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NICARAGUA

CASE STUDY

Coffee Growers Get Fair Trade Status

Helping Nicaraguan coffee growers reach global markets

Challenge

The El Gorrión Cooperative, located 100 miles north of Managua in the municipality of Yalí, was founded in 1995 by 30 small-scale coffee producers who joined forces to increase incomes by selling a greater volume of coffee. Over the decade since its founding, El Gorrión grew to include more than 500 members, achieving economic independence and self-sufficiency, and managing no less than one million pounds of raw coffee produced by its members. Despite the tremendous growth and development of the cooperative, it struggled to sell parchment coffee in the local market and had never succeeded in selling coffee in the lucrative, global specialty coffee market.



Photo: USAID/Jean Howard

Members of the El Gorrión coffee cooperative in Yalí, Nicaragua, watch a demonstration of how the cooperative's new wet mill works.

The El Gorrión coffee cooperative achieves Fair Trade status, increasing income and market potential.

Initiative

With assistance from a USAID program to help small- and medium-size coffee producers capture some of the specialty coffee market, El Gorrión has transformed its business. The cooperative has received Fair Trade certification for 1,150 hectares of coffee, enabling members sell coffee under the Fair Trade label for one year. The initiative is directly benefitting 309 cooperative members.

Results

The cooperative is now exporting high-quality coffee under its own license. The taste and quality of their products has surpassed buyers' expectations. In fact, sales tripled after buyers tasted the first round of orders. With its extra revenue, El Gorrión plans to invest \$10,000 in social projects that will benefit its members, their families, and their community. Having secured access to the Fair Trade market and guaranteed a higher price for their coffee, the cooperative has hired two coppers to ensure quality control and an efficient coffee production system. As a result, El Gorrión is able to negotiate better deals with local service providers, such as coffee mills, and has earned respect in the global coffee industry.

Telling Our Story
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