

Description of the Expanded Pilot Project in Brazil

With funding from the United States Department of Labor (USDOL), Verité is implementing the Cooperation on Fair, Free, Equitable Employment (COFFEE) Project, which consists of the development of a Toolkit to promote improved labor practices in the Latin American coffee sector, along with trainings and the implementation of pilot projects in Brazil, Colombia, and Mexico. The pilot project seek to develop and implement innovative approaches to addressing labor risks in these countries, while at the same time allowing for the piloting and refinement of the tools created through the COFFEE Project.

With the support of key coffee companies, Verité is implementing a two-phased pilot project on ethical recruitment on select coffee farms in Minas Gerais, Brazil. This project will build off of the considerable investments that Keurig Dr Pepper (KDP) and Jacobs Douwe Egberts (JDE) have made in research, stakeholder engagement, and trainings in the Brazilian coffee sector. In collaboration with the Sustainable Coffee Challenge Labor Collective Action Network, chaired by Rainforest Alliance, and with input from the Global Coffee Platform, InPACTO, and Cecafé, Verité developed a concept for a pilot project focused on promoting ethical recruitment in the Brazilian coffee sector. Verité has chosen to focus on ethical recruitment for this project because research funded by KDP and JDE has found that the widespread use of labor brokers (including village-level agents, recruiters, labor contractors, and crew leaders) in the Brazilian coffee sector greatly increases the risk of labor exploitation.

Coffee producers often turn to labor brokers when there is an urgent need for workers, especially during the labor-intensive harvest season. While labor brokers can play an important role in coffee supply chains by ensuring a constant supply of farmworkers, unscrupulous brokers may engage in unethical practices that put workers at risk and create legal and reputational risks for coffee producers, traders, and roasters alike. Labor brokers are often financially incentivized to recruit as many workers as possible, which may lead to unethical recruitment practices, such as deception about working conditions, retention of workers' identity documents, harassment, and abuse, charging of recruitment fees, and illegal deductions from workers' pay.

The pilot project's goal is to improve the adoption and successful implementation of sustainable, and ethical sourcing practices in coffee supply chains promoting acceptable conditions of work in coffee sourcing and reducing the risk of labor violations in the Brazilian coffee sector:

Objectives

1. Increase understanding of recruitment dynamics and related risks in the Brazilian coffee sector.
2. Provide coffee producers, traders, and roasters with tools and trainings to help identify and reduce these risks in their supply chains.

Phase 1 Activities

Activity 1.1: Conduct research on recruitment and associated risks in the Brazilian coffee sector

Activity 1.2: Evaluate producer and labor broker perspectives and practices.

Activity 1.3: Produce a report on recruitment dynamics and map of labor broker networks.

Activity 1.4: Identify producers and recruiters to participate in ethical recruitment programming.

Activity 2.1: Develop recruitment-focused social compliance tools;

- Guidance on screening and selection of labor brokers;
- Guidance on monitoring of labor brokers; and a
- Worker interview questionnaire focused on recruitment and hiring.

Activity 2.2: Develop training curriculum on labor migration and recruitment

Activity 2.3: Implement trainings on identifying and addressing recruitment-related risks

Activity 2.4: Pilot recruitment-related tools on select coffee farms

Phase 2 Activities

The expanded pilot project, made possible through additional funding from USDOL, will include the design and piloting of ethical recruitment approaches that benefit workers and are aligned with the priorities and perspectives of coffee producers, as well as local

realities. Through surveys administered during Phase 1, Verité will identify producers and labor brokers committed to ethical recruitment practices and interested in participating in the project. Verité will pilot recruitment-related tools and innovative ethical recruitment approaches that mutually benefit workers and farms alike, all while documenting lessons learned.

Although the final determination of the ethical recruitment approaches and the farms on which they will be piloted will be made after the research and stakeholder engagement process has been completed, the types of approaches that could be implemented include the following:

- Working with farms to formalize recruitment and hiring mechanisms by establishing adequate standards, formally screening and monitoring labor brokers, introducing written contracts that comply with legal and code of conduct requirements, and interviewing workers to ensure that labor brokers are complying with standards.
- Implementing a direct recruitment model on a specific farm, which could include outreach to migrant-sending communities, advertising through radio or social media, hiring local workers, etc.
- Working to promote the formal employment of workers, including their registration, inclusion in payroll, and provision of benefits, including social security.
- Working to help formalize informal recruiters who demonstrate the will and capacity to formalize their operations and engage in ethical recruitment practices, including by helping them to register, establish adequate standards, provide workers with contracts that meet legal requirements, and refrain from engaging in illegal or unethical practices such as deception, charging of recruitment fees, or retention of identity documents.
- Working to encourage the participation of formal recruitment agencies in the recruitment of workers in the coffee sector, and training and oversight of these agencies to ensure that they comply with relevant laws and standards.

After testing ethical recruitment approaches, Verité will document successes, challenges, cost implications, benefits, and lessons learned to promote the continuation, expansion, and/or replication of successful approaches.

Note: Verité is open to dialogue and input from potential project partners, and greatly appreciates any assistance in identifying coffee producers (and recruiters) who may be interested in participating in the piloting of tools and ethical recruitment approaches.

This project will run from March 2021 to June 30, 2023.