

The Performance of Voluntary Standard Schemes from the Perspective of Small Producers in East Africa

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Executive Summary

The objective of this study was to establish a better understanding of the performance of different voluntary standard schemes from the perspective of small producers in East Africa. The study compared small scale producers' perceptions of the impacts of certification to Fairtrade, UTZ Certified and Rainforest Alliance standards. The study covered tea and coffee growers in Uganda, Kenya and Ethiopia. It also solicited small scale producers' views on how the standards under investigation could be improved upon.

The main research method was qualitative, based on 18 semi-structured focus group discussions with participants in six different schemes involving small scale producers. In general, the results from the six case studies provide an overall picture of producer satisfaction across schemes, although there are differences as to which circumstances are perceived to have improved as a result of scheme participation.

All focus groups (apart from two) had experienced increases in tea/coffee revenues, mainly as a result of improved agronomic practices which generated higher yields and better quality of output. In general farmers also perceived their household situations to have improved since participation in the standard schemes. However, the reasons given for these improvements varied from increased income (in a majority of cases), to better sanitation and increased food security. All focus groups had experienced improvements in the support services received particularly in the form of training on pre- and post-harvest handling.

Farmers also obtained increased awareness about safe handling of chemicals and disposal of containers although this did not consistently translate into use of protective equipment. The results also show positive impacts for women across all three standards although again with differences as to what had improved. The Fairtrade certified case studies show improved female representation and participation in farmer organisations. One of the UTZ case studies also showed improvements in this area. The other UTZ case study, while less positive in this respect, reported impacts from training on empowerment. Finally the Rainforest Alliance certified group attributed improvements for women to increased interaction between female farmers. These differences are consistent with variations between the three standards in their coverage of gender issues.

Because the focus groups for the different standards were drawn from schemes differing in organisation (cooperatives versus contract farming), date of certification and crop certified it is difficult to make general comparisons across standards. As a result, two sets of paired comparisons across standards were made where such variances were minimised.

The first was a comparison of a Rainforest Alliance coffee contract farming scheme with a UTZ coffee contract farming scheme. A clear difference was that in the Rainforest Alliance case more emphasis was put on wildlife and biodiversity conservation (for instance, not cutting trees and not killing wild animals) in training and enforcement, while training in the UTZ scheme placed more emphasis on household sanitation and on pre-and post-harvest handling. These differences are to be expected due to the different focus of the two

standards. Nonetheless, the overall comparison revealed only very slight differences on almost every other dimension examined. These results support the conclusion that there are positive benefits from being organised in sustainability related schemes, whatever the standard.

The second was a comparison between an UTZ coffee cooperative scheme and a Fairtrade coffee cooperative scheme. Again the results revealed only slight differences. As expected differences existed regarding distribution of the premium and the comparison also indicated a slightly higher level of perceived improvements arising from the Fairtrade scheme. However when considering that the UTZ scheme only received UTZ certification in April 2008, the results were surprisingly positive for this scheme.

The qualitative findings are substantiated by quantitative analyses of the impact of certification schemes on smallholder crop quality, productivity and revenue, using household survey data collected by DIIS in 2006 on two coffee schemes in Uganda, certified to UTZ/organic and Fairtrade/organic standards respectively. This allows comparisons between small producers who were certified UTZ/organic and Fairtrade/organic, and between each of these groups and producers not certified to any standard.

When comparing participants in the Fairtrade/organic scheme with uncertified farmers it is found that participants earn significantly more than the non participants (controlling for other factors). Regression analyses indicate that the higher coffee revenue reflects a combination of scheme participation as such, plus farmers' coffee tree stocks. Use of organic practices does not appear to influence revenue.

When comparing farmers participating in the Fairtrade/organic scheme with those participating in the UTZ/organic scheme, the analysis shows that the Fairtrade/organic scheme participants earn significantly higher average *gross* coffee revenues than those participating in the UTZ/organic scheme although there is no significant difference in *net* coffee revenue between the two groups. This can be explained by the fact that, while the Fairtrade/organic scheme participants sell more coffee at higher prices than the UTZ/organic scheme members, they also incur higher costs, particularly in hiring labour. This suggests that the Fairtrade/organic scheme has a larger overall welfare impact than the UTZ/organic scheme.

Finally this study also sought to identify farmers' perceptions of problems and suggestions for improvements. Managers in both one UTZ and the Rainforest Alliance certified scheme reported that they had experienced problems negotiating a premium for certified produce once world prices had reached their current levels. In the case of the Rainforest Alliance scheme this had resulted in a decision not to re-certify. While for Fairtrade certified groups a fixed minimum price and premium is guaranteed, these groups experienced other problems related to price and stability of demand. One scheme reported that when the world prices were higher than the Fairtrade minimum price, the guaranteed pre-finance supplied (calculated on the basis of the minimum price) was not enough to offer farmers a competitive

local price. Two of the Fairtrade schemes reported only having been able to sell a tiny percentage of the tea produced as Fairtrade.

Another concern reported by all non-Fairtrade schemes related to the long-term sustainability of the schemes due to costs related to certification.

When asked to suggest improvements to the standard schemes, management suggestions were centred on standard owners providing a guarantee of minimum purchases and provision of premiums (the latter for non-Fairtrade schemes only). As for farmers, many suggestions centred on help to diversify production and income and provision of finance for subsidising farm inputs. In particular, the rising cost of chemicals was perceived as a major problem by farmers – and one that was not addressed by the standard schemes.

In short, the results reported here suggest the following conclusions:

- Participation in the standards schemes examined was perceived to lead to marked improvements in income and in farm management, relative to previous situations of non-participation. In most schemes additional benefits were also perceived, although their content varied from one scheme to another.
- Participants in a Fairtrade/organic scheme were better off than participants in UTZ/organic scheme in the one direct quantitative comparison made, which also suggested that the Fairtrade/organic scheme had a larger welfare impact.
- Scheme participants' suggestions for improvements to their scheme often focussed on the provision of a wider range of services.
- Scheme managers' observations tended to be more critical and identified a lack of local price competitiveness as a short-term problem and limited or unstable demand and sustainability of certification costs as longer-term ones.

Apart from the sustainability of costs, these observations applied equally to Fairtrade, UTZ and Rainforest Alliance schemes.

1. Introduction

1.1. Background

Increasing concern for the safety, quality and social and environmental impacts of agri-food production have resulted in greater demand for goods produced according to private voluntary standards (Giovannucci et al. 2008; Reardon et al. 2001). Among these are standards seeking to promote sustainable development such as Organic, Fairtrade, UTZ CERTIFIED and Rainforest Alliance. Practically all of the major sustainability standards embody some combination of environmental, economic and social aims, although the degree to which they focus on each of these objectives varies (Giovannucci et al. 2008).

Starting with organic and Fairtrade, sales of goods certified to these standards have evolved beyond niche markets into mainstream distribution channels (Daviron & Ponte 2006; Lewin, Giovannucci & Varangis 2004). At the same time, new initiatives are continuously emerging and it has become increasingly difficult to differentiate between sustainability standards in terms both of objectives and value added from either consumer or producer perspectives. Empirical evaluations of the impact of sustainability standards - and particularly studies that compare impacts across standards - are still extremely rare. This report therefore aims at a better understanding of the performance of different sustainability standard schemes by comparing them mainly from the perspective of certified small coffee and tea producers, on the basis of fieldwork in Kenya, Uganda and Ethiopia.

1.2. Aim of the study

The study compares the perceived impacts of certification to Fairtrade, UTZ Certified and Rainforest Alliance standards, examining small scale producers' perceptions of whether certification had resulted in changes in the following areas:

- Farming methods, including use of chemicals
- Product quality and price
- Technical assistance to farmers
- Household conditions
- Gender relations

The study also solicited smallholders' views on how the standards examined could be improved. In relation to all these issues, the main research method employed was focus group discussions.

The resulting qualitative findings are complemented by a quantitative analysis using household survey data collected in 2006 on two coffee schemes in Uganda, certified to UTZ/organic and Fairtrade/organic standards respectively. The main focus of this study was on whether scheme participation generated measurable benefits.

1.3. Structure of the report

In the following section, the three standards covered are introduced and compared. This is followed in section 3 by a review of literature on the impact of sustainability standards. In section 4, details of the study's methodology are provided and in section 5, the six cases for the qualitative study are introduced.

Section 6 contains a comparison across all cases of scheme participants' perceptions of certification-related changes in the areas referred to in section 1.2 above. In section 7 and 8, two sets of paired comparisons across standards are presented. The first compares a Rainforest Alliance coffee contract farming scheme with an UTZ coffee contract farming scheme while the second compares an UTZ coffee cooperative scheme and a Fairtrade coffee cooperative scheme. Section 9 describes scheme participants' perceptions of problems with the different standards schemes and presents their views on how these could be improved. Section 10 reports the results of the quantitative study of a Fairtrade/organic and an UTZ/organic certified scheme (based on surveys conducted in 2006). Section 11 concludes.

The names of the six smallholder schemes in Kenya, Uganda and Ethiopia where focus group discussions were held in 2009 have been withheld due to a request for anonymity by one scheme. We differentiate them in what follows in terms of the standard being applied within them. The real names of the two schemes surveyed in 2006 are provided in section 10.

2. Comparison of Fairtrade, Rainforest Alliance and UTZ CERTIFIED

The Fairtrade system addresses the way products are traded, offering a guaranteed minimum price to producers and a guaranteed and fixed premium to be used for group and community development. In contrast, Rainforest Alliance and UTZ focus on the way farms are managed. Both cover social and environmental standards, although Rainforest Alliance places more emphasis on protecting wildlife and biodiversity, while UTZ stresses the importance of traceability in coffee supply chains, and specifies how beans should be harvested and handled to produce high quality crop.

While Fairtrade coffee is exclusively for smallholders, both Rainforest Alliance and UTZ provides for group certification where the certificate is held by, for example, a trader or an exporter who guarantees the compliance of participating producers via training and an Internal Control System. Unlike Fairtrade, these standards do not have requirements concerning producer organisation.

For all three standards there is no guarantee that all crop will be purchased as certified tea/coffee and large amounts of potentially qualifying produce are in the end sold as conventional. Using data from the International Coffee Organisation (for member countries), certified coffee sold by producers certified to the three certification schemes amounted to 156.713 metric tones for 2008 which is around 2.7 percent of world exports. See Table 1 for a more detailed comparison of the different schemes.

Table 1. Comparison of Fairtrade, Rainforest Alliance and UTZ CERTIFIED

Scheme	Fairtrade	Rainforest Alliance	UTZ CERTIFIED
Mission	<p>Aims to ensure equitable trading arrangements for disadvantaged smallholders, ensuring that they receive a minimum price plus a premium for investment in group and community projects. Some environmental protection standards are also included.</p> <p>Certification is exclusively for cooperatives where the majority of produce is produced by smallholders (e.g. coffee). For tea, certification of estates is allowed.</p>	<p>Aims to ensure sustainable agriculture with a focus on biodiversity conservation. It does not prohibit use of agrochemicals but requires integrated pest management and also covers the rights and welfare of workers.</p> <p>Certification is open to all scales of production and types of ownership.</p>	<p>Aims to ensure good agricultural practice based on EurepGap requirements with additional worker welfare provisions and a focus on product quality.</p> <p>Certification is open to all scales of production and types of ownership.</p>
Principles	<ul style="list-style-type: none"> • Minimum price • Explicit price premium to producer groups • Long-term contracts • Access to finance for cooperatives • Provision of technical assistance • Encouragement of producer group formation • Labour standards • Environmental standards 	<ul style="list-style-type: none"> • Social and environmental management systems • Ecosystem conservation • Wildlife protection • Water conservation • Fair treatment and good working conditions for workers • Occupational health and safety • Community relations • Integrated crop management • Soil management and conservation • Integrated waste management 	<ul style="list-style-type: none"> • Responsible and recorded use of fertilizers and pesticides • Labour rights • Record keeping for traceability • Protection of natural flora and fauna • Provision of market information to help producers negotiate better prices • Access to technical assistance from UTZ trained agronomists • Harvest and post-harvest handling
Gender/ non discrimination	<p>Contains requirements on nondiscrimination in respect to workers. In addition, under 'social development' there is a progress requirement that "The organisation is expected to show how it directly supports members from disadvantaged or minority groups to participate actively in the organisation, e.g. by assuming organisational responsibilities [...] Special attention should be given to the participation of female members." (§1.4.2.1)</p>	<p>Gender is mentioned under the requirements on non-discrimination of workers (§ 5.2.) and in the selection of producers for group certification (§ 2.1.7.)</p>	<p>Gender is mentioned under requirements on non discrimination in respect of workers where it also states that "certificate holder / members do not engage in [...] access to training [...] on the basis of gender [...]" (§10.F.7)</p>
Premium	<p>The Fairtrade premium is paid to the group, for investment in group or community projects (decided by the group).</p> <p>Floor price of US \$1.20 for unwashed Arabica and US\$1.25 per lb for washed, plus a premium of US\$ 0.10 per lb (US\$ 0.20 if also organic) on top of floor price or market reference price¹.</p> <p>The premium for Tea using CTC production methods is US\$ 0,50 per kg of made tea.</p>	<p>Rainforest Alliance states that farmers can get an additional US\$ 0.10 to \$0.60 for every pound of coffee beans that they sell (McAllister 2004). The Ethical Corporation in 2007 suggested that beans grown under the Rainforest Alliance scheme were receiving an additional US\$0.14 on top of the market rate (Ethical Corporation 2008).</p>	<p>The UTZ pricing policy states that producers should be rewarded with a premium greater than zero for compliance with the code of conduct</p> <p>According to UTZ an average premium of US\$ 0.05 per lb was paid in 2007 and US\$0.06 in 2008.</p>

¹ Floor price as of June 2007.

Scheme	Fairtrade	Rainforest Alliance	UTZ CERTIFIED
Buyers	<p>In the UK the Fairtrade Foundation charges 2% commission on wholesale prices.</p> <p>Fairtrade importers are required to help producers with pre-harvest or pre-production financing of up to 60% of the Fairtrade minimum price, or to assist them in obtaining this finance.</p> <p>Buyers are required to establish a long-term relationship with producers. For coffee the standard states more precisely that the “buyer and seller will sign contractual agreements for the first part of the season and a letter of intent for the rest of the season.”</p>	No charge is made to buyers or retailers for the use of the logo.	A fee of US\$ 0.012 ct. per lb. of green coffee is paid by UTZ registered buyers to help cover UTZ expenses.
Differences between the schemes	<p>Fairtrade distinguishes itself by requiring a minimum price, a fixed price premium, long-term contracts, and access to finance. Smallholder organisations have to be democratically run and members trained on participation. For coffee, Fairtrade is exclusively for smallholders.</p>	<p>Rainforest Alliance distinguishes itself from Fairtrade in its emphasis on how farms are managed, rather than how products are traded. It goes beyond UTZ and Fairtrade in its emphasis on wildlife and biodiversity conservation.</p>	<p>Like Rainforest Alliance, UTZ focus on how farms are managed, rather than how products are traded. Compared to Rainforest Alliance, UTZ focus less on biodiversity conservation but more on how beans should be harvested and handled to produce high quality crops. UTZ also includes training on basic hygiene and housekeeping.</p>
Sales	<p>62,219 metric tonnes (mt) of Fairtrade certified coffee was sold in 2007 and 65,808 mt in 2008 (of which 31,673 was organic). This equals a growth rate of 6% for coffee from 2007 to 2008 (for tea the increase reported was 112%)</p> <p>The Fairtrade Labelling Organisation (FLO) estimates that around 20% of produce that qualifies for Fairtrade certification is actually sold as Fairtrade (Fairtrade Foundation UK, 2007). Fairtrade requires 100% certified content before the product can be labelled.</p>	<p>41,494 Mt of certified coffee was sold in 2007 and 62,296 Mt in 2008, equalling a growth of 50% from 2007 to 2008</p> <p>Rainforest Alliance requires a minimum 30% certified content in blends for companies who want to use the scheme’s green frog label (Ellis & Keane 2008)</p>	<p>53,000 metric tonnes of UTZ certified coffee was sold in 2007 and 77,700 Mt of coffee was sold in 2008, equalling a 47% increase from 2007.</p> <p>UTZ requires blended coffee products to have at least 90% UTZ certified content for them to have the option of using the label.</p> <p>The amount of certified coffee purchased by buyers is approximately 27% of the total produced (Ellis & Keane 2008).</p>

Source: Unless otherwise stated, the table is based on the websites of the standards schemes and the following downloadable documents:

- Fairtrade Standards Tea Small Farmers’ Organisations December 2007
- Fairtrade Standards Coffee Small Farmers’ Organisations December 2005
- Generic Fairtrade Standards for Small Producers’ Organisations January 2009
- Standards for group certification, Rainforest Alliance Certification November 2004
- Sustainable Agriculture Standard, Sustainable Agriculture Network April 2009
- Additional Criteria and Indicators for Coffee Production, Sustainable Agriculture Network November 2005
- UTZ CERTIFIED Good Inside Code of Conduct for Coffee January 2009
- Frequently Asked Questions about UTZ, October 2008
- Fairtrade Annual Report 2008-09
- Rainforest Alliance Annual Report 2008
- UTZ CERTIFIED Good Inside Annual Report 2008

3. Literature review

Literature on the impact of sustainability standards and particularly studies that compare impacts across standards is still scarce. The studies that do exist mainly examine the impacts of organic and Fairtrade certification which is to be expected since these standards have been around for much longer. The literature review presented in this section is limited to studies of the three standards examined in this report and it is mainly based on existing reviews reported in Dankers (2003), Consumers International (2005), Becchetti & Costantino (2008) and Ellis and Keane (2008).

The largest body of literature examines the impact of Fairtrade certification. The majority of this comprises qualitative analyses of scheme case studies, particularly of smallholder coffee schemes. These studies mostly conclude that certification has benefitted the participating growers. Milford (2004) finds that the Fairtrade and organic premium has been crucial to the success of two cooperatives in Mexico, while Ronchi (2002) finds that Fairtrade certification improved the quality of life for growers in Costa Rica - although improvements were mainly due to organisational development and producers had low awareness of the Fairtrade system. A study of Fairtrade coffee in Bolivia (Eberhart & Chauveau 2002) showed that the most important effect was that the Fairtrade premium acted as an incentive for quality improvements in the coffee, leading to a reduction in the quality discount against the reference price on the New York Coffee Exchange.

Other studies of Fairtrade certification are more guarded in their conclusions. A study of Fairtrade certified coffee in Tanzania (Jones & Bayley 2000) points out that since most Fairtrade organisations and importers deal directly with cooperatives, the participating farmers are less aware of Fairtrade. Moreover, there is a minimal price effect. The study does however identify benefits for cooperatives, including access to pre-finance, capacity-building and marketing (see also Getz & Shreck 2006).

Turning to studies using quantitative methods, Bacon (2005) finds that access to certified markets had a positive and significant effect on prices for Guatemalan coffee producers while Pariente (2000) finds a positive impact from the Fairtrade minimum price on coffee producers' income security in the Coo cafe` cooperative in Costa Rica.

The literature on the impact of certification with Rainforest Alliance and UTZ CERTIFIED is much thinner. A study on shade grown coffee in El Salvador (Pagiola & Ruthenberg 2002) showed that coffee growers certified to Rainforest Alliance were disappointed with the small volume of certified sales achieved and the low premium. Small-scale coffee growers in another Rainforest Alliance-certified scheme in Mexico received more substantial premiums but this was primarily because they were also organic certified (Consumers International 2005).

Studies that compare impacts across different sustainability standards are again very few in number. However the COSA (Committee on Sustainability Assessment) project is in the process of developing a framework with which to examine and measure the costs and benefits associated with certification to different sustainability standards. In 2008 a report (Giovannucci 2008) was published with findings from the project's initial pilot phase.² These included:

- Farm performance in relation to social, economic and environmental indicators was highly variable. This is attributed to the influence of local conditions in the manner in which the standards were implemented and enforced.
- Certified farms observed in the testing process generally appeared to be better off economically (assessed by net income) than their conventional counterparts. But the gap was sometimes narrow.
- With respect to many of the environmental parameters measured (such as biodiversity and shade coverage), there was little evidence that certification had a significant effect over the first two years of certification. This could be due to the lag time between implementation of practices and environmental impact.
- With respect to social parameters, (larger) certified farms appeared to have occupational health and safety, employee relations and labour rights performance that were above average.

Few or none of the qualitative studies examined here or by Mayoux (n.d.) explore in detail the perceptions of scheme participants or differentiate between groups of respondents by, for example, gender. Nor do they examine perceptions of the wider social impacts of schemes, including on gender relations. Nor do they make comparisons between schemes certified to different standards. Moreover, the quantitative studies referred to are all based on very small samples and use descriptive rather than econometric methods. It is in each of these areas that the present study contributes new knowledge.

² During testing, the COSA questionnaire was applied in five countries (Kenya, Peru, Costa Rica, Honduras and Nicaragua) across more than 50 farms that represented the most widely-known sustainability initiatives, including Fair Trade, Organic, UTZ Certified and Rainforest Alliance.

4. Methodology

The main research method used was qualitative, namely semi-structured focus group discussions with scheme participants. Findings based on these methods are complemented by quantitative analyses of the impact of certification schemes on smallholder revenue and other variables, using household survey data from two coffee schemes in Uganda, certified to UTZ/organic and Fairtrade/organic standards respectively. This data is used to compare outcomes of scheme participation for small producers certified to combinations of UTZ/organic and Fairtrade/organic standards respectively, both with each other and in relation to control groups who were not certified to any standard. The methodology of this study is described together with the findings in section 10.

4.1. Choice of commodities and standards

This study reports on case studies of tea and coffee schemes in East Africa that are certified to one or more sustainability standards. There are a large number of such schemes in the coffee sector in East Africa, and some date back to the late 1990s. While there are fewer certified smallholder tea schemes in East Africa, tea has regained its status as an important cash crop in the region and certification of tea schemes to such standards is becoming common.

Three main voluntary standards covered in the study are Fairtrade, UTZ CERTIFIED and Rainforest Alliance. These are the three most commonly recognised standards incorporating *social* dimensions that are currently applied to the tea and coffee sectors in the region. It should be noted that some schemes certified to these standards are also certified to others including, but not only, EU organic standards.

4.2. Case selection

Case studies for the qualitative analysis were collected from lists of certified producer groups or schemes found on the websites of the different standard schemes. The rationale behind the final selection was to cover both different standard schemes used for certifying smallholders as well as the main forms of scheme organisation (i.e. cooperatives versus exporter-run contract farming).³ Table 2 below classifies the cases in relation to these two dimensions.

Three case studies are from Uganda, two from Kenya and one from Ethiopia. Two showcase tea and four concern coffee. Three are Fairtrade certified, two are UTZ certified and one is Rainforest Alliance certified (the only smallholder scheme that was Rainforest Alliance

³ Unfortunately it was not possible to access a Fairtrade certified contract farming scheme which resulted in an imbalance between number of cooperatives and contract farming schemes in this study.

certified in Africa in 2005-07).⁴. The cases all involve groups of farmers where a majority are smallholders, and for whom income from coffee or tea is the main household income source.

Table 2. The case studies		
	Cooperative	Exporter-run contract farming
Fairtrade tea	Fairtrade Tea A (UG) Fairtrade Tea B (KEN)	
Fairtrade coffee	Fairtrade Coffee A (UG) (also certified organic)	
UTZ CERTIFIED coffee	UTZ Coffee A (KEN)	UTZ Coffee B (UG)
Rainforest Alliance coffee		Rainforest Alliance Coffee A (ETH)

4.3. Qualitative methods

Three separate focus group discussions were held in each scheme, comprising male farmers, female farmers and spouses of male farmers respectively – thus giving a total of 18 groups. An average of 6 people participated (minimum 4 and maximum 8) in each group and the selection of all groups was aimed at obtaining a cross-section of households by size of holding.

The focus group discussions were limited to perceived changes that could be meaningfully attributed to certification, and involved participants comparing their present situations with those before certification. Producers were also encouraged to discuss problems associated with scheme participation and how the standard or scheme could be improved. Additional discussions were held with cooperative leaders (where applicable) and with exporter-contractors. In order to obtain comparable information on the different themes listed in section 1.2, discussion was structured using specific questions and ranking exercises (see Appendix A for the different interview and discussion guides and Appendix B for details about the focus group process).

⁴ As will be seen, certification has not been renewed since.

4.4. Analytical strategy for comparison across standards

Due to the nature of this study, the validity of comparisons between perceptions of Fairtrade, UTZ Certified and Rainforest Alliance certified producers is limited by the following considerations:

- Comparisons between schemes that are multiply certified may be problematic as it is often difficult to disentangle the impacts of different certifications on the same group of farmers, particularly where certification requirements overlap.
- Comparisons of smallholder cooperatives and smallholder contract farming schemes may be problematic. Cooperatives are more likely to be socially inclusive, whereas contract farming scheme members may be deliberately selected by scheme organisers on grounds of superior factor endowments. Thus, the latter may be better off than members of cooperatives and – for example - less sensitive to certain cost increases.
- Comparisons between tea and coffee farmers, whether co-operators or contract farmers, may also be problematic since the crops command different base prices (and hence returns to labour) and have different labour requirements.
- Comparisons between schemes that have been certified for different periods of time may be problematic as the initial period of certification normally entails higher costs and some benefits may be realised only after a certain period of certification.

As a result, the following paired comparisons across standards were made, with the aim of minimising the influence of such confounding factors:

- A Fairtrade coffee cooperative and an UTZ coffee cooperative (section 7)
- An UTZ coffee contract farming scheme and a Rainforest Alliance coffee contract farming scheme (section 8)

At the same time, and with the reservations referred to, comparisons were also made across all six cases (section 6).

When considering the results the following further limitations should also be borne in mind: firstly, while focus groups are well suited for exploring informants' perceptions and priorities, they are also prone to generate consensus amongst group participants (even though methods were employed to minimise this effect – (see Appendix B for more information); secondly, participants were not chosen randomly and their numbers were small compared to the size of the schemes. Therefore the perceptions recorded are not necessarily representative of the broader group.

5. The case studies

5.1. Fairtrade Coffee A

Located on Mount Elgon in south-east Uganda, Fairtrade Coffee A is a secondary cooperative union with six primary society members (and three more in conversion) covering around 3000 smallholders. They produce washed Arabica coffee.

Fairtrade Coffee A began in 1998 as a joint project between Bugisu Co-operative Union (BCU), a union of 250 primary cooperative societies, and Twin Trading, a UK alternative trading organisation that sources Fairtrade coffee for partners such as Cafédirect. In 2003 BCU collapsed and Fairtrade Coffee A was officially formed. Fairtrade Coffee A now holds the Fairtrade certificate and is a licensed exporter. Most members are also certified organic after a conversion process that started in 2001. Between 80% and 100% of the coffee bought by Fairtrade Coffee A is sold as Fairtrade however, Fairtrade Coffee A does not buy all the coffee produced by the primary societies.

Focus group participants from this scheme were all drawn from one primary society with around 428 members (also certified organic). The participants associated Fairtrade with the establishment of Fairtrade Coffee A and did not distinguish between changes reported to Fairtrade and the establishment of Fairtrade Coffee A. Furthermore, many could not distinguish between changes attributed to Fairtrade and to organic certification.

5.2. Fairtrade Tea A

Located in western Uganda, Fairtrade Tea A was originally formed in 1966 but abandoned in the 1970s and then rehabilitated in the 1990s. Since 1995 Fairtrade Tea A has been a public limited company owned by smallholder tea growers. Currently the company has a membership of 585 shareholders who all produce green leaf tea which they supply to the factory as out-growers. All the leaf produced has to be sold to the factory. The company also has four estates. Fairtrade Tea A is run by a board of directors and a management team.

Fairtrade certification came about through an EU-funded rehabilitation programme targeted at the four smallholder-owned tea factories in Uganda in 1999. Fairtrade Tea A sells Fairtrade tea to Cafédirect and they benefit from the Cafédirect producer partnership program which offers capacity building in compliance with HACCP⁵ requirements.

Fairtrade Tea A produces black CTC⁶ teas in different grades mainly for export. Around 98% of the produce is sold at the Mombasa auction. The percentage of total production that is sold as Fairtrade is currently only between 1% and 2%.

⁵ Hazard Analysis and Critical Control Point, (HACCP), is a systematic preventive approach to food safety that addresses hazards as a means of prevention rather than finished product inspection.

⁶ CTC stands for "cut, tear, curl," and is used for lower quality leaves that end up in tea bags and are processed by machines.

5.3. Rainforest Alliance Coffee A

A group of 678 farmers in the Jimma region of Ethiopia were the first in Africa to obtain Rainforest Alliance certification in 2005. By 2007 the number of farmers participating in the scheme was around 2000. The farmers were certified as a group under the administration of a licensed exporter based in Addis Ababa and Mr. Mohammed, the owner of a washing and buying station in Jimma. They produce both washed and sundried Arabica coffee.

The EFICO Foundation in Belgium helped finance the improvements on the farms needed for certification, and the Belgian coffee importer EFICO purchased the certified coffee in 2006 and 2007. In the first year, all the coffee supplied to the exporter by participants was sold at a premium, but during the second year the exporter was only able to sell part of the coffee at a premium. During the third year the exporter was unable to obtain a premium and in agreement with EFICO, they decided not to recertify to Rainforest Alliance.

The organisation of the farmers under Mr. Mohammed started at the same time as the preparations for certification to Rainforest Alliance. Most focus group participants were already selling coffee to Mr. Mohammed at this time. Nevertheless most participants did not distinguish between the changes attributed to Rainforest Alliance and to their organisation under Mr. Mohammed. Some of the focus group participants were not aware that certification to Rainforest Alliance had stopped in 2007. This is because Mr. Mohammed has maintained the organisational structure established in relation to certification, including the internal control system and the organisation of farmers in 84 groups led by group managers who collect the coffee. Not all coffee produced by the member farmers is sold to Mr. Mohammed.

5.4. UTZ Coffee B

UTZ Coffee B started as a coffee improvement project (initiated and funded by the DE Foundation⁷), which is a component of a broader project coordinated by PLAN Uganda called 'Strengthening Food Security for Children and Families Living in Poverty'. UTZ Coffee B starting in 2004 reaching around 5000 smallholder Robusta coffee farmers. The main objective of the project has been to increase farmers' incomes through improved pre and post harvest agricultural techniques and compliance with the UTZ CERTIFIED standard.

The project has been implemented and managed by a Ugandan exporter (subsidiary of the Neumann Kaffee Gruppe). UTZ certification was achieved in 2005.⁸ Currently the exporter is the certificate holder, but since 2006-2007 the exporter has started organising the participating farmers in depot committees (each with several village-level producer

⁷ The DE Foundation was established in 2002 & is financed entirely by Sara Lee Co.

⁸ The first two years of the project was funded mainly by Solidaridad and the Coffee Support Network. The project still receives funds from the DE foundation to cover the cost of certification while other costs are borne by the exporter.

organisations) with the intention that the individual depot committees achieve UTZ certification and take over the responsibility and cost of certification. Prior to the establishment of depot committees, UTZ Coffee B was buying the coffee directly at village level. Prior to 2004 the participating farmers were selling their coffee individually to local buyers.

Nearly all coffee bought by the exporter from participating farmers has been sold as certified coffee at a premium. However, only an estimated third of the coffee produced by participating farmers is actually sold to the exporter.

Due to the fact that there is an overlap between different projects and that the farmers started their interaction with the exporter and UTZ at the same time, the farmers participating in the focus groups did not differentiate between changes attributed to the exporter and to UTZ. To a certain degree there was also no differentiation between the training received in relation to UTZ certification and other components of the "Strengthening Food Security for Children and Families Living in Poverty" project.

5.5. Fairtrade Tea B

Established in 1963 by the Eastern Produce (Kenya) Ltd, the company is located in Kenya's Eastern Province. It is currently under the management of the Kenya Tea Development Agency (KTDA) after being bought from Eastern Produce by the local farmers in 1994. The factory has approximately 9000 small scale growers cultivating around 1700 hectares of tea and producing an average of 4 million kilograms of black tea every year. Besides the small scale growers, the company has an estate that occupies 201 hectares.

The process of certification to Fairtrade began through Cafédirect and the company was Fairtrade certified in 2007. Currently around 2% of the tea produced by the factory is sold as Fairtrade.

5.6. UTZ Coffee A

Registered in October 1998, UTZ Coffee A is located in Kenya's Central Province. Its members produce Arabica coffee. The society was earlier part of a larger cooperative society (from 1968-93), and is led by a Management Committee elected by its 1453 members.

The society started preparing for UTZ certification in 2007 and was first certified in April 2008. They were initially approached directly by UTZ, which is sponsoring the cost of the certification fee until September 2009 as well as providing a trained extension officer. From September 2009 onwards the society is expected to pay for recertification and the cost of maintaining the extension officer. During the certification period, UTZ has also met the costs of renovating the factory to meet EU food safety requirements. Under the arrangement, the farmers receive a premium for the coffee sold through UTZ. The coffee is sold through the Kenyan auction system (Nairobi Coffee Exchange).

6. Comparisons across all case studies

A total of 12 farmer focus groups were held - 6 with male farmers and 6 with female farmers - and 6 additional focus groups were made up of farmers' spouses. In order to be able to compare the results of the focus group discussions across case studies, the explanations given by the focus group participants were afterwards categorised on a scorecard⁹ as either a 'yes/no' answer (see, for instance, table 1) or on a 'worse / no change / better scale' (see, for instance, table 2). For some questions, the focus group participants were asked directly to rank their answer on a 5 point scale from 'much worse', 'a little worse', no change, 'a little better' or 'much better'.

In what follows, the scorecards are compared across the six case studies. Unless stated otherwise the scores are for farmer focus groups. Scores from the groups of farmers' wives are also provided where relevant. For each theme, variance in the scores is discussed in the context of the relevant focus group discussions, the relevant case study and the standard followed by the groups in question.

6.1. Farming methods, quality and prices

Question: *Do you get more or less money from tea/coffee now?*

When asked to rank on a 5 point scale from 'a lot less', 'a little less', 'no change', 'a little more' or 'a lot more', two farmer focus groups out of 12 reported 'no change', whereas nine groups reported "a little more" and one group "much more". Both female and male farmers from Fairtrade Tea B answered 'no change'.

This indicates that a large majority of farmers interviewed experienced higher tea/coffee revenues. The main reasons given by the farmers for increased crop revenue was improved agronomic and post harvest practices which resulted in higher yields and better quality produce. In turn, this was reported to perceived improvements in the services offered by the cooperative/exporter mainly in the form of training on pre- and post-harvest handling (see Table 3 below).

⁹ The scorecards for each group only list answers to issues relevant for the group and only lists answers where there was consensus within the group.

Table 3. Selected changes in services, farming practices and quality experienced by focus groups (reporting collective answers by group)

Questions	Yes	No	Number of responding groups
1.7: Do you use any different farming methods as a result of joining the scheme?	12	0	12
1.8: Do you for example weed or prune more often or differently?	12	0	12
1.9: Do you now get more beans per tree?	8	0	(only coffee farmers) 8
1.10: Do you now get better beans?	7	0	(only coffee farmers) 7 ^a
1.11: Do you now get better quality tea leaves?	3	1 ^b	(only tea farmers) 4
3.4: Is it easier to get training?	12	0	12
3.6: In your opinion, have the support services changed for the better or for the worse since you started in the scheme?	12 (for the better)	0	12
a) Group not responding is the group of female farmers in Rainforest Alliance Coffee			
b) Female farmers in Fairtrade Tea B			

The female farmer focus group from Fairtrade Tea B answered “no” when asked if they were obtaining better quality green leaf. This group, as well as the male farmer group from the same case study, both reported that there was no change in the income they got from green leaf. This could be linked to a substantial increase in fertilizer prices which, although unrelated to certification, was perceived as a major problem by these farmers. It could also be due to the fact that Fairtrade Tea B only obtained Fairtrade certification in 2007 and as yet only sell 2% of total produce as Fairtrade.

Of the three standards adopted in the case studies, UTZ CERTIFIED is the only one focusing explicitly on how coffee beans should be harvested and handled in order to produce high-quality coffee. Nevertheless, in all the schemes studied farmers had received training on pre- and post-harvest handling. As explained by male tea farmers from Fairtrade Tea A, they are no longer plucking rough, but rather only ‘two leaves and a bud’. Furthermore, owing to the facts that they have constructed new leaf sheds (using Fairtrade premium money) and now care for the leaves while transporting them to the collection centre, they now have fewer rejections at the collection point.

Farmers from all the case studies reported that they were implementing new farming methods, for example, all had learned how to make (and apply) compost. Male and female farmers in UTZ Coffee B reported that they had also changed how they managed their coffee gardens. For instance, they no longer cut shade trees, they dig drainage channels, weed and prune the plants, and only harvest ripe berries - before they used to pick everything and sell

to local buyers who place little emphasis on quality.

Several groups reported that the difference between the prices they received from selling to the cooperative/exporter compared to local buyers had decreased. The reasons for this appeared to be related not only to improved quality but also to decreasing premiums. Farmers in UTZ Coffee A argued that, even in the absence of the UTZ label on their coffee, the improved quality of their coffee means that they still would be receiving a higher price. Female farmers from Fairtrade Coffee A noted that the price difference had decreased partly because the quality of their coffee was better and that this was recognised by other buyers.¹⁰ The managers of Fairtrade Coffee A argued that it is not only improved quality but also the fact that world prices have risen above the Fairtrade guaranteed minimum price that has led to a decline in the difference between Fairtrade and local buyer prices. In the UTZ Coffee B scheme both male and female farmers reported that there was now more competition. At times local buyers were able to offer almost the same price as UTZ Coffee B. According to the management of the scheme, the baseline price in the area has increased due to the superior prices paid by UTZ Coffee B. However, at the same time the premium received for UTZ-certified coffee has fallen.

In sum, all focus groups apart from two (both from Fairtrade Tea B) had experienced higher tea/coffee revenues, mainly due to improved agronomic practices which resulted in higher yields and better quality. The farmers recognised that they had to spend more time in their coffee/tea gardens, but they did not perceive this to be a problem. On the contrary, many reported a change in attitude towards farming as noted by farmers from UTZ Coffee A who stated that before the scheme farmers treated coffee farming as 'just another activity on the farm' rather than a business in its own right. Today farmers treat their coffee plots as a small business that needs a lot of attention in order to be profitable.

6.2. The household

In general, farmers perceived their household welfare to have improved since participation in the standard schemes. As illustrated in Table 4 below, both the general household situation and the ability to send children to school were most widely perceived to have improved. However the reasons given for the perceived improvements to the household situation differed between groups. While the farmer groups in Fairtrade Tea A, Fairtrade Coffee A, UTZ Coffee A and Rainforest Alliance Coffee A perceived household improvements to be mainly the result of increased income, the farmer groups in UTZ Coffee B perceived them to be mainly the result of better farm waste treatment and household sanitation (the group of wives

¹⁰ However, society members do not sell to others because this is not permitted by this society. At the same time, for the last two years in Fairtrade Coffee A there has not been a second payment due to cash flow problems.

in Fairtrade Coffee A also mentioned this). Conversely, male farmers in Fairtrade Tea B mentioned increased food security as a reason for improvements to the household situation.

Table 4. Selected changes in the household experienced by farmers (reporting collective answers by group)				
Questions	Worse	No change	Better	Number of responding groups
2.0: Does the household live better or worse as a result of participation in the scheme? Have there been any improvements e.g. in relation to health or education?	0	1 ^a	11	12
2.2: When someone in your household is ill are you are better able to take care of them, e.g. get transport to a clinic or buy medicine?	0	3 ^b	8	11 ^e
2.4: Have you been able to spend more money on education for your children? Are you for example able to send more children to school? send them to school for the whole year?	0	1 ^c	11	12
2.6: Have you been able to spend more money on things such as land, construction, a bicycle, a moped or getting married?	0	3 ^d	8	11 ^f
a) Female farmers in Fairtrade Tea B b) Male and female farmers in Fairtrade Tea B, female farmers in UTZ Coffee A c) Male farmers in Fairtrade Tea B d) Female farmers in Fairtrade Coffee A, female farmers in Fairtrade Tea B, female farmers in UTZ Coffee A e) Group not responding is group of male farmers in UTZ Coffee A f) Group not responding is group of male farmers in UTZ Coffee B				

The farmers groups which reported “no change” to the questions in Table 4 are mainly those in Fairtrade Tea B. Both male and female farmer groups in this scheme also reported no change in revenue received from tea (see Table 1). However, both male and female farmers from Fairtrade Tea B did report increased food security in the household due to training on how to diversify farm activities including establishing vegetable gardens and growing cereals (it should be noted that the farmers mentioned this spontaneously since the issue was not included in the discussion guide)¹¹. While the Fairtrade generic standard includes promotion of agricultural diversification in the section on ‘Environmental Development’ (§ 3.1.2.9), it seems likely that it is the specific way that this has been implemented in the Fairtrade Tea B that has resulted in the perceived increase in food security. Another specificity of the Fairtrade Tea B case study is the reporting of reduced use of wood as a result of the construction of wood-saving stoves. The farmers also mentioned that as a result of the project on energy saving stoves, some household members had found a source of employment.¹²

¹¹ Male farmers from UTZ Coffee B also mentioned improved household food security due to greater use of intercropping

¹² According to farmers the project has become popular even with non-tea farmers and they would like it scaled up so that more community members can benefit.

Wood-saving stoves are not required by the Fairtrade standard. However, according to the managers of UTZ Coffee B, they are required by the current UTZ CERTIFIED standard, and this is perceived as presenting a major challenge in view of the size of the scheme (5000 participating farms). Participating farmers were trained on the construction of wood-saving stoves at the beginning of the project but, according to the focus groups, the majority of these stoves have not been maintained and are no longer functioning.

An interesting finding from the UTZ Coffee B case study seems to connect UTZ standard requirements with reduced disease outbreaks in the household. All three of the scheme's focus groups mentioned spontaneously that sanitation had improved due to the training that they had received. For example, households now dispose of kitchen waste by making compost (they have learned how to make one pit for compostable and another pit for non-compostable garbage) and they also now keep the pit latrines clean and use mosquito nets. This has resulted in fewer outbreaks of diseases in the households, which means that they now spend less money on health care. Although they have also participated in other projects, it seems reasonable to attribute some of this improvement to UTZ certification, since UTZ (unlike Fairtrade and Rainforest Alliance) includes training in basic hygiene and house keeping (including correct disposal of litter and waste).¹³ UTZ groups in both UTZ Coffee B and UTZ Coffee A also mentioned having received training in first aid.

Credit, assured sales and cash lump sums

In relation to improvements in the household, interviews with female farmers and farmers' wives in particular illustrate the importance placed on assured sales, and the related ability to sell in bulk and thus receive a cash lump sum. Female farmers and farmers' wives from UTZ Coffee B both cited this change as one of those that had made the biggest improvement to their situation. It allowed them to plan ahead, by storing their coffee and thus selling larger volumes at any one time.

Female farmers from Fairtrade Coffee A also reported that they had received training on how to store their coffee until they had larger volumes. They emphasised that they were now being paid at the point of sale whereas before they would get a receipt and be paid later. Farmers' wives from Fairtrade Coffee A agreed, pointing out that under the previous system they never had enough cash at any one time to make any real investments.

All groups in Fairtrade Tea A mentioned that since Fairtrade certification, payment from the factory had become more prompt than before. While being paid monthly, they now also have the opportunity to receive an advance every 15 days, and can apply for urgent advances if necessary. The female farmers noted that this provided security, and both farmers' wives and male farmers mentioned that the advance payment made it easier to send their children to school. Some of the farmers from UTZ Coffee A also mentioned that they are now better able to keep their children in school, since their income from coffee has now become predictable;

¹³ The farmers in UTZ Coffee A (which were UTZ certified in 2008) do not mention improved sanitation, other than correct disposal of chemical containers.

for instance, they are now sure that they will always receive an advance in January.

Male farmers from Rainforest Alliance Coffee A reported that since they have been organised under Mr. Mohammed they have been able to obtain credit, both for farming and for personal purposes. This is important as it helps them to avoid dependence on local money lenders, who buy coffee at a low price before harvest.

According to management in the UTZ Coffee B scheme, participating farmers still sell up to two thirds of their coffee to local buyers. However this amount has decreased since village savings and loans schemes had been implemented by PLAN Uganda. Some of the newly organised depot committees also offered credit. All farmers interviewed from the UTZ Coffee B scheme reported selling some coffee to local buyers, although generally not more than 10-20%. The reasons for this, according to the male farmers, was that it can be time-consuming and difficult to obtain credit from the depot committee and when small or urgent problems arose it was easier to simply sell a small amount to a local buyer. The female farmers from UTZ Coffee B agreed, but also stated that they preferred not to sell to local buyers because "there is lots of cheating with the weighing scales". Before they joined the UTZ Coffee B scheme they would sell as individuals and be cheated, but now the UTZ scheme means that the local buyers have to compete at a decent price.

In general, farmers perceived their household situation to have improved since participation in the standard schemes. However, the reasons given for these improvements varied from increased income (in a majority of cases), to better sanitation and increased food security. Importance was also placed on the security of sales and the ability to be able to sell in bulk and receive a cash lump sum. Also the ability to obtain advance payments was perceived to be very important.

6.3. Use of chemicals

Unless otherwise stated, only the six farmer focus groups in which some of the participants were (or had been) chemical users are reported on here.¹⁴

Question: *Has anything changed in your use of chemicals?*

All six focus groups answered that they have altered the way in which they handled and applied chemicals due to training. In particular, all mentioned that they now disposed of empty chemical containers which before were used for multiple purposes or just lay around. This result is to be expected since all three standard schemes include provisions on how to use and handle chemicals.

In relation to general changes in farming practices, all 12 farmer focus groups were also asked if they had to buy new or more expensive inputs as a result of the scheme. Of the 11

¹⁴ These are groups from the Fairtrade Tea A, UTZ Coffee A and Fairtrade Tea B case studies.

groups answering, five stated that they now had to do this¹⁵, whereas six groups stated that they did not. In all cases but one, the reason was increased prices on chemicals, particularly fertilizers but also herbicides (see also question 4.2. in Table 5 below).

Table 5. Selected changes in use of chemicals experienced by farmers (reporting collective answers by group)			
Questions	Yes	No	Number of responding groups
4.2: Do you spend more money on chemicals (fertilizers and herbicides)	5	1 ^a	6
4.3: When using chemicals, do you use equipment for your personal protection like gloves, special clothing or masks?	4	2 ^b	6
4.4: Have you had any training on how to use and handle chemicals?	6	0	6
4.5: In your opinion, have there been any changes to your health due to changes in your use of chemicals?	2 ^c	2 ^d	4
a) Female farmers in UTZ Coffee A b) Male and female farmers in Fairtrade Tea B c) Male and female farmers in UTZ Coffee A d) Male and female farmers in Fairtrade Tea B			

As illustrated in Table 5 not all groups reported using equipment for personal protection. The groups reporting that they do not use equipment for personal protection were the male and female farmers from Fairtrade Tea B. According to these farmers, although they have been trained on the importance of using such equipment, they do not have access to it. In this connection it is interesting to note that while three out of the four farmer groups initially reported using protective equipment, it emerged during discussions that they did not do so consistently. UTZ Coffee A and Fairtrade Tea A farmers (male and female) observed that, even though they were aware of the need to use such equipment, they could only do so when they were available.

It seems that, in general, it was very difficult for farmers to answer question 4.5. While there was clearly increased awareness about the dangers of incorrect handling of chemicals, it was generally less clear whether they knew anyone who had actually experienced changes in their health due to this.

In sum, farmers had definitely obtained increased awareness about chemical handling and disposal of containers. However, there did not seem to be a consistent use of protective equipment. The increased price of chemicals, which was perceived as a major problem by farmers, was not addressed by the standard schemes.

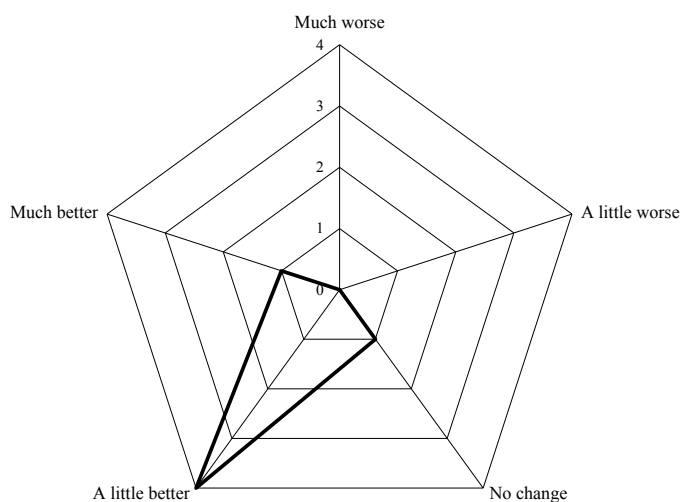
¹⁵ These were male farmers in UTZ Coffee B, male and female farmers in UTZ Coffee A and male and female farmers in Fairtrade Tea B. The male farmers in UTZ Coffee B spend a little bit more on inputs now because they buy seedlings, use more hired labour and sometimes buy animal manure.

6.4. Gender issues

Only female farmers and farmers' wives were asked about perceived changes in gender relations

The figure below shows that five out of six groups of female farmers perceived women in particular to be better off due to participation in a standard scheme (only the female farmer group from UTZ Coffee B stated that there had not been a change).

Figure 1. Responses (reporting collective answers by female farmer groups) to the question “Do you think that women are better off or worse off now?”



Note about the “spiderweb” graphs: Each corner in the pentagram corresponds to one possible answer/ranking. The gridlines show how many groups gave each answer. To the question in figure 1 four groups answered “a little better”, one group answered “no change” and one group answered “much better”.

This result was confirmed by responses from the groups of farmers' wives, where all groups perceived a positive change in terms of decision-making in the household.

In general however, the perceived changes were only in a few cases attributed to scheme activities being carried out specifically for women. Indeed, only three groups (Fairtrade Tea A female farmers and UTZ Coffee B wives and female farmers) reported any activities specifically *for* women as a result of the scheme (all other groups said no to this question). Two of the participating wives from UTZ Coffee B and several of their husbands had received training on gender equality. The female farmers from UTZ Coffee B stated that through training of this kind they had “learned their value” and were encouraged to join committees and to participate more in selling the coffee. Female farmers in Fairtrade Tea A mentioned that, since the inception of the Fairtrade scheme in 2005, they had been trained in participating more in the activities of the cooperative.

Other groups placed emphasis on greater female participation in farming practices. Managers from UTZ Coffee B and from Fairtrade Coffee A explained that since women do most of the work in the coffee gardens, it is impossible to improve quality without training women. In both cases it was emphasised that it was necessary to insist on this as it did not happen automatically. This was confirmed by wives and female farmers from Fairtrade Coffee A who noted that formerly “women were supposed to stay at home when men went for training” but now the men accepted that women should be trained as well. Female farmers from Fairtrade Tea A also valued better access to training, which meant that they could train their hired labour and their children in turn. Female farmers from UTZ Coffee B also noted the importance of being able to participate in agronomic training.

As illustrated in Table 6, below, some female farmer groups considered female organisational representation and participation to have improved. Female farmers from UTZ Coffee A, Fairtrade Tea A and Fairtrade Tea B reported that women attended meetings more often and that there were now more women on committees and councils as a result of the standard schemes, although female farmers in Rainforest Alliance Coffee A did not experience this (question 6.4 and 6.5). Farmers from Fairtrade Coffee A also mentioned improved female organisational representation, but stated this had happened prior to certification due to a stipulation by the Ugandan Cooperative Union.

Table 6. Selected changes in the participation of women as experienced by female farmers (reporting collective answers by female farmer groups)			
Questions	Yes	No	Number of responding groups
6.4: Are there more women on coop committees/councils?	3	1 ^a	4 ^c
6.5: Do women attend coop meetings more often now?	2	1 ^b	3 ^d
<i>a) Farmers in Rainforest Alliance Coffee A</i> <i>b) Farmers in Rainforest Alliance Coffee A</i> <i>c) Farmers in Rainforest Alliance Coffee A, farmers in UTZ Coffee A, farmers in Fairtrade Tea A, farmers in Fairtrade Tea B</i> <i>d) Farmers in Rainforest Alliance Coffee A, farmers in UTZ Coffee A, farmers in Fairtrade Tea B</i>			

The groups in UTZ Coffee A, Fairtrade Tea A and Fairtrade Tea B emphasised that there was *active participation* of women in their schemes. Female farmers from Fairtrade Tea A

stressed the importance of female representation on different kinds of committees. In Fairtrade Tea A this began as a condition of the Fairtrade Premium Committee but was later transferred to all other committees in the cooperative. Also, according to farmers in Fairtrade Tea B, the Fairtrade emphasis on the participation of women in the management of the factory activities has enhanced the confidence of women demonstrated by their improved attendance of meetings at the factory as well as increased contributions from women during meetings.

Female farmers from UTZ Coffee A noted that, over the last two years, not only had the proportion of women attending factory meetings been on the rise, but that women were more willing to contribute when they attended meetings. Prior to UTZ certification, a provision existed for women to be allocated a certain proportion of leadership positions in the management committee of the society, but it was felt that there was increased awareness of the need to involve women in the factory matters under the UTZ scheme.

The female farmers from Rainforest Alliance Coffee A, who had not experienced an increase in the number of women on committees and councils, still emphasised that women were better off. They attributed the improvement to a greater exposure of women to other female farmers through meetings where they met and shared ideas – something that had not occurred before

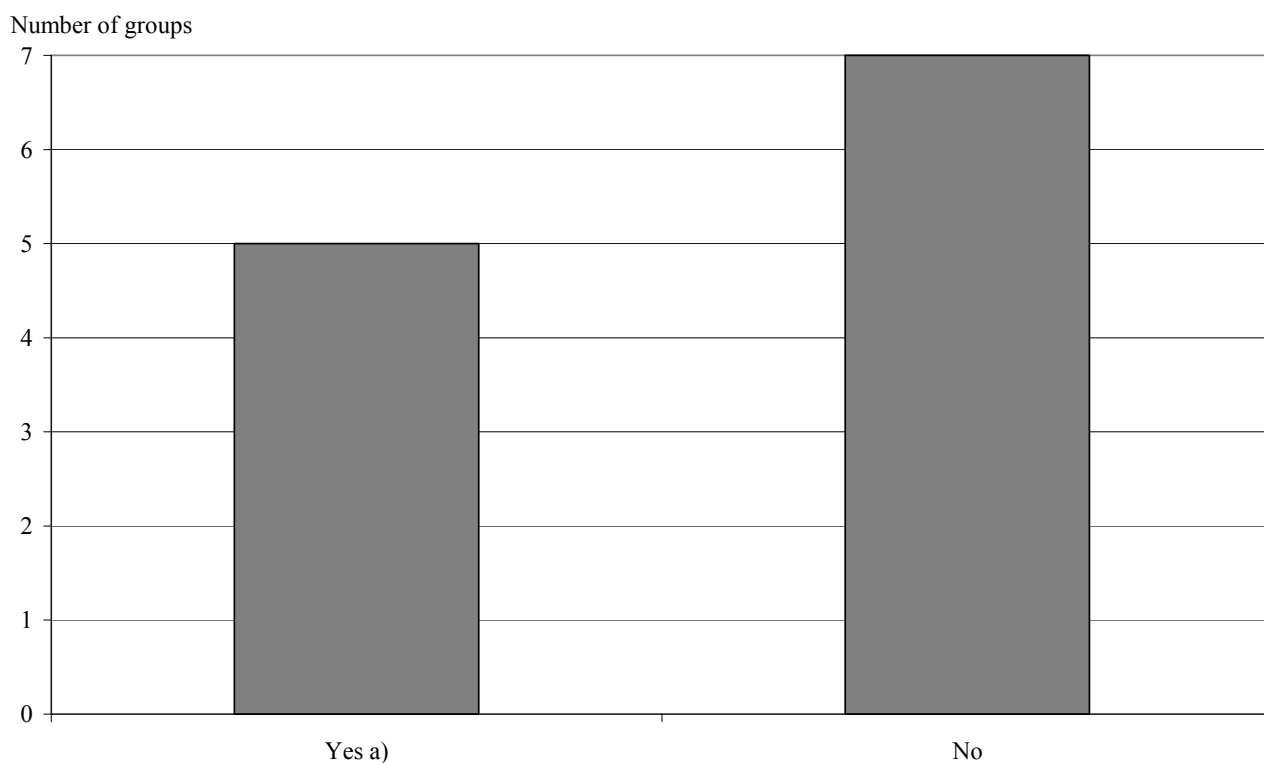
In conclusion, the results show positive impacts for women for all three standards although with differences as to what has improved. The Fairtrade-certified case studies tend to show improved female representation and participation in the organisations; one of the UTZ case studies also showed improvements in women's participation, and the other UTZ case study, while less positive in this respect, reported the importance of training on female empowerment.¹⁶ Finally, the Rainforest Alliance-certified group attributed improvements for women to greater exposure to other female farmers.

If one looks at the gender content of the three standards, these differences are not surprising. As illustrated in the comparison of the three standard schemes (see section 2), they vary in the degree to which they demand specific attention to gender issues. Fairtrade is the only standard that requires that special attention is given to the active participation of female members in the farmer organisation (§1.4.2.1). In the UTZ standard, gender is mentioned under the requirements for non discrimination of workers where it also states that "certificate holder / members do not engage in [...] access to training [...] on the basis of gender [...]" (§10.F.7). In the Rainforest Alliance standard, gender is mentioned only under the requirements for non discrimination in respect of workers (§ 5.2.) and in the selection of producers for group certification (§ 2.1.7.).

¹⁶ Some of the Fairtrade and UTZ groups also mentioned participation in agronomic training as a reason for gender improvements.

6.5. Satisfaction with the scheme as perceived by focus group participants

Figure 2. Responses (reporting collective answers by farmer groups) to the question “Is there anything you were promised by the scheme when you started that has not happened?”



a) Male and female farmers in Rainforest Alliance Coffee A, male and female farmers in Fairtrade Coffee A, male farmers in UTZ Coffee A

Male and female farmers in Rainforest Alliance Coffee A, male and female farmers in Fairtrade Coffee A and male farmers in UTZ Coffee A answered 'yes' to this question. Female farmers and wives from Rainforest Alliance Coffee A reported that they had been promised schools and health clinics but that these had not materialised. The male farmers said that they were keeping their promise to keep the Rainforest Alliance criteria, but Rainforest Alliance was not keeping its promises.¹⁷

The female farmers in Fairtrade Coffee A said that they were promised inputs such as handsaws, drying nets, a high second payment and higher prices, but had not received any of

¹⁷ Management from the scheme took responsibility for making promises to the farmers about improvements in the context of the Rainforest Alliance project.

these¹⁸. The male farmers said that they had been promised gunny bags, pulping machines, second payments, raised nets for drying coffee and loans but the only thing they had received was the second payment and this had proved temporary.

For the UTZ Coffee A male farmers there were a few areas where the farmers felt let down. Although they were not entirely dissatisfied with the price they were getting, they stated that they had not been able to realize the prices that had been promised.¹⁹ They were also dissatisfied that they had not yet succeeded in marketing their coffee directly, as they had been advised would be possible and profitable.²⁰

Female farmers in UTZ Coffee B did not as such perceive promises to have been broken, but they stated that they had been told that they would be able to obtain a higher price through the scheme, yet did not believe the price difference to have continued due to the increase in local prices for non-certified produce. Furthermore, farmers in Fairtrade Tea A and Fairtrade Tea B were disappointed with the percentage of their produce that they were actually able to sell as Fairtrade (2% in both cases).

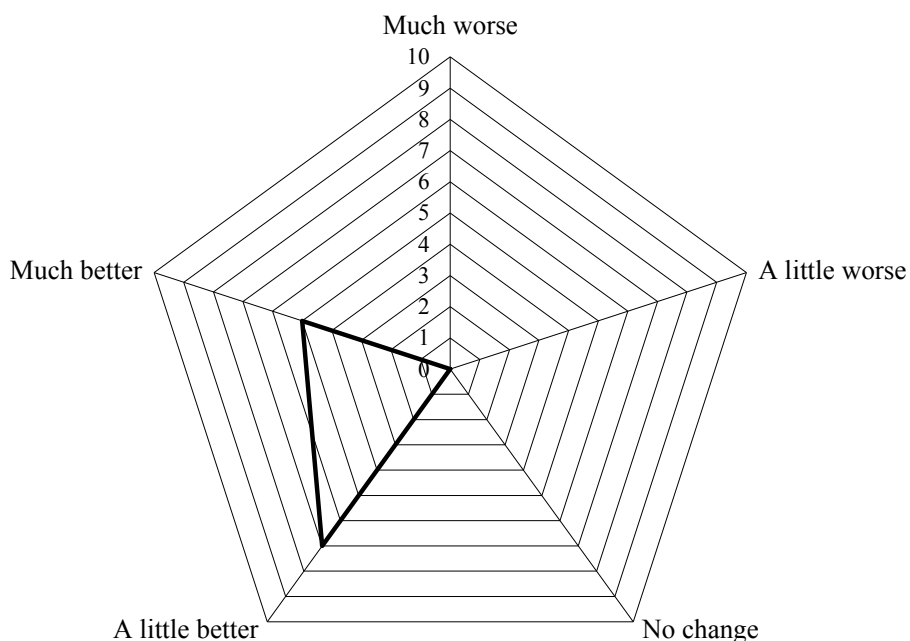
Although almost half of the farmer groups claimed that there were promises made that had not been honoured, when asked to weigh improvements against things that had become worse, the answer was unanimously positive (see figure 3).

¹⁸ The high second payment had actually been retained centrally by Fairtrade Coffee A during the last two years due to cash flow problems.

¹⁹ Farmers had been promised USD 0.52 per kilogram of cherry delivered to the society.

²⁰ Management argued that they have tried marketing their coffee directly but the final price “did not sound good”. Thus they opted for the normal coffee auction

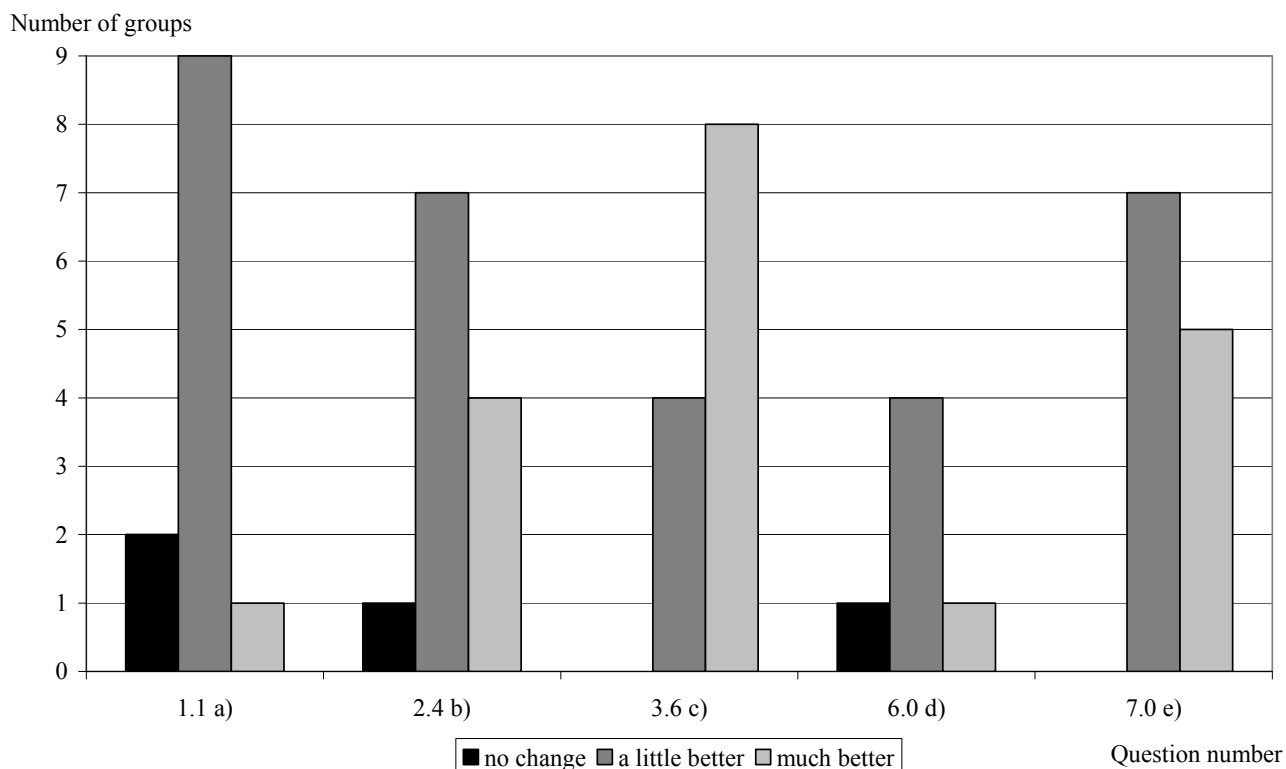
Figure 3. Responses (reporting collective answers by farmer groups) to the question “If you weigh things that have got better against the things that have got worse or cost more, would you then say that at the end of the day you are better off with the scheme than without?”²¹



The overall picture of satisfaction across schemes is confirmed when considering questions where focus groups were asked to make rankings using the categories “much worse”, “a little worse”, “no change”, “a little better” and “much better”. The questions below relate to income (1.1), children’s education (2.4), services from the cooperative/exporter (3.6), gender (6.0) and overall improvements (7.0).

²¹ The five groups answering that they are much better off with the scheme are male and female farmers from UTZ Coffee B, male farmers from Fairtrade Coffee A, female farmers from UTZ Coffee A and female farmers from Fairtrade Tea A.

Figure 4. Answers to the questions using ranking (reporting collective answers by group)



- a) **no change**: male and female farmers in Fairtrade Tea B, **much better**: male farmers in UTZ Coffee B
- b) **no change**: male farmers in Fairtrade Tea B, **much better**: male and female farmers in UTZ Coffee B1, male and female farmers in Fairtrade Coffee A
- c) **a little better**: female farmers in Rainforest Alliance Coffee A, female farmers in Fairtrade Coffee A, male farmers in Fairtrade Tea A, male farmers in Fairtrade Tea B,
- d) **no change**: female farmers in UTZ Coffee B, **much better**: female farmers in Fairtrade Coffee A; **Note**: Question 6.0 had only the six female farmer groups responding
- e) **much better**: male and female farmers in UTZ Coffee B, male farmers in Fairtrade Coffee A, female farmers in UTZ Coffee A, female farmers in Fairtrade Tea A

7. Comparison between the Rainforest Alliance Coffee A scheme and the UTZ Coffee B scheme.

In both case studies, certification was held by an exporter (for Rainforest Alliance Coffee A the certificate was held jointly with a local buyer) and farmers had not been organised prior to certification (although in the Rainforest Alliance Coffee A case, most farmers had sold to Mr. Mohammed as individuals prior to certification).

The comparative scores for the groups from the two case studies reveal only very slight differences. These differences seem to indicate slightly greater perceived improvements amongst farmers in UTZ Coffee B, except regarding the issue of gender relations where the groups from Rainforest Alliance Coffee A noted greater improvement. As mentioned earlier, Rainforest Alliance Coffee A have not renewed certification to Rainforest Alliance since 2007, and this is likely to explain the difference in responses since all farmers from Rainforest Alliance Coffee A were much more enthusiastic about the results of the first two years of the project (i.e. when they were actually certified) when they had received a markedly higher second payment and farm inputs in the form of hand tools, boots and clothing paid for by the Rainforest Alliance premium. However, even though the farmers were disappointed with the discontinuation of Rainforest Alliance certification they still perceived themselves to be better off under the current arrangement with Mr. Mohammed (who is maintaining the organisational structure). The positive consequences of being organised were also clear in the discussions held with farmers in UTZ Coffee B which emphasised how they used to produce low quality beans and be cheated by local buyers.

A clear difference between the two case studies was that in the Rainforest Alliance Coffee A case more emphasis was put on wildlife and biodiversity conservation (e.g. not cutting trees and not killing wild animals without permission from a committee which was established to deal with these issues) while UTZ Coffee B farmers placed more emphasis on household sanitation and on pre-and post-harvest handling. As illustrated in the comparison of the standards in section 2, these differences are to be expected due to the different focus of the two standards.

8. Comparison between the UTZ Coffee A and the Fairtrade Coffee A case studies

As with the comparison performed in section 7, the comparative scores for the groups from these two case studies reveal only slight differences. While these differences are small they seem to indicate a slightly higher level of perceived improvements in the Fairtrade Coffee A scheme. However when considering that UTZ Coffee A only received UTZ certification in April 2008, the focus group discussions were perhaps surprisingly positive in this scheme. The many benefits mentioned in UTZ Coffee A have to be seen in the light of the history of the cooperative. During group discussions it emerged that before UTZ Certification, the factory of UTZ Coffee A had virtually collapsed. This followed years of problems in the management of the coffee sector and especially in the cooperative movement in Kenya. The factory was nearly closed, its structures were dilapidated, while the pulping machine needed substantial investment following years of neglect. The factory has been the major beneficiary in the initial phase of partnership with UTZ, as the building has been renovated, new drying sheds for the coffee beans have been constructed, the pulping machine has been repaired, and new office equipment was purchased. - all financed by UTZ.

The farmers in UTZ Coffee A also mentioned having changed the way that they are organised. Due to the new emphasis on 'how the coffee is produced', the farmers are organised into several teams under "promoter farmers" for training and monitoring purposes. This way of organising is mirrored in the Fairtrade Coffee A case study, and likewise the groups from both Fairtrade Coffee A and UTZ Coffee A emphasised the predictability of payments as a major improvement.

As expected, the two cases did differ in relation to the distribution of premium. This will be discussed in the next section. More details about the Fairtrade Coffee A case study can be found in section 10 which compares farmers from Gumutindo (certified organic and Fairtrade with farmers from Kawacom (certified organic and UTZ).

9. Problems identified, suggestions for improvements and other observations

9.1. Rising world prices and decreasing premiums

Management from both the UTZ Coffee B and Rainforest Alliance Coffee case studies reported that they had been experiencing problems negotiating premiums for certified produce while world prices were rising. According to the managers of UTZ Coffee B, the premium had decreased during the four years of certification from US\$0.13 per Kg to US\$0.06 per Kg. A similar experience was reported by the exporter from the Rainforest Alliance Coffee scheme. During the first year of their certification all the coffee was sold at a premium, but in the second year they were only able to sell a part of their coffee at a premium. By the third year they were not able to obtain a premium at all, and therefore decided not to re-certify to the Rainforest Alliance standard. According to the exporter, international buyers have promised to buy certified coffee, but in reality they only pay extra for it when the world prices are very low, and this has been catastrophic for the project.

Fairtrade pre-finance and Fairtrade sales

For Fairtrade certified groups a fixed premium is guaranteed; however, these groups have experienced other problems in relation to their sales. As mentioned in section 2, Fairtrade importers are required to help producers with pre-financing of up to 60% of the Fairtrade minimum price. The managers of Fairtrade Coffee A explained that when world prices go above the Fairtrade minimum price, the secondary cooperatives that buy Fairtrade - such as Fairtrade Coffee A - get squeezed. This is because the pre-finance made available is only 60% of the Fairtrade minimum price, as opposed to 60% of actual prices. In such circumstances, the pre-finance is not enough to offer farmers a decent price upfront on coffee delivery. Farmers therefore do not always understand why they should sell to Fairtrade Coffee A. Meanwhile, another problem experienced by farmers selling through Fairtrade Coffee A was that the organisation only buys the amount of coffee from the primary societies that it has orders for. This means that the primary society has to find other buyers for the coffee that is not bought by Fairtrade Coffee A.

Managers from the other two Fairtrade certified case studies reported experiencing problems with accessing markets for certified produce. According to management in Fairtrade Tea A, the percentage of total production that was sold as Fairtrade has not risen above 1%-2%. They had expected a bigger demand but according to the General Manager “buyers say no to Fairtrade Tea A because they prefer combinations of Fairtrade – Organic or Fairtrade - Specialty tea”. Management in Fairtrade Tea B had also only been able to sell 2% of the tea produced by the factory and were concerned about this.

9.2. The sustainability of certification

The sustainability of certification becomes questionable when certified produce cannot be sold at a premium, as was the case for Rainforest Alliance Coffee. Here the exporter and an international trading company had initially paid for the certification but decided not to re-certify after a couple of years due to the lack of a premium. As mentioned above, this left participating farmers and the local buyer feeling disappointed. As reported by the male farmers, the participating farmers had refused other types of organisation in order to join the Rainforest Alliance project and the focus group worried about the possible consequences if the local buyer were to decide not to continue. Fortunately, the local buyer, Mr. Mohammed, has so far decided to maintain the organisational structure. He made this decision for several reasons: firstly, to maintain farmers' trust in him and, therefore, his reputation²², and secondly, he recognises that the new organisational structure that was established through the certification process has strengthened the relationship between himself and the farmers²³. This improves the effectiveness of his operations, yet at the same time has made him more responsible for the farmers.

In the UTZ Coffee B case the costs of certification to UTZ were borne by donors and by the exporter. The managers of UTZ Coffee B stated that, even though the infrastructure for standard compliance is now in place, there are still many costs associated with the standard. For instance, there are annual internal inspections of all 5000 participating farmers, for which UTZ Coffee B must hire 50 inspectors to work for 4 - 6 weeks each. Afterwards, the reports have to be analysed and non-compliant farmers excluded before the external inspection. In addition there is a large volume of administration and paperwork which was previously completed by UTZ Coffee B staff but is now gradually being taken over by depot managers. In the opinion of the managers, the project would not be viable without continued donor support. Therefore they have started to organise farmers into individual depot committees with the intention that these each achieve UTZ certification and take over the responsibility and cost of certification. However, this seems a major challenge and only time will tell how many of the committees will succeed. Particularly the challenge relates to following the requirements on chemicals and documenting conformity to them.

In UTZ Coffee A, UTZ is sponsoring the cost of certification as well as providing a trained extension officer until September 2009. After this date the society is expected to pay for recertification and the cost of maintaining the extension officer.

The three Fairtrade case studies did not express concerns about being able to maintain certification in the future.

²² It emerged that he has not told the farmers that certification has stopped, and the project is still named Rainforest Alliance Jima.

²³ The farmers also confirmed this sentiment.

9.3. Use of Premium

For both of the UTZ certified case studies, the premium is included in the price that the farmers receive for their coffee at delivery, and so they were not informed about the size of the premium.

In the Rainforest Alliance Coffee case, during the first year of certification the premium was divided between the exporter, the local buyer and the participating farmers. The farmers' share of the premium was partly used as a second payment to the farmers according to the volume they sold while another part was used to buy tools, clothing and boots. The decision to spend the premium this way was taken by the farmers at a general assembly. The second year there was a smaller premium distributed as a second payment only and there was no general assembly.²⁴

For Fairtrade certified producers, the premium must be handled by a democratically elected Premium Committee through a separate account, and decisions relating to the premium must be approved at a general assembly. There are also restrictions on how the premium can be spent: "The Fairtrade Premium is money to support you as you make your business better and improve your community and your environment. It has been used to fund projects such as schools, a bus stop and recreational facilities. It can also be used for training. The Premium is not to pay for overhead costs spent in growing your produce. These costs are included in the minimum price for your produce."²⁵

The primary society visited in the Fairtrade Coffee A case had only used the Fairtrade premium for two things: firstly to buy the land of the collection centre and build pit latrines there, and secondly for cash reserves for the society. According to the chairman of the society these enabled them to pay farmers on delivery and allowed them to buy all the coffee that the farmers grow, even though the secondary cooperative might not take all this. Both the payment at delivery and the assured sale was acknowledged by farmers as being of major importance.²⁶

In Fairtrade Tea A, the premium had been used to build a health centre which is free of charge and accessible to all, to build leaf sheds and sanitary facilities at the collection centers, to renovate access roads for the farmers who live furthest away, for sink wells in the communities and to provide local schools with materials such as desks.²⁷ At Fairtrade Tea B, most of the premium had been spent on renovating the tea-buying centres, but some was also used to renovate the social hall at the factory and to plant trees.²⁸ Female farmers in Fairtrade Tea A underlined that the importance of tea has become apparent everywhere –

²⁴ The premium was 300,000 BIRR the first year and farmers received a second payment of 50 cents per kilo (compared to an average second payment of around 10-20 cents per).

²⁵ http://www.fairtrade.net/uploads/media/Explan_Doc_Introducing_Fairtrade_03.pdf accessed 13.07.2009

²⁶ For the larger organisation under Gumutindo, the premium had also been spent on building a secondary school, extending a clinic, protecting natural water sources, and constructing and repairing feeder roads.

²⁷ On average the premium has been around US\$ 35,000 per year.

²⁸ The factory receives a total of KSH 6 million annually as premium money

even in the surrounding villages people know about the fairtrade premium.

These differences between the three standards - such as the levels of awareness and transparency of the amount of premium received and how it is to be spent - is to be expected due to the differing stipulations of each scheme. What is perhaps more surprising is the fact that farmers in the Rainforest Alliance case study managed to have an influence on how the premium was spent during the first year of certification.

9.4. Suggestions for improvements

As part of the focus group discussions farmers were asked what they thought could be changed to make their scheme work better for them in the future. They were also asked whether there was any aspect of the scheme that had affected them negatively and that should be stopped. None of the farmers had anything they wanted to stop, however they had plenty of suggestions. It should be noted however, that in most cases farmer suggestions were related not so much to the standards as such, but more to general changes that they would like to see take place.

These suggestions can be roughly grouped under the following themes: subsidies for chemicals, higher prices, agricultural diversification, social infrastructure, training and transparency.

Male farmers in UTZ Coffee B, male and female farmers in Fairtrade Tea A and male and female farmers in UTZ Coffee A all suggested that the schemes should subsidise inputs such as fertilizers and herbicides prices since the price of these items are perceived to be beyond the ordinary farmer. The groups in Fairtrade Tea A also stated that it should be made possible to use the Fairtrade premium to subsidise fertilizers.

The group of wives and female farmers in UTZ Coffee B, female farmers in Rainforest Alliance Coffee A and female farmers in Fairtrade Tea A all suggested that the scheme could help them diversify their activities in order for them to obtain additional income, increase household food security and improve household nutrition. Some suggested provisions of assistance for planting fruit trees or other crops, while others suggested that the scheme could facilitate animal husbandry.

Farmers from Fairtrade Tea A, Fairtrade Tea B and UTZ Coffee A suggested that the schemes could be targeted on providing more social infrastructure such as health clinics. Farmers in Fairtrade Tea B described how the project on energy-saving stoves had become so popular that it lent itself to being scaled up through provisions of credit.

Farmers in UTZ Coffee A recommended more openness around the issue of the premium received. They reported that they do not know much about the size or use of the premium and called for awareness-raising on these issues. Regarding how the premium was spent,

Fairtrade Tea B farmers requested that farmers be trained on how to make sure the money was handled appropriately. Not surprisingly the farmers in Rainforest Alliance A all suggested that the relation with Rainforest Alliance be re-established.

10. Effects of participating in smallholder coffee schemes in Uganda: Fairtrade/organic and UTZ/organic schemes compared

This section reports results from household surveys of members of the Gumutindo cooperative and the Kawacom contract farming schemes for coffee, and for control groups in both cases, carried out in early 2006 under the leadership of Simon Bolwig. The Gumutindo cooperative is certified to Fairtrade and organic standards while the Kawacom scheme is certified to UTZ and organic standards. The two schemes are located close to each other in the Mt. Elgon area of eastern Uganda, and their certifications date from around 2001.

The objective of the study was to make a quantitative assessment of the effects membership of the two schemes, primarily on participants' revenue. Other research questions concerned the contribution of organic farming methods and the perceived contributions of changes in pricing systems and coffee quality to revenue outcomes.

10.1 Methodology

The Gumutindo survey covered a sample of 102 scheme participants and 50 non-participating farmers. The Kawacom survey had a sample of 112 scheme participants and a control group of 48. A two-stage random sampling method was used for both surveys. Gumutindo scheme participants were randomly sampled from one primary society, chosen to reflect typical agro-ecological conditions of the scheme area, using a list of registered farmers provided by Gumutindo. Kawacom farmers were sampled in a number of parishes in the scheme area chosen to reflect the range of local agro-ecological conditions, using a similar list. Sampling of control group populations was performed randomly, from lists prepared by village leaders in nearby parishes chosen to match conditions in the sampling frames for scheme participants. All the data collected refers to 2005.

Since both schemes were certified organic, the extent to which organic and other farm practices were adopted and the effects on farmer revenue of such adoption were also investigated. Data on adoption was in most cases through physical observation by the enumerator.²⁹ Finally, in addition to assembling data aimed at an econometric analysis of effects of scheme participation, data was collected on farmers' perceptions of the reasons for changes in their revenue since joining the schemes. Subsequently, data was analysed using both descriptive statistics as well different kinds of regression analysis.

²⁹ Organic practices were operationalised in terms of a range of positive farming interventions. Non-use of synthetic inputs, the central regulatory requirement for organic certification, was treated as a condition qualifying such positive interventions to be recorded, rather than as an organic practice in itself. In other words, the few farmers found to have used synthetic inputs were excluded from consideration in terms of having followed organic practices, whether they in fact followed such practices or not. The positive interventions considered were: use of organic pesticides, mulching, animal manure, and composting (including mixing leguminous residues into the soil).

10.2 Descriptive comparisons

Table 7 compares the mean values of a series of variables for both samples of scheme members and control groups. The signs in the last column indicate at what level differences in means are statistically significant.

Relative to their respective control groups, members of both schemes had significantly higher gross and net revenue from coffee. Members of both schemes also had significantly higher expenditure on coffee production than their respective control groups. Again, in both schemes participants had adopted significantly more organic farming practices than the control groups.

The main differences between the two samples (including the control groups) was that members of the Kawacom scheme had a series of factor endowments (coffee trees, farm size, household labour resources) superior to those of their control group, whereas this was not the case with the Gumutindo scheme. Members of the Kawacom scheme also sold significantly greater volumes of coffee and had higher yields relative to their control group, whereas these differences were not significant for the Gumutindo sample.

Table 7. Descriptive statistics: Kawacom and Gumutindo schemes compared with control groups (means)								
Row	Indicator	Unit	KAWACOM			GUMUTINDO		
			O	C	S	O	C	S
1	Age, h/h head	years	46.3	47.1	n	44.1	46.5	n
2	h/h size	count	7.2	6.2	**	6.5	6.4	n
3	h/h labour	count	6.0	5.0	***	4.9	4.8	n
4	Whole farm size	hectare	1.1	1.0	***	5.3	4.7	n
5	Coffee trees	'000	0.65	0.31	***	0.52	0.44	n
6	No organic practices	% group	20.5	39.6	**	15.0	42.0	***
7	2 or more organic pracs	% group	33.9	12.5	***	44.0	8.0	***
8	Total h/h revenue	,000 Ushs	1425	1236	n	1745	1499	n
9	Total crop revenue	,000 Ushs	680	374	**	1072	866	n
10	Total coffee revenue	,000 Ushs	566	177	***	836	497	**
11	Net coffee revenue	,000 Ushs	519	155	***	712	400	**
12	Labour costs	,000 Ushs	33	18	**	121	95	*
13	Equipment costs	,000 Ushs	14	7	***	14	10	n
14	Marketing costs	,000 Ushs	1	0	***	3	2	*
15	Sales	kg.	220	103	***	330	252	n
16	Yield per hectare	kg.	1369	630	**	1681	1197	n

Key: O: scheme members, C: control group, S: significance (n: not significant, *=P<0.10; **= P<0.05; ***=P<0.01).

All tests of significance used Chi square.

Notes. Row 3: data refers to N household members 6 years and over. Rows 6-7: for list of organic practices see text.

Rows 8-14: Exchange rate 2005: Ush 1,000 = \$0.56. Rows 15-16: results given in kg. parchment coffee equivalent.

Table 8. Descriptive statistics: Kawacom and Gumutindo scheme participants compared

Descriptive Statistics Variable	Unit	Kawacom vs Gumutindo		
		Kawacom	Gumutindo	t/z-statistic
Respondents	Count	112	102	-
No use of organic practices	% of Group	21%	15%	1.24
Use > 2 Organic Practices	% of Group	34%	44%	2.33
Farming as primary occupation of household head	% of Group	83%	68%	6.87**
Household Characteristics				
Whole farm size	1000M ²	10.8	13.1	2.1**
Area cultivated with coffee	1000M ²	2.59	2.44	-0.7
Productive coffee trees	Count	650	520	-1.7
Coffee farm altitude	m.a.s.l.	1879	1997	8.6***
Age of household head	Years	46.3	44.1	-1.6
Sex of household head	% being male	93%	92%	0.4
Formal education of household head	No. Years	6.9	6.8	-0.5
Household size	No. of people	7.2	6.5	-2.3**
Dependents (<16 years)	% of all people in household	72%	83%	-0.1
Dependents (<6 years)	% of all people in household	19%	23%	1.8
Household revenue				
Total household revenue	1000USH	1425	1745	2.1**
Total crop revenue (gross)	1000USH	769	1072	2.7***
Gross coffee revenue	1000USH	566	836	2.5**
Net coffee revenue	1000USH	533	712	1.7
Other crop revenue (gross)	1000USH	203	236	1.3
Total non-crop revenue	1000USH	656	673	0.8
Average coffee price received	1000USH	2.15	2.32	5.2***
Coffee production and sales costs				
Sales expenses (transportation)	1000USH	0.9	3.1	2.0**
Hired labour	1000USH	33	121	5.7***
Equipment and inputs	1000USH	13.7	13.6	-1.1
Yield				
Yield pr Ha.	Kg	1369	1681	-0.6
Yield pr. tree	Kg	0.5	0.8	-4.1***

Note: Significant at *10%, **5%, ***1% levels

Table 8 directly compares members of the two schemes across a range of variables without reference to their control groups.

Direct comparisons between the schemes show that the two groups were very similar in respect to variables such as area cultivated with coffee, productive coffee trees, age, sex and education of household head, and number of dependents. However, Kawacom farmers had significantly larger households than Gumutindo ones, which may help explain why the latter incurred much higher labour costs. Also, a higher proportion of Kawacom farmers had farming as their primary occupation. Gumutindo farmers, on the other hand, had larger farm areas, while the two groups did not differ significantly with respect to the number of coffee trees grown or the area cultivated with coffee. This suggests that Gumutindo farmers were using a larger area than Kawacom farmers for non-coffee crops.³⁰

³⁰ Although this does not show up in the form of higher revenues from non-coffee crops.

There was no significant difference in the adoption of organic farming practices between the two groups. Fewer than half of the members in both schemes used more than two organic practices.

Turning to revenue variables, Gumutindo farmers earned significantly higher *gross* coffee revenues than Kawacom farmers. This difference arose from Gumutindo farmers selling roughly half as much coffee again than Kawacom farmers and from Gumutindo farmers receiving a somewhat higher unit price (Ush. 2320 per kg. as against Ush. 2150 per kg.). The difference in sales corresponds to a large difference in yields in favour of Gumutindo farmers.

As a result of their higher coffee revenues, Gumutindo farmers also enjoyed significantly higher total crop revenue and higher total household revenue. In this light it is surprising that no significant difference in *net* coffee revenue was found between the two groups. A likely explanation is the difference already reported in expenditure on hired labour.

10.3. Determinants of revenue, controlling for other factors (regression results)

Regression analysis is an econometric method used to determine the relative importance of different explanatory variables in determining a given outcome such as the magnitude of revenue received by scheme participants, while controlling for the effects of confounding variables. Where non-random selection into a 'treatment group' such as scheme participants is suspected, then the procedure normally involves two stages. In the first stage a so-called Probit regression is run in order to identify confounding variables that could be influencing (in this case) participation in the schemes; the results are described below. The second stage involves running a regression for revenue, while controlling for the variables found in the Probit to have influenced scheme participation. In both cases estimates are made of both the magnitude of influence and the significance of each of the variables considered.

The results of the Probit regressions are given in the Appendix; suffice it to say that they support the results of the descriptive statistics, in that there was positive selection into the Kawacom scheme related to differences across a range of factor endowments. In the Gumutindo scheme only one selection variable was found to be significant (that for the construction material used). Moreover the constant variable was not statistically significant in the Gumutindo Probit results, which supports the conclusion that no positive selection occurred in this scheme.

Table 3 presents the results for second-stage regressions. The independent variable in these regressions is net revenue from coffee. Two alternative regression methods are used: Ordinary Least Squares (OLS) and a Heckman Full Information Maximum Likelihood (FIML) model³¹, in order to improve the robustness of the results obtained.

³¹ Use of the FIML model involves re-running the Probit regressions in another form as additional check for confounding variables affecting participation. Results for these selection models are available on request from the authors.

Table 9. Regression results for net revenue from certified crop(s), Kawacom and Gumutindo schemes				
Independent variable	KAWACOM		GUMUTINDO	
	OLS	FIML	OLS	FIML
	Beta (Std error)	Beta (Std error)	Beta (Std error)	Beta (Std error)
Farm size (log)	0.12 (0.09)	0.11 (0.09)	0.02 (0.10)	0.37 (0.11)
Trees/plants (log)	0.71** (0.08)	0.65** (0.08)	0.63*** (0.67)	0.63*** (0.77)
Trees/plants (sq root)				
Van. vines (sq rt)				
Farm altitude	-2.27** (0.70)	-3.02** (0.80)	-2.37** (0.84)	-2.31* (0.94)
Farm geog				
Farmer age	0.00 (0.02)	0.00 (0.02)	0.01* (0.00)	0.01* (0.00)
Farmer education	0.02 (0.02)	0.02 (0.02)	0.03 (0.02)	0.02 (0.02)
H/h size	-0.02 (0.02)	-0.02 (0,02)	0.02 (0.02)	0.16 (0.02)
H/h labour count				
% off-farm wkrs				
H/hs w/out off-fm				
Organic practices (N)	0.09□ (0.05)	0.09□ (0.05)	0.04 (0.05)	0.04 (0.05)
Scheme participation	0.78** (0.16)	1.31** (0.27)	0.28 ⁺ (0.14)	-0.05 (0.35)
Constant	10.85** (1.46)	12.30** (1.69)	13.62*** (2.03)	13.49*** (2.10)
Intercept				
Lambda		-0.49□ (0.19)		0.21 (0.21)
N	147		149	
Log likelihood	-160.4	-225.4		-244.68
F stat	24.66**	205.8**	29.72***	146.36***
R sq	0.61		0.52	-

Notes: Lambda refers to Heckman's lambda (inverse Mills ratio) calculated from Heckman first stage selection regressions not reported here but available from authors. ⁺=P<0.1, *= P<0.05; **=P<0.01, ***=P<0.001. Robust (Huber/White/Sandwich) standard errors given. Samples exclude missing observations and outliers, defined as households +/-5 standard deviations from the mean of the dependent variable. For explanations of variables see note to Table 2. Calculations using STATA 8.

The regression results show, controlling for other variables, a positive relation between participation and net coffee revenue that is significant and consistent across schemes. Only in the case of the FIML model for the Gumutindo scheme is a result found which is not significant. But since, in the case of this scheme, no evidence of selection bias was found, the modest positive coefficient from the OLS can be considered meaningful.

With respect to organic practices, a significant positive relation to net certified crop revenue is found for the Kawacom scheme. However, the coefficient for this variable is rather low. Thus, looking across the results, it appears that participation *per se*, as well as stock of coffee trees, are the main positive determinants of coffee revenue. Farm altitude is another determinant,

with farms at lower altitude seemingly enjoying larger net coffee revenues than ones at higher altitudes. Use of organic farming techniques plays at best a modest role.

10.4. Perceived reasons for increased coffee revenue

Table 10 presents a comparison of the views of participants in the two schemes on a range of variables relevant to coffee revenue. More than 80% of both groups reported increased revenues since joining the schemes. For the Kawacom farmers this was attributed overwhelmingly to a combination of improved prices and the opportunity to undertake bulk sales. While a majority of Gumutindo farmers cited the same reasons, a sizeable minority referred to improvement in coffee quality as the main ground.

A large majority of participants in both schemes also reported an increase in the stability of coffee revenue since joining the schemes. A majority of Kawacom scheme members attributed this mainly to the presence of more predictable prices. By contrast, the explanations offered by Gumutindo scheme members were dispersed across a wide range of factors.

A further difference between participants in the two schemes is evident in relation to perceptions of timing of revenue. Somewhat surprisingly, a large majority of Kawacom scheme participants reported receiving income earlier in the year than before, while perceptions on timing followed no clear pattern in Gumutindo participants' responses.

Table 10. Perceptions of changes in coffee revenue since joining schemes, Kawacom and Gumutindo members compared (% of samples)

Changes in income since joining the project (% of participating farmers)		
	Gumutindo	Kawacom
How has your income from coffee changed since joining the project?		
No change	13%	13%
Increased	81%	84%
Decreased	6%	3%
Main reason for change		
Project offers higher/better price and buys in bulk	52%	81%
project brought competition hence better prices	2%	0%
Reduced production/yields	7%	0%
Better quality of coffee produced and sold	20%	4%
Same middlemen are buying coffee at the same prices	1%	2%
Increased production/yields	8%	2%
Project offers ready market for coffee	0%	1%
Does not always sell to project	9%	7%
Sells unprocessed/raw coffee	1%	0%
Project gives sales bonuses	1%	0%
Lower prices offered by middlemen	0%	1%
Increased production costs	0%	2%
How has the stability of your coffee income changed since joining the project?		
No change	23%	8%
It has become more certain	66%	85%
It has become less certain	12%	7%
Main reason for change in income stability?		
Price keeps on increasing	35%	24%
Project gives stable/constant/predictable price	19%	56%
Prices keep fluctuating	14%	8%
Improved coffee quality	17%	3%
Competition between buyers/assured market	5%	4%
Does not always sell to the project	5%	3%
No change in quality	1%	0%
Coffee yields keep changing	1%	1%
Project buys coffee in the same period as middlemen	1%	1%
How has the timing in the year/season of your coffee income changed since joining the project?		
No change	31%	8%
It comes earlier in the year now	32%	74%
It comes later in the year now	35%	18%

10.5. Perceived changes in Gumutindo coffee quality

Although only 20% of Gumutindo scheme members attributed the main responsibility for their increased coffee revenues to improved coffee quality, when questioned directly on changes in quality a large majority reported improvements since the scheme was initiated. A large majority of the control group for this scheme also reported that the quality of the coffee they delivered had improved. However, scheme members were far more consistent in what they attributed better coffee quality to, with large majorities identifying improvements in bean size, moisture content and trash content.

Table 11. Perceived changes in coffee quality since joining the Gumutindo cooperative (% of group)

	Participants	Non-participants	X ² /z-statistics
Has the quality of your coffee (at the time when sold as parchment) changed since you joined the project (or last 5 years)?			
Yes	85%	72%	
Size and weight of coffee beans			
Bigger/heavier	58%	36%	6.4**
Smaller/lighter	1%	18%	15.8***
No change	26%	18%	1.33
Moisture content			
Drier	85%	28%	49.4***
Wetter	0%	34%	39.1***
No change	0%	10%	10.55***
Cleanness (e.g. black pods, dust, dirt, stones)			
Improved	83%	38%	31.9***
Worsened	0%	22%	24.19***
No change	2%	4%	6.78**

Notes: significant at * 10%, ** 5%, *** 1% levels

10.6. Conclusion to section 10

This section has presented a brief quantitative assessment of effects of participation in the Gumutindo Fairtrade/organic cooperative, in relation to participation in an UTZ/organic scheme and situations of non-participation.

Overall, the results show the Fairtrade/organic scheme generated larger revenue effects and, therefore probably, wider welfare benefits through increased farm employment than the UTZ/organic scheme. While coffee quality was perceived as making a significant contribution to improved revenue in the Fairtrade/organic scheme, participants mainly attributed this to improved contractual conditions (higher and more stable prices and greater opportunity to undertake bulk sales). Although it is important to note that the econometric results demonstrate that other factors also contributed, this appears to vindicate the implementation of Fairtrade principles. On the other hand, the UTZ/organic scheme also significantly improved revenues relative to non-participation, with participants again citing improved contractual conditions as the main reason for this improvement.

11. Conclusion

This study showcases East African small scale producers' perceptions of the impacts of certification to Fairtrade, UTZ Certified and Rainforest Alliance standards, based on 18 semi-structured focus group discussions with participants in six different tea and coffee schemes. It also reports quantitative findings from a comparative impact analysis of two Ugandan coffee schemes, certified to UTZ/organic and Fairtrade/organic standards respectively.

The results reported suggest the following conclusions:

- Participation in the standards schemes examined was perceived as leading to marked improvements in income, farm management, and in the support services received, relative to previous situations of non-participation.
- In most schemes additional benefits were also perceived, although their content varied from one scheme to another.
- Regarding improvements for women, the differences between schemes that are evident are consistent with variations between the three standards in their coverage of gender issues.
- In the one direct quantitative comparison made, the findings showed participants in a Fairtrade/organic scheme to be better off than participants in an UTZ/organic scheme, and also suggested that the Fairtrade/organic scheme had a larger welfare impact.

Scheme participants' suggestions for improvements to the schemes largely comprised proposals that schemes provide a wider range of services than at present. Particularly the rising cost of chemicals was perceived as a major problem by farmers – and one that was not addressed by the standard schemes. Scheme managers' observations tended to be more critical and identified lack of local price competitiveness as a short-term problem and limited or unstable demand and sustainability of certification costs as longer-term ones. Except in the case of the sustainability of certification costs, these observations applied equally to Fairtrade, UTZ and Rainforest Alliance schemes.

In short, given the different emphases of the standards considered, there was less difference in impacts than was anticipated. Certification to all of the standards considered appears to have led to improvements in smallholders' lives and livelihoods. While the Fairtrade/organic combination performed better than the UTZ/organic one in the econometric study, the main conclusion arising from this analysis also is that certification – where accompanied with interventions such as farmer training – has benefits irrespective of whatever standard this is to. These findings need to be understood in relation to the common counterfactual shared by these standards in East Africa. This is the poor performance or even collapse of public extension services and private input markets in the 'conventional' segments of the tea and coffee sectors.

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Appendix A: Discussion guides

Focus group discussion guide for coffee farmers (for tea farmers simply replace the word 'coffee' with 'tea')

Before beginning the focus group you should find out what the scheme is called locally and a 'milestone' event that is close to the time the scheme started. As informants are to compare the present situation to that before certification informants should be screened to only include persons that were farming coffee in the area before adoption of the standard.

Introduction (to be given by the facilitator at the start of the discussion): *Thank you all for participating in this discussion. My name isI am a researcher from... The discussion we are about to have will contribute to a research project on how schemes (mention the specific one...) work for small farmers. The research is for an international development organisation in England.*

Everything you say during this discussion will be used for research only. In the report, information will be presented in a general way about how farmers in this area in general see the benefits and costs of participating in (name the standard scheme....). Your own names will not appear. What you say individually will not be reported back to the people running the (name the standards scheme).

The purpose of the discussion we are about to have is to hear your opinions. Therefore I want everyone to say what they think, even when it is not the same as others. I am here to learn from you.

If you have spent money on transport here we will pay the transport cost. We will do this after the discussion.

In the middle of the discussion we will have a short break where we will provide you with something to drink.

The discussion will start with a brief round of introductions where I would like each of you in turn to say what your name is.

This is followed by some basic questions which each informant should answer in turn. For note-taking purposes each informant should be given a number and their answers noted in table 1.

Introductory questions:

- a) Does the main part of your income come from coffee growing?

- b) How much coffee (in kilograms or sacks)³² did you sell last year (2008)?
- c) Roughly how many years you have been a member of the cooperative (if you can't remember just say if you became a member before or after the milestone/ event).
- d) Have any of you ever served on committees or councils in the cooperative/ contract scheme?

Table 1

Respondents	name	a) main income	b) coffee sold	c) years of membership	d) posts
1					
2					
3					
4					
5					
6					

If any of the participants were not growing coffee or were not members of the cooperative before adoption of the standard scheme, then politely explain the purpose of the discussion, and say that they do not have to participate and can leave.

The discussion now proceeds with the main questions (grouped in themes). For each question the following procedure should be used: Announce that after the question, they will be given a little time to reflect and then everyone in turn will be given a chance to speak briefly. After that, you should proceed with an open discussion –stress that participants should say what they think and that you do not expect them to reach agreement.

Before you start with the main questions you should explain that you are most interested in any changes that they have experienced since the scheme started (which was approximately the same time as the milestone/ event).

During the open discussions you shall if necessary ask a few probe questions (this will be necessary if participants do not understand the question or do not talk). If during the discussion you have not covered all the issues that the probes refer to, then ask about them specifically.

After the open discussion present the group with your own summary of the opinions expressed and ask people to suggest changes or additions.

³² The equivalent in Kilograms should be established by the research assistant.

For some of the specific issues mentioned you need to ask the participants to provide an answer in a ranked form using the ranking system. For some issues you need to ask the participants to prioritize their answers in order of importance.

Ranking table:

1 = much worse, 2 = a little worse, 3 = no change, 4 = a little better, 5 = much better

1) Do you think there have been any changes (for the better or the worse) since (name the scheme) started? (If most participants are not aware of the scheme then ask if anything has changed since the milestone/ event)

When they mention specific changes, ask why they think this change has happened.

If the issues below are not mentioned in the discussion then probe on:

Prices & market:

- 1.1. Do you get more or less money from coffee now? USE RANKING
- 1.2. Are prices higher or lower?
- 1.3. Are prices more stable?
- 1.4. Are you better able to know in advance what price you will get when you sell to the scheme?
- 1.5. Do you sell more of your crop to the same buyer now than before?
- 1.6. How much of the crop produced is bought by the scheme administrator?

Farming:

- 1.7. Do you use any different farming methods as a result of joining (name the scheme)?
- 1.8. Do you for example weed or prune more often or differently?
- 1.9. *(for coffee only)* Do you now get more beans per tree?
- 1.10. *(for coffee only)* Do you now get better beans (for example bigger beans, less split beans or less mouldy beans?)
- 1.11. *(for tea only)* Do you now get better quality tea leaves (for example more leaves or fewer coarse leaves, fewer immature shoots)?
- 1.12. Do you harvest more frequently?
- 1.13. Do you now have to spend more or less time in your coffee garden and for processing the crop after harvest?
- 1.14. Are there other new costs? New things you have to pay for now that you didn't before?
- 1.15. Is there extra equipment that you have to buy or rent?
- 1.16. Are there new inputs or more expensive inputs you have to buy?
- 1.17. In your opinion is it easier for you to get inputs and equipment now?
- 1.18. Are all the inputs that you have to buy actually available at the times that you need?
- 1.19. Can you afford to buy the input when you need them?
- 1.20. Is it easier for you to buy inputs on credit now?

After our discussion – of the things mentioned by you as having changed for the better, what would you say has made the most difference to you? (List the things mentioned and ask them to PRIORITIZE)

Of the things mentioned that have changed for the worse, what would you say is has made the most difference to you? (List the things mentioned and ask them to PRIORITIZE)

2) Do you think that the household lives better or worse as a result of participation in the (name scheme)? Have there been any improvements for example in relation to health or education?

When they mention specific changes, ask why they think this change has happened.

If the issues below are not mentioned in the discussion then probe on:

- 2.1. Is it easier to get to a doctor or health clinic now?
- 2.2. When someone in your household is ill do you feel that you are better able to take care of them for example get transport to a clinic or buy medicine?
- 2.3. Have new facilities opened locally (health clinics, schools or nurseries)?
- 2.4. Have you been able to spend more money on education for your children? Are you for example able to send more children to school? Send them to school the whole year? USE RANKING
- 2.5. Have you been able to spend more money on your house or on things for the house or yourself (e.g. mobile phones, air time, radios)?
- 2.6. Have you been able to spend more money on things such as land, construction, a bicycle, a moped or getting married (if male farmer e.g. getting a second wife)?

What would you say is the most important improvement in the household? (List the things mentioned and ask them to PRIORITIZE)

3) Has the support and services that you get from the cooperative/trader changed in any way?

When they mention specific changes, ask why they think this change has happened.

If the issues below are not mentioned in the discussion then probe on:

- 3.1. Do you get paid when you deliver the crop?
- 3.2. Is it easier to borrow money from the scheme (or a savings society supported by the scheme) if you've run out of cash?
- 3.3.... get to a buying post?
- 3.4.... get training? (if so training in what? And is the training useful to you?)

3.5. Can everybody get this (or participate)?

What would you say is the most important support you get from the cooperative/ trader?
(List the things mentioned and ask them to PRIORITIZE)

3.6. In your opinion has the support and services changed to the better or to the worse since you started the (name the scheme)? USE RANKING

4) Has anything changed in your use of chemicals?

When they mention specific changes, ask why they think this change has happened.

If the issues below are not mentioned in the discussion then probe on:

- 4.1. Do you use more or less chemicals now? If so, which types do you use more of and which less of – and why?
- 4.2. Do you spend more or less money on chemicals?
- 4.3. When using chemicals, do you use equipment for your personal protection like gloves, special clothing or masks (if so for which chemicals? And is this new?)
- 4.4. Have you had any training, on how to use and handle chemicals?
- 4.5. In your opinion has there has been any changes to your health due to changes in your use of chemicals? USE RANKING

5) Is there anything you were promised by the scheme when you started that has not happened?

6) (for male groups this is only if time permits – obligatory for women groups) Do you think that women are better off or worse of now? USE RANKING

When they mention specific changes, ask why they think this change has happened.

If the issues below are not mentioned in the discussion then probe on:

- 6.1. Have there been any activities/ training specifically for women?
- 6.2. Have you learned about rights for women?
- 6.3. Have women been more involved in how money is spent in households?
- 6.4. Are there more women on coop committees/ councils?
- 6.5. Do women attend coop meetings more often now?
- 6.6. Do they speak more often at coop meetings now?
- 6.7. Do men work more on food crop plots or do women do new types of work in the coffee garden?

After our discussion, what would you say is the most important change for women? (List the things mentioned and ask them to PRIORITIZE)

- 7) If you weigh the things that have got better against the things that have got worse – or cost more, would you then say that at the end of the day you are better off with the (name the scheme) than without? USE RANKING**
- 8) What in your opinion could be changed to make the scheme work better for you in the future? Is there for example anything you would like the scheme to offer that it doesn't now?**
 - Is there anything about the scheme that has affected you negatively and that you would like to stop?

Focus group discussion guide for wives

In addition to the introduction used for the other groups, you shall clarify that it is important for you to hear their opinion particularly in relation to possible impacts on the household, on women and on the community. Stress that it is important that they think of changes that have happened since participation in the standard scheme (if they cannot remember when the scheme started then identify a major event close to the start of the programme to enable them to remember better).

1. Have you experienced any changes in the overall well-being of your household? (why do you think these changes have happened?)
2. Have you experienced any changes in the health of your household? (why do you think these changes have happened? – *possible answers could be changes in diet, better access to medicine, or clinics*)
3. Have there been changes in the amount of money spent on family health?
4. Have there been changes in the amount of money spent on education for children? Are you for example able to send more children to school? Send them to school the whole year? Are you better able to afford costs like books, uniforms, paper, pens
5. Do you have more or less money available for food? Do you eat meat or fish more often than before?
6. Are you able to spend more money on things for your family such as clothing or bedding?
7. Are you able to spend more money on improving the house?
8. Have you been able to get any new resources since the scheme started (e.g. chickens, goats, bicycle, wheelbarrow, hoes)
9. Are you able to plan your expenditure ahead better than before?
10. Have new facilities opened locally (health clinics, schools or nurseries)?
11. Who does what on the farm and in the house? Has this changed?
12. **With ranking:** Who decides what in the house? Has this changed?
13. Are there any new types of activities organised **by** women in the community? (e.g. shops, farming, other things done by women)
14. Have there been any activities specifically **for** women in the community? (e.g. training. If so have you participated in any?)
15. Of the things mentioned by you as having changed for the better or for the worse, what would you say has made the most difference to you? (List the things mentioned and ask them to prioritize)
16. **With ranking for the suggestions:** In your opinion what would be the most important improvement to your household? (Things that should be in the future)

Questionnaire for primary cooperatives (secondary organisations if relevant – for tea cooperatives simply replace the word ‘coffee’ with ‘tea’)

Basic information:

- History and structure of the organisation (*ask older members*)
 - Membership conditions (fees, who can become a member, any important rules for membership)
 - Number of members
 - Ask if there have been any big changes in prices or in volumes and grades produced during the last 5 years (or 10 if the scheme is more than 5 years old)? If yes then what have these changes been the result of?)
 - Ask if there is any documentation on product and input prices for the last 5 years
- 1) How did they get involved with the standard scheme?
 - 2) Can you explain to me how registration/ certification to the standard scheme and inspection work?
 - Are all members of the coop certified?
 - Who holds the certificate?
 - Are all members inspected or only some?
 - Are there charges for members for registration/ certification or inspection?
 - Have any members been suspended? Is so for what reason?
 - 3) Has the coop received any kind of assistance from the standard scheme?
 - e.g. assistance in preparing for certification
 - training
 - inputs
 - assistance in finding new market outlets
 - financial or technical assistance for carrying out additional activities
 - assistance from other organisations in relation to preparing for or paying for certification
 - 4) What share of the coffee that the coop buys is sold to the standard scheme?
 - 5) What share of what member farmers harvest is sold to the coop?
 - 6) Do members of the scheme get higher prices than other farmers around here? (if so is the higher price only when they sell to the scheme or also from other traders?)
 - 7) Has competition for members coffee increased since you started the scheme? E.g. Have new buyers come into the area?
 - 8) Is there a separate premium to the coop itself for certified products? If so how much has been received each year since the scheme started?

- 9) (If there is a premium) How is the premium money distributed? For what has the premium money been used?
- 10) In what way (if any) do you think the coop members have benefited from participation in the standard scheme?
- better prices
 - more price stability
 - better advance information on prices
 - more security of market outlet
 - improved product quality
 - improved farm management
 - improved yields
- 11) Have members had to do their farming or processing any differently than before in order to achieve certification? How much extra work (if any) did this involve for them?
- 12) In what way (if any) do you think the coop as an organisation has benefited from participation in the standard scheme? Is there anything the coop does differently now?
- Has it for example learned about controlling quality (e.g. changed their grading system)
 - Changed the payment system for farmers
 - Obtained and used knowledge about markets and prices
 - Experienced more interest from ordinary members e.g. participation in coop meetings and elections
- 13) Has there been any change to the services the coop are able to offer to members as a result of participation in the scheme? (what did they do for members before and now – *ask them to explain how any service mentioned is related to participation in the scheme e.g. via financial support, training or simply demanded by the standard*)
- Changes in access to inputs and equipment
 - ... number of buying posts
 - Access to credit and loans
 - Access to training (ask about types of training offered and number of people trained)
- 14) Is there any way in which the coop or coop members are worse off now than before you started the scheme?
- 15) Has the standing of the coop in the community changed? (If so how? And why?)
- 16) Have there been any improvements to the overall well being of the surrounding community as a result of changes brought about by the scheme?
- improved access to health services
 - improved access to credit (including opening of new savings societies)

- improved access to education (e.g. more or better nurseries, schools, higher or more regular attendance at school)
- more or less drinking, prostitution, crime
- more shops
- people able to get to town more easily

17) Have there been any benefits particularly for women due to participation in the scheme?

- has the coop adopted politics/ objectives specifically about women?
- are there activities by the coop specifically directed at women
- have there been changes in the number of female members
- have there been changes in the number of women participating in meetings
- have there been changes in the number of posts held by women (decision making posts or other posts)

18) What could be changed to make the scheme work better in the future? Is there for example anything you would like the scheme to offer that it doesn't now?

19) Is there anything that was promised by the scheme when it started that has not happened?

20) If you weigh the things that have got better against the things that have got worse – or cost more, would you then say that at the end of the day the coop and its members are better off with the (name the scheme) than without?

Questionnaire for traders who hold certification to a scheme (for tea cooperatives simply replace the word 'coffee' with 'tea')

Basic information:

- History and structure of the company
- Membership conditions (fees, who can sell into the scheme, any important rules for membership)
- Number of farmers participating
- Ask if there have been any big changes in prices or in volumes and grades produced during the last 5 years (or 10 if the scheme is more than 5 years old)? If yes then what have these changes been the result of?
- Ask if there is any documentation on product and input prices for the last 5 years

- 1) How did they get involved with the standard scheme?
- 2) Can you explain to me how registration/ certification to the standard scheme and inspection work?
 - Are participating farmers certified?
 - Who holds the certificate?
 - Are all participating farmers inspected or only some?
 - Are there charges for participating farmers for registration/ certification or inspection?
 - Have any farmers been suspended? Is so for what reason?
- 3) Have you received any kind of assistance from the standard scheme?
 - e.g. assistance in preparing for certification
 - training
 - inputs
 - assistance in finding new market outlets
 - financial or technical assistance for carrying out additional activities
 - assistance from other organisations in relation to preparing for or paying for certification
- 4) What share of the coffee that you buy is sold to the standard scheme?
- 5) What share of what participating farmers harvest is sold to you?
- 6) Do participating farmers get higher prices than other farmers around here? (if so is the higher price only when they sell to the scheme or also from other traders?)
- 7) Has competition for participating farmers coffee increased since you started the scheme? E.g. have new buyers come into the area?

- 8) Is there a premium for certified products? If so how much has been received each year since the scheme started? How is the premium money distributed? For what has the premium money been used?
- 9) In what way (if any) do you think participating farmers have benefited from participation in the standard scheme?
- better prices
 - more price stability
 - better advance information on prices
 - more security of market outlet
 - improved product quality
 - improved farm management
 - improved yields
- 10) Have participating farmers had to do their farming or processing any differently than before in order to achieve certification? How much extra work (if any) did this involve for them?
- 11) In what way (if any) do you think your company has benefited from participation in the standard scheme? Is there anything you do differently now?
- Has it for example learned about controlling quality (e.g. changed their grading system)
 - Changed the payment system for farmers
 - Obtained and used knowledge about markets and prices
 - Experienced more interest from participating farmers e.g. that they sell a larger share of their crop to them – (a more long-term or stable relationship)
- 12) Has there been any change to the services that you are able to offer to members as a result of participation in the scheme? (what did they do for participating farmers before and now – *ask them to explain how any service mentioned is related to participation in the scheme e.g. via financial support, training or simply demanded by the standard*)
- Changes in access to inputs and equipment
 - ... number of buying posts
 - Access to credit and loans
 - Access to training (ask about types of training offered and number of people trained)
- 13) Is there any way in which the company or participating farmers are worse off now than before you started the scheme?
- 14) Has the standing of the company in the community changed? (If so how? And why?)
- 15) Have there been any improvements to the overall well being of the surrounding community as a result of changes brought about by the scheme?
- improved access to health services
 - improved access to credit (including opening of new savings societies)

- improved access to education (e.g. more or better nurseries, schools, higher or more regular attendance at school)
- more or less drinking, prostitution, crime
- more shops
- people able to get to town more easily

16) Have there been any benefits particularly for women due to participation in the scheme?

- Has the company adopted politics/ objectives specifically about women?
- are there company activities specifically directed at women
- have there been changes in the number of female farmers participating
- have there been changes in the number of women participating in meetings

17) What could be changed to make the scheme work better in the future? Is there for example anything you would like the scheme to offer that it doesn't now?

18) Is there anything that was promised by the scheme when it started that has not happened?

19) If you weigh the things that have got better against the things that have got worse – or cost more, would you then say that at the end of the day the company and participating farmers are better off with the (name the scheme) than without?

Appendix B: Focus group preparation, discussion and reporting

The focus group guides were developed consisting of questions to be asked by the moderator as well as probes to be used if certain issues were not referred to spontaneously by participants. The guides contained a ranking device to be used for participants to rank the importance of specific issues. In order to facilitate writing-up, focus group discussions were recorded.

Specially trained local research assistants functioned as moderators during the focus group discussions. They were trained on how the moderator should explore differences in opinions between participants; how the moderator should encourage silent participants to talk; how the moderator should redirect discussions that had gone off track; on discussion of preliminary findings with participants; and on how to change the sequence of the questions listed in the guide, depending on the spontaneous direction taken by discussion.

For the cases in Uganda and Ethiopia both Lone Riisgaard and a translator were present at all focus group discussions. For the cases in Kenya, George Michuki and a research assistant were present.

The local research assistants organised the focus groups in cooperation with representatives from the six schemes. All participants had to have been farming coffee/tea before certification to the standard started. Participants for each group were chosen to include both farmers that were relatively well off and farmers that were relatively worse off (for example from bigger and smaller farms). However, due to the participation of scheme representatives in the selection process there is a possibility that participants with a positive stand towards the scheme were favoured over others. The focus group discussions were conducted in privacy with no one apart from the researcher, research assistant, interpreter and the participants present.

Detailed write-ups were made for all focus group discussions. These took the form of chronological descriptions, listing all questions posed by the moderator and providing detailed descriptions of the resulting discussions. For each issue discussed there was a description of the degree to which the group found the issue relevant (and why). For each issue discussed there were descriptions of the overall distribution of participant's opinions and of any divergent opinions within the group. In relation both to whether a group found an issue relevant and to the distribution of participants' opinions on a given issue, efforts were made to record whether opinion was consistent across the group discussion, and – where there were differences - whether these could be related to differences between participants in terms of age, wealth, or size of coffee/tea garden.

Appendix C: Probit regressions

Probit regression results for scheme participation, Kawacom and Gumutindo schemes

Probit models for scheme participation				
Independent variable	KAWACOM		GUMUTINDO	
	Beta	Standard error	Beta	Standard error
Farm size	0.06	0.19		
Farm size (log)			0.15	0.19
Trees/plants (N)	0.39*	0.16		
Trees/plants (log)			0.02	0.14
Farm altitude	5.79**	1.73	0.70	1.78
Farmer age	-0.02□	0.01	-0.02	0.01
Farmer education	0.00	0.04	0.03	0.04
H/h size	0.07	0.06	-0.04	0.04
Ratio off-farm rev	-0.63*	0.27	0.07	0.27
Building material	0.47□	0.26	-0.42 ⁺	0.25
Constant	12.42**	3.53	-2.48	3.95
Intercept				
N	147		149	
Log-likelihood	-66.7		-91.11	
Pseudo R sq	0.23		0.03	
Chi-sq	40.7**		6.52	

*=P<0.1, *= P<0.05; **=P<0.01, ***=P<0.001. Robust

(Huber/White/Sandwich) standard errors given. Samples exclude missing observations and outliers, defined as households with net revenue from main crop +/- 5 standard deviations from the sample mean. Calculations using Stata 8. Explanations of variables. Ratio off-farm rev: ratio of non-farm revenue to total household revenue; Building material: whether farmhouse has brick walls; Exp. School fees: Household expenditure on school fees in 2005.