

Coffee Culture & Fair Trade

the socially responsible choice

Coffee consumption and culture has become a ubiquitous part of American culture, stemming from overseas conflicts during the early 19th century, reaching to the present day obsession with corporate magnates such as Starbucks Coffee. Through this incredible increase in coffee consumption and production, the primary exporters of coffee worldwide are experiencing unimaginable poverty and a subsequent decrease in quality of life. The largest factor contributing to this dichotomy between the lifestyles of the consumer and producer of this worldwide commodity are multi-national coffeeshops such as Starbucks. Although Starbucks is not the sole corporation to blame in the shifting of national fortunes, they have led the charge in acclimating American consumers to pay exorbitant amounts for boutique coffee, while paying low commodity prices to the farmers that have driven their success.

Research

Resources abound in the discussion of this economically and socially important subject. Although a wealth of resources exists to defame and debunk national coffeeshop chains, some chains have released data showing their commitment to sustainable farming techniques and fair trade pricing. The research of this subject follows the chain of production for coffee beans, beginning with the planting and harvesting, ending with the purchase of unroasted "green beans" on the global market and subsequent roasting and sale on the United States and foreign markets.

Coffee production exists worldwide, but major producers of green beans include Brazil, Vietnam, and areas of concentration in Africa, Central America, and Indonesia. The market has been flooded by beans of inferior quality, known as robusta beans, over the last 5-10 years, causing a dramatic shift in commodity market pricing for all green beans on the market.

Coffee planting and harvesting occurs almost exclusively in third-world countries, owing to the necessity of cheap human labor for harvesting and preparation for sale. According to wikipedia, an "experienced coffee picker can collect up to 6-7 baskets [of green beans] a day," even while the average price per basket ranges from "\$2.00 to \$0.10," with the average wage weighted to the lower end of the scale. Meanwhile, the coffee industry has increased end-consumer prices claiming commodity price increases, even as commodity pricing of coffee has decreased to \$0.43 in 2001 per pound, falling from a high of \$3.00 per pound in 1997.

As this price decrease has affected the farmers on an international scale, some efforts have been made to ensure fair pricing for farmer and consumer. This cause has been led by economically conscious consumers and independent coffeeshops and roasteries sympathetic to the plight of international coffee farmers and workers. The FairTrade Labeling Organization (hereafter, FLO) has led producers in organizing as a viable body to positively impact global coffee (and other commodity) pricing. In general, the consumer pays slightly more for the coffee product, but by contract, the difference must be returned to the producer. According to Associated Content, under normal compensation practices, the producer is paid just \$0.25 per pound of coffee, while, under fair trade practices, the farmer receives a minimum of \$1.26 per pound, eliminating lucrative middlemen and exporting bodies.

In coffee production, every stage from harvesting to shipping requires incredible amounts of manpower. Picking ripe coffee berries is accomplished entirely by hand, important for maintaining high quality in the finished product. From this stage, some coffee berries are washed, resulting in a defruited bean, while others are left "natural" and partially dried. From this stage, all coffee berries are dried on concrete or rock. In many poverty-stricken areas, this is done on large open areas of rock or concrete. After drying, beans are sorted. In most third world countries, this sorting is done by hand. Some countries with cash infusions use an automated method of sorting by color and size. At this stage, the coffee berry is referred to as a green bean, and is ready for sale on the world market.

Coffee is sold at this stage in New York and London. Most speciality coffee consumed in the United States is comprised of arabica beans, most of which

are sold through New York commodity markets. Lower quality robusta beans, used for instant and mass-market coffees, are sold through world markets in London. After the beans have been sold to wholesalers, they are roasted by small independent and large conglomerate roasteries alike. At this stage, the price of the market-ready good can range from \$3-6.00 on the wholesale market.

Target Audience

In the United States, coffee consumption transcends all age, race, gender, and cultural boundaries. Although coffee consumption itself remains constant, the source varies widely based on economic and class advantage. Lower classes are largely unaffected by the FLO objectives, since they rely on coffee produced from inferior beans and profit hungry national conglomerates such as Kraft Foods. Even if this audience was informed to benefits of fair trade coffee, it is unlikely that they would pay a two to threefold premium for socially conscious coffee. This group encompasses a majority of blue-collar workers, older Americans, and lower income citizens of every social strata.

The targeted group will largely encompass the group of existing speciality coffee drinkers. According to the Specialty Coffee Association of America, "16% of adults in the United States drank specialty coffee daily." This group of consumers alone contributed to \$8.96 billion in speciality coffee sales in 2003. This group largely consists of white-collar workers aged 30-55, often upper-middle and upper class in social distinction. Another branch of this group is comprised of the offspring of the former group, aged 14-25. This group of high-school and college aged students has contributed to the national coffee culture we enjoy today, fueling coffee consumption in shopping malls, drive-thrus, and college campuses nationwide. It is these groups that will receive primary focus in awareness and marketing efforts.

Geographic Scope

North American audiences are targeted in this campaign, primarily because of the ubiquity of coffee in our culture. The United States is the top consumer of coffee products worldwide, and Americans historically tend toward price advantage over social consciousness. Although the campaign will be tailored for a distinctly American audience, it could be localized for European markets as well.

Methodology

Consumers in the United States, particularly in the demographic controlling coffee consumption are notoriously egocentric. While they contribute to numerous charitable organizations, their social awareness and expenditures do not often depart from these standard expected contributions. To encourage change and increased consumption of fair trade coffee, the most effective mechanism is shock through education, hopefully leading to appropriate action. An educational campaign comprised of economic statistics of an average coffee producer confronts the American consumer with facts about economic disadvantage in other parts of the world. Armed with the facts, the consumer can then take appropriate action (by choosing to purchase fair trade coffee.) Although manipulation is effective in some contexts, only a decision made of a consumer's own volition will result in a long-term lifestyle acceptance of fair trade coffee. For this reason, the advertising campaign will educate and shock, but leave action up to the consumer.

Many misconceptions regarding fair trade and big business can also be addressed in a honest, no-nonsense context, encouraging change at all levels of coffee purchase and distribution. For example, Starbucks currently claims that they support fair trade standards and products. Only an in-depth analysis of their claims reveals that only 1.6% of their coffee purchases are fair trade certified (per 2004 data). Although they still claim that they are the largest American importers of fair trade coffee, they misrepresent to the American public their relative commitment to this important socioeconomic issue.

Strategy

The campaign for fair trade coffee will be structured around opportunities to educate the consumer about the coffee production process, standards of living in coffee producing regions, and information about wholesale coffee pricing, including profit share of coffee farmers in relation to wholesale and consumer pricing.

The primary venue for this campaign will consist of structured print materials. An advertisement series would be effectively placed in major cities, both in mass transit and high distribution magazines and newspapers. Ideal print resources would be characterized by a high upper-middle and upper class de-

mographic. Other outlets would include targeted advertisements in teen and young adult publications, including college publications, to capture the important under 30 market.

Another distribution point for information could be organized through local independent coffeeshops already promoting fair trade ideals. Repurposed print ads and brochures could be distributed through this channel. Corporate coffee chains could also participate contingent on their participation in the FLO and percentage of fair trade coffee offered to consumers. A network of fair trade certified dealers and coffeeshops already exists through the FLO. This network could be tapped to provide information to coffeeshop proprietors, managers, and the end consumer.

The final, and most informative tier of the educational campaign would consist of an engaging and educational web site, consisting of coffee production statistics, a profile of an average coffee producer, where to find certified fair trade coffee, and information on how the FLO is encouraging economic growth in communities worldwide. This information could be located on the existing fair trade Labeling Organization site, or, preferably a sponsored site targeted directly at coffee, but labeled and sponsored by the FLO. This site would be the ending point for the targeted print ads and brochures, as well as curious consumers looking at the FLO as a whole.