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Volume 5, 2008 - [Issue 2: Trading Morsels](#)

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Part 3: Responses to Global Complexity—Ethical Trade

# Are Sustainable Coffee Certifications Enough to Secure Farmer Livelihoods? The Millenium Development Goals and Nicaragua's Fair Trade Cooperatives

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Pages 259-274 | Published online: 06 Jun 2008

 Cite this article  <https://doi.org/10.1080/14747730802057688>

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## Abstract

In December 2001, green coffee commodity prices hit a 30-year low. This deepened the livelihood crisis for millions of coffee farmers and rural communities. The specialty coffee industry responded by scaling up several sustainable coffee certification programs, including Fair Trade. This study uses household- and community-level research conducted in Nicaragua from 2000 to 2006 to assess the response to the post-1999 coffee crisis. A participatory action research team surveyed 177 households selling into conventional and Fair Trade markets in 2006. In an effort to dialogue with specialty coffee industry and mainstream development agencies, results are framed within the context of the United Nations Millennium Development Goals. Findings suggest that households connected to Fair Trade cooperatives experienced several

positive impacts in education, infrastructure investment, and monetary savings. However, several important livelihoods insecurities, including low incomes, high emigration, and food insecurity, persisted among all small-scale producers.

A Chinese version of this article's abstract is available online at:

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En diciembre de 2001, los precios del bien de consumo de café verde alcanzaron su nivel más bajo en 30 años. Esto ha aumentado la crisis del sustento a millones de cultivadores de café y comunidades rurales. La industria especializada del café respondió perfeccionando varios programas de certificación del café sustentable, que incluye el comercio justo. Este estudio utiliza una investigación a nivel doméstico y de comunidad conducido en Nicaragua desde el 2000 al 2006 para evaluar la respuesta a la crisis del café después de 1999. Un equipo de investigación de acción participativa entrevistó a 177 hogares que vendían a los mercados convencionales y de comercio justo en 2006. En un esfuerzo de dialogar con la industria especializada del café y las agencias de desarrollo convencionales, los resultados se formularon dentro del contexto de las Metas de Desarrollo del Milenio de las Naciones Unidas. Las conclusiones sugieren que los hogares vinculados a las cooperativas de comercio justo experimentaron varios impactos positivos en educación, inversión a la infraestructura y ahorros monetarios. Sin embargo, persistieron varias inseguridades domésticas importantes que incluían ingresos bajos, y alto nivel de migración e inseguridad de alimento entre todos los productores de pequeña escala.

[摘要] 2001 年 12 月, 绿色咖啡的商品价格达到了 30 年来的最低点, 这加深了数以百万计的咖啡种植者和农村社区的生计危机。特种咖啡行业对此做出了回应, 按比例增加一些可持续咖啡认证计划, 其中包括公平贸易。本研究利用从 2000 至 2006 年在尼加拉瓜进行的家庭和社区层次的调查, 对特种咖啡行业针对 1999 年后的咖啡危机所作的回应进行评估。2006 年, 一个参与式行动研究组调查了 177 个打入传统市场和公平交易市场进行销售的家庭。研究结果被置于联合国千年发展目标内容的架构之内以便能够和特种咖啡行业和主流发展机构展开对话。调查结果显示连接到公平贸易合作社的家庭享受到了教育、基础设施投资和货币储蓄诸多方面的益处。然而, 所有的小规模生产者依然面临着一些重要的生计风险, 包括低收入、高出境移民和食品不安全。

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## Notes

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1. See the work of Crosby et al. ([2002](#)), Katzeff et al. ([2002](#)), and PEARL (2007) for examples of innovative strategies and projects to create sustainable chains within the specialty coffee industry.
2. The average production increases to 4,000 lb when we include the six largest farms in the study.
3. This cost estimate does not include farmers' labor time, training time, costs for farm-based quality improvement investments, and the organizational costs associated with creating a participatory and democratic cooperative organization. A study of these 'additional' costs for sustainable production estimated total real costs were from 1.25 to 1.51 US\$/lb for conventional Fair Trade coffee and 1.72 to 2.19 US\$/lb for certified organic Fair Trade coffee (CLAC, [2006](#)).

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