta), their quality (conventional or organic), and the types of processing systems (natural or washed). We can demonstrate the functioning of this standard with an example. In Mexico, the vast majority of the coffee produced is made from Arabica coffee crops and the country is the leading producer of organic coffee in the world (Torres Castillo et al., 2020). In the state of Chiapas, the largest producer of organic coffee, several farmer cooperatives are Fairtrade certified (such as Maya Vinic or Finca Triunfo Verde) (Folch & Planas, 2019). As of today, and if we assume that the market prices for coffee are lower than the Fairtrade Minimum Price, a small Mexican producer can expect a price of 1.85\$ to 1.9\$ per pound of coffee (depending on if the beans are natural or washed), which represent the highest possible value of the sale of Fairtrade coffee. As requested by the “Fairtrade Premium earmark” standard (4.1.5), a minimum of 0.05\$ of this value must be invested to improve the productivity, the quality of the coffee, or the sustainable agricultural practices, the choice being up to the General Assembly of the Fairtrade producer organization. The Fairtrade Minimum Price is set based on labor hours, inputs, and costs considerations and plays the role of a safety net whereas the Fairtrade Premium is designed as an investment resource for community development (Naylor, 2017). Whether or not the value extracted from the sale of organic Arabica Fairtrade coffee is enough to make a profound change for the local producers and the community is up for debate, and we will examine this question later. Three other standards complete the principle of “Price and Fairtrade Premium”. The “Coffee trade via auction” (4.1.2) standard covers cases where, due to country legislation, the coffee must be passed through the auction, and therefore, the margin to cover relevant costs has to be negotiated between importers and exporters, and between producers and exporters. The “Fairtrade Minimum Price along the supply chain” standard (4.1.3), applying to traders, precise that Fairtrade products bought from suppliers or sold to customers must not be bought or sold below the Fairtrade Minimum Price and Fairtrade Premium, and shall include the organic differential if the coffee is organic. Finally, the “Fairtrade Premium” standard (4.1.4), precise the application of the Fairtrade Premium for payers and conveyors, that is having to pay it in addition to the price of the product and shall not be included in the incorporated into the agreed-upon differential.

Another standard that is especially pertinent for our analysis is the “Pre-finance” standard (4.3.1). Also referred to as “pre-harvest advance payments” (Naegele, 2019), this mechanism constrain the buyers to provide pre-financing of at least 60% of the value of the contract to coffee producer organizations if a pre-finance scheme was requested and agreed upon in the first place. This requirement complements the “Pre-financing Fairtrade contracts” standard (4.4.1) of the “Fairtrade Trader Standard” document (Fairtrade International, 2015), specifying that buyers must pre-finance the payment of contracts (either themselves or via a third party) and can only be exempted from it if there is a highly proven risk, if the producer explicitly declines it or if it is not legally allowed in the concerned country. These standards are essential for small producer organizations to thrive since they allow access to finance that enables them to purchase from their members and cover other types of financial needs. The risk of production processes being paralyzed because of financial shortcomings is therefore highly reduced, which directly supports the small coffee producers.

The additional financial security that is given to producer organizations is brought by the recommendation for all traders to establish long-term contracts, framed by the

“Long-term commitments” (4.1.8) standard of the “Fairtrade Trader Standard” document (Fairtrade International, 2015). The goal here is to promote long-term relationships between the producers and traders, so that the former may have the capacity to make production plans. The standard precise the definition of “long-term contract”, mentioning that it should last for 2 years or more. On the contrary to other previously mentioned standards, this standard is qualified by Fairtrade International as “Voluntary Best Practices”, meaning that it is an additional (and optional) action that supply chain actors may take to participate in the creation of even fairer trading conditions.

As Fairtrade International pursue more than just financial support objectives, many other standards (often voluntary and not discriminative for participating in cooperatives) are addressing issues such as climate change, fertilizers, maintenance of biodiversity, working conditions, child labor, women rights, and democratic participation (Naegele, 2019). Small producers organizations are of course subject to several standards, as expressed in the “Fairtrade Standard for Small-scale Producer Organizations” document (Fairtrade International, 2019), such as the requirement to be small family-based operations (standard 1.2.2 “Definition of an individual small-scale producer”), having an organizational structure based on democratic associations (standard 4.2.1 “Organizational structure”) and pursue environmental objectives (category of standards 3.2 “Environmental protection”) (Raynolds, 2009).

3.6. INTERMEDIARY REMARKS

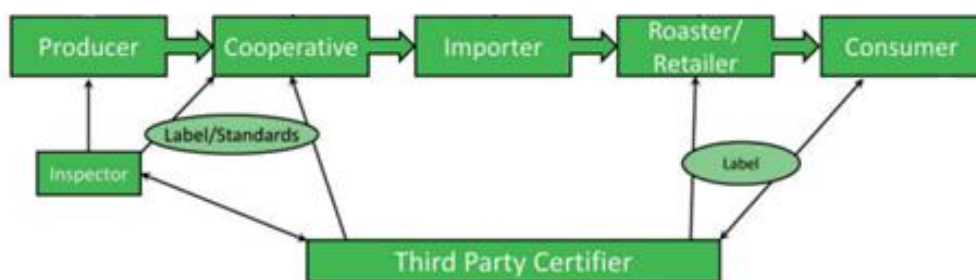
This first part introduces to the reader essential elements of the Fairtrade organization and its functioning. While useful for the understanding of the subject, it is not an exhaustive view of the entire organization. We have selected general information, as well as key standards that reflect best the Fairtrade commitment to improving with efficiency the livelihood of small Mexican producers and their community. The upcoming part will serve us as the last piece of the puzzle to have a clear view of the Fairtrade landscape, the articulation of actors and their strategy and interests, so that we may have all the tools needed to conduct our analysis.

4. RETRACING THE SUPPLY CHAIN OF THE MEXICAN FAIRTRADE COFFEE

4.1. INTRODUCTION AND GENERAL REMARKS

Understanding and analyzing the effectiveness of the Fairtrade label for small Mexican coffee producers call for a broader look at the actors constituting the supply chain. As the Fairtrade strategy revolves actively around market mechanisms and the voluntary inclusion of mainstream economic agents, it is essential to consider the status and role of these actors since they heavily determine the realization of Fairtrade objectives. Furthermore, in pursuit of objectivity, our later analysis tries to incorporate the different points of view that these actors express about the effectiveness of the Fairtrade system, justifying this upcoming overview. In this section, we will mainly elaborate on small producers and cooperatives, and less on big plantations that were included in the Fairtrade system following the “Fairtrade for All” policy, since our study focuses on the formers, the original targets of Fairtrade initiatives.

In the following, we are considering the simplified supply chain of Fairtrade coffee composed of three crucial steps. At first, coffee beans are grown and harvested by farmers and sold through their relative cooperatives to international traders, in respect to the Fairtrade pricing rules. Second, manufacturers buy the beans from international traders and transform them into roasted coffee, which is sold to retailers. The latter then sell the packaged good to consumers at a price that generally depends on bargaining between manufacturers and retail chains. In the value chain of this commodity, farmer cooperatives have virtually no market power, as the beans are largely homogeneous goods with a price depending on Fairtrade rules and conventional coffee market prices, which therefore does not depend on demand and supply for Fairtrade coffee. In comparison, both manufacturers and retailers hold a significant market power since roasted branded and packaged Fairtrade coffee products are differentiated goods (Naegel, 2019). As we can see, the Fairtrade coffee commodity chain incorporates few inputs from growing to processing, to manufacture and final consumption, with very few side branches, making it relatively straightforward. This “feasibility” aspect also justifies the fact that several studies attempted to estimate an income distribution for Fairtrade coffee along the value chain (Johannessen & Wilhite, 2010). The below diagram summarizes the previously mentioned exchanges along the supply chain. While not actively taking part in the production or sale of Fairtrade coffee, Fairtrade inspectors and third-party certifiers are mentioned considering their relatively high importance.



Edited version of “Simplified dyad of fair trade exchanges.” (Naylor, 2018)

4.2. LOCAL PRODUCERS AND COOPERATIVES

As we have previously mentioned, coffee production represents a significant portion of the Mexican agricultural economy. Several farmers live off the production of coffee and are located in high-altitude regions such as in the states of Chiapas, Veracruz, Oaxaca, or Puebla (Folch & Planas, 2019). Due to the price volatility of conventional coffee in mainstream markets and in front of promises of a better life through the production of sustainable coffee, many farmers decided to join the Fairtrade network and produce Fairtrade certified coffee as their main activity or as a side one that provides an additional source of income to make ends meet¹. Farmers willing to collaborate with the organization must get in contact with its corresponding National Fairtrade Organization (in the case of Mexico, Fairtrade USA). To be Fairtrade certified, and to facilitate the coordination between the national organization and to some extent with the commodity chain actors, local producers must fulfill the requirement of being members of democratically organized cooperatives (Cole & Brown, 2014). These cooperatives are most of the time led by a general assembly, the latter being composed of community-level representatives elected by the cooperative members. The general assembly is encouraged to elect officers for terms of two to three years and meet regularly (Taylor et al., 2005).

Cooperatives are extremely important since they grant small producers access to the global market dominated by large transnational corporations, with contract opportunities and the establishment in a niche market. Economic viability concerns drive small-scale farmers to not sell their production directly but through cooperatives. Indeed, the coffee cherries must be peeled and dried to obtain green coffee beans before shipping, which calls for equipment investments that are out of reach for individual producers, but approachable for cooperatives (Naegele, 2019). Producer cooperatives give farmers more influence over the production and marketing of their commodity, teach them the intricacy of the capitalist free market system, secure the rights of marginalized workers, and enable a more in-depth relationship and cooperation between buyers and sellers (Darian et al., 2015). While achieving a higher price per pound for Fairtrade certified coffee compared to conventional coffee, farmer cooperatives do not have any guarantee that they will be able to sell all their production under the Fairtrade label (Naegele, 2019). The volume sold is ultimately determined by Fairtrade purchase contacts proposed by corporate buyers, and nothing in the Fairtrade system is set to guarantee the availability of buyers (TED, 2016). Furthermore, studies find that the supply of potential certified coffee highly exceeds demand. Farmers then sell a portion of their coffee under the label, while the rest goes into the conventional coffee market (Naegele, 2019).

Farmers and cooperatives are both constrained by mandatory and voluntary standards, covering important subjects ranging from business, managerial, and accounting practices to human rights, child labor, gender equality, and environmental preservation. Once certified, they are also subject to regular visits from Fairtrade auditing entities who make sure there is no violation of core standards and principles of Fairtrade, analyze the

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¹ Upon the launch of the “Fairtrade for All” policy, several plantations owned by landowners with large numbers of hired workers were also allowed to join the Fairtrade network. While not at the center of our analysis, we must consider their existence in this supply chain. Even if most of the Fairtrade coffee is grown by small-scale Mexican farmers, it is worth mentioning that their production represents a small but significant part of the total production.

cooperative records, and give organizational assistance if necessary (Fairtrade International, 2019). Cooperatives must pay fees for the certification and the auditing services provided by Fairtrade, proportional to the cooperative size, but not to the quantities produced or sold. Studies have found that the expected financial benefits from the sale of Fairtrade coffee are extremely close to the costs of the certification that have to be covered by cooperatives once a year (Naegele, 2019). This situation can appear counterintuitive since “poor” coffee growers (that the Fairtrade system tries to connect with circles of exchange that pay a higher price than the market price) are confronted with very costly certification processes (TED, 2016).

4.3. INTERNATIONAL TRADERS

International traders are the most essential actors in the Fairtrade coffee supply chain. They link farmers and cooperatives to the global market by buying coffee under Fairtrade rules and selling it to manufacturers. Their high influence in the supply chain aligns with the mainstreaming strategy that the Fairtrade system pursues, and has grown from, that is the inclusion of farmers (considered as business holders) in the mainstream global market.

According to Raynolds typology of Fairtrade buyers, it is possible to classify international buyers in three distinct categories (Raynolds, 2009):

- **Mission-driven buyers** follow a business model that highly values Fairtrade principles and is deeply attached to the Alternative Trade Organization (ATO) model. Trade practices go well beyond the quality of coffee beans, as there is a clear orientation toward enhancing the quality of life and market power of small producers. The entirety of the coffee purchased falls under Fairtrade standards and business practices and commitment with farmer cooperatives often goes beyond the basic Fairtrade requirements. Mission-driven buyers create market ties with producer cooperatives that last for several years and rarely drop suppliers. Other key aspects of the Fairtrade model such as pre-financing are rigorously operationalized. An example is Cooperative Coffees, a company that is highly committed to Fairtrade principles, and that we were able to interview.
- **Quality-driven buyer's** business model differs from mission-driven actors in the sense that the focus is put on buying coffee of excellent quality. Fairtrade standards of direct trade, advance payment, and network transparency are considered as a way to ensure reliable supplies of gourmet-type coffee. Fairtrade values are supported in the sense that an emphasis is put on long-term collaboration (at the condition that the coffee produced keeps being of good quality) with cooperatives through producer “training”, price transparency, and reliable trade credits. Particular attention is paid to their corporate social responsibility image which is illustrated by their commitment to Fairtrade values. Fairtrade certification ultimately serves as a vehicle to ensure coffee excellence and may be seen as a tool to codify and delimit their ethical commitment. In contrary to mission-driven buyers, they purchase a high share of their coffee as Fairtrade certified, but also stock up on conventional coffee. An example of these types of buyers is Sustainable Harvest, the leading United States quality-driven importer.

- **Market-driven buyers** are the most dominant buyers in the Fairtrade coffee industry and have little allegiance to Fairtrade's core values. They are influent trading firms that follow mainstream business practices, are highly concentrated around the world, and often trade more types of commodities than just coffee. Green coffee is traded on stock exchanges and contracts are indexed on stock exchange prices (Naegele, 2019). These companies control most of the conventional coffee supply chain and focus on responding to the consumer demand for Fairtrade certified coffee to make additional profit. They usually wish to buy large quantities of coffee, which gives an advantage to big producer cooperatives (that had had more room to upgrade their competitiveness with higher Fairtrade premiums perceived) at the expense of smaller cooperatives that may struggle to compete and capture market shares (Johannessen & Wilhite, 2010). These companies fill the minimum requirement of Fairtrade certification and standards, meaning they often do not go beyond what is strictly required. They are not always accommodating with farmers regarding the pre-financing rule and value less (compared to the two above-mentioned types of buyers) long-term trade relationship. By overly focusing on market opportunities, market-driven buyers lose sight of Fairtrade's core values. They however provide producer cooperatives access to market information, introduce them to other buyers and technical and development organizations, which strengthen producer market opportunities. Examples of these types of firms are well-known names such as ECOM or Volcafe.

In sum, what distinguishes these international traders is their level of commitment to the Fairtrade values and how much their business strategy revolves around mainstream practices. This unbalanced diversity of actors in the Fairtrade coffee supply chain (with the dominant influence of market-driven buyers) gives us clues on why Fairtrade may be perceived by many scholars as a failure. We will analyze this perspective later in our analysis.

4.4. COFFEE MANUFACTURERS AND ROASTERS

Coffee manufacturers occupy a central role in the Fairtrade coffee supply chain, as they have the task to connect the fruit of small producers' labor to western consumers. Upon receiving the coffee beans bought from international traders, they roast and package the beans to obtain a branded, ready-for-sale product that can satisfy customers. Fairtrade branded coffee is then sold to retail stores, often organized in highly concentrated retail chains. For coffee manufacturers, coffee is a commodity with a high-cost share of green beans (the main input) coupled with an uncomplex production function that makes use of beans, packaging, energy, and labor in fixed proportions (Naegele, 2019). Fairtrade has an important symbolic value for manufacturers, especially for large companies. It allows them to project a socially responsible image onto the society, and this is achieved in part by well-tailored marketing strategies to assure customers that the Fairtrade price difference leads to direct benefits for small coffee producers (Johannessen & Wilhite, 2010). Furthermore, the Fairtrade label is also an instrument for companies to segment the market and benefit from the increased willingness of consumers to pay for Fairtrade certified coffee, a differentiated good that provides significant profit margins.

Coffee manufacturers can be classified using the same typology that Raynolds apply to international traders (Raynolds, 2009):

- **Mission-driven manufacturers** adopt a business model extremely coherent with the Fairtrade philosophy. Irrespective of their company size, they demonstrate a strong commitment to Fairtrade alternative values. Similar to the original ATOs, they exclusively sell Fairtrade certified products but depart from that model by instrumentalizing Fairtrade certification to place their end product in mainstream markets. Mission-driven coffee companies purchase directly from producers, importing conjointly with buyer cooperatives such as Cooperative Coffees. They are attached to the idea of establishing direct contact with consumers to justify the fair nature of their activity and enrich their product with extensive information on farmers and places of production. Equal Exchange, the oldest and largest mission-driven coffee company in the United States is an example of these businesses, one that highly contributed to the Fairtrade national labeling system and the first TransFair USA (now Fairtrade USA) licensee.
- **Quality-driven manufacturers** center their business model around social responsibility. They purchase a majority of Fairtrade coffee and a minority of organic, shade-grown, or other labeled coffee from alternative, quality-driven traders. Similar to those traders, they consider Fairtrade standards and certification as a tool to ensure satisfying supplies of excellent coffee to respond to consumer demand and put forward their multidimensional profile of coffees. While not in total symbiosis with Fairtrade norms and values, they however consider them as business compatible. Quality-driven manufacturers merge an engagement to Fairtrade alternative norms and practices with a commitment to commercial and industrial norms of gourmet quality products. They respect core Fairtrade practices (pricing, pre-financing, transparency) but adopt a utilitarian approach to producers in their attempt to ensure supplies of high-quality coffee. Green Mountain Coffee Roasters is a large corporation that falls into that category.
- **Market-driven manufacturers** sell the highest share of Fairtrade certified coffee and have a conventional corporation's business model. They purchase coffee from conventional (market-driven) traders and only a small percentage of their total imported volume is Fairtrade certified. These large companies have very little attachment to the Fairtrade values, let alone the ATO model. While adhering to Fairtrade standards regarding the sourcing of labeled coffee, the majority of their business and sourcing arrangements do not support Fairtrade norms. The dominance of these coffee companies in the supply chain questions the maintenance of Fairtrade's alternative ideas and practices and their relevancy. For them, Fairtrade is a type of coffee and a product among many others in their catalog, and not a business model *per se*. It may even be considered as a marketing strategy where these manufacturers pursue a "halo" effect, where a minimal commitment aiming at the improvement in one specific area is used to bolster and project an image of corporate social responsibility. Far from embracing the network principles of fairness and producer development, Fairtrade coffee is used as a tool to gain access to a growing market segment. A reinterpretation of Fairtrade values of partnership is done, where commercial and industrial goals of traceability prevail and where certification serves their interests for the supply chain management. Examples of market-driven manufacturers are well-known multinational companies such as Starbucks, Procter & Gamble, and Nestlé.

Once again, this classification demonstrates the disequilibrium in the level of commitment of actors in the Fairtrade coffee supply chain. We also observe domination of the market by market-driven manufacturers, which undermines the efficiency and preservation of Fairtrade initiatives and core values.

4.5. RETAILERS

Although manufacturers such as Equal Exchange or Starbucks can be directly involved in the retailing of Fairtrade products, we are here only considering big retail companies that include Fairtrade coffee on their shelves. Retailers play an extension of the role of coffee manufacturers in linking the production of small farmers to consumer demand. Similar to market-driven traders and manufacturers, they occupy a dominant position in this oligopolistic market and are in line with Fairtrade mainstreaming strategy, while pursuing conventional business practices with little commitment to Fairtrade principles (Raynolds, 2009).

Retailers, which are highly concentrated, respond to growing consumer demand and take advantage of consumer willingness to pay for Fairtrade certified coffee to obtain considerable profit margins through high retail prices (Naegele, 2019). Both big retailers and manufacturers receive the major share of the income captured in the Fairtrade coffee market (Johannessen & Wilhite, 2010). However, this share is relatively minimal if compared with the share of conventional coffee products. While being a viable product with profit opportunities, Fairtrade coffee is primarily a tool for retailers to project an image of a socially responsible company. If we were to measure it, retailers' commitment to Fairtrade values is probably the lowest in comparison with all other actors of the supply chain. This low commitment can be exemplified by the reluctance of mainstream retailers to aggressively promote Fairtrade certified coffee because of the implication that the other products sold are unsavory or of inferior quality. Retailers are facing a dilemma in which they have to respond to consumer demand for Fairtrade coffee without implying that the conventional coffee on their shelves is unfair (Elliott, 2012).

Many retailers, such as Costco, the American company with the 5th largest retail sales in the world in 2021 (NRF, 2021), also started to convert their own-brand coffee to Fairtrade certified, raising concerns about their commitment since they pursue conventional business practices when it comes to sourcing arrangements. Tesco, the United Kingdom largest supermarket chain, has for instance managed to avoid FLO licensing and expectations by outsourcing roasting and packaging while organizing their Fairtrade coffee supply chains to maximize traceability, cost savings, and volumes, a similar approach to what is used for their conventional products (Raynolds, 2009).

In sum, big retail companies' contribution and commitment to Fairtrade is relatively minimal. Their business practices are hardly compatible with the promotion of Fairtrade's core values and principles. However, retailers play a significant role in making Fairtrade products easily available to consumers, and in the process, manage to capture economical and reputational benefits.

4.6. CONSUMERS

Consumers are at the end of this supply chain and are vital actors for the functioning of the Fairtrade system. Indeed, fair trade exchanges imply the existence of unequal relations between the North (consuming side) and South (producing side), justifying the necessity of an ethical commitment by “wealthy consumers” to purchase goods from “impoverished producers” (Naylor, 2018). Following this logic, consumers have the opportunity, through Fairtrade labels, to make a donation by purchasing coffee. When we previously talked about the concept of “willingness-to-pay” for Fairtrade coffee, we echoed a larger trend that is based on the increasing interest of consumers to incorporate ethical reasoning in their way of consuming (Naegele, 2019). But what exactly motivates consumers’ willingness to buy Fairtrade certified products and pay a higher price than the one they would pay for conventional coffee? Several explications can be found in the literature.

First, this economic behavior can be explained by consumers’ altruism. In a 2015 study using a survey method (Darian et al., 2015), the authors found that the major reasons for purchasing Fairtrade coffee were the improvement of wages and working conditions of small producers and farmers. Furthermore, while the Fairtrade system bet on the establishment of durable trade relations for long-lasting benefits, favoring a long-term strategy, the authors found that consumers value higher the more promptly noticeable benefits of Fairtrade compared to producer empowerment. Universalism values, therefore, prevail on sustainable development objectives. Farmers’ production and marketing control, the possibility to use the capitalist free market system to their advantage as well as profound collaboration between buyers and sellers are potential advantages that are considered of lesser importance to consumers purchasing Fairtrade labeled coffee. As for the reason for not buying more Fairtrade coffee, the study shows that the price is not a deterrent for consumers, but rather a lack of convenient availability.

Second, consumer behavior can be explained by the “warm-glow giving” economic theory. The concept of “impure altruism” or “warm-glow effect” theorized by James Andreoni in 1990 (Andreoni, 1990), assume that “when people make donations to privately provided public goods, they may not only gain utility from increasing its total supply, but they may also gain utility from the act of giving”. In simpler terms, this means that, upon buying Fairtrade coffee, consumers not only acquire satisfaction from the product bought but also an emotional reward from the thought of “doing the right thing” by buying a product that may improve someone’s life. This “warm-glow effect” persists even in case of uncertainty, that is even if it may not be possible to witness the direct impact of one’s “donation”. Retailers play on this effect when attempting to charge a premium price for Fairtrade coffee beyond the cost necessary to cover Fairtrade-induced expenses. The “caring consumer” is subject by the retailers to a kind of price discrimination (“charging customers different prices for the same product based on what the seller thinks they can get the customer to agree to” (Investopia 2021)) since, as long as customers have the assurance that buying Fairtrade coffee matters, they show a willingness to pay an extra cost (TED, 2016).

Finally, consumer willingness to pay a premium for the Fairtrade label can be justified by social image concerns. In a sense, buying Fairtrade coffee is a way to invest in its social capital, as consuming Fairtrade products may reflect an image of a good-hearted person on one’s social circle (TED, 2016).

4.7. INTERMEDIARY REMARKS

As we have seen in our overview, the Fairtrade coffee supply chain is heavily dominated by conventional economic actors that pursue mainstream business practices and show a low commitment to the Fairtrade core values. While some economic actors do business in line with Fairtrade objectives, and sometimes go beyond the basic requirements, they remain in minority with a limited influence. The literature on this subject underlines this disequilibrium and shares concerns about what Fairtrade has become. The mainstreaming strategy pursued by Fairtrade has made it evolve in a direction that many criticize, losing its original essence based on the ATO model. This section gives us several tracks to explore for our analysis, as we will try to assess Fairtrade's current capability to enhance the livelihood of small Mexican producers.

5. ANALYSIS: FAIRTRADE CERTIFICATION AND MEXICAN COFFEE FARMERS LIVELIHOODS

5.1. INTRODUCTION AND GENERAL REMARKS

Collecting information on the structures of the Fairtrade network and the actors of the Fairtrade coffee supply chain gives us valuable insights to rely on when conducting our analysis. The following work highlights the strengths and flaws of the Fairtrade system by investigating the relational structures of agents within this supply chain. This approach will be used to assess the economic, social, and environmental benefits that Mexican coffee farmers may capture upon producing under the Fairtrade label, and the extent to which Fairtrade affects their livelihood. Our results nuance the dominant opinion found in the academic literature that Fairtrade is, for the most part, a failure.

5.2. RESEARCH METHOD

Our study adopts a qualitative approach based on the examination of personally conducted interviews. While a quantitative approach would have been possible (as many scholars have used in the past to determine the profit distribution from Fairtrade products along a specific commodity chain), we believe that a qualitative analysis captures better the different dimensions of Fairtrade (economic and non-economic ones) and allows the inclusion of actors' rich point of views beyond data computation.

The results presented are based on a set of five interviews, conducted from July 2021 to September 2021. The interviews lasted approximately between 30 minutes and 1 hour, with a mean of 45 minutes and a total of 3 hours 47 minutes. Interviewees were asked between 8 and 10 questions, which were sent to them by e-mail before the interview.

Chronologically, the first interview was conducted with Mrs. Lindsey Naylor, associate professor and graduate director at the University of Delaware, United States. Mrs. Naylor has devoted many years of her academic career to the study of geopolitics and power relations in food systems, with several publications on the subject of Fairtrade in Mexico. Her expertise is highlighted by a strong field experience, having spent a lot of time in Chiapas alongside various farmer cooperatives, enabling her to see the direct impacts of Fairtrade.

The second interview was carried out with one of the leading global commodity merchant and supply chain management companies that, at the request of the interviewees, will be anonymized and referred to as company "Alpha". Mr. Davis (pseudonym), deputy chief executive officer, and Mr. Jones (pseudonym), deputy CEO were asked supply chain management-related questions, giving us perspectives on Fairtrade coffee trading in the mainstream and global market. The multinational company buys a significant quantity of Fairtrade coffee originating from Mexico. Alpha is the type of company that we previously referred to as "market-driven". Both interviewees have a precedent career in one of the biggest multinational coffee companies, which also gives us coffee manufacturers perspectives on the subject.

The third interview was led with Mrs. Monika Firl, director of sustainability at Cooperative Coffees, a green coffee importing cooperative that builds and supports fair and direct trade relationships for the benefit of small-scale farmers. The company is comprised

of several roasters' members from Canada and the United States, and producer partners from Latin America, Southeast Asia, and Africa. Cooperative Coffees was officially founded in 1999 by Bill Harris, specializing in importing and roasting fair-traded coffee beans from Central America. In Mexico, they support two important farmer cooperatives located in Chiapas, Maya Vinic and Yachil. Cooperative Coffees can be referred as a mission-driven actor.

The fourth interview was conducted with Mr. Julio Aguilar, field advisor specializing in service to producers at Fairtrade USA. Mr. Aguilar represents Fairtrade USA in Mexico and offers support to local coffee producers on certification and standards-related matters. With an academic background in environmental socio-economy, Aguilar has been on the field since 2010, filling the role of an intermediary between the organization and farmers cooperatives. The first cooperative that he helped in obtaining certification and producing coffee under the Fairtrade Label was Triunfo Verde, a cooperative that we had the opportunity to interview.

Finally, the fifth interview that we obtained was with Mr. Hugo Lares, the technical coordinator of the Finca Triunfo Verde cooperative who has tremendous experience in coffee production and a solid understanding of international certification and standards. Triunfo Verde is a farmer cooperative located in El Triunfo Biosphere Reserve, in the mountains of Sierra Madre de Chiapas, Mexico, that has a farm size of 1800 hectares made up of 448 small producers, half of them being indigenous people. They produce washed organic coffee beans that are then roasted and commercialized under the Fairtrade label by coffee manufacturers from the United States, France, Belgium, and Germany.

In the context of our study, several other companies or organizations were contacted such as Starbucks, Nestlé, Coop, Migros, Max Havelaar, Fairtrade International, Fairtrade America, Maya Vinic, and Yachil (two other farmer cooperatives in Mexico). However, due to various reasons including the COVID-19 pandemic, the non-availability of qualified potential interviewees, no responses or declined propositions, and recent rising political tensions in Chiapas, we were not able to collect more interviews. Furthermore, since we were not able to collect information about the opinion of other cooperatives on Fairtrade, we must precise that our objective is not to generalize the condition of coffee farmers in Mexico, but rather use the Triunfo Verde experience to draw some of our conclusions and offer a perspective on the situation.

Through the analysis of the interviews and the use of our theoretical framework, we were able to uncover key elements of the complex relationship between Fairtrade and small Mexican coffee producers, with a strong focus on the Chiapas region.

5.3. THEORETICAL FRAMEWORK

Fairtrade initiatives are, by essence and in theory, associated with a broader economic movement defined by the concept of “solidarity economy”, or “Social and Solidarity Economy” (SSE). While there is no official definition of this alternative development paradigm, the International Labor Organization (ILO) defines it as “a concept designating enterprises and organizations, in particular cooperatives, mutual benefit societies, associations, foundations and social enterprises, which have the specific feature of producing goods, services, and knowledge while pursuing both economic and social aims and fostering solidarity” (ILO, 2009). In this sense, economic activities pursued from a solidarity

economy perspective stand out from conventional economic practices revolving around financial profit-making, as social profitability is valued above else.

The Intercontinental Network for the Promotion of Social Solidarity Economy (RIPESS), partnering and collaborating with several organizations including the World Fair Trade Organization (WFTO) global community, enumerates eleven core values of this alternative economic model in their charter (RIPESS, 2008):

- **Humanism:** valuing human beings, their dignity, culture, and development, with an emphasis on collective development and individual well-being.
- **Democracy:** stressing the importance of participatory mechanisms to ensure the respect of the right of individuals to decide on their development.
- **Solidarity:** building an extensive network of people and organizations working towards a common goal.
- **Inclusiveness:** ensuring that ideological differences are respected.
- **Subsidiarity:** supporting the grass-roots development, promoting organizations and associations in problem-solving and project elaboration.
- **Diversity:** promoting respect for ethnic and cultural diversity, and sexual identity.
- **Creativity:** promoting innovation, concepts, discourses, and the use of appropriate technologies that aim at positively contributing to social change.
- **Sustainable development:** promoting the protection of the environment and biodiversity.
- **Equality, equity, and justice for all:** standing against all forms of discrimination and domination, especially against marginalized groups.
- **Respecting the integration of countries and people:** opposing types of economic, political, and cultural domination of the North over the South.
- **Plural and solidarity-based economy:** proposing a plural and solidarity-based economic model as an alternative to the neoliberal economic model, with an emphasis on the need for a democratically regulated market.

According to Jean-Louis Laville (Laville, 2010), the solidarity economy model proposes a concrete alternative at a time of capitalist crisis. In this democratic solidarity system, economic activities follow a specific logic in the way goods and services are produced. Indeed, and as we previously mentioned, the prospects of profit fade away while common good considerations take over. For Laville, the reason behind the solidarity economy promoters' commitment is found in the search for benefits for the collectivity that are effects induced by intentional consequences rather than by economic activity. Environmental and social costs that are externalized by other companies are, in this case, internalized. With these solidarity economy objectives, actors can assume various functions such as local heritage maintenance, environmental protection, or, in the case of Fairtrade, promoting the respect for criteria of social justice and accessibility to services. Notions of social utility and collective interest are brought to public attention by the solidarity economy, which leads to a reflection on what the aims of activities are, beyond profit-making considerations.

In the context of Fairtrade, Laville underlines that, in a solidarity economy logic, it is essential to control the sector to better remunerate the producer but even more so, to "recover the human and cultural dimension of trade". A connection between the consumer and the producer (that is lost in conventional economic practices) is possible when recovering these dimensions of trade since buyers are now able to capture the details of how the

goods are produced. In this way, consumers from the North can perceive the reality of lifestyles in countries from the South. Through a shift from anonymity to personalization, solidarity values can prevail. Certification organizations heavily participate in this process, as they work toward making fair trade known to the wide public by ensuring the availability of products to consumers.

The legitimate question that arises after the development of our theoretical framework is to know to which extent Fairtrade conforms to the core principles and values of the solidarity economy model. Indeed, Fairtrade has shifted from an alternative trade model to a mainstreaming one throughout the years, which may engender uncertainty regarding its affiliation to the solidarity economy movement.

5.4. FINDINGS

5.4.1. GENERAL OPINIONS OF THE INTERVIEWEES ON FAIRTRADE

Opinions gathered through our interviews are relatively homogenous, despite recurrent dissimilarities in the discourses. The argument that Fairtrade premiums are not high enough to make any profound change in the lives of the small Mexican coffee farmers is shared among the interviewees, which correlates with the broader academic literature. Similarly, beyond purely financial considerations, the idea that Fairtrade has been beneficial to coffee farmers in multiple dimensions is commonly found among the interviewees. Fairtrade initiatives have served as a “safety net”, in the sense that it prevented farmers to fall deeper into poverty but is far from being a perfect tool to eradicate poverty. Counter-balancing the negative externalities of the global and conventional market, Fairtrade has allowed small farmers to penetrate a heavily competitive and volatile market by differentiating their coffee production from conventional coffee through the implementation of internationally recognized labels and certification schemes. The combination of market transparency, price and premium settings, and an emphasis on building strong relationships among the supply chain actors leads to partial, but important, enhancement of farmer livelihoods.

However, the intensity in the discourse held on whether Fairtrade initiatives have been successful or have failed in fulfilling their objectives vary greatly between the interviewees. Coherent with other scholars that have worked on the subject, Lindsey Naylor is highly critical of Fairtrade, pointing out that the system is not working correctly and is not loyal to the organization’s initial alternative values. On the other hand, we find a less extreme position with Alpha and Cooperative Coffees. While admitting to the existence of weaknesses in Fairtrade, both companies (despite having drastically different business motivations) point out the quality of relationships that are built within the network. Monika Firl emphasizes the fact that Fairtrade is overly criticized (especially by scholars) which tarnishes the Fairtrade image, where in reality, the organization, far from being perfect, has set the ground for other non-profits certifiers such as UTZ and Rainforest. The mere existence and development of the Fairtrade network have raised awareness of farmers’ life and trade conditions, which ultimately led to more international assistance. Moreover, Fairtrade has broken the wall of silence in the coffee industry, convincing roasters and manufacturers that the exploitation of the “poor” has to cease and that a collective sustainability consciousness must emerge. In this sense, it has been a lever to

make changes possible, having an uncontested positive impact on small farmers. Julio Aguilar from Fairtrade USA shares these opinions. While recognizing the imperfection of Fairtrade, especially when it comes to profit distribution along the supply chain, Aguilar highly values the community strengthening that has been made possible. Additionally, he considers that certification has been effective for farmers' development, as it provided them with tools to enhance their technical expertise, organization, and market analysis. Training and assistance given by Fairtrade further allow for better control of the production of coffee for farmers.

Triunfo Verde's opinion on the matter is perhaps the most intriguing. Hugo Lares emphasized the fact that Fairtrade should be viewed as a means of development, with an efficacy depending, for the most part, on farmers' and cooperatives' management of Fairtrade provisions. Lares considers that, despite relatively low financial profits, Fairtrade successfully manage to assure farmers to get a minimum price and extra incomes through premiums, to have direct access to the market, to allow for community development, and the foundation of strong relationships. For instance, in 2014, coffee rust, a plant disease caused by a fungus, spread through coffee plantations, significantly affecting production. Thanks to Fairtrade, and after efforts to mitigate the infection rate of coffee plants, farmers were able to bounce back due to the assistance and the market stability and security provided by the organization. Fairtrade, therefore, represents an alternative to the conventional coffee market, characterized by limited accessibility, multinational companies' abuses, and high price volatility. Well aware that it won't solve every issue that they may encounter, Lares claim that it is the farmers that give value to Fairtrade, the outcomes being determined by the cooperative's strategies and management.

5.4.2. PROFITS DISTRIBUTION ALONG THE SUPPLY CHAIN, MINIMUM PRICE, AND PREMIUMS

As we previously mentioned, the Fairtrade system does not put enough money in the hands of farmers, which legitimately pushes us to question the profit distribution in the Fairtrade coffee supply chain. The claim that profits extracted from the sale of Fairtrade products are unequally distributed, the North capturing most of the value created, is very common.

From a solidarity economy theory perspective, enterprises and organizations participating in projects like Fairtrade should stand out from conventional economic practices and the focus of financial profit-making, and work toward social profitability with dominant common good considerations. The system should first and foremost work at the benefit of marginalized people, where any type of economic domination from the North over the South must be opposed.

At Triunfo Verde, while the minimum price provides satisfying financial security from the commercialization of coffee beans, premiums are used to pursue extremely important community and economic development plans. Throughout the years, the cooperative has been able to use the social premium to create its own financial instrument, improve accommodations for the community by giving approximately 350\$ to every producer, organize workshops on community resilience, and pursue programs on youth and gender policies. Premium savings have also been useful in mitigating the negative effects of COVID-19 on farmers. A pantry has for instance been created to distribute food for the

people that struggled the most. The cooperative has also been assisting farmers with funerary costs associated with COVID-19 deaths. Additionally, Triunfo Verde plan to depend at 70% on their own resources in three years, premiums, and tactical savings making this challenge difficult but conceivable. In this sense, Fairtrade premiums bolster community development and the feeling of unity among farmers. However, Hugo Lares states that the premiums are not high enough and their efficient allocation requires heavy strategic planification to obtain noticeable positive results. While Triunfo Verde may be able to overcome this difficulty, thanks to their great cooperative size and effective organization, other smaller cooperatives with fewer revenues and less expertise may struggle to invest premiums to make any profound change within their community.

Guaranteeing that farmers receive enough incomes to thrive and make long-term plans calls for higher participation and commitment of the supply chains actors in Fairtrade. We questioned the interviewees about their opinion on which actor(s) should bear a bigger portion of the system cost to ensure that enough money gets in the hand of farmers. We observed a great heterogeneity regarding the reactions to this question.

For Lindsey Naylor, which spend several years in Chiapas in the context of her research, farmers are struggling to cover basic living costs, due to the low profits they receive from Fairtrade coffee. Along with financial difficulties, they have to deal with the negative externalities of climate change and crop diseases. Farmer's responsibilities are also increasing each year with stricter Fairtrade requirements and standards. Regular audits from the organization add to those difficulties, as they represent high costs that cooperatives must assume. For these reasons, Naylor believes that retailers and roasting companies should bear a bigger portion of the Fairtrade system cost and that, while these actors have real costs associated with their activity (equipment, staff, training, marketing...), it does not exempt them from higher financial participation as it would mean prioritizing capitalist ideas of labor and means of production over people's ability to live decently.

The previous claim is however not shared by market-driven corporate traders like Alpha. Mr. Jones and Mr. Davis, both having professional experience in multinational coffee companies, claim that when we look at manufacturers' revenues, we omit a lot of supply chain-related costs. Manufacturers have to balance these costs with the necessity of remaining competitive on the market and paying a high price through Fairtrade for coffee beans, which means that, relatively, they do not make much profit from this specific activity and cannot afford to assume higher costs. According to Mr. Jones, paying a higher price for the commodity would mean giving up the prospect of profit-making. As an example, roasters can lose up to 30% of the weight of coffee they bought just in water. Furthermore, he adds that even if coffee manufacturers gave up all their profits from the sale of Fairtrade products, there would not be a lot of money back for the producers, considering the important supply chain costs associated. Interviewees of Alpha hold the same discourse on the economic activity of their company. The existence of the minimum price means that the profits made from trading Fairtrade coffee are minimal. In this sense, paying more would be dangerous for the viability of their business, since, like manufacturers and retailers, they have important costs to cover (for example, related to the work being done in producing countries, such as transportation for export, since some producers do not have the infrastructure capacities to endorse this role). Corporate traders must also consider the financing risk they are taking when assisting producers, the costs associated with quality control of coffee (since Fairtrade does not have compulsory quality requirements), and certification.

The arguments advanced by conventional businesses like Alpha collides harshly with the values of the solidarity economy that Fairtrade is supposedly part of. It underlines the difficulty of operationalizing a system that takes personal profit-making out of the social profitability equation. Conventional economic practices seem to not be compatible with the solidarity economy conception of reality, yet ironically, the Fairtrade network has worked hard to develop a mainstreaming strategy in which conventional economic actors' participation is highly desirable, and in a setting where farmers are encouraged to manage their productive activity as conventional businesses. For Alpha, the issue of low-profit distribution for producers could be solved by combining two changes. First, the consumers need to pay a higher price for Fairtrade coffee and be knowledgeable about this necessity. Second, Fairtrade needs to assist farmers in augmenting their productive capacities (more lands and equipment) and allow them to manage future risks so that they will no longer be restricted to a crop-by-crop mentality (which harms their competitiveness). With such measures, farmers would be able to consider long business perspectives that would lead to effective investments and the multiplication of positive outcomes. As demonstrated by Triunfo Verde, cooperatives have a lot of potential in undertaking substantial economic and social plans when the incomes are suitable.

Surprisingly, the discourse of Fairtrade USA on the matter is very different from what we have seen so far. Julio Aguilar considers that the problem of low-profit distribution for the farmers comes from the low productivity of their activities. Producers from Fairtrade certified cooperatives get roughly the same income as free producers mostly because of the low productivity that is a result of low maintenance on coffee plants and inadequate production management. Aguilar argues that farmers should use the profit from the minimum price and premiums to improve productive structures as much as possible but recognize the difficulty of the task and that more income would be desirable to support their efforts.

Perhaps the most logical solution to this problem, which is also in line with the solidarity economy values, is shared by the mission-driven importing cooperative Cooperative Coffees. Monika Firl demonstrated in the interview the commitment of the company that goes far beyond financial compensation. Since 2005, Cooperative Coffees buy Fairtrade coffee above the minimum required price, recognizing the needs of farmers and fostering complex and strong relationships. Because Fairtrade prices tend to stagnate a lot, plans have been scheduled to gradually increase the price paid per pound of coffee over years. Moreover, Cooperative Coffees is directly involved in community development projects. For instance, they recently started working on a plan to implement a "carbon premium", remunerating producers for the CO₂ that is being sequestered in the small-scale agroforestry plots. For Monika Firl, no blame shall be directed on a specific actor of the supply chain, as collective efforts and commitments are necessary to reach the expected outcomes of Fairtrade. Traders need to pay a higher and fairer price and avoid trying to reduce their costs through continuously switching between producer cooperatives. They should also design contracts to give farmer cooperatives "peace of mind" so that they may be able to invest in their field and organization. Coffee manufacturers and roasters should also have a better plan for profit-sharing and be more invested in community development. Finally, consumers need to be more aware of Fairtrade and what it represents and understand that they need to be ready to pay a higher price for Fairtrade coffee if they wish to demonstrate altruism and do good. A connection between the consumers and the producers is essential and should be maintained by roasters and manufacturers since, according to the solidarity economy theory, buyers will be able to capture the details of how the goods

are produced and be more informed on the general situation and the importance of their contribution. This opinion shows that Cooperative Coffees' strategy and commitment supports well the solidarity economy notions of humanism, solidarity, subsidiarity, sustainable development, and plurality. It also supports Jean-Louis Laville's claim that solidarity economy applications allow recovering the human and cultural dimension of trade while also better remunerating the producer thanks to the established control over the entire sector.

5.4.3. CERTIFICATION

Another matter that is widely discussed in the literature is the subject of certification and how it affects small-scale producers. As we previously mentioned, upon joining Fairtrade, actors of the coffee commodity chain must assume certification costs. Maintaining certification licenses through the payment of yearly fees while covering inspection and auditing-related expenses can be particularly costly for farmer cooperatives, but it is a core requirement of Fairtrade that they must comply with.

Fairtrade certification may appear as deeply unequal for two reasons. First, we discovered in our interviews that, since the 2000s, coffee manufacturers have been able to erase the costs of certification from their expenses. Before that, with the first Fairtrade agreements, manufacturers had to pay the certification fees for the producer cooperatives. This questionable decision was taken by Fairtrade International upon negotiating the terms of Fairtrade's engagement with big coffee multinational companies. While no official reasons can be found on the matter, we suspect that the organization felt the need to create incentives for manufacturers that were starting to lose interest in Fairtrade. The time when this decision was taken seems to coincide with the period in which Fairtrade started pushing big coffee manufactures like Starbucks to start buying large quantities of Fairtrade-certified coffee. At Fairtrade USA, similar decisions have been taken. When the organization split from Fairtrade International, multinational coffee companies were given what Monika Firl calls "sweetheart deals" to acquire more international exposure. In her opinion, these decisions should have never been taken since they cheapen the values of Fairtrade, as the responsibility of certification should be shared equitably with all the actors of the coffee supply chain. According to Jean-Louis Laville, environmental and social costs that are usually externalized by companies are internalized in a solidarity economy setting. The decision to exempt large multinational coffee companies, partially or totally, from certification-related costs contradicts this characteristic of the solidarity economy that Fairtrade is associated with, challenging at the same time the notions of equality and equity.

The inequality of treatment observed here leads us to our second point, which is the economic impact of certification costs for small-scale producers. For Triunfo Verde, certification costs represent a small expense. The cooperative pays around 2500\$ a year to maintain their Fairtrade license, and a few hundred more to cover inspection and auditing costs. However, what we must keep in mind is that Triunfo Verde is a large and productive farmer cooperative that sells approximately 3 million dollars worth of coffee per year, which makes certification expenses marginal. For smaller cooperatives with lower productivity, even if certification costs are proportional to the total amount of Fairtrade coffee produced, these expenses are non-negligible and absorb a significant part of the additional profit created from the minimum price and the premiums. Interestingly, in the eyes of Hugo Lares, farmer cooperatives' obligation of assuming the important costs of certification is not challenged and is seen as fair and necessary. Such a claim is not surprising as Triunfo Verde has the

financial resources to efficiently cover these costs, which may not be that simple for smaller cooperatives.

The presented reasons allow us to question the utility of certification for small-scale producers. For Monika Firl, the processes associated with certification are overly complicated, which may exclude certain farmers that would need help the most. As she explains, hard-working farmers that produce the highest quality and the most organic coffee are sometimes not able to afford certification. This opinion correlates with Lindsey Naylor's view, as she believes that certification is an unnecessary additional labor burden to farmers and limits the diversity of their agricultural activities. She also points out that abandoning Fairtrade certification would be a viable option for farmers, as the relationships that have been created thanks to its existence built long-lasting and strong relationships with certain key actors of the supply chain. In this sense, certification is no longer needed, and cooperatives would benefit more from negotiating their terms of trade. While aware of the potentially high costs of certification for small producers, Julio Aguilar from Fairtrade USA believes that certification is a necessity and is the reason why Fairtrade has been able to improve the life of farmers. He considers that certification strengthens local communities and their economic capabilities, as they are awarded tools and knowledge to penetrate the market, make their business thrive, are trained to reach their objectives.

In sum, the validity of Fairtrade certification can be questioned, especially from a solidarity economy perspective. Similar to the case of profit distribution, it seems that the importance of certification on farmer cooperative budget depends on their productive capabilities and their overall organization, which forces us to be cautious in our conclusions. The phenomenon of inequality of treatment between the supply chain actors regarding certification is however real and apparent with the case of manufacturers being exempted of costs that farmer cooperatives still have to assume.

5.4.4. PRE-FINANCING, CONTRACT STABILITY, AND ASSISTANCE IN COMMUNITY DEVELOPMENT

One of the core objectives of Fairtrade is to promote strong and durable relationships between producers and buyers. This aspect is also at the heart of the solidarity economy theory, revolving around notions of close collaboration and commitment to the common good. One of the ways of achieving this objective is through Fairtrade requirement of pre-financing (or pre-harvest payment), but also stable contracts and direct investments from supply chain buyers in community development. We found that, in Chiapas, the Fairtrade system works well on fostering the construction of strong and long-lasting relationships between farmer cooperatives and buyers.

Pre-financing is an extremely important Fairtrade mechanism for farmer cooperatives. As Julio Aguilar states, without buyers' pre-financing, the productivity of producers is harmed. Beyond productivity, farmers also need immediate incomes to subsist and cover production and transportation costs to effectively harvest the coffee beans. Without pre-financing, farmer cooperatives may not be able to redistribute money to producers and fulfill contracts because of a lack of financial capacities or would be forced to take out loans from specialized organizations or commercial banks, which means losing part of their profits to interest rates. Unfortunately, Julio Aguilar claims that sometimes the Fairtrade

requirement of pre-harvest payments is not respected by large corporate traders, a situation that is also underlined in part of the academic literature on the subject. Company Alpha interviewees also confirm this claim, stating that global traders that are not active in the country of origin may reject the pre-financing of cooperatives, as it is seen as a risky investment. In the case of Alpha, the company has offices in Mexico and is invested in both the importation and exportation of Fairtrade coffee. Pre-harvest payments are seen as essential by the company to maintain strong relationships, farmers' productivity, and stable supplies of quality coffee. Alpha pre-financing was for instance used by a cooperative to create a nursery to grow coffee trees in good conditions. This perception of the importance of pre-financing is, unsurprisingly, shared by Cooperative Coffees, the importing cooperative being highly invested in community development and direct assistance to farmers.

There are however more disparities in the stability of contracts. Depending on the type of buyers, contracts may not be renewed with farmer cooperatives, which harms Fairtrade vision of fostering long-term relationships. As Lindsey Naylor says, in Chiapas, long-term contracts are prevalent with mission-driven buyers such as Cooperative Coffees. High transparency and very low turnover define this relationship with farmer cooperatives. The situation is more nuanced with market-driven buyers where this relationship can be more fragile. However, as long as cooperatives stay in compliance with Fairtrade requirements and meet quotas of coffee production, buyers do not have any reasons to drop them, as they also benefit themselves from stable trade relationships. Long-term relationships and contracts are Fairtrade tenets that are overall well respected by buyers, as confirmed by Alpha, the company claiming that they buy coffee on an annual basis from the same cooperatives. Hugo Lares also confirmed that Triunfo Verde benefits from the stability of buyers, giving credit to Fairtrade standards.

Overall, it seems that Fairtrade has succeeded in promoting the development of strong and long-lasting relationships between farmer cooperatives and global buyers. Solidarity economy's notions of social utility and collective interests are relatively well represented in this dimension of Fairtrade, with buyers understanding the importance of pre-financing and stable contracts for the subsistence and development of coffee farmers.

5.4.5. EFFECTS OF FAIRTRADE MAINSTREAMING STRATEGY ON FARMERS

Throughout the years, Fairtrade International has gradually adopted a mainstreaming strategy to extend the influence of the movement worldwide, distancing itself from alternative trade inspirations that were the sources of its creation. Fairtrade desire for the rapid growth of market shares, strong establishment in conventional markets, and the consideration of farmers as business holders have raised questions on whether the movement has remained true to its roots.

At Fairtrade USA specifically, the mainstreaming strategy is even more striking. After the split with the umbrella organization, Fairtrade USA had decided to start certifying different types of producers, certification being before reserved for small-scale, family-based farmer cooperatives. Big plantations, independent producers and large associations not organized in democratic cooperatives have been able to join the Fairtrade network, on the condition that they obey the existing standards and requirements. For Julio Aguilar, the separation of Fairtrade USA from the umbrella organization and the diversification of the type of producers that can be certified has not been detrimental for farmer cooperatives.

This is however not reflected in the interview with Triunfo Verde. Indeed, Hugo Lares considers that there are groups of producers in Chiapas, sometimes controlled by international companies, that should not be part of Fairtrade because they do not respect the mandatory requirements. The multiplication of these types of producers after their integration into the Fairtrade network has had negative impacts on small-scale farmer cooperatives. Abuses led Fairtrade USA to conduct more exigent audits, adding workload on farmer cooperatives that must obey stricter rules. Furthermore, newly integrated producer groups that abuse the flaws of the system have contributed to the saturation of the Fairtrade coffee market, something that Hugo Lares judged as “unfair”.

Lindsey Naylor considers that the Fairtrade mainstreaming strategy has led to a “responsibilization of the poor”, where farmers are pushed to treat their cooperative as a conventional business, following capitalist ideas of accumulation of profits, an aspect that she has been able to witness during Fairtrade audits in Chiapas. She considers that there was a shift from the initial idea of Fairtrade of creating access to the market for marginalized, not well-connected people with few capacities to creating operational businesses. This is reflected in the interview with Julio Aguilar, where he precise that the will of Fairtrade USA is to train cooperatives and producers more and support them with technological means so that they can upgrade their productivity. In her eyes, Fairtrade project occidental conceptions of how labor and consumption should be, incompatible with the aspirations of local farmers who primarily just wish to have enough money to support their subsistence livelihood, send their children to school, and invest in next year harvests. The misconception of the people’s needs may indeed lead to counter-productive strategies. Discussions taking place in Fairtrade boardrooms end up being very different from the ones happening in local communities. As Naylor says, “Fairtrade has an idea about what the producer should be like, and they are trying to fit them into that mold”. Child labor is, for example, a problem that the organization has actively been trying to resolve, encouraging farmers to invest part of their profits in education. However, the situation is complex, as Fairtrade is not a tool that frees up labor. Instead, producers are pushed to be more productive and, due to the limited amount of labor force, children often must take part in agriculture, whether it is to farm Fairtrade coffee or other subsistence crops that farmers’ families may have. This aspect, along with the low availability of elementary education institutions in the highlands (meaning children must take transportations that can be costly) weaken the efforts to abolish child labor. In this sense, Lindsey Naylor believes that “Fairtrade allows farmers to stand in place but doesn’t allow them to get ahead”.

Overall, the mainstreaming strategy of Fairtrade seems to be accepted by cooperatives, or at least internalized. Hugo Lares consider Fairtrade as a tool and its positive outcomes are dependent on the ability of farmers to use it efficiently, which legitimizes the necessity to take on high responsibilities. For Triunfo Verde, a major determinant of success is related to the ability to negotiate with clients and convince them that they are working well. By working hard, maintaining strong relationships with buyers, and focusing on the production of high-quality Fairtrade coffee, they can obtain higher prices for their commodity. This reasoning echoes mainstream business practices that are prevalent in the global North. Whether this mindset was enforced by Fairtrade or voluntarily approved by local communities is up to interpretation.

5.4.6. INCONSISTENCIES AND DISPARITIES IN THE COMMITMENTS OF SUPPLY CHAIN ACTORS

In a solidarity economy setting, agents produce goods, services, and knowledge while pursuing economic and social aims and fostering solidarity. They all demonstrate a strong commitment to common good considerations and social profitability. Financial profit-making becomes secondary, as the goal is, according to Laville, the acquirement of benefits for the collectivity induced by intentional consequences rather than by economic activities. However, Fairtrade's mainstreaming strategy has drawn several conventional economic actors within its network, which may display a low or inconsistent commitment to the core organization's objectives. Disparities are even more striking between mission-driven and market-driven supply chain actors.

According to Fairtrade USA, the level of commitment of large roasters and international traders has lowered in recent years, especially in the United States. The reason lies in farmers' struggle to produce high quantities of coffee to obtain contracts. While mission-driven actors, usually smaller in size and capacity, are less exigent on quantities, market-driven actors are drawn away because of low-profits perspectives emanating from the acquisition of short coffee supplies. Julio Aguilar underlines that this situation put the commercial relationship established between farmer cooperatives and coffee buyers at risk. The low commitment of large multinational coffee companies affects the decision-making processes of international buyers. Indeed, Alpha interviewees precise that, despite efforts to maintain stable suppliers, the amount of coffee bought ultimately depends on the demand of coffee customers. As Fairtrade is not the only sustainable label, coffee manufacturers decide on the type of coffee they want based on their portfolios (for example, they may only ask for Rainforest Alliance coffee). Similarly, Alpha's only incentive for trading Fairtrade coffee comes from the demand generated by consumers. As long as there are no transactions with the farmer cooperatives, Alpha does not display any particular commitment to Fairtrade objectives.

The case of Cooperative Coffees contrast with what we previously mentioned. As a mission-driven cooperative, Cooperative Coffees is very invested in building strong relationships with farmers, leveraging their purchasing power, and providing them with a permanent platform in which they can sell their products. Efforts are also being made to facilitate farmer-to-farmer learning exchanges beyond the borders of Mexico. Cooperative Coffees is invested in assisting and training farmers to build climate change resiliency and promoting effective agricultural and managerial practices. As claimed by Monika Firl, the cooperative wants to show the coffee industry the ingenuity and the capacity of small-scale farmers of doing great work with very few resources, with good results. The strong relationship built through these interactions proves advantageous for Cooperative Coffees, as farmers very rarely default on contracts, with efforts being made by the company to shift shipping calendars to facilitate the work of the producers in case of unexpected events (natural disasters, coffee plants diseases...). Close collaboration also allows for more control over the quality of the coffee beans produced.

The inconsistencies and disparities in the commitment of market-driven and mission-driven actors are also confirmed by Hugo Lares. Triunfo Verde has been able to develop projects with some of their buyers, that go beyond financial relations, but it remains limited. Not all companies are committed to supporting the cooperative, with engagements often not going beyond basic requirements such as the payment of the Fairtrade minimum

price and premiums. Monika Firl expresses her disappointment in this situation, finding it unfortunate that multinational coffee companies with important capacities to do more than Fairtrade choose to do far less. She is however optimistic, as she can witness a growing will of coffee companies from all sizes to assume climate responsibilities and develop more ethical and sustainable ways of managing their supply chain. However, she precise that there is a need to “break the cartel of control of dominant companies”, targeting the ones that are not willing to share risks, as currently risks are being put on the most vulnerable part of the supply chain. Lindsey Naylor shares the same feeling, as she considers that Fairtrade put all the burden on producers, which are the most disenfranchised and vulnerable in the system. She argues that none of this burden is placed on the consumers. The latter is limited to the task of acknowledging farmers’ poor living conditions and recognizing labels on processed coffee products. Meanwhile, farmers have to make heavy efforts to maintain their certification, work the lands, and honor contracts.

The inconsistencies and disparities in the commitment of the coffee supply chain actors are well observable and challenge the very essence of Fairtrade. Differences in commitment vary between actors and their types (market-driven or mission-driven), as Fairtrade seems to not have strong enough tools and coercive power to make sure that all economic partners work toward the same common goals. It also defies the collective benefits target that the solidarity economy school promotes.

5.4.7. FARMERS AND COOPERATIVES CONNECTIONS WITH THE REST OF THE SUPPLY CHAIN

In our previous analysis, we underlined the success of Fairtrade in creating strong and long-lasting relationships with committed supply chain actors. While the levels of commitment vary greatly, the Fairtrade platform manages to create a space where the establishment of strong connections between farmer cooperatives and buyers is possible. At Triunfo Verde, Fairtrade committed buyers are considered as “friends”, on the contrary to their relationship with conventional buyers where there are almost no human interactions. This strong connection is a fertile ground for the development of collaborative projects. Indeed, Hugo Lares mentioned that development projects are pursued with some of their buyers, such as the creation of climate change programs based on environmental investments. As an example, the collaboration of Triunfo Verde with one of their buyers has allowed the cooperative to acquire solar panels, drastically reducing their offices’ consumption of energy.

There are, however, apparent disconnections in the Fairtrade coffee supply chain. First, it is worth mentioning that, while the cooperatives are well-connected to the Fairtrade national organization and have access to a conversation network in which they can ask for assistance (local issues, need to contact existing clients or find new potential buyers...), farmers themselves do not “feel” this relationship. This argument is highlighted in our interview with Lindsey Naylor, based on her field experience in Chiapas, where she claims that farmers that are not part of the cooperative leadership usually do not care about their affiliation with Fairtrade or are unaware of what the organization is about. Fairtrade is simply seen as an available opportunity to capture extra incomes, but if another, more attractive, opportunity would present itself, farmers will undoubtedly seize it.

Second, the most striking disconnection in the Fairtrade coffee supply chain is between farmers and consumers. From a solidarity economy perspective, according to Jean-Louis Laville, Fairtrade participate in the process of recovering the human and cultural dimension of trade and the connection between the consumer and the producer that is normally lost in the conventional economy. Consumers can capture the details of how goods are produced and can perceive the reality of producers' lifestyles. In this sense, solidarity is created from a shift from anonymity to personalization. However, in reality, the connection and solidarity between farmers and consumers are very minimal. Fairtrade USA recognizes this issue, pointing out that the disconnection has been more important ever since big plantation and producer groups were incorporated in the Fairtrade system, despite efforts to raise awareness on small-scale farmers' needs and living conditions. According to Naylor, in the North, consumers fail to understand and capture the particularities and complexities of farmers' situations, as the information shared by Fairtrade is relatively insufficient. Despite Fairtrade narratives, farmers and consumers do not know much about each other. Fairtrade operationalizes the shift from anonymity to personalization by cultivating an imaginary of fair consumers harmoniously connected to poor farmers that needs help as if consumers and farmer communities were homogenous groups. This aspect is also reflected in our interview with Triunfo Verde, in which Hugo Lares never mentioned the existence of a relationship or connection to consumers in the global North, despite being asked multiple questions closely related to the matter.

5.4.8 POLITICAL DIMENSIONS IN CHIAPAS

The region of Chiapas has a long history of political instability and conflicts, punctuated by the occurrences of uprisings and armed rebellions. Since the 90s, the Zapatista Army of National Liberation, a militant group that controls a large part of the Chiapas territory, has been opposed to the Mexican government's liberal economic reforms that are believed to have negative consequences on poor farmers, especially on small-scale indigenous coffee producers. Government land reforms were particularly contested by Zapatistas, reforms that were threatening the autonomy and right of self-determination of indigenous people in Chiapas (Van Der Haar, 2005). The 1994 armed uprising is a testament to the political tensions in Chiapas, with Zapatistas members clashing against the Mexican military that was trying to regain control of the territory (Stahler-Sholk, 2010). If today the situation in Chiapas has de-escalated in intensity, political divisions remain between the communities and strong opposition to the government is still present among Zapatista's supporters. The highlands are fractured, with cooperatives affiliated with the Mexican government, Zapatistas, and cooperatives with no political affiliation sharing the same territory. As underlined by Lindsey Naylor, this situation leads to difficulties in implementing community development projects and creating a broad coalition of cooperatives to lobby the Fairtrade board for more changes. Monika Firl claims that the division between Zapatistas and other cooperatives is reinforced by the fact that the Mexican government sometimes provide financial assistance to the latter, assuming a part of the Fairtrade certification costs and distributing subventions, indirectly weakening the resistance movement while creating inequalities and fueling resentful sentiments between the communities. For the Mexican government, this unilateral assistance is often a way to legitimate state interventionism and promote the merits of their policies. However, Fairtrade is a valuable tool for Zapatista's cooperatives, allowing them to reinforce their autonomy from the government. During our interview,

Lindsey Naylor cited the words of a Zapatista cooperative leader she was able to talk with: “Our coffee sells, and it sends a message, we are still here”. Beyond financial considerations, Zapatistas use the Fairtrade system to obtain global recognition, defend their indigenous identity, maintain their rebel autonomy and resistance, and withstand the efforts of the state to remove them from their land.

While some cooperatives are highly invested in politics, others focus exclusively on production, refusing to take part in the political scene. As Julio Aguilar precise, many cooperatives do not want to be affiliated and instrumentalized by Mexican politicians that would want to conquer an electoral base in Chiapas and distort the reality of why the cooperative is encountering successes. Triunfo Verde falls into this category, the cooperative valuing production, democracy, inclusivity, community symbiosis, autonomy, and political neutrality above all else. The cooperative is open to the dialog and tolerates all political orientations but does not want to take part in politics in their municipality nor in Chiapas. In a sense, Triunfo Verde’s conviction for political neutrality is a way to preserve and proclaim their autonomy from the government, and the affiliation to Fairtrade supports their efforts. As Hugo Lares mentioned, the counterpart is that they do not get any subventions or assistance from the state. However, he highly values the fact that everything that Triunfo Verde has comes from the production of coffee, their hard-working efforts, and their good organization.

5.5. WHAT CAN BE DONE TO IMPROVE THE FAIRTRADE SYSTEM?

Our analysis shows that, despite having some positive effects on farmers’ lives, the Fairtrade system has several shortcomings that need to be addressed. The following are recommendations aiming at improving the efficiency of Fairtrade, based on the elements gathered in our interviews and research.

One of the major issues of the Fairtrade system is that it does not provide enough financial benefits to the farmers. When a cooperative joins Fairtrade, it must comply with a set of restrictive requirements and standards on production and management and pay certification and audits costs that take away part of their revenues obtained through the minimum price and premiums. Independently from its size, the final profits obtained by the cooperative and redistributed to the farmers seem to be too low to make any profound and long-lasting changes for the community, as also pointed out by the academic literature. The financial benefits obtained through Fairtrade certification need to be more important. It is also important for Fairtrade expansion and prospects. If the system is seen by farmers as “high work for low rewards”, the development of the network might come to an end. Increasing farmers’ incomes is realistic and possible via a combination of changes. Farmer should have more control over their production. By shifting part of the manufacture of finished products to the country of origin, farmers would be able to capture more income from the sale of Fairtrade coffee. Most of the time, producers will sell green beans to roasters and manufacturers, who will then process the coffee into high value, finished products. With long-term investments in infrastructures, cooperatives would be able to manufacture and export their finished products, capturing significantly more incomes while also creating a stronger connection with consumers. The Chiapan cooperative “Maya Vinic” is an example of the application of this strategy, which roasts their non-export production themselves to sell it within the country, in their café in San Cristobal, but also internationally.

More money in the hands of the farmers addresses the problem of poverty but does not necessarily lead to long-term community development. As we have previously seen, Fairtrade encourages capitalist ideas of profit accumulation, convincing cooperatives to treat their activity as a conventional business, but fails to encapsulate the social reality proper to the people in Chiapas. The occidental model of development should not be applied to the highlands, instead, assistance should be given in adequation with the farmer's lifestyles. Fairtrade should also be able to capture the complexities specific to the area and not miss nuances by considering that all "poor" people in Chiapas are the same. The assistance given should go beyond surveillance and auditing. Strong technical support, training, and collaborative long-term plans should be provided by Fairtrade with farmer cooperatives, lifting them from the burden of having to manage their community development on their own. Fairtrade national organizations should reinvest part of the profits they capture through the payment of certification fees by the supply chain actors to assist farmers in developing adequate infrastructures as part of long-term prospects. On this subject, multinational coffee companies should be once more subject to the obligation of paying certification fees, as to share the risks and responsibilities equally in the commodity chain. Farmer cooperatives, especially the smaller ones, should be exempted from certification fees, or at least the costs should be better proportionated, as it seems counterproductive to make the beneficiary of an initiative pay for it (and it increases inequalities since the Mexican government subsidizes and assume the costs of certification for some cooperatives but not for all).

Furthermore, for the sake of consistency, systemic changes need to happen in the industry. The disparities in the commitment of the supply chain actors harm the efforts and the coherence of the Fairtrade system. This commitment should not be a function of the company type (market-driven, quality-driven, mission-driven) but must be homogenous within the commodity chain. Conventional businesses should endorse their corporate social responsibility role and show an honest desire for change, in adequation with Fairtrade essence and core solidarity economy values. Common good should be obtained by endorsing and better sharing the risks so that the system can benefit the ones who need it the most. Consumers need to be aware of what Fairtrade represents and must be ready to pay a higher price for a product with an important symbolic value. Efforts to provide consumers with stronger incentives must continue to be pursued, as their participation is essential in the functioning of the system. While the creation of quality standards on coffee by Fairtrade institutions may seem like a good idea to create incentives, it risks fueling the competition between producers and creating inequalities, as not all cooperatives can produce higher quality coffees. This shows the difficulties of creating incentives for the consumers, with Fairtrade being left with a unique marketing argument that revolves around "helping the poor". Nevertheless, efforts must be conducted to ensure the high availability of Fairtrade coffee in stores, while improving their attractiveness and overall consumer awareness.

Finally, Fairtrade should rethink the way the organization operationalizes accreditation, surveillance, and auditing. With Fairtrade USA splitting from the umbrella organization, several types of producers with different objectives and needs were incorporated into the system, generating issues for small-scale farmer cooperatives. Triunfo Verde voiced this concern, with Hugo Lares claiming that Fairtrade should be more careful in choosing who may join the network to avoid excesses and abuses, without however making the requirements stricter and tougher for Fairtrade cooperatives of farmers. Additionally, Fairtrade

should work toward including farmer cooperatives in boards (allowing active participation), giving them a voice in decision-making processes, so that their future is not solely determined by countries of the global North. Farmers must have representatives at an international level and Fairtrade should be present at grassroots levels to strengthen the democracy in the network and retrieve central solidarity economy values.

6. CONCLUSIONS, LIMITATIONS, AND RECOMMENDATIONS FOR FUTURE RESEARCH

Born as an alternative trade model, Fairtrade has shifted over the years to a mainstreaming strategy, aiming at extending its global influence, increasing its membership counts, and reaching a broader audience. This transition was not, however, without consequences. In the process, Fairtrade seems to have lost its essence, stepping away from the solidarity economy values that it once embraced. The inclusion of conventional economic actors in the commodity chain (that demonstrate a low commitment to Fairtrade values), the consideration of farmer cooperatives as operational businesses, and, in the case of Fairtrade USA, the choice to diversify certification targets (such as by certifying big plantations) has had deep impacts on small-scale farmers. Nonetheless, we must nuance the situation, as Fairtrade had multiple positive effects on the livelihood of Mexican coffee farmers. The minimum price and premium system, while hardly permitting long-term investment strategies, has acted as a safety net for farmers, allowing them to not fall deeper into poverty, earn additional incomes and gain access to the global market. Furthermore, the Fairtrade network has allowed farmers to build strong relationships with some of the actors of the supply chain, ensuring safe trade relations and enabling the possibility for close collaboration on community development projects. The case of Triunfo Verde, although not generalizable for all other cooperatives, demonstrates well the successes but also the shortcomings of Fairtrade. Beyond the binary logic of positive and negative outcomes, we wish to give credit to this cooperative, as their determination to enhance their community living standards and work hard toward the common good is admirable. It demonstrates the importance of assisting and providing the tools to these greatly organized farmer cooperatives, as their high potential for self-development is unquestionable.

Our study includes two main limitations. First, while we were able to gather sufficient data, we would have wished to obtain more interviews, specifically with multinational coffee companies and other small farmer cooperatives. Additional interviews with several cooperatives would have allowed us to paint a more accurate representation of the situation in Chiapas. Having the possibility to be on the field would have proven advantageous and more adequate, unfortunately, we lacked the capacities to do so. Second, our work heavily simplifies the supply chain of Fairtrade coffee. In reality, the supply chain is more complex as it is composed of additional actors that sometimes fulfill different roles. Traders may endorse both roles of exporters and importers, transporters are sometimes commissioned by farmer cooperatives themselves, and coffee manufacturers occasionally buy coffee beans that have already been roasted by previous actors of the commodity chain. However, for the sake of clarity and feasibility, we settled on a simplified description of the supply chain that would underline the core mechanisms of the Fairtrade system.

For future research perspectives, it would be interesting to carry out cross-countries or cross-continent comparative analysis, to discover if the Fairtrade system exacerbates global income inequalities. Additionally, comparing the different modes of organization of farmer cooperatives around the world would give us more explanation as to why Fairtrade initiatives may be effective in a country but less in another.

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8. APPENDICES

8.1. APPENDIX 1: INTERVIEW QUESTIONS

8.1.1. LINDSEY NAYLOR

1. Quick presentation: What is your current professional activity and what experience do you have regarding the Fairtrade coffee commodity in Mexico?
2. As of 2021, has there been any major change in the way the Fairtrade label function for the benefit of Mexican coffee farmers and cooperatives? Has their situation improved, worsened, or didn't change at all?
3. It is recurrent in academic literature to find the assumption that the social premiums extracted from the sale of Fairtrade coffee are not enough to make any profound change for the local communities. In your opinion, which actor of the value chain should bear a bigger portion of the system costs to ensure higher premiums distribution?
4. Another big issue that we often encounter in the literature along with low premiums distribution is the certification costs that farmers must shoulder. I have read that, for several years now, coffee manufacturers don't have to pay any certification fees, while all other actors of the value chain have to. What could be the explanation for this situation that seems to challenge the very essence of Fairtrade?
5. Based on your experience with farmer cooperatives, especially in Chiapas, did you find that contracts with specific farmers are regularly renewed, or do corporate traders and other buyers often switch suppliers, fueling competition?
6. Complementary to the previous question, is it, recurrent buyers, to provide pre-harvest advance payments to Mexican coffee cooperatives, as required by the FLO standards (pre-finance up to 60 % of the coffee contract price on request)? Are the farmer's cooperatives generally asking for this pre-financing or could they be afraid that they may lose an economic partner if they do so?
7. Would you agree that a major problem of Fairtrade is the fact that they miss the target by overly focusing on the consumer side (creating an imaginary of fair consumers directly connected to poor farmers) rather than focusing on making the system benefit the farmers?
8. From a consumer perspective, do you think that the incentives to buy Fairtrade coffee are strong enough?
9. Do you think that there is a significant lack of unity among the coffee farmers and cooperatives in Mexico (especially in the highlands), a lack that might impede the effectiveness of Fairtrade and the development of local communities?

10. In one of your articles, you mention the idea that Fairtrade is used as a political tool by local communities to claim their autonomy. Do you think that this aspect is the main reason that pushes farmers to keep producing Fairtrade coffee, despite the low economic benefits they're able to capture?
11. As a concluding question, do you believe in the potentiality for Fairtrade to be more successful in the future for the benefit of farmers and cooperatives, or has the FLO failed to fulfill its tasks and other drastic changes are needed?

8.1.2 COMPANY « ALPHA » INTERVIEW QUESTIONS

1. Quick presentation: In what capacity are you employed at [Alpha] and what is your overall professional experience regarding the Fairtrade coffee commodity in Mexico?
2. What are the incentives for your company to trade FT coffee? And how profitable is the Fairtrade market for corporate traders? *[any sustainability concerns?]*
3. How complicated it is for corporate traders such as [Alpha] to be certified and implement Fairtrade recommendations? Are there any significant costs? Are voluntary standards difficult to integrate into the company business model?
4. When do you decide to buy Fairtrade coffee? Does it only depend on market prices/stock exchange or are there any non-monetary considerations?
5. Do you have any close and direct contact with Fairtrade coffee cooperatives in Mexico (I'm referring to long-term contracts or any other type of association)? *[fueling competition between suppliers?]*
6. Are contracts with specific farmers regularly renewed or do you often switch suppliers?
7. Is it recurrent for [Alpha] to provide pre-harvest advance payments to Mexican coffee farmers, as required by the FLO standards *[pre-finance up to 60 % of the coffee contract price on request]*? Are the farmer's cooperatives generally asking for this pre-financing or are they afraid that they may lose an economic partner if they do so?
8. It is recurrent in academic literature to find the assumption that the social premiums extracted from the sale of Fairtrade coffee are not enough to make any profound change for the local communities. Do you think that corporate traders should bear a bigger portion of the system costs to ensure higher premiums distribution?
9. What improvements to the Fairtrade system can be made and what could be the potential limitations in your opinion?

8.1.3. COOPERATIVE COFFEES

1. Quick presentation: In what capacity are you employed at Co-op Coffee and what is your overall professional experience regarding the Fairtrade coffee commodity in Mexico?
2. Could you sum up the work that Co-op coffee has done in Mexico (especially with cooperatives like Maya Vinic and Yachil) and what separates your cooperative from other “market-driven” importers and roasters?
3. What is your general opinion on the Fairtrade label and its task to enhance the lives of the small Mexican producers? Would you say that Fairtrade has been a success, or do you perhaps share the same opinions as many scholars that Fairtrade has had very limited impacts on small producers?
4. It is recurrent in academic literature to find the assumption that the social premiums extracted from the sale of Fairtrade coffee are not enough to make any profound change for the local communities. Do you agree with that statement and if so, which actor of the value chain should bear a bigger portion of the system costs to ensure higher premiums distribution in your opinion?
5. Another big issue that we often encounter in the literature along with low premiums distribution is the certification costs that farmer cooperatives must shoulder. I have read that, for several years now, coffee manufacturers don’t have to pay any certification fees, while all other actors of the value chain have to. What could be the explanation for this situation that seems to challenge the very essence of Fairtrade?
6. Do you think that there is a significant lack of unity among the coffee farmers and cooperatives in Mexico (due to political tensions and divisions), a lack that might impede the effectiveness of Fairtrade and the development of local communities?
7. As of 2021, has there been any major change in the way the Fairtrade label function for the benefit of Mexican coffee farmers and cooperatives? Has their situation improved, worsened, or didn’t change at all? (Any COVID-related change?)
8. As a concluding question, do you believe in the potentiality for Fairtrade to be more successful in the future for the benefit of farmers and cooperatives, or has the FLO failed to fulfill his tasks and other drastic changes are needed?

8.1.4. FAIRTRADE USA

1. ¿En qué calidad trabaja usted en Fairtrade USA y cuál es su experiencia profesional en relación con la producción de café Fairtrade en México?
2. Desde 2012 y la separación de Fairtrade International, ¿qué ha cambiado con respecto al trabajo de Fairtrade USA en México? ¿Ha tenido éxito la certificación del café procedente de la producción de las grandes plantaciones? ¿Ha habido algún impacto en las cooperativas de pequeños productores?
3. ¿Cuál es su opinión sobre el label Fairtrade y su rol de mejorar la vida de los pequeños productores mexicanos? ¿Diría que Fairtrade ha sido un éxito, o cree que la operacionalización de los estándares hubiera podido ser mejor?
4. Es recurrente en la literatura académica encontrar la afirmación de que las primas Fairtrade extraídas de la venta de café no son suficientes para lograr un cambio profundo para las comunidades locales. ¿Está usted de acuerdo con esta afirmación y, en caso afirmativo, qué actor de la cadena de valor debería asumir más costos del sistema para garantizar una mayor distribución de las primas?
5. Otro gran problema que encontramos en la literatura es el de los costos de certificación que deben asumir las cooperativas de agricultores. He leído que, desde hace varios años, los fabricantes de café no tienen que pagar ningún costo de certificación, mientras que todos los demás actores de la cadena de valor sí tienen que pagarlo. ¿Cuál es según usted la explicación de esta situación?
6. ¿Qué piensa de la crítica que Fairtrade se concentra demasiado en el lado del consumidor (creando un imaginario de consumidores justos directamente conectados con los agricultores pobres) en lugar de centrarse en hacer que el sistema beneficie a los agricultores?
7. Gracias a su experiencia sobre el terreno, ¿cree que Fairtrade se utiliza principalmente como instrumento político por las comunidades locales para reivindicar su autonomía, a pesar de los escasos beneficios económicos?
8. ¿Cree que existe una importante falta de unidad entre los productores de café y las cooperativas en México (debido a las tensiones y divisiones políticas), que podría impedir la eficacia de Fairtrade y el desarrollo de las comunidades locales?
9. A partir de 2021, ¿ha habido algún cambio importante en el funcionamiento del label Fairtrade que beneficie de los productores de café y cooperativas mexicanas? ¿ha mejorado su situación, empeorado o no ha cambiado en absoluto? (¿Algún cambio con COVID?)

8.1.5. FINCA TRIUNFO VERDE

1. ¿En qué calidad trabaja usted en Finca Triunfo Verde y puede presentarnos la función de la cooperativa?
2. ¿Cuál es su opinión sobre el label Fairtrade y su rol de mejorar la vida de los pequeños productores mexicanos? ¿Diría que Fairtrade ha sido un éxito para su cooperativa y la comunidad local?
3. ¿Cree que las primas Fairtrade extraídas de la venta de café son suficientes para mejorar la vida de los productores y comunidades locales?
4. ¿Cuál es su opinión sobre los costos de certificación que tiene que pagar su cooperativa? ¿Representan una gran parte de sus gastos? ¿Cree que son justificados?
5. Gracias a Fairtrade, ¿se siente más conectado al mercado global y a los actores de la cadena de valor (comerciantes, fabricantes, consumidores)?
6. Aparte de los beneficios financieros, ¿cuáles son las ventajas de trabajar con Fairtrade para su cooperativa? ¿Por qué no vender el café clásico en el mercado? (competición, mayor autonomía, presión política, mayor organización de los productores locales, preservación del medio ambiente)
7. ¿Cree que las tensiones políticas que existen en México (y especialmente en Chiapas) representan un obstáculo para el desarrollo de los productores locales y reducen el impacto positivo de Fairtrade?
8. ¿Cómo ha afectado el Covid-19 a su cooperativa y a sus productores locales? ¿Ha venido Fairtrade a apoyarles?
9. En su opinión, ¿Qué podría hacer mejor Fairtrade para las cooperativas como Finca Triunfo Verde y, en general, para todos los pequeños productores de café?

8.2. APPENDIX 2: INTERVIEW TRANSCRIPTIONS

8.2.1. LINDSEY NAYLOR

The first two questions are missing from the script (about interviewee presentation and 2021 changes with the Fairtrade label)

Samy

[...] It is recurrent in academic literature to find the assumption that the social premiums extracted from the sale of Fairtrade coffee are not enough to make any profound change for the local communities. In your opinion, which actor of the value chain should bear a bigger portion of the system costs to ensure higher premiums distribution?

Mrs. Naylor

Oh, the retailers. I mean, like that can be passed on to the customer, but it can also [be passed on to] like roasting companies. I think the biggest shift that could happen to actually put more money into the hands of the producers is to shift the production of the finished products to the country of origin. There's a lot of stigmas from the specialty coffee community about the beans arriving as green and being roasted in the country that they're going to be sold in or nearby. And so if they could capture the roasting and be able to export roasted beans, that would be putting way more money in the hands of producers. And Maya Vinic does roast their non export production and sells it in country and in their cafe in San Cristobal. So that's been really good for them and it's allowed them to make improvements and having the cafe is a really big deal. Yeah, but anyway, the roasters and retailers, you know, they put the most money in their pocket. And especially, I would say the roasters. Fact: a colleague was like somebody needs to do a study about the roasters and like, what's going on there.

Samy

The corporate traders that I interviewed said that the money they make is significant, but it's not that much. But then they said that, obviously, they have a lot of costs that they have to consider. So at the end of the day, relatively, it seems that they don't put much of the money extracted from the sale of the Fairtrade products.

Mrs. Naylor

Yeah, I mean, if you think about what the costs are at each stage, right, you have to maintain equipment, you have to maintain staff, you have to train and ensure and like, they're all of those things. And so we're juxtaposing those capitalist ideas about like labor and the means of production against people's ability to live. Because, you know, the folks that I worked with, and I've been in their homes, I've seen the conditions that they're living in, I've seen how they struggled to get access to things insulin, there's a lot of deaths, like coffee does not pay. And it's getting riskier with the rust moving north as well, although the varieties that they plant, they tend to have like four or five varieties. And so they're a little bit more insulated from that, at least they were when I was there. These folks are living on like \$1,000 a year. And whenever subsistence crops they can grow, and at the end of every year, they still have to buy food. And then there's also things like buying medicine, and pretty much everybody has a cell phone. You know, there are those costs. For me, as someone who is, you know, critical of the development apparatus, and you're looking at fair trade and say

like "this is not working", right. We know that. But in terms of putting more money in the hands of farmers, I think it's about actually moving, shifting the production and changing what gets exported.

Samy

Another big issue that we often encounter in the literature along with low premiums distribution is the certification costs that farmers must shoulder. I have read that, for several years now, coffee manufacturers don't have to pay any certification fees, while all other actors of the value chain have to. What could be the explanation for this situation that seems to challenge the very essence of Fairtrade?

Mrs. Naylor

Well, the first fair trade agreements, it was the bigger actors that had to pay the certification fees for the producer cooperatives. And that changed fairly... well not early, but like in the 2000s. I'm sure you can find the exact date. I think that is driven by the fact that for a lot of the boards, there's not producer voices. Elizabeth Bennett has written about this, in that Handbook of fair trade, I believe it's her. Her conversation about especially fair-trade USA, there's zero votes or voices of small producers. On fair trade International, there is some representation but it's pretty minimal. And so because these boards don't have representation from the folks that they're serving, they're thinking from, you know, Bonn, Germany, or, you know, somewhere in the United States, about like responsibility. So like Sarah Lyon has written about fair trade, in essence being a "responsibilization of the poor", and I very much saw that in the Fairtrade audit. They're really trying to get folks to treat their cooperatives as businesses and trying to profit and you know, be thinking about this in a very capitalist way. Whereas that's not how they're thinking about it. They want to have enough money to support their subsistence livelihood, and to be able to send their children to school, and to be able to invest in the next year's harvest. It's very, very different goals. So what's being talked about in boardrooms at fair trade international, fair trade USA is not the discussion that's being had in the communities or among the cooperatives at least the ones that I worked with. I think that's a big driver for starting to shift more of these costs. Because if you look at the Fairtrade standard, every year, the responsibility increases, like you kind of graduate into more and more strict rules. And then you're audited, right? And that's also a cost that's borne by the cooperative. I was there when the Fairtrade audit happened for three days, and they had to pay for the audit. That was crazy three days. But it's just really interesting, the disconnect, and even for someone who is on ground, basically investigating these farmers to be completely disconnected from what their purpose is. I think that as you go through that chain of command, you know, in these third-party certifying organizations, they have an idea about what these producers should be like, and they're trying to fit them into that mold. And again, I think that passing these costs on to them like "well, you have to be responsible for this", you know.

Samy

Then what happened, why did the manufacturers don't have to pay any certification cost anymore?

Mrs. Naylor

It was just a decision made in a boardroom as far as I know. It's something that just shifted, they're like "we're not going to do that anymore".

Samy

Because manufacturers started to lose interest in the fair trade or did they needed more incentives?

Mrs. Naylor

I don't know, that's a really good question. I'm guessing... I'm sorry. I can't remember the exact date. I'm guessing it happened around the same time they were really pushing retailers like Starbucks to start buying and they do you know. If you look at Phil Howard and Dan Jaffe have a paper that has all these graphics, it's a little old now. But they show like what percentage all of these big roasters and retailers buy Fairtrade and like they buy the most, but it's like this teeny, tiny percentage. I'm guessing that it shifted as Fairtrade became more corporatized. Because if you look back at the original arrangement of fair trade, it wasn't about creating businesses, it was about creating access to the market for folks that were not well connected. There were not roads to the places that I did my work before 1994. The army made those roads to get in and wipe out the zapatistas. So these people were not very well connected and didn't have a capacity. When Mexican small producers made an agreement with Max havelaar, it was like "hey, you're going to help us get this stuff to market".

Samy

This next question is based on your experience with the farmers cooperative, especially in Chiapas, did you find that contracts with specific farmers are regularly renewed? Or do corporate traders and other buyers often switch suppliers, which could fuel the competition between farmers?

Mrs. Naylor

So with the folks that I've worked with the contract is with the cooperative, not the farmers. The farmers are organized into the cooperative and the cooperative is responsible the audit. I'm very mindful of the fact that all of this contractual stuff is done in Spanish. And the folks in Chiapas, Spanish is their second language, and some of them don't speak Spanish, right? That's problematic, like they're not really fitting the needs, there's just not really an understanding of how the farmers are organized. But within the case of the Chiapas cooperatives, I would say there's a very, very long-standing contract that has not changed with certain groups like Cooperative coffees, kind of sticks with their folks. And they're very transparent about that. When you go to their website, you can see all of the cooperatives they work with, you can see all of that. I think that only changed this expanding number of cooperatives they're working with. And I don't see a lot of turnovers, at least in my experience, in the Fairtrade worlds. There is a connection. As much as I like to critique Fairtrade, the connections that it's fostered between groups in the commodity chain, not the big people, but folks, like cooperative coffees, folks like the coffee roasters are working with these groups are really important. But then there's, cooperatives down the road that might deal with a really big retailer, they don't have that relationship with them. But as long as they continue to produce and meet their quotas or whatever their contract says, then they'll be okay. And this is something that frustrates me because they're also Fairtrade certified, but a lot of their farmers were part of paramilitaries that terrorize the other folks. But Fairtrade doesn't make that distinction.

Samy

I have seen in some articles the argument that corporate traders often switch suppliers. But then again, when I interviewed the people at the corporate traders company, they said that most of the time, they stick with the same suppliers and everything is done very efficiently with contracts.

Mrs. Naylor

Yeah, it's important for the big retailers to maintain those relationships because they're not there... this isn't really their world. So they get bounced around in the conventional marketplace wherever the price is right? But one of the central tenets of Fairtrade is that you build a relationship and that you offer consistent income to these cooperatives. So I think they would take being out of compliance or not being able to meet the quota like that would be the only reason to drop them.

Samy

Complementary to the previous question, is it recurrent buyers to provide pre-harvest advance payments to Mexican coffee cooperatives, as required by the FLO standards (pre-finance up to 60 % of the coffee contract price on request)? Are the farmers cooperatives generally asking for this pre-financing or could they be afraid that they may lose an economic partner if they do so?

Mrs. Naylor

I don't think people hesitate. In fact, when I was there in 2012, Maya Vinic asked for more money. I think it was in 2011 or 2012, that they asked for an extra few cent on the premium because of problems that they were having. And they were like "yeah, we absolutely can do that". But yeah, most of the negotiation is done by the leadership, and they don't seem afraid to ask for things at all. Like, there is absolutely no bandying about amongst the leadership.

Samy

I've had the same feedback from other interviewees. I've also heard that sometimes there are occurrences of abuse of this kind of system. So for example, there is a cooperative asking for payment to multiple buyers at the same time. It was from the previous interview that I had they had. And there were also cases apparently, which I didn't get much detail on, probably because it's kind of a tough subject to talk about, but of people in cooperatives asking for money, then taking all the money and disappearing with it.

Mrs. Naylor

I would say there isn't more corruption in fair trade leadership than, you know, in other leadership. There are stories that I've agreed I would never tell from when I was there. But I can tell you, Fairtrade is not a panacea, on any sense of the word, and just because a cooperative is Fairtrade certified doesn't mean that they're, like, amazing angels. So like, again, there are paramilitary members, they're farmers too. And there's misinformation too. I went out on an outing with a couple members of leadership to document herbicide use, and what we're supposed to be in organic fields, you know, and those people, they're just breaking the rules. And I could get if that was one of the fields that was audited, that could get them, you know, to lose their certification, not necessarily, but it would bring their points down.

Samy

Onto the next question, would you agree that a major problem of Fairtrade is the fact that they miss the target by overly focusing on the consumer side (creating an imaginary of fair consumers directly connected to poor farmers) rather than focusing on making the system benefit the farmers?

Mrs. Naylor

Yes, I completely agree. Yeah. I express a lot of frustration with how they approach consumers in my writing. Yeah, I have a vignette in my book about the who's the fairest of them all quiz that they did during World Fair Trade month, a couple of years.

Samy

I have seen that in your articles. It was actually shocking. I didn't think they would. It seemed too big to be true.

Mrs. Naylor

And it troubles me too, because when you walk into Starbucks, you see a lot Fairtrade, and it creates this illusion that all of the coffee is making communities like amazingly whole, better. There's this idea that you're helping community as a whole as if these these folks are homogenous, right. And I feel like I find that particularly problematic, but I understand that there has to be a consumer. But one of the very first things that I critique fair trade for was that they're perpetuating a producer through their consumption narrative, right? Like there always will have to be an impoverished person in order to have this consuming habit. So yes, I completely agree.

Samy

From a consumer perspective, do you think that the incentives to buy Fairtrade coffee are strong enough?

Mrs. Naylor

For some people, yeah. My perspective is in the United States and in the UK in particular. There's this good feeling about using your dollar wisely and knowing where your food comes from. People kind of feel good about it. I think consumer motivation only extends so far and I think that consumer knowledge is negligible. They're relying on whatever however consumer product information gets to them and the narrative they're being sold is like "hey, you! use your dollar wisely, eat good". It gets to the point where things are very expensive, like you buy Fairtrade flowers or buy Fairtrade bedsheets. That's not a choice a lot of people can make. They're catering to a very specific population. I don't think that this population is really... clued in, I guess. They're just kind of buying the narrative. Now I'm generalizing, right? Like, I can buy Maya Vinic coffee, single origin from higher grounds roasting company, and I know exactly what I'm doing. And I know exactly what production looks like, and I've been in this field. But I am unique, like studied this for 10 years, right? And so I got really sort of wary of consumer narratives like that. I really do.

Samy

Do you think that there is a significant lack of unity among the coffee farmers and cooperatives in Mexico (especially in the highlands), a lack that might impede the effectiveness of Fairtrade and the development of local communities?

Mrs. Naylor

I mean, I don't think fair trade is going to be effective, whether there's a coalition of folks or not, fair trade is a development...

Samy

But if they were more organized, they could maybe push for more revendication to fair trade directly, or...

Mrs. Naylor

I think if they had a coalition it'd had to be a very, very broad coalition of cooperatives and it would be to lobby the board for more changes. Like if you look back at the history of the change in price, The Fairtrade price has only been raised like once or twice in its history. And so how that was achieved, you know, it's important to look at like, "okay, where did that come from, who pressed on that". Because farmers know that the price isn't changing, right? Like the consumer index price went up. And so they're like "Oh, this is amazing". And in fact, some of the folks I talked to couldn't see past that price. Like, they couldn't even dream bigger. They're like, "that was really good that year", but now the price is lower. And that's because the New York price fell. So they know, but there's not this "dream big", like, get more money, like get fair trade organizations to not be a kinder version of development. But in the highlands, things are fractured, like the cooperatives. Maya Vinic and [censored cooperative name] get along, because they're from groups that are in solidarity politically. But like, the cooperatives that are dominated by folks who are Partidistas, you know, supportive of the dominant political parties, they have no interest in it. I mean, they terrorize these hooks, right from Maya Vinic and so on. And I think that the only way to get a broad coalition across Mexico would be to bring back something like [inaudible]. Right? And so that's, you know, the state supported thing. But neoliberalism... the state's not going to do that.

Samy

In one of your articles, you mention the idea that Fairtrade is used as a political tool by local communities to claim their autonomy. Do you think that this aspect is the main reason that pushes farmers to keep producing Fairtrade coffee, despite the low economic benefits they're able to capture?

Mrs. Naylor

Yeah, I absolutely do. One of the farmers... it's going to be in one of my papers. But it's a big feature of my book. "Our coffee sells, and it sends a message, we're still here". Because when I teach about the Zapatistas, now I'm teaching from ground zero, like people do not know who the Zapatistas are anymore. Having these connections through Fairtrade certification has been incredibly important for maintaining their rebel autonomy and their resistance. Yeah. My general argument is that it's agriculture that's helping them maintain their autonomy and withstand the efforts of the state to remove them from the land. Being able to maintain their activity, being able to not be forced to post data to title their lands and therefore be able to sell it and really operate communally. Just some recognition or like indigenous identity would be a really good first step for the state of Mexico. But I also would make the argument that because of some of the relationships that have been built, and again, just talking about [censored cooperative name] and Maya Vinic, Fairtrade doesn't

even need to exist for them, like, as long as those relationships still exist. Because that has ultimately been I think, what is the most important is the relationships that were built through the certification process. And so the certification process doesn't need to be there. It's a hassle, you know, they probably would be better off just go without it and just negotiate the terms of trade that they have in terms of the premium and things of that character. The certification adds this triple labor burden to these families and it makes it so that they can't plant as much food. So almost everyone I talked to had either a piece of land laying fallow because they just couldn't plant it out they didn't have the labor or like they were working in the coffee fields they had their kids working in [inaudible]. There's a myth of child labor not being used in Fairtrade certification systems, it's just displaced to other areas of production and it's also really important traditionally... I saw toddlers running around with machetes. I think fair trade is a burden. They put all of the burden on the producer and I talk about this a lot. Like none of the burdens on the consumers. The consumer just has to recognize that they're poor people and need their help. And they don't have to be beholden to a brand, they just need to look for the label and they've done their job and I think that's messed up, like that dynamic where you put all of the weight on the producer. The things that they have to do to maintain their certification takes a lot of time and labor and not everybody lives like their coffee field isn't like out their back door sometimes people have to walk up to an hour to get to their coffee field. It's intense and it puts again, all of the burden on the people who are most disenfranchised and vulnerable in the system.

Samy

As a concluding question, do you believe in the potentiality for Fairtrade to be more successful in the future at the benefit of farmers and cooperatives, or has the FLO failed to fulfill his tasks and other drastic changes are needed?

Mrs. Naylor

I think that we need systemic change. If we take a zoomed outlook, Fairtrade is just one of many different development programs that are based in very new liberalizing ideas about how to live well. 70 years of development work, has shown that we're just making things worse, right? As critical as I am, Fairtrade has saved people, to some degree, like it's helped them to not fall deeper into poverty, it has made it possible for kids to go to school, not in the way that we think about it, though. Maybe you consumer in the United States is like "Oh, this is great. This is sending children to school". Well, the reality is, if it doesn't free up that labor, and then there's a place for them to go to school, like in the highlands, there's not a lot of elementary education available anyway. And so they have to either go into the city, or they have to, like, undertake substantial transportation to get there. And think those things cost money. And so if you have a family with seven children, like you're going to prioritize one at a time, maybe two, maybe. One of the families that was actually really successful, like they owned consumer appliances, like they had a refrigerator, they had a blender, like that success in this community, but there's a third child, their eldest daughter was maybe 15-16, and was waiting for her turn to go to second grade, right? Like, that's the reality. And because Fairtrade certification only allows folks to stand in place, it doesn't allow them to get ahead. I think that if we continue to look at development as being everybody looking like United States and Western Europe, we're never going to increase the quality of life for people around the world. And right now, that's kind of like, its representatives. Everybody's going to be driving Subaru's and buying lots of stuff. Because capitalism. That's very much another lifestyle for the vast majority of the world that has been

labeled as under undeveloped, never mind colonial histories. The question that I raised in my book is, can we stop saying whether or not it is working? We know, it's not working, like, how are they using it? And what ways are they being empowered through these systems because they are harnessing and taking control over that. And what can we learn from that? [...] Almost all the folks that I talked to who were not part of the leadership of the cooperative were like "we don't really think about Fairtrade, we don't care". It meant nothing to them, except for that they were able to bring in that extra income, right? They called it a window to better money. Just an opportunity, you know, and if a different one came along, they might jump on that. To some extent, like the folks that weren't in the cooperative, I didn't get to interview them, because that was kind of a dangerous thing to do, in terms of jeopardizing my relationship but... I asked cooperative members "why do you think they're not part of the cooperative?" Basically the answer is it's too much work with too little reward. So the short answer is absolutely not. We need systemic change. The other thing that's wrong with Fairtrade in terms of being a development programs, is that it treats all poor people the same, and really misses the nuance. [...] Even their own internal studies are showing that they're lying, you know, with numbers all of the time in their annual reports. The other thing that I will say, just to your concluding question is, there's a real viewing of indigenous people and also impoverished people as a problem. And that's sort of the basis, the foundation of how these kinds of programming and auditing and surveillance systems are built on, instead of viewing them as full humans. [...]

8.2.2. COMPANY ALPHA

Samy

In what capacity are you employed at [Alpha] and what is your overall professional experience regarding the Fairtrade coffee commodity in Mexico?

Mr. Davis

I'm [Mr. Davis]. I'm deputy CEO of coffee for [Alpha]. I've been with [Alpha] for about two and a half years now. Prior to that, I was at [large multinational coffee company], running their coffee procurement department for roughly seven years. We were the largest buyers of Fairtrade coffee in the world. I was at [large multinational coffee company] for 15 years. And before that, I was at [food trade company], trading coffee in New York, where we did some fair trade in the beginning as the fair trade movement really began.

Mr. Jones

And for me, I'm [Mr. Jones], the group deputy CEO. I was with [Alpha] for 10 years in Mexico as country manager, well first in traffic and then country manager from 1994 to 2003. I did the beginning of Fairtrade from Mexico, which as I said, was a fixed price, whether organic or not organic, because the market was very low, so they put a higher minimum price to the business and then it started to become a bit more complicated when the market went through those levels. But that was after I'd left Mexico and started to really compete with prices because then they had to change the formula. 2003 to 2008 I was responsible for the coffee procurement at [large multinational coffee company], we did very little fair trade there because we started our own program. They couldn't replace me and that's when they decided to do a bit more, quite more because it became the biggest. Then in 2008, I had my own company in risk management, and then I came back to [Alpha], same company as for Mexico in 2013. For the last eight years, I've been here but now I've

not been involved in fair trade for the last two years obviously because... for the company in risk management we did actually. We did some futures to help them in their risk management, some Fairtrade cooperatives who were selling to auditors.

Samy

What are the incentives for your company to trade Fairtrade coffee? And how profitable is the Fairtrade market for corporate traders?

Mr. Davis

We trade Fairtrade coffee for customers who want Fairtrade coffee. The incentives for us to trade is what our customers want. And a certain amount of our producer network at origins in Mexico specifically, are fair trade producers. Profitability for the trader on fair trade is fairly minimal, because of the minimum price guarantee. So for the last, say, four years, as the market has traded below the fair trade minimum price, because you give the farmer that price, your buyer knows what price you have to give to the farmer, so they pay you a small markup just for your business itself. As the market moves above fair trade, it is a little more ability for you to get some value for your services. But in general, it's a very transparent market that is both beneficial for the producer and the roaster, as well.

Mr. Jones

And you have to remember that, you know, our margin is for doing a work because that same fair trade cooperative, sometimes we will finance them so we take a risk, sometimes they deliver their coffee up in the mountain, and we have to send trucks and bring it down. So it's not like a margin just for being in between, it's that there is work happening, of course, in producing countries to justify that. The cooperatives don't always have the ability to finally deliver at the port. So that's where we intervene.

Mr. Davis

And many of them have not invested in the infrastructure to be able to directly export themselves.

Mr. Jones

How complicated it is for corporate traders such as [Alpha] to be certified and implement Fairtrade recommendations? Are there any significant costs? Are voluntary standards difficult to integrate in the company business model?

Mr. Davis

Well, the costs are two things. First of all, maintaining your license with fair trade to be both an exporter and an importer if you're on both sides. The annual audit fees that happened as fair trade comes in to look at record of your contracts. So those are the majority of your outright costs. The work with the farmers of course, has a cost in itself. Because Fairtrade standards do not have a quality aspect to it, just has a price aspect. Whereas our customers have quality expectations for the coffee that we sell to them. So the service we provide to the producer group and to the customer is making sure that the coffee that we get from the producer group is going to be the right quality for the buyer.

Samy

Given these costs, why would corporate traders be involved in fair trade? Is there a market opportunity that you want to capture, are there sustainability concerns?

Mr. Davis

Our business is a merchant business. So you know, we look at what our customers need, and we provide them what they need. And if, it's fair trade, it's fair trade. And so we need to have the infrastructure and the licenses available to deliver what our customer needs. Most of our customers have a portfolio of things they buy, maybe it's a little bit of fair trade, maybe in some Rainforest Alliance, maybe it's some other certification, maybe some of it is just pure conventional coffee. And they looked to a company like ours to provide them all of that,

Samy

When do you decide to buy Fairtrade coffee? Does it only depend on market prices/stock exchange or is there any non-monetary considerations (sustainability investments, company image)?

Mr. Davis

Well, yes, it is a fairly difficult question to answer. As I said in the last answer, our job as merchants is to supply what our customers want. In general, our customers want to buy before producers have produced and want to sell. So very often we will sell coffee before we have purchased it.

Mr. Jones

Or the other way around. For some years, we buy a lot of coffee and the roaster is not buying it yet because they think price will go down or whatever reason. And then we have stocks piling up.

Mr. Davis

And so Fairtrade has a fairly strict structure on producer groups for when they can sell and price their coffee. They are not able to do it very far in advance, because the risk that they sell it in the market goes above their price is too high. So fair trade regulates that.

Mr. Jones

Which is a restriction for fair trade. Because if you look at the way we do business in Brazil, for example, prices are very high now because there was a frost last week in Brazil, it killed 5 million bags, we think, maybe more. And there might be another frost coming tomorrow, Thursday and Friday, which would put the supply and demand of the market in deficit. Not enough coffee for all the coffee that's needed, in theory. When that happens, when the market goes up like this, I'm not talking about cooperative, but farmers what they like to do is sell for next year and the year after, but the coffee doesn't exist yet. It hasn't been produced. There's nothing but a tree. But because of the relationship we have with them, we might say yes, because they know that the cost of production is going to be, let's say, half of that. They're going to make a fortune by delivering that coffee. If demand materials go up, fine. They'll sell more then. If it goes down, they will feel like the kings of the world because they saw the coffee very expensive, and we have no problem doing that because we will hedge in the futures market. But with fair trade? That's a restriction that fair trade has for its farmers. But it's a logical restriction. Because the Fairtrade cooperatives, they buy

from multiple farmers. If the market was to continue to go higher, they'll never receive the coffee because the cooperative members will sell it to somebody else. And not to the cooperative, right?

Mr. Davis

Yeah, that is the structure of cooperatives where the cooperative acts as a commercial agent on behalf of the producers, but the producers in that group, there's no legal obligation for them to sell to the cooperative they can sell to the outside. So that is where the system is a little difficult to manage so the way that Fairtrade does that is just restricts all sales.

Samy

Do you have any close and direct contact with Fairtrade coffee cooperatives in Mexico (I'm referring to long-term contracts or any another type of association)?

Mr. Davis

Yes, we do. We help finance... kind of just lost their name, who was the one we would visit down in Chiapas?

Mr. Jones

We went together, they were producing trees...

Mr. Davis

Yeah. And it's a one word name... [farmer cooperative name]! Sorry. I hate it. I can't remember. So yes, we do have direct relationships with certain cooperatives where we finance them. In this case, we help them build a nursery to grow trees, to help replace their coffee trees in Chiapas in Mexico, and that's just one example.

Samy

Are contracts with specific farmers regularly renewed or do you often switch suppliers?

Mr. Davis

Well, specifically in the fair trade sense. We buy from the cooperatives. So that's fairly stable. We buy from the same cooperatives more or less on an annual basis. But the farmers that deliver into those contracts can change depending on the size of those cooperatives themselves. Because that cooperative is not exclusive to us, either from purchase or sale. So they may sell to our competitors as well as going out to various people who had bought that coffee.

Samy

Is it recurrent for [Alpha] to provide pre-harvest advance payments to Mexican coffee farmers, as required by the FLO standards (pre-finance up to 60 % of the coffee contract price on request)? Are the farmers cooperatives generally asking for this pre-financing or are they afraid that they may lose an economic partner if they do so?

Mr. Davis

Again, the financing that we would provide would go to the cooperative and the financing that the farmer asks for would come from the cooperative. So us and the farmer do not connect directly and end up pre financing, it's just to the cooperative, it's just against sales

for that year. So there's lots of cases where they take some pre harvest financing from a few different buyers around the world and that the farmers don't know where the money comes from and don't care where the money comes in as long as they get. And at the many of the better structured cooperatives, many of the producers will just treat the cooperative like their bank. So they never actually take all their money out, they take money on a weekly or monthly basis throughout the year as they need it for various things. Many cooperatives have their own store where they sell food and they sell gasoline for their pickup trucks, inputs for your harvesting. So the farmer just goes in and buys all that stuff on account. And then they have a master ledger and they say "okay, you're here and here" and then deliver the coffee. And it's just on an annual basis. I think most traders who are active in a origin country, do finance producers. There's just no way you're doing business in a country without. Now global traders who may sit in Holland and buy coffee, they don't want to finance cooperatives in Mexico, for example. But if you are an exporter, and you have an office in Mexico, everyone's financing.

Samy

But why did they not get around the cooperatives and just buy Fairtrade coffee directly from the farmers?

Mr. Davis

You can't buy Fairtrade that way. So if you just want conventional coffee, absolutely, they will. The farmer will sell to the best price, doesn't really make a difference. As we said before, there's no requirement that they sell to their own cooperatives. It's unlikely that a conventional price is going to be above a fair trade price, unless there is a market disruption. But the protection of the pre financing, it's the part of our job, that we need to do the best that because not all cooperative, and cooperative leaders are as honest, as other people. We've had lots of cases where all of that bankable money by the small producers at a co-operative disappears along with the cooperative leaders. The membership is fantastic. The overall commercialization of the cooperative was fine, it was just a few bad people or one bad person or whatever. So, you know, we spent a lot of time risk managing around those potential losses.

Samy

Are they obliged to give you some records on how they spend the money from pre financing?

Mr. Davis

Yes, yeah. Well, they don't give it to us. They give it to fair trade. So there is a report on where how much went to the producer himself or herself, how much did the cooperative use for milling if they do their own milling... Any logistics charges have to be shown in finance charges.

Samy

It is recurrent in academic literature to find the assumption that the social premiums extracted from the sale of Fairtrade coffee is not enough to make any profound change for the local communities. Do you think that corporate traders should bear a bigger portion of the system costs to ensure higher premiums distribution? Or do you think the responsibility is up to someone else? For instance, to the consumers or manufacturers?

Mr. Jones

Definitely consumer. Otherwise we will go bust. A problem with a container on a boat, a little quality issue. And not only is your margin garden, but then the business starts to costs. Yes the farmer is not getting enough. But is the problem that he is not getting enough for the coffee or is the problem is that he has two hectares to grow coffee on and he can't get out of poverty. And unless you pay him \$20 a pound and today the market says \$2, and even the \$20 apart, it won't be enough. Then the only way it could go up is to go to the consumer and say, "Hey, your bag of coffee is gonna cost you 100 francs" instead of whatever it is 5 francs or 10 francs. It's a bit of a problem there where it's the same in cocoa. It's the same as all those other commodities where you have small and poor farmers, which is the case of Fairtrade, who are your counterpart?

Samy

So you think that the consumers is the one to be accounted for a higher price rather than the manufacturers? Since I've seen studies on value chain of Fairtrade coffee where most of the benefits seems to go to manufacturers.

Mr. Jones

Yes, yes. We both work for [large multinational coffee company]. So we have also an opinion there because it was the most difficult question to answer. How do you dare to sell a cup of coffee for \$4 when there's only nine grams of coffee in there, and you claim that you can pay your fair trade price. But then that Fairtrade price does not included a lot of supply chain costs, which are not that high to justify the high price, but then you have rentals, then you have employees and Social Security etc... plus your milk or whatever you add to, but let's assume it's a black cup of coffee. And you have all those audit costs out there. So can you look into the profits of one of those big companies and say that they make too much money [from Fairtrade]? That's difficult.

Mr. Davis

And the thing is that most of them are publicly traded companies, so you can read their financial statements, they're not making that much money. You know, if you take their overall profits in a company like Starbucks, divided by the amount of coffee they buy, it wouldn't be much money back to the producer, even if they gave up all their profits. I think that's where the issue is, that calculations are incorrect. The calculations that people do is revenue. And revenue doesn't equal profits, because revenue has costs associated. So yes, the revenues associated with the manufacturer are much higher than the revenues that are associated with the producers. But when you roast coffee, right, you can lose up to 30% of the weight just in water. So all sudden, I lose 30% of what I paid you for, just by turning it into something that my customer will drink. If people skip that revenue piece and go right to the profit side, and then look at the amount of coffee and the total profits, there's really not a lot to share unless it's going to be a not for profit organization.

Samy

But then the problem might be elsewhere, probably on Fairtrade side. It started as a way to mitigate poverty but then began to revolve only around the market and prices...

Mr. Davis

I do think that it is where the FLO lost their focus. So their focus remains solely on price, which, is not necessarily the only driver of prosperity for the producer. But for Fairtrade, they gave no other services besides monitoring the price that the farmer was being paid. Whereas the amount of coffee that farmer produces per year on whatever size land he has, has a much bigger impact than 20 cents on a price. If they produce 50% more coffee, it'd be much better off. The ability to manage future risk was removed by fair trade. So those farmers can even take a longer business perspective on their farm and manage their farm like a business. Fair Trade tends to restrict them to crop by crop mentality, which is, unfortunately, less competitive these days than farmers in other countries. I think the FLO became a little stubborn, and just said, our mission is price for the farmer. And they never could move beyond that, they still haven't moved beyond that. And that's all they care about. And, you know, it probably is not the total view that a small producer in Mexico needs.

Samy

What improvements of the Fairtrade system can be made and what could be the potential limitations in your opinion?

Mr. Davis

Well, as I said, I don't believe that the fair trade model looks at the problem of small producers in a wide enough view, to effectively support small producers around the world. I think that there were two big errors that fair trade have always had. So the first one, as I mentioned, was there was no further technical support offered by fair trade to make producers better producers.

Mr. Jones

Or from fair trade to hire people to do it, because they get the fees from all the roasters who sell the coffee to put the logo on their bag, they get a fee for that. Maybe that would have been a good investment.

Mr. Davis

Yes. And, in the growth period of fair trade from a consumer awareness perspective. Fair Trade requirements had no quality perspective. So technically your worst coffee was fair trade along with your best coffee. So you could sell your best coffee premium as conventional coffee it just deliver your worst coffee. In theory. What that did was make the consumer experience of fair trade up and down. So they could not rely on if I buy fair trade is going to be good coffee, which damaged the fair trade brand, which damaged the access of producers to the final consumer.

Samy

So I guess there was no quality requirement because if there was such a requirement, it could create a competition between suppliers, right? But they couldn't avoid having to deal with the quality factor.

Mr. Davis

Yes. And what that did was, their only marketing tool was better price for the producer. And they could, you know, try to get more roasters to buy Fairtrade because it was good for the producers. Get the consumers on board, but that's a limited time. I mean, if people

are paying a premium for something besides just helping the farmer, they want a good coffee.

8.2.3. COOPERATIVE COFFEES

Samy

In what capacity are you employed at Cooperative Coffees and what is your overall professional experience regarding the Fairtrade commodity in Mexico?

Mrs. Firl

So my current title is Coop coffees instructor for sustainability, which actually has had a very strong focus for the past six or seven years on climate change, and impacts on farmer groups. What we've been able to do, and trying to understand our larger ecosystem within the industry. But I've actually been with Coop coffees, I would say since before its founding, so I worked in public relations and green buyer and quality control. So I'm back where I started, which is actually working with farmers more directly. And Coop coffees is a legally structured cooperative, it's owned by roaster members, it's 23 companies across Canada and US, originally with seven grown to be 23 companies who come together because they want a direct relationship with the farmer organizations, they want to have that leveraging power, their purchasing power as small medium sized roasters, but coming together, we can actually influence on pricing and you just have a better relationship with the farmer groups directly. So that's the job of Coop coffees itself is to be that important bridge between the farmer and our roaster members. I personally got started in coffee [industry] (Coop coffees is 20 years old 21 soon) while I was living in Central America. I spent 10 years living in El Salvador and in Chiapas, and six years, that time I was living in Chiapas and working directly with farmer cooperatives, coffee farmer cooperatives. So that definitely gave me a very close look at many of the challenges and the potential of coffee, which is why I stuck with coffee, because it is a very interesting vehicle, also, very challenging vehicle in order to make a change. I worked closely with very grassroots organizations like Yachil not so much when they first started, but more with [inaudible cooperative name], which was the first cooperative to cooperate, that was launched in Chiapas, with my Maya Vinic, as they were actually coming out of three years of living as internal refugees after the massacre of Acteal and coming together to create a cooperative of their own members, when in a time when there was so much political tension and mistrust, and they obviously had been under siege. So you creating a co op within their own membership of like minded farmers. And so working with those kinds of groups to the much more kind of historical well established cooperatives in Chiapas, and facilitated this farmer-to-farmer learning exchange between Mexico and the rest of Central America. Southern Mexico is a lot like Central America, but the rest of Mexico is very different. So yeah, I've been focused on both organic practices, and also trade alternatives of trying to help facilitate contacts and you know, and also cooperatives understanding what they need to do in order to be able to break into more interesting markets. So I promise you there are like 1001 obstacles, every single step along the way of coffee.

Samy

That's actually really interesting, because I wouldn't have thought that you lived in Chiapas yourself. So your experience will be will be very valuable.

Mrs. Firl

Yeah, looking at your questions, my first reaction was..., and I know a lot of these researchers, and everyone loves to say, you know, and point out everything that's not perfect with fair trade. And I can tell you, lots of, you know, decisions I wouldn't have made in fair trade and, weaknesses and all the rest. But I would bet you \$100 that 99% of those researchers have never slept in a coffee grower family, community home or, you know, face challenges. So it's easy to criticize when you don't really know what you're talking about. It's my opinion, anyway. But yes, now, you know, I'm working more with Coop coffees, we're trying to facilitate both learning from each other's experiences amongst our producer partners around climate resiliency and effective practices that farmers are promoting, to build up resiliency against climate change. But I would say also, and this is very, for me, personally, very important, and for our organization to I think, just to show the innovation, the ingenuity, the capacity of small scale organic farmers who are doing really effective work with very few resources, but are showing, like amazing results. So we want to highlight that to the industry, but also make that kind of knowledge available to all the groups that we work with. So they can see what's working in a similar context with similar types of tools and resources, and then pull from that what's appropriate for their situation. And then we found also on this track for the last years of establishing what we're working with this tool, which is helping to track measure and invalidate the carbon that's being sequestered in these small scale agroforestry plots. And that will begin paying carbon premium to farmers for their carbon sequestration, on top of the property that we're buying. And hoping that we see a lot of changes in industry. At least there's a lot of change in the conversation. And I think there's actually change happening on the ground. Coffee companies, a lot of different sizes, wanting to sue more of a climate responsibility. More ethical, or more sustainable way of managing their supply chain. So that's a good sign.

Samy

Okay. So you kind of responded to a second question as to what is the work that Coop coffees is doing in Mexico. But could you give me some example of the work of the cooperative, if we were to talk about Maya Vinic and Yachil that you're affiliated with? And what's the major point that separates your cooperative from other market-driven, importers-roasters, like big multinational companies?

Mrs. Firl

Yeah, I would say one of the things, it's always been a distinguishing feature of Coop coffees is, especially as we were younger, and the fair trade movement was younger, we saw it as one of the unique roles that we could play in the coffee world is to be the first buyer of a cooperative. And that's often the hardest thing, you know, it's like a lot of the companies they want to travel on the fair trade superhighway, you know, where everything's already been fixed for them. And it's just an easy phone call away, and you can get your attendant container, loads of coffee, or whatever you're looking for. But the hardest step for recently formed or young cooperative is to make the first sale. So that's something that we've done. Actually, a lot of our producer groups that we're working with, and my Maya Vinic is one, for example. But you know, I knew them, I had introduced them to Coop coffees as it was actually coming together when I was still living in Mexico. And so not only were we their first contract, but we also really wanted to work with them. And you know, they've gone through every kind of problem you can imagine, between sort of political, financial,

ecological, weather, and you know, it just that we wanted to facilitate, and do that, it does take extra work. But it's also much more rewarding when you can get a good group on track to be able to open up to a larger market, and then also to be willing to work through the problems. You know, I said this 1000 times, you know, I absolutely believe that our strongest asset in Coop coffees is the relationships that we built. And, and that's really helped us get through, you know, some of these turbulent times when a lot of companies are worried about their supply, like, farmers do not default on us. There are reasons why coffee won't deliver, like a hurricane just hit, you know, and we can't expect a farmer group to do miracles, but for a farmer group, just to decide that "oh, someone else came along, we're gonna sell our contract to somebody else", that never never happens. But part of the reason is also that when there is a problem in the farmer side, we are there working through it with them as well, so it's adapting price, it's shifting shipping calendars. It's, you know, I can understand not breaking a relationship because catastrophe happened, rather trying to help this group get back on its feet. So I think that's just quite different from the typical mindset of a market buyer. I mean, it's just a whole different game, you know, the larger players, they're set up to move large volumes, and keep it simple. We are set up to kind of built mutually dependent relationships with the farmer groups where we don't want to go shopping around all the time. Also, we're buying high quality coffee. And, you know, it takes time to get this mutual understanding of what we consider the quality, the specs, and the group is building up its own internal quality control processes so that we don't have a lot of bad surprises along the way. We're not set up to just go chasing new copy sources all the time. Nor do we want to, yeah.

Samy

Okay, so I'm moving on to the next question, which is, what is your general opinion on the Fairtrade label in his task to enhance the life of small Mexican producers? And would you say that Fairtrade has been, so far, a success? Do you have an opinion on people and scholars thinking that it has had a very limited impact on small producers?

Mrs. Firl

Like I said, it's easy to see all of the shortcomings. But I would say maybe to start with that, if initiatives like UTZ and Rainforest, and direct trade and farmer friendly and farm-to-cup and all of these other initiatives to show how industry is buddying up with the farmers, it's in reaction to fair trade. And because fair trade broke the wall of silence in the industry, that it's not fine to exploit people all the time, and for all the risks you put on farmers for fair trade, to move that forward, many other sectors in the industry reacted. And you know, and out of that reactions, some good came with that for sure. Yeah, I would say a lot of good came with that. I also find it unfortunate that some of the companies that are most capable of doing more than Fairtrade choose to do far less. Then Fairtrade is asking and looking for the cheapest way forward. And again, great friends of mine, who I think are very well informed about fair trade, will have that reaction of "all these years, and there's still poverty in Mexico". And it's like, yeah, have you ever looked at Mexican politics? Have you ever looked at both local, state and national politics and, very similar to world politics, where, you know, there are huge, very influential interests that want to keep, like the current status quo, you know, the world order as it is, or as it was. Because I think it's not the same anymore. We personally have bought coffee since 2005 moved our internal pricing scheme, beyond the fair trade scheme, just because we were working with our producers, they need higher minimum price. We looked at what they were asking for, we looked at what we were

asking of them. And this happened in a farmer-roaster meeting in [inaudible] in 2005. And we just decided in a 45 minute meeting. We had like a three year plan for increasing same price over time. But you can look at how the pricing has stagnated for a really long time in fair trade. But it's in for us to like. I would say, the final price we pay, like we could pay any price. But the challenge is the price between what we're paying and what the rest of industries similar to our roasters are paying. Because what we could do is price ourselves, price our roasters out of the market. And that's the same exact same challenge that Fairtrade has faced, where if they want to just increase price, increase premiums, increase all the services, but meanwhile, you've got fair trade USA, you've got rain forests, you've got all these other initiatives, who are sort of eating away at the foundation of the core values. And they can offer, and have been very successful at offering, you know, two pennies more, and you can call yourself fair trade, or you call yourself ethical. So all that volume goes to the cheaper version. And then fair trade is paralyzed, as you know, as the vehicle it would like to be. So has it reached all of its expectations? No. Has it solved poverty around the world? No. But I think it has and continues to be a really important lever for making change possible in the industry. And also, I know, there's hundreds of thousands of farmers who have benefited greatly from the impact of fair trade as it is right now.

Samy

Yeah, I think that the main debate around fair trade is related to the premiums. I think that people have a lot of expectation from fair trade, thinking that premiums will actually tackle poverty and get the changes needed in the life of farmers. And it seems that it didn't really end up like that. I know I'm mentioning studies and people might have not been there. But I've read some studies that have been fairly critical on fair trade. And many, like, probably the vast majority of the studies that I read, didn't find any significant upgrades, if I may say, of the lives of farmers since the instauration of the Fairtrade label. So yeah, besides that, there is also more pros that we don't see very often, like encouraging farmer's kids to go to school, but at the same time you're treating farmers as businesses, and they need more labor force. And therefore, sometimes they decide not to send kids to school. I've seen arguments like that. So this is basically what the next question was about. Do you think that the premiums are high enough to make any profound change in farmers' lives?

Mrs. Firl

I would say the same thing to a coffee farmer who wants us to increase the price. But if the farmer isn't working the field properly, and the farmers getting \$5 of coffee off his sector of land, it's like, no price is going to pull you out of property. It's the exact same thing with fair trade. If all traders aren't paying a fair price, the amount of premium you would have to pay in order to like, have a farmer show up in a shiny new pickup truck, you know, or buy a new processing system or build a new house. Like the premium you would have to pay to compensate for the low pricing on the rest of this coffee is unrealistic. So in the challenges, the premium, yes, the more it can increase, the better. But it's that same challenge of... when a roaster or an importer looks at their options, and they can say "Oh, this looks good, I can talk about this in a similar way. But I can pay less money, I can make more for myself". And that's what they choose to do. You're in kind of a dead end situation. I look at this maybe from a little bit broader perspective. Absolutely, we want to get more money into the pockets of farmers. We want as much premium priced coffee in their in their hands. We want them to see how they can improve their agricultural practices, so that they can grow more coffee per sector without having to expand. There's this completely

difficult to research aspect of Fairtrade and healthy relationships, which is the mutual respect, and the hope and aspirations of farmers. I've seen incredible transformation, the entire North of Peru has been transformed since I've been in coffee, because of Fairtrade. And not just because of Fairtrade, but it's just like Fairtrade is not a magical solution to all the world's problems, but it gives farmers good ideas, and good organizational skills, and a lot of energy, some kind of a path that they can grab on to. And so like, it gives that amount of hope. And it's a realistic path for them to make progress. And at the same time, a lot of elements have to come together, in order for you to see that sort of transformational change. So, you know, I think the answer to that question is always going to be "yes, it's not enough". But let's look at the actual restraints, and in a larger scale, and where do we want to lay the blame. And that's what it feels like, everyone wants to lay the blame somewhere. Let's not go for the simplest assessment.

Samy

Which actor of the value chain should bear a bigger portion of the system costs to ensure higher premiums distribution in your opinion?

Mrs. Firl

I think everyone should pay more. I've had my wrist slapped so many times in the industry for saying that you shouldn't even be able to call it specialty, unless people are paying 250 dollar a pound for that coffee just because what we demand in order to get that coffee delivered the way we want it, it's way more work than what \$2 covers or even 250 is like it should be a minimum for you know, sort of that safety net for farmers to be able to make the investments. We've had partners and I see them, taking credits to invest millions of dollars in order to get some of the basic infrastructure that's required for them to be able to consistently produce this kind of quality coffee that we asked, that we're also demanding that they provide for us. So I think at the start, the contract needs to be at a price that can allow that level of peace of mind for the cooperative managers and the farmers to invest in their fields and their organizations. I think the roasters should have a better plan for profit sharing. I think consumers need to be more aware and not expect to be able to feel good about drinking your delicious Fairtrade organic coffee in the morning and think you're going to pay like, you know, \$8 a pound at the store, you know, I mean, it's ridiculous.

Samy

The next question was on certification. Another big issue that we often encounter in the literature along with low premiums distribution is the certification costs that farmer cooperatives must shoulder. I have read that, for several years now, coffee manufacturers don't have to pay any certification fees, while all other actors of the value chain have to. What could be the explanation for this situation that seems to challenge the very essence of Fairtrade?

Mrs. Firl

Right, but which certification are we talking about? Because I know and that was one of the big risks when fair trade USA split from the international system. I can tell you for a fact, when that organization got started years ago, they essentially gave Starbucks a sweetheart deal, because they wanted national exposure. So when you have that kind of mentality within the fair trade world, and I'm actually very happy even though it's very disruptive, I'm happy that organizations split off the international network. Because it's, you know, you

can't have fair traders themselves working to cheapen the value of fair trade. And when you have any of this, it creates this ripple effect that you've got, again, like I was saying earlier, people going towards a cheaper, cheapest version. And so I do know that at least in fair trade USA, there are some kind of different hierarchy... I'm not the best person to ask, it's been years since I haven't been working directly with any kind of inspections or you know, met someone else in a different office, different country. It's our US office that deals with all of that, but I do know that we go through inspections and I do know that there's a fee to pay. So yeah, that's something that I absolutely think should be shared more equitably. I would also throw in that the issue of certification in general is actually quite the same with organic practices. There's an entire world of certifying the certifiers and you know certifications get complicated and unfortunately then the laws around certification, organic in particular, if you want to indicate in any way whatsoever that your products is actually organic, but you don't have the certification, you could be hit with a really big fine, because that's how the certification, like even national systems, are set up. And yeah, it's messy, so sometimes the most organic farmers can't afford certification. And similar, the most hard working farmer organizations, trying to get worked out from the grassroots might not be able to afford not just a certification, but all the management of the data and everyone wants more data these days. That is not simple. So you kind of work yourself into a level of sophistication in your system that you are blocking the people that need the help the most. And that's true.

Samy

Do you think that there is a significant lack of unity among the coffee farmers and cooperatives in Mexico (due to political tensions and divisions), a lack that might impede the effectiveness of Fairtrade and the development of local communities?

Mrs. Firl

Yes. I think coffee farmers are like everyone. And not everyone is community-minded. Not everyone is collaborative, not everyone, you know, feels that they need to put in as much effort as their neighbor. That's a reality for sure. Also, there's a huge challenge with ethical sourcing. That means all these farmer organizations are effectively in competition with each other. I would maybe share the flip side, I'm so impressed when we organize these farmer exchange trainings, and how open and eager farmers are to tell another farmer who could be the competitor down the road, you know, exactly how they're composting, what they're doing to control the frost, it's like all of these tips and support to give everyone a chance to compete for that piece of the market. Of course, that's not everyone. And it's not easy to get people to work together towards the common goal in any context and in the coffee farmer world especially. And absolutely, that impedes them, this larger capacity to sort of see regional change, and you can have greater prosperity for all. Absolutely.

Samy

Yeah. I was mostly referring to political issues that might happen, for instance, between different cooperatives, like Maya Vinic and Yachil that support different political standpoints.

Mrs. Firl

I would say, because I actually was working in that region when the massacre happened, that I don't know if it was dumb luck or actual, political strategy on the Mexican

government's part. But the way... what happened there created this huge rift between Maya Vinic and all the Zapatista communities because Zapatistas were sacrificing, stood up, being reprimanded. But Acteal, which was a pacifist community, also sharing the same political vision but vowed to non violence, were the ones who were massacred. So they're across the road of [inaudible region] which was the Yachil headquarters and surprisingly there was a huge amount of international solidarity comes to Acteal. The Maya Vinic folks are resentful because their people will be killed. Whereas with the Zapatistas, who they see is kind of supporting an armed uprising, the Zapatistas are upset because they've been sacrificing, and yet all the support is going to Maya Vinic, to Las Abejas and Acteal. So it has taken years and years and years to sort of mend that break. They are working together in some ways, but much more commonly would be organizations who've been historically supported by the government. There's a lot of coffee cooperatives who had inroads and advisor or a history being able to get support from the government. So the government can, in fact... a lot of organizations in Chiapas split because the government threw too much money at them, while the zapatistas and the Abejas were in resistance to the government, so accepted no funds. And what happened then is that the government's able to point to how well their politics are working. And it lessens the impact of any kind of resistance movement. Meanwhile, too much money goes into these other organizations, tons of corruption, tons of accusation, group splitting up into two and three subsets. And you know, it's a mess.

Samy

As of 2021, has there been any major change in the way the Fairtrade label function at the benefit of Mexicans coffee farmers and cooperatives? Has their situation improved, worsen, or didn't change at all? (Any COVID related change?)

Mrs. Firl

Yeah, I would say, in this period, we're living right now, it's very difficult to trace back the cause and the effect. There's so much uncertainty and I would say Fairtrade International, has moved in some interesting directions with the shared management board split between producers and industry. And also, direct support with COVID. Also, you know, they've got some direct support around climate issues. So kind of trying to be more than just a business partner. It's sad to say, but sometimes you're looking for great steps forward. But sometimes in the local context, just the fact that people aren't moving backwards, because of everything else happening around you is actually a huge victory. So it's really too hard to say, what's working and what's not, I think there's been really sincere effort to sustain what's been built up and it's been a really tough. It's not just COVID. But then in so many countries there's a lot of political tension. There's more violence, there's fraud, there's more assault on organizations that are functional. It's a tough time. I mean, even something as we have a partner in Sumatra, that, you know, just what's happened with shipping since COVID. What used to cost us \$1,500 to get a container on the water. I've heard prices up to \$12,000 right now. And it's crazy. Like, is that going to just choke off market demand from that entire region, and you know, coffee is all they're living by. So, it's these macro issues, suddenly, we just don't have enough containers to get things moving. I don't know.

Samy

As a concluding question, do you believe in the potentiality for fair trade to be more successful in the future at the benefit of farmer cooperatives? Or do we need more drastic changes or more cooperation at international scale? And basically, what could be improved?

Mrs. Firl

Yes, to all of those questions. I think there's a lot of potential for Fairtrade to do a better job. I think, a lot has to happen in ecosystem. You know, I think in the industry actually, the language, the vocabulary I'm hearing in coffee in the industry leaves me shockingly optimistic. I heard about industry leaders talking about the colonial roots of coffee, or, you know, the injustice or farmer livelihoods. I don't think the actions are always effective, but at least the conversation has shifted and certain taboo issues, like the horrible pricing system... you know, it's ridiculous, that coffee, especially specialty coffee, high quality, continues to be priced on a commodities market, which, it's nonsensical. And the only reason it continues like this is because there's some very influential people in companies who don't want that to change. But it makes no sense. If larger companies, if we were to kind of break open this cartel of control and coffee... there are some people who aren't good farmers, right? And they're not going to be successful. But for most people, they're doing a great job, they deserve better pay, they deserve more stability, they deserve sharing risk, not having to assume all the risk you know. This whole big powerful industry... So many of these companies are unwilling to even share the risk, like all is being put on the most vulnerable part of supply chain. So like I think there's huge potential for all that to change but it requires a shift in mindset. Coffee is in crisis and it's amazing to me that the industry doesn't wake up and look for real practical solutions. Because you haven't tried to control these mechanisms but if we don't change things dramatically, there might not be coffee in fifteen years. Right? I mean, you can hold on to your little privilege in a corner but you might lose the entire game.

8.2.4. FAIRTRADE USA**Samy**

Entonces es justamente mi primera pregunta era cuál es su en que calidad trabaja en Fairtrade? Usted dijo que trabajarba en el campo. ¿Y cuál es su experiencia profesional en relación con la producción de café Fairtrade en México?

Mr. Aguilar

Sí, sí, tal cual. Pues yo actualmente apoyo a productores que están quizás en otras categorías de productos frescos, pero en el pasado reciente no estoy hablando de 2010 hice la maestría en Socio Economía Ambiental en Costa Rica y tuve la oportunidad de hacer tal cual mi investigación de campo, tesis con, con una cooperativa de café acá en Chiapas que se llama Triunfo Verde, del cual estuve muy inmerso en este tema, pero también anteriormente en otros trabajos había apoyado algunas cooperativas de café para obtener la certificación Fairtrade y pues bueno, ahí fue un poco la incursión, pero más en específico, más con mayor cercanía. Ahora en 2010, cuando hice está este trabajo en campo con esta cooperativa de café que ellos pues bueno, ellos están certificados bajo Fairtrade y pues están teniendo estas ventas a Estados Unidos principalmente, pero también vendiendo ciertos productos a Europa.

Samy

Mi segunda pregunta sería desde 2012, cuando hubo la separación entre Fairtrade

International y Fairtrade USA, que ha cambiado con respecto al trabajo de Fairtrade USA en México y si ha tenido éxito la certificación del café que proviene de la producción de las grandes plantaciones. Si ha habido algún impacto en las cooperativas de pequeños productores, ese cambio.

Mr. Aguilar

Sí, bueno, creo que son tres preguntas que están asociadas. La primera, que tiene que ver con, desde esta separación, pues en un principio había un convenio, no un convenio entre FLO y Fairtrade USA de reconocer, digamos, el sello de FLO para vender, pues al mercado y al mercado estadounidense. Entonces, y hasta el día de hoy, pues este ha sufrido cierto cambio. Ahora tienen un programa de reconocimiento que le llaman que básicamente un pequeño productor, un club, una cooperativa que esté certificada con FLO, les reconocemos, les reconocemos su certificación. Siempre que hay un procedimiento administrativo que tienen que enviar el certificado vigente y firmar un acuerdo de entendimiento, de ambas partes y pues ellos están teniendo está manteniendo pues este mercado. Eso, por un lado. Y el de plantaciones. Pues yo podría hablar más como dentro de la experiencia que yo tengo con otra categoría de productos frescos. ¿Cuál ha sido ese ese impacto que está generando la prima para los trabajadores, para los workers? En ese caso, pues bueno, la prima va enfocada para los trabajadores agrícolas y no tanto como para los dueños de campo. Y no pasa así con las cooperativas, que ellos son los que están, digamos, beneficiándose directamente con estos fondos de prima. Sí. Eso es como la primera pregunta. No sé si podemos calibrar la pregunta asociada, no sé si me puedes repetir.

Samy

Entonces, una pregunta era si se ha tenido éxito la certificación en las grandes plantaciones. ¿Y cuál o si se ha habido un impacto en las cooperativas con más pequeños productores? Sí, ese cambio de estrategia.

Mr. Aguilar

Sí. Pues digamos que en los pequeños productores realmente ellos no diferencian como pues la marca como tal. Ellos hablan de comercio justo, pues como un movimiento, no ya a nivel de pequeños productores hablando en de pequeños productores, ellos no saben que existe, digamos, dos instancias hermanas, identifican eso como un todo. Y por ende pienso pues que no ha habido una afectación en cuanto al mercado, porque se sigue canalizando sus productos Fairtrade bajo Fairtrade y bajo este acuerdo que establecieron como entre las partes, quiero decir entre Fairtrade USA y las cooperativas que están certificadas, ¿no? Y no sé si quieren que hablemos un poco del impacto económico, más como vinculado a la prima, me dicen si hay alguna pregunta sobre eso o algún otro impacto, digamos indirecto, que esté generando el estar en el programa.

Samy

¿Cuál es su opinión sobre el sello Fairtrade y su rol de mejorar la vida de los pequeños productores mexicanos? ¿Diría que Fairtrade ha sido un éxito o cree que la operacionalización de los estándares hubiera podido ser mejor?

Mr. Aguilar

Yo creo que ha tenido este impacto al tener pues la certificación. Y al tener esta pues la que se ha formalizado, digamos el tener este reconocimiento, este sello que les da la oportunidad de incursionar pues en estos, en estos mercados y también por el vamos a hablar del precio mínimo y lo que es la prima, no el fondo es lo que se está creando, pues para beneficio de los de los pequeños productores, no.

Samy

En literatura es recurrente encontrar la afirmación de que las primas Fairtrade que vienen de la venta de café no son suficientes para lograr un cambio profundo para las comunidades locales. ¿Está usted de acuerdo con esa afirmación? Y si, en caso afirmativo, ¿qué actor de la cadena de valor debería asumir más costos del sistema para garantizar una mayor distribución de las primas?

Mr. Aguilar

Muy buena, muy buena conclusión. Y yo quisiera también compartir un poco el la experiencia que yo tuve en campo, que en efecto comparamos cuál era el impacto que está teniendo un productor organizado, un productor organizado en primero y segundo que está teniendo participación en el mercado internacional a través de este de esta certificación de Fairtrade y de responsabilidad social versus a productores libres, a productores también pequeños productores que tienen características similares porque comparamos eso, productores que tienen producción de tres o cuatro hectáreas superficie mínimas versus a los que están pues certificados con FLO. Entonces ahí el en realidad el gran, la gran realidad es que tiene que ver con el tema de la productividad, ¿no? Entonces, en efecto, no están teniendo como el ingreso esperado. Si uno compara en términos de ingreso es más o menos similar al al productor libre que vende ahí con el decimos acá con el coyote, con el intermediario que lo paga, paga el precio del producto por debajo de la bolsa de valores no mucho, mucho menor. Y entonces es entonces cuando uno compara, pues si no hay esa, no hay ese plus, digamos. Pero al entender un poquito más la situación, eso tiene que ver. Quizás un factor principal es la baja productividad, como están también en un esquema de producción orgánica, pero casi qué producción tradicional porque no hay, no están dando un mantenimiento al café, no están dando un manejo adecuado para realmente incrementar la productividad. Si uno se incrementarán la productividad y con este precio un poco más elevado que están teniendo en el mercado, pues de pronto pudiéramos ver ese impacto. Pero el principal reto que yo ahí identifico es la baja productividad versus a los productores que tienen más. Los que están en un esquema convencional, pues producen más, aunque les pagan menos, pero al final de cuentas están teniendo ese ingreso, ¿no? Ahora, en términos de la participación de los de los actores, yo sé que eso también ha bajado un poco ella, digamos la cantidad de volumen o de lotes que venden para los grandes tostadores, ¿no? Por ejemplo, en Estados Unidos. Primero porque están teniendo esa situación los pequeños productores que no pueden, comprometen cierto volumen, pero después a la hora del acopio no logran conseguir ese volumen suficiente. Y lo que pone pues en riesgo, digamos, esa relación comercial que previamente habían establecido con el tostador o con el comprador de pues el comprador de Estados Unidos. Entonces ahí pues lo que en efecto a lo que está pasando es que no se está cumpliendo estos contratos derivados a que a veces los pequeños

productores organizados también están urgidos o necesitan dinero inmediato. Entonces a veces tuvieron cierta producción, pero lo venden a nivel local y no logran entregar el producto con la organización o con la cooperativa. Entonces ahí se está perdiendo un poco como la fidelidad que uno tiene como miembro de esa cooperativa. Pero uno entiende también del otro lado de que uno necesita dinero inmediato para poder subsistir, para poder e incluso cubrir los costos de producción, los costos de transporte que hay que pagarle a la gente para, pues que vino a trabajar en la cosecha y entonces necesitan cierta solvencia económica, no. Y ahí es donde necesitan como convertir el café en moneda para poder cubrir estos costos. Entonces ahí quizás la participación del mercado pues no está como pues si no, no hay un pre-financiamiento previo, no hay un pre-financiamiento, se manda x volumen, pero y hasta el final se hace, digamos él. El cierre de la cuenta este para pagar la prima, para pagar un plus de otros reconocimientos que de pronto llegan a tener las cooperativas, sé que hay un esfuerzo también por ciertos organismos que están como dando un financiamiento a bajo costo, digamos a una tasa de interés bajo frente a la banca comercial. Pero todavía, por ejemplo, Root Capital no, pero todavía se requiere mayor, mayor inversión, no?

Samy

Otro problema que encontramos en la literatura académica es que desde hace varios años los fabricantes de café no pagan ningún costo de certificación. Mientras que los otros actores de la cadena de valor si lo pagan. ¿Entonces, por qué son los agricultores que tienen que asumir ese costo de certificación? Si tiene una opinión sobre esa situación o un mejoramiento.

Mr. Aguilar

Sí, sí. Bueno, en efecto, no hay bueno de los casos que yo conozco y sí que genera la certificación para estar vigente, pues hay que tener las auditorías y pues tiene un costo, no. Y en efecto, eso se les descuenta no, a los a los productores, pero ya de una forma, digamos, de un monto que hay que pagar, pues se divide esto en entre el total de asociados no, o de los de los que están participando en la organización. Eventualmente han tenido cierto apoyo, no el 100 por ciento por un 50, cierto porcentaje de organizaciones, incluso de gobierno que está cubriendo una parte de este costo de la certificación. Pero en efecto, si al rendir cuentas cuando la organización rinde cuentas, pues dicen esto fue lo que tuvimos de prima, esto es lo que se pagó el costo de certificado. Y bueno, pues ese ingreso digamos que debieron recibir, pues se queda digamos, para cubrir ese costo de certificación. Si.

Samy

Entonces, qué piensa de la crítica, que Fairtrade se concentra demasiado en el lado del consumidor, creando un imaginario de consumidores responsables socialmente y conectados a los agricultores pobres, en lugar de centrarse en hacer que el sistema beneficie a los agricultores.

Mr. Aguilar

Sí, muy buena pregunta. Yo creo que son como las etapas que ha tenido el movimiento. Comercio justo inicia pues con justamente con café después de la caída de los precios, no, este, sin embargo, pues bueno, se ha abierto también el mercado para para otras pues para sí plantaciones no para justamente para beneficiar a los trabajadores agrícolas, no, en efecto, si se ha hecho mucha campaña de parte de los consumidores o de la etapa final de la cadena de suministro, no esa de esa ese actor importante. Pero hay un esfuerzo también que se está haciendo a nivel de, al menos yo hablo de la categoría en donde estoy en concientizar, digamos a los, a los empleadores, a los titulares o los medios de certificado. Hablando de empresas grandes, hay requisitos adicionales que se está exigiendo en términos de cumplimiento de las condiciones laborales, no en términos de contratos de salarios, de seguridad social, de la protección e integridad de los trabajadores que reciban. Siempre trabajan en condiciones seguras. No hay toda una serie de requisitos ahí del programa y obviamente el componente de la prima, no, de que este fondo pues va a beneficiar al desarrollo comunitario, no de los de los trabajadores, ¿no? Y por otro lado, dentro de las cooperativas, entiendo yo, pues, que ahí se está haciendo también una labor de acompañamiento a las organizaciones en llevarles instrumentos, no de costos de producción, de capacitaciones sobre educación financiera, sobre otros temas que estén vinculados a la producción. No. Entonces falta mucho. Si hay diferentes iniciativas que están como tratando de apoyar al pequeño productor en la transferencia de tecnología, en llevar esto que mencionaba de la baja productividad, entendiéndolo cuál es la razón que están llevando este, tecnologías que realmente se puedan adaptar no a las condiciones de los pequeños productores. Pero yo creo que si uno, si uno ve de eso me acuerdo de una pregunta también de un productor y bueno, ¿cuáles son los atributos de del programa de su programa? Y yo siempre le mencionaba bueno, ya sé que hay un fondo y todo, pero ¿qué otros beneficios yo obtengo al estar en el programa? Y yo le mencionaba eso, que, al tener trabajadores agrícolas más conscientes, más capacitados, pues también te reduce la curva de aprendizaje, tienes menos rotación de personal y al tener menos rotación de personal tienes a un personal más capacitado que puede manejar mejor la producción y es un costo que pues ellos están como ahorrando. Quizás son impactos como colaterales, impactos indirectos, no. Pero que al final de cuentas pues suma dentro de este impacto.

Samy

¿Cree que también que el sello Fairtrade, es usada como instrumento político por las comunidades locales para reivindicar su autonomía y cree que o de su experiencia ha podido ver eso o experiencias experimentar eso?

Mr. Aguilar

Sí, buena. Yo creo que la principal asociación o cuando uno está en las comunidades, este, una manera de ver este certificado es y es muy particular y es son los fondos los fondos que llegan a la comunidad y todavía ahí hay alguna... ¿Cómo se dice? Una cierta incredulidad, cierta desconfianza, digamos, de decir pues eso ya sabemos que va a haber fondo. Pero no, a veces se compara como con los actores políticos, solo prometen y no hay nada, no entonces, pero cuando ya ellos ven la realidad implementada, los proyectos empiezan a creer. Ese nivel de incredulidad, pues se reducen y empiezan a tener mayor credibilidad en el programa, al ver proyectos ejecutándose en su en su comunidad de origen. Por supuesto que genera una diferencia frente a otros ¿no? Y trayendo a colación los pequeños

productores, pues quizás la población general no va a saber que están asociados, están certificados en un programa de este movimiento de comercio justo, pero los que están adentro del programa, pues sí que sí, que lo reconocen eso como algo lo reconocen como algo suyo. Y lo comento por lo siguiente que ellos tienen mayor participación en el mercado, conocen mucho. Yo conozco productores, hijos de productores, campesinos que están en la bolsa de valores, que están viendo cómo se comporta el café cuando antes eso se desconocía, no, incluso de la calidad, no, ya con esas capacitaciones que están teniendo de cómo mejorar la calidad, la producción, lo que es el proceso de manejo del café, digamos técnicamente el beneficio húmedo, o sea, todo el manejo posterior que yo le hago una vez que coseché la fruta, ¿no? Entonces eso pues, eso ha sido gracias también al programa, ¿no? Los que están inscritos en el programa, pues han tenido estos beneficios no, para mejorar si la producción, que también ahí los clientes a veces aportan cierto fondo para fortalecer, digamos esas capacidades, no, para la mejora productiva, ¿no? Entonces, a diferencia de los que están en producción libre, ellos saben entregan su producto al mercado local y a veces pasan muchas cosas. Hay muchas historias de que tu calidad no tiene la calidad, no tiene tal humedad o tiene demasiado humedad y por lo tanto te das cuenta de X cantidad de kilos. Entonces hay mucho robo o hay mucho engaño por parte de los intermediarios. Mientras que un productor organizado, capacitado, participando de este tipo de mercado, puede controlar mejor su producción a través de ese conocimiento, a través de esa capacitación que está teniendo. Quizás esa capacitación vino de otras iniciativas también alrededor del movimiento de comercio justo, del fortalecimiento también de pequeños productores.

Samy

¿Cree que existe una importante falta de unidad entre los productores de café y las cooperativas en México (debido a las tensiones y divisiones políticas), que podría impedir la eficacia de Fairtrade y el desarrollo de las comunidades locales?

Mr. Aguilar

Muy buena pregunta. Y acá en Chiapas yo puedo como compartir, digamos, dos experiencias, dos situaciones. Dentro de organizaciones de cooperativas que están organizadas, que tienen su directiva, que tiene su e incluso asesores. Yo he visto de las dos formas. Una organización que se mantiene a través de los líderes que están también como en cuestiones como muy políticas. Y otras organizaciones como el en cierta zona de acá de Chiapas, están enfocados en la producción. Ellos como que evitan porque también hay mucha, cómo se dice mucha tentación, de que te pases a esa, al clima político. Entonces ellos como que tratan de evitar eso. Nosotros estamos enfocados en producción y no nos metemos en cuestiones políticas, porque realmente al tener una base comunitaria organizada y eso también a veces las instancias, o los organismos de gobierno, los políticos, pues como que también son presas o de decir ah, hay una buena base electoral ahí, entonces vamos. Y entonces empiezan a tergiversar, verdad, el propósito fundamental de por qué surgió esta organización. Entonces yo puedo ver que hay esas dos circunstancias, pero también yo creo que también depende mucho de la ubicación geográfica donde esté la zona. Por ejemplo, yo hablo acá de Chiapas, en la zona de Los Altos. Pues sí, ha sido una zona como que ha tenido esa trayectoria política, entonces como que de pronto ahí se ven un poco metidos en el tema, mientras que en otras regiones pues están enfocados completamente al tema de producción y todo lo que tienen que ver con producción, bienvenido. Cuestiones políticas

no se meten y evitan, de estar en esos espacios. Pero lo cierto es que sí las cooperativas han tenido esa situación, existe. Y tiene que ver también eso de que hay mucho conocimiento acumulado, centrado en ciertas personas. Quizás, no se tiene, no se trabaja también a nivel de las bases, a veces se toman las bases solamente como para levantar la mano y, pero sin tener como participación, como activa. En este proceso y en otras circunstancias estamos viendo que hijos de productores están teniendo, incluso son los propios líderes de las cooperativas, creo sin líderes en cuanto a temas de calidad, en cuanto al tema de producción, a temas de mercado, en temas administrativos, contadores que están llevando la contabilidad de la cooperativa. Entonces ahí también estamos viendo este efecto como transgeneracional, que si bien es cierto los productores, los que empezaron primero el movimiento, pues no tuvieron, digamos, ese nivel y ese papel, ese rol dentro del tema de producción y mercado. Pero los hijos de los productores que tuvieron posibilidad de formación, de ir a la universidad, están volviendo a sus organizaciones a fortalecerlas en cuestiones técnicas, en cuestiones organizativas, en cuestiones productivas. Entonces creo que hay ejemplos contados, pero si hay ejemplos que están teniendo esa alta participación.

Samy

Pero cuando, cuando escribí la pregunta pensaba en el caso con los zapatistas y con la cooperativa de Maya Vinic en Yachil. Ellas tienen muchas diferencias, divisiones políticas y una cooperación entre las dos cooperativas... ¿Ya no será un problema?

Mr. Aguilar

Bueno, de esos casos que me mencionas de Maya Vinic no tengo como en detalle la situación, pero hay otra cooperativa que se llama Majomut, que también tiene las bases de comunidades zapatistas. Pero que diferencian como la actividad política versus como la actividad, ¿pues productiva no? Obviamente en cuanto a toma de decisiones es bien diferente, porque la directiva o los digamos los técnicos, los asesores de esa organización no - hay algo está pasando aquí - Estas organizaciones pues no pueden tomar decisiones por sí mismas, tienen que ir a las bases. Ellos tienen un procedimiento de toma de decisiones muy autónoma, muy independiente y democrática. Entonces, y lo comento por lo siguiente, cuando tuvimos este programa de reconocimiento, pues era así como que el de firmas aquí y ya está. Y no, no puedo firmar, tenemos que consultar a las bases, a todas las comunidades, a hacer un trabajo primero de consulta y luego un trabajo de toma de decisiones. Todo ese proceso nos puede tomar tres meses. Es un proceso democrático que vamos a las bases. Quizás otras organizaciones no tienen ese nivel de empoderamiento en cuanto a toma de decisiones. Quizás la directiva tiene ciertas facultades para tomar ciertas decisiones, a pesar de que el ejemplo que yo menciono, pues es un caso netamente comercial que políticamente no les iba a afectar en nada. Pero yo creo que, si separan este, estas, la actividad política versus como la actividad productiva, comercial.

Samy:

Otra pregunta es a partir de 2021. Últimamente sí ha habido algún cambio importante en el funcionamiento de la certificación del Fairtrade que benefició a los productores de café y cooperativas mexicanas. Y si la situación ha mejorado, ha empeorado. Si no ha cambiado y sobre todo en relación con la pandemia. Si ha notado evolución.

Mr. Aguilar

Sí, pues los productores mexicanos, y voy a hablar concretamente de los estados de Chiapas y Oaxaca, que es donde tenemos mayor participación en Veracruz también los que están pues en el movimiento a partir del movimiento de comercio justo, a partir de en efecto de 2020 tuvimos esta leva. Esta acción masiva de programa de reconocimiento. No les dijimos que no, los vamos a reconocer su certificado de FLO y van a, pues mantienen el statu quo con pues con las relaciones que tengan en ese momento con los diferentes importadores tostadores, ya la relación que ellos ya tienen. Así que creo que eso no hubo ningún cambio salvo por el tema de mercado, que es en eso sí golpeó no solo al sector café, sino también a medio mundo. El tema de que cambió el perfil del consumidor, que, pues las grandes cafeterías pues ya se cerraron y, por ende, pues sí bajó el consumo. Sin embargo, después se retomó porque igual sigue habiendo consumo en casa. La gente compra el café. Si bien es cierto, no va a las cafeterías, a los dispensadores, pero cambia un poco el perfil del consumidor. Y en eso, pues sí afectó tuvo esa afectación en términos de mercado, pero yo diría que no tiene nada que ver con esa disociación que hubo, sino más bien por una cuestión pues de mercado y una cuestión más de la de la pandemia.

8.2.5. FINCA TRIUNFO VERDE

Samy

¿En qué calidad trabaja usted en la finca Triunfo Verde y si puede presentarnos a la función de su cooperativa?

Mr. Lares

Mi nombre es Hugo Lares, tengo aquí trabajando en primer lugar de veintiún años en este, estoy desde que se fundó Triunfo Verde. Comencé a trabajar en 1999 y Triunfo Verde fundó en el 2000. Y mi función es como como la gerencia, por así decirlo, pero no es una gerencia como tal, sino lograr una coordinación general que llevamos nosotros.

Samy

Ya de acuerdo y entonces, ¿qué son las actividades de triunfo verde?

Mr. Lares

Bueno, Triunfo Verde es una organización de pequeños productores que está conformado por 477 socios y nos dedicamos a la producción, certificación, cosecha, control de calidad y exportación de café orgánico para Estados Unidos y también para Europa. También Estados Unidos, Canadá y Europa.

Samy

Después, otra pregunta sería con respecto a su opinión sobre el label Fairtrade y su rol de

mejorar la vida de los pequeños productores mexicanos. ¿Diría que Fairtrade ha sido un éxito para Finca Verde y para la comunidad local?

Mr. Lares

Mira, yo creo que el comercio justo es un medio. Lo que tú hagas con el medio, ahí es donde está el meollo del asunto. El comercio justo es un medio para que tú alcances muchas cosas. Nosotros estamos en el comercio justo desde el 2009, pero, por ejemplo, en el comercio justo te da una garantía que tienes a un precio, que tienes un mercado. Que te van a hacer compras estables también. Pero a veces depende de lo que hagas con él o con quienes con él. Te digo por ejemplo este... Después de la roya en [inaudible] y en 2014 en México hubo un problema con roya que la producción la tumbó de hasta como el 40 por ciento o a 50 o el 30 o algunos se quedaron sin café, ¿no? En ese sentido cuando tú quieres recuperarte, ser resiliente, uno de los problemas que tenemos mucha gente es que no tienes un mercado seguro. Osea el comercio justo te da un mercado seguro también. Te da un mercado seguro. Pero nosotros creemos que hay que aprender a ser resiliente no y aprender y empezar a identificar tus debilidades que tenías antes de la roya. Y es con el comercio justo lo que hemos hecho es que ahorita nos hemos... nos recuperamos porque tenemos un mercado seguro mucho mejor para recuperarnos también. Y después nos dimos cuenta de que dependíamos mucho de los recursos externos y lo que estamos haciendo con el premio social del comercio Justo es capitalizarlo y acabamos de crear un instrumento financiero propio. También estamos trabajando con el mejoramiento de vivienda, también osea con los ingresos del comercio justo tenemos un programa de mejoramiento de vivienda que les damos más o menos como 350 dólares a cada productor, que no es mucho, pero bueno, es muy difícil que los que lo puedan tener y eso es como un ingreso extra aparte de su café. También el precio que les pagas es el precio más alto que hay. El nuestro es el precio más alto que hay en todas las que [inaudible] en Chiapas, osea, el productor tiene una garantía que tiene un precio también, que va a tener crédito porque tienes crédito, porque tiene un mercado seguro también. Las financieras te lo dan porque tienes un abogado seguro. También tienes la ventaja que vas te vas capitalizando para que en la medida de lo posible tengas menos dependencia de recursos externos. También les inviertes en vivienda, también lo inviertes es que lo tengan. El año pasado, cuando lo de COVID nosotros vivimos del Premio Social de Comercio Justo, empezamos a dar despensas que son alimentos en México, son una bolsa de alimentos también para que la gente no salga a las comunidades. Y aparte les dimos algunos talleres que se llaman Resiliencia comunitaria y eso se hace con todos los ingresos que tienes del comercio justo. Y la otra es que nosotros, por ejemplo, tenemos el plan ahorita de desarrollar nuestra política de género. Estamos trabajando mucho con las mujeres y eso es parte de las de las líneas que te manejan la parte del comercio justo. Como te digo, depende. El comercio justo es el medio. Lo que tú hagas con eso es donde está la realidad de lo que tú haces. Yo conozco muchas organizaciones que están en el comercio justo, pero realmente los premios sociales, por ejemplo, que es el que el ingreso extra, invierte entre otras cosas, menos en la parte que tiene que ver con la gente. Y creo que tiene que ver, y eso tiene que ver con la democracia que se maneja en el comercio justo. Tiene que ser algo, tiene que ser decisiones democráticas, que todos las tomemos entre todos y que se vaya acomodando para la parte de promoción para la parte de beneficio de las familias para la parte de capitalización para la parte de inclusión de jóvenes y de mujeres también. Eso es lo que tienes que ver, pero es más bien lo que tú hagas, lo que tú haces es el meollo del asunto.

Samy

¿Cree que las primas del comercio justos de la venta extraídas de la venta de café son suficientes para mejorar la vida de productores y de la de las comunidades locales?

Mr. Lares

Nunca es suficiente. Osea, nunca es suficiente también. Todo depende que como vas haciendo tu planeación depende mucho de la planeación, nosotros lo que vamos haciendo, es que vamos atacando a los [inaudible] Tenemos un plan de mejoramiento de vivienda, tenemos un plan que lo vamos acomodando por comunidades, vamos viendo, vamos paso a paso, comunidad, y a todos les va a tocar en algún momento porque no es con lo del crédito, nosotros dijimos que nos íbamos a capitalizar y eso también tenemos un plan de capital que viene del premio social también, todo los problema. Y te digo, la idea que tenemos es que en tres años dependamos el 70 por ciento de nuestros recursos, de la parte de premio social pero también la parte de ahorro y la gente se va motivando porque va ves que va creando su el monto va, va creciendo, que son de sus de la aportación de prueba social y son la parte de sus ahorros también. La parte promover, pero como dice es un peso de premio social, es un peso tuyo para empezar a hacer. Y te digo es que nunca es suficiente, osea no 20 dólares no es suficiente, simplemente lo que hay que hacer, hay que hacer planeación, hay que planearlo para qué es. Y al final de cuentas para que la gente entienda que a todos les va a tocar. En un momento a todos les va a tocar a todos. Por ejemplo, ahora estamos por la vivienda, estamos mejorando a 100 personas cada año, cada 100 personas y hay un plan aprobado que entre todos, de decir mira primero esta comunidad y nos vamos a la otra y vamos a la otra y terminando empezamos de nuevo otra vez la que la 1 otra vez vuelve a empezar, es como que la pate nunca es suficiente porque las necesidades son muchas, pero nosotros resolvemos las más importantes, bueno, las más prioritarias, por así decirlo. Que la gente tenga fondos para trabajar y también para comer, que tenga un ingreso seguro también que pueda restaurar su vivienda, que cuando haya una contingencia tengas fondos de donde resolver esas cosas, que tengas fondos. El año pasado te digo que cuando lo de COVID que cerraron todo, no tuvimos despensas y esa fue una decisión que toma rápido porque tiene los recursos y un premio social que puedes disponer de él y darle. Después todo el mundo empezó a dar después, pero fuimos los primeros que dijimos vamos a dar despensas para que la gente tenga alimentos básicos huevo, arroz, frijol, este para preparar tortillas y varias cosas. Y la gente, la gente se siente identificada porque dice es que tenemos un problema, pero nuestra organización no los resuelve y eso es cuando dice el orgullo es de sentirse ser parte de un de una organización social, pero te digo nunca es suficiente porque las necesidades son muchas, en realidad son muchas, hay unas que tienes que resolverlas con el precio que les pagas y otras que tienes que resolverlo con la parte que tiene que ver con el premio social. Pero nunca es suficiente.

Samy

La próxima pregunta es sobre los costes de certificación que tiene que pagar. ¿Representan una gran parte de sus gastos? Y también si cree que son justificados.

Mr. Lares

Pues este, pues no es mucho lo que se paga. El costo es muy pequeño. Pagamos los 2500 euros y dependiendo. Que nosotros no es un costo, pero al final de cuentas depende del volumen que vendas. Nosotros, por ejemplo, pagamos 2500 euros si mal no recuerdo y vendemos casi 3 millones de dólares, osea el costo es muy pequeño en comparación con el volumen, osea. Si hay algunos que yo sé que venden muy poquito, pues el costo es mucho más alto, como también, pero es un costo que tienes que pagar. Eso es un hecho no que para la orgánica también pagamos para todos los que tenemos orgánica pagamos por cada que exportamos, tenemos que pagar. Nuestras cuentas dependen más bien de la eficiencia que tengas con el pago para que tengas el certificado todo depende con lo que tú hagas con tus certificados. Es como que el meollo del asunto.

Samy

Gracias a el comercio justo ¿se siente más conectado el mercado global y a los actores de la cadena de valor, a los comerciantes, fabricantes y consumidores?

Mr. Lares

Pues hay una red, que hay una cercanía más cuando... Somos parte de una red de conversaciones y a veces cuando tú tienes algún problema o tienes alguna necesidad de un cliente, hay una red que te respalda o que por lo menos te puede proveer información. Que antes cuando empezamos, eran más cosas directas, como que tienes que andar buscándolo. Ahora hay redes. La cadena mexicana de comercio justo o la clase incluso que tú tienes alguna necesidad o anda buscando un cliente y puedes recurrir a una red que te puede ayudar a determinar que tiene este problema. Andas buscando un cliente nuevo y te conectan con un cliente de tal lado que a veces no conozco que será muy difícil. Es como una ventaja que tienes, a diferencia de que hace como 15 años que no teníamos. Hay mucha cuestión de capacitación que se hace también a través de las redes que tiene, [inaudible] si haces es algo también. Hay talleres de para reconocer los cambios que ha habido en las normas y todo eso a través de las redes, de que es una forma más que hacer una manera individualizada. Hay una red, ¿no? Si tienes alguna duda, si tienes algún problema con es un problema también con de algún modo la red te puede ayudar de una manera a solucionarlo o a aclarar alguna duda que tu tengas.

Samy

Aparte de los beneficios financieros, ¿cuáles son las ventajas de trabajar con el comercio justo para su cooperativa? Como ya dio unos ejemplos, pero sí, ¿porque no vendería el café clásico en el mercado?

Mr. Lares

Bueno, porque tan solo por es muy complicado el mercado normal, por el sistema de precios, tiene un sistema de precios que estás muy expensas de como está el mercado, cómo se vaya moviendo. El año pasado anduvo como 150 dólares 200, pero al final de cuentas, osea, eso no te permite tener que invertir. Osea, no puedes invertir porque se te cae el mercado, no puedes invertir. El comercio justo te da un sistema de precios que es seguro, que es una garantía. Y tienes un sistema también trabajado, con tus clientes, que al final de

cuentas te dan. Una de las cosas que te decía que tienes que ver con el sistema de precios. Todo depende cómo trabajas con tu cliente. Porque el mercado te da un precio mínimo, pero no es el máximo. Tú tienes que trabajar con tu cliente de la parte del origen, la parte de la calidad también. Y algunos otros atributos. Porque nosotros, por ejemplo, que estamos en una reserva, y que tenemos un plan de protección del de café con sombra, todo eso no, nos dan un premio, o también que eso es algo como que tiene que ver. Y la otra ventaja que tienes es que todo lo tomas de manera democrática, es abierto, no es cerrado lo que tú dices, lo que tienes que hacer con tu premio social por ejemplo. Tú puedes proponer lo que tú quieres, te sientas con nosotros y tú puedes invertir en lo que tú consideres que es pertinente, no, también. Osea, eso es como que la otra, la otra ventaja. Y te decía hay una relación más personalizada como con los clientes, no que están en comercio justo, a diferencia del mercado convencional que tú le vendes a quien quiera y le vendes y lo ves hasta el año que viene. Con los clientes que tienes de comercio justo, pues tienes una relación más como de amigo y de amigos, vas creando una relación más, más personal. También es que no nomás trabajas la parte comercial, sino puedes trabajar otro tipo de actividades, algunos proyectos, programas también. Con un cliente tenemos un programa que es de cambio climático, que nos dan un fondo pequeño, parte del precio para invertir en renovación, en meter más árboles de sombra, no en trabajar con niños para ahora con el COVID que no van a la escuela. Con un cliente pusimos tenemos paneles solares aquí con oficinas tenemos paneles solares, ya no usamos tanta electricidad. Bueno, estamos usando más a energías limpias también.

Samy

¿Cree que las tensiones políticas que existen en México (y especialmente en Chiapas) representan un obstáculo para el desarrollo de los productores locales y reducen el impacto positivo de Fairtrade?

Mr. Lares

Es que son más problemas políticos, vamos, más problemas políticos. Osea, lo que lo que hay que hacer es mantenerse al margen de las cuestiones políticas. Osea que nosotros seguimos trabajando aquí en el municipio donde estamos nosotros hay problemas políticos, pero nosotros no nos metemos, no nos involucramos, osea, nosotros no tomamos partidas. Los productores y los individuales pueden tomar partida, pero nosotros como organización, no tomamos partidos. No nos metemos con uno. Y cuando andan los políticos todos les abrimos la puerta que todo el mundo venga a hablar aquí con todos, de manera igualitaria, todos pueden poner sus plataformas y planes, y metas que quieren alcanzar. Pero no nos comprometemos como organización como cada individuo. Y el café sigue fluyendo sin cuestiones políticas, no solo de la parte de producción, sigue fluyendo sin cuestiones políticas, la parte de exportación no tiene nada que ver con las cuestiones políticas tampoco. Se nos han subido un poco los costos, más por el COVID, que nos ha afectado, no la parte del COVID, porque hay menos movilidad también. Eso sí nos fue a aumentar algunos costos, pero la parte política tratamos de mantenerla como algo más del individuo de cada productor. Y aquí no hablamos de cuestiones políticas, no hablamos de que vamos a votar por X o tal cada uno vota en lo individual y cuando hay unas campañas políticas aquí vienen todos. Los invitamos a todo el mundo que presenta su plataforma y que cada uno vote. No, nos comprometemos en la figura de los comerciantes como un por un partido, sino

simplemente una apertura, ¿no? Y vengan todos frente a la [inaudible] con los productores y aquí no, aquí termina ya pues en las votaciones ahí afuera votan por quién quieren y luego pasa por la iglesia. Que muchos problemas de Chiapas por cuestiones religiosas, también. Aquí hay de todo aquí, de todas las religiones, también todas las sectas o como le quieran llamar. Y somos muy respetuosos en ese sentido, osea. No es parte de las actividades de lo que hacemos. Somos respetuosos a veces con los guías, porque, por ejemplo, hay gente que hay un día a la semana, no trabaja por cuestiones de religiones. Y no tratamos, de no hacer nada de esos días para que esos productores no se queden excluidos, sino también simplemente respetar sus, sus creencias. Y te digo lo que hacemos es nos mantenemos al margen. Y el café no tiene, la producción, no tiene que ver con política, la [inaudible] con política. Y es lo que nos ha funcionado. Otra cosa que también tiene que ver es la parte de subsidio. Nosotros no tenemos subsidios. Osea no somos parte de no andamos por el gobierno pidiendo subsidios para ser sostenibles. Lo hacemos sostenible desde aquí desde que el café entra aquí. Les damos crédito, tenemos contratos y hacemos que el café sea sostenible osea, no que dependa de cómo se hace para ser sostenible, para que sea rentable para el productor. Eso pasa en muchos casos aquí en Chiapas, que son grupos de presión que andan con el gobierno que les dé dinero y andan tapando carreteras, haciendo un montón de cosas. Nosotros no hacemos eso, no lo hacemos en ese sentido con nada.

Samy

Entonces hay otras cooperativas que benefician de subsidios?

Mr. Lares

Hay muchas cooperativas anteriormente que en el gobierno anterior les daba muchos subsidios, para trabajar. Ahora no tienen subsidio y ahora están desapareciendo muchas porque ya no tienen subsidios del Gobierno. Todo lo que tenemos sale del café. Todo sale del café. Y eso hay que trabajar para que el café sea rentable. Que tengas un buen contrato, que tengas crédito, no, también, toda la parte de costos, como tratas de hacerlo lo más eficiente posible también. Y todos tienen que salir del café.

Samy

Claro, sí. Y también usted menciona el COVID. No sé si puede explicar un poco más cómo ha afectado su cooperativa y también los productores. Y si también el comercio justo ha podido apoyarlos en ese momento y todavía no sé si ahora hay consecuencias hasta ahora, pero o si se ha normalizado la situación.

Mr. Lares

Primero, primero, lo que pasó el año pasado es que cuando se cerró todo, que empezó a reducir la movilidad. Osea, se subieron mucho los costos de los alimentos el año pasado, porque no había, y mucha gente, aprovechó para acaparar y eso subió los costos. Nosotros lo que hicimos fue un poquito conseguir alimentos, tratar de dar un poco de alimentos para que la gente pudiera quedarse en su casa, no bajar al centro de población a comprar comida. Eso esa es una. Nos pegó porque se nos o han fallecido cinco personas que eran socios de nosotros, cinco personas. Qué bueno Triunfo Verde los ayuda con los gastos funerarios,

un poco no tanto para los costos y los gastos. Y lo otro tiene que ver con lo que aquí nos afectó en los costos de exportación, porque con menos movilidad los transportistas cobran más caro. Las aduanas también son más exigentes, cobran más caro. Y otra cosa que si nos afectó mucho más tiene que ver con las compras, porque, por ejemplo, varios clientes no nos dieron repuestas en las compras por cuestiones de que se cerraron las cafeterías, los restaurantes, los hoteles, de las universidades y a veces un mercado pues. Y si hubo eso sí, nos afectó un poquito más el recorte de compra, para este año, el año pasado, este año sí, nos pasó. Pero bueno, ahí pues tuvimos que buscar otros clientes, que conseguimos a través de las redes de comercio justo y pudimos vender las cosa que teníamos.

Samy

En su opinión, ¿Qué podría hacer mejor Fairtrade para las cooperativas como Finca Triunfo Verde y, en general, para todos los pequeños productores de café?

Mr. Lares

Mira es que, como te digo, el comercio justo es un medio, osea, el comercio justo no nos va a solucionar todo, no nos va... Tenemos claro que no nos va a solucionar todo. Es un sistema que te [inaudible] que hay una relación directa con los clientes también, pero al final de cuentas nosotros creemos qué darle más valor a nuestro café. Te digo que solamente es un sistema que te acerca a los clientes y que busca que sea una relación directa. Pero tienes que trabajar la relación directa con los clientes. Tienes que trabajar con tu cliente y empezar a trabajar la parte que, del origen, la parte de la región de [inaudible]. La parte de la gestión de la calidad. La parte del impacto también. Y hay clientes que dicen “mira, a mí me parece que estás haciendo buen trabajo, te voy a dar un premio por calidad”. Más le gustan te dan un premio por calidad y le va sumando, le va sumando también. Simplemente es un medio. Sí, yo creo que hoy debe haber más transparencia del comercio justo de quien entra en el comercio justo, osea. Hay grupos aquí en Chiapas que sabemos que no deben estar en comercio justo, ¡pero están! Porque cumplen con los requisitos. Pero realmente no es un trabajo de organización, no son relaciones como tal, también y creemos que en eso el sistema es omiso, los sistemas son omiso porque de repente, porque dices un volumen que entra al sistema. Y por cada lote que vendemos, el comercio justo se lleva como se vende el cliente le paga una comisión y le da un porcentaje de las ventas. Y eso no. Y ganan. Y creemos que de repente son omisos en el sistema. Son cosas que no están bien, que el sistema lo ve y lo hace omiso por cuestiones de que es un ingreso que le entra del cliente de un grupo que exporta mucho café y que al final de cuentas el cliente lo tiene que pagar al sistema también, también. Yo creo que eso sí es algo que no nos parece y eso lo hemos dicho a los otros, osea en Chiapas hay varias o muchas, vale, no muchas. Algunas empresas que son llamadas organizaciones de un gremio más por cuestiones políticas que son de una transnacional también, que es la figura internacional y que entra al sistema que a veces que no debería estar ahí también. Y que a veces satura al sistema, y que a veces los que a veces trabajamos lo mejor posible, no encuentras clientes porque el mercado está saturado con un cliente que mete café que no es, que mete café que no es del sistema. Eso sí, nosotros creemos que se debe mejorar. Mejorar bien más, más quienes están en el sistema del comercio justo.

Samy

Claro. Sí, porque aquí en Europa hay mucho debate sobre si el comercio justo es realmente útil para los productores, o si es solamente puro comercio, o crear un nuevo producto.

Mr. Lares

Una marca más, no?

Samy

Sí, exacto. Y es muy interesante ver su punto de vista.

Mr. Lares

Sí que te digo es que todo depende de lo que hagas con él. Todo depende. Es un medio, es un medio, nada más. Tú eres el que tienes que empezar a ponerle valor agregado, no, cada uno a cada una de las cosas que hacen. Te digo aquí en Chiapas nosotros sabemos de casos que no debería estar el sistema de comercio y que el sistema justo, el sistema de comercio justo, que son los que son la figura de una transnacional que entra al café de todos, y que a veces tienen un padrón de productores que no existen o que, si existe el nombre, pero realmente el café que entra no es que esté en el sistema, es café de otro de todos los productores. De muchos productores que no son parte de la de la organización. Y hay varios casos que aquí los hemos denunciado, pero el sistema es un omiso. Siquiera meten mucho café por cada café que mete yo tengo una comisión que me paga el cliente, no el sistema. Y pues a veces tratan más de cubrir la imagen, de no decir que compramos un hallazgo, que con este no, y a veces creemos que son más exigentes con los que tratamos de hacer un buen trabajo, que con lo que meten más volumen y que realmente no son los que no son realmente productores que se benefician, sino eso, una transnacional. Y te digo eso es lo que nos hemos quejado de que decimos es que a veces son más exigentes con nosotros. Vienen la del vienen auditorías y se te ponen más exigentes. Entonces ven unas conformidades que a veces son mínimas, que no deberían, que con otras son más omisos y que hay pruebas evidentes de que son una transnacional [inaudible] también.