



Coffee Production and Labor

What is the economic situation of small farmers in the coffee industry?

A: Coffee is produced both on large plantations and by small farmers. Typically, Fair Trade farmers cultivate less than 3 hectares of coffee and harvest 1,000-3,000 pounds of unroasted coffee a year. Small farmers are perhaps more aptly defined by those farmers who rely principally on their own families' labor. This makes Fair Trade potentially representative of an estimated 75% of all coffee farmers. Many coffee farmers receive prices for their harvest that can be less than the costs of production, forcing them into a cycle of poverty and debt. They are often forced to sell to middlemen who pay them half the market price, generally between \$.30-.50 per pound. Family farmers usually bring in a cash income of \$500-\$1,000 a year for their coffee.

What are the labor problems and working conditions in the coffee industry?

A: Conditions for coffee workers on large plantations varies widely, but most are paid the equivalent to sweatshop wages and toil under abysmal working conditions. In Guatemala for example, coffee pickers have to pick a 100-pound quota in order to get the minimum wage of less than \$3/day. A recent study of plantations in Guatemala showed that over half of all coffee pickers don't receive the minimum wage, in violation of Guatemalan labor laws. Workers interviewed in the study were also subject to forced overtime without compensation, and most often did not receive their legally-mandated employee benefits. The total average income reported was Quetzales 1006 (\$127.37/month). According to 1998 data published by Guatemala's National Institute of Statistics, the cost of the Basic Food Basket for a family of five was 1353.86 Quetzales per month (\$171.37 @ 7.90 exchange rate). The Basket of Goods and Services (including food, education, healthcare, clothing, and transportation) was Q2470.55 (\$312.72).

Because of this situation, many coffee workers bring their children to help them in the fields in order to pick the daily quota. These child workers are not officially employed and therefore not subject to labor protections. While children in most rural families work at an earlier age than urban children, a February 4 investigative report by ABC-affiliate KGO television in San Francisco revealed children as young as 6 or 8 years old at work in the fields. We believe that the best way to prevent child labor in the fields is to pay workers a living wage.

Working conditions on these plantations are harsh; as migrant farmworkers, many workers sleep in temporary shelters with rows of bunk beds. Many times they cook, wash and bathe from the same water source. The study of coffee plantations in Guatemala revealed that only 13% of coffee workers have completed their primary education. Most were not provided with legally-mandated adequate health care.

Most coffee workers, like many agricultural workers around the world, are not guaranteed their basic labor rights including the right to organize. The rural nature of farmwork makes them especially vulnerable to threats and coercion, as plantation owners can take advantage of their control over the workforce to keep them from organizing into unions to demand their rights. Many countries have adequate labor laws such as minimum wage, mandated health and safety requirements, and freedom to form a union, but these rights are usually not enforced.