Not Fair Enough: Historic and Institutional Barriers to Fair Trade Coffee in El Salvador

Beth Tellman, Leslie C. Gray and Christopher M. Bacon
Environmental Studies Institute
Santa Clara University

Abstract

Why do relatively few Salvadoran farmers sell to Fair Trade certified markets? This article examines the proximate and root causes that limit the participation of coffee smallholders in Fair Trade markets. Drawing upon a historical analysis of rural coffee society in El Salvador as well as Fair Trade value chains and the empirical evidence from two case studies, one in El Salvador's Eastern mountains, and the second in the Western coffee growing region, this study illustrates the practical obstacles to participation in Fair Trade. It also shows how farmers are developing alternative marketing solutions such as direct trade and selling organic coffee domestically. The findings suggest that smallholders currently face at least five barriers to accessing Fair Trade, including: certification costs, economies of scale to cover coffee exports operations, stringent quality requirements and altitude constraints. However, the root causes of smallholder coffee farmers' limited access to Fair Trade are rooted in decades of state-based policies and politics that have undermined rural civil society, discouraged education, perpetuated uneven access to land and debt forgiveness, and repressed the development of dynamic cooperative unions with capacity to export smallholder coffee.
Keywords: *Fair Trade, organic certification, alternative trade, El Salvador, coffee, agrarian reform*

Resumen

¿Por qué pocos agricultores salvadoreños venden a mercados de "comercio justo"? Este artículo examina varias causas que limitan la participación de pequeños productores de café. Basado en un analisis historica de sociedad y café en el Salvador y de las cadenas de valor con dos estudios caso, uno en la sierra oriental y otro en la región oeste, ilustran los obstáculos prácticos de participar en comercio justo y notan como los productores han desarrollado soluciones alternativas tales como comercio directo y un mercado doméstico para café orgánico. Algunas de las barreras que ellos confrontan incluyen los costos de certificación, las economías de escala para cubrir las operaciones de exportación, las rigurosas exigencias de calidad y la limitación de tierra alta para su cultivo. Sin embargo, causas históricas como la represión de la sociedad civil, las desigualdades en el acceso a la tierra, y problemas con la deuda, también han afectado este sector. Una desventaja corriente que los pequeños productores deben negociar es el sistema de políticas estatales que han desalentado históricamente el desarrollo de uniones cooperativas dinámicas con capacidad para exportar el café producido.
Palabras clave: *comercio justo, certificación orgánica, comercio alternativo, El Salvador, café, reforma agraria*

Introduction

In 2001, coffee prices plummeted to a 30-year low, damaging millions of coffee farming households and communities around the world, causing 54 percent employment loss among many Central American coffee farmers (Varangis *et al.* 2003). The lasting consequences of this economic shock were compounded by the 2008 world food crisis during which basic grains, including the Latin American staple, corn, doubled in price (von Braun 2008). Climate change may further increase the stress contributing to smallholder vulnerabilities, potentially decrease the viability of coffee farming in certain areas (Läderach *et al.* 2011). Farmers responded to this crisis in coffee growing communities with three overall strategies that can be categorized as: (1) seeking access to better coffee markets often through sustainability certifications such as Fair Trade, (2) diversifying farms and livelihoods, and (3) increasing migration (Bacon, Mendez and Fox 2008). In the short term, many specialty coffee roasters, international development agencies, and smallholders promoted Fair Trade to mitigate the low prices even as some worked for longer term strategies.

Fair Trade aims to empower smallholders by promoting standards and investments that support their local associations, usually cooperatives. Smallholder cooperatives can use the certified Fair Trade system to strengthen their business endeavors if they meet the certification requirements and pay the fees to be registered as a Fair Trade certified coffee supplier. Fair Trade certification generates greater visibility, as certification agencies have invested substantial funding in supporting international business tours to establish direct relationships between importers, roasters and smallholders' cooperatives on the certified Fair Trade register. This fosters smallholder cooperatives' access to capital, equipment, and knowledge about the qualities and exporting processes of their coffee (Bacon 2010). Within certified Fair Trade coffee, an important (and often contested) standard that must be met to be listed on the international register of Fair trade suppliers is membership in smallholder-controlled associations.

Fair Trade gained substantial market share in the early 21st century by enrolling small and large companies through its aggressive mainstreaming strategy rooted in a product-based certification system (Raynolds *et al* 2007; Jaffee 2007). The founders of the fair trade movement appealed to the interests of international development agencies, smallholders and activists through principles and standards that enabled historically disadvantaged smallholders direct access to a different type of market (Reed 2009; VanderHoff Boersma 2009). Fair Trade is rooted in a 60-year old tradition of alternative trade and solidarity movements and networks between Central America, the US, and Europe. Third-party Fair Trade product certifications, with support of Max Havelaar and others started a mainstreaming process 20 years later (Jaffee, 2007). The Fairtrade Labelling Organizations (FLO), founded in 1997, became the international umbrella organization that has certified coffee. Coffee was the first certified product and remains the flagship product. In the United States, Fair Trade product sales have grown 50 percent per year since 2003 (Fridell 2009; Nicholls and Opal 2005). Despite a rapidly growing demand, the certified Fair Trade coffee system, which includes about 800,000 producers in more than 250 organizations, remains small, involving about 5-8 percent of all coffee smallholders (Bacon, Mendez and Fox 2008) and selling an average of 20 percent of their coffee into these preferred markets (Bitzer *et al.* 2008) forcing farmers to sell the rest into the conventional markets.

Research shows benefits and costs associated with participation in Fair Trade markets (Raynolds *et al.* 2007; Jaffee 2007; Lyons *et al.* 2010). One benefit has been price stability, which reduced farmers' vulnerability to the post-1999 coffee crisis (Bacon, Mendez and Fox 2008). Other benefits have included improved access to credit and international support, access to local development networks, and in several cases higher levels of school attendance among youth, as some cooperatives have used the Fair Trade Premium to fund scholarships for youth (Jaffee 2007; Mendez 2008; Taylor 2002; Utting 2009; Arnould *et al.* 2009). Access to Fair Trade aids smallholder cooperatives in networking with international development organizations that can help pay for social development projects as well as organic certifications (Linton 2008). Latin American-based field research also sheds light on the limitations of a certified Fair Trade only approach to sustainable livelihoods. Case studies find that certifications alone are unable to alleviate economic poverty, mitigate vulnerability, substantially advance gender equity, ensure livelihood sustainability and eliminate seasonal hunger (Brahm *et al.* 2010; Wilson 2010; Bacon *et al.* 2008; Mendez *et al.* 2010; Lyons *et al.* 2010).

Fair Trade is not the only coffee certification program available to farmers; ten percent of the global coffee market is "differentiated" with a slew of organic, environmental, and social certifications such as Utz Kapeh, RainForest Alliance, Bird-Friendly, Eco-Ok and more. For certified organic coffee, hundreds of third-party certifying bodies set their own environmental requirements according to IFOAM (International Federation of Organic Agriculture Movements), which recommends preventing use of chemicals, requires crop rotations, and calls for a "buffer zone" between organic and non-organic farms. Producers can sell organic certified coffee 10-45 cents higher than conventionally produced coffee sold into commercial markets. Another option is "alternative" trade, which does not require certifications, but in some cases provides more transparency and value to smallholders (Holt-Gimenez *et al.* 2007a). Enterprises such as Equal Exchange and Cooperative Coffees are known as alternative trade organizations, which commit to fair trade principles in the structure of their organization (both are cooperatives and coffee roasters) yet do not use Fair Trade certification for political reasons.

This paper seeks to understand why relatively few Salvadoran farmers participate in Fair Trade. After a brief summary of Salvadoran agrarian history, two case studies of smallholder cooperatives that have sought alternative trade and production strategies are analyzed. In the first case, a cooperative in western El Salvador has developed the export of "relationship" coffee to Cooperative Coffees, which is a movement-oriented fair trade importer. In the second, a cooperative in eastern El Salvador has turned to the production of organic coffee sold within the national market. The discussion begins with an account of the historical legacies of a repressed rural civil society, corruption and unequal access to land and debt forgiveness that have limited the growth and development of smallholder cooperatives. The analysis concludes with a summary of the barriers to Fair Trade coffee in El Salvador in light of both national history of cooperative formation and specific obstacles to getting Fair Trade certified coffee to each cooperative in the case study.

Methodology

The paper draws from a mixed-methods approach of field study and documentary analysis to examine the case study outcomes and interpret them in a broader historic context (Yin 2006). The study drew upon qualitative field research conducted in El Salvador in July and August 2008, and again in 2010, primarily in two small organic coffee cooperatives that were not and still are not Fair Trade certified by FLO. The cooperatives, COMUS (Coordinating Association of United Communities of Usulutan), in eastern El Salvador, and ACOES (Agricultural Association of Western

Coffee Producers of El Salvador), in western El Salvador, were selected for analysis to compare alternative coffee methods; farmers who export organic coffee (ACOES) versus farmers who market organic coffee nationally (COMUS). Twenty semi-structured interviews were undertaken with farmers selected from each cooperative (70 percent of ACOES farmers and 38 percent of COMUS farmers interviewed) as well as five interviews with local NGO personnel (three from COMUS, and two from ASINDEC, the NGO supporting ACOES). Focus groups with farmers from each cooperative as well as participant observation during an exchange arranged by the authors between the two cooperatives revealed important findings. While both cooperatives expressed interest in adding value to their coffee through Fair Trade markets, neither was able to do so. The final discussion considers barriers to Fair Trade among Salvadoran cooperatives.

Agrarian reforms and counter reforms through the lens of Salvadoran coffee

El Salvador has never undergone a significant land reform, but several smaller programs have saddled farmers with debt. Levels of indebtedness vary depending on political history, with regions dominated by the leftist guerilla FMLN (Farabundo Marti Liberación Nacional) movement having less debt than other regions. El Salvador's spatially uneven development can be traced during early national development of coffee, during periods of agrarian reform of the 1970s-1980s, and during the 1992 peace accords and subsequent agrarian reforms.

The early national development of coffee set the stage for a legacy of unequal access to land as the elite coffee oligarchy controlled both the political system and access to resources such as land, ultimately increasing the dependency of peasants on seasonal labor on coffee plantations (Paige 1998; Lauria-Santiago 1999). By the 1950s, the agro-industrial elite also monopolized "the magic square of coffee oligarchy: production, processing, export, and finance" (Paige 1998: 197), controlling every step of value-added production and forming ABECAFE, the Salvadoran Association of Coffee Exporters, in 1961. While unequal access to land has characterized agrarian relations during most of El Salvador's history, the government attempted land reform in the 1970s and 1980s. A reformist military Junta in 1979 enacted a three-phase land reform and coffee nationalization plan that "struck the heart of coffee power," (Paige 1998: 35) as the government took over lucrative value-added coffee processing. The entire banking and loan system was nationalized and the creation of INCAFE (The National Institute of Coffee) nationalized all exports and processing, slashing the profits of ABECAFE's private coffee monopoly and creating a contentious agrarian reform plan. The goal of the 1980 agrarian reform was to redistribute land from large landholders to smallholders, tenants, and landless peasants. The reform had three distinct phases. As Table 1 illustrates, Phase I mandated the redistribution of all estates larger than 500 ha, selling land to 178,000 workers in 328 cooperatives that represented 15 percent of all agricultural land (Browning 1983). The government did not grant full titles until peasants paid off 100 percent of debt, status most agrarian reform cooperatives have yet to achieve (Browning 1983; personal interview 2010). Phase II attempted to buy all estate land between 100-500 ha and sell parcels individually to peasants. This phase of reform represented the most significant challenge to coffee elites. Under pressure the legislature changed the size limit to 243 ha, resulting in only 9.5 percent of coffee estate land being redistributed (Paige 1998). Phase III granted up to 7 ha of land to anyone who had cultivated rented land, under the condition the land could not be leased or sold for 30 years. Over 52,000 land titles were granted in Phase III (Seligson 1996).

Table 1. Date, Causes, and Consequences of Agrarian Reform

REFORM PHASE	DATE	Target Population	Targeted Land	Stated Goals	Actual Outcomes
PHASE I	1980-2010	178,000 Coffee estate workers	Estates >500 ha, 15% of total land	State loans land to 320 formed cooperatives over 30 years, redistribute 15% of Ag land	Indebted cooperatives dissolve/sell land by mid 90s (though debt was reduced by 70% in 1997)
PHASE II	1980-1984 (modified)	9.5% of land	Land 500-100 ha	Redistribute 25% of ag land to landless poor	changed to lower limit to 243 ha, redistributes only 9% of agric. land
PHASE III	1980-1982	52,000 Land tenants	Up to 7 ha of rented land	Land renters become land owners	Abolished in 1982
PTT	1992	75,000 ex-combatents	land in FMLN controlled areas	2 ha sold with loan per combatent	100% Debt forgiven in 1997

(Sources: Klawiter 1993; Seglison 1995; Paige 1996; Browning 1983)

Agrarian reform cooperatives formed during Phase I were co-managed with the government, who held 50 percent of seats on each cooperative's board of directors. Cooperative co-managers, according to one coffee farmer, "abused their positions to take advantage of inexperienced members. Co-managers often received kickbacks from ex-farm owners who sold unnecessary fertilizer and bad machinery to cooperatives, and they often made decisions against the cooperatives' economic interests" (personal interview, 2010). Cooperatives could not gain full control until all debt was cleared. According to one farmer from COMUS in San Francisco Javier, "peasants were given land, but never financing or technical support, and illiterate farmers where not trained in how to run a business. The agrarian reform cooperatives were doomed to fail". Many believed that the agrarian reform was not written to achieve real land reform but rather to prevent a civil war, which it also failed to do.

The agrarian reform increased violent conflicts over land, and contributed to the civil war. Peasant farmers, frustrated with failed land reform, participated in efforts to organize the FMLN. During the war itself, coffee production declined as coffee elites abandoned estates amidst growing violence and they sometimes became a refuge for guerillas. Nearly every phase of the 1980s agrarian reform fell apart during the civil war. Large coffee estates were given back to their previous owners and the legislature voted to end Phase III (Klawiter 1990).

The war ended with peace accords signed in 1992, allowing the FMLN to negotiate a more successful land reform that strengthened provisions of the 1980s reforms and added a new land transfer program. The Peace Accords granted an additional 10,000 land titles of 2 ha each to peasants that should have received land in the 1980s agrarian reform under Phases I and III. The FMLN, under pressure from the Democratic Peasant Alliance, was less successful in reinstating Phase II, the largest potential redistribution of coffee lands between 100-500 ha. A new program, the Land Transfer Program (PTT, Programa de Transferencia de Tierras), was formed in 1992 (de Bremond 2007), redistributing land to an estimated 75,000 ex-combatants, who received 2 ha each. According to interviews with PTT recipients, hundreds of cooperatives were developed with ex-combatants converting land to organic coffee and other agroforestry systems, reaping the benefits of healthier soil and soaring coffee prices. Despite benefits to recipients of the PTT, neither the Peace Accords nor agrarian reforms of the 1980s changed the structure of coffee production in El Salvador. According to Paige (1998), 10 percent of coffee producers, representing 14 families, monopolized 80 percent of production in 1980. Over 30 years later, the landscape of coffee production has not changed with only 11 percent of coffee being produced by smallholders representing 82 percent of all producers (PROCAFE 2010).

Because land was sold to farmers rather than given, debt remains a burden. Many cooperatives sold land back to the original larger estate holders when their members could not make loan payments (Strasma 1989, personal interviews). Elite-controlled banks denied credit to peasants, whom they viewed as communist insurgents and/or wanted to fail in order to regain their estates (Paige 1996, personal interviews). Corruption was rampant as cooperative board members were bribed to extend their terms in exchange for fine print wording, resulting in cooperatives paying high taxes and losing their agrarian reform status (*Diario Official* 1996, 331). These "non-reform" cooperatives lost the few benefits available to agrarian reform cooperatives resulting in higher production cost and loss of land and capital.

Frustrated with the situation, the Democratic Peasant Alliance (ADC), a coalition of the largest peasant associations, began to demand debt forgiveness. One group of 5,000 peasant farmers from Usulutan province, mostly ex-guerillas active in the FMLN, marched to San Salvador in 1994 to demand 100 percent debt forgiveness for recipients of land through the PTT program. However, only 70 percent of debt was forgiven for 1980s agrarian reform cooperatives (Kowalchuk 2003). Moreover, debt was unevenly forgiven across the geographic and political landscape of the country. Cooperatives involved with the FMLN and financially supported by international NGOs had their debt relieved, while communities not involved in the revolutionary movement, particularly those in the western states, did not have their debt completely relieved and were largely ignored by international NGOs. Debt for these cooperatives mounted into the millions of dollars throughout the 1990s, as interest and principal due accumulated.

The debt was not insurmountable when coffee prices were high, however, the 2001 coffee crisis combined with dollarization and two severe earthquakes in El Salvador (Towers and Borzutzky 2004) to compound the effects upon indebted farmers. Coffee, which had previously represented 50 percent of agricultural GDP (Paige 1998), dropped to 3.5 percent of GDP by 2002 (Consejo de Café 2009). Over 70,000 Salvadoran coffee farmers temporarily, and in some cases permanently, abandoned their fields as international prices crashed from above 1.5/lb to less than 0.50 /lb (Bacon *et al.* 2008)

The government responded with emergency loans to coffee producers at interest rates of 11 percent over a 10-year period (later extended to 14 years). In an effort to bail out coffee estates, the government doled out $80 million in 2000 to farmers and estate owners (Decreto 83, *Diario Official* 2000: 151). To bail out farmers, El Salvador began to charge a $5 export tariff on each quintal of coffee, further indebting some cooperatives (Varangis *et al.*, 2003). This led farmers to express their skepticism, as one farmer called it "a bank bail out" and wondered, "how is it they charge us export fees yet we pay the bank back with interest?"

Because of high levels of debt, little support from the state, and limited access to Fair Trade markets, farmers in El Salvador turned to alternative trade networks and national markets. We now examine how two cooperatives negotiated these challenges.

Case Studies: Cooperatives Seeking Market Alternatives to Fair Trade

This section examines two case studies involving smallholder associations: one is called Comunidades Unidas de Usulutan (COMUS) and located in San Francisco Javier, Usulután, where 6 percent of Salvadoran coffee is grown; the other is the Agricultural

Association of Western Coffee Producers of El Salvador (ACOES), located in Tacuba, the westernmost Ahuachapán department where 17 percent of Salvadoran coffee is grown (Figure 1). The two sites are politically, geographically and socially different (Table 2). COMUS is at the heart of the territory supporting the FMLN where farmers' debts were largely forgiven after the 1992 land reform. This region has also benefited from post-war international development aid. ACOES farmers played a smaller part in the civil war, and have not benefited less from NGO funding and debt-relief.

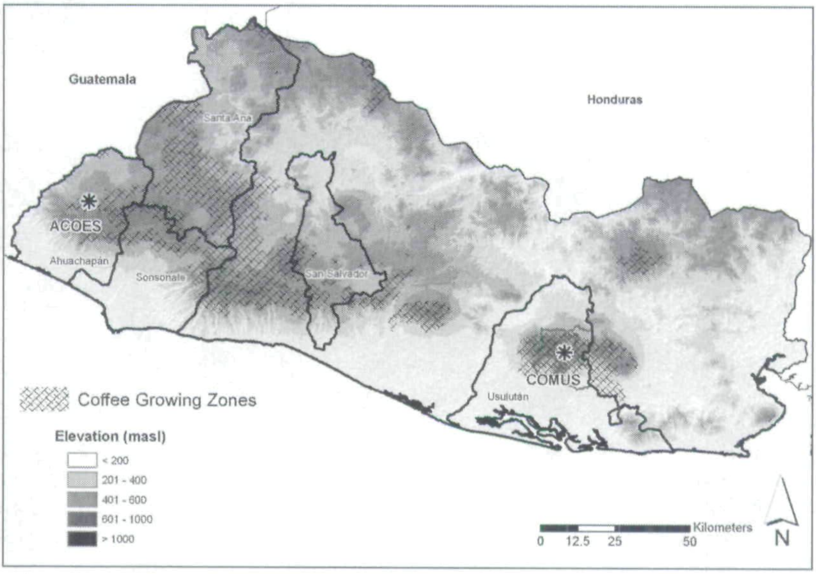

Figure 1. Case study locations (Source: Läderach, 2010; CIAT with PROCAFE GIS data)

The two communities are geographically distinct. ACOES farmers are in the Apaneca mountain range at altitudes of 600-1,400 meters above sea level. COMUS's farmers live at slightly lower altitudes and typically grow two maize harvests, whereas ACOES farmers generally harvest only one. ACOES farmers devote a greater percentage of resources and time to coffee production, which combined with the higher altitude, makes their coffee of higher quality according to specialty coffee buyers. However, their reliance on coffee may leave them more vulnerable to food insecurity.

Both cooperatives lack access to Fair Trade markets. Each cooperative has different barriers to Fair Trade certification: COMUS is at a lower altitude and the coffee does not meet the quality expectations held by many larger Fair Trade buyers, and ACOES sells small total volumes of coffee that would result in dramatically lower revenues to farmers if funds were diverted to pay inspection and certification fees. The case studies show how each cooperative sought alternative strategies.

Table 2. Comparative Case Study Sites Descriptions

	ACOES	COMUS
Altitude	600-1400m	330-900m
Cooperative Size	29 farmers	57 farmers
Coffee Volume	250 qq.	400-500qq.
Current Market Alternative	Export Relationship Trade	Sell Organic Nationally
Participation in War	Little-some children in the government army	Combatants for the FMLN
Land Titles	22 from Agrarian Reform Phase III 7 purchased land in mid 90s	16 farmers from Agrarian Reform Phase I 51 farmers from PTT
Current Debt	$40,000	$0*

*COMUS does not have debt as a cooperative, though some farmers have yet to pay back the "emergency fund," or the coffee crisis bail out

(Source: Tellman (interviews/ participant observation, 2008)

COMUS: Comunidades Unidas de Usulutan

COMUS is an association of communities that functions like a cooperative union but is registered as an NGO. It supports community members in six neighboring municipalities, serving around 4,000 people. It was founded in 1990 and is supported both nationally and internationally by Catholic Relief Services, USAID, and small European NGOs who have been part of the solidarity movement in El Salvador since the 1980s. COMUS was formed by members of one of the smaller sub-groups of the FMLN. The organization emphasizes transformation, social cohesion, women's equality and social justice. Its actions are centered on community development, empowerment, and political change. It organizes workshops that cover topics that such as organic farming and micro-finance for women, and also manages a health clinic. This Association contributed to the movement for post land reform debt forgiveness.

COMUS is very active in coffee production and marketing. San Francisco Javier and its surrounding coffee-producing communities cultivate approximately 215 ha, at altitudes ranging from 330 to 900 meters. Of the 57 producers within this area, all own their land and 16 received titles through the 1980s agrarian reform. The rest were granted 3 manzanas (roughly 2 ha) of land from the PTT, the land transfer program for ex-guerilla fighters. Peasants cultivated basic grains during the war, but afterwards they decided to revive the burned and abandoned coffee fields. However, the PTT was not a "free" distribution; land was sold on a sliding scale according to soil fertility. As part of the larger movement in FMLN controlled territory, unified ex-guerrillas protested their debt, which was then forgiven by legislative act in 1997. Thus, all but a few COMUS farmers had their debt forgiven, and COMUS paid the remaining debts for farmers.

Though COMUS functions like a cooperative, it is legally a non-profit association that offers credit to farmers based on the average of the last three years production. Many of the current farmer associates of COMUS decided to form cooperatives at the inception of PTT, though most cooperatives fell apart by 1995 in large part due to repressive legal and financial structures that led to cooperative bankruptcy and organizational breakdowns leaving farmers unorganized and unprotected (personal interviews). Thus, COMUS decided to organize individual farmers, making them coffee "associates" of COMUS, bringing technical assistance, and connecting farmers with the export organization and second-level cooperative UCRAPROBEX. COMUS joined UCRAPROBEX because it cannot export, since non-profit entities cannot obtain export licenses.

Prices were high at the onset of COMUS's coffee project in 1995. Middlemen connected to private exporters (*coyotes*) paid up to 1,500 *colones*/qq. (about US$1.84 per pound) of exportable coffee. By 1991, prices offered by UCRAPROBEX had dropped substantially and by 2001 they were so low that one farmer remarked that "not a single scale was seen in San Chico," a neighboring town. Most farmers abandoned their fields from 2000-2002. In order to mitigate low coffee prices, COMUS made the transition into certified organic agriculture in 2003 after an exchange with Nicaraguan farmers. The network of NGOs supporting COMUS funded the exchange and 57 of the associate farmers agreed to undergo organic certification, paying around $1,500 yearly to be certified with both a German and United States stamp. COMUS pays for all certification costs with the support of its international donor network, and even offers a social premium (paid for by Catholic Relief Services) of $0.17 per lb to war-widowed female farmers with children. In 2003, to avoid paying middlemen and exporters, COMUS, supported by international NGOs, built its own processing plant and marketed its organic coffee nationally. It now roasts and grinds coffee and sells it locally.

The production capacity of farmers currently averages 1800-2300 kg of coffee per year and their supply far outstrips demand for this roasted coffee. El Salvador has no nationally recognized organic market. Only four of thirteen vendors interviewed that sell coffee near COMUS knew what "organic" meant. Most farmers sold their coffee nationally at conventional prices.

COMUS farmers have the benefit of selling their coffee through an association with transparent transactions. COMUS pays farmers within three days of purchase and pays $0.10/lb above market price. Coyotes are known to pay as low as half the market price. In addition, COMUS offers farmers credit with very low interest. COMUS also facilitates organic production workshops to increase soil fertility and yields. The benefit of organic coffee for farmers is not necessarily in terms of better prices, but in gaining access to COMUS's other services and social networks. Indeed, these opportunities would not have been possible without the support of international and national NGOs that subsidized organic certification and on-site processing. Due to its geopolitical orientation, the second cooperative, ACOES, was not so fortunate.

ACOES: Agricultural Association of Western Coffee Producers of El Salvador

Though farmers in ACOES were not involved with the FMLN, Tacuba was the site of La Matanza, El Salvador's first major peasant uprising and government-backed massacre that left 10,000 to 30,000 indigenous peasants dead in 1932. This event and subsequent years of indigenous repression wove a sense of fear of authority and disempowerment deep into the fabric of the communities influencing community dynamics to this day. Though the forefathers of many ACOES farmers may have been involved in Farabundo Marti's 1932 indigenous peasant revolution, or killed in La Matanza, present-day farmers avoid political activism. Interviews and focus groups revealed that many women do not vote, and do not have much hope for overcoming poverty and inequality. ACOES does not have international NGOs supporting development initiatives focusing on micro-credit or economic solidarity. The lack of a "progressive" social movement in Tacuba, and with ACOES farmers, can only be understood within this historical context.

The members from two cooperatives formed ACOES after visiting a cooperative union in Nicaragua and as part of their response to the post 1999 coffee crisis. ACOES became legalized as a cooperative in 2007 (after a five-year process). It aims to improve farmer's livelihoods in an environmentally sound way and represents 29 families, and supports over 200 individuals. ACOES emergence was incubated by ASINDEC (Advising and Interdisciplinary Research on Local Development and Conservation), a non-profit organization established in 2001 to support farmers in managing natural resources, livelihoods, and cultural development.

The two cooperatives within ACOES have a unique history. This first is La Concordia, which was formed in Phase III of the 1980s agrarian reform, when eight farmers negotiated 36 ha for agriculture and later 31.5 hectares for communal coffee cultivation. The now 22-member cooperative retained debt from these land purchases, though their debt was greatly reduced in 1997, when farmers involved with the FMLN fought for debt forgiveness. While La Concordia has paid off some of its debts, the amount remaining is significant, totaling $40,000. The coffee land is collectively managed, with coffee harvest incomes split between all members according to time worked. In focus groups, farmers mentioned easier access to credit and reduced risk and vulnerability as a benefit of communal farming. However, during the tough years of the coffee crisis, members almost decided to privatize their land.

The second cooperative in ACOES is El Sincuyo, a farmer's association of 17 producers. These farmers manage their own individual plots, and do not collectively farm their land that was purchased after the agrarian reforms. The cooperative was formed to protect themselves against exploitation from coyotes and gain better access to markets.

The transition from chemical to organic coffee production proved to be much easier for the farmers in Tacuba. ACOES's natural geographic proximity to *El Bosque Imposible* national park made it easier for ASINDEC to find international funding to pay for the organic transition. However, farmers received prices as low as $0.55/lb in 2007, encountering the same problems as those associated with COMUS as they sold their certified organic coffee at conventional prices. In 2008, ACOES, through the support of ASINDEC, began to export 1134 kg of coffee through a alternative trade importer called Cooperative Coffees. Cooperative Coffees offered to pay $1.90/lb, which was more than $0.10 above the Fair Trade price that year. This US importer did not demand Fair Trade certification and was considering funding housing projects for ACOES farmers. ACOES is distinctly different than COMUS in that it directly exports and was organically certified by the Institute for Market Ecology (IMO). In the future, ACOES hopes to gain more control over their production by investing in a coffee processing plant (similar to the *beneficio* that COMUS has) to add value to their product and to begin to use discarded coffee fruit as organic fertilizers.

The profits from the directly exported 2008 harvest were almost entirely spent on reducing cooperative debt from the agrarian reforms (reduced to $5,000). Thus, farmers estimate that livelihood benefits from exporting will not be tangible in communities for at least three years. However, dual support of an NGO, like ASINDEC, and a social business, like Cooperative Coffees, may help ACOES expand its network and attain benefits beyond better coffee prices.

Case Study Comparisons

Salvadoran farmers who receive higher coffee prices via exports are not necessarily better off than their non-exporting counterparts. Studies of COMUS and ACOES show that the history of debt and land reform can be just as important as exporting coffee to alternative markets. While ACOES was exporting organic coffee at prices at least twice as high as COMUS, profits went into paying debts instead of farmers' pockets. Access to preferred and alternative markets will not necessarily eliminate economic poverty, in cases of high debt. Although ACOES farmers grow coffee at higher altitudes producing more acidic coffee and the qualities currently sought by specialty markets, farmers in COMUS have the financial advantage of less debt.

The fact that COMUS's farmers are less indebted relates to its political history. Most of the farmers involved in COMUS, and indeed the organization itself, are rooted in the experience of what they term a "social revolution". Involvement with the FMLN, support from solidarity NGOs in Europe and North America, gave farmers in COMUS access to the international solidarity movement. Because of these networks, COMUS has steady financial support for development projects. COMUS farmers also have debt-free land tenure, not only because they were recipients of a more progressive land reform in 1992, but also because COMUS had joined other social movements to fight for debt forgiveness.

While the "social revolution" ultimately earned farmers in COMUS benefits of land and international connections, legacies of the peasant uprising in Tacuba left ACOES farmers with memories of massacres and years of indigenous repression. It is not surprising that farmers in ACOES seem less interested in party politics and less "empowered" given the historical context. Even with the combination of its networks, better financial situation and access to credit, barriers to Fair Trade still are too high for COMUS to attain certification. In the exchange between COMUS and ACOES in August 2008 both cooperatives identified obstacles to attaining Fair Trade certification that demonstrated El Salvador's unique disadvantages that prevent producers from accessing this particular alternative coffee market.

Discussion

While Fair Trade and organic coffee certification programs have been widely adopted by smallholder cooperatives throughout much of Mesoamerica, El Salvador has lagged behind. Salvadoran small-scale producers are capable of cultivating high quality, shade grown, and organic coffee (Mendez 2006), yet less than 2.8 percent of the exported coffee is certified organic and less than 1 percent is Fair Trade certified (PROCAFE 2010). Why did El Salvador export only 146,940 kg of Fair Trade coffee to the United States in 2010, when Nicaragua exported 7,690,680 kg? Table 3 illustrates the slower growth of Fair Trade exports in El Salvador than the rest of Mesoamerica. El Salvador is uniquely disadvantaged in attaining Fair Trade certification and competing in Fair Trade markets.

The histories of COMUS and ACOES have hindered success in the alternative coffee strategies each followed, and Fair Trade has been a strategy unattainable for both. In the context of the case studies and history of cooperative formation in El Salvador, five main barriers to Fair Trade for Salvadorans have been identified: certification costs, economies of scale, lack of government support for cooperatives, corruption, and quality constraints.

All major coffee certification programs, like Utz Kapeh and Rainforest Alliance, charge a fee, but none are as high as Fair Trade and organic (Courville 2008). Certification costs are a hindrance to producer participation in Fair Trade markets. Depending on the size of the operation, FLO's (The Fair Trade Labeling Organization International) Certification Agency charges between $2,500 and $10,000 for annual inspection and certification fees (Fair Trade USA 2007; personal interviews 2008, 2010). These fees enable FLO to certify more farmers faster and are part of a business model adopted to become less dependent on donations, but they also set barriers to entry. International development agencies often offset cooperatives' inspection and certification fees in the short term, but cooperatives may not have the funding, institutional capacity and sufficient volume to pay costs in the long term. ACOES, for example estimates it would have to pay Fair Trade USA $5,000 for initial certification (personal communication with ASINDEC agricultural promoter), while COMUS estimates initial costs would be $3,500 (personal communication with COMUS sociologist). These costs are insurmountable for Salvadoran coffee farmers, who have the least access to cheap credit in Central America, with interest rates hovering around 18 percent (Mendez *et al.*, 2006; Varangis *et al.*, 2003). Instead of looking for credit to pay for Fair Trade, ACOES instead traded with Cooperative Coffees, who paid farmers Fair Trade prices without forcing them to pay certification.

Table 3. Comparison of Fair Trade and Organic Coffee Producers and Exports in Mesoamerica

	Honduras	Guatemala	Nicaragua	El Salvador	Mexico
Total coffee exported (60-kg bags) (2010)	3,349,398	3,468,088	1,711,804	1,081,767	2,497,540
Amount of certified organic (60-kg bags) (% of total) (2010)	120,038 3.58	unavailable	70,837* 4.13	24,110 2.23	73,612 2.95
No. of certified coops and farmers Fair Trade (2010)	15 2,439 farmers)	23 32,443	21 5,433	4 1,600	39 56,003
Fair Trade Coffee Exported to the US via Transfair in qq (2010)	63,035	78,455	169,551	3,240	71,632

*Data from 2009. Nicaragua data not available for 2010.
(Sources: ICO (2010); Mendez et al. (2006); TransFair (2010).
Note: 1qq (quintal)=100 lbs; 60kg=132.27 lbs.

Another barrier to Fair Trade Coffee is the economies of scale of export costs which decrease per pound as volume increases. In El Salvador, only second-level cooperatives (or unions of cooperatives) can obtain both export licenses and the volumes that make exporting profitable. The coffee agricultural promoter for COMUS estimates that shipping COMUS's 2,000 kg of organic coffee to the US would cost an insurmountable $5,000. Exporting one container of Fair Trade coffee from South America to the United States can cost up to $15,000 (Weber 2008).[1] Neither COMUS nor ACOES produce enough volume to export alone, and even second-level cooperatives must sell 20-50 containers to make a profit (Mendez *et al.* 2006). The Fair Trade exporting infrastructure is much more developed in Mexico and Nicaragua, where third-level cooperatives (union of multiple second-level cooperatives, sometimes called a confederation) such as UCIRI and PRODECOOP export large volumes of coffee. Small cooperatives and associations like COMUS and ACOES simply cannot compete with such economies of scale and market access.

First level cooperatives in this study must overcome not only more than half a century of exclusion from the ruling class and their government (Paige 1997), but in the case of ACOES they face a divided and violent local history. This research suggests that relatives of several ACOES members may have joined the army and sided with the government during the 1980-1992 civil war. Without an effective reconciliation process (de Bromand, 2007), prospects of forming larger cooperative unions linking farmers and communities that may have fought on different sides of the civil war and others who suffered from the Matanza seems almost insurmountable. Lingering debt from land reform combined with lack of state support and outright repression has weakened and destroyed many first level cooperatives in El Salvador. In addition, the first level cooperatives that survived the discriminatory cooperative laws of the early 90s are discouraged from joining second level cooperatives due to allegations of corruption.

Histories of violence and corruption in El Salvador's coffee sector negatively affect trust in both the cooperative unions and private companies involved in Fair Trade coffee exports. This is supported by anecdotal evidence in farmer interviews, where farmers disclosed that they sold coffee to "Fair Trade" exporters at $0.80/lb in 2005, when the Fair Trade floor price was $1.40/lb. Mendez *et al.* (2006) comment that some farmers may not understand the fees that second-level cooperatives charge producers to pay for expensive overhead and exporting. One employee of UCRAPROBEX, a second-level cooperative, alluded to incidents of APECAFE (one of the four FLO certified cooperatives in El Salvador) employees stealing thousands of dollars in technical support funded by international cooperation. This remains a problem whether or not the corruption is substantiated or turns out to be merely a lack of transparency. FLO claims to detect such anomalies, but some roasters have left the Fair Trade system after such scandals, preferring to set up their own "relationship trade" (Courville 2008).

Finally, El Salvador is disadvantaged in the specialty coffee sector due to its low altitude. El Salvador is the lowest altitude coffee in Central America, with only 47 percent of coffee grown over 800 m, making it the "least able in the group [Central America] to exploit very high quality markets for coffee" (Varangis *et al.* 2003: 11). COMUS is disadvantaged in meeting altitude requirements, as sales to the USA-based specialty buyers leading the growth of Fair Trade markets often are often accessible only to those growing coffee at higher altitudes. ACOES produces coffee in ranges from 600-1400m and thus has higher quality coffee than COMUS, who has producers as low as 350m. Though more than 90 percent of Salvadoran coffee is the preferred Arabica coffee, specialty markets bias against low altitude coffee. The coffee crisis hit lowland Arabica harder than any other sector, with prices declining more than any other altitude or type of coffee both in relative and absolute terms (Perlupessy and Diaz 2008). Furthermore, Salvadoran farmers are inhibited from increasing quality or adding value, when interest rates for agricultural credit are high (Mendez *et al.*, 2006). For example, COMUS was only able to purchase their wet-processing plant with interest-free funding from international organizations. El Salvador's lack of access to value-added coffee markets like Fair Trade due to the perception of lower quality coffee, low yields, and high certification costs are more easily remedied than the lack of civil society and state based agrarian policies needed to promote a dynamic cooperative sector.

Barriers to Cooperative Formation Limit Fair Trade Possibilities

Cooperatives, such as COMUS and ACOES, are interested in accessing Fair Trade markets, because the additional benefits that often accompany their participation can be useful in overcoming the aforementioned barriers. For example, Fair Trade cooperatives can often access technical assistance to increase the coffee quality, improve their export systems and negotiate better prices through the many development agencies often supporting Fair Trade suppliers (Raynolds *et al.*, 2007; Taylor 2002). Participation in Fair Trade connects producer cooperatives nationally to other coffee cooperatives, helping form second and third level cooperative unions (Paul 2005). However, in El Salvador, the legal and political conditions make the formation of a first level cooperative difficult and the creation of second level cooperative unions even more challenging.

Smallholder membership in a cooperative is a core criterion for accessing Fair Trade certification, as FLO only certifies coffee producers in democratically organized cooperatives (note: the smallholder standards is not required in bananas, tea and other products). Cooperative formation is a de-facto cost-cutting requirement for organic and other alternative certifications as well, since farmers can share costs of certification. Although FLO only requires farmers to be members of community level or first-order cooperatives, in order for small-scale producers to be powerful actors in the coffee export industry, multiple first-level cooperatives often join together to form a cooperative union in second-level or even third-level cooperatives (Bacon, Mendez and Fox 2008). Notable third level cooperatives such as UCIRI in Mexico and PRODECOOP and CECOCAFEN in Nicaragua have been successful in exporting large volumes of Fair Trade coffee to Equal Exchange and many other roasters (Westphal 2008). El Salvador, on the other hand, has no third level coffee cooperatives. El Salvador has a poor record of creating second-level cooperatives in comparison to other coffee exporting countries. Second-level cooperative unions that already exist in El Salvador are reluctant to accept new members and have high entry fees.

The Role of the State in Cooperative Formation

This research suggests that a primary reason that El Salvador has limited participation in Fair Trade is related to a weak smallholder cooperative sector due in part to government policies that have historically oppressed rural civil society and most smallholder organizations. Throughout the latter half of the 20th century, especially during the 1980-1992 civil war, and possibly until the recent elections in 2009, El Salvador's national government hampered the cooperative sector through laws, policies, and class-based economic development strategies. This inhibited the emergence of accountable smallholder cooperatives. As Salvadoran elites abandoned the coffee sector in favor of the banking sector in the 1990s (Paige 1998), the decline in government support for coffee had tangible effects on the coffee sector. In a World Bank report, Varangis *et al.* (2003) note that Salvadoran coffee has one of the highest production costs in Central America due to debt and poor access to credit. Indeed, El Salvador is the only Mesoamerican country whose total coffee production decreased from 1990-2000.

In contrast, the FSLN (Sandanista National Liberation Front) in Nicaragua ushered in state-backed reforms in the 1980s that supported the creation of thousands of smallholder cooperatives (Bacon, 2010). Although the national government often controlled exports, some smallholder organizations started their own direct links with the pioneer alternative trade organizations, like Equal Exchange and GEPA, which helped to build the Fair Trade market.[2] Countries like Nicaragua and some of the southern states of Mexico received state support, perhaps to the point of state control, for many years at the inception of cooperatives (Trujillo, 2007; Bacon 2010). National governments later dropped their support, causing crises for many cooperatives. Fox's (1996) work in Mexico demonstrates that the combination of state support and repression at different times in combinations with different endogenous community leaders can contribute to creating and "thickening" the social bonds within rural civil society, including smallholder producer cooperatives. The subsequent development of second and third-level cooperatives has facilitated the development of Mexico's own Fair Trade (Comercio Justo Mexico) and organic certification systems (CERTIMEX).

At the demand of Mexican cooperatives, CERTIMEX was founded in 1997 to provide affordable organic certification, and in 2002 became the first licensing company from the global south to become an associate member of FLO, enabling CERTIMEX to certify coffee as Fair Trade with the Comercio Justo Mexico label. In El Salvador, the history of state repression that has thwarted cooperative formation on a national level is not conducive to forming the more advanced 2nd and 3rd level cooperatives and organizations that have been crucial in the expansion of Fair Trade in other countries.

Conclusions

Although the economic poverty reduction benefits associated with sales to Fair Trade markets may be limited, many leaders of Salvadoran small-scale farmers, advocates, and development agencies are interested in accessing this market for multiple reasons. This study identified significant obstacles to accessing Fair Trade markets in El Salvador. Salvadoran farmers have thus turned to alternative trade production strategies. However, problems with debt and land tenure hinder success for farmers participating in most alternative coffee trade networks. Likewise, historical events have hindered the development of international networks so crucial to the success of exporting specialty coffee. Lack of government support and research that aims to benefit small-scale producers makes it difficult to form unions of smaller grassroots cooperatives like those present in Nicaragua and Mexico. Furthermore, the existence of these small community-level cooperatives is notable given repressive state politics and elite control.

The first step in forming second-level cooperatives should be strengthening first level cooperatives. The Salvadoran government could take steps to reduce cooperative debt so that farmers can invest more profits into increasing coffee quality and adding value to their production, milling their coffee on the farm or at the local cooperative level. Both investments require significant capital that is currently tied up in debt. One possible avenue for further debt forgiveness would be to capitalize on payment for ecosystem services such as biodiversity and carbon sequestration offered by Salvadoran coffee farms (Mendez *et al.*, 2009).

Strategies to increase networking among existing cooperatives could contribute to generating other strategies to overcome these barriers. ACOES and COMUS farmers were invited through the research described here to share experiences. The power of research in catalyzing networks both nationally and internationally cannot be underestimated. Together, farmers identified barriers to Fair Trade certification and shared struggles of the coffee crisis. As a result of these discussions, in May 2009, Cooperative Coffees began to import COMUS's coffee alongside ACOES's under the relationship trade model. This example illustrates that although these Salvadoran farmers may not have access to certified Fair Trade markets, through networking and substantial efforts on the parts of the alterative trade importer, Cooperative Coffees, they gained access to alternative markets, exporting quality organic coffee with better than Fair Trade prices.

If the Fair Trade market aims to be inclusive to all small producers, changes must occur in the different contexts where this system seeks to provide a tool for coffee smallholders' empowerment. For El Salvador, this means understanding that historical repression against cooperatives and largely ineffective land reform programs that continue to cause debt among some farmers to a point where Fair Trade certification costs are insurmountable and credit unavailable. Offering credit, lowering certification costs, or even offering technical support is one place to start. In light of the Salvadoran history of violence and lack of state support for cooperatives, Fair Trade importers could consider investments that seek to strengthen the cooperatives themselves. More important than changes to the international development agencies is the fact that the Salvadorian government is not bound by a history of excluding smallholders. A new administration could revise the laws and agricultural policies related to cooperatives, condone historic debts, and create new opportunities for these potentially dynamic community-based organizations. The case of ACOES and COMUS show that networking with other cooperatives may yield important though limited benefits, as farmers will also need alliances with consumers, governments, buyers and many others to overcome the challenges of a not so fair system.

Acknowledgements

The authors would like to thank The Markkula Center for Applied Ethics at Santa Clara University who made this research possible with funding from a Hackworth Grant for Student Research in Applied Ethics. Ernesto Mendez and the Community Agroecology Network mentored and supported research with ASINDEC for the ACOES case study. Thanks to all the farmers from COMUS and ACOES who participated in the study, and continuously inspire us to dig deeper below the surface of ethical trade. We are also grateful for the comments of three anonymous reviewers.

Notes

[1] 275 sacks of coffee weighing 60 kg each are needed to fill one shipping container. In order for a shipper to make a profit on operating costs, 20-50 containers must be shipped (Mendez *et al.* 2006). The $15,000 dollar figure cited by Weber (2007) includes total financing needed to export one container of Fair Trade coffee: paying for the label, paying the exporter, paying government export taxes, getting the coffee to port etc. Export taxes in El Salvador are $.35 per quintal (Decreto 791, 2005), plus $5/quintal plus 11 percent yearly interest (Varangis *et al.* 2003) to pay back government coffee crisis loans amounting to nearly $1,500/shipping container in taxes alone.

[2] Equal Exchange was active in the North American peace and solidarity social movement that sought to stop the US government's funding, arms sales, and training of groups that contributed to creating and sustaining the wars and human rights violations in both Nicaragua and El Salvador (Perla, 2008).

References

APECAFE. 2009. www.Apecafe.org. Accessed June 30, 2009.

Arnould, E. J., Plastina, A., and Ball, D. 2009. Does Fair Trade Deliver on its Core Value Proposition? Effects on Income, Educational Attainment, and Health in Three Countries. *Journal of Public Policy & Marketing*, 28(2): 186-201.

Bacon, C. M. 2010. Nicaraguan Smallholder Cooperatives, Fair Trade Networks, and Gendered Empowerment. *Latin American Perspective*, 37(2): 50-71.

Bacon, C. M., Ernesto Méndez, M. E., Flores Gómez, D., Stuart, S. R., and Díaz, F. 2008. Are Sustainable Coffee Certifications Enough to Secure Farmer Livelihoods? The Millenium Development Goals and Nicaragua's Fair Trade Cooperatives. *Globalizations*, 5(2): 259-274.

Bacon, C., Mendez, E. and Fox, S. 2008. Cultivating Sustainable Coffee. In *Confronting the Coffee Crisis: Fair Trade, Sustainable Livelihoods, and Ecosystems in Mexico and Central America.* C. M. Bacon, V. E. Mendez, S.R. Gliessman, D. Goodman, and J. A. Fox (eds.), pp. 337-372. Cambridge: MIT Press.

Barham, B. L., Callens, M., Gitter, S., Lewis, J., and J. Weber. 2011. Fair Trade/Organic Coffee, Rural Livelihoods, and the 'Agrarian Question': Southern Mexican Coffee Families in Transition. *World Development*, 39(1): 134-145.

Bitzer, V., Francken, M., and Glasbergen, P. 2008. Intersectoral Partnerships for a Sustainable Coffee Chain: Really Addressing Sustainability or Just Picking (Coffee) Cherries? *Global Environmental Change*, 18(2): 271-284.

Browning, D. 1983. Agrarian Reform in El Salvador. *Journal of Latin American Studies*, 15(2): 399-426.

Cooperative Coffees. 2009. New Producer Partner: COMUS of El Salvador. The Cooperative Coffess Newsletter. May 2009. (http://coopcoffees.com/all_news/newsletters/may-2009). Accessed 10 July, 2009.

Consejo de Café 2009. Estadísticas Dinámicas. (http://www.consejocafe.org/index.php?option=com_content&view=article&id=68&Itemid=81). Accessed 20 July, 2009.

Courville, S. 2008. Organic and Social Certification: Recent Development from the Global Regulators. In *Confronting the Coffee Crisis: Fair Trade, Sustainable Livelihoods, and Ecosystems in Mexico and Central America.* C. M. Bacon, V. E. Mendez, S. R. Gliessman, D. Goodman, and J. A. Fox (eds.), pp. 289-310. Cambridge: MIT Press.

De Bremond, A. 2007. The Politics of Peace and Resettlement through El Salvador's Land Transfer Programme: Caught between the State and the Market. *Third World Quarterly*, 28(8): 1537-1556.

Diario Official. 1996. 331. Corte Suprema de la Justicia de El Salvador Centro de Documentación Judicial. (http://www.csj.gob.sv/leyes.nsf/ef438004d40bd5dd862564520073ab15/b1193682c48cbbd806256d02005a3d17?OpenDocument). Accessed 10 September, 2010.

Equal Exchage. 2007. Profile of APECAFE in El Salvador. (http://www.equalexchange.coop/profile-of-apecafe-in-el-salvador). Accessed 20, July, 2009.

Fairtrade Foundation. 2005. Launch of NESCAFE Partners' Blend. 7 October 2005. (http://www.fairtrade.org.uk/press_office/press_releases_and_statements/archive_2005/oct_2005/launch_of_nescafe_partners_blend.aspx). Accessed 20 July, 2009.

FLO. 2011. Producer Networks. 2011. (http://www.fairtrade.net/producer_networks.0.html). Accessed 16, June 2011.

__________. 2006. Fairtrade Foundation Briefing on Financial Times Article. FairTrade Foundation. 11 September 2006. (http://www.ft.com/cms/s/2/d191adbc-3f4d-11db-a37c-0000779e2340.html.) Accessed 10 July, 2009.

FLO-Cert. 2010. List of Certified Operators. (http://www.flo-cert.net/flo cert/operators2.php?id=10). Accessed 2 June, 2011.

Fridell, G. 2007. *Fair Trade Coffee: The Prospects and Pitfalls of Market-Driven Social Justice.* Toronto: University of Toronto Press.

Fox, J. 1996. How Does Civil Society Thicken? The Political Construction of Social Capital in rural Mexico. *World Development*, 24(6): 1089-1103.

Gobbi, J. A. 2000. Is Biodiversity-Friendly Coffee Financially Viable? An Analysis of Five Different Coffee Production Systems in Western El Salvador. *Ecological Economics*, 33(2): 267-281.

Holt-Gimenez,J. Bailey, I. and Sampson, D. November 2007a. Fair to the Last Drop: The Corporate Challenges to Fair Trade Coffee. Development Report #17, Food First. (http://www.foodfirst.org/files/pdf/DR17-FairtotheLastDrop.pdf). Accessed 20 March, 2009.

Holt-Gimenez, J., Bailey, I. and Sampson D. 2007b. Organic Coffee Crisis? *Food First. Backgrounder*, 13(1): 1-4.

International Coffee Organization (ICO). 2008. Development Strategy for Coffee. (http://dev.ico.org/documents0809_e.asp) Accessed 15 July 2009.

__________. 2010. Coffee Prices- Monthly Averages. (http://www.ico.org/coffee_prices.asp). Accessed 15 July 2009.

Jaffee, D. 2007. *Brewing Justice: Fair Trade Coffee, Sustainability, and Survival.* Berkeley: University of California Press.

Jaffee, D., and Howard, P. H. 2010. Corporate Cooptation of Organic and Fair Trade Standards. *Agriculture and Human Values*, 27(4): 1-13.

Klawiter, R. F. 1990. La tierra es Nuestra! The Campesino Struggle in El Salvador and a Vision of Community-Based Lawyering. *Stanford Law Review*, 42(6): 1625-1689.

Kowalchuk, L. 2003. Political Opportunities and the Unfinished Agrarian Reform in El Salvador. *The Canadian Journal of Sociology*, 28(3): 309-340.

Läderach, P. 2010. *Coffee Area Production Map of El Salvador.* CIAT, Managua.

Läderach, P., Lundy, M., Jarvis, A., Ramirez, J., Portilla, E. P., Schepp, K., and Eitzinger, A. 2011. Predicted Impact of Climate Change on Coffee Supply Chains. In Leal Filho, W. (ed.), *The Economic, Social and Political Elements of Climate Change*, pp. 703-723. New York: Springer Verlag.

Lauria-Santiago, A. A. 1999. *An Agrarian Republic*. Pittsburgh: University of Pittsburgh Press.

Linton, A. 2008. A Niche for Sustainability? Fair Labor and Environmentally Sound Practices in the Specialty Coffee Industry. *Globalizations*, 5(2): 231-245.

Lyon, S., Bezaury, J.A., and Mutersbaugh, T. 2010. Gender Equity in Fairtrade-Organic Coffee Producer Organizations: Cases from Mesoamerica. *Geoforum*, 41(1): 93-103.

Mendez, V. E. 2002. Fair Trade Networks in Two Coffee Cooperatives in Western El Salvador: An analysis of insertion through a second level organization. September 2002. Case Study for the Project on "Poverty Alleviation Through Current Benefits and Future Potential" Colorado State University/DESAL/Ford Foundation.

__________. 2008. Farmer Livelihoods and Biodiversity Conservation in a Coffee Landscape of El Salvador. In *Confronting the Coffee Crisis: Fair Trade, Sustainable Livelihoods and Ecosystems in Mexico and Central America*, C. M. Bacon, V. E. Mendez, S. R. Gliessman, D. Goodman and J. A. Fox, V (eds.), pp. 207-236. Cambridge: MIT Press.

Mendez, V., Bacon, C., Olson, M., Petchers, S., Herrador, D., Carranza., Trujillo, L., Guadarrama-Zugasti,C., Cordon, A., and Mendoza, A,. 2010. Effects of Fair Trade and Organic Certifications on Small-scale Coffee Farmer Households in Central America and Mexico. *Renewable Agriculture and Food Systems*, 25(3): 236-251.

Méndez, V. E., E. N. Shapiro and G. S. Gilbert (2009) Cooperative Management and its Effects on Shade Tree Diversity, Soil Properties and Ecosystem Services of Coffee Plantations in Western El Salvador. Special Issue on Agroforestry for Ecosystem Services and Environmental Benefits. *Agroforestry Systems*, 76(1): 111-126.

Méndez,V. E., Bacon, C., Petchers, S. Herrador, D., Carranza, C., Trujillo, L. Guadarrama-Zugasti, C., Cordon, A. and Mendoza, A. 2006. *Sustainable Coffee From the Bottom up: Impacts of Certification Initiatives on Small-Scale Farmer and Estate Worker Households and Communities in Central America and Mexico*. Oxfam America, Final Research Report.

Mutersbaugh, T. 2002. The Number is the Beast: A Political Economy of Organic-Coffee Certification and Producer Unionism. *Environment and Planning* A, 34(7): 1165-1184.

Nicholls, A., and C. Opal. 2005. *Fair trade: Market-Driven Ethical Consumption*. Sage Publications Ltd.

Paige, J. M. 1996. Land Reform and Agrarian Revolution in El Salvador: Comment on Seligson and Diskin. *Latin American Research Review*. 31(2): 127-139.

__________. 1998. *Coffee and Power: Revolution and the Rise of Democracy in Central America*. Cambridge: Harvard University Press.

Pelupessy, W. and Diaz, R. 2008. Upgrading of Lowland Coffee in Central America. *Agribusiness*. Vol 24(1): 119-140.

Perla, H. 2008. If Nicaragua Conquered, El Salvador Will Win. Central American Agency in the Creation of the US-Central American Peace and Solidarity Movement. *Latin American Research Review*, 43(2): 136-158.

Philips, B. D. 2002. Qualitative Methods and Disaster Research. In *Qualitative Methods and Disaster Research*. R. A Stallings (ed.), pp. 194-211. Xlibris Cooperation. USA.

PROCAFE. 2010. Boletín Estadísticos de la Caficultura 2010. (http://www.procafe.com.sv/menu/Investigacion/Estadisticas.htm). Accessed June 2 2011.

PROEXCAFE. (http://www.proexcafe.com/). Accessed 21 July, 2009.

Raynolds, L. T., Murray, D.L. and Wilkinson, J. 2007. *Fair Trade: The Challenges of Transforming Globalization*. London: Routledge.

Reed, D. 2009. What do Corporations Have to do with Fair Trade? Positive and Normative Analysis from a Value Chain Perspective. *Journal of Business Ethics*, 86: 3-26.

Renard, M. C. 2005. Quality Certification, Regulation and Power in Fair Trade. *Journal of Rural Studies*, 21(4): 419-431.

Seligson, M. A. 1995. Thirty years of Transformation in the Agrarian Structure of El Salvador, 1961-1991. *Latin American Research Review*, 30(3): 43-74

Smith, A. M. 2008. Fair Trade in the 'Periphery': The Development of Comercio Justo México and Potential Lessons for FLO Fairtrade. Comment and Analysis Paper. BRASS (Centre for Business Relationships, Accountability, Sustainability, and Society). (www.brass.cf.ac.uk/uploads/AS1411008.pdf). Accessed 21 July, 2009.

Strasma, J. 1989. Unfinished Business: Consolidating Land Reform in El Salvador. In *Searching for Agrarian Reform in Latin America*. W. C. Thiesenhusen (ed.), pp. 408-428. London: Unwin Hyman.

Taylor, P. L. 2002. *Poverty Alleviation through Participation in Fair Trade Coffee Networks: Synthesis of Case Study Research Question Findings*. Report Prepared for Project Funded by the Community Resource and Development Program, The Ford Foundation, New York.

Topik, S., Talbot, J. M., and Samper, M. 2010. Globalization, Neoliberalism, and the Latin American Coffee Societies, an Introduction. *Latin American Perspectives*, 37: 5-20.

Towers, M. and Borzutzky, S. 2004. The Socioeconomic Implications of Dollarization in El Salvador. *Latin American Politics and Society*, 46(3): 29-54.

TransFair USA. 2006. Coffee Cooperative, Fair Trade Producer Profile. ApeCafe, El Salvador. (http://www.transfairusa.org/pdfs/profiles/APECAFE-ElSalvador.pdf). Accessed 5 July, 2009.

__________. 2007. Mission, Vision, and Values at TransFair USA. (http://www.transfairusa.org/content/about/mission.php). Accessed 20 March, 2009.

__________. 2009. Asociasion de pequenos productores de café de el Salvador, el Salvador. (http://www.transfairusa.org/content/certification/producer.php?floid=857). Accessed 10 July, 2009.

__________. 2010. Fair Trade USA 2011 Almanac. (http://www.fairtradeusa.org/resource-library/downloads. Accessed 2 June 2011).

Utting-Chamorro, K. 2009. Assessing the Impact of Fair Trade Coffee: Towards an Integrative Framework. *Journal of Business Ethics*, 86: 127-149.

USAID, 2006. 'Coffee Makes a Comeback in El Salvador.' USAID From the American People- Telling our Story. (http://www.usaid.gov/stories/elsalvador/cs_elsalvador_coffee.html). Accessed 20 November, 2009.

VanderHoff Boersma, F. 2009. The Urgency and Necessity of a Different Type of Market: The Perspective of Producers Organized Within the Fair Trade Market. *Business Ethics*, 89(1), 51-61.

Varangis, P., Siegel, D., Giavannucci,. Lewin, B. 2003. *Dealing with the Coffee Crisis in Central America: Impacts and Strategies*. Policy Research Working Paper 2993, Development Research Group, World Bank.

Von Braun, J. 2008. *The World Food Situation: New Driving Forces and Required Actions*. International Food Policy Research Institute. (http://www.ifpri.org/pubs/fpr/pr18.pdf.) Accessed 10 September, 2009.

Wilson, B. R. 2010. Indebted to Fair Trade? Coffee and Crisis in Nicaragua. *Geoforum* 41(1): 84-92.

Weber, J. 2008. Fair Trade Coffee Enthusiasts Should Confront Reality. *Cato Journal*, 27(1): 109-117.

Westphal, S. M.. 2008. Coffee Agroforestry in the Aftermath of Modernization: Diversified Production and Livelihood Strategies in Post-Reform Nicaragua. In *Confronting the coffee crisis: Fair Trade, sustainable livelihoods and ecosystems in Mexico and Central America*, C. M. Bacon, V. E. Mendez, S. R. Gliessman, D. Goodman & J. A. Fox. (eds.), pp. 179-207. Cambridge: MIT Press.

Wietzman, H. 2006. The Bitter Costs of 'Fair Trade' Coffee. *The Financial Times*. (http://www.ft.com/cms/s/2/d191adbc-3f4d-11db-a37c-0000779e2340.html). Accessed 12 July 2009.

Yin, R. K. 2006. Mixed Methods Research: Methods Genuinely Integrated or Merely Parallel. *Research in the Schools*, 13(1): 41-47.