



Fair Trade Coffee 101

Use these facts to educate yourself and others about the need for Fair Trade coffee

General Fast Facts

- Coffee is grown in around **70 countries** around the world. The largest coffee producers are Brazil, Vietnam, Colombia, Indonesia, and Ethiopia.
- Coffee beans are the pit of coffee fruit, often referred to as cherries. It takes **70-80** coffee beans to make one cup of coffee.
- **64 percent** of Americans drink coffee every day.

The Need for Fair Trade Coffee

- Coffee prices are highly volatile. In 2001 coffee prices dropped to \$0.43 per pound, and hit almost \$3 per pound in 2011.
- Most coffee is grown by smallholder farmers, many of whom lack the resources and bargaining power to sell their coffee on better terms.
- Coffee plants are susceptible to changing weather conditions and disease. In 2012, coffee trees in Central America were hit by *la roya* (coffee rust), leading to as much as 40 percent crop loss in the following years.
- Coffee production accounts for a significant share of total export earnings in some countries – approximately 60 percent for Burundi, 30 percent for Rwanda, and 20 percent for Honduras – putting local economies at risk when global coffee prices fall.

Conventional Coffee

- Due to price fluctuations, farmers are unable to predict their income year over year. This economic uncertainty makes it difficult to invest and plan ahead.
- Sun-grown coffee produces higher yields but leads to deforestation and soil erosion. In Central America, this method has resulted in a 2.5 million acre loss of forest.
- Pesticide usage often results in the loss of biodiversity and dangerous working conditions.

Fair Trade Coffee

- Fair Trade minimum prices protect farmers from market volatility by setting a floor below which their sale price will not fall. In years when the market price is higher than the Fair Trade minimum, farmers sell their coffee at the higher market price.
- With Fair Trade farmers earn additional community development premiums (\$0.20 per pound), which are invested in community projects and improving quality and productivity.
- Price incentives for organic farming have resulted in over 50 percent of Fair Trade coffee imports also being certified organic.

