## Institute of Current World Affairs



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# In Guatemala: A Coffee Plantation Where Workers Matter

By Ezra K. Fieser

**D**ETALHULEU–The Pacific Highway leaves KGuatemala City after rows of auto-repair shops, banks, shopping centers, fast-food restaurants, and, finally, a garbage dump swarmed with buzzards. It descends the country's steep Pacific slope — dropping thousands of feet in a few dozen miles — and enters the south coast. It feels like walking from the cold into a bathroom after the shower has been running. It then cuts north, passing fields of sugarcane and the belching trucks that carry it to refineries. The pockmarked road takes traffic toward the Mexican border, past bustling little cities, past the shacks selling pineapples and papaya. Guatemalans, driving like maniacs, pass on hills, they pass on blind curves, and they play chicken with buses and giant trucks. I've passed more than a few dead bodies on the road. Finally, 50 miles before Mexico, the road goes through a series of grand farms, where the only animal life is the grazing cattle.

Fifteen years ago, a ride up that same highway would have cut through fields of the coffee plant's waxy green leaves. The giant fincas — the equivalent of plantations — were the basis of the Guatemalan economy.

Those farms helped fortify Guatemala's reputation as a coffee giant. The quality of their beans may not have been superior, but they were cash cows in a market that only rewarded volume. In the 1980s more than 80 percent of the coffee raised in Guatemala was low-quality



Workers on the Gossman farm, San Francisco, carry Arabic coffee plants to the field.

Arabica coffee, grown at low altitudes, the national coffee association, ANACAFE, told me.

The whole industry changed about a decade ago. The Vietnamese entered the international coffee market with tons of cheap robusta coffee — as opposed to the Arabica coffee grown in most of Latin America. The international market price dropped by two-thirds, or more, hitting 45 cents per pound. Those farms that had been built up when coffee was *THE* commodity for Guatemala, were pinched. Some sold their land. Others began planting rubber trees or turned farms into pasture.

Nevertheless, the industry remained the agricultural economy's largest crop. Producing some 500 million pounds of coffee, employing an estimated one million people during the harvest and accounting for nearly 30 percent of the country's exports.

Some 90,000 growers survived the coffee crisis. The big farms that remained — often around 1,000 acres — emerged into a cutthroat coffee market that demands quality and is increasingly sensitive to environmental stewardship and the treatment of workers. Those farm owners are the aim of criticism from labor-rights advocates and en-

vironmental groups, often for good reason. I've seen coffee farms making a fortune off the hard work of people treated like the garbage that surrounds the shacks they live in.

Are the conditions on those farms the result of the pressures of the industry? Are the margins so tight that for a coffee plantation owner to make a buck, he must devalue his workers and ruin the land on which the coffee grows?

Last month, I rode for three hours up that Pacific Highway to spend three days on one of those big fincas, one, I had been told, that was a model of how things could be.

#### THE FARM, SAN FRAN-

CISCO, was set on the Pacific Slope where the volcanic range that gives Guatemala its famed coffee-growing altitude and soil drops drastically to the coastal lowlands and black sand beaches of the Pacific. The Department of Quetzaltenango, is surrounded by scores of farms big and small, including the small cooperative about which I wrote in my previous newsletter is next door.

I sat in the back seat of a Hyun-

dai SUV. Two members of the Rainforest Alliance, an international NGO that seeks to conserve the environment and promote sustainable agriculture by certifying farms, and Herbert Gossman, who manages the farm with his father, were with me. We entered San Francisco by way of a neighboring coffee farm. Neat rows of coffee plants lined the side of the road. Gossman said it looked very much like the way his farm used to look. He pointed to erosion — a roadside hill crumbling into the street — and to the barren earth that lay between the roads. "Absolutely no grass," he said.

A machine-gun-wielding security guard manned the gate as we passed. But the verdant shade-covered fields of San Francisco had a decidedly peaceful feel. We drove over the trickle of a stream running downhill to a river rushing through the farm. We passed the first of three residential areas. The workers played soccer in the early afternoon sun.

Across from the soccer field, rows of pavilions equipped with open barbeque pits lined the street. Gossman told me they were installed for the day workers, those who work full time but do not live on the farm, some 300 people. "It's like if they want to have a picnic with their family or what-





A dirt road divides Gossman's property (left) with that of a neighboring farm.

ever. Or just cook their food," he said. I told him it all felt like a public park in the U.S. "It gets better," he said.

During the coming days, Gossman took me around his property. He grows limes, plantains, macademia nuts, and avocadoes and keeps several areas untouched as private nature reserves. He has more products certified by the Rainforest Alliance than any other single producer in the world.

The farm was a kind of ride through "eco-land." We descended steep hills to a perch above the river where Gossman is constructing a hydroelectric plant where he will draw zero-carbon electricity from the power of the water. The half-megawatt plant will be sold to the local electricity grid. Shortly after seeing the plant, we climbed hills planted with coffee and gangly macadamia trees to the nature reserves. We stopped, turned off the engine and listened to a chorus of birds.

But what stood out was not the diversity or the innovation on the farm. It was the weeds. Nor-

mally, a big coffee farm looks something like this: several coffee plants surrounded by a few shade trees. The paths between the coffee plants are dirt, free of weeds, free of any other vegetation. At San Francisco, the weeds were everywhere. They popped up between the plants, on riverbanks, on the edges of streams. "If you came here two years ago, none of that vegetation would be here," Gossman said.



Coffee seedlings grow under the canopy of native shade trees. The practice is a departure from a nursery in which greenhouses are used.

"But when we were certified by Rainforest Alliance, we had to stop spraying herbicides. It was a huge change for us. The farm looks completely different." Weeds are now removed by hand from around the base of the coffee plant. By leaving the natural grasses in place, Gossman said, he's drastically reduced erosion and, after just one year, seen an improvement in soil, which has helped increase yields.

The farm was as free of garbage as it was covered in grasses. Other coffee farms I'd visited were strewn with Cheetos wrappers, Coca-Cola bottles, and little blue plastic bags among a host of other plastic pollution. This farm was clean, better kempt than a public park in the U.S. What's more, I saw garbage cans — and people emptying them! This is somewhat unheard of in Guatemala.

I asked about it. "One of the things that I always see in Guatemala is trash. It's everywhere. It's always on farms." I'd thought about a Fair Trade cooperative some 4 miles away that I'd visited only three weeks earlier. I'd sat with one of the farmers in front of a little family-owned store on the cooperative where we drank water and soda. She asked for a "disposable" bottle of Coca-Cola and after she was finished drinking it, she threw it on the ground as if it were a handful of soil.

"It's one of our rules," one of the Rainforest Alliance officials, Enrique Mena, said. "If you're going to be certified by Rainforest Alliance, we don't allow for there to be garbage on your property."

The weeds were also a result of the Rainforest Alliance certification. The organization does not allow for the farms certified under its program to spray herbicides.

Rainforest Alliance has been criticized for some of its practices. For instance, it allows retailers to use the Rainforest Alliance seal — that little tree frog — on a package of coffee that contains only 30 percent of Rainforest Alliance certified coffee. "If that ain't green washing, I don't know what is, " Paul Rice, the founder of TransFair USA, the U.S. Fair Trade organization once told me. "I mean come on, how does Rainforest Alliance call itself a sustainable coffee promoter when it's allowing that."

While Rice's complaint is valid, an argument also exists that by coupling with big producers — like Kraft Foods — and allowing their brands to use the Rainforest Alliance seal, the organization is growing the market for its producers.

**QUALIFYING FOR A CERTIFICATION,** however, is only one step in the process. Being a socially and environmentally conscious coffee farmer takes an enormous personal commitment. Gossman has it. There are certainly others, certified by Rainforest Alliance or any other organization, that don't.

Coffee has been cultivated in Guatemala since as early

as the 1700s, when it was mainly an ornamental.

When Central America declared independence from Spain in 1823, the dominant export product was cochineal, an insect from which a crimson dye is extracted.

By the 1860s, however, the crop was beginning to be cultivated for export. The book, "The History of Coffee in Guatemala," recounts that English traveler George Alexander Thompson arrived in Guatemala in 1825 and took note of the country's exports: Cochineal, indigo, cacao, gold, silver and cotton, respectively, were the leading products. Coffee was "among the least valued of exports," it said.

When commercial dyes were developed in Europe, the market for cochineal and indigo largely collapsed. And the government turned to coffee as a replacement, putting in place preferential trade and tax treatment. By 1860, the product had gone from an ornamental to a major export, with more than a half-million trees planted and more than 100,000 pounds exported.

In the 1870s, dictator Justo Barrios made the product the basis for the Guatemalan economy, taking over land owned by indigenous Mayans and the Catholic Church and turning it over to plantation owners for coffee. Within a decade coffee had become the dominant crop, representing some 90 percent of exports according to some estimates.

With the rise in production came abuses. Under President Jorge Ubico, who took office in 1931, trade unions and populist organizations were targeted. More land was turned over to plantation owners. Workers were stripped of rights, allowing for slave-like conditions on large coffee farms.

Coffee in Guatemala — and most other coffee-growing countries — is cultivated on rugged terrain; steep hills, deep valleys and amid rocky soil. It's impossible to cultivate coffee by machine. The labor-intensive process of tending to coffee plants and picking the coffee meant a large workforce.

Those coffee pickers have long faced poverty, hunger and abusive practices by farm owners. That's not changed much since the mid 1900s. Farm-worker organizations continue to complain about their conditions, including having to pay rent to stay on the plantation, and having to take out loans for health care — even if their problems are related to work on the farm.

The situation is worse for the seasonal migrants who flock to the farms each year from November through March (depending on the region) to pick coffee fruit, known as cherry. Many of those migrants with whom I've spoke said they were not paid the minimum wage and had to stay in squalid temporary housing. Even if they did make minimum wage, their families were likely

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Children of farm workers are schooled at the farm, under the national education curriculum. They are pictured during recess.

to starve, according to research.

This was the context under which I approached San Francisco.

AFTER A DAY OF SEEING ITS environmental protection programs, I spent a day visiting homes of the workers. Some 35 of the workers live on the farm. Several of them joined us for breakfast every morning in Gossman's dining room. They spoke little about the condition

of the coffee crops or that day's harvest. They mostly told jokes about each other. There was no hierarchy. Nobody seemed afraid to share an opinion. I asked Edwin Figueroa about the conditions under which he lived. He responded by telling me about how his kids are in a nearby school for which Gossman pays the tuition, only to be interrupted by Gossman, to which he responded "Sorry, but I'm going to continue."

This was not the plantation owner — indentured servant relationship that is so prevalent elsewhere. That

This was the first time I'd ever seen a microwave, a toaster oven and a Whirlpool washing machine in a farm worker's home.
But it was something I saw in several homes on the San Francisco farm.



night, while we were sipping aged rum mixed with canned Coke, I asked Gossman about it. "To tell you the truth," he said, "It was because of my father's upbringing."

Gossman earned a bachelor's degree in the United States. He worked on Wall Street, dealing in the futures market, for three years. He had nearly every opportunity afforded to him to be successful. His father had none of that.

His father shined shoes in Antigua, a tourist town, and took it upon himself to learn the coffee trade. First, he acted as a middleman. He bought coffee from small farmers and took it to processors, trying to sell it for a small profit. It wasn't profitable, but he learned the coffee business. By his 20s, he was running an export business. He soon after bought his first coffee farms. Through the years, he bought and sold. San Francisco was to be his crowning achievement, a mix of quality coffee and a high standard of living for his workers. Gossman and his father split duties running the farm, but they share in their commitment to the environment and their workers.

I was dropped off in the middle of the workers' village. Gossman was nowhere to be seen. I wandered through the homes. They were all nearly identical: a few rooms with poured concrete floors, a dining room, and a wood-burning kitchen separate from the home by a covered walkway. "That's important because in many Guatemalan homes the woodstove is not separated and there's not proper ventilation. So the kids are breathing in the exhaust of the stoves," Enrique said.

Victorio Martinez Maldonado, a 53-year-old with a slight limp, lived in one of the first homes I visited. An affable security guard with a near constant ear-to-ear grin who was raising his ex-wife's children, Victorio came to San Francisco after working for years on another coffee farm.

He showed me around his home. It was simple. Clean and neat. A few beds on steel stands. An ugly floral dining room table with mismatched chairs. A TV blaring a soccer game. A poster of a girl in a skimpy bikini took up most of the wall in his son's room. "Oh, and you have entertainment," I said. Victorio laughed. What stood out about Victorio's house was nothing. That is to say that it was all pretty comfortable. I wouldn't say that I would like to live there, but if I had the choice between his home and that of a coffee grower I'd visited weeks before, I'd choose Victorio's.

He had arrived years ago after being diagnosed with hepatitis. He'd heard stories of people dying from the disease and went to the farm owner where he previously worked to ask for a loan against future wages to buy his medication. "I was afraid I was going to die," he said, not knowing that the disease was not likely to kill him.

The farm owner told him no. "How am I supposed to

get my money back if you die,"" the owner said according to Victorio. "What was I supposed to do? I left and I heard San Francisco was hiring."

He approached Gossman's father with a proposition: "If you can help me, I'll work in whatever capacity I can." Gossman's father not only paid the prescription, which was about \$125 per month for a year He also never asked Victorio to repay the costs. "He saved my life," he told me in his adopted son's bedroom. "I would not be alive today if it were not for him." He cried.

About 100 feet away at the school children in grades kindergarten through sixth were taught in two square classrooms with walls plastered with handmade posters. A computer lab separated the two classrooms. I walked up as the kids played out back on a playground equipped with a giant trampoline. Just beyond the playground sat a fenced-off swimming pool shaped like a fish, with a small separate children's pool acting as the fish tail. I asked Gossman why he'd built a pool for the children of his workers and not for himself. "We're thinking about building ourselves one, but we have a lot more to do on the farm first," he said.

"How much are you spending on the farm, on the homes and workers' conditions?"

"If I had to calculate in my head right now," he said, "I'd say maybe \$75,000 to \$100,000" each year.

"How much profit does that leave you with?"

"Profit? We're not making anything," he said. The Gossmans plan to re-invest all profits for the foreseeable future.

It's partly a business decision, Gossman explained. "We hope to make this farm known for its commitment to people and to the land. If we can get buyers in the U.S. to recognize what we're doing here and what other farms like us are doing, it would be huge."

BY THE TIME I RETURNED HOME, taking that long trip back down the Pacific Highway, I was thinking deeply on why the visit to San Francisco left such an impression. I'd been to dozens of farms in the weeks before. I'd seen successes and failures. What I hadn't seen, I realized was someone from another class — an educated Guatemalan with resources — more committed to the welfare of his workers than his bottom line.

For that reason, Herbert Gossman is unique. He does not follow the Guatemalan line that reasons that a farm owner must take advantage of his workers. Instead, he put their needs ahead of his: he built them a pool, while he has none. He built a school and pays the salaries of two teachers while being forced to commute from Guatemala City so his daughter can attend school there. He is foregoing profits for an unknown number of years to invest in



Herbert Gossman

environment and to provide worker benefits on his farm.

A month later, over steak and salad in a Guatemala City restaurant, Gossman told me his investment is already paying off financially. He's on his way to selling his entire harvest under the Rainforest Alliance seal, which means a price premium of 10 to 15 percent over the market price. Cafe giant Caribou Coffee — a direct competitor to Starbucks — bought "several" contracts, he said.

Yet, it wouldn't matter if Gossman were a Rainfor-

est Alliance farmer and organic coffee grower or a bird friendly farmer. What mattered was his commitment to his land and his desire to treat his workers with respect.

"It's a cleaner lifestyle for them and for our farm. ... If you ask me what I'm most proud of, it's the school. Because that means a future for the children of the farm workers and that's the thing that's going to help Guatemala in the long run," he said. "I think that if all the farms in Guatemala were doing what we do. If they were all making the same investment, we'd have a very different Guatemala."

### Current Fellows

#### Elena Agarkova • RUSSIA

May 2008 - 2010

Elena is living in Siberia, studying management of natural resources and the relationship between Siberia's natural riches and its people. Previously, Elena was a Legal Fellow at the University of Washington's School of Law, at the Berman Environmental Law Clinic. She has clerked for Honorable Cynthia M. Rufe of the federal district court in Philadelphia, and has practiced commercial litigation at the New York office of Milbank, Tweed, Hadley & McCloy LLP. Elena was born in Moscow, Russia, and has volunteered for environmental non-profits in the Lake Baikal region of Siberia. She graduated from Georgetown University Law Center in 2001, and has received a bachelor's degree in political science from Barnard College.

#### Pooja Bhatia • HAITI

September 2008 - 2010

Pooja attended Harvard as an undergraduate, and then worked for the *Wall Street Journal* for a few years. She graduated from Harvard Law School. She was appointed Harvard Law School Satter Human Rights Fellow in 2007 and worked as an attorney with the Bureau des Avocats Internationaux, which advocates and litigates on behalf of Haiti's poor.

#### **Eve Fairbanks • SOUTH AFRICA**

May 2009 - 2011

Eve is a *New Republic* staff writer interested in character and in how individuals fit themselves into new or changing societies. Through that lens, she will be writing about medicine and politics in the new South Africa. At the *New Republic*, she covered the first Democratic Congress since 1992 and the 2008 presidential race; her book reviews have also appeared the *New York Times*. She graduated with a degree in political science from Yale, where she also studied music.

#### Ezra Fieser • GUATEMALA

January 2008 - 2010

Ezra is interested in economic and political changes in Central America. He is an ICWA fellow living in Guatemala where he will write about the country's rapidly changing economic structure and the effects on its politics, culture and people. He was formerly the deputy city editor for *The News Journal* (Wilmington, DE), a staff writer for *Springfield Republican* (Springfield, MA) and a Pulliam Fellow at *The Arizona Republic*. He is a graduate of Emerson College in Boston.

#### Suzy Hansen • TURKEY

April 2007 - October 2009

A John O. Crane Memorial Fellow, Suzy will be writing about politics and religion in Turkey. A former editor at the *New York Observer*, her work has also appeared in Salon, the *New York Times* Book Review, the *Nation*, and other publications. She graduated from the University of Pennsylvania in 1999.

#### Derek Mitchell • INDIA

September 2007 - May 2010

As a Phillips Talbot Fellow, Derek will explore the impact of global trade and economic growth on Indians living in poverty. He has served for the past year as a volunteer for Swaraj Peeth, an institute in New Delhi dedicated to nonviolent conflict resolution and Mahatma Gandhi's thought. Previously he was a Fulbright scholar in India at the Gandhi Peace Foundation. He has coordinated foreign policy research at George Washington University's Institute for Communitarian Policy Studies and worked as a political organizer in New Hampshire. Derek graduated with a degree in religion from Columbia University.

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