

Organic and Fair Trade Coffee: Diverging Experiences among Smallholders in Honduras

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List of Abbreviations:

ADROH - Asociacion para el Desarrollo de Honduras

APROCAMP - Asociación de Productores Organicos/as Campesinos de La Paz

CATIE - Centro Agronómico Tropical de Investigación y Enseñanza

DED - German Development Service

DF: Development Fund, Norway

DFID - UK Department for International Development

FAO - Food and Agriculture Organization of the United Nations

FBC - Fundacion Bahncafé

FIDA - Fondo Internacional de Desarrollo Agrícola (in English, IFAD)

FLO International - Fair Trade Labelling Organization International

HIVOS - Humanistisch Instituut Voor Ontwikkelingssamenwerking

IFAD - International Fund for Agricultural Development

IMF: International Monetary Fund

NGO - Non Government Organization

NRI - Natural Resource Institute

OECD: Organization for Economic Co-operation and Development

PAGS - Proyecto de Apoyo a la Gestión Sostenible de los Recursos Naturales en Honduras

PASOLAC - Programa para la Agricultura Sostenible en Laderas de América Central

RUTA - Unidad Regional de Asistencia Técnica

SAG - Secretaria de Agricultura y Ganadería (Secretary for Agricultura and livestock)

UAP/ACDI - Unidad de Apoyo al Programa de Cooperación Canadiense en Honduras

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1. Introduction

This study aims to answer the following research question: “Which are the main benefits and drawbacks of cultivation and sales of organic coffee experienced by smallholder producers?” Related questions are: “What factors influence the benefits and drawbacks?” and “How has the production of and the sales of organic coffee on the Fair Trade market affected the livelihoods of the people?”

The analysis is based on a case study of two different development projects of organic farming, in the department of La Paz in the Central American country of Honduras, presenting the realities of two farmers groups. One of the groups sells organic coffee on the Fair Trade market. The other uses organic techniques when producing coffee for domestic and local commercialisation, but is not certified and does not sell the coffee as certified organic.

Organic agriculture is a low-input alternative to chemical-intensive conventional farming. Instead of agrochemicals, the organic farmer uses techniques such as fertilizer and pesticide elaborated with ingredients that are mainly found in the local environment, and applies erosion-preventing methods such as planting live plant barriers on the fields. Organic coffee is grown under shade, for example from banana or orange trees. These techniques potentially favour both the environment and resource poor farmers who rather than expensive inputs can invest in the increased labour needed for productive organic farming.

International donors have largely supported organic farming, believing that it can benefit resource poor farmers, and this aid has fomented organic farming in Honduras. Over the past years there has been enormous growth in the organic farming in the South in general. Latin America is in the lead, where seven countries manage more than 1% of their agricultural land organically. Much of this growth is because larger farms have converted to organic farming. The organic mean farm size is around 1000 hectares in Argentina and Uruguay, and more than 10 hectares in Bolivia, Brazil, Chile and Costa Rica (Willer and

Yussefi 2004 in Hallberg et.al 2006). In Central America, on the other hand, small producers grow 50-80 % of the organic produce, and organic coffee farmers in Honduras generally cultivate areas less than 5 hectares (IFAD 2003). In Honduras, organic farming is fairly new, and was fomented mainly through non-government organization (NGO) activity from the beginning of the 1980s. In the late 1990s there was a rapid development of organic farming, especially in the cultivation of organic coffee for Fair Trade export. The development of organic coffee cultivation was supported with foreign aid, especially from the German DED (Amador et.al 2002). By 2002, there were four cooperatives in Honduras who produced organic coffee for exportation (Ibid.). In 2006 there were as many as thirty (Sandra Elvir, pers.comm. 2007).

Research on the impact of organic culture on smallholder farmers in the South is a fairly new research agenda. The literature and research projects concerning this issue are less than 10 years old - and most sources are published within the past five years.

1.1 Organic farming and rural livelihoods

Organic farming is believed to have positive effects on poor farmers' livelihoods in different ways. Firstly, organic farming is thought to be a potential for subsistence farmers to increase their production. Several studies show that in situations where the farmer's former production methods are close to organic, a change to organic production can increase the yields, though viewpoints on the effects vary (IFAD 2003, FAO 2007, Hine and Pretty 2001, FIDA et.al 2003). Secondly, the use of organic techniques imply independence of both price fluctuations in and access to artificial fertilizers and pesticides - and may lower the farmers' costs and make more resources available for buying food (Parrot et.al 2006). Finally, the increased demand for organic products by Western consumers may provide farmers with additional income, if they manage to export their products on the international markets. However, access to the international organic market requires that the goods are certified as organic by an official

certifying agent, and this is a costly process. Difficult physical access to markets, such as lack of transportation, is an additional hindrance for market entrance (UNCTAD 2006). Good local organization may ease the process, for example through local cooperatives that provide easier access to markets and facilitate certification. (Martinez-Torres 2006, IFAD 2003) However, the price premiums for organic farming may not always be considerable once the production and certification costs are withdrawn (Daviron and Ponte 2005).

1.2 Certified organic farming and Fair Trade

Certified organic farming is cultivation of products on land that is certified as organic. Most of the organic products produced in developing countries are exported to Europe or North America. (Lenoud 2004 in Parrott et.al 2006). For organic products to be traded, especially on the international market, organic farmers must receive yearly visits from an independent third party inspector, which is approved by the importing country, who controls that the fields are free from chemicals and are maintained properly. The certification of organic farms in Honduras is done by Bio Latina, a certifying agency with offices in Nicaragua, the neighbouring country to Honduras. To obtain the necessary permits needed to certify products that will enter Europe and North America is an expensive and difficult process, which is the main reason for why there is no certifying agent in Honduras (Elvir 2007, pers.comm).

The producer has to keep a record over the inputs (fertilizer and maintenance labour) on the field for each year. The certification is expensive for the producers. For the producers in the case studies the annual costs of certification by each coffee producer were 30 dollars, which equals 15 days of agricultural remunerated labour for a farmer, or the price received for more than 2 quintals of coffee cherries (92kg), when sold to local buyers at the conventional market. Crusefix (1998, 49) realized, after conducting one of the earliest extensive studies of organic agriculture and the impacts on rural livelihoods, that

[...]the cost of certification, particularly when performed by foreign programmes, can be significant and therefore a discouragement. One day's

fee for a foreign inspector may represent a whole year's income for the farmer he/she inspects.

1.2.1 Double certification

As mentioned above, it can be difficult for resource poor farmers to enter the international organic market. Therefore, in order to obtain market access and a better price for the products, many farmers join cooperatives that not only market their products as certified organic, but also as certified Fair Trade. The price premium for organic coffee is not very large, and Fair Trade is considered as a better option for small farmers, because, as will be explained below, it guarantees a minimum price and offers a 60% pre-financing. According to numbers from DaViron and Ponte (2005:218)¹, coffee producer cooperatives receive only between four and five percent of the retail value of organic coffee, compared to 11,5 – 21 percent of the retail value of Fair Trade coffee. Then again, the Fair Trade market is rather competitive and not all cooperatives are able to sell all their coffee as Fair Trade – but the organic certification makes the coffee more attractive on the Fair Trade market. The cooperative RAOS (Red de Agricultores Orgánicos de la Sierra) has recently been able to establish good relationships with importers, and sell all their coffee as Fair Trade (Pérez 2007, Pers. Comm.)

There were 19 Fair Trade producer cooperatives in Honduras in 2006 (www.fairtrade.net). In Fair Trade, the buyer offers a minimum price of 121 dollars per pound coffee (or the market price, if this is higher) for the products. The producers that take part of this arrangement have to be organized in democratic organizations and need to be smallholder producers (Murray et.al 2003). A more detailed outline of the Fair Trade market is outlined in chapter three. The aim of Fair Trade is, as expressed by Nicholls and Opal (2005:6), “to offer the most disadvantaged producers in developing countries the opportunity to move out of extreme poverty through creating market access (typically to Northern consumers) under beneficial rather than exploitative terms.”

¹ The estimations are made from fieldwork data from 1999/2000 for coffee going from Tanzania to the Italy and the US)

While organic certification guarantees that the products have been *produced* under ecological conditions, Fair Trade certification guarantees for the conditions of the *trade process*. Fair Trade Labelling Organization International (FLO International), based in Bonn, Germany, is an umbrella organization of labelling initiatives and producer groups that has established detailed standards for Fair Trade products and keeps a producer register with over 350 groups from 50 countries – and is the largest certifier of Fair Trade products (Ibid). The consumers – most of them in Europe and Northern America – can then choose to buy a product labelled Fair Trade even if it costs more than a conventional product, because it gives them the confidence that the money they pay for the product actually benefits the producer. Fair Trade organic products are referred to as double certified, since both the production process and the trade process is certified. According to Villalobos (2003), the low coffee prices have led Latin American producers to obtain double certification in order to obtain market access and better prices for their products. In 2002 12,7% of the coffee with sustainable labelling in Latin America was double certified, following organic with 61,4% and Fair Trade with 15,4%. This study is concentrated on the experience of producers who are or have been double certified.

1.2.2 Commodity fetishism

Transmission of knowledge through labels or certification, where the transmitted knowledge of the product implies value-adding, is referred to as commoditisation of knowledge (Guthman 2002). The consumer is willing to pay a little more for a certified product because the certification provides them with secure knowledge of something, in this case that the product is produced with organic methods and that the producers received a fair price.

It has been said that Fair Trade and organic certification reveal the realities behind the production and commercialisation of the products, because it gives the consumers knowledge about the product and the producers. However, others claim that this only further masks the realities behind the products. The critique of organic farming and Fair Trade borrows from ideas that go back to

Marx's notion of commodity fetishism, which is the masking of the social conditions behind commodity production (Guthman 2002). Carrying the idea of commodity fetish further, the idea of *double* commodity fetishism points to the possibility that certification procedures such as organic and Fair Trade certification actually mask instead of unmask the reality behind the products. Consumers believe they are buying something ethically good because of the labelling on the products, but the producers' situation continues to be one of struggle, and in this sense, "whether such representations fetishize or defetishize may be the fundamental tension in the politics of consumption" (Guthman 2002, 207). In fact, the price premium from Fair Trade is paid to the farmer's cooperative and much surplus is lost in the cooperative's expenditures (transports, credits, administration), before the producer receives a price which often is only barely higher than the market price, depending on the levels of the conventional coffee market price. As Ponte and DaViron (2005:229) observe:

[..] mythologies are created in Fair Trade coffee as well, where the consumer supports ideas of cooperation, minimum process and support for smallholder farming. While this happens in some cooperatives in some countries, other experiences tell a different story.

The two case studies presented recount different experiences with the Fair Trade market. While one group continues to sell their coffee as double certified organic and Fair Trade, the other has ceased to certify their coffee as organic or Fair Trade, and keeps it for consumption or sells it locally. This study wishes to acquaint the reader with the experience of the producers and thereby participate in the debate around the actual fairness of Fair Trade and how Fair Trade it benefits the producers.

1.3 Non-certified organic farming

Non-certified organic farming makes use of organic techniques, but the farmer has not certified the land as organic. Some development organizations promote non-certified organic farming to poor subsistence farmers, because of the believed effects on production. Non-certified organic farming resembles other

sustainable agricultural approaches, such as low-input agriculture (Parrot et.al 2006). It is important to underline that non-certified farming does include the application of organic techniques, and is different from natural farming systems, which are “organic by default” simply because the farmers do not have access to agro-chemicals (Parrot et. al 2006, Altieri 2002).

This production process is believed to be sustainable farming, which, according to OECD (Organization for Economic Co-operation and Development), is farming that is economically viable (respond to the demands for supply of food and raw materials), environmentally sound (conserving the natural resource base, in order to meet the needs of future generations), and socially acceptable (supporting rural communities, addressing cultural and ethical issues) (OECD 2003). The farmers in one of the farmers groups have renounced organic certification and sale of organic coffee. They are non-certified organic coffee producers, who apply organic fertilizer on their coffee fields without the incentives of a better price.

1.4 External support for organic farming and Fair Trade

Both non-certified and certified organic farming are to a great extent driven by support from external development agencies. Much of the considerable growth in organic farming in Honduras since 2002 is due to support from NGOs. Both producer groups presented in the following study initiated organic farming as part of internationally – and to a great extent Norwegian - funded development projects, and one of the groups still relies on administrative support from their supporting Honduran organization. This group - Asociación de Productores Orgánicos/as Campesinos de la Paz (APROCAMP) is supported by Fundación Bahncafé (FBC), who was the main foundation that in the late nineties received funding from the German Development Service (DED) to support organic coffee cultivation (Amador 2002). APROCAMP still receives administrative and technical assistance from Fundación Bahncafé, who attracts funding from Fundación Inter Americana and Pasolac (Programa de Agricultura Sostenible en

Laderas de América Central), an organization which supports hillside farmers in Nicaragua, Honduras and El Salvador, and whose main supporter is SDC (Swiss Agency for Development and Cooperation). Norwegian Development Fund (DF) used to support the production and sales of organic Fair Trade coffee, but his funding has been phased out. The coffee cooperative RAOS (Red de Agricultores Orgánicos de la Sierra), which handles the trade process of coffee for the respondents in this study, was the very first association of small-and middle sized producers to export organic coffee from Honduras (Amador 2002). RAOS receives a 20% funding from the Dutch development aid organization HIVOS for administrative support, and exports coffee to GEPA, the largest European importer of Fair Trade, whose main shareholder is the German Catholic Church. An essential characteristic of the experiences with organic and Fair Trade presented here is therefore that they are currently dependent on international support in order to be economically and administratively viable.

1.5 The thesis takes form

My interest in organic farming was acquired when I lived, studied and worked as a volunteer in Costa Rica, where organic farming is well developed. Through my volunteer work and by personal interest I had the possibility to visit projects of organic cultivation of herbs for production of shampoos and cosmetics in women's cooperatives, as well as the section of organic farming at the agricultural school of CATIE. I have a bachelor's degree in Latin American studies. In the initial phase of the work with the thesis, I contacted the Development Fund (DF), a Norwegian NGO, in order to suggest a cooperation with the organization, since it has funded projects in the region, and because it was important for me that the findings from the study would be of some use for an organization whose mission is to finance environmentally sustainable projects, such as the DF. This organization had funded two projects in Honduras, both of which encouraged producers to initiate organic farming. One of the projects had received funding entirely from the DF for seven years, and had included other

aspects than organic farming, such as techniques in maize production, institutional development, and educational training in laws and gender. Considering the complexity of the project, its recent evaluation had not thoroughly analysed whether and to what extent the farmers had benefited from organic farming or not. At the same time, the DF had funded a project of organic coffee production among resource poor coffee farmers, who had started to cultivate coffee organically and now sold their coffee through the organic and Fair Trade cooperative RAOS. This project had not been evaluated since 2002. The need for a study of the project and how the farmers had experienced organic farming therefore corresponded with my own research interests.

The farmers who had participated in the two projects were from different counties in the La Paz department, and were members of two separate organizations, ADROH (Asociación para el Desarrollo de Honduras) and APROCAMP (Asociación de Productores Orgánicos/as Campesinos de la Paz). APROCAMP receives administrative and financial support from Fundación Bahncafé (FBC).

Fieldwork began in November 2006. ADROH peasants had adapted to organic farming in different ways in different crops. In subsistence vegetable farming they would occasionally use organic techniques, in vegetable growing with irrigation systems some used a mix of organic and agrochemical fertilizer, and in coffee all used organic, or no fertilizer at all. Through the interviews it became clear that the ADROH and APROCAMP farmers had diverging experiences with the Fair Trade marketing of their organic coffee. APROCAMP farmers benefited from a price premium since they were able to sell their coffee on the Fair Trade organic market, while the ADROH farmers did no longer certify their organic coffee, but used organic techniques only as a means to improve their cultivation. Additionally, the large number of coffee producers among the active ADROH peasants (more than half of the interviewed peasants - 15 of 27- cultivated organic coffee, although coffee had not been the main focus of the project initially) suggested that coffee is easier to adapt to organic farming than vegetables. Fieldwork took place in the coffee harvest; so much focus in the

area was on coffee, making observation of and conversations about coffee more accessible.

Because of these factors, the study shifted focus from the benefits of ADROH peasants from organic and semi-organic vegetables and coffee, and benefits of APROCAMP farmers from coffee, to a focus on the diverging experiences of and benefits from production and sale of organic coffee, as experienced by ADROH and APROCAMP members.

While answering the research questions, and in the light of the issues concerning organic farming and Fair Trade discussed in the introduction, I therefore intend to take a closer look at both the assumption that organic coffee farming is sustainable and contributes to the improvement of resource poor farmers' livelihoods, and at the assumption that Fair Trade has the potential to lift smallholder farmers out of poverty.

Measurements

Area:

Land area is in Honduras measured as "tareas" and "manzanas". During research, different definitions of these measurements were encountered. A manzana has been defined both as 10 tareas, 12 and 16.

This document uses the following definition:

One tarea = 437 squared meters

one manzana = 16 tareas (equals 0,7ha)

Weight:

In Honduras, coffee and fertilizer is measured in quintals (qq). 1qq equals 46 kg

The coffee production is measured in quintals of unwashed *coffee cherries* (called "*café uva*"). The name hints to the oval shape and red colour of the coffee berries before they are processed. Washed and dried coffee is called *green coffee* (in Spanish literally worth its weight in gold, as it is called *café oro*, gold coffee): 5,5 quintals of coffee cherries become one quintal of processed green coffee.

Currency:

1 US Dollar equalled 19,63 Honduran Lempira 15 January 2007. The document does not account for changes in currency rates

Sources: ADROH project worker, SAG et.al (2002), La Central (2002) ,Raos (2006)

2. Presentation of case studies and methodological approach

Map1:Honduras with La Paz, La Esperanza and Marcala



La Esperanza:
ADROH MAIN
office

Marcala:
-Centre for coffee trade
-RAOS office

Source:www.hpturismo.com

La Paz: See Map 2

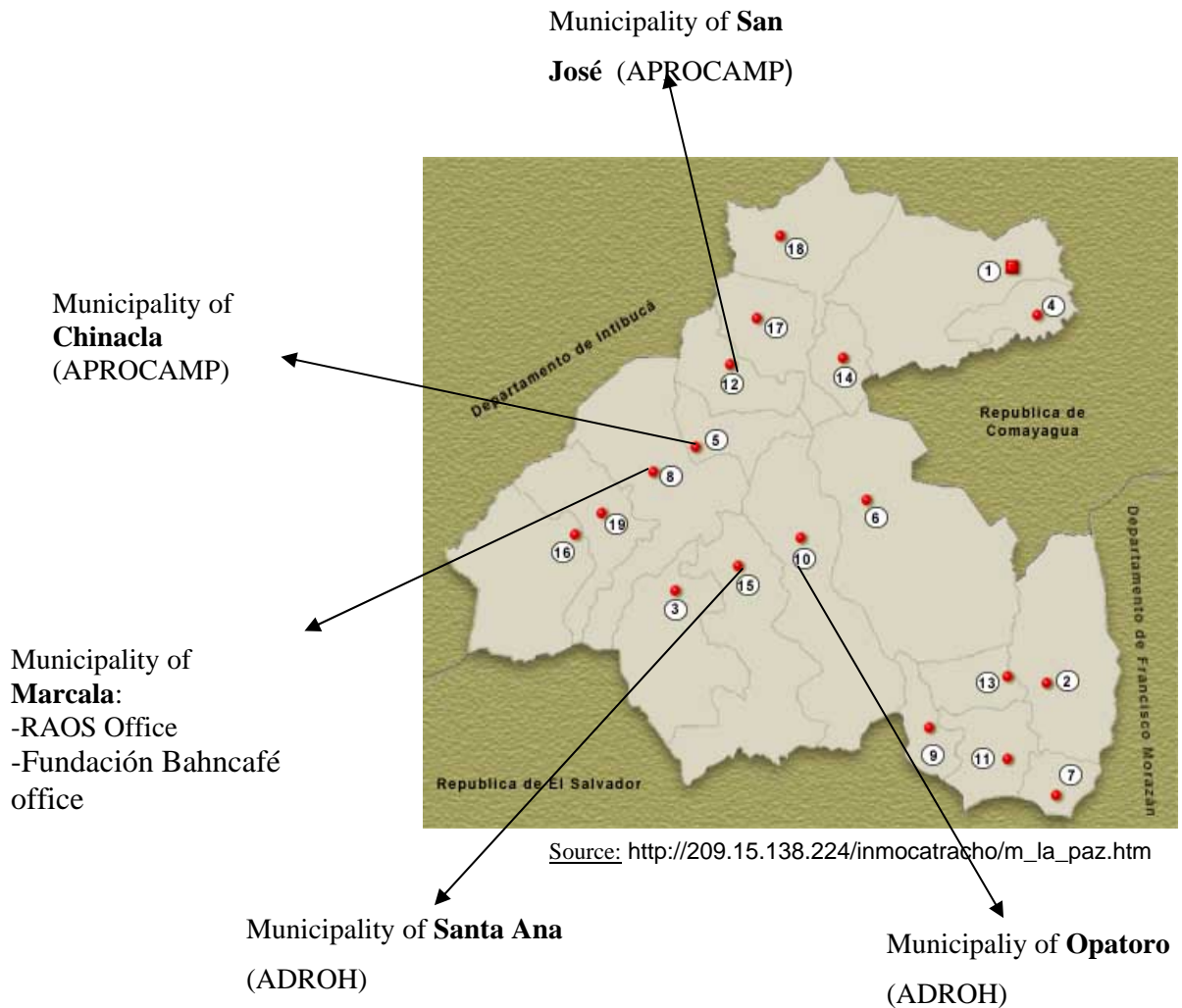
Honduras is a Central American country. Of a population of 7,3 million, 20,7 percent are extremely poor. Although 18,1 percent live in urban slums, most of the poor are found in the countryside, where more than 75% live below the poverty line (Jansen et.al 2005). Military dictatorships and a close relation to the USA have marked the political history of Honduras. The influence of the banana companies on the politics of the country has led to the denomination of Honduras as a “banana republic”. In the 1980s the country “was converted into a Central American political and military platform for the United States” (Fonseca 1998:273). The proximity to neighbours with revolutionary conflicts has attracted development aid from the USA, which had also played a major role in developing the coffee industry in the country in the 1950s. From 1952 to 2001 the area of coffee production grew from 68000 to 211000 hectares (Williams 1994 in Castillos et.al 2005, www.state.gov, Jansen et.al 2006)². Recently, the country has acquired status as Highly Indebted Poor Country (HIPC) which qualifies for funding by the IMF and the World Bank to carry out Poverty Reduction Strategies (Jansen et.al 2006).

For people in La Paz, who live close to the border to El Salvador (especially the Opatoro and Santa Ana population) the civil war in this country from 1980 to 1992 had a great impact. Much of the population here is of Lenca indigenous origin. About 100 000 Lencas live in Honduras, mostly in the Intibucá, Lempira and La Paz departments; though the Lenca language and much of the culture is extinct. Following the hurricane Mitch, which devastated the region in 1998, the DF began to look for partners in the country and started to cooperate with two local organizations with agricultural projects.

Both case studies are based on development projects that promote organic farming techniques, and who are founded by the Norwegian Development Fund (DF). The organizations that manage the two projects both receive additional funding from other donors, but the organic projects were initiated with funding

from the DF. They were initiated in different counties in the La Paz department in the Western Honduras highlands.

Map 2: La Paz department (with Opatoro, Santa Ana, Marcala, Chinacla, San José)



In 1998 a representative from the Development Fund travelled to Honduras in order to initiate cooperation with local NGOs. After talks with different organizations, eight organizations were invited to send project proposals to the DF. The two accepted applications had the required focus on sustainable production, conservation of natural resources and gender, and coincided with the DF development strategies of food security and sustainable development (DF 1999 a,b). One project was managed by the peasant (“campesino”) grassroots organization ADROH (La Asociación para el Desarrollo de Honduras.) The

other was managed by Fundación Bahncafé, a private foundation whose target group is resource-poor coffee farmers. The two organizations have been cooperating on visits between the farmers and some joint training, fieldtrips and evaluations.

The following section briefly presents the two cases on which this study is based.

2.1 ADROH peasants: non-certified organic coffee producers

The members of ADROH (Asociación para el Desarrollo de Honduras) are all farmer peasants, mostly of Lenca indigenous origin, spread over three departments in the border areas to El Salvador: Intibucá, Lempira and La Paz (see map on page 2). Only La Paz members are part of the project which initiated the organic farming. According to numbers from the DF, 110 (both male and female) peasants participated in the project. The participants lived in nine communities in the municipality of Opatoro and in one community in the municipality of Santa Ana (See map 2 and 3). They are mainly subsistence farmers, cultivating maize and beans. Aiming to improving the life quality of the farmers through the introduction of new agricultural techniques and crops, the project was initiated in 1999, and included one institutional and one productive part. This thesis will focus on the productive part of the project. When fieldwork was carried out between November 2006 and February 2007, the project had lasted for seven years and was in its concluding phase. One project coordinator and one assistant to the project coordinator are still employed on the project, but the peasants now receive little technical support for their production.

2.1.1 Adaptation of organic techniques in vegetable and bean cultivation

The project was divided in two, with the first part (1999-2002) dedicated to the introduction of new techniques (such as minimum tillage and the incorporation of residues) in the maize fields, and organic techniques in the vegetable and bean production. The most important organic technique was an originally Japanese type of organic fertilizer called bocachi. The bocachi is elaborated with

ingredients which mostly can be found in the surroundings, such as mountainous soil and residues from maize, and are collected in a mound that needs to be moved once a day (twice the first week) for two to three weeks, before it can be applied on the fields. Other organic techniques applied were live barriers and pesticides elaborated by plants such as chilli.

In the second phase of the project (2001 to present), the ADROH peasants started cultivating organic coffee and potatoes, and started to experiment with the cultivation of vegetables that were irrigated with small irrigation systems. The micro irrigation systems are simple, using natural water flow and flexible tubes for irrigation, but allows for vegetable growing during the rain free months of January to May.

Part of the project among ADROH farmers was to start production of organic vegetables, but it was proven difficult to combat diseases in vegetables without chemicals (Moya et.al 2006). Fieldwork showed that few of the ADROH peasants interviewed grew organic vegetables or beans without any use of artificial fertilizer. It is important to note that even though the project started in 1999, some of the participants entered the project as late as in 2002, and still experimenting with the techniques. The leader of one of the farmers groups expresses that they until now have used agrochemicals in the crops that are meant for commercialisation and that the use of organic fertilizer is still on a level of experimentation. Others grow vegetables with organic fertilizer on small plots for subsistence or sale in the community. One problem mentioned by the peasants, however, is that the organic products are smaller and therefore harder to sell than vegetables and tubers grown with agrochemicals. When the vegetables were certified as organic, some brought them to the town of Marcala for sale through the store managed by RAOS. However, price was nearly the same as in the communities, while the producer had to pay for the transportation.

Interestingly, in the interviews some farmers state that they use a mix of agrochemical and organic fertilization on their micro irrigated fields – and that this combination gives good results. The observation suggests that the farmers

who produce vegetables for sale prefer not to grow strictly with organic fertilizer, but that they find it useful in combination with artificial fertilizer.

As explained in the introduction, this mix of different techniques in different crops was interesting, but hard to get an overview of and to record during a few months of fieldwork. I also noticed that many of the participants, who were still active in the project, were cultivating coffee, and it became clear that coffee cultivation was in a position on its own, since the peasants had been certified and had intended to sell their coffee as organic, but had ceased to do so. As we shall see, ADROH and APROCAMP coffee producers had different experiences with sales of organic coffee, and this provided a possibility to compare these two. Gradually my interest turned towards understanding the cultivation and sale of organic coffee.

2.1.2 Organic coffee

In 2001, ADROH peasants started to produce organic coffee. Project funding paid for the organic certification from 2003 to 2006, and the peasants did not renew their certification again at their own expense. The reasons for this were the high costs of certification and the reluctance to follow the requirements for certification, such as keeping records over the production. Because of the poor organization between the farmers, as well as limited knowledge about organic certification, group certification was difficult.

The ADROH peasant farmers intended to sell their coffee on the Fair Trade market through the local Fair Trade cooperative of RAOS (Red de Agricultores Orgánicos de la Sierra). However, due to difficulties related to transportation, payment system and the low production, the intent was abandoned. At present, the farmers continue to cultivate their coffee as non-certified organic, and sell it to the local buyers of coffee, referred to as middlemen, or *coyotes*. The producers are content enough to have a cash crop to sell, to keep their coffee for consumption and be able to fertilize their coffee without purchasing artificial fertilizer.

2.2 Case study: Fundación Bahncafé and APROCAMP; organic, Fair Trade coffee

The other project of organic farming is managed by Fundación Bahncafé (FBC), which was funded in the mid-80s by Bahncafé, a private bank that lends services to coffee producers. The targeted beneficiaries of Fundación Bahncafé are resource poor coffee farmers in nine municipalities in the La Paz province, and many are of Lenca origin.

APROCAMP was founded in 1999. Originally joined together through a project of micro financing administered by FBC, a small group of producers in the departments of Chinacla and San José came together and with the DF funding and FBC assistance, they embarked upon the task of converting to organic farming. When the project of organic farming began, it was focused on vegetable production as well as on coffee, but the interviewed APROCAMP coffee farmers hardly mention this in the interviews. This was around the change of the millennium, when the coffee prices dropped and many Central American coffee producers abandoned their coffee fields. The motivation for the transition was therefore related to obtain the prize premium offered for organic coffee on the Fair Trade market.

The association no longer receives support from the DF, but the Inter American Foundation and PASOLAC provides a monetary assistance for agricultural inputs, community stores and micro credit groups, which is managed by Fundación Bahncafé

It is important to note the difference in reasons for joining the projects by ADROH and APROCAMP members –APROCAMP producers were already producing coffee and not only wanted to improve their production, but were actively searching for a way to get their organic coffee into the market; for ADROH peasants the initial motivation was to grow coffee with organic techniques and the wish to enter the organic and Fair Trade market came later in the project.

The transition period was tough on the APROCAMP farmers, who had to wait three years, some more, to sell their coffee - due to the strict certification requirements. However, in 2002 they were able to trade their coffee through RAOS, and have grown to be the largest producing group within the organization, with five of eight positions in the board of the cooperative.

In comparison with the ADROH respondents, APROCAMP farmers benefit from their relative closeness to the main road, and they produce more coffee than the ADROH farmers; these factors facilitated their successful entry on the market.

2.2.1 APROCAMP members

The APROCAMP producers are divided in two groups according to when they started to produce organically. One group consists of coffee producers who have years of experience with growing organic coffee for sale on the Fair Trade market through the Fair Trade cooperative RAOS. Totally this group consists of 24-28 members, and seven of them participated in semi-structured interviews for this study. Respondents from this group will be referred to as the “experienced” APROCAMP farmers in the study. In the interviews, the respondents have shared their experiences with organic farming and Fair Trade. They have (with small variations) produced organically since 1999 and sold their coffee since 2002.

The other group consists of 55 new members, who obtained certification and sold their coffee for the first time in 2007. Six of these members were interviewed. These will be referred to as the “new” APROCAMP members throughout the analysis. Due to high prices on chemical fertilizer, the farmers had not fertilized their coffee plots the past three to five years and needed only one year of transition period before they could be certified as organic. Most had therefore been farming with organic techniques for only a year, and had not yet experienced benefits of organic farming or coffee sales, but the interviews gave good insights to the hopes, motivations and impressions of novel organic producers. The new producers are certified as a group, implying that the

producers must have a functioning internal control system, like the one the ADROH peasant farmers discontinued. The new APROCAMP members further resemble the ADROH peasant farmers in that they initiated organic farming primarily because the project was offered to them, and secondarily because of their own motivations.

It is worth mentioning that most of the experienced producers that I talked to were all connected to the board or the administration of RAOS in some way – either as former or current board member, or one of their family members were part of the administration of the cooperative. The reason for this is probably that APROCAMP make up a large part of the membership and leadership of RAOS: 5 of 8 board members belong to the group, and close to half of the RAOS members are from APROCAMP. (Zelaya, pers.comm,)

2.3 Methodology

Since it is necessary to understand the coffee producers' experiences in order to answer the research questions, the methodological choice was to use open-ended interviews. Interviews are useful in order to let the informants give their own accounts, or provide insights that the researcher has not thought of. Semi structured interviews are a method of a "conversation with a purpose" (Gentikow 2002, 123), where the conversation is led by carefully prepared questions, but open enough to diverge from the topic and back on track again. I prepared a semi-structured interview-guide which contained the questions I wanted answered, but the questions were not asked in a given order - rather the order followed the flow of the conversation, and not all questions could be answered in all sessions. During fieldwork I constantly analysed findings, and modified the interview guides several times as I learnt more about the informant's experiences and realities. The interview guides are found in appendix 3

The main focus of investigation was on ADROH farmers, while the APROCAMP members provided viewpoints on motivations, challenges and experiences with coffee production and Fair Trade. I had been in contact with the

ADROH administration before I came, and received much assistance in terms of finding housing and conducting fieldwork. The possible complications from this assistance are discussed below.

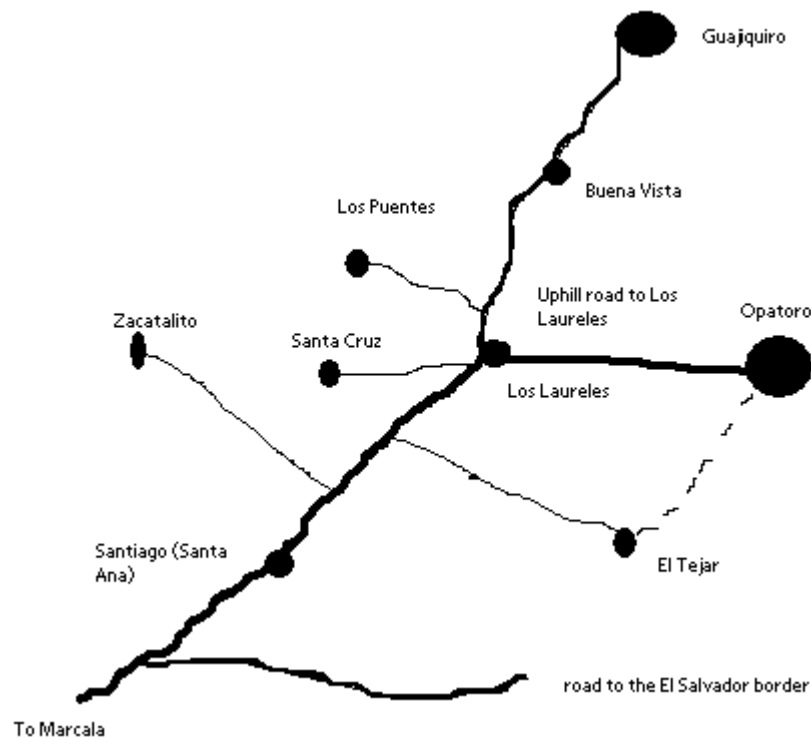
I contacted Fundación Bahncafé through a consultant from the DF who was in the area at the same time, and being presented by him opened doors for me initially. Due to the head start this gave me, I found myself doing interviews with respondents from both ADROH and APROCAMP already the second week of fieldwork, while I had expected more time to be spent on gaining access to the informants initially. The coffee harvest cycle determined to some extent my fieldwork, as I was advised by the Fundación Bahncafé project workers to conduct interviews with the APROCAMP members as soon as possible, because the coffee harvest was about to explode, and both administration and farmers would then be busy. Therefore I initiated the fieldwork in November with interviews with APROCAMP producers and returned in January to complete the fieldwork, when the farmers, and/or the project administration, had more free time to help me. During a three-week period in between the APROCAMP interviews I conducted fieldwork in the Opatoro area, interviewing ADROH peasants.

27 open-ended interviews were conducted with ADROH farmers (15 of these with coffee producers), six with new APROCAMP farmers, and seven with experienced APROCAMP farmers. The interviews took place mainly by the farmers' homes, but in the cases where the respondents were at the fields when we arrived, and the fields were not a long distance away, the interviews were conducted there.

When interviewing the new APROCAMP organic coffee producers, I stayed three nights with a farmer's family – the Bonilla family - and interviewed nearby coffee producers. I was taken around by the voluntary educator. As well as being one of the farmers and informants, she was in charge of the internal control system that the farmers were using in order to certify as a group. Thereafter I spent about three weeks in Opatoro, the main village in the area where the ADROH farmers live, where I rented a room with one of the ADROH

peasant farmers. With the help of the local project coordinator I visited ADROH members in their houses or their fields to conduct the interviews. Then, at the end of the fieldwork I interviewed experienced APROCAMP farmers, who had years of experience with organic farming and Fair Trade commercialisation. I stayed in the town of Marcala and was taken around to the farmers by the Fundación Bahncafé project worker or one of the APROCAMP producers. I also conducted interviews with project workers from both projects, and personnel in the coffee cooperative RAOS. The interviews lay the foundation for the analysis, complemented with observations made during fieldwork, and secondary data about organic farming and Fair Trade.

Map3: Opatoro and Santa Ana Fieldwork area



Source: based on drawing sketched by the project worker, Domingo Argueta, during fieldwork planning.

Interviews were conducted in Opatoro, Buena Vista, Los Puentes, Los Laureles and Santiago. The bus goes on the gravelled road from Marcala to Opatoro (almost 2 hrs), and the communities of Santiago and Los Laureles are accessible by bus. Mr. Rodriguez lives in Los Laureles, one hour walk, 40 minutes on bicycle, or 15 min by bus, uphill from Opatoro. Initially I took the bus there in the mornings, and went on bicycle later. Santiago lies at two hours by bike, or one hour by bus, from Opatoro, I went by once by bus and once on a bike. The road to Los Puentes is a dirt road (one hour walk to some respondents), but the uphill road to Buena Vista is gravelled (1 hour by bike from Los Laureles).

2.3.1 Gatekeepers – receiving assistance from the project administration

The dependence on help from the project administrators was a methodological debate which I had with myself. Because the research was not geared towards the general population in the area but to participants in two development projects, it was timesaving to get help from the project administration to locate the informants. In qualitative methods, this is referred to as gaining access through gatekeepers. A gatekeeper is the person who has the power to grant access to informants or interview situations. (Scheyvens and Storey 2003). Since the help offered was necessary to ease my way into interviewing, I gladly accepted it - but that also made me dependent on these individuals, and opened up the possibility of the research being influenced by their presence.

While interviewing ADROH farmers I was taken around to the farmers by Rafael Rodriguez, an ADROH member who had been part of the project from the start, and now was hired as the project coordinator's assistant in the project area. Him introducing me to the farmers and being present during the interviews was both beneficial and a drawback. Being introduced may have relieved people's suspicion towards me. When people were not at home, we had the possibility to find them at their fields (if the fields were not too far from the homes), because of Rodriguez' knowledge of the area. On the other hand, though he always was very attentive to my suggestions, he influenced who to talk to since he knew both the area and the ADROH members. He sometimes rephrased the question if the informant did not understand, or suggested an answer to the respondent in order to help me. Also, his presence associated me with the project, and I had the impression that when introduced by him, people believed that I could influence on the possibilities to receive further assistance.

Concerning the Fundación Bahncafé administration, the project workers' knowledge of the project decided whom I talked to. Since the members are spread over two municipalities, he drove me to the informants in the foundations' car. When the volunteer educator took me around, she sometimes answered the questions instead of the informant.

In both cases, the benefits outweigh the drawbacks, as the gatekeepers facilitated the gaining access to the farmers and provided useful information while we moved between interviews. I find the term “research bargain” constructive to describe this negotiation between benefits and drawbacks (Bryman 2004). The assistance from these individuals was of great help, considering the limited time available for fieldwork when working on a one-year master’s thesis.

2.3.2 Ethics: Presenting oneself and informing respondents

A difficulty related to this was deciding how to present my research to the informants, and how much to reveal about the role of the Development Fund. I did not want to be connected to the project, fearing this could affect the answers. I therefore presented myself as student from the university - emphasising that I did not work for the Development Fund. However, I was open about the fact that the final document would be read by my contact in the organization. It is possible that the farmers did not grasp that I was independent from the DF and the project, especially since the project worker introduced me, and since they are used to visits from the project by DF representatives. However, since the informants were sharing their viewpoints with me I found it more ethical to be open about what the interviews would be used for. Anyhow, the fact that I was a foreigner was probably sufficient for the informants to connect me to the project, and the way I presented myself probably did not make a large difference to their impression of me.

In the area the people are used to the presence of development projects (for example, both Care and US Aid are present there, and during the interviews, there were sometimes mention of earlier projects they had been parts of) – and it is possible that this had implications on my fieldwork, in that the farmers wanted to seem like they had adapted the techniques and knowledge from the project, or they wanted to communicate the shortcomings either in their lives, or in the project specifically, in hope that they would receive additional funding. But then

again, I soon became aware of the possibility for the testimonies to be slightly touched up, and this was also a possibility that I had been prepared for.

2.3.3 Validity of findings

In the Opatoro area all official activity, such as the school and the municipality is concentrated around the relatively low (1500m) centre of Opatoro. The village has electricity, but only one public phone, and no cell phone coverage, and a bus leaving at six in the morning and entering at two in the afternoon. From Opatoro there is a gravelled road to the nearby town of Marcala. The other and higher communities (up to 1800m) lie along this road or could be at one hour of walking distance away from the road. The routes to the communities are either dirt roads or paths. It takes almost one hour by bus to reach Santiago, which is the closest community to the main town of Marcala but the furthest from Opatoro, and which belongs to the municipality of Santa Ana (see map 3).

To reach the respondents we went on foot, on horse or by bicycle. Sometimes, since there are no phones and difficult to announce our arrival beforehand, we arrived at a farmer's house or a settlement after one hour of travelling and found no one at home due to the maize harvest, and because the fields are often one or several hours of walking distance from the houses, it was at times difficult then to go looking for the informants at the fields. When we did find people at home, they were generally helpful. After about 45 minutes to an hour the respondents started to be impatient - so the interviews were tried kept within this time.

It is hard to get all the relevant questions answered in just an hour. The distance between the houses and the fields also made any observation of the fields limited, since the interviewing often took place at the farmer's house. Sometimes stories seemed unreliable, especially when I double-checked with other farmers, the farmers' family or the same farmer at a later occasion. Once I experienced a farmer describing to me in detail his family's positive experiences with organic maize cultivation, and then on a later visit when I did not present myself as thoroughly as the first time, believing that he recognized me, he told

me how difficult it was for them to farm maize organically. The respondents smartening up their stories, either believing they were helping the researcher, in order to make a good impression, or in hopes of obtaining something from the project, is a large possibility, and made understanding how the farmers had adopted organic techniques additionally difficult.

Taking into account these methodological challenges; can I still claim that my findings are valid? I had reflected upon the difficulties connected to research among beneficiaries of a development project before initiating fieldwork. During the interviews I tried to cross check information, and was dubious to the information unless other interviews, sometimes in combination with my own observations, confirmed the same pattern. In November 2006 I went around with the project worker, but in January 2007 I conducted fieldwork on my own, moving around on a bike re-visiting some of the informants that I already had spoken to, and some new informants that I could localize since I now was more familiar with the area.

Nevertheless, the difficulty to grasp how the peasant farmers had adapted to the organic techniques is one reason for concentrating the analysis on coffee. Since I was there in the coffee harvest, much focus in people's lives was on coffee, and since ADROH farmers have adapted to organic farming in coffee more than in any other crop, the fieldwork became more and more concentrated on coffee. This might have created some discontinuity in the fieldwork, since I slowly shifted focus from all crops to just coffee, so that I did not retrieve all the information I would have if I had focused on coffee from the start. On the other hand, the initial in-depth conversations about the peasants' total production provided insights to the organization of their households and their productive cycle, and how coffee fits into this, and it provided insights to how organic coffee cultivation is different from organic cultivation of vegetables. In spite of the shortcomings, then, fieldwork gave insights in the organic coffee farming and the benefits and challenges it presents for the farmers.

2.4 Conceptual framework for analysing results

2.4.1 Measuring yields – or measuring benefits?

Table 1: Coffee production area and yields, APROCAMP and ADROH producers

Informant	Had coffee from before?	Land (tareas)	Prod (qq coffee cherries) in 2006	Prod/tarea
Coffee Producers: APROCAMP				
Respondent # 1	Yes	5	15	3
Respondent # 3	Yes	24	80	3,3333
Respondent # 2	Yes	9	50	5,55
Respondent # 4	Yes	12	25	2,083
Respondent # 5	Yes	12	17	1,4
Respondent # 6	Yes	30	25	0,8333
Respondent # 7	Yes	4	N/A	N/A
Coffee Producers: ADROH				
Respondent # 1	No	3	N/A	N/A
Respondent # 2	Yes	5	N/A	N/A
Respondent # 3	No	6	4	0,666
Respondent # 4	Yes	5	6	1,2
Respondent #5	Yes	10	7	0,7
Respondent # 6	No	1	N/A	N/A
Respondent #7	Yes	2	0,11	0,055
Respondent #8	No	2	N/A	N/A
Respondent #9	No	8	4	0,5
Respondent #10	No	3	N/A	N/A
Respondent #11	No	8	5	0,625
Respondent #12	Yes (recently cultivated when the project started)	6	24	4
Respondent #13	Yes	10	20	2
Respondent #14	Yes (recently cultivated when the project started)	18	8	0,44

Table 1 displays an overview of ADROH and APROCAMP producers and the estimated harvest from their plots in 2006/7. 15 ADROH coffee producers responded, and the relation production area / yields differed between the peasants. One farmer, for example, produced 22qq coffee cherries on 4 tareas of land (1/5,5), while others produced only 1qq on the same area (1/0,25). Also, APROCAMP farmers have higher yields than ADROH producers per tarea land.

The difference in yields between the producers can be partly described by differences in peasants' plants and plots. Obviously agro-ecological conditions, such as height and soil fertility, are important. Productivity may also differ between plots due to coffee trees of different ages or varieties. Coffee grows on small trees which can yield for thirty years, although after ten-fifteen years the yields begin to decline (Martinez-Torres 2006). Some producers have plants that are barely reaching the age where they start to yield; some have plants at the age of optimal yields. Other plants are 20 years old, and start to yield less. Some peasants have a mix of plants of different age, since they planted them at different times.

Coffee production not only vary between plots, the same coffee fields yield differently from year to year: "This year the harvest was very low, I only harvested 7 quintals of coffee this time. At other times, I have cut ten, fifteen in the first harvest"³ (ADROH respondent #5). Coffee is a cyclical crop, where the production varies from year to year: a year of high yields may be, as the coffee producer in the above statement has observed, followed by almost half of that production the next year (Gobbi 2000). The reasons for the variations in yields can be also explained by that some years the peasants do not have the means to fertilize thoroughly, or by climatic variations, such as rains or chills that may ruin the plant. .

In a study such as this it is difficult to measure benefits or drawbacks based on yields, and neither are yields, as we shall see in the case studies, always the most important factor behind a farmer's decision. The analysis will therefore look at other factors that benefit or disadvantage the peasants, because

[..]peasants rarely base their decisions about what crops to plant or how to manage them solely on the basis of expected yields. They balance this information against many factors, including economic ones (the availability and costs of inputs and likely returns) and a range of broader human ecological considerations. (Parrott et.al 2006:166).

³ "Este año estuvo bien mala la cosecha, yo solo saque 7 quintales de café esta vez. Otros años he sacado diez, quince en la primera corta."

Considering this, livelihood analysis was chosen as a framework for the analysis of the findings.

2.4.2 Livelihood analysis

The research has studied two development projects, but the aim is not to do a project evaluation of the kind that, with the words of Villarreal (1992: 265) “end up describing the objectives of the project, the intended plans of implementation, the activities carried out, the obstacles encountered and the results obtained”. The aim is rather to analyze the findings from the qualitative fieldwork in order to understand how and why the projects have influenced the lives of the different producers.

The conceptual framework for analysing the findings uses elements from livelihood analysis⁴, which takes into account factors that influences upon the possibilities that people have to make a living and on how they make their decisions. The line of thought behind the choice of this framework is to take into account the producers’ use of and access to resources, and the impact the new farming techniques have had on modifying the constraining factors that the farmers relate to.

The concepts used for the analysis are inspired by the livelihood frameworks elaborated by other institutions and researchers such as the one elaborated by the UK Department for International Development (DFID) (1999), and the asset-based framework used by Jansen et.al (2005) when researching Honduran livelihood strategies (See appendix 2).

The basic idea of the livelihood approach is that people have access to certain resources, which make up their asset base. These are often divided into five resource groups, which are natural, physical, human, financial and social. *Natural resources* in this analysis are understood as land, agro-ecological conditions, soil fertility and crops. *Physical resources* refers to infrastructure and

livestock, *human resources* include labour, knowledge, training and education, *financial resources* are access to financial income through enumerated work, remittances and credits, and finally, *social resources* refer to the state of relations to other people and groups.

In addition to administering their resource base, people live within a context, which is made up of constraints, policies and institutions, which again influence on their access to resources. Within this context, while drawing on their resources, people turn to different activities - livelihood strategies - to make a living, in order to achieve certain desired outcomes, which are not merely to increase their incomes, but may also be savings, health, food security, sustainability, self-esteem, empowerment and/or hopes for the future (Jansen et.al 2005) – and these desired outcomes can also be understood as motivations to act or to continue acting in a certain way. The following definition of livelihood strategies encapsulates how livelihood is viewed in this study:

Livelihood strategies thus refer to the choices that people employ regarding the use of their asset portfolio, in pursuit of income, security, well-being and other productive and reproductive goals. These choices translate into economic activities such as land and labour use decisions, reproductive choices, investments in education, migration, participation in social capital building etc. Choices thus depend to an important extent on asset holdings which determine the ability to undertake a given enterprise and the productivity of resources allocated to that enterprise, while the potential returns depend also on the context. (Jansen et.al 2005: 25)

The analysis is based on testimonies from the actors involved in the project – and looks at the obstacles they encountered in their attempts to initiate organic farming on their fields and sell the organic coffee through a Fair Trade cooperative - understanding, as written by Long (2001:13), that “[a]ll forms of external intervention necessarily enter the existing lifeworlds of the individuals

4 Livelihood analysis as an analytical tool for research and policy implementation has been bot criticized, debated and developed sine the late 1990s. See DFID (2000), Miranda (2002, Brocklesby and Fisher (2003), Hebnick and Bourdillon (2001), de Haan (2005)

and social groups affected, and in this way they are mediated and transformed by these same actors and structures.”

In this sense this is an actor-oriented analysis, grounded on the understanding that “society is composed of actors, thinking agents, capable of strategizing and finding pace for manoeuvre in the situations they face and manipulating resources and constraints.” (Villarreal 1999:248). The people, the individuals - or the social actors - have different access to resources and to some extent face dissimilar constraints. Although sometimes APROCAMP or ADROH producers are referred to as units, the analysis also acknowledges that within the groups, different actors have different assets and diverging practices.

2.4.3 Outline of the thesis

The following chapters will display the analytical findings of the qualitative research. First, the contextual factors are presented in chapter three, outlining the principal constraints, livelihood activities and the influencing institutions and policies (concerning production and especially trade of organic and conventional coffee) that the producers in this study relate to.

In chapter four the case study of the ADROH peasants experiences with organic coffee is analysed, taking into account how their access to resources have modified their practices and the adaptation of organic techniques, how the new farm techniques have altered their asset base, and how organic farming has made them increasingly resilient or weak when facing the constraining factors (especially related to climate and land tenure), and how it has modified their livelihood actions. Taken into account these factors the study shows that the ADROH peasants decisions not to continue with the sale of organic coffee was made due to their resources, constraints and motivations.

In chapter five the APROCAMP experience will be analyzed using the same methodological concepts, and the impact of social capital for the two dissimilar experiences of sale of organic Fair Trade coffee will be discussed.

The aims of the analysis are to illustrate the differences between the projects, identify the benefits and challenges organic farming has meant for the

farmers, analyse the impact the project has had on the coffee producers' livelihoods, and point out some of the factors that may have influenced on the outcome of the project. In light of the findings, the concluding chapter will discuss whether organic coffee farming is sustainable and contributes to the improvement of resource poor farmers' livelihoods, and to what extent Fair Trade is a tool for smallholder farmers to escape poverty.

3. The contextual factors

The previous chapters introduced the background for the study, the research questions, a brief overview of the case studies and the methodology. The following chapters will present and analyse the findings from the two case studies. The analysis will use a livelihood approach, which looks at how micro and macro elements condition people's livelihoods. Using such a framework for the sake of analysis, I show how the production and sale of organic coffee has been beneficial or disadvantageous for the farmers in the two groups – and how this is conditioned by access to human, natural, physical, financial and social resources.

This chapter presents the context in which the farmers live - and in which organic coffee farming and Fair Trade marketing were introduced as a means to improve livelihoods. The first section is an introduction of the constraints that the ADROH and APROCAMP producers relate to, and that are caused by the natural elements, access to land, and fluctuations in the prize of fertilizer and the product prices. While relating to these constraints the farmers adopt a variety of activities in order to gain a living. Since these two aspects – the constraining factors and the livelihood practices – are *fairly* similar for the two groups of farmers (and for the farmers within the groups), I will present them jointly for the two projects. It is then important to bear in mind that the APROCAMP farmers live in an area where coffee cultivation has been pursued for generations (it is part of their patrimony, as one of the informants repeatedly said). Coffee farming plays an important role in their lives, besides other means of living. The ADROH peasant farmers, on the other hand, have traditionally lived off subsistence farming combined with temporary paid labour on other farmers' fields or plantations, coffee harvest migration, and to a much lesser extent, coffee production. I spent more time with ADROH farmers, and the reader might notice that this section displays richer information concerning ADROH than APROCAMP farmers.

The last part of this section looks at how the workings of the conventional and Fair Trade coffee market, Honduran and international policy for organic farming and the aid from international organizations influence on the production and sale of organic products.

3.1 Constraints

3.1.1 Climate

The La Paz area is subject to environmental shocks. In 1998 hurricane Mitch had a great impact on the harvests in the area - and the natural phenomenon of El Niño visits the area regularly, creating instabilities in the weather conditions, manifested by heavy rainfalls and droughts. The unstable weather conditions make it difficult for the farmers to plan their incomes - they are used to adjust to the natural conditions, and losing crops is part of their lives. As one ADROH farmer puts it: “Sometimes we do not earn anything, sometimes we loose.”⁵ (ADROH vegetable producing respondent)

3.1.2 Land

In Honduras more than one percent of the farmers hold 25 percent of the land - and 27 percent hold no land at all (Barham, Boucher, and Useche 2002 in Jansen et.al 2006). Lack of access to land is a major problem for the rural poor since “lack of access to land (which affects as many as 250,000 rural households) and insecurity of land tenure are widely regarded as critical constraints to asset creation and poverty reduction, as well as a major source of social instability (Government of Honduras, 2001).” (Jansen et.al 2005)

In the Opatoro area, much of the land is owned by the landholding family Martinez, who also own the coffee company Café Martinez, and hires a large number of peasants as workers on their plantations. Some of the ADROH members do not even own their own peace of land for dwelling, but rent their houses from Martinez (DF 2006). 80% of the ADROH peasants rent land for

⁵ “A veces no hay ganancias, a veces hay perdidas”

subsistence farming (Ibid.), and their production is dependent on the availability of land for rent, which varies from year to year. Sometimes the contract is for one year and sometimes for two or more years. There is also a high degree of temporarily migration from the area, and probably land can be rented or bought from family members or acquaintances who are away on migration. Additionally, parents who have land tend to divide their land among the sons and daughters when these start their own families. An additional problem is that the plots of land for rent is sometimes far away from the houses. The method of payments for the plot varies. Some pay a small amount of money, others with a part of the production, and some do not pay at all, especially if the owner is a parent.

According to the 1994 Censo Nacional Agropecuario, 8,9% of the land in Opatoro is private and 82,9 is public (ANED Consultores). However, since land within the biological reserve is not titled, and additionally farms below 5ha were included in the land titling reforms (Fandino 1993), more land is probably in private possession than the registered numbers indicate. Landholding is a national problem in Honduras, and is divided between possession of secure tenure, possession of land with no legal papers, and no possession at all. The tenure system can be traced to the 19th century when land was divided into public and private. The public lands were occupied by peasants, some of which later traded these with private landholding documents issued by local leaders (Ibid.). In the mid 1900s, large haciendas occupied the lowlands and the valleys while smallholder peasants lived in the hillsides working temporarily for the haciendas. Finally, in the 1980s, the Honduran state in cooperation with US AID carried out a land titling reform on small coffee producing farms (less than 5 ha) and medium sized farms (5-50 ha). Deforestation is one of the major ecological problems that Honduras faces. According to Fandino 1993, peasants in remote mountain areas start clearing land in forest areas in between work at coffee plantations, until they have cleared enough land to move here.

Deforestation is a major problem in the south and west of Honduras (Jansen et.al 2006). Only 10% of the land in Opatoro is for agricultural use, the rest is forest land. However, in reality, only 16% is currently covered with forest

(ANED Consultores). In the Opatoro area deforestation should be particularly avoided, since the area holds a biological reserve. Therefore, slash-and burn techniques are prohibited by law and the majority of the farmers have ceased to use this technique. The DF funded project also promoted the end of slash and burn techniques.

The dependence on land for rent prevents the farmers from planning their production ahead, since their land situation in the future is uncertain. Most importantly, if they do improvements on the land, such as fertilize with organic fertilizer or cultivate in terraces, these investments are lost to them when they have to leave the land. This was one of the most pressing constraints for the ADROH peasants when cultivating vegetables and maize, and I will argue in the analysis of the case study that one reason why the cultivation of organic coffee has been followed up by the farmers is because coffee is a permanent crop and cannot be cultivated on rented land.

3.1.3 Coffee-and fertilizer prices

Price fluctuations in commodities make it difficult for a farmer to know how large the earnings from the following harvest will be. The unstable price in the coffee market is one of the most difficult factors for coffee producers. In the coffee crisis during the late nineties and early 2000 coffee farmers suffered and some even abandoned their farms. While the coffee prices went down, the price on agrochemicals went up. The coffee crisis led to farmers losing or mismanaging their fields, and most coffee farmers from APROCAMP, along with the ADROH farmers who had coffee from before, had not been able to apply agrochemicals on their fields for years.

The APROCAMP farmers were, before becoming organic Fair Trade farmers, highly dependent on fluctuations in the coffee prices. All of them began with organic farming in order to improve their incomes from the coffee, and due to the Fair Trade market guarantees minimum price, they now they receive more or less the same price for their coffee each year. (An outline of coffee market is

presented in section 3.3.1, and an explanation of the Fair Trade market in section 3.3.2)

3.2 Livelihood strategies

In 2005 Jansen et.al analysed data from two surveys of rural households in Honduras. The results were used to determine the livelihood strategies (the choices people make regarding the use of their asset portfolio) among the rural population in hillside areas. The findings are relevant for this study, and complement my observations.

Jansen et.al (2005) have found that in the rural Honduras the poorest of the poor are those who, like most ADROH and many the APROCAMP producers, manage less than 2 manzanas of land. 60% of the Honduran population live in rural areas, and these are also the poorest, with an official estimated poverty rate at 75% and 82 %. (SAG 2004 and Tejo 2000 in Jansen et.al 2005). The highest poverty rate is found among the 80% of the Honduran population that live in hillside areas and whose main activities are smallholder farming of basic grains, coffee and livestock, and where it is common to have small landholdings with little productivity and produce with a low level of technology.

22% of rural income is generated from non-agricultural activities, according to numbers from 1999. (Reardon et al. 2001 in Ibid.). The share of agricultural activities in the Honduran GDP has declined from 20, 6 % in 1993 to 13, 5 % in 2003 (World Bank estimates in Ibid.). Jansen et.al refer to a study that was made by the Zamorano agricultural school and US AID when they show how, at the same time, the purchasing power of the rural population has declined. The rural poor experienced an especially steep fall in their purchasing power in the late nineties, coinciding with the coffee crisis. (Cotty et. al 2001 in Ibid.)

In their analysis, Jansen et.al (2005) divide Honduran households into eight groups according to livelihood strategies: basic grains farmers, basic grains farmers who also are farm workers, diversified households, extensive livestock

farmers, coffee farmers, small-scale vegetable farmers, permanent crop producers, and intensive livestock farmers. The conclusion from the analysis by Jansen et.al (2005) was that none of the livelihood strategies are associated with escaping poverty; even the groups which in the study were best off, belonged to the rural poor; and subsistence farmers with less than 2 ha made up the group with the least income. ADROH farmers are subsistence workers who also work outside their own farms, while some additionally grow small-scale vegetables and/or coffee. APROCAMP farmers are small scale coffee farmers, who also produce for subsistence and some cultivate vegetables, work on other peoples farms, or have professional work (one pensioned school teacher and the wife of a functionary in the educational department were among the respondents).

3.2.1 Household labour

The unit of analysis is the household. The household and its resources are changing over time, along with their strategies for making a living. A household goes through different stages as the household composition changes. Families with small children have a larger dependency ratio, that is, fewer producers in relation to consumers, than families with several members old enough partake in the work on the fields.

The majority of the Opatoro population are smallholders who own small plots of land, and/or rent land for subsistence production and some production of vegetables, tubers or coffee. Various women are temporarily in charge of their households because their husband has migrated to the larger cities in order to work in factories or as construction workers. Other women are permanently single heads of households. It is common that grandmothers take care of their grandchildren while the parents live and work – permanently or temporarily- in the cities.

Due to the differences in household composition, some households are self-sufficient in labour, while others need to rent labour from others. It is important to note that most farmers sometimes work for other peasants or for the Martinez family, and most also need to hire their own workers at occasions, such

as in the work intensive periods when the fields are prepared for maize cultivation, when the coffee fields are cleaned or when the coffee is harvested. Women work on their families' fields in these intensive periods of production, but only during the coffee harvest do they work as paid labour on other farmers' fields, as coffee pickers. If a female head of household do not have male family labour they need to hire help for the heavy labour on their own farms.

Both ADROH and APROCAMP farmers therefore work occasionally as paid labour on somebody else's land. This may be on other peasants land or for the local landholder. Work offers on other farmers' plots are not abundant – an estimate suggested by the informants was a couple of days a week. The working day for a paid worker, called *mozo*, is from 7 to 15, and the wage - 30 L/ \$1,5 - is paid the following Saturday. According to Jansen et. Al (2005: 73),

Households with little or no land are “pushed” to look for off-farm work. For asset-poor households with little land and no access to improved technologies, off-farm work is often more remunerative than on-farm work. So income from off-farm work is a critical source of income for smallholder families living in the hillsides.

The poorest of households are the ones who rely nearly on subsistence farming alone (Ibid.). Female-headed households often belong to this group, since women seldom take remunerated work outside their own farms.

In the coffee harvest, however, female labour is important, to pick their own coffee and other's. The coffee harvest, which is between November and February, is an intensive period in terms on need for hands, and most of the La Paz population earn the larger share of their income from the year during these months. Coffee cherries mature in turns; one coffee plantation has two or three periods when the different cherries are ripe – referred to as the first, second or third harvest (“*cosecha*”). It is normal that the whole family or parts of the family migrate for weeks or months in the coffee season, or are hired on a daily basis on nearby coffee plantations. During the coffee harvest, which is from November through February, the children have summer vacation from school, and are free to help their parents on the plots, something that also enables the migration of

whole farmers' families. While wrapping up fieldwork in January I found the Opatoro area quite empty, because so many of the families had closed their houses and taken off to other parts of La Paz (or even out of the department), where coffee is more common and they are needed as coffee pickers for a long period of time. For the ADROH farmers, then, to grow their own coffee implies that they might not need to migrate in the coffee season, or migrate in a shorter period. Micro irrigated cultivation is, as we shall see, also an activity that takes place in these months and that gives them an alternative income in this period, when only coffee is possible to harvest without irrigation.

3.2.2 Cultivation and livestock

In the Honduran countryside, the three daily meals consist of maize tortillas, mashed beans and occasionally fried eggs, cheese or sour cream, accompanied with a cup of coffee. The maize does not last through the year⁶ so the months of September through November, the last month(s) before the next maize harvest, are the hardest in terms of food provisions. May and November are the most work-intensive months for the maize cultivation, when the fields are prepared (May) and the maize harvested (November) The vast majority keep the maize and beans for consumption – among the interviewed none reported selling these crops. It is common to keep hens, and a few keep other livestock, such as cattle or pigs.

According to Jansen et.al (2005), relatively few households in hillside areas are involved in production of vegetables or non-farm activities, which can give higher returns than subsistence farming. However, among the interviewed in the Opatoro area, to cultivate vegetables or potatoes for sale is common, and is an activity that was initiated by the DF project, and which the farmers still pursue.

Vegetables are traditionally produced and consumed only in the rainy months. A few of the interviewed have hinted that vegetables are not so important. One said that the children are satisfied with beans and maize, another

said that they eat vegetables, but not as a regular part of their diet. Radish, cabbage, carrots, and the local vegetable pataste, are among the locally grown vegetables – and potatoes and broccoli are grown by some of the ADROH farmers. Vegetables and tubers, such as potatoes, are kept for own consumption, sold in the community and/or brought to the market in the nearest town of Marcala. With access to irrigation, vegetables can also be grown in the dryer months, and has become important for some ADROH farmers. The use of micro-irrigation schemes, now allowing for vegetable production also in the summer months, were initiated in the area with project support from the DF or other international organizations, such as CARE. For micro-irrigation they use flexible plastic hoses with holes in, and natural water flows.

3.2.3 Migration

Information gathered through fieldwork in the Opatoro area, shows that migration by unskilled rural workers to the cities of San Pedro Sula, Comayagua or Tegucigalpa, in order to find work in factories, or other un-skilled is abundant. The maquila industry employs approximately 130,000 Hondurans, most of which are women (www.state.gov, Amundsen et.al2004). The women can also wash clothes or work as domestic workers – and the men as construction workers.

The young often migrate as a couple after getting married. They return to the communities after a while, with money to build their own house, or they stay in the cities. Some try to study while they work. Family fathers migrate, but I never heard of any woman migrating without her husband, if she was married. Within ADROH, at least two female respondents were de-facto heads of households because their husbands spent years at a time working in construction work⁷ outside the community. No ADROH respondents told me about family

6 The local expression for this is that the maize “no da para el año”.

7 albañiles

members who had migrated to the US, but in APROCAMP two of the female farmers had a son or husband who had migrated to the North. Some of the money earned by migrates is shared with the family that stayed in the community, especially with grandmothers who look after grandchildren. There was reluctance to talk about how large remittances from children that live in the cities may be, but some suggest between 110\$ (L2000) and \$165 (L3000) a year. Probably the remittances from the USA are larger. Currently, family remittances from abroad have grown to represent more than 20% of the Honduran GDP (www.state.gov). The remittances are not a fixed amount; the children may bring some when they visit their parents for Easter or Christmas. When the husbands go away they often send money for the wives to hire workers on the field. According to Jansen et.al (2005), remittances are used mainly for food and to lesser extent for health and education expenses .

3.2.4 Sales of non-agricultural products

Women may run small stores - pulperías – or small eateries from their homes. Some sell other goods, and especially Saturday, when the mozos are being paid, is a good day for sales of clothing, toys and beauty articles either from their homes, or at the house of the landowners, where the mozos go to receive their wages. Sowing is also a way to earn some extra money. One group with female members in Opatoro had started a community store with NGO funding (though the first attempt failed and in November 2006 the store was recently re-opened), and one group of new APROCAMP farmers had done the same with funding from Inter American Foundation.

3.2.5 Coffee production

In Honduras coffee production makes up 5 % of the country's GNP, and 25% of the value of the agricultural production. The coffee grown in La Paz, as in the rest of Honduras and Latin America, is of the Arabica species, and considered to be of higher quality than the Robusta species which is grown in large quantities in Vietnam and some African countries. The Arabica coffee can grow at high

altitudes, up to 2000 meters (ICO 2007). According to a study conducted by SAG et.al in 2002, the majority of the coffee in Honduras is produced in low (less than 800 meters) and middle high (800-1200) areas. The La Paz farmers produce high altitude coffee, which is grown above 1200 meters and defined as altitude grown coffee – only around 13 % of the Honduran coffee farms lay at such a high altitude. A range of coffee varieties is grown: Bourbon, Típica, Catuaí, Caturra, IHCAFE 90(called noventa), and Lempira.

The informants refer to the Típica and Bourbon varieties as “café indio”, indigenous coffee. As the name indicates, these are the traditional varieties, which are taller than the newer ones. The newer varieties of Caturra, Catuaí and IHCAfe90 are shorter trees, and known to give better yields at an earlier age. The difference in time that the different varieties need to reach optimum yields can be as much as two years; the newer variants need 3-4 years in comparison to traditional variants that need 4-5 years to bear fruit - though the newer varieties have to be replaced more often - every 15 years (Rice 1993 in Martinez-Torres 2006, González 2001). To purchase new coffee trees is not expensive, but it requires labour input to clear the fields and plant the new trees. According to SAG et.al (2002), Típica trees on Honduran coffee farms are in average almost thirty years old, and the Bourbon variety trees are on an average fifteen years.

Coffee can be grown with or without shade. Large-scale plantation coffee is often grown with sun-tolerant species without shade, and since weeds grow more easily without shade this enhances herbicide use. 90-95% of the Honduran coffee production is however shade grown (SAG et.al 2002). Some studies suggest that a diversity of shade trees is good for the coffee yields (Martinez-Torres 2006), and that they protect the biodiversity, because the shade resembles a forest (González 2001, Gobbi 2000). For the farmers in this study, to grow shade trees together with the coffee implied that they also had production of bananas, lemons, oranges, and even apples.

As Jansen et. Al (2005) points out; coffee farmers often have access to titled land. Since coffee is a permanent crop it cannot be cultivated on rented land. In the subsequent analysis, one observation made is that coffee being a

permanent crop has been important for the ADROH farmers and for many, coffee is their first crop that they have planted on their own land, since earlier the land where the coffee now is planted, was forest. On the other hand, it is important to keep in mind that only those who had access to a piece of land could initiate coffee cultivation.

The above section has shown how the respondents in the study turn to different activities to make a living. The choice of livelihood activity depends on the resources available (Jansen et al. 2006) but also on the household composition and cycle, and on other factors. As Zoomers (1999:2) observes, livelihood strategies might change according to the developmental stage of the household and the pressing needs:

[...]households adapt their strategies to the changing circumstances. In the course of their lives farmers with varying success seek to improve their standard of living (accumulation strategies), to maintain and perpetuate their current situation (stabilization and consolidation strategies), to survive (compensatory and survival strategies) and to spread their risks (security and risk-reducing strategies). Their goals and priorities differ according to the circumstances of the family and the surroundings. They pursue the strategies consecutively (and sometimes simultaneously), and often more dynamically than generally assumed.

3.3 Institutional influence on coffee marketing and organic agriculture

The past sections explained how the La Paz farmers turn to various means to make a living, and how coffee prices, fertilizer prices, natural instabilities and access to land influence on their livelihoods.

The following sections presents contextual factors on the macro level that influence on the way the ADROH and APROCAMP farmers are able to shape their lives. The most important for this document is the conventional and the Fair Trade coffee market. I also briefly include an outline over the Honduran policies regarding organic production, certification and marketing, to illustrate how organic farming has caught an interest at the political level in Honduras since the

late 90s. Finally, I discuss how international donors have been influential to the farmers.

3.3.1 The coffee market

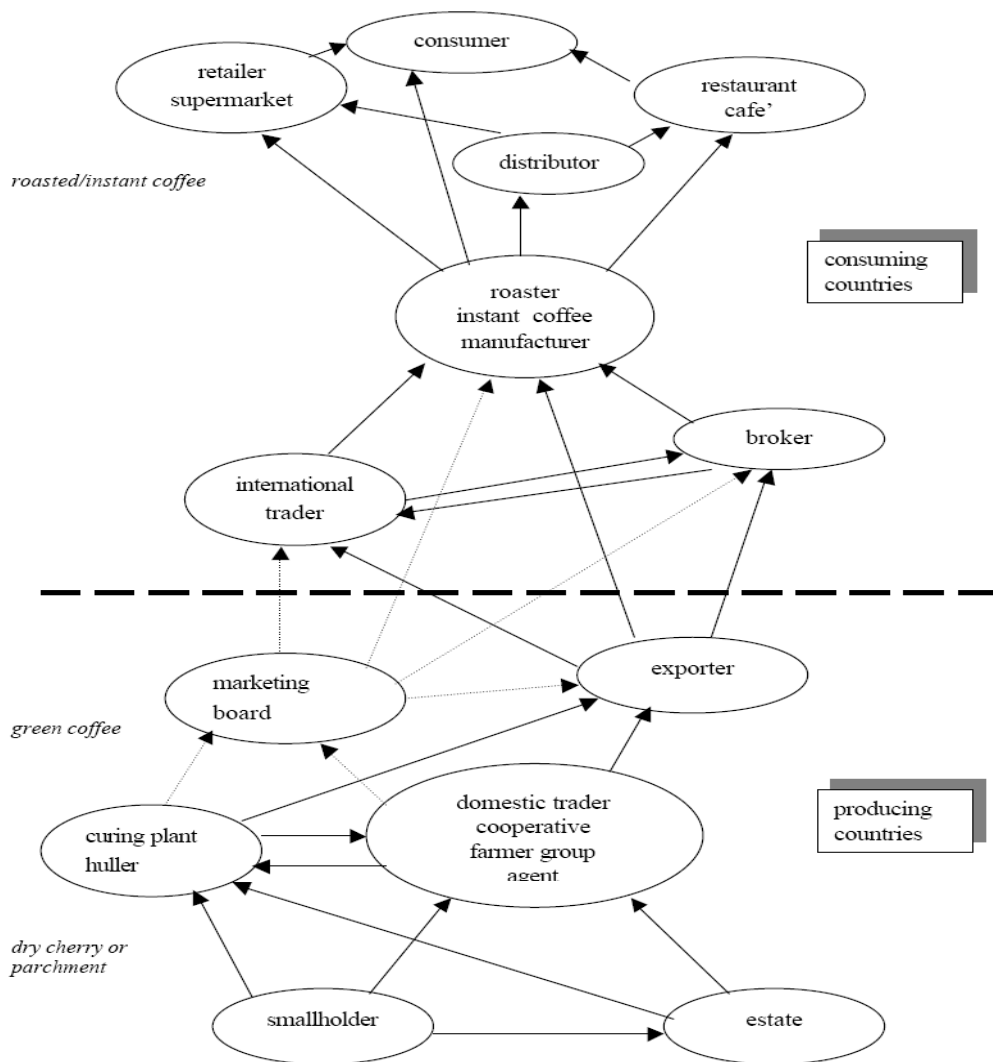
The coffee market consists of actors on the producer and consumer side; growers, consumers, middlemen, processors and exporters in the producing country – and importers, roasters, wholesalers, and retailers in the consuming country, as well as governmental or quasi-governmental institutes that regulate the coffee export and import. These actors can perform several of the functions, for example a large grower can also process and export, or wholesalers can also be importers and roasters. The development of the market has moved towards scenario where the power is in the hands of a few multinational traders and distributors (IDB, US AID and WB2002 and Ponte 2002 in Eakin et.al 2005). These actors are in general based in consuming countries – and this is where most of the value of the coffee is retained (Ponte 2001). According to Daviron and Ponte (2005), the coffee market today is characterized by a “coffee paradox”, where there is a vast difference between the price received by the producers and the one paid by the consumer, characterized by a coffee consumption boom – a “latte revolution” - in the consumer countries, parallel with coffee crisis and unstable incomes in the producing countries.

Coffee in Latin America is mainly grown by small producers, and the coffee leaves the countries through different links of the coffee chain and is processed on its way. Coffee needs to be depulped and washed within short time after harvested unless it will ferment and acquire a sour taste. When it is depulped and washed, coffee is referred to as *wet* parchment. Parchment coffee is coffee that is also dried. In Honduras, most of the producers sell their coffee to middlemen, so-called coyotes - in coffee cherries (10%) or as wet parchment coffee (90%). Dependency on the middlemen is one important factor for the vulnerability of small producers. (Castillos 2005). The around 1200 Honduran middlemen sell the coffee beans, either as dried coffee or as wet parchment, to an exporter.

Finally, the exporter prepares the coffee for sale and exports it. This is where the coffee chain ends in the producing country (SAG et.al 2002).

Germany and The United States are the main world importers of coffee, and import 23 and 21 percent of Honduran coffee exports - followed by Japan with 10%. (SAG et.al 2002). In the consuming/importing country, the coffee chain consists of importers, roasters, brokers and wholesalers, and is controlled by large multinational companies; in 2001 60 % of the world trade and 73% of the US market was controlled by four principal buyers/roasters: Philip Morris, Nestlé, Sara Lee, and Procter and Gamble. (Renard 1999 in Martinez-Torres 2006, Ponte 2001) The roasters source the coffee from different international (and some local) traders; in this way they reduce their reliance on a few providers. Also, with new techniques for processing the coffee, the roasters are no longer dependent on the high quality Arabica coffees, which makes them more flexible regarding from which producing countries they buy, allowing them to import more and less expensive coffee from Robusta-producing countries (Ponte 2001).

Figure 1: General structure of the coffee marketing chain



Note: with market liberalisation, links to and from marketing boards (dotted in the figure above) are disappearing.

Source: from Ponte (2001)

Coffee prices – and coffee crises

The coffee price is extremely volatile, and in the late 1990s and early 2000, coffee prices dropped dramatically. In Central America, incomes from coffee sales declined by 44% in the year of 2000. Here the coffee crisis also coincided with hurricane Mitch in 1999, which ruined harvests and made farms inaccessible. (Eakin et.al 2005)

The reasons behind the crisis was the lack of a well-functioning international cooperation for control of export, price and supply, and most

countries had dismantled their state control export quotas in the 1980s and 1990s, when they moved towards a market liberated economy (Martinez-Torres, Ponte 2001). At the same time there was an oversupply of Robusta coffee, mainly from Vietnamese exports. Coffee prices are still volatile, because they are set by The New York Board of Trade futures contract, and depend on the activities on the futures market market⁸.

Low prices and volatility in price make the situation more difficult for those who live off coffee. The crisis, which lasted until 2004, caused migrations and left coffee fields abandoned all over Latin America (Murray et.al 2003). The smallholder peasant producers are considered to be especially vulnerable to changes in the market, and they have few resources to fall back on (O'Brien and Leichenko in Eakin et.al 2005). Though the crisis passed, the dominance of the coffee market by a few large actors continues to increase the price gap between farm-gate and retail prices, worsening the situation for the smallest actors in the chain. (Castillos 2005)

The coffee paradox and the specialty market

The traditional market is characterized by roasters that provide large quantities of mediocre or low-quality coffee, marketed through heavy advertising and branding – a trend that has been especially evident in the US. *Specialty coffee* on the other hand, is coffee which has an additional value because the place where it is produced is renowned for good quality coffee (e.g. Colombian coffee, high altitude coffee), because of the way in which it is produced (e.g. shade coffee, organic, sustainable coffee, bird friendly), because of the way it is traded (e.g. Fair Trade) – or as a combination of several of these factors. An example of

⁸ The futures market is trading with coffee related to an estimated price; the prices are fixed before delivery to reduce the risk of the price changing dramatically before the physical sale. It functions to a large extent through investment funds who reacts to only small signals on market affairs, so that the changes in the market happens faster than if it was controlled by the physical market alone. The price volatility this provokes, causes problems for the smaller players who do not have access to these mechanisms; the farmers and small-scale traders. (Ponte 2001)

speciality coffee is coffee that is marketed as “high altitude Columbian coffee” or “organic, Fair Trade coffee”.

The “coffee paradox” results from the concentration of market power in few hands. Additionally, the difference between retail and farm gate price has to do with who are the ones to define the symbolic value of coffee:

We propose an explanatory framework that considers market power not simply on the basis of controlling market share, but also in relation to the ability to define the “identity” of the coffee, in other words the ability to set the language and the reference values that determine production norms and quality standards” (Daviron and Ponte 2005: 17)

While large roasters so far have possessed the marketing power and been able to extract more profit from the coffee than smallholder producer, the specialty coffee market may be a way to add value in the producer country, because the importer will pay extra for the quality that has been added in the production and sale process, as explained above. Per capita consumption of regular coffee in the US actually declined from 36 gallons per year in 1970 to 20 gallons in 1996 (Dicum and Luttinger 1999 in Martinez-Torres 2006) – however, by 2003 consumption of specialty coffee had risen to a 35% of the US market share– a number which indicates the popularity of speciality coffee. In this way, the speciality market is seen as a possibility for producers to turn the “latte revolution” into their advantage, and the rapid expansion of producers who sell organic and Fair Trade coffee should be seen in relation to this.

3.3.2 The Fair Trade market

Fair Trade has existed since the 1950s when religious and community groups started to buy products from Southern producers to a fair price and sell them in a network of World Shops in the North. The first coffee was certified as Fair Trade in 1988 (by the Max Havelaar mark and the organization Solidaritet), and was as such the first certified Fair Trade product. The rationale was to be able to sell to retailers and expand the market, without compromising the labour and environmental standards. In 1997, Fair Trade certification became further formalized when the Fairtrade Labelling Organization International was funded

as a means to mainstream the diversity of Fair Trade labels that had emerged in the past decade. In 2002 an international certification label was launched, in order to further make the Fair Trade products visible, and to facilitate the trade across the borders(FLO 2007).⁹

A discussion which is often encountered within Fair Trade literature is whether the market will continue to grow. Even if the sale of fair-trade articles has more than doubled the past five years, there are concerns that the market might stagnate: "unless the dynamics of the Fair Trade movement change significantly, it is likely that currently expanding U.S. and Canadian markets will reach a market ceiling similar to that in Europe " (Murray 2003:14) One of the examples of concern is that Germany, which is among the largest coffee importers in the world, has stagnated on the Fair Trade coffee consumption being only 1% of the total consume. At the same time, the German importer GEPA, which imports much of the RAOS coffee and is the largest in Europe, in 2004 had a turnover of 39,7 compared to 29,8 in 1999 (Krier 2005). However, the numbers refer to the total sale and include other goods than coffee.

The benefits – and their downsides

Fair Trade coffee producers must be smallholders, and organized in a democratically run cooperative. The main benefit is that the Fair Trade label guarantees that the price paid to the cooperative is over 1,21\$/Lb of green coffee, with a 0,10\$/Lb social premium (which should be used for investments in the joint interests of the cooperative), and 0,20\$/Lb extra if the coffee is organic. The organic premium was recently raised from 15 to 20 US cents per pound.

A second benefit of Fair Trade is access to a 60% pre-financing, a loan based upon the value of the crop to be sold, where the balance is settled once the crop arrives to the buyer. The credit can be loaned directly from the organization or via a financial provider that is set up by the buyer, and the exporter in most

⁹ For a further discussion on whether mainstreaming of certification has made certification distant and impersonal see Murray (2003) . For a discussion of whether it has paved the way for large companies in fair trade, which may move fair trade away from its idea of solidarity see Ponte (2001),Martinez-Torres (2006), O'Nios (2006)

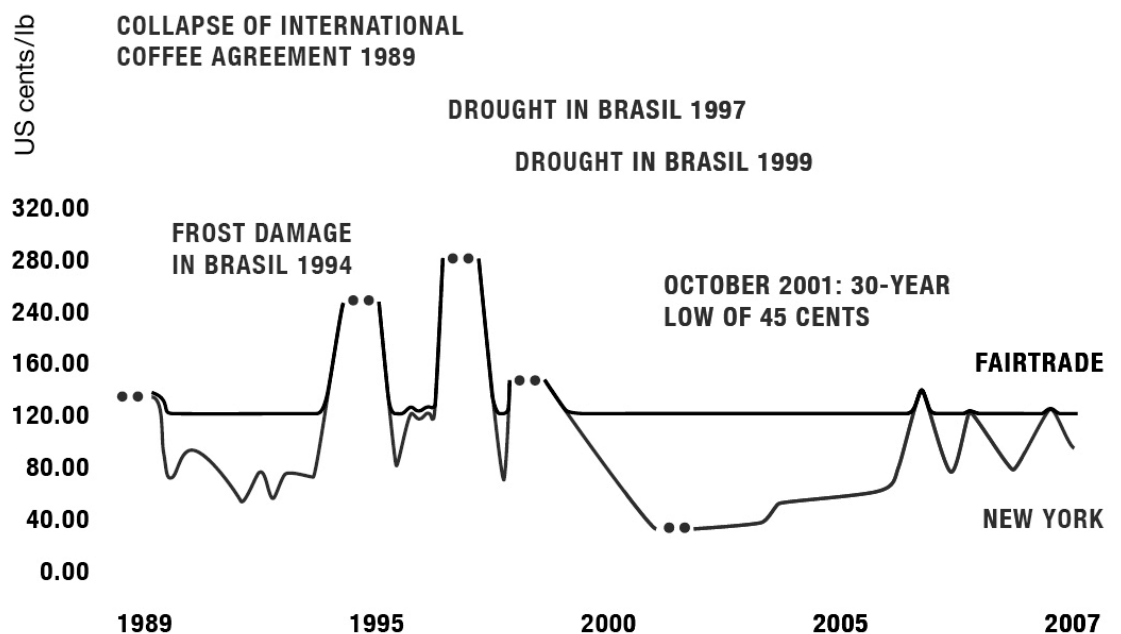
cases pays the interest. (Nicholls and Opal 2004) The benefit for the producing cooperative is that the credits should be available with affordable interests. RAOS, according to my data, pays a 9% interest on their credit (interview with the RAOS administration). Because of the pre-finance RAOS can pay part of the gains to the producer before they have shipped all the coffee to the importer. In 2005/6 the first payment to the producer was 200 HNL (10,87 USD) and the additional payment was 145HNL (7,8 USD), per quintal coffee cherries, which in total equals 345HNL (18,45USD). In comparison, the conventional coffee price was between 225HNL (12USD) and 330 HNL (17,65 USD) (ADROH numbers, see appendix 1).

However, there are problems associated with the financing. Some producers do not manage to adjust to the two-turn payment. When the producers are used to trade with the intermediary who buys the coffee with cash, straight off the farm, some find it hard to receive it in two turns. Therefore, the producers may sell to the middlemen if the conventional price increases. One factor that increases loyalty is that the producers have knowledge and understanding of the workings of the Fair Trade system (Murray 2006), and another factor is probably the size of production, which determines how much the price premium difference adds up to. In 2002, when the conventional coffee prices were still low, the price received by Fair Trade farmers was more than twice the conventional price, explaining why “the higher price paid for Fair Trade coffee is the most direct benefit to the small-scale farmer.” (Murray 2003:6) However, in 2006 the conventional coffee price had risen to almost equal the fair price. For the cooperative this might imply that some producers sell their coffee elsewhere.

A third benefit is that the producers increase their control of the exportation process. In the ordinary coffee market, the producer sells the coffee to the intermediary who sells it to the exporter – who exports, often to one of the larger coffee companies. In Fair Trade, the producers deliver their coffee to the cooperative. The APROCAMP coffee producers bring their coffee to RAOS in coffee cherries, and the cooperative handles the processing of the coffee, and sells it to a Fair Trade importer. So far, RAOS has depended on a registered

exporter, COHORSIL, who is Fair Trade certified and also holds Honduran export certification. RAOS is in the process of acquisitioning the permits and the equipment needed for processing and exporting the coffee on their own, and there are hopes that as soon the whole processing and exportation process is in the cooperatives hands, the costs will go down and the surplus that the producers receive, will rise.

Fig.2: The Arabica coffee market 1989-2007: comparison between Fair Trade and New York Board of Trade prices



Source: from FLO International, Annual Report 2006/07

Fair Trade: correcting market failures?

Fair-trade, according to Nicholls and Opal (2004), is a way to try to correct the imperfections of the trade market for the rural poor, whose lack of market access, insufficient information, lack of access to financial markets and credits are among their greatest obstacles to trade. Ironically, in the ADROH study, the obstacles encountered by the producer’s in their attempt to enter the Fair Trade market, was still insufficient information, transportation and access to credits,

suggesting that the poorest producers will still have limited access even to the Fair Trade market- as we shall see in the ADROH case study

However, there are additional benefits to Fair Trade, other than correcting the market. Access to training, ability to improve production or quality of their coffee, increase in self-esteem due to being organized and pride in their farming, as well as decreased migration are benefits that might come from Fair Trade in addition to the price premiums and stable prices. In the case study analysis of the APROCAMP producer experiences, many of these elements are reflected.

3.3.3 Honduran organic policies

In the late nineties, there was a rapidly growing interest for organic farming in Honduras, fomented mainly through international organizations and national NGOs. El Instituto Hondureño de Agricultura Orgánica was founded in 1998, with voluntary members from different NGOs, SENASA , and the Zamorano agricultural school. The institute drafted an initiative for a law of organic agriculture –which was passed 5 years later. At the same time, organic agricultural programs were initiated by FHIA, and simultaneously the first organic coffee producers are certified. At this point, there was no regional certification available, and the certification expenses were even higher than they are today (Pomerlau 1998).

In 2003, the Reglamento para la Agricultura Orgánica was approved, outlining the requisites for organic products in Honduras, and placing Honduras among the leading nations in national guarantee systems for organic farming, together with Guatemala and Costa Rica. Even so, the organic sector is still based on private initiatives and support from internationally financed organizations. For example, in 2004 APROHL (Honduran Association of Organic Producers Limited) consisting of around 1000 organic producers was founded. There is also a regional initiative (supported by the German development agency GTZ), called the Comisión Centroamericana, Panama, Republica Dominicana y Caribe de Autoridades Competentes en Agricultura Orgánica (CCACAO), working to harmonize the national regulations and create reliable statistics. Honduras is

currently applying to be on the “third country list” as an organically producing country. This is a way of facilitating the export of organic products to the EU; the countries on the list have national standardized organic requisites that the EU also recognizes, and which makes it easier to control the imported products. Currently only Costa Rica is on the list of the Central American third countries. (UNCTAD 2006)

According to Sandra Elvir, from the Department of Organic Agriculture, there were in Honduras, as of January 2007, 1232 certified organic producers and 48 cooperatives of organic farmers, of which 30 are organic coffee cooperatives, and 4 are registered coffee exporters (Elvir, personal commentary). Both RAOS and the other local Fair Trade and organic cooperative in Intibucá/La Paz, Lidars, export through a registered exporting company, Corsil, because they do not have their own necessary export stamp.

As we can conclude from the above, there is political will and a movement forward for Honduran organic farming. The political initiatives for mainstreaming certification suggest that it will be easier to receive certification in the future. Another possibility that has been mentioned is to produce organic products for the national market. Certifying for national sale would be much easier and cheaper on the producers (Zepeda 2006 pers.comm). However, it is uncertain if there is a market for organic products in Honduras, and the official policies are directed towards international commercialising.

3.3.4 Institutional support for organic farming and Fair Trade

Both APROCAMP and ADROH depend on international support. APROCAMP receive invaluable support from Fundación Bahncafé (FBC), which is a foundation run by the national bank for coffee producers; Bahncafé. In their present projects of organic farming and marketing, community stores, educational loans and micro credit groups, FBC are funded by Pasolac and Inter American Foundation, and received earlier support from DF Norway. ADROH receives assistance from the DF, Manos Unidas (Spain) and MS Denmark. Finally, RAOS receives support for administrative costs (20%) from the Dutch

Agency of HIVOS. In the Fair Trade market, the importer is an organization in the North, many of which were founded by development support organizations. The lending-cooperative Shared Interest are based on investments by socially conscious individuals, and most of the fair-trade companies in the North rely on this for some of it's financing (Nicholls and Opal 2005).

4. Case study: ADROH peasants' experiences with organic production and Fair Trade sales

The findings from the fieldwork among the ADROH (Asociación para el Desarrollo de Honduras) peasants are presented in this chapter. Based on ideas and concepts from livelihood analysis¹⁰, the study starts by describing the production and sale of organic products, and how these two activities have been conditioned by access to natural, human, physical and financial resources.

Relevant for this study is access to knowledge and labour (human resources), land, crops, production (natural resources), infrastructure (physical resources), or income and credits (financial resources). Access to social resources will be discussed in a subsequent chapter.

4.1 Background

The population in the Opatoro area are mainly peasants combining subsistence farming, cash- crop production, and either labour on other people's farms or by temporal migration. In 1999 the peasants' organization ADROH initiated, with funding from the Development Fund, a project among its members in the area. ADROH is organized in farmers committees of around 11 members in each, and the trainings were held in these groups. One leader from each group also assisted in occasional trainings outside the community. The project aimed to improve food security and life quality through trainings in sustainable agricultural techniques; among these the cultivation of organic vegetables. In 2001 the project focus shifted from vegetables to other crops such as organic potatoes, vegetables and coffee (Moya et.al 2006). In order to narrow down the scope of this study, and to make a coherent comparison with the APROCAMP coffee producers, the analysis concentrates on the production and sale of coffee.

10

The reasons for including organic coffee production in the project were that some of the farmers already had coffee fields that were poorly maintained, and that there was a general interest among the participants to grow coffee. Since coffee is a perennial crop, a coffee producer must have access to the same plot year after year. This excluded the peasants who did not have their own land, and only around 25 of the more than hundred ADROH peasants that were part of the project grow organic coffee. The motivation was not initially focused on obtaining a prize premium but rather to improve the production and/or introduce the peasants to new crops:

The idea of cultivating coffee came from the peasants because many of them had small, poorly maintained plots and there were some production. (...)Because of the high cost of conventional fertilizers, the peasants manifested [manifestaron] to initiate demonstrative organic plots with the leaders, and followed up the plots that were already established (...)There were only speculations considering the sales, but we didn't have any certification, and that is how we started to meet with RAOS, so that they could explain to us how the marketing of organic products work – then, after a study with the producers and the leadership of ADROH, there was an agreement to certify the producers plots¹¹ (ADROH project worker).

The ADROH peasants produce coffee with organic techniques, but do not certify and sell their coffee as organic. After trading their certified organic coffee through the organic and Fair Trade cooperative RAOS for three years, until the 2005/6 harvest, the coffee producers decided to return to the system which is common in the area, where coffee is sold to the local middlemen. The project funding for the certification and the membership fee to RAOS ran out in May 2006. The lacking motivations to continue the certification and the relation with RAOS was, by most of the farmers, not exclusively due to the lack of funding, equally important was the transportation- and imbursement-related problems

11 La idea del cultivo de café surge de los campesinos ya que muchos de ellos mantenían pequeñas parcelas sin manejo (...) y había producción. Por el alto costo de los insumos convencionales (abonos) los campesinos manifestaron iniciar parcelas demostrativas de manera orgánica con los líderes, darle seguimiento a las parcelas ya establecidas (...)En cuanto a la venta solo habían especulaciones de vender, pero no contábamos con una certificación, fue así que se sostuvo reuniones con Raos para que explicara como funcionaba la compra venta de los productos orgánicos; luego en base a un estudio con los productores y dirigencia de ADROH se llega a la conclusión de certificar las parcelas de los productor

encountered while trading coffee through the cooperative, and their lack of knowledge of certification and sales of organic and Fair Trade coffee. One reason for this is probably that the marketing process had been decided on as the project developed, and, as we shall see, show signs of improvisation.

In 2002, when the organic coffee production was initiated, ADROH members were offered a small loan (500 HNL, or 26 USD) to buy materials for fencing the coffee plots and preparing the fields – and were offered training in coffee cultivation and organic fertilizer. Some of the peasants had coffee plots with grown trees when the project started, others started to cultivate coffee on their own initiative a few years before the project started; but most of the peasants started to cultivate coffee with project-supported credit (see table 1). Those who had coffee from before were given the possibility to plant some new coffee trees. Some producers had used to apply inorganic fertilizer to the plots, others produced what in the area is referred to as “natural” coffee; coffee without any fertilization at all.

The plots cleared for coffee farming were forest cover areas. The coffee producers in ADROH have very small plots of coffee, about 5,5 tareas in average (see Appendix 1). According to the registers in ADROH and data collected through the interviews, 136,5 tareas of coffee are currently cultivated by the ADROH peasants. Some producers gave up on coffee production, because the plants died, others started coffee production and failed, but started over again and succeeded. Other peasants again started with coffee a bit after the other producers, and their plants are barely reaching the stage of optimum yields.

The following analysis shows in which ways organic techniques so far have been sufficiently beneficial for some peasants to continue applying them, even when labour, knowledge, time and financial resources complicates the organic farming for others. Thereafter it explains how sales on the Fair Trade market resulted futile for the ADROH peasants due to the lacking access to labour, infrastructure and credits, along with the currently low production of coffee.

4.2 Production of organic coffee

ADROH producers plant coffee in curved levels, with live plant barriers to prevent erosion. The fields need to be cleaned once or twice a year, fertilized once or twice a year, and the coffee cherries are harvested between November and February – mostly in January.

The coffee is grown under shade, as is common in Honduras. Opatoro is situated near a natural biological reserve, which makes it especially important to protect the biodiversity in the area. New land had to be cleared in order to cultivate coffee, but the negative impact on the biodiversity should be minimal since shade-grown coffee resembles forest area and can host almost as much biodiversity (González 2001, Gobbi 2000). The shade trees are often banana trees or other fruit trees such as oranges or lemons. The ADROH members participated in courses in organic farming, where they learned to prepare an organic fertilizer called bocachi – a Japanese word that translates to “fermented organic matter”. According to a former ADROH member, in order to make enough bocachi for 500 coffee trees, the recipe contains 2qq/92kg of chicken manure, 2qq/92 kg of soil, 2qq/92kg of straw/grass, 2 qq/92kg of coffee pulp, 1 qq/46kg of moulded coal, 1 qq (46kg) of ash, 1 litre of honey, rice husks, 100 grams of yeast and 120 litres of water (Garcia 2003)

Most of the materials are found in the community, but they need to be collected. Some peasants have cattle, and almost all have hens, and their droppings can be used for the bocachi. Some materials are available at certain times during the year, such as coffee pulp, which is available during the harvest, or cattle dung which anyone can collect from the common fields when the cattle is let loose in April. The bocachi also contains yeast and molasses that makes it ferment and these two ingredients have to be bought on the market in Marcala. Many report that they buy the hens droppings, which implies an extra expense. Why they need to purchase droppings even though they have hens close to their houses, is probably due to the large amount of droppings needed combined with that only a few of the farmers plan the preparation of the fertilizer ahead. In order

to gather large amounts of hen's droppings, it is necessary to collect them during some time. Several peasants, both within ADROH and in APROCAMP, emphasized that organic farming is not as cheap as one might imagine, because of the costs of the ingredients, especially the hens droppings. The quintal of hens droppings (46kg) costs 35HNL (1,5USD), plus the transportation which could amount to another estimated 3USD.

When all the materials have been mixed together and sprayed with water, the bocachi, a mound of heavy matter, is covered with plastic or nylon and becomes heated as it ferments. For the first 8 days it must be moved twice a day, which is done by carrying it from one part of the yard to another in the mornings, and back again in the afternoon. After the first week, this process only has to be done once a day. After 15-20 days, it can be applied to the field. Fertilizing organically is more labour intensive than to use agrochemicals. While the organic fertilizer resembles soil in its weight and appearance, chemical fertilizer is much lighter, like small pellets or powder, and the farmer needs to apply less of it. To fertilize an organic coffee plant, a hole is dug behind the plant and around one a half kg of fertilizer is shovelled into it. Chemical fertilizer, on the other hand, is simply spread on the soil around the plant. Opatoro coffee producers grow an estimated¹² 140 plants per tarea (ANED Consultores), which means that an average plot of 5,5 tareas has 770 trees, and needs 380 kg of organic fertilizer. According to one of the ADROH project workers, an average ADROH producer's plot needs a little less than 140kg (3 quintals) of chemical fertilizer. One quintal (46kg) costs from 320 HNL/17 USD. If the farmer has the means to fertilize the recommended two times a year, the cost doubles.

According to the project administration, the project provided for some ingredients to fertilizer as late as in may 2005. It is possible that the provision of ingredients has been an important incentive for preparing bocachi, and that fewer

12 According to ANED consultores the local coffee tree density is 1700-2300 plants pr manzana. However, since Honduran sources differ in defining the size of manzanas and tareas, it is uncertain what this number refers to.

will go to the trouble of both fetching materials and preparing fertilizer when the project support runs out..

4.2.1 Labour input

Bocachi is prepared within the household, but many need to hire some help for fertilizing and cleaning the coffee fields. In these work intensive periods the women are often helping on the fields. Several female respondents explained that the woman normally do not dig the holes for fertilizing or three planting, but she can do other work such as applying the fertilizer.

It is said about organic farming that it potentially favours resource poor peasants because the fertilizer is cheap, and the ingredients are available in the local environment. Instead of spending their scarce financial resources on agrochemicals, peasants can invest in human resources, such as labour and knowledge, and natural resources, such as ingredients that are available in the local environment. This is believed to benefit resource poor farmers, because “[s]ystems that depend upon sustainable use of locally available natural resources and peasants knowledge and labour are far more likely to meet the needs and aspirations of resource poor peasants than those which require costly or scarce inputs” (Parrot et.al 2006: 167) However, many of the peasants lead already pressured lives and may not have the possibility or will to spend time and energy in the preparation of fertilizer, or money to hire help for fertilizing . The labour input is considered the most important trade off to organic farming techniques. (FIDA 2003, IFAD 2003)

Because of the labour needed to prepare bocachi, the peasants who have less hands available, have a harder time preparing the bocachi. One of the peasants has three grown sons to help him, and makes bocachi every year in March when the coffee harvest is over and there is little to do on the fields. He explains how bocachi is a cheap alternative to agrochemicals, but underlines the importance of having someone who may help to prepare it:

Organic agriculture was initiated in order to lower the costs, and it is true, the costs are lower, but when one cannot find human resources to prepare the bocachi it is also difficult, it is hard to make enough, so in one way the

*costs are lower, but in periods the human resources to make bocachi can not be found*¹³ (respondent #1, from Santiago Santa Ana)

Not all households have adult men to help with preparing bocachi. Earlier studies show that may complicate organic farming for female producers (IFAD 2003). The women who are single head of their households within this study (three women) have diverging ways of facing this problem. Two make the bocachi themselves, but need help to fertilize. One of these was in head of her of household, and in charge of maintaining the fields, while her husband was away working as a construction worker - as he had been the last five years. However, he sent her money so that she could hire help on the fields.

The other female peasant makes bocachi with the help of her 14 year old daughter, and in the following citation she explains how demanding it is (respondent # 4, Opatoro):

She: It is a bit difficult, but it gives good results.

I: And what is difficult?

She: ...since you have to move it twice a day, first in morning, and when it is a lot it is heavy, you have to move it from one place to another, and in the afternoon move it back...this is what is difficult."¹⁴

This same producer also takes her nine year old grandson with her to fetch cattle dung in the common areas. When I visited the other female producer on her field, I observed how she and her daughter collected cattle dung from the path and stored it by the fields. The examples show how children can participate in the gathering of materials and preparing the bocachi, and that the claim promoters of organic farming often make, that the whole family can involve in organic farming, is true for some.

13 "La agricultura orgánica se creyó con el fin de abaratar los costos, y es cierto, se abaratan, pero cuando no se consigue el recurso humano para hacer el bocachi también es difícil, es difícil hacer bastante, por esto en parte se abaratan los costos, pero en épocas también no hay, pues, el recurso humano para hacer el bocachi"

14 She:Es un poco difícil, pero da buenos resultados. Yo:-Y qué es lo difícil?

She: Como hay que darle vuelta dos veces al día; en la mañana, y cuando es bastante es un poco pasado, sí, hay q pasar de un lugar al otro, sí,..en la tarde volverlo a pasar...esto es lo difícil."

However, the third of the female single heads of households says that fertilizing is sometimes not a possibility for her, since she has to hire help to fertilize, and sometimes she has other needs to spend her resources on. This woman used to grow coffee without any fertilizer; so for her, to fertilize means that she has one more agricultural task during the year. When the project provided for the ingredients, they prepared the bocachi as a group, but now when they have started to make the bocachi individually she has stopped to fertilize. She takes care of her three and five year old grandsons, and her oldest son is seventeen and in school. Even if she managed to prepare the fertilizer herself she would have to rent help to fertilize. On the other hand, she highlights the possibility to be able to fertilize as the reason for why she believes it has been good to learn the organic techniques. In order to explain her situation, she says: *“I have so much will, but I do not have the economic means”*¹⁵ (respondent # 3, Opatoro). It can be concluded that a female producer needs to hire more help for work on the coffee fields than a male producer. Some of the farmers committees which used to be all female, have solved this by inviting men to their group, to ease the hard work, and for protection when they work with micro irrigation at more distant fields. As the woman puts it: *“Men with their own land can do it well, because they work the land themselves”*¹⁶ (respondent # 3, Opatoro)

However, the extra labour input needed for organic fertilizing is arduous for the men as well. Almost all the respondents say that the hard work is the most challenging part of organic farming. Since the ADROH peasants combine a number of activities to make a living, such as subsistence farming, vegetable farming, agricultural enumerated work, factory work and unskilled work in the cities, coffee migration, and so on, the time and energy left for new agricultural activities is limited. Other studies have also observed how “investment of time and other resources might not seem worthwhile if benefits are not apparent, if the farmer has more pressing problems [...]” (Parrot et.al 2006: 173)

15 “me sobran voluntades pero falta lo económico”

16 “Varones con terreno propio lo pueden hacer bien, porque ellos mismos trabajan la tierra.”

The following citation serves as an example of how competing tasks draw attention from organic fertilization. A coffee producer, who made loads of organic fertilizer two years ago when the project provided for ingredients, but has not prepared fertilizer since, explains that he cannot find time to work on the coffee fields, because he himself is working at a factory in the city of Comayagua, in order to support his sons schooling: *I fertilized two years ago, and since I got held up..no,no,no..the thing is, I have the kids in school I have no extra time..*¹⁷ (respondent # 14, Opatoro)

4.2.2 knowledge

It is necessary with some kind of training before preparing and applying organic fertilizer or construct curved terraces. As Crusefix (1998:iiv) points out, “[s]uccessful organic agriculture is “knowledge intensive” requiring more design and management from the outset, as opposed to the “just in time” approach of chemical agriculture.”

It is often said about organic farming that it is dependent on the agroecological conditions, and knowledge about the local conditions is therefore a key to success in organic farming. Since the peasants presumably know their local conditions better than the technician, to learn organic farming techniques may be a more participative process than to learn to use agrochemical techniques, because the peasants can experiment with how their local conditions can be utilized for and adapted to organic methods. In the project in question, it is obvious how the peasants have adjusted and experimented with the organic fertilizer so that it suits their needs. The farmer who has cattle uses cattle dung and the maize concentrate which he feeds to the cattle, in the fertilizer, and he elaborates it at a time of the year when these ingredients are available. Others pick cattle dung from the surroundings where cattle run loose, and they use maize residue, bean and coffee pulp when this is available. One of the female producers (respondent # 7) said that the project coordinator and a certification

17 “Lo aboné...hace dos años..sí..y como me atrasé..no no,no..es que tengo los muchachos estudiando, y no me queda lugar, ando así..”

inspector recommended spreading some chalk on her coffee fields, since the soil was very acid because of the surrounding pine trees. The woman could not afford to buy chalk so she used ashes from her oven. It had helped, but her production is still very low. These examples point out techniques which the peasants learned through the trainings, and have adjusted to their local circumstances. This is different in organic farming than in farming with agrochemicals, where the application and preparation is always the same, and does not differ much between different agroecological conditions.

However, knowledge - or the lack of it – may also be a constraint. Organic farming requires knowledge about the agricultural methods. According to Perry (2002), organic farming it may be difficult to adapt to because it is so complex, and it “needs to be conceived of as a process of social learning. Lack of information on agroecology and necessary skills to manage complex farms is a major barrier to the adoption of sustainable agriculture”(Ibid.:74) Therefore, it is a time demanding process, and “the risk is that the peasants will not be able to manage properly the diverse and knowledge-intensive farming systems and will give up when something is not going as predicted by the experts”. (Halberg et.al 2006:298).

This may partly explain why so many of the peasants gave up on organic vegetable or coffee production. The assistant project worker, Rafael Rodriguez, explained how it is hard for some not only collect the materials but to learn how to prepare the bocachi, which may be ruined if it for example receives too much water. It is possible that some producers left the project because their limited understandings of the organic techniques partly caused the failure of their crops. For example, one respondent explained how her group once applied organic fertilizer on the vegetables, but that they applied too much and the harvest failed.

Also, the need for each farmer to purchase expensive ingredients (hen´s droppings) may be related to his or her knowledge of - and ability to experiment with - the recipe for organic fertilizer. Some peasants avoid purchasing large amounts of hen´s droppings because they are experimenting with replacing some of this with cattle dung.

4.3 Certification

ADROH peasants are non-certified organic coffee producers. Even though their coffee is produced with organic techniques, they cannot gain a price premium from international sale of their coffee, since their fields are not certified organic¹⁸.

The coffee producers were certified with financial support from the project between 2003 and 2006, and none of the peasants have later certified or sold their coffee as organic coffee. The certification costs of 30 dollars a year per producer, is a too big investment for many of these peasants, since most of them produce too little to be able to pay for the price certification on their own. An average ADROH coffee producer who manage 5,5 tareas of land will, with a market price of 280HNL/15,48USD¹⁹ per quintal coffee cherries, earn 1549HNL/85,14USD from the harvest. The Fair Trade price from the same harvest would be 1897,5HNL/104,5USD (based on 345HNL/19USD per quintal coffee cherries, which is the current price received by RAOS members). Unless the plots yield more, the surplus from organic Fair Trade price minimum would not even cover the 30 dollars for organic certification. Only five of the 25 registered ADROH coffee producers' plots yield more than the ten quintals that are necessary to sell in order to earn this amount from the surplus (see appendix 1) – without taking into account extra transportation and labour costs.

However, data from the interviews suggest that the decision not to certify was not an active decision, but taken because the ADROH members were not sufficiently informed about the certification process. They lacked the necessary information to consider if they would be able to manage it themselves when the project supported certification ended. One of the peasants seems directly annoyed with the project for having initiated a process of organic certification and then left, without informing thoroughly about the implications (respondent # 14, Opatoro):

¹⁸ For an outline of the concept of organic certification, see the introduction

¹⁹ This was the price paid by the middlemen in mid-January 2007.

It is a shame that they did not give us a lecture about this, about the steps to follow; if I have known about the difficulties I would not have gotten entangled in this, but I did, because the institution paid, right, and we would only pay for the transportation, they never told us: “Look, you will be on your own, one day you will have to pay from your own pockets”. This was the mistake we all did, and all were(..) because they did not know... When I went there [to the RAOS office] they told me that I have to pay the membership, and the exportation costs, and what more, and the costs go up, up... and this is what they did not tell us, they did not tell us that these are the requirements, then we would have analyzed it, to see how we could pay when we were on our own, but since he [the project worker] paid, and never told us: you will have to pay this and this... I think that in the end no one was left²⁰

An internal control for group certification was initiated in the beginning of the project. A committee of peer controllers would monitor the other producers' plots. This would lower the costs of certification, because the certifying company would certify the whole group of producers as a whole - by controlling a few randomly chosen plots instead of each individual farmer. To certify in a group is a way for small farmers to reduce costs, but it also requires good local organization (FIDA 2002, Martinez-Torres 2006) Among ADROH members, the system failed. The main reason for this was the lack of incentives – the inspectors did not find it beneficial to be part of the certification committee: “ *It was organized, but it didn't work very well, because the inspectors were losing their time, no one would pay them to inspect the coffee field, no one paid them, they lost their time*”²¹ (respondent # 11, Opatoro, member of the certification committee). The only incentives the certification committee received were

20 “La lastima que no nos dieron una charla de esto, como eran los tramites, el tejemaneje, si yo hubiera sabido el tejemaneje, no me enredo, yo me enredo porque la institución pagaba verdad, allá, nosotros solo íbamos a llevar el costo de llevarlo y a traerlo, a nosotros nunca nos dijeron “miren, se van a quedar solos, ustedes algún día van a pagar de su cuenta y esto y esto y eso... No nos dijeron y ahí fue el error de todos porque todos se despojaron porque no saben...cuando fue allá me dijeron hay que pagar dijeron la afiliación, hay que pagar la exportación, y no se que mas y sube verdad, sube, y esto es lo que no nos dijeron, si nos hubieran dicho estos requisitos van a llenar, nosotros hubiéramos analizado, porque ya quedamos solo nosotros teníamos que ver como pagaba pero como el señor aquel pagaba y nunca nos dijo - si nos hubiera dicho: ustedes por propia cuenta pagan, que van a pagar tanto y tanto.. yo creo que nadie quedo (certificando y vendiendo a Raos).”

raincoats and rulers to use during the controls, but no other incentives. The certification was paid by the project, so they did not feel the costs of it themselves and had no understanding of the benefits of group certification. During the interviews, few seemed to have an understanding of what it meant to be certified, or what were the requisites that they had to comply with. They did not have a clear understanding of how expensive the certification really was and did not have enough information about why they were performing the controls, and therefore lacked the motivations or incentives to continue with what some consider loosing their time.

When certifying, one of the requisites is to keep a record over the farming. Several peasants have commented that it was difficult for them to get the habit of recording everything they did on the field. When I asked one of the female peasants why the certification didn't work, she answered: "*Because we are not used to note everything down in books*"²² (respondent # 13, Opatoro)

Crusefix (1998) noticed that the lacking habit of noting down the work done on the farm made it difficult for small farmers to follow the certification requisites. At the same time, he considered the record keeping a way of encouraging good management of the farms. However, for the ADROH peasants the log keeping never became a habit: *The problem is that we who live in the rural areas are not used to make an internal control of the investments, the inputs and everything that is done, the investments and the expenses.*²³ (respondent # 11, Opatoro)

21 "Se organizó pero casi no funcionó, porque los inspectores tenían que perder tiempo, y nadie les pagaba, pues, para ir a inspeccionar una finca; nadie les pagaba era tiempo que ellos perdían."

22 "porque no estamos acostumbrados a estar apuntando allá en los cuadernos"

23 "El problema es que nosotros la gente del campo no estamos acostumbrados de hacer un control interno de toda la inversion, de insumos y todo lo que se hace, de la inversion y los ingresos."

4.4 Harvest and sale of organic fairtrade coffee through the cooperative RAOS

ADROH producers sold their coffee through the RAOS cooperative in 2003/4, 2004/5 and 2005/6. In 2004/5, six producers sold their coffee through the cooperative, the next year only three producers. There were no numbers for 2003/4 in the accessible ADROH archives, but most coffee producers who had reached a certain level of production in 2004 probably sold their coffee to RAOS this year, judging from that most of the interviews have some experience with sales through RAOS, even when they do not appear in the archives the following years. Since they produce small amounts of coffee, the price premium gained from organic coffee on the Fair Trade market was too low to compensate for the drawbacks connected to transportation and reimbursement, even when the peasants did not pay for the certification. The ADROH peasants discontinued the relationship with the cooperative because they did not feel they gained from it. The following sections describe their experiences with the marketing of Fair Trade coffee.

4.4.1 Lack of labour for harvesting

In the coffee harvest, male and female peasants work on their own fields, as hired labour on the fields of peasant neighbours, or on the large coffee plantations – often in a combination. The schools are closed for vacation during most of this time, so the children are free to help on the fields, both on the plantations and at home. In these months, and especially in the peak harvest in January, the large coffee plantations hire people to pick coffee, and trucks loaded with people leave the communities in the mornings and return in the afternoons. In large families, parts of the families may leave the community for weeks to pick coffee in other areas. One person can pick about one quintal coffee cherries a day. Since coffee matures in turns, the epochs for harvest are intense and smaller families with their own coffee plots need to hire help for the harvest during these days, while in between harvests they can work outside their own fields. Small peasants compete with the larger plantations for labour in these months. The plantations

pay more per quintal of coffee cherries harvested, so most choose to work on the plantations rather than for the local coffee producers in the community: *“Right now we can’t find workers, because the rich take them, they pay 80, 90 [HNL] the day, the most we pay is 50.”*²⁴ (respondent #12 Santiago Santa Ana).

According to the ADROH coffee producers, they harvest their coffee with the help of their own families only or neighbourhood children - or neighbours with coffee fields help each other on the fields.

4.4.2 Lack of means of transport

Access to means of transport is crucial in order to bring goods to the market, and has been highlighted as one of the most important factors constraining poor peasants who attempt to market their products (UNCTAD 2006). The ADROH peasants have limited access to means of transport, living in an area with long distances and unpaved roads. From the nearest town of Marcala to the centre of Opatoro there is about two hours by the local bus, which stops frequently to let people and cargo on and off. The unpaved road makes the ride slower than on paved roads. By car the travelling time is reduced to a bit more than an hour, because the car can go faster and does not stop. Some of the interviewed peasants live close to the main road or in the Opatoro centre, while others have to walk distances of half hour or an hour to get to the main road where the bus passes. Almost nobody in the communities owns cars, though sometimes lorry drivers pass on the road to Marcala, and may carry people and cargo for a small fee (normally 10HNL/0,5USD per sack of cargo). The bus ticket cost 24 HNL, or 1,25USD, with an additional price for cargo.

Coffee producers in Honduras normally sell their coffee to an intermediary who buys it directly off the farm. The cooperative RAOS does not have the means to pick up the coffee from all the producers every day, so the ADROH peasants have to bring the coffee to the processor, which lies close to

24 “Ahorita no conseguimos ningún trabajador, porque los trabajadores los llevan los ricos ahora, los ricos están pagando ahorita mejor que nosotros, estan dando 80,90 el día aquí, lo más que pagamos es 50”

the town of Marcala, when they sell their coffee through the cooperative. The processor is some 500 meters away from the bus stop on the road from Opatoro

Coffee cherries have to be sent to the processor the same day as they are harvested, if not the beans will be fermented and go sour – and it to bring the coffee to the processor without efficient means of transport is complicated. When the coffee has to be transported, it is less work to transport much of the coffee at a time, but in order to pick much coffee, one would need to contract a larger number of coffee pickers, and it is problematical both to find locals that can help on the fields, and to afford their wages. When using mainly family labour, the picking goes slower but is cheaper.

In order to bring the coffee to the processor, the peasants turned to different solutions. Some took the coffee on the bus, and managed to carry it from there to the processor. One of the female producers (respondent # 13) sold half of her coffee to an intermediary and with the money earned paid the same man to transport her coffee to the processor. Sometimes the ADROH technician offered his own car for the transportation. One year a car was provided from ADROH, but before the next years harvest the organization experienced an economic crisis and had to sell the car. The two cars still owned by the organization were always occupied with other tasks within the organization, and not available for transporting coffee (pers.comm, member of the ADROH National Executive Committee (CEN)). According to the respondents, the year when the ADROH car went to Opatoro to transport the coffee, it only came one day and the peasants were not able to harvest all their coffee in this day. Additionally, since coffee matures unevenly and is harvested in at least two different turns, the peasants would need transportation more often.

The distance to the processor and the lack of adequate transportation is one important reason why the peasants continue to sell their coffee to the middlemen. The conventional intermediaries, who live close by and will come by the coffee fields in the afternoons, buy the daily harvest even when it is minimal. Currently, the ADROH producers produce too little coffee for the price premium

to be an incentive for organizing the transportation, or, as explained below, to find other solutions to the problem.

In 2006, ADROH tried to organize the construction of a coffee processor in the area, to make it easier for the coffee producers to market their coffee, because processed coffee can be stored for a longer time. However, the project ended because peasants from different locations (Opatoro and Santiago Santa Ana) wanted the processor to be situated in their respective communities. Additionally, the project workers attempted to organize a small enterprise for coffee marketing, but few coffee producers attended to the meetings. In the interviews, most respondents are aware of the plans to purchase a processor, and are aware of the possible existence of a small enterprise, but the fact that none seem know in what these two initiatives ended, suggests that it has not been important to them. There is little interest to cooperate between farmers, and it seems like most have decided that they will not reattempt to sell their coffee as organic. I asked one of the female producers what she would have recommended to do if she was to decide on the future of a processor and she said: "...not if the people do not want to anymore. Because things cannot be done by force, there has to be a will, there has to be an objective"²⁵ (*respondent # 13, Opatoro*)

4.4.3 Imbursement

Lack of means of transportation worked as a constraint for the sale of coffee through the cooperative RAOS – and the peasants preferred to continue to sell the coffee to the middlemen. Another limitation was the imbursement. The middlemen will pay for all the coffee they buy at once. A small cooperative however, will pay the farmer one part when they deliver the coffee, but lack the means to reimburse the additional payment until all the coffee has been exported and the importer has sent the recompense.²⁶ Thus, the coffee producing members are paid twice. When they bring the coffee to the processor, they receive a receipt

25 "...si la gente ya no quiere ya no. Porque la cosa a la fuerza no se puede tampoco, tiene q haber una voluntad, tiene que haber un objetivo"

26 See chapter section 3.3.1 for an outline of the fair trade market and imbursement/pre-finance.

and can go to the RAOS office in Marcala centre to claim their first payment, which in the 2005/6 harvest was 200HNL/11,11USD per quintal coffee cherries. The additional payment is paid in around May or June, when all the coffee is sold and the cooperative has calculated their gains.

To receive some payment right away should be a benefit from Fair Trade, but in the interviews the peasants see it differently. Contrary to the intended effect, the payment system makes the ADROH peasants reluctant to sell their coffee to RAOS. It is hard to adjust to receive the payment in two turns, when they are used to receive the payment from the middlement at once. Firstly, the coffee pickers are paid on Saturdays and the producer needs to earn this expense from the coffee. Secondly, they will often have due debts that should be paid from the incomes from the coffee sales, or they are eager to invest in for example constructions on their housing, or seeds for cultivation with micro water systems. Therefore, to receive the payments in two turns contrasts with their income-cycle and creates difficulties. The peasants thus prefer to receive the whole lot at once by selling to the middlemen, than to gain around 3 dollars more per quintal of coffee cherries, when the extra income is not paid until May at the earliest, and the price the middlement pays at the spot is larger than the initial Fair Trade price. The ADROH peasants have, to my knowledge, no current access to credits that can help them through this period – which would have been a factor to ease the acceptance of two-turn payment. The former president of RAOS, Samuel Zelaya, has said that the payment system could be considered a benefit, since the second payment normally is made available in the beginning of the maize harvest in May (Zelaya, pers. comm.). The peasants, however, explained that this was not true for them, they need their money right away, if not it is not worth the hassle:

Because, imagine, they dont give you all the money right away, they pay almost mid-year, aha, and sometimes one cuts the coffee, and with income

*from this coffee one has to pay the worker, it is necessary to pay (...). Sometimes there are other obligations.*²⁷ (respondent # 5, Opatoro)

4.5 How has production and sale of organic coffee influenced on the peasant farmers' livelihoods?

The purpose of this chapter so far has been to analyse the findings from the ADROH case study, in order to identify the benefits and challenges for the peasants when producing and trading organic coffee. The analysis showed how different assets; natural (land), human (knowledge, information, labour), physical (production, infrastructure), and financial (lack of credits, financial cycle) interact as enabling and constraining factors for the coffee. The interaction of these factors is important; one factor alone has not been decisive.

The following section outlines the effects that the production and sale of organic products have had on the peasants' livelihoods; how their resource base has increased or decreased, and how the organic farming of coffee has influenced on their vulnerability context.

4.5.1 Resources

Natural:

Coffee cultivation opened up new possibilities for those who had some un-cleared land. According to most producers, the coffee plots used to be “monte” – forest covered land. On these plots the ADROH peasants produce forest-like coffee fields with fruit shade trees, and they have learned how to take advantage of their natural resources to prepare the organic fertilizer. Since shade-grown coffee is believed to preserve biodiversity almost as well as forests, and organic cultivation reject the use of agrochemicals, this may imply that coffee cultivation is a good option for the peasants to expand the cultivated land areas with minimal contamination of the fields and loss of biodiversity. Since the ADROH farmers

²⁷ Porque imaginase el dinero no le dan del todo a uno, le dan ya casi al mitad del ano, aha y a veces uno que corta su café, de este mismo café tienen que pagar al mozo, tiene que pagar (...). A veces uno tiene otro compromiso.

live in proximity to a natural biological reserve, preserving biodiversity is especially important.

The peasants that have coffee from before should be improving their lands with erosion-preventing techniques such as dead and live barriers and planting in curved terraces, as well as applying organic fertilizer, which may improve the soil. Some of the farmers also had noticed that the land improved, but it is hard to measure the validity of these statements. However, according to a study among organic coffee producers in Mexico, organic shade farming prevents erosion and builds up the soil fertility (Martinez-Torrez, 2006).

Human:

The farmers' new skills in organic farming entail an increase in their human resources. Even though not all make use of this knowledge, due to the lack of time, money and access to labour, most of the interviewed highlighted this knowledge as one of the benefits from the project. Since the majority of the respondents either did not have coffee or did not fertilize their coffee before (only three of the fifteen had fertilized the coffee with agrochemicals earlier), they do not save on fertilizer, but have learned how to be able to fertilize with few resources. Their production has become more advanced; from applying no external inputs to their coffee fields they have the skills to prepare organic fertilizer, to plant live barriers and to cultivate in curved terraces. It is not surprising that to receive some sort of education is perceived as a benefit for many of the respondents, who live in an area where the level of illiteracy in 2002 were almost 29,4 % and the average person receives 4,3 years of education (INE 2002). I once overheard a conversation between one of the female peasants who have been active within organic farming, and her cousin. The cousin, after having overheard my interview with the woman, demonstrated respect for her knowledge about organic farming. The following quotes are extracted from the end of the interview that the he overheard, where I have asked the woman if she wishes to add something to the interview, and she takes the opportunity to thank

the project, for the inputs of seeds, irrigation systems – and knowledge

(respondent # 13, Opatoro):

She:....to know and understand that from the beans the pulp can be saved to make fertilizer and from the same one can cultivate again, yes..

I: -and it might be nice, as well, to use what one have..?

She: -Yes, because it is not things that one buys, rather sometimes one uses, for example I cut the coffee and I keep the pulp in sacks, the ashes I save, and the eggshells I save, I dry them and put them in the fertilizer so that they give calcium to it, I do it myself in my yard...²⁸

Financial:

The sale of organic coffee adds to the income of the peasants who did not cultivate coffee from before. Those who grew coffee before the project have gained the possibility to fertilize and thus invest in their soils and their production – and with project credits they have increased the amount of productive plants on each field. One farmer for example, says he hopes to improve the production, and he almost does not spent money on the fertilizer (respondent #9, Buena Vista, Opatoro).

Coffee is a part of the daily diet of the ADROH peasants. I was offered coffee in almost all of the houses, also the ones where the family did not grow coffee. Almost half ADROH peasants report to keep their coffee for consumption (appendix 1). This implies that they save some money on buying coffee. Two of the coffee producing women also sell coffee from their small restaurants, for 11cents of a dollar per cup. They sell coffee with added value instead of as a cash crop commodity and earn an extra income in that manner.

4.5.2 Livelihoods activities/constraints

Chapter two explained how the ADROH and APROCAMP peasants live within a vulnerability context, which consists of natural instabilities, uncertain land

28 She:-el saber y conocer que de los mismos frijoles se guarda la cascara para hacer aboneras y con esto mismo se vuelve sembrar,siI:-y es bonito, tambien, no, que se usa lo que uno tiene?

She:-si porque no son cosas que se compra, sino que a veces uno los utiliza por ejemplo yo yo sacho el café y guardo la cascara en sacos, la ceniza yo la guardo, las conchas de huevo yo lo guardo, para secarlas y traer a la abonera para que hechan calcio, yo en mi patio..

tenures and the fluctuations in prices in agricultural inputs and outputs. This section will look at how the vulnerability context has been or could be modified due to the cultivation of organic coffee.

Land tenure

It is important to keep in mind that in an area such as Oparatoro, coffee production is reserved for those who have access to land, and has not benefited the many landless peasants. One of the largest challenges for the ADROH peasants is to access land. Land in the area is expensive and seldom for sale. Because the Oparatoro area is situated within a biological reserve, some areas are protected from agricultural activities, further reducing the amount of available land. The large land-owning family in the area is reluctant to sell land. According to one coffee producer, to become a land owner is achievable when someone has an economic crisis, or migrates – then he or she might be willing to sell. The coffee producer in question bought land from a neighbour who had a financial emergency in 1999. The possibility to buy that piece of land, however, was conditioned by the ability to provide the payment immediately. This particular farmer has cattle and in order to buy the piece of land, he sold a couple of oxen.

Another way of becoming a land owner is to inherit. Men and women have the same right to inherit, and I spoke both to women who had their own land, and to men who worked on their wives land.

Since coffee is a perennial crop and the same coffee trees can produce for more than twenty years, it is feasible to cultivate coffee organically, because the investments remain on the land. Secure land tenure enhances interest in sustainable farming, since the farmer invests in the land through hard work. Peasants who do not own their land, avoid involvement in long and medium term soil improvement measures, since they will probably not be able to stay on the land long enough to see the benefits. (IFAD et. al 2003) To apply organic fertilizer or to construct plant or dirt barriers in order to stop erosion will benefit the soil also in future harvests. When the ADROH project introduced techniques that would prevent erosion in maize cultivation, land tenure was an essential

problem. The same was true for the organic vegetables production. One of the younger peasants who cultivates on land owned by his father in law, and who talks fairly enthusiastically of organic vegetable farming, explains: *“There are drawbacks, because sometimes you restore the land for others...because with organic, you restore the soil.”*²⁹

I would argue that the relative success of the organic coffee cultivation is that coffee is a permanent crop, where the work done benefits the same land and plants every year. Another advantage with coffee as a permanent crop is the possibility to leave it unattended. A farmer that cultivates coffee has the possibility to neglect the coffee fields in times of insufficient resources, in order to concentrate the work force on other crops such as maize, or on enumerated labour. Even when the coffee producers do not have the resources to fertilize their coffee fields every year, they know that the coffee plants will give them some income. Respondents from both APROCAMP and ADROH have observed that organically fertilized coffee plants experience less decline in yields if the farmer does not fertilize one year, than when the plants are used to agrochemicals. Naturally, the periodical neglect of the coffee fields does not improve yields – but the coffee plant will always produce if only a little. In this way, the possibility to fertilize with organic fertilizer is an option to improve the plots whenever the resources are available.

Climate

The unstable climate makes the peasants lives highly unpredictable. The peasants will experience that the crops fail in some years, mostly due to too much or too little rain. They depend on the harvest from one crop to finance the next, so a failed harvest inflict on the available inputs for the next. Coffee trees will yield a little even when the maize or bean harvest fails. For the producers who did not cultivate coffee earlier, the diversification of products through coffee cultivation may modify the hardships derived from climatic instabilities

²⁹ “Hay desventajas porque a veces uno arregla la tierra para otros....porque con orgánico uno la arregla la tierra.”

Naturally, peasants adapt their annual activities to the climate. Due to little rain during the months of November through January only those with access to micro irrigation systems can cultivate in these months. Most peasants spend these months picking coffee on others farms. The cultivation of a personal coffee field makes it possible to stay at home at least parts of the coffee season. It is possible to earn a larger amount of money while picking coffee daily on the larger plantations, but the possibility to stay at home at if only parts of the coffee harvest may be important for some, especially among the elder peasants or women who take care of a number of children. For example, an older male coffee producer, who produced four quintals of organic coffee in 2006, said that he rather preferred to stay in the community and work on his own field, than to migrate (respondent # 3 Los Puentes). Almost all the ADROH coffee producers in the sample are grown men and women – or female producers with responsibility for several children. For them, coffee may be a way to earn an income in a period where other cultivation is not possible. The above illustrates how households adapt different household strategies according to the circumstances (Zoomers 1999). For some households, who more easily can migrate in order to pick coffee, this may be preferred to coffee cultivation. For the older man in the example, however, coffee cultivation is a way to diversify his livelihood at a time where other options are limited.

Price fluctuations

Some of the peasants had not fertilized their coffee for some time when the project started, because of the high fertilizer prices. Price fluctuations are part of the peasants' vulnerability context. They become independent of purchasing expensive agrochemicals due to the knowledge of organic fertilizer. On the other hand, organic fertilizer also requires some purchased inputs. As long as the farmers depend on purchasing hens droppings, they will be dependent on price fluctuations, such as one of the ADROH peasants, who complained about how the price of hen's droppings had risen in the years that he had been preparing the fertilizer.

The next chapter will show how the main benefit for the APROCAMP producers from organic coffee has been the stable price offered by the Fair Trade market. The ADROH producers, on the other hand, are dependent of the coffee prices on the conventional market. The current coffee prices are high, but when the price lowers, their income from coffee will decrease.

Therefore, the farmers who did not have coffee from before have increased their incomes at minimal costs, but at the same time they have introduced a new constraint to their livelihoods in form of the fluctuating coffee prices. On the other hand, for some the coffee production is very low, and much of it is kept for consumption.

Influence on other livelihood activities

The traditional activity of the peasants is subsistence cultivation of maize and beans. An evaluation of the ADROH project from 2006 critically observed that since the participating families do not produce enough maize and beans for their own subsistence, projects should be directed toward improving their subsistence production and not towards the marketing of other products (FD 2006). It may be true that the focus of some peasants is turning from maize to coffee. One farmer expressed that he viewed coffee as the future, rather than the production of maize. This farmer had not yet started to sell his coffee, because the plants were planted only two years ago, but expressed a lot of hopes connected to sales of coffee. He said that the cultivation of maize was so expensive that it was almost as cheap to buy it. (ADROH peasant # 1, Los Laureles, Opatoro) Another family, which cultivates both vegetables and coffee with bocachi at a regular basis, has started to buy rather than to cultivate maize³⁰. However, most peasants would not consider to stop cultivating maize – because, as one respondent remarked: *Maize is what we Hondurans eat*³¹ (respondent #12, Santiago Santa Ana) When asked which are their most important crops, most answer both maize and coffee (and

30 The Central American Free Trade Agreement (CAFTA), which took effect in April 2006 allows, among other goods, maize import from the USA and may cause the price of this commodity to fall (Jansen et.al 2006)

31 “el maiz es lo que consumimos los Hondureños”

the ones who have micro irrigated vegetables reckon this as the most important along with the maize).

The most intensive period of coffee –the harvest - do not compete with the maize or bean production cycle. Only the fertilizing and cleaning of the coffee fields could compete with other activities such as work on the maize fields in May-October, or work at other people’s maize fields.

The above observations indicate that coffee production may be a competing crop to maize and beans, but at the same time, the diversification of crops may protect against the effects of crop failure in the maize and bean production.

Project support

The project incentives have been important to mitigate the constraints related to human and financial resources, and to motivate the farmers. This is a necessary factor in projects of organic farming. NRI (1998: iiv) has noted that “[b]enefits from organic agriculture may not be immediate. Small farmers will require considerable support or incentive over the initial years if the system is to gain momentum and be maintained.” However, the empirical evidence suggests that some coffee producers continue to depend on project incentives and support to prepare the fertilizer. Several peasants report that when the project started they fertilized twice or more a year, which is recommended by the project workers. According to the assisting project coordinator, the project helped with ingredients for fertilizer until 2005. It seems like the producers have elaborated fertilizer less frequently after this, probably because when the project provided for the ingredients, less work was needed in order to collect the materials for the bocachi. If the ingredients are made available, the farmer will not miss out on the possibility to use them. But when everything has to be gathered and bought, prepared and applied, the work burden might be larger than the perceived benefits of the organic fertilizer.

I would like to argue that in addition to being of help to the peasants, the project support has to some extent become an additional vulnerability factor.

Since the project has lasted for seven years, the participants have become somewhat used to the support. Their limited access to information throughout the project, combined with the dense presence of NGOs in the area, has somewhat lead to a dependency on support in order to continue with project activities. In the Opatoro area, as in many rural areas in Latin America, the presence of development projects does not come unnoticed, due to huge billboards announcing the presence of US AID, CARE, Plan International, along with some national governmental and non-governmental organizations. Living within such an environment, the peasants become used to project support, and some will be constantly moving from one project to the next; *“The problem here is that people organize while they receive help, and then they go elsewhere”*³² (respondent # 12, Santiago Santa Ana). Some ADROH members were also participants in a CARE project, and almost all have some experience from other projects. These observations indicate that when faced with the possibility to receive support from different projects, the peasants will adjust to that and exploit the resources that are made available to them – and not all will find it beneficial to continue to fertilize with organic when the ingredients are not made available, or if agrochemicals are made readily available from other projects.

At the same time, the ADROH peasants seem to have good knowledge about the preparation of organic fertilizer, but less knowledge when it comes to the process of certification and about the Fair Trade market, and they depend on the project administration for trading the products. As one farmer said in an earlier section; maybe if he had known all the details, he would not have become involved. The coffee producers do not have the sufficient information about certification and sale of coffee to be able to resume this alone: *Here what is needed is an organization that motivates and visits so that one keeps working*³³ (peasant 14, Opatoro).

32 El problema aquí es como la gente se organiza mientras les den ayuda, después se van a otro lado

33 Aquí lo que requiere es una organización que motive y visite para que siga trabajando”

Additionally, some producers continue to hope that they will be able to obtain a price premium from their coffee, if only “ADROH do some paperwork”³⁴ (respondent #1, Los Laureles, Opatoro and respondent #3, Los Puentes, Opatoro). They do not have any experience from sales of coffee through RAOS, since their plants are just reaching the age of maximum yields, and do not seem informed about the reality of the organic and Fair Trade marketing.

It is still too early to see if the ADROH peasants will continue to produce their coffee organically. During the interviews, all could reel off a list of all the ingredients for the bocachi, and on a few coffee fields, heaps of organic fertilizer was observed. It is obvious that they are actively using the techniques, but uncertain if they will continue when they have to provide all the ingredients themselves. Some of the farmers will probably not continue the organic farming when the project ends, because their participation was based on receiving incentives for the fertilizer. However, according to the interviews, most of the coffee producers seem to have adapted to the habit of fertilizing their coffee fields with bocachi every year, and at least two of these cultivate organic vegetables for consumption as well. As some of the citations in this analysis have shown, a few of the producers seem convinced that organic farming is the best option because it is healthy and environmentally friendly, because they have a certain pride of being knowledgeable of how to manage their fields, and because it is cheaper than agrochemicals.

4.6 Conclusion

This chapter has showed how access to different resources conditions the farmers’ possibilities to cultivate and market organic coffee, and how organic farming has affected the asset base, the livelihood activities and the constraints faced by the farmers.

Some ADROH peasants that have access to land have made the most of their existing natural resources in order to produce coffee. Some have cleared

34 “..que ADROH hace algunos trámites”

new land to plant coffee fields, where fruit trees provide shade and resemble a forest, and all have learned how to take advantage of their natural resources to prepare the organic fertilizer. Since coffee is a permanent crop, it will produce also in years with little extra resources for seeds or fertilizer. Due to the organic fertilizer, the peasants may improve the maintenance of their plots at minimum cost, but the preparation rely on access to working hands, knowledge on how to do it well, and the capacity to purchase ingredients for bocachi. Because of the need to spend more on inputs than when they grow “natural coffee”, organic farming is not a possibility for all resource poor farmers.

The attempt to market organic coffee failed, since the extra income from the price premium did not compensate neither for the extra labour needed, nor for the difficulties connected to the costs and lack of infrastructure available to certify and transport the coffee. Access to knowledge about the trade process was also a factor that impeded the organic coffee trade.

The income from coffee may be useful if the maize or bean harvest fails, and when it is kept for consumption the farmers do not need to buy coffee, which is a part of their daily diet. Coffee cultivation implies that the peasants earn some extra money, though at the same time it is an uncertain crop to rely on, since coffee prices are known for dramatic and periodical drops.

It is surprising that coffee was introduced as a new crop by the project, at a time when the coffee prices were so low. Then again the focus on coffee was not a suggestion from the Norwegian office (Svend Skjønsberg pers.comm), but from the peasants themselves. Additionally, one of the leaders in ADROH at the time was coffee producer and a model ecological farmer, which may have influenced on the decision, along with the close cooperation between ADROH and the coffee producing APROCAMP members. Neither was the marketing of organic coffee through RAOS projected initially, but the idea evolved as a dynamic process through conversations with RAOS and probably from the connection with APROCAMP farmers. This development of the project towards sales of organic coffee is an example of how a development project can not be

regarded as simply a matter of planning, execution and results, but is a dynamic process, or, as described by (Long 2001, 72), an

[...]ongoing and socially constructed and negotiated process, not simply the execution of an already-specified plan of action with expected outcomes (..)Not simply a top-down process, as is often implied, since initiatives may come as much from below as from above.

The project may seem like it has had little success, since the peasants have not been able to improve the coffee prices and not all have converted to organic farming, but on the other hand, coffee was what the farmers and the project administration saw as viable in the area, and even though coffee is an uncertain crop to rely on, as we have seen, the peasants seem satisfied with producing coffee. Even when it proved difficult to market organic coffee, the new knowledge has been adapted by some of the producers, because organic fertilizing now has become a habit: *“I will continue and keep applying it, because I got used to it”*³⁵ (peasant # 4, Santiago Santa Ana). Some mention the environment and health benefits as the most important reasons and others regard the low cost of the fertilizer as a motivation to continue. Some producers hope that they will improve the production. However, some producers continue to believe that, with some assistance from ADROH, they will be able to sell their coffee for a higher price.

5. Case Study: APROCAMP producers, benefiting from a stable Fair Trade coffee price

5.1 Introduction:

In the following I will look at how the possibilities for the APROCAMP (Asociación de Productores/as Orgánicos Campesinos/as de La Paz)³⁶ farmers to produce, certify and sell their organic coffee have been modified by their access to resources. The APROCAMP producers have sold their organic coffee as fair-trade for years: then how is their situation different than that of the ADROH producers?

The farmers live in an area where coffee farming has been practiced for generations, and are themselves small scale coffee farmers, mainly of Lenca indigenous origin. In addition to cultivating coffee, they grow maize and beans for subsistence. According to Jansen et. al (2006), coffee growers in the Honduran hillsides use around thirty percent of their land area for of their land for subsistence farming (Jansen et.al 2006).

APROCAMP is managed with administrative and economical support from Fundación Bahncafé (FBC), a private foundation whose targeted beneficiaries are poor coffee producers. FBC was already supporting farmers in the area with small, local credit-and saving groups, when they in 1998 were invited to apply for project support from the Development Fund. The education in organic agriculture was based on these already existing groups. 25 leaders, who together should educate 100 farmers more, assisted to trainings in organic farming. In 2002 the first APROCAMP members exported their coffee through the Fair Trade certified cooperative RAOS (Red de Agricultores Orgánicos de la

35 “...Pienso mantenerlo, seguirlo aplicando, ya me acostumbré”

Sierra). As in the ADROH project, only a few of the prospected beneficiaries have continued with organic coffee; only around 25 experienced Aprocamp members export Fair Trade organic coffee.

5.2 Organic Production

The coffee plots consist of trees of the traditional, tall Típica variety, combined with newer and shorter varieties. In addition to organic fertilizer the fields are managed with live and dead barriers to prevent erosion, shade and manual cleaning of the fields.

Some of the farmers produced coffee with artificial fertilizer prior to the transition to organic, and others not, but there are few differences in answers between the two. Some of the farmers argue that the production decreases in the transition to organic farming. Since it is difficult to measure difference in yields, this aspect is left outside the analysis. It is evident that the farmers do not make productive decisions based on yields alone, since those who report to produce less have not abandoned organic farming. As we shall see, increased knowledge, protecting the environment and good and stable prices may be more important than high productivity.

5.2.1 Work burden and new inventions

All the coffee producers in APROCAMP know how to prepare bocachi. Like ADROH peasants they say that preparation is hard and heavy work and the purchase of hen's droppings is an extra expense. They prepare the bocachi with help from family members. Most of the respondents have not prepared bocachi for some time. The previous year the project provided them with some bags of hen's droppings, which they mixed with coffee pulp to make fertilizer. Some claim that the organic farming actually is more expensive than conventional farming, because some of the ingredients, like hens droppings, have to be bought.

36 For background information on APROCAMP, the project of organic coffee, and the fieldwork conducted, see chapter 2

According to statements from the interviews, the coffee pulp used to be accessible for free at the processors, but now the coffee pulp is also being sold.

Though most commented on the hard work it takes to make fertilizer, all were certain that they wanted to continue to cultivate organically, indicating that they have adopted organic farming as a way of life. One of them wanted to start a new plot with plants that were organic from the start - as he says; “I am enthusiastic”³⁷ (respondent #3) One female producer puts it like this: “ In the end you get used to work like this, although it is hard to make a good bocachi”³⁸ (respondent # 2). Others say that they go on with the organic even if they find it expensive to buy the hens residue, because “I got fond of it”³⁹ (#7), because of a change in the mentality, or because they want to take care of the environment, like they learned in the trainings.

However, to prepare fertilizer seems to be a task that most prefer not to do, and most seem to prefer to fertilize with fewer ingredients rather than to prepare fermented compost. This observation indicates that the producers are moving away from more elaborated techniques, and may imply that the bocachi is too complicated for the farmers. It also suggests that the farmers are experimenting with developing their own techniques which are more attuned with their possibilities. Interestingly, the producers and the project technician have a different impression of the preparation of organic fertilizer. The FBC technician working with APROCAMP explains how the preparation of organic fertilizer is an excellent opportunity for the farmers, providing them with the possibility to prepare their own fertilizer at a very low cost, by collecting materials that they find in their surroundings, such as hen and cattle droppings:

I: I have the impression that some feel that to prepare it on their farm is expensive..because they have to go looking for the ingredients, and bring it, mix it and wait, and that this is costly.

37 “Estoy animado”

38 Al final uno se acostumbra de trabajar así, aunque es costoso hacer un buen bocachi.”

39 “Me encariñé”

FBC worker: This was before, but we are changing the mentality of the producer, because he at home produces all the elements needed... every day! That means that they can have as a goal to be producing at a weekly basis at home. .and there is no need to go anywhere...⁴⁰

His view contrasts with the comments from some of the respondents, who find it to be hard work and expensive to prepare fertilizer. It is interesting to observe that both ADROH and APROCAMP farmers coincide in commenting on the hard work of preparing fertilizer, and that the APROCAMP members do not apply more elaborated fertilizer techniques than the ADROH farmers - even when they are certified as organic and the ADROH farmers not.

This section reveals two interesting observations; first it suggests that there are discrepancies between the project technician and the participants in their view on the preparation of organic techniques, and secondly it indicates that the APROCAMP producers have elaborated their own ways of preparing fertilizer which better suit their needs than the work-demanding bocachi.

5.2.2 Knowledge – and hopes for the future

Murray (2003:8), commenting on a series of case studies conducted in Mexico and Central America in 2002, observes that “producers from many of the cooperatives noted another important, non-monetary benefit from participating in Fair Trade: access to training and enhanced ability to improve the quality of their coffee “.

One of the female farmers says that for her, one main benefit is that she now knows how to take good care of her plot, and she has the hopes to produce more coffee. Another female producer says “When you have participated in trainings, you feel capable.⁴¹ Others also mention these two things; the new

40 I: ... tengo la impresión de que alguien piensa que elaborarlo en su finca es muy caro...porque hay que ir a buscar ingredientes por todas partes, traerlo y mezclarlo y esperar, y que es mucho más costoso. FBC worker: Esto era anteriormente pero estamos cambiando la mentalidad del productor, porque él allá en su casa todos los días saca elementos para poderlo preparar...todos los días! Significa que ellos pueden ponerse metas de semanalmente estarlo haciendo allí en la casa...y no se necesita salir a ningún lado..

41 si estas capacitada, te sientes capaz”

knowledge, and with it the hopes to increase the production. To have this hope has become one of their desired livelihood outcomes, and motivates them to continue with organic farming.

In this section we have seen that increased human capital is an important aspect with organic farming – to be acknowledged, able to care for their land and hope to improve it, seems to be especially important for the APROCAMP producers, although the additional labour needed to apply the techniques is a hindrance.

5.3 Certification

The experienced APROCAMP producers paid for their certification from the first year, though some of them had to wait for as long as three years before they were able to obtain the certification. In the meantime they sold their coffee as conventional. The certification costs were covered by the individual producers.

The new APROCAMP producers, on the other hand, were able to certify the first year, since they had not fertilized their fields with agrochemical fertilizers for years, due to the high fertilizer prices and the low coffee prices. Fundación Bahncafé sponsored almost all of the certification expenses for these producers the first year. The experienced producers find this a little unfair, since they had to cover these themselves. The new members certify as a group in order to lower the costs, and one local promoter controls the other members' farms. It is too early to say how the certification system among the new APROCAMP farmers will work when the support from the FBC is phased out. There are some similarities between the new APROCAMP members and the ADROH members. Both certify/certified as a group and did not pay for the initial certification – and as we have seen the ADROH producers did not continue on their own when the project funded certification ran out. However, unlike ADROH producers, the new APROCAMP producers are informed that they will be expected to pay the certification themselves in the future, and they know how much it costs to be certified. The volunteer educators receive incentives in form of inputs to their

own farms. This may be a drawback or a benefit, since the wish to participate may be connected to the incentives and disappear when the incentives are gone (Flores 1994). The FBC technician explained in the interview that it was challenging in the beginning to find volunteer workers, until they started to receive incentives (FBC worker pers.comm.). It remains to see if the new APROCAMP members will continue to certify when they have to pay their own certification and if the internal control will work once the volunteer worker ceases to receive compensation for the use of her time. As we have seen in the previous chapter, these were two of the challenges the ADROH producers faced concerning certification. An interesting question is if the new APROCAMP producers, who have larger plots and thus more to earn from the organic and Fair Trade coffee, and who belong to an association who runs a well-organized system of transportation to the processor, will be better motivated to continue the certification. Another point to be made is that the new APROCAMP farmers are organized in micro credit groups, and their connectedness might make it easier to continue the internal controls.

5.4 Harvest and sale of organic products

5.4.1 Harvest

The crucial difference between APROCAMP producers and ADROH producers is the physical and natural resources; APROCAMP farmers have larger plots, higher production and the communities are fairly close to the paved highway. This enables them to administer a collection point for the harvested coffee cherries. One female coffee producer lives at a crossroads on the paved highway, and the collection point is set up in her yard. The truck from RAOS can get to this collection point every afternoon and drop the coffee off at the processor in Marcala relatively easy. Even though the collection point facilitates the transportation of coffee to the processor for the farmers, is not appealing to the farmers to transport bags of coffee cherries for a number of subsequent days, even if it is only a 15-minute ride, because travelling to the collection point is

laborious. The coffee has to be carried to the main road, by horse or on the back, where the farmer needs to find a ride to the collection point, and the car will charge 10 L per bag of coffee. As explained in the previous chapter, the coffee cherries must be processed the same day as they are harvested, if not they will ferment and be ruined; therefore the coffee which is cut in one day should be transported to the collection point in the afternoon. The APROCAMP members find themselves with the same problem as the ADROH producers; to find enough work assistance so that they can cut the coffee in as few days as possible. As in Opatoro, the labour available for hire to small farmers is limited during the harvest, since the workers prefer work for the larger plantations. The APROCAMP producers, however, continue transporting their coffee to RAOS. Their physical capital – the closeness to the road - benefits them, as well as the size of their production (natural capital). Additionally, the importance of the support they receive from Fundación Bahncafé in organizing the collection point should not be overlooked; and will be outlined in the last section of this chapter.

5.4.2 Income from sales

Most of the APROCAMP producers have sold their organic coffee through RAOS for several years, as the first producers entered the Fair Trade market in 2002. However, due to the organic certification expenses (30 US\$), and the membership fee in RAOS (6,5 US\$), their additional earnings in comparison to the conventional coffee price are low when the conventional increase. Those who have little production, such as 20qq cherry coffee beans, would at a market price for conventional coffee at 280HNL/15,4 USD per quintal of coffee cherries earn 5600HNL/308USD. The Fair Trade prize that the same farmer can receive is around 345HNL/19USD, and will give a harvest income of 6900HNL/380USD. Of the about 72 dollars earned extra by this producer, he or she needs to spend 36,5USD on certification and membership fees – so what in reality is gained is a 34,5USD surplus a year. This estimate does not include calculations for production, harvest and transportation costs.

The APROCAMP coffee producers recognize that the benefit with Fair Trade rather than the extra earnings is the assurance of a stable prize in case the coffee prices fall again. The farmers were coffee producers during the coffee crisis, and know from experience that the prices decrease dramatically. One of the farmers told the story of how he, owing to the price premium, was able to keep paying his debts during the coffee crisis, when the conventional prize was down to 40L/Q (IH Café, SAG et.al 2002). With the conventional price so low, the sales benefits from Fair Trade was huge. Currently, when the conventional prices are reaching Fair Trade levels⁴², a threat to the well functioning of RAOS is that members sell to the intermediaries (#2)⁴³, when the price premium doesn't prove enough incentives to go through the trouble of transporting the cherries to the collection point. This the loss of members in times of high coffee prices is a problem among Fair Trade cooperatives (Murray 2003), and one of the largest challenges to guarantee the importers in consuming countries a stable supply. If the members identify with the cooperative, the chances for losing producers are lower.

Reimbursement

The arrangement where the farmer receives the payment for the coffee in two turns is an additional threat to the loyalty of the members of the cooperative. Even though the APROCAMP members express much less resentment towards the payment system than the ADROH producers, they recognize this drawback. One farmer recounted how one drawback is that it may be tempting to sell their coffee to the intermediaries because they pay at once (respondent # 3). Another producers put it this way when I asked if the two-turn payment could be a benefit because it is a way to save money, like the former president of RAOS had suggested: “We Hondurans are not accustomed to saving”⁴⁴ (respondent #1).

42 If the convencional price grow higher than the fair trade, this will rise accordingly

43 Si antes era un problema porque () para los que no son leales con la organización era un problema..pero para el que es leal con la organización no, porque (..)antes los productores lo que hacianera que se iban a vender al coyote, porque era mejor, porque dieron el pisto inmediatamente, no estaban esperando hasta junio.....

44 “Nosotros los hondureños no tenemos el habito de ahorrar”

Another said that it could be considered a way to save, but the problem is that it gives no interests, and if she in the meantime needed a loan, *that* would charge interests (#2). When asked directly if the payment system is an obstacle, some express that “the problem is that I need the cash”⁴⁵(#5). Another member does not consider the payment to be a problem, considering that “money is always useful no matter when it arrives”⁴⁶(APROCAMP member # 4).

However, the cooperative is constantly improving the reimbursement methods. In 2004/5, documents from the ADROH archive show that the ADROH producers were all paid differently for their coffee at the first payment, which was calculated according to the current market price. The next year, all received the same advanced payment, which was slightly below the market price. In the 2006/7 harvest, an attempt is being made to pay market price for the coffee in the first payment, so that the producer stays with the cooperative.

Credits

The APROCAMP producers receive, to my knowledge, no credits through RAOS, but they are themselves organized in micro credit-and-savings groups, which provide them with small loans. The community credit groups formed the basis for the cooperation with the DF in the late 1990s when farmers were offered trainings based on these groups, and is funded by Inter American Foundation. Through these groups the farmers have access to credits of around 2000-3200HNL/110-165 USD per year. Connected to the groups are also community convenience stores, which provide the community credit groups with some capital. Due to the access to credits, the farmers depend less on receiving all their income from the coffee sales at one time.

5.4.3 Information

In the above sections it becomes clear that the APROCAMP producers have the sufficient amount of production, the physical resources, and the access to credit which enables them to sell their coffee through RAOS, even though they

45 “el problema es que necesito el billete”

46 “El dinero a todo tiempo sirve”

experience the same problems as ADROH connected to the heavy work burden of preparing fertilizer and the lacking access to workers during harvest.

One of the observations made from the studies of the ADROH and APROCAMP groups must be that access to information is crucial in order for the farmers to build identity with the cooperative and to understand enough of the processes of certification so that they can be in control of them. Murray (2003:16) writes that “knowledge is a key ingredient to developing the more democratic institutions envisioned by the Fair Trade movement. Yet a universal observation of the case studies was that *producers lack a clear understanding of Fair Trade*. Fair Trade was an abstract concept, distant from the daily lives of many producers.”

The APROCAMP farmers have a strong identity to RAOS and knowledge of how the cooperative works. To a lesser extent they are acknowledged about the Fair Trade market. It seems like the RAOS management have a clear understanding that that the farmers need to understand how the cooperative works. For example, one of the interviewed board members emphasized that it is important that the members know what RAOS is (respondent #2).

5.5 Social capital: how important has it been?

This section looks comparatively at how social capital⁴⁷ has influenced on the diverging benefits and constraints experimented by ADROH and APROCAMP. Social capital refers to the quality of relationships between people and the extent to which one can count on mutual assistance (Hebnick and Bourdillon 2001), are parts of well functioning networks and groups, and have access to wider institutions (DFID 1999)⁴⁸. Social capital is especially important for facilitating

47 Though I prefer using the term assets instead of capital, I will refer to the term capital in this section, because “social capital” has become a term within the research literature, and I follow this trend for the sake of referring to other articles

48 Social capital can include many aspects. I will only examine the relations between farmers and the capacities of the supporting organizations Adroh and Aprocamp, See DFID (1999), Hebnick and Bourdillon (2001), or Pretty and Ward (2001) for more detailed outlines of social capital.

group certification and sales through cooperatives. In her study of a Fair Trade cooperative in Mexico, Martinez-Torres (2006:77) found that

[...]it was the organizations and networks (social capital) that allowed farmers to get certified as organic producers and receive a price premium, and their organizations provided them with critical technical assistance in their technological transition

The ADROH and APROCAMP coffee producers' social capital is reflected both in the relations between the producers, between the producers and the supporting organization (which is also influenced by the internal relations in the organizations) and between the supporting organization and their international donors.

5.5.1 Institutional support

According to institutional analysis of the supporting organizations, the strength of Fundación Bahncafé is that it “has a good external reputation because of its administrative management”⁴⁹, while the strength of ADROH is that it has a clearly defined and active membership (Monge 1998 a, b). Fundación Bahncafé supports APROCAMP as an independent and private organization, and this distance may have facilitated the continuity of the project. The grassroots organization ADROH has experienced some internal struggles, and among the participants there is much talk about corruption among the members of the central executive committee. The internal fights resulted in the project worker in the Opatoro area leaving the organization, which affected the continuity of the project.

Even if the institutional analysis regards the member ownership within ADROH as an advantage, its membership it is also rather dispersed, spreading over three departments. The main office is three hours from Opatoro – which makes it difficult for the members to obtain first hand information about the organization's activities. Although the peasants are active members of ADROH, they have little knowledge of what is happening to the project and if the support continues. Contrastingly, Fundación Bahncafé is situated in the same department

as the projects, and the project participants can communicate with the administration fairly easily. There is a paved road going from the FBC office to the communities. The communication is additionally facilitated because the donor support that the FBC continues to receive from state and international organizations, facilitates access to means of transportation to visit the communities, and makes continued financial, technical and administrative support to APROCAMP possible - although the idea is that APROCAMP should manage on their own in the future.

5.5.2 Knowledge, identity – and motivations

The ADROH peasants did not manage to work together on the matter of organic commercialization, although most of them realize that group work is facilitating and that it is difficult to certify and commercialize organically on their own; “solo no se puede” (ADROH respondent # 9 Buena Vista). As the analysis showed, one reason for why they did not manage to work together was that they weren’t aware of the certification costs. Contrastingly, the APROCAMP farmers have good knowledge about certification, which they have paid and managed on their own since the first year.

The APROCAMP members seem to have a certain identity with the cooperative, such as one producer who asserts that the RAOS administration consists of “good people, who care about the members (respondent # 5 APROCAMP).” The sense of belonging to the cooperative by the experienced farmers probably prevents some of them from abandoning the organization when coffee prices rise. When asked why RAOS must pay in two turns, all the interviewed APROCAMP producers are well informed, in contrast to the ADROH producers who talked about the cooperative as just another buyer of their coffee, and were not informed about their expected relation of identity

49 Goza de buena reputación externamente por el manejo administrativo

towards RAOS or the reasons for reimbursing the coffee in two turns. One of the APROCAMP members interviewed had never been active in the management of the cooperative, but also he knew that RAOS was a bridge between the producers and the importers, and that RAOS had to export the coffee before it could compensate the farmers. In that way, “..if there is a problem, we all pay”⁵⁰ (APROCAMP respondent # 4). One reason for the connectedness between Aprocamp members and RAOS is probably that the majority of the Raos board members (3 of 5) are from Aprocamp, which probably is due to them being the largest association within the cooperative. Additionally, belonging to a cooperative is probably not unfamiliar to the APROCAMP farmers, as organizing one selves in cooperatives is common among coffee producers. In a 2002 investigation, 30% of 505 responding Honduran coffee producers were organized in a cooperative (IH Café, SAG et.al 2002).

The lacking knowledge of certification and Fair Trade among ADROH peasants can be explained by a general disorganization within ADROH, but also on the fact that the ADROH producers and project administration did not work out from a motivation to commercializing coffee at a better price, as the APROCAMP farmers did. The aim of the experienced APROCAMP coffee farmers was always to market the organic coffee, while not all ADROH peasants mention improved prices as a reason for initiating organic coffee cultivation, and sales was not an aim stated by the project coordination from the beginning.

To what extent has the social capital influenced the projects? It is evident that the strong social capital of the APROCAMP farmers: the motivation to sell their coffee, the well-administered supporting organization, and the presence of strong individuals with organizational capacity⁵¹ has been beneficial for the association. Similarly, it is obvious that the internal disagreements in ADROH and the quarrels between coffee producers from different municipalities, has had a rupturing effect on the production and sales of organic coffee, because it leads

50 si hay un problema, pagamos todos

51 A mayor and a former school teacher are among the members

to a lack of identity, loyalty and trust among the farmers towards the organization and, to some extent, each other.

It can be concluded that these relations have been influential for the outcomes of the project, but that they have been modified by the producers' and the organization's motivations for farming organically. The farmers' motives for changing their agricultural techniques are related to their livelihood constraints and the wish to improve their conditions. The most important for the APROCAMP farmers was to rely less on the conventional coffee prices, while for the ADROH peasants it was to improve their production techniques and expand their cash crop production.

5.6 Fairtrade organic coffee - how has it influenced APROCAMP farmers livelihoods?

5.6.1 Organic

The organic certification makes it easier to obtain buyers to the Fair Trade coffee. The aims of the Aprocamp project were both to improve the coffee production and to search for alternative marketing options for the coffee (DF 1999).

The project aimed to reach 125 beneficiaries, though only around 25 currently market organic Fair Trade coffee and was relevant for this study. According to data from the interviews, some Aprocamp farmers discontinued the organic farming because they didn't find it beneficial. Among those who continued, there seems to be a change of mentality. Their main motives to cultivate organically are the conviction that organic coffee is environmentally friendly and better for their lands: "the motive for continuing is to take care of the environment, like I have learned in the trainings" (APROCAMP respondent # 3). Additionally, they hope to improve their yields in the future. Contrastingly, the *new* APROCAMP producers mention better price, to market coffee as group, to save money; to "live less pressured lives" (new APROCAMP member # 3) - as their main motives for initiating organic farming.

The analysis has shown that to obtain an improved price is not sufficient motivation to farm organically. That some farmers continue anyways illustrates that the producers do not always or exclusively make their decisions based on economic expectations alone. To increase their knowledge (human capital), improve their lands (natural capital) and take care of the environment is also important. These elements make them stick to the organic farm techniques despite the fact that all recognize that the human resources needed for organic farming is a hindrance, and that the premium price hardly makes up for the work.

5.6.2 Fair Trade

Daviron and Ponte (2005:185) have observed that

The overall income of sustainability standards depends on the balance between the extra costs of matching these standards (including labour costs and the cost of certification where it is not covered by cooperatives and/or exporters) in comparison to the extra income earned from the premium plus/minus the impact of changing farming practices on yields and quality.

APROCAMP producers' fields yield enough for the income of the coffee to cover the certification expenses. The small price premium which they receive also compensates for a possible loss in yields from the change to organic techniques, and make worthwhile preparing and applying organic fertilizer and transporting the products to the collection point. Additionally, they benefit from their proximity to the main road. Access to credits through community groups makes them less dependent on receiving all their income from the coffee harvest, and they receive organizational, administrative and economic support from Fundación Bahncafé. Because of the above factors, it is feasible for them to continue with the Fair Trade marketing.

Their main reason to continue with Fair Trade certification is that when they sell their coffee through RAOS, they benefit from a stable price. Fair Trade offers only a small surplus when the conventional coffee prices are high, but if coffee prices decrease, they are secured against the hardships they experienced during the coffee crisis. Fair Trade has reduced the livelihood constraint that the fluctuating prices represented.

6. Images and realities in organic farming and Fair Trade

The previous chapters have tried “to document the ways in which people steer their ways through difficult scenarios, turning “bad” into “less bad” circumstances” (Long 2001:14), and to analyse how the introduction of organic agricultural techniques and Fair Trade marketing have been experienced by coffee producers in the department of La Paz, Honduras.

The study has intended to answer the research questions that were posed initially. The first question asked was: *What have been the main benefits and drawbacks of organic coffee cultivation and Fair Trade for smallholder peasants?*

Perceived benefits are the increased knowledge on how to improve the fields, the possibility to fertilize relatively cheaply (mentioned more by ADROH farmers than by APROCAMP farmers), and the hopes towards the future. Almost all APROCAMP farmers hope to improve their production, while some ADROH peasants still believe that they will benefit from a better price.

As we have seen, many of the same drawbacks were perceived by farmers from both groups. It is hard work to produce with fertilizer, the ingredients may be expensive to purchase and bring from the nearest town (especially if the farmer did not fertilize at all earlier), some say the production goes down, it is difficult to make large quantities of bocachi, and it takes two weeks to prepare the fertilizer, so the application needs to be planned ahead, and is necessary to contract more workers for fertilization. As for sales, the benefits experienced by the APROCAMP farmers are the stable price, which represents a security in hard times, and the price premium which compensates for a loss in production during transition to organic. ADROH farmers have not seen any benefits from Fair Trade, and mention only constraints related to recruit workers for the harvest, transportation constraints and the reimbursement system. APROCAMP farmers

have experienced some of the same constraints, they are left with only a tiny surplus when all the work has been done and the expenses paid.

The thesis proposed that the second research question - *What factors influence the benefits and drawbacks?* - could be answered by looking at the contexts in which the farmers live and their access to financial, human, physical, natural and social resources. Access to land, size of plots and agro-ecological conditions, access to labour, and knowledge of techniques and of the certification-and sales system, the organizational and financial strength of the supporting organization, as well as the farmers' motivations for farming organically, were found to be factors that influenced on the benefits and drawbacks.

Finally, the third research question - *how has production and sale of organic coffee influenced on the farmers livelihoods?* -was answered by analysing data from the qualitative fieldwork by applying a livelihoods approach, and it was found that for the APROCAMP farmers, the stable price of Fair Trade coffee along with the hopes for future improvement of the crops and the possibility to care for their natural resources were the main influences on their livelihoods. ADROH farmers on the other hand, had been able to initiate a cash crop production that probably has minimal negative effect on the environment - or had obtained the possibility to improve the coffee fields they already possessed. However, due to the constraints and the drawbacks, not all ADROH peasants had adapted the techniques. The difference between vegetables and coffee was evident here - several farmers grew organic coffee but applied agrochemicals to the vegetables – and this study suggests that the reason for this was held to be that coffee is a permanent crop, so that the investments will benefit the plots for years, and it is possible for the farmers to invest their labour in fertilizing the fields organically when they have the extra resources.

To conclude the study, this chapter will discuss, in light of the findings, the assumed possibility of Fair Trade to lift farmers out of poverty, and to what extent the adaptation to organic farming has been sustainable development for the participants in this study.

6.1 Fair Trade: Trade-aid?

Fair Trade informs coffee purchasers that their choice of coffee is ethically correct. In a sense this is “white-washing” of the consumers’ conscious, while the producers continue to gain minimal earnings from their coffee harvests, as shown in the thesis. In this section I do not claim that Fair Trade is an unethical initiative, since it is attempting to provide an alternative to the distorted conventional system of coffee trade, but I nevertheless argue that to call it fair, might well be an overstatement.

The aim of the thesis has not been to calculate if the amount received at the Fair Trade market really is a price that “covers the cost of production and provides a sustainable livelihood”, as promised by Fair Trade (Fairtrade Foundation 2007, FLO 2007). It has been shown, however, that the benefit for the farmer is not so much that the Fair Trade price is higher, but that it is more stable than the conventional. According to one of the interviewed, the income from Fair Trade coffee “*is enough to maintain the fields...but it is not true that I will be able to fix my house with money from the coffee*”⁵² (APROCAMP respondent #1). She is here alluding to the success stories told by Fair Trade or organic promoters about Fair Trade farmers being able to improve their housing. Later in the interview she refers to how the stable price is a benefit: *If it [the price of conventional coffee] goes down this year, because it never stays high, if it goes down to 150 [HNL] they will be paying us the same [as now].*⁵³

This indicates that the reality of the farmers is not equal to the image promoted to the consumer of Fair Trade coffee, which often displays happy farmers⁵⁴ whose lives have been economically transformed through Fair Trade –

52 “Sí da para el mismo mantenimiento de la finca...pero que a mi me va a quedar para yo hacer lo de la casa, es mentira.”

53 “Si este año q viene baja, porque el café convencional nunca no se mantiene, si se baja a 150 nos van a pagar a nosotros igual.”

54 See for example Fairtrade Foundation: http://www.fairtrade.org.uk/about_benefits.htm

and suggest that there really are some commodity fetishism⁵⁵ in the Fair Trade commercials where the realities of the farmers are hidden to us, not through the lack of information, but by displaying Fair Trade as a way out of poverty for the farmers, such as it is described – as an illustrating example - on the web page of the Dutch organization Fair Trade Original:

Latin-American producers, like Dutch entrepreneurs, wish for a happy and prosperous life. Like us, they also wish to provide a roof for their families, feed their children, and send them to school. And, when necessary, they also wish to be able to pay for medical care. Fair Trade Original helps them do so by conducting trade that develops.

Ponte (2001) and Daviron and Ponte (2005) observe that there is a “coffee paradox” where coffee is becoming more and more popular and profitable in the North, while coffee farmers become poorer in the South. Fair Trade is attempting to fix this and to correct the market failures that exclude small producers from their share of the coffee profits failures (Nicholls and Opal 2005).

However, Fair Trade is in the end dependent on international support for its success. Even RAOS, which is becoming a well-established cooperative and manages to sell all of its coffee as Fair Trade, receive 20% administration support from HIVOS. Some cooperatives only manage to sell as little as 20% of their coffee as Fair Trade, and their surplus will be even smaller than for the APROCAMP producers.

The largest German importer (GEPA) is, as we have seen, supported by the Catholic Church. Fair Trade was born out of church organizations supporting farmers in the South, and has therefore since the start been dependent on aid. There need not be anything wrong with that, since Fair Trade is to be about solidarity between consumers and producers, just like much aid is also based upon solidarity; but the cooperatives, receiving a so-called “fair” price, is dependent on international support in order to manage. Therefore, to claim that Fair Trade is a concept which challenges market, and which offers the farmers a

55 This term refers to when certification conceals information about a product, even though it seemingly provides increased knowledge about it. See the introduction, section 1.1.2

fair price, is somewhat misleading, since the price is not fair enough for the farmers to both manage a well run cooperative and take out a significant surplus. In this sense, Fair Trade is not so much about trading fair, as about providing aid through trade.

6.2 Organic sustainable farming?

Like Villarreal (1992:251) points out, “[a]s anyone [...] who has tried to evaluate such work will recognize, the same package can work differently for people or households of the same predetermined category”. Because of the diversity of experiences, it is difficult to study the impact of development projects, and likewise, to draw conclusions concerning the sustainability of organic farming based on the results of the findings – but some conclusions can be made.

Since the assumed benefits of organic farming – potential increase in yields, independence of inputs and the possibility for a better price- are obtained in a socially and environmentally sound manner, organic farming is assumed to be the same as sustainable farming. However, in order to be sustainable farming, organic farming needs to be also economically viable (OECD 2003). Obtaining benefits from organic farming has proven difficult to some ADROH farmers due to their economic situation. Even though the independence of inputs is considered a benefit in the literature and among NGO workers (IFAD 2003, Parrot et. al 2006, FBC worker, pers.comm), many farmers do not have the possibility to fertilize with organic fertilizer, because of the extra work needed (for some implying the need to hire extra labour) and because some materials for the fertilizer have to be purchased in the nearest town. As we have seen, the extra need for labour has proven the most difficult for organic farmers also in other studies. Organic coffee has somewhat had a positive influence on some farmers’ financial resources. However, for some of the ADROH farmers the financial benefits have been because they have expanded their cash crop production of coffee, and not so much because of the organic techniques, since many applied

these only occasionally, and few of the farmers communicate experiences similar to what the DF website displays, when it says that the ADROH farmers

strengthen the food production through the use of ecological methods that preserve the soil. This is important because of health and environment, and more importantly to reduce the costs of agrochemicals.⁵⁶

Additionally, coffee cultivation is only possible for the farmers who possess land. The landless, who would have to apply organic techniques to vegetable cultivation on rented land, have not benefited to the same extent from the organic techniques. This is reflected in the use of organic fertilizer in vegetable production. Some ADROH farmers in this study apply organic techniques in vegetable cultivation for domestic supply, while in cash crops they continue to apply agrochemicals, sometimes in a combination with organic fertilizer, because the organic vegetables are in general smaller and harder to commercialize, and more exposed to diseases. In maize production, organic fertilizer is not used because the labour input needed to produce enough heavy, organic fertilizer for the fields, would be too demanding.

The aim of the project, according to the Development Fund, was to improve the food security and life conditions of the farmers through strengthening local, sustainable food production.⁵⁷ As we have seen, organic farming has not helped significantly to reach this goal. The trainings have provided the ADROH farmers with the possibility to cultivate with organic fertilizer, but this is merely a tool for production that some use occasionally. In terms of enhancing food production, other techniques than organic fertilizer have been more eagerly adapted, such as new and more efficient techniques in maize production (minimum tillage and residue incorporation in the fields) which have

56 Styrking av matproduksjonen foregår gjennom bruk av økologiske metoder for å bevare jordsmonnet. Dette er viktig av hensyn til helse og miljø, men kanskje først og fremst for å redusere kostnadene til sprøytemidler og kunstgjødsel.

57 Hovedformålet er å bedre matsikkerhet og levekår gjennom styrking av lokal, bærekraftig matproduksjon. (www.utviklingsfondet.no)

been adapted even on rented land. These are techniques from which the farmers have seen results. Like one of the project workers said: “It is logical that the organic fertilizer improves the soil, but the most important thing for the peasants is to provide food on the table”. For the most resource poor farmers, the challenge is therefore to find solutions to how to improve food production that fit their economic and subsistence needs.

The above discussion shows that organic farming, understood as the application of prepared and fermented organic fertilizer is not economically sustainable for all, and this should be understood as one reason for why it has not been adapted by all participants. Some farmers do however continue with the organic farming. This suggests that other factors, such as self-esteem, hopes for the future and health-concerns, may be as important as financial gains, for some. In light of the above, the last conclusion to be made from the study is that organic farming cannot be initiated with the aim of improving the farmers’ financial resources alone, since the gains may be minimal. Those farmers who had adapted to organic farming in this study did it also out of motives of protecting their health and their environment, and to improve their fields.

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Appendix 1: ADROH Coffee production

Table 2: ADROH coffee: cultivated areas, production, sales, and prices

#Respondent ⁵⁸	Cultivated Area (tareas)** ⁵⁹	Prod.2005**	Estimated prod. 2006**	Sales	Price received from middlemen per qq coffee cherries ⁶⁰ ** in 2006
1 (Male)*	3		2	N/A	
2 (Male)*	5	N/A		N/A	
3 (Male)	6	4		Keeps all for Consumption ⁶¹	
4 (Male)	5	6	N/A	2005:RAOS 2006:Middlemen	330
5 (Female)	10	7	N/A	Sells to middlemen	235
6 (Young female)*	1	N/A	N/A	Sells to middlemen	
7 (Female)	2	0,11		Keeps all for Consumption	
8 (Young female)*	2			N/A	
9 (Male)	8	4	5	Sells to middlemen	
10 (Female) *	3			N/A	
11 (Female)	8	5		2005 :RAOS 2006: Keeps all for consumption	
12 (Male)	6	24	18	2005:RAOS 2006:Middlemen	340
13 (Female)	10	20	30	2005:RAOS 2006:Middlemen	290
14 (Male)	18	8		2005, 2006:RAOS	
15 (Male)	15	9		Sells to middlemen	
16: Not interviewed (Female)	1	1	N/A	Keeps all for consumption	
17: Not Interviewed (Male)	4	22	18	Sells to middlemen	225
18: Not interviewed (Male)	1,5	6,5	7	2005:RAOS 2006:Middlemen	**
19: Not Interviewed (Male)	4	1		Keeps all for consumption	
20: Not interviewed (Female)	9	5,93	5	2005, 2006:RAOS	
21: Not interviewed (Male)	1	10		Keeps all for consumption	
22: Not interviewed (Male)	2	12		Keeps all for consumption	
23: Not interviewed (Male)	9	4		Sells to middlemen	225
24: Not interviewed (Female)	1	1		Keeps all for consumption	
25: Not interviewed (Male)	2	2		Sells to middlemen	
	136,5				

58 *: these numbers are based on data from interviews and not from ADROH estimates

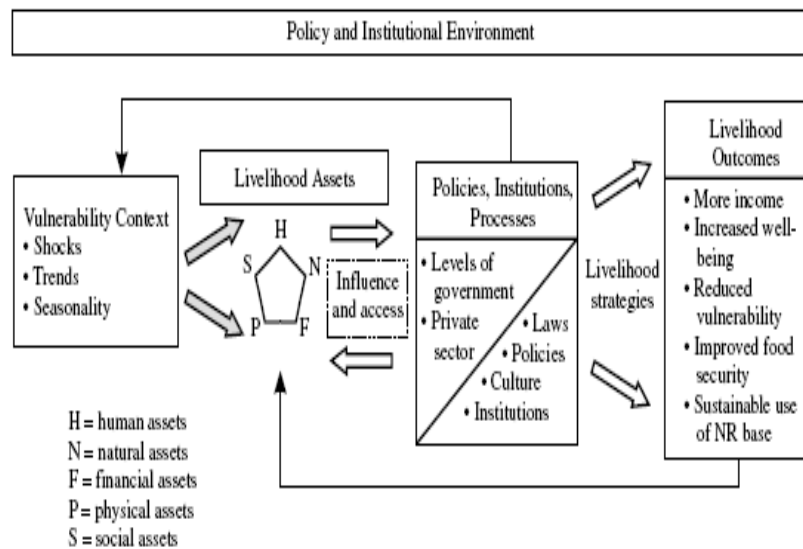
59 **: Source:ADROH estimates if not otherwise indicated

60 In 2006 all who sold to Raos received 200HNL in advance and 145 HNL later.

61 All keep *some* for own consumption, especially the beans who are of lesser quality

Appendix 2: Livelihood and asset-based frameworks

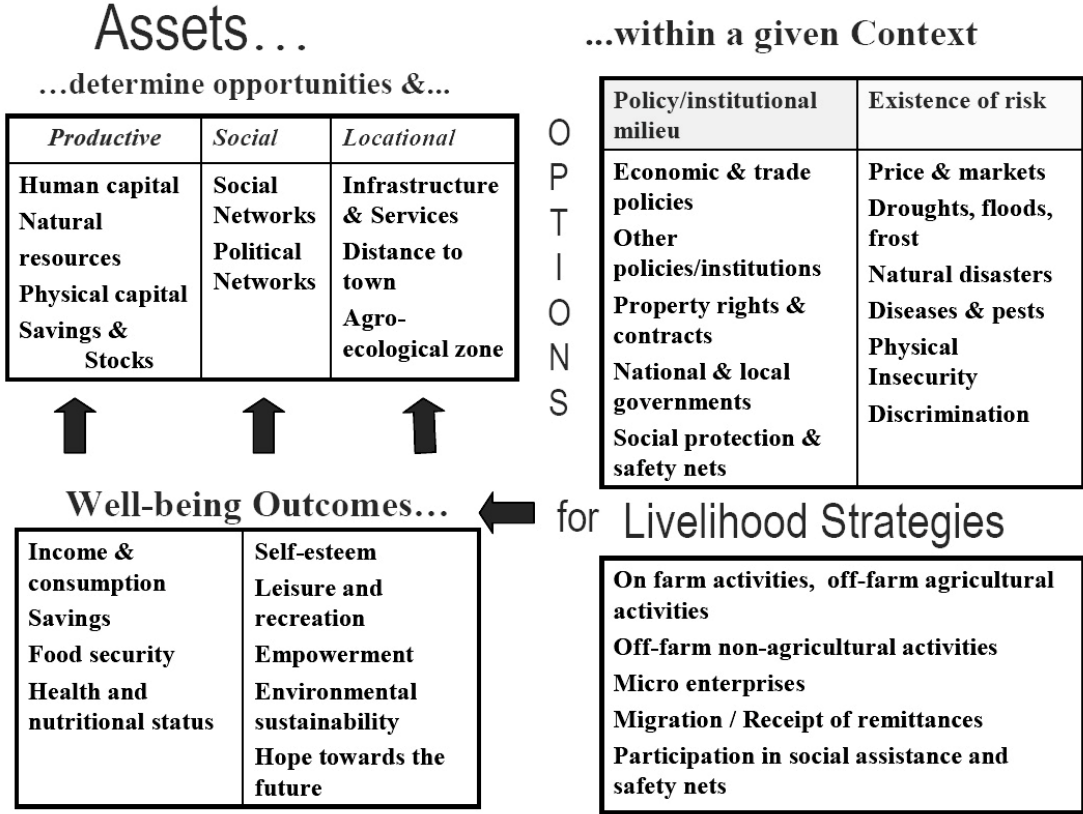
FIG.1: DFID-inspired framework



Source: Adapted from DFID (1999) and Adato and Meinzen-Dick (2002) in Jansen et.al (2006: 22) Figure 3.1 Sustainable livelihoods framework

The DFID framework refers to the five types of assets and show how these are influenced by the vulnerability context, and how these, together with policies, institutions and processes, influence on livelihood strategies.

FIG 2: Asset-based approach



Source: Jansen et.al (2005:28 Figure 4: Asset based approach).

The asset-based approach, as applied by Jansen et.al (2005) includes also livelihood outcomes such as hope towards the future and self-esteem, which are found to be important in the study. Additionally it highlights the diversity of livelihood strategies among the rural population.

Appendix 3: Interview guides

All interview guides were lists of possible questions, and not a list to follow strictly. The questions were asked according to the flow of the conversation. The guide provided some systematization to the interviews and provided that the respondents were asked almost the same questions.

Interview guide 1:

Interview guide for the first semi-structured APROCAMP respondents, with two experienced farmers and six new. Chinacla, La Paz, November 2006:

LA PRODUCCIÓN ORGÁNICA:

- -Qué es para Usted? Cómo es diferente?
- Porqué empezó? Qué le motivó? Como le pareció al principio? Ahora? Reacción de otros familiares/campesinos. Qué es bueno? Qué no tanto?
- Qué tipo de asistencia técnica has recibido?

LA PRODUCCIÓN DE USTED:

- Cantidad y tipo de cultivo
- Consumo o venta?
- Insumos: qué tipos y de dónde?
- Trabajo: Quién hace que? (hombre, mujer, niños) Cuánto hay que trabajar? Alquila trabajadores? Cómo les pague?
- Tiene tierra propia? Si no cómo funciona el sistema de alquiler?

APROCAMP y RAOS:

- Coopera con otras personas/grupos afuera de la familia?
- Cómo ha sido la cooperación con RAOS y APROCAMP?

LA CASA:

- Quiénes viven en la casa? Edad?
- Hay gente que no vive en la casa pero que Ud. Sostiene o quién manda remisas?
- De dónde es Usted? Cómo llegó a vivir en esta comunidad?

SEGURIDAD ALIMENTARIA:

- Qué comen?
- Comen igual ahora que antes de empezar con lo orgánico?
- Dónde vende el cultivo? A quién, cuando y qué?

FINANCIAMIENTO:

- A qué usa dinero? Cómo obtiene dinero
- Esperanzas para el futuro de lo orgánico
- Agricultura sostenible:
- Quién lo brindó? Cómo fue? Siguen recibiendo asistencia técnica? Cómo le pareció el técnico? Qué le ha enseñado? Han sido técnicas que han sido difíciles adaptar?

Interview guide 2:

Interview guide for the first semi-structured interviews with ADROH respondents, when the fieldwork was aimed at understanding how the farmers had adapted to organic cultivation in all techniques and to understand more about the context in which the farmers live. Opatoro/Santa Ana, La Paz, November and December 2006.

DE LA PRODUCCIÓN ORGÁNICA:

- Como producía antes y como produce ahora?
- Qué produces orgánicamente y qué no?

- Qué tipo de insumos usa?
- Como lo obtiene?
- Usas mucho dinero en insumos?
- Más que antes?
- Como ha sido buena para usted la producción orgánica y en que manera ha sido difícil?
- Qué es difícil en su producción ahorita?
- Hay algo que te va bien en su producción ahora?
- Ha tenido reacciones de otros campesinos?
- Quiere seguir produciendo en una manera orgánica si ya no obtiene asistencia?

EN QUÉ MANERA HA CAMBIADO SU CALIDAD DE VIDA LA PRODUCCIÓN ORGÁNICA?

- hay otros aspectos con el proyecto que han sido igual o más importante para cambiar su calidad de vida?

PARA MUJERES:

- Cómo ha sido ser mujer en el proyecto?
- Ha tenido algún dificultad por su papel de mujer?
- Cómo ha cambiado su trabajo diario?
- Ha cambiado algo en la relación que tiene usted a su esposo o hijos?
- Cómo le ha ayudado su esposo o sus hijos?

DEL PROYECTO ASDEL:

- Quien trajo el idea, que hizo Usted, que tipo de ayuda recibió?
- Cómo le pareció el proyecto?
- Le parece diferente ahora?
- Cómo le pareció la capacitación?
- Qué ha aprendido?
- Cuántas capacitaciones ha recibido?
- Cómo le pareció el técnico?
- Qué tipo de asistencia sigue recibiendo?
- Habían técnicas nuevas que ya conoció desde antes?
- Dónde lo había aprendido?
- Han sido algo aprendido que ha sido difícil aplicar en la práctica?

DE SU FAMILIA

- Quiénes pertenecen a su casa?
- Qué edad tienen y qué hacen?
- Ayuda a alguien afuera de la casa?
- Es usted de la zona? Si no, cómo llegó?
- Cómo gana su ingresos la familia? Venden algo? Trabajan en tierra ajena? Quiénes? Reciben remisas de alguien?
- Tienen acceso a prestamos?
- Cómo es su ciclo de ingresos? (por ejemplo, gente que siembra café tienen un ciclo donde tienen la mayor ingreso de la cosecha y hay que administrarlo)

LOS GASTOS DE LA FAMILIA

- Pueden ahorrar o invertir?
- Comen igual ahora que antes del proyecto Asdel?
- Qué compran para comer y qué cosechan?
- Cuales son las cosas que tienen que comprar que no es comida?
- Hay algo que le hace falta para que su familia sea bien alimentada?
- Pueden atender la escuela los niños?

DE SU PRODUCCIÓN

- cantidad de tierra?

- Tipo de cultivo?
- Cuanto produce?
- Quién hace qué tipo de trabajo?
- Cuánto y cuándo hay que trabajar?
- Hay que contratar a alguien? Cómo los pague?
- Tienen la misma división de trabajo en la familia que antes?
- Alquila tierra? Cuanto y cuando y para qué, y cuanto pague?
- Es propietario de tierra?
- La certificación:
- Qué significa ser certificado?
- Quieres ser certificado?
- Cuéntame de la cooperación con gente afuera de su familia
- Sostenibilidad:
- Quiere seguir con lo orgánico?
- Cómo va a hacer para seguir con lo orgánico cuando termina la ayuda del proyecto?
- Cuánto puede usted sembrar orgánicamente?
- Para productores de café:
- Ha vendido cómo orgánico? Cuéntame de la experiencia
- Es parte de algún grupo de productores de café?
- Cómo se imagina vender el café en el futuro?

Interview guide 3:

Interview guide for semi-structured interviews with ADROH respondents,
January 2007

- Qué es producir orgánicamente?
- cuando fue la última vez que hizo bocachi? Donde lo hizo? Quien le ayudo? Que lo puso? Donde encontro los ingredientes?
- Le ayudo con ingredientes el Proyecto la última vez que hizo bocachi? Cree que va a seguir haciendo bocachi cuando no hay ayuda? Por que y por que no?
- cuando fue la última vez que usó bocachi en un cultivo? Que tipo de cultivo? Desde hace cuando cultivas este cultivo?
- Si no era un cultivo nuevo, como cultivaba este cultivo antes de empezar con lo organico?
- En los cultivos donde usaba el bocachi, usaba tambien pesticidas o fungicidas? Que tipo? Usaba tambien alguna fertilizante o fungicida, pesticida quimica?
- En su produccion con organico, le parece que hay mas o menos produccion que cultivar sin quimicos o sin nada?
- Quien le ayuda en hacer bocachi y insumos y en abonar?
- Si usa mozos o ayuda afuera de la familia, quen le ayuda y como los consigues?
- hay alguna diferencia en su uso de insumo en el maiz o el frijol ahora que antes?
- alguna vez sembraba hortalizas con bocachi? Cuales otras tecnicas, cimicas o organicas usaba?
- Es alquilada la tierra donde sembro con bocachi o es propia? De quen lo alquila y como funciona el contrato?
- Cuales diferencias ha traído a su vida o a su familia, la produccion organica?
- Hace alguna diferencia, crees, si es alquilada o propia la tierra?
- Como puede un campesino llegar a ser dueño de tierra? Hay una diferencia entre hombres y mujeres?
- Cultiva algo en grupo? Como funciona? Que es dificil o facil con trabajar en grupo?
- Cual es su cultivo mas importante? Hay un cultivo donde pone mas energia?
- Tiene que trabajar mas horas con el cultivo organico?
- Cuantas horas diarias usa usted mas o menos en trabajar en sus cultivos? Cuantas horas trabaja su esposo o hijos?
- Eran nuevas las tecnicas de agricultura organica o las conocia de antes?

Si cultiva café:

- Tenia café desde antes del proyecto?
- Si lo tenia desde antes, como lo sembro antes? Ha sido algun cambio en la produccion? Ha sembrado plantas nuevas?
- Cuntas tareas tiene? Cuantos quintales da? Cuentas veces al ano abona?
- Cuales son sus principales problemas con el café?
- Ha tenido que experimentar con diferentes variedades?
- Ha vendido a RAOS? Que es su conocimiento de RAOS?
- Conoce que es el mercado solidario?
- Tiene pensado algun dia certificar su café como organico? Venderlo como organico?
- Vende el café? Que hace con el dinero que le da el café?
- Si es mujer, hay algunas cosas que son mas dificiles para uasted que para un hombre?
- Que es su opinion de su produccion de café? Arrepianta empezar con café organico? Por que o por que no? Podria haber cultivado otro cultivo en esta tierra?
- Que tipo de asisitencia tecnica recibio aparte de la capacitacion del proyecto?
- Esta organizado en una organización o cooperativa de cafecultores? Me han contado que habian incentivas desde ADROH de formar una empresa? Sabe algo de esto? Esta Ud interesado en estar parte de una empresa de cafecultores? Cuales son los desfios?

Si cultiva bajo riego:

- Que cultiva, donde, y en grupo o solo? Es tierra alquilada o propia? Como lo obtuvo o como funciona el contrato?
- Cuales son los insumos organicos o quimicos que usa?
- Que tan importante es el culltivo bajo riego en su produccion?
- Tiene o ha tenido produccion de verduras o hortalizas que no son bajo riego?
- Donde vende las hortalizas o verduras?
- Que hace con el dinero que le da las hortalizas?
- Cuales hortalizas o verduras producia antes?

Interview guide 4:

Interview guide for semi-structured interviews with experienced APROCAMP farmers, Chinacla, La Paz, January 2007:

- Cómo empezó con café orgánico? Qué le motivó para empezar?
- Tenia café desde antes del proyecto?Es nueva la finca orgánica?
- Si lo tenia desde antes, como lo sembró antes? Ha sido algun cambio en la producción? Ha sembrado plantas nuevas?
- Cómo fue el proceso de transición de convencional a orgánico?
- Cuntas tareas tiene? Cuantos quintales da? Cuentas veces al ano abona? Sabe la altura de su finca?
- Cuales son sus principales problemas con la producción o venta del café?
- Ha tenido que experimentar con diferentes variedades de café?
- A cuales organizaciones pertenece usted?
- Ha vendido a RAOS? Cual es su conocimiento de RAOS? Tiene otra manera de vender el café que no sea a RAOS?
- Ha oído del mercado solidario?
- Cuando vende el café a RAOS, cómo hace para transportar el café a RAOS?
- Cómo es el sistema de pago de RAOS?
- Hay algo que ha sido difícil para vender el café?
- Aparte de vender el café, hay otra cooperación con RAOS, es decir, reuniones, capacitaciones, otro apoyo...?
- Está certficad@? Qué quiere decir ser certficad@? Cómo funciona el sistema de certificación? Hay que pagar?

- Cuales otros gastos tiene para vender el café? Cuáles membresías o certificaciones adicionales hay que pagar?
- Qué hace con el dinero que le da el café? Da más dinero que si tuviera café convencional?
- Cual es su opinión de su producción de café? Tiene dudas sobre seguir con café orgánico? Por que sí o por que no?
- Que tipo de asistencia técnica recibió aparte de la capacitación del proyecto?
- Qué quiere decir producir orgánicamente?
- Como ha sido buena para usted la producción orgánica y en que manera ha sido difícil?
- Cuando fue la ultima vez que hizo bocachi? Donde lo hizo? Quien le ayudo? Que lo puso? Donde encontró los ingredientes?
- Cuales otros insumos o técnicas usa en el café?
- Alguien le ayuda en su finca de café?
- Si usa mozos o ayuda afuera de la familia, quién le ayuda y como los consigues?
- De quién es la tierra en la que tiene el café?
- Cómo se imagina vender el café en el futuro?
- Quienes pertenecen a su casa? Qué edad tienen y qué hacen?
- Brinda ayuda a alguien afuera de la casa (hijos q viven aparte, familiares enfermos o viejos?)
- Es usted de la zona? Si no, cómo llegó
- Cómo gana su ingresos la familia? Venden algo? Trabajan en tierra ajena? Hay remisas de alguien en estados unidos? Hay apoyo de hijos que viven afuera de la casa?
- Tienen acceso a prestamos?
- Cómo es su ciclo de ingresos?
- Cuales otros cultivos tiene aparte del café? Siembra algo más q café con fertilizante orgánico?
- Si es mujer, hay algunas cosas que son mas difíciles para usted que para un hombre, de cultivar café o ser parte de una organización?

Para mujeres:

- Cómo ha sido ser mujer en el proyecto?
- Ha tenido algún dificultad por su papel de mujer?
- Ha cambiado su trabajo diario?
- Ha cambiado algo en la relación que tiene usted a su esposo o hijos? Le ha ayudado su esposo o sus hijos?
- Hay algún trabajo que usted no puede hacer en su finca?
- Ha tenido alguna influencia en su papel como mujer o su autoestima, la producción orgánica, las capacitaciones o la pertinencia a una organización?