

# Fairtrade Coffee Impact

A summary report of a four country study



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*Led by the Natural Resources Institute, University of Greenwich in collaboration with the World Agroforestry Centre. Commissioned by Fairtrade International.*

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## 1. Introduction

Coffee supports the livelihoods of millions of smallholder farming families around the world who face significant and growing challenges. Coffee is also the longest-established Fairtrade product, with Fairtrade supporting more than 812,500 small-scale coffee farmers in 445 certified producer organizations at the end of 2014. Understanding Fairtrade's impact on coffee farmers and their organizations is thus of great importance. This independent evaluation, commissioned by Fairtrade International and undertaken by the Natural Resources Institute, University of Greenwich, provides an in-depth analysis from four countries of the impact of Fairtrade for producers and their organisations. It represents a contribution to the evidence base on the impact of Fairtrade, and also seeks to inform Fairtrade on how to improve its impact in the future. This summary report presents the headline evaluation findings.

## 2. Research design and methodology

The research team used the Fairtrade Theory of Change to guide the evaluation. The research drew comparisons between Fairtrade and non-Fairtrade producers in each country, and undertook comparative analysis between countries. The research methodology included both qualitative and quantitative methods. These included focus group discussions, participatory gross margin analyses and a questionnaire survey with farmers; workshops/meetings with producer organisation managers and board members; a marketing manager questionnaire; and key informant interviews. In total, 800 questionnaire surveys were completed and 23 focus group discussions conducted across the four research countries.

The research team selected the case study countries: Mexico, Peru, Indonesia, and Tanzania. These countries capture some of the important diversity within Fairtrade coffee producing contexts, including geographical variation, differences in the number of Fairtrade producer organisations per country, as well as sales volumes. Within the chosen countries, the study team selected Fairtrade or Fairtrade-organic producer organisations in a systematic way and identified a producer organisation or group of farmers for comparison – whichever was the most appropriate comparison. The field research was conducted in 2014.

## 3. Context of research sites

In Peru there has been strong growth in coffee exports from smallholders during the 1960s through government funded cooperatives. However, many cooperatives suffered production decreases during the 1980s and 1990s. Civil society support expanded in the late 1990s, especially for certified coffee exports, revitalising the coffee cooperative sector, with Peru becoming a leading exporter of organic coffee. Peruvian Fairtrade producer organisations membership ranges from 100 to 1000 members.

The Mexican coffee sector is based upon both large farm and smallholder production. A history of land fragmentation means that many smallholders now have less than one hectare under coffee and many abandoned coffee production in the 1980s and 1990s, when the collapse of the International Coffee Agreement and national marketing institutions resulted in fluctuating prices and reduced support. When this research took place there were 43 Fairtrade certified coffee producer organisations in Mexico, with 23 located in Chiapas. Civil society support and government support has been provided since the late 1990s in Chiapas, although this has waned in recent years. Most cooperatives have a membership of between 100 to 1000 members.

Tanzanian coffee cooperatives were established in the colonial era. Liberalisation policies were instituted in the early 1990s and this process has been followed by declining yields and quality. Government support to farmers channelled via the cooperatives has declined as well, with a negative effect upon production levels. There is significant competition from other cash crops, especially bananas in the Kilimanjaro study region. At the time of the research there were four Arabica-only Fairtrade certified producer organisations in Tanzania, two of which had more than 58,000 members.

In north Sumatra, Indonesia, the type of coffee produced (known as '*gayo*' coffee) is a sought-after, high quality, Arabica coffee. Coffee growers, like others in the communities, in the study area in Aceh Province, were affected by the conflict in the area prior to the peace accord in the mid-2000s. At the time of the research there were nine Fairtrade certified producer organisations in Indonesia, ranging in size from 600 to over 1000 members. .

#### 4. Impacts for producer organisations

##### Producer organisation management, leadership, and influence

**More accountable and transparent leadership:** Generally, leaders and managers of producer organisations found that Fairtrade had improved their overall organisational performance, improving their democratic principles and functioning and in some cases strengthening their observance of national laws on cooperative governance. However there are still areas for improvement. The research found that in most cases leaders were held to account where their actions did not reflect members' interests, particularly in smaller organisations. However, there were some challenges relating to the accountability of senior leadership for individual members in larger producer organisations and of the leaders of local level groups. In Mexico and Peru, Fairtrade farmers had a basic understanding of the governance of their producer organisations and were able to hold their leaders to account. In Tanzania, farmers expressed concern about a lack of accountability of leadership. In Indonesia, members were positive about the leadership of their primary groups and the wider producer organisation, but had limited knowledge of decision-making beyond their primary group. Frequent changes in management personnel in producer organisations can constrain processes of institutionalization of Fairtrade standards and values. The inputs that producer organisations receive from Fairtrade producer support staff were generally viewed as being positive, but not sufficient. Producer organisations would like this support to be increased in scale. Cascading Fairtrade standards and values through large organisations requires more effort – currently much of the training on Fairtrade principles and values is provided by liaison officers to producer organisation leaders only. Fairtrade audits can help improve transparency in management practices and levels of participation in decision-making, but more active participation by the membership is needed.

##### Improved management capacities

**Active participation in regional and national networks:** Producer organisations in Mexico and Peru are actively involved in national networks, supported by Fairtrade. This has created positive benefits for the individuals and organisations involved. Likewise in Indonesia and Tanzania, participation in regional networks was seen as being positive and having beneficial effects (e.g. raising the confidence and exposure to markets of participants), although the networks are less mature than those in Latin America. Through the networks, the Fairtrade producer organisation managers felt that they could increasingly influence decisions about Fairtrade standards. Regional networks in all regions form part of the broader Fairtrade governance structure. The national and regional networks increase the voice and influence of the producer organisations in the public sphere, particularly in



Latin America. Fairtrade has also facilitated producer organisation managers' participation in trade fairs and other national and international events.

**Increased self-reliance, independence and management capacity:** Some producer organisations are becoming more self-reliant and better able to manage their core business operations. In Mexico, producer organisations selling high quality Fairtrade-organic certified coffees are in stronger negotiating positions as a result of Fairtrade participation, while groups in Peru and Indonesia have developed greater independence from traders. Support from Fairtrade has helped to improve management capacities within the producer organisations, although the starting points are variable. For example, in Peru Fairtrade supported producer organisations to develop business plans, and facilitated training to institute a new Board of Directors. In Indonesia, Mexico and Peru, capacity to manage internal control systems were developed for organic certification, but this also supports Fairtrade compliance.

**Improved awareness at management level of issues concerning human rights:** Training provided by Fairtrade on Fairtrade principles has resulted in raised awareness of human rights issues, such as gender equality and child labour. Understanding is better among leaders than at individual farmer levels, which suggests that more needs to be done to cascade best practice knowledge to members. There were numerous requests for more clarity on child labour rules; members in Mexico and Peru in particular, would like to educate their children about coffee cultivation and the business, but feel the current rules do not allow them to develop work experience. However, this appears to be a miscommunication issue since the Fairtrade standards do allow young people to undertake appropriate work on their family farms where this does not interfere with schooling.

#### Investment in assets and organisational development

**Fairtrade producer organisations have made substantial investments in their businesses through access to the Fairtrade Premium:** One of the biggest impacts of Fairtrade is enabling producer organisations to make investments in their businesses, beyond what would otherwise be possible given their limited access to investment capital. In Peru and Mexico, the Fairtrade Premium has been critical to investment in business development and service provision. In Indonesia, Mexico and Peru, producer organisations have used the Fairtrade Premium to invest in land, warehousing and processing facilities. In Peru, this has extended to investments in cupping labs and roasting facilities, and investments in retailing to local markets. Such investments would be hard to justify when spread over a relatively small membership, between 300-400 families, without the investment from Fairtrade Premiums and in some cases donor funds. Table 1 gives examples of Fairtrade Premium uses from the organisations in the study.

**Table 1: Examples of Fairtrade Premium fund uses**

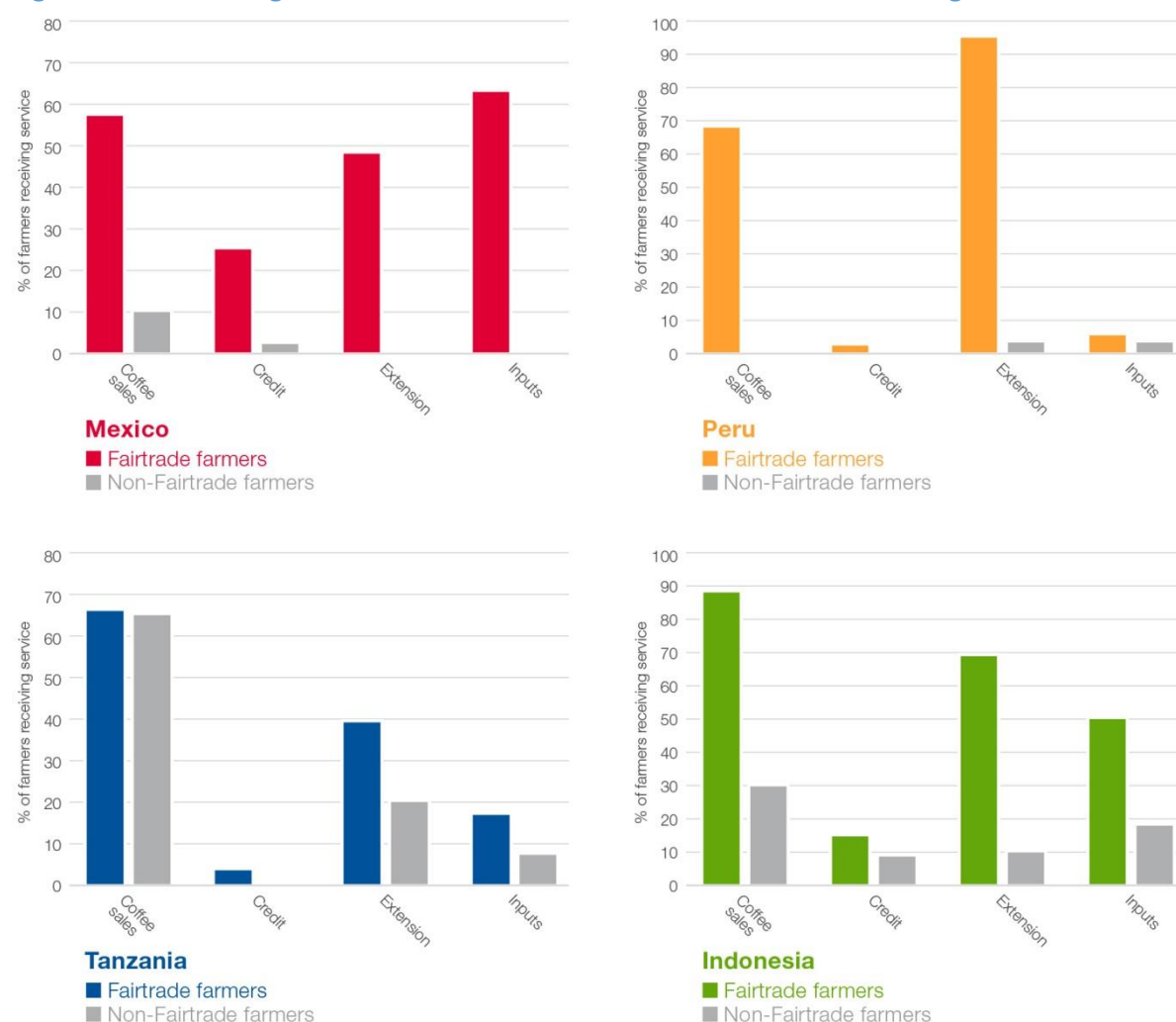
Country	Investment examples
Peru	Infrastructure for milling, processing for export, storage and quality control; technical assistance, emergency funds, limited social programmes.
Mexico	Infrastructure for milling, processing for export, storage and quality control; agriculture inputs, technical assistance, social programmes.
Tanzania	Nursery materials and other inputs, quality control, education fund (limited in scale), extension services (limited in extent).
Indonesia	Price support to members, services in sales, extension services, equipment for members, limited support to community infrastructure, schools and education.

**Co-financing from the Fairtrade Premium has been essential to leverage funds:** In addition to the increased access to investment from Fairtrade Premium funds, producer organisations also access loans (sometimes paid off using Fairtrade Premium receipts), receive donations, and develop partnerships with NGOs and credit funds, often leveraged on the basis of their Fairtrade status. For instance, producer organisations in Peru and Tanzania accessed alternative finance via organisations such as Oiko, Root Capital, and Shared Interest, with priority given to certified producer organisations. While most producer organisations have access to credit either directly from buyers or from buyers allied with finance institutions, the levels of finance available are considerably lower than those required to scale up the business. Although this is often requested by producer organisations, pre-harvest finance is not generally offered directly by buyers, but through financial institutions.

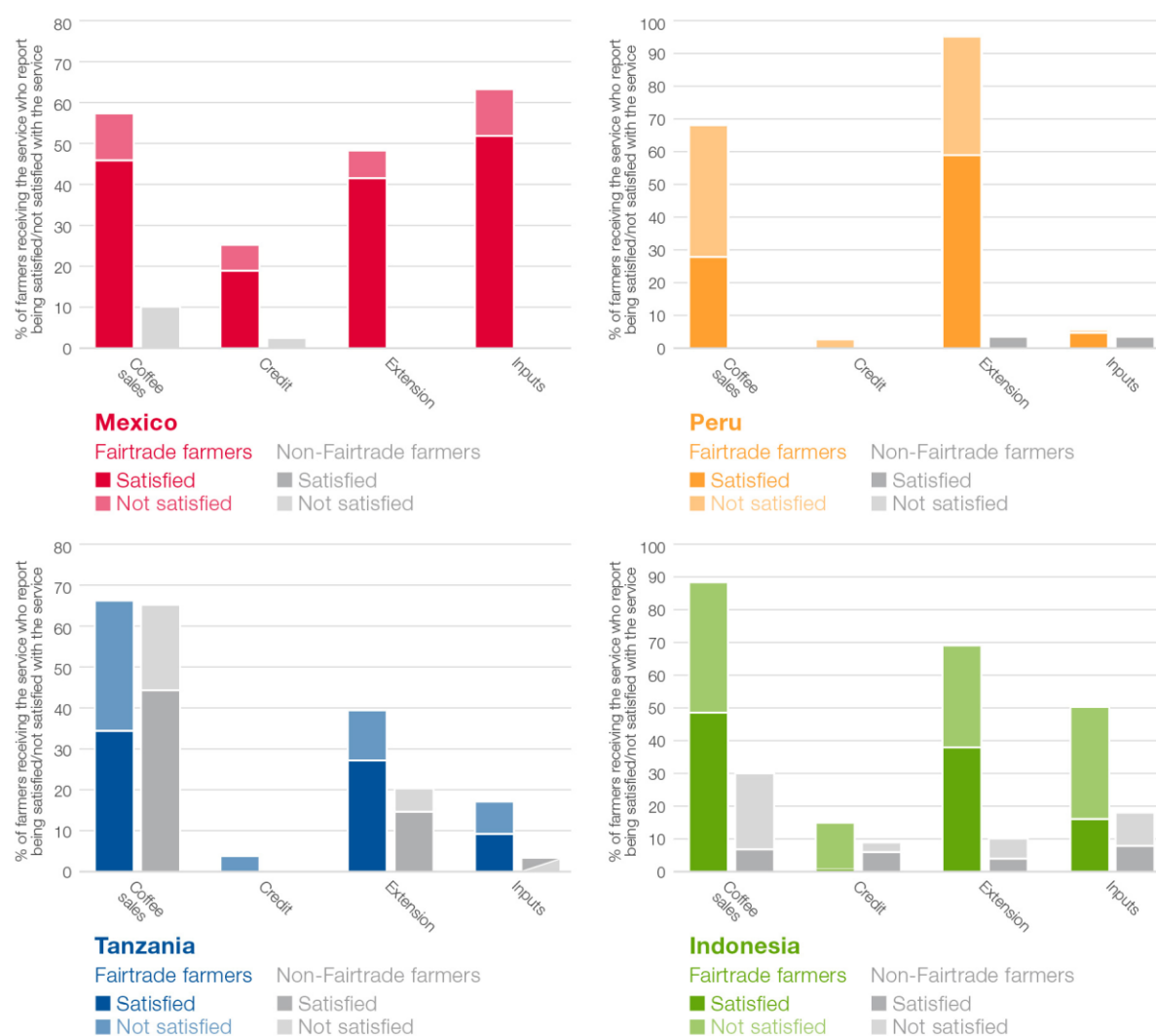
### Services to members

**Fairtrade farmers received substantially more services and were generally more positive about the services they received than non-Fairtrade farmers:** Two to three times as many more Fairtrade farmers received marketing, credit, extension or agricultural supplies services compared with non-Fairtrade farmers (Figure 1a). A majority of those who received services were satisfied with them, although there was some variation between services and countries (Figure 1b).

**Figure 1a: Percentage of Fairtrade and non-Fairtrade farmers receiving different services**



**Figure 1b: Percentage of farmers who are satisfied with the services they receive**



**Fairtrade farmers received substantially more training than non-Fairtrade farmers:** Overall 3.8 times as many Fairtrade farmers said they received training compared to those who are not members of a Fairtrade producer organisation (Figure 2). The Fairtrade Premium contributes to producer organisations offering training in good agricultural practices (for example to combat coffee rust), quality control, and environmentally friendly farming, although these services are often augmented through other sources of development funding. Scaling up this support is also desirable in many cases, through collaborative programmes involving government, donors and sustainability standards.

Figure 2: Percentage of farmers who have received training in key topics



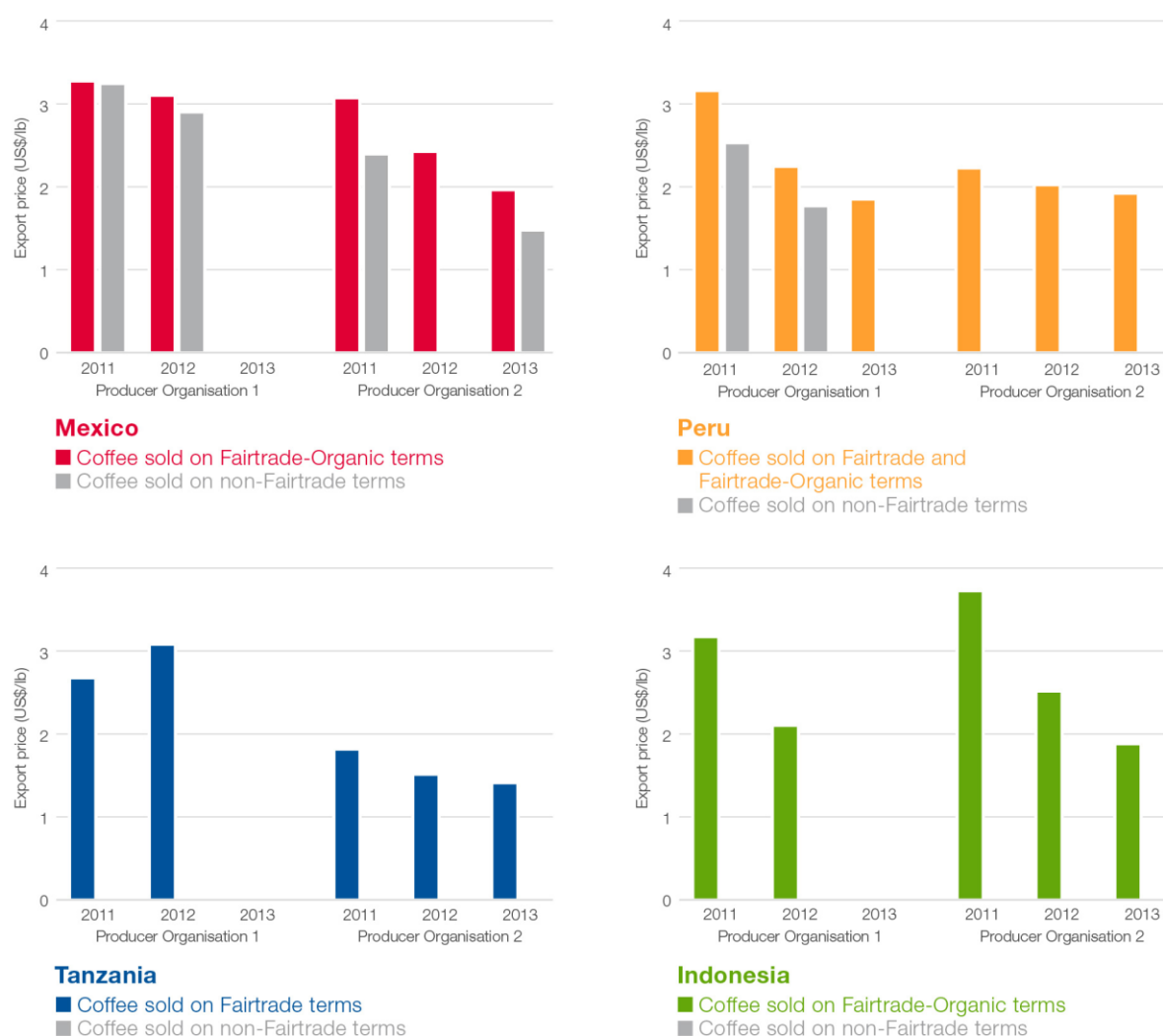
## Markets, prices and trade relations

**Sales and demand for Fairtrade coffee is increasing:** All producer organisations made significant Fairtrade sales. In Peru, Indonesia and Mexico the general tendency was for sales to Fairtrade markets to have increased over the three years previous to the research, with Fairtrade and Fairtrade-organic sales representing over 80 percent of total sales. In Tanzania, Fairtrade sales had declined over the previous three years with around 30 percent of total sales being on Fairtrade terms for the years for which data were available. For producer organisations with both high quality and organic status, the proportion of producer organisation coffee sold as Fairtrade rose to about 90 percent of sales. For the groups studied in Indonesia, all coffee was sold on Fairtrade and organic terms.

**Higher prices for coffee:** For the study period, the coffee sold to Fairtrade buyers by producer organisations was sold at a higher price than the sale of coffee to non-Fairtrade buyers (see Figure 3). One area that requires further attention is how market differentials are communicated and managed within Fairtrade. Fairtrade International now publishes bi-weekly benchmarks on coffee differentials, but the research found some confusion among producers about how price differentials are considered in Fairtrade markets, especially when negative differentials exist.



**Figure 1: Export prices for green coffee received by the producer organisations (USD/lb)**



Note: 'Coffee sold on Fairtrade and Fairtrade-Organic terms' refers to a mean price of sales of coffee with just Fairtrade certification and coffee with Fairtrade plus organic certification.

Prices do not include the Fairtrade Premium which is paid separately.

At the time of field research, price information was not available for 2013 for all producer organisations.

**Bargaining power and market development improving:** In Peru and Mexico, producer organisations have stable direct relations with importers, based on annual contracts. Some prioritise high quality coffee, with lower grades often sold via non-Fairtrade channels. Two producer organisations in Peru and Indonesia have become independent of the commercial traders that they were initially associated with and have now established their own contracts. In Tanzania, there are stable relations via contracts with Fairtrade importers, but producers have concerns that Fairtrade buyers will move away when global prices are high. In Indonesia, coffee producers are often dependent on exporter companies based in Medan. However, as a result of Fairtrade support, seven Fairtrade certified producer organisations in Aceh have now developed their own export licenses (although they may still be exporting through exporters).

**Diversification of producer organisation income streams:** Some producer organisations in the study had expanded their income streams – for example by selling roast and ground coffee to local markets or by opening coffee shops. In some cases, for example in Mexico, this supports a higher

price for farmers in transition to organic production or who are currently producing non-export quality coffee.

#### Gender equity

**Producer organisations have made efforts to increase the number of women members and to support women moving into positions of responsibility within the organisations, but progress has been limited:** The study found some examples of changes in female membership and participation. In Peru there was an increase in the number of female members and their respective participation in training. In Mexico one of the two producer organisations in the study had made successful efforts to increase women's participation. Fairtrade has provided management level training on gender issues to the producer organisations. However, understanding of gender issues is still fairly limited and the producer organisation leaders lack clear ideas on how to address entrenched gender norms. Gender and other social inequalities are pervasive and tackling these within coffee producer organisations will require concerted, long-term efforts. In order to achieve transformative change, Fairtrade needs to identify mechanisms for tackling entrenched social norms and should actively combine its efforts with those of other rural development actors in specific localities.

#### Environmental stewardship

**Positive accounts of environmental stewardship, with considerable intertwining of organic and Fairtrade standards and effects:** Environmental awareness was found to be generally high, particularly within Fairtrade producer organisations holding organic certification in Indonesia, Mexico and Peru. These producer organisations also expressed some frustration at the limited financial rewards available for their commitment to the environment. Combined Fairtrade and organic status and premiums lead to considerable awareness of the health and ecological benefits of organic farming practices.

## 5. Impacts for farmers

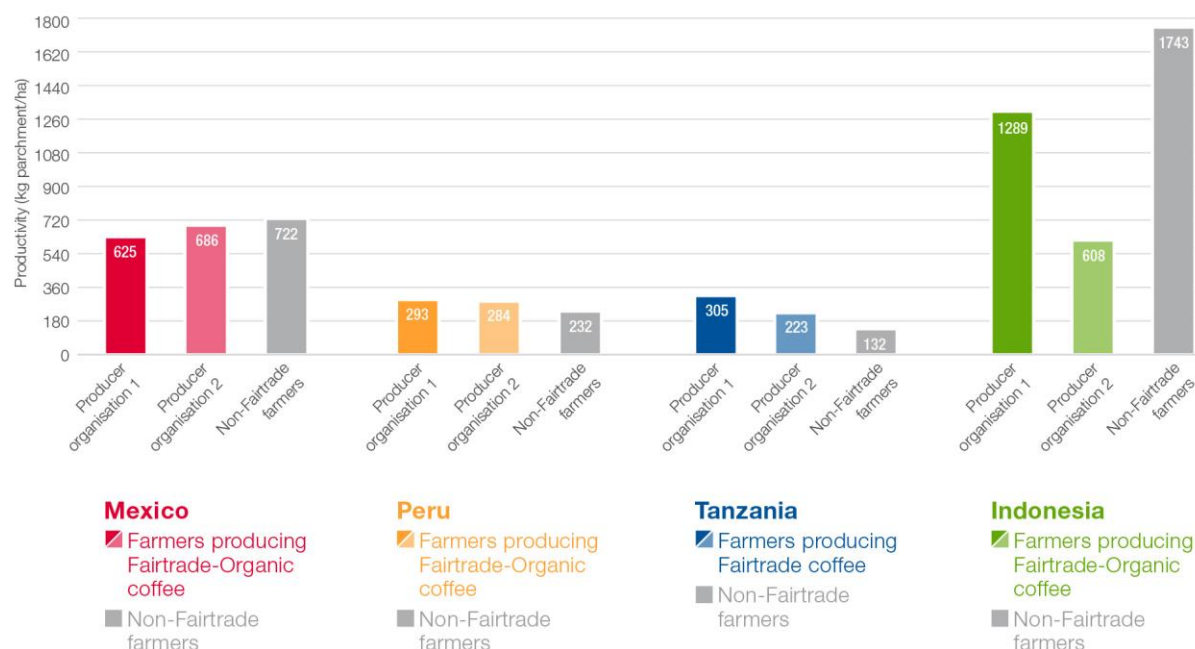
#### Livelihoods, income, assets and resilience

**The Fairtrade Minimum Price allows Fairtrade farmers to realise improved incomes in comparison with non-Fairtrade farmers:** The study found that in 2013, a year of low coffee prices, Fairtrade farmers in three of the countries received prices that were between eight and 26 percent higher from their producer organisations than they would have received from selling to other buyers, with the price difference being greatest for Fairtrade-organic farmers. This was evidenced by increases in new membership requests, especially in Mexico and Peru. In Indonesia the situation was more complex as farmers sell coffee both as cherries and parchment coffee, which received different price differentials from Fairtrade or non-Fairtrade buyers. Generally higher incomes were realised by Fairtrade farmers. At the same time, however, Fairtrade farmers experienced increased dependency on coffee income. This relationship between income and dependency further exposes farmers to price decreases and their consequences. This may account for our finding that Fairtrade producers report feeling worse off compared to their non-Fairtrade counterparts, but this is likely to be because they are more reliant on coffee relatively speaking and there has been a price fall in recent years, which therefore affects them disproportionately.

**Fairtrade supports smallholders by enabling them to achieve improved income in years of low coffee prices:** This safety net function can be overlooked or its importance undervalued, especially in periods of high prices. The coffee market has regular cycles of over- and under-production, because of the time lag involved in growing a tree crop and responding to market signals. The Fairtrade Minimum Price is more significant when world prices are low. When world prices are high there is

not much difference between prices from Fairtrade and non-Fairtrade markets. This confirms that Fairtrade provides a safety net when global prices are low, and supports producer organisations to access higher prices for high quality coffee grades when market prices are higher.

**Figure 2: Gross household income from coffee production (USD) per hectare for 2013**



**Fairtrade producer organisations provide some security and are capable businesses:** The study found producer organisations to be more resilient in the face of market risks with the support of the Fairtrade Premium, and greater ability to invest. As a result, Fairtrade farmers have access to more assets for coffee production and processing compared with non-Fairtrade farmers. No other clear asset distinctions were found.

#### Power and influence of individual Fairtrade producers

**The study found instances of members having increasing influence within their organisations:** This was particularly found to be the case in Latin America. More generally the research found that there is limited understanding of Fairtrade principles and practices among members of Fairtrade producer organisations. The levels of participation of individual members and the levels of dissemination of principles, training, and other support are particularly affected by the size of the producer organisations. Fairtrade often supports improvements in producer organisation practices with respect to these principles, but in larger organisations it is not always easy for individuals to hold their leaders to account, or for the producer organisation to ensure that the communications, training and services they offer are reaching all members.

## 6. Conclusions/Key Findings

**Fairtrade helps to strengthen producer organisations:** Overall, Fairtrade producer organisations are stronger and more resilient as a result of Fairtrade support. Fairtrade plays an important role in supporting producer organisations, alongside other development agencies. However, such improvements need to be scaled up in a context of growing market volatility and other pressures on rural communities, such as climate change and outmigration.

**The Fairtrade Premium enables producer organisation to invest and develop:** Producer organisations have used their Fairtrade Premium to make investment in organisational systems, structures and business development, facilitating linkages to buyers, improving technical assistance and inputs for members, and purchasing collective assets, such as processing facilities.

**Fairtrade supports smallholders by enabling them to achieve improved income in years of low prices:** Fairtrade farmers receive higher prices from their producer organisations than they would have received from selling to other buyers when world coffee prices are low.

**Most of the producer organisations deliver improved services to members:** This is evidenced by the higher access to training and services of Fairtrade producer organisation members. In some cases this improvement is based on a low starting point, and more needs to be done to generate greater benefits for individual members

**National and regional networks are highly valued:** Regional producer networks are a means by which producer organisations can participate in the governance of Fairtrade. Participation in regional or national producer network meetings and sharing of information and experiences develops the public-facing capacities of organisations and their members. In Latin America, in particular, producer networks are more mature and can sometimes influence policy decisions.

See Annex 1 for a summary of the research findings.

## 7. Recommendations/lessons

Overall, Fairtrade should continue to support producer organisations in strengthening their organisations. Fairtrade, government and other actors should improve and scale up their support to enable producer organisations to become viable, resilient businesses in a challenging global market, faced with multiple rural pressures and challenges.

More specifically, Fairtrade should:

- Find ways to: a) incentivize coffee producer organisations to achieve greater organisational efficiencies, for example by managing collective dry milling facilities between various producer organisations; b) improve the understanding of individual members of how their organisation operates, and particularly of their rights and responsibilities under Fairtrade; and c) understand how coffee farmers can be assured benefits from a minimum price when the Fairtrade Minimum Price is an export price and not the price received by the farmer.
- Intensify and scale up its producer support services to benefit coffee producer organisations and the individual members of producer organisations, especially improved extension on good agricultural practices, which can help farmers respond to the challenges of rust, adapting to climate change etc. It may be necessary to broker partnerships in a particular landscape with a wider set of actors to achieve such scaling up, tackle structural issues and achieve learning and change.
- Seek to implement practical actions to tackle gender inequality in coffee farming, for example, through supporting peer learning, giving women preferential access to producer

organisations, supporting advocacy actions by producer networks to change policy, legislation and practices and fund a study to identify strategic actions on increasing benefits for hired labour and youth

- Clarify the Fairtrade trader standards with respect to the provision of pre-finance. Build greater understanding of the rules under which exporters can engage in the Fairtrade system, and on the relationship between Fairtrade pricing and market differentials.
- Lobby governments and donors to fund improved business development services for smallholder coffee producer organisations and to make the enabling environment (policy, investments and regulatory) more favourable for small-scale coffee producers.
- Continue to strengthen and extend the producer networks as a means of enabling greater small producer representation and voice.

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## Annex 1: Summary of findings

<b>Outputs</b>	
<b>Fairer trade for producers:</b> Fairtrade farmers received better prices during periods of low international prices	
<b>Significant and sustained Fairtrade market access</b>	<ul style="list-style-type: none"> <li>All POs make significant Fairtrade sales in all years. In Peru, Indonesia and Mexico Fairtrade and Fairtrade-organic sales represented over 80 percent of total sales. In Tanzania, Fairtrade sales were around 30 percent of total sales.</li> <li>For those with both high quality and organic status this can rise to about 90 percent of sales.</li> <li>Buyers for just Fairtrade and lower quality coffee are more limited.</li> </ul>
<b>Supportive trading relations with buyers</b>	In general POs have long-term relations with more than one trader, and there has been some increase in independence in trading relations with buyers, but there are still some issues of dependency and quality challenges.
<b>Fairer prices and protection from price volatility</b>	<ul style="list-style-type: none"> <li>Fairtrade farmers received better prices during periods of low international prices.</li> <li>Fairtrade buyer prices to POs have been generally substantially above Fairtrade minimum and above price of sales to non-Fairtrade buyers.</li> <li>Prices to farmers are generally higher during periods of very low international prices, during other periods of higher prices depends on organic status and/or quality; price volatility only marginally reduced.</li> </ul>
<b>Strengthened small producer organisations:</b> POs with improving organisational capacity, but still challenges remain to fully empower members and ensure transparency.	
<b>Democracy, transparency and participation of members</b>	<ul style="list-style-type: none"> <li>Strengthening of existing practices and positive appraisals from PO leaders, but in a couple of cases individual members were less positive about leadership and governance.</li> <li>Need for improved accountability in some cases.</li> </ul>
<b>Participation in Fairtrade networks and governance</b>	Active participation in regional and national networks. Variable strength of networks themselves.
<b>Investment in producers and their organisations:</b> Fairtrade POs have made substantial investments in their businesses through access to Fairtrade Premium, although this limits support directly to members and communities.	
<b>Collective investments using the Fairtrade Premium</b>	<ul style="list-style-type: none"> <li>Used for organisational development (e.g. substantial investments in organisational infrastructure for some POs), which means benefits not directly visible at individual member level. Some examples of price support to individual members, educational funds, technical assistance and inputs for members etc.</li> <li>Fairtrade Premium has been critical in leveraging access to other sources of investment.</li> </ul>
<b>Increased PO access to working and investment capital</b>	All POs obtain finance from alternative lenders, local banks or a few directly from traders, but amounts are still limiting to commercial operation.



<b>Increased knowledge and capacity:</b> Technical capacity has improved, but is often limited by access to external funding; environmental awareness generally high especially among organic producers.	
<b>Increased management and technical capacity</b>	<ul style="list-style-type: none"> <li>Majority of producer organisations (POs) have improved their independent management and technical capacity although capacity can always be improved.</li> <li>Some POs are effectively independent in their management while others depend on some support from development funds or traders for provision of services to members.</li> </ul>
<b>Greater capacity to protect health and environment, and to adapt to climate change</b>	<ul style="list-style-type: none"> <li>Synergies between organic and Fairtrade certification.</li> <li>Some cases of big improvement in awareness supported by donor and NGO programmes.</li> <li>Extension services to farmers limited in many POs and dependent on donor funding.</li> </ul>
<b>Awareness of human rights</b>	<ul style="list-style-type: none"> <li>Training provided on Fairtrade principles, but in larger organisations especially, limited capacity to cascade information to members.</li> <li>Starting point levels of challenges in relation to human rights issues also vary by study area.</li> </ul>
<b>Understanding of Fairtrade principles and practices:</b> Good understanding among PO leaders, but less clear understanding at individual farmer levels.	

Outcomes	
<b>Resilient and viable producer organisations (POs):</b> POs and Fairtrade farmers with substantial assets to improve quality and processing, but economic performance needs improvement; bargaining power with buyers is improving but dependent on coffee quality.	
<b>Good business management systems and practices</b>	Limited data, although development of internal control systems (ICS) for capacity building.
<b>Increased productivity and quality</b>	<ul style="list-style-type: none"> <li>Productivity differences are country-specific. Mexico and Peru Fairtrade producers have similar productivity to non-Fairtrade.</li> <li>Tanzania Fairtrade producers have higher productivity and Indonesia lower productivity.</li> </ul>
<b>Improved smallholder and PO assets</b>	<ul style="list-style-type: none"> <li>PO assets have increased considerably in part due to external agencies, but co-financing from the Fairtrade Premium has been essential to leverage funds.</li> <li>Fairtrade coffee farmers generally have greater assets for coffee production, but no clear differences identified for other household assets.</li> </ul>
<b>Development of markets</b>	Most POs have improved their market access diversifying buyers and in several cases selling roast coffee to local markets.
<b>Enhanced negotiation and decision-making power of POs</b>	In all countries POs have achieved improvements in their negotiating power, although still wide variation in relative power within relationships.
<b>Increased profitability and reduced risk</b>	<ul style="list-style-type: none"> <li>Individually gross income from coffee was 16-100 percent higher for Fairtrade farmers during periods of low prices in three of the four countries; but investment in production may be higher; and impacts of price variation and production risks are similar to non-Fairtrade farmers.</li> <li>PO costs of operation are higher than competing traders limiting profitability (and benefits to members).</li> </ul>
<b>Strong and inclusive small producer organisations:</b> Leaderships are generally responsive, but support needed on how to achieve gender and hired labour empowerment.	

<b>Strong and accountable leadership</b>	<ul style="list-style-type: none"> <li>• Most leaders are held accountable if they depart from members interests.</li> <li>• Some challenges relating to accountability of senior leadership to individual members in larger POs, and at local group level of leaders to members.</li> </ul>
<b>Improved gender equality and equity in POs</b>	<ul style="list-style-type: none"> <li>• Most POs have attempted to increase participation of women but with limited success, except for one PO in Mexico.</li> <li>• Little progress observed in tackling gender inequality in the cases studied.</li> </ul>
<b>Inclusion of young adults</b>	Limited analysis. In Peru and Mexico there was a concern to enable young people to learn and practice coffee cultivation.
<b>Improving terms and conditions for workers</b>	Limited analysis, but no major changes identified in discussions with PO leaders and smallholder farmers.
<b>Small producer influence on policy and regulations within and outside Fairtrade</b>	<ul style="list-style-type: none"> <li>• Latin American PO managers said they have had influence in negotiations over Fairtrade Minimum Price and Fairtrade Premium.</li> <li>• Others report greater confidence through participation, but limited influence within Fairtrade as yet although most participate in national coffee forums.</li> </ul>
<b>Enhanced benefits for producers and communities:</b> Fairtrade farmers received substantially more services and training than non-Fairtrade farmers.	
<b>Improved services and support for PO members</b>	Access to services is better for Fairtrade farmers, although in Tanzania the qualitative data indicate less positive findings.
<b>Improved services and infrastructure in communities</b>	<ul style="list-style-type: none"> <li>• POs have had some role and influence in improving services in communities, such as investments in school fees for children, but limited impact at community level.</li> <li>• Mixed findings in Indonesia – in one village positive transformation from access to electricity.</li> </ul>
<b>Support for vulnerable and marginalized people</b>	<ul style="list-style-type: none"> <li>• No major progress on tackling gender inequality, or on hired labour on smallholder farms.</li> <li>• There has been awareness raising of issues at PO leaders level on gender, hired labour, child labour etc. but cascading this through organisations, especially larger ones is not straightforward.</li> <li>• Retaining youth in agriculture is challenging without changes in structural issues.</li> </ul>
<b>Increased influence for small producers:</b> Environmental benefits from organic production reinforced by Fairtrade environmental standards.	
<b>Increased ability to influence Fairtrade policies and regulations</b>	<ul style="list-style-type: none"> <li>• Latin American PO managers said they have had influence in negotiations over Fairtrade Minimum Price and Fairtrade Premium.</li> <li>• Others report greater confidence through participation, but limited influence within Fairtrade as yet.</li> </ul>
<b>Ability to influence local, regional and international policy:</b> Influence in International Fairtrade conditions of trade and local and national coffee policies a major achievement.	
<b>Influence in decision-making fora</b>	Most POs have influence in local and national forums that set policy for the coffee sector.

Impacts	
<b>Improved household income, assets and standard of living:</b> Gross household income generally greater for Fairtrade producers than for non-Fairtrade producers in three out of the four countries. More Fairtrade households felt they were worse off than non-Fairtrade households, most likely due to their greater reliance on coffee production and price fall over the preceding three years.	
<b>Gross income</b>	Fairtrade producers generally obtain greater gross household income compared to non-Fairtrade producers in three of the four countries (16 percent higher in Mexico, 47 percent higher in Peru and 107 percent higher in Tanzania).
<b>Standard of living</b>	Fairtrade producers report feeling worse off compared to their non-Fairtrade counterparts, but this is likely to be because they are more reliant on coffee relatively speaking and there has been a price fall in recent years, which therefore affects them disproportionately.
<b>Reduced risk and vulnerability:</b> Improvements for most producers, although still many risks and vulnerabilities, given the challenges of coffee markets.	
<b>Increased environmental sustainability and resilience to climate change:</b> Evidence of plausible impacts.	
<b>Enhanced influence and status for small producers:</b> Strong evidence of improvements of stronger organisations, less visible impacts at individual level. Need for more action on gender equality.	



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