

## Padua 2017 Abstract Submission

### I want to submit an abstract for:

Conference Presentation

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### Research Question

Sustainability standards for coffee and wine cover environmental, social and economic aspects. How do the two sectors compare regarding origin and development of the standards, training, monitoring and certification?

### Methods

The two products and sectors are analysed through desk research and visits to organizations, research institutions, conferences, growers, producers, companies, certifiers and individuals in producing and consuming countries.

### Results

Origin and initial rationales behind the two sectors' standards differ. The standards for coffee are often more complex than for wine, which is not the same as 'easy for wine.'

### Abstract

Sustainability standards have been widely used for both coffee and wine in the last two decades for several reasons: they are good for the nature (soil, water, climate, CO<sub>2</sub> emission, flora and fauna), good for the workers (health, remuneration and work conditions in general), good for the consumer (health and taste, maybe), good for transparency and traceability, and generally good for the image of all parties involved, including the end-consumer.

#### 1. Sustainability standards for coffee and wine – initiated with different objectives

The sustainability standards for coffee were initiated and developed as guidelines by parties in the importing countries in the 1980s. Initially after pressure from user groups in Europe that asked delicate questions about payments and working conditions for coffee farmers. This was the beginning of the Max Havelaar and Fairtrade movements.

Standards for wine have another origin. They were initiated by grape growers who had themselves made observations in the vineyards. They raised concern about the environment on their land and the health of those exposed to pesticides and fertilizers.

In other words – coffee standards were developed top-down with focus on social aspects (farmers) whereas wine standards were established bottom-up primarily for environmental reasons (nature). Most of the sustainability standards in both sectors nowadays cover all three dimensions: environment, social and economic.

#### 2. Sustainability standards – more complex for coffee than for wine

Sustainability standards are in several ways more complex for coffee than for wine regarding development of the standards, training, monitoring and certification. 'More complex for coffee than for wine' is not the same as 'easy for wine.'

Here are four reasons why sustainability standards are more complex for coffee than for wine:

(i) Coffee standards are global

The leading sustainability standards for coffee are used worldwide. The conditions for compliance with a standard are the same for all partners in all countries apart from minor deviations under special circumstances. The most prominent standards for coffee are Organic (with focus primarily on the environmental dimension), Fairtrade (covering primarily the social aspects) and three standards covering all three dimensions: Rainforest Alliance, UTZ Certified and 4C.

The Common Code for the Coffee Community (4C) is a business-to-business standard without logos and labels on the retail packs. The number of trading houses, roasters and brands adhering to 4C is growing – since 2016 under the name Global Coffee Platform or GCP. 4C is today the world's most widely used sustainability standard for coffee.

These leading standards are all practiced in more than half of the over 60 coffee-producing countries. A few prominent brands like Starbucks, Nespresso and Keurig Green Mountain have their own three-dimension standards that are certified by third parties.

Sustainability standards for wine are different. Most of them are developed for – and used in – one country or one region only. These wine standards are developed in-country and adapted to conditions in that country or region. Many of the participants have themselves been part in establishment of the rules that are adapted to the environmental, social and economic conditions in their country or region. (How high shall we set the bar?) In addition the wine community has the advantage of having all participants nearby or at least in the same state or country, and in most cases they speak the same language.

Among the many examples of such nationwide sustainability standards for wine are those practiced in Austria, South Africa and New Zealand. The standards for California and Sonoma County are examples of regional and sub-regional standards used in the United States.

(ii) A long value chain with many participants

The value chain in coffee is longer and more complex than in wine. All parties have to be part of and comply with the standard, which means that (a) many producers are involved (sometimes thousands of smallholders), (b) many stages of physical transformation must be adapted for compliance, monitoring and certification, and (c) the coffee is handled by many parties, who are often unknown to each other and may live 10,000 km apart.

As an example it is a major task to assess, train, monitor and inspect a Ugandan cooperative's 5,000 smallholders who live scattered and speak four different languages. The 5,000 smallholders produce less than one percent (1%) of all coffee in Uganda and Uganda produces only two percent (2%) of the world's coffee.

(iii) Geographical spread and blends

There are more than 60 coffee-producing countries. Most roasted coffees are blends based on input from two, five or even ten origins and each of these coffees has to comply with the sustainability standard. That is a logistic challenge as the coffees come from different parts of the world. The complexity with blends has made Rainforest Alliance sometimes indicate, as an example, that '40% or more of this coffee is Rainforest Alliance certified.' The statement may refer to one out of three coffees in a blend.

Wines may also be produced as blends but usually with just a few varieties and the grapes come from the same estate or at least the same region.

(iv) Participants' education

Around 80% of the world's coffee is produced by smallholder growers in Honduras, Rwanda, Indonesia and more

than 50 other developing countries. Participants in sustainability programmes in coffee-producing countries are generally not as well educated and do not have the same access to information as the grape growers, the wine producers and other parties in the wine business. Sustainability schemes for coffee sometimes use training material without words – just illustrations. The 4C standard uses a colour coding (red-yellow-green) for compliance with various farm practices that are explained with a series of pictures only.

It is interesting to see that gradually there has been more and more focus on the economic dimension in both coffee and wine. The reason being that the small coffee farms and wineries have to be viable businesses as it is otherwise not possible to secure the long-term care about the environment and the social aspects.

The findings in this comparison of coffee and wine will be part of a book on the two products and the two sectors. It is a technical juxtaposition of similarities and differences from which the two sectors can also learn from each other. The book is slated for publication in 2018.