A Cup Fraught With Issues

by Tim Castle

Coffee drinkers originally came to the specialty coffee industry for a great cup of coffee. Now, however, their cup may be filled with more issues than coffee.

Since the specialty coffee industry first began to take shape, a link began to develop between the way coffee was grown and the buying decisions of the person actually consuming it. Whether or not a coffee was organic was one of the earliest of the "issues" that the consumer asked, or was asked, to deal with. In fact, in the case of a few farms in Mexico, it might be argued that organic coffee has been around longer than the specialty coffee business.

Today the issues that consumers are asked to consider are becoming so numerous that the industry has started looking at all of these coffees as "issue" coffees, and to some extent considering them interchangeable—as if there were some amorphous worry or concern on the part of the consumer that might be generically addressed by any of several anxiety-relieving certificates, be it for bird friendly/shade-grown, organic or fair-trade coffee. In fact, some retailers say this is the case, arguing that the halo of *bonhomie* that hovers over one coffee is as good as that hovering over another. Consumers are satisfied, some retailers believe, to exert their buying might in one direction at a time and are willing to let a few birds suffer to the point of extinction if a coffee picker can be enabled to live a more prosperous existence. (But this is not to say that coffees which are not certified as bird friendly are responsible for the demise of countless bird populations, or that coffees certified to be grown under economically equitable conditions make it possible for all coffee pickers to live more prosperously.)

Other retailers are looking for the silver bullet against coffee-drinking angst and have determined that "triple-certified" coffees, ones that are independently judged to be organic, shade-grown and produced in an economically equitable manner, are the universal answer to anyone's possible concerns about coffee.

Finally, a third group, very much in the minority, are exhorting a view that has been drowned out amid the clamor for any one of several certifications. This group has expressed the viewpoint that no coffee is "sustainably" produced if it is not, first and foremost, a great-tasting coffee. You can get consumers to try a certified coffee once or twice, the reasoning goes, but folks won't keep buying it if they don't really like the stuff. In an ironic twist, the Specialty Coffee Association of America's contemplated effort to certify a coffee's specific origin and specific minimum level of quality may be leading the consumer to the most sustainable coffee of all.

Thus, sustainable coffee, in all of its interpretations, has become the umbrella term for all coffees sold in association with a particular area of concern or "issue," most notably organic, fair-trade and shade-grown/bird-friendly. In this sense, the term is challenged by meaning too much and under this burden may come to mean nothing. There is likely a group of roasters and other trade participants who hope that this is exactly what will happen—to this end they support as much diversification and factionalism in the certificate industry as possible.

Setting Up the Playing Field

When it comes to the "issue" coffees, words become very important, because by their very existence, they imply that all other coffee not specifically certified to be in compliance with the issue at hand is replete with the problems of which the issue coffee is certified to be free. Producers of each issue coffee argue that this is not the case, that they are just extolling the positive virtues of their product and in no way disparaging other coffees.

Be that as it may, the implication is clear—if you walked into a grocery store

and saw a 10-foot display of "Plutonium-Free Celery Grown Without Slave Labor," the first thing you would ask yourself is, "Gee, I didn't know celery was grown with slave labor, and I certainly wasn't aware that it was radioactive!"

Can we really pretend that when a bin of certified organic coffee is added to a retailer's selection that a cloud of suspicion does not settle over the bins around it? That the coffees next to "Bird-Friendly" coffee don't become "Bird-Menacing?"

In order to sell an "issue" coffee you either have to cater to an existing issue or convince consumers that an issue of which they have been heretofore ignorant is now of tremendous concern. This can be achieved at the retail level most directly by displaying and labeling the issue coffee as prominently as possible. Of course, consumers have a right to truthful labeling and will probably seek out buying/shopping environments where they believe their concerns are addressed. But the retail coffee industry treads a fine line between addressing concerns and provoking them.

"We're very concerned about this," notes Frank Dennis, CEO of Swiss Water Decaffeinated, Burnaby, British Columbia, "because not only do we market ourselves as 'chemical-free,' but because we decaffeinate several issue-related coffees. In addition, we have two organic certifications. On the one hand, we know from our research that some consumers want to drink decaf processed without chemicals, on the other, we know our product has to coexist on the shelves with a wide variety of coffees. We want to call attention to the positive attributes of our product without being derogatory to the other alternatives because we know the overall category needs the support of the whole industry. Clearly defined marketing efforts calling attention to the benefits of our product—taste and wholesomeness—work for us, but adding confusion to the category does not. It's a challenge, for sure, but one we always try to meet."

This gets back to the quality factor, and this is the thing that makes issue coffees of such great concern to the specialty coffee industry at large. Once a consumer is alerted to the areas of concern that the various issue coffees raise, they may be unable to forget them. If they don't find the quality of the coffee as good, however, rather than go back to their regular but perhaps issue-oblivious coffee drinking habits they may just give up on coffee entirely. No one is telling the soda pop companies to use sugar grown under economically equitable circumstances, and so the soda pop drinker is never harassed away from his or her can of pop. Further, since consumers are spending as much, if not more, on milk and flavor additives in the average specialty coffeehouse, one wonders why various certifying agencies have not insisted much more vigorously on organically produced milk and naturally produced flavors.

This is not to say that the promoters of issue coffees are mendacious, insincere or trying to destroy the specialty coffee market. Most of them truly believe that by selling their coffees they are making the world, and the coffee industry in particular, a more hospitable place. Inadvertently, however, they are attacking a segment of the industry that uses the least fertilizers and pesticides, that has the best land management and labor practices, and that has the most hope of obtaining a premium for their product.

Who Defines Who?

Kevin Knox has been the green coffee buyer for Allegro Coffee Company since 1993 and also worked for the company in past years in between stints for Starbucks Coffee Company. Allegro Coffee became actively involved in the organic coffee movement in the late '80s, and this involvement only increased since its purchase 10 years later by Whole Foods. Knox, therefore, has been involved in organic and other issue-related coffees quite intensively for some time now. Nonetheless, according to him and to other observers in the trade, he has attempted to chart a course dictated not by would-be issue mongers, but by an understanding of the needs of Allegro's customers and suppliers.

Knox relates the following, "The first issue of sustainability at this point seems to be getting a price above the cost of production. That aside, sustainability should be defined, country by country, by the farmers who grow the coffee, otherwise it's cultural imperialism. The voice of the producer has been the one noteworthy for its absence in these discussions. Consumers and roasters that are far removed from production have been defining sustainability. Perhaps the sustainability that's really being addressed is that of the NGOs (non-governmental organizations) that have been proliferating and selling various seals and certificates. It's interesting that we don't tell organic produce farmers in the United States what to do—they know what sustainability is to them—but we don't ask what sustainability is of the farmers who grow coffee."

Knox also comments on the singling out of the specialty coffee industry. "The big roasters love it that the specialty industry is a lightning rod for all these issues. These groups [NGOs] target Starbucks because it's the best leveraged PR and it's easier to attack the retailers because they're a sitting duck, but the big roasters are the ones that are benefiting from the low market and buying coffee below the cost of production due to the worldwide oversupply. Specialty roasters, even ones who don't carry a single 'certified' coffee, are already paying big premiums to the commodity market to obtain the high-quality coffees they want." (Ironically, Starbucks earlier this year guaranteed a minimum price to Central American farmers—this action was unrelated to its earlier decision to carry fair-trade coffee in the wake of organized and vocal pickets.)

Knox notes that proprietary research conducted by Whole Foods reveals that 85 percent of its shoppers will pay more for high quality and pay more for freshness. "Only 27 percent," according to Knox, "prefer to buy organic and the

percentage of shoppers who agree that organic coffee is the best-tasting coffee is 19 percent. Eighty percent of shoppers prefer coffee that tastes great."

A pity then that great-tasting coffee—the production of which by its very nature needs far fewer chemical inputs than low-quality coffee, and is grown by farmers less likely to use them—is not promoted as an indirect means of promoting more sustainable coffee agriculture, one that produces a product consumers are more likely to support.

In view of Whole Foods' research results, Knox concludes, "The lack of farm designated, moderately roasted coffee at retail is the biggest threat to sustainability in the marketplace. The market here is Folgers or some form of dark roast. The choices that shape taste in the American grocery store might be compared to a beer selection that offered only Miller Lite and Guiness Stout. A lot of consumers would be left out. You have to get great-tasting coffee into the mouths of consumers. In the long run, people aren't going to keep buying mediocre coffee based on guilt, they'll stop drinking coffee altogether. There's a local church near where I live that has a sister relationship with a village in Nicaragua that grows coffee on Lake Nicaragua. They painstakingly define where every penny goes for each pound of coffee, but the coffee, bless their hearts, tastes awful. I can't imagine that people would buy that coffee more than once before switching to tea."

Knox points out that what will save producers of high-quality coffee is consumer education, and on that front he is not hopeful. "The NGOs are defining the agenda in the media rather than the NCA or the SCAA. They have a simple, single issue, most of them, and they stick to their principles, rightly or wrongly."

Knox's implication is clear—a single-issue organization is much better equipped to do battle in the media over a trade association with a diverse membership base and many important issues before it.

The SCAA has attempted to weave its way through the minefield of sustainability issues as carefully as it can for all of its members. Mike Ferguson, marketing communications director and editor of the organization's newsletter, the *SCAA Chronicle*, has promoted a discussion of various sustainability issues in that publication, giving everyone a very full and fair hearing. In terms of the SCAA's position, specifically, Ferguson states simply, "We use a working definition which echoes that of the United Nations, 'Development that meets the needs of the present without compromising the ability of future generations to meet their own needs.'"

This definition, prepared by the United Nation's World Commission on

Environment and Development, is featured prominently on the position paper published by the SCAA in anticipation of demonstrations at its conference in San Francisco two years ago.

John Di Ruocco, who has been buying coffee for his family's company, Mr. Espresso, based in Oakland, Calif., expresses the belief that specialty coffees are, by their very nature, sustainable. "We believe that generally, specialty coffees—many of them, and most of the ones we buy—are offered at flat prices that are high enough for the farms to be sustainable. Di Ruocco finds benefit, nonetheless, in alliances with certifying groups, including those dealing with organic and economic equitability. "The reason I feel that price is such an issue—that it's the main issue—is that if the farmers receive a fair price then they can make their own decisions; it empowers them. Our customers, and the consumers that buy from them, want to support this. Fair-trade certificates are good; they guarantee to the consumer that they're buying the coffee they want. For them it's a lot easier to see the sticker on the bag. The fair-trade certificate jumpstarts the product. People want to do the right thing."

Di Ruocco concludes with two thoughts, pointing out first that for many farmers the issue is not sustainability but survival and then echoing others' concerns about a long-term commitment to quality. "To decide to do things in a sustainable manner is a luxury and it's one we have to pay for, because many farmers are not in a position to be worrying about the environment, etc. But equally important, consumers aren't going to buy coffee that doesn't taste good, they aren't going to buy it and it won't work without a great-tasting cup of coffee."

Not all roasters are as happy with their fair-trade certification as Di Ruocco is, however. One prominent roaster, on condition of anonymity, notes that he feels his participation has been forced upon him with threats of picketing. He says that he had been paying high premiums for many years for coffees he considered to be better and more sustainable than the coffees he was forced to buy through the fair-trade organization. He states further that the coffee was the least requested by his customers and expresses frustration that under the terms of the agreement with the organization, he was not allowed to publicly express his opinion of the process his company had been subjected to.

In speaking to the American or Western European consumer, it is considered good marketing to cast the coffee farmer as poor and struggling. But it is generally considered politically incorrect to ask why a coffee farmer might be in such sad straits—could it be because the coffee produced is not very good? The successful coffee farmer is a lousy target for first-world pity, but usually an

excellent source for great coffee and a great source for a good job if you want to work on a coffee farm. Four coffee farms which are prospering in the face of all-time coffee market lows are unlikely to qualify for assistance from an NGO or the pity of consumers, but they all maintain model farms, first in realm of quality, and, as a byproduct, in all aspects of sustainability.

Cases in Point

Hacienda La Minita, located in Tarrazú, Costa Rica, participates in no certification programs whatsoever and yet is a model of sustainability in every respect. First of all, it produces what is widely recognized to be one of the world's best coffees. Second, because roasters and consumers are willing to pay the premium necessary to produce La Minita coffee, the owner, Bill McAlpin, can afford to pay his workers more, provide better housing, dental care, sponsor a soccer team (with uniforms), etc., etc., etc. He does all this not because he wants to be remembered as the reincarnation of a cross between Albert Schweitzer and Mahatma Ghandi, but because he believes well-compensated employees will produce a better product.

At his farm, in fact, workers barely take notice of him, knowing that if they do their jobs well they are guaranteed continued employment. Nearly all weed control is done manually, nearly all fertilization would qualify as organic. McAlpin does this not so he can obtain some certificate but because he believes that it's the best way to produce great-tasting coffee. Further, he does not want to place himself in a position where if confronted by a pest or other problem he could not immediately, if only temporarily, respond. Because producing a high-quality coffee is so much more complex than producing a low-quality coffee it also takes far more workers to produce a pound of coffee at La Minita. Because of this, there is a much larger group of managers and supervisors at the farm and therefore, room for workers to advance—something much rarer at lower-quality coffee farms. Consumers willing to pay the significant premium for La Minita support a truly sustainable lifestyle for hundreds of workers and their families; they also support responsible land management (not to mention a 200-acre forest preserve) and conscientious use of water resources. What La Minita-drinking consumers don't support are the fees charged by U.S.- and European-based certificate sellers.

Thus, sustainable coffee, in all of its INTERPRETATIONS, has become the umbrella term for all coffees sold in ASSOCIATION with a particular area of concern or "issue," most notably ORGANIC, fair-trade and shade-grown/bird-friendly. In this sense, the term is CHALLENGED by meaning too much and under this burden may come to mean nothing.

There are other farms that emphasize high involvement among their employees to produce a better coffee. Alexandre Gonzaga, managing partner of Fazenda Vista Alegre in Brazil says he's delighted when his customers ask for quality improvements and are willing to pay for them. "We know that the better our coffee is, the more longevity we will have and the better and more extensive employment I can offer my workers."

Carl Janson, a partner with his brothers in La Torcaza Estate, a Panamanian farm known for its groundbreaking quality standards, operates one of the few estate-based cupping rooms and employs someone to regularly monitor the quality of the crop as it progresses.

"Much of our success is based on our quality-control standards and attention to detail," says Janson. "This takes more effort, of course, and we have to employ more people to get the job done, but if we have the support of the consumers, through their willingness to pay for a better cup of coffee, we're willing to do it."

The Janson family has taken great care to preserve the microclimates across their farm and their land is known to support several indigenous bird species.

Chuck Jones, whose family owns Finca Dos Marias in Guatemala, asserts that his farm, given its 150-year track record, is sustainable indeed. His farm's production is well known to specialty roasters and valued for its fine quality and consistency. Jones points out that the issue of sustainability is encompassed in the vision the farmer has for his land. "When farmers have a vision of 10 years, then their farm won't be in balance. A 40-year vision will be more in balance with the environment, the people and its own long-term economics," he says.

Jones notes that the guidance a coffee farm consultant will give is different depending on the time frame to which his clients want to adhere. "In the case of a consultant that comes in to work with a grower, the first thing he'll ask is 'What is your time frame?' If it's 10 years, then they'll plant hybrids and cut costs, but if the farmer says 40 years, then the inputs will be totally different. Forty years means that the farmer wants consistent yields over that time. Then other issues, such as birds, need to be dealt with on a case-by-case basis, but everything requires the consideration of balance and longevity. This applies for organic farms as well, because getting an organic farm up to speed takes eight to 15 years. For example, if Finca Dos Marias were to go strictly organic, it would take a long time before we would get back to anywhere near what our yields are today. And the future quality premiums we would need to charge would be much higher. Now, we already use as little fertilizer as possible, and for the way we run the farm now we have 15 different programs [the specific combination of methods used

to manage the trees in each of the 15 distinct microclimates] depending on the microclimate. It took a long time to develop those programs; they evolved for each area. To change those programs would take a very long time as well. But that way our fluctuations in yield, overall, are very limited. To disrupt the delicate balance we've achieved could be very disruptive to our production. For this reason, we usually do changes in little sections at a time."

Jones also points out that knowing your time frame, knowing, that is, that you want to run a sustainable farm, helps farmers make decisions on a day-to-day basis, "Vision helps you establish priorities. You know immediately what's important and what isn't," he says. "I hope that our farm will be around another 150 years from now. Knowing that helps us to know how to invest, what to spend our resources on, and what not to. Anything that achieves short-term gain at the expense of the long-term health of our farm is out. Ecology, culture and economy represent a perfect triangle. Keeping all three sides in balance is key."

Jones also believes that sustainability is an issue for each farmer and roaster to deal with individually. It is impossible to dictate, Jones argues, how a particular farm or roasting operation should be run and, further, it is counterproductive to stereotype. Giving the example of shade trees and coffee farming, Jones points out that his farm has actually added trees independent of any issues about bird habitats. "We had less shade in the 1920s because we've always had heavy rainfall—we run 4 to 8.5 meters a year—and we need to be thinking more about fungus abatement than shade trees. Gradually, though, we've been able to add more and more trees. The stereotype that coffee farmers are chopping down shade trees is not always true. Shade issues should be dealt with on a case-by-case basis."

David Griswold, of Sustainable Harvest, Inc. based in Portland, Ore., is an importer selling coffee from farms that are practicing organic agriculture and which also are involved at some level in maintaining equitable and sustainable relationships with both their workers and customers. Griswold notes, "We are starting to call these coffees 'relationship' coffees where the farmer, the importer, and the roaster are all dealing with each other in a transparent way. Each knows how much the other is making and what the other needs to make to stay in business."

In commenting on sustainable coffees in general, Griswold has the following observations, "As an industry, we could have done a lot more in educating retailers as to how to become involved in the process, how to go about obtaining certificates, for example, and encouraging participation rather than adopting what appeared to many roasters to be a militant stance. On the other hand the issues we're tackling are getting mainstreamed a lot more quickly than we could have anticipated. The consciousness about all these issues has been ramped up a lot faster than almost any other industry you might name."

> **"We know that the better our COFFEE is, the more LONGEVITY we will have and the better and more extensive EMPLOYMENT I can offer my workers."**
>
> —Alexandre Gonzaga
> managing partner
> Fazenda Vista Alegre

Griswold notes that as far as sustainability is concerned, many roasters are going their own way, identifying different ways they can address problems in a way that they believe their customers will support.

"Because a lot of the buyers are at the source already," says Griswold, "and because they have their own experience with, and their own opinions about the best way to conduct their business in a fair and responsible way, this base of experience and the actions flowing from that base have added a lot to the diversity of the industry and the different ways each trade member approaches specific issues.

"The coffee industry deserves some credit for creating their own path to sustainability based on their own experiences of travel—which is why [one company's] model is different than [another's]," Griswold adds. "We are a pioneering industry in terms of sustainability, which is why all this is evolving. I think it's a tribute to the level of creativity and the close proximity to our suppliers that our industry has vs. wood, sugar, and other types of commodities. Our relationships, and the quality of our product, are what make specialty coffees special."

Almost as a cautionary tale, however, Griswold underlines how multiple guidelines can weaken the marketing for an issue-related coffee. "Shade-grown coffee hasn't really hit its stride," says Griswold. "Shade certification systems have been relatively weak just because they haven't had the unified standards that organic-certified or fair-trade-certified have had. As a rule, though, I do think certification systems provide consumer awareness and more integrity than non-certified systems."

Griswold is currently promoting a two-day seminar in Costa Rica that he hopes will precede Sintercafe (Nov. 10-14, *www.sintercafe.com*) on an annual basis. Among the seminar's objectives are to "explore the future of specialty coffee as it applies to Central America and beyond, to explore key concepts of coffee agronomy management for sustainable production systems; and to understand the ecological, economic and social dimensions of conventional vs. low-input/organic coffee production."

"This seminar represents one of the first instances where the academics

meet the business interests. At least for the green coffee side of our business," says Griswold. "Of the group who has signed on, we have a cadre of roasters who are approaching 'sustainable coffee' in different ways—some with certification, some with relationship coffees, some with other models. But all are coming down to understand the true science, as opposed to just jumping onto slogans and labels. It says a good deal about our industry. They want to find out how their selection of green coffee can make the biggest positive difference."

Those interested in attending future seminars, may contact Griswold at Sustainable Harvest's Portland, Ore., office (*www.sustainableharvest.com*).

It All Boils Down To ...

Whatever the certification program, the issue or the relationship to which a particular coffee is linked, the real question is not *if* coffee production should be sustainable or not, but *which* coffee should be. The root cause of low coffee prices is too much coffee. As long as producers produce too much coffee and as long as coffee drinkers don't care about the quality of the coffee they drink, then most of the world's coffee farmers and coffee farm workers will not be able to make a livable, much less sustainable wage.

It is ironic, almost tragically so, that the farms and farmers being asked to deal most with issues such as economical equitability, chemical use, plant husbandry and other environmental issues are the ones that least need to—farms producing specialty coffees. It is the low-elevation farms producing low-quality coffees where most of the claimed abuses—from working conditions to pesticide use—might occur. Unfortunately, some promoters of the various coffee certificates are making specialty coffee famous for these iniquities, thereby decreasing the consumer's interest in coffee altogether. By simply promoting better coffee, the coffee industry could be supporting a better quality of life for the producer and the consumer. Some low-quality producers, of course, would be hit hard and would have to choose alternative crops for their land or, if possible, to upgrade their production. (Land that produces low-quality coffee, for example, could produce very high-quality cocoa for which there is still a limited market. But that's another subject entirely!)

In the meantime, as an industry, we might find that consumers better educated about the joys of a better-tasting cup of coffee (the thing that brought them to specialty coffee in the first place) might actually want to drink more of it and pay more for what they drink. ... hmmm, that's sounding more sustainable already.

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