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Good Intentions and Equal Relationships? - Exploring Speciality Coffee Roasters' Relationships With Their Coffee Producers

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Abstract Deutsch

In dieser Masterarbeit werden die Beziehungen zwischen Spezialitätenkaffee-Röster:innen und Produzent:innen innerhalb der globalen Kaffee-Wertschöpfungskette analysiert. Angesichts der zunehmenden Beliebtheit des direkten Handels in der Spezialitätenkaffee-Industrie wird untersucht, welche Motivation und Absichten Röster:innen dazu bewegen, Kaffee direkt von den Produzent:innen zu beziehen und langfristige, direkte Beziehungen mit ihnen aufzubauen. Mithilfe des Konzepts der globalen Wertschöpfungsketten und einem Fokus auf Beziehungen zwischen Röster:innen und Produzent:innen, sowie dem Proximity-Ansatz kommt die Studie zu dem Ergebnis, dass Röster:innen trotz ungleicher Machtdynamiken häufig von starken sozialen Motivationen angetrieben werden, um die Lebensbedingungen der Produzent:innen zu verbessern.

Die Arbeit erläutert außerdem, wie diese Beziehungen durch social brokerage gestärkt werden können. Zudem wird der Nutzen des Wissenszuwachses und -transfers hervorgehoben, der es den Produzent:innen ermöglicht, ihre Anbaumethoden zu verbessern und ihre Position auf dem Markt zu stärken. Die Masterarbeit betont zudem die Bedeutung von Solidarität und schlägt vor, dass Kooperation statt Konkurrenz zu nachhaltigeren und gerechteren Beziehungen führen kann. Durch die Förderung der Zusammenarbeit zwischen Röster:innen und Produzent:innen kann die Wertschöpfungskette für Spezialitätenkaffee fairer und gleichberechtigter gestaltet werden.

Abstract English

This thesis explores the relationships between speciality coffee roasters and producers within the global coffee value chain. As direct trade becomes increasingly popular within the speciality coffee industry, it examines the motivations and intentions driving roasters to source coffee directly from producers and establish direct, long-term relationships with them. To study this, it employs a global value chain approach, focusing on social relationships within it, combined with the concept of proximity to gain a better understanding of these relationships. While unequal power dynamics persist, roasters are often driven by strong social intentions to improve producers' livelihoods.

The thesis also discusses how these relationships might be strengthened through social brokerage, where intermediaries bridge gaps in communication and trust between roasters and producers. Additionally, the benefits of knowledge transfer are highlighted, which

enables producers to enhance their practices and improve their position in the market. The thesis further emphasises the importance of cooperatives and solidarity and suggests that working together rather than in competition can lead to more sustainable and equitable relationships. By fostering collaboration, the speciality coffee value chain can become fairer and more equitable for both roasters and producers.

Content

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Abbreviations

C-GVC	Coffee-Global Value Chain
DT	Direct Trade
FAO	Food and Agriculture Organization
GCC	Global Commodity Chains
GVC	Global Value Chain
IACA	Inter American Coffee Agreement
ICA	International Coffee Agreement
ICO	International Coffee Organization
ITC	International Trade Centre
SAPs	Structural Adjustment Programs
SCA	Specialty Coffee Association
SCAA	Specialty Coffee Association of America
SCAE	Specialty Coffee Association Europe
SC-GVC	Specialty Coffee-Global Value Chain

1. Introduction

1.1. Topic, Interest, and Relevance for Development Studies

Coffee is recognised as one of the most widely consumed beverages across the globe (Davis et al. 2019; Mussatto et al. 2011), is one of the most important commodities (ITC 2011), and one of those agricultural products whose market is still witnessing significant growth (Utrilla-Catalan et al., 2022). Over the last 20 years, coffee demand has steadily risen. Over 2.25 billion cups of coffee are estimated to be consumed daily, which equates to almost 10 billion kilograms of coffee beans (Jhaveri, 2021). While coffee consumption is already high, it is predicted to grow even further. Especially for Africa, parts of Asia and Oceania, numbers indicate further increase in coffee consumption, production and export (ICO, 2023).

Since the sixteenth century, coffee has been a significantly traded commodity. It is among the most valuable agricultural commodities ever traded internationally (Topik & Clarence-Smith, 2003), which makes it a commodity that deserves serious attention. Many low-income countries rely on coffee cultivation and trade for survival. Due to the ideal growth conditions close to the Equator, an estimated 90% of global coffee is produced in low- and middle-income countries. Although most production occurs in low- or middle-income nations, a vast amount of it is consumed in high-income nations (Ponte, 2002)[1]. The ICO (2023) reports that during 2021–2022, over 50% of the world's coffee consumption came from North America, Europe, and Japan alone, with Europe being the world's largest coffee consumer market (Panhuysen & de Vries, 2023). The high demand for coffee brings both possibilities and challenges for coffee producers, exporters, roasters, and retailers (Panhuysen & de Vries, 2023).

Coffee supports the livelihoods of around 125 million people worldwide (ICO, n.d.; Fairtrade Foundation, 2023). Most of those coffee producers are smallholders[2] (ITC, 2021). In many countries of origin, coffee production is one of the most important sources of income where, especially, smallholder producers rely on coffee exports for their livelihoods (Utrilla-Catalan et al., 2022). Coffee is a valuable crop that can lower inequality and improve both male and

[1] Brazil stands as an exception. The country not only dominates global coffee production but is also among the largest consumers of coffee worldwide (Ponte, 2002; Vartan, 2023).

[2] Smallholders are defined as those who work on a smaller scale, typically managing between one hectare and ten hectares of land. They usually have family-centred goals that include supporting the stability of the farm household system, employing primarily family labour for production, and using a portion of the output for family use (FAO, 2012). While smallholder farmers are frequently used in the literature, this thesis will use the term smallholder *producers* from here on.

female coffee producer's standard of living (Kangile et al., 2021). However, the ability of many coffee producers to make a good living has been steadily declining, with prices for coffee being 32% below the average of the previous ten years (Sachs et al., 2019). Today, many coffee producers live below the US$ 1.90 daily extreme poverty level, with estimates indicating that a significant number remain impoverished (Sachs et al., 2019), which makes coffee a highly relevant topic for development studies, which are concerned with understanding economic, political, social, cultural, and environmental contexts of low- or middle-income countries (Lunn, 2014). While coffee supply chains involve numerous intermediaries, such as exporters, importers, roasters, and retailers, each receiving a share of the final market price, smallholder coffee producers often have limited influence within the global coffee supply chain, remaining small and marginal players (Borrella et al., 2015). Poverty and child labour further continue to burden the coffee industry, while environmental concerns and damages, including deforestation and climate change, are significant issues. For millions of coffee producers, labourers, and their families, essential amenities are still out of reach in many low-income, coffee-growing communities (Sachs et al., 2019). Hunger, food insecurity, and malnutrition are often inextricably linked with poverty. Sachs et al. (2019) have also pointed out that inadequate access to healthcare is a significant issue affecting coffee communities. Several nations that produce coffee still struggle with having adequate sanitary facilities and clean water for their citizens (Sachs et al., 2019). While women in coffee are often invisible, they are the ones who produce a substantial portion of the world's coffee. It has been pointed out that, depending on the area, women contribute up to 70% of the labour required to produce coffee (ICO, 2018). However, women frequently have limited access to resources like loans, land, and knowledge, often resulting in a measurable gender gap (ICO, 2018). The coffee industry comes with inequality between men and women and between origin and importing countries, where producers typically remain impoverished. At the same time, wealth is created in importing countries (Fridell, 2007). This represents a vertical or North-South relationship in the value chain (Utrilla-Catalan et al., 2022). To address some of those issues and overcome unsustainable aspects of coffee production, the coffee sector has seen the rise of voluntary standards systems. Coffee producers can improve their production system through certifications, boost quality, cut expenses, and raise productivity, resulting in higher earnings and financial gains (Panhuysen & Pierrot, 2014). However, there are also concerns about these certifications, as they are developed in the importing countries without involving coffee producers (Schouten & Bitzer, 2015). Furthermore, if they are not adjusted for local conditions, they may serve as entrance barriers for coffee producers, as Raynolds et al. (2007) indicated. It has also been pointed out that certification primarily ensures sustainability and transparency for consumers, not for producers (Samper & Quiñones-Ruiz, 2017). Despite the criticism, diversification processes have dominated the coffee industry in the last few decades (Edelmann et al., 2022). The speciality coffee industry is also one of those developments of the last decades that started with a focus on high-quality coffee (Carvalho et al., 2016). Over the years, the industry has moved towards more sustainability-focused methods to lessen the adverse effects of coffee production and consumption on the environment. The increased support for nations that produce coffee, and the aim for better living conditions for coffee producers and farmworkers have increasingly gained importance in the speciality coffee industry as well (Barreto Peixoto et al., 2023). Despite its smaller market size, speciality coffee is becoming increasingly popular worldwide. At around 46.2%, Europe currently holds the largest share of the global speciality coffee market, which is expected to grow by 9% by 2026 (Stanley-Foreman, 2022). The rise in coffee shops, independent rosters, local brands, and baristas is also a sign of the growing interest in speciality coffee (Wensma, 2023). The term "speciality coffee" was used for the first time in 1974 by Norwegian Erna Knutsen, which led to the foundation of the Speciality Coffee Association of America (SCAA) and sparked a gradual shift towards an increased interest in coffee quality (Bozzola et al., 2021). Speciality coffee is characterised by its distinctive taste and flavour, premium bean quality, and cultivation in unique and optimal climates (Traore et al., 2018). A coffee must score 80 or better on a 100-point quality scale to be certified as speciality coffee (SCA, 2024). With this development of the global speciality coffee industry emerged direct trade (DT) and relationship coffee[3]. Speciality coffee roasters seek opportunities to collaborate with coffee producers to source their coffee directly from them (Borrella et al., 2015). Those trade arrangements pursue sustainable coffee supply aside from certifications (Rathgens et al., 2020) and intend to go further than conventional coffee by establishing direct relationships between roasters and coffee producers (Vicol et al., 2018). From the roster's perspective, DT models have been established to overcome obstacles such as limited access to differentiated quality, few details about a given coffee production, the inability to impact producers' livelihoods, and the limited ability to plan. For coffee producers,

[3] Direct trade and relationship coffee differ from conventional coffee trade, where roasters typically buy coffee from an importer and have, almost never, any direct contact with the coffee producers (Borella et al., 2015).

the DT approach could mean an increase in the ability to plan, determine the price, mitigate risks, and increase the ability of feedback to enhance quality. Watts (2024) points out that the goal behind DT is, on the one hand, better and more consistent coffee quality and, on the other hand, higher value for both participants, which includes more personal relationships between roasters/buyers and producers (Watts, 2024). Relationship coffee models share similar intentions and goals as DT models. Both acknowledge a need for more transparent ways of sourcing coffee where actors understand and adapt to each other's needs, build connections, and share information (Watts, 2024). They typically aim for direct relationships, quality coordination, and social and environmental sustainability (Edelmann, 2023; Panhuysen & Pierrot, 2018). Mutual trust, transparency, two-way communication and participation between the actors are important (Guimarães et al., 2020; Vicol et al., 2018). Establishing more direct and transparent connections between roasters and producers is considered a positive development, by bringing new opportunities for coffee producers and coffee producing communities, with the potential to positively impact their livelihoods and social circumstances (Borrella et al., 2015). However, Guimarães et al. (2020) have also pointed out that research on the positive impact of relationship coffee models is inconsistent and does not offer a straightforward result. Vicol et al. (2018) have found that in an Indonesian context, relationship coffee models only benefitted key individuals within the coffee community and instead reproduced local patterns of inequality. Quiñones-Ruiz (2020) has pointed out that coffee producers overall are often in a weaker position since coffee quality, standards, and definitions are usually set by buyers (Quiñones-Ruiz, 2020) and, therefore, do not truly benefit the coffee producers (Edelmann et al., 2022). Producers frequently lack the social capital necessary to increase customer awareness and profit from expensive speciality coffee. Relationship coffee's success mainly depends on the more powerful buyer's intention and goodwill (Edelmann et al., 2022).

Given how uneven and dominated by a tiny number of actors the present C-GVCs are (Grabs & Ponte, 2019), sustainable initiatives such as DT and relationship coffee models are essential to be discussed and analysed for their potential contribution to global development. To do this, a better understanding of the aims and intentions of various actors in the coffee industry is necessary. This seems especially important, as the speciality coffee industry is fast-growing, and research about relationships within the coffee industry is very applicable and highly relevant to development studies.

1.2. Objective, Research Question, and Structure of the Thesis

Coffee producers, processors, exporters, international traders, suppliers, roasters, retailers, baristas, and consumers are all part of the coffee global value chain (C-GVC). Those stakeholders are connected through social interactions, connections, and relationships. The GVC analysis is the underlying concept of this thesis, and it helps to understand the composition and layers of the global coffee industry. While social relations within the GVC remain less researched (Reinecke et al., 2018), this thesis recognises their importance. It highlights the web of social interactions and relationships within the C-GVC. Relationships are acknowledged as central to value chain development. The importance of strengthening joint relationships between roasters and producers is highlighted. While low levels of trust and coordination are typical in global value chains, McKague and Siddiquee (2014) suggest the importance of facilitating learning and exchange between both parties. This increased interaction between them will lead to more meaningful and trustworthy relationships between the value chain actors. It has also been argued that trust and coordination encourage collaboration, lower transaction costs, facilitate quick problem-solving, lessen conflict, improve information flow, and lower overall risk for both parties. As Grabs & Ponte (2019) have pointed out, given the increasing quantity of relational coffee models, a greater understanding of the intentions and relationships of coffee actors is required. The necessary first step is to acknowledging the significance of relationships within the GVC, which this master's thesis intends to do. Focusing on the roaster's perspective, the main objective of this master's thesis is to analyse the relationships between speciality coffee roasters and producers within the speciality coffee global value chain (SC-GVC), from a relational lens. It does that by exploring the roaster-producer relationships. To investigate their relationships this thesis employs a qualitative research approach with semi-structured interviews as the tool for data collection. The GVC analysis and the proximity concept will be used as conceptual perspectives to analyse those relationships further.

The second objective is to understand the intentions behind what motivates roasters to develop direct relationships with coffee producers in the first place and shed light on how they sustain those relationships over time. In order to elaborate on that, the SC-GVC between the roaster and producer will be analysed, and the actors who have been in contact with each other over the year will be identified. To further understand those relationships, this master's thesis works explicitly with geographical proximity, social proximity, and cognitive proximity, which will help obtain data on how these two actors work together and develop long-term relationships while being geographically distant. In this thesis, a long-term relationship is understood as one that fosters trust, encourages the sharing of knowledge, promotes problem-solving and overall enhances resilience in the coffee value chain. Those relationships are supposed to benefit both parties and lead to greater overall success. Those relationships also focus on building a deeper understanding of each other's needs and goals and are characterised by consistency and commitment.

As a third objective, the master's thesis aims to obtain insights into the roaster's overall experiences in working directly with coffee producers. It seeks to identify the advantages and disadvantages of their relationships. When do they consider relationships to be successful and worth maintaining? To reflect on how to foster successful relationships between the two actors, the concept of social brokerage adds insights to the discussion. Lastly, this thesis wants to gain better insights into what the whole industry can learn from their participation in DT and relationship coffee. Those objectives lead to the formulation of the following research questions.

Main Research Question: From the roaster's perspective, what do the relationships between selected speciality coffee roasters in German-speaking countries and coffee producers look like?

Sub-Question 1: How do the actors of relational coffee models understand DT and who is in contact with each other throughout the year?

Sub-Question 2: What are the motivations of speciality coffee roasters to enter into direct relationships with coffee producers?

Sub-Question 3: How do the roasters establish and maintain direct relationships, and what role do geographical proximity, social proximity, and cognitive proximity play in fostering long-term relationships?

Sub-Question 4: What are the roasters' overall experiences of their relationships, and what effect could social brokerage have on fostering successful relationships?

Sub-Question 5: What can be learned from direct roaster-producer relationships and what is important for the future of the speciality coffee industry?

This thesis is divided into eight main chapters to inquire on these questions. After the introduction, a literature review will present the current understanding of the issue and provide a contextualised examination of the topic. The literature review will also discuss existing research gaps. Chapter two will be followed by chapter three, which discusses the background of coffee and provides a contextualisation. This chapter includes a summary of the history of coffee, a discussion on how the coffee market has developed over time, and an introduction to the speciality coffee industry with a focus on the relationship coffee model. This chapter will equip the reader with the necessary tools to situate and understand the following research. After that follows chapter four with a discussion of the theoretical concepts used. It will show the structure of GVCs in the coffee industry. This chapter also discusses the importance of social relations and the potential contribution of social brokerage for more successful relationships between supply chain actors. Chapter five describes the analytical framework which has been developed to analyse the data. After that, chapter six, describes the research process and explains the methods that are used to analyse the data in greater detail. Chapter six will also present how the sample was chosen and how data was collected. It further includes a brief reflection on the limitations of this research. As a last point, this chapter will briefly discuss the importance of reflexivity and the researcher's positionality. The seventh chapter will present the results of the study. This part will be followed by chapter eight which includes a discussion relating the findings to other studies and considering some important implications. The ninth and last part will offer a conclusion and suggest further research in the field.

2. Literature Review

To answer the main research question of this master thesis, a broad review and understanding of the current literature on the topic is necessary. The University of Vienna's web search engine and additional search engines such as Scopus, ScienceDirect, and Google Scholar were used. Only German and English publications could be considered. Even though there was a reasonable amount of Spanish literature on the topic, it could not be considered due to a lack of language skills. Several relevant websites (such as those belonging to institutions, organisations, and coffee firms) were also examined to obtain more particular information. Therefore, the current state of research will be reviewed against the backdrop of this master thesis's interest.

As the speciality coffee industry is increasing at a high pace, research about it is also on the rise. The last five years, in particular, have produced numerous new scientific articles which confirm the growing popularity and interest in speciality coffee (Stanley-Foreman, 2022).

Scientific articles on speciality coffee are very interdisciplinary, with results spanning from the economics and social sciences to disciplines such as development studies, natural sciences, health sciences, environmental sciences, and agricultural sciences. The works also cover gender topics and intersectional perspectives, focusing on consumption practices and ethics overall. As one of academic interest, the whole field seems to be increasing. Research on global coffee value chains (C-GVC) is extensive and will be discussed first since it is one of the underlying concepts of this thesis.

A global value chain (GVC) is defined as a production sequence for a final consumer good, with each stage contributing value (such as production, processing, marketing, transportation, and distribution) in which at least two phases take place in different countries (Gereffi & Fernandez-Stark, 2016). Coffee is transformed throughout the value chain from a "relatively uniform product to a product with highly differentiated and complex quality profiles" (Grabs & Ponte, 2019, p. 7). Research on C-GVCs shows that the current C-GVCs are highly unequal and dominated by few actors (Grabs & Ponte, 2019; Panhuysen & Pierrot, 2020). The C-GVC has often been described as a structure with deeply rooted injustices. Daviron and Ponte (2005) deliver a comprehensible insight into the C-GVC and analyse those existing injustices, where coffee has become a popular drink in importing countries while coffee producers cannot make a living from cultivating and selling coffee beans (Daviron & Ponte, 2005). In a more recent discussion, Grabs and Ponte (2019) conclude that those underlying inequalities between buyers (typically) in high-income nations and producers in low- or middle-income countries have remained unaffected. As speciality coffee consumption is growing, it brings the potential of retaining more value in origin countries and among producers. However, Jacobi et al. (2024) remark that if and how coffee producers can profit from speciality coffee cultivation remains poorly understood. They found positive income effects for speciality coffee producers in Bolivia and Colombia. Nevertheless, they did not find any positive effects on livelihoods. Instead, they draw attention to the fact that SC-GVCs are typically exclusive and initially demand significant livelihood capital. Coffee producers, their families and coffee communities do not automatically profit from these value chains (Jacobi et al., 2024). After researching value creation in the speciality coffee industry, Fischer (2017) concluded that coffee producers frequently do not have the social capital necessary to obtain the full benefits of speciality coffee's higher price. He points out that the advantages (such as heightened customer knowledge and customers' readiness to pay a higher price for the coffee) transfer to the coffee shop or roasters rather than the producers. Several studies have indicated power imbalances between the coffee actors. Coffee producers occupy the least powerful position in the industry, while coffee buyers are the most powerful actors (Borrella et al., 2015; Grabs & Carodenuto, 2021; Rosenberg et al., 2018).

This thesis views GVCs as embedded in social relationships rather than purely as chains of economic transactions and is therefore specifically interested in relationships between actors. Reiniecke et al. (2018) have pointed out that GVC research has primarily focused on issues related to economic transactions and optimisation, market structures, and inter-firm power relations. Research on social relations in GVCs is still sparse (Reinecke et al., 2018). However, scholarly interest in social relations and their implications for the actors within GVCs has been increasing over the last few years. Boaventura et al. (2018) argue that coffee producers might benefit from stronger relationships between upstream[4] value chain participants and producers. They claim that if value chain actors intend to build strong relationships along the C-GVC, they must be aware of one another's practices and products.

Quiñones-Ruiz (2021) analysed new and evolving relationships between Colombian coffee producers and Austrian roasters. She discussed how those actors start social relationships (employing social brokerage), including how they approach, interact further, and learn from each other. She concludes that fostering collaborative relationships is essential to promoting knowledge exchange, encouraging a sense of fairness and humanity throughout global networks, and overcoming opportunistic gatekeepers (Quiñones-Ruiz, 2021).

Quiñones-Ruiz and Salcedo-Montero (2023) have engaged with Colombian coffee producers and European coffee roasters to uncover relational processes among them. This study makes a significant contribution by highlighting how crucial it is for producers and buyers to establish trust, and communication at eye level. These factors were essential in establishing a collectively high-quality construction and, ultimately, enabling producers to capture value (Quiñones-Ruiz & Salcedo-Montero, 2023). Reinecke et al. (2018) discuss the importance of social brokerage, which can act as a mediator to foster social ties in international supply chains and connect otherwise unrelated players, who often have to work with linguistic and cultural differences. Building on that concept Quiñones-Ruiz (2021) highlights the role of

[4] The part of the value chain's early phases are upstream activities, where materials for manufacturing are located, purchased, and delivered to manufacturing facilities (Van Beukering et al., 2000), while downstream activities add value to the product through manufacturing or customisation (Singer & Donoso, 2008).

social brokerage in the speciality coffee industry, where relational ties, knowledge sharing, and collaboration can be essential for overcoming historical and structural challenges.

This thesis is specifically interested in value chains where roasters and producers interact directly with each other and build and maintain relationships. In the literature, this is usually the case in DT or relationship coffee models.

While this study is mainly focused on the notion of relationship coffee, it is still important to recognise the parallels and overlaps with the definition of DT. DT has no universally accepted definition and can be used freely by roasters, buyers, and anyone else. It refers to anything from coffee sourcing methods to a marketing idea or a voluntary sustainability guideline (Guimarães et al., 2020; MacGregor et al., 2017). MacGregor et al. (2017) discuss three ways to use DT. First, they suggest it can be used as a "general concept," whereby coffee is sourced straight from producers. Secondly, it can be used as a "voluntary scheme," which claims that a specific set of standards is fulfilled. Thirdly, DT can be used as a marketing strategy or label. When referring to getting coffee directly from producers, this master's thesis uses the more general understanding of DT, which is the more common concept, according to MacGregor et al. (2017). This thesis uses the following definition, which was proposed by Guimarães et al. (2020):

> DT is a market arrangement composed of agents related to the speciality coffee market that, through the shortening of the supply chain, seek to improve its coordination and transparency, ensuring the supply of high-quality coffees, only achieved through the promotion of economic, social and environmental sustainability of coffee production" (p. 48).

Guimarães et al. (2020) conducted a comprehensive literature review on DT in the speciality coffee market. According to Guimarães et al. (2020), the limitations of DT include increased costs (for producers and roasters alike) and a lot of time expenditure. Moreover, social, cultural, legal, and language barriers can arise. The high-quality requirements and knowledge asymmetries can be challenging. Both producers and rosters face entry barriers. They also found that assessing the impact of those DT coffee models is difficult. They conclude that DT (and relationship coffee) models do not present a solution for all 25 million coffee producers (Guimarães et al., 2020). On the side of the advantages, they point out that directly traded coffee has the potential for possible long-term trade partnerships, less information asymmetry, increased prices and economic stability, transparency, assistance programs, and chances for experimentation and creativity. Furthermore, DT coffee models bear the potential to be adaptable to local and specific contexts (Guimarães et al., 2020). Hernandez-Aguilera (2018) has pointed out that the direct exchange between producers and roasters/buyers can act as a support program for coffee producers and can aid with business and risk management, adoption of sustainable farming techniques and practices to get better coffee bean quality (Hernandez-Aguilera, 2018). However, the benefits for producers participating in a DT coffee model are not yet convincing and understood enough. Guimarães et al. (2020) concluded that the limitations of DT "were much less frequent than the benefits and potential of this trade model" (p. 42). Also, Gerard et al. (2019) point out that additional studies are required to substantiate these claims. They point out that it is necessary to get a clear idea of the effectiveness of these models and whether they are increasing coffee producers' income and overall improvement of livelihoods. In a series of essays published on the coffee trade website "Sprudge", Weissman also questioned the efficacy of DT in raising producer incomes (Weissman, 2017a; 2017b; 2017c). Guimarães et al., (2020) argue that DT can change markets, but research on its actual advantages, constraints, and practical application is still lacking (Guimarães et al., 2020). To conclude, not enough research has been done on the impact of DT and more studies are required to fill those theoretical and empirical gaps.

Relationship coffee is very similar to DT and has only recently been introduced into the scientific debate (Guimarães et al., 2020). Similar to the term DT, relationship coffee lacks a widely recognised definition. This thesis employs the definition put forward by Vicol et al. (2018), who define relationship coffee as:

> Coffee marketed to consumers as being procured through a direct relationship between roaster and producer typically involving personal interaction, mutual trust, price transparency, a commitment to quality improvement and (importantly) a stated intention to improve the lives of coffee farmers and their communities (p. 27).

Relationship coffees have been the subject of relatively few studies so far. Even though the notions of DT and relationship coffee are becoming increasingly popular in the global speciality coffee industry (Barreto Peixoto et al., 2023), research is still limited.

Hernandez-Aquilera et al. (2018) engaged with smallholder coffee producers in Colombia, where they researched the socio-economic, environmental, and technological advantages and disadvantages of working with relationship coffee (among the 264 producers being researched, 78 were involved in a relationship coffee model). The authors conclude that coffee producers involved in direct relationships with roasters and buyers use more environmentally friendly resource management techniques, water conservation, and landscape management, which might pay off in the long run. They were also more knowledgeable and had easier access to credits. Compared to the other producers, those who worked with relationship coffee expressed greater optimism regarding their investment in coffee. However, the authors found no significant differences in farm-gate[5] prices for coffee producers in relationship coffee (Hernandez-Aguilera et al., 2018).

Vicol et al. (2018) have researched three Indonesian relationship coffee models for eight years. The authors concluded that instead of significantly advancing rural development, relational coffee models perpetuated inequality and favoured local elites. Rather than working with individual smallholder producers, roasters typically look for a local producer organisation or cooperative. They also found that relational coffee models raised farm-gate prices by improving the quality or quantity of coffee beans without affecting the distribution of profits (Vicol et al., 2018).

From the roasters' perspective, this master's thesis explicitly wants to analyse their motivation to participate in these direct relationships. Two articles engage with this research interest. Gerard et al. (2019) explored the motivations of speciality coffee roasters to source directly from producers and how they decide whether to use the DT label. They found that their motivations are mostly business-oriented (buying high-quality coffee, building long-term sourcing relationships) and/or attributed to social responsibility (increasing producers' incomes, increasing trust between producers and roasters, or improving producers' knowledge). Overall, they concluded that roasters establish relationships mostly because they expect a higher coffee quality and consumer interest (Gerard et al., 2019). Weber and Wiek (2021) have engaged with producers and small intermediary businesses such as roasters, buyers, and traders in a research project. They detected that a few conditions had to be met to strengthen social and ecological sustainability within direct and relationship coffee models. Those conditions include cooperation from the intermediary businesses, the willingness of all actors to act and stay informed of the sustainability issues, transparency and trust among all actors, and the actors' trade practices have to demonstrate solidarity (Weber & Wiek, 2021). Overall, academics researching relationship coffee call for more research to unlock its

[5] The farm-gate price is when the coffee is paid directly to the producer, not to traders and mills (Harper, 2020).

potential, challenges, and its broader implications (Borrella et al., 2015; Boaventura et al., 2018; Hernandez-Aguilera et al., 2018; Vicol et al., 2018; Edelmann et al., 2020).

As an underlying concept, this thesis uses proximity to research the relationships between coffee roasters and coffee producers. Proximity studies have been looking into the relationship between actors (Torre & Gilly, 2000; Torre & Rallet, 2005) and aim to explain how actors develop relationships with each other (Boschma, 2005) while being geographically distant (Torre & Gilly, 2000; Torre & Rallet, 2005). Chapter four of this thesis is about the theoretical concepts and will explore proximity in greater detail. Proximity has been studied in different academic fields. However, few studies have examined coffee or speciality coffee value chains from a proximity lens. Edelmann et al. (2020) are the first to apply the concept of proximity to coffee, specifically relationship coffee. They developed a comprehensive analytical framework to determine proximity in relationship coffee models. With the analytical framework, they conceptualise proximity in four dimensions with subdimensions and three transversal dimensions. To test the analytical framework, they analysed a value chain consisting of a coffee producer and a restaurant owner in Colombia. They discovered that if organisational, institutional, cognitive, social, and (temporary) geographic proximity is established, all actors can profit from the relationship coffee model. Nonetheless, although this study has outlined several advantages that come with increased proximity between the actors, they have also pointed out challenges, such as the need for more coordination, skills, and effort to produce high-quality coffee. It further is prone to create dependencies, which still need to be addressed (Edelmann et al., 2020).

Edelmann et al. (2022) analysed how relationship coffee actors can establish close relationships, even though they act from a geographical distance. They have analysed three relationship coffee case studies with coffee producers in Peru and coffee buyers in Austria and Germany. They found that initial face-to-face contacts are required to build close relationships. Social and cognitive proximity can develop from these first in-person meetings, which turns further into organisational and institutional proximity (Edelmann et al., 2022).

All of those studies engage with relationship coffee in one way or another, which yields valuable insights for understanding the practices around it. Even though some studies touch upon the reasons and incentives behind DT and relationship coffee, more research is needed on what motivates roasters and buyers to participate in DT and relationship coffee models and what drives them to maintain those relationships over time.

3. Background and Contextualisation

Before addressing the topics introduced in the previous chapters, it is important to lay a solid foundation for today's coffee industry and examine how it came to be. This chapter will thoroughly analyse the background and conceptualisation of today's coffee industry. First, a short introduction to the history of coffee and its development into a global market will be given, which will help to understand developments and implications that are still relevant in today's industry. As this thesis is specifically interested in the speciality coffee industry, the following subchapter will elaborate on how speciality coffee has evolved over the last few decades and discuss its most important cornerstones. Followed by a subchapter on the contemporary speciality coffee industry, which entirely focuses and elaborates on how all those historical developments culminated into today's industry and looks into how it is practised today by people within it. Based on this, the last chapter will dive into the concept of relationship coffee, which has become more known recently and forms the centre of this thesis. This chapter will serve as a thorough introduction to the concept.

3.1. A Short Introduction About the History of Coffee

Coffee is grown worldwide, and its heritage can be traced back to the 9th century. Although the exact story of its beginning and domestication remains unclear, it is commonly believed that it originated in the highlands of Ethiopia, where it started its spread to the rest of the world (Mangal, 2014). One of the many legends of the discovery of coffee says that a shepherd called Kaldi discovered coffee after he observed that his goats were more energetic and lively after consuming the berries from a particular tree. After Kaldi brought his findings to the attention of the local monastery's abbot, the latter prepared a beverage using the berries and discovered that it helped him stay awake throughout the lengthy evening prayers. The other monks at the monastery were informed of the abbot's discovery, and word of the invigorating berries quickly spread (Kerr, 2021).

The expansion of coffee consumption worldwide started when the news about its existence extended eastward towards the Arabian Peninsula (Krieger, 2011). Its stimulating effect made it popular in Arabia, where it first spread around the Arabian Peninsula (Kerr, 2021). There, coffee has probably been cultivated and traded on a larger scale since the 16th century (Krieger, 2011). From there, trade took coffee to new regions, from Egypt to Syria, and then to Iran and Turkey. It spread through the Islamic world (Kerr, 2021). Among Arabs, coffee consumption quickly gained popularity and gave way for a new social and cultural institution, the coffeehouse, which got popular in Constantinople, today's Istanbul (then called *qahveh khaneh*). The beverage's popularity grew and quickly became ingrained in daily rituals and culture. Coffee houses quickly became important centres to meet and exchange information (Kerr, 2021). In Europe, long before coffee gained economic and cultural importance as a daily enjoyment, it was the subject of research and was regarded as a botanical curiosity. Since the 16th century, early travellers have brought home smaller batches of coffee beans to Europe to study its botany. Only by the 17th century was coffee introduced into the European continent through the Ottoman Empire and the Levant (Krieger, 2011). At the beginning of the 18th century, coffee remained a relatively exclusive product. However, over the century, its consumption has significantly grown (Combrink, 2021). As demand for the beverage continued to rise and spread, European countries had to find ways to cultivate it in their tropical colonies (Talbot, 2002). Dutch traders were the first to start large-scale imports of coffee into Europe (Mangal, 2014). To make regular supply happen, in the late 17th century, they planted coffee seeds in Java, Indonesia, one of their colonies at that time. France and Portugal followed suit. In 1708, coffee was introduced to Réunion by the French (Talbot, 2002), and 1727 Portugal brought seeds to Brazil (Reichmann, 2018). This marked the start of the colonial system of coffee production (Talbot, 2002), which led to the use and dependence of enslaved and indigenous people in coffee production (Combrink, 2021). During the Industrial Revolution and the rise of bourgeois society in Europe, plantations, coffee production, and slavery were closely interconnected (Topik, 2004). The rise of coffee demand and consumption is inseparably linked to the growth of the Atlantic slave trade (Combrink, 2021), where European colonial powers imported enslaved people to work on coffee and other plantations. The produced goods were then exported back to Europe (Klein, 2010). Coffee colonialism grew significantly, resulting in the majority of exported coffee produced by European colonies at the beginning of the 19th century, with Brazil quickly becoming the leading producer. Throughout the century, coffee became available to lower-class urban inhabitants and the rural population, leading to even higher demand (Topik, 2004). Today, most coffee is produced in low- and middle-income countries, while most (but far from all) consumption happens in high-income nations (Utrilla-Catalan, 2018). Poor and unfair working conditions on coffee production sites (Panhuysen & Pierrot, 2020; Sachs et al., 2019), social sustainability concerns (Barreto Peixoto et al., 2023) and the coffee producers' dependency on the benevolence and gains of powerful actors such as rosters and buyers (Daviron & Ponte, 2005; Edelmann et al., 2022) continue to be critical aspects of today's coffee production and trade.

3.2. The Global Coffee Market - From Then Until Now

Since the 17th century, coffee consumed worldwide has grown notably. Along with its growing popularity, coffee's significance in global trade also increased (Panhuysen & de Vries, 2023). Over time, the market power of the worldwide coffee market shifted. In the 19th century, European merchant companies controlled the global coffee market. At that time, Brazil accounted for three-quarters of global coffee production. This was resolved when Brazil implemented what became known as the ‘permanent defence of coffee' policy. Brazil gradually put several control measures into place, guaranteeing price stability, which eventually led to Brazil becoming a leading player in the international coffee market (Daviron & Ponte, 2005). Due to a significant excess of production brought on by the 1929 crisis, Brazil launched a massive program of surplus destruction. Two years of global consumption were burned or thrown into the sea within ten years (Daviron & Ponte, 2005). Between 1930 and 1950, the coffee market became more fragmented. The reason was the European nations' implementation of national taxes and quotas to safeguard the imperial powers' and their colonies' markets. The US government proposed the Inter-American Coffee Agreement (IACA) to control coffee production and stabilise the region in Latin America. This agreement doubled coffee prices by 1941 and created market power for the United States (Thurston, 2013).

During the postwar period, imperial powers maintained state control over the market. The world coffee market only reunified near the end of the 1950s, when importing nations stopped imposing restrictions (Daviron & Ponte, 2005). Daviron and Ponte (2005) claim that one of the main effects of this global market fragmentation period was the establishment of centralised, state-run organisations and producers in origin nations to control the export and local prices. Almost all coffee-producing nations had organisations overseeing the industry by the end of the 1950s. At the same time, the rise of coffee production in Brazil, Africa, Central America, and Mexico led to overproduction (Daviron & Ponte, 2005). To counteract this, starting in 1962, the global market was regulated through the International Coffee Agreement (ICA), which provided producing nations with substantial authority to impose quotas and maintain price stability. Despite issues, this approach successfully increased and stabilised coffee prices (Daviron & Ponte, 2005). Until 1989, coffee-producing countries influenced the price of coffee on the global market, but no producing or importing country dominated the market. The price of coffee was successfully raised and stabilised by this system (Utrilla-Catalan, 2022). Regardless of price levels, resources were significantly shifted from origin to importing nations between the 1970s and 1980s (Talbot, 1997). In 1989, the regulation guiding the ICA was dismantled, which resulted in almost the entire loss of the producing countries' influence on the global market. Market power gradually shifted in favour of the countries that were importing coffee. Prices for producers dropped significantly (Daviron & Ponte, 2005). The introduction of the Structural Adjustment Programs (SAPs) in the 1990s and 2000s liberalisation measures resulted in volatile coffee prices that have since dominated the coffee market (Utrilla-Catalan, 2022). Intermediate actors (auch as wholesalers, roasters, traders) and large multinational food and beverage firms expanded concentration and vertical consolidation while producers lost decision-making capacity about their farms (Lee et al., 2010). Today, the supply and demand dynamics in the global market determine the price of coffee. The two most common coffee varieties are Arabica and Robusta, which account for 60-70% and 30-40% of global production, respectively (Shister Graytock, 2024). Arabica coffees are primarily traded on the New York Stock Exchange, while Robusta coffees are mainly traded on the London Stock Exchange. These markets function under current or physical markets and future contracts, which means that the majority of the market action in the coffee trade will occur in the future, allowing buyers to take advantage of low prices and placing producers in a vulnerable position (Panhuysen & de Vries, 2023). Historically, the production of coffee around the world has been unstable, volatile and unpredictable at times. The challenges include crop fluctuations, high input costs, knowledge-intensive practices, and the slow maturity period of the coffee cherry. This requires large financial expenses with long payback periods and influences price volatility (Marescotti & Belletti, 2016). Climate change and new diseases pose financial risks to coffee producers as well, which affect coffee prices, crop features, and market liberalisation (Ponte, 2002). In particular smallholder producers are increasingly affected by climate change and the challenges it poses for coffee production. All of this jeopardises the sustainability of coffee production systems, which are crucial for many coffee-producing nations' economies (Utrilla-Catalan, 2022).

The global coffee market has been described as rigid, concentrated, and homogeneous (Edelmann, 2023). Some actors within the speciality coffee industry try to counteract those issues by focusing on high-quality coffee, transparency, DT, and personal and direct contact with producers to improve their position and ultimately empower them (Bozzola et al., 2021). Especially, relationship coffee models have been pointed out by creating alternative markets with principles such as cooperation and partnership between upstream and downstream actors and related stakeholders that serve as a framework for developing alternative markets that benefit the coffee producers as well (Edelmann et al., 2022; Guimarães et al., 2020). Relationship coffee will be discussed in subchapter 3.4. in greater detail.

3.3. The Coffee Waves

It is commonly understood that the coffee industry has gone through distinct phases, often called ‘waves’. Those overlapping waves are characterised by a distinct quality of coffee, different sourcing strategies, and ideologies and agendas. They have separate target groups and offer different consuming experiences for their audience (Borrella et al., 2015).

The first wave started in the 1930s and is defined by its increasing availability, commodification, and commercialisation centred on large-scale distribution. Further, the transformation of coffee into a global object of trade also occurred during that period. Throughout that time, consumption increased tremendously. Coffee quality was low, but mass production made it more affordable and brought it into households and offices (Boaventura et al., 2018; Bozzola et al., 2021). This time goes hand in hand with the rise of well-known brands such as Folgers (USA), Maxwell House (USA), Jakobs (Germany), and Douwe Egbert (the Netherlands) (Fischer, 2021). Storage and convenience were seen as coffee’s most important features (Bozzola et al., 2021), and it was mainly price, and not quality or flavour profiles, that distinguished the brands from each other (Fischer, 2021).

The second wave started in the late 1960s/early 1970s. It was characterised by the emergence of higher-quality coffee in general, the specific differentiation of coffee by its quality (Borrella et al., 2015), and the demand for a more social coffee experience (Bozzola et al., 2021). Small roasters sought to recapture coffees' distinct characteristics and flavour profiles that were usually lost in the undifferentiated commodity blends. Coffee consumers were first exposed to the idea of different origin countries during this wave (Bozzola et al., 2021; Fischer, 2021). Similarly, consumers started to play a more active role by wanting to taste better quality coffee and learn about the origin of their beans (Bozzola et al., 2021). In the United States, Starbucks came to lead this movement. It indicated quality products and services (Boaventura et al., 2018) in an enjoyable interior focused on creating a social experience (Bozzola et al., 2021). The SCAA was founded in 1982 by a group of small-scale coffee roasting businesses (Bacon, 2005). In 1998, its European counterpart, the Specialty Coffee Association of Europe (SCAE), was established, and in 2017, the two organisations merged to form the Specialty Coffee Association (SCA), which now operates globally (SCA n.d.). Fischer (2021) has argued that by that time the interest in coffee quality started to shape the industry. The movement towards quality especially took off in the 1990s. This happened when the regulation guiding the ICA was dismantled in 1989, creating opportunities for increased production. Starbucks' global expansion has driven the second coffee wave. The popularity of coffee skyrocketed in the 1990s and early 2000s (Fischer, 2021). Daviron and Ponte (2005) have also highlighted that at the concern about coffee production's ethical and environmental aspects had become more pronounced throughout those years. They also showed that programs and certifications focusing on sustainability, such as FairTrade, began to occur at that time.

The third wave started in the late 1990s and early 2000s. Within that wave, coffee became an artisanal product and a craft experience (Borrella et al., 2015). Quality became even more important than in the second wave (Fischer, 2021). The majority of beans come from the Arabica species, which encompass a broad range of varieties and offer different sensory qualities (Fischer, 2021). The industry pays more attention to those specific coffee varieties and to coffee that has been grown in 'micro-lots' (Boaventura et al., 2018), which usually come with a more distinct flavour profile (Bozzola, 2021). Buying coffee cultivated at high altitudes is becoming increasingly attractive (Fischer, 2021), as higher altitudes usually result in more acidic and aromatic coffee (Silveira et al., 2016; Worku et al., 2018). Speciality coffee businesses also emphasise the art of coffee roasting with more creativity and attention to detail and focus more on different brewing techniques to bring out the distinct flavours of coffee beans (Bacon, 2005). While emphasising coffee quality, a new generation of roasters started to popularise 'direct' trade, where roasters focus on buying coffee directly from the coffee producers, with fewer intermediaries (Borrella et al., 2015). Roasters started to pay better prices for the coffee they purchase from producers directly**.** Simultaneously, prices are frequently tied to coffee quality (MacGregor et al., 2017), where buyers are typically prepared to pay producers a premium for superior beans (Bacon, 2005). Consumers are also taking an even more active role by requesting more in-depth information about the production and consumption process (Boaventura et al., 2018). Knowing the bean's origins, geographically and morally, is becoming increasingly important (Fischer, 2021). Also, farm and roasting operations changed along with the changing tastes of consumers. To meet this particular need, some coffee farms started using experimental processing techniques (Bozzola et al., 2021).

As we have seen, the coffee industry has developed over many decades. While there is a discussion about whether the industry has moved into the fourth wave of coffee, its concept remains foggy with varying definitions. The ITC (2021) describes fourth wave coffee as an industry that "represents the best that the third-wave brought to the coffee movement while borrowing elements from the second-wave culture" (p. 18). They argue that the focus lies on even better coffee quality. While coffee quality is important, sustainability is too. The industry aims to have an even greater ecological impact, while reaching a wider audience. The fourth wave offers more knowledge about coffee origins, production, and processing, and is simultaneously moving towards a more commercial focus where long-term profit is important. Also, products such as capsules, instant coffee, and ready-to-drink options are becoming increasingly popular in fourth wave coffee. The fourth wave also aims to increase the socioeconomic impact of the coffee supply chain by promoting quality and sustainability concepts, thereby enhancing the value of the entire coffee supply chain (ITC, 2021).

The next chapter will discuss the contemporary speciality coffee industry in more depth to fully understand it. While the industry has come to appreciate not only coffee quality, it is simultaneously interested in looking at the entire coffee value chain by emphasising issues regarding sustainability, ethics, and the position of the coffee producers (Bozzola et al., 2021). However, shortcomings and weaknesses are not ignored and will also be discussed.

3.4. The Contemporary Speciality Coffee Industry - Between Quality and Relationships

The speciality coffee industry's focus on high quality is often based on the material quality standards and criteria of the SCA. To evaluate the material or physical quality of speciality coffees, the SCA has created terminologies, procedures, and resources related to cupping procedures, brewing, coffee product separation, and green coffee grading (SCA, 2024). These technologies increase the objectivity of quality assessment, yet they still have limitations that negatively impact producers (Marcus et al., 2023). Quiñones-Ruiz (2020) suggests that quality definitions must surpass strict material attributes. They have to integrate symbolic attributes and conventions, and they need to have the ability to convey the information to the final consumer. Daviron and Ponte (2005) categorise coffee attributes into the material, symbolic, and in-person service quality. Material coffee quality typically describes quantifiable, ‘objective’, and physical characteristics that may be assessed using technology or the senses, such as by looking at the beans or cupping the finished beverage (Daviron & Ponte, 2005). As Quiñones-Ruiz (2020) has pointed out, the definition, understanding and appreciation of material quality depend on the actor’s position in the value chain. The producer evaluates the green bean, while the roaster evaluates the quality of the roasted beans (for instance, following the cupping score of the SCA) (Quiñones-Ruiz, 2020). Therefore, what coffee producers sell and what end consumers purchase are different valued coffee (Daviron & Ponte, 2005). Coffee buyers and roasters set the material quality standards (Grabs & Ponte, 2019). The majority of the (financial) benefits go to the intermediaries between producers and customers (Marcus et al., 2023), which leaves producers in a weaker position since they are often unable to access and evaluate the quality of their final product. According to Quiñones-Ruiz (2020), this can result in severe power imbalances with disadvantaged producers. Symbolic quality has been referred to as the reputation and stories which are associated with coffee. It is frequently standardised in voluntary sustainability standards like Organic or Fairtrade. Stories written on the packages of roasted beans or brand reputations are other ways they are communicated (Daviron & Ponte, 2005). Daviron and Ponte (2005) refer to in-person quality as the one that is generated at the point of consumption by the barista or the environment in the coffee shop. Coffee producers are mostly unable to profit from in-person and symbolic quality. Instead, buyers, roasters, and coffee shop owners use those quality parameters to their benefit (Fischer, 2021). To more fairly divide value among all coffee actors, Quiñones-Ruiz (2020) advocates for an open and inclusive quality negotiating process and calls for a “transparent and inclusive dialogue between all chain actors” (p. 15). While producing the highest coffee quality possible, the social, environmental, and ethical issues related to coffee production and consumption are increasingly important for the industry as well (Bozzolla, 2021). Also, consumers themselves are gradually demanding more sustainable practices in the entire coffee production process (Guimareães et al., 2018). To meet this demand and address existing issues, the industry has put more effort into offering consumers more transparency in the production process, while also increasing profit margins for coffee producers. There is an emphasis on DT noticeable, that goes hand in hand with transparency, and traceability. This focus is closely linked with the industry's aim to increase sustainability throughout the entire supply chain (Bozzolla, 2021). It has been pointed out that the coffee market has been a leader in creating policies and guidelines (Samper & Quiñones-Ruiz, 2017). Coffee buyers, roasters, and retailers played a significant role in the early and broad adoption of sustainability certifications such as Fairtrade, Rainforest Alliance, UTZ and Organic coffee (Dietz & Grabs, 2022). According to Borrella et al. (2015), these certifications guarantee better environmentally conscious production practices and more equitable coffee trade conditions. They also seek to close the gap between producers and consumers by enhancing transparency and aiming to provide customers with additional information (Borrella et al., 2015). However, their efficiency and ability to change the coffee producers' livelihoods have been questioned (Glasbergen, 2018; Minten et al., 2018). Glasbergen (2018) questions the transformative capacity of the standards and certifications regarding more sustainable agricultural production. He considers them as mostly external, top-down initiatives that focus primarily on increasing consumer transparency. While doing that they bypass coffee producers' needs and interests. He further adds, that the initiators of these standards are typically external actors and do not know the producers' specific circumstances and realities (Glasbergen, 2018).

Many quality-focused roasters have chosen alternative ways of coffee trade, such as DT or relationship coffee, focusing on relationships and a more personal exchange (Wilson & Wilson, 2014; Borrella et al., 2015). By working directly with cooperatives and producers, roasters frequently claim they can avoid certifications since they often consider those certification programs outdated, rigid, inefficient and bureaucratic (Glasbergen, 2018; Vicol et al., 2018). However, these models do not have any third-party audits, and the claims and information roasters provide are mainly unverifiable (Edelmann et al., 2022; Vicol et al., 2018). In the case of DT, MacGregor et al. (2017) have found that several industry pioneers have subsequently stopped using the term because of deceptive usage, as other participants within the coffee industry have misused it.

It has been mentioned that the coffee industry lacks transparency and available information (Watts, 2013), which creates a knowledge gap about who financially benefits from the coffee trade and who does not. Producers and consumers alike are frequently unaware of this. Therefore, "value chain transparency" (Marcus et al., 2023, p. 499) or "radical transparency"

(Birchall, 2014) have been suggested to overcome that situation. They are also seen as a way to protect coffee producers against exploitation. Therefore, efforts that support the development of coffee bean traceability and work towards more transparency in the whole supply chain were developed (Panhuysen & Pierrot, 2018). More information at their disposal empowers consumers and producers and, in the end, may be used to hold all parties accountable in the whole supply chain (Marcus et al., 2023). Uncertified upstream interactions between small and medium-sized coffee roasting businesses and producers are becoming increasingly common (Vicol et al., 2018). DT and relationship coffee models are two practices that often go hand in hand with more transparency (Barreto Peixoto et al., 2023), the increased interest in coffee bean traceability (Guimarães et al., 2020), and the goal to improve the socioeconomic circumstances of coffee producers (Wright et al., 2024; Panhuysen & Pierrot, 2020). Specifically, relationship coffee is a novel and emerging initiative to improve coffee's environmental, economic, and social sustainability (Wright et al., 2024). This model is an alternative to the highly industrialised, standardised, and centralised methods of producing, trading, and consuming coffee (McGregor et al., 2017; Vicol et al., 2018) and seeks to enhance the conventional C-GVC and voluntary standards (Edelmann et al., 2020). By focusing on DT ties between coffee producers and buyers, relationship coffee models aim to overcome physical distance between the stakeholders and decrease the many stages of the supply chain (Hernandez-Aguilera et al., 2018; Edelmann et al., 2022). Bringing coffee producers and consumers closer together leads to a shortening of the coffee supply chain. Relationship coffee models typically involve direct communication, trust, and transparency, (Vicol et al., 2018) and emphasise the direct relationship between coffee producers and buyers. These actors frequently form relationships and connections, seek to meet the needs of each other (Wright et al., 2024), and ultimately want to enhance the quality of life for coffee producers and their communities (Vicol et al., 2018). Panhuysen and Pierrot (2018) add that values such as equality, joint participation and engagement, and a dedication to improving social and environmental production conditions are typical for relationship coffee models.

C-GVCs typically consist of many intermediaries. However, this thesis primarily considers value chains that directly interact between roasters and coffee producers. They are the key players in relationship coffee. Rosters act as intermediaries between the coffee producers and consumers and “seek to build a sustainable, long-term and mutually beneficial relationship to grow, process and market outstanding coffee" (Borrella et al., 2015, p. 34). Value chains in which a specialised sourcing agency provides sourcing and importing services and supplies clear information (about the coffee, its production, and its origin), but does not facilitate direct communication between buyers and producers (Edelmann et al., 2020), are not entirely excluded, as they are frequently used by roasters. However, value chains where there is direct connection and interaction between roasters and producers are considered most important and are the central focus of this thesis.

While the speciality industry increasingly embraces different trading arrangements to pursue a more sustainable, ethical, and transparent C-GVC (Borrella et al., 2015), relationship coffee is a more recent development within the speciality coffee industry. Academic engagement is slowly increasing, but many questions remain unanswered.

4. Theoretical Concepts

In the following, theoretical concepts are employed to answer the research questions. First, the GVC analysis will be used to thoroughly understand the coffee industry and its distinct structures and layers. Within GVCs, a further emphasis will be placed on social relations, as there is a need to shift from a mainly economic to a social perspective. The aim is to discuss social relations between GVC actors and the motivations coffee roasters have to build direct relationships with their coffee producers. To evaluate the roaster-producer relationship, it is necessary to understand the intentions and relationships between coffee actors, specifically roasters and producers. Furthermore, social brokerage will be used to discuss how relationships between coffee roasters and coffee producers can be more constructive and meaningful and overcome linguistic and cultural differences. The proximity concept is the third theoretical concept that will be used to elaborate specifically on geographical, social, and cognitive proximity. The following subchapters will discuss those proximity parameters in more detail. Understanding those underlying concepts will help to analyse direct roaster-producer relationships more thoroughly.

4.1. Global (Coffee) Value Chain

The increase of global economic activity with the rise of international trade, global gross domestic products, and employment has resulted in the formation of GVCs, which are spread globally but are mostly coordinated and controlled by 'lead firms', who are predominantly located in high-income nations (Gereffi et al., 2001). Those firms define the terms of supply-chain membership and can determine what is done, where, when, and by whom along the chain (Gibbon & Ponte, 2005; Ponte & Sturgeon, 2014). The GVC is a comprehensive array of tasks that businesses, producers, and workers undertake to develop a product or service from its creation to its final use, recycling, or reuse. These tasks encompass design, production, processing, assembly, distribution, maintenance and repair, disposal/recycling, marketing, finance, and consumer services. In a GVC, these functions are dispersed among numerous firms worldwide (Ponte et al., 2019a). The GVC analysis is interested in a value chain's structure, namely the location and timing of value creation, income generation, and the attribution of processing level quality (Gereffi et al., 2005). Gereffi and Fernandez-Stark (2016) have identified six dimensions of GVC analysis: 1. input-output structure, 2. geographic scope, 3. governance, 4. upgrading, 5. local institutional context, and 6. stakeholders analysis. The first three dimensions refer to international elements determined by the dynamics of the industry at a global level. The 1. input-output structure describes the stages of production, including transforming raw materials into finished products (Fernandez-Stark & Gereffi, 2019). The 2. geographic scope delineates the industry's global distribution and the countries where the various GVC activities are carried out (Fernandez-Stark & Gereffi, 2019). The 3. governance structure describes how the value chain is coordinated and controlled (Fernandez-Stark & Gereffi, 2019). In the global commodity chains (GCC)[6] approach, Gereffi initially distinguished between producer-driven and buyer-driven value chains, representing alternative modes of organising international industries. In producer-driven value chains, transnational manufacturers control the production system. In contrast, in buyer-driven value chains, large retailers, branded manufacturers, and trading companies are pivotal in setting up decentralised production networks, usually in low- or middle-income countries (Gereffi, 2018). Since 1989 the commodity chain for coffee shifted towards a buyer-driven value chain, where coffee buyers, traders, or roasters have decision-making power. Over the past ten years, roasters have strategically decided to transform entry barriers in various upstream parts of the chain (Ponte, 2002). Gereffi et al. (2005) expanded this producer versus buyer-driven approach into a

[6] Before they were called 'global value chains,' they were called 'Global *Commodity* Chains'. In the 1990s, because of the common understanding that the term 'commodity' exclusively applied to primary products, 'value' was used instead of 'commodity'. The term 'value' also captures the concept of 'value added' (Ponte et al., 2019b).

five-fold typology (markets, modular value chains, relational value chains, captive value chains, and hierarchy), which included three forms of network governance (captive, relational, and modular) (Fernandez-Stark & Gereffi, 2019). 4. Upgrading examines the dynamic movement within the value chain by analysing how producers shift between different stages of the chain (Fernandez-Stark & Gereffi, 2019). It mainly refers to value chain actors adding value and extracting more rent, which will eventually lead to them moving towards higher value activities and more sophisticated and skill-intensive operations (Gereffi, 1999), which in turn leads to more economic and social gains (Ponte et al., 2019a). In coffee, upgrading in the speciality coffee industry means that coffee producers get a larger share of the retail price since roasters and traders often access the producer directly and pay higher and more stable prices for the coffee (Behuria, 2020; Elder et al., 2012). The 5. local institutional context is where the industry value chain is embedded in local economic and social elements (Fernandez-Stark & Gereffi, 2019). The 6. industry stakeholder analysis describes how the different local actors of the value chain collaborate to achieve industry upgrading (Fernandez-Stark & Gereffi, 2019).

The GVC approach analyses the global economy from a ‘top-down’ (or global), and a ‘bottom-up’ (or local) point of view. Fernandez-Stark and Gereffi (2019) have pointed out that within the ‘top-down’ perspective, governance is a key concept which has ‘lead’ firms and the organisation of international industries at the centre of attention. In contrast, upgrading is the principal concept of the bottom-up perspective. It looks at strategies used by countries, regions, and other economic stakeholders to maintain or improve their position in the global economy (Fernandez-Stark & Gereffi, 2019). It has been suggested that GVCs have contributed to growth and development in low-income countries, including coffee producing countries. Boudreau et al. (2023) have argued that the participation in GVCs has lifted many people out of poverty (Boudreau et al., 2023). However, it has also been pointed out that value chains do not necessarily translate into better working conditions (Nikulin et al., 2021; Plank et al., 2012). Value chains can increase vulnerabilities, unequal development, and power imbalances among value chain members, ultimately widening the gap between the North and South (Kubacki et al., 2024)

Marescotti and Belletti (2016) have described the GVC as “highly complex, due to its length in terms of production steps and to the geographical distance between the upstream and downstream phases of the production process” (p. 4). In the C-GVC, the chain spans from coffee producers in low- and middle-income countries to consumers who predominantly live in high-income countries. The value chain starts explicitly with planting and maintaining a coffee tree somewhere in the tropics during the three to five years it takes to begin producing coffee (Talbot, 2004). Coffee is predominantly grown in about 50 countries in an area commonly called the ‘coffee belt’ (Boudreau et al., 2023), as demonstrated in Figure 1.

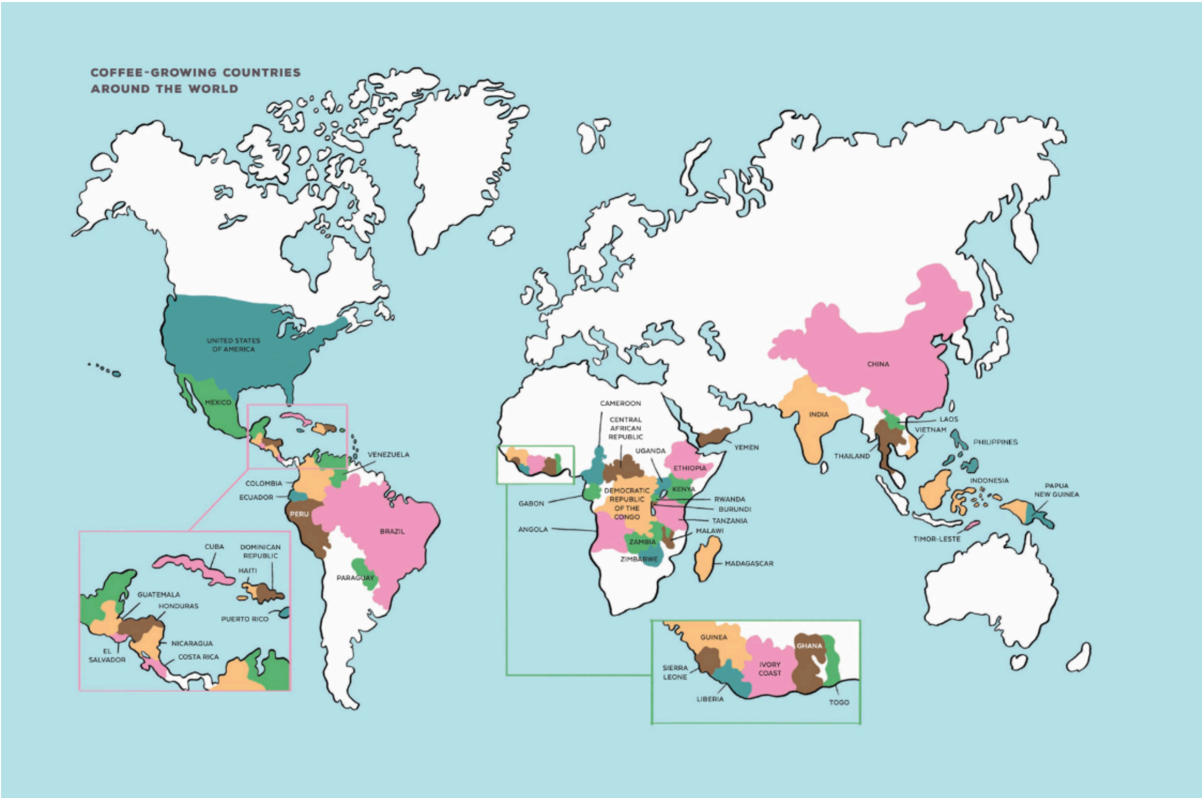

Figure 1: Coffee-Growing Countries Around the World (Source: Clayton, 2021)

The C-GVC encompasses the intermediate processing stages needed to transform the coffee from a red cherry on the tree to a beverage in the cup (Talbot, 2004). After harvesting, the cherries are processed where the bean is separated from the skin and pulp of the coffee cherry (Daviron & Ponte, 2005). Three different coffee processing techniques are generally used to get green coffee beans: wet, dry, and semi-dry. These processing techniques remove silver skin, parchment, mucilage, pulp, and skin (Bastian et al., 2021). After processing, the beans are cleaned, polished, and sorted to obtain green coffee. Until this stage, the process usually occurs in countries of coffee origin. After this, the beans are ready to be exported (Daviron & Ponte, 2005). Until the coffee is exportet, it can be described as upstream. The downstream value chain usually occurs in the importing countries (Marescotti & Belletti, 2016). Figure 2 shows the C-GVC chain by Tröster (2015, p.9), which illustrates all the steps coffee beans have to take to reach the consumer. The primary actors include smallholders or commercial producers who usually own large coffee estates, processors, exporters, and buyers. Traders function as intermediaries in the transactions between these actors. International traders handle the export of raw or green coffee beans before they are processed further and sold through various distribution channels (Tröster, 2015).

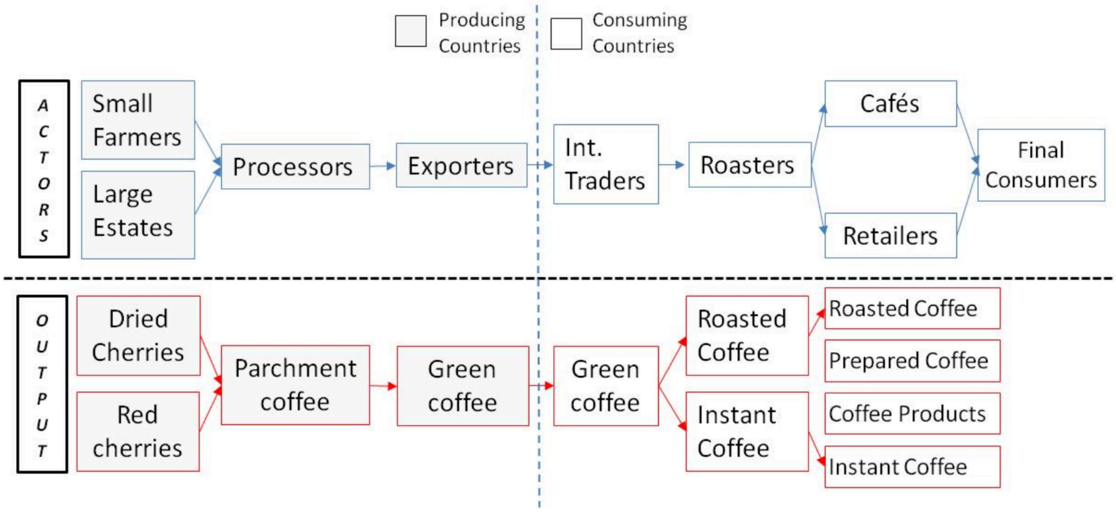

Figure 2: Global Coffee Value Chain (Source: Tröster, 2015, p.9)

Once the green coffee is stored and transported to the export harbour, it is usually exported to a harbour in the importing nations. In Europe, these harbours are located in Hamburg, Amsterdam, and Antwerp, where green coffee is stored until it is shipped to different sites for roasting (Daviron & Ponte, 2005). Before it reaches retailers, most green coffee from producing nations is directly exported to traders or roasters (Boudreau et al., 2023). After the coffee is exported, it is traded in international markets. Through trading various financial instruments, primarily future markets, exporters agree to supply coffee, and buyers agree to receive it later. These agreements, which give both sides stability, are frequently arranged before the beginning of the harvest season (Boudreau et al., 2023). Green coffee is sold by exporters to international buyers, who then supply roasters with it. After that, roasters sell their coffee to cafés or shops, which either brew a coffee beverage or package and sell the roasted coffee to the consumers (Daviron & Ponte, 2005; Tröster, 2015). Trade between producing and importing countries consists predominantly of green and bulk instant coffee.

The roasted coffee trade occurs mostly between importing countries (Daviron & Ponte, 2005).

Several studies have shown the pervasive inequity within these C-GVCs (Utrilla-Catalan et al., 2022; Fromm, 2023). Due to low and volatile coffee prices, coffee producers still struggle with poverty and unstable living conditions (Panhuysen & de Vries, 2023; Jaffee, 2014). Cordes et al. (2021) have pointed out that in eight out of ten countries that produce coffee, the average coffee income is at or below the poverty line. Coffee producers rarely earn an adequate wage for their work. Often, they cannot meet their fundamental needs. Panhuysen and de Vries (2023) noted that coffee workers are often in precarious working conditions, employed by the hours they have worked and as casual labourers. Also, gender inequality is prevalent among coffee workers, where women are paid less than men (ICO, 2018).

Since 1989, the world coffee market has been liberalised and deregulated, which has changed the market power from producing to importing countries (Daviron & Ponte, 2005). Coffee producers sell green coffee beans as the raw material, while most of the value-added processing is done in importing countries (Quiñones-Ruiz, 2020). Today's coffee industry is highly concentrated, with a few leading coffee trading companies selling most of the beans to roasters (Panhuysen & Pierrot, 2018). It has been pointed out that a few trading and roasting businesses dominate the C-GVC. They have the power to set the conditions of trade (Potts et al., 2014), which leaves the coffee producers with little to no decision-making power within the GVC (Lee et al., 2010). By creating shorter supply chains between producers and roasters, fostering more conversation and trade, and attempting to forge bonds beyond simple business interactions, the speciality coffee industry attempts to counteract this circumstance. DT and relationship coffee models are especially challenging the status quo of the current coffee supply chain (Borrella et al., 2015). Raynolds (2009) suggests that improvements in quality may help coffee producers better define their place in international markets. Moreover, quality-driven coffee buyers might seek new relationships where collaboration and mutual exchanges are of high value. The commodity coffee market is typically dominated by a few corporations, while the speciality coffee market is characterised by many small and medium-sized roasters who are acting as lead firms. Through their expectations for quality, these roasters coordinate the value chain and determine its parameters (Raynolds, 2009).

4.2. Social Relations Within Global Coffee Value Chains

The emergence of GVCs has completely changed how production processes are handled. Because of the decreased communication and transportation costs, many businesses have given up on producing all their goods or services within their organisational borders and in a single nation (Ambos et al., 2021). While GVCs play an important role in today's international trade, research on them is very one-sided. It has primarily been conducted in the fields of economics, business, and economic geography (Reinecke et al., 2018), with a focus that mostly has been directed on questions of economic transactions, economic and commercial relationships, and economic power dynamics between firms (Gereffi et al., 2005). The GVC framework developed by Gereffi and colleagues (2005) analyses the structural relations in GVCs based on the actor's economic power. This approach has been criticised for over-emphasising economic relationships without considering the web of social interactions inside and outside the value chain (Reinecke et al., 2018). The impact of inter-firm relationships based on social relations and social processes in GVCs has received much less attention (Leslie & Reimer, 1999; Reinecke et al., 2018). GVCs are not only a way to exchange goods, services, and capital, but they are also a way to connect people and shape new, interconnected networks of social relations (Horner & Hulme, 2017). This line of thinking goes back to Polanyi (1957/1944), who highlighted the importance of social relationships for economic behaviour. Based on that, this thesis acknowledges the GVC as a network of social relationships in which social interactions are just as significant as economic ones, and which also follows Granovetter (1985), who considers economic relations as embedded and enabled by social relations. Furthermore, it wants to understand how social connections and relationships link people with each other across the upstream (coffee producers) and downstream (coffee roasters) ends of value chains and wants to find answers on how these relationships are maintained. As we have seen in the previous chapter, within GVCs, an increasing complexity and fragmentation of production activities across geographic space is visible. In GVCs, this complexity and fragmentation make it easy for brands and retailers to distance themselves from the labour process (Merk, 2009), which Marx (2000/1867) has called commodity fetishism. Marx points out that as human labour is increasingly embodied and materialised in the form of commodities, the interpersonal connection and social connections between people take on a fantastical guise of a connection between things, and the exchange of commodities on the market obscures the social relations of production (Marx, 2000/1867). Reinecke et al. (2018) summarise that "in global supply chains, relationships between people are even more likely to be masked as relationships between disembodied commodities" (p. 461). More research is required to fully understand how social relationships contribute to and underpin international trade. The current academic discussion focuses predominantly on commercial economic relationships and neglects social relationships in GVCs. Barrientos (2013) has pointed out that by disregarding the role of social relations, the literature "abstracts in principle from any social or institutional influence" (p.46). Polanyi (1957/1944) argued that the economy is no longer subordinate to society, but "social relations are embedded in the economic system" (p. 57). As such, it is important to take social relations into context. Reinecke et al. (2018) have argued that GVCs provide a new context for studying social relations at work by focusing on transnational, inter-organisational, and inter-stakeholder relationships. Following Barrientos (2013), value chains are spatially and organisationally fragmented, opening up new bargaining sites, contestation, and struggle across countries. Despite being more spatially distanced and fragmented, GVCs link production relations with consumption relations, adding an extra-local dimension to workplace relations (Reinecke et al., 2018), which makes them an important site to study social relations further. Reinecke et al. (2018) also highlight that GVCs significantly impact social relations at work by generating new job prospects for millions of workers in low-income countries. Nevertheless, they also intensify exploitative conditions through downward pressure (Donaghey & Reinecke, 2017), impacting employment practices that have incurred social costs and increased precarious work (Kalleberg, 2009). GVCs serve more purposes than only facilitating cross-border cash flows and the exchange of goods. They have also forged new, interconnected, socially embedded webs of links and connected people in previously unheard-of ways across socioeconomic and cultural divides (Reinecke et al., 2018). Reinecke et al. (2018) have criticised that the majority of work theories currently in use misses to focus on the web of relationships that connect them and the potential effects this may have on employment relations and work. GVCs have become sites for interactions between people who are themselves socially integrated into the norms, organisations, institutions, and values intrinsic to various geographic origins, professions, business regimes, and cultures. This has altered not just the terrain of the international industry but also the social relations landscape on a global scale (Reinecke et al., 2018). New social connections are increasingly formed which go beyond national boundaries. Reinecke et al. (2018) argue that they need “coordination, maintenance and governance” (p. 464) to avoid contrasting social worlds not to collide. The authors suggest the concept of brokerage, which can help to understand what role intermediaries can play within the supply chain by “facilitating, coordinating and influencing social relations” (Reinecke et al., 2018, p. 464). They understand brokerage as "a mechanism by which intermediary actors facilitate transactions between other actors lacking access or trust in one another” (p. 464). Four conceptual perspectives for brokering social relations across GVCs have been pointed out: 1. Global production networks, 2. Structural holes, 3. Cultural brokering, 4. Boundary work. Within those four perspectives, brokers can fulfil different roles (Quiñones-Ruiz, 2021). Reinecke et al., (2018) have argued that social brokers are intermediary actors “who carry out the role of creating, managing or influencing linkage points in global supply networks, and who can alter social relations” (p. 464). To increase fairness across GVCs, it is necessary to establish cooperative relationships among chain players. Quiñones-Ruiz (2021) points out that it is important to exchange and co-create knowledge and cope with powerful and opportunistic gatekeepers. She further argues that many different people can act as brokers. Quiñones-Ruiz, as a researcher, acted as a social broker herself (Quiñones-Ruiz, 2021). Borrella et al. (2015) argue that connective businesses (intermediaries) possess the role of gatekeepers of information, who can foster exchange between producers and consumers, but also between roasters and producers. Those intermediaries can link actors through social processes and mediate and influence these social relationships. They can create connections across the supply chain, act as translators across cultures, and help to bridge spatial, social, financial, and cultural boundaries (Reinecke et al., 2018).

This thesis sides with Reinecke et al. 's (2018) suggestion of a ‘social turn’ to understand the “theoretical perspectives not just as coordination of economic relations but as coordination of social relations” (Reinecke et al., 2018, p. 464). Therefore, relationships and social connections are at the core of this master’s thesis. Social brokerage will be used to reflect on the role external actors can play in encouraging and strengthening relationships between coffee actors.

4.3. Proximity Within Global Value Chains

Over the last years, DT and relationship coffee have gained popularity within the speciality coffee industry. To understand those relationships and explore how actors develop and maintain long-term relationships with each other, this master's thesis uses the theoretical concept of proximity (Torre & Gilly, 2000; Torre & Rallet, 2005), as it is suitable for analysing social relations and will help understand how these roasters and producers work together while being geographically distant.

Boschma (2005) advanced proximity research by categorising it into distinct dimensions: 1. social, 2. institutional, 3. cognitive, 4. organisational, and 5. geographical proximity. These proximity aspects assist in understanding the relationships between actors and the results of their actions (Boschma, 2005). Boschma (2005) defines social proximity "in terms of socially embedded relations between agents at the micro-level" (p. 66). Furthermore, he describes that social proximity occurs when there is trust between actors based on kinship, friendship, and experience. Strong relationships between partners define organisational and social proximity, but the underlying mechanisms differ (hierarchy and trust, respectively) (Boschma, 2005). Institutional proximity is associated with "the institutional framework at the macro level" (Boschma, 2005, p. 67). When actors speak the same language, share values, have common habits, and have equivalent laws and regulations, the exchange of information, economic cooperation, and interactive learning are encouraged (Boschma, 2005) and further lead to institutional proximity. Cognitive proximity analyses the actors' knowledge base and the extent to which they overlap. Boschma (2005) points out that "actors need cognitive proximity in terms of a shared knowledge base in order to communicate, understand, absorb and process new information successfully" (p. 64). Cognitive proximity is necessary for actors or companies to take in new information. For them to successfully convey, comprehend, and digest the new information, their cognitive foundation must be sufficiently similar to the new knowledge (Boschma & Lambooy, 1999). Boschma (2005) points out that overlap in the actors' respective knowledge bases is necessary to facilitate reciprocal communication, comprehension, and information processing (Boschma, 2005). He further argues that organisational proximity is "the extent to which relations are shared in organisational arrangement, either within or organisations [...]. This involves the rate of autonomy and degree of control that can be exerted in organisational arrangements" (Boschma, 2005, p. 65). Boschma (2005) also points out that organisational proximity can range from no connections between actors, to loose connections, and strong connections between actors. Geographical proximity refers to the "spatial or physical distance between economic actors, both in its absolute and relative meaning" (Boschma, 2005, p. 69). It has been pointed out that geographical proximity is important, as it may facilitate learning and knowledge exchange between the actors. Nevertheless, Boschma (2005) also pointed out that geographical proximity is not necessary either. If geographical proximity is absent, other types of proximity could serve as replacements (Boschma, 2005). Actors in the conventional coffee industry are usually not very close to one another. Coffee is mostly grown in tropical countries and only gets to roasters in importing countries through many intermediaries. There are rarely any direct interactions between roasters and producers (Daviron & Ponte, 2005). Relationship coffee, however, seeks to improve communication, information sharing, and mutual trust among participants (Boaventura et al., 2018). They are typically created with none or only a few intermediaries, supporting the participants in the value chain and facilitating communication, information sharing, and knowledge exchange between producers and buyers/roasters (Borrella et al., 2015). Edelmann et al. (2020) transformed the proximity concept described earlier into an analytical proximity framework, focusing on global food value chains. It takes relationship coffee into account, making it a perfect tool to analyse the proximities among the actors in relationship coffee and the overall effects of proximity dimensions on C-GVC actors. Their framework conceptualises proximity within relationship coffee consisting of four dimensions: 1. organisational proximity, 2. institutional proximity, 3. cognitive proximity, and 4. social proximity. In addition to these four dimensions, Edelmann et al. (2020) have also integrated three transversal dimensions into the framework (1. (temporary) geographical proximity, 2. power, and 3. communication). Those are important because they influence each of the four dimensions as well. Regular face-to-face visits in relationship coffee models lead to (temporary) geographical proximity, the first transversal dimension. Relationship coffee is usually based on regular, personal contacts (Vicol et al., 2018) and roasters visiting the origin countries (MacGregor et al., 2017). Power is the framework's second transversal dimension, which analyses power relations within relationship coffee models. It can be described as the dynamic between the actors, which looks at who the initiator and the adaptor are in the relationship (Edelmann et al., 2020). Relationship coffee models are usually characterised by mutuality and equity among the actors (Panhuysen & Pierrot, 2018). The third transversal dimension is communication. This includes mutual exchange, feedback, and negotiations (Edelmann et al., 2020). Direct communication is usually a core principle in relationship coffee models. It can happen via personal visits, emails, or phone calls and usually leads to knowledge exchange between the producer and the roaster (Borrella et al., 2015). Proximity as a concept suits this thesis's objective of exploring the relationships between roasters and producers. In the following chapter, with the GVC as an underlying concept, the proximity dimensions will be further adapted into an analytical framework to analyse roaster-producer relationships within relationship coffee models.

5. Conceptualising Relationships in Global Coffee Value Chains

Together with the underlying concepts of GVC and proximity, this thesis looks at the relationships between roasters and producers. Those theoretical concepts present a helpful toolbox that will help to analyse the empirical data and answer the research questions of this thesis. The first step in the analysis is to examine who trades with whom in a relationship coffee model. To find out, the GVC provides a valuable overview of all participating value chain actors. In relationship coffee models, there are usually fewer intermediaries between the roaster and the producer. This thesis's definition of relationship coffee requires direct connections between roaster and coffee produce. However, relationship coffees usually involve additional players facilitating trade (such as logistics, storage, and export/import) (Borrella et al., 2015). Those actors do not interfer with the trade and coffee does not change owner. An example of a service provider would be a shipping company that transports the beans from the port of origin to the port of destination (Edelmann et al., 2020). Figures 3 and 4 show value chain actors in relationship models. The most important difference between the two figures is that Figure 3 shows value chain formation where roasters directly trade with individual producers, while in Figure 4, roasters trade with cooperatives instead.

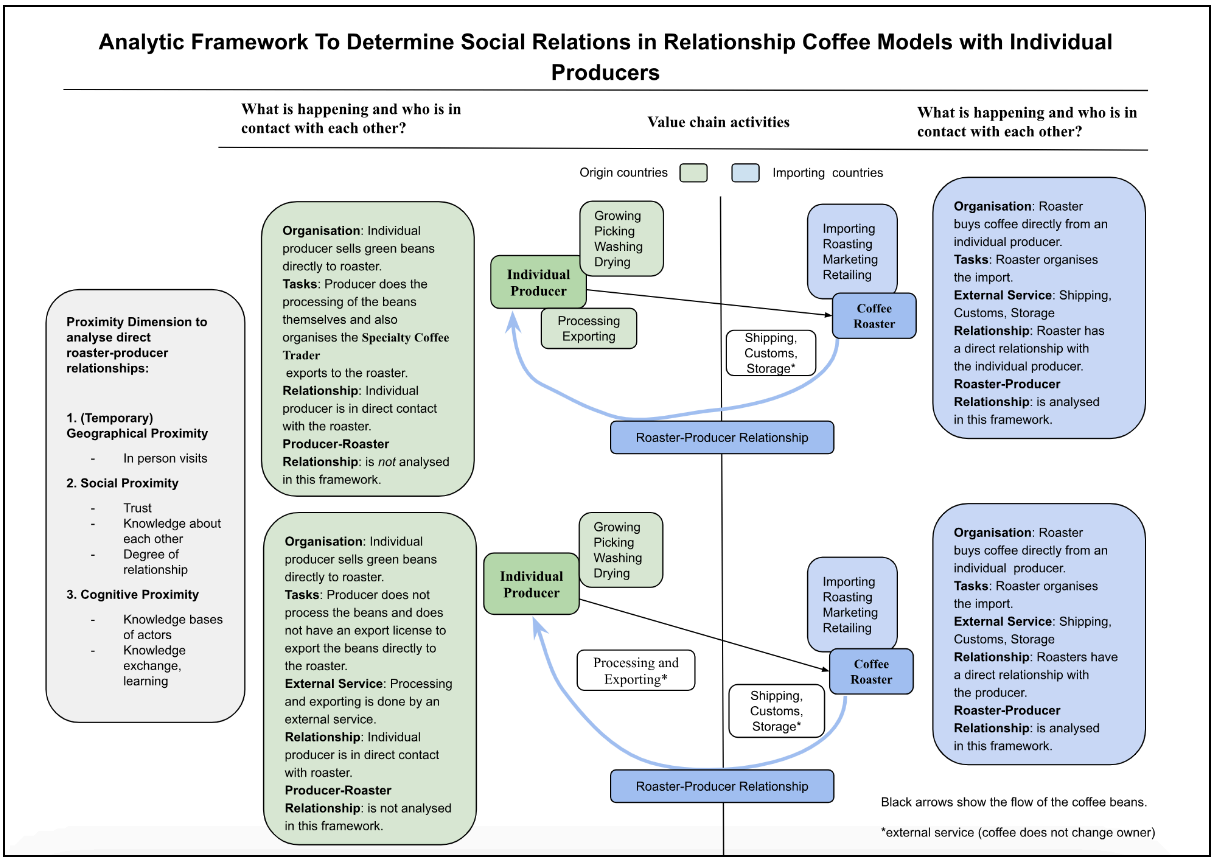

Figure 3: Source: Authors Own, Analytical Framework to Determine Social Relations in Relationship Coffee Models with Individual Producers

Figure 3 illustrates two different ways of trading coffee with individual producers. In both versions, individual producers are responsible for growing, picking, washing, and drying. The producers process and export the coffee beans. They have the whole downstream part of the value chain in their own hands. Coffee producers can export the beans directly if they possess a special processing license and an export license. This also allows them to bypass value chain intermediaries and market their products directly to buyers in importing countries (Coe, 2006).

In the second version, individual producers are responsible for growing, picking, washing, and drying but are not in charge of processing or exporting the beans. An external service will carry out these two steps. On the importing side, with both models, the coffee is important by the roaster, but they also rely on external services for working steps such as logistics and storage.

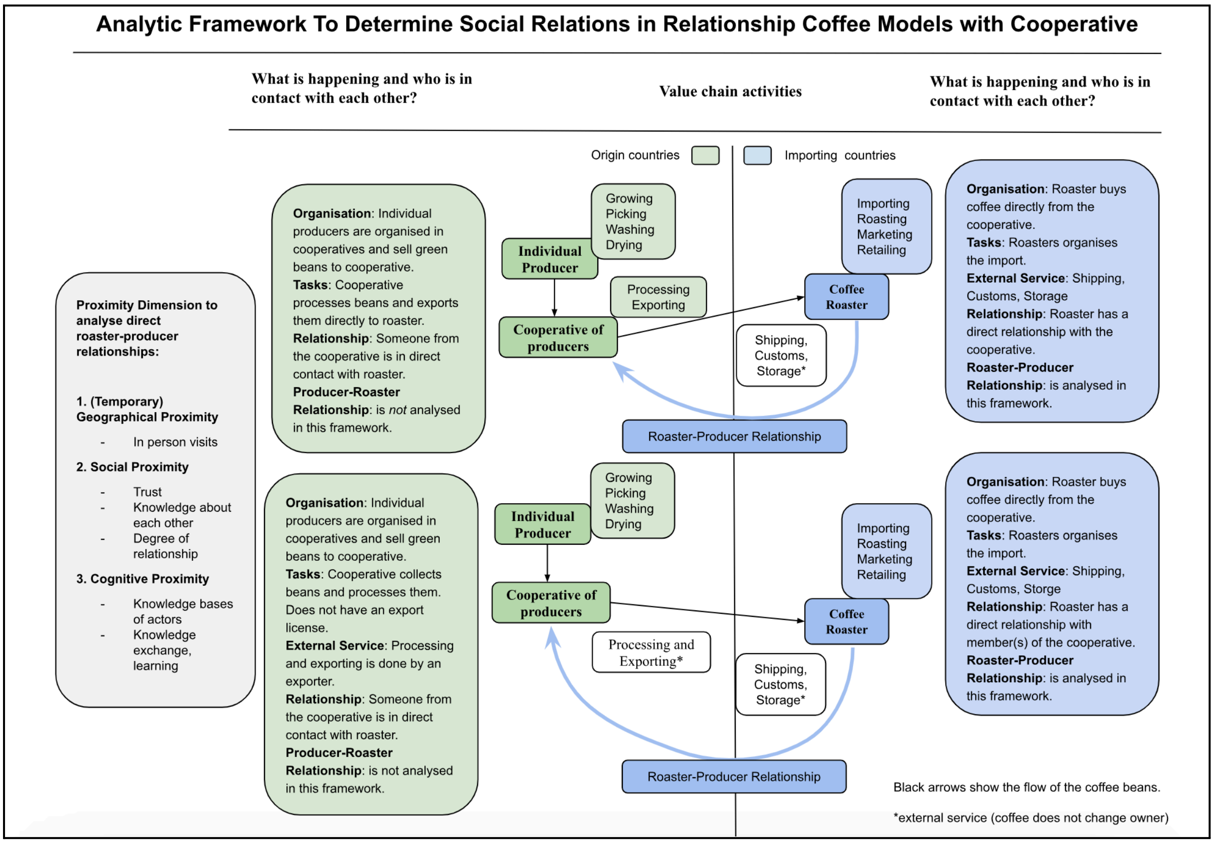

Figure 4: Source: Authors own, Analytical Framework to Determine Social Relations in Relationship Coffee Models with Individual Producers

Figure 4 shows the value chain where roasters are in contact with cooperatives instead of individual producers. Also, here, there are two different models. In both models, individual producers are responsible for growing, picking, washing, and drying the coffee, then selling it to the cooperative. In the first formation, the cooperative is responsible for processing the coffee further and exporting the beans to the consuming countries. The roaster is responsible for the import but arranges an external service for the shipping. The coffee never changes the owner. In the second formation, the cooperative is not responsible for processing and exporting the coffee. They do not have any licences to do that themselves and rely on an external service. The roasters import the coffee themselves.

After establishing the value chain between those actors in relationship models, it is possible to proceed with step two of the analysis. Here, it is determined who is in contact with each other throughout the year. While there is direct contact between producers and roasters and roasters and producers, this thesis engages only with rosters, not producers. Therefore, it will be called the roaster-producer relationship. The relationship is indicated with a blue arrow in both figures. While producers and cooperatives of producers are in contact with roasters, the blue arrow indicates from which perspective the relationship is studied. Thus, the producer-roaster relationship is not analysed in this framework. In this step, it is important to distinguish between Figure 3 and Figure 4. In Figure 3, the roaster directly contacts an individual coffee producer. In Figure 4, the roaster is in contact with the cooperative's managerial member(s).

As the final step, the proximity concept is used to analyse the roaster-producer relationships in greater detail. To understand these relationships, three proximity dimensions are considered: 1. geographical proximity, 2. social proximity, and 3. cognitive proximity. The literature also suggests considering organisational proximity and institutional proximity (Boschma, 2005; Edelmann et al., 2020). While these dimensions can provide valuable insights, this thesis is focused solely on the three mentioned proximities due to practical limitations. Furthermore, analysis of these three dimensions yielded the most analytically relevant data for this thesis.

Value chains for coffee are typically long, and the actors are not always in close geographic proximity to one another (Edelmann et al., 2020). Torre (2008) pointed out that temporary geographical proximity can be established to overcome this distance. He states that this can be done by short- or medium-term in-person visits. These brief meetups and face-to-face interactions may be enough for exchanging ideas, communicating, and establishing additional proximities. Relationship coffee models claim they have more closeness between the actors while being geographically distant (Vicol et al., 2018). To analyse (temporary) geographic proximity, this thesis looks into when, how often, and how regularly producers and roasters meet. Additionally, it looks into the motivations behind meeting up and the importance of those meetings. While geographical proximity in relationship coffee models is not always available, researchers studying proximity have examined the interactions and relationships between value chain actors and theorised how other types of proximity might complement or replace geographic proximity (Torre & Gilly, 2000; Torre & Rallet, 2005). Social proximity involves "relations based on trust through friendship, familiarity or kinship" (Edelmann et al., 2020, p. 463). Trust and mutual commitment are usually important for a functioning relationship (Borrella et al., 2015). High social proximity in relationship coffee would mean actors are more than only trading partners (Edelmann et al., 2020). To determine the social proximity between roasters and producers, this thesis examines the truthfulness of the relationships they have with each other, how much they know about each other, and how they would describe the kind of relationship with each other (no relationship versus friendship). Cognitive proximity includes actors having "an overlapping knowledge base" (Edelmann et al., 2020, p. 463). If the involved actor's knowledge about the products, their preparation, and consumption is the same or similar, then they have high cognitive proximity. Cognitive proximity increases the chance for knowledge exchange and mutual learning (Edelmann et al., 2020). This thesis will assess the level of cognitive proximity between roasters and producers, from the roasters point of view. This will be done by comparing how different or similar the importance of knowledge bases between roasters and producers are. And, secondly by determining how important their level and type of knowledge exchange and learning with and from each other is.

6. Research Process and Methodology

To understand the motivations and intentions of speciality coffee roasters in establishing relationships and fostering long-term social relations with coffee producers, a review of the relevant literature, online content analysis (with a focus on how they communicate their direct relationships with the producers on their websites and through social media channels), and qualitative interviews are used to gather data. A qualitative research design has been chosen because it makes it possible to provide an in-depth understanding of the research interest. To answer the research questions, qualitative interviews with twelve roasters have been performed and analysed using thematic analysis. The following section includes an explanation and reflection of the research process and the methods that are used for data collection in this thesis. It also discusses some research limitations and reflects on the researcher's overall position.

6.1. Sample and Field Access

This thesis engages with speciality coffee roasters as they are the ones who practice relationship coffee and have experience in establishing and leading long-term relationships with coffee producers. The sample has been developed using a purposive sampling technique, which is a commonly used strategy in qualitative research. It makes the identification and selection of cases that provide rich information while working with limited resources, possible (Patton, 2015). Purposive sampling includes locating and selecting people (or groups of people) with particular expertise or experience within a topic of interest (Creswell & Plano Clark, 2017). Company websites provided helpful information about the roasters' values and how they source coffee, which further helped to identify and choose suitable interviewees. To be considered, the selection criteria were: 1. The roasters have to be located in a German-speaking country. 2. They must be speciality coffee roasters or at least indicate that coffee quality is important to them. 3. The roasters must claim to trade some of their coffee directly, without intermediaries. Having DT connections for all of their coffees was not required, but at least one coffee had to be directly sourced. 4. They have to be in direct exchange with some of their coffee producers. Based on that criteria, more than 30 companies were contacted via email. Many did not respond. In the end, twelve roasters were interested in sharing their experiences, which yielded a sample of six German-based roasters, five Austrian-based roasters, and one Swiss-based roaster. It is also worth pointing out that two Austrian-based roasters have biological roots in Peru and Colombia. Even though they currently work and live in Austria, they offer two perspectives that help to shed light on the standpoints and views relevant to understanding the position of the origin countries. Furthermore, all roasters fulfilled the sample criteria by emphasising the importance of coffee quality. They often include descriptions of how they directly source coffee from the producers on their website or share them on their social media profiles. Additionally, most roasters within the sample also emphasise the importance of DT and highlight the significance of mutual exchange. Thus, they bring attention to the importance of direct relationships, social connections, and mutual interaction, in one way or another. Among those twelve roasters, nine were predominantly working with directly traded coffee (and only bought coffee from traders in rare cases), and one speciality roaster was predominantly working with speciality coffee traders but also had directly sourced coffee. One roaster only sources coffee from speciality coffee traders and does not have direct contact with the producers. One roaster is predominantly a green bean importer and consultant for other coffee roasters. The interviewees have been grouped into the following four categories and each of them has a code assigned to them, which is illustrated in the following table.

Interviewees	**Code**
9 Speciality Roasters, predominantly working with Direct Trade	SRDT1; SRDT2; SRDT3; SRDT4; SRDT5; SRDT6; SRDT7; SRDT8; SRDT9

1 Speciality Roaster, working with Directly Traded and coffee sourced through Traders	SRDTT1
1 Speciality Roaster, only sourcing through speciality coffee Trader	SRT1
1 Importer, Roaster, and Consultant	IRC1

Table 1: Codes for interviewees

6.2. Data Collection and Codes

Semi-structured interviews were conducted with the interviewees. Those types of interviews are a suitable tool for understanding the relationships between roasters and coffee producers and offer a deeper understanding of the interviewees' distinct viewpoints (Moser & Korstjens, 2017). The researcher typically has some overarching ideas about what they want to discover from their participant (Brett & Wheeler, 2022). Semi-structured interviews usually focus on a phenomenon they want to understand while at the same time allowing the researcher to explore relevant ideas and topics that may arise during the interview (Atteslander, 2023/1969). This ability to take up ideas that appear spontaneously and individually can further improve understanding of the phenomenon being researched. A prefabricated questionnaire guides the researcher through the talk. The researcher's role in an interview is engaging and encouraging, but with limited reciprocity or personal disclosure (Brett & Wheeler, 2022). Following Flick (2018), the interview questionnaire should be built to start with more straightforward questions to give the interviewee time to settle into the situation. Once rapport and trust have been built between the interviewee and the interviewer, more complex and demanding questions can be asked. For the interview guide of this master's thesis, seven overarching interview topics have been developed. Those topics are based on the relevant literature and the theoretical concepts this master's thesis works with. The interview guideline (see appendix) structures the questions into six sections: 1. Introduction of the roaster: Who are they, and what are the company's values? 2. The speciality coffee value chain, 3. Relationship coffee as a concept, 4. Relationship coffee in practice 1 - geographical proximity, 5. Relationship coffee in practice 2 - social and cognitive proximity, 6. Lessons for practising relationship coffee - benefits and downsides, 7. The roasters' advice about the future of relationships in coffee.

All interviews were conducted between August and October 2024 via Zoom and in person, lasting between 50 and 90 minutes each. Some delays were expected because of the summer holidays, but that did not turn out to be an issue. There was not much difficulty in arranging a time or day for any of the twelve interviews. Eight interviews were conducted with the owner of the company. Two were performed with the co-owner, and two interview were done with an official company representative. Taking additional notes throughout the interview and writing an observation protocol provided further insights and served as background information. Previous to the interview, the interviewees signed a written consent form, where they were informed that they would remain anonymous. With their consent, all interviews were recorded and transcribed. Additionally, material from their websites was examined to supplement the information gathered during the interviews.

6.3. Thematic Analysis

After data collection, the analysis of the dataset started. This thesis works with thematic analysis, a method for developing, analysing, and interpreting patterns across a qualitative dataset (Braun & Clarke, 2021). It involves systematic processes of data coding, which will later be developed into themes. Those themes will be used to get to the research project results (Braun & Clarke, 2021). The analytic process itself can be divided into six separate phases: 1. dataset familiarisation, 2. data coding, 3. initial theme generation, 4. theme development and review, 5. theme refining, defining, and naming, 6. writing up the analysis report (Braun & Clarke, 2021). Data evaluation started with getting familiar with the dataset. The transcripts of the interviews have been printed but kept as a recording on the interviewer's phone as an electronic copy as well. That way, listening to the interviews and making notes on the copies with colours and markers was possible. Working with both media was very helpful and enhanced familiarity with the data. It spiked different reflections, insights, and interpretations. The general reflections on the interview situation, which had been written down immediately after each interview, provided additional material. The researcher started the coding process after the initial familiarisation with the data set. While systematically browsing the whole dataset, segments that appeared interesting, relevant, or meaningful for the research questions were highlighted and coded. The first analytic observations and interpretations happened inductively. There were a lot of different codes that were not expected beforehand and evolved solely from the dataset. The inductive codes were the ones that added new findings to the research (Braun & Clarke, 2021). The next round was more deductive, using codes based on the research question and theoretical concepts. Also, attention was given to differentiating between semantic and latent codes. Semantic codes express the explicit meaning of what has been said and stay close to the interviewee's language. Latent codes, on the other hand, are the ones with implicit meaning. They focus on a deeper, more implicit, or conceptual level of meaning (Braun & Clarke, 2021). Many different colours were used to code the dataset. Colours in the process helped to structure the data and made it visually more easy to work with it. It also helped with structuring meanings and concepts throughout the dataset. It was hard to determine the sufficient amount of coding. Braun and Clarke (2021) suggest coding is enough when the codes alone can make sense of the "meaning richness, diversity and any contradictions in the dataset" (p. 72). The codes were worked through several times. As soon as they made sense and could stand for themselves and represent the whole dataset, it was time to move on toward the development of the main themes of the dataset. In this stage, shared patterns across the dataset have been identified. This step focuses on the macro scale of the data again, away from the micro-detailed scope, which was done one step earlier with coding. Developing themes is done by searching for connections and alliances between codes, which might develop into broader patterns of meaning. Braun and Clark (2013) have described this as compiling clusters of codes that share a core idea or concept, which might already provide an answer to the research question. The construction of themes are based on the data, the research question, and the researcher's knowledge and insights. While codes typically capture a specific meaning, themes describe a broader, shared meaning (Braun & Clarke, 2013). Visual mapping has been used to start the initial thinking process about potential themes. It further helped to explore how the provisional themes relate to each other, how they can be reflected within the whole dataset, and how they relate to the research questions and the theoretical concepts. After reviewing and revising, four main themes seem most relevant and demonstrate the most important result, which will be discussed in Chapter seven.

6.4. Reflection on the Methods, Implications and Limitations of the Research

Even though researching in countries of origin would fit well into the field of development studies, this master's thesis was built upon the premise that research should be conducted within Europe. By engaging with research in the coffee importing countries, more specifically the German-speaking area of Europe, as a researcher, fewer ethical implications have to be considered. When researching low- or middle-income countries it is important to consider potential power imbalances, the reproduction of inequalities, conflicts of interest, and the challenge of imposing Western knowledge on local knowledge, traditions and practices. This master's thesis avoids such dilemmas since it is solely conducted in Austria, Germany, and Switzerland. It further stays clear of the ethical dilemma of carrying out research as a white, privileged female in a foreign, non-European culture. Different languages and the challenges that potentially come with that, is also important to reflect on when conducting research in foreign countries. Coffee communities usually speak languages or local dialects which are unknown to the researcher. This was another factor that spoke against undertaking research in the countries of origin (e.g., Asia, Africa, and Latin America), as this would have presented language barriers and the research would have relied on the use of translators. This master's thesis exhibits no significant power imbalance. All interviewees are similarly privileged and share a common language (German or English). There are no apparent cultural, linguistic or other conflicts between the researcher and the interviewees. Based on this general understanding, this master's thesis was structured and planned. Interviewees for the study have also been chosen based on their locality and accessibility.

To only work with coffee roasters comes with strengths and weaknesses. It bears strength because it focuses on one actor within the SC-GVC and offers a more in-depth exploration of one specific perspective rather than asking many different actors who provide many different perspectives. However, this might also be seen as a weakness because the study only produces outcomes that reflect the roasters' perspectives. Knowledge, beliefs, and perspectives of the other side of the value chain, namely coffee producers, are left out entirely. This decision should not undermine the value of their opinions and perspectives. Research involving coffee producers is just as important and necessary. Edelmann et al. (2022) already offer valuable insights into the producers' perspectives. However, additional studies are needed to explore producer-roaster relationships. Those studies are important to gain further insights into their opinions, thoughts, and ideas.

The dataset size could be seen as a limitation, since twelve interviewers might not be enough to reach data saturation, and as such lacking a confident understanding of the patterns and themes within the dataset. However, this research sides with Malterud et al. (2016), who suggested the use of 'information power'. Information power invites the researcher to reflect on the richness of the dataset and how that richness goes together with the general objectives of the research. Thus, a small dataset is still potentially robust regarding knowledge contribution.

Lastly, it is important to acknowledge that the researcher's biases can affect coding, theme generation and, in the end, interpretation. While there is no straightforward or pure explanation of a phenomenon, and interpretation always happens from a position or a collection of views and is subjective (Braun & Clarke, 2013), this thesis tries its best to avoid research biases and narrow interpretations by engaging in a critical reflection throughout the whole process. After all, it is also the researcher's expertise that enables deep and careful interpretation of the research data to extract and transform it into valuable knowledge for the given research field.

To summarise, for this master's thesis, reflections and ethical thinking are of core value and have been crucial elements since the beginning of the design of this research undertaking. Ethical thinking was involved when considering where, how, and from whom data was collected. However, ethical thinking and considerations were also important when working with interviewees representing their voices and stories and are an overall crucial part of the analysis, interpretation of data, and conclusion.

6.5. Identity, Reflexivity and the Researcher’s Positionality

Qualitative research often involves the dialectic process of interviewing people. As Pezalla et al. (2012) have argued, this process can influence the reliability of the findings. To mitigate potential bias and ensure the research remains objective, reflexivity is essential when designing and carrying out a research project (Probst, 2015). The researcher should reflect carefully upon their own position (Pezalla et al., 2012) and consider their identity, their preconceived opinions, and personal perspectives which might influence the entire research (Yip, 2024; Jafar, 2018). This thesis agrees with the perspective that the reflection on identity, positionality, and reflexivity are important for any successful research process. The researcher has to engage in reflexivity, which involves critically reflecting oneself as a researcher (Bradbury-Jones, 2007; Warin, 2011). Through reflexivity, a researcher "reflects on the kind of knowledge produced from the research, [and] how that knowledge is generated" (Guillemin & Gillam, 2004, p. 274). The importance of the reflection of every researcher upon their positionality and where they stand concerning the research project and their research participants has been argued by Savin-Baden & Major (2013). This is done to address, identify and recognise a researcher's personal and contextual circumstances, and how they might influence the research process and findings (Bradbury-Jones, 2007). To reflect on worldview and standpoint and how it might affect the research has been referred to as positionality (Rowe, 2014). It is shaped by various factors, such as gender, ethnic background, personal experiences, values, and beliefs (Bradbury-Jones, 2007; Padgett, 2016). The researcher's position might also influence the subject matter, the methodology they choose, and the outcomes of a research project (Rowe, 2014). Research questions, data collection, and analysis are all steps which can be impacted by the researcher's positionality (Wilson et al., 2022). Their positionality can further influence the researchers' assumptions, methods of accessing and interacting with interviewees, the questions they ask, and the way they analyse the data (Patton, 2015). Also, the relationship between researcher and interviewees might also influence the outcome of the research (Pelias, 2018). To avoid biases or wrong conclusions the reflection on one's identity, positionality, and reflexivity are important for any researcher and ought to be done in preparation for and throughout the entire research process.

This master's thesis is written from the perspective of a cis-white woman who was born and raised in Austria, an economically wealthy European country. I have studied and worked in Austria almost my whole life. I went abroad on multiple occasions, such as for study exchange, travel and work engagements. My standpoint is from a novice researcher undertaking qualitative research on the experiences of social relations of speciality coffee roasters. To fully reflect on my positionality, it is important to include the discussion on insider versus outsider. This is how researchers "view themselves and are viewed by others: as an insider or outsider, someone with power or who feels powerless or coming from a privileged or disadvantaged situation" (Ozano & Khatri, 2018, p. 191). It also has been pointed out that researchers are not always entirely an insider or an outsider. Their position is somewhat fluid and depends on their situation (Milligan, 2016), such as changing lives, experiences, and knowledge of the research context (Hellawell, 2006). For this research, as a researcher, I situate myself as an insider in terms of cultural and ethnic similarities since the research is carried out in German-speaking countries, with interviewees who share similar cultural upbringings and backgrounds. Also, with my years of working in the speciality coffee industry, I consider myself an insider familiar with habits, norms, and practices within that industry. I have worked in various positions and have gained a lot of knowledge and practical experience that makes me an insider in the industry, which might have contributed to developing biases or taking certain things for granted. I might overlook blind spots and take other things for granted. I might not ask important questions or overlook other critical points. At the same time, I know that I am not entirely an insider, as I have never worked as a roaster and don't know much about their realities. Nevertheless, I remain open, curious, and engaged throughout the research process.

7. Results and Analysis on How Relationships are Actually Practiced Between Roasters and Producers

The analytical framework developed in Chapter five will be used to understand those roaster-producer relationships. First, the speciality coffee value chain will be analysed. This includes examining the part of the value chain that connects the roasters with the producers. It will examine the stakeholders in the coffee-origin countries and discuss who is in contact with each other to establish, develop, and maintain a direct relationship. This first part reviews each stakeholder's task in completing a successful DT. The analysis of this part will further discuss the terms DT and relationship coffee and show why the majority of the roasters are critical about using either term in their business. The results of the second part will show that the roasters' motivation for DT and direct relationships with the producers is predominantly business-related or social responsibility-related. Employing the proximity framework, the third part of this chapter focuses on the roaster-producer relationship in more detail and will answer questions related to the establishment and maintenance of the roaster-producer relationship. This section engages with the (temporary) geographic, social, and cognitive proximity and discusses how those dimensions are important in direct relationships between the two actors. The last part of this chapter also discusses the overall experiences of roasters who directly source coffee with producers and aim to establish and maintain long-term relationships with them. This chapter will end with what roasters have learned from their relationships and what they believe is important for the future of the speciality coffee industry.

7.1. Relationship Coffee's Global Value Chain Actors and the Confusion About Direct Trade

For the first part of the analysis, the global value chain approach has been used to identify the actors of the SC-GVC. Figure 5 illustrates where speciality coffee roasters in the dataset source their coffee. The dotted line shows to whom the producers sell their coffee, while the continuous line shows where the roasters buy the coffee.

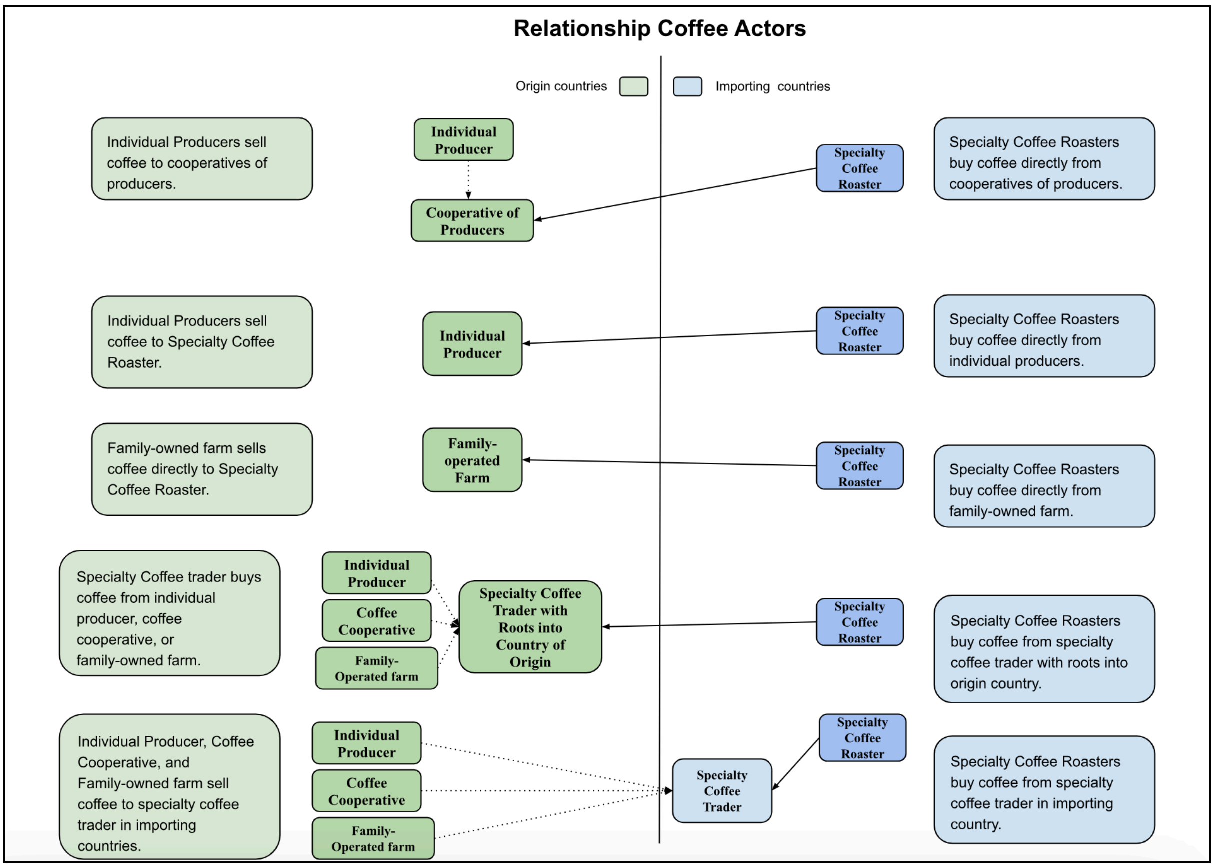

Figure 5: Source: Authors Own, Relationship Coffee Actors

Of the twelve interviewees, 92% predominantly source part of their coffee directly from producers. The producers can be individual producers, producer cooperatives, or family-operated farms. One roaster works solely with a speciality coffee trader. To a different degree, 33% regularly source coffee from speciality coffee traders who either have their company headquarters in producing or importing countries. All of the roasters care about direct relationships with (at least some of) their producers. 67% predominantly work with directly sourced coffee and rely on direct relationships with the producers. 25 % of the roasters occasionally source from speciality coffee traders, explicitly pointing out that they buy from speciality coffee traders in rare cases and only if they would not get delivered the number of beans needed to uphold their product range. 50% only work with producers they know personally and have long-term relationships with. If they do not get enough coffee from them, they do not look for a substitute and do communicate why a specific coffee is unavailable to their customers. 42% solely source coffee from coffee producer cooperatives. 25% of them specifically attributed their motivation to be primarily political. SRDT2 said that a broad distribution of knowledge and prosperity for the producers is significant. In their opinion, this is promoted explicitly through buying coffee from producer cooperatives. SRDT6 further explains the intentions driving their decision to work exclusively with cooperatives as follows:

> There are a lot of really small farmers, especially in the coffee sector, who do not have much land, they cannot produce much, and it would be challenging for them to market their coffee well. Because they do not have the quantity, they would just sell the coffee on the local market and get whatever price is available. Therefore, our idea is that wherever people come together to form a cooperative, they also share knowledge of their power or gain power for the first time as sellers of their green coffee. We also want to promote this to a certain extent, i.e., these structures that are stable even in bad times and that they can rely on. In countries like Brazil, Costa Rica, and Guatemala, some individual producers have much land and much power and manage to market their coffee independently. They don't need our support. We only work with small farmers with about one hectare, sometimes two. That is not much land to be economically active, and we want to support them. So these are people where buying coffee impacts their lives.

By working with producer cooperatives, roasters support small-scale producers, who typically do not have much land and cannot produce much coffee. The roasters are convinced that through working with producer cooperatives, small-scale producers can come together with others and share knowledge and experiences. At the same time, they can share or gain power as individuals by selling their own green coffee.

No one in the sample soley works with individual producers. 50% of the roasters *also* work with individual producers. SRDT3 is the only roaster in the dataset that only sources coffee from family-operated farms. For them, one of their primary criteria for sourcing coffee is to work with family-owned and family-operated farms. They pointed out that they have a diverse portfolio of producers with family-operated farms, ranging from very large to very small. While SRDT3 only works with family-operated farms, 17% of the roasters primarily work with their own families and buy coffee predominantly from them.

When working with speciality coffee traders, the roasters described two different kinds of traders they work with. Either traders who have their company headquarters in the importing countries or speciality coffee traders who have roots in different coffee-producing countries (e.g., one of the described companies is from Brazil, and the owner of a second company is from Guatemala). Only one roaster, SRDTT1, has described speciality coffee traders with roots in origin countries as partners they work with. The roaster pointed out that these traders are exciting to work with, since they come with a lot of knowledge of the origin, speak the local language, and are highly educated in coffee production, marketing, and the coffee trade. Simultaneously, they have experienced the importing market to different degrees, making them an ideal business partner as they "know both worlds" (SRDTT1), the producing and the consuming world of coffee. In Figure 5, this actor is called a "speciality coffee trader with roots into country of origin". No other roasters mentioned any actors like that. Nevertheless, it seems important to mention those kinds of actors as well, as SRDTT1 believes that those actors might become more important and dominant in the future.

Once the actors have been identified, the next step is to discuss who is responsible for which task within the value chain. The phrase 'from seed to cup' is often used in the speciality coffee industry to describe the steps involved in preparing coffee, which include planting and growing, harvesting, processing the cherries, exporting, importing, roasting, retailing, and brewing (Tröster, 2015). Planting, growing, and harvesting are usually done by producers and coffee labourers (e.g. cherry pickers). Producers can also do processing if they have the right tools and machines for it. Often, producers sell their coffee to producer cooperatives that are responsible for processing it. This varies from producer to producer. Those steps are done in countries of coffee origin. After that, they are ready to be exported. The export is either done by the producer, the coffee cooperative, an external service provider, or the roasters themselves. The same is true for the import. Within the sample, 67%, import the coffee themselves. One roster works predominantly with producers who are responsible for the export, 33% rely on an external service provider to arrange the export and import of the coffee, and one roaster solely relies on the trader, who manages everything for them. One roaster, who usually imports the coffee themselves, pointed out that in rare cases, they would import coffee with the help of a trader. SRDT1 describes one of those situations:

> We recently bought a coffee from a retailer, but we are in contact with the producer. That was more of a logistical problem because we could not get a whole container filled with the amount of coffee we ordered, so we got the coffee from a retailer. Furthermore, the retailer brought the coffee to us in this case and took care of the import. However, normally we do that ourselves.

Overall, it has become clear that 75% of the roasters are convinced that keeping the supply chain as short as possible benefits all actors involved as it helps maintain relationships and transparency and makes better prices possible, as fewer intermediaries have to be paid. The interviews also showed that getting a clear idea of the value chain was tricky, as 84% of the roasters did not mention who was involved in the coffee trade. They left out mentioning the service provider and described the trade as consisting of only two actors - the roasters and the producers. Only after repeated inquiries from the researcher did the roasters mention the other actors who are typically involved.

Lastly, the interviews disclosed that 92% of the roasters have direct relationships with their producers and developing long-term relationships is a high priority for them. When working with coffee traders, they usually do not have direct contact or relationships with producers. One roaster in the sample does not work directly with the coffee producers, but with a green bean importer they trust. Despite working through traders, they still buy coffee from the same producers yearly. With one farm in Guatemala, they have been importing coffee since day one of the company's foundation. Even though SRT1 does not directly interact with the producers, the roaster still supports them by buying their coffee yearly.

Within the sample, 92% of the roasters have direct relationships with the producers. With whom the roasters are in contact throughout the year varies. If they have a relationship with an individual producer or a family-owned farm, they are typically in contact with the person who manages the farm. The roasters have emphasised that language skills are important when directly interacting with producers. The person responsible for the contact from the roaster usually speaks the producer’s language. However, when the producers speak local dialects, the roasters have to rely on translators. In those cases, regular contacts are less frequent. If roasters source coffee from producer cooperatives, they are typically in contact with the cooperative's administrative or managerial staff.

Furthermore, if roasters source coffee through traders, the contact person is usually a specific individual. All roasters emphasised that it is typically the same person that they are in contact with throughout the year. Through origin trips, the roasters described making additional contacts with other workers from the farm or the coffee communities. Sometimes, relationships develop with other local people, but they are usually less relevant for the coffee trade.

7.1.2. Confusion, Scepticism, and Misuse of the Term Direct Trade

While 50% of the roasters use direct trade as a description of trade, it became clear that there is no single definition of direct trade that the roasters adhere to. DT means very different things for the roasters. SRT1 defines DT as:

We [the roasters] share the import risk by paying the coffee cooperatives 60% of the purchase price before the harvest, giving the producers an interest-free loan with which they can operate. If the agreed quality is exceeded, a premium is paid to the smallholders. (SRT1)

For SRDT2 DT has to be "trade with smallholder coffee cooperatives, long-term relationships and trust, guaranteed minimum prices and minimum quantities, direct and interest-free financing, joint quality control, the roaster handles the import themselves, transparency, and the promotion of organic farming". While for SRDT1:

> DT does not just mean that the coffee is traded directly from the producer to the roaster. It should also offer the producer the chance to trade his coffee at really fair prices so that all costs are covered, and every worker on the farm receives a fair wage for their work. DT also means that we [the roasters] know all the facts behind the production of green coffee because DT also means direct contact with the producer. The country of origin, the region, the specific farm or cooperative, as well as the type of harvest and further processing are traceable for us [the roaster].

SRDT3 made clear that they do not want to be associated with the term DT. For them DT is "the trade that happens directly between the producer and the roaster. Certain roasters might do that, but we know only very few who do it like that and practice DT without intermediaries". These are four different definitions that have been described by some of the roasters in the sample, and they show that there are already significant differences in the definition of DT among the interviewees.

75% expressed concerns about using the term DT. They pointed out that the term is prone to be misused by roasters within the coffee industry. SRDT4 said:

> DT is, on the one hand, a buzzword that has been around for many, many years, which has differentiated itself from the fair trade model, but with the disadvantage that it is such an open term that anyone can claim it for themselves, no matter how far or how little this concept of DT goes. Some people simply write DT on the coffee bag because they have heard the producer's name before.

SRDT5 also expressed their critique, stating that "the term DT has become so meaningless over the years. Suddenly, there are many roasteries with a photo from a farm and a few key points about a coffee finca called DT". SRDT1 said that they have "stopped defining trade [...] because the word DT has fallen into total dispute for us. SRDT5 feels that, "today, anyone who has ever met a farmer directly, shook his hand, or visited a farm, even just once, can call it DT. It is not a protected term, which is a big problem". SRDT2 regrets:

> Huge roasters market DT massively, but often it is just an empty shell, and there is often nothing or less behind it. Furthermore, that makes it difficult for us [the roasters] to say that we work with DT because no one knows what it means anymore.

The same 75%, from the sample, have either talked about the confusion of the term DT, their scepticism towards it, or its overall misuse within the speciality coffee industry. 58% of them also drew attention to the fact that DT is often just used as a marketing strategy by roasters that does not help the producers in any way but increases sales for the roaster. SRDT1 is convinced that DT is a good marketing strategy and would help to sell more coffee. SRDTT1 also criticised that DT has been misused many times and is sometimes used as marketing on social media or for leaflets. SRDTT1 also considers DT an advantage for roasters to be used as a social media tool, but they do not think this strategy is ethically "sustainable" and does not contribute to the improvement of the speciality coffee industry.

Worries and confusions about the misuse of the term DT have been expressed several times as a problem throughout the whole dataset. Because of this confusion around the term, 25% of the roasters have stopped using DT as a term and concept altogether.

7.1.3. The Popularity of Creating Personal Definitions and the Infrequent Use of the Term Relationship Coffee

While 92% of the roasters source their coffee predominantly directly from producers, only 50% use the term direct trade and agree that it is important to clarify what is meant when using direct trade as a term. SRDT2 reiterates the importance of explaining DT, "You always have to explain what you mean when you talk about DT. Because if everyone uses the term as they want, it is complicated”. To avoid confusion, half of the same 50%, which is 25% of the total sample, give in-depth descriptions on their websites about how they understand DT. 42% of the entire sample, have created their individual definitions of trade. SRDT7 emphasised their use of “*fair* DT”. For them, “fair DT makes all the difference. Because we trade at eye level with the coffee producing families. We know the people who grow their coffee and visit them on their agroecological fincas”. Another term that two different roasters have used is “solidarity-based trade” (dt: solidarischer Handel). One of the two roasters emphasised how important solidarity and teamwork are for them. SRDT6 said, “Working together is at the heart of everything we do.” They further say:

> Our slogan is that we can get further together than against each other. We work closely with the producer cooperatives in the countries of origin. [...] The exchange and personal contact with coffee producers and other roasters is critical to us. (SRDT6)

IRC1 said that for them, "solidarity-based trade is based on partnership-based relationships with smallholder and Indigenous organisations in the Marcala region in Honduras, which have been built up over five years of local consultancy work and are continued through regular visits".

SRDT3 used the term "direct negotiation coffee" to define their trading model. They emphasised the importance of negotiating together, both the price and conditions for all actors involved. The last term that one interviewee has brought up is "growers roast". This roaster has roots in El Salvador, growing up on a coffee farm where coffee has played a major role since childhood. The roaster said:

> When I started the company [in Austria], it was before I studied it, so I called it DT. It is on the packaging, and on the bags, it says DT. Nevertheless, we talked a lot about what we should call it that describes it better. We were thinking, how do we say it is more than DT? Because DT is what all the coffee roasters in Vienna do, just as all the

> third wave coffee roasters do. And then, we came up with "Growers Roast". [...] It describes it better; the connection to the origin is more intense. You know? Nevertheless, I am still thinking about how to present it best. You know? So we will see. (SRDT9)

While direct trade is being viewed critically among the interviewees, they also expressed concern about using new definitions altogether. When specifically asked about relationship coffee, 25% of the interviewees pointed out that relationship coffee is just another term that complicates the already complex situation regarding trade terminology even more. IRC1 said:

> I do not think much of new terms and definitions. What is practical? That is what interests me. And then, what is fair? What is solidarity? What is a good price? [...] How do you deal with each other in emergencies? Those are the questions that interest me.

While 25% believe their trading model could also be described as relationship coffee, they also add that relationship coffee is not a term they would personally use to describe their coffee-sourcing model. SRDT1 said, “Relationship coffee is probably a better term than DT [...], but relationship coffee is actually what we have been doing for years anyways; we just do not call it like that”. While 25% had never heard about relationship coffee before, one roaster also used relationship coffee to describe their trading model and overall company values. They also market themselves as “100% relationship coffee” on their website (SRDT7).

To summarise, chapter 7.1. has looked at the SC-GVC through the lens of the GVC analysis and found that the roasters source coffee from one of the following five groups: 1. Individual producers, 2. Cooperative of producers, 3. Family-owned farm, 4. Speciality coffee traders with roots into country of origin, 5. Speciality coffee traders (in processing countries). Groups one to four operate in the countries of origin. The fifth typically operates in the importing countries. The interviewees significantly differ in how the actual trade looks, how many intermediaries it involves, and with whom they are in contact. All roasters prioritise cutting out intermediaries and maintaining a short supply chain. 67% import the coffee themselves. There is a clear difference in how roasters understand DT, with 75% expressing skepticism about its general misuse within the coffee industry. Among the 50% who still use direct trade, half make an effort to clarify their understanding. 42% of the total dataset use their own terms. For 92% the concept of relationship coffee is either unfamiliar or not actively used, though one roaster markets their coffee with this term.

7.2. Analysing the Motivation to Source Coffee Directly From Producers and Establish and Maintain Long-term Relationships

The results show that all roasters aim to minimise intermediaries and establish direct connections with producers. They emphasise sourcing coffee from trusted producers (or sometimes traders) and fostering long-term relationships. SRDT4 said they particularly want to "build long-term relationships. We also want to maintain these relationships, and simply want to be a reliable and stable partner". SRDT2 said that they have been working with several producer cooperatives since day one, the foundation of the roastery. They also expressed the goal of building long-term partnerships with the producers, where both actors can rely on each other. To understand those roaster-producer relationships better, this master's thesis aims to answer the question of what intentions drive roasters to choose to source coffee directly from producers in the first place. Second, what motivates them to establish and maintain direct relationships with producers?

Considering that the overall scientific engagement about the motivations why speciality coffee roasters engage in DT and develop long-term relationships is limited, Gerard et al. (2019) offer a functional categorisation about the coffee roaster's motivations, which provides a helpful tool to analyse the answers of the roasters. Gerard et al. (2019) argue that the roasters' motivations can be categorised into 1. Business-oriented motivations, or 2. Social-responsibility-related motivations. To analyse this master's thesis data, Gerard et al.'s (2019) two categories have been used and further developed to analyse the dataset regarding the roasters' motivation to source coffee directly from producers and develop long-term relationships with them.

Guimarães et al. (2020) have also analysed the stages of DT, which is shown in Figure 6. Those eight "implementing stages of DT" (p. 50) provide a valuable tool to analyse certain stages of the trade relationship even further. This chapter can be seen as the first stage of establishing a DT, where "first contact with DT and identification of the need for its realisation" (p. 50) happens.

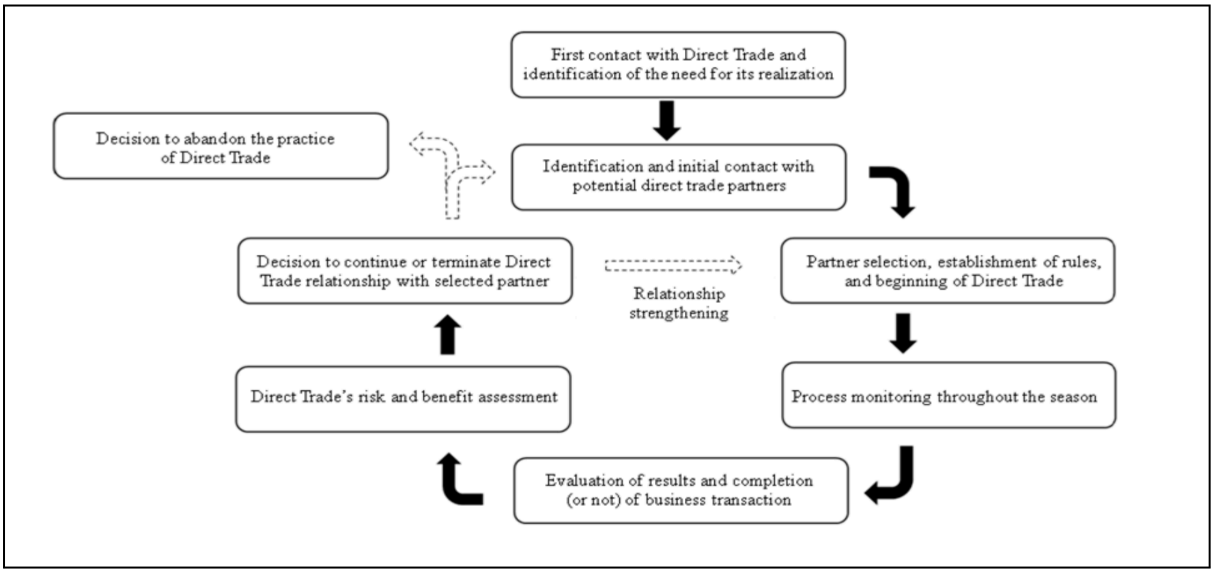

Figure 6: Implementing Stages of Direct Trade (Source: Guimarães et al.,2020)

7.2.1. Business-Related Motivations

Figure 7 illustrates all categories relevant to the roaster's business-related motivations. According to Gerard et al. (2019), business-related motivations are driven by the benefits the roasters obtain from directly sourced coffee and direct relationships for themselves. The interviews have shown that the benefits for roasters are diverse and plentiful and roasters do not get just one benefit. Instead, they receive several benefits. The interviewees have mentioned many business-related motivations such as better price, direct communication and feedback opportunities, which all benefit the roaster's long-term business situations. The analysis of what roasters in the sample have mentioned concur with Gerard et al. (2019), who argue that "DT allows for direct communication, experimentation, long-term relationships, and opportunities for offering higher prices for quality beans" (p.9). While different positive aspects have been mentioned, only the three most common motivations will be discussed in the following section. Those motivations are: 1. Better coffee quality, 2. Long-term relationships, 3. Traceability and transparency for roasters (displayed in Figure 7).

1. Business-Related Motivations for Sourcing Coffee Directly from Producers		
Motivation	**Description**	**Illustrative Quote**
1.1. Better coffee quality	DS provides better quality coffee than other sourcing methods.	*"DS not only simplifies the exchange between roaster and producer. The key advantage for us is that we get the best green bean quality possible. DS is essential when it comes to the best coffee quality."* (SRDT1) *"DS coffee gives us better coffee quality."* (SRDT2)
1.2. Long-term relationships	DS builds long-term relationships with producers, which makes it possible for roasters to predict elements such as coffee quality, harvest, and price.	*"Through direct relationships we get information about our coffee early. This exchange is a rough guide to what we can expect each year in terms of harvest, quantity and quality."* (SRDT2)
1.3. Traceability and transparency for roasters	DS provides useful information for the roasters, which can also be used.	*"As we follow our coffees very closely [...] and know our producers very well, we can live up to our claim of complete transparency."* (SRDT1) "*For us it is important to know where the coffee comes from, and* the *coffee is grown."* (SRDT7)

Figure 7: 1. Business-Related Motivations for Sourcing Coffee from Producers, Source: Developed further from Gerard et al. (2019)

7.2.1.1. Better Coffee Quality

In particular, increased coffee quality as a motivation for directly sourced coffee and long-term relationships has been pointed out by 84% of the sample. This confirms previous findings by MacGregor et al. (2017), stating that all roasters within their research said that DT gives them coffee of more outstanding material quality than they would otherwise receive. This conclusion is also consistent with the finding of Gerard et al. (2019), who pointed out that roasters continuously receive coffee of superior quality with DT. SRDT1, shown in Figure 7, points out that "DT is essential when it comes to the best coffee quality". Furthermore, the interviews suggest that directly sourced coffee, especially long-term relationships, can increase coffee quality even more over time. Long-term relationships make exchange and feedback about coffee quality and improvement of coffee quality possible, which can affect the overall coffee quality. SRDT2 also shared insights related to better coffee quality:

> When we travel there and talk to the people on the ground, it naturally builds up a good relationship of trust over the years, which also enables us to improve the quality of the coffees because we can exchange ideas. We can exchange knowledge and reflect on what has worked well in the past harvest. Having this exchange is only

> possible if you work directly with the cooperative or the producers and are in direct contact with them.

The interviews further revealed that DT and direct relationships offer an increased potential for experimentation and innovation to increase coffee quality, which has been mentioned frequently throughout the interviews. SRDTT1 shares:

> At the moment, we are trying to take a new approach with one particular coffee variety that is a little outside the norm, where there is not much literature on it. We think it could be interesting in terms of coffee quality, but also economically. We have discussed this with the producer on-site and are now trying it out together. [...] That is one aspect you can do well via a direct relationship, where both actors know and trust each other". SRDT1 expressed something similar, "This year, we are experimenting with fermentation processes together with one of our producers to get the taste we want for our profiles. Only our direct and long-term relationship makes this possible.

Overall, quality has been mentioned as a big motivation to engage in DT. However, it must also be mentioned that the roasters almost always say that long-term relationships are just as important as DT in influencing the quality of the material coffee. This will be discussed in the following section.

7.2.1.2. Long-Term Relationships

Gerard et al. (2019) have pointed out that cultivating long-term sourcing relationships benefits the roasters in several ways. Predicting coffee quality, volume, and price are just a few examples (Gerard et al., 2019). The interviews for this thesis have confirmed that establishing and maintaining long-term relationships with coffee producers is a big motivation for all roasters to work with directly sourced coffee. They obtain many business-related benefits for themselves when working directly with producers. For example, 74% interviewees expressed that long-term relationships allow them to get feedback about the coffee quality and the volume of each season’s harvest. Getting feedback about those issues gives the roaster an advantage and allows them to adapt to possible challenges. Figure 7 shows that SRDT2 appreciates the additional information and updates they get throughout the year from the producers, which makes it possible for them to be prepared better in case the coffee quality or quantity turns out to be worse than expected. With that knowledge from the producer, they can adapt and look early for alternatives, if necessary. Also, relationships with the producers offer stability, which has been mentioned many times by the interviewees. SRDT4 shared:

> One huge benefit with DT and stable long-term relationships for us is the stability that this model gives us. This means that we have a stable coffee supply all year round. We can be certain that next year we will get a similar, and sometimes even better, quality of coffee again. We do not have to constantly worry about finding new suppliers. Instead, we have our stable sources relatively secure, which makes our work more efficient and smooth. This is possible because we have built trust in our producers and know that they will deliver beans the following years as well.

SRDT6 believes in a long-term advantage, in case climate change will affect coffee quality and quantity. They point out:

> Thanks to our long-term relationships, we can simply rely on getting coffee reliably year by year. Moreover, if things get much worse in the future, especially with prices, climate change and declining coffee volumes, our long-term relationships will give us a head start. I hope that the producer cooperatives say that we have been working with them for so many years, we get the coffee first and not just anyone with whom they have no relationship. I hope our long-term relationships will give us an advantage.

Altogether, it becomes clear that long-term relationships and joint work can help the roasters to reduce trading uncertainties and yield more consistent coffee qualities. Additionally, 50% of the roasters also shared that long-term relationships are simply very rewarding and make the roasters' work more meaningful and fun.

7.2.1.3. Traceability and Transparency for Roasters

Traceability and transparency for roasters have not been included in Gerard et al.'s (2019) list of business-related motivations for DT. However, since it has been mentioned frequently throughout this thesis sample, it has been included as one of the main motivations for roasters to source coffee directly from producers and build long-term relationships with them. 58% have mentioned better traceability and the knowledge of where their coffee comes from as a big motivation to source directly. SRDT5 said:

> With DT you generally know where you get your coffee from, which is a big advantage. You do not have to look for new coffee every year or several times a year. This saves time and lets you concentrate on other things in the company.

SRDT1 further shares:

> DT implies that we know all the facts behind the production of green coffee. DT also means direct contact with the farmer, which gives us much more information about the product we sell to our final customer. We know the country of origin, the region, the specific farm or cooperative, and the type of harvest. Any further processing is traceable for us.

SRDT2 also said that for them, “it is much better to know which products we are importing. With many intermediaries, you often no longer know where coffee comes from. Overall, traceability and transparency are essential for our work”. Also, for SRDT4, a primary motivation is that they can say with the most profound conviction that they can trace this product “from seed to cup”. It is a product that they “can stand 100 per cent behind, from start to finish”. 34%, specifically advertise ‘transparency’ on their websites and social media channels. For those roasters, working transparently is part of their company values, which makes it one of their biggest motivations to source directly. SRDT1 said that with the transparency they get from sourcing directly and fostering long-term relationships, they “can live up to our claim of complete transparency”. The same four roasters produce yearly sustainability or transparency sheets they make public on their websites. SRDT2 said that they “publish all relevant data, information and figures” to be transparent about everything they do with their customers.

Overall, the analysis showed that coffee quality appears to be a big motivator for the roasters to source directly. Because of the direct relationship to the producers, they can participate in negotiations around coffee quality, which is very positive for them. Cultivating long-term relationships with producers has many benefits for the roasters. Especially the reliability and stability that come with long-term relationships significantly benefit the roasters. Further benefits include being updated on harvest and coffee quality. It also became evident from the interviews that for the majority (58%) of the roasters, a transparent supply chain and the ability to trace the coffee to the producers are highly relevant.

7.2.2. Social Responsibility-Related Motivations

Gerard et al. (2019) have grouped the second set of roasters’ motivations to source directly into social responsibility-related motivations. Social responsibility is defined as the roasters’ belief that DT positively impacts the producers and the coffee-producing communities

(Gerard et al., 2019). The three most common categories relating to social responsibility that have been found in the dataset are: 1. Increased producers' income, 2. Increased trust between producers and roasters, and 3. Increased producers' learning (displayed in Figure 8). While several interviewees mentioned more social responsibility-related motivations, only the three that were most explicit throughout the dataset were included in the figure. It can be stated that eleven out of twelve roasters (that is 92%) source coffee directly because both their company and personal values make them do so. Overall, they consider the producers' well-being to be very important and believe that sourcing coffee directly from the producer can impact their lives positively. As SRDT5 says, "we simply want to do something good with our company—something where nobody suffers and certainly not the people who produce the product. We want the producers to lead a good and happy life". SRDT1 also adds that:

> Improved quality of the green coffee ultimately results in a higher price in DT. The higher income ultimately leads to greater success and prestige in the global coffee business. DT, therefore, not only promotes the quality of the beans. It also invests in the quality of life of the farmers and their families.

As Figure 8 shows, SRDT3 is convinced that the producers further benefit from the stability they get from selling directly to roasters, which they believe is a key advantage for the producers.

2. Social Responsibility-Related Motivations for Sourcing Coffee Directly from Producers

Motivation	Description	Illustrative Quote
2.1. Increased producers' income	DS increases the producers' increase and better living conditions.	*"In the best case scenario, the producers receive a secure income. If this system is implemented in the way we advocate, then the producers could also make a good living from it." (SRDT2)*
2.2. Increased trust between producers and roasters	Heightened trust sustains relationship through good and bad years.	*"Mutual trust is one of the most important things in a functioning long-term relationship." (SRDT8)* *"The most important thing it to support each other. And above all, trust, trust, trust. ... More trust equals better relationships." (SRDT2)*
***2.3. Increased producers'* learning**	Producers gain coffee knowledge learn new skills.	*"It's also about learning from each other. That makes sense, especially If you have really long-term relationships with the same producers."* (SRT1) *"One producer, who used to sell commodity coffee have started with specialty coffee. We were the only ones who bought everything from him. It was not good for our business because we did not need the coffee. But we simply wanted to support the producer, and their excitement to learn something new and grow different coffee."* (SRDT1)

Figure 8: 2. Social Responsibility-Related Motivations for Sourcing Coffee Directly from Producers, Source: Developed further from Gerard et al. (2019)

7.2.2.1. Increased Producers' Income and Better Living Condition

The idea that DT increases the producer's income has been mentioned throughout the dataset. All roasters believe that paying higher prices for coffee and supporting them by pre-financing harvests can improve producers' living conditions. One key motivation for the roasters to engage in DT, is the conviction that the increased financial support they provide for producers helps, since roasters pay the producers above the market price. Their impression is that by receiving higher prices, they provide more economic stability for producers, which is key to a better life and enhanced living conditions. All roasters have developed systems for setting a price which they consider suitable. In the interviews they refer to this as fair price or minimum price. While an in-depth understanding of price setting was not part of the questionnaire, the interviews revealed that all roasters pay prices, to different extents, above the market price.

SRDT2 describes the connection between prices and long-term stability for producers as follows:

> To give our producers long-term prospects, we guarantee a minimum price for all green coffees. We pay additional premiums for qualities above our minimum requirement of 84 to 85 SCA points. These guarantees offer our partners investment and planning security.

SRDT1 assumes that one of the most significant benefits for producers is increased income, and paying higher prices is one of the company's core values. By offering prices above the market rate, SRDT1 ensures that producers earn a better income, which they view as fair and equitable. SRDT1 describes why reasonable prices are important for the producer as follows:

> When the coffee price is low, the producer does not get enough for a decent living. Currently [2024], the coffee price is high, at around 2.40 Dollars. However, it is still far, far too low. So we always hope for very high prices, and most other roasters always hope for low prices. Nevertheless, it is nice when the price is high because everyone gets something from it.

Another way roasters support producers is by pre-financing harvests. In fact, 92% of the roasters assist producers by providing pre-financing for entire harvests. Typically, roasters pre-finance around 60-100% of these costs, many months before receiving the coffee. By offering pre-financing, roasters help producers manage operational expenses, ensuring they can continue producing coffee. SRDT2 says:

> In every coffee-growing country, it is much more difficult to get cheap loans than in Germany. We, therefore, provide interest-free financing for the harvest in the six months or so between signing the contract and delivery of the coffee. Specifically, we pay 60% when the contract is signed and 40% when the shipping documents are received. This way, we can ensure that the producers can afford to produce the coffee and do not accumulate any debts.

SRDT6 guarantees "the producer cooperatives a fair price, and we pre-finance up to 100% of the harvests. We do not charge interest on this financing, enabling producers to cover their costs at harvest time". Thus, it is so far clear that by paying fair prices and offering pre-financing, the roasters believe that they can positively impact producers' lives, sometimes even the lives of entire coffee communities, as is shown in the following.

Six roasters, that is 50%, also expressed the intention to engage in DT to support producers' livelihoods further than only paying better prices. Those six roasters work with social programs, project funds, or donations to improve the coffee-producing communities' quality of life and working conditions. SRDT2 shares how they financially supported one coffee community in India:

> A few years ago in India, our partner cooperative realised that there was an incentive from the individual producers to sell their coffee on the local market and not to the cooperative. Even though they receive less money for their coffee, they discovered that the distance from the farm to the cooperative, where the processing facilities are, was too far for the producers. They could not manage to bring the coffee themselves. Moreover, it was simply more manageable for the producers to get rid of the coffee on the local market quickly. We then consulted with the cooperative to see if it was possible for us to co-finance, together with the cooperative in the producing country, a small van that the cooperative could use to drive to the individual farms in the area, at least in the immediate vicinity of the farm, and collect the coffee to create this logistical bridge between the farm and the cooperative. We like to do these projects because we say, okay, this is a concrete help that we can provide to the cooperative. This is one example of a project we implement in collaboration with the cooperatives.

Another roaster said they established a foundation to support additional impact-related social projects that benefit the coffee communities. They donate around 50 Cents for every kg of coffee sold to the foundation (SRDT3). The foundation then addresses very diverse challenges faced by coffee-producing communities. The roaster describes it as follows:

> We can also support the producers with specific projects or project ideas that they have, not we, [but] project ideas they have. The foundation aims to support coffee communities and not just individual producers. Whenever possible, these projects must always have a community aspect. They are often not coffee-related projects but relevant to a specific coffee community. (SRDT3)

The interviews showed that 50% of the interviewees additionally support the producers and their communities in one way or another to empower further and support them. In conclusion, the roasters believe that paying higher prices than commodity coffee, offering pre-financing for the producers, and providing additional social support are impactful and morally good ways to increase the producers' lives, communities and overall living conditions.

7.2.2.2. Increased Trust Between Producers and Roasters

According to Gerard et al. (2019), "heightened trust sustains relationships through good and bad years" (p.8). The interviews show that 75% of the roasters are aligned with this statement. Those roasters have all talked about the importance of trust, by emphasising that trust is essential for their successful long-term relationships. SRDT6 describes the importance of trust with the producer as follows:

> There has to be a particular trust and reliability. You have to have the feeling that the trade relationship will work. Alternatively, sometimes, if something does not work, you do it better together next time. Of course, it has to be said as well that, for us, there is also a substantial financial risk involved, especially with the pre-financing. Furthermore, that is why we need reliability. [...] You also have to have enough trust in the producers that it will work. It has to be a mutual giving and taking. You need people on the ground who give you the impression that they care and are committed. It is simply a question of mutual trust, which is important for long-term, functioning relationships.

Working with pre-financing coffee has often been mentioned as being very risky, since trust is of utmost importance for the roasters, for this to function. SRDTT1 predominantly works with pre-financing and emphasises the importance of trust. They said, "Pre-financing naturally requires a great deal of trust. Because you send a lot of money somewhere, and you do not know whether it will come back. Here, you just have to trust your producer". The dataset showed that roasters are motivated to work with DT because they build connections with their producers, which over time builds trust and increases their relationship with each other. When trust is established their connection and overall relationship with each other often seem to increase as well.

It has become clear that trust is essential for the roasters in order to lead good relationships with their producers. Trust is especially important in the beginning, when actors start building relationships with each other. Still, it remains very relevant throughout the years. Since trust is also considered important in developing proximity, which is crucial for successful long-term relationships, chapter 7.3. will look more closely into the role of trust in initiating and maintaining relationships.

7.2.2.3. Increased Producers' Learning

As another social responsibility-related motivation for sourcing directly, Gerard et al. (2019) pointed out that the roasters usually aim to support producers' learning. The producers will acquire more knowledge and skills about coffee, when directly working together with roasters. The analysis of this thesis revealed that the roasters also cared about sharing knowledge with the producers. SRDT1 shared a story describing how they supported one producer transitioning from growing commodity to speciality-grade coffee. To help the producer, the roaster bought the entire harvest. This made it possible for the producer to not make any losses in the beginning and gain the first experience to continue growing different coffee qualities.

While material coffee quality is of utmost importance for the roasters (92% in the sample specifically talked about the importance of material coffee quality), the interviews further revealed that in the roasters' experiences, producers frequently have no idea how the coffee beans they grow are processed or consumed. To increase the producers' knowledge, 92% of the roasters expressed interest in exchanging coffee knowledge with the producers. 83% of the roasters are convinced that better knowledge about coffee quality, its preparation, and the consumer market is crucial for the producers' empowerment.

For SRDT6 and SRDT7, it is clear that producers have to drink the product themselves because that is the only way to improve the quality. SRDT6 says, “If they don't know their coffee, their own product, they cannot change it because they don't know what it is supposed to taste like.” SRDT7 opinions are aligned with this. In their experience, many of the producers often don't know what happens to their crop and/or can't imagine it. In order to change this lack of knowledge the roasters try to educate their producers in one way or another. SRDT8 said that together with a local partner, they have set themselves the goal of conveying the basic knowledge of how coffee is consumed to the producers. On origin trips SRDT6 usually brings photos and shows the producers what they do with the beans to consume them. SRDT6 said that, “many producers have never seen an espresso machine or a roaster and have no idea what actually happens to the green bean as soon as it leaves the farm.” SRDT6 further believes that especially good coffee quality is important for the successful sale of the coffee. They explain that:

> We (the producers and the roaster) are all in the same boat. We need a certain quality. Otherwise we won't be able to sell the coffee. If we can't sell the coffee, we won't be able to buy as much coffee. Which in turn is bad for them. That isn’t good for anyone involved. So, we need a certain quality standard. Only then can we sell it well. (SRDT6)

Overall, 75% of the roasters believe that increased producer knowledge is important. It empowers the producers, gives them more confidence, and equips them with the necessary knowledge to cater to end consumers. SRDT1 points out that, “in the end, it is important for the producers to know about the coffee and the end market to increase their success and profits”. SRDTT1 explains the importance of having good knowledge about the product and the end market as follows:

> Those who know what their product is worth have an advantage. These producers are usually also those who are themselves present on the consumer side by visiting the importing countries. One of our producers from Brazil is very experienced in this area. They know exactly what their coffee is like and what it can do. They also make frequent trips to consuming countries. Moreover, it is similar in Guatemala. You can also see those producers' self-confidence, especially when negotiating prices. Producers who know how things will turn out in the end, i.e. who know what their

product is worth, also have self-confidence when negotiating prices. Having that knowledge and that confidence is certainly an advantage on the producer's side.

This chapter has shown how some roasters also work with DT out of social responsibility-related motivations. These roasters believe that paying producers better prices will benefit them and their communities, lead to more trust and better relationships, and aid the opportunity to exchange and share coffee knowledge with producers, which they believe is important for overall producer empowerment and the producers long-term success.

7.3. Analysis on the Importance of Proximities When Initiating and Maintaining Relationships

As the motivation of roasters to source directly and establish direct contacts was discussed in the previous chapter, this section will examine these relationships in more detail. It will first explore how these relationships are initiated, and then discuss how they are sustained over time. To analyse these relationships, the dimensions of geographical proximity, social proximity, and cognitive proximity will be used. These three proximity dimensions will help to facilitate a more thorough analysis of the data. The first part of this chapter focuses on understanding the process by which direct relationships with roasters are established. In this context, geographical proximity and social proximity have been found to be particularly important. This is followed by the exploration of social proximity, demonstrating how it can be helpful in the maintenance of relationships. Finally, cognitive proximity is discussed, highlighting the importance of knowledge between roasters and producers for the success of long-term relationships.

7.3.1. Establishing Contact with Producers: Linkages Between Geographical and Social Proximity

The analysis of the interviews showed that 75% of the roasters were, at the time of the interview, not actively looking for new producers. Only 25% of the roasters explicitly said that they were looking for new producers. Since all roasters are committed to long-term relationships, searching for and establishing new contacts are therefore rare. The steps that are involved when looking for new producers have been described as very similar. Once the need for a new contact has been established, the roasters usually start searching for a fitting producer, which has been described as "identification and initial contact with potential DT partners" by Guimarães et al. (2020). This stage includes the roasters actively looking for contacts they want to work with, or the producers contacting the roasters. It became clear that the roasters predominantly started the search themselves. Those searches either start online, by asking their contacts within the coffee community, or even by visiting coffee farms at the origin. In the case of SRDT2, they described the initial process of looking for and finding a new producer as follows:

> We asked our contacts in the coffee scene and inquired if anyone knew of other cooperatives in India that work according to our values. We asked them for relevant contacts. This is how we found out about various cooperatives that seemed interesting to us. We then started researching those cooperatives online and contacted one of them via email. And then we started having video calls with them. Finally, and this is a condition for us before we even import coffee from a new cooperative, we went there and had a look on site and talked to them. Visiting producers directly on site is important so we get to know them, and that they can also get to know us. And then we see and ask ourselves if theory and practice fit together? In this case, we went to India and spent about a week on-site with them. Today, we are importing coffee from them.

Another common practice of roasters is getting in contact with producers on origin trips, where roasters would travel to producing countries and visit coffee farms. 75% of the interviewees described that this is a great way to get to know producers and establish first contact with the producers. SRDT7 described that they travelled to Colombia to look for a new producer, as they were in need of more coffee. Two roasters (that is 17%) have roots in two different coffee-producing countries in South America. Both roasters grew up on coffee farms and have a lot of contacts and friends there. If they need more coffee, they simply ask their contacts for suggestions on where to source additional coffee.

While it is usually the roaster who looks for new producers, the interviews also revealed that producers themselves also try to get into contact with roasters. One way which has been described is by the roasters receiving coffee samples by post from the producers. In that way producers try to get their attention and start the first ties with them. SRDTT1 said that they would frequently receive coffee samples from producers, which is often uninteresting for them. However, they also said that recently, the quality of a sample they received stood out, so they started to become curious about the producer. This led to them getting into contact with the producers. Today, they buy coffee from them. 25% of the roasters also said they had also met producers at coffee events or fairs. SRDT1 explained that they met one of their producers at an European coffee event. The producer was on an European tour and wanted to get to know the European market and look for potential roasters they could collaborate with.

When starting up new relationships with producers, 75% of the roasters mentioned that on-site visits are a prerequisite for them. They pointed out that a personal visit is most important for them in the initial stage of the relationship. During those initial visits, both parties get to know each other and discuss their values and how they want to work together. This stage has been described as "partner selection, establishment of rules, and beginning of DT" by Guimarães et al. (2020). Since partner selection and the beginning of DT was the focus of the inquiry within the interviews of this thesis, establishing rules was not. Therefore, there is no data describing the third stage of the implementation of DT.

While visits in the beginning of the relationship are crucial for the roasters, 92% described the importance of continuous visits every one to three years. They believe that in-person visits are key for successfully maintaining their relationship with the producers. SRDT3 said that:

> We try to visit producers every two years, especially with young value chains, with relationships that are not yet so old. When the relationship is established, and you know each other very well, we don’t visit so often, anymore. For those relationships visiting every three years is also okay. Because with those relationships there is this mutual trust, and the added value of the visit is less than that of a young value chain that is just emerging. [...] We started sourcing coffee in Uganda last year, and the three small farmers we work with don't just simply trust us. We have to earn their trust first. [...] In this case, it is important that we go back after a year, revisit the people and ask how everything has worked out for them. [...]. So it takes a few years until you have reached this trust, and you can talk about a real relationship.

SRDT2 described the importance of origin trips for them as follows:

> One experience we have had with Corona is that the internet alone or contact in any form of online medium alone is not enough. You cannot clarify everything if you do not talk face-to-face occasionally. During the coronavirus pandemic, we were put on pause for two years and could not travel. Furthermore, it was vital that we could travel again because many issues had to be discussed directly, which could not be clarified with an email, WhatsApp, Facebook or even a video call.

The importance of direct visits has been confirmed by the other roasters as well. All roasters mentioned that direct visits are crucial for successful long-term relationships. SRDT6 also adds that face-to-face visits are also important to retain the loyalty of the producers. In their case, they only work with producer cooperatives. In those visits, they discuss with the individual producers how important it is that they sell their coffee to the cooperative and not on the local market. The roaster said that for those talks, we need to be there in person to convey the message but also to be able to speak to many individual producers with whom we are not in contact otherwise. Moreover, they also shared that they often get feedback from the producers that they appreciate the visit and find it motivating. These findings also correspond with the proximity literature. Torre (2008) states that short- or medium-term in-person visits to key states can create temporary geographic proximity. These brief face-to-face interactions can be enough to trade, communicate, and establish various forms of proximities for cooperation. Less frequent visits are required after establishing the ground rules and getting to know one another. Thus, Torre (2008) argues that permanent geographical proximity is unnecessary for knowledge transfer.

92% said that, for the most part, they are in contact with the producers throughout the entire year. They believe that regular contact throughout the year is central to maintaining a successful relationship. Frequently exchanging thoughts with each other helps to maintain the relationship and builds social proximity between them. SRDT7 said, “For us, this personal contact is significant. That you simply maintain contact with each other, so to speak. I think that is the most important thing” (SRDT7). It has also been pointed out that there are periods when the contact is more intensive. SRDT6 describes that those periods of more contact include when the contract is issued and when the coffee is shipped. While frequent contact is important, SRDT3 also has pointed out that the frequency depends significantly on each relationship. There are relationships where they often hear each other and exchange even private things unrelated to their professional work engagement. They also described other relationships where the producers have no cellphone reception, so frequent exchange is no option. For those relationships, most of the exchange happens when the roasters visit the producers every two years. SRDT3 also describes the level of contact with the producers as follows:

> There are farmers with whom we are in contact almost every week. My colleague recently told me she had exchanged a book recommendation with a farmer in India. And then there are these relationships where you see each other every two years, and then you do not hear from each other for two years, but we talk with other people who have the opportunity to do so.

While online messaging tools are convenient, 67% think that those services cannot replace regular in-person visits. SRDT2 said:

> Being on-site is right at the top of our priorities because only face-to-face exchange ultimately builds and strengthens this relationship of trust. Over time, you gain the trust and this openness to say or ask what does not work well and what your needs are. What are our needs, too? Moreover, to create the basis, so to speak, to say that if you have a clear need and you are in need, then tell us, and we will try to support you in solving the problems.

In conclusion, in the majority of the cases, the initiation of the contact happened from the side of the roasters. Further, it has been demonstrated that early on in a relationship, (temporary) geographic proximity is crucial. The roasters believe that being on-site and getting to know each other face-to-face is inevitable when starting a new relationship. Additionally, the roasters noted that regular communication throughout the year is also important for a successful relationship, as it helps to establish trust and increases social proximity. While roasters consider regular in-person visits are necessary, internet communication services can help to stay in touch all year.

7.3.2. Why Social Proximity Matters for the Maintenance of Relationships with Producers

To further analyse the continuation of creating relationships, social proximity is beneficial. As Boschma (2005) pointed out, social proximity examines the personal relationships between the actors. He points out that trust, kinship, and/or familiarity can be analysed to show social proximity. Social proximity, in particular, relies on the mutual trust of both actors. Research on DT and relationship coffees confirms that some elements of trust are required for a positive relationship between the actors. Vicol et al. (2018) also refer to the importance of trust and argue that a breach of trust can result in a total breakdown in business relationships. Following the analytical framework by Edelmann et al. (2020), this master's thesis aims to evaluate social proximity from the roasters' perspective by examining three dimensions: 1. trust, 2. knowledge about each other, 3. degree of personal acquaintance.

Starting with trust, 75% of the interviewees said in the interviews that trust is one of the most important qualities for a functioning long-term relationship. The remaining 25% in the sample might agree as well, but have not explicitly mentioned trust throughout the interviews. SRDT1 emphasised that the relationship cannot be maintained without trust from both sides. This roaster further said that they trust their producers, but if something happens that breaks that trust, they will terminate the relationship. While trust is important, reliability has been mentioned in 25% of the interviews as well. SRDT1 said that being able to rely on each other is equally valuable in a long-term relationship as trust. They further emphasised:

> Reliability is actually the most important thing for us. The trust is lost if we promise something and do not keep it or if the farmer promises something and does not. A classic example is when we receive good samples and the coffee delivered at the end is bad. (SRDT1)

Research confirms that, among other things, reliability is an important quality when establishing trust (Balland et al., 2015; Dubois, 2018). The level of trust between the actors differs, so does their levels of social proximity. However, it became clear that trust and reliability are of high relevance for the actors. If there is more trust, the relationships are better as well, which translates into higher social proximity.

The second dimension that analyses social proximity is knowledge about each other. 92% of the roasters described that getting to know the producers is important for them. 45% of them mentioned that they make sure that their values align before entering into new relationships. The five roasters (that is 42%) who only source organically certified coffee, pointed out that since this is important and a core value, they would only look for producers who also value and work with organic principles. For SRDT3, getting to know one another is of very high importance. This roaster shared that they always plan a lot of time on their coffee origin trips to properly sit down with the producers to really exchange and discuss with each other. For them:

> It is always a condition that we visit the farm and sit with the producers. Moreover, I am not talking about getting out of the jeep, shaking hands, getting back in, and driving on again, quickly signing that you were there. However, I am talking about sitting together for hours and hours, discussing, getting to know the farms and the producers, and getting a feel for the people. That is very important to us. (SRDT3)

Overall, the sample showed that roasters aim to get to know the producers as much as possible before entering into direct relationships with them. While getting to know each other to a certain extent before entering a trading relationship seems common, the interviewees also pointed out that deepening their knowledge about each other throughout the years is also important. 33% described that with the years going by, their knowledge about their producers increases, which all of them welcome. 25% also emphasises the importance of producers getting to know the roasters as well. They believe that mutual knowledge about each other is important for a good relationship. More knowledge about each other leads to better relationships (which have often been described as friendships) and overall higher levels of social proximity.

The third determinant to analyse social proximity is to look into the degree of personal acquaintance. This includes how the actors get along with each other and whether they would describe themselves as business partners or friends (Edelmann et al., 2020). The interviews show that the degree of personal acquaintance differs from roaster to roaster. Some roasters seek a higher level of friendship than others. SRDT1 and SRDT2 referred to their producers very often as friends. However, they also pointed out that their relationship varies from producer to producer. SRDT1 describes his relationships as follows:

> We have very strong relationships and less strong ones. It always depends. The longest relationship is with a producer from Brazil, and his son is now also involved in the company. When I met the son for the first time, he was still a student, and now he is a real businessman and is already fully involved in the business. We were also invited to his wedding last October. We have a good friendship with this particular farmer.

The same roaster also describes that with a more recent contact, they developed a great friendship over a very short time. They talk on the phone every week. SRDTT1 exclusively refers to his producers as 'business partners', even when the relationship has been going on for many years. Roasters have very different levels of relationships, so categorisations are not made. This analysis also revealed that, once more, face-to-face visits are critical for many roasters to foster a good social relationship with their producers. When they see each other regularly, more friendly relationships develop and deepen between them, which affects the degree of personal acquaintance.

To summarise, geographical proximity is important at the start of a new relationship, while social proximity helps maintain and strengthen it over time. The level of social proximity varies between roasters and between roasters and producers in this thesis sample. A certain level of trust and knowledge about the producers is required for all roasters to start a relationship in the first place. Trust and reliability are deemed crucial for the degree of relationship between roasters and their producers. Relationships suffer when there is insufficient trust. Sometimes, a breach of trust can end the relationship altogether. 42% of roasters report high social proximity with certain producers, describing them as friends with a deep understanding of each other. In contrast, other relationships are more formal, where roasters refer to their producers as trading partners.

7.3.3. How Joint Knowledge Leads to Cognitive Proximity and Further Strengthens the Roaster-Producer Relationships

Boschma (2005) defines cognitive proximity as the knowledge base of the actors and discusses the extent to which their knowledge bases overlap. He argues that an overlapping knowledge base is essential for communication and learning. The actors shall at least partially share knowledge bases in order for them to communicate, comprehend, and process information together (Boschma, 2005). According to Balland et al. (2015), knowledge bases between the actors will become more similar through learning processes. However, he also adds that diverse knowledge bases can help with inventions and learning from each other (Balland et al., 2015). Based on Edelmann et al.'s (2020) analytical proximity framework, this master's thesis evaluates cognitive proximity from the roasters' perspective by examining 1. differences and similarities of actors' knowledge bases (this includes production, processing, preparation, and consumption), and 2. forms of knowledge exchange and learning.

The interviews show that the knowledge bases of the actors differ, and no overall conclusions can be drawn. Some roasters and producers have very high differences in their knowledge bases, and other rosters have very similar knowledge bases. In terms of coffee production and coffee processing, SRDT1 share their experiences as follows:

> Overall, coffee knowledge, in my experience, is already very good in many countries. One thing that was very interesting for us though was that Kenya knew very little about coffee processing, when we started trading with them. Because for years, they just made washed coffee, and everything was nationalised. There was relatively little knowledge. However, I am sure a lot will come in the next few years. Coffee knowledge is very different from country to country. For example, we recently received a sample from an incredible farmer in Ecuador. The technique they had was just amazing. Nevertheless, you cannot generalise the countries. There are farmers in Kenya who know their way around processing as well. However, the masses lack knowledge. Especially with fermentation, but also because they did not get the chance to experiment.

In the case of this particular roaster, they described that there is little overlapping knowledge base with their Kenyan producers. However, the roasters shared a broader knowledge base with a producer in Ecuador. Another roaster, SRDT3, shares his experiences as follows:

> The knowledge of the farmers we work with are very different. There are super sophisticated farmers, and we also work with farmers who have minimal coffee knowledge. One of our producers, for example, travels to Japan, Europe, and the USA at least once a year. So he travels more than we do. And then he takes part in these championships with his coffee and stuff. He knows a lot more about the final market or more than we do in some cases. Moreover, take Ethiopia as an example. In that case, understanding the final product is certainly much more limited there.

The interviews showed that knowledge bases range from very different to quite similar. However, it became evident that the differences still dominate. Half of the roasters (50%) had stories where they shared something similar to the quotes from above, pointing out that the producers' knowledge is still quite different. Especially in terms of preparation and consumption, the knowledge bases between the two actors vary. As the quote above shows, some producers do travel a lot, acquire a lot of knowledge about the consumer market abroad, try to get a better idea of consumption habits and learn about coffee preparation. Nevertheless, these appear to be outliers. While 25% of the roasters said that they share similar knowledge bases with some of their producers, the rest of the interviewees described situations with the producers where producers lack knowledge about the preparation and consumption of coffee.

SRDT6 told one story that describes this lack of knowledge as:

> In my experience, many producers often do not even know what happens to their coffee or cannot imagine it. I had a situation in Guatemala just last year. I always show photos around to show what we do with their coffee. Moreover, many people have never seen an espresso or even a roaster. They often have no idea what happens to the green bean. In Guatemala, a producer asked me why the coffee was brown. They had no idea that the beans turned brown while roasting. They just thought we consume coffee when it is green and had no idea what we were doing with the coffee we got from them. We need to explain what we do with the coffee and show them what it looks like.

Second to the knowledge base of the actors, Edelmann et al. (2020) also included knowledge exchange in their framework. Knowledge exchange is mutual and typically benefits both, the roasters and the producers. SRDT6 said that:

> The increase in knowledge for us is enormous. You are always learning new things. Especially this whole agronomic part, which is not our expertise at all. New things are always invented and tried out, and so on. Furthermore, you learn a lot, especially with the very dedicated farmers or cooperatives.

67% roasters pointed out that for them, knowledge exchanges specifically happen through in-person visits, where the roasters can share their experience and knowledge with the producers and learn from the producers as well. The roasters described that most knowledge exchange happens through direct communication. 42% mentioned that they also try to educate the producers when they visit them on their farms. They organise workshops and trainings, and have coffee tastings together. SRDT3 spoke about their project to make knowledge more accessible for producers via a website that the producers can access. Their idea is to connect producers more locally with each other, and have a platform for them, where they can access knowledge about different related topics. The roaster says:

> We are trying to build a platform with agronomic knowledge. This has nothing to do with the final market, but we want to make this information available. [...] It is interesting and relevant that farmers have access to agronomic knowledge outside their little bubble, so that they can make decisions about what knowledge they want to use on their farm. Alternatively, find out how another farmer deals with a certain problem. With our platform, we try to make science-based knowledge available to them. We do not want to tell people what to do but provide them with scientific, evidence-based knowledge that they can access for free. They can then decide what they want to do with this knowledge. (SRDT3)

As we have seen, the knowledge bases of actors are very different. Some share high cognitive proximity, which means they have the same or similar knowledge. Others have low cognitive proximity where the actors share minimal knowledge base with each other. Throughout the actor's direct relationships, which include regular contact and in-person visits, mutual learning opportunities occur, which can also increase cognitive proximity. Higher cognitive proximity further motivates exchange and open dialogues between the actors. In turn, this can discourage opportunistic behaviour (Boschma, 2005). Just as we have seen in the former subchapter about social proximity, cognitive proximity is also confirmed beneficial, by this subchapter's data, for preserving and strengthening the relationship between the roaster and producer.

7.4. Experiences and Learnings about the Future of Directly Sourced Coffee

The last chapter has discussed how relationships typically start between roasters and producers and how they maintain those relationships over time. This last part of the master's thesis analysis of the results aims to identify the advantages and disadvantages the roasters get from sourcing coffee directly and building long-term relationships, from the point of view of the roaster. It further seeks to understand and discuss what can be learned from the roasters' experiences, not only for the future of relational coffee models but also for the overall future of the speciality coffee industry.

7.4.1. Advantages and Disadvantages

Overall, all the roasters expressed that they receive many advantages and long-term benefits from sourcing coffee directly from producers and building relationships with them. Those advantages partly match the motivations for entering long-term relationships in the first place, which have been discussed in Chapter 7.2. To avoid repetition, the benefits will only be discussed briefly. 83% mentioned good coffee quality as the main advantage of sourcing coffee directly. This includes the ability to exchange with producers about coffee quality and gives them the opportunity to influence the material coffee quality. 42% also pointed out that DT provides the safety and stability of a reliable coffee supply every year, which they consider as a big advantage. SRDT5 emphasises the security of a reliable coffee supply, stating that "it is a big advantage that we do not have to go looking for new coffee every time we need coffee". SRDT6 agrees and points out that DT comes with "stability advantages, predictability, and the long-term nature of the trade relationship [...] we can simply rely on a reliable supply of coffee beans".

The second aspect that has been highlighted as an advantage is transparency. 58% within the sample appreciate that they possess the knowledge of where exactly their coffee comes from. They appreciate having this transparent supply chain and know not only what product they work with but also the people who produce the product. Those five roasters who work only with organically grown coffee, shared that this kind of transparency is a significant advantage, because they can be sure that the coffee is grown without pesticides and in harmony with the environment. SPCR4 summarises:

> We know which product we are working with. We know that we work with high-quality products and where the coffee we roast and sell comes from. We can also be sure that no mess is made throughout processing; for example, we can be sure that no pesticides are used. Moreover, we can track the coffee from the farm to the roaster or beyond and understand what happens to the product. This transparency is the main advantage for us.

While the benefits of a better coffee quality, stability, and transparency were frequently mentioned throughout the interviews as advantages and long-term benefits, the interviews also showed that roasters usually get more than one advantage from DT and direct relationships. Other advantages that were mentioned, but not as frequently, were good relationships, better prices, and an increase in coffee-related knowledge.

The roasters also expressed some disadvantages or risks with DT and direct relationships. 50% spoke of direct trade coming with a big general risk when establishing new contacts and forming relationships with people one does not know yet. Three of those roasters specifically talked about the risk that is involved in the initial phase of establishing relationships with producers. SRDTT1 talks about not knowing how relationships will develop and believes it only becomes more relaxed once trust has been established. The same roaster said that:

> Risk is critical when establishing a new relationship with a producer. This early time is primarily characterised by higher risk. If you buy from a trader, the coffee is usually already on site in Hamburg, the Netherlands or Italy. With a trader you can safely buy coffee from them. It is tangible, and you have more legal certainty. Nevertheless, you must be sure what you do if you import coffee yourself. Buying coffee and importing it yourself is simply very risky. (SRDTT1)

Four other roasters confirmed this worry, and also expressed particularly at the beginning of starting new relationships with producers, that a higher risk is involved. This is strongly connected to the financial risk that is involved in coffee trade. As discussed earlier, many of the roasters in the sample work with pre-financing. SRDT1 describes this financial risk as follows:

> A container costs 120.000 Euros upwards. Let us say a medium-sized roaster roasts 40 tons and wants to pre-finance these 40 tons, then they are at 250/ 300.000 Euros. You do not pay that amount when you have roasted the coffee. Instead, you pay for that when you order the coffee. After that, the coffee is on the road for at least two to

> three months. Only then can you roast the coffee. First, a roaster must have liquid funds to finance the harvest in advance. This is the biggest challenge. And then you have to hope that the container arrives on time and in the expected quality.

Eight other roasters (75%) agree that the financial risk of directly trading coffee is high. SRDT6 said:

> I think any professional business person would probably throw up their hands and say, what are you doing? Are you crazy? Maybe one has to be a bit crazy to finance coffee like that. At least one has to be prepared for the worst because the money can also suddenly be gone. Not just the money, but the coffee too.

While financing the coffee and having the coffee arrive on time seems challenging, another risk factor mentioned many times is that contracts may not get fulfilled. While 75% of the roasters described that each harvest, they make a contract with the producers, three of them said there is nothing they can do about it if the coffee does not arrive at all or arrives in worse quality than ordered or expected. Those same three roasters specifically spoke about the risk of coffee quality being delivered in worse quality than expected. SRDT1 describes that it has happened a couple of times that they tasted the sample, and after that ordered green coffee. But in the end the product that arrived tasted much different than they expected. In most of those situations, the roasters described that they didn't continue with the relationship. However, they also emphasised that this rarely happens with long-term relationships. SRDT1 further points out:

> A huge challenge is simply quality assurance. For example, Many people do not know enough about humidity or ageing. You buy a container that tastes great, and after six months, it becomes woody because it has been poorly dried. [...] So it is a challenge because what do you do with the coffee that does not arrive as expected? That is always a risk.

Also, SRDTT1 continues:

> The problem is that if there are quality deviations or if contracts are not fulfilled, then you are in a bit of a legal grey area if you are outside of Austria or Europe. Then it is difficult to deal with problems. You can insist that the contract has not been fulfilled or the coffee has arrived in bad quality, but often, you can do nothing about it. So, this is a big risk factor when you directly trade coffee. That is also why the trust aspect is so important.

Another challenge that has been expressed by 25% of the roasters, is that with long-term relationships they usually order coffee and count on the amount they ordered. However, those same roasters have experienced situations in the past, where the producer suddenly couldn't deliver the coffee that was promised. Often climatic circumstances were the problem, as heavy rainfall or long dry periods make coffee cultivation in many producing countries increasingly challenging. SRDT7 describes their challenges as follows:

> It is a risk for me with one cooperative in particular that I work with. I do not know whether they will even have high-quality coffee next year. The quality is very variable because climate change is now extreme in South America, and the coffee harvest is no longer what it used to be. The weather is very unreliable, which also makes the harvest unreliable.

The same roaster further pointed out that this uncertainty is very hard to work with. In the same context two roasters emphasised that working with speciality coffee traders sometimes makes things easy, because they would usually take care of those challenges and help the roasters with a suitable coffee. Also, coffee import has been described as a big challenge in itself. 67% of the interviewees do the coffee import themselves. Among them, five specifically described coffee import as very challenging and stressful at times. 25% specifically talked about the risks involved in shipping containers. SRDT5 says that "one just has to be careful not to make any mistakes, because in the worst case scenario, a container or a load with coffee gets stuck somewhere, and that is a lot of money that one loses". They have experienced a situation before where a container didn't arrive due to an error in the documentation, resulting in significant financial loss for the roaster. While the import is risky, it is also time-consuming. SRDT2 said that:

> Doing the import yourself is extremely hard and requires much work. It is worth it, of course, but it is an incredible amount of work. Our import working group does virtually nothing else. They look after imports all year round and are in contact with our producer cooperatives.

One last point that has been mentioned by 25% of the roasters are language barriers and cultural challenges that they typically encounter when sourcing coffee directly with producers. Sourcing coffee from remote areas where producers only speak local dialects have been mentioned as extra difficult. SRDT1 tells about their experience when working with indigenous coffee producers:

> If Spanish and English are not enough, then we work with translators. This is particularly important when we work with smaller farms, for example with indigenous peoples in South America. But then it often gets very adventurous. First we translate from English to Spanish and then from Spanish to a local language and from that to the next local dialect. Then it's translated four times and sometimes the result is really something entirely different.

SRDT3 roaster also mentioned that overcoming language barriers can be challenging at times. They have experienced that language or cultural hurdles often end in less contact with those producers. Also relationships are different when one has to communicate with translators or needs other people to explain local traditions and customs.

While this thesis asks for the advantages and disadvantages, Guimarães et al. (2020) have incorporated a "DT's risk and benefit assessment" (p. 50) into their eight stages of DT. According to the authors, throughout each year of the relationship, each actor should individually evaluate the benefits and risks of implementing DT. If the actors' expectations are not met, the terms of the formal or informal contract are renegotiated, or the relationship is entirely terminated. If the results meet their expectations, the actors renew the contract for another harvest (Guimarães et al., 2020). The interviews showed that the roasters discussed the benefits and risks of directly sourced coffee. However, none of the interviewees mentioned an assessment after each harvest period. They might have done that but did not mention it. The roasters said that when contracts are not fulfilled, or a breach of trust happens, roasters terminate the relationship altogether. In Guimarães et al. 's (2020) stages of DT, this phase is called the "decision to continue or terminate DT relationship with partner" (Guimarães et al., 2020, p. 50). The sample shows that the roasters typically work with their producers for a long time and invest in solid and long relationships. They evaluate the relationship, but that happens especially at the beginning of establishing a new contact. When the contact is established, and they know each other for longer, they do not frequently make benefit and risk assessments. The interviews also showed that roasters would not terminate a long-term relationship lightly. Some examples that have been shared include when the quality of the material coffee quality turns out to be very bad and far from what was expected. Another reason for terminating a relationship that has been mentioned is when a producer is generally unreliable. SRDT5, who only works with organic certified producers, describes two situations when they had to terminate relationships:

> It happened to us once that one of our producers gave up growing organic coffee because it was no longer profitable for him. Because it would have meant more work and more costs for him. That is understandable and comprehensible. So we stopped working together because organic is a key criterion for us. Another producer told us they wanted to work with us but did not deliver the coffee when agreed upon and repeatedly disregarded agreements. We had to end that too because it is unacceptable if we cannot rely on the producers.

While the roaster had to terminate a relationship in those two instances, they also said that terminating long-term relationships happens very rarely. Usually, trust has been built up, and everyone knows and trusts each other. In Figure 6, Guimarães et al. (2020) have pointed out that deciding to continue DT relationships with selected partners usually strengthens the relationship. This might be true, but it cannot be answered, as it was not part of the questionnaire, and the interviews did not yield any reliable data on that.

7.4.2. Learnings, Estimates and Suggestions about the Future of Directly Sourced Coffee

The last topic of this master's thesis discusses the roasters' learnings, and what they believe is important for the successful future of DT and relationship coffee models. Overall, it can be said that all roasters of the dataset are convinced that sourcing coffee directly from the producers and building long-term relationships is the best way to work within the speciality coffee industry. SRDT2 believes that:

> The direct form of trade should be the general goal in the speciality coffee industry, although I would not say that all roasteries should start importing individually now because it may not be worth the effort if one only has a small roastery that roasts a few tons a year, so it may be unnecessary to do all the importing themselves. However, the import process as a whole must be carried out so that one knows where the coffee comes from and makes this transport route or the entire trade chain as transparent as possible; that is how it should be done.

Also SRT1 is convinced that not everyone has to import coffee themselves and further said:

> Not every roaster has to fly all over the world, all the time to meet producers personally. I think it often makes no difference to the farmers whether someone comes and shakes hands for two days. Then, a few days later, the next roaster comes, shakes

> hands and buys coffee there once. And then the same roaster buys the coffee somewhere else the following year.

This roaster also thinks that, even though the coffee is directly sourced, the producer does not sustainably benefit from that trade, as it happens sporadically and is not a stable and reliable trade for the producer. 92% of the interviewees are convinced that sourcing coffee from the same producers year after year is important. In that way, the producers can rely on a stable demand from the roaster. SRT1 points out that this can also be done with the help of a trusted importer to achieve stability for both actors. The roaster suggests that this model should be considered for the future of the speciality coffee industry. The roaster argues that, what is important is not so much the direct contact with the producer, but more so the stability and continuity of ordering coffee from the same producers. This can either be done through a trader or by the roaster themself.

Another point that has been highlighted in the interviews is the need for more collaboration between roasters. SRDT2, who has direct relationships with all their producers, arranges co-imports for other roasters. They believe that it does not have to be the case that every roaster makes the imports themselves. Instead, the roasters should join forces and import together. In the case of SRDT2:

> Other roasteries can join in with our imports. We buy and import coffee for them. In this way, not every roaster has to import smaller quantities of coffee themselves. But they still get the benefit of knowing where the coffee comes from and can even get to know the producers directly, by joining us on origin trips.

Another model practised by two roasters is that of a working group, where different speciality coffee roasters from all over Europe import coffee together. Both roasters have pointed out that they get many benefits from that model. They split up the work among all members, which makes sourcing coffee much simpler and more straightforward. Each country has a responsible person in their group who is in regular contact with the producer. Those responsible persons visit each producer regularly and share the experiences of the in-person visit with the rest of the group. That way, not every roaster has to travel to every producer. This is a more environmentally sustainable way of sourcing coffee, because the carbon footprint will be lower. Those two roasters also talked about the benefit of spreading financial risk and the overall risk that comes with importing coffee among all members of the working groups. SRDT4 roaster said that:

> One of the reasons we organise ourselves from a loose circle of friends in the beginning, into a work association that works with each other, is that there usually is much money involved when a container of coffee is on its way. It is very risky. Initially, one of us imported it and then sold it to the others. However, we said we wanted to share the risk within our community. If something happens, then it affects us all. We formalised this to keep the risk manageable for the individual and that we are liable as a community and tackle the risk together.

The way they work brings many benefits for them. SRDT4 said they wanted to be seen as a role model and set an example with their model, especially in Europe. Also, SRDT6 says that:

> Our approach is also intended to show a little how coffee purchasing can be done differently and how small roasters can also take part in a direct exchange. It should also show that it is possible to produce good quality coffee at appropriate prices and work with cooperatives in the long term, and one not always has to be on the hunt for the best coffee possible. And, we also show that it is possible to do that only with organically grown coffees, as very few speciality coffees are certified organic. However, our example shows that it is also possible to grow it sustainably. So it is our idea to show how it can be done.

For both roasters, their way of sourcing and importing coffee is a model that has potential for the future, and they would want to see more roasters working together in working groups as they do. This trading model could also help adapt to challenges that affect a steady coffee supply. As it has been discussed earlier, roasters pointed out that climate change or other global political problems sometimes also affect coffee supply. Individual roasters who work alone sometimes end up with no coffee, which has been described as very challenging. SRDT4, who works in a working group, said that working together allows roasters to ask for help if one runs out of coffee. In this way, people can help each other, which has been described as a significant benefit. While all roasters shared their opinions about their suggestions for the future, 58% also emphasised the importance of understanding the producer's side by recognising their challenges and needs. 25% of the roasters specifically argued that the success of direct coffee sourcing can only come with the understanding of the producer's circumstances and by having relationships with the producers at eye level. Although directly sourced coffee and direct relationships come with risks and additional challenges, the results show that roasters are convinced this method of trading coffee is the most efficient way and brings benefits for roasters and producers. They believe it has the potential to move the speciality coffee industry forward and can make an overall positive contribution.

8. Discussion

Up to this point, this thesis has presented the results of the interviews. The following section will critically engage with these findings. It will focus on the most significant and relevant aspects. However, it won't be possible to cover every detail, and particular attention will therefore be given to the most important elements in order to provide a deeper analysis and interpretation. The following section is structured into four parts, each concentrating on a key aspect of the discussion. The first part reflects on the current role of intermediary actors and what their potential future position within DT and relationship coffee models might be. It will especially highlight why they could play a valuable role not only for roasters but also for producers, which could potentially aid in fostering better long-term roaster-producer relationships. The second part discusses roasters' pursuit of the highest quality coffee, while simultaneously addressing power imbalances and the potential risk of exploiting producers. This part will reflect on the question about who really benefits from DT and relationship coffee. The third part contemplates the challenges of establishing and maintaining relationships. It also discusses the concept of social brokerage and evaluates its potential as a solution to strengthen roaster-producer relationships. The final part reflects on the future of relationship coffee models, discussing the positive impacts of empowering producers', the beneficial role of collaboration, and how solidarity among all supply chain stakeholders could impact the speciality coffee industry.

8.1. The Potential Role of Intermediaries in Roaster-Producer Relationships

All roasters stated that one of their primary goals is to shorten the supply chain and build long-term relationships with producers. They consider the reduction of intermediaries in the value chain as positive, because they believe that a shorter supply chain enhances transparency. Increased transparency ultimately allows them to better understand the origin of the coffee, the producers themselves, and the practices on the farm. The roasters also emphasised that only when the supply chain is short, clear and manageable, they are able to build meaningful relationships with the producers. Direct relationships make open exchanges on topics such as coffee quality possible. They further offer a more direct approach to resolving any issues that may arise. While direct relationships benefit the roasters, they also believe that they come with advantages for producers as well. Such advantages are greater stability, better prices, and the opportunity for learning and knowledge exchange.

While eliminating intermediaries has been described as positive and beneficial for both actors, roasters and producers alike, a growing body of literature argues that intermediaries might be especially valuable for smallholder producers. Borrella et al. (2015) have addressed and emphasised that selling coffee directly to roasters can be challenging for small-scale producers, as they are often more vulnerable and marginalised and lack the possibilities to sell their coffee themselves. “Connective businesses”, as Borella et al. (2015) call those intermediaries, are essential in linking small-scale producers to the speciality coffee market. They argue that without intermediaries, many of these producers would struggle to sell their coffee and risk losing access to the market entirely. Intermediaries help these producers as they can facilitate market entry, help with selling their beans, and aid establishing direct relationships with roasters. Borrella et al. (2015) are convinced that connective businesses have a central role in the coffee trade by enabling DT relationships, especially with the most vulnerable producers (Borrella et al., 2015). It has furthermore been pointed out that intermediaries benefit the producers because they can provide them with pre-financing (Grabs et al., 2024). Access to finance has been described as one of the most significant challenges for small-scale producers (Deresse & Zerihun, 2018), which is also confirmed by this thesis analysis. Without pre-financing options, small-scale producers are especially at risk of accumulating debt. They often cannot reinvest in the farm, which may affect crop yield and quality (Charles, 2023). Grabs et al. (2024) suggest that midstream actors could even help alter the current situation by “adopting innovative pricing models” (p.7), such as cost-plus pricing or profit sharing, where producers would be able to cover their costs and receive a more significant portion of profits (Grabs et al., 2024). Bennett and Grabs (2021) carried out an analysis of the profit-sharing model, suggesting that applying “profit sharing can distribute value without requiring suppliers to compromise price stability, profit maximisation, value creation, or alternative economic opportunities” (p. 1).

Grabs et al. (2024) argue that the knowledge intermediaries possess may be important for long-term sustainability of speciality coffee relationships. They point out that midstream actors often have in-depth knowledge and valuable local insights and perform a wide range of often unseen and, therefore, underappreciated functions. They believe intermediaries' role for sustainability is underestimated and should be acknowledged as important actors within the supply chain (Grabs et al., 2024). However, Borrella et al. (2015) also point out that despite their importance, they are almost invisible within the SC-GVC. The role of connective businesses is often not mentioned by roasters (Borrella et al., 2015). This has been the impression throughout this thesis' interviews as well. The roasters talked openly about their sourcing practices, but only after precise inquiries from the researcher did they also explain that they sometimes or regularly rely on intermediaries. Only one roaster specifically pointed out that, for them, intermediary service providers are important for a successful relationship with the producers. SRDT3 believes that:

> Each actor should concentrate on what they do best. This means the producer should concentrate on the agronomic part and produce the best coffee possible. The exporter should ensure that the coffee export is done properly. On the other side, the importer should focus on the import of the coffee, and the roaster should concentrate on roasting and not on logistics.

This case is an example of a roaster who relies on service providers who help with export and import but is still in contact with the producers and cares for direct relationships with them. For this roaster (SRDT3), a successful direct trade with direct relationships, is not necessarily restricted to only involving producers and roasters, but can (and even should) also involve more stakeholders.

While this master's thesis is specifically interested in DT, it also makes room for reflection on whether DT is *the* way of trading coffee, considering the results of chapter 7.1., which showed confusion, disagreement or simply a diversity about how to define the concept. This coincides with the literature findings. MacGregor et al. (2017) examined DT voluntary schemes in the US and Scandinavian coffee industry. They argue that DT, as a voluntary scheme, aimed to promote and standardise ethical sourcing practices. However, in the meantime, US-based coffee companies have distanced themselves from the term DT because standards are not being coordinated or enforced, leading to its co-optation (MacGregor et al., 2017). Also, Gerard et al. (2019) have discussed DT in the context of the US coffee market and came to a similar result. They call the unrestricted use of the DT label 'free-riding', which is caused by the absence of third-party certification (Gerard et al., 2019). According to

Gerard et al. (2019), free riders can reduce the value of DT altogether by undermining consumer confidence and damaging the reputation of companies that use DT (Gerard et al., 2019). This problem has been pointed out numerous times in the interviews. The confusion around the term shows that using DT as a description is not necessarily helpful, and might even be contradictory. DT typically goes hand in hand with direct relationships with producers, which has been pointed out as a big motivation for the roasters to practice DT. The sample also showed that roasters do not strictly have to have direct relationships with the producers to be reliable partners. One roaster in the sample works solely with a trusted speciality coffee trader. This roaster gave important insights into sourcing coffee through an intermediary, where they do not have direct contact with the producers. However, they still build reliable and stable connections with the producers. This specific roaster had been buying coffee from some of the producers since the establishment of the roastery, more than ten years ago. It is a valuable proof of how long-term relationships are possible, even though the intermediary actor primarily communicates with the producer.

8.2. Material Coffee Quality and Direct Relationships - Who Truly Benefits From it?

When discussing the roasters' motivations for sourcing coffee directly from producers, the interviews revealed that quality is the primary driving factor for most roasters, as shown in Chapter 7.2. While there were differences in how much emphasis each roaster placed on material coffee quality, it was clear that to them quality is a key determinant for successful relationships. Even those roasters who primarily sourced coffee out of social responsibility, still highlighted the importance of seeking the best possible coffee quality. The roasters considered quality to be so essential that, in rare cases, poor or unsatisfactory quality could lead to the termination of relationships. This emphasis on material coffee quality confirms a previous finding by MacGregor et al. (2017). All roasters within this research said that with DT they get better material coffee quality than they would otherwise receive. This conclusion is also consistent with the finding of Gerard et al. (2019), who states that roasters continuously receive coffee of superior quality with DT. Davion and Ponte (2005) have also highlighted that quality is an important motivation for actors to participate in value-added markets (such as the speciality coffee industry). The issue with primarily focusing on coffee quality lies in the inherent power imbalances it creates. Producers still predominantly depend on buyers and roasters to benefit from their high-quality coffee. It has been criticised that it is mostly roasters (and buyers) who predominantly establish quality standards and dominate the quality lexicon. This in turn creates dependencies as producers rely on roasters and buyers to evaluate their coffee (Quiñones-Ruiz, 2020). This has been argued to be problematic, as diverse forms of power are typically exercised by those who possess the information, establish the regulations, and have the financial resources (Grabs & Ponte, 2019). Grabs and Ponte (2019) also explain how buyers (in this case, roasters) exert power through defining coffee quality and sustainability. Overcoming this power inequality is, however, not a straightforward task. In order to benefit producers, Samper and Quiñones-Ruiz (2017) suggest designing sustainability and quality differentiation models that are relevant to coffee-producing communities and engage all stakeholders of the coffee supply chain to increase the economic well-being of producers (Samper & Quiñones-Ruiz, 2017).

The impression of 75% of the roasters is that small-scale producers often do not drink coffee and lack professional knowledge, making it challenging to assess their own beans or set coffee prices independently. Rui (2023) has engaged in an anthropological study about coffee producers in China. They identified the lack of up-to-date information and professional knowledge about coffee prices, coffee varieties, or new harvesting techniques as a problem for producers, as it hinders their economic development. Rui (2023) also argues that the producers' "limited knowledge inhibits their profit-earning potential" (p. 39), as producers set the prices based on the information that is available to them (Rui, 2023). Boaventura et al. (2018) pointed out that improved producers' knowledge of coffee (including cultivation, processing, preparation, and consumption preferences) and consumers' perceptions of quality may enhance the product's quality, the producer's negotiating position, and can ultimately lead to a better income (Boaventura et al., 2018). Edelmann et al. (2022) add that it may strengthen the producer's self-esteem as they gain confidence in the product they sell, which can also positively affect the coffee quality. They further argue that producers' may even gain more appreciation and can build a positive reputation for their coffee (Edelmann et al., 2022). While reputation seems important, Edelmann et al. (2022) also emphasise that knowing their coffee seems to be even more important for producers. Producers are often in the tricky position of having to stick to the demanded quality definitions of roasters, while having to deal with shifting circumstances concerning coffee production. They have to handle changing climatic conditions and deal with local infrastructure, harvesting, and processing. Also, producing high-quality coffee requires specific knowledge, skills, and often call for more effort from the producer (Edelmann et al., 2022). The interviews revealed that roasters value knowledge exchange and recognise its importance in helping producers build knowledge and increase their confidence in their own coffee. The roasters showed that they make an effort to engage in regular knowledge exchange, where face-to-face visits have been pointed out as specifically helpful. For producers to fully benefit from direct roaster-producer relationships, it appears to be essential that they prioritise knowledge exchange, as this ultimately leads to their empowerment. Otherwise, one might question the true benefits producers gain from these direct relationships.

Roaster-producer relationships also provide an opportunity for roasters to offer feedback on coffee quality. Roasters inform producers about the desired material coffee quality and offer guidance on how to achieve it. This interaction can help increase coffee quality and provide a learning opportunity for producers. However, it is important to reflect whether these direct interactions and relationships truly benefit producers. SRDT9 emphasised that DT and direct relationships can also risk exploitation of coffee producers. Coffee prices fluctuate, and while all roasters in the sample pay higher prices than commodity coffee would do, most still aim to avoid paying excessively and hope for stable, reasonably low market prices. In case market prices are high, it would mean higher prices for roasters to pay. SRDT9 shares some of their experience:

> The last time the price for coffee was high was during COVID. We had roasters going to Colombia, trying to convince farmers not to charge them the premiums. And often they [the producers] did not. They did not charge premiums because they had thought they were friends. Moreover, The roasters asked nicely, and the farmers were committed. The roasters had been buying from the farmers for a long time, and to maintain that relationship, the farmers did not charge the premiums. The farmers said we will not charge you the premium this year so you can hang on. [...] For the farmers, it is better to have a long-term client than nothing. However, when the situation is at the other extreme, and the price is at the bottom line, roasters will always show who the more powerful player is. This is just one story. It seems to me that staying in business and making a profit are the only important things to roasters. However, when it is about the producer and about staying in business and making a profit for the agricultural suppliers, it seems like, if you are lucky, you will make a little. However, if you do not make a profit, then it is like, oh, …, well.

While this example may seem discouraging and suggest that roasters are primarily driven by self-interest, highlighting the power imbalance where roasters ultimately decide the fate of producers, the interviews of this thesis also revealed that the roasters genuinely care about the producers. They explicitly express intention and aim to increase producers' income, improve their living conditions, and build trust for long-term relationships. They also want to enhance the producers' learning and skills, which can be part of the answer to empower and even out the power imbalance between roasters and producers. Although roasters may appear to be the more powerful actors, largely focused on their own interests (primarily related to material coffee quality), they still have the potential to positively impact the value chain and treat producers as equal partners. Building honest and transparent relationships, with open dialogue and clear communication seems to be the way forward.

8.3. The Importance of Social Brokerage and Connectivity for Establishing and Maintaining Relationships

The interviews revealed that it is predominantly the roasters who initiated new relationships. Only in rare cases had the producers approached the roasters themselves. It was also the roasters, who determined the price and decided if they pay premiums or not. Also, the roasters made sure the material coffee quality matched their expectations and were the ones who decided when relationships were terminated altogether. These results are echoed in the work of Boaventura et al. (2018), who argued that roasters, or any other intermediary actor, have greater control over the bean, while producers have the least control. Roasters (or other intermediaries) are in the powerful position to decide whether to buy or not to buy a bean, if premiums should be applied, and after all determine the final price of the product they buy (Boaventura et al., 2018). Thus, it seems reasonable to assume that, even in the case of speciality coffee roasters, they are the more powerful stakeholder in the roaster-producer relationship. Grabs and Ponte (2019) argue that underlying power inequities between buyers/roasters in importing countries and producers from coffee-origin countries have remained fundamentally unchanged. Roasters usually have more knowledge of the global coffee market, direct contact with end-consumers, and financial liquidity and security (Grabs & Ponte, 2019). In order to allow the least powerful node within the coffee supply chain to openly say whatever they feel, especially during the interactions with more powerful actors, Quiñones-Ruiz (2021) suggests the usage of social brokers, which she defines as “connecting, knowledgeable, observant and trustful actors" (p. 108). Most roasters handled the brokerage for their directly traded coffee themselves, connecting directly with producers without the help of intermediaries. However, 33% of the roasters described purchasing coffee through traders who managed the entire process and communicated with the producers for them. One roaster described having a partner in India (the country where they source all their coffee from) who acts somewhat as a cultural broker and translator. They assist with communication with the producers and provide reports back to the roaster. In some cases, speciality coffee traders connected the roasters with the producers. Quiñones-Ruiz (2021) argues that social brokerage can especially be helpful for the producers, who are usually the less powerful actors. One roaster in the sample emphasised their belief, that in the future, "cultural translators" will likely play a much more important role in the coffee industry. They specifically talked about remote coffee communities where language and culture differ vastly from the roaster, making communication increasingly difficult. Another roaster also pointed out the problem of overcoming cultural differences they often face in origin countries. In order to bridge those cultural differences, the help of cultural translators will be beneficial. These are two scenarios mentioned in the interviews where cultural brokerage could become increasingly relevant to facilitate better communication between roasters and producers, thereby enabling the development of stronger relationships between them. Quiñones-Ruiz (2021) has also pointed out that social brokerage is important for producers to voice their concerns and discomforts. Her involvement as a broker in Colombia helped producers voice their discomforts and feelings and better understand what the roasters look for and what work roasters generally do. At the same time, it made it possible for roasters to get to know producers and their coffee, to understand farming conditions, and to help them verbalise their wishes and needs. With the help of social brokerage, Austrian roasters and Colombian producers started social ties (Quiñones-Ruiz, 2021). Social brokerage can also help engage all supply chain stakeholders, not only when starting social ties but also when maintaining relationships. They can precisely do that in the form of brokers as translators or as boundary workers (Reinecke et al., 2018). Quiñones-Ruiz (2021) emphasises that "relationships are all about negotiating different perspectives and conventions" (p. 115). She further argues that people from the coffee industry frequently take for granted the ease or clarity of these discussions. These discussions or negotiations would occasionally require taking alternative viewpoints seriously, often from the most vulnerable actors along the coffee value chain.

Quiñones-Ruiz also reminds us that colonial patterns are still part of the GVC, and building collaborative relationships with the help of social brokerage is relevant to counteract “opportunistic stakeholders” (Quiñones-Ruiz, 2021, p. 115).

8.4. Why Producer Empowerment Matters

The results regarding the future of DT and long-term relationships with producers indicate that most roasters believe sourcing coffee directly from producers is the optimal trading model. As discussed in earlier chapters, there is no universal approach to DT. This variability is evident in the different types of actors from whom roasters source coffee, including individual producers, producer cooperatives, family-owned farms, and speciality coffee traders. It is also clear that the type of producer roasters choose to work with is often influenced by their company values and underlying goals. This pattern is particularly obvious among roasters who exclusively work with producer cooperatives. These roasters believe that cooperatives offer more than just a means for smallholder producers to sell their coffee, but also come with valuable opportunities for knowledge transfer, support, enhanced producer engagement, and, ultimately, their empowerment.

SRDT6 describes their reasons for working only with producer cooperatives as follows:

> There are a lot of really small farmers, especially in the coffee sector, who do not have much land, they cannot produce much, and it would be complicated for them to market their coffee well. Because they do not have the quantity, they would sell their coffee on the local market and just get the available price. We believe that wherever people join to form a cooperative, they share knowledge and their power or gain power as sellers of their green coffee. Furthermore, we, as roasters and buyers, can then, in turn, guarantee to pay stable prices and be a reliable partner. We also want to promote these structures that stabilise the farmers, even in bad times.

The roasters further highlighted how producers who are part of coffee cooperatives can engage with each other and even learn from one another. This gives them the possibility to interact with like-minded people who often face similar challenges. Producers can enhance their knowledge of coffee quality and processing, which may ultimately lead to improvements in the overall quality of their coffee. SRDT2, who only works with producer cooperatives, also points out that the broad distribution of knowledge and wealth between individual producers is a key reason why they only work with producer cooperatives. They believe that if roasters support and buy coffee from producer cooperatives, additional support for producers is possible.

Exclusive roaster-producer chains have been criticised for only benefitting the individual producers, and not the larger community. It often does not involve regional development, knowledge transfer or learning (Edelmann et al., 2020; Vicol et al., 2018). Kumar et al. (2015) define cooperatives as an "autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through jointly owned and democratically controlled enterprise" (p. 1258). Wollni and Zeller (2007) showed that participating in cooperatives helps increase the producers' coffee prices. They argue that cooperatives can provide producers access to information and financial support. While small-scale producers are often excluded from new market developments, cooperatives can further assist those producers to adjust to the market's new requirements. They can be highly valuable for small-scale producers (Wollni & Zeller, 2007). Also, Glasbergen (2018) considers the organisation of individual producers into producer collectives as important. He argues that this might, in particular, help small producers who cannot make a difference in the market on their own. Cooperatives play a crucial role in helping producers overcome the challenges they face (Kumar et al., 2015). Similarly, Kodama (2007) emphasises that producer cooperatives can support small-scale coffee producers by providing essential resources, which they are often lacking. Such resources can range from capital, and transportation, to transparent information on prices. Furthermore, it has been pointed out that in the global market, a cooperative is acting as a representative of coffee producers. In this way, the cooperative may be able to negotiate better terms than a single producer (Kodama, 2007; Glasbergen, 2018) and enables them to compete collectively in the market (Pandian and Ganesan, 2019). Panadian and Ganesan (2019) further argue that producers who are part of producer collectives might benefit from increased yields and higher net returns for their produce. While producer cooperatives offer numerous benefits to individual producers, one of the most significant advantages seems to be the overall empowerment of producers. However, Boaventura et al. (2018) have pointed out that the situation is more complex than it appears. Cooperatives purchase coffee from individual producers, typically paying them fixed prices. If producers were able to identify bean quality more effectively, they could add more value to their products and improve their ability to negotiate better prices, even with the coffee cooperative (Boaventura et al., 2018).

Direct trade and relationship coffee models also often “require more skills and effort in high-quality coffee production and coordination and have created some dependencies. Farmers still rely on roasters for their benefits” (Edelmann et al., 2022, p. 32). The success of producers to a large extent still depends on the more powerful players in the value chain, such as roasters and buyers. In order to change power dynamics, Edelmann et al. (2022) argue that relationship coffee models must be altered to empower producers. Otherwise they remain firmly established in their colonial dependency environments (Edelmann et al., 2022). Once again, knowledge of coffee quality, processing, and farming techniques seems crucial for producers to secure better both prices, relationships and enhance their overall empowerment.

Civera et al. (2019) argue that improving relationships along the supply chain and putting low-power stakeholders and vulnerable groups at the centre of a relationship network can reduce the power asymmetries of marginalised and vulnerable groups, which can lead to their empowerment. They also identified eight empowerment areas of vulnerable stakeholders: 1. Addressing basic needs, 2. Upholding human rights, 3. Sustaining income and productivity, 4. Developing business skills, 5. Enhancing self-awareness and negotiation skills, 6. Supporting business creation and entrepreneurial innovation, 7. Strengthening governance and organisational structure, 8. Developing collaborative partnerships (Civera et al., 2019). They further argue that empowering low-power stakeholders is a strong mechanism that generates value for all parties. It allows producers to become more independent in their personal and business related lives and enhances the quality and transparency of relationships founded on trust and well-rounded decision-making (Civera et al., 2019). In particular, Candelo et al. (2018) have analysed low-power, vulnerable stakeholders in the coffee supply chain. They have shown that empowerment aimed at small-scale producers can help them acquire particular knowledge, skills, and abilities that encourage their involvement in value co-creation initiatives. As a result, it can help to mitigate some of the vulnerability factors common to the coffee supply chain (Candelo et al., 2018).

This thesis’ interviews showed that not all producers, who the roasters work with, are small-scale producers lacking knowledge and resources. It has rather become evident that the roasters work with a diverse range of producers, some of whom possess higher levels of coffee know-how and skills than others. These highly skilled coffee producers are seen not just as coffee producers, but as experts with extensive resources and knowledge, and a strong sense of confidence in their work. Glasbergen (2018) has suggested that the empowerment of small-scale producers “requires a change in perspective from farmers as sole producers of raw product to farmers as entrepreneurs who run a business. Farmers who run a business add value to their product” (p. 250). This goes hand in hand with whether producers working with DT and relational coffees can capture a significant value share. The interviews revealed that roasters are concerned about the living conditions of their producers and hope that producers can earn enough from their coffee to sustain a livelihood. Capturing value often occurs when actors can “create, enhance and capture a greater share of product value” (Neilson et al., 2018, p.5). Usually, roasters can create and capture value by controlling the symbolic quality attributes of roasted coffee through brands, trademarks, and origin stories (Daviron & Ponte, 2005). Coffee producers, in contrast, are involved in value creation but are not involved enough with value capture (Daviron & Ponte, 2005).

SRDT6 states:

> Our perspective is always that the producers can live from their work. We have to pay them a lot more for them to do that. (...) Nevertheless, our goal is to improve the living conditions of the producers. That will always remain our goal. However, we are still a long way off. Even if everyone always talks so nicely about what they have done, the producers can enhance their living. Well, I do not know. The reality of many people's lives is still different. Moreover, for that, we would all have to pay much more for coffee. (...) Furthermore, that would be our goal, so to speak, to ensure that not only the bare essentials work, but perhaps more.

Quiñones-Ruiz and Salcedo-Montero (2023) argue that “value capture is achieved by controlling the quality attributes, achieving a relational approach embedded in social proximity and joint knowledge building” (p. 14). Their research showed that a collective project, ‘Red Ecolsierra” (in short: La Red), based in the Sierra Nevada in Northern Colombia, could capture value by delivering high-quality roasted coffee to a buyer. The producers themselves proposed roasting at their origin, which creates more excellent value for them. They could govern their work and were seen as partners by other chain actors. As Quiñones-Ruiz and Salcedo-Montero (2023) points out:

> Lengthy relational processes based on robust internal governance, strong personalities, the relation of producers to their natural and human resources [as] well as knowledge building (e.g. beyond primary production and compliance with certification schemes) are key prerequisites for producers to capture value. (p. 14)

One roaster in the sample works with roasting at the origin. SRDT7 stated:

> The coffee we buy is processed in the country of origin. By processing, roasting and labelling our coffee beans in Colombia, 100% of the added value remains in the country of origin. This way, we can promote local jobs, education, and opportunities in Colombia. This approach enables a fair income distribution along our entire value chain and contributes to the sustainable development of the local community.

This is one example that offers a positive outlook for the future. Empowering producers enables them to be viewed as business partners, rather than as mere coffee actors in need of assistance.

9. Conclusion

The main goal of this master's thesis was to explore relationships between roasters and producers from the roasters' perspective, offering insights into how these relationships are established, practised, and maintained. Exploring relationships between roasters and producers is increasingly important as direct trade and direct relationships gain popularity in the speciality coffee industry. The analysis revealed that there is no definitive answer on how these relationships look like, as they vary significantly. While roasters acknowledge benefitting from direct relationships with producers in several ways, it also became clear that they have strong social intentions which are directly aimed at improving the producers' circumstances. Roasters are aware of issues of inequality faced by their producers and express high moral standards in their relationships, which demonstrates that they are not motivated solely by personal gain. In fact, many roasters emphasise the significant financial risks that are involved when sourcing coffee directly from producers. They consistently highlight their good intentions and provide concrete examples of how they uphold high social standards for everyone involved in the production of the final product. This thesis found that, while unequal relationships still exist, particularly in terms of knowledge and financial control, roasters often use their position to empower the producers they work with. They achieve this by promoting collaboration between roasters and producers, facilitating the exchange of knowledge, offering encouragement, and providing continuous support. In conclusion, roasters are addressing these unequal relationships not only through good intentions but also by actively working towards fairer and more equal partnerships. The final conclusions and answers to the research questions will be presented in the following section.

To conduct an in-depth analysis of the roaster-producer relationship (shown in Figure 3), the first step was to identify the key actors within the value chain of the relationship coffee models practiced by the roasters in the sample. The analysis revealed that roasters generally engage with four main types of actors: individual producers, producer cooperatives, family-owned farms, and speciality coffee traders (who have their company headquarter in either a coffee origin or coffee importing country). It was further shown that the roasters either have very clear principles on whom they want to work with (e.g. 33% exclusively work with producer cooperatives) or collaborate with a mix of different coffee actors. It also became clear that the majority of the roasters did not want to work with intermediaries, or only do so in rare cases. However, it has been argued that working with intermediaries comes with benefits, especially for the producers themselves and should not be excluded as a way of trading coffee. This was demonstrated by one roaster in the sample, who exclusively trades through a trusted speciality coffee trader. Although the roaster does not have a direct relationship with the coffee producers, they continue to support the same farm year after year, helping with pre-financing of the coffee. This provides the coffee producer with stability, as they can rely on the roaster's consistent commitment to purchasing coffee from them annually. As part of the analysis, it was also investigated who maintains contact throughout the year and who actively builds relationships with one another. There is no straightforward answer to this, as it varies depending on the roaster, who engages with different individuals, such as individual producers, family members, or managerial staff, in the case of working with producer cooperatives.

To answer the second sub-question regarding the motivations of roasters to source directly and build long-term relationships with producers, their responses have been categorised into business-related motivations, and social-responsibility-related motivations. 92% percent of the roasters are motivated by both business-related and responsibility-related factors. While one category tends to dominate over the other, they are still driven by motivating factors from both categories. Four roasters (that is 33%) are primarily, though not exclusively, motivated by responsibility-related reasons, while one roaster is specifically driven by business-related motivations. The roasters expressed their overall satisfaction with the way they source coffee and interact with producers. Additionally, they are convinced that a direct relationship with the producers is the most beneficial way to trade coffee for themselves, but they expect that for the producers as well. It has become clear that material coffee quality is of high importance for all roasters, independent of which of the two categories they fall in. This opened up a discussion on power inequalities and the potential (and oftentimes indirect) exploitation of producers by roasters.

The third sub-question of this master's thesis explored how roasters establish and maintain relationships. Geographical proximity, social proximity, and cognitive proximity were used to analyse these relationships in greater detail. The analysis revealed that roasters can derive significant benefits from these connections if those proximities are established, which has also been argued by Edelmann et al. (2022). It has been shown that, while coffee actors are geographically distant, they can still develop close relationships. Typically, roasters initiate contact with producers through online searches or networking. The analysis also revealed that roasters often prefer to visit producers in person to get to know them and understand how they work before establishing an official relationship. Geographical proximity is only temporarily necessary. As soon as they have decided to work with each other, frequent communication and personal visits have proven to be important tools to increase mutual trust. This is also important in fostering increased social proximity. The relationship is typically maintained through online communication throughout the year, allowing roasters and producers to exchange with each other. This ongoing interaction strengthens their understanding of each other, the companies' values, and makes a dialogue about coffee production and the quality of the coffee possible, which is of high property for the roasters. Social proximity is important in the beginning and throughout the years. Developing social proximity helps for the maintenance and deepening of roaster-producer-relationships. Knowledge exchange typically plays an important part in the roaster-producer relationship as well, which increases cognitive proximity between the two actors and strengthens their relationships. As social and cognitive proximity grow, the relationship between the roaster and producer typically deepens, leading to greater recognition, pride, self-esteem, and personal growth for the producer (Edelmann et al., 2022). In considering a fair and respectful relationship, one could argue that if roasters gain a deeper understanding of how coffee is grown, including environmental challenges, and the time and effort producers invest in cultivating the beans, it could foster greater respect for the producers. As a result, roasters may feel more inclined to support them to the best of their ability, whether through increased prices, pre-financing, knowledge, or other means. By strengthening these connections, a sense of shared purpose can be cultivated, creating a more collective mindset where all parties work together, leading to stronger alliances and bonds.

The fourth sub-question asked about the overall experiences of roasters and their relationships and whether social brokerage could help to foster more successful relationships. Results showed that material coffee quality seems to be a crucial factor for roasters to have a satisfying relationship and continue sourcing coffee from the same producer. The relationships are often evaluated based on the steady supply of satisfying coffee quality and if those expectations are unfulfilled, roasters are inclined to stop a relationship. However, as all roasters in the sample are looking for long-term relationships, terminating a relationship with producers seems to be a rare action. Many of the roasters have very long relationships and haven't had any need to look for new producers in a long time. Additionally, because trust is a key element in these relationships, roasters mentioned that they would typically try to engage in a conversation with producers first, rather than ending the relationship abruptly. Overall, the interviews revealed that roasters are satisfied with their direct relationships with producers and are typically willing to invest significant time and effort into nurturing these connections. It has been shown that direct relationships with producers typically demand more time and effort than sourcing coffee through traders. Edelmann et al., (2022) also argued that direct relationships between producers and roasters are at times complicated or perhaps difficult because of language difficulties, differences in social capital, and divergent knowledge bases (Edelmann et al., 2022). It has been argued (Reinecke et al., 2018; Quiñones-Ruiz, 2021) that social brokerage might be helpful to create better relationships between coffee actors and might aid to overcome barriers faced by coffee actors. Two roasters have specifically pointed out that in their daily work, cultural and language barriers are tricky to overcome at times. Those two roasters do believe that external actors such as language translators, or cultural translators, are of high value and might play an even bigger role in the future of speciality coffee.

The final sub-question asked what can be learned from DT and direct relationships and what needs to be considered for the future. Results show roasters believe that DT is the best way of trading coffee, as they believe that it brings benefits for all actors involved. The roasters experience many benefits themselves and expect advantages for the producers as well. While higher relational proximity is supposed to bring benefits for producers, there are still challenges the producers face. As Edelmann et al. (2022) have pointed out, high-quality coffee demands more effort than conventional produced coffee. It also requires more know-how and skills from the producers. The roasters believe that they help producers by a steady demand of their coffee, by paying better prices and with the ability to exchange and share knowledge with them. However, Edelmann et al. (2022) further argue that direct relationships often don't help with challenges producers face, such as yearly uncertain climatic conditions, the required infrastructure that might not always be available for producers, and harvesting and post-harvesting processes that producers can often not access themselves. Additionally, communication between producers and roasters can be challenging at times, as their knowledge bases, social capital and language often differs (Edelmann et al., 2022). To overcome those "cultural differences", as one roaster has described them, and to help with the establishment of new roaster-producer-relationships, social brokerage might be useful (Reinecke et al., 2018, Quiñones-Ruiz, 2021). Social brokerage could serve as a tool to establish, facilitate, coordinate, and influence social relations across the value chain (Quiñones-Ruiz, 2021; Reinecke et al., 2018). Another challenge with relationship coffee models is the dependence it might create for both stakeholders. While roasters depend on producers for the delivery of high quality coffee, producers' dependence has been described as even higher, as their lives often entirely depend on the higher prices (Edelmann et al., 2022; Vicol et al., 2018). This thesis argues that empowering producers is key to reducing dependency, enabling them to make decisions, actively participate in the coffee market themselves, and transform power structures. To become more competitive and independent, producers should no longer be viewed as vulnerable and poor. Increasing their knowledge of coffee quality, processing, preparation, the end consumer market, and appropriate pricing is essential (Boaventura et al., 2018; Edelmann et al., 2022). Producers should also focus on improving quality at the origin, so they are viewed not merely as raw material suppliers but as respected business partners. It has been argued that joining a producers' cooperative, where they can connect with other coffee producers who are in a similar situation, share knowledge, and in the end become a more influential player in the coffee market, might improve their situation.

This master's thesis has shown that roasters can benefit greatly from direct relationships with their producers, and that roasters can learn a lot from direct engagement with producers. Thus, a more direct supply chain can be argued to add value to the future of relational coffee models. Altogether, this is an important confirmation of the serious engagement and interest by contemporary roasters and the ethical value of pursuing relationship coffee models, in an industry historically saturated with exploitation. This master’s thesis approached the topic from the roasters' perspective, providing meaningful insights into their motivations and intentions behind working with direct trade and building relationships with producers. However, the perspective of producers is equally important. While significant research on the producers’ viewpoint already exists (Edelmann et al., 2022; Jacobi et al., 2024; Quiñones-Ruiz & Salcedo-Montero, 2023; Vicol et al., 2018), further research is needed to fully understand the opinions and experiences of coffee producers. What are their perspectives, experiences, thoughts and feelings about DT and relationship coffee, and how does it compare to the perspective of roasters who clearly care about the producers? Future research that connects the experiences of both roaster and producer to provide stronger insights to the needs of producers and how this can lead to further empowerment, is still of high value. After all, as this thesis has shown, relationship coffee can be an act of solidarity and compassion, something the world can never have enough of.

10. References

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11. Attachments

11.1. Questionnaire

In recent years, the term "relationship coffee model" has emerged in the literature to describe a specific type of trade relationship between coffee roasters and producers. This model places a strong emphasis on direct trade, transparency, open communication, mutual exchange, and the active participation of producers. Fostering and nurturing these relationships is crucial, as is the idea of building long-term, trust-based partnerships that benefit all parties involved, ensuring fair and sustainable practices throughout the supply chain.

The primary focus of this thesis is to better understand the relationship between roasters and producers within the context of the relationship coffee model. Specifically, I aim to explore what this relationship looks like in practice, how it has developed over time, and the key factors required for its success in the long term. I am particularly interested in understanding the motivations, intentions, and attitudes of roasters towards this model. By gaining insights into their perspectives, the practical implications of relationship coffee can be better understood, and valuable lessons for the future of speciality coffee can be identified.

The interview will be recorded to ensure that no information is lost. The data collected will be anonymised.

1. **Introduction of the roaster: who are they, and what are the company's values?**
    - Who are you and what is your role in the company?
    - What are the core values of the company?
2. **The speciality coffee value chain**
    - How do you buy coffee? Where is it from and how do you import it?
    - Could you describe the key stakeholders in your coffee value chain?
    - How would you define this trading model? (Definition)
    - Why do you work with this specific trade model?
3. **Relationship coffee as a concept**
    - Have you heard about relationship coffee before?
    - What does relationship coffee mean to you?
    - Do you work with relationship coffee? Would you define your work as relationship coffee?
    - Is Relationship coffee a known concept in the speciality coffee industry, in your opinion?
4. **Relationship coffee in practice - geographical proximity**
    - Where do you get your coffee from?
    - How did you make the first contact with the producers?
    - How many producers do you work directly and on a long-term basis with?

- How do you maintain contact with your producers and how do you communicate with them?
- Who is the local contact person?
- How often and regularly do you hear/see/meet your producers in person?
- How does the physical distance between you and your producers affect your relationship?
- Are in-person visits important to you, why?

5. **Relationship coffee in practice 2 - social and cognitive proximity**
    - Can you tell me more about the collaboration between you and your producers? What does your collaboration look like in practice?
    - How would you describe the relationship with the producers?
    - Do you ask your coffee producers about their personal experiences of your relationship or do you seek feedback in any way?
    - In your opinion, what is most important for a functioning relationship between roastery and producer?
    - Do you have a similar knowledge base with the producers?
    - Do you exchange knowledge with each other?
6. **Lessons for practising relationship coffee - benefits and downsides**
    - What benefits do you experience for yourself/your company from this direct relationship?
    - What benefits/advantages do you expect for your producers from this direct relationship?
    - What difficulties and challenges do you/the company face as a result of this relationship?
    - What do you think are difficulties and possible challenges for your producers?
    - When you think about your collaboration with your producers: Is there anything you would like to change?
    - What if the collaboration doesn't work? Has this ever happened and why did it end?
7. **The roasters' advice about the future of relationships in coffee**
    - What contribution does this trading model make to the coffee industry?
    - What advice would you give to other roasters who also want to work with direct traded coffee?
    - Where do you see yourself/your company in the future? What is your goal?
    - Is there anything else we haven't discussed that you would like to share with me on this topic?