

Name: .....

Grade: .....

School: .....

Date: .....

## WithOnePlanet

- > Module 2:  
Culture
- > Level:  
Years 9 to 10
- > INQuIRY:  
Investigate
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A focus on coffee
- > Student worksheet



# Investigate

Lesson 7

Student worksheet

A focus on coffee

# Years 9 to 10



WithOnePlanet.org.au

INQuIRY



WithOnePlanet

Climate change education  
An xpend Foundation initiative

# A focus on coffee

## Lesson 7: Student worksheet

### Introduction

Coffee is the largest cash crop in Timor Leste, and could be the largest export for the country once the oil and gas runs out in the next couple of decades. Coffee was introduced by the Portuguese, and is now grown by about a quarter of the population. Coffee farmers have no say about the price they receive for their coffee, and there is a direct link between coffee farming and poverty in Timor Leste.

### Activity 1: Coffee in Timor Leste



Watch the Aljazeera video 'Where the wild coffee grows,' [www.aljazeera.com/programmes/101east/2013/06/2013617121433808710](http://www.aljazeera.com/programmes/101east/2013/06/2013617121433808710) and then answer some questions about the video.



**Q1:** How much of the population is dependent on coffee for their annual income?

**Q2:** How long has coffee been grown in Timor Leste?

Source:

Aljazeera, 2013, Where the wild coffee grows, [Online video] 21 June 2013, viewed 11 February 2106, <<http://www.aljazeera.com/programmes/101east/2013/06/2013617121433808710>>

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**Q3:** How much was coffee worth 'last year' in the video?

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**Q4:** How many farming families depend on coffee?

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**Q5:** What company do most coffee farming families sell their coffee to?

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**Q6:** Who buys most of the coffee from CCT?

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**Q7:** What percentage of Timor Leste's economy depends on oil and gas reserves?

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**Q8:** Is this sustainable long term?

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**Q9:** What does President Taur Matan Ruak of Timor Leste suggest could be an alternative to Timor's oil and gas revenue?

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**Q10:** When was coffee first introduced to Timor Leste, and who introduced it?

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**Q15:** What percentage of the population live in Dili? Is this a problem? Why/why not?

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**Q16:** How much higher are imports than exports in Timor Leste? Why might this be an issue?

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**Q17:** According to President Taur Matan Ruak, what is the country's biggest development priority? Why?

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**Q18:** What is one thing that was lost during the Indonesian occupation?

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**Q19:** According to Rob Williams, what is the biggest agricultural challenge in Timor Leste?

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**Q20:** What does *Seeds of Life* do in Timor Leste? What are some of the challenges they face?

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**Q21:** What method of farming does Ego Lemos support for his country? Why?

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**Q22:** What does Ego Lemos think organic coffee creates in Timor Leste? What is his solution to this?

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**Q23:** What is Ego critical of? Why?

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**Q24:** What does President Taur Matan Ruak think about the use of pesticides?

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**Q25:** What do you think about farming and farming methods in Timor Leste? What is a way out of poverty for Timorese farmers?

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## Activity 2: Coffee in Timor Leste

Read the following document and answer the questions below.

FRIENDS OF SAME		12 APRIL 2007
<b>Social Responsibility in Timor Leste's Coffee Industry</b>		
<b>Significance of coffee in Timor Leste</b>	<ul style="list-style-type: none"> <li>Coffee has been a major export commodity in Timor Leste since 1865. It remains Timor Leste's most significant cash crop and a primary source of foreign exchange.</li> <li>Around 25% of the population is employed in producing coffee, mostly as seasonal harvesters. Coffee sales account for 90% of harvesters' annual cash income.</li> </ul>	
<b>Poverty in coffee communities</b>	<ul style="list-style-type: none"> <li>Livelihood quality is particularly diminished in the rural regions dependent on coffee as their primary cash crop. Nearly 50% of Timor Leste's most poor live in the central rural coffee growing regions, though a third of Timor Leste's total population resides in these districts.</li> <li>In 2003, Timor Leste's 40,000 coffee farming families earned an average annual income of US\$155. The national poverty line has been calculated at the equivalent of US\$200 per person per year. The income of T-L's coffee farming families is, therefore, significantly below the official poverty line.</li> <li>Timor Leste's coffee communities share a similar condition of poverty found in other tropical post-colonial nations dependent on agro-food exports. That is, they are impoverished, work within the colonial legacies of a dual economy, are dependent on a monoculture cash crop, and are the weaker parties in the international division of labour.</li> </ul>	
<b>Systemic inequities in the global coffee industry</b>	<ul style="list-style-type: none"> <li>Global coffee pricing is volatile and noted for frequent peaks and troughs. In the hierarchy of the coffee commodity chain, producers are the most vulnerable to industry pricing vicissitudes.</li> <li>Coffee farmers are price takers and coffee supply tends to be inelastic. That is, regardless of how low the price drops, producers will continue to harvest coffee for sale because inputs for established crops are limited, outputs for diversifying crops are unaffordable, and alternate sources of income are scarce.</li> </ul>	
<b>T-L Government's position</b>	<ul style="list-style-type: none"> <li>Timor Leste's independent Government views coffee as a strategic commodity for the path out of poverty. The immediate governance challenge is a technical imperative — coordinating rehabilitation of T-L's wild coffee crops to ensure industry sustainability.</li> <li>The Government is promoting "a market-oriented, high quality, organically-certified [sectoral] approach" to developing and consolidating its coffee industry.</li> <li>It has not yet adopted an interventionist strategy in the coffee industry, and has not sought to implement micro or macro policies adopted by other Global South nations such as coffee marketing boards, subsidised price floors, or International Coffee Organization participation. The government has so far promoted a free market approach to coffee industry development.</li> <li>Timor Leste is not represented in the International Coffee Organization, but has been invited to participate as an observer.</li> </ul>	
<b>Fair and Alternative Trade</b>	<ul style="list-style-type: none"> <li>NGO actors (PARC, Peace Winds) tend to oversee 'alternative trade networks' which do not involve certification. NGOs work directly with farmers, condensing commodity chain relationships to producer-NGO-consumer. NGOs typically offer the highest prices for coffee and have had success in supporting collective farmer association, and integrating farmers into value adding processes (such as wet processing). Though widely regarded, alternative trade is very small scale in T-L.</li> <li>Private sector actors (CCT, Delta Cafés, etc) tend to seek the endorsement of independent Fair Trade certification. Prominent Fair Trade accreditations in Timor Leste include the Social Accountability International SA8000 Standard, Starbucks Coffee and Farmer Equity (CAFE) Practices Guidelines, and the Fairtrade Labelling Organisation International's (FLO) Fairtrade Standards for</li> </ul>	



FRIENDS OF SAME

12 APRIL 2007

## Coffee for Small Farmers' Organisations.

- > Farmers report a preference for selling their coffee to international buyers (fair trade or otherwise) over the domestic market, primarily because international prices were better than domestic prices.
- > Nonetheless farmers reported failings in the international market, including prices that do not cover the cost of living, lack of voice in industry decision-making, lack of livelihood alternatives, and industry pollution.
- > Interviewees considered certifications incomplete and potentially a red herring for questionable industry practice. Low incomes were not improved by the premium induced in fair trade certifications, because the premium was spent on universal services such as health care or school rehabilitation.

## Some fieldwork quotes

- "I think that dependence on income from coffee farming is the reason Timorese smallholders are poor. We have no alternatives. We don't have money to diversify crops, buy tools or access better markets. ...Coffee prices change every year, sometimes increasing, sometimes decreasing. They never cover the cost of living. The ideal price for coffee depends on the price of living. At the moment we are receiving 22 cents per kilogram of cherry. My ideal price now would be 25 to 30 cents per kilogram." *Farmer*
- "The contributions of NGOs like PWJ and PARC assist a small group but their approach is very effective and efficient. They are delivering knowledge and technology to improve quality and output. They are finding markets for their group of farmers. Most important, they are helping their farmers to establish good strong association. They are very, very good." *Government representative*
- "Timor's main industry related concerns are pollution, ensuring fair trade and lack of crop diversification. Farmer livelihoods are becoming less diverse." *NGO representative*
- "When farmers have disputes, we resolve them communally if we can — independently of formal farmer organisation. This works for internal communal conflicts over problems like land or harvest claims. But it does not work for dealing with external concerns like pollution or poor pricing. We have no control over these problems." *Farmer*
- "They'll keep funding health clinics and educational facilities, even when farmers can't afford food. They give with their right hand while their left hand is exploiting. It's ridiculous. There's no ethical consistency. It's the farmers' coffee. It's a product of the community. It's not for private companies to decide how premiums should be spent. Given the choice, farmers would choose to collect their premium directly. That should be their right." *Coffee collective representative*

Source:

Timor Leste Ministry of Agriculture and Fisheries (MAF), 2011, *Seeds of Life 2016* [Website] 2011, Viewed 11 February 2016, <<http://seedsoflifetimor.org>>

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**Q1:** Are coffee farmers empowered? Do they have control over their own lives? Why/why not?

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**Q2:** Is there a link between coffee farming and poverty?

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**Q3:** Are there any better alternatives for the coffee farmers? What are they?

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## Activity 3: Where does the coffee go?

Starbucks is the largest buyer of Timorese coffee. Look at the two websites below and answer the questions.

1. [www.marketwatch.com/investing/stock/sbux/financials](http://www.marketwatch.com/investing/stock/sbux/financials)

2. [www.starbucks.com.au/Ethical-Sourcing.php](http://www.starbucks.com.au/Ethical-Sourcing.php)

**Q1:** What was the gross income of Starbucks in 2010?

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**Q2:** What was the gross income of Starbucks in 2014?

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**Q3:** What does Starbucks say about its ethical sourcing practices?

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**Q4:** Considering that the average coffee farming family makes around \$200 per year, and there is a direct link between coffee farming and poverty in Timor Leste, do you think Starbucks, the major buyer of coffee in Timor Leste, is sourcing their coffee ethically? Why/why not?

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**Q5:** When you buy a Timorese coffee from Starbucks, are you helping Timorese coffee farmers? Why/why not?

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Sources:

Marketwatch, 2016, Starbucks Corp. NASDAQ:SBUX, [Website] 10 February 2016, viewed 11 February 2016, <<http://www.marketwatch.com/investing/stock/sbux/financials>>  
Starbucks, 2016, Ethical Sourcing, [Website] 2016, viewed 11 February 2016, <<http://www.starbucks.com.au/Ethical-Sourcing.php>>

## Activity 4: What can we do about it?

In the Al Jazeera video in Activity 1, you saw one group of soldiers, Wild Timor Coffee, striving to make a positive difference for coffee farmers in Timor Leste. You can find out more about them from their website, [www.wildtimorcoffee.com](http://www.wildtimorcoffee.com)

Another Australian social enterprise that is making a real and positive difference for coffee farmers in Timor Leste is called WithOneBean. WithOneBean invest in direct community partnerships from farm to cup to support farmers and their families to raise incomes, improve crop yields and thereby reducing poverty and hunger and increase livelihood opportunities. You can browse the WithOneBean website <[withonebean.org.au](http://withonebean.org.au)> to find out how it works.



Watch the short video about *WithOneBean* <[vimeo.com/102112564](https://vimeo.com/102112564)>



Discuss some ways you might be able to make a difference in your community by making more people aware of the coffee situation, as well as getting more people to switch to buying coffee that actually helps coffee farming families.

## WithOneBean for schools

WithOneBean has a special fundraising option for schools. Next time your school needs to run a fundraiser, you might consider WithOneBean coffee, which will have a direct and positive impact for coffee farmers in Timor Leste.

### Sources:

Wild Timor Coffee Co, 2016, Wild Timor Coffee [Website], XXX, viewed 11 February 2016, <http://www.wildtimorcoffee.com/index.html>>

WithOneSeed, *WithOneBean – Coffee with conscience supports Timor Leste*, [Website], viewed 11 February 2016, <<https://vimeo.com/102112564>>