



Instant sustainability

Why the Nescafé Plan fails
to benefit farmers

Public Eye

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Executive Summary

Coffee is a global billion-dollar business dominated by a handful of multinational corporations. The undisputed number one in the roasting business is the food giant Nestlé, headquartered in Vevey, Switzerland, and renowned for brands such as Nescafé and Nespresso. Switzerland also hosts many of the largest green-coffee traders, which supply the roasting companies with the raw material, so this country located at the heart of Europe is actually the world's largest coffee trading centre.

Therefore, Switzerland bears a lot of responsibility in an industry in which the billions generated in profits by multinational companies represent an increasingly stark contrast to the conditions under which the raw material is produced. The fact is that the majority of coffee farmers worldwide do not earn a living income. Indeed, the share of added value that goes to them as producers, far from increasing in the last 20 years, has continued to decrease.

The same period has seen the proportion of “certified” coffee increase at an astronomical rate. Nestlé is currently providing the assurance that, from next year, 100 percent of its coffee will be “responsibly” sourced. This promise is primarily based on the Nescafé Plan launched in 2010, the sustainability programme for, by far, its most important coffee brand. This programme, in turn, is largely based on 4C certification, an industry-related sustainability standard co-developed by Nestlé.

However, our extensive desk-based research and on-the-ground investigations in Espírito Santo, Brazil and in the Mexican region of Soconusco have produced the following findings. Contrary to Nestlé's own assurances, the Nescafé Plan has delivered very few visible improvements in these locations. The 4C label is a very low bar in terms of requirements, which often do not go beyond compliance with legal provisions, and are poorly monitored and enforced on the ground. Supported by its flagship sustainability programme, the industry leader promised to create added value for everyone involved in the value chain: from producers to Nestlé itself. The former were to benefit from being given training and productive plantlets. But the Nescafé Plan ignores one key factor: the price paid to farmers. The fact that they produce coffee under this programme, which is then marketed as "responsible", does not mean that they receive more money for it. On the contrary, the company is intent on buying the raw material as cheaply as possible.

In Soconusco, Mexico, Nestlé uses its quasi-monopoly position to keep prices low, with the result that farmers can barely cover their production costs and feed their families despite the Nescafé Plan. At the same time, Nestlé is relying on the availability of particularly low-cost mass-produced coffee in Vietnam and Brazil, which Mexican producers can hardly compete against. These are the two countries from which Nestlé buys most of the raw material used to produce Nescafé, where the majority of the coffee is produced on shadowless intensive monocultures – and often not very environment-friendly. The land in the Brazilian state of Espírito Santo is flat, enabling partial mechanization, which on the one hand facilitates the harvest operation – which is otherwise performed by hand – but, on the other, poses major hazards for workers. The harvesting machines, which weigh several tonnes, often have serious safety deficiencies, resulting in the repeated occurrence of serious accidents. In general, farm labourers pay a high price for the production of cheap coffee: many toil for starvation wages and in inhumane conditions, but on top of that many farmers cannot afford to pay their employees a living wage. In both Espírito Santo and Soconusco, there is an ever-dwindling number of people who are willing to do this work, resulting in an acute labour shortage.

The sobering conclusion from all this is that, despite the grandiose promises made, the people who grow the raw material for Nestlé in two of its most

important production countries benefit little or not at all from the Nescafé Plan. All around the globe, the vast majority of these people are still nowhere near earning a living income. Nestlé's sourcing priorities and economic interests are clearly at odds with its sustainability promises.

In order to counter the worsening crisis affecting coffee production – including the impact of climate change – regulations are urgently required to ensure that global coffee companies operating in a booming market assume their responsibility and pay the producers prices that enable them to live a decent life.



Coffee farming is a labour of love in Chiapas: mural in the courtyard of the Museo del Café in San Cristóbal de las Casas, Mexico.



Harvesting coffee manually at a Nescafé Plan plantation in Águia Branca, Espírito Santo, Brazil.
Like many others in the region, the farm also uses harvesting machines. | © Lela Beltrão

1

Millions losing out in billion-dollar business

“When you buy a coffee, you pay a lot,
but those who sell coffee get very little.”

Coffee farmer in Veracruz, Mexico, when asked why many
young people no longer want to work in coffee farming.

1.1 – COFFEE FARMERS AND WORKERS CAUGHT IN THE POVERTY TRAP

Coffee is one of the most popular beverages in the world, which means good business: it generates several hundred billion US dollars in sales every year.¹ The raw material required to achieve this is mostly produced by around 12.5 million smallholder farmers in tropical and subtropical countries in Africa, Asia and Latin America, on farms with only a few hectares of cultivated land. They hardly benefit from this major business – on the contrary, at least 5.5 million of them, i.e. just under half, live below the international poverty line.² Half of this number, in turn, earn less than \$1.90 per day.³ In many cases, what producers receive for their coffee beans is not even enough to cover production costs.

Workers on coffee farms also live an extremely precarious existence. Especially during the harvest, which is mainly done by hand, nothing can be done without them, neither on large plantations nor on small farms. According to a current estimate – there are no official figures available – up to 100 million people work either on farms or in primary processing and local trade.⁴ There is hardly any information available about their working conditions and remuneration. But even the little information that is available is alarming.

According to the International Labour Organization (ILO), for example, statutory minimum wages are not respected in many places, and coffee workers often earn even less than workers in other – also poorly paid – agricultural sectors.⁵ Women are particularly hard-hit by low wages. In many countries, instances have also been documented of labour laws and child labour regulations being systematically circumvented. For example, slavery-like conditions have been found on plantations in Côte d'Ivoire and Brazil.⁶ And the fact that many farmers, especially smaller ones, can hardly afford to pay their workers adequate wages or even employ enough of them, because of their low incomes, increases the risk of child labour and other human rights violations.

The situation is further exacerbated by the climate crisis, which, according to projections, could make up to 50 percent of land currently being farmed unsuitable for growing coffee as early as 2050.⁷ Harvests are already being significantly affected by changes in temperature and precipitation, as well as by extreme weather events. Global crises such as the Ukraine war or the Covid pandemic have resulted in a sharp rise in the costs of energy and means of production, including the cost of artificial fertilizers, in recent years. Added to this is the increase in the cost of living in many places and the fact that many coffee farmers are struggling with declining soil fertility, outdated coffee plantations and a severe shortage of labour.

1.2 – CRISIS? WHAT CRISIS? THE COFFEE BUSINESS IS BOOMING

There is quite a different picture for the companies raking in bumper profits from coffee sales: while studies suggest that the share of added value that goes to coffee producers has seen a

steady decline over the last 20 years, roasting and retail companies continue to reap large profits.⁸ At present, the global market is growing by almost 2 percent per year, so demand could more than double by 2050.⁹

The biggest growth drivers are not the traditionally dominant markets in Europe and North America, but increasingly Latin American, African and, above all, Asian countries with lower coffee consumption rates so far.¹⁰ Soluble instant coffee is particularly popular there (see graphic page 9).

The profitable roasting business is dominated by a handful of multinational food and beverage companies, with industry giants, such as Nestlé or JDE Peet's, recently managing to further increase their market shares through acquisitions.¹¹ As a rule, these companies do not buy the green coffee directly from coffee farmers or farmers' cooperatives, but from local intermediaries or international traders – in other words, from large corporations that control the export and import, and often primary processing too, in the producing countries. This business is also dominated by a few companies, with the six largest now handling more than half of the green coffee trade.¹² Many of them have expanded their business and now also produce roasted and instant coffee themselves or operate their own planta-

«A REAL WINNER ONE DAY»

In 1929, the *Banque Française et Italienne pour l'Amérique du Sud* was sitting on warehouses full of Brazilian coffee. It asked the then president of Nestlé, a former employee of the bank, to help it get rid of this coffee. At that time, vast quantities of this agricultural raw material had accumulated there. Prices had slumped after the stock market crash, which resulted in large quantities being destroyed, and coffee was "only good as a means of providing heat".¹³ Based on the process for spray-drying milk, Nestlé scientists subsequently spent years tinkering with a new process that preserved the taste better than the coffee powders available at the time. In 1938, Nescafé was introduced to the Swiss test market and exceeded all expectations. The prediction made by a member of the Board of Directors that "this Nescafé of ours will be a real winner one day", was to come true, and then some.¹⁴ During the Second World War, US soldiers in particular had the caffeinated powder supplied to them en masse, soon after Nescafé had become a bestseller worldwide.

tions and develop their own coffee varieties. Some also sell services to the roasting companies, including sustainability certificates.

Most coffee traders and nine of the ten largest roasting companies still have their headquarters or operations centre, as well as their largest roasters, in Europe and North America, where the majority of the added value is generated.¹⁵

In a nutshell, umpteen millions of coffee farmers worldwide are pit against a dozen large trading and roasting companies that can adapt market conditions to suit their interests, thanks to the huge advantage they enjoy in terms of financial resources and information.¹⁶ The prime concern of the roasting companies in particular is to ensure their supply of arbitrarily interchangeable coffee of mostly low quality, i.e. a cheap mass-produced product.¹⁷ By doing this, they systematically push down the price of raw materials and increasingly squeeze out smaller pro-

ducing countries, which can hardly compete with Brazil and Vietnam – where mass coffee is produced particularly cheaply.¹⁸

One of the main players driving this development is a food giant based in the tranquil town of Vevey in western Switzerland, which has an almost insatiable hunger for this cheap raw material: Nestlé.

1.3 – SWITZERLAND – THE LAND OF WATCHES, CHOCOLATE AND... COFFEE

With brands such as Nescafé and Nespresso – and since 2018 also “Starbucks At Home”¹⁹ – the Swiss food giant is number one in the global coffee business in terms of processed volume and sales. Nestlé roasts at least one in ten coffee beans harvested worldwide²⁰ and generates a quarter of group sales with its

WHERE THREE-QUARTERS OF THE WORLD'S COFFEE IS CONSUMED

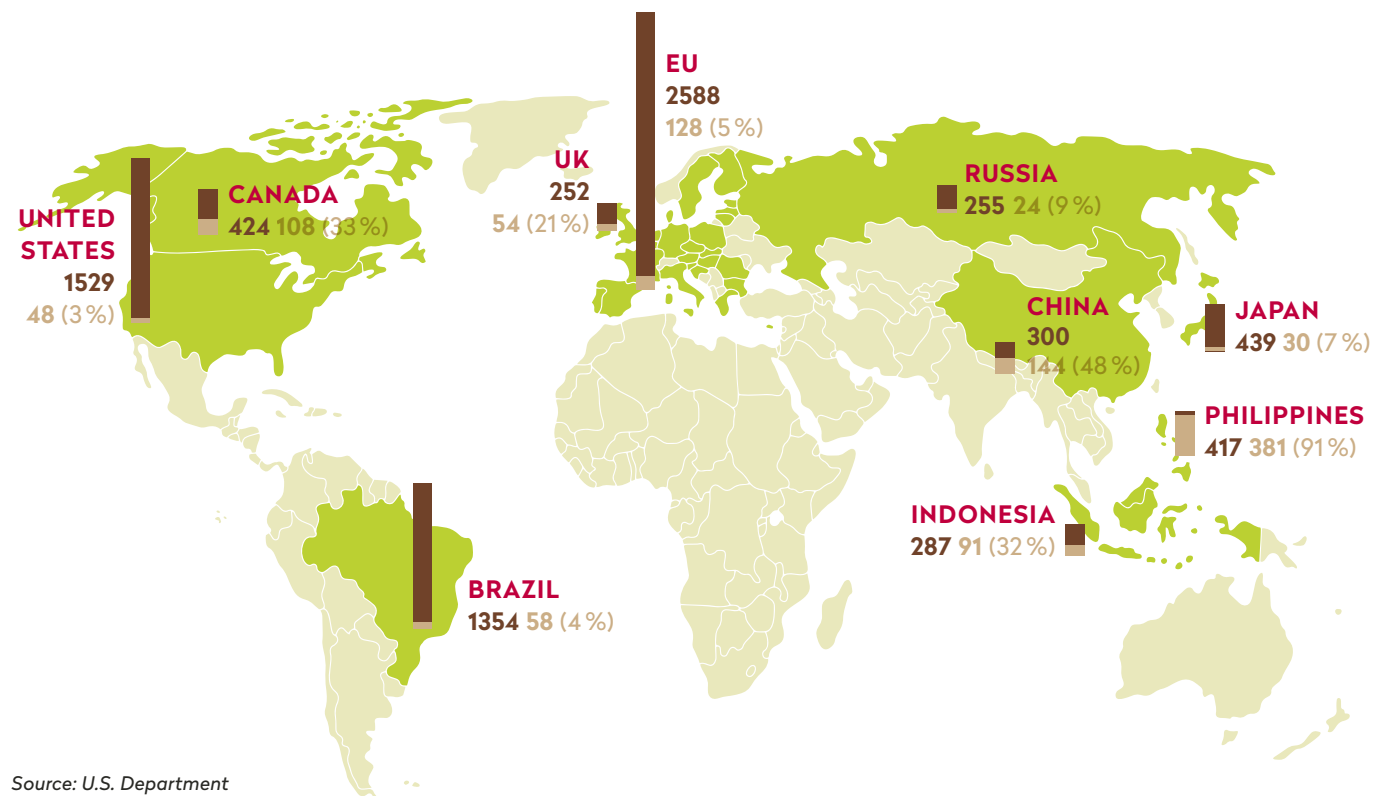
2023, in million kg of green coffee
(1 million kg = 1,000 tonnes)

Global consumption

10 141

■ Total coffee ■ Instant coffee

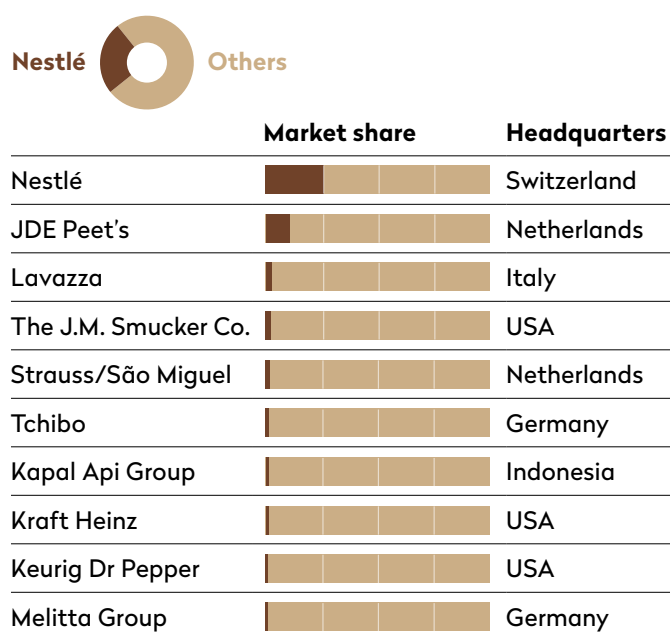
Instant coffee accounted for almost a third of global coffee sales in the retail sector in 2022.²¹ While its consumption is declining in Europe, the demand in emerging markets such as China, Indonesia, Vietnam, the Philippines, Colombia, Argentina and South Africa has been steadily rising for 15 to 20 years.²²



Source: U.S. Department of Agriculture

MARKET SHARES OF COFFEE SALES IN THE RETAIL SECTOR

Retail sales totalled almost USD 100 billion worldwide in 2022.* A quarter of sales were accounted for by Nestlé.



*Starbucks, the second largest coffee roaster in terms of sales, does not appear in these figures, as it sells its coffee exclusively in its own cafés. Nestlé bought the sales rights for marketing Starbucks products in the retail sector from the group in 2018.

MARKET SHARES FOR INSTANT COFFEE IN THE RETAIL SECTOR

The instant-coffee market accounts for around 32% of global retail sales and reached almost USD 32 billion in 2022. Nestlé's share amounted to more than one third.



Source: Public Eye, based on data from Euromonitor ²³

largest product division: CHF 22.4 billion in 2021.²⁴ The business sector provides the Group with profit margins of over 20%.²⁵

Thanks to a highly intensive marketing effort, Nestlé is able to sell its coffee at above-average prices.²⁶ This applies to Nespresso capsules, which are produced exclusively in Switzerland, thereby helping Switzerland to achieve a global leading position in the export of roasted coffee (see box). But this also applies to Nescafé. Thanks to Nestlé's most important coffee brand²⁷ – whose factories located worldwide process more than 80 percent of the green coffee purchased by Nestlé²⁸ – the Swiss industry leader leaves the competition far behind, especially for the sale of instant coffee (see market shares graphic).²⁹ In the latest Forbes ranking of the 100 most valuable global brands, Nescafé was ranked 33rd, also surpassing Starbucks, the only other coffee brand listed.³⁰

In fact, Switzerland is also a global leader in the trade of green coffee. The world's largest coffee trader, the Neumann Kaffee Group, headquartered in Hamburg, runs a large part of its trading business in Zug, and the next five largest corporations – Ecom, Ofi, Sucafina, LDC and Volcafe – are either headquartered, or have their operations centres, in Switzerland (see pages 12–13). This is also true of many smaller coffee traders.

SWISS COFFEE – WHAT ELSE?

Although most Swiss trading companies usually neither import nor export their coffee to Switzerland, it is now the second largest coffee exporter after Brazil in terms of trade value. An export value of almost CHF 3.3 billion in 2022³¹ even makes it the number one exporter of roasted coffee in the world. This figure is almost 1.5 times as high as the exports of its largest competitors – Italy and Germany.³² Since 2002, the export volume has rocketed by a factor of almost 19 to 109.4 million kilograms, while the value per kilo has doubled. A major contributor to this unprecedented upswing is Nespresso, whose global sales have increased 18-fold since 2002 and whose factories produce, according to our estimates, roughly 7 million coffee capsules every year.³³ High-priced Swiss coffee is exported almost exclusively to industrialised countries, with 57% to the EU.

According to our estimates – there are no official figures available here either – trading of more than half of the globally traded green coffee volume is done via Switzerland.³⁴ This makes

Switzerland the largest coffee trading centre in the world, although in most cases the product itself does not physically enter the country.

RISKS OF CONCENTRATING PRODUCTION IN BRAZIL AND VIETNAM

Coffee cultivation is nowadays dominated by the species “Coffea Arabica” and (increasingly) “Coffea Canephora”, better known as Robusta. The comparatively demanding Arabica varieties prefer high altitudes, while Robusta, which is considered more resistant to fungi and pests, also thrives in lowlands and at higher temperatures. Data from the International Coffee Organization (ICO) and the U.S. Department of Agriculture indicates that just under half of the world’s Arabica comes from Brazil. Almost 70% of Robusta is grown in Vietnam (37%) and Brazil (32%), where monocultures allow high yields at low cost thanks to irrigation, fertilizers and (especially in Brazil) mechanization.

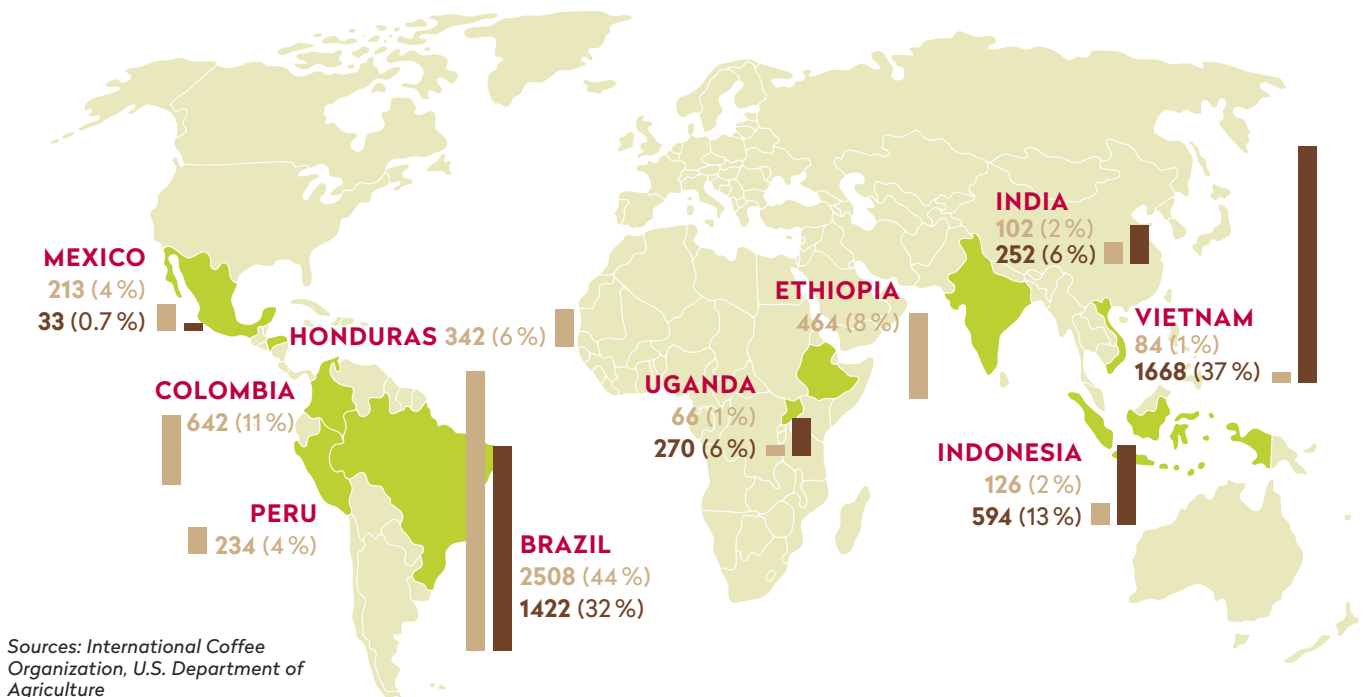
About 80% of the total additional amount of coffee in the last 30 years can be attributed to the increase in production in these two countries, especially in Vietnam.

This geographical concentration entails a great loss of diversity and quality, as well as considerable risks. Greater production losses – caused by the climate crisis or fungal and pest infestations, to which monocultures are particularly prone – would have proportionally grave consequences. Not to mention that the high productivity rate of intensive crops, which affect nutrient balances and soil quality, is unlikely to be sustained in the long term.

TOP 10 GREEN-COFFEE PRODUCERS

2022/23 harvest season, in million kg
(Share of global production)

Global production
10 092



Switzerland as a coffee trading hub

More than two-thirds of coffee is consumed in countries that do not grow the raw material themselves. This makes coffee one of the most internationally traded agricultural commodities. Thanks in part to favourable tax rules and regulations, Switzerland has become the world's most important trading centre: All six of the largest coffee traders manage all or a significant part of their business from this country.³⁵

Neumann Kaffee Gruppe (NKG)

Founded in 1934
in Hamburg (Germany)

Headquarters
Hamburg (Germany)
Several subsidiaries
in Zug (Switzerland)

Annual green coffee volume³⁶
894 Million kg
(12 % of global trade volume)

Steps in the value chain



NO. 1

The world's largest coffee trader NKG runs its own large plantations in Mexico, Brazil and Uganda. NKG generated sales of just under CHF 3.7 billion in 2022. According to our estimates, more than a quarter of its trade volume is handled by Swiss subsidiaries, whose activities involve managing the business of the Group's own production and export companies in growing countries and its plantations.

WORLD'S NO. 1 PROCESSOR

The agricultural trader Ecom operates numerous processing plants and stores in production countries and describes itself as the world's largest coffee processor. The Group develops its own hybrid varieties and advises coffee farmers with more than 1,100 agronomists. Ecom also trades in cocoa, cotton and nuts.

Ecom Agroindustrial

Founded in 1849
in Barcelona (Spain)

Headquarters and operations centre since 1999
Pully (Switzerland)

Annual green coffee volume
828 Million kg
(11 % of global trade volume)

Steps in the value chain



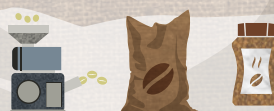
Louis Dreyfus Company (LDC)

Founded in 1851
in France

Headquarters since 2004
Rotterdam (Netherlands)
Operations centre for coffee trade
Geneva (Switzerland)

Annual green coffee volume
498 Million kg
(6 % of global trade volume)

Steps in the value chain



THE CLASSIC AGRICULTURAL COMMODITIES TRADER

LDC is one of the five largest agricultural commodities traders in the world. Coffee is one of numerous products it trades in. LDC has its own offices or representatives in 10 production countries and, in addition to processing plants, silos and warehouses, it operates its own logistics division for coffee transport.

STEPS IN THE VALUE CHAIN



THE VERSATILE

Ofi is part of the Olam Group, one of the largest agricultural trading groups, which also trades in cocoa, grain and other agricultural commodities. This company is an integrated service provider, runs its own coffee plantations in several countries, and considers itself as one of the largest producers of instant coffee. This trader is the only one of the six largest to be listed on the stock exchange.

Olam Food Ingredients (ofi)

Founded in 1989
in Nigeria

Headquarters since 1995
Singapore
Operations centre for coffee trade
Geneva (Switzerland)

Annual green coffee volume
742 Million kg
(10 % of global trade volume)

Steps in the value chain



Sucafina

Founded in 1905
in Palestine

Headquarters
Geneva (Switzerland)

Annual green coffee volume
657 Million kg
(8 % of global trade volume)

Steps in the value chain



THE ASPIRING

Sucafina has seen rapid growth in recent years and has also become a manufacturer of roasted, capsule and instant coffee as a result of various company acquisitions. This company, which specialises in coffee, operates numerous subsidiaries in the more than 25 countries from which it obtains the raw material.

Volcafe

Founded in 1851
in Winterthur (Switzerland)

Headquarters and operations centre
Winterthur (Switzerland)

Annual green coffee volume
480 Million kg
(6 % of global trade volume)

Steps in the value chain



THE TRADITIONAL TRADING HOUSE

Volcafe has its roots in the colonial goods trading company belonging to the Volkart brothers, and has been part of the English ED&F MAN Group since 2004. This coffee trader operates in 15 production countries and employs 250 agronomists worldwide. Its focus has been on trading up to now.





Coffee bushes stretching as far as the eye can see: more than 1000 hectares of Robusta monoculture on a Nescafé Plan farm in Águia Branca, Brazil. | © Lela Beltrão

2

The Nescafé Plan – or sustainability on the cheap

“4C is relaxed. The guys come by about three times a year,
look around and ask a few questions.”

Nescafé-Plan farmer in Espírito Santo, Brazil, talking about
sustainability standard checks.

2.1 – THE GREAT PROMISE

In the early 2000s, a surplus of coffee led to an unprecedented price collapse on the world market, resulting in hundreds of thousands of harvest workers losing their jobs and millions of coffee farming families sinking into poverty. Against the backdrop of this crisis, the German Coffee Association, founded by roasting and trading companies, and the German Federal Ministry for Economic Cooperation and Development, together with Nestlé and other companies, including a handful of NGOs, launched a multi-stakeholder initiative to promote sustainability in production, trade and distribution. From 2004 onwards, the Swiss State Secretariat for Economic Affairs (Seco) also took part in this initiative, which developed minimum standards in the areas of environmental protection, human rights and labour standards as part of the “Common Code for the Coffee Community”, known as 4C for short. These standards are very much lacking in ambition and essentially require no more than compliance with the legal requirements applicable in the relevant countries. Those who initiated them are also aware of how minimal they are. But it was precisely this kind of a low-threshold offering that would bring more ecological, social and economic sustainability to the mass market, according to the firmly held view at the time.³⁷

To this end, the 4C Association promises to improve the living and working conditions of coffee farmers. Although the code – which was last updated in 2020 – does not provide them with any minimum price guarantees, 4C intends to increase their income. This is to be achieved through support services such as training, more transparent pricing and improved market access.

From 2007, producers, traders and roasters could be certified by the 4C Association. The certification process was comparatively inexpensive for the companies. At the same time, they were able to secure the raw material in the desired quality and offer consumers a “No Worry” product³⁸ intended to exclude the chance of any environmental and human rights violations.³⁹ In other words, it was a project where everyone seemed to be a winner. Even then, 4C saw itself as an “entry-level standard” that would encourage companies to switch to tighter certification schemes in the future.

In Nestlé’s case, this prediction was not to come true. Soon after its launch, the Group used 4C certification as much as possible. It wanted to use the standard to fulfil the promise it made in 2010 with the launch of the “Nescafé Plan”: to source coffee “responsibly” in the future and to create more “value” for everyone – from farmers to Nestlé and consumers.⁴⁰ Producers were meant to benefit primarily from productivity gains through training and free, and supposedly particularly high-yielding, coffee seedlings. And 4C certification was to provide the main proof of the social, ecological and economic “sustainability” of their crop.

In 2009, just 2.7 percent of Nestlé coffee was labelled as sustainable.⁴¹ Since then, the Group has steadily increased this proportion, thereby also helping 4C to become the dominant benchmark among sustainability standards. In 2020, 4C coffee accounted for about two-thirds of the total amount of coffee

MAGNANIMOUS RECOGNITION OF POOR STANDARDS

According to the leading industry organization Global Coffee Platform (GCP), the term “sustainable” is applied to all coffee certified by standards that are at least equivalent to their own, which represents an extension of the 4C code. The GCP initiative emerged from the 4C Association in 2016 after the latter was turned into a private company. Just as with 4C, Nestlé now also has a seat on the board of GCP. This has recently recognized many of the industry’s own labels, which are considered weak, as being equivalent. This includes numerous labels created by coffee traders, whose standards are low, especially in terms of transparency and independent verification, and which has generated a great deal of criticism. These labels provide yet another opportunity for roasting companies like Nestlé to quickly implement promises of 100 percent sustainable coffee.

classified as “sustainable” by large companies. Nestlé bought more than 80 percent of all 4C-certified green coffee that year.⁴²

Currently, the Swiss group is in the home straight in sustainability terms: in 2022, 87 percent of its coffee was procured “responsibly”, and in 2025 this figure is supposed to be 100 percent, according to Nestlé. 4C is still primarily the benchmark that Nestlé goes by. The volume of 4C-certified green coffee purchased by Nestlé has skyrocketed from a few millions to 629 million kilograms in 13 years. The Nescafé website assures everyone that the Nescafé Plan (thanks to 4C and some support services) improves the livelihoods of hundreds of thousands of farmers across the globe. As Nestlé also promises: “We’re using our global scale for good, one cup at a time.”⁴³

Doesn’t this sound a little too good to be true? We wanted to find out more, and to understand exactly how the Group’s flagship sustainability programme really impacts the world of its raw-material suppliers. To do this, we embarked on an investigation with partners in Brazil and Mexico, and travelled to the Mexican coffee region of Soconusco to see farmers and workers involved in coffee production for Nescafé. Spoiler alert: what we saw there did not reflect at all the image of the laughing coffee farmers and workers presented in Nestlé’s elaborate glossy advertising.



2.2 – IT'S THE PRICE, STUPID!

Almost 15 years ago, Nestlé began to persuade farmers in Mexico of the supposed benefits of switching from Arabica to the Robusta coffee species required by Nescafé for production. The Group's agronomists went to visit the producers and promised them an increase in their productivity and, by extension, their income too. Nestlé is currently pursuing similar plans in South and Central American countries known for Arabica cultivation.⁴⁴ In fact, in Colombia it has the support of the government.⁴⁵

In Mexico, however, not everyone trusted the promises made at the time. In the state of Puebla, for example, representatives of cooperatives warned of the generally lower market prices

achieved by Robusta. As a result, many farmers did not participate in this scheme, as Public Eye (or "The Berne Declaration" as it was then known) already reported at the launch of the Nescafé Plan in Mexico.⁴⁹

In Chiapas, the poorest state in Mexico, however, many jumped on the bandwagon – including in the coffee region of Soconusco, which has particularly fertile volcanic soil in which high-quality Arabica coffee is traditionally grown. Many now regret this move, as our [report from March 2024](#) explains.⁵⁰ In southern Mexico, thousands of farmers are protesting against Nestlé because their incomes are insufficient to feed their families, due to the low prices it pays.

According to the company, its pricing⁵¹ is based on international markets, as is the norm in the industry. Prices are subject to great fluctuations, and are mainly at the mercy of supply and demand (see box). This volatility creates a great deal of uncertainty for farmers when it comes to planning. And a price collapse like the one in 2019 can have dramatic consequences.⁵² Over recent decades, there has been a downward trend – especially since the deregulation of the coffee market in 1989⁵³ and the steady increase in mass coffee production in Vietnam and Brazil. Since 2020, prices have been rising again, reaching the record levels of 2022 and early 2024. But the sharp rise in production costs and high inflation have wiped out any profits for farmers in many places. Furthermore, increases in market prices are not always reflected in farmgate prices, as can be seen in Chiapas.

THE COFFEE PRICE ENIGMA

There are two global and daily updated references for the commodity prices paid to coffee producers:

- 1) The prices of the "futures" traded on the ICE futures exchanges⁴⁶ in New York (Arabica, known as the "C price"⁴⁷) and London (Robusta). Futures are contracts that determine the future prices of certain quantities and qualities. While producers, with the exception of a few major farmers, do not have access to the stock exchange, roasters and traders use this opportunity to secure their supply or to buy or sell in advance on favourable terms. Stockbrokers also speculate on futures on a large and increasing scale, which can significantly magnify price fluctuations.⁴⁸
- 2) The indicators from the International Coffee Organization (ICO), which are made up of the producer prices for Robusta reported worldwide and for three standardized Arabica qualities.

However, prices are influenced by many other factors and vary greatly, depending on how the local value chain is structured and whether there are state minimum-price guarantees, as is the case in Brazil, for example. Traders and roasters don't usually render their local pricing mechanisms transparent.

2.3 – UNPRECEDENTED MARKET POWER

In the case of Chiapas too, Nestlé has attributed low purchase prices to a low stock-exchange price, according to statements from producers – a pricing mechanism that apparently does not apply in the opposite direction. In any case, in early 2024, when the Robusta market-price climbed to a record high, Nestlé did not pay farmers in Soconusco a peso more than in the previous year. In fact, the strong inflation rate meant that it was worth even less in real terms. Since Nestlé did not comment on this point when asked, we can only speculate about the reasons for this. The protesters in Soconusco see the cause of this being the top priority of Nestlé Mexico's strategy, which is to make purchases at the cheapest possible price.

One thing is clear: in its quasi-monopoly position in the region, the Group has much greater leverage.⁵⁴ So the same cynical game is played out year after year. At the beginning of the six-month harvest season in September, Nestlé puts forward a rock-bottom price. Last season, according to concurring statements, the price was well below production costs. If producers can hold back their coffee until Nestlé raises the price slightly, they benefit. However, the poorest farmers are forced to sell at the starting price, as they have no reserves and would otherwise not be able to finance the rest of the harvest. There is also the matter of their dried coffee fruit only having a short shelf-life. Due to this dependence, a small farmer interviewed by Public Eye lamented: "In fact, we are Nestlé's slaves."



Value chain

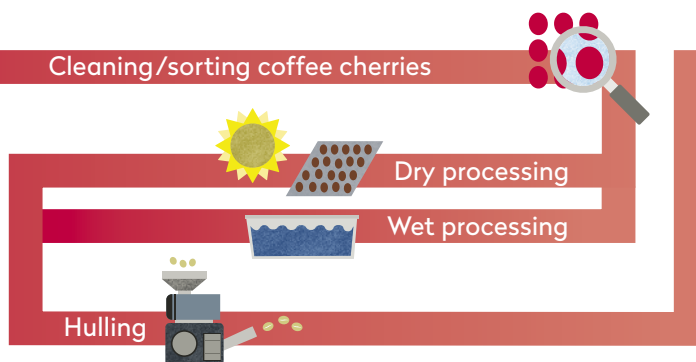
1 Cultivation and harvesting

Coffee plant / coffee cherries



2 Primary processing

Cleaning / sorting coffee cherries



3 Storage, export, import

Green coffee



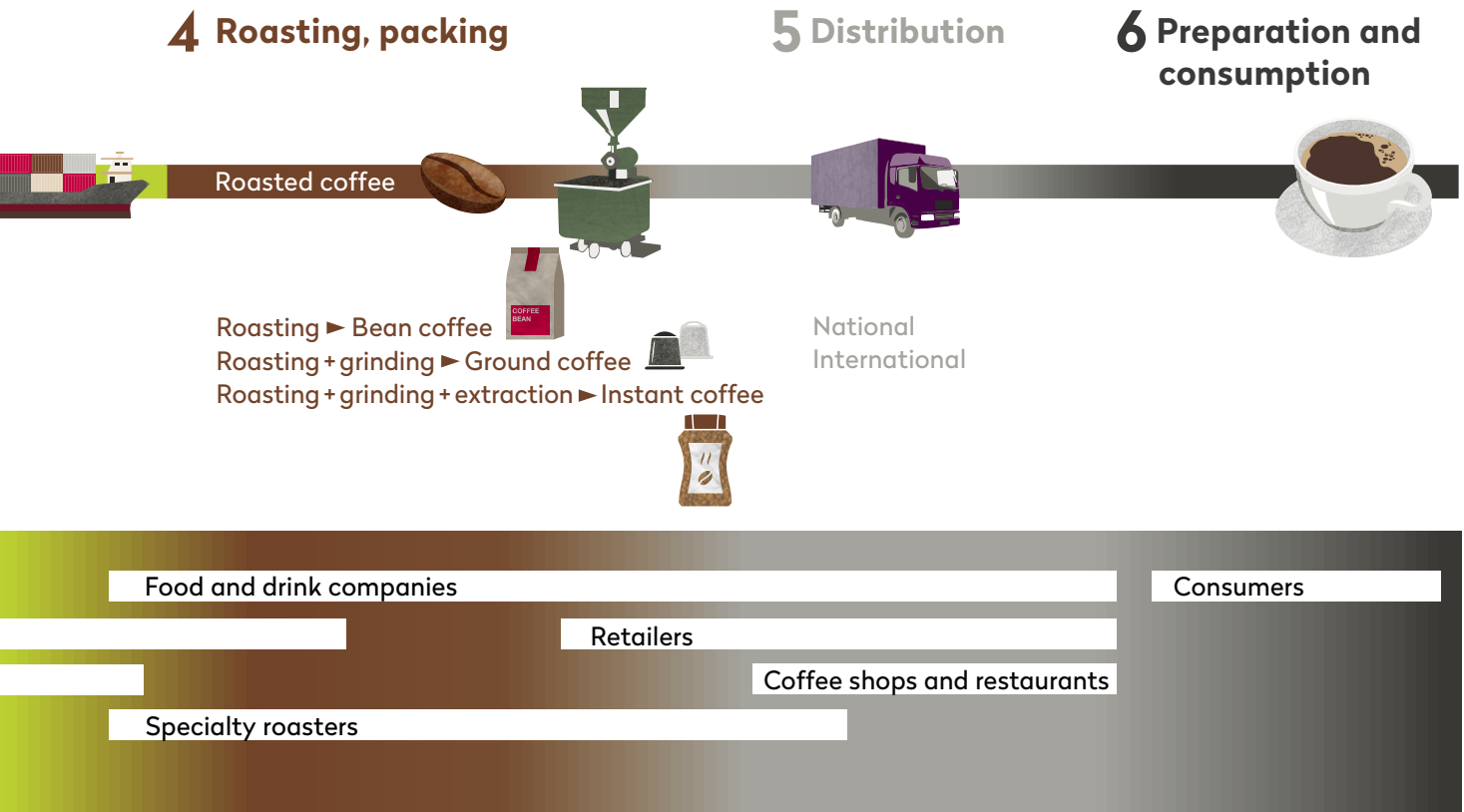
Trade national / international



10% of the added value goes to production countries.

Coffee farmers are not only rebelling against Nestlé in Soconusco. In the state of Veracruz too, thousands protested against the Nescafé factory, which opened in 2022 and has made Mexico Nestlé's most important coffee manufacturer. Mexico is also the largest market for Nescafé. In 2022, Nescafé retail sales in this market totalled around CHF 1 billion.⁵⁵ When the factory opened, the Mexican President Andrés Manuel López Obrador (AMLO) praised the close cooperation with the company and promised that 100,000 producers would benefit from the factory. Since this was not the first Nescafé factory in Mexico, Mexican farmers had to compete with the cheap Robusta that Nestlé imports from Vietnam and especially Brazil. Now the company wants to buy even more coffee – if possible just as cheaply – in Mexico itself.⁵⁶ This increases the price pressure on producers, and so the protests continue.

Nestlé also cooperates closely with the government in Vietnam.⁵⁷ This Southeast Asian country is Nestlé's largest coffee supplier, ahead of Brazil and Mexico. In 2022, the Group sourced almost 40 percent of its coffee from there.⁵⁸ Vietnam is often held up as a successful example of a flourishing coffee industry from which farmers also benefit. But the real picture here is not exactly rosy either. The sharp rise in cultivation areas in the 1990s was accompanied by deforestation and displacement.⁵⁹ The future of the flagship model is at risk because intensive farming and over-fertilization have taken their toll on the soil in many places.⁶⁰ The repressive regime operating in Vietnam makes it nigh impossible to investigate the situation of producers and the state of human rights on the ground. In February 2024, however, according to media reports, Robusta producers also showed resistance here because coffee traders did not want to pay them higher prices despite the record stock market level reached.⁶¹



90% of the added value goes to consumer countries.⁶²

OF “COYOTES” AND NON-TRANSPARENT VALUE CHAINS

Producers who are not organized in cooperatives are dependent on intermediary companies. The smaller ones are also dependent on middlemen – who are called “coyotes” in Mexico –, as they don’t have their own transport facilities. Although they often pay particularly low prices, many small-holder farmers in Soconusco prefer to sell to these “coyotes” rather than directly to Nestlé’s intermediaries, according to statements from farmers, because they don’t ask them to fulfil expensive 4C requirements. But the coffee from the “coyotes” also seems to end up with the same intermediary

companies supplying Nestlé, even though they maintain that they trade exclusively in 4C-certified coffee.⁶³

Neither Nestlé nor other coffee companies, unlike smaller roasters, seem to buy directly from producers or their cooperatives. The promise made in 2010 to massively increase direct purchasing under the Nescafé Plan does not seem to have been kept.⁶⁴ Instead, Nestlé procures its coffee worldwide from local or international intermediaries, including all major international coffee-trading groups.

Nescafé Plan: Theory and practice

In 2010, Nestlé launched the Nescafé Plan in Mexico. According to the company, this was to have increased coffee farmers' incomes and boosted ecological sustainability. However, our investigation on the ground and analysis of the evaluation report, which was comprehensively but incompletely drafted by Nestlé, cast significant doubt on this alleged success story.

According to Nestlé, from 2010 to 2022, the Nescafé Plan improved the lives and incomes of countless farmers – especially in Brazil, Vietnam, Mexico, Indonesia, Honduras, Côte d'Ivoire and Colombia – thanks to investments in excess of CHF 350 million.⁶⁵ Not to mention that the Group gave away more than 270 million coffee seedlings and held around 900,000 training courses. The latest edition “Nescafé Plan 2030”, launched in 2022, focuses on promoting “regenerative”, i.e. climate-friendly, production.⁶⁶

In addition to environmental targets for factories, the Nescafé Plan was also meant to include training courses on pesticide and water reduction to ensure a more environment-friendly approach to cultivation. However, even Nestlé's own monitoring⁶⁷ published in 2023 produced, at best, mixed results. This highlighted that the use of pesticides or herbicides had actually increased with the programme from 2018 to 2022 in six out of ten countries surveyed (including Mexico and Brazil). The reduction in the other countries was probably down to the fact that many farmers could no longer afford the herbicides and pesticides, which had become more expensive, a point that Nestlé itself admitted.

SEEDLINGS WITH DUBIOUS ECO-FRIENDLY CREDENTIALS

In theory, distributing new coffee seedlings seems to make sense, given the over-mature plantations being cultivated in many places – depending on the climate conditions, including Robusta varieties too – and provided that the farmers then also receive fair prices for the green coffee. Nestlé's highly-bred plants, however, have ecological disadvantages. For instance, in order to achieve the promised high yields, they require large quantities of artificial fertilizer. This is harmful to the climate and can affect soil fertility – a point that is omitted from the Nescafé Plan. Bearing in mind that the programme wants to promote the use of environment-friendly fertilizers! Unfortunately, this has so far mostly been unsuccessful, as borne out by Nestlé's own assessment. More environment-friendly fertilizers have been used in only two countries, while fewer have been used in six others. There is no data available for the remaining countries. Farmers in Mexico who were involved in the Nescafé Plan



Eduardo Camarena, who owns a 70-hectare finca in the Soconusco region, attended the “Nescafé School” in Veracruz, Mexico. Selected “lead farmers” from all the country's major coffee regions were trained there, primarily in farm management. The intention was for them to pass on their knowledge to other farmers. A “mnemonic” was used to drum home the message to the participants that price is only one of numerous success factors. After a few years, however, Camarena realized that the sums didn't add up for him. The prices were so low that he could hardly cover his production costs, let alone recoup his investment for ensuring that his farm was 4C-compliant.



Nescafé Plan advertisement on the premises of Nestlé's intermediary company Egos in Tapachula, Mexico.

switched to intensive production – without shade trees – which, unlike agroforestry systems, generally has a lower biodiversity level and requires a higher use of chemicals, for example due to a lack of beneficial insects as well as organisms in the soil.

THE MYTH OF HIGHER INCOMES

According to Nestlé, the Nescafé Plan is meant to have raised the incomes of farmers in nine producing countries from 2018 to 2022. The Group only further elaborates on for three countries, and there are serious doubts cast about this claim. For example, the report casually remarks that “higher incomes” in Vietnam and Indonesia are probably largely due to the significant increase in world market prices between 2019 and 2022. Whether and how the Nescafé Plan has made any contribution to this remains unclear. Nestlé highlights Mexico and especially the state of Chiapas, where Robusta producers protested vociferously against Nestlé's dire pricing policy in 2024, as the biggest success story in terms of “higher incomes”.

In addition, the vast majority of Nescafé Plan producers in the seven key growing countries (except for Brazil and Vietnam) did not earn enough in 2022 to achieve a decent standard of living, despite higher world market prices. This is corroborated by Nestlé's own calculations. They show that around 60 percent of farming families in Honduras, more than 75 percent in Mexico and Colombia and even more than 95 percent in Indonesia and Côte d'Ivoire have not earned a living income.⁶⁸ Nestlé's data cannot be verified independently, as the report does not disclose the level of income considered sufficient to live on in the relevant country or the calculation methods used (see also page 23).

In May 2024, Nestlé published a further monitoring report for 2023, but this only contains very selective information on farmer incomes or the use of agrochemicals, which is not comparable with that contained in the previous report.⁶⁹

Smallholder Marbella Salas explains that in her region in Soconusco only a few farmers use Nestlé's free seedlings. Many cannot afford expensive artificial fertilisers, and the clones – unlike the long-lasting traditional plants – have to be replaced every eight to ten years. They are less resilient and die more quickly in the increasingly frequent dry spells.





As in most coffee-growing countries, the fruit in Mexico is harvested by hand: workers in the Soconusco region.

2.4 – POINTLESS CERTIFICATION FOR PRODUCERS

“Outside of the partnership with Nestlé, we often get better prices,” said Idalino Agrizzi, owner of the “Fazenda Formosa” farm in the Brazilian state of Espírito Santo, to the reporter-collective Repórter Brasil, which undertook an investigation in the region for Public Eye during the 2023 harvest season. Farmers in Espírito Santo produce more than two thirds of Brazil’s and one fifth of the world’s Robusta coffee. This coffee, known here as “conilon”, was grown in this region as early as the 1920s.⁷⁰ Unlike most other coffee-growing regions, the land is flat, which allowed mechanization to be used for harvesting. How much coffee Nestlé buys here is not known, but according to its own information, the Group is one of the largest Robusta buyers in Brazil.⁷¹

Agrizzi is a large-scale farmer and participates in the Nescafé Plan, which promises “sustainable coffee cultivation with respect”; in Portuguese “Cultivado com Respeito”. His fazenda of 200 hectare is 4C-certified. However, he sold “practically nothing” to Nestlé’s local intermediary Kubit during the harvest season from January to July 2023 because of the low prices. Sev-

eral other Nescafé Plan farmers in the area tell similar stories, but unlike the farmers in Chiapas, they can choose from several buyers.

The Robusta producers in Espírito Santo, Brazil, where Nestlé also sources its coffee from international traders such as Olam or the Swiss company Volcafe, are in a slightly better position than those in Chiapas. They usually have larger farms and access to technology, and can save costs thanks to harvesting machines. But their income is also modest. They earn significantly less than Brazilian Arabica producers, as indicated by a recent analysis performed by the Global Coffee Platform.⁷² Although their results cannot be generalized due to the small number of Robusta farms involved in the analysis, they also suggest that the smaller producers farming less than 50 hectares do not earn a living income – as is the case for the majority of all coffee farmers worldwide (see box, page 23). A farmer who works 22 hectares says that he appreciates the exchange of knowledge and experience in the Nescafé Plan, but that it has no impact on his income.

The 4C certification does not change this, which is confirmed by the Nescafé Plan farmers interviewed in Espírito Santo. The voluntary surcharge of 3 Brazilian reais (50 cen-

times),⁷³ which they receive per 60-kilo bag – i.e. less than 1 centime per kilo – makes no palpable difference. This highlights a basic problem with voluntary certification. Contrary to all the promises made, it usually does not make any significant improvement in producers' incomes. Studies point to marginal positive effects at best.⁷⁴ One main reason for this is that the introduction and implementation of the measures required for certification is too expensive for farmers, given the low coffee prices.

Another factor is that low-requirement standards fundamentally undermine the effectiveness of certification. The roasting companies' striving for 100 percent "responsible" coffee at a

low price has not brought sustainability to the mass market, but has triggered a "race to the bottom" in which certifications undercut each other in terms of quality.⁷⁵

Nestlé and 4C are prime examples of this damaging mechanism.

In the studies performed, the standard scores poorly not only in terms of requirements, but also in terms of enforcement.⁷⁶ The price surcharges under 4C are voluntary and non-transparent. In Chiapas, according to farmers, they are often not paid at all by middlemen due to alleged quality defects.⁷⁷ Due to a lack of demand, farmers are not always able to sell coffee certified by 4C or other standards as such.

A WORLD AWAY FROM LIVING INCOMES

A "living income" enables all members of a household to enjoy a decent standard of living in terms of sustenance, housing, education, healthcare and other basic needs.⁷⁸ In the case of waged employees, this is also referred to as a "living wage". The level of such living incomes or wages varies according to the country, region, sector and calculation method used. However, they are usually well above the internationally defined poverty lines, which are so low that in many places they do not allow people to live a life of dignity.

Living incomes and wages are enshrined in the UN International Covenant on Economic, Social and Cultural Rights (ICESCR) as a human right. However, this remains out of reach for most coffee producers and workers. According to an analysis conducted by the Columbia Center on Sustainable Investment (CCSI) in 2021, the average income of producers in eight of the ten largest coffee-growing countries is at or below the poverty line. In nine of these countries, it is not enough to ensure a decent livelihood.⁷⁹ The only exception is Brazil, where owners of large plantations can produce more economically thanks to economies of scale and mechanization, but where the situation of many plantation workers is particularly precarious (see also section 2.5). No comprehensive surveys have been conducted on living wages for coffee workers, but they often earn less than the statutory minimum wage,⁸⁰ which in most coffee-producing countries is too low to ensure a decent living.

In principle, the coffee sector recognises not only the lack of living incomes and wages, but also that they are only an intermediate step in helping farmers and workers earn a livelihood that would enable them to have a decent standard of living. Nevertheless, there are hardly any re-

gulations that address this problem on a worldwide scale. Policymakers, like the sector itself, still rely on voluntary corporate programmes and private-public partnerships, which are also non-binding and whose objectives fall far short in tackling the urgency and magnitude of the problem. After the price crisis of 2019, for example, the International Coffee Organization (ICO) created a taskforce comprising major producing countries, Switzerland, the EU and companies such as Nestlé, which has been discussing living income levels for each country and region for several years. However, it will take until 2030 to implement specific measures to remedy the problem. And even then, these voluntary measures will initially only affect 50 percent of the coffee-producing ICO member countries.⁸¹

Even Nestlé repeatedly emphasizes that coffee producers are entitled to a living income. It does this in spite of the fact that the vast majority of producers in the Nescafé Plan can only dream, at the moment, of doing so (see page 21). However, even the new edition of the programme does not contain any strategy for solving the problem, while the issue of pricing continues to be ignored and the new Nescafé Plan remains largely based on old methods.⁸² Living wages are not even mentioned. The CCSI study also concluded in 2021 that both issues – despite their fundamental importance for sustainable procurement – continue to be ignored by Nestlé and other roasting companies.⁸³

Sustainability standards and labels, such as Fairtrade and Rainforest Alliance, are gradually beginning to tackle the issue, but they do not require any binding guarantee to provide living wages or incomes by paying appropriate prices. This is also true of 4C. Its code of conduct lists living wages as a non-binding goal, while living incomes are not even mentioned.

Nescafé Plan farmers in Espírito Santo also confirm poor verification mechanisms. According to Rômulo Barbosa Martin, owner of a farm certified by 4C and UTZ (now part of the Rainforest Alliance), the 4C audits are “relaxed”: “The guys come by about three times a year, look around and ask a few questions,” says the farmer. In Brazil, 4C also conducts “unannounced” audits, but notice is still given about them at least 24 hours in advance – a practice that has long been criticized by experts. Another structural problem is the lack of transparency. 4C does not disclose its certified farms, which makes independent inspections difficult or impossible.

2.5 – FINDING OTHER WORK ELSEWHERE

According to Idalino Agrizzi, he has needed about three times fewer harvest workers since his farm was mechanized. However, like all the Nescafé Plan farmers interviewed in the region, he complains about an acute labour shortage. Harvester João Santos⁸⁴ explains that he and his colleagues – many of whom come from the poorer neighbouring state of Bahia – look for other work whenever possible. Wages are low and coffee-harvesting is very strenuous work. Another factor is the lack of wage security, because – as is customary worldwide – payment is made based on the amount of coffee cherries picked and, in the case of the partially mechanized harvesting, according to the number of coffee bushes cut. Depending on the weather, the productivity of each plant and the physical resilience of the workers, the amounts vary greatly.

4C doesn't offer a solution to this problem, according to Carlos Eduardo Chaves Silva, legal advisor to the National

Confederation of Agricultural Workers (Contar). Although certification requires compliance with the national minimum wage, it ignores the fact that there are no fixed wages at all for quantity-based payment. The code's guidelines are vague and “basically nothing more than a duplication of Brazilian labour laws,” according to the expert. Another issue consists of the standard incomprehensible wage deductions to cover the mostly very basic accommodation and often unhealthy food provided for workers. There are also constantly recurring labour law violations. As our investigations have shown in 2022 and 2023, at least two farm owners involved in the Nescafé Plan were also fined by the authorities, for example because they did not provide their workers with toilets or the necessary protective equipment, or did not allow them to take rest breaks.

According to Gustavo Ferroni, Coordinator for Rural Development and Justice at Oxfam Brazil, certifications generally fail to address the issue of living wages. In 2020, his organization published a report on coffee harvesters in the state of Minas Gerais, where numerous farms are certified. This showed that their average wage was 41 percent below a living wage.⁸⁵

No systematic surveys on the earnings of harvest workers have been conducted in Espírito Santo. However, it's clear from discussions held locally that they only receive a fraction of the added value. They receive the equivalent of about CHF 10 for four bags (240 kilograms) of coffee cherries, which are then processed into a 60-kilo bag of green coffee. The intermediary company pays the coffee farmer about CHF 120 for the bag, and sells it on to Nestlé for about CHF 170 after the coffee beans have been prepared. This amount of green coffee can be processed by Nestlé to produce an estimated 25 kilograms of instant coffee.⁸⁶ According to our estimates, the retail price of



Accommodation on a Nescafé Plan farm in Vila Valério in Espírito Santo, Brazil. These cramped dormitories each accommodate 6 to 8 workers, who often travel from far away for the months-long coffee harvest. Couples often share a narrow mattress.



No mattresses or blankets: 4C-compliant dormitory for workers on a medium-sized farm in Soconusco, Mexico.

this quantity of finished Nescafé is at CHF 700 to 1000 in Brazil or CHF 1700 to 2000 in Switzerland, depending on the product.

Apart from the low prices, the labour shortage is the most urgent problem for coffee farmers in Mexico.⁸⁷ This is especially true in the state of Chiapas, where most of the workers come from Guatemala, near the border, where the level of poverty is even greater. They receive between CHF 10 and CHF 15 per day on the coffee farms, and slightly more during the labour-intensive harvest period. This is hardly worth the effort, even for Guatemalan cross-border commuters, due to the high inflation rate in the 2023/24 harvest season.

The low incomes of farming families, the labour shortage, and poor pay for workers also lead to child labour. In Chiapas, there have been repeated documented instances of children from Guatemala often brought by their families out of sheer necessity, toiling on the farms under harsh conditions.⁸⁸ According to the U.S. Department of Labor, the use of child labour has also been documented in 16 other production countries, in addition to Mexico.⁸⁹

SLAVE-LIKE WORKING CONDITIONS

Modern slavery is widespread in Brazil's coffee production sector. From 2018 to 2022, in no other sector of the economy have so many people been freed from slave-like working conditions as in the coffee sector. In 2022, 159 were freed in Minas Gerais and 12 in Espírito Santo.⁹⁰ Experts assume a high number of unreported cases. Those affected do not receive any drinking water, live in the worst accommodation, sometimes without toilets, work without a contract or are paid irregularly. Some of them also have their passports confiscated, which means that they are stuck on the farms. Such conditions have also been repeatedly found on certified farms that supply Swiss trading companies⁹¹ or companies such as Starbucks⁹² or Nestlé. Indeed, in 2019, a farm that had been awarded the Nespresso AAA seal was among them.⁹³

Deadly machines



© Lela Beltrão

In May 2022, coffee farmer Rogéria Silveira, who was 41 at the time, lost her left forearm. The tarpaulin covering the coffee harvester at her conilon farm in Espírito Santo had slipped and she had to put her arm into the machine to put it back in place. But her hand got stuck and, in a panic, she let go of the controls and then “the cylinder turned and tore off my arm,” Silveira says.

In June that same year, 24-year-old farm worker Pablo Henrique Souza Fabem also had an accident. He and his colleagues had to reinforce the tarpaulin with a rope because the coffee branches on it were too heavy from the rain of the previous day. “It all happened very quickly,” explains Claudio Rizzo, owner of the Santa Luzia farm in Nova Venécia, where the accident occurred. “The rope and tarpaulin wrapped around his leg and he was pulled into the machine.” Rizzo says he hurried to turn off the machine, but couldn’t do so immediately as there was no emergency button. “Pablo’s leg was severed and he suffered serious internal injuries,” says the coffee farmer. Pablo Henrique Souza Fabem died in hospital the following day.

The 2022 harvest season saw a total of seven amputations and two deaths in the state of Espírito Santo, according to the authorities. From January to July 2023, 16 accidents were recorded.

The converted machines, originally developed for bean cultivation, weigh about four tonnes and have tarpaulins up to 100 metres long on which the workers throw the branches of the

coffee plants. The machine pulls in the tarpaulin, chops up the twigs and separates the coffee. Although these machines have been used for over 10 years, the authorities have only recently become aware of the problem due to the increased number of accidents reported. “The machine often has trouble pulling in the coffee branches, in which case the worker has to help them along,” explains public prosecutor Fernanda Barreto Naves in São Mateus. Therefore, accidents usually affect the upper limbs. “Many of these machines don’t even have an emergency shutdown,” deplores Mateus.

In the wake of the series of accidents, coffee producers and machine manufacturers voluntarily committed themselves to minimum safety standards, including the installation of emergency mechanisms in Autumn 2022. However, according to the local authorities, these standards have not been widely implemented. The use of non-safety-compliant machines was also detected on Idalino Agrizzi’s Nescafé Plan farm in July 2023. We saw that there was an immediate risk of accidents for workers because the required distance from the machine was not maintained.⁹⁴

Fernando Catelan is one of the few producers who has replaced the old machines with compliant ones. Since then, the accident rate has dropped by 90 percent, according to the Robusta producer, who also supplies Nestlé. However, the defective machines usually continue to be operated. Even Catelan has sold his – to another farmer in the area.



“Work safely” – Plantation owners often pay too little attention to putting this motto into practice. Here, we see workers cutting branches from a bush with a machete.



A machine pulls in the coffee plants' harvested branches, chops them up and separates the coffee beans. The workers are exposed to a serious risk of accidents because the required safety distance from the hazardous harvesting machine is not maintained.



Worker in Soconusco, Mexico, turning coffee fruit, which is laid out to dry on the farms after harvesting. | ©Damián Sánchez

3

No sustainable coffee without a living income

“It’s not as if we’re asking for a small fortune. All we’re asking for is a fair price that allows us to make a decent living.”

Smallholder coffee farmer in Chiapas, Mexico.

As the investigations conducted on the ground have shown, the Nescafé Plan, the flagship sustainability programme of the Swiss world-market leader, which is also considered an industry standard in this regard, does not keep its promises. If anything, the contrary prevails. Coffee farmers in Mexico and Brazil not only fail to benefit from it, but in some cases their involvement in the plan also makes them become dependent on it, to their detriment.

The main reason for this is that the Nescafé Plan excludes any guaranteed coffee price that allows producers to earn a living income. This results in devastating consequences, as shown by the example of Chiapas where the price is so low that farmers remain in abject poverty and have to watch their children emigrate because they see no future in coffee cultivation, which was once a source of pride for their families. Competition from the much more cost-effective surface area production in Brazil and Vietnam is posing a severe threat to their smallholder existence.

Apart from this (a)social impact, there are also at least considerable doubts raised about the green credentials of the Nescafé Plan. The millions of coffee plants distributed require a high amount of artificial fertilizer, which is harmful to the climate and damages the soil. In Mexico, the switch from Arabica to Robusta also meant switching to monocultures, which are not conducive to biodiversity. The well-intentioned 4C environmental requirements miss their target at least where producers cannot afford to implement them in the first place due to low coffee prices. In general, the implementation of the 4C standard on the ground is obviously inadequate and non-transparent.

As an industry leader that is very proactive in cultivating its image, Nestlé does have a particular responsibility. However, the company is not alone in its fundamental contradiction between sustainability promises and sourcing priorities. Rather, it is a common trend in the industry. This includes not allowing smallholder farmers to share in the profits, but also means passing on the risks and costs arising from sustainability commitments to them.⁹⁵

However, as long as farmers do not have the opportunity to earn a living income, there can be no mention of sustainability. And even that would only be a very modest goal. A farmer in Chiapas expressed her sentiments in a nutshell: “We don’t expect a price that would allow us to eat in fancy restaurants. All we want is an income that allows us to live in dignity.” The fact that they are not even allowed this much is simply shameful when you consider the billions in profits made in the booming coffee business.

There is no shortage of announcements and programmes from Nestlé and the entire industry, aimed at voluntarily addressing and resolving this basic problem. But, so far, there are hardly any results to speak of. On the contrary, the share of added value that remains with producers has been declining for years, while the power imbalance within the sector continues to increase and the major corporations continue to reap big profits.

A living wage is even further out of reach for coffee workers, many of whom toil in conditions that can, to some extent, even be classified as “slave-like”. The issue is not receiving the attention very much required in companies’ own responsible



“If poverty is a fact, demonstrating is a right”: burning Nescafé Plan bags during coffee producers’ protest in February 2024 in Tapachula, Mexico.

sourcing programmes – whether at Nestlé or its competitors – or even at sector level.

All this leads us only to one conclusion: self-regulation of the industry has failed miserably. The evidence compiled in our research clearly shows that it has not come close to addressing even the most basic grievances that have been known for decades. Obviously, the economic interests of the coffee companies hamper this. With a view to initiating long-overdue improvements, political regulations are finally needed that force corporations to adopt measures compliant with human rights – including the right to living wages and income – as well as environmental standards.

Waiting and seeing what Nescafé does is definitely not an option.

Our demands

ON NESTLÉ, THE ROASTING INDUSTRY AND ALL COFFEE TRADERS

- To ensure that labour and human rights, including the right to a living income, are respected throughout the value chain, companies must adopt verifiable measures with a set timeframe. With this in mind, they must guarantee fair pricing as well as long-term trade relationships and transparent payment terms in their sourcing practices.
- In addition, there needs to be complete transparency throughout the supply chain – from the buyers via the intermediaries to the coffee farms.
- Regulations against misleading sustainability marketing, as they are currently being discussed in the EU Parliament under the term “Green Claims”, whereby social sustainability should also be taken into account.
- Measures ensuring transparency in the value chains, as well as a commitment to fair purchasing practices⁹⁶ and the prevention of the exploitation of market power (also applies to production countries).

ON CERTIFICATION BODIES

- Organisations like 4C should make the payment of a living income price to farmers and living wages to workers a prerequisite for certification.
- In their own best interest, they must guarantee the enforcement and independent monitoring of certification requirements. This includes transparency throughout the certified operations. They should also ensure that instead of small producers, the large buyers, i.e. the trading and roasting groups, bear the costs and risks incurred in the certification process.

ON THE POLITICIANS IN THE COUNTRIES WHERE THE COFFEE COMPANIES ARE BASED

Since voluntary self-regulation has failed, governments and parliaments must legally oblige the companies responsible to adopt the above measures. This is especially true for Switzerland, as the home of the largest coffee roaster and a global hub for the coffee trade. For example, the following political instruments could be used to achieve this:

- Mandatory due-diligence obligations for companies in the area of environmental and human rights, which must also include the implementation of the right to a living income





"Nestlé – an unethical company driving Chiapas into poverty": openly demonstrating coffee producers in February 2024 in Tapachula, Mexico. | ©Damián Sánchez

Endnotes

- 1 Global coffee sales via retail trade amounted to almost USD 100 billion in 2022, according to data from market analysis firm Euromonitor. Euromonitor International, Hot Drinks, industry edition (2023). According to Nestlé, the sales value of coffee in the catering industry, where the price per amount of coffee is many times higher, is another USD 300 billion, see Nestlé (29.11.2022). Leading the world of coffee. Investor Seminar. [Last accessed](#) on 24.04.24.
- 2 The poverty line defined by the World Bank is \$3.20 per day.
- 3 Unpublished estimate by Enveritas from 2019. See also <https://carto.com/blog/enveritas-coffee-poverty-visualization>. In Autumn 2022, the World Bank raised the limit for extreme poverty from \$1.90 to \$2.15 per day due to the rising cost of living.
- 4 Ruben, Ruerd (2023). Why do coffee farmers stay poor?: Breaking vicious circles with direct payments from profit sharing. Journal of Fair Trade. [Last accessed](#) on 24.04.2024.
- 5 ILO (2020). Wages and working conditions in the coffee sector: the case of Costa Rica, Ethiopia, India, Indonesia and Vietnam. Background Note. [Last accessed](#) on 24.04.2024.
- 6 List of Goods Produced by Child Labor or Forced Labor. U.S. Department of Labor, [last accessed](#) on 24.04.2024.
- 7 Grüter, Roman et al. (2022). Expected global suitability of coffee, cashew and avocado due to climate change. PLOS ONE Vol 17, No.1. [Last accessed](#) on 24.04.2024.
- 8 Specialty Coffee Association (2019). Price Crisis Response Initiative. Summary of Work. [Last accessed](#) on 24.4.2024; Le Basic (2018). Café: la success story qui cache la crise. Etude sur la durabilité de la filière du café. [Last accessed](#) on 24.4.2024.
- 9 Rodgers, Lucy (16.04.2023). Have we reached peak coffee? *Financial Times*. [Last accessed](#) on 24.04.2024.
- 10 In 2003, 60% of coffee was consumed in North America and the EU, compared to 49% in 2023. USDA Foreign Agriculture Service. [Last accessed](#) on 24.04.2024.
- 11 Nestlé bought the retail sales rights from Starbucks in 2018 and took over the US company Blue Bottle Coffee in 2017. The Dutch group JDE Peet's was formed in 2019 from the merger between the US group Peet's Coffee and Jacobs Douwe Egberts (JDE). Previously, Jacobs from Germany and the Dutch company Douwe Egberts had merged.
- 12 Own estimate, which is based on information from the companies. In 2016, the top 6 still controlled 44% of the market, see Unctad (2018). Commodities at a Glance. Special Issue on coffee in East Africa. [Last accessed](#) on 24.04.2024.
- 13 Bloomberg (10.08.2012). When Brazil Dumped Coffee to Save Its Economy. Bloomberg. [Last accessed](#) on 24.04.24.
- 14 Pfiffner, Albert, "A real winner one day": Die Entwicklung des Nescafé in den 1930er Jahren, in Rossfeld, Roman (Hrsg.), *Genuss und Nüchternheit: Geschichte des Kaffees in der Schweiz vom 18. Jahrhundert bis zur Gegenwart*. Hier + Jetzt Verlag für Kultur und Geschichte, 123.
- 15 An increasing, but still low, proportion of instant coffee – estimated between 8 and 10% – is produced in factories in the Global South, but mostly by European companies such as Nestlé.
- 16 Charles, Sarah (08.06.2023) Consolidation in the coffee industry is only just getting started. *Coffee Intelligence*. [Last accessed](#) on 24.04.2024.
- 17 Panhuysen, Sjoerd And De Vries, Frederik (2023). Coffee Barometer 2023. [Last accessed](#) on 24.04.2024. Although many companies are also increasingly entering the profitable niche market with higher-quality speciality coffee, the main business of most remains mass-produced coffee adjusted for low prices, which, according to estimates, accounts for around three quarters of the global volume, see The Coffee Guide. ITC, Geneva. [Last accessed](#) on 24.04.24
- 18 Jeffrey et al. (2019). Ensuring Economic Viability and Sustainability of Coffee Production. Columbia Center on Sustainable Investment. [Last accessed](#) on 24.04.24.
- 19 Nestlé bought global retail sales rights from Starbucks in 2018 for \$7.2 billion. Starbucks continues to source its green coffee itself, but Nestlé roasts it and pays licence fees for marketing. Even after this deal, Starbucks, which has more than 32,000 cafés worldwide, remains the second-largest roasting company after Nestlé in terms of sales.
- 20 In 2022, Nestlé purchased 967,000 tonnes of green coffee (see Carbon Disclosure Project, [last accessed](#) on 24.04.24). According to the ICO, this equates to 9.6% of the global harvest for 2021/22. This figure does not include coffee that is purchased by Starbucks but roasted by Nestlé and sold in retail stores (sales 2021: CHF 3.1 billion), see also endnote 19). This means that Nestlé roasts more than 10% of the global harvest. The next largest competitors, JDE Peet's and Starbucks, each source and process about 8% and 3% of the total volume of green coffee respectively.
- 21 Public Eye, based on Euromonitor data. Euromonitor International, Hot Drinks, industry edition (2023).
- 22 USDA Foreign Agriculture Service. [Last accessed](#) on 24.04.2024; Charles, Sarah (11.04.2024) Louis Dreyfus Company acquiring Cacique shows that soluble coffee isn't going anywhere. *Coffee Intelligence*. [Last accessed](#) on 24.04.2024.
- 23 Euromonitor International, Hot Drinks, industry edition (2023). Euromonitor International's annual industry editions are subject to change year on year and while every attempt has been made to ensure accuracy and reliability, Euromonitor International cannot be held responsible for omissions or errors of historic figures and analyses and should not be relied upon in making, or refraining from making, any investment or legal decision.
- 24 Nestlé (29.11.2022). Leading the world of coffee. Investor Seminar. [Last accessed](#) on 24.04.24. More recent data is not available. In the beverages product category (mainly coffee), Nestlé generated sales of CHF 24.8 billion in 2023.
- 25 The trading operating profit (EBIT) reported by Nestlé amounted to approx. 20-24% between 2020 and 2023, see Nestlé (29.11.2022). Leading the world of coffee. Investor Seminar. [Last accessed](#) on 24.04.2024; Nestlé (2024). Annual Review 2023. [last accessed](#) on 06.05 2024.
- 26 Samper, Luis F. et al. (2017). The powerful role of intangibles in the coffee value chain.

- Economic Research Working Paper No. 39. WIPO. [Last accessed on 24.04.24.](#)
- 27 Based on Nestlé's own information, we estimate that the group generates about one-sixth of its coffee sales with Starbucks products, just under one-third with Nespresso capsules, and more than half with the sale of the more than 5000 different Nescafé products around the globe. These primarily include instant coffee, but also roasted coffee such as Nescafé Dolce Gusto capsules, as well as ready-to-drink.
- 28 Own estimate based on data from Nestlé, see: Nestlé – Forests (2023). Carbon Disclosure Project CDP.
- 29 Some of the reasons why Nestlé's market share in terms of value in the retail sector is significantly higher than the volume share of green coffee are the above-average sales prices of its products and the exclusion of the volume of Starbucks coffee sold by Nestlé from the figures. However, the two shares are generally hardly comparable. According to estimates, about three-quarters of the amount of coffee worldwide is sold in the retail sector and the remaining quarter in the catering sector. However, Nestlé's market share in the catering sector is not known. According to a statement by the group, the figure is around 15%. Starbucks leads the way here with its omnipresent cafés.
- 30 Forbes (2020), the world's most valuable brands. [Last accessed on 24.04.24.](#)
- 31 Swissimpex. [Last accessed on 07.02.24.](#)
- 32 UN Comtrade Database. [Last accessed on 23.04.2024.](#)
- 33 Nestlé (2003). Management Report 2002. [Last accessed on 24.04.2024.](#) Nestlé (2023). Annual Review 2022. [Last accessed on 06.05.2024.](#)
- 34 The estimates are based on information provided by trading companies or third parties if the companies do not publish figures.
- 35 Braunschweig, Thomas, Kohli, Alice und Lang, Silvie (2019). Agricultural commodity traders in Switzerland, benefitting from misery? Public Eye. [Last accessed on 15.05.2024.](#)
- 36 The green coffee volumes are based on the information provided by the respective companies for 2022, where available. Otherwise, the volume was estimated, either on the basis of the latest available information from third parties (Ecom, 2019, source: www.fmo.nl/project-detail/58705) or based on indirect information from the companies, for example on the volume share of certified coffee (LDC, Ofi, 2020/21).
- 37 Rutten-Sülz, Melanie, *4C Association – Umsetzung sozialer und ökologischer Standards im Mainstream-Kaffeesektor*, in Dr. Schuster-Haus, Werner (Hrsg.), *Entwicklungszusammenarbeit und Wirtschaft – Zwischen Konfrontation und Kooperation* (2010), Bonn, Verband Entwicklungspolitik deutscher Nichtregierungsorganisationen e.V.
- 38 Rutten-Sülz, Melanie, *4C Association – Umsetzung sozialer und ökologischer Standards im Mainstream-Kaffeesektor*, in Dr. Schuster-Haus, Werner (Hrsg.), *Entwicklungszusammenarbeit und Wirtschaft – Zwischen Konfrontation und Kooperation* (2010), Bonn, Verband Entwicklungspolitik deutscher Nichtregierungsorganisationen e.V.
- 39 Generally speaking, 4C is not applied directly to products as a sustainability label, but rather companies used it to underpin their promises of supposedly "sustainable" procurement, which were often placed prominently on packaging – as in the case of Nescafé.
- 40 Nestlé, Press release (27.08.10). Nestlé invests CHF 500 million in coffee projects, doubling direct purchases. [Last accessed on 24.04.24.](#)
- 41 Panhuysen, Sjoerd (2009). Coffee barometer. [Last accessed on 24.04.24.](#)
- 42 See Nestlé – Forests (2021). Carbon Disclosure Project CDP. [Last accessed on 24.04.24.](#), as well as 4C Services (2022). 4C Approach and Impact Report. [Last accessed on 24.04.24.](#)
- 43 See www.nescafe.com/gb. [Last accessed on 05.06.2024.](#)
- 44 Romero, Fátima (16.11.2022). ¿Es hora de darle otra oportunidad al café robusta en Centroamérica? *Bloomberg Línea*. [Last accessed on 24.04.24.](#)
- 45 Nestlé Colombia, Press Release (03.10.23), Nestlé anuncia compromiso de compra de café canéfora para impulsar la cadena de valor de la caficultura en zonas no tradicionales. [Last accessed on 24.04.24.](#)
- 46 ICE stands for "intercontinental exchange".
- 47 The C-price is considered the key stock market benchmark.
- 48 Sachs, Jeffrey et al. (2019). Ensuring Economic Viability and Sustainability of Coffee Production. Columbia Center on Sustainable Investment. [Last accessed on 24.04.24.](#); International Trade Centre (2021). The Coffee Guide. ITC, Geneva. [Last accessed on 24.04.24.](#)
- 49 Hüsser, Andrea und Doppler, Flurina (2011). *Kalter Kaffee – Der Nescafé-Plan: Wer profitiert?* Zürich, Erklärung von Bern.
- 50 Blumer, Florian, Hoinkes, Carla and Morales, Mariana. High hopes, low prices. How Nestlé is driving Mexican coffee farmers to ruin. Public Eye. [Last accessed on 03/06/2024.](#)
- 51 Nestlé does not buy the coffee directly from the farmers, but via local intermediaries. In the case of Soconusco, these are companies that sell on the coffee that they buy from the producers exclusively to Nestlé. According to concurring statements from producers and representatives of the intermediary companies, Nestlé sets the price that is paid to the farmers.
- 52 After the last major price crisis in 2019, the poverty rate rose by 7% up to 50%. ICO (2019). Survey on the impact of low coffee prices on exporting countries. International Coffee Council 124th Session. [Last accessed on 24.04.24.](#) Anderzén, Janica et al. (2021). State of the Smallholder Coffee Farmer: An Initiative Towards a More Equitable and Democratic Information Landscape. Research Report. Agroecology and Livelihoods Collaborative (ALC), University of Vermont/Statistics for Sustainable Development (Stats4SD)/Heifer International/Lutheran World Relief (LWR), Burlington. [Last accessed on 24.04.24.](#)
- 53 From 1963 to 1989, coffee prices were kept high by using quotas set by the International Coffee Agreement (ICA). In order to avoid price collapses, each growing country was not allowed to exceed a fixed production volume. In 1989, the agreement was suspended after the withdrawal of the United States, which wanted to prevent impoverished coffee farmers from defecting to communism during the Cold War. Since then, there have been several follow-up agreements (without imposing any binding measures), the most recent one being in 2022. In the International Coffee Organization ICO, where these agreements are devised, both producers and the trade and roasting industry are represented in addition to producing and consuming countries.
- 54 In Chiapas, according to concurring statements made by the farmers, there are hardly any other buyers for Robusta coffee. According to its own figures, Nestlé buys 30% of the coffee produced in Mexico.
- 55 Public Eye, based on Euromonitor data. Euromonitor International, Hot Drinks, industry edition (2023).
- 56 Nestlé, Press release (17.07.22). El Presidente Andrés Manuel López Obrador inaugura fábrica de Nestlé en Veracruz. [Last accessed on 24.04.24.](#)
- 57 Viet Nam News (23.06.2023). Nestlé strengthens collaboration with partners to advance regenerative agriculture in Viet Nam. [Last accessed on 28.04.24.](#); Viet Nam Investment Review (12.12.2018). Nescafé Plan devotes to Vietnamese coffee sustainable development. [Last accessed on 28.04.24.](#)
- 58 In 2022, Nestlé sourced 38% of its coffee from Vietnam, 31% in 2021 and 35% in 2020, see Carbon Disclosure Project CDP. [Last accessed on 24.04.24.](#)
- 59 Meyfroidt, Patrick (2013). Trajectories of deforestation, coffee expansion and displacement of shifting cultivation in the Central Highlands of Vietnam. *Global Environmental Change* Vol. 23, 1187–1198. [Last accessed on 28.04.24.](#) Naranjo, María A. et al. (2023). Deforestation and forest degradation in coffee supply chains. Policy brief. Wageningen University. [Last accessed on 28.04.24.](#)
- 60 UN environment programme (22.01. 2021) Coffee, environmental degradation and smallholder livelihoods. Newsletter. [Last accessed on 28.04.24.](#)
- 61 Angel, Maytaal and Nguyen, Phuong (05.02.2024). Vietnam coffee farmers seek to renegotiate deals after price surge. Nasdaq. [Last accessed on 28.04.24.](#)
- 62 Estimation based on Sachs, Jeffrey et al. (2019). Ensuring Economic Viability and Sustainability of Coffee Production. Columbia Center on Sustainable Investment. [Last accessed on 24.04.24.](#) Samper, Luis F. et al. (2017). The powerful role of intangibles in the coffee value chain. Economic Research Working Paper No. 39. WIPO. [Last accessed on 24.04.24.](#)
- 63 Neither Nestlé nor the local intermediaries wanted to comment on this accusation.
- 64 Nestlé promised in 2010 to increase direct purchasing to 180,000 tonnes by 2015 as part of the plan. It is highly debatable whether this target has been achieved. Nestlé does not address this issue in its

- evaluations and has not answered our questions about it. See Nestlé, Press release (27.08.10). Nestlé invests CHF 500 million in coffee projects, doubling direct purchases. Last accessed on 24.04.24.
- 65 According to Nescafé, 90% of its coffee is sourced from these countries. Overall, producers from 14 countries are involved in the Nescafé Plan.
- 66 The aim of regenerative agriculture is to contribute to climate protection; for example, through measures to improve the CO₂ storage capacity of soils or by planting trees to absorb greenhouse gases. However, there is no standard definition of the term. Complex agro-ecological forestry systems can be described as “regenerative” just as much as the planting of individual trees on monocultures. Nestlé and other food companies use this term widely in their marketing campaigns, but it usually remains unclear how they implement “regenerative” agriculture.
- 67 Nestlé (2023). Nescafé Plan 2030. Progress report 2022. Last accessed on 06.05.2024
- 68 The figures relate to the total income from coffee growing as well as other activities.
- 69 Nestlé (2024). Nescafé Plan 2030. Progress report 2023. Last accessed on 06.05.2024.
- 70 Ministry of Agriculture of Espírito Santo, last accessed on 24.04.24. After the stock market crash of 1929, production in the state collapsed and was not resumed until the 1970s.
- 71 Nestlé Brasil (13.5.22) Tecnologia digital para uma cafeicultura mais sustentável. Last accessed on 24.04.24.
- 72 Global Coffee Platform (2023) Living Income in Brazilian Coffee Production: Initial findings of the study on coffee growers’ income in Minas Gerais and Espírito Santo. Last accessed on 24.04.2024.
- 73 Converted according to the average exchange rate in July 2023 (0.18206)
- 74 Cordes, Kaitlin Y. and Margaret Sagan, with Solina Kennedy (2021). Responsible Coffee Sourcing: Towards a Living Income for Producers, Columbia Center on Sustainable Investment. Last accessed on 24.04.2024; Panhuysen, S. and Pierrot, J. (2020). Coffee Barometer 2020. Last accessed on 24.04.2024; Kimberly, Ann Elliott (2018). What Are We Getting from Voluntary Sustainability Standards for Coffee? CGD Policy Paper. Washington DC, Center for Global Development. Last accessed on 15.05.2024.
- 75 Dietz, Thomas et al. (2018). The Voluntary Coffee Standard Index (VOCSI): Developing a Composite Index to Assess and Compare the Strength of Mainstream Voluntary Sustainability Standards in the Global Coffee Industry. Ecological Economics, Vol. 150. Last accessed on 15.05.2024; Panhuysen, S. and Pierrot, J. (2020). Coffee Barometer 2020. Last accessed on 24.04.2024;
- 76 Dietz, Thomas et al. (2022). Mainstreamed voluntary sustainability standards and their effectiveness: Evidence from the Honduran coffee sector. Regulation and Governance; Dietz, Thomas et al. (2018). The Voluntary Coffee Standard Index (VOCSI): Developing a Composite Index to Assess and Compare the Strength of Mainstream Voluntary Sustainability Standards in the Global Coffee Industry. Ecological Economics, Vol. 150. Last accessed on 15.05.2024; Kimberly, Ann Elliott (2018). What Are We Getting from Voluntary Sustainability Standards for Coffee? CGD Policy Paper. Washington DC, Center for Global Development. Last accessed on 15.05.2024.
- 77 Neither the local intermediaries nor Nestlé responded to these statements when put to them.
- 78 Living Income Community of Practice, Last accessed on 24.04.2024
- 79 Cordes, Kaitlin Y. and Margaret Sagan, with Solina Kennedy (2021). Responsible Coffee Sourcing: Towards a Living Income for Producers, Columbia Center on Sustainable Investment. Last accessed on 24.04.2024; The authors refer only to household income from coffee growing, excluding additional income from other activities.
- 80 ILO (2020). Wages and working conditions in the coffee sector: the case of Costa Rica, Ethiopia, India, Indonesia and Viet Nam. Background Note. Last accessed on 24.04.2024.
- 81 ICO Coffee Public-Private Task Force, Last accessed on 24.04.2024
- 82 The only exception is a pilot project that aims to test financial incentives for regenerative farming practices in three countries/regions.
- 83 Cordes, Kaitlin Y. and Margaret Sagan, with Solina Kennedy (2021). Responsible Coffee Sourcing: Towards a Living Income for Producers, Columbia Center on Sustainable Investment. Last accessed on 24.04.2024.
- 84 Name changed on request
- 85 Oxfam Brasil (2021). Mancha do Café. Last accessed on 24.04.2024.
- 86 Based on the ICO conversion rate from green to instant coffee.
- 87 Various experts, including the president of the Mexican industry association Amecafé, confirmed the labour shortage issue in Mexico in interviews.
- 88 The use of child labour has been repeatedly documented in the region, including in 2016 in the Mexican-US documentary “Cosecha de Miseria” including on a 4C-certified farm that produced Robusta for Nestlé, see www.youtube.com/watch?v=J--_FLOz1jk
- 89 List of Goods Produced by Child Labor or Forced Labor, U.S. Department of Labor, last accessed on 24.04.2024.
- 90 Data from the Ministry of Labour and Employment on anti-slavery inspection activities in Brazil. Available at: <https://sit.trabalho.gov.br/radar>
- 91 These include companies such as the Neumann Kaffee Group, which sells to Nestlé (among others) the Swiss trader Sucafina and Nutrade, a subsidiary of Basel-based Syngenta, which trades in coffee; see Zocchio, Guilherme (24.10.22). Fazendas de café gourmet e certificado em MG são flagradas com trabalho escravo. *Repórter Brasil*. Last accessed on 24.04.2024; see also: the platform of the Brazilian Ministry of Labour, available at: <https://smartlabbr.org/trabalhoescravo/localidade/0?di-mensao=prioritarias>.
- 92 In the US, Starbucks was sued in January 2024 for buying from Brazilian plantations where human rights violations had occurred, despite allegedly “100% ethical sourcing”, see <https://edition.cnn.com/2024/01/10/business/starbucks-lawsuit-deceptive-marketing/index.html>
- 93 Camargo, Daniel (04.04.2019). Nespresso e Starbucks compraram café de fazenda flagrada com trabalho escravo. *Repórter Brasil*. Last accessed on 24.04.2024; Nespresso then declared that it would stop working with the farm concerned.
- 94 According to an occupational health and safety engineer who analysed the images for us.
- 95 Cordes, Kaitlin Y. and Margaret Sagan, with Solina Kennedy (2021). Responsible Coffee Sourcing: Towards a Living Income for Producers; Columbia Center on Sustainable Investment. Last accessed on 24.04.2024.
- 96 One example is the EU Directive on unfair trading practices, see <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32019L2161>





Switzerland is a coffee country! A large part of the global trading business is controlled from Switzerland, which is also the headquarters of the world's largest coffee company – the food giant Nestlé. This dominant position also entails a great deal of responsibility. The reason for this is that, while the industry's sustainability promises are becoming increasingly grandiose, a large proportion of coffee farmers still barely earn enough to live on.

Nestlé has promised to sell only “responsibly” produced coffee by 2025, and launched the Nescafé Plan with this intention in mind in 2010. We have conducted an extensive investigation, which has taken a close look at this sustainability programme and involved travelling to meet coffee farmers and harvest workers in Mexico and Brazil. The conclusion of this investigation is sobering. While Nestlé continues to generate large profits from the coffee business, the situation of producers has hardly improved. On the contrary, the persistently low prices paid by Nestlé mean that many no longer know how they're going to make ends meet.



Public Eye (formerly the Berne Declaration) is a non-profit, independent Swiss organisation with around 28 000 members. Public Eye has been campaigning for more equitable relations between Switzerland and underprivileged countries for more than fifty years. Among its most important concerns are the global safeguarding of human rights, the socially and ecologically responsible conduct of business enterprises and the promotion of fair economic relations.

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