

EDITORIAL

The dark side of coffee

Tuesday, May 22, 2001

YOU WOULDN'T know it buying \$3.15 cafe lattes at a Starbucks in San Francisco, but world coffee prices have crashed to an all-time low, adjusted for inflation.

Coffee lovers are slurping more java than ever, retail prices and corporate profits are at an all-time high, but in many coffee producing countries farmers are broke and field hands are going hungry.

In defiance of economic laws, the coffee glut has not reduced prices for consumers but has wrought havoc in coffee-growing countries, most of which are impoverished.

At the International Coffee Organization conference last weekend, participants were told that the oversupply problem was made worse by pressure from the World Bank and the International Monetary Fund for farmers to grow even more.

Chronicle staff writer Robert Collier reported on the collapse of coffee prices and how it affects the people who grow and pick the beans. "This is the dark side of coffee, the world's second-most traded commodity after petroleum," Collier wrote from Guatemala, the seventh-largest coffee-growing country.

Many small farms have shut down and larger ones, where workers earn only \$3 a day during good times, are laying off workers in huge numbers. Unemployment in rural areas is about 40 percent, he reported.

Some fear the crisis could destabilize the Guatemalan government and undermine the 1996 peace agreement that ended a bloody 36-year-long civil war.

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Four corporations -- Procter & Gamble, Philip Morris, Sarah Lee and Nestle - - account for 60 percent of U.S. coffee sales and 40 percent of the world market.

There are no quick fixes, but those four giants could influence prices and working conditions by insisting their suppliers abide by fair trade and fair labor laws.

Consumers can do their part by showing a willingness to support companies that share the wealth produced by a \$3.15 latte.

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