

## *Fair Trade vs Free Trade..*

Trade issues on the front page? From World Trade Organization meetings to NAFTA to International Monetary Fund policies, international trade receives a surprising amount of attention these days. Likewise, the founders of Cooperative Coffees carefully addressed our trade practices in our Articles of Incorporation and in our everyday operating policies. We are committed to fair trade, rather than free trade practices. Free trade can be summarized as the elimination of trade rules in favor of allowing the open, free market to determine who will succeed. Results? With no rules, the poor and disenfranchised often get left behind.

In contrast, Cooperative Coffees adopted self-imposed standards by which we conduct our business with small farmers. Sometimes a few rules are a good thing. Why did we do this? We purposely source our coffee from the little guys and we recognize that many of these partner producers are inherently disadvantaged when operating in an open market. They often do not have access to capital and basic market information. And export channels within their countries are often designed to make it extremely difficult for the producer to directly market their product - forcing them to deal with one or more middlemen. Acknowledging these difficult circumstances, Cooperative Coffees circumvents traditional trade routes and develops direct relationships with producers based on fairness and an open exchange of information.

Several fair trade organizations such as TransFair USA and the Fair Trade Federation are working hard to promote and expand the consumer market for fairly traded products. All participants in the fair trade movement, including Cooperative Coffees, adopt a code of trade practices similar to those summarized on the following page.

## *Fair Trade Principles*

**FAIR WAGES** - Producers are paid fairly for their products or paid a fair wage for their work. Sometimes called a living wage, it should at least cover basic needs, including food, shelter, education and health care for their families.

**SUPPORT COOPERATIVE WORKPLACES** - Cooperatives and producer associations provide a healthy alternative to plantations, large-scale manufacturing and sweatshops conditions.

**PROMOTE CONSUMER EDUCATION** - Purchasing fairly traded products supports a system of living wages and healthy working conditions. By defining fair trade and conducting business in a manner that respects workers' rights and the environment, the fair trade movement strives to educate consumers about the often hidden human costs of their "bargains." By providing information about producers' history, culture and living conditions, fair traders enhance cross-cultural understanding and respect between consumers and communities in the developing world.

**ENCOURAGE ENVIRONMENTAL SUSTAINABILITY** - Encourage producers to engage in environmentally friendly practices, such as organic farming and the maintenance of shade trees, which manage and use local resources sustainably.

**PROVIDE FINANCIAL AND TECHNICAL SUPPORT** - Small-scale farmers and artisans in the developing countries lack access to affordable financing, impeding their profitability. When requested, fair traders provide financial assistance either through direct loans, prepayment or by linking producers with sources of financing. They also often provide other critical technical assistance and support such as market information, product feedback and training in financial management. Fair traders establish long-term relationships with their producers and help them adapt production for changing trends.

**RESPECT CULTURAL IDENTITY** - Encourage the production of products which respect the producers' cultural traditions and help preserve their cultural identity.

### **COOPERATIVE COFFEES**

302 W. Lamar Street, Suite C  
Americus, Georgia 31709 USA  
Phone (229) 924-2468 Fax (229) 924-6250  
[www.cooperativecoffees.com](http://www.cooperativecoffees.com)

We invite inquires and are actively  
recruiting additional coffee roasters  
who share our mission.

## **COOPERATIVE COFFEES**

YOUR SOURCE FOR *FARMER  
FRIENDLY GREEN COFFEES*

### *Fair Trade and Organic*



### **COOPERATIVE COFFEES, INC.**

302 W. Lamar Street, Suite C  
Americus, Georgia 31709 USA  
Phone (229) 924-2468  
Fax (229) 924-6250  
[www.cooperativecoffees.com](http://www.cooperativecoffees.com)

## What's in a name?

### At times..everything..

**COOPERATIVE COFFEES** is a unique organization - a green coffee importing cooperative committed to supporting and partnering with small-scale coffee farmers and their exporting cooperatives. By importing directly from our partner-farmers, Cooperative Coffees seeks to creatively foster a more equitable and sustainable system of coffee trade that directly benefits these farmers, their families and their communities.

*Never doubt that a small, thoughtful group of citizens can change the world. Indeed, it is the only thing that ever has... -- Margaret Mead*

Organized in 1999, Cooperative Coffees is owned and managed collectively by a growing group of specialty coffee roasters located in the United States and Canada. These roasters share a common interest and concern that each has addressed individually - the desire to source sustainably grown coffees and to work closely with the farmers growing it. These roasters know that by working together, cooperatively, they can more readily impact and multiply the positive effects of their selective coffee purchasing.

By evaluating and comparing our current sources of raw green coffee and combining our purchasing needs, the roaster-owners determined that we could successfully launch our own importing organization and purchase directly from 10 or more small farmer cooperatives in 6 producing countries. Cooperative Coffees was born!

Want to know more about our farmer friendly coffees? Check out [www.cooperativecoffees.com](http://www.cooperativecoffees.com) or call 888-532-4728.

## Why a Cooperative?

Cooperative Coffees belongs to the people who use it - the roasters. The roaster-owners share equally in the control of Cooperative Coffees -- investing in shares in the business to provide financial capital, providing a partial guarantee of the cooperative's line of credit and committing to purchase a portion of their green coffee from the cooperative. The roaster-owners elect our own directors and management, decide which coffee producing countries and farmers we will work with, and determine with input from the farmers what we will pay for specialty green coffees.

Cooperative Coffees, like many cooperatives, is structured to operate at or near the cost of operations. If net profits are realized, these earnings are returned to roaster-owners based on their volume of purchases in the form of additional equity or a cash dividend.

**A COOPERATIVE IS...**  
.." an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise. Cooperatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. In the tradition of their founders, cooperative members believe in the ethical values of honesty, openness, social responsibility and caring for others." - National Cooperative Business Association

Specialty coffee roasters formed and own this cooperative in order to work together -- sharing knowledge, lending expertise and taking advantage of our combined purchasing power. An old idea, an old commodity, and a new concept creatively combined to impact the industry and producers, cooperatively.

## Who produces the beans?

Cooperative Coffees works directly with small-scale farmer cooperatives in growing countries around the world. These cooperatives must be farmer-owned, democratically managed and must demonstrate their ability to produce and deliver exceptional specialty coffee.

Some of our partner cooperatives have directly supplied the specialty industry for many years, others have a long history of production but are new to direct exportation of their product. Cooperative Coffees is committed to helping these cooperatives participate directly in and benefit from the often confusing world of international trade.

<u>Country</u>	<u>Cooperative</u>	<u>Region</u>
Guatemala	APECAFARM	San Marcos
	ASOBAGRI	Huehuetenango
Mexico	Mut Vitz	Chiapas
	UCIRI	Oaxaca
Nicaragua	Prodecoop	Segovia
Costa Rica	Montes de Oro	Montes de Oro
	Llano Bonito	Tarrazu
Sumatra	Gayo Farmers Assoc	Gayo
Ethiopia	Oromia	Limu, Sidamo
Colombia	COSERCA	Popayan
Cameroon	CAMIFUCOS **	Boyo, Bui

*\* Not listed on the FLO Fair Trade registry*

The combined expertise of these producer-growers and our roaster-owners allows Cooperative Coffees to offer the highest quality coffees from these small farmer groups while directly supporting our shared social and environmental philosophies. By trading directly with the farmers, Cooperative Coffees can pay premium prices to the farmers and still offer competitive prices to the roaster-owners.