

Building Grower/Consumer Alliances for Confronting the Coffee Crisis

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In 2001, world coffee prices tumbled to all-time lows, devastating coffee-dependent farm families and their communities, in what became known as the global “coffee crisis.” Out of necessity, many farm families left their communities to find wage labor, while others cut down their coffee plants and shade trees in favor of cattle pasture. The integrity of coffee producing communities in Mexico and Central America was strained by emigration, biodiversity was threatened by deforestation, and denuded and trampled hillsides started to wash away in the tropical rains.

That same year, a group of researchers formed a network based on long-term relationships with various Latin American farming communities, most suffering the effects of the crash in coffee prices. They formed the Community Agroecology Network (CAN), a U.S. based non-profit organization, to support each other as researchers, network and share knowledge between the farming communities, and promote local empowerment and biodiversity conservation.

Four of the communities associated with CAN grow and export coffee as a main livelihood strategy. In conversation with researchers, communities in Agua Buena, Costa Rica; Matagalpa, Nicaragua, Tacuba, El Salvador, and Huatusco, Mexico asserted that finding stable alternative markets was their priority. It soon became a mission of CAN to build alternative markets that connect coffee producers with coffee consumers as directly as possible, so that they could sell a portion of their harvest outside the fluctuating and unpredictable global coffee market, receive a greater economic return, and more actively market their coffee.

CAN is now a vibrant network of farmers, researchers, students and consumers with links between the University of California at Santa Cruz (UCSC), the University of Vermont, five communities in Mexico and Central America, three coffee co-operatives, and several farmer's organizations.

Several of the coffee cooperatives associated with CAN are already Fair Trade certified by the Fairtrade Labeling Organization (FLO). The amount of Fairtrade coffee being sold in the world is skyrocketing, but the certification scheme has come under sharp criticism recently for failing to keep up with inflation and the rising cost of producing coffee, and for failing to live up to its claim that it enables farmers to pull themselves out of poverty (Holt-Giménez et. al. 2007).

CAN is trying to take 'fairness' further by creating a way of trading coffee that resembles a local farmers market as an alternative to the global system controlled by transnational corporations. At a farmers market, sales are direct and prices tend to be better for the consumer and the grower, and there are plenty of opportunities for person-to-person interactions. Despite the fact that most coffee drinkers live far from coffee farms, and direct, face-to-face sales are all but impossible, CAN strives to make their coffee business follow the same principles. Direct, long-term, and transparent relationships between producers and consumers are of primary importance. CAN calls this approach “Fairtrade-Direct”.

Two models of Fairtrade-Direct: Value Added and Profit Sharing

Taking advantage of Costa Rica's dependable mail system and the capacity to roast the coffee locally, CAN helped the Agua Buena cooperative set up a system to send roasted and packaged coffee directly to consumers in the United States. For \$11USD (including shipping) consumers receive a pound (approx. 450 grams) of fresh coffee delivered to their mailbox. After paying all costs, the farmers' cooperative nets a profit of approximately three US dollars per pound of roasted coffee. In Santa Cruz, a small staff of students and recent graduates take care of the importation logistics: orders, processing payments, legal paperwork, and acting as intermediary between consumers and the coffee farmers by translating language and cultural assumptions. One small, but important service CAN provides is registering each order with the Food and Drug Administration to meet the U.S. government's requirement for importing food products. Funds based on orders received are wired monthly directly to the co-op's bank account. These funds include the costs of roasting, packaging, shipping as well as the coffee and profits. CAN refers to this as the "value-added model," because selling a product directly to consumers, rather than a raw material, allows the community to keep the value of roasting, packaging and retailing their coffee in their community.

In Nicaragua and El Salvador, the need for a more direct market is similarly urgent, but the mail system is not reliable enough to replicate the value-added model. Instead, coffee is exported green (unroasted) in a bulk container shipment along with coffee from a U.S. based importer. In this "profit sharing model," green coffee is purchased at the Fair Trade Certified minimum price or above, and roasted and packaged in the Santa Cruz area. After sale to consumers, half the profits are wired to the cooperatives, along with a detailed report of sales and the costs of importing, roasting, and packaging. Over the past three years, CAN has been able to return \$2 USD per pound of green coffee (rather than the Fair Trade Certified minimum price of \$1.51 for organic coffee) to partner cooperatives in Nicaragua and El Salvador. The commitment to transparency, personal relationships, and returning a larger slice of the retail dollar to the farmer cooperatives is key in both models.

Unlike other organizations involved in alternative trade systems, CAN's trade innovation program is integrated with action education and participatory action research programs. CAN sees the Fairtrade-Direct program as an important action-education opportunity, in which student interns help sustain and improve the Fairtrade-Direct model. A program in participatory action research is important in connecting the improved market to conservation.

Action Education

University undergraduates, interning at CAN's offices at University of California Santa Cruz or with partner organizations in farming communities, engage in action education, defined both as education with a purpose and learning by doing. Students learn by working on the direct market, and the direct market grows on their creativity. A student's experience often begins at UC Santa Cruz, where he or she does much of the day-to-day workings of the organization, and continues as a field study internship in Mexico or Central America. In Santa Cruz, an intern might develop marketing plans, write promotional material, staff a booth at the local farmer's market, write grants, and even navigate government importing bureaucracy. All this practical education is an invaluable addition to the often passive pedagogy of lecture halls.

CAN's international field study program grounds students in the reality of rural Latin America. Students live and work with farmers and their organizations. They share life's everyday rituals, work on projects requested by the community, tie into existing research programs or senior thesis research, or gain practical experience in rural development with a farmer organization. Students spend time doing farm chores alongside farm families. Farmers teach and mentor interns in the practice and application of sustainable farming and community development. The intern fee provides a much-needed contribution to farmers' livelihoods, and justly compensates them as educators, while the cost to students is usually well under tuition and living expenses at a public university. Just as the Fairtrade-Direct program benefits both consumers and producers, the field internship experience is a mutually beneficial cooperation between farmers and students.

CAN's educational model has produced some concrete successes in its relatively short existence. CAN interns have helped to develop the direct market so it returns over \$100,000 USD per year to the cooperatives. A major piece of this market expansion occurred in 2004. After a concentrated campaign by students, UCSC began purchasing 50% of their total coffee volume for dining halls and coffee carts directly from CAN partner cooperatives in El Salvador, Nicaragua and Costa Rica. The dining halls took the academic learning of food systems to a level of action, strengthening both the education programs and the food policies on campus. Because of their commitment to CAN coffee and other local sourcing policies, the UCSC dining services has become a national model of an environmentally and socially responsible food provider. The integration of action education and the direct market is an important attribute of CAN's 'global farmers market' as it offers intercultural exchange and understanding of the marketplace to all who participate.

Participatory Action Research

Both the direct market and the action education programs of CAN grew out of the long-term relationships between CAN-affiliated researchers, farmers, and farm organizations. The trust and commitment that has developed over the years created the opportunity for alternative trade linked to sustainable farming practices in these highly sensitive tropical ecosystems. The researchers use participatory action research (PAR) to generate information the community will find useful to its own development.

PAR in Action

Tacuba is a small coffee growing community in Western El Salvador, a mountainous and biologically diverse corner of the nation. The farmer co-ops that work with CAN in Tacuba all border El Imposible National Park and provide an important ecological buffer zone to the country's largest protected area. Researcher Ernesto Méndez has been conducting participatory action research in this community for over ten years. Méndez' original research characterized shade tree diversity on coffee farms, and the way ownership over the land, market access and co-operative management affects on-farm diversity. All of the research objectives were formed with farmers in conjunction with action objectives. He used information on local shade tree management to help farmers improve agroecological methods. He paired research on the economic and environmental benefits of diverse farms with resources to help farmers access direct markets in the U.S. and form relationships with roaster-importers. In studying farmer organizations, he accompanied local farmers in forming a larger umbrella cooperative, a six year process, so farmers can export without a middleman. The whole PAR process in this case produced both new knowledge and positive social change, the goal of any action research project. Finally, the research helps

CAN researchers approach their work as a cycle, collaboratively identifying issues of concern on which research is conducted, reflecting preliminary results back to the community involved, creating steps for concrete action, and sharing the research results with all involved parties. In participatory action research, whether information is collected on biodiversity, economics, soil health, or a wealth of other topics, data helps form the foundation for community decisions related to sustainable development.

Results of CAN's Fairtrade-Direct Market

How have CAN's efforts over the past four years progressed toward its mission of sustaining rural livelihoods and environments?

CAN's direct market aims to reconnect the two most important players in the food system, the growers and the eaters, where both benefit from the exchange. Rising shipping costs in the value-added model have been a challenge to CAN's efforts to keep the price fair for consumers and producers. Although CAN's volume of sales is relatively small compared to the total production of each community, a combined sum of approximately \$100,000 USD was returned in 2007 to the three CAN-partner communities that participate in the direct market. As these models become more established, the direct market grows, and producer organizations get stronger, CAN will be developing ways to take this alternative market to a larger scale.

The greatest impact of the direct market has been on the farmers in the area of Agua Buena, Costa Rica who are able to mail their coffee directly to consumers in the U.S. (the value-added model). In 2004, a group of 50 farm families formed CoopePueblos Cooperative, after their larger regional cooperative had collapsed due to the coffee crisis and mismanagement. This new cooperative is committed to sustainable practices and has been able to return a higher price to their members than other cooperatives in the region because of increased revenue from the direct market. The cooperative works closely with CAN in planning marketing strategies and educating consumers. Through the direct marketing partnership, farmers gain knowledge of consumer demands and how they can meet them, develop long-term relationships with students and consumers, and take pride in the quality of their coffee and their capacity to deliver it. Their economic benefits of their efforts are felt beyond the farm since all of the value-added costs: roasting, packaging, shipping remain in the country of origin.

For the consumer, CAN works toward moving beyond an awareness of trade justice to engaging coffee drinkers in alternative trade networks. Consumers in the network know where their coffee comes from and have the opportunity to become more engaged with farmers. When harvesting their coffee, a farmer knows it is going to someone who is aware of the quality. In the words of one CoopePueblos Cooperative member: "I want to sell my coffee to special clients who value that we produce sustainably."

As CAN establishes this alternative model it's important to ask whether the model can grow to sell more of the cooperatives' coffee. All the cooperatives CAN currently partners with would like to increase their volume of sales through this market, and, of course, there are many other communities that could potentially benefit from this network. Over the next year CAN will examine the potential of working with socially responsible coffee companies to offer a conservation-based brand that is connected to research on enhanced biodiversity and improved livelihoods of the coffee farmers. One

day we hope to see this model expand into collaborations with other groups, other producing communities, and other products. Products that currently benefit from consciousness about Fair Trade like cacao and tea, and many other specialty products produced in the global south, could easily be brought into the “global farmer's market.”

CAN's Fairtrade-Direct market, education, and research programs strive to form egalitarian relationships between producers and consumers, to connect people over the coffee we drink so that together we can make a more just and environmentally sound world to live in.

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