



PIECE RATE PAY AND PRODUCTION QUOTAS IN THE LATIN AMERICAN COFFEE SECTOR: The Impacts on Wages, Hours of Work, Women, and Children

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Verité is an international non-profit organization that provides consulting, training, research, and assessment services with a mission to ensure that people worldwide work under safe, fair, and legal conditions. Since 1995, Verité has partnered with hundreds of multinational brands, suppliers, and international institutions across nearly all industry sectors in more than 90 countries to highlight risks, create transparency, build capacity, and improve working conditions within global supply chains.

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Quinn Kepes is the Senior Regional Lead for the Americas at Verité, where he has worked for over 18 years providing businesses, investors, governments, intergovernmental organizations, workers, and civil society organizations the knowledge and tools that they need to eliminate the most serious labor and human rights abuses from global supply chains. He oversees Verité's programming to identify, address, and prevent child labor, forced labor, and other violations of workers' human and labor rights in the Americas. Mr. Kepes began working in the coffee sector in 2008 and has conducted and directed field research on labor issues on coffee farms in Mexico, Guatemala, Honduras, Colombia, Brazil, and Uganda. He has directed a number of company, foundation, and government-funded projects to identify, address, and prevent labor violations in the coffee sector and is currently a senior advisor to the U.S. Department of Labor-funded *Cooperation On Fair, Free, Equitable Employment (COFFEE) Project*. Mr. Kepes is the recipient of the 2024 award for combatting human trafficking from the International Center for the Promotion of Human Rights (CIPDH), under the auspices of UNESCO.



Areas of Expertise

- Coffee
- Human rights due diligence
- Ethical recruitment
- Forced labor
- Child labor

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Other Publications

- *Roast Magazine*. "[Brewing Trouble: Identifying and Addressing Labor Risks in the Coffee Sector.](#)"
- *Daily Coffee News*. [Series of 7 articles on labor issues in coffee.](#)
- Verité. [Cooperation On Free, Fair, Equitable Employment \(COFFEE\) Toolkit.](#)
- Verité. [Research on Indicators of Forced Labor in the Supply Chain of Coffee in Guatemala.](#)
- United Nations Office on Drugs and Crime. [The Role of Recruitment Fees and Abusive and Fraudulent Recruitment Practices of Recruitment Agencies in Trafficking in Persons.](#)

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1. Introduction

Piece rate pay, in which workers are paid according to their production, is widespread in the Latin American coffee sector. Piece rate pay contributes to a range of different labor risks when the necessary controls are not in place, especially when combined with production quotas. These labor risks include wage and hour violations, discrimination against women, and child labor, among other issues. Therefore, coffee roasters, traders, and producers must either eliminate piece rate pay and production quotas or ensure that effective systems are established that do not lead to labor violations.

Verité and its regional research partner, REACH (Research-Education-Action-Change), have carried out in-depth field research on recruitment and labor risks in the Latin American coffee sector, starting in Guatemala over fifteen years ago, followed by research in Mexico, Colombia, and Brazil. Verité has collected first-hand information from well over 2,000 coffee workers about their recruitment and working conditions through a combination of this paper's research and data collected via a grievance mechanism in Guatemala. Verité has also carried out desk research and expert consultations in other Latin American coffee-producing countries. These diverse research efforts clearly demonstrate that piece rate pay, and production quotas are common practices and root causes of labor risks throughout the region. In fact, Verité has found similar dynamics regarding piece rate pay in the production of a number of agricultural goods in Latin America.

Rather than singling out specific countries or publishing reports detailing the percentage of workers in each country reporting specific labor violations, Verité has chosen to draft white papers outlining root causes of labor risks and concrete steps to reduce these risks.

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Verité believes that this approach will encourage collaborative action on these issues, including through the Cooperation on Fair, Free, Equitable Employment (COFFEE) Project. Through this project, funded by the U.S. Department of Labor's Bureau of International Labor Affairs (USDOL-ILAB), Verité developed a toolkit to help private sector stakeholders reduce labor risks in the global coffee sector, and implemented pilot projects in Brazil, Colombia, and Mexico.

Piece rate pay is associated with an elevated risk of payment violations. In many cases, workers paid according to their production are not guaranteed a minimum wage independent of production. Piece rates are often so low that individual workers are unable to earn the minimum wage during a regular shift. This is especially true for inexperienced workers or those who are unable to carry heavy loads or engage in physically demanding work for prolonged periods of time, such as elderly, underage, pregnant, and disabled workers. Additionally, piece rate pay creates opportunities for wage manipulation, from deception in weighing or measuring the amount of coffee harvested to inaccurate record keeping. One consequence of this practice is that individual workers paid by the piece often earn less than the minimum wage and must therefore work long hours and/or solicit help from family members to meet their income needs. In some cases, whole families working together collectively earn less than one minimum wage.

Overtime violations are also correlated with piece rate pay, as workers who are paid according to their production are incentivized to work as many hours as possible to harvest as much coffee as possible to maximize their earnings. Forced overtime risk is elevated when workers have to meet production quotas, especially when there are penalties associated with a failure to meet production targets. Additionally, workers who are paid by the piece are generally paid the same rate for their production during regular working hours, overtime hours, and work carried out over holidays and days of rest. In such circumstances, they are often not paid the premiums to which they are legally entitled.

Piece rate pay is also associated with gender pay gaps. All too often coffee farms only employ male heads of household and consider the family members who work alongside them as "helpers" who contribute to the male head of household's production. In many cases, farms and labor brokers pay men for the production of all of the members of their families. This makes women "invisible" but essential and highly vulnerable participants in coffee supply chains. They often lack control of their earnings, making them dependent upon their male partners, and depriving them of discretionary income and economic independence. This dependency makes it difficult for women to flee from situations of domestic violence. Even when women are directly paid for their work, they are sometimes paid lower piece rates than men or are unable to produce — and therefore earn — as much due to the uncompensated hours they spend on childcare and household responsibilities.

An increased risk of child labor can also be associated with piece rate pay. Parents who are paid by the piece are incentivized to increase their production as much as possible. When they are not guaranteed the minimum wage or a living wage independent of production, parents may have to turn to their children as a way to increase their income and ensure they make enough money to provide their families with sufficient food and/or financial resources to cover health care, education, and housing expenses. This is

especially true when migrant families live in communal housing and lack access to childcare or school. In such cases, parents often make a rational decision to bring their children to the fields rather than leaving them unsupervised with strangers in communal housing. And when the children are in the fields, it makes sense for the children to contribute to their families' production and earn enough for an additional meal rather than to refrain from work and go hungry.

There is a need for coffee producers, traders, and roasters to take a number of steps to ensure piece rate pay does not contribute to labor violations. Coffee buyers should develop policies, conduct ongoing monitoring, and assist coffee producers in developing systems that address issues tied to piece rates and quotas. Producers using piece rate pay should ensure that workers receive at least the minimum wage and proper overtime pay, eliminate quotas, raise worker awareness of their terms of employment and compensation calculations, ensure that women are adequately compensated, increase access to childcare and education, and implement grievance mechanisms. Governments should increase labor inspectorate capacity to adequately enforce labor law in coffee-producing countries.

2. Overview of Research and Methodology

The findings contained in this white paper are based on in-depth research, including thousands of worker interviews and grievances and hundreds of expert interviews, carried out over the past fifteen years in the coffee sector by Verité. This white paper is directly informed by field research and projects implemented in Brazil, Colombia, Guatemala, and Mexico. However, Verité assessments, desk research, expert interviews, field research, and on-the-ground projects focused on labor conditions in the coffee sector in a number of other countries indicates that the issues described here apply broadly to the coffee sector in the region and across the globe.

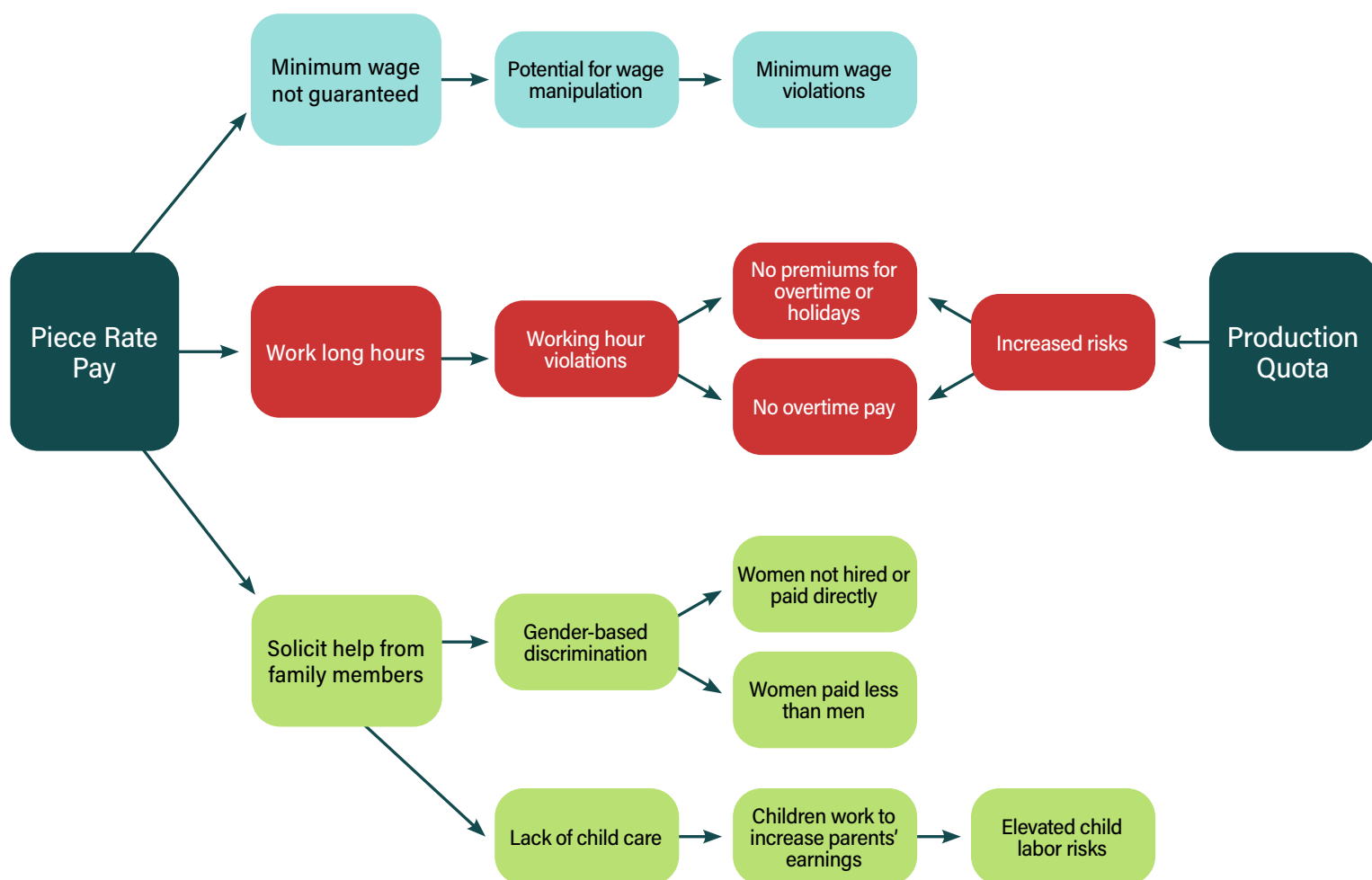
3. Prevalence of Piece Rate Pay

Coffee harvesters employed in the Latin American coffee sector are often paid piece rates. Most commonly, workers are paid according to the amount of coffee harvested, either by the weight of coffee harvested (i.e., per quintal, 100-pound sack of coffee) or the volume of coffee harvested (i.e., per box, or *caja*). Workers may also be paid according to other tasks, such as the area of land harvested or cleared, the amount of fertilizer or pesticides applied, the number of coffee trees planted, etc. In some

cases, workers are paid by the shift, day, or week, especially during the replanting of coffee farms or the beginning or end of the harvest season when plants are less productive.

In the Latin American countries in which Verité has conducted research, just under half to 96 percent of workers interviewed were paid piece rates. The percentage of workers interviewed who reported that they had to meet production quotas ranged from 13 to 30 percent. Quotas are especially problematic when combined with piece rate pay as this combination creates a high risk of wage and overtime violations. Approximately one quarter of workers interviewed in one country reported that they faced penalties if they failed to meet production quotas, such as verbal abuse, deductions from their pay, and loss of food. Additionally, piece rate pay and production quotas incentivize workers to harvest as much coffee as possible, which can result in strip harvesting and other practices that affect the quality of coffee harvested and can result in costly investments to sort out defective or unripe coffee later on in the value chain. Strip harvesting can also damage buds, affecting subsequent harvests.

Risks Related to Piece Rate Pay



4. Effects of Piece Rate Pay on Wages

Piece rate pay increases the risk that workers will be paid sub-minimum wages. Coffee harvesters who are paid a piece rate generally have no guarantee that they will be able to earn the minimum wage independent of production. In some cases, workers are also required to meet production quotas and face financial or other types of penalties (such as the loss of meals or transportation, unpaid overtime, and verbal abuse) for failing to do so.

Piece rate pay does not always have to result in poor working conditions if adequate controls are put in place to ensure that workers are paid at least the minimum wage independent of production, do not engage in excessive or forced overtime, and are paid premiums for their production outside of regular working hours. In fact, many workers interviewed by Verité reported that they preferred to be paid by the piece because it gave them the ability to earn more money. Disaggregation of worker interview data demonstrated that, on average, workers paid by the piece earned more per month than workers paid hourly or daily wages. However, workers who were paid by the piece also reported working significantly more hours per month on average, meaning their hourly wages were lower in many cases.

Additionally, piece rate payment systems facilitate wage manipulation, as they require tracking production over long periods of time. The vast majority of workers reported that they were not provided with pay slips, and many workers lack the math skills, literacy levels, and writing materials required to keep their own records. Therefore, workers have to depend upon the informal calculations of their supervisors or labor brokers, with no written records of their production, earnings, or deductions. Furthermore, many workers interviewed by Verité reported their belief that there were errors in the weighing or measurement of the amount of coffee they harvested, either through outright deception or through the use of inaccurate scales or boxes used to measure the amount of coffee harvested, that were sometimes over a hundred years old and had been in use since the founding of coffee estates.

Piece rate payment systems can be disadvantageous to inexperienced workers and certain other categories of workers, such as the elderly, young, pregnant, or disabled, who may be less capable of working quickly or for long periods of time, or doing heavy work, such as carrying heavy loads.¹ Studies have indicated that workers who lack experience in the coffee sector, especially those with no experience working in the agricultural sector, produce — and therefore earn — far less than experienced workers. There have been reports that in some cases inexperienced coffee harvesters, such as immigrant workers or refugees who had not previously worked in the coffee sector, may be able to pick less than half the coffee that an experienced harvester can pick.² If they are paid by the amount of coffee harvested, as is most often the case, this indicates they would earn less than one half the wages of an experienced harvester. This results in wages far below the minimum for inexperienced harvesters, making it very difficult to attract and retain new workers, which can contribute to labor shortages.

5. Effects of Piece Rate Pay on Hours of Work

The piece-rate system can also contribute to overtime violations, as workers often have to work long hours in order to earn enough to survive. While coffee harvesters paid by the piece are generally not required to work a specific number of hours, they often have to work long hours in order to meet production quotas or to earn enough money to provide for their families. Experts interviewed reported that these workers often had to work from 5 a.m. or 6 a.m. until 5 p.m. or 6 p.m. during the harvest season. While workers routinely worked overtime, Verité researchers found that employers rarely paid piece rate workers legally mandated overtime premiums for work carried out in excess of regular working hours or on Sundays or holidays.

Piece-rate wage structures also disincentivize workers from taking breaks, increasing the risk of injury and heat-related illnesses. Workers interviewed reported that they ate quickly, often without heating their food, in order to make lunch breaks as short as possible so they could increase their productivity.

There is an especially high risk of working hour violations when piece rate pay is combined with production quotas; together, these increase the risk of forced overtime, an indicator of forced labor. Some workers interviewed reported that they had to complete a quota under threat of penalty. In practice, this meant they were forced to work overtime, up to 12 working hours per day in total, in order to meet their quotas. They reported direct pressure and threats from supervisors to push them to meet daily quotas, including threats of dismissal, blacklisting, verbal abuse and insults, and retention of their wages and daily food rations. Therefore, forced overtime driven by piece rate pay can greatly increase the risk of forced labor.



Piece Rates and Health and Safety

Verité field research indicates that piece rate pay can contribute to limited use of personal protective equipment (PPE) among workers. For example, many workers interviewed reported that protective goggles blurred their vision, especially when they sweated due to the heat, so they preferred to work without goggles in order to increase their productivity. The branches of coffee plants are often sharp and may snap back at workers when harvesting coffee, potentially injuring their eyes if they do not wear goggles. Several workers reported experiencing eye injuries because they did not use goggles.

In one country, the use of hand-held mechanical “shakers” is becoming increasingly popular, especially with male harvesters paid by the piece, because it helps them increase the volume of coffee harvested and thereby make more money. The machine consists of a motorized tool with a comb — which looks like a hand — at one of its ends. The vibration of the comb causes the coffee beans to fall onto a cloth on the ground, from which women sometimes collect the fallen coffee. Holding the machine over their heads to harvest coffee for eight to ten hours is extremely strenuous for workers, often leading to stress injuries to their joints, backs, arms, and shoulders. Workers interviewed reported the frequent — two, three times per week — use of pills to manage the pain caused by working with *derriçadeiras*. Additionally, because the machines are heavy, workers who harvest coffee on hills are more likely to fall and subsequently suffer injuries. As the machine flings coffee into the air, workers are vulnerable to eye injuries if they do not wear goggles. Because workers often lack safety training, they are often unaware of these risks.

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6. Effects of Piece Rate Pay on Women

According to a Solidaridad report, “the work of women in coffee is often not recognised or invisible.”³ Even though women are an essential part of the coffee supply chain, labor experts interviewed by Verité reported that women constituted a very small percentage of the formal coffee sector workforce and were frequently subjected to discrimination in hiring, job placement, payment, and treatment. Women were frequently placed in lower-paying jobs as cooks, or in piece rate work in which they were disadvantaged. Much of women’s labor in agriculture is unpaid or underpaid. Female farmworkers may work towards their husbands’ quotas, relegating their work to unseen and unpaid “help.” In cases in which women earn a

separate salary, they are often assigned to lower- paid tasks, are paid less for equal work, or are unable to produce or earn as much as men due to unremunerated childcare and household responsibilities.⁴

Male heads of household are frequently the only employees on payroll — or, in the case of informal workers, the only ones who receive payment for the production of their whole families — despite the fact that their wives and children help them harvest coffee. This is problematic because each individual worker is entitled to earn at least minimum wage and should be registered and directly paid. This also takes economic power away from women and puts the money earned by women into the hands of men.

In one of the countries where Verité carried out research, none of the women workers interviewed reported that they were provided with labor contracts, even though a quarter of the women reported they were permanent workers. On average, the women interviewed reported earning less than two-thirds of the average wage. In another country, female workers interviewed reported higher rates of minimum wage violations (31 percent vs. 25 percent), work in excess of legal limits (60 percent vs. 32 percent) and forced overtime (46 percent vs. 22 percent) than their male counterparts.

Women's earning power is significantly constrained by the domestic division of labor. While women disproportionately engage in unpaid domestic work around the world, many female coffee sector workers engage in domestic work at their place of employment, especially migrant workers who live on coffee estates during the harvest season. Women routinely prepare meals, clean tools, and care for children while at their place of work, frequently in the fields. This significant burden means that women often cannot take formal, full-time jobs, in part because employers perceive them as unable to work due to their other responsibilities. This results in a dual system of job segregation in which men are paid for their work, while women go uncompensated for their equally valuable contributions.

Piece Rate Pay and Gender Dynamics

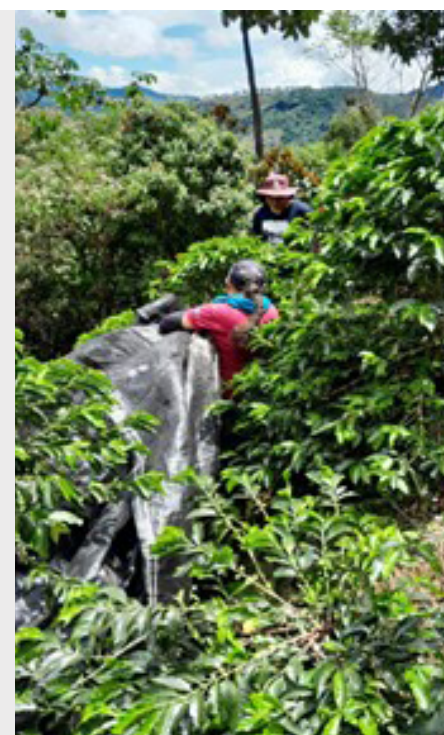


When women do engage in work and are paid piece rates, their earning power may be significantly constrained by their unpaid household responsibilities. The time and energy spent on tasks such as childcare, cleaning, and food preparation greatly decrease women's ability to produce as much coffee as men, and thus their earnings as well. In many cases, women do tasks to support their husbands and help increase their production, such as helping to pick coffee or sweeping up fallen coffee while taking care of their children and preparing meals. Women regularly work longer hours than men in total, but this work often goes unrecognized and uncompensated both by their husbands and the estates, even though men do similar tasks for which they are directly paid. In addition to their work picking and sorting coffee and planting and weeding coffee plants, women carry out essential tasks like childcare and food preparation that should be provided and paid for by estates. If estates were to offer such services, it would create paid job opportunities on farms for childcare providers and cooks, and allow female farmworkers to focus on their paid work with fewer uncompensated childcare and food preparation responsibilities.

Because women are not regularly considered breadwinners and their husbands receive the earnings derived from their production, women hold less economic power within their families compared to their husbands. While some men give their wives small hand-outs from their collective earnings to purchase groceries, the men maintain control of all discretionary income. Men's control of women's earnings makes it much more difficult for women to flee situations of domestic violence due to their lack of economic independence. For example, a woman interviewed by Verité reported that she had fled a situation of extreme physical abuse at the hands of her husband and took out a restraining order while seeking temporary assistance in a women's shelter. However, she had no alternative but to return to her husband two months later because she could not find a job on her own, as the estates only hired men directly, with women working alongside them as helpers.

Promising Practices for Closing the Gender Pay Gap

In Colombia, Verité's COFFEE Project implemented a pilot project specifically focused on identifying cost effective approaches to improve workers' earnings and wellbeing. This included piloting the use of *lonas*, special plastic sheeting to improve the productivity and incomes of workers compensated under a piece rate system. Verité found that women — who worked better in teams, required to harvest coffee using *lonas* — were able to significantly increase their earnings and close the gender pay gap by using *lonas*. Verité also found that the use of *lonas* decreased ergonomic risks for workers while helping reduce the risk of pests for farmers, who also benefited from increased productivity and a more satisfied workforce without having to increase the amount paid per pound of coffee harvested.⁵ Verité thus found that the use of *lonas* is a cost effective solution that is mutually beneficial to workers and farmers alike, and is thus replicable and scalable. However, for this solution to be effective, workers must be provided with *lonas*, training on their use, and subsidies to offset short-term reductions in earnings while they learn this new harvesting technique.



Female Food Service Workers

Verité research indicates that many women are employed in informal food preparation jobs on coffee estates in which they lack job security and benefits and are paid according to the number of meals prepared. On medium-sized and large estates, women frequently work as *alimentadoras*, cooking and serving food to other workers in both large dining halls and small kitchens and cantinas. As there is a need for approximately one *alimentadora* for every ten hectares of coffee planted on estates, experts calculate that there are approximately 16,000 *alimentadoras* in Colombia alone.

Alimentadoras are frequently the wives of supervisors and administrators, which can put them in a relatively advantageous position compared to other women working on farms. However, *alimentadoras* also face discriminatory treatment, long hours of work, and low wages. Experts interviewed reported that although these women often work permanently on coffee farms for many years, they usually lack contracts or benefits and depend upon their spouses for their employment. According to a university study, the husbands of *alimentadoras* are frequently the ones who make deals with farm owners, meaning the *alimentadoras* themselves do not have control over the terms of their employment.⁶



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Alimentadoras are frequently paid either by the estates or directly by workers according to the number of meals served. *Alimentadoras* generally need at least 20 clients per day in order to make a living, and due to a recent shift towards workers bringing food from home, they are experiencing decreased profits.⁷

Furthermore, experts interviewed reported that these women may become indebted to their suppliers, who provide them with ingredients on credit. As kitchens are sometimes open from 3 a.m. until 10 p.m., *alimentadoras* may have to work as many as 17 hours a day with few breaks in order to prepare and serve enough meals to make a living. There were also reports of accidents and injuries involving *alimentadoras*, such as cuts and burns.

Gariteros, self-employed informal food vendors, labor under especially precarious conditions. According to experts interviewed, they have to walk long distances from their homes to coffee farms under the sun and rain with no guarantee of a fixed income. They generally lack contracts or any kind of employment relationship with the farms and depend entirely on income generated by selling food directly to workers at slim margins. Workers sometimes pay *gariteros* with coffee instead of cash, with reports of *gariteros* being paid one kilogram of coffee, worth about USD 0.39, for each meal.

7. Effects of Piece Rate Pay on Children

In many cases, temporary migrant workers migrate to coffee estates with their whole families during the harvest season. Couples must frequently migrate together in order to earn enough money during the harvest season to survive for the rest of the year, and they often cannot leave their children at home while they migrate to work on coffee estates for approximately three months. In one country, over 88 percent of workers interviewed reported that they did not have a safe place to leave their children on coffee estates while they worked. Given the lack of childcare on coffee farms as well as transportation and educational subsidies to allow parents to send their children to school, parents are often have to bring their children with them instead of leaving them alone with unfamiliar men in communal housing. Once the children are in the fields, many parents allow them to help harvesting coffee in order to keep them occupied and contribute to the family's production and income.

The piece rate system and production quotas incentivize the use of child labor. In many cases, male heads of household are the only employees who are registered and/or directly paid. When the children are in the fields, parents often ask them to assist with tasks, especially when their earnings depend on production and they need money to supplement the meager rations provided by estates, which are typically inadequate to meet families' nutritional needs, especially in cases in which farms do not provide meals for children and women who are not officially considered workers. The risk of child labor is especially elevated when quotas are instituted, because parents may need the help of their children to meet quotas and avoid penalties for failing to do so.⁸

This can result in the worst forms of child labor, such as children carrying out dangerous tasks (i.e., using machetes), or working longer hours than legally permitted, during the night, or during school hours in order to help their families meet production quotas. Without addressing the root causes of piece rate pay and production quotas, along with a lack of access to school and childcare, eradicating child labor and its worst forms will be almost impossible in the coffee sector.



8. Recommendations

The use of piece rate pay systems on coffee farms significantly increases the risk of wage and hour violations, as well as gender pay gaps and child labor, especially when combined with production quotas and penalties for failure to meet targets. In order to reduce these risks, coffee buyers should develop and communicate policies to all suppliers, conduct ongoing monitoring, respond to violations identified, and assist coffee producers in developing and implementing systems to address issues tied to piece rate pay. Coffee producers should ensure that workers receive the minimum wage independent of production and that production quotas are eliminated. They should also actively facilitate workers' understanding of their terms of employment and compensation calculations, ensure that women are fairly compensated for all their work, increase access to childcare and education, and provide workers with confidential grievance mechanisms to allow them to report labor abuses. Governments in coffee-producing countries should increase the capacity of the labor inspectorate to ensure that labor law is adequately enforced.

A. Recommendations for Coffee Buyers

Develop and communicate robust policies to all suppliers. While most global companies already have corporate-level policy commitments and supplier codes of conduct, these provisions often do not go far enough to provide suppliers, brokers, and intermediaries with sufficiently-detailed, measurable standards or implementation guidance on piece rates and production quotas. Therefore, coffee brands, roasters, and traders should develop policies that prohibit production quotas and penalties for failing to meet targets; ensure that workers who are paid piece rates do not work in excess of legal limits and are paid legally-required minimum wages and overtime premiums; require that all workers be registered and paid directly; and prohibit the employment of children under the minimum age for child labor and the worst forms of child labor and encourage the development of mechanisms to ensure its eradication.

These policies should:

- include separate measurable standards appropriate for coffee traders, coffee estates, and smallholder farmers;
- be clearly communicated to all internal staff involved in sourcing decisions, as well as to all direct and indirect suppliers and relevant stakeholders such as farmers, workers, and trade unions; and
- include concrete, actionable, feasible recommendations for coffee suppliers on ways to bring their practices into compliance with more robust policies and codes.

Conduct ongoing monitoring and immediately respond to any specific risks of violations identified.

Traditional audit approaches, particularly the one-day audits carried out by most large-scale and for-profit auditors, are generally ineffective at detecting many labor abuses. This is especially true in the coffee sector in which there is little visibility into labor supply chains, and auditors and labor inspectors find it difficult to gain access to migrant workers.⁹ Therefore, companies should:

- amend social audit protocols to ensure that auditors are able to interview a representative cross-section of workers in private locations;
- conduct periodic third-party assessments of high-risk labor supply chains — including labor brokers and other intermediaries that recruit and manage migrant workers — to proactively detect indicators of forced labor;
- immediately respond to and remediate labor violations detected; and
- take measures to ensure that workers are not subject to reprisals for reporting labor violations.

Assist coffee producers in developing and implementing systems and programs to address issues tied to piece rate pay. Verité research has shown that piece rate pay and production quotas increase the risk of wage and hour violations, gender-based pay disparities, and child labor. In order to reduce these risks, coffee companies should assist producers by:

- funding research to identify best practices and economically viable alternatives to piece rate pay and production quotas, such as innovative harvesting practices (see below), profit-sharing and other incentive-based systems that encourage production and quality while protecting against labor violations;
- funding projects to help coffee producers increase their productivity and the quality of their coffee in order to increase profit margins and help offset costs associated with improving wages and labor conditions; and
- funding the creation of childcare centers (and encouraging the employment of women and teenagers in these centers), along with transportation to schools, and economic assistance to help parents purchase school supplies and uniforms.



B. Recommendations for Coffee Producers

Ensure that workers receive the minimum wage independent of production and quotas are eliminated.

Often, the piece rates set by employers make it impossible for individual workers to earn the minimum wage without working overtime. In some cases, only the male head of household receives payment when, in fact, all family members work. Furthermore, some farms implement production quotas and penalties for failure to meet quotas. Piece rates and quotas often result in sub-minimum wages, forced overtime, and the use of unpaid family labor, including women and children. To address these issues, companies and estates should:

- ensure that all workers receive at least the minimum wage independent of production;
- enforce policies to ensure that each individual worker is registered and paid the minimum wage by explicitly banning the practice of paying only heads of household for the work of their entire families; and
- explicitly prohibit the imposition of quotas and penalties for failing to meet production targets and communicate this policy to all workers.

Undertake measures to improve workers' understanding of their terms of employment and how their compensation is calculated.

The absence of written contracts and a lack of transparency around wage calculations leaves workers vulnerable to exploitation. Language barriers for Indigenous and migrant workers often compound this problem, preventing them from understanding their terms of employment and communicating with management. Brands and estates should require that:

- workers receive written copies of employment contracts detailing their conditions of employment in their native languages;
- workers are provided with detailed verbal descriptions of the contents of their contracts in languages they can understand; and
- workers receive pay slips that itemize earnings and deductions and, when necessary, verbal explanations of earning and deductions in a language they can understand.

Take measures to ensure that women are adequately compensated for their work. Verité has found that while on coffee estates, women are often relegated to unpaid or underpaid work helping their husbands or domestic partners with their coffee production, as well as carrying out unrecognized and uncompensated domestic duties such as childcare, cooking, and cleaning tools associated with coffee production. All of these activities are essential to functioning coffee estates and women should be fairly compensated for this work. Providing women with formal employment in these activities would also help other women focus on coffee production and earn equal wages to men. Therefore, coffee producers should:

- directly hire and pay all women engaged in coffee production on farms and estates, and ensure that they are paid the same rates as men for their work and never less than the minimum wage; and
- create formal, fairly-compensated employment opportunities in food preparation and childcare (for workers above the minimum age for child labor).

Increase access to childcare and education to reduce the risk of child labor on coffee estates. For many farmworkers on coffee estates, especially those who migrate to estates during the harvest season, bringing their children to work in the fields alongside them is a rational choice, given that the alternative is leaving them unsupervised in communal housing with strangers. Piece rate pay further incentivizes the use of children to increase parents' earnings. Therefore, coffee companies and estates should partner to:

- provide free childcare to the children of farmworkers, and hire people above the minimum age for child labor to provide childcare services;
- during times when school is in session, provide school-aged children with transportation from coffee estates and local workers' communities to the nearest schools;
- support the provision of incentives for sending children to school, in the form of free meals, conditional cash transfers, and/or cover the cost of uniforms and school supplies; and
- ensure that all juvenile laborers are registered, paid directly at least the minimum wage, and engage in work in compliance with legal regulations.

Provide workers with confidential grievance mechanisms to allow them to report labor abuses.

Rural farmworkers generally lack safe, anonymous, accessible avenues to report labor abuses. Indigenous workers who do not speak Spanish or Brazilian Portuguese face additional barriers. The provision of a robust grievance mechanism to all workers is critical for gathering information and building trust and engagement with workers. Therefore, coffee producers should:

- launch a confidential grievance system, such as an independently operated hotline, available in languages spoken by workers and appropriate to their level of literacy and technology access;
- ensure that internal grievance mechanisms allow workers to report grievances to individuals other than their labor brokers and supervisors;
- develop systems to effectively remediate grievances identified and their root causes, and provide workers with referrals to government and civil society instructions that can assist them with legal cases and services; while protecting worker confidentiality and guarding against reprisals; and
- support the development of workers' organizations and committees to facilitate workers' communication with management on estates.

C. Recommendations for Governments

Increase the capacity of the labor inspectorate to enforce labor law. Verité research has found that labor inspectorates in many coffee-producing countries are severely under-resourced, leading to a lack of effective monitoring of labor practices, especially in the agricultural sector, in which inspections are more challenging due to the remoteness of agricultural estates and impediments to inspectors' access. Therefore, it is important to take measures to improve the capacity of the labor inspectorate by:

- ensuring labor inspectors receive adequate compensation;
- providing adequate resources to cover labor inspectors' travel expenses;
- providing incentives to carry out inspections in the agricultural sector and in remote locations;
- hiring additional inspectors to ensure that the number of active labor inspectorate staff engaged in inspections in each region is adequate for the number and size of worksites located there;
- establishing routine inspections in the coffee sector;
- providing inspectors with police assistance whenever requested;
- issuing sanctions against employers who engage in labor violations or who fail to grant inspectors full, unimpeded access to all areas of worksites; and
- implementing a system to ensure compliance with judicial orders, as well as a system to promote communication, referrals, and cooperation between the labor inspectorate and other government agencies.

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10. Endnotes

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