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Impact of Certification for Tribal Coffee Growers Wellbeing: A Case Study from Araku Valley, India

SABINA KHATRI KARKI¹, ULRIKE GROTE¹, PRADYOT JENA¹, HARTMUT STÜTZEL²

¹*Leibniz Universität Hannover, Environmental Economics and World Trade, Germany*

²*Leibniz Universität Hannover, Biological Production Systems, Germany*

Abstract

Coffee is one of the major sources of income for the tribal communities in Araku valley in a southern state of India namely Andhra Pradesh. It was introduced in order to promote the sustainable livelihood of these communities by (i) providing a continuous and assured source of income to the inhabitants of the community and (ii) by preserving the ecosystem. The farmers were organised in a cooperative called Small and Marginal Tribal Farmers Mutually Aided Cooperative Society (SAMTFMACS) in 2007. The cooperative is double certified by both organic and fairtrade certification standards and is the only cooperative in India to have received fair-trade certification.

Current research assesses the decisive factors to adopt organic and fairtrade certification and its impact on tribal coffee growers' well-being in relation to poverty reduction. The empirical analysis in this paper is based on the cross-sectional data of 211 households, collected in 2011. The non-parametric propensity score matching technique is applied to address the problem of self-selection bias that is often present in a non-experimental sampling. The paper follows a 'with and without' treatment approach in which the certified farmers and the conventional farmers have been used as the treatment and the control groups, respectively. Findings suggest that the education level, agriculture as primary occupation, year and amount of coffee production, training received are the major influential factors for the adoption of certification. Further, adoption of the certification is found to have positively affected well-being of the farmers, given the increment of their total income level and per capita income.

Keywords: Certification, coffee, cooperative, poverty reduction, propensity score matching