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BREAKING THE CYCLE OF LABOR SHORTAGES, MIGRATION, AND RECRUITMENT-RELATED RISKS IN THE LATIN AMERICAN COFFEE SECTOR

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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

The shortage of skilled coffee workers in Latin America represents a serious risk to the sector and could result not only in significant reductions in productivity, but also an increased risk of labor rights violations if left unaddressed. Local labor shortages are associated with increased labor migration and the use of labor brokers for the recruitment and supervision of migrant workers, elevating the risk of labor exploitation. However, labor shortages also present an opportunity for collaboration between coffee roasters, traders, and producers to explore cost-effective ways to make employment in the sector more attractive, which could lead to increased retention rates and the attraction of new workers to the sector. This white paper outlines labor risks related to labor shortages, migration, and recruitment and hiring practices, and highlights promising practices and recommendations to decrease related risks.

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. Through a combination of this research and data collected via a grievance mechanism in Guatemala, Verité has collected first-hand information from well over 2,000 coffee workers about their recruitment and working conditions. Verité audits, desk research, expert consultations, and projects in other Latin American coffee-producing countries clearly demonstrate that unscrupulous recruitment and hiring practices contribute to labor risks throughout the region. In fact, Verité and REACH research has documented similar dynamics regarding recruitment and hiring practices in a range of different agricultural sectors 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. 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 implement pilot projects in Brazil, Colombia, and Mexico.

There has recently been an increase in labor shortages in a range of different Latin American countries. Shortages of workers in coffee-producing regions can be attributed to a number of factors, especially poor pay and working conditions. Labor shortages create a need for migrant workers, both internal and international, which in turn often necessitates the use of labor brokers to recruit workers from distant areas. The use of unmonitored labor brokers can result in poorer wages and working conditions, contributing to further labor shortages, creating a vicious cycle.

Labor brokers are often incentivized to recruit as many workers as possible to increase their pay, which may lead them to deceive workers about work conditions. Because they are often unregistered and unmonitored, labor brokers may also engage in other unscrupulous practices, such as retention of workers' identity documents, harassment and abuse, charging of recruitment fees, and making illegal deductions from workers' pay. To reduce the risk of unethical recruitment practices such as these, there is a need to better screen, select, and monitor labor brokers. Coffee producers can also establish innovative practices, such as direct recruitment, profit sharing, and hiring workers permanently. All of these have the potential to result in cost savings, improvements to the quality of coffee harvested, and increased rates of worker satisfaction and retention, in addition to reducing the risk of labor violations due to a reliance on labor brokers.



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Due to labor shortages, the interests of brands, estate owners, and workers are finally aligning. When coffee producers are unable to recruit enough workers from their usual local labor reserves of impoverished regions within their own countries, or neighboring countries due to the poor conditions and pay, there is often nowhere else to turn for workers. Therefore, many growers themselves are beginning to recognize that work in the coffee sector must be made more attractive in order to retain experienced workers and attract new workers to the sector. However, it can be extremely difficult for farmers to address this issue, especially with falling coffee prices and the fact that labor costs are one of the only inputs over which farms have control. Tackling this dilemma will require coffee roasters, traders, producers, and other stakeholders take joint action to identify and implement better practices.

Only by collectively addressing these issues can we reverse the cycle of labor shortages, labor migration, unscrupulous recruitment and hiring practices, and labor risks. Coffee buyers should develop policies on recruitment and hiring, carry out risk and supply chain mapping, conduct ongoing monitoring, and assist producers in piloting ethical recruitment systems. Coffee producers should develop policies, screen, and monitor labor brokers, and develop grievance mechanisms and corrective and preventative action plans. Governments should build labor inspectorates' capacity and ensure that labor brokers are registered and effectively monitored in practice.

2. Overview of Research and Methodology

The findings contained in this white paper are based on in-depth research carried out over the past fifteen years in the coffee sector by Verité and its regional research partner, REACH (Research-Education-Action-Change). Verité has collected first-hand information from well over 2,000 coffee workers, along with interviews with over 200 experts. It should be noted that while this white paper is informed by field research conducted in Brazil, Colombia, Guatemala, and Mexico, Verité desk research and expert interviews on labor conditions in other countries in Latin America indicate that the issues described here apply broadly to the agricultural sector in the region.

3. Labor Shortages

Shortages of a sufficient number of skilled workers in close proximity to coffee-producing areas create a need for substantial reliance on migrant workers, including internal and international migrants. This creates an increased dependence on labor brokers to recruit workers from far-off communities in which coffee producers lack connections or the capacity to directly recruit workers themselves. Increased use of labor brokers can result in worsening conditions of work if brokers are not adequately screened and monitored, making work in the sector less attractive, and contributing to increased labor shortages, in what can become a downward spiral.

Labor shortages have caused coffee producers and roasters alike to become more aware of the value of skilled, experienced coffee harvesters, and to begin to consider strategies to improve working and living conditions in the sector in order to attract and retain experienced workers. By engaging in direct recruitment or carefully selecting and monitoring labor brokers, coffee roasters and producers can improve working conditions, leading to higher rates of worker retention and the opportunity to differentiate themselves, both in terms of offering qualified, motivated workers and their reputation for social responsibility.

In Colombia, where younger people have shifted from work in coffee to other sectors, recent research has found the average age of workers in the coffee sector to be 55.¹ Faced with a 22 percent increase in coffee production in 2023,² Colombia continues to face severe labor shortages in 2024.³ There is a need for approximately 32,000 coffee harvesters in the department of Antioquia alone, jeopardizing the coffee harvest. While these labor shortages have been temporarily eased over the past few years by an influx of Venezuelan refugees, many Venezuelan workers are undocumented and inexperienced, resulting in low levels of productivity and quality, as well as elevated vulnerability to labor exploitation.



Joseph Sorrentino/Shutterstock

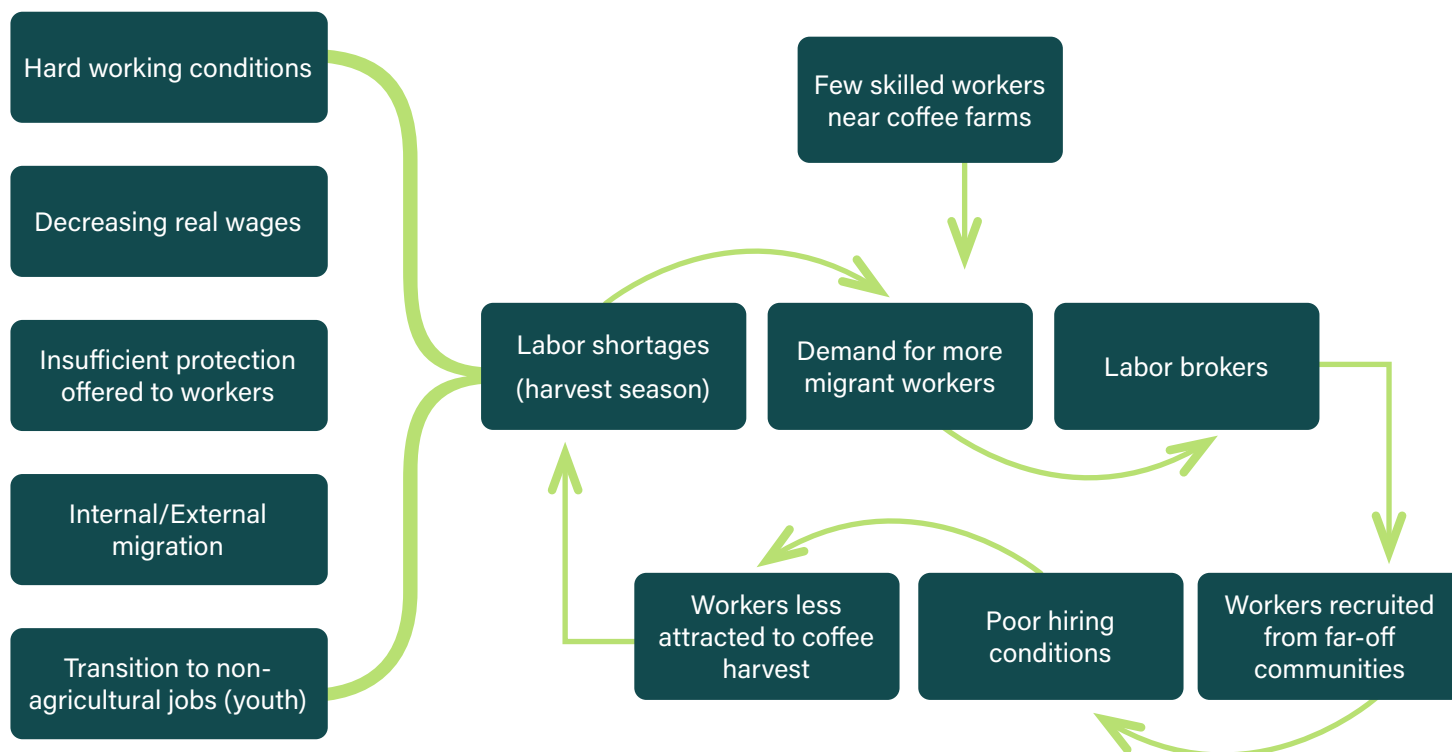
Labor shortages have been best-documented in Colombia, but Latin American media sources report that farmers in Central America, Mexico, Peru, and beyond are all facing a dearth of skilled farmworkers during the coffee harvest season.⁴ For example, in Honduras, due to severe labor shortages caused by undesirable working conditions in the coffee sector and migration to the United States and to urban areas within Honduras, farms are turning to immigrant workers to harvest their coffee. In fact, over a third of Honduran coffee is reportedly harvested by immigrant workers, especially Guatemalans and Nicaraguans.⁵ Due to recent increases in coffee production, Honduran coffee farmers need about 600,000 workers to harvest their coffee each year.⁶ There were reports that there was a shortage of approximately 350,000 coffee harvesters in 2021.⁷ This has resulted in the hiring of hundreds of thousands of migrant workers from Guatemala and Nicaragua, although the exact figures are not known. In the department of Copan alone, about 100,000 temporary Guatemalan migrant workers reportedly worked on coffee farms for four to five months per year.⁸ This emerging trend of South-South migration from impoverished countries with high rates of violence to a country with even higher rates of poverty and violence is extremely concerning and creates a high level of vulnerability to exploitation.

Labor shortages are due in part to the harsh working conditions, decreasing real wages, and insufficient protections offered to workers. Other factors include internal and international migration driven by economic necessity and displacement from coffee-growing areas due to violence and climate change, as well as the desire of younger generations to work in better remunerated and less physically demanding and stigmatized sectors.

Contrary to the popular misconception that agricultural work is “unskilled,” cultivating and harvesting high-quality coffee actually requires years of hands-on experience. Thus, workers leaving the coffee sector cannot be easily replaced, as “farm labor is a major factor in an estate’s ability to deliver high-quality, highly productive coffee.”⁹ Erik Nicholson, formerly of United Farm Workers (UFW), referred to coffee farmworkers as “field baristas”¹⁰ who can increase coffee producers’ profit margins in the form of higher quality coffee.

When labor brokers are involved in the recruitment of workers, however, the experience level of the workforce may suffer. Labor brokers are frequently incentivized to hire as many workers as possible rather than to hire skilled workers who will benefit coffee estates. This is due to the way in which brokers are paid, as payments are commonly calculated according to the number of workers recruited or, in some cases, as a percentage of workers’ earnings. Labor brokers paid according to the number of workers hired may thus hire as many workers as possible without consideration of their abilities. Untrained and inexperienced workers may pick unripe or defective coffee cherries, which later need to be sorted, a labor-intensive process that can increase costs for producers and lead to poor quality coffee and lower prices.

Labor Shortages, Recruitment, and Labor Risk



Reliance on labor brokers can also lead to other forms of labor rights violations. Brokers paid by the number of workers recruited may also be incentivized to deceive prospective recruits about the conditions of work on farms in order to recruit as many workers as possible. Brokers may also engage in unethical and/or illegal practices such as document retention, physical or sexual harassment and abuse, charging of recruitment fees, and/or making illegal deductions from workers' pay. Disaggregation of Verité worker interview data has shown that workers hired by labor brokers in the coffee sector receive lower pay and report a higher incidence of indicators of forced labor than workers directly recruited by estates.¹¹ This makes work on the farms that rely on third-party recruiters less attractive to potential workers and can result in decreased rates of retention for existing workers. This can exacerbate labor shortages and, ironically, increases the need for labor brokers to recruit workers from further and further afield.

4. Labor Migration

For centuries, many coffee estates in Latin America were staffed by *colonos*, workers who lived year-round on the estates. However, they began to expel *colonos* during the 1900s, in some cases to prevent them from obtaining property rights to the land on which they lived or to cut costs by transitioning to temporary workers and using short-term contracts to avoid having to provide workers with benefits. Currently, many coffee estates are staffed by a small number of permanent workers and a large contingent of temporary workers who are often hired informally (without contracts) during labor-intensive periods. Many of these temporary workers are migrant workers who may settle on or near a particular farm or follow crop-harvesting cycles from farm to farm.

Labor shortages have generated an increasing need to hire migrant workers from far-off regions and countries. Most estates lack the networks and personnel to recruit migrant workers from distant locations, resulting in an increased demand for the services of labor brokers with the ability to facilitate the recruitment of the growing number of internal and international migrant workers that comprise much of the temporary coffee sector workforce.

The Special Rapporteur on the Human Rights of Migrants for the United Nations Human Rights Council noted:

"Migrants are at heightened risk of exploitation and abuse in the workplace, due to (a) deceptive recruitment practices, both by employers and intermediaries; (b) frequent lack of social support systems; (c) unfamiliarity with the local culture, language, their rights at work and national labor and migration laws in the country of employment; (d) limited or denied access to legal and administrative systems; (e) dependence on the job and employer due to migration-related debt, legal status, or employers restricting their freedom to leave the workplace; and (f) reliance by family members on remittances sent back home by the migrant."¹²

Javier Garcia/Shutterstock



Migrant workers from regions that do not historically produce coffee may lack experience working in the coffee sector, making them significantly less productive. For example, because many of the Venezuelans employed on Colombian coffee farms had never previously worked on coffee farms — or even in the agricultural sector — they may be able to harvest much less coffee than experienced Colombian workers.¹³ Reports indicate that inexperienced workers are typically able to harvest less than half the coffee of experienced workers. As a result, workers earn significantly less money when they are paid according to the amount of coffee harvested.¹⁴

Migrants, especially female and landless migrants, “constitute the most marginalized and invisible part of the coffee sector.”¹⁵ A lack of support systems and local language skills create social isolation for migrant workers and make it difficult for them to file complaints if their rights are violated. Contributing to their isolation, agricultural worksites often work on remote farms, limiting their ability to leave the worksite or even, in some cases, to communicate with the outside world.

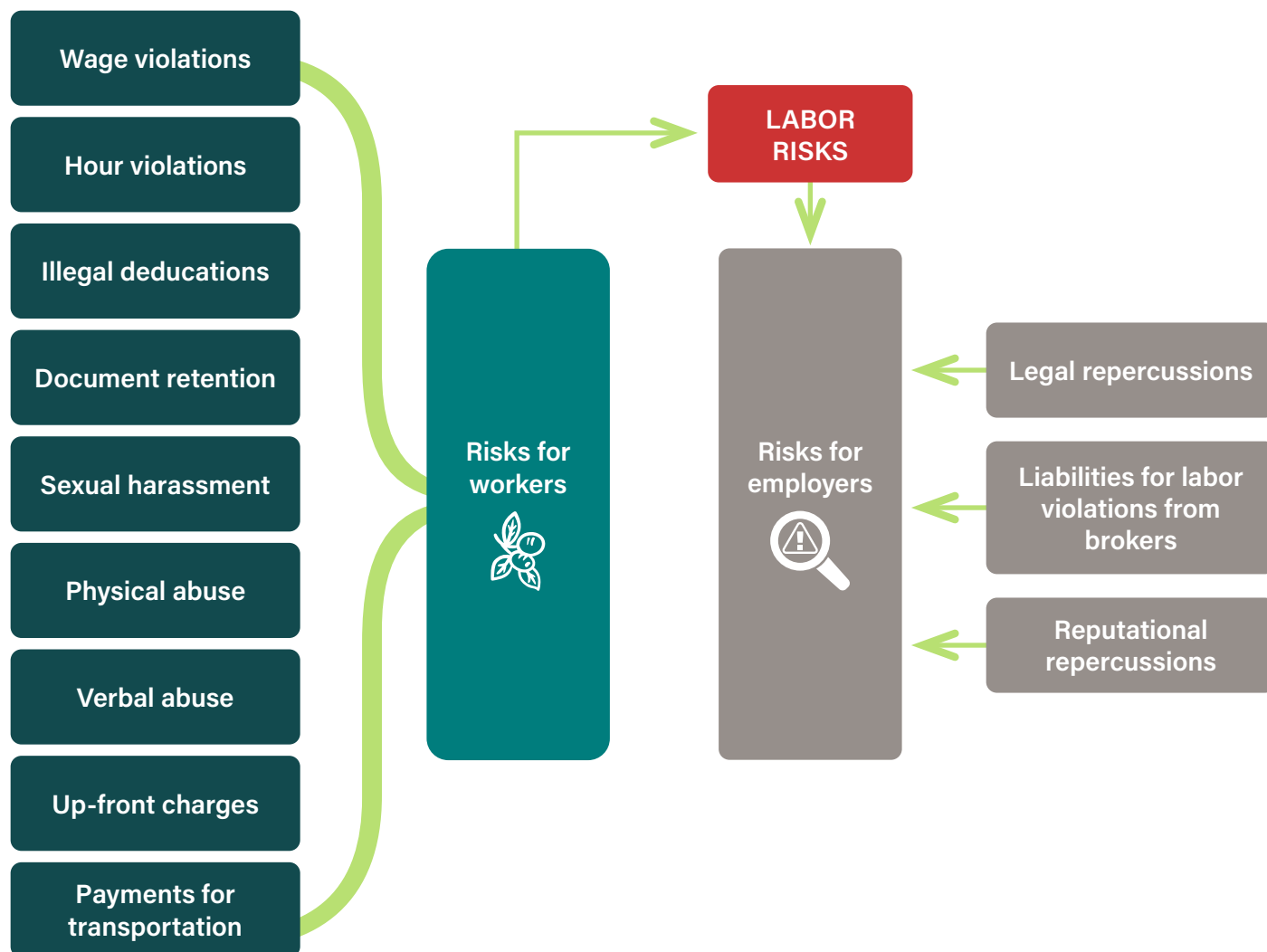
The greater the distance workers migrate from their home communities, the more vulnerable they become — especially if they cross international borders. International migrants may lack legal status and work permits, reducing their potential for political leverage and making them more vulnerable to exploitation.¹⁶ They may also lack language skills or access to legal protections, benefits, and social networks. They are often fearful of bringing complaints to authorities due to their legal status, identity document retention, and the threat of deportation.¹⁷ Transience and a lack of formal status also make immigrant workers vulnerable to xenophobia and discrimination.¹⁸

Additionally, in many countries, national regulations require that foreigners have a job offer in hand when soliciting guestworker visas and work permits at the border. As immigrants rarely have direct connections with employers, and employers typically lack the resources to travel across borders to recruit immigrant workers from their communities, such requirements necessitate the use of labor brokers. These labor brokers sometimes take advantage of the desperation of both parties, deceiving and putting at risk workers and coffee producers alike.



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Risks Related to Recruitment



International Coffee Migrants

There has been a recent surge in cross-border migration into the coffee sector in countries which have not traditionally been destinations for international migrants. This phenomenon has been observed across Latin America in countries such as Brazil, Colombia, Mexico, and Honduras, and is due to a number of factors.

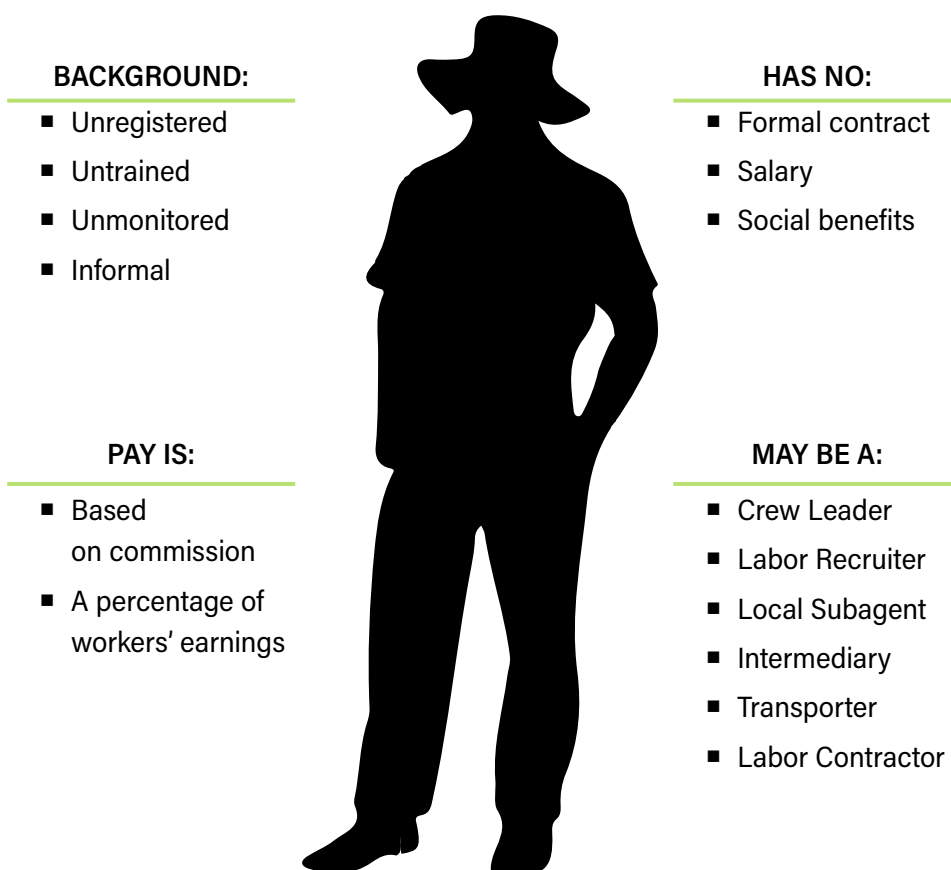
“Push” factors include extreme poverty in migrant workers’ countries of origin, displacement due to high levels of societal violence and conflict/political instability, and climate change and related crop diseases. For example, in some countries, coffee farmers and internal migrant workers have had to migrate internationally due to decreased coffee production at home related to climate change and the related outbreak of *La Roya* (coffee rust).

Labor shortages can serve as a “pull” factor for migrant workers. In some cases, farms and estates offer favorable wages and living conditions to attract international migrants; in others, they utilize unregistered and untrained labor brokers to recruit immigrant workers, frequently under false pretenses and in violation of laws in sending and receiving countries.

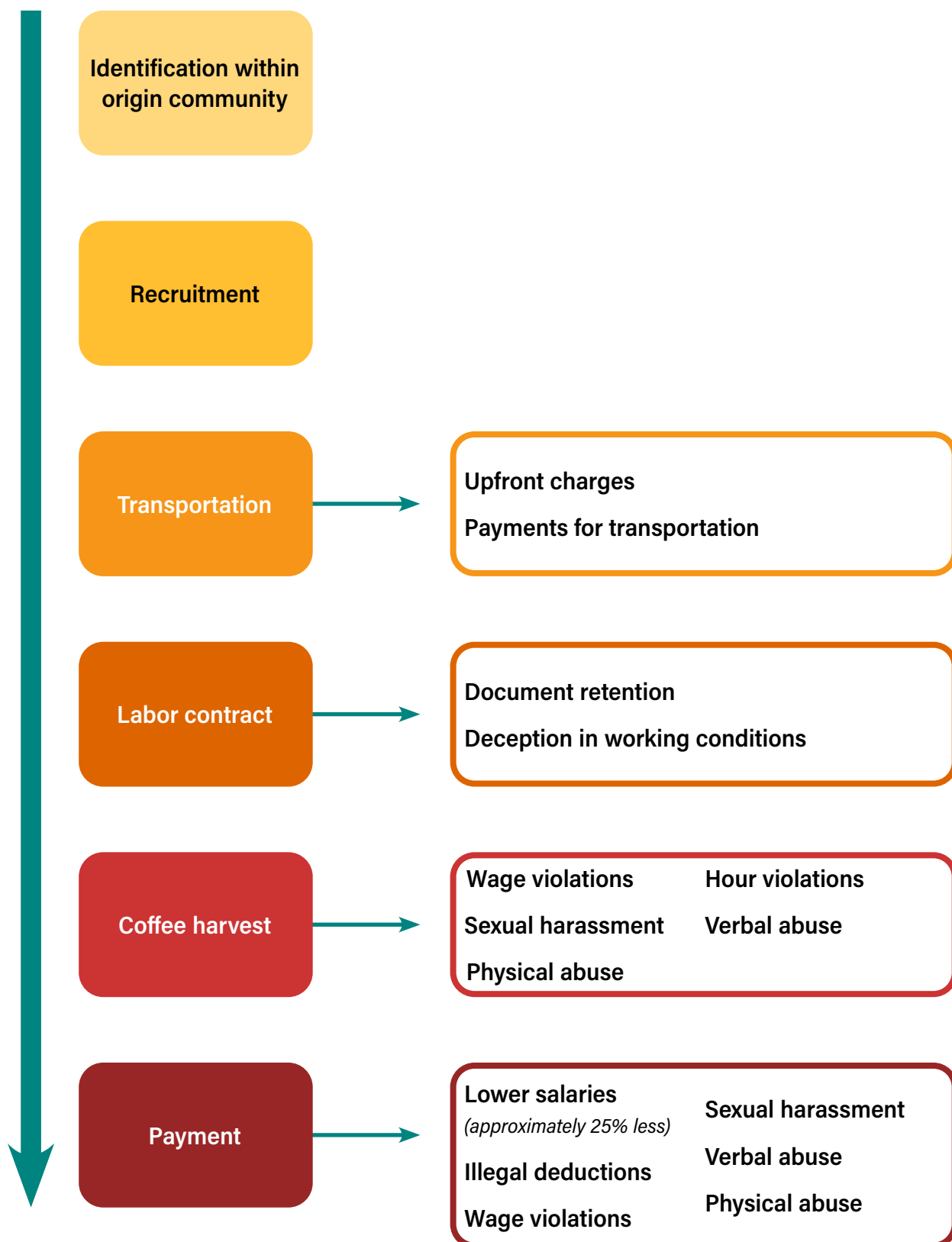
5. The Role of Labor Brokers in the Coffee Sector

Workers may be recruited by farm owners, representatives of coffee estates, or labor brokers. In some cases, they are recruited directly, by owners of smallholder farms or coffee estate personnel, such as administrators, harvest supervisors (*patrones de corte*), or overseers (*mayordomos*) who visit town squares in municipalities with large numbers of workers, most often on Saturdays or Sundays. However, many larger estates rely on labor brokers to recruit, select, and hire workers, especially during the harvest season when labor demand is at its peak. In the countries in which research for this analysis was carried out by Verité, the percentage of workers who reported being recruited by labor brokers ranged from approximately 20 to 50 percent. These brokers may live in the workers' communities or travel to recruit workers. Labor brokers recruit both individual workers, as well as groups of workers, known as *cuadrillas*. While the use of labor brokers creates increased risks for workers and employers alike, they provide an essential service for employers who have no contacts with workers in their communities of origin.¹⁹ There are many different types of labor brokers, from formal recruitment agencies, to local subagents, to crew leaders, to individual informal recruiters who may be ex-farmworkers.

The Informal Labor Broker



Risks of Labor Violations Throughout the Job Lifecycle



In some cases, labor brokers are simply charged with recruiting workers and sending or transporting them to estates, where they are turned over to *patrones de corte* or *mayordomos*. In other cases, labor brokers directly supervise workers on the estates. *Cuadrillas* (crews of workers) are frequently supervised by labor brokers, who manage a crew of workers responsible for completing specific tasks, such as clearing a certain amount of land or harvesting a certain amount of coffee. These labor brokers are often paid by the task and are responsible for divvying up the earnings between the members of *cuadrillas*, a situation that puts workers at risk for wage retention or manipulation.²⁰

Verité has found that the risk of labor violations is increased when labor brokers act as workers' supervisors, especially when they are responsible for their payment. This creates multiple dependencies of workers on brokers, who are often unregistered, untrained, and unmonitored. They may engage in unethical and illegal practices such as wage and hour violations, illegal deductions from workers' pay, document retention, sexual harassment, and physical and verbal abuse. Although estates may view outsourcing of the management of workers as a means to avoid liability for labor violations, in practice, they are not insulated, as most countries' labor laws and company codes of conduct establish employer liability for violations committed by labor brokers.

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6. Hiring Practices in the Coffee Sector

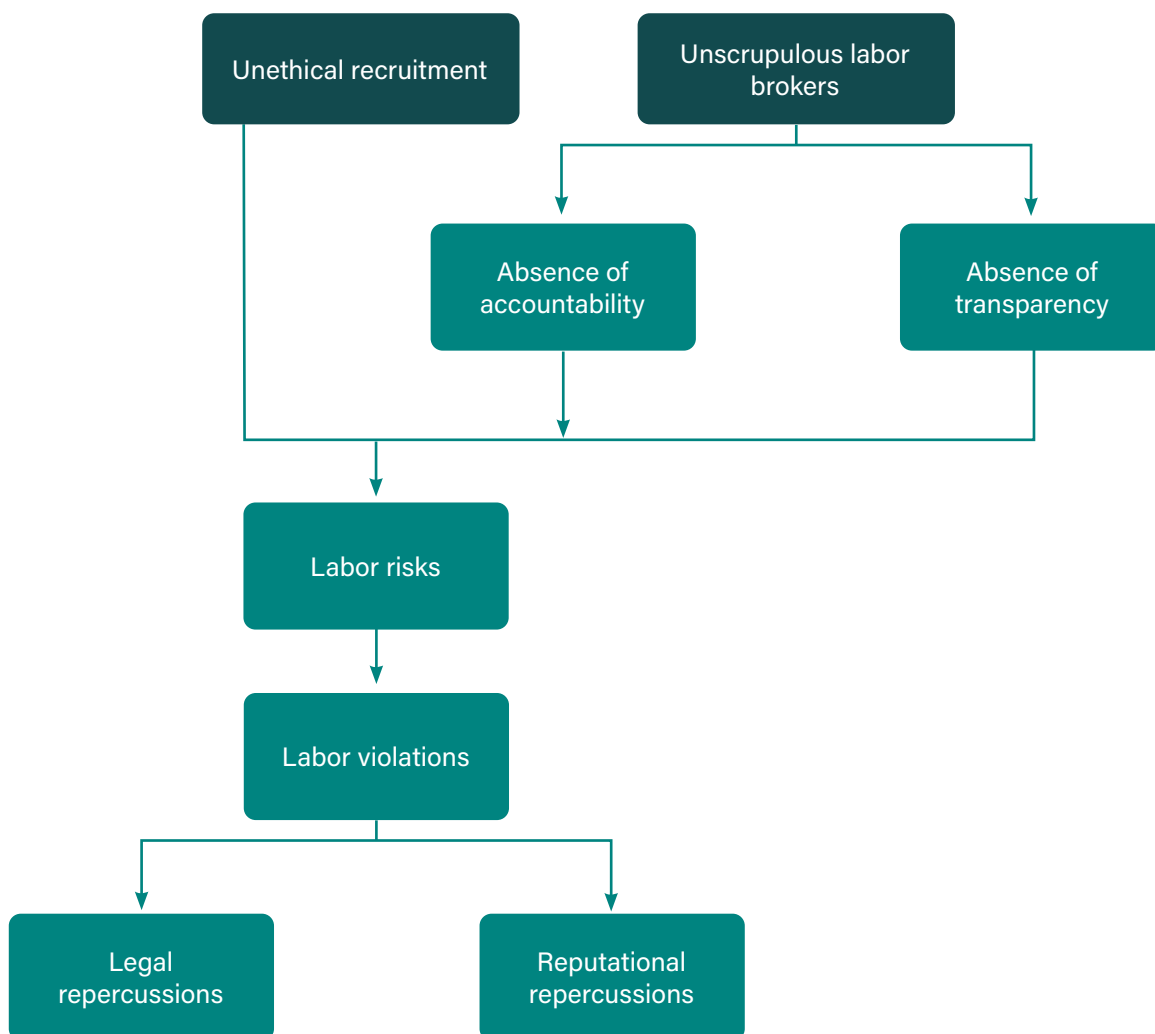
An elevated level of informality predominates in the hiring of coffee sector workers, especially during harvest seasons when the number of temporary migrant workers is at its peak. In the countries in which Verité conducted research, the proportion of workers interviewed who reported that they were temporary workers ranged from approximately one-third to four-fifths. Many temporary workers can be considered informal workers because they lack employment contracts or guarantees of ongoing employment. The casual short-term or seasonal nature of their employment typically means that they lack social protection, health benefits, legal status, and access to the rights guaranteed under international and national labor laws.²¹ In many cases, temporary workers are repeatedly dismissed and rehired by the same employer, making them permanently temporary members of that employer's workforce. They may be hired by the day, shift, or task, but they are most often paid piece rates, such as the amount of coffee harvested or number of rows of coffee planted.²²

Temporary migrant coffee harvesters are generally not provided with written contracts; rather, they enter into "verbal contracts" with employers, crew leaders, and labor brokers. The vast majority of workers interviewed by Verité in Latin America (up to 98.7 percent in one of the countries) reported they were not provided with written contracts. While some workers reported they were provided with "verbal contracts," in many cases they stated that they were not provided with any information or guarantees surrounding their hours of work, compensation, or housing. Instead, their "verbal contracts" consisted of a requirement that they work for a specified number of days (often 90 days) or the whole harvest season before they could leave their employment, creating a significant risk of forced labor. Furthermore, of those workers provided with information about their working conditions, many reported that actual conditions were worse than those promised at the time of recruitment or hiring.

7. Impacts of Recruitment and Hiring Practices

Unscrupulous labor brokers are one of the main factors that increase labor risks in the coffee sector. Hiring through labor brokers impedes transparency and accountability in the coffee supply chain. Although companies have sought to avoid liability for labor abuses committed by brokers, labor law generally holds businesses that hire workers through labor contractors accountable for labor violations committed by brokers.²³ Therefore, exploitative labor brokers can constitute a threat not just to workers, but also to estates and brands, both of which can suffer legal and reputational repercussions for labor violations committed by brokers.

Recruitment-Related Risks for Private Sector



Labor brokers responsible for recruiting workers in the coffee sector are often independent agents who hire small numbers of workers and operate informally, failing to register with government authorities. Verité research has found that in many countries, even in countries where registration is legally mandated, labor broker registries do not function or exist in practice, especially in the agricultural sector. Even in countries where functional labor broker registries do exist, compliance is rarely monitored by government authorities. Furthermore, labor brokers often do not have formal contracts with the estates for which they recruit workers and do not receive salaries or benefits from them; instead they recruit workers on commission or supervise crews of workers and receive a percentage of their earnings.

Verité research for the United Nations Office on Drugs and Crime (UNODC) found that hiring workers through labor brokers increases their vulnerability to labor exploitation. Some labor brokers charge workers placement fees, and migrant workers are sometimes required to pay their labor brokers a percentage of their earnings. Many labor brokers operate informally and do not provide workers with contracts, facilitating deception regarding working conditions. When unregistered brokers are implicated in recruitment and labor violations, they are very difficult to locate. Moreover, Verité's research for UNODC found that hiring through labor brokers helps to obscure the identity of employers, sheltering them from liability for labor violations and making enforcement of labor laws more challenging.²⁴

Verité's research in the Latin American coffee sector indicates that exploitative labor brokers may deceive workers about their conditions of work, taking advantage of their lack of access to information and grievance mechanisms. Because many estate owners pay labor brokers per worker recruited, labor brokers are incentivized to deceive workers about their conditions of work. Workers may be promised decent wages and working conditions, but in practice their pay may be so low that they have to take out loans to survive. Labor brokers who supervise workers on farms may overcharge them for food and shelter and subject them to dangerous working conditions, as well as physical, verbal, and sexual abuse.²⁵

Verité research found that the percentage of workers recruited by labor brokers who reported paying recruitment fees ranged from approximately 20 to 80 percent. These fees varied from up-front recruitment fees to access job opportunities to charges for transportation or tools needed to do their jobs, to ongoing deductions from workers' wages. Unlike in some other sectors and geographies, however, Verité's research in this context found that the up-front recruitment fees charged to coffee workers were generally relatively low. They ranged from less than a day's wages to rare cases of just over a month's wages, as compared to the Malaysian electronics sector in which Verité documented that immigrant workers' recruitment fees averaged about one year's wages.²⁶



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However, unofficial deductions were also made from the wages of workers recruited by labor brokers, both by the brokers themselves (who may be paid more than the minimum wage for each worker but pass on a much smaller portion to workers), as well as by employers seeking to offset recruitment costs. For example, in one of the countries, disaggregation of worker interview data demonstrated that workers recruited by labor brokers earned on average about 25 percent less than those directly recruited by their employers, corresponding to the amount brokers charged to estate owners for their services.²⁷

Despite legal prohibitions in some coffee-producing countries, workers were also sometimes charged for their transportation from their far-off communities of origin to their places of work. While transportation costs charged to internal migrants were often relatively low (one to two days' wages), international migrant workers were charged as much as 20 days' wages.

In some cases, Verité's research found that workers' identification documents and passports were withheld by brokers or employers. The retention or confiscation of workers' identity documents typically affects international migrants but can also compromise the rights of internal migrant workers. For example, when the provision of state social services is contingent on workers' possession of identity documents or when workers need their identification documents to file legal complaints. Loss of control over personal documents can result in restrictions on workers' freedom of movement and can be used as a means to bind them to a particular job or employer, potentially forcing them to continue doing work that they may not have consented to, due to fear of permanently losing their documents. Furthermore, immigrant workers who flee exploitative work arrangements without their documents may become undocumented, making them vulnerable to arrest or deportation.



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Promising Practices in Recruitment and Hiring

A Guatemalan estate owner interviewed by Verité indicated that due to labor shortages, he had resorted to hiring workers through labor brokers for the first time the previous year. Using brokers had been costly, as labor brokers charged him significant fees to recruit workers. He also had to house and feed the migrant workers, as they came from remote areas. This change in recruitment and hiring practices resulted in an influx of untrained workers who had no stake in the estate, and the estate owner consequently had trouble ensuring the quality of his coffee. As a result of this experience, he mentioned that he had started implementing a promising new system of employing local farmworkers year-round to work in coffee and other crops that he had intercropped to diversify income sources and provide for year-round employment. He also began offering a system of profit-sharing and other incentives in order to retain workers in whom he was investing time and training.

In the *Eje Cafetero*, in Colombia, due to labor shortages, coffee producers are forming links with municipal governments and committees of coffee producers to recruit workers prior to the harvest season through "*llamados tempranos*," which include providing workers with information about the labor conditions offered on specific farms.²⁸ In Quindío, the Coffee Producers' Committee launched the Harvest Plan (*Plan Cosecha*) campaign to recruit workers directly. They offered decent working conditions, as well as training for inexperienced harvesters, administrators, processing plant workers (*patieros*), and women in charge of preparing food for workers (*alimentadoras*).²⁹ According to experts interviewed, there were reports that in Chinchiná, Caldas, the Coffee Producers' Committee established a "coffee harvesters' house" (*casa del recolector*) offering health and other services, such as free haircuts, in order to attract and retain workers.

Verité's COFFEE Project implemented an innovative pilot project to reduce recruitment-related risks and promote ethical recruitment in the Brazilian coffee sector. In order to better understand recruitment risks and dynamics and the perspectives and practices of Brazilian coffee producers and labor brokers, Verité carried out multiple rounds of research funded by a coalition of major international coffee roasters, brands, and retailers. This research allowed Verité to create five recruitment-focused tools and training modules appropriate for the context of the Brazilian coffee sector. Verité worked with key producers identified through partnerships with major coffee companies to identify coffee producers interested in implementing ethical recruitment approaches at the farm level. Verité trained these producers and their labor brokers and workers on recruitment-related risks and steps that they can take to ameliorate these risks and piloted the tools and ethical recruitment approaches on select coffee farms. These five recruitment-focused tools, as well as 23 other tools and online training modules are available free of charge on the [COFFEE Project website](#), which can aid coffee roasters, traders, and producers in implementing the recommendations outlined below.



Leonardo Borges/Adobe Stock

8. Recommendations

Coordinated action is clearly needed to break the cycle of labor shortages, migration, outsourcing of recruitment and supervision of workers, and resultant labor risks. It is important that coffee buyers and producers work collaboratively to address the risks associated with labor brokers. Coffee buyers should establish clear and highly specific policies and standards that cover the recruitment and hiring of workers; carry out robust risk and supply chain mapping down to the labor broker level; conduct ongoing monitoring and immediately respond to any specific labor violations identified; and assist coffee producers in piloting ethical recruitment systems. Coffee producers should develop and disseminate detailed policies on the recruitment and hiring of workers; conduct comprehensive screening and monitoring of labor brokers; provide workers with confidential grievance mechanisms to allow them to report recruitment and labor abuses; and develop a systems improvement plan that includes corrective and preventive action. These efforts must be supported by government action in key coffee producing countries, including increasing the capacity of the labor inspectorate to enforce labor law and taking measures to regulate, register, and monitor labor brokers.

A. Recommendations for Coffee Roasters and Traders

Establish clear and highly specific policies and standards that cover the recruitment and hiring of workers. While most global companies already have corporate-level policy commitments and supplier codes of conduct, these provisions seldom go far enough to provide suppliers, brokers, and other intermediaries with sufficiently detailed measurable standards on recruitment and hiring, or implementation guidance. Therefore, companies should develop more comprehensive policies and codes on the selection, hiring, and monitoring of labor brokers. Sample Code of Conduct Provisions are available free of charge as part of the [COFFEE Toolkit](#). In general, company policies should:

- include separate measurable standards appropriate for coffee traders, estates, and smallholder farmers;
- be integrated into existing and new business contracts, as a basis for audits and assessments and ensuring understanding of compliance requirements;
- 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 strategies to bring their practices into compliance with more robust policies and codes.

Carry out robust risk and supply chain mapping. Labor abuses are complex, and their manifestation is frequently subtle and hidden — particularly when there are labor brokers in the supply chain. Therefore, companies should carry out a multi-tiered risk and supply chain mapping process, including:

- identification of risks by country and geography through a high-level risk mapping process;
- robust supply chain mapping down to the farm level;
- working with coffee producers to identify labor brokers in supply chains; and
- comprehensive assessments of high-risk suppliers and labor brokers.

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

Traditional audit approaches, particularly the one-day audits carried out by many for-profit auditors, are ineffective at detecting many labor abuses, principally those related to third-party labor brokers. This is especially true in the coffee sector, in which there is little visibility into product or labor supply chains, and in which auditors and labor inspectors find it difficult to gain access to migrant workers.³⁰ Therefore, companies should:

- amend social audit protocols to ensure that auditors are able to interview a representative cross-section of workers in private locations;
- provide auditors with training to ensure that they are able to
- adequately identify risks related to recruitment and hiring;
- conduct periodic third-party assessments of high-risk supply chains — including assessment of the practices of labor brokers and other intermediaries that recruit and manage migrant workers;
- work with suppliers to immediately remediate labor violations detected (see the [Guidance on Response and Remedy tool](#)); and
- take measures to ensure that workers are not subject to reprisals for reporting labor violations.

Assist coffee producers in piloting an ethical recruitment system. Verité’s research found that severe labor shortages posed an intensifying crisis for the Latin American coffee sector. During times of labor shortages, employers tend to turn to migrant labor and labor brokers to fill vacancies. It is essential that brands co-invest to pilot ethical recruitment systems to reduce labor risks associated with the use of labor brokers and migrant workers, including:

- broadly communicating a policy prohibiting the charging of recruitment fees and document retention throughout the coffee supply chain, including to the level of labor brokers;
- developing a system to post and disseminate accurate, detailed information on employment opportunities to potential workers;

- piloting a direct recruitment system, in partnership with other brands, industry associations, civil society organizations, and coffee producers;
- identifying and working with formal recruitment companies to incentivize ethical recruitment; and
- providing employers with model labor contracts, to be used in the recruitment and hiring process.

B. Recommendations for Coffee Producers

Develop and disseminate detailed policies on the recruitment and hiring of workers. A lack of concrete policies on recruitment and hiring can result in unscrupulous practices amongst labor brokers. Therefore, coffee producers should develop and disseminate to workers and labor brokers clear policies on the recruitment and hiring of workers (see [Sample Code of Conduct Provisions](#) for full list), including the following provisions:

- workers shall not be charged any recruitment fees or related costs for recruitment, directly or indirectly, in whole or in part, including costs associated with travel, training, tools, or the processing of official documents and work visas;
- the confiscation or withholding of worker identity documents or other valuable items, including work permits and travel documentation (e.g., passports), is strictly prohibited; and all workers, including those hired by labor brokers, should be
- provided with contracts at the time of recruitment and hiring. Contracts should be in a language that workers understand, and should abide by all legal requirements, including the specification of the place and duration of employment, the tasks that define the work, of compensation and benefits, hours of work, and other working and employment conditions.

Conduct comprehensive screening and monitoring of labor brokers. Verité has documented risks related to the use of unscrupulous labor brokers for workers, and coffee producers and buyers, who can face legal and reputational risks if they do not adequately screen and monitor labor brokers. When the subcontracting of recruitment and hiring is necessary, coffee producers should carefully screen labor brokers using the [Self-Assessment Questionnaire \(SAQ\) for Labor Brokers](#) and use the [Guidance on Monitoring of Labor Brokers tool](#) to monitor them. In general, producers should:

- ensure that labor brokers operate legally, are registered or licensed by the competent authority, and do not engage in fraudulent behavior that places workers at risk of forced labor or other forms of labor exploitation;
- screen potential brokers, including by verifying their registration and carrying out criminal background checks, adverse media screens, and interviews;

- institute direct contracts with labor brokers that stipulate their responsibility for complying with labor law and company codes of conduct; and
- monitor labor brokers to ensure they are complying with requirements set out in their contracts, labor laws, and company codes of conduct in practice.

Provide workers with confidential grievance mechanisms to allow them to report recruitment and labor abuses. Rural farmworkers often lack safe, anonymous, accessible avenues to report recruitment and labor abuses. Immigrant and Indigenous workers who do not speak Spanish 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. Grievance mechanisms also serve as a means to collect information from workers about the practices of labor brokers. Coffee producers should:

- launch a confidential grievance system, such as a hotline, available in languages spoken by workers and appropriate to their level of literacy and technology access, that allows workers to report grievances, receive legal advice, and connect with local service providers that can assist them;
- ensure that internal grievance mechanisms allow for workers to report grievances anonymously to individuals other than their labor brokers and supervisors;
- develop systems to effectively remediate grievances identified and their root causes, while protecting worker confidentiality and guarding against reprisals; and
- support the development of workers' organizations and committees to facilitate workers' communication with management.

Develop a systems improvement plan that includes corrective and preventive action. Proactive, preventative action is key, as taking a reactive approach to problems can be costlier in the long run. Therefore, coffee producers should:

- develop formal, written systems improvement strategies and plans that include mechanisms to prevent and respond to problems;
- develop written guidance on preventing a recurrence of abuses; and
- develop detailed responses to specific issues that ensure that vulnerable workers are protected and root causes are addressed.

C. Recommendations for Governments

Take measures to register and monitor labor brokers. Verité found that labor brokers who recruit workers for coffee farms are seldom registered, even in countries in which registration is required by law, an indication that they often operate illegally. Due to a lack of government monitoring, labor brokers are able to engage in exploitative and illegal practices with impunity. Verité recommends that governments in coffee-producing countries better regulate recruitment practices in the coffee sector by:

- establishing a centralized registry of labor brokers and a system for collecting and distributing lists of labor brokers to local labor inspectorate offices;
- verifying that labor brokers are legally registered and have a power of attorney letter authorizing them to carry out recruitment activities on behalf of an employer;
- improving systems to ensure that labor brokers are complying with legal requirements and are not engaging in deceitful or coercive recruitment practices, including through inspections and an independent complaint mechanism appropriate for agricultural workers;
- increasing awareness among employers, labor brokers, and workers that it is illegal for workers to be charged recruitment fees;
- monitoring and enforcing laws prohibiting the charging of recruitment fees; and
- holding both labor brokers and end employers accountable for recruitment and labor law violations.

Increase the capacity of the labor inspectorate to enforce labor law. Verité's research has found that labor inspectorates in many coffee-producing countries are severely under-resourced, leading to a lack of effective monitoring of recruitment and hiring 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;
- ensuring the allocation of sufficient 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 of inhabitants;
- establishing standardized timetables for inspections in the agricultural sector;
- providing inspectors with police assistance whenever requested;
- issuing sanctions against labor brokers and employers who engage in recruitment or 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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