Coffee and the Countryside: Small Farmers and Sustainable Development in Las Segovias de Nicaragua

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COFFEE AND THE COUNTRYSIDE:
SMALL FARMERS AND SUSTAINABLE DEVELOPMENT IN
LAS SEGOVIAS DE NICARAGUA

by

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DISSERTATION
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Las Segovias de Nicaragua is a highland tropical region along the Río Coco and the Honduran border in the northern part of the country. Over the past decade and a half, efforts to introduce and establish organic coffee production methods and cooperative organization models have focused on the impoverished rural inhabitants of this region. This approach represents a significant shift in international development policies toward Third World producer nations. I engaged in this context to question the viability of organic coffee farming given the legacy of deceit, violence, and natural disasters that have plagued this region since the Spanish Conquest. The historical and cultural antecedents to this development mode inform the pace and direction in which presumably ‘sustainable’ innovations to this traditionally exploitative, century-old coffee industry take form.

I conducted ethnographic research over two years with the small-scale coffee farmer community of Las Grietas within the municipality of San Juan del Río Coco to understand how these innovations are received and embraced by the inhabitants of this
region. From 2004-2006, I lived and worked with the farmers of Las Grietas. I relied on community surveys, formal interviews, and casual conversation while involved in day-to-day farm tasks to obtain firsthand data on small farmers’ responses and receptivity to the current development paradigm. Most small-scale coffee farmers in this region were on opposite sides of the Contra War only two decades ago. Today they are members of the same farmer co-ops that work to access secure markets, pre-harvest financing, and development aid.

I recount my experiences in cooperative development, marketing, and farm labors as way to present this particular region’s challenges and potentials for success in the realm of organic coffee production and cooperative organization. Ultimately, I argue that as long as development modes are designed far from the sites of their application, it will be difficult to obtain community-wide acceptance for these innovations. Instead, development agencies may find greater results should they incorporate local peoples’ perspectives based on their own realities into the implementation of development schemes. Lastly, I confirmed three dominant themes inform the execution of development agendas in Las Segovias: first, pre-existing structures will influence the application of development efforts; second, more affluent farmers benefit to a greater extent from partnering with poorer farmers to export to specialty markets, like Fair Trade and organic; third, there has been a shift in campesinos relations with the state and international entities in that the descendants of those who rose up in armed revolt against the expansion of the coffee industry into indigenous hinterlands are now championed for their potential stewardship of the remaining stretches of old-growth cloud forest in Nicaragua.
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I heartily acknowledge Dr. Les Field, my advisor and dissertation chair, for inspiring me to engage in ethnographic fieldwork in rural Nicaragua. I value his critical and compassionate support through the long processes of drafting and editing my dissertation. His guidance and mentorship will continue to influence my career.

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Preface

La sabiduría y la constante iniciativa del los campesinos una vez más entran en acción para enfrentar y salir de la crisis económica, social, y productiva en que los han dejado el modelo de la agricultura convencional y la actual política neoliberal (The campesino’s wisdom and constant initiative come to play in order to confront the economic, social, and productive crisis in which conventional agriculture and neoliberal policies have left them in) (Restrepo 2001:51)

In San Juan del Río Coco, located in the Las Segovias region of northern Nicaragua, farmers have good reason to doubt the integrity of cooperative organizations. Since the electoral defeat of the Sandinista Revolution in 1989, farmers’ organizations have fought to provide access to better markets, improved productive practices, and models for democratic organization to traditionally marginalized coffee farmers in remote regions of Nicaragua’s highlands. Cooperative organization is not new to the region, but the role and focus of grower cooperatives have changed, and not for the better. Since the time of revolutionary leader Augusto Sandino in the 1930s, Las Segovias has been an area of campesino\(^1\) organizing (Macauley 1967).

During my fieldwork from 2001 to 2006, I experienced firsthand the gains and frustrations of agricultural development experienced by international development agents contracted through USAID to promote organic agricultural production in rural Nicaragua. CLUSA, the Cooperative League of the United States of America,\(^2\) penetrated remote and

\(^1\) Campesino is literally a rural, country dweller. This term is often combined with class distinctions and colluded with notions “peasant” or “peon.” See Kearney (1996) for an in depth discussion of the dynamic uses and interpretations of this word in Latin America.

\(^2\) As in the Sandinista insurrection and other popular movements, CLUSA worked with marginal communities that receive very little or no international or state support for their agricultural potential.
impoverished agrarian zones to teach organic agricultural practices to farmers who were willing to comply with its strict production, farm management, and quality standards.

All farmers make sacrifices and take huge risks in order to succeed in the coffee industry, and none more than small-scale farmers. These farmers live between bankruptcy and bonanza all year long. The facets of production that are outside the farmers’ reach, such as quality control, exportable percentages, drying, threshing, marketing, and shipping, leave farmers dependent on others whose actions they cannot control. As a result the outcomes often fall short—sometimes far short—of the farmers’ needs. This dissertation is an account of a remote community that struggles against a tradition of marginalization, subjugation, and deceit.

During seven years of collaboration and cooperation with small-scale coffee farmers of San Juan del Río Coco, I recognized the volatility of their economic situation. I wondered why these farmers continued to produce for an exploitative industry in support of a government that largely ignored their interests. In Las Segovias, there are no safeguards for small farmers or their families. Unforeseen illness, misfortune, or natural disasters are common causes for foreclosure. Many farmers from San Juan had sold their land to larger producers when times were tough. Many more have abandoned their parcels to seek better payment for manual labor in nearby El Salvador or Costa Rica. The risk incurred while traveling with so few resources and no insurance would be unthinkable by my North American standards.

Also, it is important to keep in mind that the Contra War between government forces and the revolutionary Sandinistas took place in this very region. I do not devote much space here to the dynamics of life and work in a former conflict zone, but the
aftershocks of a war in this community had still not worn off, fifteen years after peace was settled. Impressively, among the farmers with whom I worked were both former Sandinistas, or compas, and Contra soldiers. Many of them had fought against each other in nearby arenas of battle. Because I too lost family and loved ones as a result of that war, I find it significant that these people can work to heal past wounds by supporting each other in generating productive activity, managing land, and conserving the local ecosystem.

My background plays an important role in this effort to better understand current development modes in Nicaragua. I am a first-generation U.S. citizen born to a German father and a Nicaraguan mother. My parents both struggled to overcome the poverty of post-WWII Germany and Somoza-era Nicaragua and eventually emigrated to the United States. My academic inquiry into the history of injustice and exploitation in poor, Latin American nations comes directly from my parents’ influence and my ethnic background as a multicultural and transnational scholar.

Chapter Overview

In this dissertation I stress how and where Segovian small-scale coffee farmers are included in the design and implementation by nongovernmental organizations (NGOs) of alternative and/or sustainable forms of economic development. The farmers of Las Segovias may appear to be passive recipients of charitable and governmental programs that aim to improve their lives. However, this research shows that the farmers of Las Grietas, in particular, are actively contesting, reinterpreting, and adapting external influences on productive and marketing practices along the lines of norms and values that
have been in place since long before the sustainable development movement arrived in Las Segovias.

This work is divided into three parts. In the first part, I cover the historical context and ethnic formation of native Segovians in northern Nicaragua. Chapter 1 is an overview of the colonial and independence periods in Las Segovias. In this chapter I depict the history of how the farmers of San Juan del Río Coco and Las Segovias came to live and farm on some of the most inaccessible tracts of land in the Central American highlands, which are now highly valued by specialty coffee producers and consumers. This chapter evaluates the cultural influence that northern Nicaragua’s 1881 indigenous revolt had on the Segovias region, and how Segovians have lived in an area marginal to Nicaragua’s centers of power since the colonial era and through the independence period.

The second chapter is a discussion of revolutionary leader and campesino organizer Augusto César Sandino’s influence on the Segovian region during his armed rebellion against the Nicaraguan National Guard and the United States Marine Corps. This chapter reviews twentieth-century history in this region and the important political events that helped to shape the current development scenario.

The third chapter offers personal accounts of shifts in land tenure and agrarian reform during the Sandinista revolutionary period of 1979–1990. I narrate accounts from farmers, activists, development agents, and San Juan business people to enhance the understanding of the toll that the Sandinista-led land confiscations and ensuing turmoil took on this region. These personal accounts highlight the debate over whether the Sandinista Agrarian Reform policy created greater disarray and vulnerability for the campesino populace in Las Segovias than had existed during 46 years of Somoza rule.
This chapter brings the reader into the present-day context surrounding sustainable development.

Part Two focuses on international development and the form it has taken in the Latin American and Nicaraguan setting. This part details the current mode of sustainable economic development in Nicaragua and assesses the ways in which farmers are adopting organic production practices. I also document that the more affluent farmers are benefitting to a greater extent from current trends than the poorer farmers who attract the support in the first place do.

Chapter 4 is a discussion of the literature on international development after World War II, especially as it relates to Nicaragua. I also detail the establishment of coffee agriculture in the Segovias and present-day economic development efforts as a way of explaining how the risks to campesino, small farmers are great and the chances for economic viability are so few in this region.

In Chapter 5, I relate my observations of class and labor relations among coffee farmers and farm laborers in San Juan del Río Coco. Through personal accounts I describe who does what on the farm. I also provide an overview of the distinctions between area and volume, or scale, of farm production, and how farmers of different production scales interact. This chapter also illustrates the manner in which organic agriculture and Fair Trade organizing help to address common issues among growers of different classes as well as laborers on various types of farms.

Chapter 6 is a discussion of the annual coffee production cycle. I take the reader through the steps of producing certified organic coffee. I narrate my observations of how coffee is processed and transported once it leaves the farmer’s possession. I analyze how
finance and farm credits affect the well-being of small-scale producers on a very different level than they do for larger growers. This chapter also provides an agronomic analysis of organic production in the coffee industry.

The third part is based on my observations and involvement in the implementation of organic production and fair trade organizing principles. Chapter 7 is an overview of the small-farm, organic co-ops in San Juan del Río Coco. I discuss the dynamics of trade as perceived by development agents and farmers alike. I then offer anecdotal evidence showing that co-ops that are not operated transparently and democratically can damage farmers’ collective efforts and community cohesion.

In Chapter 8, I briefly assess the inspection process for organic and Fair Trade certification as the gateway to accessing sustainable development’s promise of more secure and higher-priced markets. Lastly, I discuss two case-studies in which the principles of shared benefits and land tenure were put to test by the communities who are the intended recipients of sustainable development support. These cases show ways in which development programs could enhance their capacity-building in the field, as well as displaying many of the ethnocentric attitudes and prejudices of development agents and NGOs that continue to plague their efforts in the Segovian and Nicaraguan context.
Introduction: The Fieldwork

I first became interested in economic development in post-revolutionary Nicaragua (the war ended in 1989-90) as I prepared for my dissertation research. In the 1990s, capitalist-driven development programs in Nicaragua followed the growing neo-liberal tendency of many countries in the Western Hemisphere. My interest peaked when I discovered small-scale organic coffee farming to be a “First World”-sponsored alternative development model that promoted economic development while invoking the liberationist rhetoric of the Sandinista era (1979–1990).

My initial trips to the coffee-producing parts of Las Segovias, in Northern Nicaragua, were funded through the Latin American Institute of the University of New Mexico and the Tinker Foundation between 2001 and 2003. I accompanied extension agents and agronomists to the remote settings where the Cooperative League of the United States of America (CLUSA) is working. CLUSA is the international wing of the National Cooperative Board of America (NCBA). It operates with USAID support throughout Latin America, Africa, and Asia to assist in the formation of primary producer and artisan cooperatives in developing nations. CLUSA-Nicaragua was a valuable point of entry that enabled me to meet and work with small-scale coffee farmers.

CLUSA-Nicaragua’s main focus was to provide technical assistance in organic production and organizational training to small farmers, especially in times of international market instability. They specialized in coffee and cacao growers in the damp northern highlands and vegetable growers in the arid, coastal lowlands. Ultimately, my focus would be on the ways in which CLUSA’s sustainable development model has persevered even after international market values stabilized in 2004.
CLUA’s mission was to increase market access and economic viability for small-scale producers through ecologically sensitive production methods and socially just organizing principles. This effort began in the 1990s, during Nicaragua’s re-entry in Western Capitalist development after the Sandinista Revolutionary Regime. CLUSA’s work was a response to the ecological and land management disarray left after the Sandinista era Agrarian Reform Program (MIDINRA) and the subsequent Contra War that took place in Las Segovias. As is described in greater detail in Chapter Two, MIDINRA’s program to confiscate large holdings and redistribute them to landless peasants or plantation workers did not take into the account the impact it would have on sensitive ecosystems and wildlife habitat. Sandinista leadership formed support and centralization arrangements for increasing capacity for the beneficiaries of Agrarian Reforms. However, the increasing Contra War and trade embargo caused the Sandinistas to refocus funds and efforts away from rural development and capacity building (Wheelock 1985). According to personal accounts in Chapter Three, newfound smallholders with limited land management or low-impact production capacity caused greater destruction to land and forest than the Somoza era plantation owners did.

CLUA-Nicaragua’s program organized farmers to obtain organic certification and formed farmer associations so they could access stable and higher-priced markets. The associations that CLUSA-Nicaragua formed in the highland coffee capitals of Matagalpa and San Juan del Río Coco continued after the development program’s seven-year term ended in 2005. In San Juan de Río Coco, for example, I lived and worked with farmer-members of the Procaoc cooperative (Productores Café Orgánico Certificado), which had resulted from CLUSA-Nicaragua’s work.
I had visited Matagalpa in 2000, when I made an overnight trip to a working coffee plantation and ecolodge located nearby. On this, my initial trip to the highlands coffee region, I learned of the difference between high-altitude, shade and low-altitude, full-sun coffee production. This was my first view of the highland conditions that favor the quality coffee for which Nicaragua is renowned.

During this visit, I met with Matt Wooten, a former Peace Corps volunteer and a friend from college who was working as an evaluator for CLUSA-Nicaragua on a long-term development project. He told me of CLUSA-Nicaragua’s project to organize small-scale coffee communities into associations that were eligible for organic certification. He traveled to remote reaches of the highlands to hold workshops and provide training on conversion to organic production techniques. The idea was to liberate farmers from dependency on petroleum-based pesticides and fertilizers, such as urea, and become self-sufficient and sustainable through organic farming. Farmers could sell at a higher price and access better credit from organic certification.

Matt explained that USAID funded CLUSA’s project with approximately seven million dollars over six years. That seemed like an impressive commitment to make to small farmers who had been embroiled in the Contra War only a decade prior. The fact that the U.S. was investing in community-level economic development puzzled me. I returned to my graduate program in New Mexico to research the roots of agrarian development in the post-WWII era and began an inquiry into what organic coffee farming could offer to remote rural communities of Nicaragua.

The following spring (2001), I received a Tinker Foundation travel grant to conduct preliminary research by accompanying CLUSA development agents on their
field visits. By the time I returned to Nicaragua that summer, my friend Matt had been replaced by another ex-U.S. Peace Corps volunteer, Shane McCarthy. Shane invited me to visit the main CLUSA-Nicaragua office in Managua and meet the executive staff. He had arrived in Nicaragua as part of the Crisis Corps, a branch of the Peace Corps, to aid in reconstruction efforts following Hurricane Mitch in October of 1998. Shane has vast experience in international development through his work with the Peace Corps. He and the executive director, Stanley Keene, were the only U.S. citizens employed at CLUSA-Nicaragua.

Shane and I had already corresponded via email messages. On my first day at the CLUSA office he filled me in on the details of CLUSA’s efforts. According to Shane, CLUSA’s approach to development was one that helped communities be more cost-effective in their productive activity, while sustaining populations and resources over the long term. CLUSA was housed in a large, single-story building that resembled a strip mall, with storefront windows lining the sidewalk and in the parking lot a fleet of Ford Ranger pickup trucks with USAID decals on their rear windows. There was a guard shack and gate at the entrance of the parking lot and an auto mechanic shop in the back.

On my initial visits, I rode with CLUSA technicians to their field offices, bunked with them in a variety of accommodations, and purchased meals in town. CLUSA workers were provided a per diem for living expenses in addition to their salary. Most were assigned vehicles: Ford Ranger pickups, Ford Explorers, Ford F-150 Heavy Duty pickups, or dirt/road hybrid Yamaha 300 cc motorcycles. CLUSA technicians operated as
agricultural extension agents\(^3\) in that they established relationships with communities in need through solicitation or via community leaders and then conducted routine follow-up visits to individual farmers. Their main goal was to train small farmers in organic production practices, assist in achieving organic certification, and organize farmers into viable entities for exportation and collective financing.

The farmers were required to enter into a non-binding agreement with CLUSA that stated they would cease using chemical additives and would begin to keep accurate records of labor-hours and investments on their farms. Once compliant with organic certification, farmers could solicit pre-harvest financing via a collective entity, either a cooperative or an association.

What made CLUSA special, according to farmers, was the personal attention they received from each technician. The farmers felt that the CLUSA agents *really* cared about his or her success and well-being through sustainable and ecological agricultural development. “Other projects like CARE or Feed the Children will dump 250 coffee plants in a community and claim to have served 250 families as a result. CLUSA is different,” Shane explained to me. He continued, “CLUSA does not give anything away. They train the farmer to care for their existing farms. They teach how to cultivate new seedlings for higher-yielding production. We teach them where they are doing wrong and instruct on how to improve their situation.”

The CLUSA administrative offices and fleet are based in Managua. They communicate via radio with their regional sites in Matagalpa, Estelí, Matiguás, and San...
Juan del Río Coco (Figure 1). CLUSA agents spend the workweek at the regional sites and conduct daily farm visits to the outlying communities. Thanks to the CLUSA vehicles and project-supported fuel, I was fortunate to have access to some very remote sectors during this initial period of fieldwork. I would later find that this was a luxury I could not afford once on my own.

At our initial meeting, I discussed my intention to conduct ethnographic research with small farmers who were growing organic coffee. I explained that I was interested in farmers’ receptivity to these alternative programs and the impact they had on agrarian communities. Shane mentioned that very little USAID funding goes to alternatives such as organic agriculture: “USAID feels that conventional agriculture addresses immediate needs of feeding hungry, impoverished regions. Organic agriculture takes more time, more manual labor, and yields less. They tell me, ‘You can’t feed the world on organics.’ I disagree. We need to learn a new way to produce food without depleting our [natural] resources.”

CLUA’s strength, according to Shane, was the personal attention given by technicians. He explained that other organizations inflate their numbers and claim to spend US$300 per farmer. CLUSA spends US$6,000 per farmer, and their programs have a much better retention rate. Executive Director Stanley Keane expressed a similar view. He believed that responsible commerce would take the lead in international sustainable development. He recommended that I read Paul Hawken’s *Ecology of Commerce* in order to better understand CLUSA’s direction in enabling small farmers to farm organically for the export coffee market. With CLUSA’s help, farmers would learn how to grow high-quality products without the need for chemical-based inputs. According to Stanley, the
Figure 1. Map of Nicaragua showing study area of Las Segovias.
dominant discourse of international development was based in “profits and economics. However, we want to understand the social, economic, and environmental benefits as well.” As a result of that meeting, I received authorization to accompany CLUSA field agents, or técnicos, on their site visits to farm communities in the north.

My early field experiences accompanying CLUSA técnicos challenged my presuppositions of the manner in which small farmers in remote regions of Nicaragua live. They presented opportunities for me to grow as a researcher, ethnographer, and anthropologist. I owe a sincere debt to the administration and staff of CLUSA-Nicaragua for inviting me into their operations and welcoming my observations and interpretations.

During my next visit, in January 2002, Shane insisted that I accompany the técnico group that works in the community of San Juan del Río Coco. It seems as though in Nicaragua there is always a place that is even more remote than where you are at any given moment. So, Shane’s suggestion was one that spoke to my ignorance of the reality of the rural coffee economy in northern Nicaragua.

Ultimately, I selected San Juan del Río Coco as my long-term field site because of its proximity to the coffee farms and the conveniences of the small town. There were, however, several drawbacks to San Juan. There were no phones, and the Telcor was typically either closed or not working. Also, its inaccessibility made getting out of San Juan difficult. I recall wishing that I was in Matagalpa rather than remote San Juan when I learned that my father had had emergency surgery in Philadelphia.

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4 Telcor, the state-owned telecommunications office, is a remnant from the FSLN nationalized industry models. The operation retained its name even after it was privatized.
Nevertheless, San Juan was the ideal balance between modern convenience and
closeness to the small farmer community. A newly opened cyber café eased my
transition. And field site alternatives such as Matagalpa or Jinotega would only afford me
regular interactions with coffee intermediaries, but not with the farmers. Therefore, much
to the chagrin of my relatives in Managua, my fiancée and research partner Kelly
Schaeffer and I lived and worked with small-scale coffee farmers in San Juan del Río
Coco for two years (2004–2006).

I drove to San Juan del Río Coco on October 12, 2004, with a friend and former
CLUSA técnico, Santos Gutiérrez, to commence this two-year project. I had worked with
Santos, an ex-schoolteacher, revolutionary, and now a development agent, during my
previous visits to San Juan. I offered him a ride to San Juan that day so he could save his
per diem and also help me find the house where I was planning to stay.

Santos is from Palacagüina, a provincial capital in colonial Nicaragua and the
place where the pavement ends and the 46 km dirt road to San Juan del Río Coco begins.
As we drove in my ’95 Land Cruiser II we realized that it was El Día de La Raza. Rows
of costumed children dressed in potato sacks, adorned with palm leaves and feathers,
walked in pairs in a procession along the roadway, accompanied by their parents and
other laypersons. Some wore face paint, and several girls wore palm leaf crowns, perhaps
to signify La Malinche. The costumes represent the national indigenous heritage.

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5 My mother’s family is from the small coffee-producing town of San Marcos but
currently lives in Managua.
6 La Malinche, to the native Nahua speakers, or Doña Marina to the Spanish, was a
Nahua woman from the Gulf Coast who accompanied and translated for Hernán Cortés
during his conquest of New Spain. She is vilified as a traitor, lauded as a heroine, and
considered the mother of the first Mexican. Her image and identity is potent in Latin
American history, culture, and identity.
After turning east off the Panamerican Highway, we followed the cobblestone streets towards Palacagüina. This windy, dirt road is the principal passage for busses, tractor-trailers, ambulances, and private vehicles traveling east to the mountainous interior of Las Segovias. The next town is Telpáneca, a one-time Indian settlement named Litelpaneca on the banks of the Río Coco that was then made an Indian reducción, followed by San Juan del Río Coco and Quilalí and Wiwilí further east.

The volcanic highland range parallels the road as it extends from the Malacate peak in Telpáneca to Mount Kilambe at the river town of Wiwili. The Malacate and Kilambe peaks connect along the Río Coco valley. Legend states that when Kilambe groans, Malacate will groan too (various personal communications). I also heard many accounts of the 30-m-diameter serpents that inhabit the mountaintop lagunas and threaten to destroy the peaks and flood the towns if inhabitants mistreat the land. This area is rich with lore.

*Dia de la Raza*, October 12th, typically falls around the beginning of the rainy season. It had yet to rain this day. The road was dusty and dry. After a rain, the road becomes a treacherous series of slippery descents and muddy inclines as it skirts the Río Coco valley. In the distance, checkerboard fields of grain and pasture dominate the landscape. Along the roadside families live in humble homes. Over time I came to recognize the roadside settlements by name, but not on this day. The municipal centers of Telpáneca and Palacaguina are notably arid regions of the Río Coco valley because decades of deforestation have left bare what once must have been a lush panorama.

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7 *Reducciones de Indios*, mandated by the Spanish Crown’s New Laws of 1542, were colonial settlement camps for indigenous peoples in the Spanish New World. They were designed to control the indigenous population and assimilate them into Spanish culture and society.
Telpaneca today is a depressed municipal center with not even a *mercado* (market) to speak of. Once a Spanish colonial outpost, Telpaneca was repeatedly sacked by pirates traveling upstream on the Coco in the seventeenth century. In October 1998, the Río Coco rose more than 30 ft above its banks during Hurricane Mitch, destroying much of the town. A newly built ford/bridge crosses the Río Coco at Telpaneca, one of the most frightening bridges I have ever experienced. Debris from uncontrolled deforestation and burning of fields along the riverbanks have led to dangerous mudslides and flashfloods.

The *puente-vado*, or ford/bridge, is a row of 6-ft-diameter sewage pipes covered by rocks, rebar, and concrete with roadway on top. Curb blocks line the edge to keep debris away during high waters. Sudden rains wash debris from the hillsides into the river. Rushing waters drain the soil, and torrents agitate the earthen river bottom, damming up the ford/bridge pipes with sticks, logs, and mud. The water rises upstream and eventually rushes over the top of the bridge and the roadway. Often the water level is too high for vehicles to pass. Locals take advantage of the situation by piloting rafts across the river for 20 córdobas (US$1.25) per trip, or several men will gather to push cars across the ford/bridge amidst the rushing water, often high enough to enter the vehicle, for 50 córdobas (US$3.00).

East of the river crossing, the road climbs again. Telpaneca’s high school is located at an intersection that leads to the towns of Mozonte and Ciudad Antigua in the north and San Juan to the east. *El Chorro de la Virgin* marks the boundary between Telpaneca and San Juan del Río Coco. *El Chorro* is a small cascade or waterfall on the roadside that has been adorned and named after the Virgin Mary. This point is also an
ecotone, marking a shift from the lower, dry tropical zone to the lush, wet tropical zone, or highland rainforests. One begins to sense the moisture in the air upon passing La Virgin. To the right of the road is a precipice, as steep hills rise to the left. The road was literally cut out of the mountain, most likely in the 1930s when Augusto Sandino’s armed revolt against U.S. imperialism mobilized the area. From 1927 to 1933, the U.S. Marines and Nicaraguan National Guard clumsily pursued Sandino’s troops, cutting roadways to remote towns that characteristically sympathized with Sandino’s movement (Selser 1980; Macaulay 1967).

The verdant hills are blanketed with coffee bushes. Some quadrants stand out where corn and beans have been planted, and bare pastureland lies in the distance. Packed busses careen around curves, often forcing motorists dangerously close to the edge. Other trucks (few cars make the trip) pass dangerously close around blind curves, causing me to pray for safety. Along the way, children use shovels to push dirt into depressions in the roadbed, filling the potholes, and extend their hands for contributions from passers-by. This is an exhausting drive.

More than an hour and a half after leaving the pavement, we arrived at San Juan del Río Coco, shaken and dusty. Our first stop was Danilo González’s house in Zona Uno at the west entrance of the town (Figure 2). Don Danilo, as many referred to him, is a cooperative leader, Contra War combat veteran, and farmer of 13 manzanas or 22.5 acres of organic coffee. Don Danilo and his esposa, Doña Marta Medina, a schoolteacher,

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8 *Esposo* or *Esposa* is literally translated as husband or wife. However, domestic partnership is very common in this area, and people refer to the person with whom they live as their *esposo* or *esposa*. Kelly and I were considered *esposos* in the community, and I did not realize that Danilo and Marta were unwed until they were officially married in June 2005.
have four children and have lived in San Juan all their lives. Kelly and I planned to stay with Danilo and his family as we adjusted to the area. I had stayed with Danilo and his family during previous visits. His son Everst and I had been in touch via email as I was arranging our arrival.

On the day I arrived, Danilo happened to be in Managua. The family was expecting me. Adrian, Danilo’s younger brother, and Bismarck, Danilo’s oldest son, were finishing work on a shower that Danilo had built on the patio. Our first order of business was to wire my room for electricity. After dropping off my bags, Bismarck and I headed to the hardware store adjacent to the coffee cooperative in town. We purchased the essentials for one light switch, an outlet, and a ceiling light fixture.

The house was big by local standards. It was brick with fine cement finish on the walls. The roof was tin and the floor, cement. On the far side, a fire was kept in the poorly ventilated kitchen, a common cause of asthma among rural women in Nicaragua. There were two sleeping quarters inside the house, plus a dining area and a living area.
with cable television. Doña Marta kept hens and a pig in the yard. There were several ornamental plants and fruit trees, mangos, guayabas, and naranjos along the back side of the house. The outhouse sat on top of hill, a six- or seven-step climb behind the house. It was rustic and had no door. Kitchen waste, plastic wrappers, and aluminum cans were strewn about the back yard, a sight I struggled to get used to and found to be quite typical of rural areas in Nicaragua.

The yard backs up to coffee fields that belong to Don Amado González, Don Danilo’s father. Just beyond the house, north of the road, is a narrow path that leads to the quebrada (stream) that drains into the Río San Juan and eventually to the Río Coco. We crossed the quebrada to get to the farms of Las Grietas. Along the quebrada is a clearing where people graze their horses and mules. This small, flat clearing was also an ideal place to play fútbol with the neighbors.

The quebrada runs the length of the town, but it begins in the village of Las Grietas. The road to Las Grietas turns north from the main road that connects Telpaneca and Wiwilí, east of the González’ house. It crosses the quebrada and continues uphill to Las Grietas. Las Grietas (“The Cracks”) consists of modest homes that back up to sloped coffee fields. I never did obtain a clear explanation for the name, but I assume it refers to the topography of streambeds and rising hills. The road through Las Grietas leads north to the Bálsamo Valley and several expansive coffee haciendas.

Based on a survey I completed during my fieldwork (see “Research Methods” below), Las Grietas contains approximately sixty-eight households, of which twenty-three claim to be coffee farmers or to own land cultivated in coffee. Fifty-one
respondents reported that at least one household member works in coffee agriculture in some capacity throughout the year.

Las Grietas also has an elementary school, four storefronts that sell dry goods and ice, an evangelical church, and, until recently, a cockfighting ring. The bus passes along on the main road and can be heard from the distance. This quiet community, where the workers do not need to travel far to the farms, rings with the calls of the oropendolas that build their nests in the coffee fields. At 800 m above sea level it is an ideal setting that provides the necessities for successful coffee farming: fresh water, ease of transport to coffee buyers, and electricity.

Las Grietas has easy access to the town of San Juan del Río Coco, two kilometers or about 1.6 miles away. The town is segmented into five zones beginning with Zona Uno at the western entrance and ending with Zona Cinco at the east end, where the road heads to Quilalí and Wiwilí. The Gonzalez house is in Zona Uno. The only gas station in town, Petronic, is down the hill at the intersection with the Las Grietas road. Further along the dirt road heading east are more businesses and storefronts, such as the Bar Amigo, Variedades Yolanda, an auto shop, and one of the two ferreterias (hardware stores). The adoquines (paving blocks) begin near the archway that welcomes people into San Juan. This metal arch has a figure of St. John the Evangelist and a message that reads, “Bienvenidos a San Juan, el Paraiso de Las Segovias (Welcome to San Juan, the Paradise of the Segovias).”

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9 The Montezema oropendola, or ulua as it is known in Las Segovias, is a yellow beaked songbird whose nests dangle like bags from the branches of tall trees. Their song is very indicative of the Segovian farms, especially the organic ones.
The layout of San Juan follows the contour of the mountain valley in which it sits. Unlike in most Spanish colonial settlements, there is no parque central where the church and government offices are located. Instead, the institutional buildings are spread around town. There are two main roads, one leading into town and one leading out. The alcaldía (town hall), market, and baseball field are somewhat centrally located in the main commercial district that stretches about six blocks through the middle of town. The health clinic, church, park, and high school are on the higher road that leads out of town to the east. San Juan has two hotels, five restaurants, one cyber café, one telephone office, two hardware stores, and four regional coffee cooperatives. There are no banks and no grocery stores. Instead, most farmers run an account at the local distribuidora (distributor), which supplies bulk and packaged foods, dry goods such as cleaning supplies, and personal hygiene products; their accounts are paid in coffee at harvest time. While most staples such as matches, cooking oil, salt, and soap are sold at the small neighborhood storefronts, or ventas, the distribuidora was always busy with clients from remote areas stocking up for their own use or for resale in their own ventas.

Research Methods

CLUA’s USAID project ended in 2004, just before we arrived. My research found that the project had a significant impact on those farmers who were able to adapt to the rigors of organic farming. CLUSA continues to work with small-scale vegetable growers near Managua. They also vend organic products out of a retail store at their office. Essentially, CLUSA had equipped farmers to access better markets through self-reliance and hard work.
In my experience assisting small-scale coffee farmer organizers I found that the most difficult people to convince that cooperative organizing was the ideal model for small-scale producers were the small farmers themselves. Exporters, large-scale coffee farmers, development workers, and North American advocacy groups seem to agree that small farmers need to organize in order to defend their interests, while the small farmers themselves resisted. The examples offered from this field research address three major themes that arose from my inquiry into small farmers’ receptivity to organic farming and alternative development models.

1. First, preexisting conditions shape alternative development to fit the lived realities of the recipients of development programs.

2. Second, wealthier farmers benefit more from their ability to be active in farmer organizations and to access the resources of development programs than poorer farmers do. However, in cooperative organizations, richer farmers rely on their affiliation with poorer and smaller farmers in order to attract development support and appeal to the image of small farmers in need.

3. Third, the most ironic and poignant theme in this work, is that the descendants of the indigenous communities who fought against the agrarian industrialization of the countryside in the nineteenth century are now dependent on the very coffee production that subjugated their people one and a half centuries ago. Today, through soil building, erosion control, and preservation of canopy and habitat, these small farmers are the stewards of the last remaining rainforests and the protectors of a
threatened ecosystem that their ancestors sought to preserve by
vehemently and violently resisting farm expansion (Rocha 2001).

Three aspects of small farming and cooperative organization guided my interests
in the Segovian context.

1. The first was the way that farmers of various means and differing
ideological stances cooperate to satisfy the global market for Fair Trade
and organic coffee.

2. The second aspect was how local social relations and power dynamics
influence the introduction and establishment of organic production
methods and cooperative organization in San Juan de Río Coco.

3. The third was that once the international price for coffee stabilized above
the “living price” at US$1.26 per pound of unroasted, green coffee,¹⁰
many of the small-scale coffee farmers of San Juan adhered to organic
production practices and cooperative organization, whereas many others
abandoned the sustainable alternatives that they had adopted in response to
plummeting prices.

For my research I lived and worked with a group of coffee farmers from 2004 to
2006. These farmers were associated with a cooperative entity known as UCA-San Juan
del Río Coco¹¹. I assisted in cooperative management and worked with small farmers to
maintain high quality standards for export. I combined this activity with ethnographic

¹⁰ Both the Fair Trade Research Group at Colorado State University (2003) and Oxfam
International (2002) cite US$1.26 as a “floor price” for coffee production to be viable for
growers.
¹¹ UCA-San Juan is a second-level, service and export co-op to which community-, or
base-level co-ops belong.
fieldwork, including surveying, interviewing, and documenting farmers’ and community members’ opinions and attitudes regarding cooperative enterprise and export to specialty markets. My goal was to view international development and alternative development firsthand.

As participant observers my research partner and I lived with the Gonzalez family in San Juan and on their farm during harvest. Our residence in San Juan brought us much closer to the people of the community than my previous experiences conducting visits alongside development workers had. Kelly and I shared meals and watched TV with the family. Danilo Gonzalez introduced me to other member-farmers in his co-op. He brought me to the farms in Las Grietas. The Gonzalez family felt that it was in our best interest to stay with them, and with time we found this to be true. Although living with a family involved a difficult adjustment, it was a worthwhile entry into San Juan, initially a seemingly uninviting and untrusting community.

This research mode entailed working with farmers on their farms, when possible. In some cases, the farmers did not do the actual physical labor. I did provide a few of the small family farmers in the Las Grietas community with physical assistance, and they were appreciative. I also oversaw certification renewal, assisted in farm site visits, and negotiated direct markets for the cooperative in which the Las Grietas farmers were members, UCA-San Juan del Río Coco. Kelly and I were commissioned at one point to supervise the construction of a preschool in a nearby community with social development funds from fair trade coffee sales.

Shortly after arriving, I conducted a community survey of Las Grietas to collect data on income sources, educational level, political affiliation, numbers of offspring, etc.
This was a drawn-out affair; since I did not want to come off as a disinterested data monger, I would spend ample time at each house. This was also a good way to present my research and myself to the community. One community elder, Don Victor Lagos, thanked me at the end of my survey for not simply conducting a brief *visita de medico* (doctor’s visit) and instead taking the time to get to know him.

During my two years in the field I met many small farmers from San Juan and the surrounding area through my work with the UCA Cooperative, as well as many community and local, or base-level co-op\(^{12}\) leaders. On most occasions, I would ask farmers a series of questions regarding their opinions on cooperative organization. I have documented the responses of 181 small-scale coffee farmers’ opinions and attitudes towards cooperative organization and alternative production.

The most useful method of data collection was casual conversation and note-taking in the field. Whether on the farms, meeting at the co-op, driving around, or sitting at the *Bar Amigo*, I kept a notepad and paid close attention. Gaining rapport and *confianza* with the farmers of Las Grietas required a genuine relationship with and personal investment in the community. Throughout this project, I placed great value on forging lasting personal relationships and trust in order to understand how the coffee industry works for the small farmers of San Juan and *San Juaneños* in general.

Having access to a reliable vehicle proved to be an excellent way to interact with farmers, especially those who needed transport for their coffee or rides to other towns. In one case, the UCA-San Juan cooperative administration invited me to participate in a

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\(^{12}\) “Base-level” is a translation for the Spanish term “*cooperativas de base* (base-level cooperatives).” These are local or community based farmer-owned co-operatives that then join a larger export, credit and service co-operative union.
crop aggregation meeting simply because I could give the cooperative president and agronomist a ride to Quilalí. Another time I felt very fortunate to be able to assist Danilo González’ father, Don Amado, after he had suffered a stroke. Danilo had to pay someone to drive his father to Estelí for the initial emergency care because we were not available. It cost him 800 córdobas ($50 US at that time). I drove Don Amado to his follow-up visits while he was still mostly paralyzed and without speech. We made four trips to his doctor in Estelí as he progressively improved. Don Amado later told me that he would have died if he had had to take the bus to those appointments. Not only was I moved by his gratitude, I was happy to provide help without cost to Danilo’s family because he never accepted payment for us to stay in his house or on his farm.

At first, it was cumbersome getting acclimated this setting. However, over time I realized that *conviviendo* (cohabitating)\(^{13}\) meant experiencing the richness of Las Grietas farmers’ lives. I carried a waterproof notebook and pencil wherever I went since much of my data was collected while drinking beer with farmers at nine in the morning as they picked, washed, and dried coffee. In the end, I was able to assist in community development projects, cooperative general assemblies, internal inspection visits, direct marketing of organic coffee to buyers in the United States, and defending a nearby farmer community from illegal land seizure. All the while I was concerned that I was not doing what I needed to be doing in terms of my research. What I came to realize was that this involvement in the community and with individuals’ lives was the core of my research.

\(^{13}\) *Conviviendo* is the term that community members used in response to my explanation of this research project. There is a long history of outsider activity in this community. The small farmers of San Juan del Río Coco have experienced outsiders *conviviendo* in their community during the Sandinista Literacy Crusade, the student-led coffee harvesting battalions, and of course, the insurrections since Sandino.
Part One

Socio-Historical Context: A Brief History of Las Segovias from the Colonial Period to the Early Twenty-First Century
The following chapters are an overview of ethnic identity formation in Las Segovias. Although historical records and ethnological data are sparse, examples from the life histories of lifelong inhabitants of Las Segovias shed light on the sociopolitical events that have informed the present for both ethnically indigenous and “non-Indian” peoples of this region. Don Sixto Bellorín and Don Amado González are lifelong coffee farmers and community leaders who live in neighboring communities—Santo Domingo and San Juan del Río Coco, respectively. Both well into their sixties in 2004, they began farming coffee as peones on large-scale plantations, or latifundios. Their life histories exemplify two common trends in land tenure and ethnic identity in Las Segovias. Don Amado González and Don Sixto Bellorín belong to a generation that has lived through the Somoza dynasty (1936-1979), the Sandinista Insurrection (1961-1978), the Contra War (1981-1987), and the turn to neo-liberalism. They have endured decades of turmoil and have farmed on modest parcels for most of their lives.

Don Sixto is a small-scale organic coffee farmer and a founding member of the Union de Cooperativas Agropecuarias San Juan del Río Coco, or UCA San Juan. In contrast, Don Amado has never joined a cooperative. He sharecropped in his youth and eventually accrued enough land to be considered a medium-scale farmer. He is not interested in organic certification and will apply petrochemicals to his plants when he can afford it.

For two years I accompanied these men while they were working on their farms, in their homes, or on day-to-day errands to document their perspectives on the current

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14 According to the International Coffee Organization, a small-scale farmer operates on 5 or less hectares, a medium scale farmer manages from 6 to 50 hectares, and a large-scale farmer is on 50 plus hectares of land.
state of small-scale coffee farming in Las Segovias. Their autobiographical accounts exemplify how San Juan’s farmers engage in the present-day development scenario.

Don Sixto has worked in the coffee industry his entire life. He was a laborer on an immense latifundio located on land that had belonged to his ancestors. Don Sixto received title to some of this land after the Sandinista agrarian reform of 1981 redistributed the land from the latifundio, known as Santo Domingo, to the plantation workers. Today, Don Sixto identifies himself as a member of the Casta Indígena de Telpaneca. He states that he is a descendent of the Comalero tribe of Chorotega Indians who inhabited this region long after Spanish contact. He says that his people founded the settlement of Telpaneca, but they had to flee to the mountains to escape the brutality of the Ladinos15 and the church. Sixto emphasizes that “es un orgullo ser indio (I’m proud to be an Indian)” and fights for indigenous land claims in Telpaneca and throughout the Segovias region.

Don Amado was a worker for a generous and caring patrón, Don Pedro Molina. Don Amado was born in Concepción, 23 km from San Juan. His mother came from Condega, a prehispanic Segovian settlement, to work in San Juan del Río Coco in the coffee industry. Don Amado said that Don Pedro had acquired large tracts of land through marriage and that he was a kind man. Over time, Don Pedro gave parcels of his own land to his workers for sharecropping and eventual lease-to-own arrangements. Don Amado lived on the land rented to him and was able to produce enough so he could pay what he owed to his patrón.

15 This is a common term for non-indigenous, Latin Americans. It is similar to mestizo, but in Nicaragua connotes a higher class standing and very European physical features.
Don Amado raised his family of six children on that tract and expanded his holdings so as to be able to give parcels to his children. He has never joined a cooperative and continues to manage his coffee farming independently, relying only on family for support. He continues to use chemical additives on his farm and sells to any coyote\textsuperscript{16} or buyer who will pay what he regards as a reasonable price.

Much like Myerhoff’s (1978) focus on the living histories of Jewish Holocaust survivors, I focus here on the life histories of Don Amado and Don Sixto because they reflect the socioeconomic conditions that small farmers have faced in Las Segovias over the past century. I show that neither of these farmers is more “native Segovian” than the other; rather, their interactions with the state and elite sectors of society validate their thoroughly native Segovian identity.

The use of determiners such as Indio, as opposed to Ladino, merits discussion at this point. Indio typically refers to an individual with indigenous ancestry. As a result of race-mixture, or mestizaje, most Nicaraguans acknowledge a blend of Spanish, African, and indigenous ancestry in their ethnic and cultural heritage. However, the word Indio is often used as a derogatory term for idle, lazy, slow, or ignorant. People who self-identify as Indio are, like Don Sixto, making a political statement to refute traditional stereotypes and engage with their local structures of power, oppression, and stigmatization. Nonetheless, what follows is not an account of who is indigenous and who is not. Rather, it is an appraisal of historical antecedents and political events that have informed the lived realities of people who identify to a common regional identity are native to Las Segovias.

\textsuperscript{16} Coyote is a local term for a broker. In this context, coyotes are the coffee brokers that tend to finance farmers’ production by prepaying for harvest crop in the low season when the farmers most in need of cash.
Segovias. This is a unique, and in large part unrecognized, distinction within the context of Nicaraguan national identity and mestizo ethnicity (for further discussion see Gould 1998 and Field 1999).

The majority of Nicaragua’s populace resides in the western portion of the country, on the Pacific coast. Las Segovias is the region along the northern and northwestern border with Honduras. A highland region made up of the departments of Estelí, Madríz, and Nueva Segovia, it has both an arid and wetland tropical climate and is significantly inland from the Pacific Ocean. This region has been historically marginal to Nicaragua’s centers of power (Newson 1987; Romero Vargas 1988). Las Segovias is a mountainous gateway to the northern frontier and the Atlantic coastal lowlands. Pacific Coast indigenous groups were recognized by the early Spanish conquerors as being relatively sophisticated compared with the inland groups of semi-nomadic hunter-gatherers who lived in the dense forests and mountain valleys.

The “changes experienced by the Indians [of Las Segovias] were not as profound as those noted for the Mesoamerican [Pacific] zone” because “during the first half of the sixteenth century most of [this] zone remained remote from the centers of Spanish activity” (Newson 1987: 116). Located on the banks of the Río Coco, on the border between Honduras and Nicaragua, the northern Spanish outpost of Nueva Segovia, later Ciudad Antigua, repeatedly fell victim to buccaneer sackings. “With the exception of the town of Nueva Segovia, the Spaniards did not permanently settle in . . . [this] zone” (Newson 1987:116). Prior to the Spanish arrival, Managua, León, and Granada were sites of indigenous towns, subsequently occupied by the Spaniards, and they continue as significant urban centers today. Modern-day Ciudad Antigua occupies the ruins of the
once-bustling colonial center of Nueva Segovia, from which gold was sent to Spain and Indian slaves were boarded onto ships destined for South America. Eventually, the colonial capital of Nueva Segovia proved too vulnerable to attack by sea, and it was abandoned after 1789.

Today, certain communities in the Segovias region—such as Telpaneca, El Mozonte, and Ducualí—are recognized by the state and by local inhabitants as indigenous settlements, and a significant portion of local inhabitants makes no claim to Spanish ancestry. Nevertheless, the majority of Segovian inhabitants (many of whose ancestors already represented a mixture of Spanish and native when they moved to the region) have long been subsumed into Nicaraguan mestizo culture. Although some communities have made claims for indigenous recognition, in general, Segovian communities’ identity formation has been an arduous process of “deindianization” or “ladinization” as indigenous groups became peasants, or *campesinos* (Gould 1997; Wheelock 1981; Kearney 1996).

The identity formations of the scattered populations who inhabit this precipitous northern frontier have been constructed in response to larger political entities and the elite sectors of Nicaraguan society. The anthropological discussion of ethnic identities in Nicaragua does not coincide with the historiography of indigeneity in rural communities in Las Segovias. The patchy historical record of Segovian populations ranges from the conquest and the Spanish colonial government through independence, liberalization, dictatorship, revolution, and into the present neoliberal phase of Nicaragua’s national agenda. Through all of these periods, little has changed in terms of Segovians’ social relations and productive capacity.
Cultural change among the Indians of Las Segovias varied “according to the nature and intensity of contact” with non-native groups during the colonial period (Newson 1987: 193). My research has revealed that the record of the original inhabitants of Las Segovias is incomplete. However, studying the complicated process of Segovian identity formation provides a better idea of how the descendents of “indigenous” Segovians ended up as the “native Segovians” and campesinos of today.

In recounting the transformation of indigenous communities in this region, I argue for a regional Segovian identity that includes more people that are native to this region, but do not make claim to direct indigenous ancestry. Instead, it is valuable to “historicize the process of mestizaje” in order to understand how the evolution of indigenous identity “affected the balance of power in local class and ethnic conflicts” (Gould 1998: 12).

Scholars of ethnic identity in Nicaragua argue that different identities reflect different expressions of resistance to the notion of a uniform national or ethnic identity. Certain communities have practiced artisanal, agrarian, and place-based forms of resistance. Field’s (1999) work with the potters of Masaya, south of Managua, offers an example of people who connect to Indian identity through artisan production. Gould (1998) depicts how the Somoza dictatorship (1934–1979) repressed the subsistence practices of Matagalpa natives, yet among the people of the neighboring village of El Chile these practices have persevered. For Dore (2006), indigenous ethnic markers in Diriomo, on the southern Pacific Coast, are “subjective, fluid and historically situated.” They reflect “social conditions and political struggles,” and she concluded that, in the case of Diriomo, “the central ethnic marker of Indianness . . . was common property rights” (2006: 31).
One afternoon, while sitting on his front porch, Don Amado and I chatted over coffee and *rosquillas*.\(^{17}\) I asked about his family’s origin. He explained that his mother brought him to San Juan as a little boy from the nearby settlement of La Concepción. I asked if any of his ancestors belonged to an indigenous group. He explained that he is not *Indio*: “*Soy nativo, pero no soy indio,*” he stated. That response opened my eyes to the complicated dynamics of ethnic identity in this region.

Centuries of repression and subjugation of the native populations of Las Segovias have informed the way in which people embrace and implement changes to productive and economic activity in the region. Impoverished Segovians’ collective position in relation to the structures of power influences the tradition of resistance to external forces (Comaroff and Comaroff 1992). I rely on the collective struggle of native Segovians as a way to foreground the manner in which innovations to farm production and resources management are interpreted and implemented.

Rebelliousness has been commonplace in this region throughout the prehistoric era (Newson 1987), the colonial era (Incer 1990; Romero Vargas 1988), the liberalizing period (Téllez 1999; Wheelock 1981), the Sandinista period (Field 1999; Hale 1994), and into the post-socialist, neoliberal, early twenty-first century. Small farmers are at risk of losing their land should they default on loans or come up short on an estimated yield. Large-scale farmers can absorb market fluctuations better than small farmers and tend to buy small farmers land during tough times. In Part One of this dissertation, I set the scene for the upcoming discussion of rural development, labor relations, and organic farming in

\(^{17}\) *Rosquillas* are little crackers or cookies made of cornflour and dry cheese and then baked with raw sugar in the middle or shaped into small rings. There are several regional versions of *rosquillas*, but most Nicaraguans in the Segovias float them in their coffee and enjoy the coffee and *rosquilla* together.
Las Segovias. Further, I will show that cooperative organizing among the small-scale farmers of Las Segovias enables campesinos to uphold many socialist values while gaining access to the neoliberal, export trade market.

With this background in mind, I recount successive waves of external pressures and local responses that have helped to shape the formation of a regional Segovian identity. The post independence liberalizing era and the expansion of the Agricultural frontier marked a shift in national policy to take interest in indigenous land and remote areas that were once deemed undesirable to dominant Nicaraguan society.

Chapter Two is based on the period of expanding liberalization of the countryside and campesino resistance to U.S. imperialism during Sandino’s rebellion against the U.S. Marines and subsequent Guardia Nacional (National Guard). Sandino’s resistance went underground after his death in 1937, but his legacy persisted in the Segovian countryside. His rebelliousness influenced many campesinos in rejection of the Sandinista era socialist policies like the Agrarian Reform and military draft.

Chapter Three includes personal and ethnohistorical accounts of peoples’ lived experience through the political and ideological shifts in the Segovias region. The peoples of Las Segovias have lived on the margins of mainstream, Pacific coast Nicaraguan society for generations. Their resilience and ability to adapt to external pressures reflects a common experience that is unique to this region. This regional identity expressed through common experience is what will ultimately guide the successful implementation of development programs in this region.
Chapter 1

Regional Identity Formation and Land Tenure in Las Segovias from the Colonial Period to the Twentieth Century

Las Segovias’ Native Inhabitants

The first ethnographers entered the northern Nicaraguan provinces of Matagalpa and Nueva Segovia in the late nineteenth century. They encountered scattered settlements of horticulturalists and hunter-gatherer communities. Nearby mining operations relied on Indian labor, and repartimiento policies forced the inhabitants to work on plantations and ranches (Belt 1911; Ayón 1956).

San Juan del Río Coco did not exist as an independent municipality until the twentieth century. Nevertheless, prior to official state recognition, this region was well populated with indigenous settlements, and its location along the Río Coco made it a significant region for commerce and transportation. A snapshot of this town will help to situate it in the broader historical and geographical context that follows.

It took almost a century after the arrival of the Spaniards for the Catholic Church under the Audencia de Guatemala to penetrate the dense forests of Las Segovias. Records from seventeenth-century Franciscan missions describe a region at the meeting of the Río Coco and the Río Patuca, in the present day Segovias, then known as Tologalpa. Ciudad Vieja was the regional center and Spanish colonial outpost. The area north of the Río Coco, in Honduras, was called Taguzgalpa. The two regions were collectively known as Tagüisgalpa (Incer 1990: 247).
In 1576, King Felipe II ordered the conquest of the mountain regions of Nicaragua and Costa Rica. In 1603, the Audencia de Guatemala sent military captains Gaspar Romero and Alonso Cáceres to Tagüisgalpa with instructions to confine the Indians to *reducciones*, where they would be trained to live “orderly lives” under “faith and good doctrine” (Incer 1990: 253). Romero succeeded in reducing the natives at El Jicaro, near Ciudad Vieja. Cácares was commissioned to reduce the Tologalpan tribes at Poteca, Jalapa, Telpaneca, Cacaloaste, Mozonte, Totogalpa, Yalagüina, Palacagüina, Condega, Litelpaneca, Comalteca, Jinotega, and Solingalpa y Mologüina (today’s Matagalpa). Cácares described the residents of these settlements as “Matagalpa-Chontal Indians” (Incer 1990:253). Most of these native Segovian tribal names are still in use as names of mountain towns. Jinotega and Matagalpa are large cities today. Telpaneca and Palacagüína are within 20 kilometers of San Juan del Río Coco.

Friar Fernando Espino was from Nueva Segovia, was fluent in the indigenous Matagalpan-Lencan dialect of the region, and interpreted doctrine for the tribes (Incer 2003). Lenca may not have been the only language spoken in the region (Brinton 1891). According to Incer (2003), the earliest chroniclers referred to both the Lenca and surrounding (non-Lenca) groups using the ethnonym “Lenca.” The Lenca are recognized today as a significant indigenous community near the Nicaragua-Honduras boarder.

“They [the natives] came out of the mountains to harass and assault the vulnerable frontier establishments,” wrote Franciscan friar Francisco Vasquez. He wrote that there were “more tribes in this region than there were hairs on a deer” (In Incer 1990: 562), although he only recorded the names of thirty-two. Among the listed names were *Lencas* (later known as Chontal-Matagalpas), *Taguacas* (later as Sumus), and *Mexicanos*. Padre
Vásquez’ records indicate that the Mexicano tribe was a remnant of a military envoy sent to ensure dominance over the rich province of *Tagüisgalpa*; its name in Nahuatl signifies “place of gold” (562). Vázquez traces the origins of these thirty-two tribes to four larger ethnic groups: the Xicaques from the east, Lenca from the west, Paya to the north, and Taguaca to the south (Guerrero y Soriano 1982:123).

Incer (2003) offers the example of Friar Espino as proof of an affinity between the Lenca of Honduras and the Ulua-Matagalpa-Chontales linguistic groups of Las Segovias. The Ulua originated near the town of Waspán along the Rio Coco. The Matagalpa-Chontales are the displaced nomadic groups who settled the Segovias prior to the Spanish conquest. In 1891, Brinton credited neighboring tribes as having had a lexical influence on (but not a genealogical relationship with) the Matagalpa-Chontal groups. He claimed the influences were “the Nahuatl or Aztec on the south, Lencan to the west, the Ulvan to the north and the Moscan or Musquito to the east. Other [linguistic] stocks are not far off, as the Chortis of Honduras speaking a Maya dialect, the Xicaques of the same state, and the Mangues of Nicaragua” (Brinton 1895: 404).

Nahua place names confirm the presence of Aztec- or Nahuatl-speaking tribes in the region during the Spanish Conquest. However, as Brinton (1883) asserts, the Nahautl achieved prominence in the eyes of the conquerors and established themselves as the guides or interpreters for the conquest-era Spaniards. Brinton (1883), Newson (1987), and Gamboa (in Field 1999) have suggested that a more accurate account would recognize the Mankeme, or Mangue in the dominant Castilian/Nahautl dialect, as the

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18 Many colonial records consider the Pacific coast region of Nicaragua as the south and the inland mountains leading towards the Caribbean Sea as the North, as in the linguistic records of Brinton (1891, 1893)
predominant group in the Segovian region during the conquest period. There are recorded similarities between Mangue groups in Chiapas, Mexico, and Nicaragua during in the mid to late 1800s. In fact, Brinton’s lexical comparison showed greater similarity of Chiapan and Nicaraguan Mangue to Aymara of Peru than to the dominant Nahuatl, the imperial lingua franca at the time of the conquest (Brinton 1883:19).

Primary accounts of Catholic missionaries Vasquez and Espino describe the Segovian inhabitants as “savage and indomitable [groups that] tenaciously resisted foreign penetration” (Incer 2003: 562). Vásquez and Espino depicted peoples who were as inhospitable as the terrain they inhabited. The spiritual conquest of Taguzgalpa and Tologalpa was complicated by the “impenetrable nature of their lands.” They were mountain dwellers who lived in rustic conditions: “One day shacked up in one place and the next day in another, without a place to call one’s own.” This made fleeing easier, and under any conditions one could retreat to the most “abstruse mountains and uncivilized parameters” (Incer 1993: 258).

“The reducciones consisted of practically removing the Indians from the mountains and forests, attracting them with gifts and trinkets, convincing them so that they formed towns where the religious could easily impose their evangelizing mission” (Incer 1993:258). These people were “sin ley ni rey [without law or king]” and would return to their “packs of savage furies” in rejection of doctrine (1993:258). To succeed, the conquest of Las Segovias had to be harsh. Franciscans’ endeavors to establish Indian reducciones instituted structures that left a legacy of repression and exploitation that informed the subsequent generations’ racist attitudes toward and stereotypes of native Nicaraguans.
The native Segovians apparently cooperated with the pirates and English traffickers who came from the Caribbean to sack and raid Spanish settlements (Incer 1993: 279-280). This is reminiscent of Charles Hale’s account of the Atlantic coastal natives’ preference for the British Crown and their defiance of the Spaniards (Hale 1994: 69). The native Segovian resentment against the Spanish colonizers is reflected in historical references to their rebellious attitude. Incer (1993) recounts the cruelties and abuses committed by the Spanish conquerors during their initial forays into the mountains. A century later, an oral tradition perpetuated stories of the harsh pillaging of Jinotega and Matagalpa..

Brinton (1895) reports that “a peculiar native idiom prevails – or fifty years ago did prevail – among the aboriginal population of that portion of Nicaragua where are situated the city of Matagalpa and the towns of San Ramón, Muymuy, Sébaco and others in the department of Matagalpa.” Brinton expands this classification to the towns of “Telpaneca, Palacaguina, Yalaguina, Condega, Tologalpa, Somato Grande and others in the department of Segovia. That in one time it extended into the former department of Chontales is proved by the traditions of those who yet speak it” (1895: 403). According to Nicaragua historian German Romero Vargas,

The quotidian life of the Indians elapsed with a backdrop of difficulties. Some correlated to their social status, others, to use a contemporary expression of that time, ‘sent by divine majesty’ . . . . The poverty, the misery of the Indians was not only stereotype of the colonial era, but also an eighteenth century reality for everyone to see. The Indians only possessed the clothes on their backs, their straw house and the right to work a parcel of communal land (Romero Vargas 1988:56).

The ethnocentric biases inherent in early missionary and conquistador accounts make it impossible to obtain a clear picture of native life (Incer 2003). This period was
characterized by the “deculturation and depopulation” of native Nicaragua (Newson 1987). Early settlers did not document the lives of presumed “savages.” They were to be converted, and their practices or customs eradicated (Gamboa in Field 1999: 177). Spanish colonial policies instituted the ethnocidal practices that would result in the natives being acculturated into Spanish society (Guerrero and Soriano 1982).

**Land Use in the Colonial and Independence Periods**

Along with missionization, mining activity and the slave trade were the first Spanish incursions into the remote Segovian wilderness (Romero Vargas 1988:223, Incer 1993:63). *Ladino* encroachment on indigenous land displaced populations and disrupted traditional subsistence practices in the wake of colonial economic activities. Early in the conquest, “hombres barbados” (“bearded men”: the Spaniards) fervently searched for precious ores that are in the volcanic mountain soils of Nicaragua. Some of the earliest gold deposits were found along the *Yare* (actually the Río Coco) (Incer 1993:63). In 1523, Captain Gabriel Rojas was commissioned by Hernández de Córdoba to penetrate toward the *Mar Norte* (North Sea) in search of gold mines. Rojas traveled 80 leagues inland from Granada on Lake Nicaragua with the “experience and support of the subjected indigenous, who guided the conquerors, carried their belongings and washed the gold in the banks of the river” (Oviedo in Incer Barquero 1993:70). Oviedo documented Rojas’ quest through the Olancho Valley, northeast of the Río Coco, as he departed from “León to the Segovian plateau on course through Achuapa, later Limay, Palacaguina, Telpanca, El Jícaro, and Jalapa” (1993:70).

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19 As in the previous note, colonial geographers and chroniclers mistook the Atlantic/Caribbean coast to be the north of Nicaragua.
The role of native Segovians was key during the rise of creole\textsuperscript{20} elites and competition against the Spanish Crown for control over the region. This era also forced on Indian communities the \textit{encomienda} system of compulsory labor and tribute. According to Newson, this system was the “most influential institution on Indian life” (Newson 1987:151). Colonial documents show that natives were brutally subjected to displacement, confinement, and forced labor. \textit{The Leyes Nuevas} (New Laws) of 1542 gave certain land rights to several Segovian Indian communities that were known as “\textit{Pueblos de Indios}” (Wheelock 1975; Newson 1987; Romero Vargas 1988, 1992; Rizo Zeledón 1992). These land rights placed indigenous communities in the midst of rising tension between the Spanish Crown and New World creoles.

The \textit{encomienda} system persisted longer in Central America than it did in the rest of Latin America (Newson 1987: 272). During the 1700s and 1800s, a period of colonial reorganization and acculturation, native communities lived on their ejidal lands,\textsuperscript{21} but they were subject to the exploitative traditions of tribute payment to the viceroyalty and \textit{repartimiento} labor (1987: 272-283).

The Spanish introduced a system of privately owned property, a phenomenon unfamiliar to native populations, which was intended to encourage large-scale production for export. The influence of mining, ranching, and large-scale agriculture eventually and permanently altered the native Segovian landscape and livelihood (Romero Vargas 1988: 223). Livestock ranching had a significant impact on lowland regions of Nicaragua. The

\textsuperscript{20} Creole, or in Spanish \textit{Criollo}, is an ethnic category that was commonly used in the colonial period to define people born in the Americas, but of Spanish decent.

\textsuperscript{21} Ejido (n.) and ejidal (adj.): A system of government-sanctioned communal land that is shared by members of the community, typically for agricultural pursuits. This system existed within the Aztec empire and was institutionalized by the Spanish Crown for the protection of indigenous lands.
The largest landholdings in the colonial era belonged to ranchers. Their properties extended beyond urban centers and toward the foothills. Reserving land for this economic activity brought large tracts of “untamed” or “uncivilized” terrain under colonial governance. The *latifundio* replaced the mines as the principal economic activity in the Segovian region leading into the nineteenth century. The expansion of agricultural activity coincided with the introduction of commodity crops, such as coffee, that allowed the exploitation of the rural, indigenous labor force while bringing the countryside under national control. The first Ladino inhabitants of San Juan del Río Coco were several landowners to whom the government had awarded expansive tracts for agrarian activity. The era of independence, between 1821 and 1838, was significant as the creole elites and mestizo sectors jockeyed for control of the country, particularly the Liberals of León and the Conservatives of Granada. Native communities at this time were under threat of revisions to their land use laws. The new nation recognized the *Pueblos de Indios* and their territories but placed upon them stricter work and tax obligations. Coffee was introduced as an ornamental plant to Nicaragua in 1796 and by 1894 it had developed into an agricultural in the highland mesa of the Carazo department (province). By 1841, coffee rose to prominence as a national export crop with approximately 80,000 exported in that year (Kühl 2004). The California Gold Rush drew increased foreign interest in Nicaragua as a trade route when Cornelius Vanderbilt established a steamship company that shipped goods and passengers from the Caribbean, along the Río San Juan, to Lake Nicaragua and across the narrow isthmus of Rivas to the Pacific Ocean to ultimately reach California. This transit route was shorter than the Panama or continental routes. It introduced many
thousands\textsuperscript{22} of passengers to Nicaragua goods, like coffee, and inspired many to remain in country due to the governmental incentives to spur immigration that would invest in coffee farming in the rural countryside.

This event coincided with the Nicaraguan national government imposition of sanctions on communally held lands and the creation of laws that required indigenous peoples to work on coffee farms. The national government offered land and credits to foreign investors that would commit to planting thousands of plants on the rural hillsides. Jinotega, Matagalpa, and Las Segovias came to overshadow Managua and Carazo’s lower elevation production in the early twentieth century as investors forged further into remote regions (Kühl 2004; Williams 1994).

The increased commerce drew foreign capital and investment in the Nicaraguan economy. U.S. and European banks were increasing their interests in the nation as it worked to put more land into coffee production. In the mid 19\textsuperscript{th} century as the Nicaraguan national elites continuously fought for national control along the ideological divide of Conservatives based in Granada and Liberals in León. Productivity and commercial activity grew until the intervention of William Walker, a U.S. soldier of fortune, entered to overpower the Conservative strongholds. It was only when Walker installed himself as president of Nicaragua and made English the national language that Conservatives and Liberals joined forces to oust him in 1857 and local elites regained control.

Dora María Téllez researched the privatization efforts of the 1850s that coincided with the introduction of coffee agriculture as viable highland export crop. Indian

\textsuperscript{22} Williams writes that between 1851 and 1855, Vanderbilt’s transit company transported 5,000 to 20,000 passangers across southern Nicaragua (1994: 80).
communities proved an impediment to industrializing highland agriculture. The state had to pass land-use legislation that altered indigenous settlements and their perceived “idle” lifestyle (1999:160). The liberalizing economic motives of the Nicaraguan state corresponded to the bourgeois sentiment that anything “indigenous was nothing more than backwards and barbaric” (Rizo Zeledón 1992:66).

The motive for agricultural expansion was to enable Nicaragua to enter into the burgeoning international market as an export nation. Téllez states that the mid-nineteenth-century privatization fervor incorporated all types of lands: indigenous land, cofradía land, land of the deceased, and barren land. “The state determined who and how private parties could access the best lands, the closest to populated centers and the lines of communication” (Téllez 1999: 160). As a result, latifundio holdings expanded substantially during this era.

By privatizing the land, terminating ejidal land rights, and introducing industrialized agriculture into the Segovias legitimated relocating and disrupting indigenous lifestyles yet again. During the independence period in the 1830s, the newly formed Central American states adopted policies of total integration with regard to indigenous communities. Post-independence Nicaragua was based in classic liberal ideology. Under this perspective, indigenous communities were considered “obstacles to the free market . . . as an impediment to the idea of social progress, in the sense that indigenous culture represented the principal cause of poverty and backwardness in the nation” (Rizo Zeledón 1992: 71).

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23 Cofradías are religious brotherhoods that organize around faith to obtain title to lands.
The *Pueblos de Indios* stood in the way of progress in the post-independence period. “The indigenous people were resisting full proletarianization.” They were “unwilling to abandon their free life in their villages for the virtual slavery of the coffee plantations.” They “took refuge in subsistence agriculture and avoided all trade with . . . *Ladinos* because of the arrogant treatment they received” (Rocha 2001:2). Land expropriations and intimidations would become commonplace in the mid-nineteenth century (Roseberry, Gudmundson and Samper 1995, Gould 1997, Téllez 1999, Rocha 2001, Dore 2006).

According to Nicaraguan social scientist José Luis Rocha, there were two epochs of Indian reductions, one during the conquest and another during the nineteenth-century coffee boom. He writes, “the new ‘reduction’ – motivated by the coffee boom – was presented as an indispensable disposition for propagating the ‘civilizing’ message that would encourage them [the Indians] to abandon practices contrary to the needs of dominant groups” (2001: 2). Rocha goes on to describe how the expansion of coffee “involved the expropriation of communal land.” It was then accumulated “in the hands of the big landowners for the creation of coffee plantations, leaving the expropriated indigenous people available as labor. The first led to the second and together they led to the coffee boom” (2001:3).

As mentioned, by 1856, the nation unified to expel William Walker, a U.S. soldier of fortune who had been contracted by the Liberals to end the recurring civil wars. Walker betrayed his hosts, named himself president, re instituted slavery in an attempt to court the approval and assistance of the southern United States. At the time Nicaragua was an important transportation route between the Atlantic and the Pacific and was even
being considered as a potential route for an isthmus canal. This was the first episode of North American political intervention in Nicaragua’s national affairs.

**Coffee and the Nicaraguan Countryside**

Industrialized coffee agriculture changed the social order of post-independence Nicaragua. Beginning with the introduction of coffee to Nicaragua in 1845, the industry expanded from the Carazo plateau to the highlands of Matagalpa, Jinotega, and Las Segovias. In this section I detail the socioeconomic factors that led to the rise of coffee as a national industry.

Historically, coffee production is based on extraction of primary resources with little concern for local ecosystems and wildlife habitat. It is a highly extractive activity in that depends on foreign capital and high unemployment rates in order to access large amounts of seasonal labor. One reason Kona coffee from Hawaii is so expensive is because workers are paid standard U.S. minimum wage to perform the same tasks that Nicaraguan *campesinos* do for a fraction of the cost. In the mid 1800s, the Nicaraguan government determined that coffee production could operate as a civilizing force and an organizational mechanism for making vast expanses of native lands productive for the rising export economy (Téllez 2000).

David Robleto Lang is a third-generation coffee farmer from Matagalpa. He has served as the president of the *Unión Nicaragüense de Cafetaleros* (UNICAFE – The Nicaraguan Coffee Farmers’ Union) and on the board of directors of *El Consejo Supremo de la Empresa Privada* (COSEP – The Supreme Council for Private Enterprise) as well as other industry organizations. His 2000 book, *El café en Nicaragua: un desafío para el futuro* (Coffee in Nicaragua: A Challenge for the Future), relates his experiences as an
industry leader and an advocate for sustaining coffee export as a major economic activity in Nicaragua. He provides a concise account of the Nicaraguan coffee industry from its inception in the mid 1800s to its apparent demise during the Sandinista era.

Robleto Lang is descended from German migrants who came to Nicaragua explicitly to plant coffee. He inherited land from his grandfather, Eugenio Lang. In his introduction, Robleto Lang recounts that he enjoyed the time he spent at the coffee farm when he was young, but that it was no longer his family’s primary pursuit. During the hardships of the 1980s, however, he returned to the coffee industry from working in other disciplines as his family’s main income source.

La principal actividad de negocios de la familia estaba en el comercio y la finca no era tomada en serio. . . . Mi mayor involucramiento con el café se produjo en los años ochenta. . . . Los problemas del comercio en ese período hicieron que los productos de exportación tomaran un lugar preponderante en la economía familiar. Me dediqué entonces casi totalmente al cultivo de café. (My family’s main business activity was in commerce, and the farm was not taken seriously. . . . My main involvement with coffee arose in the eighties. . . . The commercial problems of that period gave export production a preponderant place in the family budget. I devoted myself to cultivating coffee at that point.) (2000:18)

Since very soon after its arrival, coffee agriculture, or caficultura, has occupied a major role in the economic activity of Nicaragua. According to Robleto Lang, coffee has become one of the most important areas for the purpose of “clean\(^{24}\) funds and the generation of jobs and export dollars while imposing minimum damage to the Nicaraguan ecosystem” (2000:16 *my translation*).

Coffee was brought into Nicaragua in 1845 or 1846 from either Guatemala or Costa Rica. It was planted on the Carazo plateau, just south of Managua, and along the slopes of Mombacho Volcano, next to Granada. Luis Elster was the first to farm coffee in

\(^{24}\)from the Spanish *limpio*, this refers to funds that are from legitimate and just sources.
the Matagalpa region. He was a German immigrant who had been living in New York City prior to learning of the tributary concessions and facilitated rents for those wishing to cultivate coffee in the Nicaraguan highlands. At that time, the Matagalpa region encompassed the area of the contemporary departments of Matagalpa and Jinotega. The three present-day Segovian departments of Estelí, Madriz, and Nueva Segovia were all considered Nueva Segovia (Robleto Lang 2000:24; Kuhl 1998:44).

In 1872, Pedro Joaquin Chamorro’s government offered 5 cents for every plant on farms that had more than five thousand coffee plants. In 1890, Wilhelm Jericho migrated to Matagalpa from Germany with 20 families to cultivate coffee. The government at the time was offering 500 manzanas (1 manzana equals 1.7 acres) to any farmer who would sow at least 500 plants. Word had spread of the ideal climate and ecology for coffee production in Nicaragua. In 1900, 200 persons migrated to the highland region, 60 of them Germans, to cultivate coffee. Coffee production continued to increase in importance in the first part of the twentieth century, as reflected by the establishment of the National Coffee Institute, the National Coffee Bank, and the Coffee Credit Fund. (Robleto Lang 2000:25).

According to Robleto Lang, coffee cultivation expanded gradually as prices remained consistent during the early twentieth century. In fact, the coffee industry did not experience a decline in growth relative to the national economy until the insurrection against the Somoza dictatorship impacted the rural coffee-growing communities. Coffee cultivation and export remained relatively stable through the 1960s and 1970s, despite the rising insurrection that was based in the mountain zones of Matagalpa, Jinotega, and Las Segovias.
The mid to late 1980s proved to be an especially difficult time for the national coffee industry. There was a severe labor shortage, and farmers were unable to harvest certain plantations because of the guerilla fighting that took place throughout Las Segovias during the Contra War. The Paz de Sapoá, a peace accord signed between opposing factions in 1989 in Sapoá, just north of the Nicaraguan/Costa Rican border, marked the formal end to military violence between the U.S.-backed Contras and the Sandinista Army, but many armed bands continued to roam the region and terrorize small communities. During this decade, the area cultivated for coffee throughout the country had diminished from 140,000 to 99,100 manzanas. Average yields dropped from 25–30 quintals per manzana to 12.5-less than half quintals per manzana (2000:16).²⁵

During the first two years of the Sandinista revolutionary government (1980-1981), the coffee export for Nicaragua was the highest ever. Robleto Lang attributes the exceptional production to the high level of volunteerism, enthusiastic support of the “New Nicaraguan” state, and the usurpation of well-tended latifundio coffee plantations (2000:17). Although the Sandinista government established programs to assist state farm operations and campesino cooperatives to increase levels of export production, the international embargo and the inconsistent quality of the harvest actually led to a drop in production.

*Caficultura nacional* (national coffee agriculture) was slow to regain its pre-Contra War intensity. Farmers and campesinos were tentative about repopulating the Segovian terrain after the war ended. There was a general uncertainty regarding property rights. The trade embargo that blocked foreign supplies such as fuel and chemical

²⁵ 1 manzana equals 1.7 acres. 1 quintal is equivalent to 100 pounds.
fertilizers, the deteriorated roadways and telecommunications, and the inept credit and finance systems all impeded the recovery of coffee as a major national export.

At its peak, coffee accounted for 42% of the total national export and 80% of total agricultural exports. Robleto Lang cites 1965–1975 as the boom era for coffee in Nicaragua. In the 1970s, coffee represented 20% of total export and 32% of the agricultural export, and in the 1980s it represented 35% of the total and 46% of the agricultural exports. This figure declined in the 1990s, with coffee representing 24% of total exports yet still more than one-third (37%) of agricultural exports. Robleto Lang claims that coffee agriculture has provided work for nearly 60% of Nicaragua’s rural population, whether directly or indirectly, seasonal or permanent. Despite these gains, actividad cafetalera (coffee activity) has confronted a series of economic, institutional, social, and legal limitations that have restricted achieving sustainability within the Nicaraguan coffee industry. At the time of Robleto Lang’s account, the Nicaraguan coffee industry accounted for 30,000 farmers, approximately 250,000 seasonal and permanent farm workers, and 1,250,000 total beneficiaries (2000:24–26).

The crux of Robleto Lang’s historiography is the “challenge for the future” for coffee in Nicaragua. He puts the onus on developers, industry executives, farmers, and consumers to foment an economically and ecologically sustainable approach to coffee production. In his words:

Given the important role that coffee activity plays, both economically and socially, it is necessary to promote . . . una caficultura sostenible (a sustainable coffee agriculture), that can articulate the different economic, social and environmental aspects, to a certain degree that the farmers feel encouraged to produce a safe coffee, that avoids contaminating the river basins, where the majority of the campesino population resides (2000:17).
The Indigenous Revolt of 1881 and Its Aftermath

The events surrounding the Matagalpa Indian uprising of 1881 reflected a continued disdain for indigenous Nicaraguan culture. Indians recognized the threats to land, community, and culture once the national government abolished communal landholdings and forced privatization of ancestral indigenous lands. On August 9, 1881, the Indian forces took over the city of Matagalpa. They entrenched their positions and awaited the national infantry. The military response to this uprising was brutal. Plans to “pacify the natives” escalated into a prolonged and “generalized extinction” (Wheelock 1980: 114).

Those who fought in the 1881 indigenous uprising rejected the abolition of indigenous communities and the privatization of their lands. Following their defeat laws were passed to recruit “voluntary” workers and servants for the coffee plantations. Those unwilling were delivered over to military authorities. “Laws, evictions, expropriations, ladino arrogance, forced labor on the coffee plantations, and the installation of the telegraph line all fueled the rebellion” (Rocha 2001:1–2). “Progress came to the people of the rural north on the backs of the Indians and was established against the Indians” (Téllez 1999: 103)

Nicaraguan historian and Sandinista Agrarian Reform director Jaime Wheelock attributes the demise of the northern indigenous communities and their subsequent assimilation into the Nicaraguan mestizaje to the governmental repression after the Indigenous Revolt of 1881. Wheelock writes,

The War of the Communities was a natural response generated by material conditions and the struggle for subsistence. Again, they had to retreat to the mountains. The oligarchic avalanche invaded swallowing up giant bites of thousands of hectares. [The Indians] were defeated and the cycle of contradictions came to a close in a bitter synthesis (1980:117).
Telpaneca and San Juan de Telpaneca had important roles in the 1881 indigenous revolt. The indigenous warriors who invaded the city of Matagalpa were rumored to have come from throughout the Segovias, not just from the immediate surroundings. Telpaneca likely served as a refuge for retreating rebels once Chamorro’s government responded with ethnocide (Téllez 1999).

Pedro Joaquin Chamorro’s Conservative government (1875–1885) enacted harsh repercussions for native communities and actively sought to intimidate and force natives from their communal land. Chamorro’s agrarian laws even declared communal land illegal. According to Wheelock, Chamorro was eager to expand latifundio further into previously protected rural areas for the burgeoning coffee market (Wheelock 1980:109).

During the colonial era, all of Telpaneca belonged to the Pueblo de Indios and land-use decisions were delegated to the Consejo de Ancianos (Council of Elders). After the 1881 revolt, surviving the government repression and attempts at eradication became paramount. In the next fifty years, Telpaneca’s landscape changed and San Juan de Telpaneca would become the independent municipality of San Juan del Río Coco.

The awarding of land grants for latifundios in the Segovias came later than it had in Matagalpa because of latter region’s better access and proximity to Managua. After the military counterattack on Indian culture and communities, the natives abandoned the town of Telpaneca in search of safety. They left the town to ladinos and the clergy. Many undoubtedly sought refuge in the mountaintop villages that are known today by San Juaneños as native settlements. I was able to visit a few of these villages: El Chile, El Achiote, El Carbonal, El Lechón, Santo Domingo, San Lucas, and Quibuto.
These communities appear to have escaped the reaches of the national government after the failed indigenous revolt. Wheelock (1980) claims that the events following the 1881 revolt signified the end of Indian culture in northern Nicaragua. He does not assert that the ‘savage’ tribes were eventually civilized, but rather that they had disappeared. In my view, the natives had to conform to dominant Nicaraguan social standards as a means of survival. Expressions of Indian identity posed a threat to survival and thus were abandoned or disguised.

**National versus Segovian Identity Formation**

The indigenous experience during the colonial era was that of pawns caught amid the growing tensions between colonists and the Spanish Crown. Liberalization, or privatizing what was once communal or public land, throughout the countryside and the subsequent colonization of mountainous regions, the last refuges for traditional communities, marked the independence period in Nicaragua.

“Within Nicaragua, practices of land tenure differed substantially depending on local population pressure, the availability of virgin forests, and local custom. Before 1870, national laws favored access to unclaimed lands by those who had money and could read Spanish. The process involved staking the boundaries of a claim and having authorities post the claim publicly for a specified period. If no other claimants came forth, the authorities would grant the land to the person who made the claim after a fee was paid” (Williams 1994: 82).

*Campesinos* and indigenous peoples were usually excluded from this process. Whether under the guise of national sovereignty or nation-building, these decisions made in the centers of power have had significant impacts on rural communities. However, this is not a Redfieldian scheme of urban and folk or a Wallersteinian one of center and
periphery. The small farmers of San Juan del Río Coco continue to be actively involved in determining their own fates.

Nicaraguan independence from Spain in 1838 brought forms of nationalist ideology that cloaked the class interests of civic and trade leaders. This new nation was governed under a common statute that recognized a general Nicaraguan ethnicity as the unifying force for national identity construction. The ideology of a common Nicaraguan ethnicity, later bolstered by nationalist intellectuals such as Pablo Antonio Cuadra, Jorge Luis Arellano, and Jose Coronel Urtecho, advanced the notion of *mestizaje*. This “myth of mestizaje” (Gould 1992) served to unify the upper and middle classes of the urban populace, leaving the rural ethnic communities at the margins of the nation-building project. This is unlike the case in Guatemala, where pan-Maya activism has responded to dominant *ladino* (or *mestizo*) hierarchies that threaten to leave the indigenous ethnic communities out of national discourse (Warren 1998).

Indigenous identity markers declined as post-independence nation-building efforts strove to unify *Nicaragüenses* under a general *mestizo* national identity. Scholars have attributed a sort of “culture loss” to native Segovians who were forced to abandoned traditional dress and speech. To “ladinoize” or “de-indianize” afforded a better chance to access *ladino* privilege and to survive the brutal oppression of colonial and postcolonial states (Wheelock 1980; Gould 1998; Warren 1998; Field 1999; Snyder, Williams and Peterson 2003; Dore 2006).

The changing identity of rural inhabitants has been explored within the context of rising nationalisms in Latin America (Anderson 1992). The subject of anthropology shifted from the “primitive” to the “peasant” as increased influence from dominant...
sectors of society forced rural communities to display fewer and fewer indigenous markers (Kearney 1996). The repressive state apparatus maintained power by legitimizing the suppression of indigenous cultural expression or identity markers through deliberate stigmatization of Indian identity. The native Segovianos lacked significance in the dominant historical imagination (Comaroff and Comaroff 1991). With regard to colonizers, these were truly a people without history (Wolf 1982).

*Mestizaje* as a nationalist ideology is based on notions of a mixed race of Spanish and indigenous ancestry in order to promote an ideal common ethnicity. In Mexico, the notion of *la raza cósmica* (“the cosmic race”) arose as a perceived blending of Native American spirituality and Spanish peninsular civility (Vasconcelos 1925). Theorists of national identity attribute the formation of nationalist ideologies to the protection of class status and preservation of aristocratic and landholding interests. This ideology is an effort to preserve elite interests while promoting a nation-state ideal under this constructed *mestizo* identity (Gould 1998; Field 1999; Dore 2007).

Asserting a common nationality or national identity obscures the specificities and particularities of disparate groups who inhabit the nation-state (Winant 1990). Post independence, nationalist ideology oversimplified the ethnic composition of Nicaragua, yet it has become “naturalized” in the national discourse on identity. As Alonso describes, “Nationalist re-presentations of the past, produced by those in control of the state system, appropriate and transform local and regional histories and the memories of subordinated groups through the strategies of naturalization, idealization, and de-particularization” (Alonso 1994:389).
Jeffrey Gould’s work depicts the forced assimilation and the abolition of Indian identity markers through his historical analysis of ethnic strife and power struggles in late nineteenth and early twentieth century rural Nicaragua. He argues against nationalist and revolutionary interpretations of Nicaragua as an ethnically homogeneous, mestizo society. Gould documents the violent repression of indigenous economy, coercion of indigenous labor, and dispossession of the indigenous means of production as examples of elite and government suppression of indigenous culture and identity (1998:207).

Once indigenous groups were reduced in size and territory, Nicaraguan nationalists diluted the particularities of Indian identity markers, especially in the Segovian interior. Wheelock explained that the principal causes of ladinoization (or de-indianization) are loss of land and “consequent proletarianization” (Gould 1998: 7). Nicaragua’s vanguard authors embraced an understanding of a mestizo national identity. According to José Coronel Urtecho, “the Indians of Nicaragua became Nicaraguan and … nicaraguanized the creoles and mestizos” (1962: 125).

The commonsense notion of Nicaragua as ethnically homogenous is a construct of intellectual and political elites to create a nation under a hegemonic ideal. This image is hardly representative of the reality of Nicaragua’s ethnic makeup and social diversity. Promoting mestizaje as a national ethnic identity was a deliberate effort to unify the populace under a presumed harmonious blending of Spanish and Indian heritage. From independence to the revolution, nationalist and revolutionary interpretations of Nicaraguan national and ethnic identity have long distorted an accurate appraisal of Nicaragua’s diversely contested social and political development (Gould 1998:13).
Nationalist writers Gámez (1889), Ayón (1882), and Cuadra (1950) put forth the notion of rural indigenous groups as backward or savage. *Mestizaje* was a nationalist ploy to resign indigenous identity to the past and unify the new Nicaraguan national-state under a common heritage. Although this national heritage was an amalgam of the purportedly “finest” aspects of indigenous society and the “civilized” contributions of the Spanish, it further marginalizes rural Indians by recognizing and incorporating the contributions of certain peri-urban and relatively predominant indigenous groups (Dore 2006) as opposed to the influences and contributions of remote, rural tribes.

The more recent insurrection and revolutionary period, 1960–1989, introduced class-based interpretations of ethnic struggle and structural inequality. Writers such as like Jaime Wheelock (1974, 1985) and leaders such as Humberto Ortega characterized members of rural communities as proletarians in an agrarian capitalist system. The specificities of ethnic identities in rural Nicaragua were overshadowed when revolutionary ideologies sought to alleviate oppression solely along class lines. The Sandinistas identified a need among a presumed rural proletariat that was based on generalized assumptions of rural Nicaraguan ethnic and class structures. This assumption situated rural and indigenous groups within a dominant capitalist system as wageworkers and oppressed laborers. There was no consideration of subsistence production or communal landholdings (Wheelock 1985). Pre-capitalist and feudal relations were defined as pertaining to an earlier stage in the Marxist developmental framework. Sandinistas overarching class-based approach did not include ejidal land claims or ethnic communities desires for land tenure and autonomous activity.
Thus, in both strains of elite interpretation of rural lives, the nationalist and the socialist, subsistence farming represented an idle pursuit and was stigmatized as a threat to progress (Téllez 2000). Neither perspective questioned the wisdom of smallholders’ dependence on export production and reliance on external inputs to survive. Ultimately, the disruption of subsistence practices has altered social relations and the distribution of resources in the Segovias and throughout Nicaragua. Peoples’ relationships with the land and their resistance to external domination are characteristic of this region. The history of native Segovians’ relations with the state and national elites has resulted in the local people exhibiting *mestizo* identity markers as a survival mechanism in combination with pursuits and attitudes that are Segovian. Regional Segovian identity may be more accurately understood as a balance between the dominant *mestizo* culture and the regional particularities of local culture.

**Conclusion**

The expansion of the state into Las Segovias in the 1800s drew the ire of native communities that had suffered centuries of forced assimilation and eventual ethnocide. According to naturalist Thomas Belt (1911), who traveled through the mining regions of Nicaragua’s interior in the 1870s, Western influence had already had detrimental effects on the well-being of native Nicaragua populations. The indigenous uprising of 1881 is evidence of the lengths to which natives went to resist the momentum of state and private appropriation of indigenous lands and obstruction of customary practices. Development personnel and foreign scholars alike must consider the context in which the current development agendas are taking place.
San Juan farmers’ understandings of organic farming and cooperative organization as avenues towards sustainable development are based in the collective ethnohistory of this region. They have endured centuries of subjugation and marginalization at the hands of the Nicaraguan elite, which is controlled by the elite/bourgeois centers of power. Local claims for official indigenous recognition underscore regional Segovian ethnicity which has persisted through the supposed transformation from indios to mestizos as indigenous groups entered the capitalist economy (Field 1999; Gould 1994; Kearney 1996; Wheelock 1980).

Jaime Wheelock (1978, 1985) argues that when the native Segovians became peasants, they lost their indigenous identity. Given other, more recent literature on alternative forms of agricultural production, however, it might be worthwhile to reconsider them as a kind of indigenous population as well. According to Gould, “Nicaragua indigenous identity [poses] complex problems for which traditional anthropological models are of little use. The survival of indigenous ethnicity as well as its demise . . . lies in people’s collective memory of specific forms of oppression and conflict rather than in language and material culture” (1998: 3).

Instead of persisting as indigenous, as defined by outsiders, or disappearing into extinction, native Segovians’ identities belie the strict dualism of survival versus extinction that is based in primordialist concepts of indigenous ethnicity. Rather than falling into a sterile debate that pits “essentialism” versus “constructivism” with regard to indigenous identity, native Segovian identity exemplifies how the definition and the lived reality of an indigenous group can “be seen more as an ensemble of possibilities for transformation” (Field 1994: 240-241).
State and elite sectors of Nicaraguan society changed their attitudes towards the countryside during the liberal period of the mid 1800s. Indigenous lands that were once deemed too remote and untamed to be worthy of national economic efforts were subsequently subjected to them. This shift in economic and productive activity redefined the state’s relationship with the Indian communities, which had redefined themselves previously along the axis of resistance to expansion of the state. “During this time, the state established the legal mechanisms necessary, using force and instruments of coercion to stop the growth of indigenous lands, limit their development, dismember them, privatize parts and liberate the rest to the open market” (Téllez 1999:160).

During the last decades of the twentieth century and into the twenty-first, the neo-liberal development discourse has shifted to include small-scale, rural agriculturalists that were once relegated to the margins of the regional economy. New, socially and ecologically sustainable models for agricultural production have arrived from international, urban, and educational centers. Often, however, the proponents of these development alternatives seek to alleviate immediate concerns without much consideration for historical or ethnic contexts of local communities, which are of paramount importance to the successful execution of alternative forms of development (Hale 1994; Gould 1997; Field 1999).

The next chapter continues the foregrounding of how political and military activities in 20th century Las Segovias helped to create a regional identity and informs the manner in which economic development takes root in this region. Sandino’s rebellion against the U.S. Marines, the U.S. supported Somoza dictatorship, and the eventual
Sandinista Revolution made significant repercussions in the region that are unique to those who experienced them and lived through them.
Chapter 2
Rebellion and Agrarian Reform in Twentieth-Century Nicaragua

The historical and anthropological context of the current international and state-sponsored investments in sustainable development programs in Nicaragua reflects the ways in which land was distributed to certain parties, communities, and individuals during the Sandinista programs for land redistribution and agrarian reforms in the 1980s. The Sandinista Agrarian Reforms were intended to provide a holistic approach to community development, but unfortunately they set the stage for newly landed campesinos to mismanage the land and to be susceptible to land-grabbing by opportunistic bureaucrats and entrepreneurial socialists. Because the reforms were based on concepts that originated in Nicaragua with Augusto César Sandino, and were in direct response to the policies of the subsequent Somoza regime, I briefly present this history as it relates to Las Segovians and to production of crops for export.

Augusto César Sandino gained popular support and allies in Las Segovias during his armed uprising against the U.S. military occupation of Nicaragua from 1927 to 1933. In turn, Sandino’s armed resistance had a significant impact on Nicaraguan governmental relations with rural Segovian dwellers during the 46-year Somoza dictatorship. Sandino’s impact on this region extended well into the armed insurrection (1961–1978) and the revolutionary period (1979–1989), when the Frente Sandinista de Liberación Nacional (FSLN, or in English, the Sandinista National Liberation Front) imposed agrarian reform laws based in large part on Sandino’s concept of the campesino cooperative (Wheelock 1985).
Sandino’s Influential Rebellion

Augusto César Sandino was a general in the Liberal army, stationed on the Atlantic Coast at the port of Puerto Cabezas, when he began his rebellion against the U.S. Marine intervention into Nicaragua’s civil strife in the late 1920s. The conflict between the Liberals of León and the Conservatives of Granada\(^\text{26}\) for control of the nation had been ongoing since before independence from Spain in 1821. Sandino’s seven-year resistance in the Segovian highlands reinvigorated indigenous contempt for the national government.

The United States intervened and worked to ensure the Conservative faction from Granada retained power. The Liberal faction, with ideologies akin to those of the Mexican Revolution, was supported by Mexico. The Stimson Accord resulted in a ceasefire and a truce between the rival national factions in 1928 (Stimson 1991:80). In response, Sandino repudiated the Liberal faction leaders who had surrendered and dedicated his remaining two thousand or so troops to the cause of resisting the “imperialist intervention of the Yankee invader” (Selser 1955). Sandino and his troops fled to the mountains of Las Segovias and Matagalpa. His impenetrable fortress, El Chipote, was located outside the town of El Jícaro (renamed Ciudad Sandino during the era of the revolutionary government) only 30 km from San Juan del Río Coco. The Nicaraguan (Conservative) government enlisted the aid of the U.S. military to help suppress the rebellion. Sandino was depicted as a bandit in the Nicaraguan and U.S. press, not as a rebel who adhered to a political agenda. Although the mainstream media in

\(^{26}\)This is classic Liberalism that sought separation of church and state and reduce barriers to trade and international commerce. The Conservatives are socially conservative and closely tied to the Catholic Church. They had stricter, oppressive laws regarding women’s’ rights and marriage.
both countries portrayed him as merely a nuisance, much of the world revered and imitated his novel guerilla tactics (Macauley 1967; Beals 1980).

Much of Sandino’s activities took place in the area of San Juan del Río Coco. Sandino recruited the support of several towns and villages throughout the mining and coffee-growing regions of Nueva Segovia and Matagalpa. In 1927, while fighting Sandino, the U.S. Marines bombarded Ocotal, the capital of Nueva Segovia, making it one of the first cities to be attacked by aerial bombardment. Sandino’s Lieutenant General Miguel Angel Ortez met his death on the streets of Palacaguína when a Marine launched a grenade into his abdomen (Macauley 1967).

During this seven-year engagement, the U.S. Marines trained Nicaraguan national troops (also known as the National Guard), cut roadways through the mountains for improved military access, and harassed rural inhabitants. The Marines established San Juan de Telpaneca, later San Juan del Río Coco, as a concentration camp for campesino sympathizers of Sandino’s effort. As in many cases, the campesinos were cannon fodder in this armed struggle. They likely were descendants of the participants in the 1881 Indigenous Revolt and their antipathy towards the Nicaraguan central government had not waned.

The U.S. Marines, in an attempt to reduce Sandino’s popular base of support, gathered the inhabitants of the surrounding area and concentrated them in the center of present-day San Juan. They were forced to build permanent dwellings that eventually constituted the casco urbano (urban center) of San Juan del Río Coco. The resulting settlement was designed a “campo de reconcentración cívica,” or civic concentration camp (Echánove and Rabella 2002).
Migrant workers in the Babilonia gold mine had originally populated San Juan in the mid 1800s. The population grew as a result of the nearby *latifundios*. According to Don Amado González.

Los primeros pobladores eran los grandísimos cafetaleros. Don Pedro Molina, Don Manuel Ibarra, Don Luis García vinieron para sembrar café y sacar provecho de estos terrenos. Ellos lucharon para llegar aquí, pero el gobierno les regaló la tierra por ser tan valientes. No fue fácil, pero se hicieron ricos al fin. Hay muchos descendientes de ellos por estos lados todavía. (The first inhabitants were really large coffee farmers. Don Pedro Molina, Don Manuel Ibarra, Don Luis Garcia came to plant coffee and make the best of this land. They struggled to get here, but the government gave them the land for being so bold. It wasn’t easy, but they got rich. Many of their descendants are still here today.)

The population grew significantly in 1928 and 1929 as a result of the the U.S. troops’ actions in the *Guerra de las Segovias* (Echánove and Rabella 2002; Alcaldía SJRC 2003). San Juan del Río Coco was officially recognized as a town in 1964 during the administration of Somocista president René Schick. Prior to that time, San Juan belonged to the municipality of Telpaneca, but once it generated sufficient export capital its appeal for municipality status was accepted.

Sandino was never captured; he surrendered willingly once a Liberal president (Sacasa) was in office. Sandino had originally wanted a council of Latin American states to oversee the election of a unified national government. The United States would not condone that approach. Once disarmed, Sandino pledged to organize peasant cooperatives in Las Segovias, where he first experienced labor exploitation as a young man working in the mines and where he later waged his rebellion. He was killed by Somoza’s National Guard in 1934.

The sentiments of rural people toward the national government remained bitter in the 1930 and 1940s. Twenty-three years after Sandino’s betrayal and assassination in
1934, the Sandinista revolution began (Macauley 1967). In 1960, students from Matagalpa took to the mountains to engage in clandestine operations to mount an insurrection against the U.S.-supported Somoza regime.

Anastacio Somoza Garcia was put in power in 1937 after having been trained by the U.S. military. The Guardia Nacional, his elite army, policed the populace and defended his interests. Dissidents were persecuted harshly for speaking out against Somoza’s government and U.S. influence in Nicaragua. Somoza was cruel to those who dissented, and it is rumored that U.S. President Franklin D. Roosevelt, said of him: “He’s a son of a bitch, but he’s our son of a bitch.” Over this period, refuge for the politically and ideologically marginalized was again in the mountains.

Segovian campesinos have experienced the political battles of Nicaragua’s elite most painfully. In 1963, Somoza enacted agrarian reform with the intention of converting indigenous communities into cooperative enterprises. Somoza sought these land reforms as a way to eliminate indigenous communities who were literate, organized, and savvy enough to maintain ejidal rights and settlements (Rizo Zeledón 1992:73).

Historically, land reforms revolve around the discourses of progress, development, and private property. In some Latin American cases, such as Mexico, Honduras, and Guatemala, land or agrarian reform has been a way to usurp power and redistribute land to individuals or corporations that will act in ways that reflect the hegemonic ideal (Nash 2001; Warren 1998; Benjamin 1987). This was the case during the Somoza dynasty, and from a different ideological standpoint the Sandinista Agrarian Reform of 1982 functioned similarly.
In an ironic turn of events, the Sandinista administration confiscated land from the Somoza family and their allies beginning in 1981 in order to redistribute it to those who had previously worked the land or in many cases to the urban poor. In the end, as shown in Chapter Three, mid-level bureaucrats and functionaries were able to acquire that land from the campesinos who had received it through the revolutionary reform. Many ex-Sandinista officials have since accumulated large tracts through coercive measures that forced campesinos to sell to them, practicing the very evil they had fought against.

It is no coincidence that San Juan del Río Coco supplied many of the troops and sympathizers for the clandestine anti-Somoza movement that began in 1960. After Sandino’s assassination in 1934, his troops likely returned to work and family life, only to rise again as the insurrection began to gain appeal in the 1960s. Cantagallo, a community near Condega, south of Palacagüina, was the secret training grounds for Sandinista insurgents prior to the revolutionary triumph. Danilo pointed this place out each time we drove out of San Juan towards Telpaneca: “Allí queda Cantagallo donde prepararon a los mas potentes compañeros del la guerra (There’s Cantagallo, where they trained the strongest fighters in the war),” he would say.

This area was significant during the Contra War as well. Frequently, as I walked through remote stretches of farmland, my companions would point into the distance and tell of battles that occurred along certain ridges along El Lechón, or standoffs that happened on the trail to El Malacate peak. There are still minefields that have not yet been cleared.

27 Contra (“against”) is an abbreviated name for the counterrevolution, or contrarevolución, waged against the Sandinista government. The Contra War, 1981–1988, was a U.S.-funded counteroffensive comprising several anti-Sandinista factions and former Somoza Guardia Nacional (Kinzer 2007).
Agrarian Reform and Civil War in Las Segovias

Soon after the 1979 victory over the Somoza dictatorship, the Sandinista revolutionary government implemented two important policies that restructured the social and political landscape of Nicaragua. By sending literacy brigades beyond the typical frontiers of the classroom and setting up popular learning centers in rural regions, the national Literacy Crusade reduced the national illiteracy rate by 70 percent and received recognition from UNESCO (Miller 1985). The disenfranchised regions of Nicaragua were learning the language of empowerment, self-determination, and counter-exploitation. The Sandinistas infused the literacy classroom with ideological themes of the revolution. Campesinos would learn from Marx that people make their own history, but not under conditions of their own choosing (Collins et al. 1982).

The agrarian reform, on the other hand, had mixed results. It entailed confiscation and reallocation of agricultural lands. The Sandinistas imposed these reforms as a response to the decades of agricultural domination by the Somoza oligarchy. After the revolutionary victory, the FSLN directorate quickly formed a ministry that was responsible for the agrarian reform, MIDINRA – Ministerio de Desarrollo Instituto Nacional de la Reforma Agraria. The Sandinista policy of agrarian reform and agricultural development sought to change Nicaragua’s role in the international market and reduce the nation’s dependency on foreign imports of manufactured products. Jaime Wheelock, historian and revolutionary, was an influential and inspirational member of the Sandinista struggle against the Somoza dictatorship and the director of MIDINRA. His works, Las raíces indígenas de la lucha anticolonialista en Nicaragua (1974) and Imperialismo y dictadura: crisis de una formación social (1975), are critical of the
Somoza regime and U.S. economic and political intervention into Nicaraguan affairs. Much of the Sandinista agrarian agenda was derived from Wheelock’s perspectives on exploitation and marginalization.

“On July 19th, 1981, Daniel Ortega, Junta coordinator, announced the new Agrarian Reform law before 500,000 people who had gathered in the Plaza to celebrate the revolution’s second anniversary” (Envio August 1981: 1). Decree #3 of the Sandinista Government of National Reconstruction authorized the confiscation of all Somoza family and Somocista assets. Instantaneously, the FSLN government nationalized two million acres of agricultural land, representing approximately 2000 farms and ranches. This constituted twenty percent of the total arable land, or forty-three percent of Nicaragua’s large estates of 850+ acres. Somoza had personally controlled about one-third of the confiscated land. However, a large percentage of the agricultural elite was not at risk of land confiscation by the revolutionary government. Moreover, the new policy depended on collaboration with large, private landholders to maintain export production levels and food security.

The FSLN government instituted low land rents facilitating access to the redistributed land by landless peasants. They also increased agricultural subsidies and credits to aid investment in productivity and employment. Ownership of the redistributed land came with a condition: Tierra a quien lo trabaje (Land to whomever works it). Idle land or abandoned properties – many private landholders fled to Miami or elsewhere – were confiscated and redistributed to eager and motivated campesinos and owners of small to medium-size farms.

28 Somocistas were the political supporters and allies of the Somoza family. They had been rewarded with land and privileges because of their affiliation with the dictatorship.
This arrangement had the potential to benefit the nation as a whole, private farmers and *campesinos* alike. However, the results were not as expected largely due to distrust of the Sandinista leadership on the part of capitalist farmers and the “decapitalization” of farm assets (described below). Initially, agricultural production on large-scale farms was supposed to continue while the government stockpiled surplus crops to incorporate into social services, the monetary system, or whatever seemed fit. There was no attempt to socialize private farms. They were free to operate in the international trade system. The Sandinista government determined the amounts that indicated a surplus of production and then intended to purchase their surpluses in order to centralize them through ENABAS (the Nicaraguan National Enterprise of Basic Foodstuffs). That measure seemed intimidating to private farmers (Collins 1982).

Enabling the national economy to recover after years of warfare depended on motivating private growers to revive and increase production after the FSLN victory. However, changes in labor policies discouraged private farmers’ efforts. For example, peasant workers were now free to sell their labor to whomever they chose. Private farmers had to offer competitive wages, and the minimum wage law also threatened profits. The consistent devaluation of the Nicaraguan monetary unit, the Córdoba, discouraged private farmers from participating in the national economy. Farmers and landholders opted out of reinvesting in the national economy and instead decided to “decapitalize” their surpluses and capital. Rather than selling crops to the government or using their machinery for increased productivity, farmers could liquidate their assets and invest in U.S. dollars.
The high ideals of the Sandinista rural assistance program also faltered. Inflation led to an increase in individual debt, and whatever credit did reach farmers was spent on immediate necessities or newly available consumer goods. Many *campesinos* pocketed the proceeds of their first loans instead of investing in farm inputs. In the end, it was the rural middle-class—shopkeepers, truck owners, and barbers—that gained the most from rural assistance and farm subsidies (Collins et al. 1982). As coffee farmer Adrian González pointed out, “*Los que ganaron de las reformas son los que vinieron a vender los machetes* (The people who made money during the reforms were those who sold machetes).”

This mode of economic and agricultural development mirrored Marxist principles of development theory. In 1985, Wheelock described the goals of the Nicaraguan agrarian reform and development policy under Sandinismo in his book, *Entre la crisis y la agresión: la reforma agraria Nicaraguense*. This policy inspired the transformation of peripheral peasant economies into an economically autonomous Nicaraguan nation-state. Wheelock and the Sandinista directorate recognized Nicaragua’s global economic position as a producer of raw materials and consumable goods. Rather than participating fully in the international market as a producer of finished goods and provider of complex services, Nicaragua extracted primary goods for processing in other countries. In the Sandinista socialist model, Nicaragua would develop its own industry in order to liberate itself from dependence on processing nations. Wheelock writes, “Nicaragua must base its development on the industrial transformation of its own resources, with the agricultural sector as its framework” (1985: 482).
This perspective aimed at eliminating dependency and advancing the struggle against underdevelopment. Nicaragua has “produced consumable goods, while other countries have specialized in the production of the means of production” (Wheelock 1985:483). As Egyptian Marxist scholar Samir Amin explains, “Capitalism exists wherever means of production that have been produced by social labor are not managed by society as a whole but by a section of the latter, which then becomes the ‘bourgeoisie’. Capitalism makes its appearance when the level of development of the productive forces is sufficiently advanced for these means of production, which are themselves products, to be no longer simple enough to be manageable by the individual producer” (Amin 1976:59). Nicaragua did not have the tools for industrial transformation. Therefore, the Sandinistas intended to modify Nicaragua’s role in the international economy through agrarian reform and agricultural development.

Instead of selling logs for manufacture elsewhere, Nicaragua needed to manufacture wood products with its own natural resources and replace imported manufactured goods. The same went for cotton. Instead of exporting raw fiber for manufacture elsewhere, Nicaragua could industrialize these resources and sell a finished product within its borders, simultaneously creating jobs, infrastructure, and reducing dependence on imports. The confiscation of idle and abandoned lands was intended to “curtail the power of agro-export capitalists to dominate the activities of other sectors and control the socio-economic formation of Nicaragua’s countryside” (Envío 1981: 6).

In order to confiscate large landholdings and redistribute them to the workers and landless poor, the Sandinistas needed to restructure the organizational framework for these “new” communities. The FSLN directorate divided the country into six regions and
three special zones. Las Segovias, composed of the departments of Madriz, Estelí, and Nueva Segovia, was region one. Four separate arms of the state had equal power over each region: MIDINRA, local Sandinista representatives, the Ministry of the Interior, and the Army (EPS). MIDINRA designed the productive framework for the newly formed agrarian communities. These were *Cooperativas Agrícolas Sandinistas* – CAS (Sandinista Agrarian Cooperatives) and *Areas Propiedades del Pueblo* – APP (Areas of Peoples’ Property).

These two state-sponsored entities functioned differently. The CAS were composed of relocated urban poor or workers from the *latifundios* who were given title to the confiscated land in order to produce agricultural products in a cooperative fashion. Many such communities continue in Nicaragua today. In fact, the majority of base-level coops that currently belong to the UCA (Union de Cooperativas Agropecuarias)\(^{29}\) and UCPCO (Unión de Cooperativas Productores de Café Orgánico) were formed as CAS during the revolution. They were established with communal childcare facilities (CDI or *centro de desarrollo infantil*) and schools so adults could work on cooperative farmland. The state financed these efforts and provided technical and infrastructural support.

In the Pedro Altamirano cooperative in Guanacastillo, for example, the community members still farm on a 100 manzana (172 acres) coffee plantation. Community members are required to devote their labor to the farm effort. If they cannot perform the required duties, they pay for another community member or family member

\(^{29}\) The following CAS, with names that commemorate fallen revolutionaries, are found in the vicinity of San Juan del Río Coco: Gaspár García in Santo Domingo, Armando Zeledón in Quibuto, Guillermo Hernandez and José Damas in El Naranjo, El Progreso and Pedro Altamirano in Guanacastillo, and Carlos Fonseca in El Balsamo. UCA and UCPCO are two of the four local export co-ops in San Juan del Río Coco.
to replace them. When the FSLN lost control of the state apparatus (by election) in 1990, the CAS were left with no direct means of receiving credit or staples. The newly elected UNO Coalition government of Doña Violeta Barrios de Chamorro was forced to adopt structural adjustment policies and take responsibility for existing international debt, thereby abandoning the sponsorship of CAS.

The APP were agricultural enterprises that belonged to the state. These too were located on confiscated latifundio land. MIDINRA oversaw the operations and hired management staff. The APP were administered by the state. The properties were distributed in the following manner: The government held 0.72% of the farms on 16.66% of the land and produced 14.2% of the national export. The private sector held 21.9% of farms on 69.96% of the land and produced 65.5% of the national export. The campesino class operated 78.09% of the farms on 14.38% percent of the land for 20.3% of the overall export (Envío 1981).

The major APP in the San Juan del Río Coco region was named after a fallen Sandinista hero, schoolteacher César Augusto Salinas Pinell. This state-owned farm project incorporated vast tracts of plantation land. All coffee was harvested collectively and sent to one central processing mill at the west end of town. The APP operated as a factory with large cafeterias, childcare centers, and dormitories for seasonal workers. Several of the current inhabitants of Las Grietas came to the area to work in industrial and agricultural capacities for the Salinas Pinell APP.

Workers in the Salinas Pinell APP were awarded lands after it was dismantled in the 1990s. The Salinas Pinell APP attracted individuals with the promise of work in farming or supportive tasks. The APP was intended to serve multiple purposes: providing
economic activity for rural communities; establishing a vertically integrated, state-sponsored enterprise; and controlling “the socio-economic formation of Nicaragua’s countryside” (Envio 1981:6).

Revolutionary and Post-Revolutionary Land Redistribution

During the Neoliberal era (1990-present), state-supported Fair Trade and organic farming initiatives have embraced the individual (small) farmer’s contribution to the national export economy and the perseverance of coffee as a national crop. Nicaragua is a prime example of how the dissemination of coffee agriculture worldwide follows in the footsteps of economic colonialism (Pendergrast 1999:16–17). Ironically, the very communities that stood in the way of nineteenth-century economic progress and liberal efforts to make the countryside more productive (as represented by the growth of coffee agriculture) are now the poster children of this new coffee movement (Raynolds 2003; Lyon 2008:260).

In 1990, the revolutionary government of the Frente Sandinista de Liberacional Nacional shifted to the reconciliation government of the UNO Coalition (Unión Nacional Opositora, National Opposition Union), led by Doña Violeta Barrios de Chamorro. Doña Violeta promoted a maternal image of healing and reconciliation to the battle-weary factions of the Nicaraguan populace. The electoral defeat of FSLN proved that a significant portion of the population was tired of years of rationing, civil war, and embargoes.

The reconciliation government formed Corporaciones Nacionales del Sector Público, the National Public Sector Corporations (CORNAP), in May 1990 to bring the 351 state-owned enterprises (APP) under one administration for their “eventual
This institution was set up to privatize the FSLN’s patrimony, and the process was highly politicized on the local and national level. Then in September 1990, after the first of many paralyzing labor strikes, the Chamorro administration arranged the concertación, “a government-sponsored, politico-economic summit that brought together the representatives of organized business, labor and agriculture to seek a basis for a common policy position on economic reorganization” (Close 1999:78). Thus, three factions were to negotiate Nicaragua’s economic path via the concertación, through which they determined that former workers in APP that were slated for privatization could acquire shares in the enterprises. Some of these firms came to be known as Areas of Workers’ Property (APT) (Close 1999:134).

Danilo and his Las Grietas group own farmland that was previously part of the Salinas Pinell APP. After confiscating this land from the Delgado family, the Sandinista government build a Youth Development Center, similar to a daycare for farmworkers’ children, an expansive kitchen and cafeteria, coffee drying patios, and hog pens. Eventually, the cocinona (literally, a huge kitchen; in fact, a cafeteria) and the drying patios in Las Grietas all belonged to La UP (Unión de Productores) de La Dalia, the name for the APP once it was privatized under CORNAP, and then sold to workers in the concertación. After the Sandinistas lost power, the state distributed land to all workers at the Salinas Pinell APP and the former workers looked to Danilo for logistical support. He was president of the bakers’ cooperative at the time. He sold his land in the nearby community of El Ojoche and bought into the Unión de Productores de La Dalia.

Former workers of the Salinas Pinell APP solicited land ownership as arrendatarios afiliados (affiliated leaseholders) from the government of Doña Violeta.
Over time, some members wanted to get out of their cooperative obligations and offered to sell their share of the land in Las Grietas. The collectively held land was privatized and several farmers decided to sell their shares in the group. Danilo would then purchase usage rights of common structures within the UP. Many, upon leaving the coop, wanted to take roofing sheets or blocks from the buildings, but instead Danilo paid cash to keep the *cocinona* as his. In the community of La Dalia, just 2 km east of Las Grietas, ex-co-op members dismantled the large-scale coffee processor once the cooperative had privatized and members sold off their shares. The processor in La Dalia is in ruins today. Danilo, on the other hand, has kept the *cocinona* as his storage facility and farmhouse.

“*Cada vez que amanecieron de goma vendieron una parte* (Every time they woke up with a hangover, they sold a part),” was the way Danilo’s wife, Doña Marta, described the parceling off of UP properties in the neighboring communities of Las Grietas and La Dalia.

**Conclusion**

Danilo and his group have had to struggle to maintain cohesion and productive viability as a local (base-level) small-scale-farmers’ cooperative. According to Danilo and other co-op members, Las Grietas growers had to lobby the government to gain title to the land they farm today. Many other farms were foreclosed upon and much of the formerly landholding rural poor has migrated to urban centers and international destinations as a result of the dual challenges of the coffee crisis late in the 1990s and early 2000s, and the devastation of Hurricane Mitch in 1998.

In the 1980s there was insufficient technical, organizational, and entrepreneurial capacity building to accomplish the land redistribution goals of the Sandinista agrarian
reforms. The Contra War and trade embargo were also limiting factors. Organic farming and cooperative organizing aim to alleviate the socioeconomic ills of past programs. However, corruption and cronyism appear to persist as the results of the constrained approaches to economic and social development.

The following chapter delves into several personal accounts of the early revolutionary agrarian reform programs and then provides examples of where individuals took advantage of their position and influence to obtain greater holdings in the region. These data highlight the shortcomings of past efforts in order to provide guidance for future endeavors to alleviate poverty through land reform and investment in small-scale production.
Chapter 3

Personal Histories of Agrarian Reform and Land Tenure in Revolutionary and Post-Revolutionary Las Segovias, 1980-2000

The following accounts reveal contrasting attitudes regarding the impact of the Sandinista Agrarian Reform on land tenure in Las Segovias, in particular the confiscation and redistribution of approximately 4,000 hectares of farmland in and around San Juan del Río Coco. This land was redistributed to campesino cooperatives, many of which privatized after the end of the Sandinista rule in 1990 and have since sold parcels of land or have lost them to foreclosure.

The separate accounts of David Saenz, a former farmworker, and Walter Delgado, son of the former landowner Reimundo Delgado, refer to the confiscation of the Delgado family latifundio in 1986. They relate the perspective that land was better tended during the latifundio era and that the Sandinista Agrarian Reform caused disarray and instability among the local campesinos. In contrast, the accounts Ramón Guillén, a former Agrarian Reform official, and of Danilo and Adrian González, small-scale coffee farmers, acknowledge that many have benefitted, although not to the same degree, from the Agrarian Reform. Their comments refer to the piñata period, after the Sandinistas privatized and sold off most of the confiscated holdings, such as the Delgado family latifundios.

These accounts enrich the historical context of Las Segovias and San Juan del Río Coco with respect to current ecological and socially just innovations to the century-old, regional coffee industry. However, these accounts are not meant to romanticize an idealized past or convey that times were better before today (Williams 1973). Instead,
they provide a personal view of the trajectory of shifting political and ideological approaches to land tenure and productivity in light of the current mode that claims to fortify small farmer co-ops while protecting the delicate ecosystems of Las Segovias.

**Personal Accounts of Samarkanda Confiscation**

This section provides two perspectives on the coffee industry in San Juan prior to and after the revolution. One narrative is from the owner of the Bar Amigo, David Saenz. His account depicts his family’s decision to seek work in San Juan and the appeal that working for the *latifundios* had for them. The other account is from Walter Delgado, the son of Reimundo Delgado, a prominent landowner and very large-scale coffee producer whose land had been expropriated. These two completely different experiences underscore the same trend: the FSLN Agrarian Reform Policy was intended to rearrange traditional power imbalances, but in the end it left the landscape and populace of San Juan in disarray.

David Saenz was a soft-spoken man 40 years of age in 2005. We had known each other since my first visits to the area in 2001 and 2002. He is portly and taller than the average Nicaraguan. I stopped at the Bar Amigo for lunch one afternoon in March of 2005. David had been the owner of the bar for nearly 14 years. His family is originally from Condega, a town along the Panamerican Highway that is renowned for its ceramics. He arrived at the age of 9. Today, his parents and children live with him in San Juan. We talked at the bar about when he came to San Juan, before the revolution; it was a very different place.

As we spoke, I realized that the more people got to know me and my research interests, the more they were willing to volunteer their stories and experiences. We began
to talk about the confiscation of Samarkanda Hacienda, were he had worked for many years.

“Venimos en busca de pege para el corte. Todo el mundo sabía de Samarkanda y las oportunidades que existían,” David shared. Unprompted, he continued, “No creería la cantidad de gente que llegaba. Llegaron de Managua, de Granada, de todas partes para cortar café. (We came for jobs in the harvest. Everyone knew of Samarkanda and that there were opportunities. You wouldn’t believe the number of people that came here. They arrived from Managua, from Granada, from everywhere to pick coffee.)”

David invited me to finish my lunch in the back with him when the conversations of the other patrons got louder. He kept watch through the doorway as he described what life was like in Samarkanda before the Sandinistas took it over.

“Era lindo el lugar. Había cualquier tipo de animal. Abundaba el agua. Tenían palos viejísimos y sus plantaciones bien ordenadas. Era un buen sistema de producir café. Los hermanos Delgados eran buenos para esta comunidad y los Sandinistas la cagaron. (What a lovely place. There was every kind of animal. There was water in abundance. There were very old trees and well-ordered plantations. It was a good system for farming coffee. The Delgado brothers were good for this community and the Sandinistas ruined it.)”

David worked in all aspects of the coffee-growing process at the hacienda. He arrived as a picker, but over time he became a year-round worker at the Samarkanda Plantation. Like most people in San Juan, he had a thorough understanding of the dynamics of coffee farming, even though he was not a farmer himself. He had worked in processing and storing coffee. He led groups to prune and regulate shade. He even
learned to cook while working in the Samarkanda kitchen. Normally soft-spoken, that
day David sounded sad when he described the treatment that Santiago Delgado received
from MIDINRA, even though his son had been martyred for the revolution.

*A Don Santiago le mataron un hijo, Ajax Delgado. Lo asesinó la Guardia. Hasta
Don Santiago le ofreció un saco de billetes del mismo peso que el hijo para
salvarle la vida. No se pudo. Somoza lo mató.* (They [the National Guard] killed
Don Santiago’s son, Ajax Delgado. The Guard murdered him. Don Santiago even
offered a sack of money equal to his son’s weight to spare his life. It didn’t work.
Somoza killed him).

Nevertheless, Delgado’s land was confiscated by the FSLN in 1984 and
redistributed to the workers of the *hacienda*. According to David, the army took over the
land, surrounded the *hacienda*, told the owners to leave, and then told the workers they
would continue to work on this land, except now they were working for the state. Fleeing
to the Contras was the only other option. In exile in the U.S., Santiago Delgado felt
betrayed by the movement to which his son had given his life. Out of spite, Santiago
requested that the Contra troops burn his former hacienda mansion. His political
influence did not afford him any special consideration from the FSLN Revolutionary
Government.

David mentioned that in the 1980s there was still much virgin forest and many
coffee plantations right in San Juan. One could walk through the forest and not worry
about finding drinking water. There were vines that crawled up immense trees that one
could cut, and fresh, clean water would pour out. It would be enough to drink, wash up,
and fill your canteen, David claimed.

As David explained to me, the Sandinista efforts to relocate communities onto
confiscated land brought in many people who had originated in the warmer lowland areas
of Las Segovias. San Juan is the gateway to the cloud forests of the Río Coco. Its
mountains, El Malacate, El Majaste, and El Lechón, are the entry point to the vast central ranges and rainforests of Bosawás nature preserve. The climatic shift is very abrupt between Telpaneca and San Juan. In fact, many Segovian inhabitants are not from the rainforests but from the drier lowland regions of Las Segovias. The migrants from lowland Segovia, accustomed to growing corn and beans production, deforested and altered the climate of this once lush panorama.

David’s description of the village of Samarkanda before the Agrarian Reform made it seem like an ideal place for people to work and live. Whether he was romanticizing an idyllic past was not an issue for me. Rather, it was important to hear the impression of someone who had experienced the changes in rural structures of power and land distribution. His comments showed his feelings of disgust about the way Samarkanda seems to him today.

“Está en ruinas. No hay orden. Han despalado y maltratado esos cafetales. Es una desgracia lo que han hecho con semejante finca. (It’s all in ruins. There is no order. They [the recipients of land redistribution] have deforested and mistreated those coffee fields. It is a disgrace what they have done to such a farm).”

A couple of months after hearing David’s account, I decided to visit Samarkanda. Danilo’s eldest daughter, Dinora, lives in Samarkanda with her husband, Noel, on his mother’s land. Noel’s mother, Doña Miriam, came to Samarkanda to work at Santiago Delgado’s hacienda in 1978. She acquired a residential lot and farmland after the Agrarian Reform expropriated Delgado’s farm. Since Dinora and Noel travel by bicycle
between San Juan and Samarkanda each workday, Danilo’s son, Bismarck, and I rode our bicycles as well so I could see what the commute was like.  

Bismarck and I had some coffee and then got on our bikes soon after 8 a.m. and headed east, toward Quilalí. The ride was familiar; I had walked a good part of it before. There was a large hill to climb before dropping into Samarkanda. The ride took about an hour and we arrived covered in sweat. There was a meter-wide stream at the entrance of the town, and in the distance loomed Cerro Blanco and its renowned white cliffs.

We passed a bar named La Tomasa on the way into Samarkanda and then walked to Dinora and Noel’s house. Tomasa’s bar is a point of interest because she is also the owner of a well-known brothel in San Juan. Dinora and Noel have a three-room adobe structure behind Noel’s mother’s larger house. Noel’s mother had worked for the well-known and well-liked owner of Hacienda Samarkanda, Santiago Delgado. She was given land in about 1984, after the Sandinista confiscation of the hacienda.

The landscape is hilly with many gullies. The abundant growth and scattered pines are an inadequate representation of the verdant splendors that once existed here.

The trees are young, perhaps 25 to 30 years old. The community has a school, *puesto de salud* (health center), electricity, and many water sources. There is no regular automotive

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I was happy to not have to deal with the Jeep. I was conflicted about others’ perception of me because I owned a vehicle. I worried that it strengthened the barrier between my research subjects and me. I also preferred the relative anonymity of not driving a vehicle. Perhaps I wanted to experience this aspect of local life. I wanted to know what the commutes were like for the farmers with whom I worked. It was important to get a sense of what it is like to walk, or bike, from place to place. Most San Juaneños did not understand why I would have a car and not use it.
transport between Samarkanda and San Juan, so most will take the *Ruta* for Cerro Blanco.  

Several projects were taking place in this community at the time of my fieldwork. Action Against Hunger, or *Acción Contra el Hambre*, had a beekeeping project and a drip irrigation project here; Noel has a hillside vegetable plot with melons, cucumbers, and onions as part of that project. Prodeco-op was building a large-scale coffee-processing mill (*or beneficio* in Spanish) on the ruins of the old one that was burned, along with the casa hacendada, during the Contra War. According to Doña Miriam, about seven years ago Santiago Delgado offered to buy the land from the campesinos without removing them from it. No one sold. Doña Miriam recalls that he recognized many of his old workers who now owned parts of his former land.

On the other side of this troubling tale is the descendants of those whose lands were expropriated by the FSLN. Walter Delgado lives and operates a language school, named the Centro Cultural Juventus, in his family’s former urban home in Estelí. Like Samarkanda, Walter’s family owned it before the revolutionary government confiscated it and used it to house and entertain dignitaries. Walter recovered the house as part of his indemnity when he returned to Nicaragua after the FSLN electoral defeat in 1989. My wife and research partner Kelly had met Walter on a bus ride from Palacaguina to Somoto. He was going the courthouse in Somoto, the *cabecera departamental* or capital

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31 *Ruta* is a regional term for the privately owned transports that run between smaller rural towns. They are not subsidized or state sanctioned.
32 The government paid an indemnity to the former landowners for confiscated lands. Doña Violeta’s government began the process of indemnifying those landowners whose holdings the FSLN confiscated.
of the Madriz department, to check on his land indemnity cases. He has had to fight to recover his family’s vast holdings.

I had the chance to meet with Walter in May of 2006, near the end of my field project. We met at his house/school. I explained my research to him as he showed me the classrooms and the living quarters in the stone house that his family had built. Walter’s father, Reimundo Delgado, was the brother of Santiago Delgado. Reimundo had a hacienda/latifundio that was similar to Santiago’s in Samarkanda. The Delgado brothers came to San Juan in the 1950s as empresarios and began to buy fincas (small farms). Their holdings grew to encompass the town of San Juan, each of them owning more than 2,000 manzanas.\(^{33}\)

Reimundo’s coffee operation, La Dalia, was on the west end of San Juan, only a couple of kilometers from town. The Delgados arrived at a time when the Somoza government was offering premiums to land investors. “They [his family] opposed the Somoza regime, but they took the good financing, an 18-year loan with a three-year grace period.” Walter added, “It was a good investment. My father bought La Dalia for 50,000 córdobas. At its peak, that hacienda was worth 5 million dollars.”

Hacienda La Dalia produced nearly 15,000 quintals of green coffee on 600 manzanas of land until the mid 1980s, when it was confiscated. The family established 70 kilometers of roads, and the annual gross income was more than one million dollars, according to Walter Delgado. “My father had the most beautiful coffee farms you have ever seen. His rows were perfect. He terraced all of them.” Walter explained how his father and uncle ventured far from town on difficult trails and poor roads to spot potential

\(^{33}\) 1 manzana = 1.7 acres
high-altitude farmland. Don Mundo, as San Juaneños referred to him, would come upon farmers who were “tired of transporting their coffee long distances by mule,” as Walter put it. Then, he would make an offer to handle the transport of coffee, or just offer to buy the farm. Many times the farmers stayed as workers on the land they sold to Don Mundo. Then Don Mundo would send tractors and open up access roads. The land value immediately tripled.

For Walter, his father’s vision for obtaining remote and inaccessible farmland was entrepreneurial: “Esa gente no sabía lo que tenia (Those people didn’t know what they had),” Walter said in defense of his family’s expansions across the smallholder landscape. He also claimed that those who sold their lands to his father were private landowning farmers from the region, not the marginal indigenous groups that had adopted coffee farming into their agrarian lifestyles. He is familiar with the indigenous communities from the area, El Carbonal, El Achiote, and El Chile. Yet he believes that no native inhabitants were displaced by his father’s development of the land.

At the time of our meeting, Walter was attending to a variety of land and property claims cases, trying to recover what the Sandinistas had taken. One case in particular was familiar to me from my work with political advocates in San Juan. This case had to do with a large beneficio seco (dry processing mill) in Palacagüina that had belonged to the Delgados. Today it is in the hands of a local cooperative and they acquired it when another co-op went bankrupt. The beneficio is in operation, but Walter is attempting to get compensation for the property he considers to be rightfully his. One statement summed up his feeling for the revolution and its impact on campesinos: “Lo único que hizo la revolución por el campesino fue quitarle el machete en cambio por el rifle. Ahora
no saben trabajar, sólo pelean, y piden. Les enseñó la violencia en vez del orden. (The only thing that the revolution did was replace the machete with a rifle. Now they don’t know how to work, all they do is fight and beg. They taught them to be violent instead of maintaining order).

Sandinista Development Perspective

Don Ramón Guillén is an agronomist in his mid fifties. He experienced the revolution as a compa in San Juan del Río Coco, but he arrived there as an outsider. Don Ramón owns a vast coffee farm outside of Matagalpa with our neighbor at my parents’ beach house in Rivas, Adán Luis Talavera. Don Ramón worked for the Agrarian Reform in Region One, Las Segovias, during the revolution. I was introduced to him in 2004 while I was staying at my family’s beach house. The Talaveras are influential in the Sandinista party, and they insisted that I get to know this gentleman.

Don Ramón explained much of what I have described regarding the Agrarian Reform. He was assigned to provide technical assistance to the Salinas Pinell APP in San Juan del Río Coco, as well as other projects in the Segovias. He had not visited the region in more than ten years, but his recollections of the area and of the treacherous travel from Palacaguina and Telpaneca were in line with my experience.

“Las oportunidades durante la Revolución eran grandes (There were great opportunities during the Revolution)” was the way he began his description of the Agrarian Reform. He added, “Era una zona difícil. Los lugares pobres eran de la Guardia. Los Contras eran ex-Guardia (It was a difficult zone. The Guardia ran the poor

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34 Compa is short for compañero. It was used during the mid to late 1980s to describe Sandinistas, in contrast to the Contrarevolucionarios, or Contras. Both terms are still in use today to describe Sandinista sympathizers and opponents.
areas. The Contras were former *Guardia*.” His point was that in this region the poor, rural individuals were recruited into Somoza’s private army through tactics of soldier formation taught at the School of the Americas. Thus, it was difficult to promote the FSLN agenda because of the locals’ tendency to sympathize with the Contras, who were made up of former *Guardia*.

The *Frente* [FSLN] set up these *campesino* organizations throughout the countryside in order to give people productive activity and a *vida digna* (dignified life). MIDINRA took people from evacuated conflict zones and farm workers and gave them land and technical assistance. These were the CAS. Then came the APP that were designed to organize the confiscated lands of the Somozas and abandoned landholders (Ramon Guillén, personal communication).

According to Don Ramón, the directorship of the Agrarian Reform failed; in his words, “*la cagó la dirigencia* (the leaders screwed it up).” The decrees were taken too literally, specifically the aforementioned Decree #3 (see Chapter Two) that required the confiscation of the lands of the Somoza family and their cronies. However, as political scientist David Close (1999:79) has also written, many landowners fled the violence of the insurrection and the revolution. They also left because of the rising Contra activity in the countryside. These people had to abandon their land for personal safety.

“*El Frente les echaron la culpa de ser Somocista por sólo no estar en el país* (The FSLN placed blame on them for being Somocistas just for having fled the country), Don Ramón clarified.

Another error of the Agrarian Reform, according to Don Ramón, was the centralized production and processing of export products, such as coffee. The Salinas Pinell APP was entirely devoted to coffee export. Other agricultural products were intended to feed the workers.
“MIDINRA dividió el país en diez empresas en el 1985. Todo se exporaba a través del sistema estatal. Se llegaba un campesino con cien quintales a tutu, el estado lo aceptaba (MIDINRA divided the country into ten corporations in 1985. Everything went to export through the state system. If a campesino came with 100 quintals on his shoulder, the state took it).” As Don Ramon explained, there was no competitive pricing among the private producers of large quantities of coffee. They all had to export via the state. This brought further disillusionment for the rural farmers.

Don Ramón was not completely negative about the revolutionary efforts. He understood there was a class difference between those who accepted the programs the state offered to the poor. In reference to food rationing, he claimed, “La gente se quejó del racionamiento, de tener que hacer fila para el pan, el aceite, y la sal. Al menos los vagos no comieron en el basurero durante el Frente. (People complained about the rationing, about standing in line to wait for bread, oil and salt. At least the bums did not eat in the trash during the FSLN.)”

Don Ramón’s main complaint resonates with the general argument of this research project. His frustration was that the FSLN did not recognize what was obvious to the Segovian inhabitants and those familiar with the region: the vulnerabilities and specificities of a region. Its position along the Honduran border, the prevalence of ex-National Guard troops and families, and the history of general distrust of any external involvement in the region are all important factors to consider when attempting to advance an ideological and economic agenda in Las Segovias. MIDINRA’s generalized application of Agrarian Reform laws may very well have tarnished the revolution’s reputation in this region and led to many communities’ decisions to support the Contra.
effort. As Don Ramón put it, “la Contra convenció las comunidades (The Contra convinced the communities).”

**La Piñata:**

La Piñata: Land Acquisition after the Fall of the Revolution

According to Augusto Zamora, Sandinista lawyer and author, the Sandinista Revolution had not anticipated the electoral loss in 1989, nor did they expect that a minority within the party would engage in corruption such as the “Piñata.” In brief, the Piñata was the nickname given to the free-for-all that Sandinista officials engaged in during the last days of the Sandinista-controlled government. Sandinista sympathizers, employees, and leaders all benefited from state-owned properties during the FSLN government rule. However, after the electoral loss, the majority of houses, land, and vehicles that belonged to the state had no legal title and were illegally seized (Zamora 1995). The following are two second-hand accounts of how individuals who worked within the Sandinista state apparatus obtained land and prestige through dubious methods.

Augusto Lazo and Ernesto Valle both worked as agronomists during the Agrarian Reform in San Juan del Río Coco. They have since become prominent coffee growers in the San Juan community as a result of their maneuverings during the revolutionary era. Both work independently and export directly to reliable markets in Europe and North America. Although I never established a close relationship with either of these larger-scale farmers, this section reflects community members’ commentaries and attitudes on how these farmers acquired their lands. This exemplifies how the Sandinista regime rearranged power structures in rural areas. However, for the purpose of my analysis, it is

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35 A *piñata* is a papier-mâché container of candy or small gifts that is hung from the ceiling or from a tree. Blindfolded people hit it with sticks to break it open, releasing the presents inside, which cascade down on the celebrants.
the discourse surrounding who is in power and how they came to power that reflects local sociocultural dynamics in terms of land use and ownership.

I was curious about how certain individuals were able to find successful employment in the expansive state apparatus of the Sandinista government and, in turn, acquired lands from the people they fought against. This situation is common among the local class hierarchy of San Juan del Río Coco. Several ex-bureaucrats rose to prominence through their involvement with the Revolutionary government.

For a couple of weeks during the dry season I helped Adrian Gonzalez work his vegetable patch, which is located on the west side of town near Zona Uno, on a piece of Don Amado’s land. Adrian has about a half manzana of tomatoes, cabbage, and onion planted approximately 500 or 700 meters up the mountain that faces his father’s house. This windy trail is marked with hoof prints and manure droppings. The views are amazing. One can see as far as the Chumpe, the clear-cut peak on the far northern end of the Bálsamo Valley, just north of San Juan. The clear-cutting and field burning of large pasturelands are also apparent from this vantage.

The soil and rows are hand-tilled. Adrian uses a long hose to bring water from a spring/creek that passes along the mountain canyon. He also uses drip hoses for hillside irrigation. The land is rich in nutrients, and Adrian plants beans during the rainy season to add nutrients to the soil. This is the fourth year he has farmed vegetables. He began this effort through a UNAG (Unión de Agricultores y Ganaderos) project that supplied seeds, drip hoses, and training to farmers whose production lulls during the off-season, but who have access to water and labor. The purpose is to diversify production and liberate farmers from dependencies on outside sources for foods and to improve their nutrition.
The project was called *Huertos Familiares de Verano* (Summer Family Gardens). Adrian found out about this project through his wife’s nephew, an agronomist for UNAG.

We applied fertilizer to very young cabbage plants. This meant working several rows of ground-level, back-straining monotony. Each plant needed a small semicircular terrace/trench dug and then filled with a large pinch of 16-4-8, a chemical mixture of nitrogen, phosphorus, and potassium that costs 300 córdobas ($25 US dollars) per quintal (100 lbs). This aids the growth and development of the plant. As I applied this product to several rows of cabbage plants, Adrian used a backpack pump to apply Manzate directly to the small tomato plants. Manzate is a foliar and chemical fungicide used to prevent *tisón* (fungus) and *chamusco* (leaf wilt).

We talked about Augusto Lazo, a técnico from Santa Cruz, Estelí, who worked in the Agrarian Reform and acquired extensive property in Bálsamo-Francia. Bálsamo-Francia is an expansive coffee finca and hacienda in the northwest part of the Bálsamo valley, north of San Juan del Río Coco. He worked with credit and farm loans for MIDINRA during the Sandinista Revolution. He is also a very hardworking and productive farmer, according to Adrian. He knows many different crops well and the proper treatments for pests or weeds. Lazo worked closely with Don Amado, Adrian’s father, during the revolution.

That afternoon while weeding and fertilizing his cabbage rows, Adrian and I talked about Augusto Lazo’s arrival in San Juan in the 1980s. Adrian mentioned his family’s relationship with Lazo while discussing the chemical composition of a particular nitrogen-based fertilizer.
“Augusto fue muy bueno con mi padre. Siempre nos ha ayudado con asistencia técnica. Le puedo ir a Augusto a preguntarle sobre este abono. (Augusto was always very kind to my father. He has always helped us with technical assistance. I can go to Augusto to ask him about this fertilizer).” It struck me as odd that Adrian wouldn’t rely on the technical advice of his co-op, but instead would seek the support of an old friend. Perhaps it was because this project was completely separate from the UCA cooperative, or perhaps he didn’t want to be criticized for using conventional fertilizers when he is purportedly an organic farmer.

Augusto Lazo advised many small-scale coffee operations under the Agrarian Reform. During the 1980s, he helped organize farmers into cooperatives. It is my assessment that today his large-scale, conventional operation exploits the local farm labor force and competes with the very cooperatives and small farmers he helped to organize. All the while he maintains a positive public image. Even our Peace Corps friends, Diego and Abby, were pleased when he acknowledged them with a customary wave and “huyole (Hey there)” in passing.

Further along in my fieldwork, another small-scale farmer from El Bálsamo and also a UCA-San Juan coop member, the same cooperative to which Adrian belonged, had a different take on Augusto Lazo’s rise to prominence. According to Jaime Gonzales,

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36 At this point I was unaware of farmers’ multiple co-op affiliations. It struck me as odd that farmers would join multiple organizations. I eventually came to understand that farmers wanted to diversify their options for marketing, processing, and technical support from a variety of service providers or agricultural development organizations.

37 Originally from Wisconsin, Diego and Abby were agricultural volunteers stationed in El Bálsamo, north of San Juan, in area called “Peor Es Nada.” They worked with members of the Carlos Fonseca cooperative, a former CAS and founding UCA coop. They were two of the three US Peace Corps volunteers in the municipality of San Juan del Río Coco. The third was a health care volunteer named Cecilia.
who is president of the Carlos Fonseca base-level coop in El Bálsamo Abajo, Augusto Lazo, like several others, had access to the “great giveaway,” or la piñata, when state-formed entities were privatized at the end of Sandinismo and distributed to Sandinista allies (Walker 1997; Close 1999). These operations were privatized in the reconciliation of the 1990s, and according to Jaime, Lazo took advantage of both his position in the Agrarian Reform and his relationships with small farmers who were vulnerable to market inconsistencies. To some, Lazo, took advantage of his power during the revolution. To others, he is an important and influential part of the community. Similarly, Elizabeth Dore’s ethnography depicts poor Diriomeños accepting the elite classes’ access to wealth and resources as part of the “social order of things” (Dore 2007:95).

Ernesto Valle was also a technician during Sandinismo and has a history similar to Augusto Lazo’s. Ernesto Valle’s finca, Santa Luisa, is one of the best known in the community. Doña Marta, Danilo’s wife, in whose home we stayed, prominently displays a picture of her father, who was the manager for the original owner of Santa Luisa farm, Pedro Molina, a large latifundista of the early 1900s. Ernesto Valle’s extensive plantations border the farms of Las Grietas (discussed in Chapter 1). On several occasions we encountered his work crews and observed the progress on his large-scale production. One afternoon, while walking through Valle’s property to get to the far end of Danilo’s farm, I asked Danilo how Ernesto Valle acquired all this land.

“El vino a San Juan como lustrador.” Danilo replied. “Cuando comenzó no tenía nada. Consiguió pege en la UP y empezó conocer gente. El Frente lo hizo. Cuando cayó el Frente aprovecho la oportunidad a consiguir terreno. (He was a shoe shiner when he came to San Juan. He started out with nothing. He found work at the UP and started meeting people. The Frente made him who he is today. He took the opportunity to accumulate land when the Frente fell.)”
Valle, similar to Lazo, has remained a prominent figure in the Sandinista party and in the community as a whole. He produces coffee conventionally with chemical fertilizers and herbicides and pays the minimum wage for labor. According to some, he was lucky to take part in the revolution when he did, but others claim he “worked the system.” Nevertheless, Valle made the best of the *piñata* and has elevated his social standing as a result.

**Conclusion**

The Sandinista Agrarian Reform programs forever altered the landscape of the mountains surrounding San Juan del Río Coco. Even though the Sandinistas lacked the foresight to implement a more effective system, there were positive effects for the community as a result of confiscating land from former exploiters of the workers and of natural resources. In fact, Cuba, Vietnam, El Salvador, and Nicaragua are ideal settings for development of small-scale approaches to ecologically sound farming since they have expansive rural populations and productive (Rosset and Benjamin 1994; Oxfam 2000; Murray, Raynolds, and Taylor 2003).

The debate over large-scale versus small-scale approaches to land and resource management revolves around ideological and class-based preference for which socioeconomic group controls the majority of resources. While the debate over its effects is irresolvable and its actual effects irreversible, my observations indicate that there are more social mobility and cooperation across class than there appeared to be during the dictatorship era. Present-day Las Segovias has a growing entrepreneurial middle-class and petit-bourgeoisie that is actively engaged in conservation efforts to preserve precious resources and the very livelihoods that they depend on.
Part Two

Development: International and National Influences on Segovian Coffee Production
Coffee was introduced to the highlands of Nicaragua due to the ideal growing conditions, the close by labor pool, and secure export markets as the nation sought to enter into globalized trade in the mid 1800s. Historians contend that coffee is the footprint of colonialism in the tropics (Roseberry 2000; Luttinger and Dicum 1999), and post-independence Nicaragua is a prime example. Independence era Nicaraguan leadership deliberately imposed coffee production on rural regions for the dual purpose of providing economic activity and ‘civilizing’ the countryside with hard work and discipline (Wheelock 1975; Téllez 2000; Rocha 2003). Coffee’s prominence as a major export crop places it at the center of economic development efforts in rural Nicaragua. The most recent phase of quality and production support focuses attention to a broader, lesser-educated segment of the Nicaraguan populace, the rural poor.

Contemporary studies of rural development in Latin America take into consideration the new trend in ‘sustainable’ approaches to economic development (Nigh 1997, Nash 2000, Jaffee 2004, Lyon 2011, Escobar 2008). These approaches contrast the exploitative tradition of Third World economic development that tended to benefit the powerful sectors of poor nations and cause high levels of social and ecological degradation. So, instead of funds for more polluting and inhumane sweatshops, international funders are looking to empower the rural populace through environmentally targeted approaches to keeping fertile land in production, preserving topsoil through canopy protection and erosion control. Through additional certifications, developers also encourage steps toward social justice and democratic organizing among small-scale farmers.
I consider how organic coffee fits into the overall economic development panorama in post–World War II Americas by assessing the general impact of development programs in poor nations across the globe. I then relate the reality of organic coffee production as a model for community solidarity in my discussion of class and labor relations on Las Grietas’ organic coffee farms. Maximizing yields and premium quality are major challenges that relate to the economic, cultural, and social ramifications of small-scale, organic coffee production. The final chapter of Part 2 is a discussion of the necessary steps to be certified as an organic coffee farmer in the context of San Juan del Río Coco.
Chapter 4
Small-Scale Organic Coffee Farming
as Sustainable Development in Las Segovias

In my fieldwork, I paid special attention to socioeconomic disparities that are inherent in farm production and international trade, and I questioned what, if anything, alternative development could do to reconfigure these traditional inequities. My research is shaped by several contemporary studies of rural development in Latin America (e.g., Hale 1994; Gould 1997; Field 1994, 1999; Nash 2001; Kearney 1996, Escobar 1996; Benjamin 1987; Collins 1982; Enríquez 1991, Lancaster 1992; Mintz 1985; Wolf 1982). I combine scholarly theory with Segovian campesinos’ personal experiences and interpretations of development efforts. These individual perspectives provide an understanding of how various development theories and models might apply to the Segovian scenario. The individual accounts also link the period of socialist rural development and the more recent neoliberal economic policy ushered in by post-Sandinista governments.

The most recent episodes that brought increased concern for coffee farming communities from the international community are Hurricane Mitch in October 1998 and the international coffee crisis in the late 1990s early 2000s, both of which affected the Segovias campesino population especially harshly. Natural disasters, political strife, and exploitative trade arrangements accentuate the vulnerability of smallholders in this region and thus influence development agendas and local responses.
Small-Scale Agrarian Communities, Development and Anthropology

There have been significant changes over the eight years since Las Grietas farmers organized into a cooperative and converted to organic agriculture. The alternative development program implemented by Cooperative League of the United States of America (CLUSA) worked to empower small-scale farmers with the knowledge and techniques they could use to improve their lives. This development trend employs terminologies of liberation and self-determination that were familiar to the campesinos of Las Segovias. Many small-scale farmers in Las Grietas participated in Sandinista social programs on literacy and liberation pedagogy. Success in organic farming can potentially liberate a small farmer from insurmountable dependencies on creditors and chemical companies. Unlike the Sandinista era move to invite campesinos to participate in the construction of the “new” Nicaragua, this form of liberation prepares farmers for greater participation in the global capitalist market.

Once a farmer is certified in organic production, he or she can benefit from better access to farm credits, stable markets for export, and higher prices for their crop. Over the course of two seasons in the field, I learned that the norms and values of Las Grietas farmers do not coincide with those of export industry or development “experts.” Rather, I noted that local definitions of what it meant to “work hard” and “succeed” strayed from the new discourse of success through hard work in organic production.

Farmers are gaining greater autonomy in the historically exploitative export market through their increasing familiarity with the nuances of the international coffee

\[39 \text{The rhetoric of “a new Nicaragua” was prevalent throughout publicity materials after the Sandinista triumph in 1979. It became part of the public relations effort under the Sandinistas’ nation-building ideals.}\]
trade. Exporters such as Atlantic S.A. and development agencies such as CLUSA claim that the more control farmers have over the quality and conditions of their plantations, the better off they will be in terms of retaining profits and defending local interests. Driven by demand for more sustainable and socially just coffee ventures, exporters encourage national governments and development agencies to facilitate the conversion of small farmers to organic production. Development agronomists, financiers, and educators train farmers in farm management, quality control, ecological conservation, and export processes.

This is reminiscent of what Escobar describes as the “development encounter” between external influences and local knowledge (Escobar 1995). Acknowledgment of local perspectives regarding foreign influence on their traditional farming and trade practices can help recipients of these aid programs to be active agents, rather than passive recipients, in determining which programs will endure and succeed under the local definitions for success. Organic farmers are not passively accepting change; rather they are contesting innovations to their fields and adapting outside influences to their locally lived realities.

Historically, multinational corporations have capitalized on the farmers’ ignorance of the nuances of coffee quality and the international market. Today, some of the same multinational export firms are encouraging sustainable approaches to keep small farmers productive for the specialty coffee market. As David Robleto Lang, former president of Unión Nicaragüense de Cafetaleros (Unicafé), describes, sustainable farming not only benefits the farmers themselves, it also ensures the viability of coffee as a national industry (Robleto Lang 2000:10).
Although the ideological justification for alternative development organizations and international aid agencies is clear to me and many involved in rural development and poverty alleviation, it is not yet known how the farmers, ostensibly the recipients and beneficiaries of said programs, interpret and internalize the current production and organizational trends. This is more than a theoretical issue, it is a practical one as well, since without genuine forms of investment in these changes by the farmers themselves, the success of alternative development is unlikely.

Farmers who abide by the tenets of organic production can improve their productivity and reduce dependencies on petroleum-based inputs. However, there are several factors that determine success in coffee farming. Access to manageable credit, a stable and reliable labor force, and a dedication to constant maintenance and renovation of the coffee plantation are all crucial to cultivating a successful crop, but they are not granted by simply converting to organic agriculture. In actuality it takes a significant amount of surplus capital and knowledge to successfully convert to organic farming.

Two emphases characterize the anthropology of agriculture. One branch of the literature emphasizes the symbolic, political, and economic role of agriculture in unifying small-scale community life. The other branch considers agriculture as a form of tribute-based production that under capitalism has become increasingly more exploitative and extractive. Studies of small-scale agricultural societies have richly detailed that the economic and symbolic significance of agricultural practices cannot by themselves explain farmers’ lives. Studies specific to Nicaragua have questioned whether alternative development programs will aid the Nicaraguan countryside. But neither approach to the
studies of the so-called “peasantry” alone provides an exegesis of this juncture in the history of northern Nicaragua’s coffee industry.

Anthropologists in the former branch of the literature view agriculture in small-scale societies as a “total social fact” that binds communities together and guides relations within communities. Valuable contributions from earlier ethnographies of local agriculture include the evaluation of the social relations involved in rural agricultural production and the insights gained regarding the internal cultural dynamics of small-scale farming communities. For example, Conklin’s (1957) innovative research with the Hanunoo of the Philippines explored a small-scale indigenous community whose methods for resource management negotiated the delicate balance between humans and their surroundings. However, the assumption that social equality exists in such societies was a common early-twentieth-century anthropological misconception. Researchers who sought examples of “pristine” social structures more often encountered competition, hierarchy, and struggles surrounding agricultural production (Malinowski 1965 [1935]; Conklin 1957; Brown 1986; Descola 1994). This literature therefore affords insight into the daily lived realities and cultural understandings within farming communities and provides a model for approaching a better appraisal of small-scale agriculture in remote, rural communities.

By contrast, ethnographic studies of the effects of modern agricultural development have revealed several difficult outcomes for local communities. Post-WW II peasant communities in Indonesia, Africa, and throughout the Third World have struggled through agricultural programs that altered local practices, threatened local farming knowledge, and ultimately failed to increase productivity and food security
(Richards 1985; Dennis 1987). Latin American and many other Third-World peasants have suffered from an exacerbation of the unequal distribution of resources and knowledge resulting from the shift from subsistence to export agriculture. Export-driven production, which must comply with the structural adjustment policies of debtor nations, threatens food security, while the persistence of ‘hunger’ continues to justify further development. Structural adjustment policies aimed at alleviating debt promote further development and at the same time increase dependency on development programs and international aid organizations (Mintz 1985; Taussig 1980; Escobar 1995; Ferguson 1990; Dennis 1987; Richards 1985; Gupta 1998).

Economist Andre Gunder Frank (1967) focused on the wealth disparities between Latin American and European nations that resulted from global capitalist arrangements. He refuted modernization theory and assumptions that countries such as Chile and Brazil were too feudal or traditional to modernize. Rather, he argued that these countries were intentionally classified as “underdeveloped” and peripheral to industrialized and “developed” nations. Poorer nations produce raw materials to supply wealthier, core nations along capitalist trade networks. In Frank’s view, the capitalist system extracts surpluses from peripheral areas and applies them to the center. “Contemporary underdevelopment is in large part the historical product of past and continuing economic and other relations between the satellite underdeveloped and the now developed metropolitan countries. Furthermore, these relations are an essential part of the capitalist system on a world scale as a whole” (Frank 1972: 3).

In a similar fashion, Immanuel Wallerstein also presented a model for understanding the inequalities of the global capitalist system. Wallerstein’s “World
Systems Theory” is based in a global division of labor in which states are integrated into the world market. In this system, states either comprise the core, semi-periphery, or periphery in relation to capitalist modes of production. This “world system” recognizes capitalists across nation-states that are in competition to accumulate capital. Wallerstein refutes the notion of the First, Second, or Third Worlds. Instead, the “world system” is composed of capitalists and laborers of varying degrees in all nation-states (Wallerstein 1974).

In Wallerstein’s narrative, the Bretton Woods Agreements of 1944 ushered in a new system of rules, procedures, and institutions to govern the international monetary system. The intention was to regulate monetary values as protection from another economic depression. These agreements also instituted the International Monetary Fund (IMF) and the International Bank for Reconstruction and Development, which later came to be known as the World Bank. These entities were designed to reconstruct Europe after the wartime devastation. Large-scale agriculture became a priority for international development, which was exemplified in 1970 when Norman Borlaug received the Nobel Peace Prize for developing a high-yielding and drought-resistant wheat strain.

The Green Revolution was an international development policy to employ nitrogen-enriched, chemically produced fertilizers, pesticides, and herbicides under the assumption that the higher agricultural yields would feed impoverished communities around the world. The World Bank, the Ford Foundation, the Rockefeller Foundation, and USAID financed the Green Revolution innovations. According to Vandana Shiva, these agencies “looked toward the intensification of agriculture as a means of ‘stabilizing’ the countryside” (1991:3). These technologies and innovations have
dominated much of Third World export agriculture, spurring land disputes and dangerous labor conditions as large-scale agribusinesses exploit the workforces of impoverished debtor nations. Angus Wright (1996) depicts how the use of synthetic fertilizers and pesticides resulted in severe contamination of water and food sources. Use of these chemicals also brought disease and death to exploited farmworkers in Mexico.

In her critical account of the Green Revolution in India, Shiva (1991) cites the threat to local biodiversity and crop resilience that resulted from the introduction of “super-seed technology” and “high-yielding varieties” in Punjab. Shiva claims,

Far from bringing prosperity, two decades of the Green Revolution have left Punjab riddled with discontent and violence. Instead of abundance, Punjab is beset with diseased soils, pest-infested crops, waterlogged deserts and indebted and discontented farmers. Instead of peace, Punjab has inherited conflict and violence (Shiva 1991:67).

In *Encountering Development: The Making and Unmaking of the Third World*, Arturo Escobar provides a compelling critique of the involvement of anthropologists in Third World development. Escobar claims that entities such as the World Bank, the IMF, and USAID have all defined nations as “Third World” or “developing” in contrast to the supposed “modern” world. In Escobar’s view, the First World industrialized nations “constructed” the notion of a “Third World.”

The new poverty oriented programs reproduced the world of postwar development: a world organized around production and markets, divided between developed and underdeveloped, “traditional” and “modern,” ruled by the politic of aid and multinational corporations, riddled by fears of overpopulation and communism, anchored in a faith in material progress through technology and the exploitation of nature (Escobar 1991:665).

External institutions determine how local realities necessitate the transition from “traditional” to “modern” societies in Escobar’s deconstruction of the imbalance of power/knowledge in the development encounter. Much like the current situation in
Nicaragua, the interaction between development experts and peasants is socially constructed. “The local situation is inevitably transcended and objectified as it is translated into documentary and conceptual forms that can be recognized by the institutions” (Escobar 1991:667).

For Escobar, social scientists (and anthropologists in particular) who work in the development industry operate in the service of power (1991:659). In his words:

Development projects are part and parcel of how the world is put together so as to insure certain processes of ruling. . . . Development has functioned as a mechanism of power for the production and management of the Third World through the systematic elaboration of forms of knowledge concerning all aspects of importance in Third World societies (Escobar 1991:674).

Barbara Rose Johnston (1997:19) asks, “Who participates in shaping the development agenda?” Johnston employs a rights-based approach to the dynamics of development and environmentalist efforts in the developing world. Her work in the “political ecology of development” (1997) targets the distribution of resources for environmental conservation. “‘Developing’ or ‘managing’ the resources of previously peripheral regions requires a reformulation of resource relations, transferring the loci of power over resource value, access, use, and control from resident peoples to external power structures” (Johnston 1997:18).

Development economist Joni Valkila (2007) questions whether Fair Trade organic coffee production is a sustainable form of development or “a poverty trap.” The United Nations Conference on Environment and Development Sustainable Development organized the Earth Summit in Rio de Janeiro around the themes of ecological conservation and social justice in the Third World. Participant nations and international lending agencies recognized the need to develop impoverished communities without
depleting natural resources or degrading the local environment. This event resulted in the drafting of Agenda 21, a development program designed to eradicate poverty, preserve ecosystems, and temper rising inequalities in the increasingly globalized world (UNDESA 1991).

Organic conversion is the manifestation of the global efforts to reduce poverty by investing in ecologically sound economic activity. Recently, rural indigenous communities in Latin America have embraced the ideals of sustainability through the interaction of local leaders and external advisors. In 1990, local intellectuals and international supporters aided the Kayapó of Amazonia in successfully opposing the Altamira hydroelectric dam project (Posey 2002; Turner 1991). Today, the Mam Maya of southern Mexico integrate outside knowledge of organic coffee production with traditional agricultural practices (Nigh 1997; Rodríguez Gomez and Snyder 2000; Nash 2001; Warren 1998). However, researchers must look beyond the possible idealizing or romanticizing of an “ecologically noble savage” (Redford and Stearman 1993:427).

Environmentalists have criticized Kayapó who sell mahogany in exchange for agricultural products (Posey 2002), although it has not been determined “whether Indian farmers ‘really’ share the philosophical goals of organic agriculture as an international social-environmental movement or are purely motivated by higher market price” (Nigh 1997:428).

Indeed, an idealized notion of farmer receptivity to sustainable development efforts also pervades scholarly notions of small-scale coffee farmers (Fair Trade Research Group 2002; Lyon 2003; Raynolds 2003). Raynolds writes, “Coffee growers who share a

\[\text{http://www.un.org/esa/dsd/agenda21/res_agenda21_00.shtml}\]
strong ideological commitment to ecological or social justice values (rooted in ethnicity, religion, or politics) are likely to have stronger organizations and are likely to have greater success working with alternative coffee networks than those who are firmly rooted in western capitalist values of individualism, competition, and environmental exploitation” (2003: 15). This assumption perpetuates a preference for farmers who embody an ideal image of a coffee grower. Raynolds may be overlooking farmers who actively negotiate their attitudes and receptivity towards development innovations with concern for their personal survival.

My research supports Raynolds’s assertion by applying a class-based interpretation of the potential for individual farmer success in alternative production and trade. My data show that organic production principles are more accessible and executable for farmers from the more mobile, educated, and affluent socioeconomic classes. Consequently, more medium-scale and large-scale farmers have been converting to organic production and are experiencing greater success than smaller farmers have. It is true that in a capitalist, class-based agrarian society, affluent farmers will stimulate job growth and improved investment. However, the paradox in this form of development is that it presumably provides assistance to the impoverished family farmer, when in actuality it helps the entrepreneurial class expand and succeed while offering minimal improvements for the poorest of farmers.

Just as conventional development agendas have done since WWII, “alternative” approaches to small-scale agriculture tend to reinforce the historical inequities and dependencies. Development projects continue to leave communities dependent on “development experts.” Instead of experiencing progress, many small-scale agrarian
communities experience tensions and difficulties of coordinating farm activities among several farmers. As Heradio Lagos, a development agent who was born in San Juan del Río Coco, described it to me on several occasions, “Desarrollo hasta cierto punto. (Development to a certain point.)” Most técnicos are wary of changes to the traditional hierarchy of development, a hierarchy that reflects the hegemonic class order in rural Nicaragua.

As shown throughout this work, certain individuals in San Juan del Río Coco, and in Nicaragua on a larger scale, control access to the specialized forms of knowledge that assist farmers to be successful. Moreover, alternative approaches to farm production distinguish certain groups of farmers as ideal candidates rather than promoting an egalitarian approach to ameliorating farmers’ hardships across Las Segovias. In many ways, this scenario reflects the divide-and-conquer approach to conquest that has occurred Latin American history. Alternative development, much like conventional development, privileges a certain sector of the agrarian community and pits farmers against each another for access to resources and prestige, substantiating Escobar’s argument that “one thus has to strive to understand the non-local determinants of locally lived situations introduced by development” (1991:668).

To the extent that the sustainable coffee industry is courting the campesinos to engage in a renewed relationship with coffee production, some stand to gain more from investment in these innovations (Escobar 1995, 1998; Kearney 1996). The perspective of a “political ecology” (Escobar 1999) of sustainable development challenges the roles of developers, who claim that they are acting altruistically when in fact they are making substantially more money than the farmers who carry out the sustainable activities. The
current phase of international capitalism requires examination and criticism in order for innovations in coffee production (see Chapter 6) to take hold and become viable alternatives for coffee farmers.

“Hecho Por el Pueblo y Para el Pueblo:”
Alternative Development and Agency in Las Segovias

The government of Enrique Bolaños, Nicaraguan president from 2002 to 2007, used the slogan “hecho por el pueblo y para el pueblo (made for the people and by the people)” as propaganda. It appeared on billboards alongside road improvements, public works, and physical infrastructure for economic development projects. The phrase was invoked as if “el pueblo (the people)” had actually designed and implemented the improvements to daily life and Bolaños’ administration was just the facilitator. The billboards prominently display the amount of money invested in a given project. These signs were all along the roadways of Las Segovias, ensuring communities and travelers that the government had their best interests in mind. The irony of this slogan is that most, if not all, actual improvements to rural Nicaraguans’ lives were in fact “for themselves and by themselves.” The national government may have assisted small-scale entrepreneurs by constructing a road with international donations or IMF loans, but not without self-aggrandizement. In reality, no matter how much training in agricultural finance or sustainable development the small-scale farmers receive, they are the only ones who can implement it. Or, as my friend Roberto Jerez, a Nicaraguan development agronomist, puts it, “tenés que mantener a los cafetaleros produciendo, si no, no habrá café para exportar del todo. (You have to keep the farmers growing or else there won’t be any coffee to export.)”
I sat in and helped facilitate several CLUSA workshops in San Rafael del Norte, San Juan del Río Coco, and Matagalpa. The purpose of these workshops was to attract more growers to the organic production and cooperative organization model for community-based economic development. CLUSA’s training program instilled values of ecological conservation and preservation of natural resources. Their sessions were typically held at community centers or large halls, and they would invite entire grower communities to attend 3- or 4-day workshops on organic production, organic fertilizers, quality control, pest control, plant health management, exportation, and coffee sampling.

The workshops began with an introduction to the philosophy of organic production and the ills of conventional agriculture. They then delved further into the various aspects of “sustainable” small-scale production: poly-cropping, pest control, shade regulation, pruning, field renovation, fertilizing, weed control, land management, harvesting, milling, marketing, roasting, and finally, coffee cupping (or quality tasting, like wine-tasting). The last three are outside the coffee farmers’ purview, but CLUSA’S approach was to empower small farmers by sharing all aspects of this complex commodity chain so the farmers could better defend their own interests.

The opening session of the workshop reviewed the ills of conventional production and explained the various petrochemicals that farmers use to treat weeds and pests. The técnicos then discussed the harmful effects of products such as Gramoxone (known as Round-Up in the USA) and DDT. They spoke of the preservation of biodiversity throughout the plantation and within the soil. The main tenets of this workshop were to instill farmers with an appreciation for biodiversity and to caution them about the financial, ecological, and health risks of depending on petrochemical farm inputs.
“Alto a las quemas (Stop the burns),” is a slogan that MARENA—the Nicaraguan Ministry of Environment and Natural Resources—promoted throughout the country in their campaign to convince growers of the short- and long-term negative effects of burning to clear fields of weeds and overgrowth, also known as slash-and-burn agriculture. CLUSA adopted this theme as the point of departure for the first day of the training workshops. Against a cinderblock wall they projected a cartoon of microorganisms and little bugs and worms screaming as the blazing fire approached a cross-section of soil. The técnicos were illustrating that the burning of fields destroys most of the animal and bacterial life that is necessary for plants to thrive.

In most cases, coffee farmers, especially small-scale farmers, are not clearing land for agricultural production. This anti-burning campaign is directed more at corn and bean farmers who must clear weeds before each planting season. Nevertheless, this is a clear illustration of the vicious cycle of petrochemical use in which farmers find themselves. Farmers who burn their fields are killing important nutrients and microbacteria. They are then forced to apply chemical additives so their plants can thrive. Instead, the organic farmers employ intensive physical labor—clearing with a machete or tilling with ox and plow or tractor—to prepare their fields. This, in turn, preserves valuable life in the soil and benefits the plants and the farmers as a result.

In San Juan del Río Coco, many farmers burned their corn and bean (known in Nicaragua as granos básicos, basic grains or staples) fields at the end of the dry season, when the weeds and overgrowth are brown and brittle. The dry season, verano (summer), lasts from November to April. The rainy season, invierno (winter), is from mid May to October. Kelly and I were astounded by the thickness of the haze from the rampant
burning. When the wind was calm, our eyes would sting, and our lungs ached by the end of the day from so many field fires.

During the 2005 dry season Kelly and I commuted to farms outside of town to get away from the noxious haze and dust in the San Juan valley. We would often visit El Bálsamo because of its proximity to Las Grietas and San Juan. We worked with Doña Rosa Vanegas and Don Segundo Caracchi, from the UCA-San Juan cooperative, regularly. They are founding members of the UCA San Juan and partners with adjoining farms in the community of El Bálsamo, just north of San Juan proper. They tend to share resources for their two farms.

One week in May, we helped Doña Rosa weed, prepare, and transplant her seedbed. At the end of the week, we shared a meal together. We enjoyed roasted chicken with rice, beans, and cabbage salad and discussed aspirations and challenges of organic production. Doña Rosa’s older son, Marvin, is a coffee farmer and co-op member, and the younger, Javier, is the accountant at the UCA-San Juan cooperative. Don Segundo and Doña Rosa got together after her husband was murdered during the Contra War. Doña Rosa blames the Sandinista directorship for his death.

“Se dedicó a la Revolución,” she explained, “y lo mataron por ser demasiado honrado. No era ladrón como los demás. El sinceramente quería ayudar a los pobres desgraciados, no empoderarse y enriquecerse y los que ve ahora. Cómo me duele el alma pensar. (He dedicated himself to the Revolution and they killed him because he was too honorable. He wasn’t a thief like the rest of them. He sincerely wanted to help the downtrodden poor, not gain power and enrich himself like the ones you see today. How it
breaks my heart to think of it.” Today, Doña Rosa is a steadfast Liberal and is against any Sandinista efforts.

I appreciated spending time with her family because her views contrasted with the primarily Sandinista perspectives that I had recorded while living in the majority Sandinista neighborhood of Las Grietas. That day we discussed an array of topics having to do with organic coffee production and local efforts at preservation of forests and wild habitat. We touched on the topic of field burning since that day in particular my eyes were stinging badly. Don Segundo responded with a compelling explanation.

En Nicaragua tenemos una enfermedad, nos enjarenamos. El Nica saca un préstamo y luego no paga. Si ponemos un acuerdo de reforestar los cerros, los mismos políticos despalan. O por ejemplo, Don Sergio Garcia vino al Chumpe con permiso de sacar un palo, ¿y sabe que hizo? Se trozo 5 o 6 palos. ¿Quién le va a decir difirente? No hay orden. Hasta el mismo oficial encargado de multar a los que quemen sus parcelas pega fuego a sus campos. Es un desastre. Si los mismos líderes fallan el orden social, ¿quién dice que nosotros, los pobres, vamos a seguir el camino honrado, ¡por dios! (We have a sickness in Nicaragua. We “screw” ourselves. The Nica [slang for Nicaraguan] takes out a loan and then doesn’t pay. If we have an agreement to reforest our hills, the very politicians continue to cut. Or for example, Don Sergio Garcia came to the Chumpe [mountain] with a permit to cut one tree. You know what he did? He chopped down 5 or 6. Who’s gonna say anything to him? There is no order. Even the very officer in charge of fining those who burn their farms sets fire to his own fields. It’s a disaster. If the very leaders flout the social order, who says that we, the poor, will take the honorable path, for God’s sake!)

This response to my comments about farmers disobeying the burn ordinance provided more detail than I had expected. Don Segundo put into perspective some of the thoughts I had been unable to comprehend or articulate in my own field notes. Ironically, Don Segundo’s stepson, Marvin Vanegas, is an organic coffee farmer who burns his fields to plant hortalizas (garden vegetables). Marvin is Doña Rosa’s son and Javier’s older brother. He is an evangelical Christian, a certified organic coffee farmer, and member of the family’s base-level co-op, Carlos Fonseca.
Marvin was involved with a rural enhancement project sponsored by Auxilio Mundial (World Relief, an international evangelical aid organization) that funded the development of family gardens and orchards throughout the poorest regions of Nicaragua. A portion of Martin’s coffee farm was in need of renovation because the coffee plants were old and diseased. Eventually, with the support of Auxilio Mundial técnicos, he decided to abandon coffee production on this portion of his farm and convert the land to vegetable rows. His method for converting this land was to cut down the coffee plants and shade trees and set fire to the brush at ground level.

At this point, about 8 months into my fieldwork, I was no longer shocked by this type of activity. I was beginning to understand how farmers alternate between “acceptable” and presumably “unacceptable” behaviors to achieve their goals. Nevertheless, I knew that Marvin had been trained by CLUSA to farm organically. He had been informed of the harm caused by field burning and subsequent dependence on petrochemicals.

This example illustrates the conflict small-scale farmers face in converting to organic production between purely economic motivations, on the one hand, and a more philosophical embrace of the principles and objectives of organic agriculture, on the other. At the time of my research, the international coffee market had returned to a “living price,” and several of the CLUSA-trained farmers that I had met during my initial visits had reverted to conventional production. However, many farmers continued

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41 The International Coffee Organization lists US$1.21/pound of green (unroasted) beans as a livable price for farmers. Fair Trade standards offer $1.21 as a base price no matter the international market price. Fair Trade certification also includes $0.05/lb for certified organic coffee and $0.10/lb as a social premium.
their allegiance to organic certification despite the temptation to increase yields and reduce labor hours with the assistance of petrochemical inputs.

In 2001, many coffee farmers were desperate to convert to certified organic production to obtain secure markets for their coffee. The historically low prices during the international coffee crisis reached their nadir between 1999 and 2002. By the time my primary fieldwork commenced, many farmers who had begun their probationary period in 2001 were now certified organic. Once certified, these farmers could access better markets and financing.

Development agents and specialty markets promoted the ecological and economic benefits of organic certification. CLUSA’s USAID-funded project subsidized conversion for small-scale coffee growers, while large-scale coffee farmers converted with direct support of exporters and buyers in the “developed” world. When I began my forays into coffee grower communities alongside CLUSA técnicos, I was unaware of a major aspect of conversion from conventional production to organic production: the reduction in crop yields. Danilo eventually explained,

*La planta sufre cuando pierde los nutrientes químicos. Les pasa un choque. Nosotros, los productores orgánicos, tenemos que cuidar las plantas y asegurar que puedan prosperar con nutrientes naturales. Es como un adicto que le tienes que bajar la dósis. Es un cambio en como tratamos a las plantas. Ellas dependían en las altas cantidades de nutrientes químicos y ahora se adaptan a los naturales, pero les cuesta. Eso baja el rendimiento.* (The plant suffers from the loss of chemical nutrients. It is a shock for them. We, the organic farmers, have to nurture the plants in thriving from natural nutrients. It’s like an addict that lowers his dosage. It is a change in how we treat the plants. The plants depended on large amounts of chemical nutrients and now they adapt to the natural ones, but at a cost. That’s what lowers the yield [of coffee beans]).
Hurricane Mitch and the International Coffee Crisis

In late October and early November 1998, Hurricane Mitch rocked the community of San Juan del Río Coco severely. The repercussions are still being felt today. Farmers are still repaying debts on the harvests they lost that season. Danilo claims to have lost his entire harvest that year. The coffee plants had finished flowering and the coffee cherries (uvas) were green and beginning to ripen. The torrential rains sent debris down the largely deforested slopes, clogging dams and raising water levels dangerously high. The storm’s path crossed directly over Las Segovias as 180 mph winds whipped plants and trees into a frenzy, tearing them up by their roots. The resulting treeless, deforested slopes caused water to overflow river basins and loosened large sections of earth, sending mudslides into communities below. The 1998-1999 harvest was devastated.

Farmers had long since received their preharvest financing, enabling them to operate their fincas through the harvest season. Most repay the financing with coffee submitted to whatever entity submitted the loan. Several Nicaraguan banks involved in financing the coffee industry collapsed (Sandals 2000). One evening while watching the news at Danilo’s house we saw a report on the Centeno Roque brothers, who had been tried for fraud in the collapse of their bank, Interbank. The Centeno Roque brothers were ranchers from Quilalí (the next town to the east of San Juan) who became bankers after the FSLN triumph. According to Danilo, they began investing in coffee farms during the Revolution and eventually had more than 2,000 manzanas in production. They then began to loan money to small farmers and export coffee. At one time, they were the principal coffee exporters in Nicaragua. They have since been sentenced for fraud after the Interbank bankruptcy investigation. In Danilo’s words:
Son los grandes que quiebran el sistema. Los pobres pagan las deudas de los ricos. Nosotros pequeños y medianos pagamos nuestras deudas en efectivo, en producto, o en terreno. Además, si el pequeño queda mal no afecta nada. Chico Buitrago estaba en punto de perder la finca por la cantidad de plata que debía. Ahora produce orgánico para protegerse la próxima vez. (The big ones break the system. The poor pay the debts of the rich. We the small and medium farmers pay our debts in cash, in produce, or in land. Furthermore, if a small farmer defaults, it doesn’t hurt anything. Chico Buitrago [a large-scale farmer near Las Grietas] was about to lose his farm for all the money that he owed. Now he grows organic coffee to be safe the next time).

Just as Nicaraguan coffee farmers were recuperating from the sanctions imposed by the International Coffee Organization owing to the neglect of coffee plantations during the Contra War, they (at least those in Las Segovias) were struck with the dual misfortune of Mitch and the international coffee crisis. Medium-scale farmers fared better than the smaller farmers and were able to acquire foreclosed lands. In some cases, a grower looking to invest in the post-Mitch period would simply assume another farmer’s outstanding debts in order to obtain title to the land.

Although organic production requires more work for a lower yield, the farmer can access more reliable niche markets. For farmers during a crisis, this trade-off is beneficial. For example, Danilo’s group sold their harvest from the 2002–2003 cycle for only US$0.89/lb. Danilo marketed that coffee and was proud to have moved it:

“Pues, por lo menos era un precio mejor que el mercado nacional. Casi no se pudo comercializar ese café. Claro, fue un precio no tan favorable, pero mejor que nada” (Well, at least it was a better price than the national market. I almost couldn’t sell this coffee. Sure, it wasn’t a favorable price, but [it was] better than nothing).”
Conclusion

Because the plant and the production techniques were brought in from the outside, replacing the traditional local subsistence practices, coffee was once a threat to native Segovians’ well-being. Now it is promoted as a remedy to their economic, political, and climatological woes. The FSLN Agrarian Reform placed campesinos in farm ownership scenarios. The 1990s neoliberal shift has forced these farmers to compete for financing and trade on the open market. Natural disasters and international speculation reinvigorated the need for cooperative and collective efforts to at least partially ameliorate the external factors that impinge upon their farms’ survival. There are also local mechanisms for resilience that arise from Segovian farmers’ historical position in the formation of the Nicaraguan nation and economic structure.

The discourse of organic coffee production resembles revolutionary era notions of struggle and sacrifice for the greater good. This agricultural movement resonates with farmers such as Danilo, who understand their role in a larger national economic and environmental effort. However, the challenge remains in making these productive innovations accessible and intelligible to the poorer classes of coffee farmers in Las Segovias.

The stabilization of market prices has enabled farmers to sell on the open market again. Participation in farmer-owned cooperatives decreased in San Juan as farmers abandoned organic certification requirements and returned to leveraging the investment in chemical farm inputs against their upcoming harvest estimates. This response to market values indicates that there is only a tentative acceptance of the potential benefits of organic farming among coffee growers in San Juan.
Chapter 5

Class and Labor Relations in Segovian Organic Coffee Production

Nicaragua endures a legacy of class division that stems from the Spanish conquest. The leveling mechanisms of international aid, economic development programs, and charitable donations fall short of addressing the needs of the large portion of the population that is destitute. Organic coffee production presents an alternative to the traditionally exploitative arrangements that poor farmworkers tended to encounter. Instead, small-scale family farms can attract better prices and more secure markets through their involvement in organic certification and Fair Trade practices. This means that they can forge long-lasting relationships with farmworkers that are built on trust (confianza)\(^{42}\) and mutual reliance.

Each year during harvest season, Danilo and his base-level co-op in Las Grietas are concerned that the local labor pool will be depleted because the workers move away for better wages or conditions. It is a common sentiment among the farmers of this community that it is difficult to find trustworthy, reliable, and hardworking laborers. My initial impetus for this chapter was to detail the layers of class difference in coffee farming, but what has resulted is a clearer understanding of the cooperation across classes. In organic farming settings there is a greater retention of quality labor due to the relationships that have been built and the favorable working conditions on organic farms.

\(^{42}\)Confianza comes from the verb confiar or “to trust.” Confianza is a significant cultural attitude in Nicaragua and Latin America that represents the amount of confidence or trust one has in a relationship. Some individuals are criticized for having too much confianza, or being naïve, or overly comfortable or open. This is stated as having “mucha confianza” or “confianzudo.”
The Farmers of Las Grietas

Upon meeting farmers for the first time, I asked them if they were organized and how they felt about cooperative organization. I refer to this as “point blank” interviewing. ¿Usted es socio de una cooperativa? Are you a member of a cooperative? If so, why did you join? Are there any issues that you have with your co-op? This method served the dual purpose of legitimizing my role as a researcher and providing me with valuable first-hand data that proved beneficial in more in-depth interviews.

Table 1. Why did you join a cooperative?
(\% of 181 “Point Blank” Interviews)

<table>
<thead>
<tr>
<th>Reason</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Better Prices</td>
<td>95%</td>
</tr>
<tr>
<td>Development Projects</td>
<td>86%</td>
</tr>
<tr>
<td>Technical Assistance</td>
<td>31%</td>
</tr>
<tr>
<td>Social Programs</td>
<td>21%</td>
</tr>
</tbody>
</table>

Table 2. What are your issues of concerns about the cooperative?
(\% of 181 “Point Blank” Interviews)

<table>
<thead>
<tr>
<th>Issue</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>High administrative costs</td>
<td>85%</td>
</tr>
<tr>
<td>Export payment takes a long time</td>
<td>80%</td>
</tr>
<tr>
<td>High interest on pre-harvest financing</td>
<td>66%</td>
</tr>
<tr>
<td>Administrative transparency</td>
<td>64%</td>
</tr>
<tr>
<td>Lack of state support</td>
<td>11%</td>
</tr>
</tbody>
</table>

However, many farmers expressed the need for more holistic approaches to community development and sustainability, for a better quality of life for the farmers of San Juan. Of 68 door-to-door community surveys that I collected, 41 listed the necessity for better social services, such as educational and health programs in Las Grietas. As Adrian González stated,
Sure it’s better to earn good money for our coffee, but we are concerned for the schools, clinics, and roads. We want to improve the conditions for our children’s future, but we cannot pay attention to that because it is more important to export our harvest.

Therefore, simply earning more money is not the ultimate goal—the ultimate goal is for a better, safer, and healthier community in San Juan. However, it is problematic to assume that greater earnings for farmers will “trickle down” to the less-affluent sectors of society and translate into more employment, more investment, and better social services.

Living in Las Grietas, I had close contact with five farmers in the Las Grietas base-level farmer co-op, many of whom I have already mentioned. They are Danilo González; his brother, Adrian González; Santos González Ponce (no relation); and the Romero brothers, Victor and Eliazar. My closest relationship was with Danilo González and his family. He farms 13 manzanas in Las Grietas. He helps his son, Bismark, farm five additional manzanas in La Dalia, a community just west of Las Grietas. He is the president of his base-level cooperative. His leadership role in the community was invaluable for legitimizing my involvement with local farmers.

I also worked closely with Adrian González, Danilo’s younger brother. Adrian lives with his wife, Leyla, and two school-age daughters on the far end of Las Grietas, toward El Balsamo. He farms two manzanas of coffee in El Chile, a community about a 15-minute walk from his house, and three other manzanas that are a 60-minute walk up to El Lechón, one of the tallest peaks in the Malacate range. Adrian farms on land that his father, Don Amado González, gave to him. He supplements his income by working as a
stonemason and carpenter for local projects. He does many construction jobs on Danilo’s farm.

Santos González Ponce is one of the original members of the Las Grietas farmer co-op. He farms five manzanas adjacent to Danilo’s farmland. Santo’s house is next to his farm. He lives there with his wife Marta and five children. He is originally from Somoto, the departmental capital of Madríz. He came to San Juan as a chainsaw operator during the Revolutionary era. He claims that he helped to clear-cut much of the forestland surrounding San Juan in preparation for coffee cultivation. Today, as a certified organic farmer, he works to reforest the coffee fields that he farms.

I was also fortunate to work with another pair of brothers, Victor and Eliazar Romero. They are originally from the community of El Achiote between San Juan and Telpanteca. Actually, they share farm responsibilities on their parents’ ancestral lands in the indigenous settlement of El Achiote. Victor and Eliazar worked as farm laborers on the Sandinista farm Salinas Pinell APP, during the Revolutionary era. The Romeros acquired a beneficio húmedo (wet processor), a large drying patio, and livestock corrals after the Sandinista operation failed. They provide depulping services to other farmers in the area at a fee.

The Romero brothers are original members of the Las Grietas base-level cooperative. Victor Romero farms a total of 14 manzanas. He has a seven-manzana plot in Las Grietas and recently acquired seven more manzanas in the community of Quibuto, near San Juan and on the way from Telpanteca. Eliazar farms on 4.5 manzanas. He also owns an old rusty pickup truck with a plastic jug serving as the fuel tank on the floor of
the passenger’s side. He charges a fee to transport community members’ coffee to the co-op.

Aside from those five growers with whom I worked on a regular basis, my context for interacting with other farmers was through cooperative events, personal introductions in formal settings such as cooperative meetings, or informal encounters at social gatherings. I only had the opportunity to work alongside small-scale producers who were engaged directly in their farm tasks. As we will see, medium and large-scale producers must hire laborers to complete daily tasks while the farmers deal with administrative and managerial duties.

**Laborers: The Foundation of the Industry**

Laborers are the foundation of the coffee industry. Coffee is extremely labor intensive and largely dependent on a highly skilled manual workforce. Two types of workers are important to the coffee farm: year-round laborers and seasonal laborers for the harvest. The year-round workers are known as _peones_ (peons) or _mozos_ (servants). The seasonal workers are called coffee pickers or cutters, _corteros_ or _cortadores_. The organization of labor depends on the size of the farm. Large-scale growers have a foreman, or _capatáz_, who oversees the activities of groups of _peones_, or of _corteros_ during the harvest. Many plantation-size farms have farm managers who are in charge when the farmowner is absent and who oversee several _capatazes_ throughout the harvest season.

The results of my community survey indicate that workers are more content and secure in their work arrangement when they are employed on organic farms. In surveying households in Las Grietas, I posed the following questions: Do you work seasonally or permanently on a coffee farm? Is that farm organic or conventional? Have you traveled
for work in the past five years? If so, where to? And why? Of the 68 surveys conducted, 29 responded that they are farm laborers. Of those 29, 19 work on organic farms in Las Grietas. Of the 10 respondents who do not work on organic farms, only one is a full-time worker at a large hacienda, La Gloria. The remaining workers on conventional farmers are seasonal. All nine of the seasonal workers on conventional farms have traveled in search of work in the five years prior to my survey. Their destinations were El Salvador, Costa Rica, and Managua. Their explanations were simple: “Te pagan en dolares (They pay in dollars)” [in the case of El Salvador]; “Las condiciones son mejores, las fincas son limpias (The conditions are better, the farms are clean)” ; and in the case of Managua, “Voy a la capital para trabajar como doméstica cuando me necesitan. Sufro con cortar en estos cafetales. Nos pagan mal y nos tratan peor (I go to the capital [Managua] to work as a maid when they need me. I suffer from having to pick coffee in these farms. They pay poorly and treat us worse).” The following personal accounts support the assertion that workers on organic farms are better off because of the constant need for manual on-farm labor.

In Las Grietas, among the small to medium-sized farmers with whom I worked, the laborers were few, and many farmers depended on family support. Danilo, for example, employs four or five workers during the growing season and then hires as many as twenty for the harvest on his 13 manzana farm operation. His son Bismarck is responsible for the farm tasks. Danilo also has an hombre de confianza or hijo de casa.43

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43 “Hombre de confianza” directly translates to “man of trust.” This relationship is common among business owners and their workers in Nicaragua, where the employee is entrusted with security, finances, and operations and is awarded special privileges as a result. “Hijo de casa” is translates as “son of the house.” In Danilo’s case, one person,
Eliazar, whom he trusts to oversee farm duties and watch the farmhouse. Bismark and Eliazar oversee the work of three day-laborers. Two of them, Lisandro and Chepito, work consistently throughout the year.

I spent a great deal of time with laborers and *hombres de confianza* when I assisted in harvesting, terracing, seeding, transplanting, etc. Among the Las Grietas farmers with whom I worked, only Danilo and Adrian had hired or live-in help. Santos, Victor, and Eliazar [Romero] relied more on family members and hired additional help for the harvest. I appreciated being able to interact with the laborers on Las Grietas farms and became familiar with their backgrounds in order to better understand the class dynamics between Segovian coffee farmers and their workers.

Eliazar is 23 years old. He has worked for Danilo’s family for many years as the *hijo de casa* for Danilo’s father, Amado. Eliazar is originally from Chinandega, a very hot, as in higher temperatures, zone on the Pacific Coast. He arrived at San Juan “*de andar vagando*” (from roaming around), as he put it. He has been estranged from his own family for a long time. He spent time as a gang member, and when he first arrived in San Juan he fought as an unofficial prizefighter in the streets. Amado and his wife Fidelia took Eliazar in. Today, his duties are much like those he performed when he was with Amado. He gathers firewood for the kitchen, runs errands for the household, assists in farm tasks and watches over the house when the family is away.

Eliazar has been a valuable part of Danilo’s family, so much so that Danilo gave him a portion of land where he could build his own house. Now he is married and has a young son. He lives in the adobe house that he built in Las Grietas. He continues to work Eliazar, filled both roles. The *hijo/a de casa* lives with the family and performs domestic duties.
for Danilo, but not as closely as when he was the *hijo de casa*. He is still *de confianza* to the family, but his priority is now to his own family. He and his wife are completing high school in the evenings as well.

Lisandro is one of the first workers I got to know. He is soft-spoken and has a youthful face. He lives with his wife, Reina, and their three children, Freddy, Karina, and Freiling. Lisandro and Reina attended school until the sixth grade; they are originally from Santa Cruz, a notoriously impoverished sector of the Segovian regional center, Estelí. They moved to San Juan during the revolution, looking for work. They found jobs in the kitchen of a Sandinista government-owned coffee plantation, Salinas Pinell APP. Reina worked as a cook. Lisandro was responsible for preparing and grinding hundreds of pounds of native white corn for tortillas for the nearly 300 workers on the plantation.

Once the revolutionary government fell, Lisandro and Reina obtained land from the bankrupt Salinas Pinell APP to build a house. They built a modest adobe home in a cluster of houses just below the entrance to Danilo’s farm in Las Grietas. Their house has plastic tarps to separate sleeping from living areas. It has a wood-fire kitchen stove and an outhouse in the back. They do not have running water or electricity. Lisandro and Reina recently decided to return to school now that their children can care for one another. They are attending evening classes at the *Instituto San Juan del Río Coco*, the local high school.

Lisandro’s oldest son, Freddy, worked on Danilo’s farm with his father whenever possible. He also performed the duties of a *hijo de casa* for Danilo and Marta as needed.

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44 The compulsory educational level in Nicaragua is sixth grade. Most laborers I met did not aspire to attend high school full-time, directly after completing primary school. Rather, many begin working to help support their family after sixth grade and then work on their high school education in the evenings or weekends.
Freddy played soccer with us by the river in the evenings. Even though he comes from a very humble home, he aspires to attend the university in Estelí once he graduates from high school. Lisandro expressed his pride for his son as follows:

*No puedo creer que mi hijo, el hijo de un mozo tiene oportunidad para ir a estudiar en la universidad. No se como lo pagará, dios quiera que haya becas o si no, le pido prestado de Danilo. De todas formas, no puedo creer qué hayamos podido cubrir los gastos para mantenerlo estudiando y que no se haya maleado con tantas malas influencias en esta zona. (I cannot believe that my son, the son of a worker, has the opportunity to go to college. I don’t know how I’ll pay for it. God willing, there’ll be scholarships, or else I’ll ask Danilo for a loan. Anyway, I can’t believe that we’ve been able to cover the costs to keep him studying and that he hasn’t fallen to the bad influences of this region).*

Chepito is 20 years old. He is lean and has several tattoos. He is an evangelical Christian and is very active in the Assembly of God church. He and his wife Lisette live in near the *quebrada* (stream) in Las Grietas. Lisette is studying full-time at the San Juan high school. Chepito is very talkative and regularly asked about life in the United States. He has travelled throughout Central America to work in agriculture. He has picked coffee in El Salvador and worked in the cut flower industry in Costa Rica. He recalled that the coffee *fincas* in Costa Rica had lights for nighttime picking. He also enjoyed payment in dollars from the Salvadoran farmowners. Chepito and his family are originally from the community of Guanacastillo, northwest of San Juan del Río Coco. Chepito and his wife Lisette have been able to buy a small lot and build a modest adobe home since moving to Las Grietas and working for Danilo. They both hope to finish high school and plan to have children some day.

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45 El Salvador and Costa Rica are attractive destinations for seasonal farmworkers owing to the better conditions of the farms and the stronger currencies in which wages are paid.
The lives of these three families have all improved substantially compared with their lifestyles and job security during volatile period of the revolution, the post-revolution, and the coffee crisis and Hurricane Mitch. Also, they learn ecologically sound methods and preserving water sources and wildlife habitat through organic production. They have forged strong labor and personal relationships (confianza) by fulfilling obligations and meeting expectations.

Danilo’s interaction with his farm staff is different from that of small farmers such as his brother Adrian. Danilo directed his son, Bismark, and his hombre de confianza, Eliazar, regarding their duties each day. The farm tasks took several days or weeks to complete. The workers pruned, weeded, planted, and fertilized on Danilo’s hillside farmland throughout the growing season. They ate meals at Danilo’s house on workdays. The workday begins at 6:00 a.m. Workers receive their breakfast while in the field. It usually consists of gallo pinto and a tortilla.46 Lunch is served after the workday is finished, usually around 1:30 or 2:00 p.m. Danilo’s wife Marta is an elementary school teacher. She wakes at 4:00 a.m. every day to make tortillas, and she has hired an empleada (maid) to prepare and serve meals to Danilo and his workers. Lunch may be gallo pinto and a tortilla, or fresh rice and beans with a tortilla. Sometimes the workers get a piece of chicken, a fried egg, or a slice of cheese. Eliazar, Lisandro, and Chepito ate in the kitchen, apart from the family. Danilo fed his workers dinner as well. At times, after especially tough workdays, Lisandro and Chepito would send it home with their children or wives.

46 Gallo pinto is a staple of rice and red beans. It is typically prepared in the morning by frying leftover rice and beans together.
Adrian González thinks *peones* receive better treatment when they work for small family farms: “*La comida nuestra es sana.*” He claims, *No viene de un comedor. Tratamos bien a los trabajadores. En el comedor de La Gloria no les importa si aparece un ratón en la comida. Comes lo que te den.* (Our food is safe. It’s not from a cafeteria. We treat our workers well. In [hacienda] La Gloria they don’t care if there is a mouse in your food. You eat what you get).” Adrian offered this opinion when we were working on his farm in El Lechón. There was plenty of time to talk during the hour-long, uphill walk. He told of workers who had complained to him of the poor work conditions on large farm operations. He even claimed that people work for him because his wife, Leyla, is a good cook and gives healthy portions.

Adrian does his own farm work with the assistance of his *hombre de confianza*, Francisco, known as *El Chele* (The White Guy). Chele attests to the poor work conditions and treatment at large coffee plantations. He came to San Juan from his hometown of Wiwilí to work in coffee. Chele has a fair complexion and light eyes (thus the nickname). He lives with Adrian’s family, sleeping at their house and eating meals with them. As Eliazar is to Danilo, he is responsible for both domestic duties and farm labor.

I spent a lot of time working with Adrian and Chele. In the second year of my research, Adrian hired a worker named Chico. I helped at Adrian’s parcels in El Chile and at El Lechón a few days per week, doing seasonal farm work. Since 2003, when I first met him, Adrian has shown signs of increasing income from his sale of organic coffee and his membership in a growers’ cooperative. He invested in a *macho* (mule), affectionately named *El Doméstico*, for hauling tools and coffee. He also added workers to his team. The increase in investment will improve his yield and quality. More recently,
Adrian was able to invest in a beneficio húmedo (wet processing mill) on his own land and broke ground for his beneficio in August 2009.

Adrian used his macho to haul his despulpadora (depulping machine) to his farmland in El Lechón, 1,200 meters above sea level. Before purchasing the macho, Adrian would disassemble the machine and we would carry it in woven sacks to where it was needed. The coffee in El Lechón ripens late in the season because of the high altitude and cool temperatures. Adrian depulped the picked coffee at the end of the day and transported it to his house in Las Grietas, at a far lower elevation, for washing and drying. Prior to the purchase of Domestico, we would carry the despulpadora and the freshly depulped coffee beans down the mountain.

Adrian farms alongside his brother Manuel de Jesús and his brother-in-law Melvin. During the peak harvest period, Adrian, Manuel, and Melvin leave the depulper buried in a pit of discarded coffee pulp rather than haul it up and down the 400-meter change in elevation to El Lechón. It was extremely arduous to hike the mountain, pick coffee all day, take turns cranking the depulper, and then descend before dark. Tired and often cold, Adrian would leave the day’s harvest to ferment in sacks and then wash the coffee in the morning. Leyla helped to wash the beans that would later dry in rectangular, wooden racks with walls of wire mesh.

Adrian relied on his immediate family to help with the harvest. I felt the most comfortable helping out on Adrian’s farm because he seemed to be the most in need of additional help. I made an effort to work on the rest of the farmers’ plantations from time to time, but I worked mostly alongside Danilo’s work crew or with Adrian and Chele.
Early into my prolonged field research I noticed that the more land a farmer owns, the less that farmer engages in the actual physical labor on the farm. For example, Danilo had to devote his time to supervising laborers. Adrian, on the other hand, did the physical work himself, with the help of one or two laborers. My involvement in farm work was mostly to aid the small-scale organic coffee growers. Thus, I gained a good rapport with workers on small farm operations in Las Grietas. In other words, I did not work or build close relationships with individuals who worked on large-scale operations.

Seasonal workers came from various locations to pick coffee in San Juan del Río Coco, swelling the town’s population during this time. The open-air market along the only paved street expanded in response to the increased population. The bars filled up on Sundays, and fighting in the street was much more common. Danilo frequently worried about acquiring sufficient and capable harvest workers. He knew he could trust his full-time workers to oversee the work of other pickers, but the piecework wage for picked coffee was lower in Nicaragua than in neighboring Costa Rica and El Salvador. Many workers migrated to these other countries for better wages, leaving the least capable and least motivated to work in Nicaragua.

Leading up to the 2005–2006 harvest, Danilo explained his perspective on laborers to me:

*Es difícil encontrar buenos trabajadores que sepan como hacer las labores y puedan trabajar solos. Es importante poder decirle al mozo, ve para ’lla y podás las hojas secas de guineo. Sobre todo, tiene que haber cierto nivel de confianza.*

(It is hard to find good workers that know the job and can work alone. It’s important to be able to tell the worker, go over there and prune the dry banana leaves. Above all, there must be a certain level of trust).

The situation on large-scale farms is different. Farmers and laborers in Las Grietas commented on the violence, theft, and *pleitos* (disputes) that occur in the
employee dormitories. The large farms do not make hiring decisions on the basis of the quality or personalities of the seasonal workers. Heavy-duty dump trucks loaded with workers commonly drive through Las Grietas on the way to or from the large farms. A Las Grietas community member and coffee coyote, Alcides Vilchez, explained as a truckload of workers passed through Las Grietas:

Los recogen en Palacagüina o en Condega y los traen así para cortar café. Duermen en camarotes, sin colchones. Les dan basura de comer. Es un trato horrible que reciben esos pobres mozos. Es por eso que pocos se prestan para cortar en esos cafetales. El trato es pesimo y el San Juaneño bien lo sabe. (They pick them up in Palacagüina or in Condega and bring them like that to pick coffee. They sleep in bunks without mattresses. They give them junk to eat. It’s horrible treatment that those workers get. That’s why so few decide to pick on those coffee farms. The treatment is the worst and San Juaneños know it too well).

Confianza is very important to small-scale, family operations such as Danilo’s, especially since the workers interact closely with the family and the farmers’ children. The trust built between farmer and employee takes time to establish, but it reduces the need for employers to implement control mechanisms similar to Bentham’s panopticon, which Foucault discusses in Discipline and Punish (1975). The following examples indicate Danilo’s struggles to establish confianza on his farm. Since it is too large to be managed singlehandedly, he tries to incorporate hardworking individuals into his family farm setting.

Twice during my stay in Las Grietas, Danilo had to involve the local police in issues involving his workers. The first case was of a stolen motor, a small, eight-horsepower, gasoline-powered Honda motor that weighed about 25–30 lbs. Usually Danilo locked it in his farmhouse. One weekend prior to the harvest in 2004, Danilo discovered that has motor was missing. The following Monday, he went to the police
captain to report the theft. This was a substantial loss to Danilo and his sons. They combed Las Grietas, going from door to door to ask if anyone knew about the motor.

Danilo had purchased the motor for seven hundred dollars one year earlier. It was an important upgrade to his productive capacity. In previous years he had attached his depulper to a rope and a larger wheel and had his mozos crank the depulper by hand. He also used the motor to run the pump used for the aguas mieles.\footnote{Aguas mieles is the term for the wastewater that is a by-product of washing coffee. It contains the mucilaginous gel that coats the coffee bean. This gel has sugars in it that ferment after the coffee has been picked. This gel and water mixture is known as agua miel (honey water) and is a contaminant in streams and other water sources. Organic farmers are required to divert this runoff into retention pools for filtration into the water table instead of directly diverting it into the streams and rivers of the community. I revisit this theme in the section on organic conversion and certification.}

The police took over the investigation. Everyone in Las Grietas was talking about the theft. Danilo and his son Bismarck had a primary suspect, but they would not tell me who it was. Theft is common in Nicaragua. Many people talk about having to guard their coffee farms and their drying beans from thieves who will steal the harvest and sell it on the street to coyotes. The theft of the motor was odd because it was a large item and also because it was hidden, and only workers on the farm knew where it was.

Danilo suspected a young man who had been working on his farm, Juan Jorlan, who lived up the road from Danilo’s farm in Las Grietas with his mother and sisters. He worked as an off-season laborer on Danilo’s farm for several months when we first arrived in San Juan. He was in his late teens and had only recently moved to Las Grietas from another part of town.

After a couple weeks, Juan Jorlan was officially identified as the thief. The police arrested another person attempting to sell the motor in the neighboring municipality of...
Wiwilí. Danilo had to show proof of ownership to recover the motor, but he never pressed charges. Juan Jorlan was not often seen in the community from that point on.

The other worker who stole from Danilo arrived prior to the 2005–2006 harvest. His name was Santos, but everyone called him Chele (not El Chele who works with Adrian). He arrived at Danilo’s Finca El Pozo because Eliazar had left San Juan to travel and Danilo was in need of extra help. Chele was familiar with farm labor. “Era bueno con el machete (He was good with a machete),” according to Danilo, and was eventually given a place to stay on the farm.

Chele worked hard on the farm. He was also very attentive around the house. He brought the corn to the mill at 4:00 a.m. He hauled firewood in the evening. Much like Eliazar, he ran small errands for Danilo and Marta. After a while, he began to take certain liberties. One weekend afternoon, he asked to borrow our bicycle and promised to return it later that day. Danilo subsequently commented that it was inappropriate for Chele to have asked to borrow it. He was also bothered because Chele did not return with the bicycle until the following afternoon. “Es mucha confianza (It’s very bold),” is the phase Danilo used to express his disappointment. Later on, Danilo’s son Everst told me that he overheard the Chele telling people in town that our bicycle was his.

This made everyone curious about Chele. He earned the nickname El Chele Loco because of his drunken behavior and apparent ulterior motives. Chele left town a couple of weeks after the Christmas holidays in 2005. He locked his room on the Finca El Pozo and left without notifying anyone. Danilo was angry because he had advanced Chele a couple of weeks’ pay. Chele returned after several days. Danilo was not going to allow Chele into his room. Chele pleaded with Danilo, claiming to have “aceptado a Jesucristo
(found Jesus),” converted to Christianity, and promised that he would work off what he owed. Danilo complied.

Chele worked for a few more days, but he was acting subdued and somewhat bashful. Eventually, he gathered his things and left without leaving any word. He owed Danilo money, but Danilo was glad to be rid of him. Danilo knew that Chele would not return out of pena, or shame, for the way he had acted. Danilo and his family were accommodating and accepting of him. As Doña Marta, Danilo’s wife, expressed:

*No tenía derecho de abusar nuestra confianza de esa forma. Le dimos techo, comida, y trabajo. ¿Qué más querría? Muchas veces el trabajador no piensa en formar una buena relación basada en honor y confianza. En vez, quieren aprovechar y pierden a la larga.* (He had no right to abuse our trust. We gave him a roof, food, and work. What else did he want? A lot of the time workers don’t think about creating a good relationship based on trust and respect. Instead, they take advantage [of the situation] and lose out in the end.)

The relationship between landowner and laborer is a delicate one. According to Aihwa Ong (1987), Malaysian factory workers experience spirit possession possibly because of frustration or discomfort with the “unnatural” arrangement of being in a wage-earning hierarchy. Louise Lamphere (1993) wrote of ways to mediate the contradictions of hierarchical relationships in industrial modes of production. The case of coffee laborers is similar. Employees’ reactions to dissatisfaction or frustration may, as in the case of Las Grietas, occur in the form of betrayal or thievery.

In my experience it is common in Nicaragua, and especially in impoverished areas, for a worker to breach the trust between employer and employee in favor of a short-term advantage, thus jeopardizing a relationship that could have proven rewarding in the long-term. My family has experienced this on many levels working with laborers or caretakers who have turned out to be untrustworthy. This phenomenon is widespread.
in Nicaragua, and I encountered it in all aspects of labor relations (food service, tourism, textile industry, domestic work, agriculture).

Both of these examples display the complicated dynamic of *confianza*, or trust, in the relationship between farmer and worker. In a small, family-run farm, the workers are brought closer to the family and the domestic needs of the farm. Larger agribusiness operations differ in that they hire support staff for cooking, feeding, and overseeing the workers. Workers generally interact with each other and with their supervisors, and not with the owners. Small, family farms run a greater risk in creating a relationship with workers and at times risk investing in that worker’s long-term commitment.

These examples show that small-scale farmers conduct much of the physical work on their farms in comparison with medium-size and large-scale growers. Small farmers also assume the greatest risks: they have the least to gain and the most to lose in this volatile industry. This is the rationale for generating greater support for organic production among small-scale producers in rural Nicaragua and Latin America in general.

**The Farmers: Scale and Productive Capacity**

The coffee industry operates as a hierarchy that is based on class disparity. Similar to other market-based capitalist systems, the large-scale coffee operations have much more influence and control than small farms over the industry as a whole. Large-scale farm operations drive the industry, but they are also the primary culprits in bankrupting the financial system when they default on enormous loans. This leaves the struggling small-scale and medium-scale farmers to fight to repay credit at high interest rates as a result of large-scale farmers’ negligence.
Socioeconomic class is an important influence in determining how coffee farmers consider notions of success, quality, and hard work. Farmers have different levels of access to international markets and lines of credit in relation to their cultivated area and exportable yield. Wealth breeds power, and, in some cases, power breeds corruption. The following depictions illustrate the ways that small-scale coffee farmers mediate their positions of marginal influence in order to best serve their day-to-day needs.

Small farmers must cooperate with each other in order to compete with large-scale producers on the open market. They must aggregate their product to provide a large, relatively uniform quantity to buyers willing to pay premiums for well-tended beans. Small-scale farmers are those that farm on five *manzanas* or less. Medium-scale farms range from six to fifty *manzanas*. Large-scale farmers have fifty *manzanas* or more in production.\(^{48}\) There is flexibility in some cases. Many farmers have diverse income sources, and family farmers often divide their holdings among several family members so they will all appear to be small farmers. Nevertheless, small-scale coffee farmers of five *manzanas* or less comprise 80% of the total 48,000 coffee farmers in Nicaragua. Small-scale coffee farmers also produce more than 85% of the coffee harvest in Nicaragua (Valkila 2007: 2). Their harvest has added value according to the promoters of Fair Trade and certified organic coffee.\(^{49}\) Even though organic coffee only represented 4–5% of Nicaragua’s coffee exports in 2007 (Cafenica 2007:4), the small organic farmers benefit

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\(^{48}\) The International Coffee Organization (ICO), USAID, and third-party certifiers, such as Fairtrade Labeling Organization (FLO) and Organic Crop Improvement Association (OCIA), have set farm size standards to identify which supports and certifications are available to farms of different scales. These are internationally accepted standards.

\(^{49}\) The term “added value” indicates that the farmer has taken measures to increase the value of their product. Organic production is a prime example. The farmer works harder to farm organically, and the consumer will recognize this by paying more for the organic product.
from the training in production techniques and organizational support they receive in order to remain productive and viable in the very fickle coffee market.

Santos González Ponce and Adrian González are two small-scale Las Grietas coffee farmers with whom I worked closely. They farm on less than five manzanas each, Santos on 4.5 and Adrian on 3.5. They belong to the Las Grietas group of the Procaoc base-level cooperative that is a member of the UCA export and service co-op. Both Santos and Adrian are extremely hardworking, yet they have few expendable funds to reinvest in their farms or in additional labor. They both have only small children, and therefore they pay neighbors to help on their farms.

Small-scale producers seem to me to be the hardest-working sector in the coffee industry. They must manage finances, budgets, and farm planning while devoting a major part of their time to the day-to-day tasks on the farm. As I witnessed firsthand, the small-scale farmers do not have the time or the flexibility that larger-scale farmers have to participate in decision-making and other important activities with their co-ops. In many cases, smaller farmers do not organize because of all the extraneous obligations that membership in a cooperative entails. In essence, small farmers benefit the least and work the hardest in the cooperative arrangement, a parallel to capitalist systems worldwide.

For example, Yolanda Reyes is a small-scale coffee farmer who works independently and lives and farms in Las Grietas. She has a modest adobe house along the main road in Las Grietas. Her five-manzana farm is along the east side of the valley. She is originally from Condega and moved to San Juan 19 years ago with her parents. She studied up to sixth grade and purchased her farmland with money her parents gave her. She is a single mother with two children, ages 13 and 3.
She was in the 12 de Septiembre cooperative in San Juan until it went bankrupt in 2002 and the management embezzled member-farmers’ funds. Since then, she has been reluctant to join a co-op. In her words:

*No me parece. Ellos se empoderan y se hacen viciosos. Prefiero no meterme. Es suficiente vender al Pelón. He asistido talleres y programas para mejorar el rendimiento, pero es mejor trabajar solo. No pierdes tiempo en reuniones y ganas igual.* (It is not for me. They [cooperative administration] gain power and get greedy. I’d rather not get involved. It’s good enough to sell to the Pelón [“The Bald Guy” – a local coffee broker]. I’ve been to workshops and crop yield improvement programs, but it’s better to work alone. You don’t waste time in meetings and you earn the same.)

This sector of the coffee economy is the most fragile and the most difficult to organize into cooperatives. Most small-scale coffee producers are not organized and work independently instead of seeking specialty production and added-value status. It is difficult to convince small farmers that organized production will improve their bottom line. Many of these farmers may distrust institutions, companies, and state agencies because of the legacy of deceit and marginalization stemming from the conquest and colonial era and extending into the present.

Small-scale producers rarely supply most of the coffee for export to particular markets. In the case of Fair Trade certified exports, at least half of the coffee must come from farms of five *manzanas* or less. In other cases of certification, however, there is no expectation about the size of farms that supply crops for export. The reasons that small farmers rarely produce enough exportable coffee to fulfill estimated amounts are numerous. First, it has been difficult historically to organize disparate and disconnected small farmers for the purpose of producing coffee with uniform qualities and characteristics. Second, farmers will fall short of estimated yields should they not invest in manually fertilizing and managing pests during the off-season. Therefore, many
farmers who receive pre-harvest finance may not channel funds back onto the farm tend to fall short.

International market demands dictate what kind of coffee earns the most money. Increasing concern for farmers’ well-being has spurred the growth in certified coffees that address various social and ecological issues. Nevertheless, although small farmers may be numerous in Nicaragua, they are not the ones who move the national industry along. This relates back to one of my main points, that traditional structures that existed prior to the introduction of alternative development schemes have deeply affected the development trends that aimed to level the playing field. In plain terms, the poorest farmers attract development funds but the larger farmers make the most use of them.

In many cases, larger farmers reap greater benefits from social and economic development programs. In the case of water filtration ponds for treating the runoff from washing the coffee beans, for example, larger-scale farmers can outsource builders and laborers to implement this procedure for water conservation. Smaller-scale farmers must do the work themselves, thereby sacrificing time they could be spending in the plantation; if that is not feasible, they must disregard this aspect of organic production.

Another example is that of the social premium surcharge offered through the sale of Fair Trade certified coffee. Fair Trade standards, as set by the Fairtrade Labeling Organization (FLO), require that at least half of a container\(^{50}\) of coffee be from small-scale growers of five manzanas or less. The social premium funds are managed by the farmer-owned cooperative, and the co-op delegation votes on how to distribute those funds. After the harvest, the co-op will meet to vote on the use of those funds. In the

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\(^{50}\) A full-size shipping container or ‘shipment’ contains 46,000 pounds of green (unroasted) coffee.
UCA-San Juan, of which Danilo’s group is a member, the cooperative general assembly made up of delegates from member organizations votes on the expenditure of social premiums. As I show in Chapter Seven, even though the more affluent farmers represent a minority of the co-op numerically, they are overrepresented in the general assembly of the UCA-San Juan and of most San Juan co-ops. The poorer farmers cannot afford to attend meetings because they would have to pay somebody else to do their work. This systemic issue results in the larger farmers having a controlling stake in how social premium funds are spent. When affluent farmers ally with small-scale producers for Fair Trade marketing, it is the affluent farmer who stands to gain from the relationship.

By implication, development trends, such as organic production or Fair Trade marketing, might experience more success and acceptance if they were applied in accordance with the local social structures that have existed in San Juan del Río Coco for generations. For example, Procaoc has two medium-scale farmer-members who drive much of the base-level cooperative’s decisions. They are Danilo González, who farms on 13 manzanas, and Reinaldo Moreno, who grows on 49 manzanas. These two farmers account for a major portion of Procaoc’s export and draw upon much of the cooperative’s preharvest financing. Both Danilo and Reinaldo reinvest significantly into their respective farms’ production and experience abundant yields as a result. As noted above, although the smaller-scale, poorer farmers tend to attract development programs and financial support, the larger farmers tend to supply a major portion of market demands.

Reinaldo and Danilo were organized under the CLUSA program, from 1998 to 2004, to farm organically and to produce exclusively high-quality coffee. Both were finalists in the Cup of Excellence Awards, given by the International Cup of Excellence
award committee, in 2003 and 2004. Procaoc’s high-quality and dependable established its good reputation among exporters, like Atlantic S.A. and its general manager, Don Gonzalo. As a result, Atlantic S.A. offered Procaoc lower interest rates for preharvest financing than it did for other grower organizations.

When I first met Danilo, he marketed his coffee through Corcasan. He was also part of the Clusa project from 1997 to 2003. As mentioned, Clusa formed a loose association of growers in and around the San Juan region known as APPCO, Asociación de Pequenõs Productores de Café Orgánico. Danilo was voted as the first president of APPCO. Danilo decided to separate his group from Corcasan after the disagreement in 2003 over the Cup of Excellence coffee submission. APPCO spent an entire year operating independently. Danilo was responsible for all of the administrative and logistical duties for 87 small farmers.

The 2003-2004 season proved to be a difficult one for Danilo. He was struggling to sell the APPCO group’s harvest. He made phone calls to me in New Mexico to ask if I knew of any potential buyers for certified organic coffee. I made contact with known North American buyers and roasters of organic coffee with no success. Eventually, Danilo was able to sell the harvest through Atlantic S. A.. He was proud to have successfully marketed APPCO’s coffee while managing his own farm and securing credit “para que pudieran trabajar los productores. (So that the farmers could work).”

Prior to the following harvest season Danilo called a general assembly of the APPCO to discuss their procedures for the upcoming year. Danilo had already been advised by Atlantic S.A. to join forces with another exporting entity in order to lower costs and expenses. He claimed that Don Gonzalo, the export manager of the regional
Atlantic S.A. office in Ocotal, recommended that APPCO join the UCA. In that general assembly meeting, APPCO voted to co-operate with the UCA and to change their name to Procaoc, *Productores de Café Orgánico Certificado*.

Danilo managed to obtain pre-harvest funds and export two seasons harvests through Atlantic S.A. for Procaoc. Prior to the 2003–2004 harvest, Atlantic S.A. informed Danilo that preharvest financing would not be available in time for farmers to pay for their *labores culturales* (cultivation practices), such as pruning, pest control, weeding, and other activities that help to maximize yields. Danilo and Reinaldo decided to mortgage their property to the Fondo de Desarrollo Local (Local Development Fund) bank in order to get cash to loan to their member-farmers. In Reinaldo’s words,

*No había de otra. Si no le damos plata los productores no trabajan sus fincas y después quedamos mal con los con la exportadora. Era mejor arriesgar nuestras fincas para proteger el mercado con la inversion en la producción total que arriesgar perder el mercado.* (There wasn’t any other way. If we didn’t give the farmers money, they wouldn’t work their farms, and then we look bad to the exporters. We’d rather risk our farms to protect this market with investment in our total production than risk losing this market).

I interacted with many medium-scale farmers in San Juan del Río Coco. Most of them were actively involved on their plantations, but they tended to have other revenue sources as well. Reinaldo complements his coffee production with livestock, hens, and a family-owned corner store. Most medium-scale growers had several other revenue sources, sent their children to college in the city, owned vehicles, and employed a full-

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51 *Labores culturales* (cultivation practices) are the off-season tasks that help to ensure higher yields and healthier plants. Cultivation practices are the plantation management activities of pruning, topping, and renovating plants, as well as weeding, fertilizing, pest control, and nutrient application. Small-scale coffee farmers typically do not have access to funds to pay for the labor and material inputs to conduct these important activities. Preharvest finance is a way for exporters to contractually obligate farmers to provide them with sufficient yields to satisfy the exporters’ demand as well as help farmers to invest in their production during the growing season.
time farm staff. Danilo, on the other hand, is fully dependent on his coffee plantation for income.

Although technically within the definition of a medium-scale grower, Danilo lives modestly in comparison to Don Marcos Lagos of UCA, or Heberto Rivas of UCPCO, or Salvador Ortez of Corcasan, all of whom have traveled abroad and sent their children to renowned universities. Danilo’s youngest son, Everst, was the first in his family to attend (and graduate from) the university in Managua. Danilo never expressed any dissatisfaction with his socioeconomic class. In fact, he proudly boasts that his yield per manzana is higher than most farms with three to four times as much land.

“No importa el área sembrado, es el rendimiento por manzana y la cantidad de cargas,” Danilo claims. “Eso indica cuanto mano de obra le has metido en la finca y cuanto puede ganar en la exportación (It doesn’t matter how much area you have planted, it’s the yield per manzana and the amount of loads. That shows how much work you invested in your farm and how much you could gain from export).”

“Medium-scale” derives from an arbitrary assumption that parcel size translates to socioeconomic class. According to my observations, all farmer-owned cooperatives in San Juan del Río Coco had a significant medium-scale membership. UCA, UCPCO, and Corcasan have many medium-scale member-farmers who rely on sharing expenses for heavy transport, processing, and so on. Unlike the large-scale farmers who have exclusive contracts with direct buyers, in order to negotiated better prices, medium-scale farmers must market their coffee collectively.

Many of the large-scale producers in Las Segovias existed prior to the Sandinista Revolution, and many others accumulated their holdings as a result of the land
redistribution during the Revolution. Of the large-scale farmers in San Juan del Río Coco, I only knew a few personally. Moreover, I never achieved a close personal relationship with them because I spent most of my time with small-scale and medium-scale growers.

There were no large-scale growers in Las Grietas, but two well-known growers, Francisco Buitrago from Finca La Gloria and Ernesto Valle from Hacienda Santa Elena, employed many Las Grietas residents on their nearby farms. Latifundios are no longer common in the Río Coco valley. The large tracts of land were divided during the Sandinista Revolution, and the government now prevents single owners from owning more than 1,000 manzanas. Immense plantations continue to exist near Matagalpa, in the region of El Tuma–La Dalia, but in they are uncommon in Las Segovias.52

Francisco Buitrago, or Chico as he is commonly referred to, farms nearly 500 manzanas in the Bálsmo Valley, just north of Las Grietas and San Juan. The Buitrago family has farmed the same estate, Finca La Gloria, for several generations. According to Adrian González, who owns a small parcel adjacent to Chico Buitrago’s estate, the Buitrago family obtained their holdings during the latifundio period in the late 1800s and early 1900s. Their land was not confiscated during the Sandinista rule, and they have maintained consistent export production over the years.

The path to Adrian’s mountaintop parcel runs along a stretch of farmland known as “Los Setenta Pesos” (Seventy Pesos). Adrian and I often commented on it as we passed this section of the Buitrago estate because it is reminiscent of the way capitalists

52 This could be a question of access. Large-scale operations need infrastructure for their high numbers of employees and heavy machinery. The militarization of Las Segovias may have influenced land ownership as well. Most of the mountains surrounding San Juan del Río Coco contained minefields. Contras and subsequent armed bands roamed through this region. These are all casual explanations that sanjuaneños gave for the absence of immense tracts in the Río Coco valley.
were able to accumulate large tracts and manipulate class differences. “Se aprovecharon de la ignorancia del pobre (They took advantage of the poor man’s ignorance),” as Adrian put it.

The story as Adrian explained was that this small parcel once belonged to a humble farmer. The land abutted the Buitrago estate. At that time, probably when Francisco’s grandfather oversaw the operations, the Buitragos either had a company store or would sell various sundries to the neighboring farmers. The unnamed previous owner of this small parcel had run up his account with the Buitrago family. Although his debt was only seventy pesos, los setenta pesos, he agreed to pay it off with the land that he owned. The Buitragos obtained title to the land by taking advantage of the poor man’s ignorance regarding the value of his land. According to Adrian, the poor man was allowed to live out his days on this land, but his heirs were not given access.

This anecdote is indicative of the way educated and affluent classes have manipulated the peasantry for land, natural resources, and labor throughout Nicaragua’s colonialist and modern history. Just as telling is the fact that Adrian and I made note of it each time we passed los setenta pesos. It became a landmark as well as a reminder of campesino oppression at the hands of elites.

The Buitrago family is well regarded in San Juan. As do most large-scale farmers, they have a house in the city (Estelí, Managua, or both) and at least one house on the coast or even in Miami. Chico speaks fluent English and sends his children to study in the United States. His estate house is equipped with state-of-the-art multimedia components, a flat-screen TV, and satellite television service.
The Buitrago estate, Finca La Gloria, employs so many people that it supports a small nearby community known as Bálsamo–La Gloria. The entrance is a promenade lined with large trees. The farm has paved roadways and well-defined and fenced borders. People even spoke of a swimming pool on the property, but I imagine that it was a retention pool for coffee washing where people would bathe.

Since 2001, Chico Buitrago has been producing certified organic coffee. He suffered major losses when coffee prices fell dramatically and was unable to repay his preharvest financing. He decided to convert to organic production in response to the fickle nature of the conventional coffee market.

One afternoon during the off-season, while Danilo and I were returning home from the far end of his farm, we discussed the Buitrago family and their role in the community. Danilo explained the dynamic of large-scale production and the impact they have on the financial system.

Son los grandes [productores] que quiebran el sistema. Si aceptan mucho financiamiento y pierden la cosecha o los valores se caen, quiebran el banco. Lo frustrante es que ellos son los que ganan mas que todos, tienen toda la maquinaria para sacar provecho, pero cuando quedan mal con la financiera, somos nosotros que tenemos que repagar la deuda con nuestros intereses altos (It’s the big ones [producers] that bankrupt the system. If they accept a lot of financing and lose their crop, or the prices drop, they ruin the bank. What’s frustrating is that they stand to earn the most, they have all the machinery to make a profit, but if they default the financiers, we are the ones who pay off the debt with our high interest rates).

**Conclusion**

The data I obtained from surveys and interviews supports the claim that organic farming instills values of community cohesion, interdependence across social classes, and respect for workers’ welfare. The relationship that small-scale, organic farmers develop with the
natural resources, to conserve, protect, and respect them, translates into the relationship farmers have with their laborers, at least in the case of Las Grietas.

As discussed in Chapter Two, government owned coffee plantations were privatized after the electoral loss of the Sandinistas. The *Areas Propiedades del Pueblo*, or APPs, were sold and title to the *Cooperativas Agropecuarias Sandinistas*, or CAS, went to the co-op members, who, in many cases, elected to divide their shares and sell their own individual land parcels. In most of the Nicaraguan coffee sector, once state-owned farmers were privatized and affluent farmers could purchase foreclosed farms and expand productive potential. Meanwhile, smaller or less affluent farmers struggle to endure price lows of and natural disasters of the late 1990s. As will be show in the next two chapters, medium and small farmers, like Danilo and his brother Adrian, benefitted from combining their efforts. They needed to organize to gain access to high value and specialty export markets. In the following chapters, I explain how farmers across class lines struggle to cooperate on issues of maintaining estimated yields, premium quality, and secure credit through certifying as organic and participating in democratically-elected, farmer-owned co-ops.
High-quality coffee will always draw a higher price and satisfy a consistent demand, whether produced organically or conventionally. Coffee plants require soils with high nitrogen content for an abundant harvest. In order to achieve this goal, conventional farmers apply synthetic urea to their plants. In contrast, organic farmers add elaborate blends of fermented manures and composted organic matter to amend the soil with nitrogen. Organic farmers apply these blends in diluted solutions or bury them directly at the base of each coffee plant.

Most small farms in Las Segovias are organic but are not certified organic. Economic development that encourages organic production as the ideal approach for small-scale farmers also promotes financial literacy and responsibility, women’s rights, labor rights, and fair pay for farmworkers. Even though organic coffee farmers obtain a smaller average yield because their natural fertilizers are less potent than synthetic ones, their plantations are not dependent on costly, petroleum-based inputs, and neither are they.

The organic production model results in fewer chemicals and thus less contamination. It also creates more jobs because growers are able to rely on more stable markets. Ultimately, as my research shows, it allows for local adaptations to existing models that incorporate regional resources and traditional practice in order to build on a local base of knowledge. The end result is a truly Segovian approach to organic coffee production.
The growers share a collective responsibility in upholding organic and quality standards as well as community credits. Financing production is intrinsically connected to the stability of markets based on high-quality crops and organic certification. Small farmer groups must work together to obtain and maintain organic certification, implement conservation methods to protect habitat, soil, and water sources, and manage pre-harvest financing for the coming harvest. The section is a review of how San Juaneño farmers adapt these new technologies and practices to local standards.

The Coffee Production Cycle: A Perennial Process

The coffee harvest lasts about three to four months in Nicaragua, typically from early December through March. The farms of San Juan del Río Coco range from 800 to more than 1,200 meters above sea level. The remote and inaccessible terrains of the Segovias are ideal for quality coffee production. Arabica varieties thrive in the damp cloud forests of highland Nicaragua. The volcanic soils and cool climate favor specialty varieties such as Caturra, Catuai, Borbón, and Maragogipe. Arabica grows best in intermittent shade, so shade-grown coffee programs combine well with reforestation and soil conservation efforts.

Coffee plants at lower altitudes with warmer climates ripen earlier than those in higher altitude, colder farms. The Carazo Plateau, near the Pacific coast, is about 300 meters above sea level and is ideal for Robusta coffee varieties that prefer warmer climes and full sun exposure. Robusta is more industrialized than Arabica. It is typically planted

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53 Community Credit, or Crédito comunitario or solidario (solidarity) is a shared form of pre-harvest finance that is distributed to an group of farmers. These farmers cooperate to repay the credit as a group, but should they not, they have to impose penalties or controls internally. This approach is design after the Grameen Bank’s model for group microlending.
in flat areas accessible by trucks and other farm machinery. The Arabica harvest is transported from the plantations by hand or by mule to then be loaded on a tractor trailer at the co-op for shipment to the dry processing mill (*beneficio seco*).

Segovian farmers select Arabica varieties for the weight and size of the fruit, and for plant durability. The *Borbón* variety of Arabica has been predominant in this region for several generations. The *Borbón* plant grows tall, not bushy, and produces a medium-size fruit and seed. It is a hardy plant that has adapted to this region well. Other varieties, such as *Caturra* and *Catuaí*, have recently become more prevalent because they are shorter and bushier and produce larger and denser coffee beans. According to local farmers, these varieties are hybrids that have adapted to the region over the years.

Nicaragua’s Segovian coffee varietals are valued as among the finest coffees in the world. Coffee, similar to wine, exhibits specific characteristics based on the region where it is grown. General plant health and methods of processing also affect the quality of the coffee, but farmers must attend to the varieties that provide the most vigor and highest yield given the particular conditions of the farm.

*Caturra* and *Catuaí* are the most prominent varieties in Las Greitas. *Borbón* is still common, but some people regard it as a remnant from previous generations of farmers. For example, Danilo’s son Bismark acquired a five *manzana* parcel in the community of La Dalia that was mainly sown in mature *Borbón* coffee plants. Bismark’s plan was to continue harvesting the *Borbón* plants until their productivity declined, at which point he would replant with the varieties of *Caturra* and *Catuaí* he prefers. He also plans to introduce a very valuable variety, *Maragogipe* or *Paca*, which produces a very large bean and always has a high market value. Unfortunately, according to Bismark and
Danilo, *Maragojipe* does not thrive organically. It is a hybrid variety developed to maximize yields and quality. For that reason, it needs chemical additives in order to produce a worthwhile yield. Therefore, *Maragojipe* will not enter into the export sale that Danilo will market through the UCA cooperative. Instead, it will be sold to the brokers, *coyotes*, on the street.⁵⁴

Farmers make two or three passes through their plantation during the harvest, collecting the coffee cherries by hand. The last pass is the *pepena*, which means to grab every last coffee cherry, ripe or not. The ripe cherries are for export and the green berries will be kept for the local market or for family consumption. Café Soluble S.A. is the manufacturer of Café Presto, the most common instant coffee brand in Nicaragua. They purchase most of the seconds and unripe beans that end up on the market.

Danilo, whose farm is at 800 meters elevation, usually finishes harvesting by the end of January. In contrast, his brother Adrian harvests through March on his farm at 1,200 meters elevation. After the harvest is complete, the plants are given time to recuperate from all of the manipulation they endure during the busy harvest months. At this stage, farmers are busy securing financing for off-season (non-harvest) labor and making preparations for off-season tasks.

Each farmer addresses the needs of the land differently. Some farmers are more diligent and hardworking than others and reinvest time and resources into their farm production. Danilo engages in financing discussions with Atlantic S.A., the international exporter, in March. He is responsible for obtaining funds for his Procaoc base-level

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⁵⁴ This aspect of variety selection is indicative of what it means to be a savvy and entrepreneurial farmer. Even though Danilo is a certified organic producer, he is willing to experiment with other valuable varieties. He is also careful not to risk his organic certification; conventional practices are restricted to his son’s parcel.
cooperative. He also obtains a favorable interest rate since his group has had consistently high yields and good quality harvests. Danilo arranges financing for his growers’ group at a better interest rate than the rest of the cooperative receives.

Farmers begin to obtain fertilizers and soil conditioners in April and May. They also send workers into the fields at this time to prune drying sections of coffee plants, trim overgrown sections of shade trees and banana plants, and clear weeds from the plantation floor. Many farmers establish a plant nursery at this point too. They germinate dried coffee beans in one-liter plastic bags filled with topsoil in a section of their land where plants are old and less productive. Because it takes a couple of years before the seedlings can be transplanted, farmers develop their seedling nurseries in advance of renovating the fields.

May, when the early rains arrive, is also when the coffee plants begin to blossom. The blooms emit a sweet, citrusy scent but soon fall to the ground. Danilo claims to have plants that have bloomed up to four times in a single year. I asked him as we walked through the fragrant fields of plants with their fluffy white branches how the flowering affects the harvest. He responded, “Lo más que florecen la plantas, lo más que producen cafe (The more they flower, the more [coffee] they produce).”

June and July mark the full-on rainy season. This is an ideal time to begin foliar fertilizing and applying fertilizers to the bases of the plants.\textsuperscript{55} The rain helps the plants absorb the fertilizers and additives; application of fertilizer during the dry months burns the plants.

\textsuperscript{55} Foliar fertilization means to apply a solution directly to the leaves of the plant. Farmers use a spray pump to apply the solutions. Application of foliar herbicides, pesticides, and repellents is common in conventional practice as well.
In August and September, farmers focus on plantation maintenance. The plants are producing fruit at this point. Many farms must address the *broca de café* (coffee borer) insect, which bores into the bottom of unripe coffee cherries and lays its eggs. The tiny larvae eat the coffee seed as it matures, damaging the coffee bean, lowering exportable yield, and lessening the overall quality. Thus, farmers are encouraged to set *broca* traps, spray insecticide, or inspect and then manually remove affected cherries. The *broca* is a major plague that has infested coffee plantations throughout the world.

During the period leading up to the harvest farmers must also concern themselves with additional pre-harvest financing in order to obtain and compensate coffee pickers. This is also an ideal time for farmers to conduct routine maintenance to their farm machinery, processing mills, water sources, and filtration pools. By October and November farmers will have pruned, fertilized, weeded, and renovated their fields. Danilo’s farmworkers focus on clearing terraces and pathways along the coffee rows to ease the access for the pickers.

The harvest in San Juan del Río Coco begins in December, when Danilo instructed his workers to pick the few cherries that had ripened before the large wave of pickers arrived. Danilo explained, “*Es que hay que cortar el primerito café maduro por que se pierde si no. Además, el fruto maduro se pudre y le afecta la calidad de los otros* (You have to pick the early ripe fruit or else you lose it. Further, the ripe fruit can spoil...*)

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56 The coffee borer is an invasive insect that originated in equatorial Africa. The earliest reports are from Gabon in the late 1800s. It was first documented in the Americas in São Paolo, Brazil, in 1924. It did not arrive in Central America until the 1970s.

57 To clarify, the depulper is a cylindrical machine that removes and separates coffee pulp from the beans. The wet processing mill, or *beneficio húmedo*, operates with all the harvested cherries passing the a depulper.
the quality of the others).” Since there are only a few cherries per plant at this stage, a few workers can cover Danilo’s entire thirteen manzanas in a week.

The intensive harvest occurs in three stages. That is, pickers pass through the entire parcel three times before conducting the final pepena (as previously defined) to gather all remaining cherries. Danilo feels that three passes is sufficient given that the money he has to pay the pickers and the time he can spend on harvesting are limited. “La uva se madura más rápido después de la primera pasada de los cortadores (The cherry ripens faster after the pickers’ first pass), Danilo claims. “Parece que la planta le da energía a las uvas verdes cuando ya no tiene las maduras (It seems that the plant gives more energy to the green fruit once the ripe ones are gone).” This was not something that he was taught by agronomists; rather it was the way his father had harvested coffee. “Así lo hizo Don Amado, se dio cuenta que cortar le acelera el paso de maduración (That’s the way Don Amado [Danilo’s father] did it; he noticed that harvesting sped up the ripening pace),” Danilo added.

Picking coffee is both an arduous and a skilled task. Coffee pickers must take care not to harm the plant or the unripe fruit while individually selecting the rojito or red cherry at its peak ripeness. Las Grietas farmers hire coffee pickers from the local community. Students are out of school during the harvest so teenage workers are available. Some parents will bring their children along if they lack adequate childcare. Coffee pickers who work in Fair Trade certified operations earned ten córdobas per lata (can) of picked coffee in the 2005–2006 season. This is equivalent to US$ 0.45 per five-
gallon bucket of coffee cherries, approximately 25 pounds. The best pickers on Danilo’s farm picked about 12–15 latas in a day.

Several factors affect the workers’ ability to pick rapidly, including the terrain and slope. The climate also affects one’s ability to pick diligently. A rainy day is more difficult for harvesting, but according to Danilo the rain will cause ripe uvas to ferment on the vine, so everyone has to work harder.

Pickers enter the field at 6:00 a.m. and work until 3:00 p.m. They tie a woven basket around their waist and carry a woven plastic sack into which they empty the basket. Pickers wear long sleeves, long pants, hats, and sweaters in the cold of the morning. I was ill-prepared for my first experience picking coffee on Danilo’s farm in January 2002; I stood on a nest of fire ants. Danilo even came to the field to see if I was all right. He asked to see the bites on my legs.

“Eso es trabajar en una finca orgánica, no podemos envenenar a los animalitos y por eso tenemos que aguantarlas consecuencias (That’s what it’s like working on an organic farm; we can’t poison the insects and that’s why we have to suffer the consequences),” Danilo chuckled. He did not seem remorseful even though I was obviously shaken up. Danilo then demonstrated how he and his workers tuck their pant legs into their socks and boots. My outdoor outfitter clothes gave me no advantage over the workers’ blue jeans tucked into rubber boots. This was true participant observation, and I got a real feel for organic coffee farming that day. Many people still recall that event; even folks I haven’t met know that story about me. Danilo’s family and I still laugh about it to this day.
Coffee pickers bring their coffee to the beneficio húmedo (wet mill) at the end of the day for counting and depulping. Bismarck or Eliazar keeps count of how many latas each worker picked. The farmer pays the workers each Saturday for the total number of latas picked that week. The farmer depulps the coffee cherries that have been picked that day every afternoon during the harvest season. The depulping machine, some cranked by hand and others mechanized, scrapes the pulp from the grano (seed). The seeds are allowed to ferment overnight, for about 14–16 hours, until their mucilaginous coating becomes gluey and the granos stick together. Someone plunges a stick into the pile of fermenting coffee and then removes it; the coffee is ready when the hole made by the stick remains intact. After fermentation is complete, the farmers pour fresh water over the coffee and let it run down a long, narrow canal. The canal is dammed at the end to retain the coffee but release the water. Undesirable coffee floats to the top and runs off with the rinse. The good, exportable coffee sinks. The coffee is sufficiently rinsed when it makes a scratching sound, like fine sandpaper, when rubbed together.

Farmers take a loss in productive yield when they produce organically. An input-heavy conventional coffee operation will typically yield between 25 to 35 quintals of café oro exportable (green exportable coffee) per manzana. An organic coffee operation, with wholesale investment in organic fertilizers, shade regulation, and manual pest and illness control, will yield between 10 and 15 quintals of café oro exportable. There is no standard rate for converting yields of harvested coffee cherries to processed café oro (green coffee). According to my data on Las Grietas farms, the ratio of harvest cherries to oro varied from 5:1 to 3:1 depending on bean size and density as well as the amount of damage from broca (coffee borer) or plant illness. On Danilo’s farm, for example, in a
section with smaller *Catuai* plants the ratio is about 5:1. Another tract with a larger, denser variety, *Catimor*, has a much better ratio of almost 2:1.

On December 6, 2005, a harvest day at Danilo’s El Consuelo farm, I helped Danilo document his yields. Danilo paid eight coffee pickers 10 córdobas per 25-lb *lata* (bucket) of harvested coffee. They picked from 6:00 a.m. to 3:00 p.m. and harvested a total of 82 *latas*, or 2,050 lbs of coffee cherries. Once depulped and fermented overnight for about 14–16 hours, the coffee is washed in a cement-lined canal with fresh water. The poorer-quality coffee floats to the top of the washing canal and is set aside for sale as coffee seconds. The premium coffee sinks to the bottom of the 30-ft canal as workers sift the pale green beans with long *palas* (flat wooden shovels). This coffee is then swept up and spread on drying racks in the sun. After hand-selecting the defects and poorly depulped beans, this harvest yielded 4 quintals, or 400 lbs, of *café pergamino oreado* (sun-dried parchment coffee), about a 5:1 ratio. That day’s section of harvest had a lot of poor-quality beans. It should have yielded 200 lbs, or 2 quintals, of *café oro exportable*. However, there is no guarantee that all of it will be sold in the better-paying organic and Fair Trade coffee markets.

The farmers dry their depulped coffee beans to 48% moisture content before transporting it to the co-op. *Café pergamino* (coffee in parchment, or unthreshed) is quantified as a *carga* (load). A *carga* is 200 lbs, or 2 quintals, of *café pergamino oreado* (air-dried parchment coffee). The cooperative maintains records of the weight of *café pergamino oreado* for each farmer. Once patio-dried to 12% moisture content and then threshed, it loses half its weight; thus the *carga* becomes 100 lbs. The dried *café en
pergamino is then threshed and sorted. It is at this point that the exportable yield is determined.

Many small farmers, such as Adrian González and Santos Justino González, have rudimentary depulping setups. Adrian depulped into a plastic bucket and washed his coffee in a long, narrow wooden box. He has a free-standing depulping machine. Santos built a rustic structure with a funnel-shaped bin that directs the uvas into the depulping machine. Both Adrian and Santos depulp by hand. Danilo is the only farmer in Las Grietas who uses a motor to power his despulpadora.59

Before development funds became available to small-scale coffee producers, most Las Grietas coffee growers sold their coffee as intact fruit at significantly lower prices. Some would pay other farmers to depulp the beans for them. Farmers earn more profits when they control the post-harvest handling. Thus, a major focus of empowering farmers is to equip them with adequate infrastructure to process their harvest.

The last step during the harvest is to dry the beans and pick out the imperfect ones. Farmers in Las Greitas have benefitted from development projects funded through the Inter American Development Bank and the Nicaraguan Instituto de Desarrollo Rural (Rural Development Institute) that distributed wire mesh drying boxes. The washed coffee is placed in these shallow, rectangular boxes and set out to dry in the sun. Farmers and family members sift through the boxes by hand to remove unwanted beans. They also use a wooden pala (shovel) to move the wet coffee around to allow for balanced drying. Farmers determine the proper dryness by the appearance, smell, and touch of the coffee.

59 La despulpadora (the depulper) removes the skin and mucilaginous pulp from the coffee bean. The ripe coffee cherries pass over a horizontal steel cylinder with sharp teeth that spins as the machine is cranked manually or with a motor. Quality Arabica coffee should be depulped the same day it is picked to maintain coffee quality.
The beans turn from a pale green to a lighter tan. It is a subtle distinction, especially to untrained eyes, but after time I too could tell when the coffee was dry enough to take to the coop.

Many tradicional growers dry their coffee on black plastic tarps. During the harvest the sidewalks and curbsides in San Juan are covered with coffee drying on black plastic. This practice is discouraged for specialty export production because the lack of airflow affects the taste. The plastic leaves a moldy, or mildewed, scent on the coffee.

Another important element that farmers must consider is transporting their coffee to the place that markets the coffee, whether the cooperative, an exporter, or a coyote (broker). Farmers assume the cost of transport to their coop. In addition, exporters deduct the cost of shipping, insurance, and storage from the amount paid to the farmers.

Quality control begins months or years prior to harvesting cherries from the plant. Farmers must attend to the productivity of their plants by regulating shade, amending soil, controlling plant illness, and reducing damage to plant tissue. They must train and compensate skilled coffee-pickers to select only uvas at their peak ripeness (Figure 3)—“solo el rojito (only the little red ones),” as coffee manuals state. Picking overripe or green uvas will affect overall quality. Through coffee cupping, farmers can acquire a

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60 Tradicional refers to a grower who uses neither conventional nor organic methods. Usually, they do not employ any technologies to increase yield or mitigate pests or disease. Some may have acquired land already planted in coffee. These growers tend to harvest whatever they can and sell it on the street.

61 Cupping, or catación, is a process in which the appearance of green coffee is evaluated prior to roasting. The cupper then roasts, grinds, and brews a batch, or batches, and conducts a ritual of quaffing, slurping, and spitting in order to rate the characteristics of each batch. Similar to wine tasting, coffee cupping provides exporters and buyers a scale with which to evaluate the value and merit of coffee varieties and regions of production.
Figure 3. Coffee cherries at various stages of ripeness.

taste for quality coffee as well as an eye for the factors that will optimize their chances of producing a high-quality product.

The international community has invested millions in development dollars to equip small farmers with the knowledge and infrastructure to supply the growing demand for quality coffee. According to Paul Katzeff of Thanksgiving Coffee Company in Ft. Bragg, CA, producing high-quality, specialty coffee is the most viable approach to sustainably farming coffee. In Katzeff’s view, the market for quality beans will exist independent of the smaller, social and environmentally driven markets for Fair Trade, certified organic, bird friendly, and similar coffees (Ellison 2004). Certifications from the
Rainforest Alliance and the Audubon Society are the only special distinction of which I am aware for farmers who also work to preserve natural resources and wildlife habitat.

Organic coffee and conventional coffee score the same in terms of flavor, aroma, fragrance, and aftertaste in the grading system used by quality coffee buyers. The only difference is that organic production uses chemical-free fertilizers and pesticides. The soil additives must be made on-site and are more labor-intensive to prepare and also have less potency than conventional products, such as synthetic urea. Based on my experience in San Juan del Río Coco, the real benefit for organic growers is the autonomy from chemical inputs in order to obtain a profitable yield.

On several occasions, I attended coffee cupping workshops with small-scale farmers who were involved in the CLUSA (Cooperative League of the United States of America) training program. CLUSA had hired Donald Cuadra, a coffee farmer and trained cupper from San Fernando, Nueva Segovia, to conduct the workshops. Donald is tall with a slight mustache and a robust build. He is gregarious and has a good rapport with all types of coffee farmers. He is not an organic coffee farmer, but he acknowledges the advantages of farming organically for small-scale farmers. His farm of 32 manzanas is located in the highlands above San Fernando. His role was to teach small farmers the benefits of identifying the taste, aroma, fragrance, and body of coffee.

Donald coordinated demonstrations for farmers. At one event in San Juan, Donald whispered to me, “Estos productores beben la brosa, por eso prefieren el café de baja calidad. No saben lo que es un buen café. No les gusta (These farmers drink the bad stuff; that’s why they prefer low-quality coffee. They don’t know what good coffee is. They don’t like it).” In my experience, Donald’s assertion was accurate. Farmers tended
to indicate their preference for lower-grade coffee at these workshops. Most farmers are unfamiliar with the quality and value of the coffee that they are producing and, in turn, are unaware of the methods that they could employ to ensure higher average scores for their harvests.

As noted above, quality control extends far beyond the day of harvest. The processes of depulping, fermenting, washing, and drying all involve identifying and rejecting damaged, unripe, or “imperfect” coffee beans (Figures 4–9). Once the beans are delivered to the co-op for further drying and shipping, farmers must rely on the beneficio seco (dry mill) operators to maintain coffee quality. The beneficio must take care not to mix batches of coffee or to contaminate them by allowing close contact with chemicals, cleansers, gasoline, or other substances that can alter the final flavor.

Figure 4. Coffee pickers sorting cherries at the end of the day.
Historically, small farmers in San Juan did not depulp or wash their own coffee. According to Danilo, “Solo se entregaba al beneficio en uva, no había nada de estos procesos en la mera finca. Se cortaba y se vendía en uva al comprador” (You just turned the coffee into the mill in the pulp. There were none of these on-site processes. You picked and you sold the fruit to the buyer).” Danilo and his brothers grew up working on their family’s coffee farm. They recall a time when a few affluent coffee buyers, or coyotes (brokers), would process the coffee uva (cherry) right after the harvest, paying the farmer only a fraction of the overall value of export-quality coffee. As Don Amado stated, “Te pagaban una miseria porque el café le faltaba el despulpado. Te podían...
Figure 7. Washing coffee after fermentation.

Figure 8. Filtration and seepage pools for runoff from washing coffee.

Figure 9. Drying and final selection of washed coffee beans.
engañar facilmente (They [the broker] paid a pittance because the coffee wasn’t
depulped. They could cheat you easily).”

The farmers of Las Grietas noted little difference between how the coffee
oligarchs took advantage of poor, rural farmers in the distant past and the way the
Sandinista government operated in San Juan del Rio Coco in the 1980s. Essentially, in
Las Grietas farmer Don Amado’s words, “El gobierno revolucionario se hizo un gran
coyote. No había como empoderarse si cada quién entregaba a un solo sitio y recibía lo
que le diera (The revolutionary government became a big broker. No one was
empowered by submitting coffee to a single buyer who paid whatever it wanted).” The
government mills purchased and processed much as the private brokers had done during
the dictatorship.

Once the Sandinista government lost power, the government-owned coffee
brokerages were privatized and sold to independent operators. A situation similar to the
pre-Sandinista era began to arise. However, the post-Sandinista Nicaraguan countryside
had thousands more independent small-scale coffee farmers than had existed prior to the
Revolution. This fact, combined with the dual blow of the international coffee crisis and
Hurricane Mitch in the late 1990s, spurred international efforts to empower this
vulnerable agrarian sector with on-site quality-control measures through attentive
plantation care and improved post-harvest handling procedures.

I asked about quality production during the latifundio period while visiting Don
Amado as he and his youngest son, Melvin, were washing coffee that had been picked the
day before. He told me:

*Nunca nos importaba el lavado o despulpado. Muchos entregaba en uva. Así era,
el pequeño productor no sabía realmente como procesar el café. Además, como el*
café que bebemos se seca en uva y después se pila así . . . no existía esa cultura de preocuparse por un buen lavado y secado (We never cared about washing or depulping [our coffee]. We sold it in cherries. That’s the way it was; small farmers didn’t really know how to process their coffee. More so, the coffee we drink is dried with the pulp and then peeled like that . . . there was no culture of concerning yourself with good washing and drying).

Don Amado acquired his lands from his patrón, Pedro Molina, and paid off his debts with harvested coffee. This sharecropping arrangement was a common way for smaller farmers to acquire land on which they could grow their own staples—corn and beans—as well as produce for the local market and coffee for export. I then asked,

¿Y cómo fue que Usted consiguió este beneficio húmedo, Don Amado? (How did you get this wet mill, Don Amado?)

Lo puse yo después de recibir una capacitación en como ganar mejor precio con el lavado y secado del café. Eso hace poco, pero si, fue UNAG creo. Me dieron crédito y lo mandé a hacer (I built it here after getting trained on how to earn a better price for washed and dried coffee. It wasn’t long ago, but yes, I think it was UNAG [the National Farmers’ and Ranchers’ Union]. They gave me credit and I had it built).

Even during the Sandinista era of centralized production on immense, state-owned plantations, farmers did not manage the quality of their own coffee production.

The relatively recent effort to provide infrastructure to farmers is in response to the growth in small-scale production after the fall of the revolutionary government. Credit was made available to the farmers by international agencies and private enterprise so they could afford to purchase depulping machines and eventually construct mills with washing canals.

Quality control in post-harvest handling requires a combination of proper equipment, sufficient labor, and timely washing, drying, and delivery of coffee to the cooperative for further transport, drying, threshing, packing, and export. Most small
farmers are not adept at these processes. Even in Las Grietas, despite regional, national, and international efforts to train farmers in practices that will afford them greater returns, a significant portion of small-scale coffee farmers invest the bare minimum to harvest what few coffee beans they can produce after providing their plantation with limited labor or nutrient inputs. These growers then sell their beans cheaply and in the fastest and easiest way possible.

The knowledge and equipment needed to maintain their product’s value and increase its quality are largely not available to the individual small-scale coffee growers who inhabit the remote stretches of Las Segovias. Most farmer-owned cooperatives do, however, participate in programs that offer training and materials to farmers who want to process their coffee cherries on-site and perform other tasks to improve product quality. Co-op members can access these services by paying a fee to sell coffee through their cooperative. Thus, farmers must devote resources and attention to quality control in order to obtain a greater percentage of the export value of their crop and a higher yield overall.

When I first met Adrian González he had just taken out a small loan to purchase a despulpadora. He had already been cultivating coffee on 4.5 manzanas of his father’s land. His decisions to affiliate with a growers’ cooperative and to convert to organic production increased his ability to obtain financing. Adrian would harvest coffee and depulp it on-site. As mentioned, Adrian transports his depulper and the coffee by mule from the farm to his house in Las Grietas. His coffee ferments in a sack until the following morning, when Adrian’s wife, Leyla, rinses the beans and sets them on drying racks in the sun.
On several occasions, I transported Adrian’s dried *café en pergamino* (literally, dried coffee in parchment\(^{62}\)) to the UCA cooperative for transport to export markets. I offered to do this because we had become close with his family, and also because he tended to wait until he had several sacks of *pergamino* before turning the coffee in.

Skimping on transport costs could result in taking too long to dry the coffee. This gives the coffee a moldy (*mojoso*) scent and taste and the co-op warehouse workers would deduct from the value of the moldy lot.

Danilo, on the other hand, has invested in a high-volume *beneficio húmedo* he keeps under a large, two-story roofed structure, as well as a large holding/feeding funnel and cement fermentation tanks and washing canals. He is fortunate to have earned high premiums for his award-winning coffee (more on that below), but he is also very active in his cooperative and takes advantage of any opportunity that developers, buyers, or the state has to offer. In Danilo’s words,

*Este beneficio es un orgullo. Sirve como modelo para los compradores que vienen del extranjero, sirve para los pequeños productores que quisieran mejorar su nivel de producción, sirve para decir que aún en estas regiones el campesino sabe bastante sobre como producir un café de calidad mientras conserva el medio ambiente y los recursos naturales* (I’m proud of this mill. It serves as a model for foreign buyers, for small farmers that want to improve their operations, it says that *even here* [original emphasis] campesinos know how to grow quality coffee while preserving the environment and natural resources.

Coffee is a delicate product. Environmental factors can alter the characteristics of a quality varietal and spoil the taste and the final export value.

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\(^{62}\) Parchment or *pergamino* is the coffee industry term for the dried hull that envelopes the coffee bean once depulped and dried. Coffee is transported in parchment from the farm to the co-op after processing at the on-farm *beneficio húmedo*. It is then transported to warmer climes where the coffee is dried in parchment to 12% humidity. It is stored in parchment until preparation for shipment when it is eventually threshed and the parchment removed leaving the “green bean (*café en oro* in Spanish)” for export.
The International Cup of Excellence awards program is a coffee-quality competition that offers inclusion in a specialty auction that fetches high prices for farmers and their cooperatives.\textsuperscript{63} One challenge is that the participating farmers must submit at least twenty quintals (1 U.S. ton or 907 kg) to the event. This alone is a limiting factor for small-scale producers such as Adrian González, who may only export a total of twenty-five to thirty quintals in an entire season.

The Cup of Excellence is an incentive for those farmers who have sufficient production beyond what they must sell immediately to repay any loans and to support their families. The small farmers of the UCA-San Juan were largely unable to take advantage of the incentives offered through the competition. Danilo is one of the few UCA-San Juan members who has achieved high marks and elevated returns from participation in the Cup of Excellence. He feels that quality control does not depend upon volume of production. Even the smallest producers should be able to benefit from quality competitions that result in high value payouts. On several occasions Danilo expressed frustrations with his fellow cooperative members on the issues of quality control and exportable yields. In his words:

\textit{Es difícil ver algunos que son haraganes y no desean mejorar. Cuidar el café, controlar el cortado, lavado, secado, y acopiado no cuesta tanto. Yo exi\textsuperscript{64}go una cierta calidad en mi finca y saber que muchos en la UCA no se prestan para mejorar la cosecha ni sus vidas en general me arrecha. Ellos bajan la calidad total de todos nuestros cafés. Yo le trabajo duro a mi café, los más pobres no merecen aprovechar si no quieren trabajar sus fincas. (It’s hard to see that some [farmers] are slackers and they don’t want to improve. Caring for your coffee,}

\textsuperscript{63} www.cupofexcellence.org
\textsuperscript{64} Agronomists and development agents describe how much a farmer invests in labor and capital to improve quality and yield with the statement: “\textit{Le trabaja su café} (He works his coffee).” Therefore, “\textit{le trabaja bien su café} (He works his coffee well)” or “\textit{le trabaja mal su café} (he works his coffee poorly)” are statements that quantify the diligence in coffee production of a farmer or farm collective.
controlling the harvest, washing, drying and storage doesn’t take that much. I
demand a level of quality on my farm, and knowing that many UCA farmers
don’t bother to improve their harvests, or their lives in general, pisses me off.
They lower the quality of all of our coffee. I work my coffee hard; the poorest
[farmers] don’t deserve to benefit [from my hard work] if they don’t want to work
their farms).

This attitude reflects many of the difficulties that occur when small-scale farmers’
crops are aggregated to supply larger markets in the global north. While Danilo’s
frustration with the inconsistent work ethics within the UCA is apparent, it also highlights
the inherent imbalance in the distribution of resources, knowledge, and infrastructure that
prevails in economic development schemes (Ferguson 1991; Gupta 1998; Shiva 1996;
Nash 2000). Programs designed to increase production quality tend to favor a certain
class of rural people as well as empower those who are already equipped with the means
to make marked improvements to their lives.

It cannot be assumed that all farmers will embrace the principles of organic and
Fair Trade coffee production simply because of receiving training in these alternative
production practices and attempting to appeal to niche markets. Thus, the perceived
fairness, ecological conservation, and quality standards of small-scale, organic coffee
production programs are not wholly accurate. Also, the symbiotic nature of this form of
underdevelopment65 (Frank 1967) requires an impoverished population of farmers that
appeal to (and depend upon?) the development funding entities, while in actuality it is the
more affluent farmers who are in decision-making roles and reap the majority of benefits
of technical training and support while also selling to secure markets at favorable rates.

65 Underdevelopment is a term used by Frank (1967), Ferguson (1990), and others in
reference to international economic development projects that leave recipient
communities in worse shape and dependent on recurring development efforts.
Organic Farming Responsibilities

In order to succeed as an organic coffee farmer one must be hardworking and highly organized. Organic production requires greater investment in labor hours and the expectation of lower crop yields than non-organic production. Essentially, organic farming takes more physical work for a reduced yield. Higher base prices for organic coffee will offset this reduction in yield, but farmers must work diligently to obtain optimal yields. Some farmers will embrace the holistic benefits to the ecosystem and to one’s community that organic coffee production can offer; others will struggle to adapt to the tedious tasks, meticulous bookkeeping, and long delays before payouts that organic coffee production entails. After the three-year transition to organic, certification brings farmers more market stability and livable prices. This section reviews the cultivation practices, accounting and financing, and niche marketing that organic conversion entails.

Danilo was in transition to organic certification when we first met in 2001. The transition from conventional production takes three years of shifting to labor-intensive and chemical-free agricultural practices, clear and documented labor and harvest records, and efficient management of pre-harvest financing, honoring the commitment to high-quality coffee made to the entities that invested in the farmer through off-season loans.

Decidimos un grupo de nosotros convertir para obtener un mejor precio y un mejor mercado. Este año pudimos colocar nuestro café en el mercado orgánico aunque estamos en transición. Ademas, estamos aprendiendo nuevas practices para mantener la salud de nuestra comunidad, nuestra agua, y los animalitos y viven del la finca (A group of us decided to convert to get a better price and a better market. This year we were able to place our coffee in the organic market even though we are in transition. Further, we are learning new ways to grow while taking care of the health of our community, our water, and the little animals that live on the farm).
Danilo expressed these views in January 2001. He had suffered through two seasons of all-time-low prices before he and his group decided to go organic. Ultimately, the greatest challenge to this mode of “sustainable” development is ensuring that farmers will fulfill their commitments to buyers and not sell their coffee to coyotes for a “quick buck.” An even more telling measure of farmers’ commitment to organic production is whether they decide to continue producing organically once coffee prices have stabilized or return to chemically intensive, conventional production at that point.

Shade Regulation
Coffee from Las Segovias is superior in quality, even without attending to improved yields, soil quality, and pest and disease control. It is well regarded among international connoisseurs for the delicate flavors and aromas that result from the unique blend of high-altitude production and rich volcanic soils. However, farmers need to engage in a series of activities to ensure the highest quality and most favorable yield for the export market.

For optimal results, high-altitude Segovian coffee must be grown in intermittent shade. The full-sun, Robusta varieties that grow at lower altitudes are typically planted on level ground and yield more coffee more quickly, but of poorer taste and value. So, farmers in the higher elevations are encouraged to regulate the shade on their farm. The organic approach encourages farmers to provide shade that benefits both the plants and the farmers themselves. The farmers of Las Grietas sowed guineo (banana) for shade and food. They plant trees such as guaba (Inga edulis) that are useful as firewood as well as for beneficial shade.
The Nicaraguan Rural Development Institute (IDR) conducted a development project that distributed Valencia orange saplings to member farmers of the Corcasan cooperative. Danilo received 150 saplings. The purpose of this program was to give farmers additional income from oranges grown on their farms. However, another Las Grietas farmer, Eliazar Romero, explained: “El naranjo es muy caliente. No refresca el cafeto. La sombra que ofrece es muy oscura. Es bueno tener el cítrico, pero yo no tengo donde sembrarlo (The orange tree is too hot. It doesn’t cool off the coffee. Its shade is too dark. It’s nice to have citrus [trees] but I don’t have anywhere to plant them).

Eliazar’s point speaks to the tendency of development efforts to be misapplied. He has no use for these orange trees because he cannot sacrifice area planted in coffee for a lesser-value crop, nor can he intersperse them in his coffee fields. The development officials might do better by asking locals what types of plants they would prefer to intersperse with the coffee plants. Thus, the IDR program, although well-intentioned, essentially wasted money and time.

Danilo, on the other hand, took advantage of the orange tree program to plant 150 trees on unused tracts in a low section of his farm. It was nice to be able to pick fresh Valencia oranges in season. Danilo typically contracts with a buyer to pick and transport the fruit from the farm. He admits, “No rinde mucha plata, pero es otro ingreso para la finca (It doesn’t earn much, but it’s more revenue for the farm).”

Farmers need to prune shade trees, especially during the off-season, in order to manage the amount of shade the trees provide. Other beneficial practices include planting rows of coffee along contour lines and digging terraces for the individual plants. These practices control the flow of water and limit runoff and topsoil erosion during the
torrential storms of the monsoon season. The lack of sufficient canopy, terraces, and contour rows likely added to the devastating landslides and floods when Hurricane Mitch demolished the majority of the 1998–1999 season’s crop and literally buried villages in Las Segovias.

The process of regulating shade not only benefits the Arabica coffee varieties, it also helps to build soil fertility. Part of the effort in reforestation through coffee agriculture in mountainside communities is to prevent the disastrous landslides that result from rainstorms and hurricanes. Thus, organic, shade-grown coffee can anchor soils, contribute organic matter to the soil, keep the plantation cool, and buffer and distribute rainfall. The trees also provide habitat for threatened bird species and howler monkeys.

Pests and Plant Disease

National agricultural extension programs, international economic development programs, and the coffee industry have sponsored training programs for coffee farmers in which agronomists and técnicos instruct farmers to assess plant health, assisting farmers in identifying and remediating health concerns. Farmers learn to manage illnesses using certified organic products, such as caldo sulfocálcico, or to address pests such as the infamous broca del café (coffee borer).

My first experience in a field training session was with CLUSA technicians as they showed farmers how to elaborate caldo sulfocálcico (calcium sulfate broth) with sulfur and lime over an open flame. The mixture is left to cool and then diluted and applied to coffee plant leaves with a sprayer. This blend helps to nourish plants and combats common coffee plant illnesses such as antracnosis, roya del café, ojo de gallo, and pellejillo. Antracnosis (Colletotrichum fragariae) is a fungal infection that, if
unsuccessfully combated, can only be controlled by complete removal of the infected plants.

*Roya del café* or coffee leaf rust is another fungal infection that can decimate entire plantations if undetected or left uncontrolled. For this illness, CLUSA *técnicos* trained farmers to brew another remedy known as *Caldo Vicosa*, a mixture of copper sulfate, zinc sulfate, magnesium sulfate, borax, and lime that is boiled, cooled, and diluted for spraying on plants. *Roya* is an infection unique to coffee plants and has followed the expansion of coffee agriculture from its origins in eastern Africa to Latin America and Asia (Restrepo 2001:130).

Most farmers have at least some *broca* in their fields; it is important for them to keep an eye on the rate of *broca* infestation and take measures to control the *broca* propagation. The organic method of *broca* control is known as *graniteo*. This is a process of selecting the coffee fruits that have been perforated by looking for the hole at the tip of the fruit that the mature insect bored to deposit her eggs. One then picks the green fruits and submerges them in alcohol or another noxious liquid to ensure the *broca* are killed.

Wealthier farmers may invest in specially designed traps. I attended farmer trainings where *técnicos* detailed how to make your own *broca* trap. A costly fungal treatment known as *beauveria* will also repel the pest. Synthetic pesticides are dangerous to spray into the fields. They affect wildlife habitat and food sources because they are broadly dispersed through the plantation. The most common practice is to control *broca* with *graniteo*. 
Weed Control

Organic farmers cannot spray herbicide to control unwanted weeds. Instead, they practice “la chapia con machete en mano (chopping the weeds with a machete in hand)” or hand cutting weeds and brush. In a training workshop in San Juan del Río Coco, after a slide show on the ills of *gramoxone*, or paraquat, the trainer (and eventually a good friend of mine), Roberto Jerez, explained how he convinced farmers not to spray herbicide: “Me preguntan, ‘¿que herbicida le puedo echar a mi cafetal? Le respondo MM-2000 . . . ¡machete en mano dos mil veces! (They [farmers] ask me, what herbicide can I use on my coffee farm? I answer, MM-2000 . . . machete in hand two thousand times!).” He gestured the low-to-the-ground posture and wrist snap of *la chapia* for the group as a few people laughed.

*La chapia* is a strenuous task. It involves waving extra-sharp machetes over long stretches of the plantation ground. The worker must hold the blade parallel to the ground and snap the wrist laterally. They use a stick to protect their leg should they swing the machete too far. This stick protects the leg from the machete blade. Controlling weeds in this fashion puts community members to work and does not contaminate the environment. Although labor-intensive, it is actually more costeffective than purchasing *gramoxone*. During my fieldwork, the low cost of manual labor and high unemployment rate in Nicaragua made paying for labor more affordable than purchasing chemicals.

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[^66]: At the time of my research, farmers paid between 30 to 50 córdobas (almost US $1.50 to $2.50) per day for low-season farm laborers.
Organic Fertilizers

Many coffee farmers fertilize their plants with synthetic urea. In fact, according to my community survey, the majority of farmers in Las Grietas currently use urea to fertilize their farms. Urea is a chemical compound that occurs naturally in the urine of mammals. It is potent plant fertilizer. The synthetic variety is created from synthetic ammonia and carbon dioxide. In the months leading up to the 1998–1999 harvest, most had purchased urea on credit that would be repaid in harvest. Then, when Hurricane Mitch hit Las Segovias in late 1998, it literally wiped out the entire harvest and farmers were left owing more than they had earned. Many defaulted on their pre-harvest loans, and the defaulting by some of the larger farmers helped cause the bankruptcy of some national banks.67

The major focus of organic certification is to encourage the use of organic fertilizers made from decomposed organic matter instead of using synthetic fertilizers. This approach can liberate small farmers from dependence on synthetic urea and encourages farmers to obtain locally available ingredients for biofertilizers or composts.

The shift from chemical fertilizer to organic fertilizer is arduous. Not only does it require greater investment in manual labor and supervision, farmers also incur a significant decrease in yield through the transition. In fact, the first few years after farmers stop improving soil with synthetic urea have the lowest yields because the soils have become dependent on the potent, synthetic urea. It takes about three years of soil amendment before the coffee plants can rebound to a stable yield. According to Danilo, once an organic farm is established the resulting yield is significantly less, up to two-thirds, than it was when synthetic fertilizer was used

67 El Banco del Café and Interbank both went bankrupt after Hurricane Mitch and the downturn in international coffee prices.
Danilo invests significantly more in labor and farm inputs (organic fertilizers and manure teas) than most farmers in Las Grietas. During the harvest season, he collects the *miel de café* (coffee honey) that is a by-product of depulping. At night, he brings it to a boil and stirs it until it is significantly reduced. He stores the thick liquid to ferment in barrels until the low-season. He then mixes into his own recipe for biofertilizer.

Danilo makes use of many of the by-products on his farm. He uses fermented coffee pulp and threshed coffee husks in his recipe for *Bocashi*. He collects the runoff from washing coffee in a *pila fermentadora* (fermentation tank) to avoid contaminating the streams. Once the tank is full, the pungent pool of fermented coffee juice is pumped back onto his farm. This by-product contains a lot of sugar, which will alter the chemical makeup of water sources and negatively impact downstream water users and wildlife. Coffee pulp and *miel* can add nitrogen and organic matter to plantation area, so dispersing it back on the field is a beneficial practice.

System for Internal Control

A collective of growers that is certified organic is required to implement a “system for internal control” in which community-level inspectors conduct inspections at other farms with which they are certified. Internal inspectors must inspect farms in another

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68 Bocashi or Bokashi is an organic compost and manure blend. The name is Japanese, but Restrepo (2001) describes several regional adaptations to the recipe. The general ingredients are lime, grain husks (rice, wheat, or coffee), charcoal, cow or chicken manure, topsoil, molasses, yeast, and water. The ingredients are usually mixed in a large room or covered area. In the 2005 low-season Danilo made 2,000 quintals of Bocashi fertilizer. He prepared it in the *cocinona* (huge kitchen) and turned and watered it daily for more than two weeks.

69 The Organic Crop Improvement Association (OCIA) certifies coffee for the U.S. Department of Agriculture (USDA) organic label. IMO/Naturland, the European certifier, has more rigid standards regarding certain chemical compounds that are permissible under OCIA certification.
community. This means, for example, that a Las Grietas farmer cannot inspect another Las Grietas farm to ensure adherence to organic certification standards. Rather, the inspector from Las Grietas must travel to another affiliated community-level group under the same organic certification in order to conduct inspections.

The internal inspection system is a mechanism instilling the values of newly introduced technologies for producing high-quality organic coffee with ample yields. This process should liberate a grower community from dependency on developers or outside experts. During my time in Las Grietas, the “system for internal control” appeared to be a token process to comply with certification standards rather than a mechanism for community empowerment. However, in the context of group certification, the internal inspection process was an ideal venue for incorporating external influence and knowledge within the local structures of power and social norms. In such situations it can be a vehicle for the formation of local interpretations and implementations of organic coffee farming.

Credit, Accounting, and Group Microfinance

Danilo’s success is due not only to his hard work and his use of organic production techniques. He is also thorough and accurate in his accounting. As do most export coffee farmers, he relies on pre-harvest loans to pay for work and soil amendments. He repays his pre-harvest loans in harvested product. Farmers must sign a contract that commits an estimate amount of their harvest to the co-op that facilitated their pre-harvest loans. Farmers are not obligated to sell all of their harvest via the co-op, but they should comply with repaying the portion of their harvest for which the received pre-harvest financing.
A benefit to securing stable consumer relationships is that farmers will enjoy access to credit and pre-harvest financing for investment and improvements to their farms. A reputable coffee importer can vouch for the integrity and work ethic of a certain cooperative of growers based on their history of stable yields and high quality. Maintaining this relationship becomes the standard for a small-farmer collective.

Transitioning small-scale growers into this relationship built on trust and expectations is challenging. When I began visiting Las Segovias with the CLUSA técnicos in 2003, we were charged with the responsibility of preparing the paperwork for a base-level small-farmer cooperative named Gáspar García. I had been residing in Santo Domingo, conducting farm visits and reviewing farmers’ records and documentation for organic certification. CLUSA had just begun a partnership with a financial organization known as Finag (Financiadores a Agricultores), a subsidiary of an African-American-owned development bank based in Baltimore, MD, which had become affiliated with micro-lending schemes in Central America after Hurricane Mitch in 1998.

On the day the Finag agents were expected to collect loan applications in Santo Domingo, CLUSA agents Santos Gutiérrez, Porfirio “El Profesor” Sanchez, and I set up a makeshift office to review farmers’ loan applications. Santo Domingo has no running water or electricity. Most of the farmers work on a collective farm of nearly 100 manzanas that is 18 km from the nearest town. They have a large-volume coffee-processing mill left over from the days of the Sandinista-owned coffee operation, Salinas Pinell APP.

The three of us sat at tables as farmers formed a line and waited for us to review their cédulas (national identification cards) and fill in the various questions on the
application. Most farmers had not even begun to fill out their applications. Several were illiterate, so we asked them the questions and then wrote their answers for them. The questions were about biographical data, land area under cultivation, domestic belongings, and previous credit histories. Farmers who could not sign their name moistened their thumbs on an inkpad and stamped their thumbprint at the bottom of the page. We spent seven hours at this makeshift loan assistance stand.

The program through Finag offered farmers microloans, or small amounts at high interest (up to 18-20%), during the low season to help make ends meet or to enable them to invest on their farms. I wondered how well the farmers would manage these funds if they had not even been able to fill out their applications. I felt ashamed that we were doing it for them instead of teaching them how to do it. I was creating a dependency on us, the outside experts.

Pre-harvest Financing (Adelanto)

The entire organic and specialty coffee commodity chain is dependent on adelantos in order to move the production system along. Adelanto is an advance, or pre-payment on a commodity future—in this case, coffee. It ensures that the farmer will not sell the harvest elsewhere and enables the farmer to obtain funds to pay for farm supplies and labor and for harvest workers.

Danilo’s base-level cooperative, Procaoc, had a special arrangement with the exporter Atlantic S.A. Procaoc signed a covenant with UCA-San Juan to export collectively and share the expenses of transportation and dry mill processing. Atlantic S.A. was able to offer lower interest rates and direct disbursements for Procaoc members given their consistent yields and high quality. Basically, as Atlantic general manager Don
Gonzalo explained, “El café del grupo de Danilo es de primera. No cuesta colocarlo en el mercado especial. Ya tiene reconocimiento (Danilo’s group’s coffee is of the highest quality. It’s not hard to place it in the specialty coffee market. It has a [good] reputation).”

In contrast to the rest of the UCA farmers, Procaoc farmers received the total amount the exporters and buyers had designated for pre-harvest financing. The UCA-San Juan cooperative received and distributed the pre-harvest funds for its other members. They also charged a processing fee and imposed a high interest rate of 18%. Procaoc negotiated a 16% interest rate, and Danilo did not apply an additional service fee.

During the low-season of 2005, in May through September, Danilo and I traveled through the member communities of his Procaoc group to update farmers on the status of their adelantos. Danilo felt it was important to keep in touch with the leaders of his member groups within Procaoc. On a visit to Las Nubes, a co-op member group across the valley, Danilo explained as he rode with me in the Jeep,

Los productores se preocupan. Si nadie le llega para confirmar que habrá venta este año y ya podemos asegurar el adelanto, son capaces de desviar el café. Yo hice esta cooperativa a base de la comunicación personal. Ven que se hace el esfuerzo para el bienestar de todos. Esa confianza es importante para mantener buenas relaciones, buenos productores, y una buena calidad de café. (Farmers worry. If nobody comes by to confirm the sales for the year and that we can be sure of advances, they might sell their coffee elsewhere. I formed this cooperative based on personal communication. They see the effort made for the well-being of the group. That trust is important to maintain good relations, good farmers, and good quality coffee.)

The week following those visits, Danilo had to arrange for all of the group leaders to travel to Ocotal with the cédulas (ID cards) of each of their members to solicit loans.

All seven group leaders left on the early bus, departing San Juan for Palacagüína at 4 a.m.
They returned that evening empty-handed. “Al menos, se hizo el tramite. (At least we took care of the paperwork),” Danilo explained later that evening.

The delay in disbursing funds was beginning to worry Danilo. It was already late August, and farmers needed money in order to invest in labor and materials to conduct *labores culturales, regulación de sombra, la chapia, el graniteo y aplicación de Bocashi* (cultivation practices, shade regulation, weeding, infested fruit removal, and fertilization). These activities helped to ensure a high-yielding, export-quality crop. Without funds to invest in these practices, farmers risk poor quality, low yield, and potential loss of a stable market for their coffee. This is where the delicate balance of pre-harvest finance and maintaining a stable market comes into play.

The sustainable development paradigm relies on a symbiosis of producers and consumers, but the consumers who will invest in future production need the assurance that farmers belong to democratically elected, farmer-owned cooperatives. Otherwise, there is no way to ensure that the *adelanto* actually gets to the intended farmer. So, farmers must organize in a fashion that is palatable to buyers in order to enter into a relationship of mutual trust and expectations. However, the lenders and buyers also dictate that the proper model for socioeconomic organization among small-scale farmers is a capitalist system of investment in farm production; if they do not comply, the farmers lose out on the potential benefits of this “sustainable” development paradigm.

Danilo and I made five trips from San Juan to Ocotal to see if the funds were available. Each time, we sat around for hours and then were sent home with nothing. Danilo explained that once the paperwork was in order and the buyer had sampled Procaoc’s coffee, a wire transfer occurred. When we finally received the money, Danilo
accessed the funds from the BanPro office in Ocotal. He walked out of the bank with a brown paper bag inside a backpack. He was carrying more than US$60,000 in cash. I found out later that Danilo and another companion, Don Gabriel, were carrying loaded pistols for the two-hour ride back to San Juan.

The *adelanto* is disbursed in the form of *crédito solidario* (solidarity credit). This means that the cash advance goes from the second-tier cooperative to its member, base-level groups. In this case, Procaoc disburses funds to the base-level groups of Las Nubes, Las Brisas, San Antonio Abajo, El Achiote, and Las Grietas. The base-level groups then distribute the funds internally. This way, a group member who defaults on their advance must rectify the situation within their own group. This type of internal accountability has been relatively successful. However, Danilo shared with me that Las Grietas farmer, Doña Maura, still owes him a two-year-old debt for money that Danilo paid on her behalf. “*A lo mejor nunca veo esa plata* (I’ll probably never see that money),” Danilo expressed, “*pero así es* (but that’s the way it is).”

**Environmentalism and Water Contamination**

Producing coffee organically benefits wildlife habitat and water sources in Las Segovias. Organic production has the potential to ameliorate the effects of deforestation and water contamination. The preservation of natural habitat for wildlife is celebrated in training programs and national environmental campaigns. Many farmers and residents acknowledge that they have noticed changes in the streams and creeks since farmers began using *pilas o fosas de infiltración* (filtration pools) instead of pouring the sugary *miel del café* runoff back into the streams. Late in the 2005–2006 season, Kelly and I were separating the green, unripe fruits picked during the last pass (*la repela*) through
Danilo’s fields as we talked with the workers about the differences in Las Grietas since organic farming was introduced. Longtime Las Grietas resident, coffee picker, and our neighbor Doña Mari, explained.

_Antes, las quebradas se llenaban de miel. Se sentía el olor podrido por dondequiera. Ahora vienen los aves. Antes no, los muchachos los tiraban con sus jueyletas. Ahora la gente sabe no tolerar el abuso a la fauna, es nuestro medio ambiente y lo tenemos que proteger nosotros! (Before, the streams would fill up with coffee juice. You could smell the rotten odor all over. Now the birds come. Before they didn’t, the boys shot them with their slingshots. Now the people know not to tolerate abuse of the fauna; it’s our environment, and we are the ones who have to protect it!).

Many cooperatives led trainings to help farmers redefine their relationship with wildlife and other aspects of the natural environment. One campaign specifically focused on convincing children not to shoot birds with slingshots. The many colorful species that inhabit the organic farms of Las Segovias, including toucans, oropendulas, quetzales, and guardabarrancos, have become a welcome sight.

Farmers receive an incentive in price premiums for producing certified organic coffee. This certification ensures that farmers do not use toxic chemicals on their farms that can harm natural ecosystems or water sources. These farmers are the descendants of the indigenous populations that fled armed conflict to the safety of the inhospitable, remote mountains of Las Segovias. The shift in transnational development discourse reevaluates the role of smallholders in the wild lands they inhabit. The global development elite invests in development programs that designate _el campesino nicaragüense_ as the protector of the remaining lush mountaintops that for centuries were exploited, deforested, mined, and bombarded to serve the interests of elite sectors of society. The most abject populations have answered the call to value their ecosystem and
biodiversity in this new approach to implementing First World–derived environmental logic.

Many organic fertilizing, weeding, and pest control techniques are also less expensive for small-scale farmers. One aspect of the Instituto de Desarrollo Rural (Rural Development Institute) program in San Juan was to certify farms through Rainforest Alliance. Farmers preserved canopy trees and posted signs that stated, “Se prohíbe la caza de animales de esta finca (Hunting animals is prohibited on this farm)” as part of this program. The certification from the Rainforest Alliance gave farmers access to specialty markets that proffer “bird-friendly” coffee.

**Commitments and Options for Success**

The two main challenges to keeping cooperatively organized, small-scale organic coffee farming viable are the distrust that results in dishonoring harvest commitments and the general stabilization of international coffee prices. Desconfianza, or distrust, is a dynamic that exists throughout Nicaraguan society and likely throughout the postcolonial world. “Los productores desconfían mucho. Nos ven como una empresa ajena, no como una organización de que ellos son dueños (The farmers are too distrusting. They see us as a foreign enterprise, not as an organization of which they are the owners),” UCA-San Juan técnico Santos Chavarria explained to me one day while we were visiting farm communities in preparation for organic recertification.

As mentioned, farmers work harder and have lower yields under certified organic and Fair Trade coffee models. In return, they can sell for a better price and have a more stable demand and can access credit and development programs. Ultimately, they can reduce the risk of price fluctuations and dependence on chemical farm inputs by
converting to organic production. However, once the market value of coffee stabilized, many organic farmers let their certifications expire.

The international coffee crisis of the late 1990s inspired many farmers in Las Segovias to seek certification under organic and Fair Trade practices. By the end of our stay in San Juan I had noted at least seven specialty certifications that were active in the region. Typically, coffee importers in developed nations required farmer cooperatives to obtain certain certifications.

Several San Juan farmers abandoned their organic certification once the international coffee price stabilized. Polo Pérez and his son Juan left Procaoc and the Las Grietas group after having sold certified organic for several years during the crisis. They had been beneficiaries of the organic and quality production programs through CLUSA-Nicaragua. Juan was even trained as an on-site coffee cupper with Danilo’s son Bismark and several other Las Grietas youth.

The Pérez family owns several adjacent small-scale parcels that together comprise a medium-size farm. They have a beneficio húmedo (wet mill) next to their house. I became acquainted with them when Juan was training with CLUSA, and I walked by their house frequently when going to work on Adrian González’s parcels in El Chile and El Lechón. One day, during the harvest, we stopped for a break at the Perez house upon returning from Adrian’s mountaintop farm. I asked Don Polo and Juan about their

70 These are (1) Fairtrade Labelling Organization International, the international Fair Trade certifier; (2) Rainforest Alliance, which certifies wildlife habitat coffee farms; (3) Utz Kapeh, now Utz Certified, a fair trade certifying entity based in Holland; (4) Smithsonian Migratory Bird Center’s Bird-Friendly Certification; and several entities for Organic Certification: (5) Organic Crop Improvement Association from the US, (6) Naturland from Germany, and (7) Biolatina, based in Costa Rica and Peru.
decision to leave Procaoc and join the largest cooperative in Las Segovias, Prodeco-op.

Don Polo explained:

*Es que el precio mejoró y no querríamos continuar con el orgánico por que era mucho trabajo. Las cooperativas en San Juan prefieren orgánico. La Prodecoop nos conviene porque nos ofrece un buen precio por el café convencional y lo coloca muy bien. Además, la Prodecoop siendo bien grande y estable nos puede asegurar los adelantos sin atraso* (It’s just that the price improved and we didn’t want to stay with organic [farming] because it’s too much work. The San Juan cooperatives prefer organic coffee. Prodecoop is better for us because they offer a good price for conventional [coffee] and they have a good market for it. Also, being that Prodecoop is so big and stable they can ensure our advances without delay).

“*Basicamente, es más fácil trabajar con la Prodeco-op que con la Procaoc o la UCA. No me preocupo por las deudas de los otros socios. Sólo me preocupo por mí, nada más* (Basically, it’s easier to work with Prodecoop than with Procaoc or UCA. I’m not concerned with other members’ debts. I just worry about myself, no one else),” Polo’s son Juan added.

The effort to sustain the local economy, the ecosystem, and the community through organic farming practices requires the collective investment, ideological commitment, and shared risk of the farmer-members of a cooperative. Prodecoop has 29 elected delegates that run the organization for more than 2,000 farmers. Of course, not every farmer’s voice can be heard in this arrangement. The smaller San Juan cooperatives are based on a democratic model of shared gains and losses. From my perspective, this brings the community together around the fluctuating local coffee economy.

**Realizations and Potential Frustrations**

As previously mentioned, Danilo González and Reinaldo Moreno have elevated their income and prestige through participation in the Cup of Excellence awards and as leaders
in their cooperative and communities. By contrast, Adrian González and Santos González Ponce, as small-scale farmers, benefit from stable credits and sales but are not on the forefront of cooperative decisions, do not host potential buyers, and do not grow enough coffee annually to participate in high-value auctions. As explained earlier, the small-scale farmers must physically engage in labor on their farms. Medium- and large-scale growers can afford to hire laborers and thus give time to cooperative administration, marketing efforts, and training programs.

Danilo made a very poignant statement regarding the collective nature of organic production and cooperative organization in reference to the (then upcoming) 2006 presidential election. The race was between Daniel Ortega, the former Sandinista president, and Eduardo Montealegre, the US-backed, neoliberal candidate. In an effort to gain rural and agrarian support for the Sandinista candidate, Venezuelan president Hugo Chávez sent “10 tons of urea for fertilizer, to be sold at a very low price to small producers and cooperatives through a Sandinista business” (Envio 2006:298).

Sitting in the kitchen of the farmhouse, Danilo and I were having a couple of beers and discussing the upcoming election. I asked him if he would be interested in cheap urea even though he is a certified organic farmer.

“¿Usted aprovecharía de esa urea venezolana?” I asked.

“¿Sabe una cosa?” Danilo replied, “Si Daniel [Ortega] no gana esta elección me salgo de esta cosa. Si ganan los Liberales no vale la pena seguir en la cooperativa ni produciendo orgánico (You know what? If Daniel doesn’t win I’m out of this thing. If the Liberals win it’s not worth staying in the cooperative or farming organic).”

“¿De veras? ¿Usted se acabaría con todo esto? ¿Vendería sólo después de haber trabajado tanto para organizarse y vender bien? ¿Por qué? (Really? You would get rid of all this? You’d sell alone after working so hard to organize and sell well? Why?),” I responded.
El gobierno Liberal, con el apoyo de los Estados Unidos, no enfoca en el pequeño productor, no les presta atención. No hay un fondo para apoyo al pequeño productor. El gobierno está tan envuelto en tener que pagar la deuda internacional que no le permite invertir en la producción pequeña, solo en los agronegocios, o en las maquiladoras, o el turismo. Empresas grandes y capitalistas benefician de estos gobiernos, no los pequeños, remotos como nosotros. Nosotros pagamos un montón en impuestos y el gobierno nos deja sin nada; ni caminos, ni escuelas, ni hospitales. Hacemos mucho para apoyar esta industria nacional y la nación acaso nos toma en cuenta y hasta nos dice que cambiemos si no nos gusta. (The Liberal government, supported by the United States, doesn’t focus on the small farmers; they don’t pay attention to them. There are no support funds for small farmers. The government is so involved in paying its international debt that it cannot invest in small-scale production, only in agribusiness, or in sweatshops, or in tourism. Large corporations and capitalists benefit from this government, not the small and remote like us. We pay a bunch in taxes and the government gives us nothing: not roads, not schools, not hospitals. We do a lot to support this national [coffee] industry and the nation barely considers us, and it even tells us to change if we don’t like it).

Daniel Ortega ran on a platform to support campesino farmers and won the presidency. Danilo has remained organized in a cooperative and continues to farm organically. Regardless of the outcome, Danilo’s concerns were valid and spoke to the context of farming organically and working to empower a traditionally marginalized class of coffee producers.

**Conclusion**

The conversion to organic production is laborious and inherently risky. Maintaining small-farmer allegiance to organic production requires close interpersonal relationships based in trust, transparency, and consistency on the part of organizers, certifiers, and development agendas. To the outside observer, it may appear as if new technologies and

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71 Arnoldo Alemán was president during the international coffee crisis. When lobbied by coffee farmers to provide support during all-time-low international prices, Alemán responded that farmers should just grow corn instead (Rocha 2001).
organizational strategies present more favorable outcomes for affluent farmers than for their poorer and smaller counterparts. However, the Segovian case offers examples of a broader diversity of individuals rising to prominence in this latest development phase.

Fissures, fragmentation, and conflict have been commonplace in this region for centuries. It is of great significance that organic coffee farming offers farmers avenues to manage their land profitably without having to contaminate or deplete resources. The fact that farmers such as Danilo are entering the fore of the discourse on sustainable development in Las Segovias is evidence that significant sociocultural shifts are taking place. On a local level, Danilo’s and any small farmer’s successes are celebrated across the community. In 2003 Danilo and Reinaldo supplied half of the total export for the Procaoc cooperative. Danilo had to oversee and implement all of the legal and documentary steps in order to execute the export. One problem that Danilo recalled from that shipment was the low quality marks that Procaoc’s coffee received. In his words:

"Reinaldo y yo pusimos café de primera calidad, pero los [otros productores] no les importa la calidad. No les preocupa invertir el tiempo y la plata en asegurar un mejor rendimiento exportable. Les gusta acostarse temprano y levantarse tarde" (Reinaldo and I submitted the best quality coffee, but the [other farmers] don’t care about quality. They can’t be bothered to invest time or money to ensure a better exportable yield. They like to go to bed early and wake up late).

Danilo’s complaint was that the entire export lot was graded poorly because of the smaller farmers’ lack of quality control. He felt that he had sacrificed by aggregating his harvest with other farmers. Danilo invests immense amounts of labor and time to cultivate high-yielding plants. Even though he earned a greater percentage of the total sale owing to the volume he submitted, there was a general deduction based on imperfections in the sorting process. Danilo is able to sell to specialty markets because of
his partnership with poorer farmers, but he earns less per pound because of those farmers’ lack of training and follow-through.

Imbalances in earnings, unequal access to knowledge, and differing benefits received from development projects and farmer co-ops can instill competition and contempt (Jaffee 2005; Raynolds 2002, Lyon 2010). The partnerships between farmers of distinct socioeconomic classes shows how disparate classes can work together toward mutual gain, although to different degrees. The example of mutual dependency and support between Danilo and his Las Grietas subgroup of the Procaoc cooperative contradicts assumptions that organic coffee farming necessarily increases class differences in grower communities.
Part Three

Outcomes: Cooperative Organizations and Cooperation in Practice
Chapter 7

Organic Coffee Cooperatives in Las Segovias: Power Dynamics and Challenges for Export Production

Traditional channels for export control the flow of organic coffee and other alternatively produced commodities from Nicaragua to consumer nations. In order to obtain development funding, farmer-owned and -managed organizations must prove to the funding agencies that they have a stable market for their products and a vision for growth. This scenario resembles the dynamic of small business development in much of the capitalist world. Farmers must justify the support they receive with aspirations for expansion that are often beyond what is realistic for small-scale farmers in Las Segovias.

Based in global capitalism, alternative development appeals to the growing market demand for socially just and ecologically sustainable products. The shift toward organic coffee production provides a model for success for small-scale and subsistence-level farmers. This model is embedded in the discourse of entrepreneurship within the capitalist system. The conventional entrepreneurial discourse does not prioritize community-level sustainability, but rather individual survival and success, which it is assumed will lead to the betterment of the community. Recent alternative forms of entrepreneurship come from the hegemonic agribusiness model for “successful” farming, which stems from the capitalist tenets that Max Weber discussed in his critique of the Protestant work ethic and Calvinism (Giddens 1971).

Farmer-owned cooperatives such as the three that I worked with in San Juan are a crucial facet of the coffee industry. They adapt present-day concerns to collective
organizational models that have been in existence since the mid-twentieth century (Jasny 1949) but face many challenges because there is no innately Segovian model for social or professional affiliation. An amalgam of foreign-introduced models and local structures might emerge and persevere in the region, but only when local farmers can contribute in the formation of sustainable development discourses rather than being recipients of models whose terms are set in the global centers of power.

All entities along the coffee commodity chain stand to gain from the hard work and risk that the farmer endures to secure an abundant and high-quality harvest. This is why so much effort is taken to secure farmers’ devotion to coffee export as a national cause. However, there has been a notable change in the discourse of the national coffee industry since the Sandinista era.

Right after the FSLN victory, farmers, laborers, students, professionals, and volunteers joined efforts to get out the harvest (“sacar la cosecha”) for the benefit of building a “new Nicaragua” (Rocha 2001). Today, market forces drive coordination of efforts to “sacar la cosecha” in order to repay international debt and regain high standing in the International Coffee Organization. During the Sandinista era, citizens rallied around coffee production for the benefit of national autonomy and economic stability. Presently, the industry rallies to keep farmers “working hard” to ensure that the revenue from taxes and expenses can serve the interests of global capitalist enterprises. The notion of hard work and devotion to the coffee export industry has shifted from one that supported the autonomy of a local community or the national community to one that is based in the dominant capitalist discourse of competition, individualism, and self-determination. In essence, if the individual farmer succeeds, the industry succeeds.
Another valuable aspect to clarify in this chapter is that the collective Segovian experience of adapting to newfound approaches to coffee production is illustrative of a general regional identity that is based in a common ethnic struggle of belonging to marginalized groups that reside in this region. As in Comaroff and Comaroff (1992: 50) The formulation of collective relations and a “shared commitment to an order of symbols and meanings” responds to introduced technologies and practices of socially just organizing and organic production are informed by a genuinely Segovian regional identity that “exists as a set of relations, a product of specific historical forces and processes” (1992: 66). The marking of identities in relation to one another is a useful way to understand how Segovian’s frame their responses and receptivity to innovations to the way things are done in this region.

**Regional Segovian Perspectives on Free Trade**

The distinction of devoting “hard work” for the betterment of one’s self versus one’s community was acute during the debates surrounding the ratification of CAFTA (Central American Free Trade Agreement) between Central American nations and the United States in 2003. The Nicaraguan National Assembly ratified CAFTA in 2004, while we lived in San Juan. In addition to the macro-level discussion of free trade as an interventionist tool for wealthy nations, personal discussions about the benefits a free trade agreement could bring to international farmers were also going on. Those opposed to CAFTA claimed that Nicaraguan growers could not compete against large-scale grain producers of North America.

The following comments are from two individuals involved in cooperative development in San Juan de Río Coco. Heberto Rivas is a cooperative president and
coffee farmer, and José Manuel Moraga is a development agent employed by an international development company. First, in Heberto’s words:

Los arroceros de Sébaco se arruinarían en competencia con los de los Estados. Libre comercio elimina la protecciones para nuestros productores. Ya es difícil competir en el mercado mundial, ahora quieren quitar las barreras que nos protegían a nosotros antes. No me parece. (The rice farmers of Sébaco will be ruined if they compete against the farmers in the [United] States. Free trade eliminates the protections for our farmers. It’s already difficult to compete on the global market; now they want to remove the barriers that protected us before. I don’t like it.)

As with most sociopolitical issues in Nicaragua, everyone seemed to have a view on this issue. The commentaries of large-scale producers and development workers tended to reflect the perspectives of the hegemonic order of international development and trade. Individuals cited the benefit of free trade to make farmers more competitive among themselves. As José Manuel Moraga states:

Ahora se compiten para el mercado y de esa forma se mejoran. Si el gobierno pone impuestos a los productos norteamericanos nos va a costar a nosotros, los consumidores. Quitando esos impuestos nos hace alcanzable las bienes que deseamos. Además, el pequeño productor no puede seguir soñando que el gobierno va a hacer todo por él. Es mejor que él mismo se levanta. Con este libre comercio el productor tiene que competir y eso le va a hacer mejorar su producción o perder en absoluto. (Now they’ll compete for markets and that way they’ll get better. If the government taxes North American products it costs the consumers. Removing those taxes puts the goods that we desire within our reach. Furthermore, the small farmer can’t go on thinking that the government will do everything for him. It’s better that he [the small farmer] raises himself up. With free trade the farmer has to compete, and that will force him to improve his production or lose out altogether.)

The Nicaragua coffee industry has struggled to overcome the small annual harvests and poor-quality coffee that were the results of the 1980s Contra War and trade embargo. The coordinated efforts needed to ensure that farmers are able to devote energy and investment to obtain a successful harvest include many factors: access to off-season financing for routine farm duties, such as pruning, weeding, renovations, and shade
regulation; preharvest financing necessary for paying the coffee pickers; and technical assistance for off-season assessment of plant health, soil quality, and to address low-yielding portions of the farm.

Access to transportation, storage, and adequate processing facilities is invaluable for coffee produced far from population centers. The Nicaraguan nation-state, international development agencies such as USAID and IADB, and private enterprise were obliged to invest in farmers to help them produce a “successful” crop. This institutional, governmental, and corporate support has been couched in the language of “stimulating farmer productivity” and providing “incentives” for farmers’ hard work.

The diverging attitudes on “hard work” and “success” reflect how these ideals are redefined under changing regimes of truth. This redefinition is similar to Field’s (1999) description of Nicaragua’s national folktale, *El Güegüense o Macho Ratón*, as a palimpsest, a national myth that serves as a constantly changing metaphor to reinforce the agendas of successive political ideologies.72

When they are organized into cooperatives, small farmers have a better chance of mitigating the risks inherent in export commodity production and therefore competing with large-scale producers in the global marketplace. On many occasions Danilo would complain that Nicaragua depends on the growing revenue from coffee production, but there is no national finance system for coffee growers. In his words:

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72 *El Güegüense o Macho Ratón* is a folk dance and story that is based in native tradition and has been reinterpreted in various epochs. Similar to tales about the Trickster, well-known in many Native American cultures. *El Güegüense* is a theatrical production that displays a nuanced form of deceit or chicanery that requires understanding individuals’ intent beyond what is overtly stated. See Field 1999 for an eloquent analysis of this characteristic.
El estado cuenta con nosotros porque de esto vivimos, pero si tuviéramos que depender en el estado estaríamos muertos. La injusticia más grande es que nuestro esfuerzo cafetalero mueve la economía de este país, pero al estado poco le importa esta zona. Nos cobran impuestos por ventas, por empleo, y por insumos, pero nunca invierte en nuestra región. Somos sujetos a la empresa privada hasta que haya un fondo para el desarrollo cafetalero . . . o quizás nos desaparecemos. (The state depends on us because this is our living, but if we had to depend on the state, we’d be dead. The biggest injustice is that our coffee farming efforts move this country’s economy, but the state government hardly cares about this region. They tax us on sales, employment, and purchases, but never do they invest in our region. We are subject to private enterprise until there is a coffee farmer development fund . . . otherwise we might just disappear.)

Thus, cooperative organization represents a potential leveling mechanism for small farmers, enabling them to respond to the neoliberal policies in the hemisphere and defend local interests in the face of institutionalized marginalization and exploitation.

**San Juan Cooperatives: The Community Base for Corporate Influence**

In this section I describe my involvement with several cooperatives and how that activity brought me into a suitable context for conducting ethnographic inquiry and rich participant observation.

The four farmer-owned cooperatives that export Fair Trade and organic certified coffee from San Juan (Table 3) vary in terms of membership and administrative structure. They also ally with different political parties or attitudes. I was fortunate to work closely with La Union de Co-operativas Agropecuarias San Juan del Río Coco (UCA), La Union de Co-operativas Productores de Café Orgánico (UCPCO), and Co-operativa Regional de Cafetaleros de San Juan del Río Coco (Corcasan). They are all based in San Juan and had an accessible administration and membership with whom I could interact on a daily basis. The fourth cooperative, Prodeco-op, is one of the two largest certified organic/Fair Trade export co-ops in the nation, but I was not able to work with them. I did interact with some
of their member-farmers, but mostly I learned about their activities through the criticisms of their operations made by non-member farmers and agronomists. San Juan farmers essentially viewed PRODECO-OP as a giant, monolithic exporter from which the other cooperatives distinguished themselves.

**Table 3. San Juan del Río Coco second-level organic coffee co-ops.**

<table>
<thead>
<tr>
<th>San Juan del Río Coco Co-op</th>
<th>Owns dry processing facility?</th>
<th>Exporter</th>
<th>Financier</th>
<th>% of 2004-2005 harvest exportable</th>
<th>No. of members in 2005</th>
<th>Class of farmer served</th>
</tr>
</thead>
<tbody>
<tr>
<td>UCA</td>
<td>No</td>
<td>Atlantic S.A.</td>
<td>Atlantic S.A.</td>
<td>48%</td>
<td>247</td>
<td>Small and Medium</td>
</tr>
<tr>
<td>UCPCO</td>
<td>Yes</td>
<td>Self</td>
<td>Ecologics Development Fund</td>
<td>46%</td>
<td>132</td>
<td>Small and Medium</td>
</tr>
<tr>
<td>Corcasan</td>
<td>Yes</td>
<td>CISA Agro S.A.</td>
<td>CISA Agro S.A.</td>
<td>49%</td>
<td>340</td>
<td>Medium and Large</td>
</tr>
<tr>
<td>Prodeco-op</td>
<td>Yes</td>
<td>Atlantic S.A.</td>
<td>Atlantic S.A.</td>
<td>48%</td>
<td>2077</td>
<td>Small and Medium</td>
</tr>
</tbody>
</table>

Agricultural co-ops in Nicaragua started as credit and financing entities for smallholders to access preharvest and off-season loans. Although many member-only credit unions still exist, the four San Juan co-ops evolved from solely credit institutions into providers of various services for their members. Today they are legally registered as credit and service cooperatives.

These cooperatives are farmer-owned and -operated. This means that the UCA, for example, operates on the membership fees and a percentage of the export profits from its member farmers. Unfortunately, not all member-farmers see this arrangement as being accessible to them or attentive to their needs. Repeatedly, farmers referred to “the
company” (la empresa) when talking about their co-op. Their attitudes of frustration and distrust were apparent in many contexts. In fact, the relationship between member-farmers and cooperative administration has always been delicate. During the off-season both parties must estimate the individual farmers’ future yields to assess their ability to satisfy a buyer’s demand. Fulfilling this estimate depends on the farmers’ collective effort, adhering to stringent production standards that will ensure high yields and good quality. This relationship between the co-op and the farmer is based on setting realistic goals and establishing trust.

As shown in the Table 3 above, only a percentage of the total exportable harvest is marketed to high-end or niche markets for organic and Fair Trade coffee. The final exportable yield is determined at the beneficio seco (dry processing mill). Once selected for desired coffee bean size by a sorting machine (see in greater detail below), the lot passes along a conveyor belt lined with workers known as selectors that hand pick imperfect beans from the lot. Imperfect beans will roast to a different degree that the ideal beans will and alter the final product in the cup. The ideal beans that are fully mature when picked grow in a pair in a single fruit and have a flat and rounded side. The center groove along the flat side is straight and shallow. Selectors pick out beans that are broken or chipped; concha (shell), they have a shell-like appearance and are concave; elefante (elephant), or oversized; caracol (snail), or round like a snail shell; over-fermented beans that are discolored; and coffee borer infested beans that are hollow. Most farmers trained in organic farming and on-site processing will hand select as much as possible to increase the percentage of exportable yield through the co-op. They then can consume or market
the imperfect coffee themselves as a lower grade. The coffee cupper (or catador)\textsuperscript{73} will decide if the final product meets market quality demands by detecting certain flavor, aroma, and fragrance notes in the finished product. What does not enter into the exportable yield is retained by the co-op and either returned the farmers or sold at a lesser value either to the national market or for conventional export. Given this arrangement, it is understandable that farmers who work diligently to increase their personal exportable yields may be weary when mixing their harvest with other farmers who may not share the same work ethic or quality standards.

Most small farmers do not have the experience or capital to invest in high-quality and high-yielding organic production. While large farmers may be able to absorb cost and price fluctuations, it is much more complicated for small farmers. A dip in market value or a rise in the cost of fertilizer will have a greater impact on the domestic budget of a small farmer. As explained in Chapter 6, farmers can have some control over the quality of their crop by attending to a myriad of variables, both leading to harvest and in post-harvest washing, fermenting, and selection. However, it is up to elected cooperative officials and the co-op administration to determine a favorable price and timeframe for disbursement of funds as well as arrange for the processing, storage, and sale of the coffee.

Farmers must first belong to a base-level organization in order to join the export and service co-op, or second-level cooperative. Should an individual farmer have a large enough scale of production, they can join a second-level co-op as an individual since

\textsuperscript{73} The coffee cupper is similar to a wine taster. This individual gauges quality of coffee after hand selection by roasting, brewing, and tasting the coffee from a particular grower or grower group.
their estimated yield should cover the membership costs that are typically prohibitive to small-scale farmers. The base-level group usually represents growers from a specific region, and they are responsible for internal inspections and collective financing. The second-level co-op negotiates off-season loans with the exporter and distributes the funds to its member groups. The member groups administer their loan funds internally. The idea is that a group loan will keep members accountable to their community for repayment, similar to the microfinance model established by Mohammed Yunus for his Grameen Bank in Bangladesh (Bornstein 1996).

All five base-level groups in the second-tier Procaoc cooperative (Las Grietas, Las Brisas, El Achiote, Las Nubes, and San Antonio Abajo) are composed of former Ejército Popular Sandinista (EPS) soldiers or Contra militants who received land in exchange for their disarmament in the early 1990s. At the time of my research, Procaoc did not have sufficient capital or infrastructure to operate independently. They had a covenant with UCA and were included in UCA’s technical and export programs. They have since separated from the UCA because of disagreements explained below.

The UCA is a cooperative association of seven base-level co-ops (plus, for a time, Procaoc): Carlos Fonseca, Guillermo Hernandez, José Damas, Pedro Altamirano, El Progreso, and Gaspar García. These seven groups, named after fallen revolutionaries, were formed during the Sandinista government era and are structured quite differently from Procaoc. The UCA was formed in 1992, after the Sandinista electoral defeat, with

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74 Ejército Popular Sandinista was the national army that was formed by the Revolutionary government after the fall of the Somoza dictatorship. Prior to the Sandinista triumph in 1979, the Guardia Nacional had served as the army and police force for the nation. The EPS was transformed into the Ejército Nacional after the Sandinista electoral defeat in 1989.
the help of community development NGOs. Its purpose was to support the agrarian cooperatives that were no longer receiving state funding. The other service and export co-ops in San Juan function similarly. The UCPCO began with the assistance of NGOs in 1992. Similar to UCA, UCPCO reorganized abandoned Sandinista Agricultural Cooperatives (CAS) from the revolutionary period. UCPCO is unique in that it seeks funding independent of transnational export firms. It receives direct financing from the buyers or from nonprofit development organizations such as EcoLogics Development Fund of Cambridge, Massachusetts.

UCPCO dismissed its entire board of directors just before our arrival in San Juan. They were found to have embezzled and committed fraud. The UCPCO was left bankrupt and sought the support of larger farmers in order to rebuild. Nevertheless, it was able to keep the majority of its membership.

The UCPCO is not an exception; all cooperatives in San Juan have at some point marred their reputations because of corruption and deceit. This behavior is pervasive in many aspects of Nicaraguan life. In December 2003, the former Nicaraguan President Arnoldo Aleman was convicted of embezzling international aid that was sent to Nicaragua after Hurricane Mitch. I will revisit the theme of corruption below.

Corcasan is the oldest existing cooperative in San Juan. It was formed in the 1960s to help smaller coffee farmers access farm inputs and lines of credit. Corcasan’s administrative building was attacked during the Sandinista insurrection for supposed ties to the Somoza regime. Today, Corcasan tends toward the pro-U.S., Liberal faction of the national government. In my experience, Corcasan is the best-equipped cooperative in San Juan. They receive ample support from state agencies and their exporter is a Nicaraguan
firm, CISA/AGRO. Corcasan has its own dry processing plant, a coffee cupping lab, vast storage facilities, and a fleet of technicians who travel in pickups and on motorcycles. Corcasan was managing a coffee quality development project funded by the Instituto de Desarrollo Rural (IDR) while I was there. This project funded the first internet café in San Juan. Corcasan held many trainings and public events in the community. The mayor of San Juan is a member of the cooperative, along with many prominent coffee farmers in the region.

Prodeco-op is at an entirely different level than the other three local co-ops. According to unconfirmed accounts, their manager was in charge of the UCA in the early nineties. When the UCA went bankrupt because of an administrative scandal she kept her contacts and buyers and formed Prodeco-op. It is one of the two largest exporters of organic and Fair Trade coffee in Nicaragua. I was told that only a handful of farmers control the majority of the decisions. Prodeco-op is notorious for controlling interactions between outsiders and the member-farmers. Although the local co-ops were critical of Prodeco-op’s conduct, I found that they too exhibited some of the same behaviors, albeit on a smaller scale. According to Tito Rivas, general manager of the UCPCO, Prodeco-op has around 2,000 member-farmers, but only 39 delegates represent them in the cooperative’s general assembly75.

The cooperative structure is a requirement for group organic certification and for exports to Fair Trade certified markets. It can be a model for community building, but it

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75 The cooperative general assembly is a mandatory meeting of the entire membership. It is typically mandated to be a yearly gathering as determined in the statutes of articles of incorporation and by-laws of a certain co-op. Most co-ops will elect delegates to represent subsections (base-level co-ops) within the second-level co-op, thus making the actual governing body a smaller group of participating individuals.
is not communal. Co-ops and member farmers must vie for development funds, increased credit at lower interest rates, and higher exportable yields. Co-ops compete for farmers and better markets. Farmers compete against each other and in many cases pit the co-ops against one another. Many farmers are members of multiple co-ops and will export their crop through whichever one seems better at any given time.

Although the cooperative model may represent a route toward democratic organization in the countryside, a model for governance, it appears in my opinion to exist as a way to control and document the activities of rural dwellers. As Doña Videlia complained, “There was a time that the co-op worked for the farmer. Now the farmers work for the co-op.” A long-time farmer and co-op member, Doña Videlia González comment reflects how the current co-op arrangement resembles a form of debt peonage that draws individuals in with promises of better prices and thorough technical support and then binds farmers to debt arrangements that keep them subject to the administration’s decisions.

There is a notable class disparity between cooperatives at a structural level. Some cooperatives charge more for their services than others. The differences in administrative cost and overhead fees are indicative of the higher cost a poor cooperative must pay for services that they cannot provide internally. The wealthier cooperatives have lower fees. All co-ops deduct a portion of the flat rate to the total processed amount of coffee to cover the costs of storage, processing, export duties, and insurance. They also divide the expense of costly certifications and the staff wages among member-farmers. Many small-farmer cooperatives lack capital and infrastructure. Wealthier co-ops can afford to retain portions of their harvest until the low season when demand is high and supply is, thereby
earning higher prices for their farmers. These rich cooperatives can finance their farmers’ operations without incurring the high interest rates of private banks and micro-lending organizations. Poor co-ops have little choice but to work with high-interest lenders.

This cycle of high expenses for poor entities that lack infrastructure and capital will affect the overall exportable quality and yield of the cooperative’s coffee harvest. Farmers with difficult credit options may not invest as much labor or materials in their farm. Poorer co-ops have less ability to serve their farmers’ needs through site visits and training sessions. The co-op instructs farmers to deliver recently picked, washed, and dried coffee to the co-op promptly to avoid drop in coffee quality. Juan Diego Pérez of the Las Grietas group admitted to me that he waits until he has a large load of coffee to deliver to the co-op to save on transportation costs. When I asked him if it mattered that he would get a lower price if the coffee smells of mojo (mildew) or is improperly stored, he responded, “¿Qué puedo hacer? No tengo para pagar transporte diario, ni importa que me paguen mejor (What can I do? I can’t afford to pay for daily transport; it doesn’t matter that they pay me better).”

In terms of infrastructure, regional issues factor in as well. Access to good roads affects the cost of transport. Remoteness raises the transport fees. Co-ops with their own beneficio seco or heavy-duty truck will not have to pay to borrow them. Cooperative administrators negotiate these services and their respective fees. Each co-op makes its own arrangements, and only the two largest small-farmer co-ops in Nicaragua operate independent processors, Cecocafen in Matagalpa and Prodeco-op in Estelí.
Cooperativismo: A Model for Campesino Organizing

Agricultural cooperatives that provide credit and service co-ops tend to have a uniform management structure. The general assembly elects a board of directors: the president, vice-president, treasurer, secretary, and two members known as vocales. The general assembly is composed of the entire membership of the cooperative, but delegates from each base-level co-op or group typically participate in the assembly meetings. The junta directiva (board of directors) contracts for the services of the gerencia (management), which consists of the general manager, bookkeeper, and technical and administrative staff. Equal in representation but not in decision-making power is the junta de vigiancia (the supervisory board), which oversees the operations of the management and the board of directors in order to prevent any misdeeds or improprieties. These three entities make up the second tier of the cooperative governance model. The management forms committees in charge of administration, marketing, and farm production to oversee activities such as agricultural extension service\textsuperscript{76}, coffee sales, and accounting.

Over two days in mid May 2005, Kelly and I sat through a training session focused on cooperativismo. This workshop was one facet of an IDR (Instituto de Desarrollo Rural) and the Inter-American Development Bank (IADB) economic development project. This program has funded road improvement, depulping machines, backpack pumps, barrels, and mineral ingredients and training for 200 farmers to make caldo sulfocálcico (calcium sulfate). It also provided drying boxes, plantain bulbs, and citrus plants. It offered training in designing seepage pools for coffee runoff (agués mieles). This forum on cooperativismo was a component of an overall development‑

\textsuperscript{76} This is the formal term for technical outreach and on-site support that the CLUSA técnicos provide.
funding package. Corcasan brought in the president of SERVICO-OP, Pedro Molina, to provide four separate training sessions to farmer groups. He spoke about social economies and the unequal distribution of labor and resources in countries in the tropics and in raw-material-producing nations.

Molina described sociopolitical situations in certain countries that enable a few to make the majority of profits. The people he called “Cabezones” are those politicians, ministries, entrepreneurs, and bank presidents that derive profits from the labor, ignorance, and poor bookkeeping of the small, vulnerable farmers. The capitalist system fights for power between wealthy individuals and corporations while the farmers are left to suffer, he declared.

Molina referenced stages of economic development from the “primitive community” to slavery, feudalism, and capitalism. In many respects the feudal relationship still exists today in Nicaragua, he claimed. Large-scale farmers provide housing and small parcels for subsistence production in exchange for farmwork. After coffee prices fell, beginning in 1999, haciendados removed people from their land. It had become too costly to provide water, electricity, and other basic services when the coffee price was so low that many would not even harvest their crop. This left the landless laborer with little or no alternative. The outskirts of Matagalpa grew with shanties and unsanitary neighborhoods. This culminated in June 2005 with the encampment of approximately two thousand displaced workers and their families living alongside the highway and demanding land from the National Assembly. Eventually, these precaristas (squatters) were given title to government farms and other productive land.
Many recipients of the 1980s Agrarian Reform were never rewarded title. These peasants and former laborers served as frontiersmen or homesteaders in the Sandinista effort to spread their ideology throughout the countryside and foment a Marxist/Christian doctrine.\textsuperscript{77} The Sandinista promise of land for those who would work it resulted in disillusionment when land was taken from the recipients via foreclosures or buyouts once subsidies were slashed during the Chamorro UNO government. Land with no title was also susceptible to seizure.

Molina referenced the “caja familiar\textsuperscript{78}” and the poverty rate in Nicaragua. According to Molina, a person who earns 2500 córdobas (18 córdobas to the US dollar at that time) monthly is at poverty level, but this is the minimum needed to sustain and support a family, not considering emergencies and health problems. This sums to 30,000 córdobas per year. Nicaragua totals US$ 6 billion in exports annually; the president makes US$120,000/month, and teachers make US$60/month or US$720/year. Compared with Costa Rica, this is grim. Costa Rica totals US$ 50 billion in exports annually, the president earns US$36,000/month, and a teacher earns US$350/month or US$4,200/year.

According to Molina and SERVICO-OP, the cooperative alternative responds to these problems. Cooperatives have failed in the past because of lack of trust as well as corruption and theft. I argue that the latter problems explain the farmers’ distrust as well as the inability of the co-ops to meet the farmers’ needs.

\textsuperscript{77} The Sandinista ideology incorporated liberation theology of Gustavo Gutierrez and Ernesto Cardenal as well as Marxist theories of socialism. They were not promoting an atheist state and acknowledged their adherence to Christianity.

\textsuperscript{78} Caja Familiar (family box) is a regional term that refers to the cost of living to afford basic staples such as cooking oil, salt, soap, grain (corn, beans, and rice), laundry detergent, fresh fruit and vegetables.
The credit model from banks and microfinance is inapplicable to a successful co-op. According to Molina, any co-op that lends to a non-member is taking the role of a *financiera* (financier). Cooperatives offer credit to farmers (although they charge interest) to help them invest in increased yields. In mercantile credit, the goal is to make a profit. In Nicaragua today the “cooperative culture” has been lost, according to Molina.

The 12 de Septiembre cooperative is perhaps the worst example of the deceit and corruption that is possible if the *confianza* and transparency of the cooperative arrangement are breached. The co-op went bankrupt just before we moved to San Juan del Río Coco in 2004. During my preliminary research trip, *La doce*, as it was commonly known, was one of the more successful cooperatives in San Juan. They had a *beneficio húmedo* on the outskirts of town and a *beneficio seco* in Palacagüina. They seemed to have a dependable membership. Danilo was a member of *La doce* for a while and lost his investment when it went under. “*La directiva se fue para los estados, liquidaron el café y se quedaron con la plata* (The directorship went to the States, they sold the coffee and kept the money),” Danilo explained. Farmers have little control over the fate of their coffee once the harvest is collected and turned in to the export co-op. In all co-ops, the junta president and the general manager must countersign all financial transactions. In the case of *La doce*, both the junta president and the general manager decided to sell the coffee and then keep the money. The *junta directiva* and the administration of *La doce* fled the country with its members’ money.

*UCA-San Juan*

My contact with the UCA-SJRC, *Union de Cooperativas Agropecuarias San Juan del Río Coco*, was far more extensive than with the other cooperatives because Danilo and
his group, Procaoc, had been working under a covenant with the UCA. UCA-San Juan was formed in 1992 through a project sponsored by Cenzontle. UCA’s main office was in a small building near the entrance to the town of San Juan, in Zona Uno. The building consisted of a large front room and a large back room. Both were divided with framing and thin sheets of particleboard to form two separate offices in the back and sleeping quarters in the front.

The principal people at UCA are Griselda Jarquín, the general manager; Javier Vanegas, the accountant; and Santos Chavarria, the agronomist. UCA expanded after two years of successful harvests and was able to hire a driver, Jorge Mesas, and another técnico, Johnny Flores. UCA purchased a Toyota Hi-Lux dual cab pickup truck about one year into my stay in San Juan. Until then, the UCA had depended on Santos’ personal motorcycle and rides from me to get to the remote cooperatives that they served.

UCA has been trying to recover from a scandal that occurred in the early 1990s. During a preliminary research trip to San Juan in July 2002, the previous general manager of the UCA, Donald Briones, gave me a synopsis of what had happened to tarnish their international reputation with buyers and exporters. According to Donald, the UCA was in serious debt to its financier. As he explained to me:

*La administración y la directiva gastaron un cachimbo de plata y nos dejaron en quiebra. Eramos unos de los grandes de esta zona, pero unas mala decisiones y lideres viciosos nos mandaron a la mierda.* (The administration and directors spent a shitload of money and they left us broke. We were one of the biggest in the region, but a few bad decisions and crooked leaders sent us to crap.)

The previous administration ran the resources dry by spending the cooperative’s money on travel, vehicles, and hotels. On top of the large expenditures, the UCA defaulted on a preharvest loan and was unable to fulfill a contract for a full container of
green coffee that weighed 412 quintales. According to Donald, Prodeco-op did not comply with a commitment to export one of their containers. UCA had expelled from the specialty/organic market due to issues of embezzlement and fraud. The UCA then had to subcontracted through Prodeco-op in order to market their members’ coffee; but, according to Donaldo, the UCA administrators were irresponsible and could not organize their portion of the export and thus ruined their reputation locally.

Several people had commented to me that the UCA had once “had it all” but now they are beholden to the exporters to help them pay off a decade’s worth of debt. That is the crux of what I found to be the farmers’ complaints with the UCA administration: the inability to liberate themselves from dependency on multinational corporations, Atlantic S.A. in particular.

Griselda Jarquín had worked under Donald as an assistant. When Donald left the UCA in 2003, Griselda became the general manager. She convinced Javier Vanegas to come to work with the UCA when his previous job with La doce ended because of the bankruptcy. The two of them worked for more than a year without pay to try to get the UCA back on its feet. The UCA had suffered the triple blow of Hurricane Mitch, the international coffee crisis, and corruption.

I became formally involved with the UCA when Griselda asked me to help supervise the construction of a preschool in the community of El Naranjo, where two former CAS and current base-level UCA cooperatives are located. This would be the first project conducted with the social premium funds that came from the sale of Fair Trade
coffee.\textsuperscript{79} This project required significant organization between the Ministry of Education and the two El Naranjo cooperatives: José Damas and Guillermo Hernández.

\textit{UCPCO}

When Kelly and I lived in Zona Uno, our neighbor Eddy Garcia was a member of the UCPCO cooperative. He parked his older-model Land Cruiser off of the street next to our house on the driveway our landlady had built. Eddy and his wife had two small children, and they operated a small \textit{venta} (store) in the front of their house, across the street from ours. On the afternoon of May 8, long after the harvest and export had been completed, I asked Eddy if his cooperative had paid their farmers for last season’s export. He had mentioned that it was taking a long time to get paid for his harvest. He was worrying about having to go deeper into debt with local merchants.

Eddy explained,

\textit{Si, nos fue mal. El rendimiento fue bajo. Solo el 46\% nos dieron. Esto no sirve. Producir orgánico casi no rinde del todo y te van a venir con un bajo rendimiento exportable. La UCPCO pagó mal este año y a lo mejor me salgo.} (Yes, poorly. Our yield was low. They declared only 46\% was exportable. This is bad. Organic doesn’t yield at all, and then you get stuck with a low exportable yield. The UCPCO paid poorly this year and I better get out).

Not all of the coffee a farmer harvests is exportable quality. When I relayed the above statement to Danilo he explained that most specialty farmers are able to export about half of what they turn over to the cooperative. This is a very interesting aspect of what it means to share in the gains and losses of a community-based cooperative endeavor. After harvest and depulping, farmers dry their coffee to about 47\% humidity.

\textsuperscript{79} FLO stipulates that US$5.00 from every quintal sold under Fair Trade certification is to be reinvested into the community. In the past, the general assembly has voted to redistribute the funds to member farmers.
This is not an exact measurement, but rather an estimation done by touch, smell, and the appearance of the washed and fermented coffee. Then the farmer deposits, for example, ten quintals (ten 100 lb sacks) at the cooperative, totaling 1,000 lbs. It is likely that close to half of that amount, 500 lbs, will be of exportable quality. The final quality selection is done at the *beneficio seco* after the coffee has been dried to 12% humidity. The first selection is done by a machine, known as an Oliver (Oliver Manufacturing being a primary producer of this equipment), the second is by hand. Women (typically) dressed in caps, masks, and aprons sit along both sides of a conveyor belt and hand-select the coffee off of the belt. The buyer will conduct the final selection and evaluation by roasting and cupping the coffee to detect the aroma, fragrance, body, and other accents in the brewed cup. Because what is being judged is an aggregate yield among the various coffee farmers that are members of the cooperative, even though one farmer’s coffee may be better than the others’, all are mixed together and they share the exportable yield.

Because Eddy was unimpressed with his cooperative’s exportable yield, he considering resigning from UCPCO. This is a typical reaction when one’s cooperative is not meeting quality expectations. UCPCO is in a unique situation. Their cooperative has 132 individual members that belong to four base-level cooperatives for finance and internal inspection purposes. The UCPCO has administrative offices in San Juan and they have their own *beneficio seco*. The administration had also recently purchased a diesel truck for transporting large shipments of coffee.

During our conversation Eddy made reference to the recently purchased truck:

_Viajan a los estados para comprar y mandar un camión. ¿Para qué? No hay suficiente camiones aquí en Nicaragua? Y sobre todo, nos pagan mal y después se van y se compran un camión nuevo. Los pobrecitos no se van a quejar, pero esto no es justo._ (They travel to the States to purchase and send a truck. What for? Are
there not enough trucks in Nicaragua? And above all, they pay us badly and afterward they leave and purchase a new truck. The poor small farmers will not complain, but this is not fair).

UCPCO was formed in 1992 to organize the campesino cooperatives left without support after the electoral loss of the Sandinista government. A local non-governmental organization called Cenzontle, Centro para la Participación Democrática y el Desarrollo (Center for Democratic Participation and Development), assisted in forming this cooperative union. UCPCO was also fortunate to receive the organizational and marketing support of Paul Rice, current president and CEO of Transfair USA, the sole Fair Trade certifier for coffee, tea, chocolate and other imports to the US. According to the Transfair USA website, Paul Rice spent 11 years in the Segovias region of Nicaragua as a rural development specialist. He worked directly “in the field with cooperative farmers, creating and implementing training programs aimed at developing small farmers’ organizational and business capacity.” The website also claims that “this firsthand field experience gave him an understanding for the weaknesses of the classic ‘development aid’ model as well as insight into alternative, market-based approaches to sustainable development.”

Paul Rice is credited with directing the UCPCO’s first shipment of certified organic coffee after the 1997-1998 season. Kelly and I heard Paul Rice mentioned at a holiday dinner with UCPCO board, administrators, and farmers at Las Palmeras restaurant in San Juan del Rio Coco. It was a banquet, with a gift exchange and various speeches. I was pleased to see multiple levels of the cooperative sharing and socializing together. This had not been my experience with the UCA or Corcasan, who held events

80 http://www.transfairusa.org/content/about/whoweare.php
only for a few select farmers. That night we ate roast *pelibüey* (wool-less sheep) and sipped Victoria pilsner as Heberto Rivas, board director and largest UCPCO farmer, told of the formation of their cooperative.

He said they had formed in 1992 and were legally established in 1996 with the Cenzontle project. He spoke of their first export of organic coffee with the assistance of Paul Rice. He mentioned a “dark (*oscura*)” period that occurred recently when several board members and administrators embezzled funds from UCPCO and in turn brought legal sanctions upon the cooperative.

Heberto Rivas is a striking presence. He is nearly six feet tall with dark hair and a large mustache. He is an outspoken Sandinista supporter and a cattle rancher as well. That night Heberto made two comments that signaled his view on cooperative relationships. First he mentioned that he had lent his truck to another co-op member so that he could take his ailing mother to the hospital in Estelí. Second, he illustrated the co-op’s openness to work with other community-based organizations. He referenced a covenant the UCPCO had reached with UNAG San Juan. Heberto made it clear that this agreement to certify and work with UNAG’s 87 small farmers was not hatched in “*un salon de ejecutivos, ni en un hotel de lujo, se hizo sentado el la vereda* (an executive conference room, nor a luxury hotel; it happened seated on the curb).” For Heberto, that is the way this cooperative works.

The critical allusion to expensive venues for the creation of partnerships between groups was in direct reference to the national government, which spends enormous amounts on lavish meals for dignitaries while the populace suffers from poor services and infrastructure. It also alluded to the way that San Juan co-ops had functioned and brought
about their own demise in the 1990s. Later in his address to those in attendance, Heberto confirmed that

_Muchas cooperativas se hicieron muy grandes, sólo pensaban en la administración. Se quebraron por eso, y así no es como vamos a trabajar_ (Many cooperatives got too big; they only thought of the administration. They [went bankrupt] for that reason, and we will not work that way).

By time of this dinner Eddy had already left UCPCO, but I remembered his criticism of Heberto, who went to purchase the truck in the US, and how he loaded the truck with personal items to ship to his house in San Juan. Eddy was displeased that the board director would assume that loading the truck with personal items, building materials, flooring, hardware, window treatments, and machinery would be all right with the co-op members. “_Es un pueblo chiquito_ (It’s a small town),” Eddy expressed, “_la gente habla_ (people talk).” According to Eddy, Heberto was taking advantage of his position in the cooperative. This contradicts Heberto’s comments about sharing and cooperation.

Heberto’s son Tito said that Heberto and his family joined the UCPCO in the late 1990s, during the international coffee crisis. He, like many other farmers in the region, decided to convert to organic production in order to fetch higher prices, stop paying for chemical inputs, and sell to a more secure market. However, organic coffee must be sold via a democratically organized growers’ cooperative; hence the affiliation of many medium-sized growers such as Heberto. Large-scale farmers can convert to organic without being members of a cooperative: Chico Buitrago, owner of Hacienda La Gloria, for example. His yield is so large that he can afford to pay for a sole certification. Heberto, who farms on close to 50 _manzanas_, joined the cooperative for certification and marketing purposes.
Tito is Heberto’s oldest son. He studied at La Agraria (The National Agrarian University) in Managua and has an ingenieria agronomo (agrarian engineering) degree. He is also the principal administrator of the UCPCO co-op. He moved back to San Juan after college to tend to a parcel of farmland and help run the cooperative. Tito and his wife, Cristina, have one young son and live in the center of town. She owns coffee parcels as well and sells her harvest through the UCPCO. Her family is originally from San Rafael del Norte, and she is related to Augusto Sandino’s wife, Blanca Arauz. Her family has been involved in coffee farming for many generations.

Tito and I worked on several projects together for the UCPCO. We created a video to attract potential buyers. We worked on publicity materials such as pamphlets, brochures, and posters. Tito is constantly searching for new opportunities and programs for his cooperative. Kelly and I also linked the UCPCO with a non-profit, faith-based organization in North Carolina named The Jubilee House for the purchase of UCPCO’s coffee. The Jubilee House had already been working with Kelly on cashew export to New Mexico, and they wanted to improve on the low yields they were experiencing from their suppliers in other regions.

Tito explained that the UCPCO is unlike other cooperatives in that its administration is composed of farmer-members of the cooperative. “De esa forma, estamos responsables el uno al otro. Es un arreglo ideal para que haya transparencia y responsabilidad (This way, we are responsible to one another. It’s an ideal arrangement so there’s transparency and responsibility),” Tito clarified. The administration as well as the staff of assistants and technicians all had a stake in the well-being of the cooperative. They all had something to lose if the co-op suffered.
This administrative model was newly emplaced after a scandal rocked the cooperative’s credibility. Similar to La doce, the UCPCO had an administration who embezzled funds from the cooperative’s account. The corrupt administrators and board members then fled the country. This was detrimental to many aspects of the cooperative’s activity. First, there was no money to pay the members. Many farmers have left the co-op as a result. Fraud will also affect a co-op’s standing among buyers. It tarnishes the co-op’s reputation, and in many cases, exporters will sanction the co-op. Lastly, the cooperative will likely lose their organic, Fair Trade, or other certifications as a result. It is essentially “Muerte para la co-operativa (death of the cooperative),” as Tito put it.

During the years I worked in San Juan the UCPCO was trying to regain its international and regional standing. They joined Cafenica, a Sandinista-era support organization, to gain access to markets, publicity, and financing. They had to mortgage their fixed assets in order to pay farmers and maintain operations. They lost close to half of their membership, and they were struggling to incorporate additional farmers. I asked Tito how they were able to stay afloat after such a scandal similar to the one that left La doce with nothing. He explained,

*Estamos ya recuperando las pérdidas. Casi perdimos el beneficio en Los Lirios, pero ahora lo hipotecamos y le debemos al banco. Tuvimos que vender bajo unos años y somos afortunados de tener productores como mi papá que tienen mucha influencia en el partido. Perdimos mucho, pero ahora hemos diseñado la organización para que esto no nos vuelva a pasar, ¡jamas! (We’re just recuperating the losses. We almost lost the beneficio in Los Lirios, but now we mortgaged it and we owe the bank. We had to sell low for a couple of years and we are fortunate to have farmers like my dad that have a lot of influence in the [Sandinista] party. We lost a lot, but now we’ve designed the organization so that this won’t happen to us again, ever!)

The UCPCO had reorganized their organic coffee production. They shared the burden of low prices and reduced the salaries of the member-based administration.
Towards the end of my fieldwork they were awarded a development grant from the *Instituto de Desarrollo Rural* (IDR) and had successfully secured buyers for their coffee. Tito was optimistic about their ability to expand production and acquire more members.

*Corcasan*

Corcasan, *Cooperativa Regional de Cafetaleros de San Juan del Río Coco R.L.*, was one of the most first cooperatives to restructure after the electoral loss of the Sandinistas. Corcasan reformed in 1994 with 87 small-scale and medium-scale farmers. Corcasan has benefited from projects sponsored by the Inter-American Development Bank (IADB), USAID, and Pasa-Danida (Denmark). Corcasan’s main building, which houses administrative office, a coffee cupping laboratory, and the *centro de acopio* (storage facility), is prominently located near the entrance of San Juan. Corcasan also owns a *beneficio húmedo* on the east side of town, on the road heading to Quilalí. They also have a *beneficio seco* in Palacagüina.

Danilo González was a member of Corcasan when we first met in 2001. He later explained to me that the Corcasan had operated since before the Sandinista period and tended to serve the wealthier class of coffee farmers in the region. According to him, Sandinista insurrectionists attacked the Corcasan headquarters repeatedly. While UCPCO and UCA are predominantly Sandinista organizations, Corcasan is predominantly Liberal. Unlike most of the other second-tier cooperatives, Corcasan did not form to support the Sandinista era agrarian co-ops. This may be why Corcasan received

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81 “Liberals” refers to members or sympathizers of the PLC (*Partido Liberal Constitucional*). The two presidents after Doña Violeta, Arnoldo Aleman and Enrique Bolaños, were Liberal. This was also the party of the Somoza regime.
significantly more government support in the neo-liberal era than the other local co-ops. San Juan’s Liberal mayor is a member of the Corcasan co-op as well.

Corcasan has always been an organization of independent farmers. As mentioned, the coffee crisis of the late 1990s forced many farmers to join cooperatives for access to better markets and specialty coffee certifications. Corcasan began to incorporate small farmers into their membership during this time. They are still run by a small minority of large-scale farmers, but they are able to comply with Fair Trade standards that dictate that half of the coffee exported under Fair Trade certification must be from small-scale producers.

Corcasan was operating under the state Rural Development Institute (IDR) to channel development funds from the IADB. The IDR project had enormous capacity to expand and develop Corcasan’s productivity and publicity. Its goal was to increase quality coffee production and improve marketing of co-ops’ coffee. The project funded the design of a label and brand name for Corcasan’s coffee and the distribution of Valencia orange saplings and coffee-drying boxes to farmers. It designed websites and pamphlets for the co-op. It also paid for refurbishing farmers’ depulping machines and supplied a state-of-the-art drum roaster for the co-op. IDR hosted a number of public events through Corcasan in which participants had to sign an attendance sheet. The attendance sheet documents the number of attendees in order to report back to funding agencies. Some funds went to infrastructural improvements such as of road repairs and the first satellite cyber café in San Juan, El Centro de Información y Desarrollo Local (CIDEL).
Danilo received several of the benefits of the IDR-Corcasan project. One item in particular drew my attention: the new drying boxes with *Gobierno Bolaños* and *Corcasan-IDR* stenciled on the sides. He also got some of the orange saplings. Even though Danilo was not selling his coffee through Corcasan, his membership is still recognized and he has benefited from Corcasan’s need to spend program money and increase the number of farmers served.

Corcasan has also experienced scandals in the recent past. The board president, Hector Cornejo, and vice president, Salvador Ortéz, were arrested and jailed because a case of coffee was missing from the cooperative’s storage facility. According to Danilo, they were caught either selling coffee that they did not have or diverting funds earned from coffee that the cooperative had sold. Either way, Corcasan members asked for an accounting of the coffee they had turned in and they found some to be missing. Cornejo and Ortéz paid the debt and were released from the local jail.

Danilo won the Cup of Excellence award after the 2003–2004 harvest. He and I joked that since I had picked coffee on his farm that season I therefore had played some part in his victory. He even gave me a laminated reprint of his award. However, a disagreeable situation arose between Danilo and the Corcasan board of directors as a result of his award-winning coffee. The cooperative was the first to hear of Danilo’s selection as a Cup of Excellence finalist. The board directors, Cornejo and Ortéz, did not intend to inform Danilo and intended to take the victory for themselves. According to Danilo, he had to fight to prove that the coffee that Corcasan entered in the competition was in fact his. Corcasan had purportedly misplaced the records of his deposit of coffee and his intention to participate in the Cup of Excellence. In Danilo’s words,
Me querían joder. Creían que por ser un pequeño productor me podían intimidar o callar. Para nada. Me encachimbé y les saqué los recibos que tenía guardado para comprobar que el café ganador realmente fue mio. Que clase de vergüenza de esos ladrónes de tratar de quitarme el premio, (They wanted to screw me. They thought that since I was a small farmer that they could intimidate me or shut me up. No way, I got pissed off and showed them the receipts to prove that the winning coffee was mine. What shamefulness that those thieves have to try and take away my prize.)

Danilo considered this an affront and made sure that the entire community was aware of the Corcasan board’s abuse of power.

¿Qué, por ser ricos creen que merecen todo? No me quiseron reconocer porque soy pobre. No represento el imagen ideal de su co-operativa, no soy ningún hecho verga para aguantar eso (What, because they’re rich they think that they deserve everything? They didn’t want to acknowledge me because I’m poor. I don’t represent the ideal image of their cooperative; I’m not some fool to put up with that).

Danilo separated from Corcasan after that. He did finally get the recognition that he deserved and he sold his coffee at almost eight times the international market value in 200482.

Corcasan has a large fleet of técnicos (technicians, or extension agents) who travel throughout the region on motorcycles. They provide technical assistance to member-farmers. During my fieldwork Corcasan received a certificate from the Rainforest Alliance to promote “ecologically sustainable coffee production.”83 The only notable change in Rainforest Alliance certification was the placement of spray-painted, stenciled signs that state “Protegemos el medio ambiente (Let’s protect the environment)” or “Se prohíbe cazar animales en esta finca (Hunting animals is

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82 This extremely high sale amount is due to an electronic auction where bidders compete for highly rated coffee.
83 http://www.rainforest-alliance.org/
prohibited on this farm).” Some farmers posted signs on plywood along the fenceline on their farms. Danilo had the signs painted on the exterior concrete walls of his *cocinona*.

Corcasan exported coffee to Starbucks both seasons I lived in San Juan. With the funds from the IDR project they were also able to retain a significant portion of their harvest for roasting, packaging, and sale to the national market. This coffee was for sale in the CIDEL, but I would make special orders to send to Fair Trade merchants in the United States. Corcasan was the only San Juan co-op that could provide me with roasted, ground coffee. Their two brands were Café Majaste and Café El Balcón.

El Majaste is one of three prominent mountain peaks that loom over San Juan del Rio Coco. The other two are El Malacate and El Lechón. Corcasan chose the name “El Majaste” because, as their general manager Luisa González explained in an interview with me, “*Nuestros productores viven y cultivan en el Majaste y por eso le pusimos el nombre del cerro Majaste* (Our farmers live and farm on the Majaste and for that we gave it the name of the Majaste Mountain).” El Balcón is a community located on Cerro Blanco, just outside of Samarkanda, which produces some of the highest-altitude coffee in Nicaragua. (According to the international market, the higher the altitude, the better and thus more valuable the coffee.)

The label on Café Majaste states: “Café Majaste is made with high quality coffee beans that are selected in our modern cupping facility. The Majaste is the mountain that represents a main source of fresh air and water for San Juan and Telpaneca. Tropical rain forest, conifers and diverse flora and fauna characterize this mountain area.” The label for Café El Balcón states that “Café El Balcón comes from the harmony between flora and
fauna. With attention to social and environmental concerns, Café El Balcón is produced without compromising the equilibrium of nature or future generations.”

José Manuel Moraga, an agronomist who worked for CLUSA when I met him in 2001, was designated to write these labels and register them with a tax ID. Moraga is a well-respected and successful técnico in the Nicaraguan coffee industry. When I arrived to conduct my long-term fieldwork, he was working in San Juan through another USAID-funded consultant, Chemonics International.84 We met at the Cup of Excellence awards in Managua in May 2005. Over drinks, we discussed his role as a development consultant in Las Segovias and his struggle to bring development funds to the cooperatives most in need, not just the most renowned. José Manuel stressed that he would not take the easy road:

Todos los proyectos van a Cecocafen o Prodecoop. Chemonics me puso altas expectativas, entrenar 60 catadores, poner 10 mini laboratorios en un año. Mis jefes me dijeron, no hay problema, sólo vas a Cecocafen o Prodecoop porque ellos ya lo tienen listo. Será fácil. Estos servicios, esta plata los merecen los verdaderos pequeños, los que trabajan con poco apoyo. Eso es el problema con estos fondos que siempre van a los más grandes, (All the [development] projects go to Cecocafen or Prodecoop. Chemonics gave me a heavy workload: train 60 coffee cuppers, install 10 mini cupping labs in one year. My bosses told me, it’s no problem; just go to Cecocafen or Prodecoop because they have it all set up. It’ll be easy. The truly small farmers, those who work with little support, [they] deserve these services and this money. That’s the problem with these funds; they always go to the larger groups).

Corcasan is benefiting at an administrative level from the work of José Manuel, but other técnicos are suspicious of Corcasan’s directorate. Heradio Lagos was born in San Juan del Río Coco and studied agronomy at Zamorano, the most prestigious agricultural university in Central America, located in Honduras. His father is a member of the UCA, yet Eradio works for the IDR as the director of the Corcasan-IDR project.

84 http://www.chemonics.com/
One afternoon in August 2006, near the end of the project, we sat in the CIDEL and discussed his vision for how the IDR funds should operate.

Heradio had been frustrated for a while. He claims that he initially had problems with Corcasan when he told them that the IDR project would not have an ideological bias. His intention was to keep the IDR project apolitical, but according to him, the Corcasan directorate only wanted to serve the Liberal majority of the cooperative. In his words,

*El proyecto no tendrá tendencia política. Se lo querrían para ellos y eso no me parece. La política es lo que nos divide en este país. Este proyecto no tiene banderas políticas* (The project will not have political affiliation. They wanted it all for themselves, and that’s not right to me. Politics is what divides us in this country. This project has no political banners).

Later in our conversation Heradio shared that Corcasan has the tendency to “*Manipular la cosecha de los pequeños productores para hacerle parecer mejor las cosechas del los grandes y de la directora*” (Manipulate small farmers’ crops to make the larger producers’ and directors’ harvests seem better).” He also complains that the cupping laboratory and the drum roasting facility should be for the use of the community as a whole. He wants more development funds to reach the actual farmers. “*La cadena es muy larga, La burocracia es muy apretada.* (The chain is too long. The bureaucracy is too tight.)”

*Coyotes*

I heard repeated references to coyotes during my initial forays into the highlands of Nicaragua, trying to understand small farmers’ perspectives on organic production. The coyote had a bad reputation among the agronomists and development workers who strove to provide small farmers with a stable income source though organic coffee production.
In training sessions or site visits, CLUSA or cooperative técnicos’ message tended to be, “Que no vendan al coyote (Don’t sell to the coyote),” or “El coyote le va a engañar, mejor vender a través de la co-operativa (The coyote’s gonna cheat you; it’s better to sell through the cooperative).

During the early period of this research, I thought I had not yet encountered a coyote in person. Little did I know that they were ubiquitous and that at times the cooperatives and the exporters operated as coyotes themselves. Their continued presence supports the argument that long-standing arrangements will persevere notwithstanding current trends in “sustainable” coffee production. I depict my experiences and interactions with coyotes to illustrate how the development model promoted through USAID, IADB, and on the ground by CLUSA or the Instituto de Desarrollo Rural (IDR) may have lost sight of the valuable role that certain individuals play in a community. To vilify coyotes as the scoundrels of the coffee industry is inaccurate, but the agenda of those who want to see small farmers organized into cooperatives probably benefits from the negative light shed on coyotes’ brokering activities.

A coyote will purchase coffee at the market price at any time of the year. They typically purchase coffee during the low season at a reduced rate and then they collect the harvest from the farmer as repayment for resale when the values are higher. There were several well-known coyotes in San Juan. Las Grietas had two resident coyotes as well, Alcides González and Denis Vilchez.

Both Alcides and Denis have modest homes. They rely on their vehicles and their heavy-duty scales to conduct their coyoteo (brokerage). Denis also has a venta in Las Grietas with dry goods and food staples on sale. Alcides works as a truck driver for the
single gas station in San Juan. Brokering coffee is not their main source of revenue, but since they have other sources of cash they are able to purchase coffee cheaply prior to the harvest and then resell it to larger coyotes or directly to the exporters.

One afternoon in January 2005, I was sitting with Alcides in the front of his house, which he had converted into a coffee receiving room. He was waiting for farmers to deliver the coffee that he had bought earlier in the year. We sipped from cans of beer as I asked him how he operated his business. He explained that he goes to the farthest parts of the municipality to provide a service to poor farmers who cannot afford to come to town for medications or other services. As he remarked,

\[\text{Voy a las partes donde ni siquiera va la policia o la ambulancia. Les ofrezco medicamentos, abastecimientos, necesidades que no son muy fácil de conseguir en esos extremos} \] (I go to places that the police or the ambulance won’t even go to. I offer [the farmers] medicines, supplies, necessities that they cannot get very easily in those parts).

Alcides views his role as providing a service to remote farmers that no one else is willing to do. I continued by asking what he thought of the negative perception of coyotes that the promoters of organic coffee have. In his words,

\[\text{¡Es absurdo! Yo les doy un apoyo cuando menos tienen y mas necesitan. Los pobres no tienen con que comprar durante la temporada baja. Tal vez viajan una o dos veces por mes para comprar arroz, sal y jabón en la distribuidora y eso les cuesta. Además, quedan debiendo a la tienda. Yo llego a donde viven y les proveo lo que necesiten. No aprovecho de nadie, saben que me están vendiendo barato para obtener una platita.} \] (That’s absurd! I support them [farmers] when they have the least and need the most. The poor guys don’t have anything to buy with during the low season. Maybe they travel one or two times a month to buy rice, salt, and soap at the distributor,\footnote{\textit{La distribuidora} (the distributor) is the equivalent of the dry goods/bulk foods market in San Juan del Río Coco. This is the main supplier of staples to families throughout the municipality. The family that owns the business also produces coffee. They too act as a coyote in that they offer store credit during the low season to be repaid when the harvest comes in.} and that comes at a cost. Further, they end up owing the store. I go to where they live and provide whatever they need. I’m not)

\[\text{85} \]
taking advantage of anyone; they know they’re selling to me cheap just to get a little money).

*Coyotes* fulfill a need in the San Juan community and have done so for generations. In the following section is an example of the distinctions between *coyote* and cooperative are substantial and blurred at times.

**Informal Economy in San Juan del Río Coco**

Nicaragua’s post-revolutionary situation is unique within the Latin American context, and individual coffee farmers tend to rely on the skills they acquired during the Revolution or the Contra War. As Florence Babb (1981, 2001) has shown, informal arrangements among community members may have priority over subsequent agreements reached between developers, exporters, certifiers, cooperatives and the farmers themselves. Informal economic arrangements in rural areas also take precedence over international arrangements mandated from abroad or from urban centers. Marginalized people, such as the farmers of Las Grietas, will opt for working with their neighbors before they get involved with “*los de afuera*” (outsiders).

Las Grietas in the early eighties was buzzing with farmworkers. It was critical to the Revolutionary government that the Nicaraguan coffee industry maintained growth and profitability after the success of the guerilla struggle and overthrow of the Somoza dictatorship. The Revolutionary harvest project even sent university and high school students into remote coffee regions armed with Sandinista ideology and AK-47s to instruct *campesinos* to read and to learn to pick coffee.

San Juan del Río Coco had grown accustomed to 50 years of guerilla conflict in the hillsides and forests surrounding the town. Cantagallo, a main northern insurgency
camp, was only 30 kilometers away. Nevertheless, professionals, intellectuals, and internationalistas (or Sandalistas, as they were endearingly called) worked alongside campesinos to keep the countryside safe and to ensure a successful harvest in the first year of the revolution, 1980–1981. In the ensuing years, the struggle to maintain a successful export harvest became even more difficult. State-owned and -run operations were direct targets for the US Marine-trained counterinsurgency. The coffee fields were not safe. Student brigades kept armed watch while pickers worked through the night to satisfy harvest demands. Much of the countryside had been abandoned because of the violence and opposition to Sandinista policies, and mano de obra (manual labor) was difficult to find. Nicaragua’s international reputation as a coffee-exporting nation suffered as their crop yields progressively diminished while Contra presence increased in the coffee-growing area.

As noted above, the coyote is presumed by many to be the enemy of organic and Fair Trade alternatives. In my experience, development workers constantly reinforced the ideal that farmers needed to liberate themselves from the intermediaries involved in this traditionally exploitative market. This meant exporting through democratically elected cooperatives, not selling their product to independent brokers who make a profit by lending money during the off-season when coffee prices are low and then collecting in kind when the prices are high. “Model” farmers should learn to manage their finances and depend on the cooperative when times are tough.

Although this model looks great in theory, in practice it is difficult to live by. One of the first people I encountered when I began my fieldwork in Las Grietas in late 2004 by conducting a community-wide survey was Raymunda Matey, mother of eight,
Pentecostal, coffee farmer, and former cook for the Sandinista-era labor troops. That day, after running the gamut of biographical questions, I asked whether she had organized in a cooperative to sell her coffee. She answered that she had little interest in working with “La Empresa (The Company).” “Te van a robar de todos modos (They are going to steal from you anyway),” she claimed. It surprised me to hear that it was not apathy that prevented Raymunda from organizing cooperatively, but distrust. Cooperatives in San Juan del Rio Coco had a legacy of embezzlement and corruption that had left many bankrupt and bitter. When I asked farmers why corruption occurred in these cooperatives, several repeated a common refrain: “No se nacen ladrones, se hacen ladrones (People are not born thieves, they become thieves).”

That day, I asked Raymunda how she goes sells her coffee. “A veces vendemos en uva. Otras veces debemos a la venta, y también le vendo a Denis o Danilo (Sometimes we sell in cherry, other times we owe the storekeepers, and I also sell to Denis [a local coyote] or Danilo).” Evidently, there was more here than met the eye. “¿No hacen daño los coyotes? (Don’t the coyotes cause harm?)”, I asked. “Pueden ser tramposos, pero nos ayudan los coyotes (They can be tricky, but the coyotes help us).”

The next harvest season, I accompanied Danilo as he combed the community for coffee to buy and sell through his cooperative. This was my first glimpse into the way things really worked in this community. Danilo had been a soldier in the Sandinista army and had also served in Somoza’s national guard. His is a story of success coming out of the difficulties of the coffee crisis. In light of his prestige as a community leader, however, he is compelled to help out other, neighboring farmers whenever possible. At times he will lend money to be repaid in harvest crop. He will also go out into the more
remote parts of the community to find coffee for the co-op. Danilo’s second-level co-op, UCA San Juan del Rio Coco, signs contracts with exporters to supply a certain amount of coffee, and then, in turn, the co-op will offer preharvest financing to farmers based on their estimated yields. The UCA runs the risk of losing future business if it cannot fulfill its contracts.

The 2005–2006 harvest cycle saw better international coffee prices than the year before. This brought interesting challenges to managing co-ops. As the UCA’s accountant, Javier Vanegas, explained when I interviewed him in April 2006, “Cuando están bajos los precios, los productores buscan la cooperativa y pretenden su lealtad. Cuando los precios están altos, venden en la calle (When prices are low, farmers turn to the co-op for assistance and give their loyalty. When prices are high, they’ll sell on the street).” That is, when prices are high they will sell to coyotes who pay cash for product instead of turning their harvest over to the co-op and waiting sometimes six months to get paid. When this happens, the co-ops run the risk of being unable to meet the demand for export quality, Fair Trade, and organic coffee.

It was in this situation that Danilo and the UCA administration requested my assistance in obtaining coffee ‘llenar los contenedores (to fill the containers).’” Danilo was calling in old debts—even one from his father, for whom Danilo had paid hospital bills earlier that year when his father suffered a stroke. We were also getting coffee from larger farmers and conventional farmers. The UCA liquidated capital to begin coyoteando (brokering) in the community. I asked Griselda Jarquin, the president of the UCA, if it worried her that certifiers would find out that her cooperative was including product under their certifications that was not in fact certified. She answered, “Es que, hay que
mantener el mercado. Si lo perdemos, perdemos todo (We have to keep this market; if we lose it, we lose everything).”

This preference for supplying a demand over staying true to the ideals of Fair Trade or organic production underscores a very salient social fact in San Juan del Río Coco. Essentially, if there is no buyer, then the certifications will not matter anyway. The farmers perceived that they had to bend some rules for the benefit of the greater community. This could be considered an example of Scott’s “hidden transcripts” of resistance strategies of the weak (1991), but it is even more reminiscent of Kearney’s notion of a post-peasant, or globalized, campesino community that must negotiate the networks of power and make decisions to defend local interests (1996).

Based on what I observed and heard in this context, it is understandable that the coyote persists as an important role in this community and that the co-op sometimes assumes this role. The coyote has traditionally been a close confidant to the growers in this commodity chain. It is difficult to redefine that century-old relationship with the recent introduction of models that purport to offer something better. It appears that coyotes represent the cultural tradition of building confianza (trust or confidence) among individuals along a risky commodity chain. CLUSA has introduced important values, but it has not altered the norms and values of the San Juan del Río Coco region. What may be of importance to the international community or development workers does not necessarily address the problems of this rural community.

**Conclusion**

There is still a long way to go before productive capacity and community collaboration will satisfy the expectations of farmers such as Danilo and Reinaldo. Nevertheless,
apparently the more diligent farmers do benefit from the participation of poorer, less capable farmers in the cooperative arrangement. Development funds that small-scale farmers draw in serve to benefit the needs of successful farmers as well.

At present, farmer-owned cooperatives cannot wholly subsume the role of *coyotes* in San Juan; there is room for both entities to exist under current market constraints. This puts the cooperative in a delicate relationship with the local agrarian community. On the one hand, the co-op presumably belongs to its members; on the other, it must monitor farmer activity and work against the image of being just another *empresa* (company) trying to get the best of the farmers. This tension, combined with the need for active membership involvement, operational transparency, and equal access to resources, makes for a very fragile existence for coffee cooperatives throughout the export-driven developing world, and in Las Segovias de Nicaragua in particular. As explained, the coyotes buy at low-season price and sell at high, whereas the distributor, the cooperative, and other lenders loan a certain amount of money, and when the harvest comes in the farmers can repay with high-value coffee. There is a substantial difference between the coyotes/microlenders with their high interest rates and the co-ops. Coyotes are essentially buying ‘coffee futures’ (commodities exchange) at a risk. They will lose personal investment should the prices drop or should farmers not come through with the coffee that was prepurchased. The co-op, in contrast, can absorb price drops and can also ensure ‘floor’ prices through marketing to organic and Fair Trade consumers.

Even as the demand for organic and Fair Trade coffee increases, co-ops still struggle to recruit sufficient farmers to meet that demand. Co-op supporters attributed this to *campesino* laziness, idleness, or lack of enthusiasm. Even former Sandinistas are
open to supporting free trade (e.g., CAFTA) to get farmers motivated. The tradition of distrust toward outsiders, institutions, and politicians I found to be common in Las Segovias has dominated local attitudes for centuries. This attitude is counteracted, however, by a development model like that of CLUSA’s where there is consistent interpersonal communication, follow through on expected goals, and a collective transparent approach to the sharing of successes and failures among the developers and the farmers. This manner of engaging in economic development builds on the cultural value of *confianza* and will endure within the norms of San Juan del Río Coco farmers. However, as co-ops operate within accepted local standards and work to obtain coffee through various means, a truly local variety of alternative development is emerging.
Chapter 8  
Community-Based *Campesino* Organizing:  
Case Studies of Small-Scale Coffee Farming in Las Segovias

The repercussions of the Sandinista electoral loss in 1990 were widespread in the agrarian countryside of Las Segovias. Nicaragua’s coffee production and export yield were at all-time lows toward the end of the 1980s. The International Coffee Organization penalized Nicaragua’s coffee exports and applied deductions that resulted in below-market values because of consistently poor quality and low yields during and after the Contra War (Robleto Lang 2000: 20; Rocha 2001).

The post-Sandinista transition government struggled to restructure as corrupt practices hindered governmental organizational efforts. The “piñata”—the land and property grab of state-owned holdings after the FSLN lost the 1990 election—proved to be debilitating for Violeta Chamorro’s incoming administration. The Sandinistas were able to maintain control of the transit and labor unions via the *piñata*. They could call a *huelga* (strike) at any time.

Doña Violeta’s UNO administration struggled to introduce reforms to the economic, social, and political sectors of society. Exiled capitalists were welcomed back. The state offered indemnity for confiscated holdings. The government urged former military and Contra fighters to exchange their weapons for arable lands. In fact, several farmers with whom I worked were still holding onto their Soviet-era AK-47s that the FSLN had issued to their troops in the 1980s.

The situation for the former FSLN-managed, state-formed agrarian entities was grim. The Areas Propiedades del Pueblo (APPs, introduced in Chapter 3) were privatized.
and parceled off, and by February 1992, five months into the first International Monetary Fund accord, 34% of the APP lands were privately held. By the end of 1993, 84% of the APP had been sold (Jonakin 1995:8). The CASs had lost most of the technical and financial support upon which they depended. The programs that had been intended to provide the rural poor with the “structural preconditions” for “greater participatory democracy” ceased operations (Wheelock, in Williams 1994:170). The Government of Reconciliation86 essentially abandoned land redistribution and the policies affording the poor access to education, farmer credits, and agricultural technology by curtailing the role of MIDINRA (*Ministerio de Desarrollo Agropecuaria y Reforma Agraria* – Ministry of Agricultural Development and Agrarian Reform) in the national politics. These cooperatives had grown accustomed to Sandinista government support when, in pursuit of reentry into the global capitalist system, the Chamorro government adopted the structural adjustment policies of the International Monetary Fund (Enríquez 1991; Jonakin 1997:100).

Community-based *campesino* organizing requires significant sacrifice, investment, and trust among farmers of different socioeconomic classes and productive capacities. Exporters and buyers are the ultimate measure of whether a co-op can satisfy the quality and yield that specialty markets anticipate. In contrast, community indicators for success are not defined externally. Rather, they are based on improving the general quality of life for a majority of the Segovian populace. There is long way to go before that is achieved. As Heberto Rivas from the UCPCO explained of his co-op, “*necesitamos que todos progresen para mejorar las condiciones de vida de los...*

86 This is the name the UNO Coalition adopted once they took power from the Sandinistas in 1990.
campesinos y del ecosistema. No hay éxito si los productores en la cooperative están sufriendo. Si uno sufre, todos sufren (we need all to progress in order to improve the quality of life of the campesinos [and protect] the ecosystem. There is no success if farmers in the cooperative are suffering. If one suffers, we all suffer).”

The local nuance for addressing adversity illustrates a community of farmers’ resilience and ability to function efficiently under new models of organization and production. The process once the coffee leaves the farmer’s possession illuminates what a farmer stands to gain by selling to a specialty (i.e., organic or Fair Trade) market and what may not enter into that sale. The following case studies show how cooperatives in and around San Juan have addressed challenges relating to their organic and Fair Trade certification, involvement in social investment programs, and land tenure. The first describes the difficulties in implementing one of the main features of Fair Trade certification—the social investment funds that are supposed to be used to reinvest export revenues in community well-being. The second recounts a battle to keep collectively owned plantation land in the hands of the community. These case studies illustrate how fragile campesino organizations still are and how important outside involvement in their success can be.

**Off-Farm Processing and Exportation**

The situation is complicated when farmers have to decide whether to market their coffee through the co-op or the coyote. The coyote pays that day’s New York Board of Trade (NYBT) rate per carga. The cooperative fixes a price for café oro exportable based on the futures market for specialty sale to organic and Fair Trade coffee consumers.
In the 2005–2006 season, UCA farmers were able to sell 48% of their total aggregated product in the specialty, certified organic, and Fair Trade market (also see Table 3). This meant that they received the favorable price of specialty markets for only 48% of the coffee they marketed through the cooperative, or not even one-quarter of the cargas that they brought in during the harvest. The other 52% that year sold at the NY Board of Trade commodity futures market price, which in times of stable prices would not be a major issue as long as they meet or exceed the “living price.”

The same year, several farmers resigned from the UCPCO because their specialty yield was low: approximately 46%. Many farmers considered that unacceptable. However, there is little oversight to ensure that the co-op will pay out to its farmers what actually was sold to specialty markets. In other words, as my neighbor Don Eddy accused, “Nos robaron (They stole from us).” Some farmers do not understand the additional fees that could drive their payout down, but Eddy was tired of working harder for a lower (organic) yield and then selling a smaller percentage to specialty markets in the end. He left the UCPCO and joined the UCA after that season.87

Clearly there are risks associated with collective labor practices. The issue of aggregation of the crop is a sensitive one for farmers such as Eddy and Danilo, who invest their own time and resources in order to produce high-quality coffee. Danilo, in particular, exports directly to specialty markets so he does need to combine with farmers “a quienes les importa menos (who could care less).” In Danilo’s words,

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87 Eddy actually accused the directorship of UCPCO of taking on too many expenses. The UCPCO had their own dry mill (beneficio seco) and tractor-trailer. He felt that the member-farmers were paying for luxuries from which only a few of the UCPCO members could benefit.
Nosotros en la Procaoc vendemos aparte de la UCA. Las co-operativas de base de la UCA no se preocupan por la calidad y eso les baja el rendimiento de todos. En cambio, la Procaoc tiene un acuerdo de trabajar su café con ganas y sacar el mejor provecho del cafetal. De esta forma, no le estamos chineando a los haraganes y además hemos recibido precios favorables e incluso financiamiento con bajos intereses (We in Procaoc sell separately from the UCA. The base-level co-ops of the UCA don’t concern themselves enough about quality, and that reduces the yield for everyone. On the other hand, Procaoc has an agreement to work hard and get the most out of our farms. This way, we’re not carrying the lazy ones along, and furthermore we’ve gotten better prices and financing with lower interest [than the UCA]).

Not only is a major investment needed to sell to specialty and niche markets, the farmers must also invest in each other’s willingness to work hard in and devote energy to their farms and processing procedures. It took some time for the farmers with whom I worked to understand these procedures. However, it took longer for the farmers to acquire a sense of how much investment is necessary to earn a favorable return.

Certain farmers, such as Danilo and Reinaldo, receive preferential treatment from their co-ops if their coffee is consistently high in both quality and yield. After accompanying Danilo to the beneficio seco in Ocotal on several occasions, I noticed that his group’s lot of coffee (Procaoc coffee) was sorted separately from the rest of the UCA-San Juan coffee. When I mentioned this, Danilo acknowledged that his good reputation as a quality grower and Cup of Excellence finalist has helped him to make special arrangements with the beneficio seco and the exporter, Atlantic S.A., to have his group’s coffee sorted and handled separately.

This resonated with a concern that I had heard from other farmers in Danilo’s group and in the UCA-San Juan: who assumes the costs of organic certification versus who enjoys the major share of the benefits from selling under the UCA-San Juan organic certification. The member-farmers of the UCA-San Juan co-op share the expense of
organic and Fair Trade certification and inspection fees. However, should the UCA-San Juan members’ yield of high-quality (exportable) coffee come up short, the UCA-San Juan management must obtain coffee elsewhere and then sells it under the co-op’s certification.

One afternoon in January 2006, Adrian González, Danilo’s brother and fellow co-op member, and I were discussing harvest estimates as we finished transporting a day’s harvest from high above the Lechón peak. We came to the conclusion that the UCA-San Juan deliberately overestimates its membership’s yield in order to access greater preharvest finance and to secure sales contracts. Adrian seemed puzzled by the scenario since he and his fellow members receive a deduction from their sales to cover the costs of certification and inspection. I asked how he felt about his personal preharvest estimate of 25 quintals. Once we reached his house I hurriedly jotted down his comments as we sipped coffee with *rosquillas somoteñas*. As I recorded it in my fieldnotes, Adrian responded:

\[\text{Ne sé como llegaron a esa cantidad. Solo tengo tres manzanas en producción y rinde bien poco allá por la montaña. No se, no saqué adelantado más que para 10 quintales. Me parece algo raro porque si firman contratos con esos estimados sabiendo bien que los productores no tienen capacidad para cumplir con la demanda, básicamente esperan comprar café en la calle para llenar el orden. Soy muy pequeño para poder hacer producir mi finca así. No tengo plata para invertir. Hago lo que puedo, pero 25 quintales is mucho de esperar de mi. Lo complicado es cuando se trata del costo del certificado. Pues, la UCA me cobra a mi por vender especial y por el costo del certificado. Si compran el la calle y pagan Nueva York, entonces ¿quién gana el precio diferido y quien paga el certificado? (I don’t know how they got to that number. I only have three manzanas in production and it yields very little up on the mountain. I don’t know; I didn’t take loans for more than 10 quintals. It seems somewhat strange because if they sign contracts based on our estimates knowing well that the farmers don’t}

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*88 The *rosquilla* from Somoto is a renowned variation on a traditional corn and cheese cracker. Made salty or sweet, *rosquillas* are typically served with or floating in a hot cup of coffee.*
have the capacity to supply the demand, basically they expect to buy coffee on the street [not from its members] to fill the order. I am too small-scale to make my farm more productive. I don’t have money to reinvest. I do what I can, but 25 quintals is a lot to expect from me. It gets complicated when it’s about the cost of certification. Well, the UCA charges me to sell in the specialty market and for the cost of certification. If they [UCA] buy on the street and pay New York prices, then who gets the preferred price? And who pays the cost of certification?)

Neither of us knew how the co-op accounted for these fees when they had to go outside the membership to fulfill their contracts for exportable coffee. The fact that this was uncertain to Adrian, an UCA-San Juan member, may indicate a lack of transparency in the administrative and managerial operations of the co-op. When I asked him why he was unaware of this estimated yield he shared that he never assumed that the UCA would overestimate so greatly. In his words, “nunca pensaba que me hubieran estimado así (I never thought that they would estimate [my yield] like that).” Apparently, larger-scale farmers are motivated to export their crop with the small-scale growers in order to access niche markets and obtain greater values through their participation in co-ops and work with small-scale growers.

Kelly and I became very close with both Danilo’s and Adrian’s families as we lived, worked, and relaxed with them. Danilo and Adrian are only ten years apart (Danilo was 46 and Adrian 36 in 2005), but they differ in many ways. Danilo has achieved recognition through his leadership and his outspoken and tenacious responses to unjust or exploitative situations. Danilo was instrumental in securing the land for the Las Grietas base-level co-op. He was resourceful in obtaining much of the infrastructure that remained in Las Grietas after the privatization of government-owned coffee farms. Adrian, on the other hand, has been a less active participant in much of Danilo’s success. Adrian lived on Don Amado’s farm and still farms on land that technically belongs to
Don Amado. He is still struggling to save money beyond what he must reinvest on his farm. He relies on income from other sources, such as carpentry and building projects, which he usually obtains via connections in the Las Grietas base-level group. While Danilo may come across as an operator in much of the inner workings of his co-op’s success, his tenacity is likely attributed to his political past and organizational capacity and not to mention that he was significantly older than Adrian at the time of the Sandinista Revolution and subsequent Contra War.

**Organic and Fair Trade Inspection in San Juan del Río Coco**

From the beginning of my interactions with CLUSA técnicos and coffee farmers, I noticed their attitude of reverence surrounding the inspection of farm and cooperative operations for organic and Fair Trade certification. The event itself had the aura of an examination or audit. In this section, I describe some of my experiences with external inspections of the UCA-San Juan co-op by the Organic Crop Improvement Association (OCIA) a U.S.-based certifier, and Fairtrade Labeling International (FLO), based in Germany, the sole international Fair Trade certifier.

This account is enhanced with local farmers’ responses to being subjected to an external inspection in order to access better markets. These inspections have the ability to inspire beneficial trends toward community-based, sustainable development. However, in many cases the inspection event reinforces hierarchies and class division in rural settings such as Las Segovias. In the following examples I juxtapose the organic inspection and the Fair Trade inspection.

Because campesinos are so vulnerable to the imbalanced power dynamic in the inspection procedure, Jairo Restrepo, Colombian researcher and organic farming
instructor, actually instructs farmers to play into the stereotype of rural farmers as ignorant and unintelligent. He teaches them to respond with a simple, one-word answer if the inspector asks what additives they use on their farms: “mierda (shit).” He urges farmers not to elaborate and not to let the inspector intimidate them.

Restrepo’s goals include ensuring the rural agriculturalists have a competitive position in the local, regional, national, and international markets; reducing production expenses and conserving natural resources, and eliminating negative impacts on the natural environment and on the well-being of farmworkers (Restrepo 2001:11). He wants to empower rural growers as stewards of the land and equip them with the skills for achieving self-reliance. Restrepo has led several workshops with organic farmers in Nicaragua, and outspoken organic farmers rely on Restrepo’s guidance and instruction in their own operations.

I had seen and conducted organic inspections in the past, but in this context I was interested in observing the interaction between the inspector and the farmer. The inspector reviews the cooperative’s books, sales, and earnings. They review articles of incorporation and bylaws as well. The inspector also visits the production and processing facilities of a sample of growers in the co-op. This process occurs annually, and the co-op is responsible for providing accommodations and meals for the inspector.

The inspector from OCIA, Gregorio Martínez, came to San Juan for five days near the end of 2004 to inspect the local co-ops. Instead of visiting the separate co-ops at their offices and then making visits to the farms, he had co-op administrators meet him at a local restaurant, El Oasis. Griselda, Javier, and Santos had to arrange all of their records

89 A pseudonym.
to transport them to El Oasis. I did not attend this meeting, but I did notice that Martínez sat at the head of a long table that was covered in beer bottles and leftover food. He spoke and gestured to the co-op staff as they quietly nodded. Given that the co-ops cover the cost of this person’s visit, it seemed to me that Martínez was running up quite a tab. I later heard that he spent the remainder of his stay at La Tomasa, a local bar and brothel.

Because I was close to several farmers, I knew they were tensely awaiting Martínez’ visit, only to find that he spent the five days at the local brothel, inebriated. I had been hoping to get feedback from Martínez on the UCA-San Juan co-op’s internal inspection system. I had prepared an overview of the internal inspection procedures and wanted to review them with Martínez. Unfortunately, I never had the chance to learn his perspective since it seems that he was only there to drink and fornicate.

The Fair Trade inspection was very different. Doña Rosa Madríz is a contracted inspector for FLO. She also must review accounts for the past year’s sales to Fair Trade markets and meet with base-level co-ops and their affiliated farmers. Doña Rosa was very attentive in her visits with the UCA-San Juan. She also assembled the entire membership of two UCA-San Juan base-level member co-ops that were experiencing organizational and export difficulties. She invited me to attend these gatherings with the base level co-ops.

Doña Rosa sat down with the directors of all of the member co-ops in the UCA-San Juan, but as noted above she requested to meet with the entire membership of two base-level co-ops, Pedro Altamirano and Gáspar Garcia. She explained to me that her issue with these two groups was the dubious activity regarding tracking the origin of the coffee they exported to the specialty Fair Trade market. “Hay problemas con la
transparencia (There’s problems with transparency),” she admitted. I asked for further elaboration.

_Parece que el la Gáspar hay muchos productores que pertenecen a dos grupos, la cooperativa [Gáspar Garcia] y la Asociación de Productores de Santo Domingo. Los que pertenecen a la asociación no pueden vender Comercio Justo, aunque lo hacen. El caso de la Pedro Altamirano es que supuestamente su terreno está embargada pero siguen exportando. Quiero saber de dónde están sacando este café si no hay terreno donde producir._ (It seems like the Gáspar co-op has a lot of farmers that belong to two groups, the Gáspar and the Association of Santo Domingo Farmers. Those that belong to the Association cannot sell in the Fair Trade market, even though they do. The case with Pedro Altamirano is that they supposedly have an embargo on their land, but they continue to export. I need to know where they are getting their coffee even though there is no land to grow it.)

Doña Rosa was on a fact-finding mission regarding the origin of coffee sold under the Fair Trade certification. Her discussions with both co-ops were tense. The directorship of the Pedro Altamirano co-op met with her on a co-op member’s porch along the road leading into Guanacastillo. They admitted to obtaining coffee from other plantations that were not included in their certification. Doña Rosa issued a violation and a warning to the Pedro co-op for selling uncertified coffee under their certification. She also told them that another violation would mean losing their Fair Trade certification and they would be ineligible to reapply for three years. She clarified that the Pedro Altamirano co-op needed to include new farms in the renewal application or settle the legal issues that they were experiencing on their collective land.

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90 Gáspar Garcia Co-op is based in the community of Santo Domingo, between Telpaeca and San Juan. It is a founding member of the UCA-San Juan. The Association of Santo Domingo Farmers is an unaffiliated group of individual farmers that seek to export without belonging to a second-level co-op. The impropriety in this case is that the same farmers have dual membership and are competing internally for resources and rewards. This is a violation of the transparency mandate of Fair Trade (FLO) certification/
The meeting meeting was with the Gáspar Garcia co-op in Santo Domingo lasted several hours. We met in a crowded and dark gathering space. At least fifty people were in attendance. Doña Rosa started the meeting by singling out the people in attendance who were members of both the Gáspar co-op and the Growers’ Association. Those who identified themselves as such were scolded for taking advantage of the goodwill of consumer nations who seek to purchase coffee at a living-wage price from democratically elected co-ops in producer nations. She stated that dual affiliation was unacceptable and that those who were members in both groups would have to pick one and leave the other. She did not issue any violations but she did insist that the Gáspar co-op report to FLO once the dual membership issue was sorted out.

Upon returning to the UCA-San Juan office, we sat and debriefed with the staff. Doña Rosa charged the UCA staff with the responsibility of making sure that the base-level co-ops adhered to the tenets of Fair Trade organizational standards. As she said,

*Ustedes son los cimientos para la verdadera apreciación de los estándares del Comercio Justo. Tienen que darles seguimiento a los productores para que no se sientan abandonados y empiezan a buscar otros rumbos. Si la gerencia de la cooperativa se preocupa por la operaciones de sus socios de base, les van a seguir el ejemplo y cumplir los requisitos de Comercio Justo, si no la UCA está en riesgo de perder el certificado y no podrá vender al Comercio Justo.* (You are the foundation for the true acceptance of Fair Trade standards. You have to give follow-up to your farmers so that they don’t feel abandoned and begin to look for shortcuts. If the co-op management concerns itself with the operations of its base-level co-ops, they will follow your lead and comply with Fair Trade requirements; otherwise the UCA is at risk of losing its certification and won’t be able to sell Fair Trade.)

The UCA-San Juan técnico Santos immediately responded,

*Se toma el mismo tiempo para visitar un productor de 20 manzanas que un productor de una manzana. Prefiero no perder mi tiempo con los mas pequeños porque apenas producen y no sostienen la organización.* (It takes the same time to visit a 20 manzana farmer as it does to visit a 1 manzana farmer. I’d rather not
waste my time with the smaller farmers because they barely produce and don’t sustain the organization.)

Doña Rosa replied, “*Es la idiosincracia de los productores.* (It’s the idiosyncrasy of the farmers.)

“No,” replied Santos, “¡es la indio-syncracia de los productores! (No, it’s the *indio*-syncrasy of the farmers.)

No one replied. Santos’ racist play on words was indicative of his prejudice against indigeneity and *campesinos* alike. Santos’ racially oriented remarks reflect a general sentiment among the educated and affluent classes of the region that *campesinos* are ignorant and unmotivated, that those characteristics are ‘*indio,*’ and that the Agrarian Reform of the Sandinista era only made them more dependent on government support and international aid. In my opinion, in order for alternative or sustainable development to gain acceptance in this region, it must work to break down traditional hierarchies and racist attitudes, rather than reinforce them.

**El Naranjo Preschool Project: A Case Study of Social Premium Funds**

After the 2003–2004 harvest season, the UCA general assembly voted to invest their social premium funds from the export of Fair Trade certified coffee in the construction of a preschool at El Naranjo. The UCA’s social premium fund for that season’s Fair Trade export was US$5,000—5% of the total value of fair-trade-certified coffee sold.

According to Napoleon Polanco, the UCA president at the time, “*Es la comunidad más pobre de la UCA. Decidimos brindarles este bien para mejorar el nivel de vida de su juventud.* (It’s the poorest community in the UCA. We decided to give them this asset to improve living conditions for the youth.)”
El Naranjo was formed during the revolution as two *Cooperativas Agrarias Sandinistas* (CAS). These CAS-turned-base-level-cooperatives became founding members of the UCA after the electoral defeat of the FSLN government.

El Naranjo is located on the northwest end of the Bálsamo valley, north of San Juan del Río Coco. It belongs to the municipality of Telpaneca and is adjacent to El Carmen, a well-known confiscated *latifundio* of General Palacios, a former general in Somoza’s National Guard. El Naranjo is located on land that belonged to a colonel in the National Guard, Agustín Peralta. It has 150 to 180 households and approximately 90 preschool-aged children. The community is largely underserved. There is no running water or electricity. The nearest health clinic, in El Carmen, is a 30-minute walk. That is also where residents catch the *ruta* (private transport) to San Juan or Telpaneca. The walk to San Juan from El Naranjo takes about three and a half hours.

The community sits on a densely vegetated hillside of poorly tended coffee fields. Cement houses with corrugated tin roofs line the road. I remember noting the absence of *ventas*. The two concentrations of houses on either end of the road are associated with the two former CAS cooperatives: José Damas cooperative members live on one end of the village and Guillermo Hernández cooperative members live on the other side of town. The elementary and middle schools are on a ridge between the two residential clusters. The only preschool in the village was near where the families of the José Damas cooperative live.

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91 As noted in the Preface, a *venta* is a store that is usually operated by family members in the front room or doorway of their residence. The number of *ventas* in a community typically indicates the amount of surplus capital available for investment in this cottage business. *Ventas* provide supplementary income for the household.
Javier Vanegas, accountant for the UCA and a member-farmer in the Carlos Fonseca co-op, and I visited El Naranjo on the morning of January 6, 2005. The road was much better than I had remembered. According to recently erected signs, Corcasan had completed a road repair and improvement project throughout the region, with funds from the Inter American Development Bank via the national Rural Development Institute. We had plans to meet with the two co-op presidents to discuss clearing and leveling of the plot for the preschool project.

Javier and I had a very interesting discussion along the way. I value his perspective on the current development scenario because of his experience as the son of coffee farmers and an accountant in coffee cooperatives. We discussed the cooperatives’ dependence on grant-funded projects to develop their scope of services and improve the conditions of production for their farmers, and how the UCA was able to improve its image and pay off long-standing debts with development and restructuring funds. At that point, Javier was managing international development funds from MARENA (Nicaraguan Ministry of Natural Resources and Environment) and SUCO (a Canadian development agency). In Javier’s words, “Le convencemos a los organismos, y los compradores como Atlantic que se confiaran en nosotros, pero los productores todavía no creen en la cooperativa completamente. (We convinced the foundations to trust us, and the buyers, like Atlantic, but the farmers still do not wholly believe in the coop.)”

I then asked, “¿Cómo les convencen a los productores que inviertan en el movimiento cooperativo? (How do you convince the farmers to invest in the cooperative movement?)”

Javier responded:
Es un buen ejemplo del Güegüense en nuestra cultura. Es esta falta de cultura de cooperativismo. Todos se animan para el inicio de un proyecto o una iniciativa cooperativa, pero al fin, no cumplen con su deber porque no le da la gana. Es falta de confianza. Los productores se ponen nerviosos. Quieren ver la plata en la mano, no quieren esperar el desembolso. Es falta de educarlos al sistema nuestro, pero también les ha ido mal en el pasado con los bancos, las financieras y las cooperativas. (This is a good example of the Güegüense in our culture. It is the lack of a culture of cooperativism. Everyone gets excited at the beginning of a project, but in the end, they don’t live up to their promise because they don’t feel like it. It’s a lack of trust. The farmers get nervous. They want to see money in their hand, not wait for their disbursements. It is a lack of teaching them the system, but it has also gone bad for them working with banks, financiers, and cooperatives in the past.)

The historical resilience of these communities is based in fierce self-preservation and self-reliance. Historically, it has been difficult to get the people of these regions to work together. As a farmer told Javier, “Los gastos que tienen hoy son para hoy, no para pagarlos en el futuro. (Today’s expenses are for today, not for paying tomorrow).” Javier interpreted this by stating, “El productor piensa en si mismo, no piensa en la organización, ni en mañana. (The farmer thinks of himself, not the organization, not tomorrow).”

We pondered broad concerns. Javier and I discussed cooperativism at greater length a few days after our drive. We thought of how to incentivize to farmers to sell their product through the UCA. We talked about providing items to the growers as reminders of their allegiance to the UCA, however superficial that seemed. Javier and I agreed that a just and balanced cooperative must be honest and transparent. It could work to increase farmer allegiance or participation if it could market itself with gifts and propaganda, a tangible expression of their involvement in and ownership of their co-op. Other, larger co-ops, such as Prodeco-op and Cecocafen, give out backpacks and t-shirts. This
conversation provided a foundation for how to interpret the dynamics of social
development programs via cooperative organization.

With regard to the preschool project, Javier thought the money should have gone
toward education and “concientización (consciousness raising)” among the farmers
regarding ecological, farming, and social justice awareness, not just the construction of a
schoolhouse. According to Javier, the continued success of vending to specialty and niche
markets depends upon the integrity of the cooperative members. The co-op had to
“cumplir con lo que el mercado exige, si no cumple pierde el mercado (comply with
market demands; if not, they lose the market). Javier thought these funds should be used
to pay another technician to provide oversight and make field visits in order to inspire
farmers to improve production quality and comply with market demands. The producers
organize for greater profits; for Javier, this is why this system can become corrupt. He
feels that they need to organize for economically and agriculturally sustainable reasons
too. According to Javier, Prodeco-op did not return the social premium from Fair Trade
export to their farmers or reinvest it in social improvement projects. They kept it within
their administrative budget. Javier noted as we drove, “Se están haciendo muy grande.
Puede volver problema. (They’re getting too big. This could be a problem.)”

The UCA was finishing a beneficio húmedo building project in El Naranjo when the
preschool project began. The National Ministry of Natural Resources and
Environment (MARENA) sponsored the building of wet processing mills through a
development grant that the UCA received. In a different project, an artesian well had
been built in the community, complete with freshly painted Gobierno Bolaños signs
stenciled on the side.
The preschool building project began in February 2005 and initially entailed finding the best price for materials such as bricks, alfajillas (steel rafters), corrugated roofing, cement, and boards. I worked with Santos Chavarría, the UCA agronomist, to gather materials in the cooperative’s storage space. Santos accompanied me on an early visit to El Naranjo. He is an expressive and outspoken individual. One afternoon after returning from the preschool project site, I asked Santos about the circumstances surrounding the decision to invest in a preschool in the community. His response caught me off guard: “Esos hueputas son ingratos. Son celosos y por eso sólo les gusta la mujer panzona o dando pecho. Es un puro chavalero (The sons o’ bitches are ingrates. They’re jealous and that’s why they keep their women knocked up or nursing. They have tons of kids)” Santos exclaimed.

His tone seemed angry and frustrated. He had several criticisms regarding the bickering between co-ops over who would contribute and how. He continued,

El frente los arruinó a estos mapaches. Ahora lo único que hacen es acostarse temprano y levantarse tarde. Son buenos en producer chavalos, nada más. Sí no aprecian lo que les brindamos los voy a mandar a la verga. (The Sandinistas ruined those ‘coons. Now the only thing they can do is go to bed early and wake up late. They’re good at making babies, nothing else. If they don’t appreciate what we’re giving them, then they can go to hell.)

I was shocked by this uncensored sentiment was shocking, I would come to understand this attitude better as I learned the inner workings of small-farmer co-ops in this region.

The goal for the first phase of the preschool project was to accumulate as much material as possible in order to consolidate everything into a few shipments. The transport of the materials would be one of the largest expenses of the project. Three men from San Juan were contracted for the building effort: Jafete, the mason; Raúl,
carpenter; and Jorge, the assistant. Griselda, UCA manager, gave the building contract to her family members who had already worked on the beneficio project. We also had to coordinate with the Ministry of Education office in Telpaneca to ensure that the construction would meet Ministry standards. It was designed to be a one-room schoolhouse with brick walls, high windows, and a chalkboard on wall opposite the entrance. It had a porch with an awning in front, and an outhouse in back.

The presidents of the two co-ops were my local contacts for the project, Juan Pablo from Guillermo Hernández and Pedro Pablo from José Damas. It was up to them to decide who would donate labor and assistance to the project. As in most development projects or charitable efforts, the recipients had to contribute in some form. This contribution is known in Spanish as the aportación. It is common practice of modern development and microfinance programs that the recipients of aid are not simply getting a “hand out, but a hand up” (Stoesz 2000).

The aportación caused difficulties for the project. The two co-op presidents debated over who would donate labor and who would donate the land. The unspoken understanding was that the Guillermo Hernández cooperative would donate the plot of land, but José Damas members were leery of contributing labor to the effort. Pedro Pablo was hesitant to commit José Damas’ members’ labor to a project that would benefit the other community co-op. He was concerned because placement of the preschool on the Guillermo Hernández cooperative’s land effectively excluded the children of José Damas members from attending. This created a problem for us because we needed the cooperation of both local co-ops in order to transport the building materials in as few shipments as possible.
News of the discord between the El Naranjo groups arrived by word of mouth.

That is, the UCA administration heard that one co-op was not cooperating with the effort. Nobody told them directly. Santos and I were sent to mediate and clarify the intentions and expectations of this project. Santos served as the representative of the UCA and I communicated the norms of Fair Trade certification as they pertained to the project. We had to sit down with the two local co-op presidents and clear the air. Santos initiated in a frustrated tone:

_Ustedes [José Damas] no tenían donde construir. Entonces, ¿por qué ponerse mal si la Guillermo quiere brindarles el terreno para el uso la comunidad entera. No quiere decir que les vayan a prohibir de la escuelita. ¡Por dios! ¿No han apredido nada? Los fondos para la escuelita vienen del comercio justo. Eso quiere apoyar a las comunidades, y ustedes pelean como unos chigüines. ¡Que vergüenza! Pónganse de acuerdo ya, o les quito el maldito proyecto de un solo. No puedo creer que se comporten así cuando la UCA los quiere ayudar._

(You guys [José Damas] don’t have anywhere to build. So, why get angry when the Guillermo offers the land for everyone’s use? It doesn’t mean that they’ll keep you from using it. My god! Have you not learned anything? The money for the preschool comes from Fair Trade. They want to support communities and you all fight like kids. What a shame. Get with the program now or I’ll cancel the damn project! I cannot believe that you act this way when the UCA wants to help you succeed.)

Santos insisted that the presidents cooperate with their membership to make sure that laborers were available to haul the materials 75 m uphill from the road to the building site. It was up to the two local co-ops to negotiate who would donate labor and storage space for the construction project as well as food and housing for the builders.

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92 Disagreeable sentiments are often communicated in this way. Rather than stating one’s frustration directly, many will share their feelings with friends, family, and neighbors, knowing that the message will be transmitted to the object of said frustration. The nuances of communicating through gossip (chisme) are different in different contexts.
“Nosotros [Guillermo Hernández] pusimos el terreno, entonces ellos tienen
tienen que aportar mano de obra (We put up the land, so they have to work),” Juan Pablo
remarked after Santos had finished.

“Pero la escuela queda donde vos. Está lejos para muchos. No nos va a servir a
nosotros. (But the school is where you are. It’s far away for a lot of people. It won’t help
us.)” Pedro Pablo replied.

I then interjected,

_Claro, pero ya tiene el otro preescolar donde Usted, Pedro. Ellos necesitan uno
mas cerca, y desde luego les baja la cantidad de estudiantes por donde Usted.
¿Me entiende hombre? Es casi como el principio de comercio justo, Usted ayuda
a sus vecinos que se levanten y Usted se mejora a la vez, es tan sencillo. (_Sure,
but you already have a preschool near you. They need one closer, and then you’ll
have fewer students in your classroom. Man, you understand? It’s just like the
principles of fair trade; you help your neighbor improve and you improve too. It’s
that simple.)_

The interaction was tense. I tried to keep eye contact as we faced one another on
Juan Pablo’s front porch. Santos was unapologetic for his approach. I had known him to
be very animated and expressive. I believe that he sincerely meant to help the farmers,
but his attitude reflected a pattern that I frequently witnessed in the relationship between
cooporative administration and farmers—that is, that dependency created an imbalance
and patronizing attitudes on the part of the UCA.

Later that week at the UCA office, Griselda explained to me that co-ops in the
same community tend to compete for benefits or services from the UCA, the state, or
charitable organizations. In her words,

_Uno cree que el otro le va a fregar o negarle alguna cosa. No piensan que son de
la misma zona, están en la misma. Deberían cooperar en vez de pelear. (_They
think the other will ruin it or deny them something. They don’t consider that
they’re from the same place; they’re in the same mess. They should be working together instead of fighting.)

At that moment, Santo chimed in from his office, “Deciles que si no se ponen de acuerdo les doy un pencazo pa’ que aprendan a trabajar. (Tell them that if they can’t get along I’m gonna beat it into them.)”

This type of behavior was typical for the members of these two co-ops. As Juan Pablo explained,

No es que no nos entendamos, o si nos llevamos bien o mal. Es simplemente la lucha que enfrentamos diario viviendo en estas condiciones. Nadie reconoce lo duro que es. Sólo nos critican por no rendir exportable. (It’s not that we don’t understand each other, or that we don’t get along. It’s simply the struggle that we confront on a daily basis living here. No one recognizes how hard it is. They just criticize us for not harvesting exportable yields.)

It took almost a year to finish the construction of the preschool. I returned regularly to transport workers; to supply additional materials, hardware, and windowpanes; and several times with the welder who needed to transport his torch to build a perimeter fence. The dense bureaucracy of the Ministry of Education and the lack of telecommunications slowed the process. I made consistent visits. I helped lay bricks and mix cement. I brought gifts of tennis balls and used clothing. Children flocked around the Land Cruiser each time I arrived, and it was nice to see them throwing and bouncing the tennis balls.

On one visit, I saw Juan Pablo as he was returning from a baseball game in the nearby Santo Domingo community. I had some clothes and shoes for his family. I had many tennis balls to give out too. Juan Pablo was in his dirty baseball uniform and I was in my “anthropologist uniform” as children tossed balls and ran all around us. We sat on the porch and I asked him how he got the nickname, cachorro (puppy). “Me lo pusieron
en el servicio. (They gave it to me in the service),” he responded. I asked him about his experience in the military and how it was that his community ended up on the land.

“Somos originarios de Somoto, pero durante la guerra el Frente nos reubicó para estar fuera de la zona de combate. Venimos por el arreglo de tierra para producir. La tierra fue confiscada, y la dieron a nosotros. (We’re originally from Somoto, but during the war the Sandinistas relocated us to get us out of the combat zone. We came for the promise of land to farm. It was confiscated and given to us),” Juan Pablo explained.

“¿Y en qué época te fuiste a la Guerra? (When did you go to war?),” I continued.

“Me llamaron al servicio pronto después del translado. Fui a la costa. Pasé el mínimo y me vine pa’ca a trabajabar. (They called me up shortly after our move here. I went to the [Atlantic] coast. I spent the minimum and came back here to work),” he responded.

“¿Cómo fue que se unieron a la UCA? (How did you get involved with UCA?)” I asked.

Pues, estábamos con el Frente, ¿verdad? Todo iba mas o menos regular. Vendíamos al estado y comprábamos del estado. Había mucha atención al productor. Teníamos vehículo y beneficio comunitario. Estuvo bueno. Producíamos bastante y había mucho trabajo para todos. La guerra nos fregó la cosa. Se descuidaron el vehículo y el beneficio. Nos llevó los muchachos y hubo peligro porque la Contra andaba cerca. Nos quedamos sin apoyo ninguno después de la caída de Daniel. Nos cortaron los programas y quedamos solos. Al fin, la UCA se formó durante Doña Violeta para respaldarnos. (Well, we were part of the Sandinistas, right? Everything went well more or less. We bought and sold from the state. There was plenty of farm assistance. We had a vehicle and a mill. It was good. We produced a lot and there was a lot of work for everyone. The war messed things up. We neglected the vehicle and the mill. The war took our boys and there was danger because the Contra roamed nearby. We were left with no support after Daniel’s loss. They cut our programs and we were alone. In the end, the UCA formed during Violeta [Chamorro] to support ourselves.)
I then asked about the current situation with the UCA and his coop’s involvement with the Fair Trade donation for the construction of the preschool. “¿Cómo les parece la situación con la UCA ahora? ¿Qué tal el proyecto de la escuelita? (What do you think of the situation with the UCA today? How about the school project?), I asked.

Desde la guerra, hemos tenido bastante dificultades en acopiar café. La organización nos ha ayudado en colocar el café, pero las situación está igual de difícil. No es suficiente el apoyo de la UCA. Siempre nos insisten que produzcamos más, pero hasta allí. Visitan bien poco. Nosotros tenemos que viajar para allá siempre. Ahora, esto de la escuelita . . . ya ve, esto les importa a la UCA y a Atlantic casi más que a nosotros. Ellos quieren enseñar su capacidad de apoyar a la comunidad, pero les sirve a ellos tanto que a nosotros. Ellos creen que nos acostamos con las gallinas. Nos tratan como haragánes. Pero ellos no han sido muy justos tampoco. Es difícil la cosa, pero de la escuelita estamos contentos con el proyecto. Siempre se nos olvidan, pero ahora vinieron los beneficios y este preescolar. (Since the war, we’ve had a hard time stocking up coffee. The organization [UCA] has helped us to sell our coffee, but the situation is just as hard. There is not enough support from the UCA. They insist that we grow more, but that’s it. They visit very little. We have to travel there always. Now, with the preschool . . . you’ll see, it is almost more important to the UCA and Atlantic than it is to us. They want to show their ability to support the community, but it serves them as much as it does us. They think that we go to sleep when the hens do. They treat us like lazy bums. But, they haven’t been fair to us either. Things are difficult, but we’re happy with the school project. We’re always forgotten, but now the mill project and the preschool are here.)

The commentaries from Juan Pablo and Santos supported my supposition that the farmer-cooperative relationship can be adversarial given the risks that both parties must undertake. The apparent frustrations of both individuals reflected an element of insecurity and uncertainty within the high-risk endeavor of coordinating small farmers for large-scale export. I came to find that the UCA clearly had biases regarding El Naranjo, as well as toward other farm communities. However, El Naranjo inhabitants held their own critiques of the management structure and governance model that the UCA maintained.
The cooperative model for export agriculture is fraught with class disparities that result in notable power imbalances. Many farmers have abandoned the cooperative. Base-level co-ops, such as the two in El Naranjo, privatized their holdings after the fall of the Revolutionary government. Juan Pablo explained the lack of a sufficient labor force as a result of the privatization of lands and subsequent sales to larger landholders. He mentioned some farmers who had abandoned their plots and migrated to the city, whether to Ocotal, Estelí, or Managua.

“Muchos se fueron. Después del Mitch, no se pudo pagar las deudas, la cosecha se perdió y resultaron buscando pege en la ciudad (Many left. After [Hurricane] Mitch, we couldn’t pay back debts, the harvest was lost, and they ended up looking for jobs in the city),” Juan Pablo recounted one morning as we worked at the construction site.

The UCA’s preoccupations exist at another level. They must secure export contracts and fulfill the estimated yield in order to stay in good standing with their buyers. In addition, the UCA has to negotiate the delicate balance of keeping their farmers content and productive. They try to provide sufficient technical support and financing to keep their farmers loyal to the cooperative efforts.

One complicated aspect of this balancing act is that the UCA tends to provide more services and attention to the groups and/or communities that produce high-quality and high-volume yields. The more affluent farmer groups, such as Danilo’s Procaoc, do not rely on the assistance of the UCA as much as the remote groups of El Naranjo do. The UCA is attentive to Procaoc because of their proximity, higher average yield, and receptivity to cooperative programs. Essentially, the UCA can afford to disregard El
Naranjo without running much risk of losing them as members. On the other hand, UCA *needs* to nurture the relationship with Procaoc.

As argued earlier, the reciprocal relationship between base-level and second-tier cooperatives varies. Wealthier co-ops tend to get better treatment. They can use their bargaining power to demand services on their terms. The El Naranjo co-ops have to take what they can get. As Santos put it, “¿A donde van a ir? Nadie los quiere y no pueden trabajar solos. (Where else would they go? No one wants them and they can’t operate on their own.)” The UCA and the El Naranjo cooperatives are dependent on one another, yet the relationship tends toward disharmony and bias.

The preschool project was completed in October 2005. The inauguration of the El Naranjo preschool was a major event for the Segovias community. It was publicized on local radio stations and in the press. The UCA printed a huge banner with supporters’ and sponsors’ names in bold print. The regional director and national director for Exportadora Atlantic S.A. were present at the ribbon cutting. Local politicians, community leaders, journalists, and cooperative members came together in El Naranjo to participate in a morning of speeches and dedications. Musicians and a traditional dance group performed for the crowd. The event was well attended, and afterward most people in attendance returned to Las Grietas for an *asado* (barbeque/cookout) and a *fiesta*. Oddly, no one from El Naranjo came to the celebratory cookout.

Danilo hosted the reception in his *cocinona*. The UCA paid food catered by a local restaurant. Santos and Danilo cooked *chorizos* on a charcoal grill made of an old tire rim and rebar. They played *música testimonial* of Silvio Rodríguez and Amparo Ochoa on the stereo as everyone ate, drank, and conversed. The group got livelier as the
day went on. The music changed to louder and faster *salsa* and *merengue*. The music was very loud, and we had to shout in order to be heard. Don Gonzalo, the regional director of the Atlantic S.A. office in Ocotal, was spirited in commenting,

¡Que orgullo de tener la oportunidad de celebrar el éxito de vender comercio justo! Es el primer proyecto social del comercio justo y Atlantic está para apoyar a las comunidades. Es una dicha trabajar así. La comunidad está feliz y nosotros estamos bien orgullosos. (What pride to be able to celebrate the successful sale of Fair Trade coffee. It’s the first social project from Fair Trade [in San Juan] and Atlantic is here to support the communities. It is a blessing to work this way. The community is happy and we are very proud.)

We drank and danced until late. A few days later I took time to consider the commentary that Don Gonzalo made. He and others took great pride in the collective accomplishment of exporting a container of Fair-Trade-certified coffee and then investing the social premium funds in the community of El Naranjo. Oddly, Don Gonzalo had almost nothing to do the project. Had the coffee not been certified Fair Trade, Don Gonzalo would have executed the exact same function as an export executive. I recalled the remark that Juan Pablo made in reference to who stands to gain out of this preschool project. My concerns regarding the dynamics of this project and the accolades that ensued were confirmed by the remarks that one of Danilo’s group members made to me.

Doña Maura Monje is one of the original members of the Las Grietas group. She worked for the Salinas Pinell APP and acquired land in the *concertación* along with the rest of Danilo’s group. She farms on six *manzanas* and works with her three sons, who are coffee farmers as well. Together, they own a two-wheel drive Nissan flatbed pickup truck. They offer transport services throughout Las Delicias valley, where Las Grietas is located. I had worked with Doña Maura’s sons when picking coffee for two other Las Grietas farmers, Santos González and Eliazar Romero. One afternoon while conducting
my community survey I went to her house at the split in the road. We spoke of her
relationship with the UCA and with her base-level group, Las Grietas/Procaoc. She
expressed her dismay at not being invited UCA events, especially when they were held at
Danilo’s cocinona. I returned to interview her later that week and although she declined
to be recorded, she did participate as I took notes. Doña Maura began by stating:

¿Cómo puede ser que cada vez que hacen algo allí nos dejan fuera? “Es como
que no nos toman en cuenta. ¿Quién hizo esa escuelita? ¿Quienes son los
productores que apoyaron ese esfuerzo? (It’s like they don’t even consider us. How can it be that they hold events there without inviting us? Who built that
school? Who are the farmers that supported the effort?)

She was critical of the preference given to the more prominent farmers within the UCA.
She is aware that she is valuable to the cooperative as a female farmer, especially given
the anti-machismo and gender equality that is taught in organic farming workshops. In
her words,

Yo sé que valor tengo en esa empresa. Ellos quieren mujeres como socios, pero
no me quieren brindar una atención adecuada. ¡No nos aprecian como deberían!
(I know my worth in that firm. They want women to be members, but they don’t
offer me adequate services. They don’t appreciate us as they should.)

Doña Maura’s sentiment of feeling underappreciated and neglected resonates with the
comment that Juan Pablo made regarding the preschool. It seemed to them that the
cooperative would only call upon the poorer membership when it was advantageous for
co-op. Cooperative members were beginning to see through that behavior by the time I
arrived to do my research.

My understanding of the roles of smaller farmers, such as Juan Pablo and Doña
Maura; medium-scale farmers, such as Danilo; and large-scale farmers with regard to the
cooperative arrangement was expanding as I gained more familiarity with the dynamics
of the San Juan community. Many nights we ate dinner with Danilo and his family. He
would ask me about my research and the progress I had made. In many cases, I would share ideas or concerns with him. As time went on, his remarks grew more candid.

In late December 2005, long after the El Naranjo preschool project was finished and the inauguration party had occurred, I shared other farmers’ general frustrations regarding the project with Danilo. In response, he commented, “¡Es tiempo de dejar de chinear a los pequeños!” (It’s time to quit babying the small farmers!) He was expressing his frustration with the small farmers in the cooperative. Danilo conveyed that he was tired of doing all the hard work to ensure high quality and yield for the cooperative while the small farmers of the UCA cooperative did the minimum and got credit for his efforts. This was a very poignant statement. I had been in the field for more than a year, and visiting this site for three years, and this was the first time I heard this type of sentiment. Ever since I met him in 2001, Danilo had always impressed me as a revolutionary, a community leader, and a champion for the poor farmers; however, it appeared that even he had reached his limit.

This was a major realization for me. I had not heard Danilo’s negative opinion of the smaller farmers up to that point. I had become accustomed to Santos’ belittling of member-farmers and the UCA’s paternalism. The sentiment that Danilo expressed

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93 It is important to deconstruct the Nicaraguan verb chinear (to carry, to piggyback) in order to get at the root of this statement. Chinear is one of a series of words in the dialect of Spanish spoken in Nicaragua that refer to the labors and characteristics of indigenous maids. They were derogatorily referred to as China because of their Asiatic appearance with high cheekbones and straight black hair. This racialized category has entered into common usage from years of normalized discrimination against Nicaragua’s indigenous population. Several words reflect this relationship: chinelas are the cheap plastic sandals that everyone uses, named for the apparel of the Indian maid; chinos is the local term for columpio, or swingset, because the chinas push their bosses’ children on them; chinear is to carry, as the Indian maid would carry a baby. Today people can chinear any object or person.
confirmed for me that the dependency scenario of development programs permeates all levels of cooperative organization.

**Pedro Altamirano Land Claim: Campesinos’ Fight against Corruption**

One of the founding base-level co-ops in the UCA and a former CAS is the Gaspár Garcia cooperative in Santo Domingo, Telpaneca. They experienced serious problems with their collective land around the time that I began to visit San Juan del Río Coco in 2001. They had contracted a lawyer to defend them in a case against Volcafe Specialty S.A., an international exporter. Volcafe had embargoed an entire season’s harvest from the Gaspár Garcia cooperative because of past debts and poor quality. The leaders of Gaspár Garcia had to sue Volcafe to get payment for their coffee. In a murky turn of events, Gaspár’s leadership offered their land title from the Agrarian Reform as collateral for their lawyer’s fees. They won the case, but the lawyer then maneuvered to make himself the owner of Gaspár’s land.

Gaspár’s president, Napoleon Polanco, needed the UCA’s support to recuperate its land. Griselda relied on the Sandinista party to help Gaspár out of this bind. The negotiations required many trips to Somoto and to Managua. In the end, the UCA received the support of Daniel Ortega, then secretary general of the Sandinista party, to defend the land claim case. He accompanied Griselda, Napoleon, and other UCA and Gaspár representatives to Somoto to attend the land claim trial. Gaspár Garcia got their land back.

A similar case took place with another UCA founding cooperative, Pedro Altamirano. This case did not receive as much national or political attention as the Gaspár Garcia case. This time, the UCA administration did not offer support. I became
familiar with the community of Guanacastillo through acquaintances who belonged to the UCA. Don Sixto Fajardo was the president of the UCA and Don Hermógenes Herrera was the UCA’s secretary. I occasionally traveled Guanacastillo to see how farmers diversified their production between Arabica coffee, which requires cool climates and sufficient humidity, and the corn and beans that are traditionally from warmer, lowland climes.

The situation of the Pedro Altamirano co-op came to my attention after the Cup of Excellence awards in 2005. Sixto and Hermógenes belonged to the other Guanacastillo coop, El Progreso, which was formed voluntarily (rather than being formed under the Agrarian Reform) by individuals in the region after the Contra War, according to Hermógenes. I knew that Pedro Altamirano had had no harvest for the past two years and that they were embroiled in an embargo of their crops and a land dispute. I decided over the winter holiday season of 2005 to see whether I could provide assistance. I recruited Danilo’s son Everst, a third-year law school student in Managua who was home for vacation, to assist me.

The Pedro Altamirano cooperative is located in the community of Guanacastillo in the municipality of El Jícaro. La Pedro, as it is known, is a founding co-op of the UCA. It was formed as a CAS during the Agrarian Reform of the early 1980s. The 78 members of La Pedro were relocated to this region during campesino evacuations and land reforms. They have since worked collectively on 100 manzanas of coffee farms for 24 years. Twice they took out loans for renovations. They planted macadamia, neem, and other shade trees. In 1984 they took out an additional loan through the National Development Bank to renovate 45 manzanas, and in 1990 they took out another loan.
through *Auxilio Mundial* (World Relief)\(^{94}\) to renovate 70 *manzanas*. Most of the present members were relocated from the nearby communities of Varial, Cantil, and San Pablo. There are 85 families in the cooperative; when they arrived at Guanacastillo, only 15 families were living in the area.

Filimón Muñoz Florian, president of *La Pedro*; Cándido Martínez, *vocal*; and Francisco Matey, vice president of the UCA, have been the most involved in recounting the story of their land claim case to us. The following is from my February 2006 fieldnotes when Filimón, Cándido, and Francisco explained the situation. These three spoke so adamantly and passionately about the situation that I struggled to keep up with their comments.

In 1996, there were rumors that the previous owners of the co-op’s land were trying to reclaim it. The co-op acted quickly to get their title indemnified by Doña Amparo Varela, the last owner before the land was confiscated by MIDINRA under the FSLN Agrarian Reform. Filimón pointed out that not only is this land the main economic resource for the co-op’s 85 members, but also that it provides the main water source for 620 families that depend on *La Pedro*.

The property once belonged to the Gurdian family. Don Pablo Gurdian passed away from cancer and his wife could not manage the farm alone. It was wasting away. So she sold the land to Amparo Varela. The Revolutionary government confiscated the land from Doña Amparo. She received compensation for her holdings, and the state handed the property over to the Pedro Altamirano cooperative in 1981. The property includes

\(^{94}\) World Relief is a Baltimore-based evangelical Christian poverty relief organization. Their mission is to “empower the local church to serve the most vulnerable.” Their work in Madriz, Nicaragua is based in microfinance. [http://www.wr.org/](http://www.wr.org/)
houses and additional farmland, but the main source of income, the 100 manzanas that they collectively farm, has been under dispute for several years.

Varela helped to legitimate the cooperative’s land claim. However, in 1998 relatives of the Gurdian family reappeared with documents indicating their ownership of the land. Raúl and Héctor Gomez (related to the Gurdians) were the principal actors in the attempted armed takeover of this land. In 1998, they occupied the land and the co-op sought legal recourse to kick them off. They would leave and then return a few weeks later. Again, the coop had to summon the police to eject them. This reached a boiling point when one of the occupiers was killed and sixteen co-op members were arrested and accused of murder.

Between 1998 and 2004 the co-op worked its land collectively and obtained financing through the UCA and Atlantic S.A. They worked hard to pay off their existing debts to banks in order to defend their title to the land. According to Filimón, Amparo Varela was indemnified twice for the land, once during the Chamorro government and again during Alemán’s. In 2004, the relatives of the Gurdians, who had previously sold to the Varelas, appeared with a court order to sequester the harvest from the farm. At that point, La Pedro put a lawyer on the case. Prior to the sequestering the land was openly theirs to work. Since 2004 they have been forbidden to set foot on the property. The affiliates and relatives of the Gurdians had placed guards who would shoot their rifles into the air to intimidate the co-op members. La Pedro had to complain to the police to have the harassing gunshots stopped. Cándido admits that he has a registered pistol. The police visit him to check if he has shot the gun, and they count his ammunition.
La Pedro lost their entire harvests in 2006 and 2007. They have since fired their lawyer for conspiring with the land grabbers. They hired a new lawyer from the General Secretary of the Sandinista party in Managua to handle the case. The new lawyer submitted new documents to the court to initiate a new case on the matter because the previous case was “demasiado viciado (too corrupt),” as Filimón described.

The court also had to remove two judges from the case because of conflicts of interest. Then, because the court took so long to name another judge to the case, La Pedro lost the second annual harvest. To add insult to injury, the Gomez family had taken out loans using the land as collateral and were trying to sell it. According to Francisco, they even sacked the farm for hardwood and neglected the caretaking of the plantation. In 2006, they sold the coffee cherries without depulping them, which earns a much lower price.

I drafted a public letter (see the appendix) for the Pedro Altamirano members with the help of Everst González. Kelly and I also communicated the situation to our contacts at the University of New Mexico Fair Trade Initiative (UNM-FTI) and requested donations to help defray the costs of transportation to visit the lawyers and courts assigned to this case. The UNM-FTI raised more than $200 to help the Pedro Altamirano co-op directly oversee the case. The more often they could meet with the lawyers and be present in court, the better their chances were of having their case heard. We were pleased to hear that several months after we had departed from San Juan, La Pedro finally won their case and were able to get back to work on their plantation.

Much of what I had experienced confirmed what Tito Rivas of the UCPCO had said to me months before: “La exportadora manda (The exporter calls the shots).” His
statement was in reference to Corcasan and UCA, who were intimately tied to the mandates of their exporters. From that point on I wondered, whose interests were most served in the cooperative arrangement? The cooperative must balance its relations with farmers, community, and private exporters. But, the following case proved that corporate interests take precedence over those of the coffee farmers.

Three finalists from San Juan participated in the 2005 Cup of Excellence: Danilo, Reinaldo Moreno, and La Pedro Altamirano cooperative. I was puzzled to see La Pedro listed as a finalist since they had not harvested in more than two years. We were sitting with Danilo’s family for the event. Other folks from San Juan were in the crowd. Griselda and Santos were with the director of Atlantic S.A., Don Gonzalo, and Jairo, Atlantic S.A.’s técnico.

The finalists were invited to the stage for the presentation of the plaques. Danilo and Reinaldo went to the stage, but who would represent La Pedro? I then saw Griselda walk toward the stage. She stood adjacent to Danilo and Reinaldo. She accepted the award on behalf of La Pedro. I turned to Santos and asked, “¿Cómo es que la Pedro entregó café para la Taza? Ellos no han producido en casi dos temporadas. (How’s it possible that La Pedro submitted coffee for the Cup [of Excellence]? They haven’t farmed coffee for almost two seasons.)”

“Ese café es mío,” Santos replied. “Claro, ese es un café revuelto que el Chacalín [Gonzalo] nos dijo que entregáramos. Le pusimos el nombre de la Pedro porque ninguno de ellos nos puede reclamar. (That coffee’s mine. Sure, that is mixed-up coffee that Gonzalo told us to submit. We put La Pedro’s name on it because we knew none of them would complain.)”
This came as a surprise. The UCA, Santos, and Griselda were blatantly misrepresenting themselves and their members, not to mention scamming the Cup of Excellence awards program.

Pedro Altamirano, José Damas, and Guillermo Hernández were necessary members of the second-tier cooperative because of the image that they convey about the UCA, but they neither produced the majority of coffee nor reaped the majority of the benefits of export. This stands out as a significant display of the attitude the cooperative administrators have toward their clientele and the preference they give to the private enterprises that fund their work.

Conclusion

The accounts in this chapter are examples of the realities, conflicts, and struggles around alternative development that occurred in the Segovian context of San Juan del Río Coco between 2004 and 2006. However idealistic the motives of alternative development may be, the methods of their operationalization are still derived far from the site of their application and, in turn, are destined for complication.

My sense is that there are multiple narratives at play when the lived realities of the latest versions of alternative development are expressed. Farmer-owned cooperatives must present a certain image of their operational structure to certifying entities and external sources of financing. But the manner in which daily life unfolds follows traditional patterns and interrelations that have been in existence long before the modern concept of sustainable agricultural development hit Nicaraguan shores.

Although resistance to authority and deception may be traditional cultural attitudes toward external influence and domination in Las Segovias (see the review of
colonial history in Chapter 1), they can be detrimental to the successful operation of a
democratically elected, farmer-owned cooperative. Cooperative organization satisfies
foreign buyers’ need to ensure that the funds and support for small farmers can be
somewhat equitably and transparently distributed and accessed. As I mentioned in
Chapter 7, cooperatives can be seen as a postmodern phase of the political and corporate
elite mission to control campesino lives and access to knowledge and resources,
especially when a cooperative empowers a privileged few and creates subclasses and
subdivisions within the community.

It is very significant that farmers of disparate means and distinct political
ideologies in the San Juan del Río Coco region now share the burden of cooperative
organization and organic production to obtain better, more secure markets. What stands
out from this historically and geographically situated research is this change in social
relations and the culture of farming coffee in Las Segovias. The way that San Juan
farmers cooperate across class lines for the general well-being of their community, their
regional economy, and their livelihoods is remarkable.

Small-farmer co-ops have made great strides to address growers’, communities’,
and ecological concerns. Local structures inform the manner in which San Juan farmers
satisfy demand for their coffee, but those same traditional local structures could interfere
with cooperative success. Given this region’s history of distrust, favoritism, corruption,
theft, and bribery, it is clear that the local San Juan co-ops are at risk of committing the
errors of the past, only with new individuals at the helm.

At a certain level, I was starting to see how the top-heavy nature of the UCA
could leave its members out of the decision-making process. I previously assumed that
co-ops were managed equitably or communally. In actuality, cooperatives run on the efforts of the few for the presumed benefit of many. However, the few who do run the show also get the majority of the spoils. This is not unlike the manner in which private enterprise operates.
Conclusion

Regional Segovian identity and cultural attitudes has historically informed the manner in which economic development takes root in Las Segovias. As I have shown in this dissertation, innovations to the longstanding coffee industry in Nicaragua are significantly impacting the lives of rural, small farmers of the region. Although these innovations represent a series of contemporary remedies for the ills of the past, they are responding to the current phases of ecological and social distress. But these innovations are, in fact, nothing new. Instead, they comprise another variety of corporate and First World interventions in developing nations such as Nicaragua. Development, in this historical moment, is framed in a different fashion than in the past, but it still privileges a distinct segment of the population.

The majority population of impoverished Segovians have grown accustomed to outside influences in their territory. For poor people in Las Segovias, models for economic development and social organization come and go, but they still must struggle to keep the land productive without spoiling the sources of their income—in other words, the rainforests, water sources, and healthy topsoil.

The social conflicts in and injustices of the Nicaraguan coffee industry predate the introduction of toxic petrochemical farm inputs that threaten wildlife habitat and delicate tropical ecosystems. The shift to organic coffee production should reduce the risks to wildlife habitat, and to native flora and fauna, but organic production offers little to encourage new approaches to the legacy of marginalization, discrimination, and exploitation that is part and parcel of the national and international control of the coffee industry. Organic production and cooperative organizational models may liberate farmers
from overarching dependencies and costly chemical inputs, but the structural and systematic issues need to be addressed before coffee farming can be sustainable in this context.

Let us in conclusion review those structural and systematic issues. Coffee production requires a large, seasonal labor force. This is ideally suited for poor tropical countries with large unemployment rates. Nonetheless, the cost of labor is prohibitive for small farmers in comparison with their larger-scale counterparts. Larger and more affluent farmers stand to benefit more from involvement in co-ops than small-scale, impoverished farmers do. However, larger farmers who market to specialty venues (organic and Fair Trade) are required to collaborate with smaller-scale producers and aggregate their harvests in order to meet export quotas and requirements. The smaller the farmer, the more difficult it is for them to invest in increased yields and improved plantation health. They cannot afford to compete with farmers of a larger scale. So, the larger farmers must “accept the good with the bad” in the case of specialty marketing.

Danilo stated (in Chapter 8) that “es tiempo de dejar de chinear a los pequeños (it is time to stop piggybacking the small [farmers]),” but he is the one who organized the small farmers of Las Grietas to share efforts and make sacrifices to obtain organic certification and sell to the value-added markets that purchase organic coffee.

Fulfilling the demand for certified organic, Fair Trade coffee requires cooperation and mutual interdependence from Segovians of diverse resources and incomes. This often leads to a shared frustration among these diverse groups. (Chapters 7 and 8). Neither the small farmers of El Naranjo or Guanacastillo, nor even Danilo, can supply a completely filled container of coffee on their own. An imbalance in the nature of participation in the
production and marketing of organically produced coffee has occurred in the past and continues to corrode internal relations in (and between) base-level and second-level co-ops (as shown in the celebration for El Naranjo Preschool, for example).

The shift toward organic coffee farming and the organization of cooperatives would seem to encourage farmers to get involved in the participatory democratic operations of their cooperatives. But this ideal is seldom realized since smaller farmers cannot afford to leave their farms to attend the operation or administration of their cooperatives. Technical support often also does not reach the more remote grower groups. Santos, the UCA técnico, admitted that he favored conducting site visits with nearby farmers who have more expansive operations. “De esa forma, cubro más terreno (I cover more ground that way), he clarified to the FLO inspector (Chapter 8).

I have also shown that the image of poor, small farmers is used to attract development aid and funding. Co-ops such as UCA make sincere efforts to invest in social programs and infrastructure for Cooperativa Agropecuaria Sandinista (CAS) communities like El Naranjo, but for many reasons these communities remain embroiled in land conflicts, labor issues, and disputes over deficiencies in product quantity and quality. Throughout my research I heard many people criticize the Sandinista Agrarian Reform for simply giving land and property away without building capacity, thus keeping people dependent on external sources of support. In many ways, the shift to organic production has followed the same tendency. Farmers who are not contributors to the design of sustainable economic development projects are likely to abandon the model, especially should a preferable option arise. In fact, after the CLUSA project ended in
2004, many farmers left the organizations and associations that had formed in order to obtain CLUSA support.

Danilo repeatedly expressed frustration at the lack of government subsidies or credits to support the coffee industry, the industry which earned one-third of Nicaragua’s total agricultural revenues from 2001 to 2003 (MAGFOR 2004:3). Danilo and Tito Rivas complained that the exporters had too much influence over the cooperatives’ decisions. In fact, Danilo was disappointed that his export co-op, UCA-San Juan, would not consider a higher value sale instead of selling through Atlantic S.A. Kelly and I eventually arranged for the UCPCO co-op to supply the high value buyer given that their flexibility with export rules and procedures. It seemed to Danilo that UCA was more loyal to the exporter, Atlantic S.A., than to its own member farmers. In the absence of consistent governmental support or reliable farm credits, farmers and their co-ops are dependent on and susceptible to the decisions of international trade corporations. Danilo also blames his collaborators for being part of the problem: *Cooperativistas en Nicaragua son atrasados. Solo quieren los beneficios y los servicios, pero no manejan los estatutos. Se mantienen ignorantes. No se educan los estatutos y dejan que otros manejen. Entonces son culpables de problemas por no ser atentos a los problemas* (Cooperative members in Nicaraguan are backwards. They only want the benefits and services [of the co-op], but they don’t follow the statutes. They keep themselves ignorant. They don’t learn the statutes [of incorporation] and let others manage [the co-op]. Therefore, they are to blame for the problems for [that result from] not attending to the problems.”

Thus the new organic production, Fair Trade development model reflects many of the same problems that have arisen historically as a consequence of international aid and
economic development programs. In the case of my research project’s focus, this historical pattern began with CLUSA and its excellent funding, support, and enthusiasm. A select group of the beneficiaries was identified as leaders among the stakeholders, Danilo among them. Efforts progressed toward certifying nearly 500 farmers in organic production, which CLUSA promoted as a remedy for historical price lows and the threat of natural disasters. Then, when the funding ceased, the organizations had to struggle to maintain their previous levels of success. At this delicate moment, many farmers moved away from organic certification and co-op membership as international coffee prices stabilized and development funding decreased. The remaining core group of medium-scale farmers still engaged in organic production are implementing the training they received and maintaining the markets they procured while they were being subsidized, but the co-ops and grower groups are still susceptible to corruption and deceit. As Danilo has commented in regard to the bankrupt and failed co-ops in San Juan del Río Coco, “La plata crea corrupción, pero la corrupción aprovecha de la ignorancia (Money breeds corruption, but corruption thrives on ignorance).”

More participation in the administration of the cooperatives among a broader cross-section of farmers would translate to more transparency and accountability on the part of organizational and community leaders. Alternative development programs should work to raise awareness among rural farmers and to inspire increased participation in the processes of organizing and administrating their co-op, instead of letting a minority of better off farmers decide their collective fates. However, this goal has not been realized in (and may not be realistic for) Las Segovias. Three of the four second-level co-ops in San Juan have suffered from embezzlement and bankruptcy in the recent past. These
unfortunate outcomes resonate with a common refrain in Nicaragua, *El ladrón no se nace, se hace* (Thieves are not born, they are made). Money and power have privileged a minority of Segovians, but the measures needed to keep everyone honest are not firmly in place.

Nicaraguan coffee has regained its strong international reputation after the poor harvests and sanctions of the late 1980s and early 1990s. Efforts to instill the values and stringent quality controls required to produce high-quality coffee idealize the type of farmer that has the funds or familiarity to compete for Cup of Excellence or other awards. For this reason, Fair Trade coffee could be a poverty trap (Valkila 2007) for many farmers. The organic production model is based on the assumption that a market will always exist for coffee that was produced with manual labor and without synthetic compounds. However, yields tend to decrease when farms transition from conventional to organic production, and the percentage of a single farmer’s coffee designated for sale at the elevated, specialty price is not guaranteed. Valkila (2007) admits that organic and Fair Trade production may sustain a low-intensity, small-scale operation, but high intensity operations will lose revenue under this model. Large-scale farmers, such as San Juan’s Chico Buitrago, must be able to afford the loss in earnings and holistically embrace the ideals of organic agriculture to justify converting their farms to organic production.

My conclusion also warrants some last comments about the culturally informed notion of *confianza* (trust, confidence) as it exists throughout many levels of the coffee industry and the international development community. Much of the success in the cooperative arrangement is based on trust. Farmers must be confident in the productive
capacity of their fellow farmers. They must also trust their administration to operate in their best interest. However, the certification and inspection process for organic production is based on the assumption that farmers will manipulate the system if not kept to a standard of honesty through regular visits and inspections. The attitude that farmers’ operations need to be inspected regularly also assumes that farmers might not care for their soil, forests, and rivers if they are not trained to do so by First World development agents. This dynamic plays on two pervasive stereotypes in and about Nicaragua. The first is an elitist attitude that campesinos cannot behave in an ecologically-minded fashion to protect their own resources, while, by contrast, Europeans and North Americans care more about the rainforests than the actual rainforest inhabitants do. The second stereotype is an assumption that farmers in developing countries cannot be trusted to maintain organic production without the supervision of an international certifying agency. In fact, rural, small-scale farmers have the most intimate understanding of what will realistically work to improve ecological conditions of their lands. However, their perspectives are not incorporated in community or regional plans that are supposed to address environmental or social ills. Without consideration for farmers’ contributions, recent innovations to production, organizing, and trade practices will not overcome the legacy of distrust that pervades this region. In many ways such innovations instead perpetuate pervasive distrust rather than get past it.

In closing, when I began this research I hoped that organic coffee farming could be a solution for the problems that have existed in this region for centuries. I discovered, much as developers have found, that this hope is too simplistic. The shift to organic production can benefit many farmers and offer methods to improve productivity and
definitely to support resource preservation; but organic production also gives poor farmers in particular false hopes. As I have discussed, not all coffee harvested is sold at the premium prices. Smaller farmers struggle to meet the quality standards of organic and Fair Trade markets. So, it is from this perspective that I question the motive for inspiring small-scale coffee farmers to work hard for a reduced yield, a yield which in any event may not necessarily sell for the amount that they had hoped it would. In many ways, the case of Danilo and Adrian is illustrative of this dynamic. Danilo has been able to prosper from his conversion to organic production, whereas Adrian still looks for side jobs and cultivates other crops to supplement his income from coffee production. Danilo has purchased property and obtained secure lines of credit based on his reputation and proven productivity. Adrian does not own any fixed assets and works to pay down debt on an annual basis. All the while, his second-level co-op is overestimating his yield, and he has to pay a fee to maintain certification; but then when he comes up short, the co-op buys coffee from another farmer who has not paid a certification fee.

Traditional coffee production has been the standard in this region for decades, an approach that is a passive production model. Traditional farmers don’t invest in weeding, fertilization, pest management, or pruning, and their yields are low as a result. Sustainable development programs aim to equip and inspire traditional farmers to work harder for a greater return. As a result, several farmers have been disillusioned when the greater return does not arrive, or when they barely break even after trying so hard. In the end, I conclude that developers and exporters will face the same obstructions and challenges that I documented in this dissertation until there is a genuinely regional discourse about highland coffee production that addresses the complex problems
encountered in trying to conserve resources, produce excellent coffee, and earn a living wage while doing so.
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Appendix

EL SIGÜIENTE COMUNICADO REQUIERE SU ATENCIÓN INMEDIATA PARA DAR PUBLICIDAD A LAS INJUSTICIAS QUE OCURREN EN NUESTRO PAÍS CON REGULARIDAD.

Estimados Periodistas y miembros de la Prensa:

Nosotros, la junta directiva de la cooperativa Pedro Altamirano R.L. y personajes interesados, le enviamos este importante mensaje para hacerles saber de una injusta toma de tierra en nuestra comunidad. Por mas de dos años, la falta de justicia ha impedido nuestro vital rubro cafetalero y ha dejado 620 familias sin ingresos. Alrededor de 300 miembros de la comunidad han viajado en busca de trabajo y nuestros hijos no se están educando. Los 78 socios juntos con sus familiares antes que trabajaban y mantenían 100 manzanas de café de calidad insisten que dicten una sentencia favorable y que les regresen su tierra para que puedan trabajar tranquilamente. Adelante le contamos en breve los acontecimientos del caso.

El asunto se sitúa en la comunidad de Guanacastillo, situado entre San Juan del Río Coco, Madríz y El Jícaro, Nueva Segovia. En 1981, los 78 socios de la cooperativa agropecuaria fueron beneficiados por la Reforma Agraria que les dió a estas familias campesinas una cierta cantidad de terreno para cultivar y hacer sus viviendas colectivamente. Con título de la Reforma Agraria luchamos para mantener estos terrenos productivos a través de evacuaciones y peligros incurridos durante la época de los 80.

En dos ocasiones, sacamos préstamos para la renovación del cafetal y los pagamos con la producción colectiva. Después de la derrota electoral de los Sandinistas, los dos gobiernos de Doña Violeta y de Dr. Alemán le indemnizó a la antigua dueña de la propiedad. Nos parecía que no nos quedaba dudas para seguir trabajando y mejorando nuestra finca. Pero, de repente aparecieron reclamado el terreno unos familiares de los que vendieron las tierras antes que fueran confiscadas usando escrituras vencidas para aparentar como si fueran los verdaderos dueños de la propiedad. Alrededor del año 1998 comenzaron a acosar a los socios de la Pedro Altamirano metiéndose a la propiedad y enfrentándose en varios encuentros desagradables.

Esa actitud de los supuestos tomatierras seguía hasta el 2004 cuando aparecieron con un orden de secuestrar la cosecha del mismo año. Siguiendo un proceso legal, nosotros de la Pedro Altamirano metimos una demanda para recuperar nuestra cosecha y nuestro terreno. Debido a la mala representación legal y el estancamiento judicial, los que han estado tratando de tomar las tierras han aprovechado de secuestrar estas últimas dos cosechas dejando los 78 socios de la Pedro Altamirano y los 620 familias dependientes meramente el la calle.
Durante el transcurso de los últimos dos años el terreno ha estado en litigio, pero nosotros la directiva de la Pedro Altamirano no hemos recibido ningún rendimiento de cosechas secuestradas. Peor todavía, los que tienen el supuesto derecho de estar en la propiedad han dejado una buena parte del cafetal abandonada y han sacado significantes cantidades de árboles de sombra y forestación aunque sea prohibida la saca de madera. Obviamente, esa tierra que es legalmente nuestra significa la mayor fuente de ingresos para nuestra comunidad, pero también cabe destacar que nosotros contamos con esa tierra para la mayor fuente de agua y leña. Para colmo, los tomatierras han tratado de vender los terrenos que ya habían vendido hace más de tres décadas. Hasta se han involucrado en la compra ilegal de estas tierras funcionarios del gobierno municipal y cooperativas centrales de mayor influencia política en la región.

En conclusión, esto no es únicamente una violación de nuestro derecho civil, es una violación de nuestros derechos humanos. Sabemos que este caso no debe ser tan complicado, pero su estancamiento en el sistema judicil he perjudicado el bienestar de esta comunidad y sinceramente creemos que merece mayor publicidad y reconocimiento de la población Nicaragüense. Así que, le rogamos que tomen este caso en cuenta y que hagan esta historia pública. Nosotros los de la directiva de la cooperativa Pedro Altamirano R.L. estamos a la orden para profundizar los detalles de la situación y ayudar con cualquier reportaje.

Atentamente,

Filimón Muñoz Florian, Presidente
Cooperativa Pedro Altamirano R.L.

_____________________________

Cándido Martínez, Vocal
Cooperativa Pedro Altamirano R.L.