

Mainstreaming the Alternative? *The marketing of fair trade coffee and its implications for Sustainable Development*

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Coffee is the most widely traded agricultural product, with consumption doubling in the last forty years as the drink has come to form part of a modern affluent lifestyle in the Global North (Tucker, 2011). While much of the literature on sustainable food production focuses on the ability of local, place-based networks to increase the resilience of their communities, coffee production brings the questions of sustainable agriculture to a global scale. Whilst it is important that communities increase their self-sufficiency by investing in local agricultural practices, the reality of today's globalised world means that a sustainable paradigm shift is also necessary for international agricultural trade in products such as coffee. The fair trade movement has emerged to respond to the inequalities in the current system and advocate for an alternative trade model, working to pay farmers an equitable price for their products as well as re-invest money in long-term development initiatives (Raynold, 2009). As CaféDirect's Medium Roast coffee is the only independent fair trade coffee to be sold in St Andrews' Tesco branch, as of October 2012, this product shall be used to explore the process through which coffee is produced and traded on the international market, and explore how the product's social justice commitments are communicated to consumers. This essay shall begin by discussing the significance of coffee and how it came to be an important cultural product, describing the commodity chain that links producers to consumers. This will be followed by a brief explanation of the fair trade movement and how it seeks to redress this, specifically focusing on the work of CaféDirect. The final discussion shall focus on CaféDirect's shift into the mainstream market, and consider what implications mainstreaming poses for the sustainable development movement more broadly.

Coffee Production and Trade

With an estimated 1.6 million cups consumed every day (FTF, 2012) coffee is 'the single most important tropical commodity traded worldwide, accounting for nearly half of total exports of tropical products' (Pay, 2009:4). Widely traded since the beginning of European overseas expansion in the 15th century and associated in the cultural imagination with the

coffee-houses of the Enlightenment and energy of the Industrial Revolution, coffee is not simply a beverage but a signifier of a Western lifestyle that values sophistication, intellectualism and productivity (Tucker, 2011). Early trade in coffee was deeply embedded in the unequal core-periphery power dynamics of colonialism, the legacy of which is still evident today in the continued presence of popular brands, such as Kenco (a truncation of the British Empire's Kenyan Coffee Company) and the Dutch Douwe Egberts (*ibid.*). Coffee is therefore a commodity that has always embodied the larger forces of capitalism, globalisation and social inequality.

Today, coffee production provides a livelihood for 25 million smallholders, with a further 100 million involved in processing and sales (Consumers International, 2005). As coffee can only be grown in non-arid, frost-free regions, production is exclusively located in the Global South with coffee being a key export of many developing countries (*ibid.*). Despite being located in regions of high biodiversity, coffee has been less of a concern for environmentalists than other cash crops; traditionally farms have been small-holdings smaller than ten hectares in size, where traditional shade-planting techniques protect soil and undergrowth from the sun, providing a habitat for wildlife (*ibid.*).

Coffee's sustainability comes into question most in regards to the commodity chain, as it is through the trading process that issues of social justice and equity are raised. As little as one third of the coffee is consumed in producer countries while the vast majority is exported to the large consumer markets of the European Union, United States and, increasingly, Japan. Producer countries are arguably limited to participating in the first links of the commodity chain: producing the raw material for export. It is in the markets of the North that coffee is processed, roasted and retailed, and this is where the bulk of the profits are retained. Currently, the mainstream coffee commodity chain is complex, and multiple intermediary actors serve to distance the producers of coffee from northern consumers.

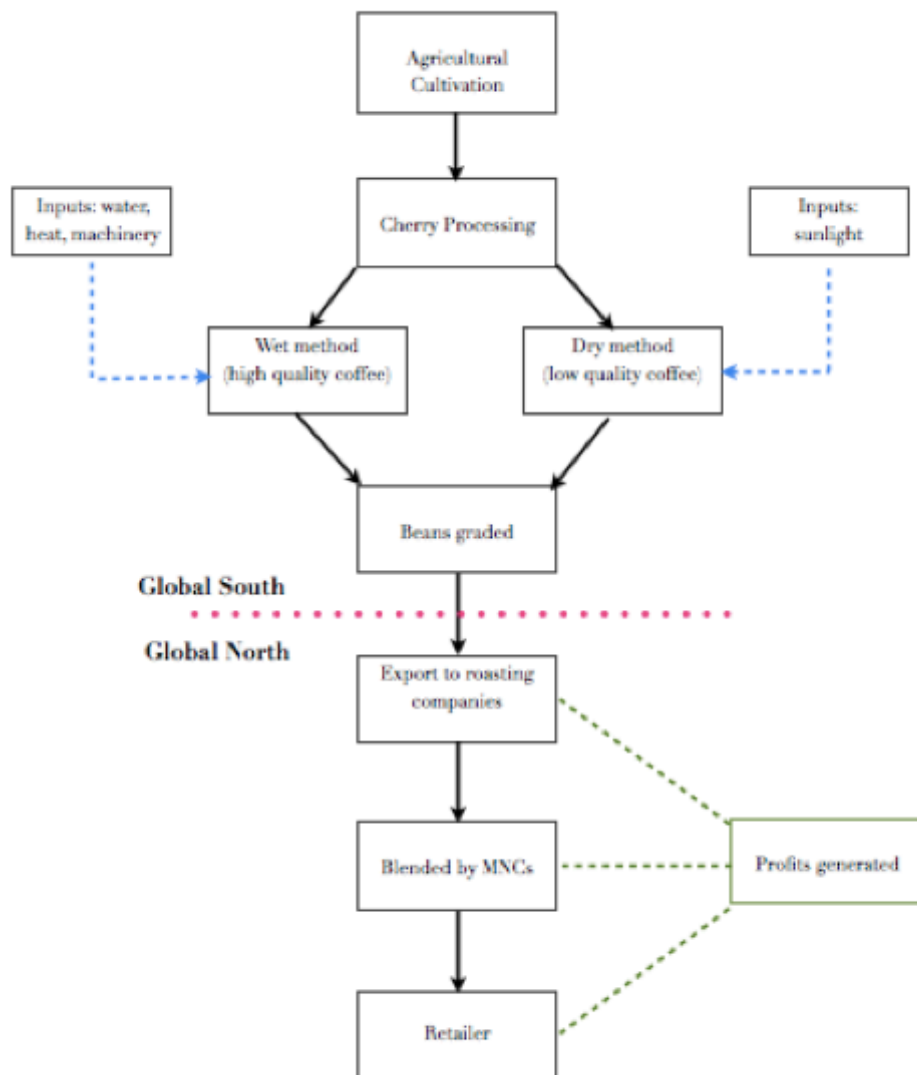


Figure 1. Simplified coffee commodity chain

Despite being continuously popular among Western consumers, coffee prices on the global market are extremely volatile (FTF, 2012). In the past five years alone, coffee prices plummeted in 2008 to 110 cents/lb then soared to a peak of 306 cents/lb in May 2011, a thirty-four year high, but almost immediately fell to a low of 230 cents/lb in October of 2011. As the large producer Brazil is expected to have a good harvest in 2013, prices have remained low until the present (FTF, 2012). For small coffee producers, these dramatic price fluctuations lead to great insecurity. Due to the specific climate conditions of coffee growing it is difficult for farmers to diversify into other crops, and as the price of basic food staples and agricultural inputs continue to rise, many farmers are abandoning their small-holdings,

adding to trends of rural-urban migration (*ibid.*). By contrast, multi-national corporations (MNCs) involved in the processing and sale of coffee in the North have continued to profit and grow during this period. ‘The global coffee market, including fresh and instant, was worth \$70.86 billion in 2011’ and the UK coffee market alone was estimated at £831 million (FTF, 2012:10). These profits are controlled by five key MNCs (Kraft, Nestle, Proctor & Gamble, Sara Lee, and Tchibo) who lay claim over half the global coffee market; Kraft, Nestle and Douwe Egberts control 70% of the UK retail coffee market (*ibid.*).

Coffee prices have not always been subject to such great volatility. In 1962, as decolonisation dissolved traditional colonial trading links, the International Coffee Agreement (ICA) established quotas for producing countries to ensure coffee prices would not fluctuate (Davies et al., 2010). In 1989, however, the ICA fell apart as the coffee trade became encapsulated in the broader shift to neoliberalism in the late 1980s, with the introduction of IMF and World Bank structural adjustment programmes in producer countries. This triggered an international coffee crisis as prices were driven to historically low levels. Since 1989, coffee prices have been determined by the five main coffee roasting MNCs and have fluctuated wildly (*ibid.*).

The Rise of Fairtrade and CaféDirect

Fair trade was established as an alternative to this unsustainable trading paradigm that followed the 1989 crisis. While there is no single linear history of the fair trade movement, its origins lie in various evangelical and political solidarity movements in the post-war era (Low and Davenport, 2005). From 1950-70, fair trade focused on craft products supplied by alternative trading organisations (ATOs) and retailed in World Shops across Europe. ATOs aimed to create more direct trading relationships between the North and South. By the 1980s, various fair trade retailers realised that to continue to be viable the fair trade products would have to be made available in mainstream stores to capture a larger market share. This move entailed not only a shift away from low quality craft products to high quality food, but also a centralisation of fair trade standards. National fair trade labels were established across Europe, with a number of charities co-founding the UK’s Fairtrade Foundation in 1991 to award fair trade certification to products (Davies et al., 2010). This allowed for a coordinated fair trade movement to enter mainstream markets, as the movement gradually shifted away

from its solidarity roots to capture a growing number of ethical consumers (Wilkinson, 2007).

CaféDirect was established in 1991 as a response to the coffee crisis of 1989. Although the Fairtrade Foundation Label had not been created at that time, the company based its business model on the principles of fair trade. Jointly founded by Oxfam, Traidcraft, Equal Exchange and Twin Trading, who had realised that collectively they could capture a bigger market share, CaféDirect was thus established specifically to bring fair trade coffee to mainstream consumers for the first time (Davies et al., 2010). Initially supported and sold in traditional ATO and world shops, CaféDirect entered the mainstream in 1993 when it began to be stocked by Safeway supermarkets in Scotland, and by 1996 it was available in most UK supermarkets. (Wright, 2004). CaféDirect is now the fifth largest coffee brand in the UK and unlike many other brands its portfolio has remained 100% fair trade (Davies et al., 2010).

For CaféDirect to gain Fairtrade certification, growers must organise themselves into democratic cooperatives and maintain certain environmental standards (Raynolds, 2009). Processing and retailing companies must provide cooperatives with long-term contracts and offer advanced payment of up to 60%. In addition, fair trade sets a minimum price of \$1.40 per pound for arabica coffee plus an additional premium of \$0.10 per pound for development programmes and \$0.20 for organic coffee (FTF, 2012). In this way, fair trade provides stability for small farmers, the increased price allowing for diversification into other areas of work as well as providing wider community improvements in education, health and housing (Raynolds et al, 2004). The long-term trading partnership is arguably of more importance to farmers than the increased fair trade price (*ibid.*). However, there are many criticisms of the fair trade model: there are problems with regulating the governance in cooperatives; fair trade standards themselves become barriers for the most marginalised producers; farmers remain unaware of the wider trading system of which they are a part; and that fair trade prices may act as little more than subsidies (Giovannucci and Ponte, 2005; Taylor et al, 2005; Mohan, 2010). It is beyond the scope of this paper to explore these issues in depth, but one issue that is particularly relevant to CaféDirect, and the wider sustainable development movement, is that of its incorporation into mainstream markets.

Mainstreaming the Alternative?

By having a business model that embodies the principles of fair trade, CaféDirect coffee presents an alternative to the prevailing model of international trade and agricultural production. Fair trade works to re-embed commodity chains in a framework of social and ecological responsibility. Rather than build trade around ‘abstract market principles’ (Raynolds, 2009:298) that distance and obscure the livelihoods and environments of agricultural workers in the South, CaféDirect aimed to make this knowledge transparent to the consumer at the point of sale. However, as fair trade has been increasingly co-opted by MNCs, such as Nestle, the alternative fair trade products available to the consumer have become diluted. The recent mainstreaming of the movement means that what was once seen as a paradigm shift is increasingly being subsumed as a facet of corporate social responsibility (Wilkinson, 2007). As CaféDirect, and the wider fair trade movement, seeks to present itself as a mainstream brand, the discourse around its products has shifted from ‘alternative’ to ‘fair’ (Low and Davenport, 2006).

This mainstreaming is evident in the advertising of CaféDirect coffee. Originally, packaging focused on presenting photographs of coffee producers and the intensive labour of growing coffee, but over the past decade the images presented to the consumer have shifted along with this wider change in fair trade discourse. Wright (2004) charts the shift of CaféDirect advertising and packaging from a farmer-centric vision, to a focus on a series of decontextualised landscapes where coffee is grown. As a result the focus of CaféDirect messaging has shifted from presenting solidarity with producers, directly challenging consumers to consider issues of social justice at the point of sale, to commoditising those very images to enhance the perceived quality of the coffee. The farmers and landscapes are no longer visual representations of the reality of coffee production, but, rather, are part of a ‘feel good factor’ that the consumer can buy into without necessarily engaging in a broader dialogue about social justice.

Part of the reason for this shift from ethics to quality may be that consumption requires a suppression of the knowledge of where our food comes from (Billig, 1999). For CaféDirect to win repeat customers it had to go beyond focusing on the realities of agricultural labour, but market its coffee in a way that would empower the consumer. As a result, the farmer testimonials have been removed from CaféDirect packaging and instead are featured on the company’s website (CaféDirect, 2012). Though the new online resources provide more in-depth information about coffee production and labour than was available on

packaging, Goodman et al see this as merely ‘clicktivism’ (2012:208) with the fair trade message being communicated only to those with motivation and means to access online media. Furthermore, this one-way relay of knowledge about producer to consumers reinforces a north-south dualism, where the plight of southern producers can only be remedied by the benevolent actions of those in the north (Goodman, et al 2012). It could be argued that the removal of images from packaging is a success for fair trade, as the powerful messaging that was needed at the movement’s beginnings can now be simply encapsulated in the Fairtrade Foundation’s logo, with the consumer recognising it as symbol for ethical production without needing the explicit visuals (*ibid.*). However, this means that there is no context for the presence of CaféDirect coffee in the supermarket and demonstrates a failure to communicate the socially embedded nature of coffee production that fair trade strives to advance.

It is not only in the marketing of CaféDirect that mainstreaming is evident, but also the increasing prevalence of fair trade, and other ethically-labelled coffees in mainstream supermarkets. Trudel and Cotte (2009) showed that MNCs will receive a reputation and sales boost if they retail a small number of fair trade products, without ever have to redefine their business model to be more ethical. As a result, fair trade principles become an add-on to already popular coffee brands, rather than an altogether new way of producing coffee. In being used by conventional coffee producers for a ‘halo effect’ (*ibid.*), and by being sold in supermarkets, the extent to which fair trade can be continued to be seen as redefining the conventional trade paradigm remains questionable.

These problems with mainstreaming faced by companies like CaféDirect and the fair trade movement are can also be found in the broader movement of sustainable development. Like fair trade, sustainable development is committed to redefining the conventions on how we live our life, encouraging a holistic approach that considers social and environmental justice in addition to conventional economic concerns (Blewitt, 2008). In this way, sustainable development, like fair trade, can be seen as requiring a shift to an alternative paradigm. As the sustainable development movement has entered more fully into the mainstream, for example its incorporation into the new planning policy in England and Wales (BBC, 2012), it has risked dilution of its principles. It has been argued that mainstream approaches to sustainability issues will not provide the more radical paradigm shift needed to encourage truly sustainable behaviour (Seyfang, 2009)

For some, this incorporation into the mainstream may be viewed as unavoidable, as the prevailing discourse of neoliberalism and globalisation works to present the current system as inevitable and unimpeachable (Barnett, 2005). However, it has been recognised that this representation fails to acknowledge that there exists spaces, such as those created by fair trade and SD, where ‘alternative visions can be articulated and pursued’ (Murray and Reynolds, 2000:72). By deconstructing the discourse of capitalism and globalisation, Gibson-Graham (1996) showed that the dominant trading paradigm can be seen as vulnerable and incoherent, and that overlooked alternative forms of collective-action have occurred alongside the neoliberal ascendancy. A pluralistic view of trade, therefore, allows us to envision the continued success of models motivated by concerns about sustainability and ethics, without being subsumed in to the prevailing global agenda (Barnett, 2005). If this is kept in mind, the possibility of a radical alternative paradigm shift may be seen as possible. By mainstreaming, fair trade and SD risk losing these alternative spaces from which to challenge the dominant agricultural trading system. These movements are thus presented with the difficult choice of either working within existing agricultural systems while improving the sustainability of certain aspects of production, or to design paradigmatically alternative food production networks existing outside of traditional commodity chains (Pieterse, 1998; Winne, 2008).

In conclusion, coffee is representative of the social justice issues of international agricultural production. The fair trade movement has emerged as an alternative to the dominant trading model, and seeks to reconnect coffee consumers to farmers in the global south. The fair trade company CaféDirect has enjoyed much success with the launch of a range of coffees, but as it has gained a larger presence in the mainstream it has faced criticism for diluting its alternative message in favour of conventional marketing practices. As more mainstream coffee brands adopt fair trade labelling, without their business models undergoing a significant paradigm shift, the extent to which fair trade provides a truly sustainable alternative has been questioned. Proponents of sustainable development must begin to ask the same questions that fair trade has faced if sustainability is to continue to pursue a truly alternative future, rather than being reduced to a keyword aiding hegemonic social norms.

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