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Fair trade certification and smallholder farmers: Colombia and Kenya in comparative perspective

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ABSTRACT

This study falls within SDG Focus Goal 8: Decent Work and Economic Growth — Target 8.5: Achieve full and productive employment and decent work for all women and men; Target 8.2:

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Achieve higher levels of economic productivity through diversification, technological upgrading and innovation; Target 8.10: Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all.

This study examines the comparative approaches to fair trade certification and its impact on smallholder farmers in Colombia and Kenya, focusing on how certification schemes influence economic livelihoods, market access, financial performance, and sustainable farming practices in two of the world's most important agricultural export sectors. The research analyzes the benefits, challenges, and structural dynamics of certification systems, drawing on recent empirical evidence and policy developments from both countries. A comparative analysis was conducted examining primary and secondary sources including peer-reviewed research, institutional reports, government documentation, and news coverage covering the period 2018-2025.

Colombia presents a landscape where fair trade certification has become deeply embedded in the coffee sector, with well-established cooperative structures and multiple certification pathways available to smallholder farmers. The Federación Campesina del Cauca (FCC), founded in 1971, represents a vital support network for small-scale coffee producers, sourcing organic Fair Trade coffee from 483 farmers in the Cauca region, over 30% of whom are women . As the first coffee enterprise in Colombia to export with Fair Trade certification, FCC ensures members receive premium prices and provides comprehensive training on organic certification, sustainable farming methods, and crop diversification that strengthens traditional practices . However, recent empirical research on multiple certification in Colombia's coffee belt reveals limited gains from adding industry-led standards (Starbucks C.A.F.E. Practices, Nespresso AAA, 4C, Rainforest Alliance) to existing Fairtrade certification. A study of over 600 coffee farmers from two Fairtrade-certified cooperatives found that gross profit improvements appear most likely when higher average prices are combined with lower production costs, and alarmingly, the majority of farmers were unable to break even regardless of certification status, illustrating the need for further intervention in the coffee value chain . The innovative supply chain project in Huila and Tolima demonstrates the importance of processing infrastructure and traceability, providing technical assistance to enable export quality production and access to certification schemes for small-scale producers affected by the FARC conflict . This initiative works with approximately 1,000 families, aiming to reach

2,000 families with indirect employment for 6,000 people, while promoting soil conservation, waste composting, and gender equity with an estimated 60% female employment .

Kenya presents a contrasting and dynamic picture where the role of certification is being actively contested. Recent research on Fairtrade-certified small tea producer organizations demonstrates that Fairtrade practices significantly improve financial performance, and this effect is strengthened when market innovation such as product diversification, new marketing strategies, and technology adoption is integrated . Tea supports approximately 560,000 smallholder farmers and significantly contributes to the national economy . However, in a dramatic policy shift in June 2025, the Kenyan government ordered tea factories to suspend certification work with Rainforest Alliance, citing that the costs involved "don't add up for farmers" and that the "burden of implementation" was vested on factories then cascaded to farmers, when costs "ordinarily should be met by customers" . The government's decision came amid findings that only one in five tea workers and farmers earn enough to support their families, with annual certification costs estimated at $3,000 per smallholder-managed tea factory . Kenya is considering a localized certification model with similar sustainability goals but lower compliance costs and less administrative complexity . Research confirms that certification costs remain prohibitive for many smallholders, ranging from 1,600 to 3,000 Euros for organic certification, with only a third of export premiums reaching farmers due to high overheads .

Both countries demonstrate significant interplay between certification benefits and structural challenges. Colombia's strength lies in established cooperative infrastructure, multiple certification pathways, and integration with processing facilities that enable transparency and traceability, yet faces persistent farmer unprofitability and limited additionality from multiple certifications. Kenya's strength lies in demonstrated financial performance improvements through combined certification and innovation, yet faces a crisis of cost-benefit justification leading to government-mandated suspension and consideration of alternative models. Neither country has fully resolved the tension between certification's promise of ethical trade and the economic realities facing smallholder farmers.

Effective integration of fair trade certification for smallholder livelihoods requires: (1) transparent cost-benefit analysis ensuring certification expenses translate into farmer income gains; (2)

processing infrastructure enabling traceability and value addition; (3) market innovation including product diversification and technology adoption; (4) cooperative structures that aggregate smallholders and reduce per-farmer costs; (5) gender-inclusive approaches recognizing women's centrality in agriculture; (6) integration of certification with technical assistance and sustainable farming practices; (7) policy frameworks that ensure certification costs are shared equitably along value chains; and (8) continuous evaluation of certification additionality to avoid proliferation without proven benefit.

KEYWORDS: Fair trade certification, smallholder farmers, Colombia, Kenya, coffee, tea, market innovation, cooperative structures, sustainable agriculture, SDG 8, decent work, value chains.

RÉSUMÉ (French Version)

Cette étude examine les approches comparatives de la certification du commerce équitable et son impact sur les petits exploitants agricoles en Colombie et au Kenya, en se concentrant sur la manière dont les systèmes de certification influencent les moyens de subsistance économiques, l'accès aux marchés, la performance financière et les pratiques agricoles durables dans deux des secteurs d'exportation agricole les plus importants au monde. La recherche analyse les avantages, les défis et les dynamiques structurelles des systèmes de certification, en s'appuyant sur des preuves empiriques récentes et des développements politiques dans les deux pays. Une analyse comparative a été menée en examinant des sources primaires et secondaires, y compris la recherche évaluée par les pairs, les rapports institutionnels, la documentation gouvernementale et la couverture médiatique couvrant la période 2018-2025.

La Colombie présente un paysage où la certification du commerce équitable est profondément ancrée dans le secteur du café, avec des structures coopératives bien établies et de multiples voies de certification disponibles pour les petits exploitants. La Federación Campesina del Cauca (FCC), fondée en 1971, représente un réseau de soutien vital pour les petits producteurs de café, s'approvisionnant en café biologique certifié Fair Trade auprès de 483 agriculteurs de la région du Cauca, dont plus de 30 % sont des femmes . En tant que première entreprise caféière en Colombie à exporter avec la certification Fair Trade, la FCC garantit à ses membres des prix premium et fournit une formation complète sur la certification biologique, les méthodes agricoles durables et

la diversification des cultures qui renforce les pratiques traditionnelles . Cependant, des recherches empiriques récentes sur la certification multiple dans la ceinture caféière colombienne révèlent des gains limités résultant de l'ajout de normes dirigées par l'industrie (Starbucks C.A.F.E. Practices, Nespresso AAA, 4C, Rainforest Alliance) à la certification Fairtrade existante. Une étude portant sur plus de 600 caféiculteurs de deux coopératives certifiées Fairtrade a révélé que les améliorations du bénéfice brut sont plus probables lorsque des prix moyens plus élevés sont combinés à des coûts de production plus faibles, et de manière alarmante, la majorité des agriculteurs n'étaient pas en mesure d'atteindre le seuil de rentabilité quel que soit leur statut de certification, illustrant la nécessité d'une intervention supplémentaire dans la chaîne de valeur du café . Le projet de chaîne d'approvisionnement innovante à Huila et Tolima démontre l'importance des infrastructures de transformation et de la traçabilité, fournissant une assistance technique pour permettre une production de qualité exportable et l'accès aux systèmes de certification pour les petits producteurs touchés par le conflit avec les FARC . Cette initiative travaille avec environ 1 000 familles, visant à atteindre 2 000 familles avec un emploi indirect pour 6 000 personnes, tout en promouvant la conservation des sols, le compostage des déchets et l'équité entre les sexes avec une estimation de 60 % d'emploi féminin .

Le Kenya présente un tableau contrasté et dynamique où le rôle de la certification est activement contesté. Des recherches récentes sur les petites organisations de producteurs de thé certifiées Fairtrade démontrent que les pratiques Fairtrade améliorent significativement la performance financière, et cet effet est renforcé lorsque l'innovation de marché telle que la diversification des produits, les nouvelles stratégies de marketing et l'adoption de technologies est intégrée . Le thé soutient environ 560 000 petits exploitants et contribue significativement à l'économie nationale . Cependant, dans un changement politique dramatique en juin 2025, le gouvernement kenyan a ordonné aux usines de thé de suspendre le travail de certification avec Rainforest Alliance, invoquant que les coûts "ne sont pas rentables pour les agriculteurs" et que le "fardeau de la mise en œuvre" incombait aux usines puis était répercuté sur les agriculteurs, alors que les coûts "devraient normalement être supportés par les clients" . La décision du gouvernement est intervenue alors qu'une étude révélait que seulement un cinquième des travailleurs et agriculteurs du thé gagnent suffisamment pour subvenir aux besoins de leur famille, avec des coûts de certification annuels estimés à 3 000 dollars par usine de thé gérée par de petits exploitants . Le

Kenya envisage un modèle de certification localisé avec des objectifs de durabilité similaires mais des coûts de conformité plus faibles et une complexité administrative moindre . La recherche confirme que les coûts de certification restent prohibitifs pour de nombreux petits exploitants, allant de 1 600 à 3 000 euros pour la certification biologique, avec seulement un tiers des primes à l'exportation atteignant les agriculteurs en raison des frais généraux élevés .

Les deux pays démontrent une interaction significative entre les avantages de la certification et les défis structurels. La force de la Colombie réside dans l'infrastructure coopérative établie, les multiples voies de certification et l'intégration avec des installations de transformation qui permettent la transparence et la traçabilité, mais fait face à une non-rentabilité persistante des agriculteurs et à une additionnalité limitée des certifications multiples. La force du Kenya réside dans l'amélioration démontrée de la performance financière grâce à la combinaison de la certification et de l'innovation, mais fait face à une crise de justification des coûts-bénéfices conduisant à une suspension imposée par le gouvernement et à l'examen de modèles alternatifs. Aucun des deux pays n'a pleinement résolu la tension entre la promesse de commerce éthique de la certification et les réalités économiques auxquelles sont confrontés les petits exploitants agricoles.

L'intégration efficace de la certification du commerce équitable pour les moyens de subsistance des petits exploitants nécessite : (1) une analyse transparente des coûts-bénéfices garantissant que les dépenses de certification se traduisent par des gains de revenus pour les agriculteurs ; (2) des infrastructures de transformation permettant la traçabilité et l'ajout de valeur ; (3) l'innovation de marché, y compris la diversification des produits et l'adoption de technologies ; (4) des structures coopératives qui regroupent les petits exploitants et réduisent les coûts par agriculteur ; (5) des approches inclusives en matière de genre reconnaissant le rôle central des femmes dans l'agriculture ; (6) l'intégration de la certification avec l'assistance technique et les pratiques agricoles durables ; (7) des cadres politiques garantissant que les coûts de certification sont partagés équitablement le long des chaînes de valeur ; et (8) une évaluation continue de l'additionnalité de la certification pour éviter la prolifération sans bénéfice prouvé.

MOTS-CLÉS : Certification du commerce équitable, petits exploitants agricoles, Colombie, Kenya, café, thé, innovation de marché, structures coopératives, agriculture durable, ODD 8, travail décent, chaînes de valeur.

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1. INTRODUCTION

The relationship between fair trade certification and smallholder farmer livelihoods stands at the intersection of ethical commerce, sustainable development, and global value chain governance. For millions of small-scale farmers in the Global South, certification schemes offer potential pathways to premium markets, stable prices, and improved working conditions. Yet the promise of fair trade must contend with structural realities: certification costs, market access barriers, and the persistent challenge of translating ethical premiums into tangible farmer benefits. SDG 8 explicitly addresses these concerns through targets on productive employment, decent work, and economic productivity.

This study examines two countries that offer illuminating perspectives on the relationship between fair trade certification and smallholder farmers: Colombia and Kenya. Both nations are major agricultural exporters—Colombia renowned for coffee, Kenya for tea—with long histories of smallholder production and engagement with certification systems. Yet their recent trajectories reveal different challenges, different policy responses, and different lessons for the future of ethical trade.

Colombia's coffee sector represents one of the most mature certification landscapes globally. Cooperatives like the Federación Campesina del Cauca have been exporting Fair Trade coffee since pioneering the model, providing comprehensive support to smallholders including training on organic certification, sustainable farming methods, and crop diversification . Yet recent research raises troubling questions: even with certification, the majority of coffee farmers in some studies were unable to break even, and the addition of multiple industry certifications to existing

Fairtrade certification produced limited economic gains . These findings suggest that certification alone cannot solve the structural challenges facing smallholder coffee farmers.

Kenya's tea sector presents a more volatile picture. Recent research confirms that Fairtrade practices significantly improve financial performance when combined with market innovation—product diversification, new marketing strategies, and technology adoption . Yet in June 2025, the Kenyan government ordered tea factories to suspend certification work with Rainforest Alliance, declaring that the costs "don't add up for farmers" and that certification burdens were being unfairly cascaded to producers rather than borne by customers . This dramatic policy reversal highlights growing tensions between certification's promise and its economic reality.

The contrast between Colombia and Kenya illuminates critical questions for SDG 8 and ethical trade: Under what conditions do certification schemes benefit smallholder farmers? How can certification costs be equitably distributed along value chains? What role do cooperatives, processing infrastructure, and market innovation play in translating certification into farmer income? And what policy frameworks ensure that certification serves farmers rather than burdening them?

2. LITERATURE REVIEW

2.1 Fair Trade Certification: Theoretical Foundations and Promise

Fair trade certification emerged as a response to the inequalities of conventional trade, seeking to provide small producers in developing countries with stable prices, decent working conditions, and access to global markets. The model establishes a floor price above market rates to protect farmers from price volatility, pays a social premium for community development, and requires adherence to ethical standards aligned with ILO conventions . As one analysis notes, fair trade "draws explicitly on civic values and qualifications in promoting labor rights" and can be understood as an emerging "response to the negative effects of globalization" .

The consistency of fair trade aims with the Sustainable Development Goals has been demonstrated, with the model addressing decent work, economic growth, and responsible production through its

standards and practices . Welcomed by small producers and farmers associations, this alternative trade model has received both positive reviews and criticism in academic literature .

2.2 Colombia: Mature Certification Landscape and Emerging Challenges

Cooperative Infrastructure and Farmer Support: Colombia's coffee sector benefits from well-established cooperative structures that enable smallholder access to certification. The Federación Campesina del Cauca (FCC), founded in 1971, exemplifies this model. Formed by five local farming associations, FCC represents and protects small producers' rights, sourcing organic Fair Trade coffee from 483 smallholder farmers in the Cauca region, with over 30% of participants being women . As the first coffee enterprise in Colombia to export with Fair Trade certification, FCC ensures its members receive premium prices .

The cooperative provides comprehensive training to coffee producers and their families, supporting members to complete organic and Fair Trade certifications and implement long-term sustainable farming methods that strengthen traditional practices . One such method is crop diversification—exchanging native seeds to plant banana, yucca, corn, and citrus alongside coffee—which improves soil health and coffee plant quality. FCC also encourages agroforestry methods, such as growing crops in forested areas, providing coffee trees with shade and preventing soil erosion .

Gender inclusion is central to FCC's approach. Close to 160 of the farming families are led by women, and the organization encourages women across all areas of coffee farming—from growing and harvesting to decision-making and operations—with women currently occupying 40% of positions on the FCC management team .

Processing Infrastructure and Traceability: The innovative supply chain project in Huila and Tolima demonstrates the importance of processing facilities for certification access. This joint venture, supported by Netherlands Enterprise Agency, established an ISO 22000 certified processing facility with capacity for approximately 60,000 bags of coffee annually in Neiva . The project addresses a critical barrier: coffee producers in regions heavily affected by the FARC conflict previously had limited access to specialty markets because they lacked processing

facilities to clean, hull, and sort beans, making it impossible to maintain traceability required by certification schemes .

The facility enables individual coffee farmers to access processing infrastructure and establishes far-reaching transparency and traceability. Technical assistance reduces farmer expenditure while improving income and profit margins . The project works with approximately 1,000 families, aiming to reach 2,000 families generating indirect employment for 6,000 people. Environmental benefits include training on soil conservation, eco-friendly production, and composting waste material into organic fertilizer. Gender equity is prioritized, with an estimated 60% of employees expected to be female .

The Challenge of Multiple Certification: Despite these successes, recent research raises troubling questions about certification effectiveness. A study examining multiple certification among over 600 coffee farmers from two Fairtrade-certified cooperatives in Colombia's coffee belt assessed the additional economic impact of Starbucks C.A.F.E. Practices, Nespresso AAA, 4C, and Rainforest Alliance/Nespresso AAA combinations . The findings reveal limited gains from adding industry-led standards to existing Fairtrade certification. Gross profit improvements appear most likely when higher average prices are combined with lower production costs. Alarmingly, the majority of farmers were unable to break even regardless of certification status, illustrating the need for further intervention in the coffee value chain .

2.3 Kenya: Certification Benefits, Costs, and Policy Crisis

Fairtrade and Tea Sector Performance: Tea is a vital cash crop in Kenya, supporting approximately 560,000 smallholder farmers and significantly contributing to the national economy . Recent research by Mutwiri Mutea and colleagues examined how market innovation moderates the relationship between Fairtrade practices and financial performance among certified small tea producer organizations . Using a descriptive cross-sectional design with 67 KTDA-affiliated organizations across 17 tea-growing counties, the study found that Fairtrade practices significantly improve financial performance, and this effect is strengthened when market innovation—such as product diversification, new marketing strategies, and technology adoption—is integrated .

Financial performance was assessed using Return on Assets (ROA), Quick Ratio, Stock Turnover Ratio, and Bonus earnings. The findings underscore the importance of combining ethical trade frameworks with innovation to enhance competitiveness and sustainability .

The Cost-Benefit Crisis: Despite demonstrated performance benefits, certification faces mounting cost challenges. A recent Fairtrade Foundation poll found only one in five tea workers and farmers in Kenya earning enough each month to support their families with essentials . The cost of certification remains prohibitive for many smallholders, with organic certification ranging from 1,600 to 3,000 Euros depending on farm size and certifying agent, including application fees, annual inspections, and audits . Studies show that even with significant price premiums at export level, only a third of this premium reaches farmers due to high certification costs and overheads .

The June 2025 Government Suspension: In a dramatic policy reversal, the Kenyan government in June 2025 ordered tea factories to suspend certification work with Rainforest Alliance . The agriculture principal secretary, Paul Ronoh, declared that the costs involved in securing the ethical label "don't add up for farmers" and that the "burden of implementation" was vested on tea factories then cascaded to tea farmers and growers—costs that "ordinarily should be met by customers" .

The widespread demand for ethical certification is linked to reputational risk of sourcing from tea-producing regions with problems including low wages, unsafe working conditions, gender inequality, and environmentally unsustainable practices . However critics complain that while buyers for western markets only want to buy certified tea, they rarely offer to pay a premium for it. While UK consumers are willing to pay more for coffee, tea remains cheap—the average price of a teabag is "just 2 or 3p" despite increasing production costs .

For a smallholder-managed tea factory, annual certification cost is estimated at about $3,000. The government resolution to suspend the scheme cited that the Rainforest Alliance logo "had not demonstrated solid impact commensurate to the costs of implementation" .

Future Directions: Localized Certification: The Kenyan government is considering putting in place a localized certification model with similar sustainability goals but lower compliance costs and less administrative complexity . The Ethical Tea Partnership expressed hope that the

suspension would be "short-lived" and that a solution would be found, noting that certification remains a "critical tool" to ensure workers, farmers, and communities are treated fairly .

Digital Innovation: Kenyan tea stakeholders are also pursuing digital marketing strategies to increase returns. At the 2025 International Tea Day celebrations, stakeholders including the Agriculture Cabinet Secretary, Tea Board of Kenya, KTDA Holdings, and Fairtrade Africa resolved to embrace digital marketing to secure more markets . The government's removal of tea duty on packaging materials will enhance packaging for export, ultimately increasing returns for farmers. Digital platforms will provide farmers with real-time market information, best agricultural practices, weather forecasts, and access to financial services .

3. RESEARCH QUESTIONS

This study addresses the following research questions:

1. What are the key characteristics of fair trade certification systems and their implementation among smallholder farmers in Colombia's coffee sector?
2. What are the key characteristics of fair trade certification systems and their implementation among smallholder farmers in Kenya's tea sector, including recent policy developments?
3. How do the two countries compare in terms of certification benefits, cost structures, cooperative infrastructure, and policy responses to certification challenges?

4. METHODOLOGY

This study employs a comparative analysis methodology to examine fair trade certification and smallholder farmers in Colombia and Kenya. The research design integrates secondary analysis of peer-reviewed research, institutional reports, government documentation, and news coverage to develop comprehensive understanding of certification systems, economic impacts, and policy dynamics in both countries.

Research Design: The comparative approach is appropriate for examining how different agricultural sectors, institutional contexts, and policy environments shape the relationship between

certification and smallholder livelihoods. Colombia and Kenya were selected as cases that offer complementary insights: both are major agricultural exporters with significant smallholder sectors, yet their certification trajectories and recent policy developments differ fundamentally.

Data Sources: Primary and secondary sources analyzed include:

- IKEA Social Entrepreneurship documentation of Federación Campesina del Cauca, Colombia
- RVO.nl project documentation of Huila and Tolima supply chain innovation
- Research on multiple certification in Colombia's coffee belt (DataCite Commons)
- Peer-reviewed research on Fairtrade and market innovation in Kenya (RePEc)
- The Guardian investigation of Kenya's Rainforest Alliance suspension
- Springer chapter on fair trade and SDG 8
- United Beans analysis of certification costs in Kenya and Ethiopia
- The Standard coverage of Kenya's tea sector digital marketing

Analytical Framework: The comparative framework examines four dimensions:

1. **Certification Structure:** Types of certification, implementation mechanisms, and institutional arrangements
2. **Economic Impacts:** Effects on farmer income, financial performance, and market access
3. **Cost-Benefit Dynamics:** Certification costs, premium distribution, and net farmer benefit
4. **Policy and Innovation:** Government responses, cooperative support, and technological adaptation

5. RESULTS

5.1 Colombia: Mature Certification Infrastructure and Persistent Challenges

The Federación Campesina del Cauca Model: The FCC exemplifies successful cooperative-based certification. Founded in 1971 in the mountainous Cauca region, the federation was formed

by five local farming associations to represent and protect small producers' rights and ensure they earn a living income . Today, FCC sources organic Fair Trade coffee from 483 smallholder farmers, over 30% of whom are women . As the first coffee enterprise in Colombia to export with Fair Trade certification, it ensures members premium prices, selling high-quality beans to clients in Europe and Asia .

Key features include:

Dimension	**Characteristics**
Membership	483 smallholder farmers, 30% women
Certification	Organic and Fair Trade
Training	Comprehensive support for certification, sustainable farming, traditional practices
Gender Inclusion	40% of management team women; 160 women-led farming families
Sustainable Practices	Crop diversification, native seed exchange, agroforestry methods
Market Access	Premium prices; clients in Europe and Asia

The cooperative supports members through ongoing training to complete certifications and implement long-term sustainable farming methods that strengthen traditional practices. Crop diversification—exchanging native seeds to plant banana, yucca, corn, and citrus alongside coffee—improves soil health and coffee plant quality . Agroforestry methods provide shade and prevent soil erosion .

Processing Infrastructure and Traceability: The Huila and Tolima supply chain project demonstrates critical infrastructure requirements. Supported by Netherlands Enterprise Agency, this joint venture established an ISO 22000 certified processing facility with 60,000 bags annual capacity . Key elements include:

- Access to processing for small-scale producers affected by FARC conflict
- Far-reaching transparency and traceability enabling certification compliance
- Technical assistance reducing expenditure and improving income

- Environmental training: soil conservation, eco-friendly production, waste composting
- Gender equity: estimated 60% female employment

The project currently works with approximately 1,000 families, aiming to reach 2,000 families generating indirect employment for 6,000 people .

Multiple Certification Research: Despite these successes, research on over 600 coffee farmers from two Fairtrade-certified cooperatives reveals concerning findings :

- Limited economic gains from adding industry-led standards (Starbucks C.A.F.E. Practices, Nespresso AAA, 4C, Rainforest Alliance) to Fairtrade
- Gross profit improvements most likely when higher prices combined with lower production costs
- Majority of farmers unable to break even regardless of certification status
- Need for further intervention in coffee value chain

5.2 Kenya: Performance Benefits, Cost Crisis, and Policy Reversal

Fairtrade and Tea Sector Research: Recent research by Mutwiri Mutea et al. examined Fairtrade practices among certified small tea producer organizations . Key findings include:

Dimension	**Finding**
Sector Scale	560,000 smallholder farmers supported
Fairtrade Impact	Significantly improves financial performance (ROA, Quick Ratio, Stock Turnover, Bonus earnings)
Innovation Moderation	Effect strengthened when market innovation (product diversification, new marketing, technology adoption) integrated
Theoretical Framework	Integrative social contract theory
Sample	67 KTDA-affiliated organizations across 17 tea-growing counties

The findings underscore the importance of combining ethical trade frameworks with innovation to enhance competitiveness and sustainability .

The Cost-Benefit Challenge: Despite performance benefits, certification faces mounting cost pressures:

- Only one in five tea workers and farmers earn enough to support families with essentials
- Organic certification costs: 1,600 to 3,000 Euros, including application fees, annual inspections, audits
- Three-year conversion period during which farmers cannot sell as certified organic
- Only one-third of export premium reaches farmers due to certification costs and overheads

The June 2025 Government Suspension: In a dramatic policy reversal, the Kenyan government ordered tea factories to suspend certification work with Rainforest Alliance . Key elements include:

Element	**Description**
Government Position	Costs "don't add up for farmers"; burden cascaded to farmers should be met by customers
Certification Cost	Annual $3,000 per smallholder-managed tea factory
Logo Impact Assessment	"Had not demonstrated solid impact commensurate to the costs of implementation"
Market Context	Widespread buyer demand for certified tea without premium payment
Tea Price Reality	Average UK teabag price 2-3p despite increasing production costs
Future Direction	Localized certification model under consideration with similar goals but lower costs

The Rainforest Alliance confirmed engagement with Kenyan authorities to seek resolution, assuring certificate holders that endorsements remain valid until expiration .

Digital Innovation Response: Kenyan tea stakeholders are simultaneously pursuing digital marketing strategies :

- Resolution to embrace digital marketing to secure additional markets
- Removal of tea duty on packaging materials to enhance export packaging
- Digital platforms providing farmers with real-time market information, best practices, weather forecasts, and financial services access
- Target of increasing farmer returns to Sh272 billion annually

5.3 Comparative Analysis

Table 1: Comparative Summary—Colombia and Kenya

Dimension	**Colombia**	**Kenya**
Primary Sector	Coffee	Tea
Smallholder Scale	483 farmers (FCC); 1,000+ (Huila project)	560,000 farmers
Cooperative Structure	Well-established (FCC founded 1971)	KTDA-affiliated organizations
Certification Types	Fair Trade, Organic, Starbucks, Nespresso, 4C, Rainforest Alliance	Fairtrade, Rainforest Alliance
Key Benefits	Premium prices; technical assistance; sustainable practices; gender inclusion	Improved financial performance; innovation potential
Key Challenges	Majority farmers unable to break even; limited additionality from multiple certification	High costs ($3,000/year); only 20% earn living wage; limited buyer premium payment
Recent Developments	Multiple certification research reveals limited gains	June 2025 government suspension of Rainforest

		Alliance; localized certification under consideration
Policy Response	Continued focus on processing infrastructure and cooperative support	Digital marketing push; potential localized certification; export duty removal
Gender Dimensions	30% women farmers; 40% women management	Not specified in available sources
Innovation Integration	Crop diversification; agroforestry; waste composting	Digital platforms; product diversification; new marketing strategies

Key Differences:

1. **Policy Trajectory:** Colombia maintains stable certification engagement despite identified challenges. Kenya has dramatically reversed course, with government-mandated suspension of Rainforest Alliance certification.
2. **Cost-Benefit Assessment:** Kenyan government explicitly concluded certification costs "don't add up for farmers" and logo lacks "solid impact commensurate to costs." Colombian research reveals farmer unprofitability but has not triggered equivalent policy response.
3. **Certification Proliferation:** Colombia exhibits multiple certification layers (Fairtrade plus industry standards) with research showing limited additionality. Kenya's crisis centers on single certification (Rainforest Alliance) with government considering alternative localized model.
4. **Market Dynamics:** Kenyan tea faces particular challenge of low consumer prices (2-3p per teabag) despite certification costs. Colombian coffee benefits from more favorable consumer pricing.
5. **Government Role:** Kenyan government has taken activist role, directly intervening in certification decisions. Colombian approach emphasizes cooperative and project-level support.

Key Similarities:

1. **Certification Benefits Evidence:** Both countries have research demonstrating certification benefits—Colombia through premium prices and technical support; Kenya through improved financial performance when combined with innovation.
2. **Cost Challenges:** Both face significant certification costs that challenge farmer profitability. Colombia's research shows majority farmers unable to break even; Kenya's analysis reveals only one-third of premium reaches farmers.
3. **Cooperative Infrastructure:** Both rely on cooperative structures (FCC in Colombia, KTDA in Kenya) to aggregate smallholders and facilitate certification access.
4. **Innovation Recognition:** Both recognize importance of innovation—Colombia through crop diversification and agroforestry; Kenya through digital platforms and product diversification.
5. **Sustainability Focus:** Both emphasize environmental sustainability—Colombia through soil conservation, waste composting; Kenya through certification's original sustainability goals.
6. **Gender Inclusion:** Both acknowledge gender dimensions—Colombia with documented women's participation; Kenya's ethical certification addressing gender inequality concerns.

6. DISCUSSION OF RESULTS

6.1 The Certification Paradox: Demonstrated Benefits Alongside Persistent Unprofitability

The comparison between Colombia and Kenya reveals a fundamental paradox in fair trade certification. In both countries, research demonstrates that certification can deliver meaningful benefits: Colombian cooperatives provide premium prices, technical assistance, and sustainable farming support ; Kenyan research shows Fairtrade practices significantly improve financial performance . Yet in both contexts, certification alone appears insufficient to ensure farmer prosperity.

Colombia's finding that the majority of coffee farmers were unable to break even regardless of certification status is deeply troubling . If certification is not translating into farmer profitability, then its fundamental promise is not being fulfilled. The limited additionality from multiple

certifications further suggests that piling standards onto existing Fairtrade certification may not be the solution.

Kenya's crisis crystallizes this paradox. Despite evidence that Fairtrade practices improve performance, the government concluded that Rainforest Alliance certification costs "don't add up for farmers" . The burden of certification, cascaded from factories to farmers, was not matched by commensurate benefits. The widespread buyer demand for certified tea without willingness to pay a premium left farmers bearing costs without receiving value.

These findings suggest that certification must be evaluated not just by its presence but by its net economic impact after accounting for costs. Policy frameworks must ensure that certification expenses are equitably distributed along value chains, with buyers who demand certified products sharing in the costs of compliance.

6.2 The Critical Role of Processing Infrastructure and Traceability

Colombia's Huila and Tolima project demonstrates that certification access depends on fundamental infrastructure. Small-scale producers in conflict-affected regions lacked processing facilities to clean, hull, and sort beans, making it impossible to maintain traceability required by certification schemes . The establishment of an ISO 22000 certified processing facility, with capacity for 60,000 bags annually, enabled these farmers to access certification benefits.

This finding has important implications for certification design. Certification schemes that require sophisticated traceability may exclude the very farmers they aim to help unless accompanied by infrastructure investment. The Huila project's integration of technical assistance, environmental training, and gender equity demonstrates that certification can be part of broader development interventions rather than a standalone tool.

Kenya's tea sector, with its established factory system, has different infrastructure dynamics but similar lessons. The government's consideration of a localized certification model with lower compliance costs suggests recognition that existing certification infrastructure may be administratively overweight for smallholder contexts.

6.3 Innovation as Essential Complement to Certification

Both countries demonstrate that certification alone is insufficient; innovation is essential for translating ethical standards into farmer benefits. Kenyan research explicitly shows that Fairtrade's effect on financial performance is strengthened when market innovation—product diversification, new marketing strategies, technology adoption—is integrated . The current push for digital marketing platforms, real-time market information, and financial services access reflects this recognition.

Colombian cooperatives emphasize crop diversification, native seed exchange, and agroforestry methods that strengthen traditional practices while improving soil health and coffee quality . These innovations complement certification by reducing production costs, improving resilience, and diversifying income streams.

The implication is that certification should not be viewed as a standalone solution but as one component of broader strategies that include innovation, technical assistance, and market development. Programs that combine certification with innovation support are likely to generate stronger farmer outcomes.

6.4 The Need for Equitable Cost Distribution

Kenya's crisis highlights a fundamental flaw in current certification models: costs are cascaded to farmers while buyers who demand certified products rarely offer premiums sufficient to cover those costs . As the Kenyan government argued, the "burden of implementation" was vested on tea factories then cascaded to tea farmers—costs that "ordinarily should be met by customers" .

This problem is not unique to Kenya. Research across contexts shows that only a fraction of export premiums reach farmers due to certification costs and overheads . The tea sector's particular challenge—teabags priced at just 2-3p in UK supermarkets despite increasing production costs—exemplifies the broader dynamic of consumer unwillingness to pay for ethical attributes.

Solutions may include clearer cost-sharing arrangements in value chain contracts, consumer education about true costs of ethical production, and policy interventions that ensure certification

costs are distributed equitably. Kenya's consideration of a localized certification model with lower compliance costs represents one approach to reducing farmer burden.

6.5 The Role of Cooperatives in Certification Success

Both countries demonstrate the importance of cooperative structures in making certification work for smallholders. Colombia's FCC, founded in 1971, aggregates 483 farmers, provides comprehensive training, ensures premium prices, and promotes gender inclusion . The Huila project's processing facility serves approximately 1,000 families, aiming to reach 2,000.

Kenya's KTDA-affiliated organizations structure smallholder access to certification, with the research sample including 67 organizations across 17 tea-growing counties . These cooperatives enable smallholders to achieve scale necessary for certification access while reducing per-farmer costs.

The implication is that certification schemes should support and strengthen cooperative structures, recognizing that individual smallholders cannot navigate certification requirements alone. Investments in cooperative capacity, governance, and management translate directly into improved farmer outcomes.

6.6 Implications for SDG 8

The findings have important implications for achieving SDG 8 targets:

Target 8.5 (Full and productive employment and decent work): Certification can contribute to decent work when accompanied by adequate premiums, equitable cost distribution, and innovation support. Kenya's finding that only one in five tea workers earn a living wage underscores the gap between certification's promise and current reality.

Target 8.2 (Economic productivity through diversification): Both countries demonstrate the importance of diversification—Colombia through crop diversification and agroforestry, Kenya

through product diversification and digital innovation. Certification should support rather than constrain diversification.

Target 8.10 (Access to financial services): Kenya's digital platforms providing farmers with real-time market information and financial services access exemplify how technology can support financial inclusion. Certification schemes should integrate with such platforms.

Target 8.4 (Resource efficiency): Colombian projects emphasize soil conservation, waste composting, and eco-friendly production, demonstrating certification's potential environmental benefits alongside economic goals.

Target 8.3 (Development-oriented policies): Kenya's activist government response—suspending certification while considering alternative models—illustrates the role of policy in ensuring certification serves farmer interests. Colombia's infrastructure investments demonstrate complementary policy approaches.

7. CONCLUSION

This comparative analysis of fair trade certification and smallholder farmers in Colombia and Kenya reveals profound insights into the possibilities and limitations of ethical trade as a pathway to decent work and sustainable livelihoods. The two countries, with their distinct agricultural sectors, institutional contexts, and recent policy trajectories, illuminate both the promise of certification and the structural challenges that must be addressed if that promise is to be fulfilled.

Colombia's coffee sector demonstrates the potential of mature certification systems embedded in strong cooperative structures. The Federación Campesina del Cauca, operating since 1971, provides comprehensive support to 483 smallholder farmers, ensuring premium prices through Fair Trade certification while promoting sustainable farming methods, crop diversification, and gender inclusion . The Huila and Tolima supply chain project shows how processing infrastructure and technical assistance can enable conflict-affected farmers to access certification benefits, working with approximately 1,000 families and aiming to generate indirect employment for 6,000 people . Yet recent research on multiple certification raises troubling questions: even with

certification, the majority of coffee farmers in some studies were unable to break even, and the addition of industry-led standards to existing Fairtrade certification produced limited economic gains . These findings suggest that certification alone cannot solve the structural challenges facing smallholder coffee farmers.

Kenya's tea sector presents a more volatile picture where the benefits and costs of certification are being actively contested. Research confirms that Fairtrade practices significantly improve financial performance, and this effect is strengthened when market innovation is integrated . Yet only one in five tea workers and farmers earn enough to support their families . Certification costs ranging from 1,600 to 3,000 Euros represent a significant burden, with only a third of export premiums reaching farmers due to high overheads . In June 2025, the Kenyan government ordered tea factories to suspend Rainforest Alliance certification, declaring that costs "don't add up for farmers" and that the burden should be borne by customers who demand certification . The government is considering a localized certification model with similar sustainability goals but lower compliance costs, while simultaneously pursuing digital marketing strategies to increase farmer returns .

Several cross-cutting insights emerge from this comparison:

First, certification can deliver meaningful benefits, but benefits are not guaranteed. Both countries have evidence of positive certification impacts—premium prices, improved financial performance, sustainable practices. Yet in both contexts, certification alone appears insufficient to ensure farmer prosperity.

Second, costs must be equitably distributed along value chains. Kenya's crisis demonstrates that when certification costs are cascaded to farmers without commensurate premium payments, the model breaks down. Buyers who demand certified products must share in compliance costs.

Third, infrastructure matters as much as certification. Colombia's processing facility enabled certification access that was previously impossible. Certification schemes must be accompanied by investments in the physical infrastructure that makes traceability and quality possible.

Fourth, innovation is essential, not optional. Kenyan research shows that certification's effect is strengthened by market innovation. Colombian cooperatives demonstrate the value of crop diversification and agroforestry. Certification should be part of broader strategies, not a standalone intervention.

Fifth, cooperatives are critical intermediaries. Both countries rely on cooperative structures to aggregate smallholders, reduce per-farmer costs, and provide technical support. Strengthening cooperative capacity should be central to certification policy.

Sixth, policy has a vital role. Kenya's activist government intervention—suspending certification, considering alternative models—demonstrates that states can and should ensure certification serves farmer interests. Colombia's infrastructure investments show complementary policy approaches.

Seventh, gender inclusion must be intentional. Colombia's FCC demonstrates that deliberate focus on women's participation—160 women-led families, 40% women management—can achieve meaningful gender equity. Certification schemes should include gender metrics and support women's leadership.

For Colombia, priorities emerging from this analysis include:

1. Address the farmer unprofitability documented in research through cost reduction strategies and value chain interventions.
2. Evaluate the additionality of multiple certifications to ensure that stacking standards delivers farmer benefits commensurate with compliance costs.
3. Scale successful cooperative models like FCC and infrastructure projects like Huila to reach more farmers.
4. Continue integrating innovation, diversification, and sustainable practices into certification support.
5. Share Colombian experience with other countries through South-South cooperation.

For Kenya, priorities include:

1. Develop the localized certification model under consideration, ensuring it maintains credible sustainability goals while reducing farmer costs.
2. Resolve the Rainforest Alliance impasse through dialogue that addresses government concerns about cost distribution.
3. Implement digital marketing strategies and real-time information platforms to increase farmer returns.
4. Address the living wage gap documented in research, ensuring certification contributes to decent work.
5. Strengthen cooperative structures and ensure certification costs are equitably shared along value chains.

For the international community, the lessons are clear: fair trade certification can contribute to decent work and sustainable livelihoods, but only when designed and implemented with careful attention to cost distribution, infrastructure, innovation, and farmer voice. Colombia's mature systems and Kenya's policy crisis both offer valuable lessons for the future of ethical trade.

The ultimate measure of success for SDG 8 is not certification prevalence but whether smallholder farmers earn decent livelihoods, whether agricultural workers receive fair compensation, and whether rural communities prosper. Colombia and Kenya, in their different ways, are both working toward these goals.

8. LIMITS OF THE STUDY

This study has several limitations that should be acknowledged. First, the comparative analysis relies primarily on secondary sources rather than primary empirical research. Direct observation of certification implementation in both countries, interviews with farmers, cooperative leaders, certification bodies, and policymakers, and participatory research would provide valuable additional perspectives and ground-truth the findings from published literature. Second, data availability and comparability vary significantly between countries. Colombia benefits from detailed documentation of cooperative structures and multiple certification research, while Kenya's recent policy developments are captured through news coverage that may not fully reflect all stakeholder perspectives. Third, the study focuses on coffee and tea sectors, which may not

represent certification dynamics in other agricultural commodities. Fourth, the voice of farmers themselves is mediated through research reports and policy documentation rather than captured directly. Future research should prioritize participatory methodologies that center farmer perspectives on certification benefits and burdens. Fifth, the study does not comprehensively address the political economy dimensions—the interests, power relations, and structural forces that shape certification governance and value chain dynamics in both countries. Understanding why certification costs are distributed as they are, or why buyers resist premium payments, requires deeper political economy analysis. Sixth, the transferability analysis is necessarily speculative. While principles can be identified, actual transfer of certification models depends on countless contextual factors including commodity characteristics, market structures, institutional capacities, and policy environments that cannot be fully anticipated. Despite these limitations, the comparative analysis provides valuable insights into fair trade certification and smallholder farmers, with implications for both countries and for broader efforts to achieve SDG 8.

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10. AUTHOR CONTRIBUTIONS

The author conceived the study, designed the research methodology, conducted the literature review and document analysis, synthesized findings across countries, and drafted the complete manuscript. The author takes full responsibility for the accuracy of information presented and interpretations offered.

11. COMPETING INTERESTS

The author declares that the research was conducted in the absence of any commercial or financial relationships that could be construed as a potential competing interest. No funding was received from organizations with interests in fair trade certification, agricultural commodities, or related sectors.

12. AUTHORS' CONTRIBUTIONS

As sole author, I performed all roles including conceptualization, methodology development, investigation, formal analysis, writing, review, editing, and project administration.

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14. DATA AVAILABILITY

All sources analyzed in this study are publicly available documents, including institutional documentation, peer-reviewed research, news coverage, and project reports. Primary sources are cited in the bibliography and accessible through the referenced publications and organizations.

15. DISCLAIMER

The views expressed in this article are solely those of the author and do not necessarily reflect the views of any institution or organization with which the author may be affiliated. The analysis is provided for scholarly purposes and should not be construed as policy guidance or investment advice. Fair trade certification systems, agricultural value chains, and policy frameworks are subject to change, and readers should consult current sources for specific information about Colombia, Kenya, and ethical trade.

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