

Steven Samford

Micro-mill or Mass Market? Organizational Crossroads in Costa Rican Coffee Cooperatives

“We are a close community and our families have worked alongside each other as coffee growers for multiple generations. We assist each other with harvest and processing. And, we take care with the quality of our coffee. Our CobruCoopⁱ cooperative has always been the buyer for our coffee beans. But we are a new generation, things are changing, and we wonder if a more local arrangement might be better for our community—economically, of course, but also culturally.”

As Elías Hernándezⁱⁱ spoke to a group of local officials and consultants in August of 2021, he looked over a hillside covered with the glossy leaves of coffee trees. His thoughts were simultaneously about the hyper-local social concerns of a member of his small community and the economic calculations of a producer of one of the world’s most traded commodities. Like most small coffee growers in Costa Rica, Hernández and his neighbors relied on a member-owned cooperative to help process, dry, store, and sell their coffee beans to exporters who sent them to lucrative foreign markets. But, as Hernández sensed, longstanding arrangements were not always best. Changes in the global market for coffee beans had led Hernández and some of his neighbors in the Coto Brus region to wonder if they would be able to organize their work and their sales of raw coffee beans in ways that would be of greater benefit to them, both economically and socially.

The question, which they wanted to settle before the next harvest in October 2022, revolved around a complex set of issues for Hernández and his neighbors to consider: What would be the benefits of having a small, close-knit community cooperative versus continuing to sell to a larger, professionalized one? Could they receive better returns by producing a highly specialized product than a commodity produced reliably at scale? Were there achievable benefits of having control over a larger range of activities? And, what would the risks be? The choices Hernández and his neighbors faced about which cooperative structure to pursue were relevant to farmers and processors throughout coffee-growing regions and, more broadly, to participants in a range of producer cooperatives.

ⁱ A fictional but typical entity.

ⁱⁱ Elías Hernández is a fictional character.

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