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The Benefit of Fairtrade Coffee to Karen Coffee Farmers Living in National Parks in Northern Thailand

KOBRAT CHOTRUANGPRASERT, TINA BEUCHELT, MANFRED ZELLER

University of Hohenheim, Institute for Agricultural Economics and Social Sciences in the Tropics and Subtropics, Germany

Abstract

Arabica coffee was introduced in northern Thailand as an alternative to opium production and has been planted as an alternative income source in natural forests and parks for the last two decades. Thai coffee is exported through different marketing channels, one of them is the fairtrade channel. Research articles about the profitability of fairtrade coffee and its contribution to the economic status of communities have concluded that fairtrade certification has the potential to increase household incomes and benefit the communities. However, only very few studies evaluate shade-grown coffee as an alternative income source in national parks and none identified the impact of fairtrade certified coffee in Thailand.

This study explores how fairtrade certification contributes to the welfare of coffee farming households, focusing on the Karen hill-tribe people in two national parks in northern Thailand. Additionally, the perception of farmers towards fairtrade certification and the determinants for participation are analyzed. Both, quantitative and qualitative methods were applied to triangulate information. The concept of sustainable livelihoods was used. In total, 90 farmers were interviewed with a standardised questionnaire and 9 qualitative interviews were conducted.

Results show that coffee usually is not the main income source for the Karen farmers in the national parks. The royal development projects offer alternative income possibilities. Although the price for fairtrade certified coffee is not significantly different from the local conventional coffee prices, still farmers are satisfied with the fairtrade certification because the market size of fairtrade coffees gives farmers confidence that they can sell a large percentage of their coffee consistently at a fair price every year. It was also observed that fairtrade is adopted by farmers with higher social capital. The farmer who's the head of a village is more likely to be contacted by the organisation than other farmers. That may relate to the fact that the fairtrade certification was not obtained by a farmer founded cooperative but by a development project which created farmer groups. Concluding, the coffee production and the fairtrade certification is part of an income diversification and risk management strategy of farmers in national parks.

Keywords: Arabica coffee, fairtrade, Karen hill-tribe, national park, northern Thailand, sustainable livelihoods