# Coffee, Birds and Trade Policy: Making the Connection

**September 17, 1999**

**Draft #2**

**Northwest Shade Coffee Campaign**

To raise awareness in the coffee industry and in the public at large about the positive role of shade coffee in conserving migratory birds, a group of local coffee roasters, retailers, and importers joined with Seattle Audubon Society to form the Northwest Shade Coffee Campaign. The Campaign defines "shade coffee" as coffee grown under a canopy of diverse species of trees that provides a viable winter habitat for migratory birds. To join, a company must:

1) Take steps to identify the source of its coffee.
2) Work with its vendors to ensure a supply of shade coffee.
3) Carry and identify at least one offering that is 100% shade grown.
4) Educate its customers about shade coffee.
5) Contribute a fee and in-kind service, and maintain regular contact with the Campaign.

For more information, contact:

Northwest Shade Coffee Campaign
Seattle Audubon Society
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(206) 523-4483
http://www.seattleaudubon.org in cooperation with Earth Justice

**Introduction**

In dollar value, coffee is the most important legally traded commodity in the world and is a major source of foreign exchange in dozens of tropical countries. Coffee production is also a significant source of employment, with some 20 million to 25 million people, most of them small farmers, dependent on income from coffee crops. Coffee production has grown by nearly 200 percent since 1950, and recent years have seen a surge in consumer demand for specialty coffees such as gourmet blends, flavored coffees, and organically grown coffees. In an effort to modernize and produce more coffee, the coffee industry has begun to shift from its traditional reliance on small coffee producers to industrial cultivation on larger plantations. Traditionally, coffee has been grown under a canopy of shade trees. Such shade coffee plantations, which are often on small farms, provide a rich habitat that is particularly valuable to migratory birds. Prior to the last 20 years, nearly all commercial coffee production was managed under a canopy of shade trees. But debt strapped nations seeking to boost exports have taken deliberate steps to modernize growing practices. Coffee farmers have converted from shade to sun grown coffee, cutting down trees to grow coffee in the open with high applications of chemicals and fertilizers.

Conversion to sun grown practices has been devastating to migratory bird populations. In the mid-elevations of Mexico, Central America, the Caribbean, and Colombia, most of the forests still standing are in traditional coffee plantations. These provide the last refuge for birds that have lost their habitat to the vast destruction of tropical forests. The tree canopy in shade coffee plantations protects the soil from erosion and provides a natural mulch for coffee plants, reducing the need for chemical fertilizers and herbicides.

Opposing the trend toward sun coffee cultivation is growing consumer demand in sustainably grown coffee. U.S. coffee drinkers comprise one-third of the world coffee market. By purchasing coffee that is grown in the shade, we (consumers?) help keep shade coffee economically viable and preserve increasingly scarce habitat for migratory Neotropical birds. The Northwest Shade Coffee Campaign is one example of a grassroots environmental organization (Seattle Audubon) partnering with the coffee industry, to promote bird-friendly coffee. In addition, the fair trade movement has taken root in the coffee market in recent years. The movement strives to ensure a fair price is paid to small growers for their coffee, distributed thorough small cooperatives. Farmers producing for these cooperatives can achieve higher prices and more secure markets. In some cases, the extra income and price stability has been used to support environmentally sound practices and support conversion to organic practices.

Shade coffee is good for migratory birds, good for local farmers, and attractive to consumers. It is also one of many products that can be impacted by world trade policies under discussion by the

World Trade Organization. Trade policy and consumer demands shape the market forces that drive coffee production. This booklet explores the links between coffee production, environmental degradation, and trade policy, and some innovative partnerships that have been formed to reach mutual goals.

## Coffee and The Environment

Millions of people across the United States start their day with a cup of coffee, and have at least another cup before the day is over. These cups really add up: coffee is the third largest import in the U.S., surpassed only by oil and steel. Americans consume about one-third of the approximately 6,000,000 tons of coffee produced in the world every year. Apart from the boost coffee gives to consumers each morning and to the economy of many coffee-producing countries, coffee production has major environmental impacts. The effect this beverage has on the environment largely depends on the coffee we choose to drink. A few facts will make the connection between coffee and environment self-evident.

## Where Does Coffee Come From? What Does it Look Like?

Coffee originated in Africa. According to a legend, coffee was discovered when an Abyssinian goatherd observed that his goats danced happily after eating the bright red coffee berries and decided to try them himself. From Africa, coffee spread into the Middle East, was later consumed in Europe, and was successfully introduced to Latin America in the 18th century. Today, Latin America and the Caribbean produce two-thirds of the world's coffee.

The coffee plant is a shrub, three to nine feet tall. The fruit is a red berry with two seeds—the coffee beans. The fruits produced by one bush every year yield approximately one pound of roasted coffee. Every time we buy a pound of coffee at the store we buy the whole annual production of a bush. Coffee plants live an average of 12 to 30 years, and the first crop is produced three to five years after the bush was planted. Coffee only grows in the tropics at high altitudes. The best coffee generally grows at altitudes of 600 to 1,200 meters above sea level.

## How Does Coffee Grow? An Introduction to the Sun versus Shade Debate

When coffee arrived to the New World, it was grown as cacao had been grown for centuries: under the shade of native forest trees. This is the way coffee plants were grown for almost two centuries. In the 1970's, coffee varieties that thrived in the sun started replacing traditional coffee plantations, and the "shade" versus "sun" coffee controversy began. Coffee grown under the sun (hereafter referred to as "sun coffee") was promoted for two reasons: to prevent the spread of a fungus (called

coffee rust) that had been accidentally introduced in Latin America, and to increase the production of coffee. Coffee rust had spread and rapidly destroyed coffee plantations in Asia and Africa. Like most fungi, the rust survives better in shady humid environments, and when it was first detected in Latin America, farmers feared for their crops. It turned out, however, that the rust never became a big problem in Latin America.

The second reason growers turned to sun coffee was driven by a big increase in the price of coffee in the early 1970's, which created incentives to increase coffee production per area of land. More sun plants can be planted per area, and each plant produces as much as three times more coffee than a shade plant produces, the transition from shade to sun coffee seemed to make sense. However, it was soon discovered that sun coffee farms have serious environmental side effects.

**Differences Between Shade And Sun — They Start In The Forest And End In Your Cup**

Many people say that when they walk into a traditional shade coffee field, it is hard to tell they have left the forest. This is because the structure of a traditional shade coffee farm resembles a forest, with several layers of trees, including fruit and hardwood trees, epiphytes (plants that grow on top of trees, such as many orchids), and other plants that often have economic value. Walking in a sun-coffee field is similar to walking in an apple orchard, with one species of plant dominating the landscape. Many coffee connoisseurs claim that, everything else being equal, the flavor of shade coffee is better than sun grown coffee. This is probably because coffee growing under the shade takes a longer time to mature, and slow maturation gives the bean a sweeter taste.

The differences between shade- and sun-grown coffee go beyond the look of the forest, and the flavor of the drink. The two differ in their impacts on biodiversity (number of plant and animal species), soil erosion rates, use of chemicals, soil fertility, use of water, variation in temperature and humidity, and in many cases, even in the type of ownership (small family farms versus large plantations).

**Different Shades of Shade**

The structural complexity of coffee plantations ranges from rustic cultivation (most complex — most similar to pristine forest) to unshaded monoculture (leasts complex—composed only of coffee plants), and anything in between. Biologists have classified five different production systems according to the manipulation level of the original ecosystem (Toledo & Moguel 1997). These systems, going from most to least complex are:

1) Traditional rustic or mountain coffee— Coffee shrubs replace the shrub-like and herbaceous plants of the forest, but the original tree cover is maintained. This is the system with the highest structural complexity and the least impact on the original ecosystem.

2) Traditional polyculture system or coffee gardens. Like the rustic system, coffee is introduced under the cover of the original forest. But in the polyculture system, it grows with numerous useful plant species, and there are a wide variety of native and introduced trees, shrubs and herbs.

3) Commercial polyculture — The original forest canopy trees are removed, and a set of shade tree species are introduced. Many of the introduced trees have commercial value (e.g. cedar or rubber), produce cash crops (e.g. bananas), or add nitrogen to the soil (many leguminous plants).

4) Shaded monoculture — All the shade trees are of the same species, usually a leguminous tree. There are basically two layers in the forest: the coffee shrubs and one species of shade trees. Agrochemicals are almost always used in this system.

5) Unshaded monoculture — There is no tree cover at all. Coffee bushes grow directly under the sun. This system requires high inputs of chemical fertilizers and pesticides, use of machinery, and an intensive workforce year round. This system produces the highest yield of coffee per acre.

**Biodiversity — Why Is Forest Structure Important?**

Because of its forest-like structure, shade-coffee farms house a great number of migratory and resident tropical birds, reptiles, ants, butterflies, plants, and other organisms. Scientific studies show that a single shaded coffee field can support 66 species of trees and shrubs, and 73 wildlife species. Just taking into account birds, in shade coffee fields we can find up to 2/3 of the bird species found in natural pristine forest, in contrast, less than 1/10 of bird species are found in sun-grown coffee. Among transformed land, shade coffee is probably the crop that supports the highest diversity migratory birds, and native flora and fauna.

The structure of the vegetation in shade coffee is the secret to supporting a wide array of organisms, as the shade-coffee forest is similar to pristine forest, where you find several layers of vegetation, and a variety of plants providing a diversity of food. The more diverse the canopy forming the shade, the highest biodiversity. As a result, sun coffee, which is a monoculture—the only plant growing is coffee—houses very few animals and plants are found living there (see figure 2).

A higher biodiversity has environmental and economic benefits. In most coffee-producing countries the average coffee plantation is small. In Mexico, for example, 91% of the coffee fields are less than 5 hectares. Because of fluctuations in the price of coffee in the global market, having a field producing several different marketable products represents a lower risk than having just coffee. The side-products of shade coffee fields include honey, fruits and hardwood (Prefecto et al. 1996).

**Ecosystem Function and Services**

Ecosystems provide goods (such as food) and services (such as production of oxygen or erosion control by plants), which benefit human populations directly or indirectly. Since we don't have to build humongous and costly structures, we take these services for granted. However, if we destroyed natural ecosystems, we would have to invest large amounts of money to get these goods (clean air and water among others). A group of scientists recently estimated the value of the world's ecosystem services at an average of 33 trillion dollars per year (consider that the global gross national product total is around 18 trillion dollars per year) (Constanza et al. 1997).

One would assume that products that help preserve these services should be rewarded (or those which destroy them, punished by having to pay for the destruction). Unfortunately, the cost of the destruction of ecosystem functions—what economists call externalities - is generally not considered in the final price of the product.

Shade coffee clearly has a much lower impact on the environment when compared with sun coffee—or with almost any other agricultural system. ? Sun-Coffee fields generally make a heavy use of pesticides. Traditional shade coffee systems in general use no or very little chemicals. Sun-coffee fields, in contrast, generally require large amounts of fertilizers and pesticides. Planting coffee among natural vegetation or among other plants, can reduce susceptibility to pests (Rice and Ward 1996). The pesticides used for technified coffee production often present serious health and ecological concerns: they are often carcinogenic and have a long-term persistence in the environment. These pesticides often wash off to watersheds, affecting not only the coffee workers, but also human and animal populations that use that water (Rice and Ward 1996). Sun coffee also requires a heavier use of herbicides, as more weeds grow with increased exposure to the sun (Harner 1997).

• Sun-Coffee requires a much heavier use of fertilizers. There is an increased use of nitrogen fertilizer associated with the removal of shade cover. These fertilizers often contaminate drinking water aquifers, causing serious health problems (Rice and Ward 1996). In contrast, most or all the nitrogen supply in shade-coffee comes from species of shade trees that fix nitrogen, enriching the

soil. Other nutrients come from the litter falling from shade trees (Rice and Ward 1996, Harner 1997).

• Soil Erosion increases as Shade-Cover decreases. Shade trees retain and channel water, and prevent soil erosion (Rice and Ward 1996, Harner 1997). When hurricane Mitch hit Central America in the fall of 1998, the damage was most extreme in sites where the forests had been stripped away. Apparently, the impact in shade-grown coffee plantations was small compared to sun-coffee fields in the same regions (Marcus 1998).

• Carbon Dioxide Fixation decreases with shade cover. The increase of carbon dioxide in the atmosphere has been a major concern over the last decade, because the increase in carbon dioxide is thought to be directly linked to global climate change. A greater vegetation cover per area allows for greater carbon dioxide sequestration—plants use carbon dioxide during photosynthesis—as more carbon dioxide that goes to plants, less goes back into the atmosphere.

• Sun-Coffee has higher yields, but at a higher cost. Sun-coffee produces much more coffee per area than shade-coffee does. However, sun-coffee also has a higher cost to produce. These costs come from a higher need of fertilizers, pesticides, and a shorter productive life of the plants: sun coffee plants live an average of 12-15 years, while shade coffee plants live for 24-30 years. Sun plants take 3-4 years before producing their first crops, while shade plants take 4-5 years. These translates in about twice the productive life for shade vs. sun plants. The cost is higher EVEN WITHOUT FACTORING IN EXTERNALITIES. Coffee experts claim that, everything else being equal, shade-coffee tastes better. In addition, you are protecting the environment, not only for the birds breeding in your backyard. It reduces the health hazards to workers in coffee producing countries, and it benefits the environment around the world by helping keep water balance in the environment, and reducing the amount of carbon dioxide in the atmosphere, among other things. Isn't it worth buying into this concept? (see tables and graphs in separate document)

Tables Prepared by the Northwest Shade Coffee Campaign based on information from the Smithsonian Migratory Bird Center.

**Other Effects on the Environment**

In addition to providing many ecosystem services and habitat for numerous species, shade coffee has other environmental benefits. Many birds eat insects that would become coffee pests, the leaves & other debris falling from the trees in the canopy provide nutrients to the coffee fields—somewhat equivalent to adding compost, and the shade of the trees greatly reduces the growth of weeds. As a consequence, shade coffee fields require non-to minimal addition of agrochemicals.

**Shade Versus Organic**

Organic agriculture is an ecological production management system that promotes and enhances biodiversity, biological cycles and soil biological activity. It is based on minimal use of off-farm inputs (such as fertilizers, pesticides, and herbicides) and on management practices that restore, maintains and enhances ecological harmony. Organically grown coffee mitigates the threat to the health of coffee growers and workers since it eliminates pesticide poisoning of people and animals and keeps fertilizers out of the ground water.

Not all organic coffee is shade grown, though most is, and not all shade coffee is organically grown. The best coffee from the point of the view of the environment is shade-grown, organic AND fair-traded.

[Pages 6-7—Through the Eyes of a Western Tanager (Carolee)]

**World Trade and Western Tanager**

Let's look at world trade and coffee from the point of view of a migratory songbird. Say you,re a Western Tanager. Although you spend four months of every year in North America, you betray your tropical origins with your bright black and yellow body and, if you,re a male, a vividly red head. You have a nice nesting territory staked out in a grove of Douglas firs in the Cascade foothills of the Pacific Northwestern United States. Every fall you head back to your ancestral wintering grounds somewhere between central Mexico and Costa Rica.

**What can you expect from the trade rules of the World Trade Organization?**

First, your summer home, never very secure from logging, will now be even more at risk. State and federal restrictions on clearcutting and raw log exports are contrary to free trade. With a decrease in tariffs, there will be an increase in demand for wood products, and any program that seeks to identify wood based on the way it was harvested would be disallowed as a trade barrier. Timber companies will have no more incentive log selectively or sell to local mills. More workers in forest towns will be out of jobs, putting yet more pressure on the government to step up the harvest on National Forests.

Moreover, the [proposed?] trade rules undermine recycling efforts that might have helped reduce the demand for your Douglas fir grove. Any government bans on non-recyclable materials or excess packaging, or requirements to use recycled products or attempts to regulate a type of

packaging˜all these could be challenged as restraints to trade. Meanwhile your health and food supply are in jeopardy. Applications of pesticides kill off insects you eat. Pesticides also impact birds in subtle, indirect ways: depression of the immune system, reproductive failure, thinning of eggshells. Some poisons accumulate in your fat reserves, the fuel you need for your long migration. While plenty of pesticides and herbicides are sprayed in the forests and fields of your breeding grounds, at least there is some degree of government regulation on their use. However, the WTO's concept of harmonization requires that US standards of pesticide use must be brought into alignment with an international norm. If the US wants to provide a greater degree of environmental protection, government scientists must jump through a series of difficult and expensive hoops. As a non-voter with no Political Action Committee (PAC) in your pocket, you can't count on the political will of the government to protect you.

Yet another threat looms over your nesting grounds. Exotic insects, fungi and other organisms could infest or invade your native forest, since the Agreement on Sanitary and Phyto-sanitary Measures precludes governments from using precautions when importing foreign logs. That too would be a restraint of trade.

When it's time to leave your forest homeland and migrate south, you encounter new hazards. You breathe in a noxious chemical haze as you fly over the cities of the western US, pumped out of the tailpipes of millions of cars. The WTO's agreements ban government subsidies to any form of non-polluting energy such as solar, wind, biomass or simply conservation efforts, while overriding the Clean Air Act's standards for cleaner-burning gasoline.

At last you land in your traditional wintering grounds in the highlands of Central America. With most of the native forest long ago removed, you have found refuge in coffee plantations. In a multistoried canopy of many species of trees shading the coffee bushes below, you and your ancestors have discovered fruit, insects and safe roosting places. But that too has been threatened. The first threat was the new technified coffee-growing methods, requiring growers to cut down the forest canopy and grow coffee in full sun. If this practice became widespread, it would wipe out habitat for you, your fellow migrants and indigenous birds. Fortunately for you, other growers have found that by having their coffee certified as shade-grown and/or or organic, they could get a higher price. This motivated them to save your winter home. But now a new threat arises. The WTO's rules put at risk all certification and eco-labeling programs as, you guessed it, more barriers to trade. If coffee growers can't make a living from coffee, if the price is pushed down too low to cover their costs, they will be forced to convert their land to cattle pastures or cornfields, which can't support you or your family.

Of course, you are not a Western Tanager after all. You,re a human being. But what's good for a tanager˜intact forests, clean air, and reduction in pesticides, consumer labeling, fair trade and great coffee˜might just be good for you, too.

[Pages 8-9—Trade and Shade Issues (Patti from EJ, Todd from Equal Exchange)]

**Trade and Shade**

Fair Trade [Todd]

The way coffee is traded is the most important aspect of coffee. To understand the coffee trade one has to understand coffee as a commodity. The futures market in New York controls coffee prices. Speculators rely on price fluctuations to make money- Coffee farmers don't have access to market information to negotiate knowledgeably for their crops. Coffee is the third most common import into the United States after oil and steel, and is the leading source of foreign currency for most producing countries.

The fate of small-scale coffee farmers is linked to that of the family farmers in the United States during the 1980s-90. Both are at the mercy of commodity markets and face growing domination of agriculture by large multinationals. There are millions of people involved in the production and processing of coffee. Changing the way coffee is traded has enormous political, environmental and economic impact. Fair trade creates a more direct economic relationship between producers and consumers - A relationship that ensures a fair return to the farmers. How this is done:

1)Pay a Fair Price- A fair price includes a guaranteed minimum price regardless of the commodity market price. The fair trade price reflects true costs of production and a living wage for the farmer.

2)Working with Democratically run Cooperatives - Cooperatives provide training, production and marketing mechanisms from which small farmers are normally excluded.

3)Buying Direct - Buying direct means that the profits from coffee actually reach the farmers and their communities. The middleman or coyotes, which pay low prices by exploiting the farmers lack of market information, are excluded. Further, the cooperatives are able to process the coffee into its final exportable state thereby capturing the value added by processing.

4) Provide Advance Credit - Make credit available to farmers who are traditionally excluded or abused by the credit markets. This is similar to community supported agriculture projects here in the U.S

5)Encourage Ecological Farming - Protecting the natural resource base, while providing the economic support, is vital for long-term sustainability.

Coffee that is sold with Fair Trade claims should be certified by TransFair USA, the only organization providing independent third party certification of Fair Trade practices in the United States.

In the context of eco-labeling for coffee, the most fundamental question should be who benefits? With Organic and Shade labels/seals there is no guarantee that the extra dollars charged to the consumer will go to the farmer. It is important to have shade and organic issues on the table, but for them to bear real fruit, we must address the most fundamental problem facing coffee growers and consumers, and that is the extreme poverty of the growers. Ignoring the economic marginalization of small scale coffee farmers has led to the current state of environmental and economic collapse small farmers face today, addressing the poverty of growers is the first step we must take to make the coffee trade sustainable. Fair trade is the only label whose stated goal is to pass on the value added - money- to the farmer. Only when every organic bean is a fair trade bean, and every shade bean is a fair trade bean, will we be on the true road to sustainability.

As these issues evolve, and labels gain recognition and value, we must continue to ask, who benefits? In addition, we must ask, who labels? The organic industry is currently awaiting federal regulations on certification and labeling. Only under historic pressure from the industry and its consumers did the government give an opportunity for participation. Lesson learned- as consumers it is critical that you speak up, demand what you want from your grocery store, coffee shops and your politicians.

The WTO Threat To Shade, Organic, And Fairly Traded Coffee [Patti at Earth Justice]

Coffee, as an internationally traded commodity, is subject to the rules and authority of the World Trade Organization (WTO). The WTO, established in 1995, is the international institution that regulates over 80% of world trade. It has binding rules that seek to promote free trade, not protect the environment or workers. The WTO authorizes one country to challenge another country's laws or practices before a panel of trade experts that operates in secret. If a law is found to violate the WTO rules, the offending country must change the offending law or face retaliatory trade sanctions.

The WTO creates obstacles to initiatives that will spur organic, shade, and fair-traded coffee. The WTO defines virtually all obstacles to trade as unfair trade barriers, even if the measures are

designed to protect the environment or workers. While the WTO has exceptions for conserving natural resources and protecting human health, the exceptions have so many conditions that it is extremely difficult for domestic laws to pass muster.

**Side Bar The WTO's Anti-Environmental Record**

The WTO has a perfect anti-environmental record. Every environmental law challenged before the WTO has been found to be an unfair trade barrier:

• A provision of the U.S. Clean Air Act governing reformulated gasoline was declared WTO-illegal. In response, the Environmental Protection Agency has changed its regulations to allow imports of Venezuelan gasoline with high concentrations of certain pollutants.

• The sea turtle protections in the U.S. Endangered Species Act were found to be an unfair trade barrier. The Act prohibits imports of shrimp from countries that do not require their shrimp fleets to use turtle excluder devices or comparable protections for sea turtles. The United States is exploring ways to modify the U.S. requirements.

• The European Union's ban on hormone-treated beef has been deemed WTO-illegal. When Europe refused to rescind its ban, the WTO authorized the United States to retaliate with $120 million in trade sanctions.

**Three up, three down**

Government regulation, eco-labeling, and product certifications are among the devices used to promote environmentally sound and fair coffee production. When applied to imported coffee, these schemes become subject to WTO rules, which create numerous obstacles.

First, WTO rules require that like products from different countries be accorded the same treatment. Under this principle, if the product itself is the same, i.e., the coffee is not contaminated or laced with pesticides, the regulating country cannot restrict its import based on the way the coffee was produced. When the goal is protection of songbird habitat, the target is how the coffee is produced. Similarly, while organic food production is often designed to eliminate harmful pesticide residues in the final food products, the goal with coffee production is focused more on eliminating pesticides because of their effects on migrating birds, water quality, workers, and the environment where the coffee is grown.

In a trade dispute interpreting this principle before establishment of the WTO, trade panels concluded that the United States could not restrict imports of tuna from other countries where the tuna was caught in ways that killed and maimed spinner dolphins. The panels decided that the United States could not ban the tuna imports because the tuna itself was not tainted, the harmful fishing practices took place on the high seas outside U.S. jurisdiction, and the United States could not restrict trade in order to change policies in other countries.

Eco-labeling and certification schemes are at risk because they distinguish between products based on how they are produced and often on environmental effects abroad and other governments, policies. Eco-labeling or certification schemes are directly covered by WTO rules if they are established by a governmental entity, otherwise given legal effect, or have an impact on the purchases of a national, state, or local government body.

Second, WTO rules generally prohibit import bans, unless the ban falls within an exception because, for example, it is necessary to protect human health or to conserve natural resources. For a ban on coffee (both domestic and imported) produced with certain pesticides to pass muster, the regulating country would need to overcome the like product obstacle and show that the ban was the least trade restrictive means of accomplishing its legitimate health or environmental objective. A ban would often be suspect since bans are the most trade-restrictive measures available. Regulatory restrictions on the imports are more restrictive than labeling and mandatory labeling is more restrictive than voluntary labeling.

Third, the WTO promotes harmonization of standards by requiring countries to base their standards on designated international ones. If a country provides greater environmental protection than the international norm, its regulations are subject to a battery of intrusive tests that scrutinize the scientific basis for the standard and the means used. In addition to the least-trade-restrictive alternative mandate discussed above, the WTO rules reject the precautionary principle under which a country may regulate to protect its citizens against uncertain, not yet proven risks. Most of the international standard-setting bodies have extensive industry influence and little public or environmental participation. Since the WTO gives these bodies presumptive authority to decide what is an unfair trade barrier, there has been a recent flurry of activity to push weak environmental standards through these bodies.

Fourth, the WTO does not allow measures that violate its rules even if they are designed to promote compliance with other international agreements. It considers its rules to be pre-eminent because they have come later in time. It has not exception, for example, for restrictions on coffee imposed to protect species that recognized as endangered under the Convention on International Trade in Endangered Species or Migratory Bird Treaties.

These are a sampling of the WTO rules that may impede shade, organic, and fairly traded coffee initiatives. If the United States adopts regulations to promote shade coffee production, its regulations may be challenged if they restrict coffee trade. In such a challenge, a panel of trade experts would scrutinize:

• the goals—whether the regulation seeks to affect the production process outside U.S. borders;

• the scientific basis—whether there is sufficient scientific evidence of health or environmental risks the regulation seeks to prevent; and

• The means—whether less trade-restrictive measures are available.

**Opportunities and Solutions (Stephanie)**

The Northwest Shade Coffee Campaign: Grassroots Growing Success The Northwest Shade Coffee Campaign was formed in November of 1996 Our goal is to give coffee consumers a way to voice their preference in the marketplace and give members of the coffee industry a goal aim for. For more information contact: Seattle

Audubon Society (206) 523-4483 or visit our website at: www.seattleaudubon.org/coffee.

To raise awareness in the coffee industry and in the public at large about the positive role of shade coffee in conserving migratory birds, a group of local coffee roasters, retailers, and importers joined with Seattle Audubon Society to form the Northwest Shade

Coffee Campaign. The Campaign defines "shade coffee" as coffee grown under a canopy of diverse species of trees that provides a viable winter habitat for migratory birds. To join, a company must:

1) Take steps to identify the source of its coffee.

2) Work with its vendors to ensure a supply of shade coffee.

3) Carry and identify at least one offering that is 100% shade grown.

4) Educate its customers about shade coffee.

5) Contribute a fee and in-kind service, and maintain regular contact with the Campaign.

The Campaign currently has 40??? Active members involving in a variety of public outreach activities on shade coffee issues. For more information, contact:

Fair Trade and Shade Coffee: A Natural Partnership

Fair Trade shade coffee plantations can provide a wealth of opportunities for both local economic gain and habitat conservation. By maintaining a polyculture system of coffee production, farmers may diversify the number of crops that they are able to sustainably cultivate as well as maintaining critical habitat for plants and animals. In a time when forest lands arc disappearing at an alarming rate. shade coffee operations can provide a home for many native species. Additionally, in many shade coffee growing operations, local families maintain the land. This system allows families become stewards of the land, conservationist-farmers. In farms where fair trade policies are in effect, it is the small farms that are protected, receiving equal opportunities for the marketing of their products.

Fair trade farms are also a way to preserve the local culture. Native flora can not only provide other "crops", but also may act as "free" erosion control and soil conditioners. Fauna can aid farmers as well, not only in the control of pest species (small carnivores eating rodents, birds eating insects) but also in seed dispersal. The result of all this biodiversity can in it be a commodity. Rustic shade coffee operations that maintain a high level of biodiversily can also gain sustainable income from the growing ecotourism industry. By partnering fair trade policies with the sustainable agricultural practices of shade coffee growth, people are making a conscious decision to manage the land in both a moral and equitable way. Fair trade shade coffee farms are more than just farms, they are an investment in the future of our planet and its people.

**What Coffee Drinkers Can Do**

Want to feel as good about your coffee as it makes you feel? Get involved! It's really easy to make a difference!

1. Learn about the issue: check the resources section on the next page. Being an educated consumer is the best thing you can do!

2. Buy shade grown coffee. If your retailer doesn't carry shade coffee, ask that they do.

3. Support orginazations that work on fair trade and shade coffee issues.

4. Start a shade coffee campaign in your area!

**For More Information (Stephanie)**

**Shade Coffee Resources**

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http://www.igc.org/wri/wr-98-99/coffee.htm.

**Organizations:**

1. Northwest Shade Coffee Campaign
Seattle Audubon Society
8050 35th Avenue NW
Seattle, WA 98115
(206) 523-4483
http://www.seattleaudubon.org/coffee/home.html

2. Earth Justice Legal Defense Fund

3. Equal Exchange
101 Tosca Dr., Stroughton, MA 02072

4. Global Exchange

5. Others???

Websites

Conservation International - www.conservation.org
Organic Trade Association—www.ota.com

Smithsonian Migratory Bird Center—http://web2.si.edu.smbc/coffee.htm
The Songbird Foundation - www.songbird.org

Transfair USA—www.transfairusa.org