

Putting a Premium on Empowerment



The committee meets every third Friday of the month and has done so since it was formed in December 2012. Numbering 14 in total, its members were elected through a show of hands by their peers: the agricultural workers at the *La Revancha* coffee estate in Matagalpa, Nicaragua.

The president, vice president, secretary, two treasurers, and nine financial advisors, including two women, have an important job to do: they must select projects from a pool of proposals aimed at improving their community.

The group is about to receive US\$16,500 – the fair-trade premium for two containers of coffee they sold in February under Fair Trade for All (FT4ALL) certification by Fair Trade USA.

The proposals range from the purchase of additional latrines, educational materials for school children, and zinc sheets for roofing to increasing the frequency of visits from health care specialists and even providing subsidized meals for the elderly.

Leonardo García, one of the financial advisors, is in charge of weighing the pros and cons of each proposal. He and his colleagues have received training in fair-trade and the FT4ALL initiative standards. They have also participated in teamwork and leadership workshops, and some have even traveled to the USA and Brazil to exchange experiences with others in the industry.

In the 15 months that have passed since the committee was formed, García says that getting people to participate and express themselves in meetings has been challenging.

“It’s difficult to motivate my colleagues and convince them that we can improve our quality of life. We’re used to living in poverty, but now through fair-trade certification, we can finally make progress for our families and achieve a transformation. Little by little, we’re changing our mindsets and creating confidence that we’ll see benefits from the premium,” said the 29-year-old farmer. He and three colleagues work at *La Revancha*, applying fertilizer, weeding, and doing other chores around the farm.

The 160-hectare coffee estate, nestled in the lush mountains of the *Tuma La Dalia* community, has 65 permanent workers and 370 temporary workers during the coffee harvest. The permanent workers reside in 28 houses on the property. The 34 families, or about 160 people, have power, water, and latrines. There is also a school with about 70 students – the children of *La Revancha* workers – with a small computer room and access to medical services.

Last December, *La Revancha* gained FT4ALL certification, as part of a new initiative by Fair Trade USA that seeks to reach more farmers, farm workers, and communities.

FT4ALL promises a premium of \$0.20 for each pound of coffee sold, which is collected and managed by a cooperative of farm workers.

To assess the impact of this new fair-trade model and the relevance of community investments made possible thanks to the premium, the International Center for Tropical Agriculture (CIAT), supported by the Ford Foundation and Keurig Green Mountain, Inc. (previously known as Green Mountain Coffee Roasters), are conducting research in Peru, Nicaragua, Honduras, and Brazil – where Fair Trade USA is piloting the FT4ALL initiative.

Enriching the fair-trade debate

“The project aims to generate robust information about the effects of the initiative “in the field” in order to enrich the debate with evidence and bring it beyond the theoretical and hypothetical level,” said Carolina González, the CIAT economist who is responsible for technical leadership of the project.

The 3-year project will assess the impact of FT4ALL on empowerment and poverty reduction for smallholder farmers and their households; analyze how organization processes shift as a result of FT4ALL certification; and identify the effects of the pilot program on the fair-trade certified coffee market, including the price and volume of coffee traded.

“There are three rounds of data collection (one per year) at each estate. We’re looking at the impacts from different perspectives: economic, to see if this model boosts and stabilizes incomes; social, to assess the improvements in quality of life for workers and producers; empowerment, to determine the level of democracy and transparency in decision making regarding the fair-trade premium; and social responsibility, to evaluate the impact of FT4ALL on natural resources,” said Carolina González.



The FT4ALL initiative requires that the premium also benefits temporary farm workers.

“While the permanent and temporary workers have the same rights when it comes to deciding



how to spend the premium, it appears to be tougher to motivate temporary workers to participate in the decision-making process throughout the year,” said Martha del Río, the CIAT researcher who leads the fieldwork in Honduras, Nicaragua, and Peru, alongside her colleague, Marc Adam.

Leonardo García confirmed this: “We’ve tried to involve the temporary workers in our meetings, but it’s complicated – they come and go during harvest. However, we do have two temporary workers on our committee, and many of the proposals on the table have been designed in consultation with them,” said García.

According to Carolina González, the impact assessment methodology includes baseline surveys and various rounds of data collection. To determine whether the certification is making a difference for farm workers and their families, there must be a control, or comparison, group, that has not had a fair-trade intervention.

The 4 case studies were selected from a total of 12 pilot programs that FTUSA currently has in coffee regions around the world.

Burlap sacks worth their weight in gold

For 12 years, Denis Pérez Martínez has managed the *La Revancha* estate. Over 825 burlap sacks filled with coffee (about 57,000 kilograms) have passed through his hands and been sold under the FT4ALL certification.

Martínez is not on the committee, but he is well aware of which proposals are up for vote at the next meeting.

“I like the idea of supporting the elderly – many worked at the estate, but now their families are unable to support them,” he said. The normally timid 40-year-old man then declared: “I wouldn’t want to be in the same situation!”

On work days, Martínez is accompanied by 18-year-old Denis Antonio López. He has only been working at *La Revancha* for a year, but he is already well-versed in the estate’s operations – he was raised on the property, and his grandparents have worked at *La Revancha* for 3 decades.

While the young worker has heard about fair-trade coffee certification, he said he does not understand much about it – the same goes for Erika López, who prunes coffee trees around the estate.

Tranquilino González and his wife, Martha Rivas, report that they have participated in *La Revancha* cooperative meetings. Having served for 25 years at *La Revancha*, he “does a bit of everything,” while his wife manages the household.

“I live here, and I’ll die here,” he said, as his wife placed another tortilla on his plate of *gallo pinto* (beans mixed with rice).

Rodrigo González, a retired Nicaraguan army general, and his wife Cecilia Pineda, a lawyer, have been the owners of *La Revancha* for over 18



years. They say it has been an achievement to have sold two containers under FT4ALL, but they hope that in the next 3 years they will see even more coffee sold abroad.

“Throughout the fair-trade process, we’ve seen our employees empowered. The benefits of this certification are not only monetary – we see other types of benefits as well: our workers are happy and work with more enthusiasm. That’s a big win for us,” said Rodrigo González.

CIAT researchers are documenting this process. “We want to take a snapshot today and another after the certification. In 3 years we’ll know if this initiative has truly been successful and if the changes we’ve observed were a result of the new FT4ALL certification,” said Martha del Río.

For now, Leonardo García, together with the committee, makes final preparations for the meeting in which the workers of *La Revancha* will vote on projects that empower them to change their lives in ways they choose.

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