

## **Increasing Profitability for Farmers Supplying to the International Coffee Market by Improving Supply Chain Management, including Traceability.**

### **Edward Millard**

Senior Advisor, Sustainable Landscapes  
Conservation International  
1919 M St, Suite 600  
Washington, DC, 20036  
Tel: +1 202 912 1456  
Fax: +1 202 912 1044  
E mail: [e.millard@conservation.org](mailto:e.millard@conservation.org)

### **Abstract**

*The study describes how coffee farmers in southern Mexico have achieved increased earnings through partnership with Conservation International, Starbucks Coffee Company and the United States Agency for International Development. The project introduced a set of best practices for the farm, post-harvest processing and the wider landscape to improve coffee quality and environmental management. Farmers can sell their coffee at premium prices to Starbucks if they adopt the specified practices. Their earnings have increased, while project subsidies for providing services have decreased, enabling CI to plan an exit strategy.*

*The project's learning is that five principal factors sustained increased farmer earnings: (1) Creating brand value from product attributes that belong to the origin; (2) Building trust and knowledge by initially providing services directly; (3) Facilitating efficient inter-firm transactions in the value chain; (4) Stimulating supporting markets to take over services; (5) Building understanding of the natural environment's value.*

*CI has applied this learning to other Conservation Coffee sites in Latin America and Asia. Starbucks has applied the learning by developing an innovative program, C.A.F.E. Practices, to evaluate quantitatively the performance of farmers, processors and traders according to environmental, social and quality guidelines. Starbucks now requires its suppliers to comply with these guidelines, thus leveraging globally the project's impact. The Mexican exporting company, Agroindustrias Unidas de México, is also designing a sustainability system for sales to other clients, based on the transparent trading model that the project developed. This transparency is driving market growth and poverty reduction in the specialty coffee industry.*

## Introduction

Conservation International (CI) and Starbucks partnered in 1998 to create a market-based incentive system to improve the environmental and social impact of coffee farming, processing and trading that would result in increased earnings for farmers, the stable long-term supply of high-quality coffee, and the conservation of the natural environment. The partners developed a project together with the United States Agency for International Development (USAID) and a number of coffee cooperatives in the southern Mexican state of Chiapas. This study analyzes how the project affected a change of behavior throughout the coffee value chain; describes the benefits for the partners; and identifies the critical success factors.

CI's roles in the partnership were: to bring together the farmers, the other firms in the value chain, government institutions and local organizations to define and promote a set of best environmental management practices; and to provide and facilitate supporting markets of business and financial services to enable farmers to adopt the best practices and upgrade their micro-enterprises.

Starbucks role was to create in 1999 a new brand, *Shade Grown Mexico*, to build the market, pay premium prices to create an incentive for farmers to adopt the best practices; communicate to consumers about the social and environmental value of the coffee; and provide expertise to the farmers for improving their quality. Starbucks role reflected its values as a company: "Purveying quality coffee means much more than selecting the finest beans in the world. It means protecting a way of life for farmers by supporting social, economic and environmental issues that are crucial to their livelihood. Starbucks is dedicated to creating a sustainable growing environment in coffee origin countries."<sup>i</sup>

USAID has supported the initiative through the Matching Grant program of its Office of Private and Voluntary Cooperation from 2000 to 2003; and through its Global Development Alliance office and Mexico mission from 2004.

The partners were able to create additional value in the coffee industry and a competitive product in the specialty coffee market. The project took place around El Triunfo Biosphere Reserve. CI selected this site because of its importance for biodiversity and because coffee is the major economic activity in the area. Coffee growing presents a challenge to conserving the biodiversity of the Reserve, as farmers traditionally clear forest to plant, encroach on protected land and dump processing waste in waterways. They are often unaware of the long-term value that the shade of forests has for production, through retaining soil moisture, protecting the plants, and providing habitat for birds and spiders that eat harmful insects.

## The Specialty Coffee Market

About 73,742 smallholder coffee producers farm 228,254 hectares in Chiapas and produce a third of Mexico's total output.<sup>ii</sup> Since the collapse of the International Coffee Agreement in 1989, these farmers have suffered from declining prices, as well as losing access to services, as the government has withdrawn subsidies that once supported training, extension, marketing and financial services. In response, coffee farmers have reduced investments essential for maintaining quality, such as renovating the farms and maintaining processing infrastructure.

Over the same period, there has been a strong growth in demand for specialty coffees. This market segment embraces a number of different concepts and is characterized by a high degree of product differentiation. Its original and still predominant characteristic is quality; but in the last ten years, a new concept has entered the specialty segment strongly: that of social and environmental benefits at origin.

This new concept finds its market expression through three sub-segments:

- Organically certified: organic cultivation probably has no impact on coffee flavor but provides benefits to the environment (and to the consumer) through guaranteeing the absence of chemical pesticides and fertilizers. The organic market has US retail sales of US\$223 million and growing at 20% annually.<sup>iii</sup>
- Fair trade: a certification scheme for coffee traded by producer associations at a guaranteed price that is determined by a set of social standards; Transfair USA, the fair trade labeling organization, estimates retail sales in 2003 as US\$208 million.<sup>iv</sup>
- Eco-label: coffee grown under systems that conserve tree shade. Rainforest Alliance, the most important eco-labeling organization, works through a Sustainable Agricultural Network to “develop practical standards for responsible agriculture” covering “community well-being, environmental protection and economic vitality.”<sup>v</sup>

This latter sub-segment includes *Conservation Coffee*, a term (and registered mark in USA) that CI developed to describe coffee farmed according to a set of best practices that conserve biodiversity in coffee-growing regions. The *Shade Grown Mexico* brand carried CI’s logo and a conservation message. The product was innovative in linking coffee production to safeguarding the natural environment.

While in North America and Europe total coffee demand is static, in the face of competition from other drink categories, the specialty coffee segment is growing strongly. When the consumption of beverages is added to coffee beans in market size calculations, the US retail market is worth about US\$18.5 billion, of which the specialty segment accounts for 20% of volume and, because of its higher prices, 40% of its value at US \$8.4 billion<sup>vi</sup>. The segment’s growth is part of a larger trend in food consumption in North America and Europe, where many consumers have become informed about international trade, the often low prices farmers earn, the poor working conditions of many employees, the effect of agrochemical use on the soil, the waterways and the people who spray it, and the impact of forest clearing on the natural environment. In response, these consumers are demanding food that is safe and free of unhealthy additives and that respects the environment, the welfare of animals and the economic well being of farmers.

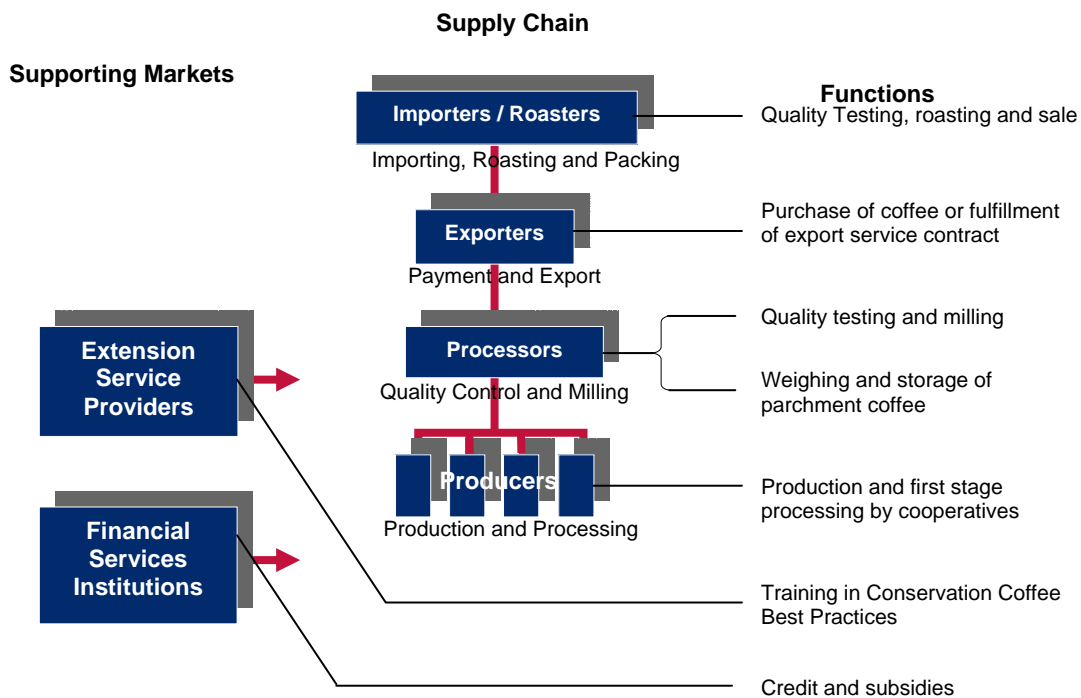
This increase in consumer awareness requires manufacturing and processing companies to know what is happening at all stages of the value chain, not just at the part of it that they directly manage. At the same time, an increasing regulatory environment regarding health and safety standards has developed to protect consumers, reinforcing the need for companies to have systems in place that enable them to track their products from the source of the raw material to their own distribution centers. This changing market environment, taken together with the concern to help farmers supply high quality coffee over the long term, made the project especially timely and attractive to Starbucks.

While organic, fair trade and ecological labeling schemes and other voluntary industry initiatives for social and environmental management in the supply chain, such as the 2004 Common Code for the Coffee Community, aim to translate into higher farmer earnings, the extent to which they achieve that is highly variable. First, most of them imply substantial costs for farmers; second, farmers often cannot find a market at a premium price; third, the monitoring capacity of certification agencies is limited; finally, some schemes exclude certain producers, for example, large independent farmers cannot obtain access to the fair trade register. The innovation of the Chiapas coffee project was to introduce a transparent trading system, open to all, linked to an international buyer, and with technical support to enable the farmers to acquire the knowledge to participate. As a result, the increased value available from *Conservation Coffee* was guaranteed to transfer to farmers.

### Coffee Value Chain

The value chain for Chiapas coffee can be illustrated as follows:

#### VALUE CHAIN ANALYSIS: INDUSTRY STRUCTURE



Understanding how firms are integrated into value chains is critical to designing strategies to improve the competitiveness and hence the economic situation of micro-enterprises. The benefits they derive from the value chain are determined by their level of access to knowledge and information and to supporting markets that provide essential services, and to their own capacity for learning, change and innovation. To increase their benefits requires overcoming the constraints that limit their competitiveness.

## Value Chain Constraints

Chiapas farmers suffer a number of constraints:

- *End market:* Farmers' lack of knowledge of markets, geographic isolation, and low education levels make accessing more rewarding relationships in the value chain very difficult. Coffee farmers generally lack an economic incentive to improve their product and service quality, because it does not gain them a higher price from local distribution channels.

- *Inter-firm linkages.* The traditional situation in Chiapas is that farmers sell to local traders or to their cooperative society at prices determined by the buyer. They do not understand their costs or those of their buyers and they assume everyone aims to exploit them. It is difficult to build trust in new ideas and collaborations.

- *Supporting Markets:* Cooperatives, government agencies and other service providers lack the resources and tools to provide relevant training and extension. Few financial institutions are willing to provide credit; a decline of coffee prices increases the risk of financing the small-scale coffee sector, which has a history of low profitability and loan default.

- *Enabling environment:* While the Mexican government invests in supporting trade missions, it has provided only sporadic training, extension and financial services to farmers. Subsidies, combined with an overall lack of business experience among the cooperatives, have dampened entrepreneurship. Rural credit programs have sometimes enabled farmers to receive loans but non-repayment has been common and debts normally written off. Financial services institutions cannot function profitably in a culture of delinquency, which creates a barrier to their entering the market. Infrastructure in Chiapas presents significant problems. Roads are few in the rural areas and often impassable during the rainy season. This makes it difficult and expensive to provide services. The region is susceptible to natural disasters, as was demonstrated in September 2005, when Hurricane Stan caused extensive damage to farms just as the harvest was being prepared and destroyed the livelihood of many coffee farmers.

- *Upgrading capacity.* Farmers lack the technical information and skills to improve their product quality and production efficiency. While there are many cooperatives in Chiapas, these were not formed for business purpose, and they have little experience of business management, international markets, or the financial and organizational management necessary to build a profitable enterprise. They do not properly understand coffee quality, nor the facilities required for processing coffee. Most farmers produce less than the minimum contract size, resulting in transaction inefficiencies.

## Project Strategy

To address these constraints effectively, the project harnessed the market trend in favor of specialty coffee and the buying power of Starbucks, together with its commitment to increasing the benefits for producers, to implement a value chain management system that changed traditional power relationships and drove more benefits to farmers. It further stimulated the

business development and financial supporting markets that enabled farmers to obtain essential services.

*End Market:* Starbucks increased its demand in response to the success of *Shade Grown Mexico*. Sales to Starbucks from the Chiapas coffee project are illustrated in Table 1:

| <b>Client</b>    | <b>1999/2000</b> | <b>2000/01</b> | <b>2001/02</b> | <b>2002/03</b> | <b>2003/04</b> |
|------------------|------------------|----------------|----------------|----------------|----------------|
| <b>Starbucks</b> | 8                | 19             | 42             | 45             | 42             |
| <b>Other</b>     | 6                | 2              | 2              | 2              | 0              |
| <b>Total</b>     | 14               | 21             | 44             | 47             | 42             |

*Table 1: Chiapas Coffee Project Sales by Container (1 container = 38,000 lbs of green coffee)<sup>vii</sup>*

*Inter-firm Linkages:* CI initially supported the cooperatives to export directly, in order to build their own organizations to compete with the private traders operating in the region. These traders exploited the farmers' lack of knowledge of the market and their lack of capital to pay them low prices and lend them money at exorbitant rates of interest. However, this approach was unsuccessful. The cooperatives were not competitive in providing the services their members required, including negotiating skillfully with processors, and buying their members' coffee. This inefficiency affected the extent to which the additional value from the price premium reached the farmers. It also affected the project's sustainability, as CI negotiated contracts with Starbucks on their behalf, facilitated the sending and approval of samples and literally accompanied the cooperatives to the agencies and shippers to fulfill exporting requirements.

To create a more sustainable and profitable system, CI and Starbucks established a relationship with Agroindustrias Unidas de México, S.A. (AMSA), a processor and exporter in Mexico, with an office in Chiapas. CI negotiated with AMSA to provide export services to the cooperatives for the 2001/02 harvest. AMSA received their parchment beans, processed, selected and graded them and prepared the export documentation. This arrangement continued for the 2002/03 harvest and the cooperatives began to trust AMSA, which returned to them a higher yield of export quality green coffee from the parchment beans they supplied than they had previously obtained from other local processors. AMSA also returned to the cooperatives the damaged beans that had a small value, which increased farmers' earnings. These efficiencies offset the additional fee AMSA charged the cooperatives for preparing export documentation.

After receiving its 2003 shipments, Starbucks decided to change the export procedure for the future. It requested AMSA to buy from the cooperatives and sell to Starbucks and asked CI to facilitate the new arrangement. The reason for the change was to reduce Starbucks transaction costs by dealing with only one supplier, with which moreover it could have direct communication. The cooperatives could not communicate with international clients. They do not all have telephones; do not speak English, and lack written communications skills.

To safeguard the producers' interests under this new arrangement, CI proposed a system of transactions that required Starbucks purchasing contract to state both the price that Starbucks paid AMSA and the price that AMSA paid the cooperatives. CI facilitated the negotiation between AMSA and the cooperatives by detailed costing of each of the processing and exporting

services that AMSA provided. Initially, when exporting directly, the cooperatives were managing many functions. This factor, combined with their administrative weakness, made it much more difficult to undertake rigorous cost analysis. When AMSA entered into the chain, the cooperatives were left with fewer functions and it became easier to calculate their exact costs. This transparency helped overcome the cooperatives' distrust of AMSA.

| <b>Terms of Contract</b>           |  |               |
|------------------------------------|--|---------------|
| <b>Buying Price</b>                | <b>EX Works Tuxtla certified organic</b> |               |
| Sale to Starbucks (US cents/lb)    | A  | <b>143.00</b> |
| Costs AMSA (US cents/lb)           | B  | 24.90         |
| Buying Price farmers (US cents/lb) | C = A-B                                  | 118,10        |
| Buying Price farmers (US\$/kg)     | D  | 2,60          |

*Table 2: Extract from purchasing contract between Starbucks and AMSA*

Although some of the cooperatives were disaffected by no longer exporting directly, the result of the new arrangement was positive for farmers. Farmers earned more for their coffee than in 2003, at constant Starbucks prices, because of increased efficiency of transactions in the value chain. Moreover, the cooperatives improved their cash flow, as AMSA paid them on receipt of the coffee, and their risk decreased, as AMSA undertook quality control to Starbucks standard, removing the possibility of rejecting shipments. Table 3 shows payments to producers:

|                            | <b>1999/2000</b> | <b>2000/01</b> | <b>2001/02</b> | <b>2002/03</b> | <b>2003/04</b> |
|----------------------------|------------------|----------------|----------------|----------------|----------------|
| <b>Organic</b>             | 10.05            | 9.43           | 9.47           | 9.73           | 10.16          |
| <b>In-Transition</b>       | 8.20             | 6.32           | 6.22           | 7.78           | 8.92           |
| <b>% above local price</b> |                  | 61%            | 87%            | 75%            | 47%            |

*Table 3: Price in Mexican pesos received by farmers per lb of parchment coffee after fees for services deducted<sup>viii</sup>*

*Supporting Markets:* As with accessing the market, CI initially attempted to train the farmers in *Conservation Coffee Best Practices* through the cooperatives, but found that the transmission of information was poor and the adoption levels were extremely low. A period of providing the training and extension services itself directly to farmers to communicate these and support their adoption proved effective but costly. It invariably took a long time to organize meetings, activities would sometimes have to be repeated because not all the farmers attended, and travel to the cooperatives was time-consuming.

So that CI could withdraw from direct service provision as soon as possible, and disseminate best practices more widely, it identified and trained best practices promoters in the communities where the project worked. CI and the cooperatives selected these promoters for their expertise and standing in the community. They included some technical staff of the cooperatives. In this way, the project has created a body of independent service providers, to

provide technical assistance to farmers in a more cost effective and sustainable manner. In the 2001/02 harvest the project introduced payment of fees for extension services, through the mechanism of a levy on each bag of coffee sold. In 2003 the Ministry of Education certified the training course for the best practices promoters. This enables them to sell their services to farmers and cooperatives interested to implement the practices. Another local partner, El Colegio de la Frontera Sur (ECOSUR), took over the program that trained the promoters and some farmer leaders. This new local partner adopted a farmer field school methodology that built on farmers' knowledge and taught them to understand problems and the range of solutions available. After completing the course and an apprenticeship program with an extension service provider, the new trainers provide these services to farmers independently in their communities.

The market opportunity with Starbucks required accompanying financial services enabling the farmers to invest in best practices and their cooperatives to finance the purchase and sale of coffee. Lack of available or affordable finance keeps many rural producers in poverty. Local traders often lend money to farmers and deduct repayment plus interest when they buy the product, usually setting the buying price low and the interest rate high. Sometimes farmers sell elsewhere because they obtain a better price, despite holding an advance from a trader, thereby contributing to the indebtedness and mistrust that govern many transactions in poor communities.

Given the farmers' need for financial services, and the absence of local financial services institutions willing to lend to coffee farmers CI again assumed the role of direct service provider. Through its own investment fund, Verde Ventures, CI loaned to the cooperatives. Despite the tradition of loan default in the community, the Fund has lent US\$2 million over five harvest cycles since 2000 and received 99% repayment. A training course in business planning enabled the cooperatives to prepare cash flows to support their applications to the Fund. Farmers began to understand for the first time that a business plan with a cash flow projection enabled them to calculate how much finance they needed and take more control over managing their enterprises.

The investment program incorporates a savings requirement, which enables the cooperatives to acquire capital and reduce their future borrowing requirements. Building a savings account and fulfilling their repayment obligations has also enabled the cooperatives to acquire a credit history and become viable clients for a private financial service provider. Fondo Acción, a government-funded credit institution, was persuaded by CI's successful experience to begin lending in the 2002/03 harvest and to continue in 2003/04, providing about 30% of the cooperatives' requirements. CI's fund charges an annual interest rate to the cooperatives between 11% and 16%, of which a portion is given to contribute to the operating costs incurred by CI's Chiapas office. It is a realistic response to the very difficult situation of rural producers who need not micro-credit but medium sized finance to cover the time lag between harvest and sale. It has created the market for a private sector provider. The time it takes for an independent provider to enter a rural market in an industry undergoing a global crisis of low prices should not be underestimated.

*Enabling Environment:* The environmental value of the *Conservation Coffee* approach has generated support from the authorities of El Triunfo Reserve. When coffee prices are low, the

Reserve suffers from the introduction of livestock, fire, illegal extraction, and the establishment of settlements inside Reserve boundaries. Promoting shade coffee practices, by contrast, protects habitat for native species, prevents soil erosion and enables agricultural production to grow without destroying the environment. The Reserve’s management has been an active partner in defining the best practices, strengthening farmers’ understanding of the value of the natural environment and hence reinforcing their economic motivation to adopt the best practices that conserve it.

### Household Impacts

Impact indicators demonstrate improvement in the socio-economic condition of coffee farming households in Chiapas. These are summarized in Table 4:

| Indicator  | Unit              | BENEFICIARIES |       |       | NON-BENEFICIARIES |       |       |
|--|-------------------|---------------|-------|-------|-------------------|-------|-------|
|  |                   | 2001          | 2002  | 2003  | 2001              | 2002  | 2003  |
| Productivity of coffee plantations                   | lbs per hectare   | 850           | 1140  | 1000  | 820               | 1040  | 930   |
| Average price obtained                               | Pesos/lb          | 5.73          | 5.73  | 6.76  | 5.15              | 4.45  | 5.76  |
| Profitability of coffee plantations                  | Pesos/hectare     | 4878          | 6553  | 6754  | 4098              | 4645  | 5368  |
| Living conditions: Cement floors                     | % of households   | 74            | 79    | 88    | 58                | 57    | 71    |
| Diet: Meat consumption more than once every 10 days) | % of households   | 53            | 74    | 72    | 48                | 51    | 54    |
| Households with additional income                    | % of households   | 35            | 35    | 26    | 36                | 50    | 36    |
| Household income                                     | \$ pesos per year | --            | 20837 | 36392 | --                | 13406 | 20392 |

*Table 4: Socio-Economic Indicators of Project Impact*

### Leverage in the Coffee Industry

The Principles formed the basis for Starbucks developing in 2001 its own system to “provide purchasing preference to coffee suppliers providing green coffee that is grown, processed and traded in an economically, social and environmentally responsible manner”<sup>ix</sup>. The Chiapas project became the pilot site for testing the guidelines and the training, technical assistance, financial services and monitoring programs necessary to promote their adoption. The system evaluated suppliers using a scorecard, with points awarded for their achievement of defined social, environmental and quality criteria. Applicants who achieved a minimum of 60% total performance rating and 60% in each subject area achieved a Preferred Supplier status to Starbucks, preferential contract terms and priority for buying. Starbucks encouraged continuous improvement by a one year US\$0.05 premium for all green coffee shipped by supplier applicants who achieved at least a ten point increase in their score over the previous year.

In March 2004, Starbucks re-launched the program as Coffee and Farmer Equity (C.A.F.E.) Practices. C.A.F.E. Practices aims “to help assess, encourage and record coffee farmers, processors and suppliers to adopt sustainable practices today in order to ensure the long-term future of the global coffee community.”<sup>x</sup> Starbucks describes C.A.F.E. Practices as a “unique mechanism for numerically ranking coffee vendors and suppliers wanting to do business

with Starbucks.”<sup>xi</sup> It is presently training verifiers in C.A.F.E. Practices, whom CI is helping to identify. Several of them are inspectors for other certification agencies. In this way, the verification cost can be minimized. This is an important consideration in a market characterized by a proliferation of certification schemes, all bearing a cost for the farmers. Starbucks has committed to purchasing 60% of C.A.F.E. Practices verified coffee by 2007. In this way, Starbucks is using its strength as a lead firm to pull best environmental and social practices through the specialty coffee value chain for the benefit of micro-enterprises. This leadership also sends a challenge to other coffee companies to move in a similar direction, to avoid weakening their capacity to compete for raw material supplies.

AMSA is also now developing a system for tracking farmer practices in its supply chain. It has hired CI’s former coffee coordinator in Mexico, so that it can derive the learning from the project. Only a minority of AMSA’s business comes from Starbucks. It wants to have its own system to maintain a competitive advantage in supplying to other coffee roasters, all of whom are now interested in tracing their coffee supplies back to origin.

### Lessons Learned

The most important factors influencing the success of the project are as follows:

*Transparency:* Starbucks power in the market and the growth of the brand enabled it to cause a change in the traditional value chain relationships. It was in its interest to know that if it pays more than the benefit goes down to the farmers, and it has the market power to obtain compliance from its suppliers.

*Trust:* The difficulties of 2003 when AMSA became the supplier of *Conservation Coffee* for its brand demonstrated the long time it takes to build trust. Despite the assurances of the benefits to their members (borne out by events) and the innovative transparent trading system established, many farmers did not trust CI or AMSA although both had been working in the region for six years or more. But the new transparency has built trust among all parties.

*Innovation:* The project created value for coffee produced in accordance with the best practices. A critical success factor in generating increased earnings is the value that can be attributed to the product at origin; the best practices become a key component of the product offer and so the product is distinguished from other origins. The project sets targets for farmers to adopt best practices over a period of time that is realistic for, and agreed by, each farmer. To remain in the project, the farmer had to meet the annual target. Information about each farm and its annual targets was recorded in a Farm Management Plan and Evaluation, to which all parties have access. This approach is less rigid than a certification system.

*Value to farmers:* The project demonstrated the importance of securing the market partnership early on, in order to create the market incentive for changed behavior in the value chain. Farmers must perceive realistic market opportunities if they are to commit to spending time in project planning and adopting practices that cost them money and effort. The willingness of farmers to pay fees demonstrates that they perceive the value of the project. Fees must be based on realistic cost analysis and phased in as soon as the clients perceive their value.

*Supporting Markets:* When service types are new, or unavailable in the region, the project should make a sustained commitment to providing them while building the market. Moreover, it needs to set a standard for service provision and ensure that independent providers have the capacity and knowledge to provide them before handing over responsibility. The project's experience is that few other providers were present in the region, and even where they have entered the market, the newness of the concept of best practices slowed their entry. Had CI limited its role at the beginning to promoting independent supporting markets, the project would not have gained the level of acceptance and sustainable transactions that it now has. In remote rural locations, the lack of communications facilities and infrastructure makes transaction costs higher and service provision slower; both factors discourage service providers from entering the market and will require the project to provide services for a longer time than in other environments with better enabling conditions for enterprise development. The continued commitment of USAID to support the project has created capacity for sustained technical support.

*Value Chain Approach:* An approach to enterprise development that takes into account the whole value chain is important, because the benefits of higher prices are otherwise unlikely to dissipate through the chain. In the mid 1990s, the international price of coffee increased above US\$2.00/ lb, due to projections of supply shortfall resulting from frosts in Brazil. While many farmers were undoubtedly able to sell at a higher price, there is little evidence of sustained local development in coffee communities resulting from this more favorable final product price. For the market to achieve sustained impact in the producing communities requires a new level of cooperation across the value chain. Having brought additional value to the coffee market by building on the consumer trends in favor of specialty coffee and of consuming coffee outside the home, Starbucks invested in the brand value of *Conservation Coffee* as a product that delivered benefits to farmers and their growing environment. It is because important product attributes are linked to the origin of the coffee that farmers may secure higher benefits if efficient value chain arrangements are put into place.

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