

# FROM CROP TO CUP: THE BITTER ORIGINS OF BRAZIL'S COFFEE



THE COFFEE CRISIS BREWS STRONGLY IN BRAZIL AS FORCED LABOR CONTINUES TO WORK ON PLANTATIONS, WIDENING THE GAP BETWEEN THE HAVES AND HAVE-NOTS. IN 2018, BRAZILIAN LABOR ASSESSORS DISCOVERED FORCED LABOR ON FARMS THAT WERE AUTHORIZED TO STARBUCKS' ETHICAL PRODUCTION CRITERIA. IN 2016, TWO OF THE WORLD'S LARGEST COFFEE COMPANIES, NESTLÉ AND JACOBS DOUWE EGBERTS, CONCEDED THAT FORCED LABOR WAS A POTENTIAL PROSPECT IN THEIR COFFEE SUPPLY. NESTLÉ ACKNOWLEDGED THEY BOUGHT COFFEE FROM TWO PLANTATIONS WITH KNOWN FORCED LABOR AND CANNOT "FULLY GUARANTEE THAT IT HAS COMPLETELY REMOVED FORCED LABOR PRACTICES OR HUMAN RIGHTS ABUSES" FROM THEIR SUPPLY CHAIN.

## THE COFFEE CRISIS BREWS IN BRAZIL DUE TO

### DEBT PEONAGE

DEBT PEONAGE REFERS TO FORCED LABOR TO COMPENSATE FOR DEBTS. EXPECTED TO PAY INFLATED PRICES AT THE OWNERS' SHOP OUT OF THEIR POCKETS, LABORERS HAVE LITTLE REMAINING OF THEIR BELOW MINIMUM-WAGE SALARY, OFFERING NO INCENTIVES FOR THEIR HOURS OF PHYSICAL LABOR – THEY BECOME INDEBTED TO THE PLANTATION, COMPELLING FAMILIES TO REIMBURSE THEIR DEBTS BY WORKING FOR EXTENDED PERIODS



### UNFAVORABLE WORKING CONDITIONS



WORKERS HAVE BEEN FOUND IN CONDITIONS LIKE SLEEPING ON COFFEE SACKS ON THE FLOOR AND BEING THREATENED WITH LOWER WAGES, NO FOOD, AND UNEMPLOYMENT. WITHOUT A LEGALLY BINDING DOCUMENT, NEARLY HALF OF BRAZIL'S FARMERS ARE PAID ILLEGALLY LOW WAGES WITH NO BENEFITS LIKE UNEMPLOYMENT INSURANCE, OVERTIME PAY, AND HEALTH COVERAGE.

### CHILD LABOR

PARENTS URGE THEIR CHILDREN TO WORK ON PLANTATIONS TO FULFILL DEBT OBLIGATIONS, PROVOKING CHILD LABOR. IBGE (THE BRAZILIAN INSTITUTE OF GEOGRAPHY AND STATISTICS) SUGGESTED THAT "997,000 CHILDREN WORKED ON COFFEE PLANTATIONS BETWEEN THE AGES OF 5 AND 17 IN 2013, OF WHICH 464,000 WERE UNDER 14"



FAIR TRADE IS A PRIVATE PROGRAM THAT CERTIFIES THAT COFFEE GROWERS ARE PAID A MINIMUM PRICE FOR COFFEE. THE SUPPLEMENTAL PAYMENT OFFERED IS HOWEVER REDIRECTED TO DISBURSING DEBTS AND SHOULDERING INCREASING COSTS, WORSENING THE LIVING CIRCUMSTANCES OF COFFEE-PRODUCING HOUSEHOLDS.

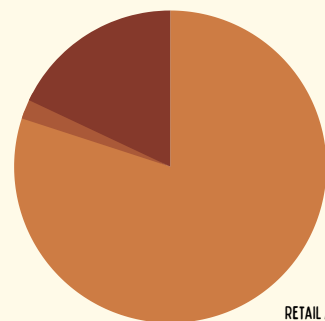
### FAIR TRADE COFFEE

## CHAOTIC BLENDS AND UNEQUAL BENEFITS

THE GROWTH OF THE TRANSNATIONAL COFFEE TRADE NURTURED THE GOOD'S GLOBAL REACH AND SCALE. YET, SCALE AND DISTANCE ANONYMIZED THE FARMERS AS THE EXPANSION OF THE GLOBAL SUPPLY CHAIN LED TO AN UPSURGE IN THE NUMBER OF INTERMEDIARIES WHO REDISTRIBUTED THE PRODUCE, CREATING A BLEND OF CHAOS IN THE SUPPLY-SIDE DUE TO AN INCREASE IN AGENTS. FARMERS ARE SHRUNK TO A TRIVIAL COMPONENT IN AN INTERNATIONAL AGRIBUSINESS SYSTEM. LESS THAN 2% OF THE MARKET PRICE GOES TO THE COFFEE PICKER: ABOUT 80% OF THE PRICE AT WHICH COFFEE IS SOLD IN STORES GOES TO COFFEE ROASTERS AND RETAIL CHAINS.

MANUFACTURING UNITS / MIDDLEMEN  
18%

COFFEE PICKER  
2%



RETAIL AND ROASTERS  
80%

## HOW CAN WE HELP?

ACQUIRE KNOWLEDGE ABOUT THE GROWING CONCERNS OF LABOR EXPLOITATION. THE FIRST VITAL STEP IS UNDERSTANDING, RECOGNIZING, AND LISTENING TO THOSE WHO SPEAK OF THEIR EXPERIENCES CONCERNING THE ISSUE OF FORCED LABOR IN COFFEE SUPPLY CHAINS.

INFLUENCE COOPERATE POLICY BY UTILIZING THE NUDGE THEORY APPROACH AND ADVOCATING FOR GREATER TRANSPARENCY AND FAIR PAY FOR WORKERS, AS CORPORATIONS ESSENTIALLY SURVIVE ON CONSUMER TRENDS AND DEMANDS



STEM OUR SUPPORT OF COMPANIES THAT TURN A BLIND EYE TO COFFEE BEANS PRODUCED BY FORCED LABOR AND INSTEAD SWITCH TO BEANS FROM ROASTERS THAT ARE TRANSPARENT ABOUT COMPENSATING FARMERS AND PAYING FAIR, LIVABLE PRICES.



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