Introduction

I came to San Pedro to accomplish what seemed like a straightforward task: follow a coffee bean from its origin on the slopes of a volcano through the processing phases, into bags and then into freight containers for shipment to the United States and, eventually, my coffeeshop in El Paso, Texas. Follow the thing, to paraphrase Marx, and find out what happens to it and the people around it. What relationships exist? What is the power structure, and who are the decision makers? How does that bean get from the side of a volcano in San Pedro la Laguna, Sololá, Guatemala into my cup of coffee in El Paso or Boulder or London or anywhere else in the world?

Beyond following the thing, I had a secondary interest: to find out if Fair Trade coffee existed in San Pedro, and why it did or did not. If it did exist, was it helping to better the lives of coffee farmers, known as cafetaleros or caficultores? If it didn't, what were the barriers to bringing Fair Trade certified coffee to the area? Was it a lack of education, access to markets, a language barrier, inferior quality coffee, access to capital, or something else altogether? My interests were both academic and personal: academic, because as a dual-degree student seeking both an M.B.A. and a master's degree in anthropology, I wanted to write a thesis, and I wanted original research; and personal, because of my work with Fair Trade coffee through our independent bookstore and coffeeshop in Texas. In my research project here in San Pedro, I felt these academic and personal interests coincided nicely. I arrived in San Pedro in late May with visions of coffee farmer cooperatives, some local equivalent of an Elks Club or a bowling league. As I was about to discover, not only was there nothing resembling a pedrano bowling league, but there was nothing nice or coincidental in the coffee trade, at least not here.

"Here" is San Pedro la Laguna, a town of between 7,289 and 10,229 people depending on which figures you consult. It is 96% Tz'utujil Maya and covers 24 square kilometers between the slopes of Volcán San Pedro and Lake Atitlán, a massive crater lake. The town sits 5,000 to 5,500 feet above sea level, has a very humid climate, and a defined wet and dry season. Together, this microclimate produces three kinds of Arabica Strictly Hard Beans, some of the highest quality beans available. According to a 2004 Economic Ministry report, about half the population is men and half women, 59% are literate, 48% live in poverty and 5% live in extreme poverty. ANACAFÉ, the National Coffee Association for Guatemala, estimates that 60% of the population has at least a small piece of land under coffee cultivation, with 27% of men economically active in coffee production and 1-2% of women. 40% of San Pedro's total 24 square kilometers, it estimates, is given over to coffee production, the highest figure for any town on the lake. ANACAFÉ stressed that its figures were estimates only due to the difficulty of verifying land under cultivation and the tendency of local farmers to change their answers to questions about land holdings and annual coffee production. Moreover, acres under cultivation vary with each year; when coffee prices
are high, more seeds are planted, and when prices drop, coffee may be ripped up and planted with other crops.

If even the number of acres under cultivation and the number of people involved in coffee production in San Pedro is impossible to know for sure, how could I come to know anything else about the industry for certain? Luckily, or perhaps unluckily, for me I didn’t know what I couldn’t know. Despite repeated attempts, I was unable to connect personally with anyone at the ANACAFÉ office until the very last week of the program. I had high hopes that my original questions could all be answered, that these things could be securely known. I had traveled to Guatemala before, studied its history. I should have known better.

Methodology and Limitations

During my time in San Pedro I investigated local methods of coffee production and access to international coffee markets through a series of informal interviews and conversations with locals and expatriates involved in the coffee industry, either directly or peripherally. Interviews were conducted in English or Spanish depending on the native language of the informant. As the latter sections of this paper will show, my work was complicated not only by my limited time schedule, illness, and inability to understand Tz’utujil, the local Maya language, but by the levels of corruption, misinformation, and physical danger that overlay every step of the coffee production process. Some informants told me, quite seriously, that if others in the industry heard what they were telling me, they would kill them. Others, whether out of that same fear or the fear that I might be a coffee scout, come to steal their coffee or gain access to proprietary information, may have left out key details or been intentionally vague.

Without more time to follow up or physically witness the harvest, I am unable to corroborate much of what was told to me. Despite the fact that “the harvest never stops,” May, June and July mark the time when farmers are least concerned with their plants, and can concentrate on other economic activities; therefore discussions of the harvest and its difficulties were myriad, but unable to be confirmed via direct observation. A return trip during the harvest would be beneficial to understanding the nature of the relationships between coffee farmer and intermediary, mill owner, and exporter, and local, national, and international power structures. Further complicating my research is the fact that San Pedro lacks a central gathering area for coffee farmers; unlike neighboring San Juan, there is no cooperative with space for cafetaleros to gather. This meant that farmers, while present, were dispersed throughout town or elsewhere in Guatemala, with no network to help me connect to them. I had intended to find new informants through snowball methods and through visiting physical sites of coffee production, but had to rely instead on those that could be easily located and were more visible within the community. I am sure that not all pedranos would agree with what I have written here, but I believe that my work accurately reflects the myriad viewpoints and opinions of those with whom I was able to speak.

Guatemalan Coffee on the World Market
Details are sketchy on the origins of coffee in Guatemala, but most agree that it probably arrived in the late 1700s from the Caribbean, brought by Jesuit priests as ornamental plants for their monasteries. The first official coffee export occurred in 1859; by the Liberal Revolution of 1871 it was the country’s dominant export, helped by the dramatic fall of cochineal exports and the rise of coffee consumption in the Western world. The invention of synthetic dyes in the 1850s eliminated the need for cochineal, the basis of the Guatemalan economy at the time, and to replace it the Guatemalan government began offering incentives to farmers to grow coffee. These incentives were originally offered to a select few, with government interests attempting to maintain an artificially high price for coffee as they had done for cochineal (Carlsen 1997:114). By 1880, coffee made up 80% of Guatemala’s exports and was dominated by foreigners of German and English descent. The main obstacles to increasing production were scarcity of land and labor, as most of the best agricultural land was in the hands of Mayans, who had little interest in selling to expatriates or in working for low wages on the large plantations owned by foreigners or rich Ladinos.

While fincas and large plantations dominate much of the landscape in Guatemala, whether producing sugar, coffee, or bananas, the land around San Pedro La Laguna is mostly owned by smallholders with 4-20 cuerdas (just shy of an acre), to their names (Wagner 2001:29; ANACAFÉ 2007; Carlsen 1997:114-117; Wilkinson 2003; Anon. pers. comm. 6/29/07). Most of the land has been turned over to coffee, rather than the traditional milpa, or corn and bean farming, practiced by the abuelos, literally grandparents but here meaning ancestors. Carlsen (1997:119) notes that Santiago Atitlán, a neighboring town, is now forced to import corn to meet its subsistence, where it was once the largest exporter in the lake region. Interviews with locals indicate that the same is true for San Pedro, where vegetables and fruits are trucked in from the coasts and the capital, or perhaps across the lake, to be sold by third parties at the local market.

With the reinstatement of forced labor in 1871 and a “massive assault on village lands” (McCreery 1976:457, cited in Carlsen 1997:116), coffee exports were able to increase every year until 1929. They increased again until the loss of European markets during World War II lead to another temporary decrease in coffee exports. In 2002, world coffee prices crashed due to the arrival of Vietnam on the world coffee market and increased production in Brazil; coffee exports decreased 25% and more than 250,000 workers lost their jobs. “The price drop has been an unmitigated disaster for Central American economies, causing some 600,000 people to become refugees and 1.2 million to need direct food aid” (Lotter 2003). Partly to help recover from this crisis, Guatemala turned to specialty coffee1, breaking the world record weighted average price paid per pound of green coffee at the Cup of Excellence auction held June 14, 2007. “Guatemala, as a country, is only good at one thing,” one informant told me. “It isn’t good at sports; it isn’t good at human rights. The only thing Guatemala does well is coffee.”

The risks and benefits for coffee are high. Latin America and the Caribbean account for more than two-thirds of the world’s coffee production; Guatemala alone exports more than 4% of the world’s total coffee, placing it in the top ten of coffee producing nations. Moreover, Guatemala has more than 270,000 hectares under cultivation, employing more than half the labor force while providing one-fourth to one-third of its exports, depending on exchange rates (Ávalos-Sartorio et al. 2006; Perfecto et al. 1996:598;
Rice 1999:555-557; CIA 2007). As an industry worldwide coffee is second only to oil in legal commodity trade, with more than $80 billion in sales each year (Francis & Francis 2006) and with specialty coffee accounting for more than $20 billion of this total (SCAA 2006). It has become more than just a drink to be dashed down on the way to work by commuters in developed countries. It is now considered a “dessert food,” directed at “urban, urbane, professional men and women who distinguished themselves through consumption and who consumed or hoped to consume variety and quality, as well as quantity” (Roseberry 1996:773).

At its origin, of course, coffee is allied with sweat and hard work rather than cool desserts and professional gatherings. The coffee consumed in Guatemala itself is second or third rate, the fate of beans who fail to meet quality control standards, or which are harvested long past or long before their prime. All the best coffee is sent to the export market, and few Guatemalan coffee producers have an opportunity to taste the best that their product has to offer. Local shops in San Pedro offer quality bagged coffee at much higher prices than Nescafé or its local instant equivalent; some farmers mentioned that they saved some of their harvest for their personal consumption, so they don’t have to pay to purchase it later.

**Fair Trade and Specialty Coffee**

With $80 billion in sales and millions of people employed worldwide, it should come as no surprise that the stakes are high and the trail from bean to cup often twisting or obscured. For the consumer who wants not only high-quality coffee, but also the opportunity to make a social choice, Fair Trade, organic, and shade-grown coffees exist. “Fair Trade isn’t a product. Fair Trade isn’t a brand. It’s a story,” is the tagline to the menu screen of Fair Trade: The Story, an 8 minute document produced in 2006. In theory, it aims to help small farmers gain business skills, and get a higher price for their coffee by cutting out middlemen and selling directly to importers and roasters in the United States. Social premiums paid above the price of the coffee are intended to be used as the farmers choose; to construct schools, medical clinics, implement garbage pickup in the town, or any other project the farmers feel will help the community. The documentary states that around 5 million farmers in more than 50 countries worldwide benefit from Fair Trade and calls it “a farmer’s market gone global,” a response to the “race to the bottom” of globalization. With Fair Trade, high environmental standards, transparency, traceability, and accountability are highlighted alongside pictures and testimony from smiling farmers and well-fed and educated children. Every consumer has the ability, under Fair Trade, to know the name of the farmer who grew their coffee, to see what happens to the bean as it leaves the bush, goes through the processing steps, and eventually ends up in a paper cup.

This is Fair Trade’s claim, and to date I have been unable to find any literature on Fair Trade coffee that directly contradicts it. I asked one informant, who is against the Fair Trade label, what he suggested instead as a solution to coffee producer poverty. He shook his head sadly. “Look at this map,” he urged, pointing at a map of the world. “Look here. All the coffee in the whole world is grown between these two lines – the Tropic of Cancer and the Tropic of Capricorn. You can’t escape that. You can’t change that. We’re in the tropics, and that’s reality.” What he meant was that I shouldn’t be seduced by Fair Trade’s
claim of traceability, of improving lives so dramatically. I nodded and jotted down notes, trusting to his many years’ experience in the coffee industry and yet unable to believe that it could be true. Fair Trade is a tempting model, a response to the anonymous, distancing affects of neoliberalism and globalization, a way to be a good citizen just by indulging in your daily caffeine habit.

**Coffee and Consumerism in San Pedro la Laguna**

It was with this model of a thriving cooperative taking ownership of the means of production in mind that I arrived in San Pedro la Laguna in late May 2007, ready for seven weeks of research and living with a host family. Located on the southwest side of Lake Atitlán, San Pedro is easily reached via *lancha* or boat, by bus, pickup truck, or, from nearby towns, by *tuk tuk*, a popular form of transportation involving a three-wheeled motorcycle with benches in the rear covered by a red and white shell, and is popular with backpackers and tourists of the wanderer variety. Filling in around the coffee beneficios, or mills, the flat lakeshore of San Pedro is lined with hotels, restaurants, language schools, yoga studios, internet cafés, coffeeshops, handicraft stalls, laundry services, travel agencies, the nonprofit tourist association, small tiendas that sell sodas, water, snacks, and alcohol, and finally, drugs such as cocaine, mushrooms, and marijuana. Activities offered to these tourists include massage and yoga, hikes up the volcano, tours of the town and lake, a coffee tour, visits to a curandero or traditional healer, horseback riding, kayak rentals, and restaurant and hotel recommendations. Signs, when and if they exist, are often in English, many shops are owned by expatriates, and wandering vendors offer bread, jewelry and beaded items to anyone carrying a backpack or who looks to be a foreigner. Tucked in around the storefronts and hotels are coffee plants, their small green berries barely noticeable among the other foliage. Like so many things, these plants are invisible until you know what to look for, and then they are impossible to miss.

The town is more akin to two towns; the tourist zone along the flat lakeshore, and the local area loosely centered around the Catholic Church higher up the hill. The church is reached via two main roads climbing up from each dock; smaller roads and alleyways line these main roads, which eventually lead to the two roads out of town, one towards Santiago Atitlán and the other towards the smaller town of San Juan la Laguna and eventually, Panajachel.

The central area includes the church, the market, the bank and ATM, and a number of tiendas, as well as spaces offering hairstyling, lawyer services, dental services, auto repair and spare parts, glass repair, the library, several schools, and three internet cafés immediately visible from the main roads. This upper region is not devoid of tourists; many climb the hill to see the market or to get a sense of the town, or because they are unable to find the path between the two docks that would allow them to avoid climbing the hill. There are also a number of students living with local families while studying Spanish; rates for a week of room and board run around $40. The stores and market are, however, clearly aimed at a local population.

The most common language heard when walking along the streets of upper San Pedro is a mixture of Tz’utujil, a Mayan language, and Spanish, and the majority of women over the age of 18 wear the traditional corte, a long woven skirt held up with a faja, or wide woven belt. Instead of the traditional woven huipil favored in other towns, most notably Santiago Atitlán, women wear a light cotton blouse,
sometimes embroidered, in whatever style or color scheme they prefer. It has been noted that women in Guatemala tend to wear traje, the term for indigenous dress, while the men move to Western-style clothing for employment purposes (Ehlers 1990; Little 2004; Carlsen 1997); this trend holds true in San Pedro with only a few elders observed wearing traje. Children are more likely to wear Western clothing, particularly in school uniforms, although female children may wear the corte and blouse beginning at any age. One female informant dryly observed that the number of cortes and huipiles seen in town increases with the price of the coffee harvest.

Given San Pedro’s ties to international economies through the coffee trade, its burgeoning tourism industry, and the number of pedranos who have immigrated to the United States, it is not surprising that internet cafés and language schools abound, or that its residents have successfully managed to integrate indigenous clothing with high-tech and high-speed methods of transport and communication. Women typically cover the corte with a delantal, a short apron with pockets, which often holds a cell phone and coins for shopping at the market. The number of internet cafés is increasingly rapidly in the town, with a new one opening just a week after my arrival and several others apparently under construction. Children use the internet cafés to conduct research for projects, type papers, communicate with friends through messaging services, or to play games and listen to music.

It is sometimes difficult to reconcile the images of women on cell phones in internet cafés wearing traditional dress with the other images seen no less frequently throughout town: men and women stooped under heavy bundles, carried on top of the head (by women) or in bultos along the back, held in place with a forehead strap (by men). The main story told in all of my discussions with coffee producers was the hard work involved in its production. One of my first comments on San Pedro, as we traveled in a minibus to bring people to their host families, was that we seemed to be going up a lot of hills. The town is located, after all, on the side of a volcano, and gains more than 500 feet in altitude from top to bottom. The coffee literature frequently mentions that it is often produced on the sides of mountains or in marginal areas, and the altitude necessary to produce high quality coffee is generally only found in mountainous regions. This did not prepare me, however, for the first-hand accounts of seeding, pruning, and harvesting coffee, or for my own experience on the coffee tour offered by the tourist association.

Two roads leave San Pedro: one heads east towards Santiago Atitlán and the other southwest towards San Juan. They are both paved and both head up a hill before descending to the next town. Heading off these roads in all directions are small footpaths that lead up into the mountains, up towards the coffee lands. Some small amount of coffee is grown within town limits, and my informants tell me that once the lakeshore was only coffee for as long as you can see, but that land is all given over to buildings now, and almost all of San Pedro’s estimated 2,314 cuerdas is up a hill, sometimes up a very large one. This didn’t strike me as an interesting fact until I walked to the lowest, closest coffee grounds with a small backpack during the winter, or cooler rainy season, and started sweating and breathing hard before I had even seen a coffee cherry. Some coffee plots are several hours’ walk from town, which means a several hours’ walk back with one quintal, or 100lb, bag of coffee on your back, in the summer season, after working for hours picking coffee.
The Coffee Harvest

The harvest in San Pedro lasts from about December until about March. The higher the coffee is on the mountain, the longer it takes to ripen; winter rains and summer sun can affect the exact dates of the harvest by a few weeks. Life in the town, by all accounts, revolves around coffee during this time. Most of the town rises at four or five AM in order to leave for their coffee plots by six or seven. The plots would be small, perhaps a cuerda, perhaps a few more, and most farmers can’t get along without the help of their wives, their children, and any hired hands they could find to help pick the crop – a scarce, and expensive, commodity during the season. During the harvest, they might make the trek up the mountain five or six times a week. Coffee is delicate, and the tiny red cherries ripen at different rates. Pick a cherry too early, or too late, and it will be rejected. So farmers and their wives and their children will walk through the coffee plants four or five different times, carefully selecting the cherries at just the right stage of ripeness. The redder the cherry, the higher quality coffee it will produce. The higher quality coffee that is grown, theoretically, the higher the price paid to the farmer at the end of the day.

The plants are spread out on the land, balancing precariously on the sides of the volcano or the smaller mountains ringing the lake, and most people report having plots in different areas, sometimes several hours’ walk apart. Coffee beans are picked carefully by hand all morning, with a break for a few tortillas with salt, hands filthy with dirt and sweat and no water to wash them with. One informant winced at the memory of eating food with such dirty hands:

Our hands were filthy, filthy, dirty and sticky. You carried maybe a little water to drink during the day – there’s no water up there, nothing nearby. No one carries in water just for washing your hands or your face during the day. Ack! Your clothes, filthy. Your face, filthy. Your back, ack, oh, how it would ache by the end of the day. And then you had to get up and do it again the next day.

The act of picking a coffee cherry entails reaching, often above your head, to pick out the ripest cherries, twisting carefully to remove them from the branch, and then dropping them carefully into your basket. If the plant is especially tall – they are pruned to about six feet, on average – or the picker is especially short, they might have to tie the branch down to a rock or a root, creating a potential for whiplash but allowing them to reach the highest berries; there are no stools here. Around one or two in the afternoon, maybe later, most cafetaleros stop picking, carefully balance their baskets on their heads, or in sacks on their backs, and trek out towards the road looking for a coyote, a buyer, for the day’s harvest.

When working as a hired hand, one informant recalled that some of the farmers were fair, and some were not. Baskets, when filled, were supposed to weigh about 25 pounds; some farmers were so unscrupulous that they would shove the cherries down, crushing them, trying to fit more into the basket, sometimes up to 35 pounds’ worth. As pickers are usually paid by the basket, not by the pound, this resulted in losing almost half a basket’s worth of potential income. Others, the informant hastened to add, were very fair, and evened off the top of the basket to make sure that they weren’t underpaying you for what you had harvested.

In May or June, cafetaleros head to their plots a few times a week to deposit fertilizer – 1 quintal per cuerda if it’s chemical fertilizer and up to 20 quintales per cuerda if they are using coffee pulp as compost.
A second application is put down around September; sometime in the interim, new coffee plants, if any, are seeded, to take advantage of the seasonal rains. The winter, or rainy season, lasts from May until about October, the bushes and plants around the coffee grow at enormous rates. Some of these plants can be used as firewood; others might provide avocados or different kinds of fruits. The coffee around San Pedro is almost entirely surrounded by trees that provide shade and return nutrients to the soil that the coffee steals away; Lotter (2003) reports seeing up to 100 species of tree on a single Guatemalan coffee plot. Without shade, it is impossible to produce have high-quality coffee. Without the products of the shade trees, whether they be fruit or firewood, the cafetalero’s family might not make it another season. Perfecto et al. (1996:605-607) note that the “diverse plant community within a traditional farm fits much better into the risk-averse mentality of many small farmers;” these traditional agroecosystems generally provide avocados, bananas, tangerines, honey, and timber as a source of income or sustenance, critical for families living from harvest to harvest. Such reports have indicated that these trees may provide up to 7% of a family’s income through sales, more if subsistence use is included. Biodiversity elements in shade coffee plantations include legumes; secondary structures such as epiphytes; amphibians; and a wide range of arthropods that is often higher than that of many similar forests. These arthropod species are critical because many prey on coffee predators, eliminating or reducing the need for expensive and hazardous veneno, pesticide (Johnson 2000:138). Beyond providing subsistence for farmers and habitat for flora and fauna, traditional shade-grown coffee also helps prevent erosion, reduce evaporation, prevent weeds, sequester carbon, facilitate aquifer recharge, and buffer soils from wind desiccation, all beneficial for land perched on the edge of a volcano: “Natural habitats in coffee zones, which include pine-oak woodland and premontane tropical forest, are often highly fragmented and degraded…in areas where deforestation is high…these plantations are likely to be a critical refuge for the forest biota” (Perfecto et al. 1996:600). The trees are thus mutually beneficial, but they need to be cared for, and that means more trips to the monte to prune and seed and harvest subsistence crops.

According to my informants, San Pedro lives and dies with the daily fluctuations in coffee prices, set on the “C” or commodity market in New York City [see Figure 1]. Along with tourism and, perhaps, remittances from expatriates now living in the United States, coffee is the town’s most important industry and forms the basis for the local economy. One older informant spent several long hours recalling the changes that had taken place in the town since the coffee price spiked in the late 1970s. Her reminiscences are condensed here:

Before, there was no way to get here. There was no road. There was only one lancha to Panajachel and it left once a week, at six in the morning. We used to sleep by the dock to make sure we wouldn’t miss it. People traveled mostly in canoes like the abuelos used to. Then there was another lancha, and then there were many. They built the roads, they improved them. Cars came in and then later, tuk tuks. This town was nothing, and life was very hard. You used to have to walk down to the lake to get water or wash your clothes. Can you imagine that? After the coffee harvest, all tired and sweaty, and you had to walk all the way down to the lake with your containers for water and your dirty clothes, and everyone was so dirty. Then you had to walk back up with your water and your wet clothes, and make dinner, and get up the next day to
make tortillas and coffee to bring with you. Now, there is water in the houses, even hot water, electricity, ah! Things are much easier now. When the coffee price drops, then it is not so good. People have lost their houses, their trucks, taken to drinking and stopped going to church. Maybe five years ago [during the 2002 coffee crash] it was very bad. Now things are a little better again, people are building, buying houses, until the next time the price drops.

Figure 1. Value of Coffee Production in San Pedro la Laguna. Figures are from ANACAFÉ San Pedro 2007 estimates and author’s calculations.

| Cuerdas under cultivation in San Pedro | 2,314 |
| Pedranos with land under cultivation | 1,530 |
| Price for café en oro per quintal after administrative costs | $118.05 |
| Conversion rate for pergamino to oro | 1.25 |
| Price for café pergamino per quintal | $94.44 |
| Conversion rate for maduro to pergamino | 5 |
| Price per quintal of café maduro per quintal | $18.88 |
| Price paid to farmer per pound of café cereza produced | $0.19 |
| Quintales of pergamino coffee produced in San Pedro | 27,768 |
| Quintales of coffee per person, on average | 18.15 |
| Average number of cuerdas per person | 1.51 |
| Pergamino harvest value, per person, on average | $2,592 |
| Cereza harvest value, per person, on average | $518 |

From Highway to Highway

During the harvest the roads leading out of the coffee plantations fill with intermediary buyers, often called coyotes. Like their counterparts along the US-Mexico border, these men are often unscrupulous and often financed by drug money; “coyotes are officially tolerated, although there have been industry efforts to halt their influence” (Neuffer 2001). Some are honest, hard-working pedrano men trying to make
a little extra cash to help their families. They represent the local beneficios, the mills where coffee is processed in town, as well as mills in Antigua and Guatemala City. These men weigh, sometimes fairly, your harvest – known at this stage as café maduro (mature), en uva (grape), or cereza (cherry) – and pay you your quetzales based on the day’s market price. The price fluctuates wildly during the day and from week to week, as well as from year to year [see Figure 2]. The coyotes are well-informed as to the market prices that day; sometimes they collaborate among each other to keep the price down. Sometimes they don’t. From everything I have been told, the cafetalero never knows what kind of price he is going to receive when he drops his coffee on the side of the road. Sometimes the coyotes, especially the honest ones, lose out; they check the prices in the morning and by the time they return to the beneficio in the afternoon, they find they have overpaid for that day’s harvest. Sometimes the amount paid per quintal of café cereza is enough to pay the hired hands who accompanied the harvest; sometimes the cafetalero has to take money out of his pocket to pay the workers. Sometimes the amount he receives covers his fertilizer, the cost of the bags, and the cost of milling the masa (dough) for tortillas that day. Sometimes it doesn’t.

Figure 2. Average prices, in US dollars, paid by U.S. consumers (blue) and to Guatemalan coffee growers (pink) for one pound of coffee, 1976-2005. Figures are from ICO historical data and author's calculations.
Coffee, once purchased from cafetaleros, is loaded into pickup trucks to head down the road, towards the lake shore or Antigua or Guatemala City. Depending on who you ask, there are anywhere between five and eleven beneficios in the town of San Pedro itself, and each is privately owned. The trouble for the farmers and beneficio owners is that coffee, in cherry form, can't sit still. It has to be processed immediately, usually the same day it is picked. Farmers might receive a better price by carrying the coffee down to the beneficio themselves, but it's a long walk and there's no guarantee they'll want the coffee today, or that the price won't have dropped by the time they arrive. If coffee sits more than a day after being picked, or waits too long at any step of the process, it grows moldy and rots, and then is useful only for fertilizer or, if it isn't too bad, as coffee consumed by the farmer's family. San Pedro, unlike neighboring San Juan, has no coffee cooperative, no place to take the cherries where they are guaranteed to be purchased at a minimum price. Farmers take their chances on the side of the road and they hope that the person they're dealing with is treating them fairly and they hope that this year, like in the late 1970s or early 1990s, the price is high due to a frost in Brazil or leaf rust in Costa Rica. The ramifications of this method of selling coffee will be discussed in a later section.

After the coffee arrives at the beneficio [see Figure 3], it has to be stripped of its cherry. It is tossed into large pilas, cisterns or freestanding sinks where the beans are soaked for anywhere from 30-42 hours to remove the cherry pulp and the miel, honey or sticky residue the pulp leaves behind. Leave the beans to sit too long, and they start to ferment. The pulp is tossed aside, either to rot in large piles alongside the mill or to be used as organic fertilizer later in the season. One resident commented that San Pedro supposedly had more flies than other lake towns because of all the rotting coffee pulp. Even weeks after the end of the harvest, one can smell the sickly-sweet aroma of pulp during a walk along the lakeshore where three of the mills are located. It sits in large piles and resembles a mound of black dirt ready for a construction project; it takes some investigation to discover that it is in fact a mound of coffee cherries, and the strange machinery and sluices that it sits besides are used for processing cherries. Only one of the beneficios is marked, and few non-locals would know that beneficio in this sense does not translate to benefit, but to coffee mill [see Figure 4].

Figure 3. Café del Lago Beneficio, San Pedro. Photograph by the author.
Once the miel is removed, a two-seeded coffee bean remains. It is spread along concrete patios, tarps on the road, or on the roofs of houses. The beans have to dry in the sun for three to eight days, depending on the strength of the sun, and they have to be raked and turned over every four hours or so. If it rains, which it doesn’t usually do at this time of year, the beans have to be taken inside before they can get wet (Alvarez 2002:29). Once dry, the coffee is known as café pergamino, parchment coffee, and the bean takes one of two paths. Some are packaged into quintal bags and shipped to exporters in Guatemala City and Antigua, where the cascara, shell, is removed and the coffee becomes café oro, gold coffee, known in the United States as green coffee. It is then shipped to roasters around the world where it is blended, roasted and repackaged into twelve ounce or one pound bags for retail sale. Some beneficiarios have the capacity to remove the cascara at their own plants; after the shell is removed, the coffee has to be sorted by shape and grade. Like one rotten egg in a dozen-egg omelet, one bad bean can ruin the entire bag of coffee. It is sorted by hand, often by the wives of beneficio owners, and then sold to the exporters. Those that don’t make the grade are sold or consumed within San Pedro, or sold on the commodity market to be transformed into instant, low-grade coffee for sale around the world. The benefit of transforming pergamino into oro in San Pedro is that beneficiarios can command a higher price for their coffee; the downside is the amount of work and equipment that is required.

Along the lakeshore of San Pedro, where tourists congregate, are three coffeeshops: Café San Pedro, Café Tz’utujil, and Café Cristalinas. Each is owned by a beneficiario, and each sells their own
brand of coffee. These beneficiarios have been able to purchase or rent roasting equipment; Cristalinas has a small roaster that sits in their window, the smell of fresh coffee wafting up and down the hill to entice customers into the small shop [see Figure 5]. The beans sold here are export quality, more or less; each shop employee claimed that their coffee was the best and that the others didn’t sort the coffee well and tried to sell bad coffee to the tourists. I never tasted any difference between the coffee at the different shops, and even in my home stay, where I was consuming second-grade coffee, it tasted delicious to me; whether this is a result of my underdeveloped palate, or the exceptionally high quality of coffee in San Pedro, is unknown.

Figure 5. Café Cristalinas, with roaster in the far left window, San Pedro.
Photograph by the author.

Like any other product, the costs and potential income from coffee rises the farther you get from the source. Beneficiarios are, according to several informants, the men in town with nice cars, with nice houses, or, if they are less conspicuous in their consumption, the men with children studying at the universities in Guatemala City or with money in the bank. It would make sense, then, for those with the capital and the business knowledge to export coffee directly from San Pedro; the highways that pass through town eventually lead to the coastline, to the Mexican border, and to Guatemala City. Instead of paying for exporters to take possession of their coffee and ship it overseas, why not take control of that process, cut out the middlemen, and export directly? This is one of the goals of Fair Trade, and it seemed to be the goal of one shop owner with whom I spoke.
This owner indicated that ANACAFÉ, despite having an office in San Pedro, was not interested in helping pedranos; they didn’t want anyone to export coffee and they didn’t want anyone to form a cooperative. ANACAFÉ had a different version of the story: pedranos weren’t interested in forming cooperatives, and they didn’t have the quantity or the capacity to export coffee directly. “Exporting in Guatemala is complicated,” one representative explained. There are taxes, licenses and fees to comply with (one, a 1% export tax, funds ANACAFÉ itself), and the regulations imposed by the Guatemalan and foreign governments are complicated and subject to change without notice. Moreover, exporters need to be able to fill at least one container with coffee, and generally a higher volume is needed to turn a profit. One container of coffee – the same container seen on tractor-trailers and cargo trains – holds about 380 quintal bags, about $60,000 worth of product. This level of organization, processing, and volume is beyond the reach of the individual small producer.

Cooperatives and Individuals

The Fair Trade solution is to organize into cooperatives; by combining their harvest, capital, and knowledge, farmers should be able to command higher quality and higher prices for their coffee. In working with exporters and foreign-based organizations, they can acquire loans and access to machinery and technical expertise that might otherwise be beyond their reach. San Juan, located just a few minutes to the southwest of San Pedro, has had a coffee cooperative since 1979. Begun with just twenty members, the cooperative now has about 140 members and has a guaranteed contract with one San Diego-based company, élan Organic, to purchase its entire harvest for five years. Producing Fair Trade, organic, and bird-friendly coffee, La Voz que Clama en el Desierto (The Voice that Cries in the Desert) has received funding from ANACAFÉ and the Spanish Embassy in the form of materials and training, and now boasts a coffee tour, a small museum, roaster, women’s handicraft shop, and a full beneficio on its grounds just west of San Juan. Members pay a 300Q fee and have access to classes, talks, guaranteed prices, and guaranteed coffee purchase.

The cooperative representative I spoke with was proud of what they had accomplished, of the new coffee tour and museum, of their ability to roast and taste their own coffee, and to offer it to tour participants. With the contract with élan and the guaranteed price, people were able to more or less make a living off coffee, depending on how many cuerdas they owned. No one owns more than 20 cuerdas, and there is a 4 cuerda minimum to join the cooperative. Members must use organic compost – coffee pulp – as fertilizer to comply with Fair Trade and organic certification standards; one reason given for recent member stagnation has been that people don’t want to switch to organic. Beyond the three-year transition period, during which conventional prices are paid but organic farming methods must be used, organic coffee farming requires applying up to twenty quintales of compost per cuerda, as compared to one or two quintales of chemical fertilizer. Fair Trade also requires lengthy documents and the presence of an agricultural inspector, who visits a few farms each day to verify that they have at least ten species of shade trees, that they are using organic methods, and that young children are not involved in the coffee harvest. He was emphatic that life was better with Fair Trade, that having a guaranteed price made the
harvest season easier, and that élan had helped them a great deal with acquiring a roaster and learning how to roast their own coffee, among other initiatives.

ANACAFÉ, too, provides training courses; all cafetaleros are members of the organization, whether they know it or not, and have access to this training. Through a series of lectures and courses entitled “Learning to Compete Better,” ANACAFÉ provides training on caring for the soil and the environment; using traps for insects; avoiding pests and disease; organic cultivation; farm and organization management; human resources management; productivity; fertilizer use; wet coffee processing and mill management; and seminars on coffee cupping and preparing an excellent cup of coffee. Offered throughout the year and throughout the country, these courses are free of charge and are given in Spanish. Some have an educational requirement; most are also available as presentations on the ANACAFÉ website; figures on course attendance and demographics were not available. The ANACAFÉ office in San Pedro concentrates on the concerns of small producers; their emphasis is on producing a quality cup of coffee as well as helping the farmers learn what rights they hold, particularly with respect to the coyotes: “The coffee producer doesn’t know his rights, doesn’t demand his rights. This is a business and they have to know what their rights are, what the price of coffee is, how to best produce it, how to organize.” Without this knowledge, the coffee farmer will forever be at the mercy of the coyote.

I tried to discover why a cooperative should exist in San Juan and not next door in San Pedro. While I reached no conclusive answers, informants told me that San Juan had always been more organized; that it had support from the mayor; that pedranos were much more individual and hard working; and that juaneros gathered together in cooperatives because they were timid (as opposed to apparently intrepid pedranos) and thought people would be more likely to hand them money if they were in a group. The other answer given was that about fifteen years ago, pedrano cafetaleros had formed a cooperative to get a better price for their coffee. The first year went well, and the North American consultant helped them get a good price. The next year, the consultant stole their harvest and left them millions of quetzales in debt; houses were repossessed and everyone left the cooperative, afraid of a repeat experience.

Life, Death and Dollars in San Pedro

It wasn’t until my very last week in San Pedro that the reality of the industry I was investigating became clear to me. Yes, Guatemala was located in the tropics; yes, I knew that corruption is a reality in any industry, particularly one with $80 billion at stake. Yes, Guatemalan history has not exactly lent itself to an optimistic view of the future, particularly with respect to agriculture. I learned that Antigua manages to sell more coffee each year than is physically possible for the region to produce; knowing that Antiguan coffee commands a higher price, exporters and middlemen mix in coffee from inferior regions with Antiguan beans. Bags of coffee are switched in warehouses, and thefts and robberies like the one that happened in San Pedro are common. Unless you are there every minute of every day, one informant noted, you have no way of knowing what’s going on. A farmer gets a contract he can’t fill, Fair Trade or otherwise. So he sells the bags to his friends, who fill them with his coffee, and they tinker with the paperwork, and everything looks great to the inspectors who come down once a year, sometimes less.
Even companies like Élan, which have an employee living in Guatemala to provide better service, can only know so much about production costs and the realities of the beans they are purchasing.

One informant argued that Fair Trade, particularly, was all “smoke and mirrors,” a marketing tool; this was echoed by another, who told me that it was “a business” and that it “didn’t work.” It promotes mediocre coffee; the people who are producing really great coffee are already getting a good price for it. The costs for certification are too high, the standards too stringent in all the wrong places, and the requirement for organization into a cooperative a perhaps impassable barrier in a town like San Pedro. When market prices rise above Fair Trade prices, these informants told me, cooperatives can’t fill their Fair Trade contracts because their members sell the coffee to the coyotes. They get a higher price, and they get their money right away, instead of having to wait until June. So the cooperatives can’t meet the contracts and they sometimes buy coffee on the streets themselves in order to fill the bags that have been ordered.

I heard all this throughout my seven weeks in San Pedro. I heard that coyotes were financed by the drug trade, that farmers were turning their coffee into marijuana because they could make more prices. I heard about how some of the richest people in San Pedro were living with dirt floors and no glass in their windows, so poor you felt sorry for them, so poor you wanted to give them a dollar, because conspicuous consumption in Guatemala can lead to kidnappings, extortion, and murder, not to mention the lesser evils of jealousy and gossiping.

It wasn’t until that last week, when a conversation with one informant lasted more than an hour and a half and included some of the stories mentioned above as well as details of death threats, that the reality stopped being theoretical and something that happened elsewhere, and became a reality of life in San Pedro. I mentioned to another key informant that one person had been threatened for talking openly and honestly about the realities of the coffee industry, and she just nodded and sighed. Ah yes, she said. I hadn’t thought about that part. But it’s all true. I had been speaking with this woman for weeks about aspects of her life as the wife of a cafetalero, about working in the coffee fields, and not once had corruption, danger, or murder entered into the conversation. Dirt, some dishonesty, yes. Now more than a month later she was agreeing that the truth could get you killed, not even batting an eye, and remarking that she had forgotten about that part, like it was just another detail, just another part of the story.

I took this information and did the only thing one can really do in this situation: I sat in the hammock outside my room for an hour and contemplated it. The options available to farmers in San Pedro are limited on many levels. Many, particularly older men, are illiterate, some don’t speak any Spanish at all, and many have a deep fear of banks and banking systems. Many have never gone to school, never been to an internet café, and never consumed their own coffee. Many have, of course, but there are no agronomy trade schools in Guatemala, no way for motivated and educated men and women to receive a formal degree and return to their hometowns to help improve the harvest. While ANACAFÉ offers an impressive list of certification classes, their minimal language and education requirements, as well as the time required to complete the classes, are a barrier to their accessibility.

Without knowledge of daily coffee prices, of the value placed on coffee by European and North American consumers, the farmers are at the mercy of the coyotes and the beneficiarios. Loans are often
available, sometimes at 20 – 30% interest rates, but without asking the right questions, funding agencies can let small farmers and cooperatives get into trouble: "They keep lending money and they don’t ask questions and then the coops are 200, 300,000 dollars in debt. That’s a lot of money. The banks and the lenders and importers have some of the responsibility. Why weren’t we asking questions? Why did we keep lending them money?" “They don’t know how to do accounting,” another informant told me. “They hold meetings in the middle of the day with all the lights on, and that’s just one small example of being fiscally responsible, of keeping track of expenses.” Moreover, “How do you run a meeting if you’ve never been at one before, if you don’t know how to read and write, and if you don’t know when to speak or when to be quiet?” ANACAFÉ offers courses in management and human resources for local leaders, but I was unable to attend these classes to see who the students were and what topics were covered. A final anecdote covered an aspect of corruption I hadn’t considered: weighing coffee unfairly in favor of the farmer. Some buyers or local leaders will add five or ten pounds to the weight of the bag, giving the farmer a few extra quetzales with a wink and a nod. This buys the silence and complicity of the farmer later down the road, when ANACAFÉ investigations or allegations of impropriety, theft, or mismanagement arise. “The farmer can’t raise his hand and say, ‘This is what’s happening,’ because he’s guilty too. And for what? Ten quetzales? A hundred? For ten quetzales they stay silent. They don’t speak out. No one speaks out.”

Bean Tales

In 2002 Dominican-born writer Julia Alvarez published a small book about a farmer from Nebraska who ends up moving to the Dominican Republic, buying coffee land, and helping his fellow farmers. Together, they learn to use organic, shade-grown methods to produce not only better coffee, but to earn a better wage, to set up schools for their children, and to learn how to read and write. Based on her own experiences in running a finca in the Dominican Republic, the book is a story about coffee, about decency, and about Fair Trade, and features a small section at the end with resources on Fair Trade in Canada, the United States, and the Dominican Republic.

Alvarez’s story is simple and sweet, and it depicts a hard existence, but one where farmers are close to the land, where they have pride in their product, and where they want a better life for themselves and their children. I came to San Pedro looking for that story, and in some ways I found it. Coffee is everywhere in San Pedro, once you know what to look for: small plants hidden in among retail shops, a few bushes growing in backyard gardens, a sweetened cup accompanying every breakfast served at my home stay. It finances lanchas, tuk tuks, pickup trucks, and most likely a multitude of other projects and services. The first question many cafetaleros asked me was, "What do they harvest where you come from?" There is a definite sense of pride in la cosecha, the coffee harvest, and even depictions of hard work and sweat were not presented in order to gain sympathy, but rather just to tell the story of how it is, or how it was. I found this story in San Pedro, and I would imagine that a similar version can be found in most places dependent on export agriculture for economic survival.

I found something else as well, something not told in Alvarez’s simple story, or in the Fair Trade literature, or even in Black Gold, the documentary that tells the story of an Ethiopian cooperative leader
just trying to get a fair price for his coffee. I had the pieces all along, some acquired in the United States, some during prior trips to Central America and others picked up during my most recent stay in Guatemala, but it took a very frank conversation at the very end of my travels for me to hear beyond what was being said. This is no longer just a story about a pedrano farmer earning a decent wage for his labor, or not. It is a story with real consequences for real people, a story where, like so much else in Guatemala, telling the truth can be dangerous (c.f. Wilkinson 2003). I don’t have proof of many of the allegations, and I have no personal experience to back up most of what I have been told. I can’t give details about the people I talked to or explain why I feel I can trust what they’ve said to me, because to do so could literally endanger their lives. Until my last week here, this was an academic exercise, an attempt to find out more about a complicated industry, accompanied by pictures of coffee plants and beneficios to bring back to my store in El Paso. Until that final conversation, the weight of what I was being told, of what I was learning, fell lightly on my shoulders. What could I do with this information that wouldn’t endanger any of my informants in San Pedro, and yet might have a chance at making a difference in the way that Fair Trade promises?

With this responsibility in mind I asked one of my informants what could be done by consumers in the United States to help out pedrano farmers. This informant didn’t think Fair Trade was as fair or as helpful as it made itself out to be, and he had been threatened with death just the week before for calling another farmer to account for his actions. He believes that farmers need to take responsibility for their crop, and they need to produce the best coffee possible given their climate.

“Demand accountability,” the informant said. “Demand transparency and traceability. You won’t get it, but demand it. And you” – he stabbed a finger in my direction – “tell the story. When you get back, tell them what it’s like. Tell them the hard truth. Tell the story. Raise your hand.”

Endnotes

1 Specialty coffee is generally considered to include Arabica beans grown at high altitudes, as well as coffee produced under Fair Trade, organic, or shade-grown labels. Coffee sold at coffeeshops in Europe and the United States is almost always specialty coffee. The other type of bean, Robusta, is grown at a lower altitude and is generally used to produce instant or pre-ground coffee, such as Folger’s or Maxwell House. Most of Guatemala, San Pedro included, is at a high enough altitude to produce Arabica beans, though the quality can vary from producer to producer depending on shade, soil, chemical or organic inputs, and sunlight factors.
2 “The term Fair Trade is used to describe the certification and labelling system governed by FLO designed to allow consumers to identify goods produced under agreed labour and environmental standards. The term Fair Trade is used to refer to the Fair Trade movement as a whole and can be used to describe both labelled and unlabelled goods and the work of Alternative Trade Organizations (ATOs), Fair Trade federations and networks such as IFAT, NEWS, EFTA etc. The term fair trade is a broader term often used to describe one or many of the above, but can also occasionally be used to refer to trade justice issues. In such cases, it can be as broad as to describe general fairness in trade, such as tariffs, subsidies, worker rights and other issues” (FLO International 2006: FAQ & Links).

3 All names and identifying features have been changed to protect informants. Given the levels of risk involved in talking candidly about the coffee trade, I have tried to be as vague as possible about the age and occupation of my informants. All are involved in the coffee trade in some aspect, and where it does not pose a security risk I have noted their level of involvement.

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