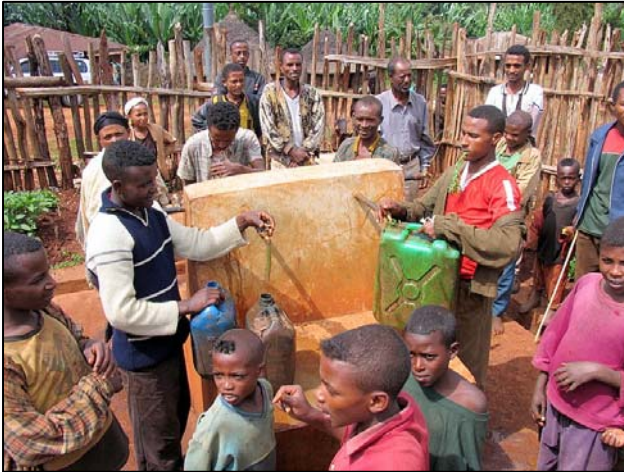


## A Cycle of Continuous Improvement

Premium prices, technical assistance and community development converge in gradual progress for farmers of Ethiopia September 2005

*Text and photos by Jonathan B. Levine*

### Bensa Ware families tap water from a Starbucks-funded system



If there is an answer to the perpetual question of how to help subsistence farm families rise above their impoverished lives, it may be found around the village water tap in Bensa Ware, Ethiopia. In just the last few years, many small-hold farmers in this remote coffee community have made the causal connection between the rising incomes and living standards that result from higher quality coffee—and have vigorously pursued the rewards. International buyers have

responded with premium prices, as well as technical assistance and community development projects, such as the \$75,000 grant from Starbucks Coffee Company UK for Bensa Ware's water system. Gradually, a cycle of continuous improvement has taken root, not only in the quality of farmers' produce but also in the lives of their families.

### Co-op employees dry ripe red cherry in Sidama



A case in point is the recent partnership between Starbucks and members of the Sidama Coffee Farmers Cooperative Union (SCFCU), a federation of 87,000 small farms. Under Starbucks direction, three SCFCU co-ops began an experiment in 2003 to sun-dry the finest red cherry instead of wet-milling it first. This "natural" method, usually applied to inferior cherry by poor farmers who can't afford wet mills, risked wasting the valuable red fruit. But by 2005 the process produced a luscious exotic

flavor, earning the SCFCU a Black Apron Exclusives™ quality award and premiums for farmers of 40-60% above the price for other naturally dried cherry. Those prices, in turn, have triggered a small investment boom in additional drying capacity for red cherry in Sidama and elsewhere, promising to maximize income for the poorest farms.

### **Village elders at the Woyibo River bridge**



year as they crossed the rushing current below. The new bridge removes such risks as well as expedites the entire flow of commerce in the area, opens access to health care and enables children to safely attend school. “It means a lot,” says one village elder. “Nobody dies anymore.”

### **Tadesse Kono and family in their new home and café**



cherry for Starbucks. With past savings, that helped Tadesse Kono rebuild his small house in Biloya village into a 10-room compound for his family of eight children, including a new café business that helps diversify his income. While the average Ethiopian farmer has far less means, the same incentive is widely shared. Says Kono: The mill “has raised the standard of quality compared to other mills, and that’s why they pay better—a lot better.”

As quality has improved, Starbucks has stepped up purchases in Ethiopia—along with investments in community development. In addition to the Bensa Ware water system for 7,000 residents, the company has also funded new textbooks for local schools and construction of a high school library. In the Woyibo River region of Sidama, a new \$70,000 bridge built by Starbucks and trading partners last year replaced a rickety deathtrap of logs that used to claim more than a dozen people every

With Starbucks growing profile in the country, many suppliers are scrambling to boost their quality, economic and social efforts to meet the company’s rigorous requirements and win more business from it. That, in turn, has translated to tangible improvements in families’ earnings and living conditions. In the Yirgacheffe region, one private mill paid its 3,000 small-farm producers last season about 17% above the going rate at 12 other nearby mills to secure high-quality