

From SUITCASE to CARGO CONTAINER: A Coffee Success Story

By: Lee H. Robinson

Like many a success story, we started small, and with lots of hard work and dedicated volunteers, we grew into a profitable venture. However, unlike some large corporations and organizations, we are pleased to say we have not forgotten who we are, why we do what we do, and what is really important to our relationship.

HOW IT ALL BEGAN

In 1988, in the midst of the 1984 Reagan-imposed embargo, one of the first delegations from Bainbridge Island visited Hacienda Magdalena (also known as the *Cooperativa Carlos Díaz Cajina*), on the slopes of Volcán Maderas on Ometepe. When it was learned that the cooperative grew coffee, an idea was hatched. If the embargo were lifted, the Sister Islands Association could import green coffee. David Dessinger of Pegasus Coffee would be willing to roast it for us at cost if we did everything else (marketing, bagging, delivering). In 1990, a member of a medical delegation carried home to Bainbridge Island 25 pounds of green coffee in her suitcase. The coffee was roasted and distributed locally, and was enthusiastically received. Not long after, the embargo was lifted and the gears were set in motion to import more green coffee via returning delegate suitcases.

THE PROJECT TAKES OFF

The following year, three medical delegations and the high school student delegation brought back 3,200 pounds of green coffee in their checked baggage. The Sister Islands Association paid the Coop \$1 per pound. The roasted coffee never stayed on the shelves very long. So after a lot of hand-wringing and poring over spreadsheets, we decided to go all out and buy 24,000 pounds of coffee from Ometepe in 1992.

Our biggest hurdle was paying for the coffee. We had to come up with \$23,500. After talking to several local banks about borrowing the money, we decided to try what we had done with the previous coffee imports, only on a much grander scale: the Board of Directors and Officers would ask our family and friends for \$100 loans! We would repay them when enough funds were generated from coffee sales, and give them an "interest payment" of a pound of roasted Café Oro de Ometepe for every \$100 loaned. We were overwhelmed by how quickly and easily we raised the money. Bags and labels were ordered in bulk and volunteers lined up to help bag and deliver. The coffee arrived without a hitch in April 1992.

It took us two years to go through that initial container. But starting in 1996 we began importing continued on page 3

La cooperativa - el café, el diálogo, y el respeto...

by Asha Esterberg Tran

The cooperative's airy veranda, white washed and weathered, looks across the farms. down the flanks of the volcano to Lake Nicaragua. It is a magical spot, and holds special memories for many who visit. In 1988 a small delegation of Bainbridge Islanders climbed the rickety stairway to this little porch furnished with old wooden benches and childrens' desks. As we took our seats we marveled at the glorious views and enjoyed the gentle breeze. After formal introductions a little girl with beautiful brown eyes and a shy smile carefully offered each of us a glass of warm coffee sweetened with cane sugar.

This was our first conversation with the members of the *Café Cooperativa*. We were

Bainbridge Ometepe Sister Islands Association

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Founded in 1986 by Kim and Ela Esterberg and friends Non-profit organization eager to learn about these people and their experiences. They told us that they had reclaimed these farms after years of a dictatorship which had exploited them. Many had fought in the Contra war. This had been a costly struggle, as many had lost loved ones. Their stories were heart wrenching and powerful.

The conversation turned to the business of coffee, the harvest, the transport, and the exportation. The farmers were proud that some among them could read and write, as Sandinista education brigades had come to the island. One member in particular beamed as he shared that he had finished elementary school. He was the treasurer. His little book, with meticulously drawn lines was filled with numbers and notes.

As the delegation's interpreter I was carefully translating this discussion. I've learned that effective interpretation offers a transparent vehicle for communication. Even so, the process of translation often reveals its own story. The Bainbridge delegates were eager to learn about the cooperative's profits.



Botanical illustration--coffee plant by Ela Esterberg

None of us expected the farmers' response. They looked at us, puzzled. They paused and questioned, "Profits?" This was a term they were not familiar with, even though it appeared in my bilingual dictionary!

I believe this was a turning point; a profound shift had occurred in our dialogue. We were establishing a new way of negotiating — on many levels. To explore the idea of 'fair trade' was exciting and real to everyone there. To respectfully share ideas and learn from each other was the beginning of an incredible process. Thus, on this magical veranda we began this remarkable relationship that has continued to foster dialogue and respect.

Suitcase... continued from page 1 green coffee every year, bringing in about 15,000 pounds at a time for our association. To fill a cargo container each year, we now have multiple partners, including two groups in Canada and one in Santa Cruz, California, buying coffee from various Nicaraguan sources.

Remember the \$100 loans we received to help us buy our first coffee container? 187 businesses, families and friends loaned us money, and 67 of them forgave all or part of their loan! We were able to pay everyone back by March 1993. The contributions were used to finance the first of several potable water systems.

TURNING COFFEE INTO CLEAN WATER

Café Oro has proven itself as a viable way to raise funds. It is unusual for a small, nonprofit group to go into the coffee business in such a big way. But we had a good use for all the profits. Medical delegations returning from remote parts of Ometepe had reported that the main cause of illness there was the lack of clean drinking water. Worms and other intestinal parasites drain their victims of their strength and make them vulnerable to other illnesses. Yet in a poor country with six months of heavy rain and six months of drought, clean drinking water is hard to find. One source of clean water on Ometepe is the lake in rainforst at the crater of Volcán Maderas. The initial use of our coffee profits was to tap one of several springs fed by that mountaintop lagoon in order to provide clean drinking water to the people of the village of San Pedro. Working with a Nicaraguan-based consulting group called Community-To-Community Development, and with funding from the Sister Islands Association, the people of San Pedro came together to build a simple, gravity feed system.

Since that first water system, five others (and several extensions to existing ones) have been funded around the south end of Ometepe. Unfortunately, water is not as easily accessible around the north end, which is dominated by the active volcano Concepción. However, we have used coffee profits to fund feasibility studies for a water system for the north-end village of Urbaite.

MORE PROFITS, MORE PROJECTS

The popularity, and the assured widespread availability of Café Oro has resulted in increased profits every year for the Sister Islands. In 2000, we joined the Internet commerce explosion and made Café Oro available worldwide with a "click of the button." We have sold Café Oro to just about every state in the country and to England, Germany and Japan.

Increased sales allowed us to open an office on Ometepe, hire an Ometepe office manager, and set up a process for Ometepinos to apply for our funds. Community projects we have funded, with labor for the most part supplied by the villagers, include things as inexpensive as a *piñata* for a *fiesta* for handicapped kids and transportation for a vaccination program, to something on a much grander scale—the building of a brand new 5year high school in the village of Mérida. Our office has played a critical role in receiving and initially evaluating project requests, as well as visiting many remote locations to let them know about the availability of funds. Office staff follow up on completed projects and happily attend many dedication ceremonies.

We have funded projects in public health, including midwife classes and medical supplies. In 2000, after Hurricane Mitch brushed Ometepe, our profitable coffee sales, along with generous donations from concerned North Americans, helped finance the building of 21 houses (at \$1,000 each) for the most needy families. Public education projects have included classrooms in nine villages, school furniture and supplies, and building fences around schools to keep kids in and pigs out. Another current project coming back full circle to our initial involvement, is using Fundación Entre Volcanes, a local advocacy group, to facilitate communication between various local water committees to standardize the way they collect fees and maintain their community water systems.

We continue to marvel at our wonderful success story with coffee and local communities, cultural exchanges and working on a small scale

continued on page 4

Suitcase... continued from page 3

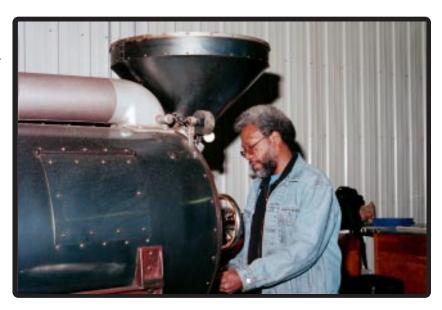
for social justice. Looking closely, one can see that a lot of hard work goes into keeping the project running smoothly. There is a dedicated group of volunteers, from those who work to get the green coffee up here every year, navigating the international shipping maze, to those who do the backbreaking work of unloading the 150-pound bags of coffee, to the folks who coordinate our weekly baggers, not to forget our weekly baggers themselves!

It Takes An Island...

By Lee Robinson

Every week since May 1992, David Dessinger and the Pegasus crew have carefully roasted Café Oro for us, first in the basement of the Pegasus Building on Parfitt Way, then at the facility on Day Road. When the coffee shipment arrives in the spring, it is carefully stacked and stored—all 12,000+ pounds! Then, every Thursday, roaster Doug Walker expertly roasts our coffee to order. It takes the morning hours to roast our 150-200 pounds per week. I can't emphasize enough how important David (and the Pegasus crew) has

been to our success. From advising us on green coffee quality and going down to Ometepe to meet with the growers, to storing a year's worth of green coffee and



Doug Walker, roaster at Bainbridge Pegasus

--photos by Lee Robinson

essentially closing down his business every Thursday to meet our needs.

Our volunteer baggers show up at the warehouse at 1 PM where they weigh, bag, and ship the orders that have come in that week.

Several extra pounds are set aside to fill the Internet orders that will arrive during the upcoming week. Our coffee baggers are the best! Many have never been to Ometepe, but enjoy the comradery at the warehouse and love to hear the latest news from their sister island.

I would be remiss if I didn't note that none of this would be possible if the coffee weren't delicious to begin with. The growers on Ometepe and our Pegasus roasters do their jobs with the same dedication and careful handling of Café Oro as our volunteers. We thank them all and promise we will continue to use our profits in a wise and equitable manner.



Eleanor Anderson, who labels all our gold coffee bags



College Scholarships



by Nancy Quitslund

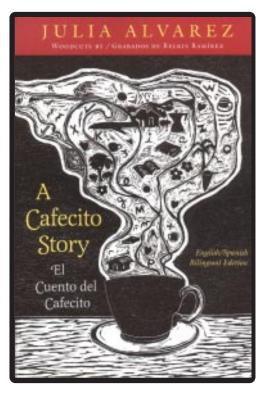
Your wonderful support has made it possible for 25 students from Ometepe to graduate from universities in Nicaragua. Those young people are now doctors, teachers, psychologists, lawyers, accountants, well-trained agriculturalists, business people, and an overseer of the scholarship program on Ometepe. The 25 current scholarships are funding 30 more high school graduates as they attend college. Selection is made by committees of Ometepinos.

The number of high schools on Ometepe has increased from two to ten since we began the scholarship program. This year the sixth (San Jose del Sur) and seventh (Merida) will hold their first graduations. We will need five more sponsors if we are to provide scholarships for those two and for the three newest schools.

Our goal is to have one scholarship available each year for each graduating high school class on Ometepe. Each scholarship for high school graduates is \$960/year (\$80/month), sometimes split between two students by the local committee. Several sponsors here share a student with someone else, each paying \$480/year. Please consider becoming a sponsor!

Additionally, 24 high school teachers from Ometepe are receiving financial aid from BOSIA this year, allowing them to study on weekends to complete their university degrees. The \$35 to \$40 per month paid to the teachers is financed by a \$10,000 anonymous donation. Only high school teachers who had completed at least one year of university studies were eligible. We are determined to continue this program. The Board approved funding the program again next year, using money in the Robert Drew Scholarship Fund. We are, however, happy to accept cash infusions to help sustain this program.

For more information contact Nancy Quitslund at (206) 780-9422.



El Cuento de Cafecita

A Book review by Dallas Shaffer

Julia Alvarez, the novelist, has written a charming tale of a Nebraska farmer's son, Joe, who "grew up with a bad cup of coffee" discovering what good coffee really is on a trip to the Dominican Republic. It is organic, of course, and grown under shade and with the songs of birds. The story describes starting a sustainable organic shade grown coffee cooperative and literacy project amidst the *desierto verde* (green desert) of most coffee production in the author's homeland. The description of coffee growing and harvesting mirrors that for our Café Oro on Ometepe.

A Cafecito Story/El Cuento de Cafecita is a beautiful example of bookmaking, a lovely small paperback book, a perfect gift. It is bilingual, illustrated with stunning woodcuts by Belkis Ramirez, a Dominican artist, and includes an afterword describing the actual project on which the tale is based, discusses fair trade values and provides a resource list. The book is available from the publisher Chelsea Green at www.chelseagreen.com for \$8.95 or Eagle Harbor Book Store will order it.





Volcan Maderas (1,394 meters) has extensive cloud forests with an incredible variety of native flora and fauna. The coffee cooperative is up in this forest and the coffee grows under this abundant forest canopy. Besides the trees, the cafetal also hosts lots of tropical birds (e.g. wild parrots) and migratory ones (like the Townsend's Warbler, who visits Bainbridge in the summer!), two varieties of monkeys, and hundreds of different kinds of butterflies and insects, as the mural depicts.



When you harvest coffee, you pick only the "cherries" that are red.

Plants don't get harvested until they are at least 4 years old, 5-6 feet tall. Coffee grown in higher altitudes tends to produce harder beans that are better quality for roasting. Shade-grown









The picked cherries are weighed and put into 150 pound sacks, which are hoisted onto mules and taken down the mountain from the forest to the cooperative for processing.





The cherries are first de-pulped by an antique machine, which separates the pulp from the two seeds (which we call the coffee beans). The seeds go into a holding bin and then undergo a laborious water washing process, twice --until the beans are clean of the sticky pulp. The discarded skins and pulp are composted and reused as organic fertilizer on the coffee plants.





The washed beans are dried in the sun on the drying patios for 6-8 days. They are hauled into storage most nights.

When the moisture level gets down to 12%, the beans rest for four days before the milling process, which removes the final skin (called parchment) off the beans.

The milled beans are sorted by hand, mostly by women, into marketable export-grade and broken or otherwise imperfect beans for domestic use. Later they are sorted with screens by size to provide uniform beans for roasting.





The processed beans travel by mule, trucks and container ship to either Seattle or Vancouver, BC. Pegasus Coffee on Bainbridge roasts 100-400 lbs each week. Sister Island volunteers bag the coffee for sale in local stores. The beans are sealed in nitrogen-filled bags to extend shelf life to three months. Almost half of the retail price (\$40,000 last year) goes back as community projects on Ometepe.

A History of the Coffee Cooperative

by David Mitchell



Members and friends of Cooperativa Carlos Díaz Cajina, 1992

Coffee came to Ometepe in the late 1800s, planted by absentee farmers who had seen the wealth it had created in Northern Nicaragua in the preceding decades. Coffee farms needed shade and workers, and Ometepe offered both in relative abundance. The new crop flourished in the dry forest down-slope from Volcán Maderas' cloud forest, and at its peak the mountain produced half a million pounds of coffee a year.

By the mid-1970s Maderas was home to a few large coffee farms. They ranged in size from 500 to 1,500 acres, employing at most a few dozen people each, except during the harvest in November and December, when the total number of workers reached several hundred. The year-round workers were loaned plots where they could raise their food. They had no land of their own, and could be made to leave at any time. The only health care came from healers in the community, and for most of the families who lived and worked on Maderas there was no school. This system had grown up under the dictatorship of the Somoza family.

When the Sandinistas took power after the overthrow of the dictatorship in 1979 they were presented with an huge opportunity for land reform. Over half of the arable land in the country had been in the hands of the Somoza family and their close associates, and the Sandinistas redistributed millions of acres. Some land was given or sold to small holders, and some was put into state farms. But the majority was given to cooperatives which were created "on the spot."

In Balgüe, a small community on the north flank of Volcán Maderas, one large farm, Finca Magdalena, and two smaller farms were combined. The land was assigned to a cooperative formed from about 80 of the laborers who lived in the area. Named Carlos Díaz Cajina after a teen-aged soldier from Ometepe who had died fighting in the U.S. backed contra war, the cooperative was told to forget coffee and raise rice, beans and plantains to feed the country. The Sandinistas promised a market as well as training in administration and new agricultural techniques.

The Sandinistas took power while Jimmy Carter was President in the United States. The Carter

administration was wary of the Sandinistas, who had received help from Cuba's Fidel Castro and occasionally from the Soviet Union. For their part, the Sandinistas tried to reassure the US, but in 1980, Ronald Reagan replaced Carter in the White House, and wariness changed to hostility as the Reagan administration placed the full force of the United States against Nicaragua, using both legal and illegal means. Faced with a war, the Sandinistas were unable to fulfill their promises to train cooperative members. More and more the country's cooperatives found themselves on their own.

At Coop CDC (as Carlos Díaz Cajina soon became known) this meant the members learned farm management on their own, through trial and error. Within two years, over half of the members had left, taking a third of the land with them as their own property. Those who stayed continued growing "basic grains" (rice and beans) and plantains, and harvesting a bit of the coffee that still grew in the forest. They showed a pile of export-ready coffee to anyone who happened by the farm, knowing that they could double or triple their income per pound if they could ever export it. In 1988 they showed their pile of coffee to some visitors from Bainbridge Island the result of which is another story.

Around 1993 the number of visitors showing up at the farm began to increase. Most of these visitors were young backpackers, intent on climbing Volcán Maderas. Coincidentally, the only path to the summit at the time went through the farm; and soon the coop members began offering food and lodging to the visitors. Over the past decade the huge hacienda building has been remodeled to provide accommodations for as many as 80 people. A detached building with two suites was built in 2000, and more of these are planned. In 2002 tourism eclipsed coffee production as the biggest income stream at the farm.

Since the end of the Sandinista years in 1990 Coop CDC has slowly prospered, when most of the cooperatives in Nicaragua have failed. The members are convinced that their connections and friendship with the Sister Islands Association, as well as the ability to sell their coffee at fair-trade prices, has saved them.

Coop CDC has added only a few members in recent years, almost always children of members who have died, and they have been discussing how to provide for the future, to safeguard the environment of the farm and the cloud forest above it, how to be a good neighbor in the community, and how to promote the welfare of the members.

Editors' Note: The author of this article, David Mitchell and his wife, Lisa Giles, became members in 1992, and are two of the 27 current members of Coop CDC.



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Three Things to Remember When Buying Coffee (or Maybe Just One)

by David Mitchell

Sustainable coffee is a term that's come into use in the last decade. It's come to mean coffee that is organic, shadegrown, and fair-traded.

Organic, first. It's the farmers, their families, and neighbors who suffer from the poisons sprayed on coffee bushes. In the part of the world where coffee is grown most people can't afford even the most rudimentary safety gear, although they know they should use it. Sprays get on their skin, on their clothes and in their lungs. Runoff from the fields contaminate the area, as does water from washing their clothes. Chemical containers get re-used to carry other things, including drinking water.

Organic coffee removes all these problems, and although not every organic farmer can afford certification, there are certifiers operating nearly everywhere coffee is grown, and organic coffee is pretty easy to find in the market.

Fair-traded is the next thing to remember. For decades coffee prices have been set in a market controlled by large buyers, like the cans. This "New York C" price has dipped to less than fifty cents US per pound of coffee, a price usually paid to a consolidator who buys from the farmers, taking a commission to do so. Real out-of-pocket costs

for raising a pound of coffee range from eighty cents to a dollar, and when the price dips much below that it means people lose land, and leave farms to move to city slums. "The market" says this is caused by overproduction, but fair trade guarantees the farmer a minimum income per pound, along with incentives for maintaining organic certification and for working cooperatively. In the United States and Canada fairtrade labeling is managed by Transfair USA and Transfair Canada, and in Europe by Max Havelaar. Some coffee sellers. like the Sister Islands Association, self-certify by making their coffee transaction information available to anyone whom asks.

Shade-grown is the final "leg" of the triangle supporting sustainable coffee. In the early 1990s researchers realized that the forests in Central and South America where coffee was grown provided some of the best remaining habitats for the migratory birds that summer in North America and fly South for the winter. The other thing they realized was that the coffee forests were being cut and replaced with mono-crops of coffee bushes bred to grow in full sun, with massive chemical inputs to help this shade-loving plant survive. Sun cultivation lent itself to larger, factory-farm

operations where even pickers could be replaced with huge machines that beat the harvest from the bush, rather than taking the berries by hand, one at a time. In 1996 the Smithsonian Institution's Migratory Bird Center called a conference to talk about promoting shadegrown coffee, and now shade coffee has become a success story in marketing. Almost every specialty coffee roaster, including Starbucks, offers shade-grown coffee.



Gracias, Pegasus

Where to buy Café Oro

So besides taste, there are three things to look for in your coffee. Or you can buy Café Oro de Ometepe, available on Bainbridge Island at Town and Country Market, at Poulsbo's Market Place, at Fremont Fresh Market, at all seven Puget Sound Consumers Coop stores, and on the Web at http://www.bosia.org/cafe.

Report on the 2003 Annual Meeting



By Dallas Shaffer, President

The Sister Islands Association held its 17th Annual Meeting on October 20th, 2003. Six students from Alice Mendoza's 3rd grade class at Wilkes School charmed the audience of 70 with their report on the 11th annual calendar. The calendars will hit the streets just before Thanksgiving.

Elisabeth Merritt, a staff member of El Porvenir in Nicaragua, showed slides of that organization's activities. El Porvenir, which means "the future," is a non-governmental agency founded in 1990 that works in central Nicaragua. El Porvenir focuses on working with villages to build basic water and sanitation projects including hand-dug wells, gravity-fed water systems, latrines, and washing/bathing facilities. It also supports reforestation projects. In recognition of the kinship between the Sister Islands Association and El Porvenir, in both the kind of work and the philosophy of empowering people to solve their own problems, we donated \$1,000 to El Porvenir. To learn more, consult www.elporvenir.org.

Siri Kushner reviewed the 2003 projects completed on Ometepe. They ran the gamut from library books to road repair, school facilities, medical aid, and scholarships. The Bainbridge community—individuals, organizations, and the Sister Islands Association—has contributed almost \$100,000 this year to these partnership projects, which are carried out by Ometepinos who contribute labor and some of the materials as well!

The election of Board members and officers followed. The meeting ended with Kim Esterberg's evocative slides of Ometepe.

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Thanks for your support. We use membership income wisely --- primarily to publish this newsletter.

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Happy Holidays ~ Feliz Navidad ~ Winter Solstice ~ Kwanza Idd Mubarak~ Happy Hanukkah ~ Birthdays ~ Happy New Year

We're not really in the coffee business; we're about building bridges of friendship and understanding between the people of our two islands, hoping some of the effects will rub off on the rest of the world.

Page 12