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INTERNATIONAL

Coffee producers: Is it truly 'Fair Trade'?

Central American coffee producing co-ops are better paid under fair trade, but prices could be better

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SAN JUAN LA LAGUNA, GUATEMALA -- In her home overlooking Lake Atitlan, Enma Herrera pats freshly ground corn into tortillas. Nearby, a pail of banana skins and corn husks waits to be added to a compost pile. Droppings from the henhouse will also be thrown in and once the compost has broken down, it will fertilize the volcanic soil beneath her family's coffee bushes.

Eventually, North America consumers will sip the brew made from the family's coffee beans, which are both "Fair Trade" certified and certified organic. They are sold by the local cooperative, *La Voz*, to roasters such as Vermont's Green Mountain.

The family's small coffee grove, shaded with banana, orange, avocado and other trees, is near the edge of this town of 8,000 inhabitants that lies in shadow of one of several volcanoes that stand guard around a jewel-like lake.

"Much of my work in and outside the home revolves around coffee," said Herrera. Branches that shade the grove provide firewood, and then the ashes go into the compost and back to the trees. "Of course, we pick the fruit from the trees too," she explained.

Antonio Chavajay, Herrera's husband, is most directly involved with the coffee: He weeds, adds compost, applies natural pesticides, trims the bushes year round, tends seedlings and does much of the paperwork required by certifiers.

IMPROVED CONDITIONS

The couple agrees the labor and money they have invested to be certified organic and fair trade producers have been worthwhile and their livelihood has improved, but they wonder if a more correct term for "fair trade" might, in fact, be "better trade."

They've heard what a cup of coffee can sell for in the United States and think their share of the profits should be greater. After expenses for exportation, certification, milling, insurance, in-country transportation, and contributions to a community fund were paid, in early February, *La Voz* was receiving about \$1.10 per pound of green or unroasted coffee. [Coffee weighs 15 to 20 percent less after roasting.]

Chavajay was one of the founding members of the co-op in 1979 and is now head of administration. He says that before the co-op got the two certifications a decade later, it sold coffee to "coyotes" or roadside buyers and took whatever was offered.

"Before, I wondered about who I would sell to and where. But things have changed a lot. Now I don't have that worry; that stress. I am also in good health, eager to work and very satisfied that the fruit of my labor goes directly abroad," Chavajay said as he walked through the dark green bushes laden with red coffee berries.

PERSONAL BENEFITS

He also believes that he is healthier now that he no longer uses pesticides and herbicides.

All but the youngest of his five children are in school, something that would have been uncommon for a small-scale, Mayan farmer in San Juan a generation ago.

Still, he said, "This term fair trade isn't quite right. We are barely being paid more than what the buyers at the edge of the road are paying, and must wait until May for the rest."

Indeed, the coyotes were paying about the equivalent of \$14 for sacks of ordinary just-picked coffee, while the co-op was paying just 50 cents more for the double-certified crop. The also co-op pays members another \$3 when bills are paid.

Although coffee prices hit an all-time low in the early 1990s, in the last year, the "C" price for green coffee on New York's Coffee, Sugar and Cocoa Exchange has increased from about 70 cents per pound to \$1.32, making many farmers wonder if producing certified beans will really be worth it over the long run. After 10 years at \$1.26, the Fair Trade certified price began to rise in February and is now \$1.37, just five cents above the "C" (futures) price -- the minimum difference required by Fair Trade rules.

For right now Chavajay said he sees no need for *La Voz* to make any radical changes. He is happy with the co-op's long-term customers, the product's quality, and having a say in the co-op's operations rather than farming on his own or working for someone else. Still, he hopes the co-op will soon be able to assure better prices.

"In the whole production chain right to the consumer, it is the producer that makes the least. We should be paid a bit more, especially given that our production methods are protecting the environment," he said.