Day 2: Interview with Bishop/ Co-op Presentation & Site Visit

Meeting with Bishop:

His vision for the Co-op

* More members – stronger
* Build civil society
* Communities can dialogue with one-another and problem solve – making drug dealing less powerful
* Big solutions come from small things

Biggest challenges:

* Strengthening the co-op as an institution
* Technical – organic certification
* Financing – capital to make co-op sustainable

Causes of violence in the region:

* Borders with El Salvador and Honduras – corridor for drug-trafficking
* Human-trafficking, contraband
* Less opportunities for youth

He is optimistic because:

* Civil society has moved forward – human rights esp. for Mayans, females
* Although the government has not grown along with civil society
* Economic improvement from remittances (taxes?)

Role of the church:

* Forming Co-op
* Playing a role in the local peace process
* Trust – the people have very little trust towards the state – too much impunity, unfulfilled promises

His advice for our team:

* Walk with the people – accompany them
* Own the problem.

Co-op presentation:

* Self-named: “all brothers” – equality, unity, together we will find new horizons for our products
* The co-op management is a young team:
  + Manager, male - Guatemalan – background in agriculture –esp. coffee – spends his time visiting the communities participating in the co-op
  + Two young Guatemalan men – also specializing in coffee agriculture – also spend their time visiting farmers – helping with cultivation best practices
  + One young Guatemalan – doing the accounting/ keeping books
  + Nun Blanca Dias is the eyes of the bishop with regards to co-op: she is also involved in the finances – especially the loan with the regional bank
* The Mayan ethnic group in this region is dying of malnutrition despite a favorable climate and being an ideal place for coffee growth
  + Main obstacles: drug trafficking, abuse of trust (before the co-op these farmers hadn’t seen any benefits from being part of an association)
  + This is why the co-op created a NEW association
* Green Mtn. Coffee recognized the high quality of the coffee – bought one container last year
  + It costs 1,000 Q./container for transport and customs to export coffee
  + This partnership is a good fit – because it achieves the goal of removing the intermediary and the co-op has the optimal legal status for exporting
* 30% of the farmers had experience with a co-op before – and they all have the “sensibility” to join together. The goal is to set a example for younger generations
  + The co-op is working on its organic certification (92 farmers part of the process) – it takes 3 yrs to get certified
  + Fair trade certification is also in process

Rough sketch of co-op structure:

General Assembly

412 members

Admin.

Council

Committees for surveillance, education, etc.

Co-op Management

Technological Staff:

* Production
* Post-harvest
* Marketing

Accounting &

Finance

* The Co-op communicates with the farmers through the church/ local parishes (this is where the farmers draw their internal strength from)
* Caritas (controlled by the bishop and Blanca) also helps the co-op with providing salaries for co-op mgmt., machinery

Challenges:

* One of the monsignor’s greatest concerns is violence – because there is no law or police force – and sometimes there is very little the co-op can do to protect its members
* The co-op needs to recruit more members – there is a challenge of consolidation – the larger the co-op the better the $ in the international market
* Narco-coffee (drug traffickers using coffee as a way to launder money) is a big problem. Many drug lords sell Honduran coffee as it were Guatemalan (higher quality).
* The intermediaries feel “lots of rivalry” with the co-op
  + They don’t want the coffee growers to know the economic value and quality of their coffee – and this is the goal of the co-op!
  + These farmers never even get to taste their own coffee…
  + There is great fear in the organization of the community – they know the co-op is going to get certified and be able to offer the farmers more money for their coffee – and that co-op has a dry-mill and export license.
  + The local intermediaries take the farmers coffee to a wet mill – then a drying patio (mostly owned by bigger intermediaries) – very few of them even have an export license
  + The intermediaries have their own vehicles
* The co-op is seen as a church project - this can cause bad feelings as some think the church is “doing business”

Why bananas? (Coffee is not enough)

* The farmers already grow any variety of banana that benefits coffee
* The key issue is the investment cost – they just see it as side income – their main focus and concern is for coffee – over the last generation farmers have stopped growing food for their families
* Some tried to grow specialty coffees – at a high risk
* Hunger migration – fathers leave to find work
* 2300 Q./mo. is the min. salary to live
* Farmers only make 600-700 Q./mo. from coffee – most have other jobs
* Coffee won’t be enough to support the farmers – even after getting the certifications.
  + They are only paid once a year for coffee (there are thin months)
* Green Mtn. wants to offer resources to coffee growers in dryer seasons – when they are not growing coffee:
  + Savings programs – esp. for women
  + Family gardens – support and guidance for farmers in order to produce food to feed their own families and livestock
  + Agro-forestry system – providing a small first-aid kit to farmers for livestock (this happened two months ago)
* Savings/financing the coffee
  + SILC groups of 8-12 people
  + 1/6 hectare is the average size of a plot
  + 50% is the avg. interest rate
  + In April, May, and June the farmers need money to invest in their coffee crop that they don’t have so they agree to trade 100lbs of fertilizer for 100lb of coffee (the cost of fertilizer is really 250 Q/lb and even low quality coffee is worth 1000 Q/lb)
  + Many of the intermediaries that loan them the fertilizer are drug traffickers
  + The co-op is trying to eliminate the intermediaries with coffee – and would like to do the same with the bananas. Currently the co-op has just three motorcycles that the mgmt team uses to visit the communities.

Visit to the Co-op/dry-mill: slides with pictures attached

*Some new terms:*

*Gold coffee: dried out beans with the husk still on. Smells like hay.*

*Dry-mill: State of the art German machine used to clean and sort the coffee.*

*“Unfaithful” competition: The members of the coffee-producing economy that have some illegal side-businesses.*