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# People and the Products We Buy

This unit focuses on the people who are involved in growing flowers, coffee, and bananas. It also explains the process by which Latin American products reach consumers in the United States.

## Lesson 1

### The Trail of International Trade

Follow the trail of flowers, coffee, and bananas from the farm or plantation to the store in which they are sold. Students learn about the complex nature of international trade as they create flowcharts showing the genesis of a product to its consumption.

## Lesson 2

### Connections: Both Sides of a Coffee Cup

Learn about the mechanics of the international coffee market. Students consider the challenges facing growers in Latin America as they contrast the alternatives of “Fair Trade” and “Free Market Trade.”

## Lesson 3

### Focus on Child Labor

Reveal the roles of industry stakeholders. Students read excerpts from a report on child labor in the banana industry in Ecuador. They role-play as corporate executives to defend the company’s policy toward child labor.

## Lesson 4

### Reporters at Work

Students form work groups to gather and analyze information about the people involved in producing bananas, flowers, and coffee.

# The Trail of International Trade



## INTRODUCTION

The complex nature of international trade is tracked from the farm on which flowers, coffee, and bananas are grown to the stores in which they are sold. In this lesson, students create flowcharts to generate discussion about the impact of this process on farmers.

## OBJECTIVES

At the end of this lesson, students will be able to:

- Describe the trail that flowers, coffee, and bananas follow from farm or plantation to store.
- Create a flowchart.
- Hypothesize about implications of the multiple steps of getting agricultural products from farm to market. Test your hypotheses.

## STANDARDS

### Geography

- **Standard 11:** The Patterns and Networks of Economic Interdependence on Earth's Surface.
- **Standard 14:** How Human Actions Modify the Physical Environment.

### Economics

- **Standard 2:** Marginal Cost/Benefit
- **Standard 5:** Gain from Trade

### Language Arts

- **Standard 4:** Students adjust use of spoken, written, and visual language to communicate effectively with a variety of audiences and for different purposes.

## MATERIALS AND PREPARATION

- Six products made in other countries, including at least some products from Latin America; some of the products should be perishable, some nonperishable. Examples: a kiwi, an article of clothing, a video game, a piece of Dutch chocolate, a soccer ball, a long-stem rose, and a piece of china





- Wall map of the world
- Small self-adhesive notes
- “Making a Flowchart” handout
- “Flowchart: The Trail of Flowers” handout
- “Flowchart: The Trail of Coffee” handout
- “Flowchart: The Trail of Bananas” handout

## PROCEDURE

### 1. Generate Hypotheses about the Trail of International Trade

Display the products that you brought to class, explaining that all of them are imports (products from other countries). Ask the class to guess which region of the world each product is from. Read the label on each product that tells where the product was grown or manufactured. For each product, have a student write the product name on a self-adhesive note and place the note on the source country on the wall map of the world.

Form three groups of students and assign two of the products to each. Ask the groups to hypothesize about how the products get from the source country to the students’ home town:

- What forms of transportation are probably used?
- Are there special transportation problems involved (e.g., refrigeration)?
- What work is involved in getting the products to market?
- What marketplaces does the product travel through? (And what do you think the marketplace looks like?)

Debrief student work, focusing on the questions above. List all of the forms of transportation and jobs that students came up with in their groups. Discuss the challenges of particular products, especially those that are perishable. Ask students to draw generalizations (a broad statement or conclusion) about trade and transportation based on this discussion. (Examples of generalizations about trade and transportation might be “Many forms of transportation are used to get products to market” or “Transporting goods from farm or factory to market creates jobs for many people.”) Students will test their generalizations in this lesson, as they learn more specifically about how flowers, coffee, and bananas get from farms to stores.

### 2. Create a Flowchart

Tell students that they are going to be learning more about the trade route followed by flowers, coffee, and bananas. Distribute the “Making a Flowchart” handout and the appropriate flowchart information for their product.<sup>1</sup> Go over the instructions with students. Allow time for students to complete their flow charts. (You may have students work in pairs or triads within their product groups. Some students may find it helpful to put the steps on card cards that they can arrange on the floor or desktop as they create their flowcharts.) The students should

<sup>1</sup> Note that the flowchart for coffee is more difficult to create than the flowcharts for flowers and bananas.

compare their flowcharts with others in their group and resolve any significant differences. Have the groups then copy their flowcharts onto the board.

Conduct a discussion of the three flowcharts, using such questions as:

- Are you surprised at how many steps there are in the process? Why or why not?
- Which product is transported by air? (*Flowers.*) Why do you think this product is transported by air when the other two are transported by sea? (*Because flowers are more perishable than bananas and coffee.*)
- How many different people are involved in getting each product to market? (*All of the people involved in the business want to make money.*)
- What might be the effect for buyers? (*High prices.*)
- What might be the effect for grower? (*Low percentage of the sale price actually is paid to them—approximately 10 percent.*)
- Do any of the flowcharts suggest ways that money might be saved in this process? (*Avoiding exporters, wholesalers and middlemen might keep the price down.*)
- What is the importance of the flower inspection process? (*It keeps pests from coming into the country and causing problems for U.S. farmers.*)
- What might be a negative effect of the inspection process? (*Growers use more chemicals to make sure there are no pests; this adds to pollution.*)
- It has been said that every bouquet of flowers sold in the United States contains a liter of oil. How does the flower flowchart help you understand this statement? (*It shows the several transportation legs, all of which involve use of fuel.*) Do bananas and coffee “contain” oil as well? (*Yes.*)
- What is the effect of using so much fuel? (*Dependence on fossil fuels, pollution.*)

### 3. Test Your Generalizations

Remind students of the generalizations they drew in the first phase of this lesson. Does what they learned about bananas, cut flowers, and coffee support or refute their generalizations? Why? How might they refine their generalizations?

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### EXTENSION

Challenge students to research and construct flowcharts for the other products that you displayed at the beginning of the lesson. When they have several flowcharts constructed, they should look for similarities and differences across products and consider whether these additional flowcharts suggest any further refinements to their generalizations about trade.

Transfair USA provides a pair of excellent comparative flowcharts showing the route of fair trade coffee (which eliminates several middle men) versus traditionally sold coffee. These flowcharts can be found at [http://www.transfairusa.org/pdfs/wrk\\_croptocup.pdf](http://www.transfairusa.org/pdfs/wrk_croptocup.pdf). Have students investigate these two flowcharts and consider how fair trade affects the transportation route of a product such as coffee.

Stimulate student analysis by asking such questions as the following:

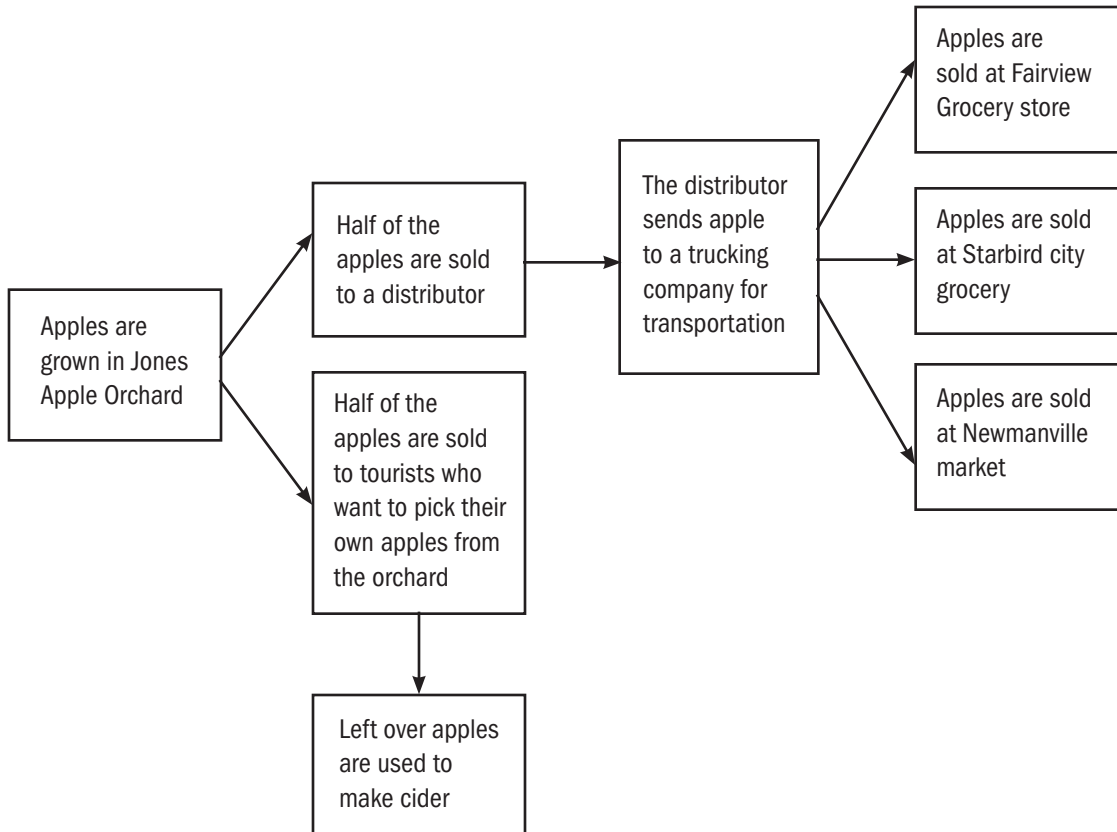
- Which trade route involves more steps? (*The conventional trade route*)
- At which end of the trade route are the differences between the two routes greatest? (*At the production end. At the distribution end, the two routes look very similar.*)
- Read the labels on the two flowcharts. What difference between fair trade and conventional trade do the labels tell you about? (*Fair trade growers get a minimum price; credit is available to cooperatives from importers.*)
- What advantages would the fair trade process have for growers? (*By eliminating some steps, more money could go to growers. Also, growers are guaranteed a base price that allows them to live on what they make.*)
- Who would be negatively affected by this process? (*The middlemen who lose business.*)
- How would consumers be affected? (*Prices are somewhat higher for fair trade coffee.*)



# Making a Flowchart

Do you know what a flowchart is used for? You might be able to guess from the name that a flowchart shows flow—the steps in a process. Each step is placed in a box. The boxes are arranged in order and connected with arrows. The process does not have to be a straight line. It can have branches when there are options. It can also have loops, when the process starts over again.

Here is a very simple flowchart for a local apple orchard.



## Your Task

Now make a flowchart for your assigned product.  
(Your flowchart will look different from the one above).

# Flowchart: The Trail of Flowers

Below are the steps taken by various people involved in getting cut flowers from a farm in Colombia to a store in the United States. Read through the steps and decide what order they occur in. Then draw a flowchart showing how the steps occur.

## Steps

- At Miami International Airport, approximately 100 inspectors make sure that imported flowers are not infested with pests or diseases that could hurt Florida's crops.
- Truckers take the flowers from the grower's field to the international airport in Bogota. A new set of truckers take the flowers from the Miami airport to markets around the country. Because cut flowers are fragile, it is important that trucks are available where and when they are needed.
- Wholesalers in the United States buy the flowers and sell them to flower shops, supermarkets, and other stores. The wholesalers sometimes operate auction houses.
- Growers raise the flowers. Some growers serve as their own exporters, arranging transportation.
- Flower shops, supermarkets, and chain stores sell the flowers to consumers. Sometimes these retailers mark up the prices of the flowers as much as 300 percent. Some retailers buy directly from growers or exporters, bypassing the wholesalers.
- Air cargo companies fly the flowers from Bogota to Miami International Airport. Colombia exports enough flowers to fill one 35-ton cargo plane every three hours, year round. One-third to one-half of the wholesale price of the flower goes to pay for the air transport. Because the planes often return to Colombia empty, the cost is even higher.
- Exporters arrange for the flowers to be transported from growers to market. They may buy the flowers from the growers at a fixed price or may take the flowers on consignment, meaning that the grower only gets paid if the flowers are sold.



# Flowchart: The Trail of Coffee

Below are the steps taken by various people involved in coffee from a farm in Guatemala to a store in the United States. Read through the steps and decide what order they occur in. Then draw a flowchart showing how the steps occur.

## Steps

- Grocery stores, coffee shops, and restaurants sell coffee to consumers. These retailers may mark up the price of coffee by a huge margin.
- Small farmers and large plantations grow coffee beans. Many of the large plantations or estates also control processing mills, so they can save money on that step of the process. Large plantation owners sometimes export their own coffee, too.
- Small farmers take their beans to processing mills to be processed for export. Farmers use pack animals or may even carry the coffee beans down the hill on their backs.
- Roasters buy coffee from importers. They roast the coffee, package it, and sell it to distributors or to retailers. Some roasters sell directly to consumers at stores or online. Coffee sold online may be sent via air or truck.
- Local middlemen, called coyotes, buy coffee from small farmers. Often, the local middlemen have access to transportation systems—usually trucking—that the small farmers cannot access. The coffee is trucked to a port such as Santo Tomas de Castillo.
- Exporters may be subsidiaries of huge international companies. They may also be independent businesses. They buy coffee from large plantations or coyotes and resell it for a higher price. They often arrange for transportation from one port to another. They sell to importers.
- Distributors buy coffee from roasters and sell it to retailers. Coffee usually travels to the retailers by truck.
- At the port, the coffee is loaded into containers, which are placed on ships. The ships deliver the coffee to ports such as New Orleans, where the coffee is placed in warehouses owned by the importers.



# Flowchart: The Trail of Bananas

Below are the steps taken by various people involved in getting bananas from a plantation in Ecuador to a store in the United States. Read through the steps and decide what order they occur in. Then draw a flowchart showing how the steps occur.

## Steps

- Bananas are grown on a plantation in Ecuador. All the bananas grown there are presold to a large American company.
- At the port, bananas are loaded into refrigerated containers. These huge boxes are loaded onto a ship that sails to San Diego, California.
- Bananas are sorted at the plantation. Then they are loaded onto trucks and driven to a packaging plant.
- Consumers buy the bananas at a grocery store in their home town.
- At the dock in San Diego, the containers are loaded onto trucks. The trucks deliver the bananas to a warehouse owned by a supermarket chain. The bananas ripen in the warehouse for eight to ten days.
- At the packaging plant, the bananas are cleaned and packaged. They are then loaded onto trucks and driven to Guayaquil, Ecuador's largest port.
- After ripening, the bananas are once again loaded on trucks which deliver them to neighborhood grocery stores.



# Connections: Both Sides of a Coffee Cup



## INTRODUCTION

The mechanics of bringing coffee to market involves a vast array of people and procedures. In this lesson, students consider the challenges facing growers, as they contrast the alternatives of “Fair Trade” and “Free Market Trade.”

## OBJECTIVES

At the end of this lesson, students will be able to:

- Identify causes of low commodity prices.
- Explain effects of low commodity prices.
- Describe how fair trade works.
- Identify pros and cons of fair trade.

## STANDARDS

### Economics

- **Standard 1:** Scarcity
- **Standard 2:** Marginal Cost/Benefit
- **Standard 4:** Role of Incentives
- **Standard 13:** Role of Resources in Determining Income

### Geography

- **Standard 11:** The Patterns and Networks of Economic Interdependence on Earth's Surface

### Civics

- **Standard VE:** How can citizens take part in civic life?

### Language Arts

- **Standard 3:** Apply a wide range of strategies to comprehend, interpret, evaluate and appreciate texts.
- **Standard 4:** Students adjust use of spoken, written and visual language to communicate effectively with a variety of audiences and for different purposes.



## MATERIALS AND PREPARATION

- Overhead Transparency of graphs
- “Mourning Coffee” handout
- “Taking Notes” handout
- “La Voz, A Voice” handout
- “What is Fair Trade?” handout
- “At What Price Virtue?” handout
- “Fair Trade: Pros and Cons” handout
- Internet access (optional)

## PROCEDURE

### 1. Discuss Where Coffee Comes From

Lead students in a discussion about where they think coffee comes from. Some important points are that coffee is grown in many parts of the world, including Latin America. Coffee is often grown in mountainous regions between the tropics of Cancer and Capricorn. Coffee comes from a bean that grows on a variety of shrubs and small trees. What we call coffee beans are not beans at all, but rather the seeds inside each coffee fruit. Coffee is grown in many countries including: Kenya, Vietnam, Jamaica, Indonesia, Brazil and more.

Ask the students who they think grows the coffee beans. While some coffee is grown on large commercial plantations, much of the coffee grown in Latin America still comes from small farms run by individual families. Most of these small growers sell their coffee beans to middlemen, who then sell those coffee beans to even more middlemen, and eventually to coffee roasting companies.<sup>2</sup>

### 2. Discuss the Effect of Supply on Coffee Prices

When the international market price for coffee beans is high, growers can make a good living. But when the price falls, growers earn little or no money.<sup>3</sup> Explain that for the past several years, the international price for coffee beans has been very low because production has out-paced demand (according to the World Bank, coffee prices are at a 100-year low. Over the past five years, coffee prices have fallen over 50 percent.) Prices have been so low that the money growers receive for their coffee beans is lower than what it costs to produce the beans. This significant fall in prices and its effects on the people growing the coffee has been termed the “Coffee Crisis.”

To see pictures and hear audio narration about the coffee crisis and how it affects small growers, go to <http://www.msnbc.com/modules/ps/020716coffee/launch.asp?b=hi>.

Ask students what they think is causing the low price of coffee. Be sure that students mention both oversupply of coffee beans being grown worldwide and the fact that growers get a relatively small share of the money generated by

2 Raw coffee beans must be roasted before you can use them to make coffee. Roasting companies buy raw coffee beans and roast them. The roasting companies then sell bags of coffee beans (either ground or unground). Consumers, retail stores, or restaurants then buy the roasted coffee beans to make their daily coffee.

3 The international market price for coffee beans does not necessarily correspond to the price you pay for a cup of coffee at the store. Retail stores usually keep their prices at a steady level, rather than rising and falling with the daily fluctuations of the commodity price for coffee beans.

coffee. The overhead “Where Does the Money Go?” has two graphs that will help students understand these two factors.

### 3. Read about the Coffee Crisis

Distribute the “Mourning Coffee” and “Taking Notes” handouts. “Mourning Coffee” presents excerpts from a newspaper article about the problems in the coffee industry. Tell students they should use the grid on the “Taking Notes” handout for recording information from the article. When students have read and taken notes on the article, conduct a class discussion of the following questions:



- What are the effects of low prices on coffee growers in a country such as Guatemala? (*Poverty in rural areas has increased, people are moving out of the country, and fears about civil unrest have arisen.*)
- What effects has the coffee crisis had on the U.S.? (*The U.S. is experiencing greater immigration, and the war on drugs is in trouble because unemployed coffee growers have taken to growing drugs.*)
- What are the causes of low prices? (*Primarily oversupply, due in part to the demise of the International Coffee Agreement, encouragement of Vietnam to grow coffee to help its economy, and increased output in Brazil due to mechanization and movement of farms away from areas susceptible to frost.*)
- If prices for crops are low but coffee is still expensive in importing countries like the U.S., where is the money going? (*Importers and retailers are making larger profits.*)
- What are some of the actions that have been taken or recommended to deal with the problems experienced by coffee growers? (*Turn coffee beans into fuel, develop consumer-producer price agreements*)

### 4. Read about Fair Trade

Introduce students to the concept of fair trade by distributing the “What Is Fair Trade?” handout. Distribute the “La Voz, A Voice” handout and allow time for students to read it. Conduct a class discussion of the ways in which participation in the cooperative is in the interests of both the individual and the community.

### 5. Consider the Pros and Cons of Fair Trade

Have students look at the websites listed on the “What Is Fair Trade?” handout. These websites promote the benefits of fair trade to both growers and consumers.

Now distribute “At What Price Virtue?” This article offers some different views about fair trade. Have the students fill out the “Fair Trade: Pros and Cons” chart while reviewing this article and the fair trade websites.

### 6. Summarize Opinions about Fair Trade

Inform students that coffee is not the only fair trade product available in the United States. Fair trade chocolate, tea, and fresh fruit are also sold in the United

States. Additional fair trade products are available in Europe; these include honey, sugar, wine, soccer balls, roses, and snacks.

Lead students in a discussion about fair trade.

- Do you think it is a good idea? Why or why not?
- What benefits are there to the growers?
- What benefits are there to you, the consumer?

Designate one side of your classroom to be Yes, and another side as No. Pose the question: Will you buy fair trade products when you go to the grocery store?

Have students stand on the appropriate side of the room for their answer, and choose students to give one reason for their answer. Alternate sides of the room. After about five answers from each side, tell students that if they have changed their minds they should switch sides of the room. This allows students to think for themselves what action they would take.

### **EXTENSION**

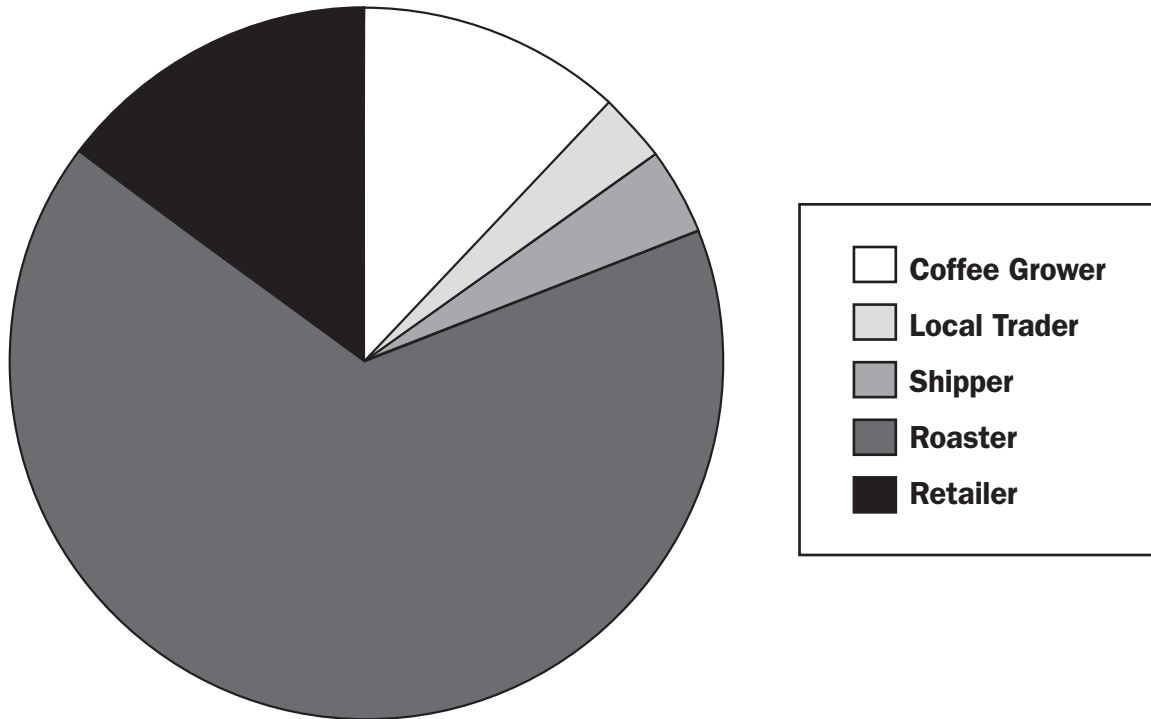
La Voz is currently involved in a cooperative project with Heifer International and Green Mountain Coffee. Distribute the “Introduction to Heifer International and Green Mountain Coffee Roasters” handout.

Next, organize the class into groups of three. In each group, one student should represent La Voz, one Heifer International, and one Green Mountain Coffee. As a group, the three students should try to establish a collaborative project that will bring the resources of each group to bear on the problems of small coffee growers in Guatemala. What can Green Mountain do to help? What can Heifer do to help? What can La Voz do?

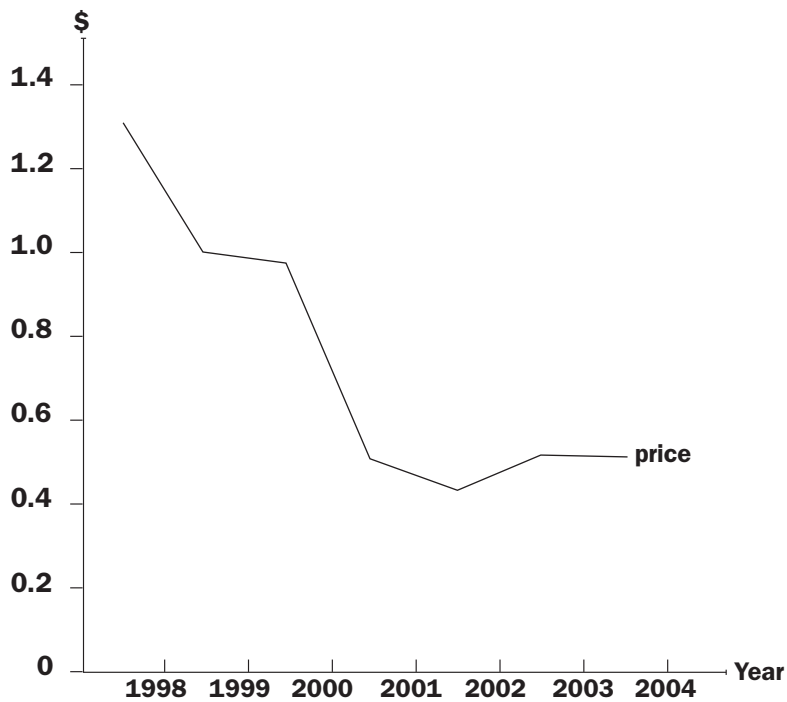
Allow time for students to share some of the ideas that they developed. Then distribute the “Working Together for a Better World” handout and read it with students. How is the actual collaboration among the three groups similar to and different from students’ ideas? How does the collaboration capitalize on the strengths of each group? How might an international collaboration like this one support democracy in Guatemala? What can consumers do to support collaborations like this one?



# Where Does the Money Go?



## What Has Happened to Coffee Prices?



# Mourning Coffee

**San Francisco Chronicle**  
**May 20, 2001**

**By Robert Collier**

La Reforma, Guatemala ... For millions of impoverished farmers worldwide, coffee has become a cruel business. Producer prices have plummeted in recent months to an all-time low, while prices on the retail end are mostly at an all-time high. ... This is the dark side of coffee, the world's second-most-traded commodity after petroleum.

In many coffee-growing countries, crisis is brewing. International coffee prices have fallen by two-thirds since 1997, and no significant recovery is expected. The collapse has worsened rural poverty, spurred immigration to the United States and, in some areas, raised the specter of civil unrest.

In Guatemala, the world's seventh-largest coffee producer, American java lovers' spending habits seem far away indeed. Large farms, where the average wage is \$3 per day, are laying off workers in droves. The price decline's impact is even harder at small farms—those with gross sales of less than \$5,000 annually, which made up four-fifths of the nation's 63,000 farms before the price crash. Around La Reforma, a town in the southwest coffee region, unemployment is rising fast.

"Go up and down the hills around here, and there are lots of farms that have closed, not just mine," said Gonzalo Varillas, who is laying off the last of the 80 workers on his 220-acre coffee farm. "Lots of people depend on me, but I can't continue to lose money like this."

Varillas explained that, as with other growers in the area, it costs him about \$1 to produce each pound of arabica coffee and send it to an exporting firm. In return, he is paid about 50 cents per pound. ...

Over the past two years, Guatemala's annual coffee exports have dropped in half, from \$600 million to \$320 million, and rural unemployment has soared to an estimated 40 percent. ... Some fear that the economic crisis could help undermine Guatemala's 1996 peace agreement, which ended 36 years of war between the government and leftist guerrillas. ...

According to a report issued last week by the international aid agency Oxfam, similar trouble is occurring in many other nations where coffee forms a large part of earnings and small farms predominate—Nicaragua, El Salvador, Ethiopia and Uganda, to name a few. ...

In Mexico, media reports say tens of thousands of people who once made a living from coffee in southern Chiapas state have migrated to the nation's major cities and the U.S. border. ... Today, the U.S. war against drugs in Colombia is being hindered by the flood of thousands of out-of-work coffee

growers and workers to the southern jungles, where there is work in coca farms and cocaine laboratories. ...

... Analysts say U.S. policy has helped cause the decline of coffee prices. In the late 1980s, opposition from the Reagan administration forced the collapse of the International Coffee Agreement, a decades-old, cartel-like pact between coffee producing and consuming nations that guaranteed relatively high prices. After the pact ended in 1989 and the market was deregulated, prices plummeted.

At the same time, the World Bank and its cousin, the Asian Development Bank, gave generous loans to Vietnam to plant huge amounts of low-quality robusta coffee—in line with international lending institutions' mandate to stimulate low-cost production and end market inefficiencies. The strategy succeeded with a vengeance, as Vietnam went from being one of the world's smallest coffee producers to being second-largest, after Brazil.

Vietnamese exports have tripled in the past five years, flooding world markets and driving down prices. At the same time, Brazil has created vast, mechanized plantations of robusta coffee in the center of the nation, far from the damaging frosts that in previous years often affected southern coffee areas and drove up world prices. ...

What's needed is a new version of producer-consumer price agreements, a "global Roosevelt New Deal to ensure that farmers get a fair price and have a level playing field," said Mark Ritchie, president of the Institute for Agriculture and Trade Policy in Minneapolis.

But any such solution would take place too far in the future to help the people around La Reforma. The region's residents, most of whom are Mayan Indians, tramp the roads looking for work. They knock on gates and wait patiently—the men holding their broad-brimmed hats in their hands, the women clutching their shawls. The answer is always the same. No one is hiring.

"Eating?" said Sebastian Alonso, one such job seeker, when asked what he is able to provide for his family at dinner. He thought for a long moment, his eyes blank. "Tortillas, some salt, some hojasanta," he said, referring to a common herb. "That's all."

"What's happening is a catastrophe," said Dr. Alfredo Cordon, the only medical doctor in the La Reforma municipality, which has 16,000 residents. "There's always been poverty and temporary unemployment, but I've never seen real hunger like I do now—people who literally have nothing to eat but tortillas."

# Taking Notes

As you read the article, take notes in the chart below.

<b>EFFECTS OF LOW PRICES</b>	<b>CAUSES OF LOW PRICES</b>	<b>IDEAS FOR SOLVING THE PROBLEMS RELATED TO LOW PRICES</b>

# What is Fair Trade?

Fair trade is a way of buying and selling products that is designed to help the producers/growers make a living wage. Examples of fair trade products include coffee, tea and chocolate.

## **Fair trade is a guarantee that the producers will cover their costs**

Because many products are subject to increases or decreases in market prices, it can be difficult for individuals or families growing a product to make a living. For example, a coffee grower may not earn enough from his or her crop to cover the costs of growing the crop. A fair trade arrangement guarantees that the buyer will pay a minimum price that will allow the growers to make a living and continue farming. If the market price goes over that minimum fair trade price, the buyer will pay the market price. Thus, growers are guaranteed to make at least the minimum they need to cover their costs of production.

## **Fair trade works through cooperatives**

Individual coffee growers join cooperatives (groups of growers). The cooperatives sell directly to importers (skipping the middlemen). The cooperatives are guaranteed a price for their coffee that covers the cost of production. In addition, the buyers pay partially in advance to help the small growers avoid borrowing money. The buyers also promise to purchase for several years so that growers can plan ahead. In return, the cooperatives must:

- Be made up of small growers who use mainly their own and their family's labor to run their farms. A large company with lots of employees could not be part of a cooperative.
- Be democratically run by their members. This means that the members make decisions together. The cooperatives must also be politically independent—they cannot be part of a political party.
- Pursue sustainable development that conserves natural resources and avoid use of agricultural chemicals (although not all fair trade coffee is organic, shade-grown coffee, most fair trade coffee sold in the United States is).
- Help families of growers and communities by helping provide improved health care, education, housing, and water supplies.
- Build the skills of members and improve products.

## **How do I know if I am buying fair trade?**

Fair trade products will have a special label on them. The fair trade Labeling Organization (FLO) is in charge of labels used to show that a product is a fair trade product.

# What Price Virtue?

**The Wall Street Journal, June 8, 2004.**

**By Steve Stecklow and Erin White**

At a Whole Foods Market in suburban Boston, the coffee aisle recently was lined with leaflets promising to donate 5 percent of sales to growers. Labels proclaimed that beans were “purchased in accordance with international fair trade standards.” Pamphlets asked: “Is your coffee fair to farmers?”

The materials reflect a growing international campaign to pay struggling farmers in poor countries more than market rate for commodities like coffee, bananas and chocolate. The extra cash has helped thousands of farmers fund education, health-care and training projects, among other things. ...

But as “fair trade” catches on in the U.S., Europe’s experience shows that the biggest winners aren’t always the farmers ... Sainsbury’s, a British supermarket chain owned by J Sainsbury PLC, has sold fair-trade bananas at more than quadruple the price of conventional bananas—and more than 16 times what growers receive. ...

“Supermarkets are taking advantage of the label to make more profit because they know that consumers are willing to pay a bit more because it’s fair trade,” says Emily Dardaine, fruit-product manager at Fairtrade Labelling Organizations International, or FLO, a Germany-based federation of fair-trade groups. ...

The history of fair-trade products goes back to about 50 years ago, when missionaries arranged to have Western churches sell African handicrafts and return the profits to the villages. In the late ‘60s and ‘70s, “world shops” sprang up in Europe and the U.S., to give sellers in developing countries access to Western markets. The shops purchased craftwork, textiles and commodities such as coffee, tea and honey directly from cooperatives and small farmers, so there were no middlemen to take a cut of the sales.

In 1988, a Dutch foundation introduced a new label for retail coffee that carried the name Max Havelaar, a fictional 19th-century folk hero who campaigned for better treatment of Indonesian workers on Dutch coffee plantations. To carry the label, companies had to pay a minimum price for coffee that guaranteed growers a profit—along with small premiums to fund development projects at their production facilities. That gave growers access to Western consumers without exposing them to swings in commodity prices, which sometimes fall below production costs.

For example, raw arabica coffee beans currently sell for about 82 cents a pound on the world market. The fair-trade minimum price ... is \$1.26. Dean Cycon, chief executive of Dean’s Beans, a wholesale coffee roaster in Orange, Mass., says it generally costs farmers about 60 cents a pound to

produce coffee.

Nonprofits sprang up to launch fair-trade products in other European countries. To improve the certification of fair-trade products, FLO, the German federation, was established in 1997. Working with the various country groups, it certifies producers of fair-trade products, sets minimum prices for goods, verifies that products labeled fair trade really benefit farmers, and works toward introducing a universal fair-trade label. Meanwhile, FLO’s 18 affiliates in North America, Europe and Japan license companies to put fair-trade labels on products.

... Sainsbury’s, which says it sells more fair-trade bananas than any other British supermarket, sells the fruit in bagged bunches of six. A bag of fair-trade bananas, weighing about a pound, recently cost \$2.74 in London. That’s more than four times the price of a pound of regular bananas. ... According to FLO, Dominican Republic fair-trade banana growers receive about 16 cents a pound from middlemen.

A spokeswoman for Sainsbury’s said in a statement that the chain has generated more than \$1.8 million of funds for fair-trade projects since July 2000 that “has gone directly to growers on projects such as improving roads, schools and community projects. ...”

In the U.S., where fair-trade items are just catching on, pricing anomalies already have arisen. Wild Oats Natural Marketplace, a 78-store national supermarket chain run by Wild Oats Markets Inc., of Boulder, Colo., introduced fair-trade organic bananas in January at 99 cents a pound—the same price as regular organic bananas. “We’ve taken a margin hit, but we feel that bringing in the fair-trade bananas is the right thing to do for the farmers,” says a spokeswoman. In late 2002, the chain introduced fair-trade bulk organic coffee at \$9.99 a pound, the same price as regular bulk organic coffee.

Paul Rice, chief executive of Transfair USA—an Oakland, Calif., FLO affiliate that licenses certified fair-trade products for U.S. companies—says he believes his organization shouldn’t interfere in what companies charge for fair-trade products, and that on average their retail cost is 10% to 15% more than comparable goods in the U.S.

“As a core philosophy, fair traders believe in as little market intervention as possible,” he says. Regulating retail prices goes against the idea of “using the market as a vehicle for creating a win-win scenario for farmers and for industry” as well as consumers. The growth of fair-trade sales in the U.S., he says, suggests that “millions of U.S. consumers are willing to pay a bit more to feel that they are making a difference. ...”

# Fair Trade: Pros and Cons

Look at the article “At What Price Virtue?” and the following websites of fair trade organizations:

## **Fair Trade Labeling Organization International**

<http://www.fairtrade.net/>

## **Fair Trade Foundation**

<http://www.fairtrade.org.uk/index.htm> and click on “about fair-trade”

## **TransFair USA**

<http://www.transfairusa.org/>

What are some pros and cons you see regarding fair trade? Use the chart below to take notes.

FAIR TRADE	
PROS	CONS

# La Voz, A Voice

In 1977, a small group of men and women met under a cottonwood tree (the national tree of Guatemala) in San Juan La Laguna, Guatemala. Organizers of the meeting explained that they wanted to form a cooperative that would work to “procure the economic and social improvement of members and develop agricultural activities, especially coffee, onions and other national crops. The 35 members of the new organization wanted a name that would represent the town’s patron saint, St. John the Baptist. They chose the name “La Voz que Clama en el Desierto,” which means “A Voice Crying in the Wilderness.” The name was picked because



John the Baptist preached in the desert. Do you think the name has another meaning as well?

Today, the cooperative, with headquarters near Lake Atitlan almost a mile above sea level, has more than 100 members, most of whom produce certified organic fair trade coffee. The cooperative owns its own coffee mill and sells directly to importers and roasters in North America and Europe.

With the drastic fall in the price of conventionally grown coffee, a number of coffee growers who do not belong to the cooperative have had to sell their land and leave the area to find jobs. The La Voz members, however, have been able to stay on their land and continue growing coffee.

The members of La Voz have decided democratically how to use the income generated through the co-op. Some of their accomplishments are:

- Contributing to local schools. The children of co-op members are much more likely to attend elementary and secondary school than children of other families.
- Build a mill and improve their drying facilities.
- Invest in better farming techniques by terracing their land, planting shade trees, and diversifying their crops.
- Hire an agricultural expert who helps the growers produce the highest quality coffee possible.

As the general manager of the cooperative, Benjamin Cholotio, has said, “With the extra income earned from coffee sales to the fair trade market we are working on coffee quality, credit, training and education. We are very fortunate. The fair trade price has given us hope.”

# Introduction to Heifer International and Green Mountain Coffee Roasters



## Heifer International

Heifer International is a not-for-profit organization with headquarters in Little Rock, Arkansas, and projects in more than 50 countries. Heifer's mission is to end hunger and poverty by working with communities. The animals provide food and income for the families. The income can be used for education, clothes, health care, housing, and to start small businesses. Heifer trains partners in environmentally sound, sustainable agriculture practices.

Families receiving animals from Heifer must agree to "pass on the gift," meaning that they give some of the offspring of their animals to others. They also share their knowledge and skills to help others become more self-reliant.

Heifer has been using this approach, which also stresses gender equity and organizational development—helping communities learn the skills needed for business success—for 60 years.

## Green Mountain Coffee Roasters

Green Mountain Coffee Roasters is a business located in Waterbury, Vermont. Started in 1981, the company focuses on roasting high-quality coffee. As a roaster, Green Mountain buys and imports coffee from around the world. Like all businesses, Green Mountain seeks to make a profit for its investors. However, Green Mountain is also committed to a socially responsible approach, one that will help to "improve the environment and to make our local and global communities better."

Green Mountain buys fair trade and organic coffee beans. It also contributes to a variety of projects designed to improve life in coffee-producing countries. For example, GMCR has helped coffee cooperatives build facilities, supported efforts to provide health care in coffee-growing communities, and has helped families affected by drought.

Green Mountain also works collaboratively with U.S. government programs. Green Mountain has an agreement with the U.S. Agency for International Development to work with this government agency to find ways of addressing the economic, social and environmental problems in the coffee business.



# Working Together for a Better World

On November 9, 2002, Heifer International and Green Mountain Coffee Roasters entered into a long-term partnership to jointly support coffee farmers around the world.

Coffee farmers will receive animals and training from Heifer. The animals will provide incremental food for more balanced nutrition and organic fertilizer for coffee shrubs. Farmers will also get another source of income by selling, for example, eggs and animals when coffee prices fall below what growers need to make a living. GMCR will provide a market for farmers who grow coffee in a sustainable way, one that protects the fragile ecosystem of many coffee-growing regions, while producing the superior Arabica beans the company requires. A portion of the proceeds from some GMCR products will be used to buy animals to be donated through Heifer. Together, Heifer and GMCR will seek to educate consumers about the importance of buying sustainable coffees.

The first collaborative Heifer-GMCR project is located at the LaVoz Cooperative. In this project, Heifer is initially providing 12 of the 116 families associated with the cooperative with California Red Worms, with chickens, and with training in their care. The worms will be used to turn partially decomposed coffee pulp into fertilizer and will be a source of food for the chickens. Manure from the chicks and the decomposed coffee pulp will be used as organic fertilizer for the coffee shrubs. The eggs will help with balanced nutrition for the families. Once the project matures, extra worms, chickens and eggs can be sold for additional income.

While the LaVoz families have been working on their organic certification for the past ten years (they are already certified as fair trade growers), they have never had their own source of organic fertilizer. Thus, receipt of worms and chickens from Heifer is especially meaningful. Once the project is in full swing, the growers will no longer have to buy the expensive organic fertilizer.

Prior to their work with Heifer, the LaVoz Cooperative already had a relationship with Green Mountain Coffee. Green Mountain buys their organic, fair trade coffee. Green

Mountain also provided LaVoz with money to build a concrete drying patio and warehouse to help protect the quality of the coffee during harvest.

The LaVoz cooperative members were at first skeptical of Heifer's participation. After several meetings between the LaVoz farmers and Heifer's staff, the LaVoz farmers decided they would participate in the training necessary to get their livestock and agreed to Heifer's "passing on the gift" requirement.

The first trainings Heifer conducted at LaVoz were on livestock care and maintenance. Families learned how to build worm beds and chicken coops and how to care for the animals.

On November 9, 2003, LaVoz received its first Heifer delivery—200 pounds of California Red Worms. A dozen men, one woman, and a little boy all gathered to receive the worms. After the LaVoz president formally thanked Heifer, the families split up the worms into 13 groups, one to be left at the cooperative, 12 going home with individual families. Adrian Joj Socop, President of the LaVoz Cooperative said, "We are very pleased to finally begin our work with Heifer, to have a useful new resource." The families were excited as they walked away hugging boxes, black plastic cones and buckets—the containers they brought to transport the worms home. One elderly man took a final look in to the blue barrel the worms were delivered in, just to be sure none were left.

LaVoz members already possess knowledge about growing high quality, organic coffee. Heifer hopes LaVoz families will help Heifer technicians better understand how to grow high-quality organic coffee. The new planting techniques, three heights of growth—trees, coffee shrubs, and ground cover—keep the fertilizer from running off land, polluting the water in the Lake Atitlan watershed. Says Jonathan Guzman, Heifer's Guatemala Country Director, "Sustainable agriculture, combined with Heifer's livestock and community development training, is the best way for a coffee farmer to ensure a good future for himself and his descendents."

Excerpted and adapted from Heifer International release.

**For more information, go to [www.heifer.org](http://www.heifer.org)**

# Focus on Child Labor



## INTRODUCTION

The banana industry attracts many “stakeholders.” In this lesson, students read excerpts from a report on child labor in Ecuador. They role-play, as corporate executives, to defend the company’s labor policies.

## OBJECTIVES

At the end of this lesson, students will be able to:

- Describe the dimensions of the child labor problem in the banana industry.
- Take and defend a position on child labor from the viewpoint of a banana company executive.
- Explain the role of international nongovernmental organizations (NGO’s)
- Identify ways consumers in the United States can respond to issues in the banana industry.

## STANDARDS

### Geography

- **Standard 11:** The Patterns and Networks of Economic Interdependence on Earth’s Surface
- **Standard 13:** How The Forces of Cooperation and Conflict Among People Influence the Division and Control of Earth’s Surface.

### Economics

- **Standard 1:** Scarcity
- **Standard 10:** Role of Economic Institutions

### Civics

- **Standard IVA:** How is the world organized politically?
- **Standard VE:** How can citizens take part in civic life?

### Science in Personal and Social Perspectives

- **Standard:** Personal health

### Language Arts

- **Standard 4:** Students adjust use of spoken, written and visual language to communicate effectively with a variety of audiences and for different purposes.

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## MATERIALS AND PREPARATION

- “Stakeholders in the Banana Business” handout
- “Human Rights Watch Report on Child Labor” handout
- “Deciding on a Corporate Policy” handout

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## PROCEDURE

### 1. Study Child Labor and Stakeholders

Ask students if they could quit school tomorrow and get a full time job. (*No.*) Why not? (*Because the United States has laws requiring students to attend school and laws prohibiting child labor.*) Point out that not all countries have such laws; still other countries have such laws but do not enforce them.

**Ask Students:** Who would want children to work? Why? (*Answers might include companies, who need cheap labor; parents, who need additional income for their families; children, who want to make money.*) Who would not want children to work? Why? (*Labor unions and other groups that want to protect children.*)

Tell students that the people or groups they mentioned are some of the stakeholders in the banana business. Stakeholders are the people or groups who have a vested interest in a business, organization, or issue. In this lesson, students are going to look at how stakeholders in one business—the banana industry—feel about child labor.

Distribute the “Stakeholders in the Banana Business” handout and review the information with students.

**Ask Students:** Do all stakeholders have the same position on issues affecting the banana industry? (*No, because their interests are different.*)

### 2. Reading and Discussion: Child Labor in the Banana Business

Tell students that in 2002 a nongovernmental “watchdog” organization, Human Rights Watch, issued a report on child labor in the banana industry in Ecuador. Distribute “Human Rights Watch Report on Child Labor” and explain that it presents excerpts from this report. Allow time for students to read the handout. Then lead a class discussion using the following questions.

- Why might the government of Ecuador allow child labor laws to be violated? (*Some possible answers include: Government officials might not have the resources to enforce the law; the economy would suffer if exports fell.*)
- Do you think the collapse of Ecuador’s economy in the late 1990s might have something to do with the government’s actions? (*The government might be desperate to increase economic activity.*)
- In 2002, the owner of the largest Ecuadorian banana company (and fourth largest in the world), Noboa, unsuccessfully ran for the nation’s presidency.



There have been rumors that other Ecuadorian politicians have financial interests in the banana industry. How might this affect enforcement of international child labor laws? *(If government officials profit from the banana industry, they might be less likely to enforce laws that have negative effects on the banana industry.)*

- Why might parents allow their children to work on the banana plantations? *(Because they need the income to pay their bills.)*
- How did Human Rights Watch gather the information included in the report? *(Researchers spent three weeks in Ecuador and interviewed numerous banana workers.)*
- Do you think non-governmental organizations should play an important role in monitoring issues like child labor? Why or why not? *(Answers will vary.)*
- What should the international community do about information contained in this report and others like it? What should the multinational corporations do in response? *(Answers will vary.)*

### **3. Choose a Policy for a Fruit Company**

Remind students that corporations are important stakeholders in the banana business. Corporations make decisions that affect many other stakeholders. Tell students to imagine that they are executives of a large multinational corporation that produces bananas in Ecuador. They must decide what their company will do about child labor. Distribute the “Deciding on a Corporate Policy” handout and allow time for students to complete it.

Discuss some student answers. To wrap up the discussion, remind students that they, as consumers, are stakeholders in many industries, and that their buying actions can convey what issues they care about.

### **EXTENSION**

Have students monitor newspapers, newsmagazines, television news broadcasts, and major Internet news sites for several weeks to look for evidence of the activities of NGOs and multinational corporations. Are the activities of these organizations evident in the news? What kinds of activities are covered? Do NGOs play an important role in international relations?



# Stakeholders in the Banana Business

The banana industry has many stakeholders—people or groups with an interest in how the industry runs. The following is a list of some of those stakeholders.

**Multinational Corporations.** Multinational corporations are companies with production and distribution facilities in more than one country. Three American companies—Dole, Del Monte, and Chiquita—are among the biggest producers of bananas in Ecuador. An Ecuadoran company, Noboa, is also a large producer (Noboa sells Bonita brand bananas). The companies' primary goal is to make money. However, companies also recognize that, if consumers do not have a positive image of their company, their profits will suffer. Some company officials are also concerned about environmental and social issues.

**The Government of Ecuador.** The government of any country in which an industry operates is a stakeholder. It is responsible for enforcing its own laws. It is also responsible for enforcing international laws. Unfortunately, corrupt government officials sometimes look the other way when laws are violated because they will benefit personally if the company makes money. The government is also interested in having a thriving economy so that its citizens can earn the money they need for food, shelter, clothing, and the other needs of daily life. Ecuador's economy was not thriving in the late 1990s.

**Labor Unions.** Banana workers need jobs so that they can buy the things they and their families need. Labor unions fight for good wages and safe working conditions for workers.

**Parents of Child Workers.** While parents might prefer to have their children stay in school rather than work, the harsh reality is that many families are so poor that they would not have enough to eat unless the children also go to work. Thus, rather than let the family go hungry, parents sometimes prefer to have their kids work. If they are desperate enough, they might even let them risk working under dangerous conditions.

**Non-governmental Organizations.** Non-governmental organizations (NGOs) are independent associations of citizens who share some common concern or philosophy. They work to advance their views. NGOs often serve as “watchdogs.” For example, Human Rights Watch monitors the banana industry in Ecuador to see if it is violating international laws related to human rights. Fair trade groups are also non-governmental organizations concerned about bananas. To be certified as fair trade, bananas must be grown in a way that protects all workers' rights.

**Other Governments.** Governments of other countries are also stakeholders. For example, the European Union has had an interest in supporting the banana industry in countries that were former colonies. Thus, in 1994 the EU established quotas for bananas not grown in former colonies. The United States has an interest in helping its companies achieve profits and therefore fought (and ultimately defeated) the EU's quota system in the World Trade Organization.

**Consumers.** People who buy and eat bananas are also stakeholders in the industry. Some consumers care most about having inexpensive bananas. Others want to know that their bananas were grown in a way that does not harm the environment, or that workers were not harmed in the growing of the bananas.

# Human Rights Watch Report on Child Labor on Banana Plantations in Ecuador

*“When the planes pass, we cover ourselves with our shirts... We just continue working... We can smell the pesticides.”*

**Enrique Gallana, a fourteen-year-old working on plantation San Carlos**

Roughly one quarter of all bananas on tables in the United States and the European Union are grown on plantations scattered along Ecuador's coast, where workers' international labor rights are flouted daily. . . . Nor do those laws fully meet international standards. Ecuadoran children as young as eight labor in banana fields and packing plants where they are exposed to toxic pesticides and other unsafe working conditions in violation of their rights, while adult workers toil in the same hazardous worksites, often with little or no job security...

In May 2001, Human Rights Watch conducted a three-week fact-finding mission in Quito and the Guayas and El Oro provinces in Ecuador to investigate child labor and obstacles to freedom of association in the banana sector. During the investigation, Human Rights Watch spoke with seventy current and former banana workers, adults and children, whose real names are not used in this report to protect them from potential employer reprisals.

## Child Workers

Human Rights Watch interviewed forty-five children who had worked or were working on banana plantations in Ecuador. Forty-one of them began in the banana sector between the ages of eight and thirteen, most starting at ages ten or eleven. They described workdays of twelve hours on average and hazardous conditions that violated their human rights, including dangerous tasks detrimental to their physical and psychological well-being. The children reported being exposed to pesticides, using sharp tools, hauling heavy loads of bananas from the fields to the packing plants, lacking potable water and restroom facilities, and experiencing sexual harassment. Children told Human Rights Watch that they handled insecticide-treated plastics used in the fields to cover and protect bananas, directly applied fungicides to bananas being prepared for shipment in packing plants, and continued working while fungicides were sprayed from planes flying overhead. Sometimes the children were provided protective equipment; most often, they were not. These children enumerated the various adverse health effects that they had suffered shortly after pesticide exposure, including headaches, fever, dizziness, red eyes, stomach aches, nausea, vomiting, trembling and shaking, itching, burning nostrils, fatigue, and aching bones. Children also described working with sharp tools, such as knives, machetes, and short curved blades, and three pre-adolescent girls, aged twelve, twelve, and eleven, described the sexual harassment they allegedly had experienced at the hands of the administrator of two packing plants where they worked. In addition, four boys explained that they attached harnesses to themselves, hooked themselves to pulleys on cables from which banana stalks were hung, and used this pulley system to drag approximately twenty banana-laden stalks, weighing between fifty and one hundred pounds each, over one mile from the fields to the packing plants five or six times a day. Two of these boys stated that, on occasion, the iron pulleys came loose and fell on their heads, making them bleed.

Fewer than 40 percent of these children were still in school at age fourteen. When asked why they had left school to work, most answered that they needed to provide money for their parents to purchase food and clothing for their families, many of whom also relied on the nearby banana plantations for their income. Though important for their families, the average income contributed by the children with whom Human Rights Watch spoke was only U.S. \$3.50 for every day worked—roughly 64 percent of the average wage earned by the adults interviewed by Human Rights Watch and 60 percent of the legal minimum wage for workers.

If applied, Ecuadoran laws governing child labor could go a long way to protecting the human rights of these children—preventing them from laboring in conditions that violate their right to health and development. If implemented, the laws could also prevent children from engaging in employment likely to interfere with their right to education. Nonetheless, the Ministry of Labor and Human Resources (Ministry of Labor) and the juvenile courts—from which employers must obtain authorization prior to hiring any child under fourteen—fail to fulfill their legally mandated responsibility to enforce domestic laws governing child labor, and the other governmental entities commissioned to address children's issues do not include child banana workers in the scope of their activities. The result is an almost complete breakdown of the government bureaucracy responsible for enforcing child labor laws and preventing the worst forms of child labor in Ecuador's banana sector.

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Excerpted from Tainted Harvest: Child Labor and Obstacles to Organizing on Ecuador's Banana Plantations (New York: Human Rights Watch, April 2002). <http://www.hrw.org/reports/2002/ecuador>. Reprinted by permission. Copyright © Human Rights Watch 2003.

# Deciding on a Corporate Policy

You are an executive at a company that buys bananas from Ecuadoran growers. You sell the bananas in the U.S. and Canada. You have read the child labor report from Human Rights Watch. You must decide what to do. Here are some options:

- 1.** You can ignore the problem and continue buying bananas from the growers you are using, even though you suspect they are using child labor.
- 2.** You can announce that you will not buy bananas from growers who use child labor.
- 3.** You can announce that you will not buy bananas from growers who use child labor and send people from your company to monitor the growers.
- 4.** You can announce that you will only buy bananas from companies that use only adult workers and provide a fair wage and benefits to their workers. You also announce you will send people from your company to monitor the growers.

Which policy will you adopt? Think about the costs and benefits of each option. Then write a brief paragraph explaining the reasons for the policy you have adopted.

# Reporters at Work



## INTRODUCTION

This unit-concluding lesson allows time for students to work in their product groups. In these groups, they can make notes about issues related to the people who produce the items they are studying. If time permits, they may also conduct some additional research on these issues.

## OBJECTIVES

At the end of this lesson, students will be able to:

- Identify labor issues related to the production of their assigned item—bananas, coffee, or cut flowers.
- Describe how fair trade applies to their product.

## STANDARDS

### Economics

- **Standard 1:** Scarcity
- **Standard 2:** Marginal Cost/Benefit
- **Standard 5:** Gain from Trade

### Geography

- **Standard 11:** The Patterns and Networks of Economic Interdependence on Earth's Surface

### Language Arts

- **Standard 7:** Students conduct research on issues and interests by generating ideas and questions, and by posing problems.

## MATERIALS AND PREPARATION

- “Labor Issues in the Flower Industry” handout
- “Labor Issues in the Coffee Industry” handout
- “Labor Issues in the Banana Industry” handout
- Note cards
- Internet or library/media center access

## PROCEDURE

### 1. Review Facts Learned

Review with students major points from the three lessons you have taught about

who produces the consumer items they are studying—bananas, coffee, and cut flowers. Tell students that in this lesson they will have an opportunity to work in their product-based groups. Students will make notes on important information about who grows the products they are studying.

## 2. Work in Small Groups

Organize students into their product-based groups and give members of each group the handout on their product. Allow the rest of the period for groups to:

- Read and discuss the handout
- Examine the list of questions generated in the introductory lesson
- Determine which questions have been answered by information in the handout or in the completed lessons
- Make notes on important information students may want to use in their articles
- Review what students have learned about how fair trade applies to their product

If time and resources permit, you may want to allow time for groups to do additional research on issues related to the people who grow their assigned products.

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### EXTENSION

Encourage students to find out what, if any, agricultural products are exported from your state. Do the people who grow these products make a decent living? What problems do they face? What do they enjoy about their work? You may want to invite a local farmer to visit your class and talk about the economic issues facing farmers, as well as the benefits they experience as farmers.



# Labor Issues in the Flower Industry

There are a number of issues related to workers and working conditions in the flower industry. Some of these issues are:

- Flower workers usually make a little bit more than the minimum wage. Often they cannot support their families on their earnings. During the peak growing season, workers are asked to work long hours—as much as 60 hours per week. Many are not paid overtime.
- Workers feel pressure to do more work. For example, growers ask workers to tend more flower beds than they used to.
- Many workers are hired on a temporary basis. They do not receive benefits. For example, their employers do not pay into the social security system—the fund that provides money to people when they retire.
- Many flower workers do not have access to good medical care or other social services. At the same time, many workers have health problems caused by the pesticides they are exposed to at their jobs. Pesticide exposure is one of the most serious problems facing flower workers. Too often, proper safety precautions are not taken, making problems even worse. Nearly two-thirds of Colombian flower workers suffer from illnesses that may be linked to pesticides. One-fifth of the chemicals used in Colombian flower-growing have been restricted in the United States because of safety concerns.

Only about 20 percent of flower workers belong to unions. Labor unions help workers get better working conditions. Sometimes flower growers have fired union organizers. They may give workers better jobs if they promise not to join a union. Temporary workers can't join unions.

Child labor is an issue in the flower industry—though it is not always illegal. Colombia allows children between the ages of 12 and 17 to work during the day, as long as the activities they are doing are not harmful to them. Most children working in the flower business are over the age of 15. For many families, having a child working is a way to increase the family's income.

Some flower growers are working hard to improve conditions for their workers. They have signed an International Code of Conduct for Production of Cut Flowers. As yet, fair trade flowers are not available in the United States. However, a Fair Flowers Campaign is underway in the United States. This campaign is a project of the International Labor Rights Fund.



# Labor Issues in the Coffee Industry

Much of the coffee grown worldwide is produced on small farms by individual growers. During the harvest season, all members of the family – from children to grandparents help with the work. The harvest is often a time of celebration for the families, even though the work can be hard and the hours long. The family gets to spend their days together and they know income for the year is on its way.

**A 1999 report on the coffee industry by an NGO in Guatemala said:**

Labor relations in the coffee industry have changed little in the last century. The coffee harvest continues to depend on a massive influx of migrant workers who sell their labor to supplement the meager income generated by their small plots of lands in the central highlands.

Most medium to large farms have a small permanent labor force called colonos. ... Historically, colonos have complained of indentured servitude as some farms promote indebtedness through credit offered at the company store, loans for emergency healthcare, or rental fees charged for access to land for planting. ...

Large majorities in all the communities studied report lack of payment of overtime and legally mandated employee benefits. Almost half report lack of compliance with the legally mandated minimum wage. Anecdotal evidence from our focus groups demonstrates similar problems with child labor, discrimination against women, legally-mandated health and safety programs, educational services and hygienic living conditions (Coffee Workers in Guatemala: A Survey of Working and Living Conditions on Coffee Farms, Guatemala: Coverco, February 2000, <http://www.coverco.org/eng/media/media-2216.pdf>).

While there are reports of child labor problems on coffee plantations, the problem has not been studied extensively and information about this is hard to obtain.



# Labor Issues in the Banana Industry

Banana growers in the Caribbean nations tend to be small farmers. They confront the problems faced by small farmers around the world—high costs and not enough income. Bad weather, such as hurricanes, can be a disaster for these small farmers. Even if the crop is a good one, the producer may only receive 5 percent of the bananas eventual selling price.

In Central and South America, most bananas are grown on large plantations. These plantations are either owned by or working for the large banana companies. Working conditions on these plantations are not always good. Bananas workers often work long hard days—up to 14 hours or more—and are not paid overtime. Wages are often low.

Workers may not have access to medical care or education. A female worker who has a baby does not get maternity leave. Often, the company that owns the plantation controls everything in the community. The company owns the schools, the health care clinics, all of the housing, etc. Workers can owe huge debts to the companies they work for.

In some countries, many workers do belong to unions that help them work for better conditions. In other countries, the companies take action to prevent workers from joining unions. Workers may be threatened if they favor unions. Union leaders have been fired and prevented from getting new jobs.

Pesticides are a problem for banana workers. Much of the pesticides are applied by spraying. This method results in a lot of chemicals dispersing through the air. Chemicals land on workers' gardens and in the water. Frequent exposure can cause many health problems for workers and people living near the plantations. These problems include a high rate of leukemia and birth defects.

New techniques and methods have been introduced to improve the way bananas are grown. For example, fair trade bananas are available in the U.S. and other importing countries.

