Roundtable: From Bean to Brew

With So Many Coffee Categories—Fair Trade, Organic, Shade-Grown—How Do We Choose What’s Best?

The incredible journey of coffee from field to cup is not without impact—on the environment, on the bean growers, and on animal life. Even as some coffee companies and charitable organizations try to maximize benefits for coffee farmers and minimize harm to the planet—all while maintaining the quality of the product—it’s the consumers who, before considering whether they need a shot of vanilla or soy milk in their brew, are the ones who have to choose which type of coffee they’ll drink. But what’s the best one? Sustainability: The Journal of Record asked a group of academics, representatives of coffee companies, and coffee experts at nonprofit organizations to talk about the categories of coffee that are available, how to make a more sustainable choice among them, and how the economic downturn is likely to affect initiatives to aid coffee farmers. Excerpts from the discussion follow.

Coffee Farming’s Environmental Effects

Gregory Maher: What impact on the environment does coffee farming have?

Monika Maria Firl: When we’re talking about coffee farming, we have to define what kind of farming we’re talking about. We work in 11 different countries in all-organic coffee. In some of those countries, the fact that coffee under shade has been part of the agricultural landscape has in fact saved the environment. El Salvador, for example, is a country that’s 98 percent deforested—except for the coffee plantations.

Good coffee farming practices can have a really positive impact. The coffee tree itself loves to live in a garden atmosphere with different levels of shade. It can potentially be extremely positive.

Roberta Jaffe: Coffee is grown in a tropical belt around the world—generally on mountaintops. So it’s in very sensitive ecosystems and, if just clear-cut and not farmed carefully and sustainably, can cause tremendous havoc to regions.

James Curren: If you look at the difference between sustainably grown coffee and the large, industrial-grown coffee farms, it’s night and day. The large industrial farms are just flatland, huge row crops grown with machines tending to them. They’re usually irrigated somehow. It’s really factory style. Other than the fact that the coffee plants are there, there’s really not much good for the environment occurring. In contrast, versus the coffee farm that’s grown with the organic and the fair trade and all the other certifications that go along with it.

Gregory Maher: Are there also a large amount of fertilizers and pesticides that are used at industrial coffee farms?

James Curren: Yes. In Brazil, the largest coffee producer in the world, there are just huge amounts of inputs going into it.

Matt Warning: From the economist’s perspective, we talk about the positive environmental externalities that are generated by coffee—unremunerated environmental services, carbon sequestration, watershed preservation, biodiversity. Relative to natural forest, coffee isn’t so great, but relative to row crops or corn, it’s quite good and it’s so important that even the World Bank has been providing payments to people to stay in coffee.

Randy Layton: Boyd Coffee Co. is a roaster, not a grower, but on the farms that I’ve visited over the years, the big impact is on the water system. Those farms that take care of the water and the runoff and the recycling of that water are light years ahead of the farms that do not. That’s the biggest risk that we’ve seen at the farm level, at least in a growing area, mostly because that water is going to run off down the hill somewhere else.

Jody Treter: Higher Grounds is also a roaster. We work mostly with small-scale, indigenous growers. From our perspective, it seems like these small-scale...
growers have more of a holistic approach to taking care of their environment, compared to monoculture farms in Brazil or Vietnam that are planted in the lowlands and where there's no diversity.

**Gregory Maher**: Is it possible to have a lower environmental impact in a lowland, flat agricultural area for coffee, or is that only possible in the highlands and the hills?

**Monika Maria Firl**: Coffee does not like lowlands. We've done a lot of work with Chiapas, a state in Mexico. People have coffee growing all over the place—lowland coffee. It's hard on the plant, it's hard on the environment, and it's difficult to market.

**Randy Layton**: One thing that can save the sustainability of the coffee in the lowlands is if the coffee is grown in shade. Just about any coffee that's grown in a shaded area needs less inputs and can be managed a lot differently.

**Which Category of Coffee Is Best?**

**Gregory Maher**: Coffee these days has a lot of different identifiers, such as Fair Trade Certified, organic, and shade-grown. What's the difference among these various categories?

**Jonathan White**: The categories you're describing lump together different purposes. One describes the way the coffee is grown. Another describes how the people may be compensated as part of the growing. With organic coffee, what's being certified is hopefully the lack of any pesticides or the presence of certain growing conditions. Shade-grown describes how the coffee is grown in terms of a certain amount of shade. In fair trade, what you're talking about has to do with the people who are involved in the growing and the remuneration they receive. They get a certain sufficient compensation so that they're able to reinvest and have a certain standard of living. All those coffees fall under the sustainable umbrella, but they’re really different categories within that.

**Roberta Jaffe**: There's a whole discussion behind the interaction between certification and sustainability. With certification, are you ensured that things are grown sustainably just if they have the certification, and are you sure the returns are really getting to the farmers? What are the impacts on the coffee-growing communities?

**Fair Trade vs. Direct Trade**

**Gregory Maher**: Can you just define the difference for us between Fair Trade Certified and direct trade?

**Monika Maria Firl**: Fair Trade Certified is part of a fair trade label organization. There is third-party certification that has a register of small-scale coffee farms and cooperatives, importers, roasters, and then retail outlets. There's a label that goes on that tells consumers that this coffee was traded meeting some basic economic criteria.

Direct trade involves roasters who are going direct to farmers, not necessarily with cooperatives. Some of it is individual farmers, some state, and their claim is that they've got a very direct link to the farmer. They show the kind of remuneration for the quality and the work that's going into producing the coffee and that's being presented on the market as just a very direct link back to the farmer.

We believe that working with co-ops is extremely important because the small scale farmers are the majority of coffee farmers around the world. Unless we help support their cooperatives, those farmers are left extremely vulnerable in a very vicious marketplace and are often working in very violent political situations with governments who are not working in their favor. What helps them protect themselves are the cooperative structures that they can construct and maintain.

That's one big difference between fair trade and direct. But I guess the primary difference is going to be the label sits on the packaging.

**Tim Galarneau**: That brings up a good segue into how a consumer tries to understand what's best in the relationship for their purchasing practices. There are these values that have clear indicators and metrics with third party certification, but this direct market exchange that isn't using a certification label seems to be trying to push the boundaries of a larger market base system for a greater value for the farmer into a new, embedded set of relationships that bring more of a direct connection to the consumer and the producers.

**Roberta Jaffe**: Community Agroecology Network (CAN) as an organization is a nonprofit founded by researchers who work in coffee-growing communities really looking at ways to move beyond the certification labels and to connect the sustainable growing methods with returns to cooperatives and farmers.

But we couldn't do what we're trying to do without the certifications there as an initial step in awareness. I like to look at it as a spectrum with almost the certification being the starting point. That's the awareness builder. Then from there, we can both educate consumers and also work directly with the cooperatives on finding ways to look at all aspects of sustainability: environmental, social and economic, and community building. The labeling plays an important awareness tool to make that happen.
The Burden on Growers

Roberta Jaffe: A lot of us work very closely with growers and cooperatives, but their voice isn’t really here. I think if you were to ask them, certification is extremely expensive for them. It’s a lot of complicated paperwork that has been given to them versus their voice being in the development of that process of what is sustainable. A cooperative may be certified fair trade, but it might not be able to sell all of its product fair trade because there isn’t the market here for that. There are a lot of complicated issues. Labeling does develop the awareness that allows a lot of the people in this conversation to educate the consumer more and to work more directly with the cooperatives and coffee growers.

Jody Treter: We’ve been purchasing exclusively fair trade since we opened our business in 2002. That label, that certification, is the window for the consumer into the kind of world of social justice in trade. For sustainability really to happen, those certifications have to evolve. What we hear often from farmers is that there needs to be a harmonization in the certification world, at least on their end with the inspections and the cost of certification, because their costs just increase. In some cases, for small growers, the costs have exceeded the benefit of being involved in certification. As a movement, the certifications need to start looking at what they should do to keep it genuine. That’s to help the farmers and the environment.

There are companies like us that are committed to real long-term change in the economic world. There are a few movements that are starting to look at business models and the entire life cycle of a product and what businesses purchase. Consumers are at some point going to look at the entire model of a business when they start choosing which products they’re going to buy.

Consumer Awareness

Gregory Maher: What are some strategies that would be most effective in informing and educate that consumer when they’re about to make their purchasing choice?

James Curren: I’ve seen in the past at different cooperatives, natural food cooperatives, a board that actually lists out the different certifications and what they mean. I think at this state of the game that’s about the best we can do—just tell the consumer there are different logos and explain what they represent and point them to a website. Let them research it as best they can. I believe at the point of purchase or as they’re doing their homework, they can see what the playing field is all about.

Matt Warning: The fair trade field makes it very easy for mass consumers to say, “Well, I don’t have a lot of time,” and “Here is a coffee that meets a certain set of social guidelines.” It’s not that much work to find out what’s the difference between Costco selling fair trade coffee and Cooperative Coffees selling this broader model of really engaging the farmers in the process.

Monika Maria Firl: Labeling is so superficial. It’s difficult to know what you’re actually buying. Hopefully, we’re at the beginning of a long road toward more intelligent and sustainable consumption. I think we have to do the best we can to provide both good products and good information and help consumers understand what they actually are purchasing.

Tim Galarneau: Our Center of Agroecology and Sustainable Food Systems conducted a consumer interest study on sustainability preferences in the food system. There’s a great dissonance, in particular with fair trade. Over a third of our respondents didn’t know whether they’d ever bought fair trade or what exactly it meant, yet they really valued social justice and fair wages.

Certifying Quality?

Randy Layton: Quality is the single most important factor that affects coffee’s value and subsequently really leads to sustainability faster than anything else and longer than anything else. We felt that the Rainforest Alliance embraced that and we also think the Coffee Quality Institute does embrace that. The Coffee Quality Institute has sent a lot of volunteers out over the past several years to different growing areas. A lot of us have volunteered to help improve the quality in many different areas of that farm or of the supply chain.

Jonathan White: Certification just represents either how it’s grown or whether or not there is a certain wage paid. It does not in and of itself make a quality representation. To some degree that can be deceptive with consumers. Consumers are wanting to either make a social statement or have a certain health benefit, and that’s a good thing. But I really do think they’re counting on it being a certain quality of coffee and sometimes the connection isn’t always there.

I don’t know how a certification organization can incorporate that. That’s a real challenge to make sure that the coffee is not only certified as to what it is but also meets a certain quality standard. If they have certified coffee that legitimately is what it’s certified to be but doesn’t taste good, they won’t come back. And if they don’t come back, that hurts the whole movement as well.

Monika Maria Firl: We work very closely with the certification networks and we constantly recommend them to just focus on certification. As a buyer,
They say Campbell's was the only around sustainability deepening education network throughout tremendously loyal because there is a coffee consuming network throughout this country.

Coffee's Future

Gregory Maher: Is there now a slowdown in the coffee market from what you've all seen? If so, how is that going to affect fair trade and other sustainable practices?

Jonathan White: We're based in New York City, the capital of the investment bank meltdown. While we do a lot of fair trade sustainable coffee, we also do a lot of upscale food service coffee to a lot of upscale restaurants, offices, and the like in the area. Needless to say, the economy's slowdown can't help the coffee market because people will be consuming less coffee out of the home. There'll be, at least in the short term, fewer jobs, fewer opportunities to go to upscale fine dining. People may opt to compromise some of their selections and take a lesser price point because they're forced to.

Our business continues to grow nicely, but we are concerned. Some of the larger retailers are concerned, maybe not necessarily in the coffee market but in the organic food market, about potential slowing with the economy. I don't think there's a slowdown yet in the coffee market. Some of the mass retailers have had challenges maybe because of price points. But other wholesalers have stepped in and offset that.

Jody Treter: We haven't yet experienced any slowdown in sales. People are coming to us because we're a mission-driven organization rather than going and buying any kind of corporate coffee. There are some businesses in these economic times that are actually going to do better because they're adhering to some of what these certifications are about. They're more principled in their purchasing.

Matt Warning: Your daily latte at three bucks a pop or whatever it is going to be something expendable. But what I've heard from retailers actually is that they see people switching from the espresso drinks to drip drinks, but they are still drinking a lot of coffee. They're just getting it a little bit more cheaply. I could still imagine that when the budgets are tight, some people are going to buy whatever's cheaper. Whether it's fair trade might not be such an issue as they see their budgets tighten.

James Curren: We're seeing a shift in the direction of companies that traditionally just use whatever coffee saying, hey, we've got a smaller budget, but with that budget we want to buy coffee that actually means something, preferably the fair trade type coffee.

Monika Maria Firl: I'm starting to wonder if this is a vicious rumor because we have many of our roasters actually who are having record sales, and maybe it is just that, that consumers are trying to be more selective with their purchasing. We haven't seen a slowdown yet.

Gregory Maher: Is coffee a comfort drink?

Monika Maria Firl: It is for me.

Gregory Maher: They say Campbell's was the only company that went up one day when every other company on the S&P 100 or 500 went down. I wonder if coffee is playing that role.

Jody Treter: Definitely to some degree it is. We have a coffee bar adjacent to our roastery and we have more and more loyal customers coming in every day. They feel like it's their second home. It's definitely comfortable for them to be here.

Randy Layton: I think the good news is that people are still drinking coffee and plenty of it. Industry research would indicate that consumption is not really down at all over the last few months, although the product mix has changed a little bit. We hope that people aren't trading down, but it doesn't sound like they are.

Roberta Jaffe: Coffee is this phenomenal bridge. It's this opportunity to really deepen education around sustainability because there is a tremendously loyal coffee consuming network throughout this country.

What Universities and Corporations Can Do

Gregory Maher: How can institutions such as universities and corporations promote sustainability regarding coffee?

Jody Treter: We'd like to see some on-the-ground, long-term research that is involving producer feedback. Roasters want feedback that spans the course of 10 years from the farmers on health of the family, on water resources and whether they have access to water, on education. Then we'll be able to determine if the certifications are actually working or where the certifications should evolve. Maybe some certifications shouldn't evolve. Maybe it's time for some of them to go. Those are questions for us because we want to make sure that we're having the impact on the ground that we're set up to do.

Jonathan White: Institutions like universities and corporations have a tremendous platform. Education is just so critical because people buy the brand.
know they want to do the right thing, but I'm not sure they really understand everything that they're doing. I think there needs to be more education.

**Tim Galanneau:** I've seen a lot of tremendous developments in the general interest of higher end institutions for raising awareness around structural issues in the food system by changing their purchasing practices. Fair trade is a key step in that.

But with a higher end institution, you have students with these new values wanting to see them put into practice and the educational efforts in the learning side of the institution pressing to mirror some of the institutional practices. It sets up a perfect space to really empower and engage students in the mission of the institution and learning and looking at its own facilities and operational activities in that process.

**Roberta Jaffe:** There's a tremendous effort all across the country in universities to develop sustainability curricula. And there is a network of researchers who are involved in not just doing research, but making it very applied and practical. The researchers that are part of the CAN network are working in coffee-growing communities not just on their research but working on sustainability practices in the community, measuring change over time in terms of both biodiversity, economic change, educational change. And they bring this back to their universities and engage the students in it. It has a tremendous building of awareness and really lifelong impact. Then students then go down to the communities and engage and there's more of a direct connection that's taking place.

**Matt Warning:** As a college professor and somebody who studies coffee—I actually teach a coffee course—I want to echo what a lot of other people have been saying about students being a tremendous vehicle to get this information out to the general public. Universities are marketing their sustainability now to draw students. There are some great synergies there where the university is serving its own purposes by doing good things and the students become well informed.

**Monika Maria Firl:** Institutions can have a huge impact through their purchasing policies. In addition, universities can develop a more rigorous curriculum about trade, about economic realities, about why coffee farmers are living in such levels of poverty. They can explore some of the most positive alternatives.

Institutions can also develop technologies that are appropriate for farmers to use, such as better water filtration systems that help farmers in a less expensive way clean up the water after processing coffee. There are all kinds of resources that universities could be applying to these countries where coffee farmers are struggling to combat everything that climate and environment and economics is throwing at them. Universities have such deep resources to facilitate better technology practices that could be useful to them. I would love to see more interest in on-the-ground work, research, very proactive collaboration with farmer communities.

**James Curren:** I have a degree in finance and I was a former commodities trader and one thing I saw at my university experience was the heavy drive of when you're going to graduate, where you're going to get a job, and what that job's going to be. It would be great to see these institutions translate all of this sustainability education that they do for these students directly into jobs that they could drive these students toward.

**Gregory Maher:** Are there any clinical programs that would give students a chance to actually experience in a training capacity what a job like that might be like?

**Roberta Jaffe:** There are a lot of efforts in terms of the sustainability programs that are developing, whether it's on food systems or conservation biology, that are gearing students toward such jobs. I know through one of the programs that CAN operates, we offer an internship program where students can go live and work in a coffee-growing community for a quarter or semester. The students come back with just a knowledge that changes their life and changes their direction in terms of what they choose to do. I've seen students who choose to continue to go on with academics. I've seen students who actually will get into the coffee industry, and students who choose to become environmental educators. There are programs out there that are trying to have this impact and are giving students opportunities to move, to incorporate sustainability into the type of careers they're going to choose.

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**Jonathan White**

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Coffee can be grown in harmony with the environment in ways that preserve biodiversity.

Sustainability: The Journal of Record interviewed Michael Sheridan, a Guatemala City-based regional technical advisor for agro-enterprise for Catholic Relief Services, an international humanitarian agency. Sheridan provides technical advice on projects to help small-scale farmers compete more effectively. “I had my introduction to the political economy of coffee in early 1996 when I was a volunteer in Nicaragua,” Sheridan explains. “I visited a large coffee plantation where dozens of seasonal laborers had come to supplement the plantation’s year-round labor force. They lived in total squalor, and I began to think more about the social conditions under which the coffee I loved so much was produced. A few years later in grad school I ‘discovered’ fair trade coffee and became a committed consumer.”

Catholic Relief Services has “been working since 2002 to promote the sustainable coffee trade from both ends of the market chain—from the consumer end in the United States where we campaign to expand the consumption of sustainable coffees, and here ‘at origin’ by providing the kinds of technical assistance farmers need to adopt sustainable farming practices and access competitive coffee markets,” Sheridan continues. “This includes training in organic farming and accompaniment through the certification process, effective shade management techniques, and a range of interventions to help farmers produce coffees of the highest possible quality.” Sheridan’s perspective on the sustainability of coffee is shared below.

Sustainability: Which type of coffee is better—fair trade, organic, or shade grown?

Michael Sheridan: The answer depends on what—or whom—you want your coffee to be better for. If your primary concern is using your power as a consumer to promote social and economic justice for the farmers who grow coffee, then fair trade is the best coffee for you. If you are concerned primarily about habitat for birds, then you might think that shade-grown coffee is best, since it preserves the diverse forests in which coffee grows. If you are an environmentalist, you might look for coffee that is both shade-grown and certified organic, since it conserves forests and reduces the use of hazardous chemicals in coffee production. If you care about all these things, then you can seek out “triple-certified” coffees that contribute to all three of these ends.

What impact on the environment does coffee farming have?

Coffee can be grown in harmony with the environment in ways that preserve biodiversity. Coffee is a forest crop that thrives in the shade of larger trees. Farmers who grow coffee in forests with high levels of biodiversity reduce the need for synthetic fertilizers and pesticides, since they naturally produce richer soils and create a better balance between the pests that can threaten coffee and their predators. Organic farming involves the elimination of hazardous chemicals altogether and reliance on organic fertilizers and pesticides.

Unfortunately, productivity tends to be lower in organic and shade-grown farming than on farms in which forests are clear-cut and coffee is grown under the direct sunlight. This approach to coffee farming can generate higher yields but requires large amounts of chemical inputs, depletes the soil, and threatens to contaminate local water supplies.

Farmers who practice organic and shade farming can save money by spending less on chemical inputs. Furthermore, studies have shown that effective management of shade can improve coffee quality, meaning that farmers can also earn higher prices for higher-quality, shade-grown coffee. But in some cases, the cost savings and increased prices associated with organic and shade-grown farming are still not enough to compensate...
for the reduced productivity, creating a dilemma
for poor family farmers who want to adopt more
sustainable practices but cannot afford to do so.

Is there a slowdown in the coffee market, and, if so,
how will that affect fair trade and other sustain-
able practices?

I don't know of any slowdown. In fact, for the past
decade or so, overall coffee consumption has been
relatively stable. The real dynamism in the coffee
industry has been the explosive growth in the con-
sumption of higher priced, higher quality "specialty"
coffees, which include organic, shade-grown, bird-
friendly, fair trade, and other "sustainable" coffees.
We are working to expand the markets for sustain-
able coffee because we believe they offer the best
hope for coffee farmers and their communities.

What steps should consumers take to minimize
that impact, and to improve life conditions of
coffee farmers?

Consumers in the United States have a critical role
to play in promoting more sustainable practices in
coffee communities and improving the quality of life
of family farmers around the world. When coffee
drinkers in the United States spend a little more for
organic and shade-grown coffees, it creates an incen-
tive for farmers to grow their coffee in ways that are
environmentally sustainable. When they pay more
for fair trade coffees, they are putting more of their
money in the hands of the farmers who grow their
coffee.

How can institutions (universities, corporations)
promote sustainability regarding coffee?

Universities have been leaders in the sustainabil-
ity movement, inspired to act in many cases by the
activism of student groups who have advocated
for purchasing policies that promote environmen-
tal and economic justice. Through the purchase of
fair trade, organic, and shade-grown coffee, and by
incorporating study of sustainable business models
into their curricula, universities have created new
opportunities for countless coffee farmers overseas
and raised the awareness of countless students in the
United States.

To really be sustainable, shouldn’t coffee consumed
in the United States be grown here?

Of course, buying local is always preferable to buying
food with lots of air-miles and a heavy carbon foot-
print. Unfortunately, Hawaii and Puerto Rico are the
only places in the United States where the conditions
are right for coffee production, so buying local is out
for most Americans. There is hope for responsible
coffee consumption, however! Coffee drinkers who
are otherwise committed to the "buy local" move-
ment can embrace the "bi-local" concept: Buy locally
what is produced locally, and seek out sustainable
options for everything else you buy. In terms of cof-
fee, this means looking for fair trade, organic, and
shade-grown coffees.

At CRS, we have been working for the past six years
to help conscious consumers in the United States do
this by connecting them with coffee farming families
overseas who are producing in ways that are envi-
ronmentally sustainable. For the next three years,
we will be working with more than 7,000 farmers
in Mexico and Central America to help them adopt
more sustainable farming practices and participate
in the growing movement for more sustainable con-
sumption in the United States.

We work with numerous coffee cooperatives
throughout the world, particularly in Central Amer-
ica, and part of our mission is to help coffee farmers
become more sustainable and have better access to
the fair trade market.

For more information about Catholic Relief Services’
activities on coffee, go to www.crsfairtrade.org/
coffee.