

## It starts with the beans: Fair-trade movement gains momentum

### *More buyers and companies offer pricier coffees capable of sustaining Latin American growers*

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By Diana Nelson Jones, Pittsburgh Post-Gazette

In the late summer of 2002, thousands of starving coffee farmers and their families streamed down from the northern mountains of Nicaragua. Some carried crosses. They established shantytowns along the Panamerican Highway. Many of their children were too weak to open their eyes.

Twenty-one deaths were reported at the peak of that crisis. Relief workers met the emergency as relief workers do, urgently and overwhelmed. But in the aftermath was born a commitment that could be the single greatest boost to date of fair-trade coffee – the potential of 65 million U.S. Catholic consumers of a product that promises a better life to the people who grow it.

In an expansive act of faith-wide advocacy, Catholic Relief Services recently signed a pact with Equal Exchange, a cooperative retailer that introduced the fair-trade concept nearly two decades ago. The goal is to get the product at the heart of the idea into as many parish coffee pots as possible.

The business of fair trade begins with partnerships between coffee companies and democratically run farms, often in countries that are fledgling democracies themselves. Part of the arrangement includes a guaranteed minimum payment per pound for the premium beans grown on most of the farms, an economic boost designed to help sustain both farm and farmer.

For example, the minimum fair-trade payment for higher-quality Arabica beans is \$1.26 per pound, compared with the mass market's 40 cents to 50 cents. For that premium, buyers not only get better coffee but the satisfaction of knowing they are helping support fellow citizens of the world.

Boston-based Equal Exchange has numerous interfaith arrangements, but the Catholic program has the most far-reaching goals – 10 percent, or 1,900 parishes in 2004, said Karen Smith, parish program officer for the relief services in Baltimore.

"We were responding to the emergency just by providing food and clothing, and our folks said, 'How can we help in the long term?' The answer was easy: Drink their coffee and pay them a price they can live with.

Fair trade got its legs at the end of the Cold War but pretty much has limped along for nearly two decades below the mainstream range of vision. It was a concept that came at too high a price for most consumers in a society where Wal-Mart's

"Always Lower Prices" message has become the mantra for much of the buying public.

Equal Exchange has grown from three founders and the support of Dominican nuns to a staff of 62. Food cooperatives were its first retailers. In the mid-'90s, Starbucks gave fair-trade coffee more visibility, though it remains "not a large part of our market," said Megan Behrbaum, Starbucks spokeswoman. But Starbucks pays a minimum of \$1.20 a pound for all its coffee, she said, which is just six cents under the fair-trade minimum.

Fair-trade products, which include textiles and tea, are still considered a market niche, but they may get wider visibility soon – and the Catholic Relief Services' Coffee Project is only one reason why.

Procter & Gamble, the maker of the leading-seller Folgers, last year introduced a gourmet brand line called Millstone that includes a fair-trade coffee that's available only online. The company also introduced a one-way freshness valve on its packaging so the coffee can de-gas without oxygen getting in, a bow to the higher expectations of a growing number of consumers.

In October, Kraft Foods, the maker of Maxwell House, also added a valve, and Kraft has recently teamed with the Rainforest Alliance to promote sustainable coffee farms. Kraft, through its Web site, claims the "partnership is the first indisputable evidence that the concept of sustainability, once limited to niche markets, is ready to enter the mainstream."

Many observers believe that if anyone takes fair-trade products into the mainstream, it will be the coffee giants. But to keep them there, they may have to settle for smaller profits on those products. Rodney North, of Equal Exchange, said one key to the retailer's success over 17 years has been that it considers a year of 2 percent profit a good year: "We're trying to walk the walk."

Equal Exchange, which buys about 3 million pounds of fair-trade coffee a year and sells it in 1,000 U.S. grocery stores and co-ops, is challenging P&G to "do what they're so good at, selling large quantities of coffee at lower prices," said North. "We challenge them to match our volume in 2004."

P&G spokeswoman Tonia Hyatt said she "would love for consumers to make us the leading seller of fair-trade coffee in the U.S." But so far, she said, consumer response has not warranted putting Millstone's fair-trade product in stores. Its cost is

\$14 a pound, which is much higher than most gourmet coffees, higher even than a lot of organics.

Equal Exchange's Crowell said the impact of the choice to drink fair-trade coffee "may seem small but actually can be enormous for small farms. What a difference it would make if we in our daily lives, just in the things we buy and how we buy, can support people so they don't need our charity later ... that if there's an earthquake, they can help themselves to prevent a disaster."

Of the thousands of religious groups that order fair-trade coffee, local ones include Duquesne University's campus ministry, the Sisters of St. Joseph in Baden, the Unitarian Universalists of the North Hills and North Side and St. Andrew Lutheran Church in Shadyside.

"We made a commitment to only serve fair-trade coffee at congregational functions," said Janet Grill, the pastor at St. Andrew. It is drunk at fellowship hours after every Sunday service and sold by the pound, she said, estimating that 10 percent of the congregation has adopted the commitment in their private lives.

Seventeen countries have fair-trade certifiers. They audit the farms, ensure that they are democratic, that they limit the use of pesticides, recycle water and protect the shade trees. The ideal model, said Haven Bourque, spokesman for TransFair USA, is of small co-ops banding together so they don't fall through the cracks.

The local nonprofit Building New Hope has been selling organic coffee of just such a co-op in Nicaragua and has saved it from losing its land. El Porvenir, a co-op of about 45 families near Leon, is a torturous two-plus-hour climb in a four-wheel-drive-vehicle. If the road were paved, it would take 15 or 20 minutes. Catholic Relief Services' Smith said she visited co-ops similarly isolated in September.

"We were in several small communities outside Matagalpa, bumping around on the mountain roads, and it struck me just how rural these farmers live. And I was thinking, 'How do they even get their crop to market?'

"But oh, gosh, their ability to speak on the importance of organic farming. One farmer said, 'Organic farming isn't easy, but the oxygen is a global commodity.' I don't want to say it surprised me, but here's this farmer just trying to survive and yet he's thinking about the consequences to people worldwide."