

# A Success Story

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## Re-linking Farmers and Consumers: A Successful Coffee Story

by Mary Hendrickson

The bins and dryers, roar of machinery and stacked burlap bags looked familiar. The stories of world-wide price collapse and corporate concentration sounded familiar. But hot temperatures and high humidity in January – not in Missouri!

Instead I was touring the coffee processing plant of a 900 member cooperative in southern Costa Rica. Bulk coffee ready for export to the US surrounded us – no corn in these bins.

Staying with a farm family in the mountains on the Costa Rican-Panamanian border, I heard and saw the agriculture stories of the Midwest, thousands of miles away. Monocropping of coffee had induced erosion and soil depletion that now had to be controlled by returning to natural ecological systems to produce a shade grown coffee.

Outsiders had honed in on a traditional crop. In this case Vietnam – not Brazil – had precipitated worldwide price collapse with their entry into low quality coffee production in the 1990s. Sara Lee, Nestle, Procter and Gamble, and Kraft have a stranglehold on the world's coffee trade – dominating almost 70% of the market I was told.

Even with low-paid laborers from Panama, farmers can still not afford to hire coffee pickers, let alone the input costs of their long-standing cash crop. Young people are leaving the community, heading north to San Jose or New Jersey.

*It sounds all too familiar doesn't it?*

But this is not a tale of despair. Instead, farmer members of the Coopbuena cooperative are actively changing their futures. Last year, the cooperative managed to sell 36 million pounds of coffee for an average price of 48 cents a pound – not good, but 16 cents a pound better than seven other coops in their region.

### *Their secret?*

First, they have been certified to sell fair trade coffee. Instead of coffee going from their cooperative to an exporter, then a broker, roaster, importer and distributor, they are shortening the marketing chain.

With fair trade, green coffee goes from their cooperative to an importer, a roaster and then to a retailer. Selling 13% of their coffee at the guaranteed fair trade price of \$1.26 per pound helps the bottom line.

Second, they have developed an extensive community education program. Reforestation, composting coffee berry hulls, vermiculture, and helping farmers transition to organic production are just some of the activities the coop is

undertaking to help farmers reduce costs, prepare for a premium market, and add new cash streams to their bottom line.

However, their most audacious undertaking is selling coffee **direct** to US consumers. In the US, we drink one-fifth of all the coffee grown in the world. What better market to capture? Working with a non-profit organization, the Community Agroecology Network (CAN), based in Santa Cruz, California, farmer members of Coopbuena are establishing direct connections with US consumers who drink Coopbuena's coffee – grown, processed and roasted by the members of the coop.

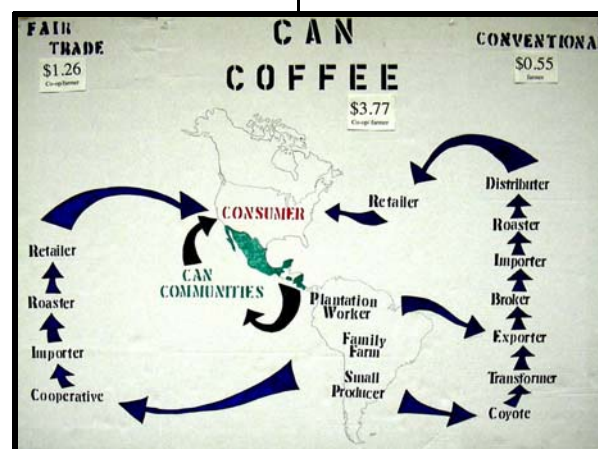


Diagram of alternative coffee pricing strategies.

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*How can it work to link producer communities with consumer communities over such a wide distance?* First, CAN sends students and visitors to Coopbuena on a regular basis. I was one such visitor and I'm hooked on their products. But they also sponsor farmers from Coopbuena to come to the US and tell their story.

Second, CAN opened a bank account in California, which farmers access through an ATM card in Costa Rica. Orders in the US are collected and money deposited by CAN, but then farmers in Coopbuena take over. Coffee is shipped directly from the cooperative to consumers in the US for \$8.50 a pound.

Third, producers and consumers are invested in the relationship. Farmers had to take on new responsibilities such as roasting coffee to the specifications of coffee drinkers in the US. Coffee consumers get a great price on premium coffee, but even better they have the satisfaction of helping farmers capture \$3.77 a pound for their coffee. In nine months, over 2,000 pounds of coffee has been shipped through these direct connections.

While small, the CAN – Coopbuena connection demonstrates how both farmers and consumers can benefit from direct connections between farmers and consumers. There are numerous examples around the country of farmers linking up with their local communities or nearby metropolitan areas to sell their food products at a higher price.

At the core of all these projects lies the personal relationship between farmers and the people who eat or drink their products. The closer that relationship becomes, through farm visits, farmers' markets, farm newsletters and the like, the better off both farmers and eaters are.



Host families show the preparation of an organic insecticide from native plant ingredients. The insecticide is used on crops and their diversified farming operation.

If we can directly link producer-consumer communities in Costa Rica and the US, we should be able to do it in Missouri and New York, Iowa and California. It's a challenge that we, farmers and eaters alike, need to take on.

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