

Project Group (Number and Name):

19: Trade with Cocoa, Coffee & co. – Protecting Forests and Human Rights in Supply Chains

Comment

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Comment: *Please insert your comment here.*

Trading with coffee - transparency and participation in the supply chain

Imagine a perfect world, rid of child labor, unfair wages, exploitation and suppression. A world where children can be children and families do not need to work themselves to death in terrible working conditions. All of these miseries happen every day in the coffee industry. By taking a closer look, three major problems emerge : non-transparent supply chains, loss of biodiversity and human rights violations. Due to this broad range, we will focus on transparency and participation in the supply chain.

The coffee for the global market is harvested in the so-called “Coffee Bean-growing belt” (global south), then shipped to industrialised countries to be refined and consumed. One-hundred million people's livelihoods depend on coffee¹. Within the scope of this large amount of people, we see severe human rights violations from child labor all the way to debt bondage on the plantations. In 2022, the global coffee industry will reach an estimated value of 387 billion euros², while the prices of coffee are constantly decreasing. This puts more and more pressure on farmers and workers to produce more goods for less money.

Furthermore, due to the high number of brokers and intermediaries, large parts of the supply chain are untransparent and too long. The lack of transparency in the supply chain is part of the reason for a major gap in the profit distribution between producing and consuming countries, which results in missing participation and empowerment in the global south. For example, only 10% of the value of each cup of coffee remains in the country of origin and the remaining 90% is transported into consumer nations³.

This lack of infrastructure, fair wages and participation opportunities is a capital factor in the currently atrocious living and working conditions for the farmers. For example, there are reports of farms with no drinking water where workers have to drink from the same water source used by livestock. Moreover, nearly 60% of farmers in Brazil report symptoms of pesticide poisoning.¹ There are many more inhumane instances of working conditions that affect coffee workers on a daily basis.

If more capital flows into the business ecosystem of local farmers and collectors, it could contribute to improving the working environment. Furthermore inclusion, local participation and empowerment would help to break the devil's cycle of poverty.⁴

However, at the end of the day we, as consumers, have tools to put pressure on companies. As the last piece of the supply chain, we choose which coffee we pay for. Consequently, companies depend on our consumption behaviour.

A first step towards change is the blockchain technology. It is used to track various information such as details on the supply chain and production of various products. The data can be accessed by anyone and is completely transparent. "Kaffee Kooperative"⁵, a German-Rwandan company already offers a blockchain method to track the supply chain of their coffee. This example points towards a positive future.

Overall there are already multiple positive examples that exist. However there is still a long way to go. Cooperation of all actors within the supply chain can facilitate a better future in the coffee trade.

¹ Danwatcha (2016). Bitter coffee – Slavery-like working conditions and deadly pesticides on Brazilian Coffee Plantations

² <https://de.statista.com/outlook/cmo/heissgetraenke/kaffee/weltweit>

³ <http://impact.moyeecoffee.com/impact-report-2021/the-naked-facts-social/>

⁴ Miralles, I. evidence of human rights violations and poor standards of living in coffee producing countries.

⁵ <https://kaffee-kooperative.de>

Video Information

Title of the Video: *Fairshare*

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Music:

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