There’s something about coffee. It’s a kick-starter, a warm promise that the day ahead might not be so bad after all. Coffee, well, it perks us up.

But whether you speak java jive and order, as the Steve Martin character did in *L.A. Story*, “a double decaf, half caf, with a twist of lemon,” or take your coffee “mean and black,” as my father did, it may not enter your mind to wonder exactly where these magic beans were grown, or under what conditions, or if in the hillside to Hills Brothers deal the coffee farmer made out OK financially.

Sarah Lyon, an assistant professor of anthropology at the University of Kentucky, has given coffee a lot of thought, focusing her work on how fair trade practices have impacted coffee-producing communities in Guatemala. Her major findings to date are that fair trade has enabled farmers to make a reliable income from their labors, pay for their children’s education, and—through coffee co-ops—gain political stability.

But why Guatemala?

“As an undergrad in 1998, I got very fired up by a couple of my anthropology professors at Smith College, so decided I wanted to learn Spanish. They told me Guatemala was a great place to learn because it was inexpensive to go to a Spanish school there. Coffee has historically been Guatemala’s leading export, so I suddenly found myself immersed in a major coffee culture—with all of its financial contingencies and challenges,” Lyon recalls.

A major concern of farmers in rural communities was how to make a sustainable living from the coffee they produce. “I started to think more and more about this when I came back to the United States for graduate work at Emory University,” says Lyon in her Lafferty Hall office, where she is surrounded by neatly shelved books, and a small, colorful gallery of framed photos of Guatemalan village locals and coffee farmers. “Fair trade coffee was just taking off in the U.S. as a topic of interest and conversation.”

“Fair trade”? Exactly what is that?

“Well, fair trade basically means the farmers, the producers, are paid a fair price for the product,” Lyon says. She explains that this price is determined by The New York Coffee Exchange. Fair trade coffee growers are guaranteed a minimum price of $1.25 per pound of coffee. They also receive a 10-cents-per-pound fair trade premium that they are supposed to invest in their coopera-
tive or the community. This translates into $1.35/pound for fair trade coffee.

“If the world coffee market price rises above $1.25 per pound, then the fair trade minimum price rises to meet whatever the market price is,” Lyon says. The farmers will still receive the 10-cents-per-pound premium, so they are always guaranteed at least 10 cents a pound above the market price.

With such a puny difference between the market price and the fair trade price, why do these farmers continue to work long, hard hours producing coffee?

“They farm coffee because it is a perennial tree crop, and they have invested significant time and money in cultivating their coffee parcels over the years,” Lyon explains. She smiles, “Many cooperative members referred to their coffee plots as ‘children’ that they have lovingly tended for decades. It would be prohibitively expensive for them to rip out all of this coffee. And they continue to grow coffee, because, unfortunately, there is no viable economic alternative for them.”

This small bump in income is one positive result of fair trade coffee practices in Guatemala, but as an anthropologist Lyon was interested in finding out fair trade’s broader impact as a form of long-term community development for Guatemalan coffee farmers and their children. In 2001 and 2003, she spent 14 months researching fair trade’s benefits, and limitations, in a Mayan community on the shores of Lake Atitlán in central Guatemala. “I wanted to find out how participation in this global market shapes daily life in this community, how it changes individual and group identity.” Her research was focused on a cooperative—an organized group of coffee farmers—in this community.

“I started off by interviewing the cooperative founders,” Lyon explains. “I did a lot of what we in anthropology call semi-structured interviews, which would begin with a few specific questions, but then the discussion would go wherever it flowed.” She also interviewed 60 members, attended all the cooperative meetings, learned how to grow coffee, how to take care of it, and how to pick it.

Lyon abruptly interrupts herself. “I wasn’t a very good picker, but I gave it my best shot,” she says, laughing. She adds that there’s an art to making high-quality coffee. “You have to pick just the right beans at just the right time.”

The Benefits of a Fair Trade Co-op

A few more pennies a pound for coffee farmers doesn’t seem like much, but Lyon says this slight difference is important for the growers. “I found that the higher income enabled cooperative members to continue repaying their debts, maintain their standard of living, retain their landholdings, and pay for their children’s education during a period in which many of their less fortunate neighbors were forced to sell their land and withdraw their children from school.”

The importance that co-op members place on their children’s education contrasts sharply with their own childhoods, which in general were devoted to productive labor in fields, homes and fincas.
(large plantations), not formal learning. Nineteen percent of the surveyed cooperative members never attended school and 42 percent completed only three or fewer years, meaning many possess only basic literacy and mathematical knowledge. Only 10 percent of surveyed cooperative members completed high school. Despite their own low levels of educational attainment, 42 percent of members have at least one child who has completed secondary school and works in an office, as opposed to pursuing traditional agricultural work or caring for the home.

But the primary benefit for co-op members is political stability. Lyon found that the very act of establishing a cooperative organization has allowed groups of Guatemalan farmers to overcome the oppression of a government that for years regularly attacked organized groups of citizens, especially indigenous communities during the country’s 30-year-long civil war.

“Co-ops were often targeted by the army as being Marxist or anti-government, but when members in the cooperative formed relationships with international visitors through fair trade, members felt protected due to their new international connections,” explains Lyon. “The coffee roaster, from the United States, came to visit once a month to check on the coffee quality. What I heard from many of the farmers I spoke with was that the co-op gave them a sense of security and a space for an emerging participatory democracy.”

Additionally, these connections with international roasters and coffee importers in the United States and Europe provide feedback to the farmers to help them improve coffee quality. And farmers within an organized fair trade market are more likely to have access to credit, since participation in these markets tends to “validate” these farmers in the eyes of lenders.

Lyon also discovered some limitations in the effectiveness of fair trade cooperatives. Although they had clearly helped local farmers, she explains, farmers still have some concerns about being well enough compensated for their work. “Eighty-three percent of farmers I interviewed said that prices weren’t high enough,” she says. “It wasn’t like they wanted four times what they made—they wanted 10 to 15 percent more, a modest increase.

“Fair trade has enabled farmers to make a reliable income from their labors, pay for their children’s education, and—through coffee co-ops—gain political stability.”
—Sarah Lyon

“The end cost to the consumer is simply mind-boggling to the farmers I talked with—it’s really hard for them to comprehend. They would say, ‘I don’t understand. We sell our coffee to the buyers in the United States for a $1.41 a pound, and yet if we went to a coffee shop in the United States to buy one single cup of coffee, it would cost three dollars! How does that work?’” Roasters she interviewed are quick to point out the numerous costs associated with transporting, roasting, packaging, and marketing specialty coffee in the United States, but even when this process was explained to the farmers, they still felt undercompensated.

Her study also revealed a gender limitation. She found little empirical evidence of a significant impact on gender equality among producer groups. “It’s a mixed bag,” Lyon admits. “In some communities, it made no impact on existing gender inequities; in other communities, there is space for women to participate.” Traditionally, agricultural work in Guatemala has been considered unacceptable for women.

Have Lyon’s years of research in Guatemalan coffee communities changed her coffee-drinking habits or tastes?

“Definitely,” she says, enthusiastically. “I’m not going to lie. I’m very partial to Central American coffees. The volcanic soil and the high altitude produce very bright-tasting, high-quality coffees.”

How many cups a day?

“Oh, I really shouldn’t comment on that,” she laughs. “Let’s just say I probably drink too many.”