

# The Coffee Value Chain Simulation

*The coffee value chain is an interactive simulation that illustrates the differences between conventional and fair trade practices. It is designed to teach middle and high school students the following Catholic social teaching principle: dignity of work and the rights of workers.*

## MATERIALS

- Coffee and chocolate from a CRS partner, for tasting. **Equal Exchange** is a fair trade company that sells organic coffee, chocolate and snacks, and offers discounts to Catholic institutions.
- Approximately 6 white poster boards, markers, and string
- 10 clear plastic cups
- 3 copies of the following script for the actors and the host
- If time allows, **CRS** or **Equal Exchange** coffee video

## INSTRUCTIONS

- Using poster board and string, create 10 different signs (see next step) for participants to put on.
- Label each sign with one of the following titles: Farmer, Buyer, Coffee Processor, Exporter, Importer, Roaster, Coffee Company, Retailer, Farmer Cooperative, Coffee Company/Roaster.

## THE CONVENTIONAL COFFEE CHAIN SIMULATION

Select 8 volunteers to line up. Assign each person a role from the titles that follow, and ask them to act it out as a narrator reads each description of a job along the chain. You will need one narrator for each description.

### The FARMER

- Here's where it begins. You grow the coffee plants.
- You spend endless hours fertilizing, pruning and caring for them.
- You live in an isolated and mountainous region of El Salvador with your spouse and 5 children.
- You have no electricity.
- You have no ability to stay on top of current coffee market values.
- You have to live all year on what you can earn from your annual harvest.
- Although you live a difficult life, you are a person of faith, and even built a small chapel on your land for community worship.
- After you harvest the coffee cherries, they are sold to the buyer.



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## The BUYER

- You come to the farmers and buy their coffee.
- You have a truck to transport the coffee, which the farmer doesn't have.
- You have enough cash to buy the coffee.
- You gave the farmer a small loan last growing season so he could feed his family, and he is now indebted to you. You buy the coffee well below market value to compensate for the money, including interest, the farmer owes you.
- The coffee cherries then go to the processor.



## The COFFEE PROCESSOR

- You're a company, with massive startup costs—far beyond the farmer's means.
- You have an industrial plant with heavy equipment and machinery.
- You pass the cherries through a pulping machine to remove the outer flesh.
- You dry, sort and package the beans.
- The packaged coffee beans are then sold to the exporter.

## The EXPORTER

- You're based in the country of origin, such as Nicaragua or El Salvador.
- You're the legal expert, and you process the paperwork.
- After the paperwork has been completed, the coffee beans are sold to the importer.



## The IMPORTER

- You're based in the United States.
- You process the paperwork on this end.
- After the paperwork has been approved, the coffee beans are sold to the roaster.

## The ROASTER

- You're also a U.S.-based company.
- You have a processing plant with large coffee roasters.
- You roast the coffee and sell it to a distributor.

## The DISTRIBUTOR

- You give the bean its brand.
- You package, promote, market and distribute the coffee beans to retailers.

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### The RETAILER

- You are grocery stores, cafes and restaurants that sell the coffee to us, the consumers.
- Now, give each volunteer an empty clear plastic cup.
  - Take one full cup of cold coffee and, starting with the retailer, distribute the coffee to each volunteer. Give the largest portion to the **retailer**—and give out less and less as you proceed down the line of volunteers. The **farmer** gets the least amount of coffee—only a few drops.
  - As you pour, share the following talking points:
    - You can see there are a number of different people between the farmer who grows the bean, and we who drink the coffee.
    - Each person in the chain gets a piece of the action.
    - In the conventional model of coffee selling, farmers are lucky if they receive 50 cents for a pound of coffee.

## THE FAIR TRADE COFFEE CHAIN SIMULATION

Select 2 volunteers. Give each one a sign and ask them to act out their role as the narrator reads a description of each person's job along the chain. You will need a narrator to read each description.

### The FARMER COOPERATIVE

- You're a group of farmers pulling together the volume of what you grow.
- You are farmer owned and have democratically elected leadership.
- You can negotiate better prices and trade directly with coffee companies.
- You give a portion of every pound sold to community development projects run by the cooperative, such as schools, roads, or credit unions.
- You sell your coffee to a coffee company or roaster.

### The COFFEE COMPANY/ROASTER

- You're a mission-driven company.
- You build direct relationships with farmers.
- You visit the farmers each year.
- You only buy from cooperatives of small-scale farmers, not from big plantations.
- Unlike many big players, you pay a fair price for every pound of coffee you buy from farmers.
  - Now, give each volunteer an empty clear plastic cup.
  - Take one full cup of **cold** coffee, and pour a little over half into the **coffee company/roaster's** cup and the rest into the **farmer's**.



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## REFLECTION

- Why do you think the farmers are paid such a low price for a pound of their coffee, while consumers pay up to \$5 for a cup of coffee?
- What does the Catholic faith teach us about the dignity of work and the rights of workers?
- What choices do we have as Catholics and as consumers?

## IF YOU ONLY HAVE 10 MINUTES

Watch: **Equal Exchange Coffee Video: Who We Are and What We Believe In**  
or **Fair Trade Brings New Perks to Coffee's Homeland**

## REFLECT

- What opportunities does fair trade create for the farmers featured in this video, and for their families?
- What beliefs or themes from Scripture and Catholic Tradition compel us to honor the dignity of workers around the world?
- How can you incorporate fair trade practices into your daily life?

