



# COFFEE Project

Cooperation On Fair, Free, Equitable Employment

## Primer on Labor and Recruitment-Related Risks in the Coffee Sector

TOOL 2 OF 28

Verité  
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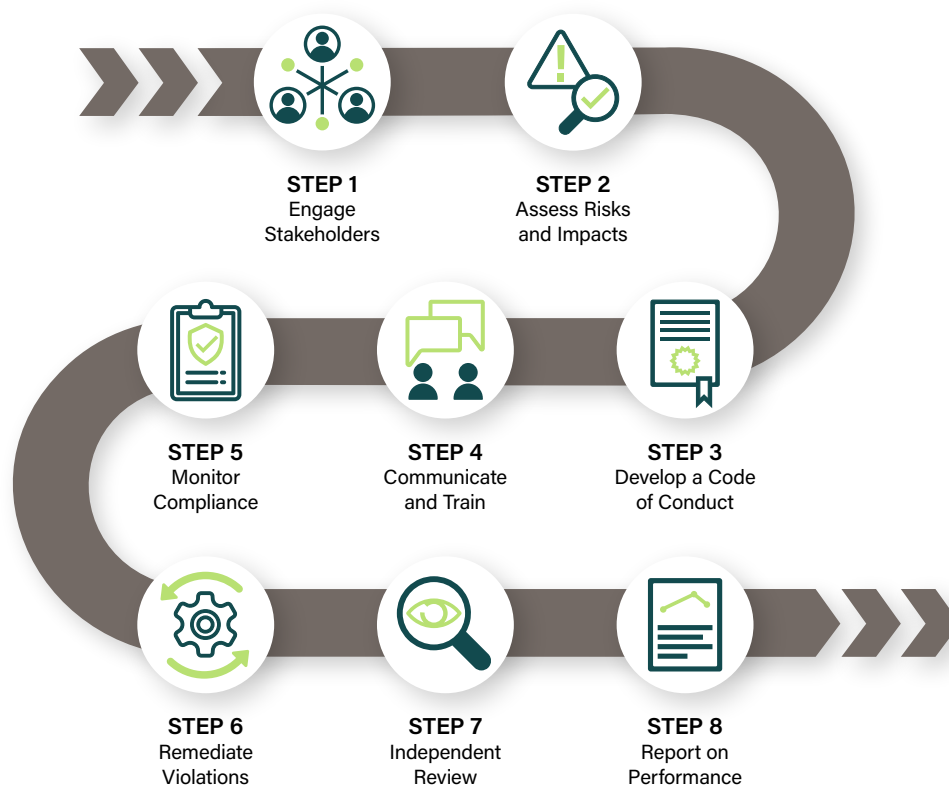
## About Our Funding

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# About the COFFEE Toolkit

This tool is one of 28 tools and 14 online training modules comprising the [COFFEE Toolkit](#), which was developed as part of Verité’s Cooperation on Fair, Free, Equitable Employment (COFFEE) Project through generous funding from the US Department of Labor’s Bureau of International Labor Affairs (USDOL-ILAB). The purpose of the COFFEE Toolkit is to promote coffee retailer, roaster, trader, cooperative, and farm adoption of socially sustainable sourcing and farming practices in order to promote improved working conditions for farmworkers in the coffee sector.

The COFFEE Toolkit was developed in alignment with USDOL’s [Comply Chain](#) model, with at least one tool created for each of the eight steps of Comply Chain (see graphic below). Many of the tools are derived from tools created for the [Responsible Sourcing Tool](#), developed by Verité with funding from the U.S. Department of State’s Office to Monitor and Combat Trafficking in Persons (J/TIP). The tools can be used á la carte, but it is important that companies have systems and tools in place for each step of Comply Chain.



## Why Understand Risks?

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Verité research has identified a variety of labor rights risks in coffee production, including many related to the use of labor brokers. The evidence of such risks is particularly strong in Latin America, but the risks exist to some degree in all coffee producing countries, and are common across many agricultural commodity sectors. It is important to understand these risks so that systems can be put in place to identify and address potential risks in company supply chains, in coffee growing and processing operations, and in coffee producing landscapes.

## About This Tool

The **purpose** of this tool is to provide information on labor risks and violations that occur in the coffee sector, including risks related to recruitment. The tool provides background information on each risk, as well as some examples of what each risk looks like in practice.

The **audience** for this tool are all users of the COFFEE Toolkit, including coffee retailers, roasters, and traders; medium and large coffee farms and farm groups; smallholder farmers; auditors and monitors; civil society organizations; and government bodies.



### What is a Labor Broker?

For the purposes of this Toolkit, a “labor broker” is any person who identifies, recruits, transports, processes paperwork for, places, or receives a worker anywhere between their source community and the worksite. The defining characteristic of a labor broker is not the nature of their relationship to an enterprise (e.g. formal employee vs. subcontractor) but rather their role in facilitating the acquisition and management of labor by said enterprise. It is the above functions that define a labor broker, regardless of other common functions they might play before, during, or after the brokering of labor, such as housing or managing workers.



# General Labor Risks

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## Wages

Coffee farmworkers are at risk of underpayment of wages, delayed payment, withholding of wages, and unauthorized deductions from their wages. At certain points in the production cycle, especially during the harvest, workers are often paid piece rates (paid for the amount of coffee planted, harvested, etc.) rather than hourly or daily rates. Quotas are also common, such as a requirement to harvest a certain volume of coffee cherries per day. Both of these practices can result in workers working long hours, with their hourly or daily wages averaging less than the legal minimum. In some cases, workers may not be paid until the end of the harvest season or the end of their contract period, or until the coffee that they harvested is sold. Workers are seldom provided with pay slips that document their earnings and deductions. This can facilitate fraud in payment calculations and illegal deductions from workers' pay.

In some cases, workers are paid by a labor broker rather than by the farm. This reduces transparency and oversight in the payment of wages and provides wage theft opportunities to unscrupulous labor brokers.

### *In Practice Examples*

- A worker harvests three buckets of cherries in a day, but the farm claims he harvested less, by weight, and only pays for 2½.
- A family harvests five buckets of cherries. The father is paid for all five buckets, leaving the other family members unpaid for their work.
- A worker plants seedlings for a full week, but is only paid for half of his time, as deductions are taken from his pay for the use of equipment, rest breaks, water, lodging, and transportation.
- A migrant worker is forced to wait days for her pay, reducing her options to migrate on to other farms.



- A coffee farm prefers to pay workers via direct deposit, even those who do not have bank accounts. A labor broker opens accounts for workers who need them, but does not provide them with ATM cards or transport to the bank so that they can get their money out, and makes deductions from their pay for this "service."
- A farm's records state that a worker harvested much less than she claims she harvested. She has no proof, since the farm does not have a documentation system in place.
- A worker is paid less than she expected, based on the amount harvested, but she cannot read her contract or pay slip and cannot perform the calculations needed to seek redress.

## Working Hours

Long working hours are relatively common on coffee farms, especially at peak production times such as during the harvest. It is also very common for farms not to track working hours, focusing only on production volumes, which are paid by piece rates. This often results in workers working overtime in excess of legal limits, or more than the legal maximum hours per day.

### *In Practice Examples*

- A worker must meet a quota of four buckets of cherries harvested. It takes her from 6AM to 6PM to do so, and her payment per hour falls far below the legal minimum wage.
- A worker works for two weeks straight during the harvest, far beyond the legal maximum number of hours. However, his pay slip shows a smaller number of hours. He is paid for his production, but is not paid any overtime premiums. When he raises the issue, his supervisor hints that he could be fired for complaining.

## Loans, Deposits, and Debt

Many coffee farmworkers come from situations of economic precarity, without much disposable income or ability to weather economic shocks. Some may already be in debt by the time they reach a coffee farm, if they paid recruitment fees or costs. This makes them vulnerable to debt bondage and exploitative practices on the part of employers, labor brokers, or others.

## *In Practice Examples*

- During his first two weeks of employment, before he receives his first paycheck, a worker takes out an advance from farm management. The farm charges him 50 percent interest, which will take the worker several weeks to pay off.
- A farm requires workers to post a deposit for the housing provided on-site. A worker takes out a loan from his labor broker to pay the deposit, for which the broker charges high interest.
- Workers on a coffee farm are not paid until the end of the full harvest period, when the farm has sold the crop. They have to buy food on credit from the company store while they wait for their wages, as the meals provided by the farm only consist of beans and tortillas and the farm doesn't provide meals for the children of farmworkers who don't work on the farm.

## Contracts

Since most coffee is grown on smallholder farms that only hire temporary workers during the harvest season, it is quite common for farmers not to provide workers with formal employment contracts. The lack of a written, signed contract puts workers in a much more vulnerable position. Contracts should generally be written, and although some countries allow for verbal agreements for farmworkers, these agreements should be documented for validation purposes. Contracts should specify all relevant terms and conditions, be written or explained in a language that workers understand, and signed by both employers and workers.

## *In Practice Examples*

- When he receives his first biweekly payment, a worker realizes that the wages are lower than he was verbally promised. He has no basis to complain, because there is no documentation of the originally promised wages.
- A farm owner tells a worker to spray agrochemicals on some coffee bushes. She tells him that her agreement was to do planting and tending, but not spraying. She has no proof of the original agreement, because there is no contract documenting her job duties.
- A worker is given a contract to sign. She is unable to read it, so she signs it without understanding the contents.



## BEST PRACTICES

### WORKER CONTRACTS

Workers' contracts should include, at a minimum, the following information:

- Job position and activities performed in the role
- Location of the work performed, including the country and city
- Employer name and address
- Worker name and identifying details, i.e., address, passport number
- Contract length with start and end dates
- Provisions for contract renewal
- Conditions for early contract termination by the worker with and without reasonable notice, specifying circumstances in which the employer will pay for return transportation
- Conditions for contract termination by the employer
- Probationary period, if any, including the length of probation, provision of wages and any benefits during probation, and conditions for successful completion of probation
- Wage rates for regular working hours, as well as the minimum and maximum hours that may be worked per day and/or per week
- Wage rates for overtime hours, including a definition of what constitutes overtime work
- Pay practices, including frequency of payment, payment method, and pay slips
- Deductions from the worker's salary, including any for meals, accommodation, transit, healthcare, and insurance
- Benefits and leave provided, including provision of healthcare, sick leave, annual leave, emergency home leave, and holiday leave
- Provision of transportation at the end of the contract; for example, the party responsible for arranging and paying for return transportation to the worker's country



## Freedom of Movement

Farm management or labor brokers may place restrictions on workers' freedom of movement, both on coffee farms or in worker housing. Restrictions can be built into workplace or housing policies, or they may result from the security environment; workers' migration status; cultural norms or considerations; active threats, intimidation, and harassment by a labor recruiter, crew leader, or security guard; and deceptive or hidden forms of coercion such as document retention, which is addressed below.

### *In Practice Examples*

- Workers living in employer-provided housing are told they can only leave the premises at certain times, when permitted by the housing manager. Guards are posted at entrances and exits to enforce this policy.
- During breaks, meals, and recreational time, representatives of farm management are constantly present, surveilling communications and movements.
- A worker is unhappy with conditions on the farm and wishes to leave the job, but is unable to do so because of the isolated location and lack of transportation options.
- A worker wishes to leave the job for personal reasons, but a field supervisor threatens her with severe consequences if she leaves before the end of her contract period.

## Harassment and Abuse

Harassment, abuse, and threats or use of violence can take many forms in the workplace and in worker housing. They can be perpetrated by a labor broker or crew leader, as well as by a supervisor, manager, security guard, or even a fellow worker at almost any stage of the employment relationship. The aim may be to frighten workers or pressure them into accepting certain terms and conditions of employment or living conditions; or it may be to force them to work overtime or perform hazardous or life-threatening tasks. Women workers in the coffee sector are particularly vulnerable to gender-based violence and sexual harassment.

### *In Practice Examples*

- Women coffee harvesters prefer to work in groups, as male workers often harass them or make inappropriate comments when they are working alone.
- Supervisors make more frequent mistakes when weighing and tallying women's production, since women are less empowered to speak up if they are cheated or underpaid.
- Supervisors single out workers from a certain indigenous group to berate and punish them harshly for minor infractions.

## Housing

Employer-provided housing can often serve a vital purpose for both employers and workers: workers need safe and dependable place where they can eat, rest and relax; and employers benefit from a secure, rested, healthy workforce. However, in some cases, housing conditions and food are sub-standard; in some cases, the cost of the housing is excessive and workers have no alternative housing options available.

### *In Practice Examples*

- Workers must purchase their meals within their lodging facility, as there are no accessible alternative vendors, but the meals are small and more expensive than local market rates.
- Two women workers share a room within the housing facility. The room is comfortable, but they are unable to lock it, so they feel unsafe at night.
- A housing facility is dirty and unsanitary, both in the bathrooms and kitchen. The employer is supposed to have it cleaned regularly, but the cleaning services are inadequate. Management does not respond to complaints.



## Document Retention

Workers often arrive on coffee farms with their identity papers, passports, residency or work permits, immigration documents, banking documents or ATM cards, and documentation of social benefits, among other personal effects. Workers need unrestricted access to these documents at all times; without them, they are effectively bound to the worksite. In some cases, employers offer to store workers' documents for safekeeping. This should only be done if allowable under local law, and if workers can access them at any time.

## *In Practice Examples*

- A worker carries a stack of documents on him at all times, even while working in the fields, as he can't risk losing them and the employer-provided housing lacks a means of safe storage.
- At the time of signing her work contract, a worker is required to give all of her personal documents to the farm management for safekeeping. She is not given instructions on how to reclaim them.
- A worker wishes to leave the job for personal reasons before the end of his contract. He is made to wait for days for the return of his personal documents.

## **Health and safety**

Health and safety risks and violations are common in the coffee sector. Hazardous tasks include exposure to pesticides and herbicides, carrying heavy loads, working with sharp tools, operating heavy machinery, working at heights and in areas with dust or smoke, working in the rain, working in the dark, working in extreme temperatures, and working in areas in which there are dangerous animals. While many of these hazardous tasks do not constitute violations of labor law in coffee-producing countries, workers should be informed of these risks and measures should be taken to address them, such as the provision of training and personal protective equipment (PPE).

## *In Practice Examples*

- A worker is stung by a scorpion while working in the fields. The farm does not offer any medical care, there is no first aid kit, and the farm does not provide transportation to the health clinic 12 miles away.
- A teenager is of legal age to work picking coffee, but he lacks clothing with boots or long sleeves to protect him from scratches and sun exposure. The farm does not provide PPE.
- During long days spent tending coffee bushes, workers become dehydrated because the employer has not provided any water on site.
- Pesticide containers are not labeled, so it is unclear which ones can be used by trained personnel. When they are empty, containers are left strewn around the farm rather than cleaned and stored safely.

## Child Labor

Smallholder coffee farms often rely heavily on family labor, and children and youth are likely to work on family farms. On larger estates, minors may work alongside their parents either to supplement their families' income, to help parents meet their production quotas, or because the children of migrant parents have nowhere else to go during the workday. Children involved in coffee production take on a variety of tasks including pruning trees, weeding, fertilizing, and picking, sorting, and transporting coffee beans. While some tasks, such as sorting coffee beans, can be considered light work, other tasks are hazardous and inappropriate for any child under age 18. Certain activities in the coffee sector can leave children vulnerable to workplace injuries and illnesses, musculoskeletal injuries, pesticide exposure, sun and heat exposure, and snake and insect bites, and can affect their access to education.

### *In Practice Examples*

- A child migrates with her parents during the harvest season. She picks coffee alongside her parents, contributing to the family's production and earnings. Neither she nor her mother are paid directly for their production.
- A ten year-old boy carries each bucket of coffee beans picked, once filled, to the weighing station. Each bucket weighs almost as much as he does.
- During the harvest season, all of the children in the family – between five and 14 years old – have to work harvesting coffee so that their family can earn enough cash to survive for the rest of the year. As a result, they miss three to four weeks of school each year.



## Risks Related to Recruitment

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Coffee producers often turn to labor brokers when there is a need for workers, especially during the labor-intensive harvest season. While labor brokers can play an important role by ensuring an adequate supply of farmworkers, some engage in unethical practices that put workers at risk, and at the same time create legal and reputational risks for coffee producers, traders, roasters, and retailers alike.

There are many different types of labor brokers who provide an array of services: formal subcontracting agencies, crew leaders, and local subagents. Some labor brokers only recruit workers, while others transport them to their employers and/or take responsibility for their supervision and payment. A number of terms are used to refer to these different types of labor brokers. In Spanish-speaking countries, common terms include *reclutadores* (recruiters), *transportistas* (transporters), *contratistas* (labor contractors), *intermediarios laborales* (intermediaries), and *líderes de cuadrilla* (crew leaders), all of whom play distinct roles. In Brazil, the term *empreiteiros* generally refers to labor contractors, the term *turmeiros* is used to describe crew leaders who are often involved in the recruitment of workers, and the term *gatos* (literally “cats”) is usually used as a derogatory term for labor brokers who are perceived to be engaging in deceptive or exploitative practices.

In some cases, labor brokers simply recruit workers and send or transport them to coffee farms or farm groups. In other cases, labor brokers directly supervise workers throughout their employment. Third-party crew leaders frequently supervise crews of workers responsible for completing specific tasks, such as clearing a certain amount of land or harvesting a certain amount of coffee. These types of labor brokers are often paid by the task and are responsible for divvying up the earnings between the members of a crew.

Verité has found that the risk of labor violations increases when human resources and worker management functions are outsourced to labor brokers. This is especially the case when brokers are responsible for the payment of workers, potentially incentivizing wage retention or manipulation. Workers supervised by a broker are also more vulnerable to working hour violations, document retention, sexual harassment, and physical and verbal abuse.



## RISKS OF LABOR VIOLATIONS RELATED TO LABOR BROKERS



### Recruitment

Illegal recruitment fees | Document retention |  
Deception about the nature of work | Deception about  
conditions of work



### Transportation

Upfront charges | Payments for transportation



### Labor Contract

Lack of written contract | Contract not provided  
in language worker understands | Terms of verbal  
and written contract different from those promised  
in recruitment | Contracts do not provide workers  
with guarantees about the terms of employment |  
Contracts require that workers remain on the farm for  
a certain period of time | Threats of penalties or fines  
for leaving job



### On the Job

Wage violations | Sexual harassment | Physical  
abuse | Hour violations | Verbal abuse

## Deceptive Recruitment

Problems often arise when workers are not fully and accurately informed of their job duties, working conditions, wages, and other factors at the time of recruitment, before they leave their home communities. Once on site on the farm, if the expected working conditions do not materialize, it is often too late to leave the farm. This risk can be managed with effective pre-departure communication, training, and documentation, but many labor brokers do not invest fully in these processes.

### *In Practice Examples*

- At the time she was recruited, a labor broker told a worker she would be making 20 percent more than the minimum wage per day picking coffee, but upon arrival, she is told she will be paid per bucket harvested. In reality, she is unable to pick enough coffee per day to earn even half of the minimum wage.
- At the time of recruitment, a worker signed a contract with his labor broker. Upon arrival at the farm, farm management requires him to sign a different contract with inferior terms. The labor broker is already gone, so there is no recourse.
- At the time of recruitment, workers are told they will be provided with free housing and high-quality food. When they arrive at the farm, they are charged for the housing and two meals a day of rice and beans. They are not allowed to live or travel outside of the farm and may only buy supplementary food at inflated prices from a store located on the farm.



## Recruitment Fees

Verité research has found that charging recruitment fees is a somewhat common practice in the Latin American coffee sector, affecting not only international migrant workers, but also domestic migrants and even local workers. In such cases, workers may have to borrow money to pay recruitment fees which increases the likelihood of debt bondage before they set foot at the work site. Furthermore, Verité research has shown that recruiters sometimes take deductions from workers' pay and that some employers pay less to workers recruited by labor brokers in order to cover their recruitment costs.

### *In Practice Examples*

- Upon arrival at the farm, the labor broker provides an orientation and training session to workers to prepare them for the job. The training is mandatory, and the broker charges the workers for this training by making deductions from their pay.
- When a labor broker delivers a crew of workers to a farm, they all already owe the broker the equivalent of two weeks' wages for recruitment fees and related costs, including the cost of transportation from their homes to the farm.

