

HOW EQUAL EXCHANGE CONNECTS FARMER COOPS TO OUR COOP

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By Dan Bergsagel

Coop members can learn about the source of their food from labels or from the produce and bulk information on the Coop website. However, we only occasionally hear about intermediaries—the distributors who buy food from farms and sell it to the Coop. They come to our attention when something new happens, such as the expansion of Field Day products on our shelves, or when something goes wrong, including the June 2025 cyberattack on UNFI, which led to temporary shortages on the Coop’s shelves, as UNFI accounts for 32 percent of the Coop’s purchasing.



ILLUSTRATION BY STEPHEN SAVAGE

Intermediaries are the unsung heroes of the Coop's supply chain. They make it possible for the Coop to sell a wide range of produce. "Distributors are extremely important," said Britt Henriksson, one of two receiving coordinators and buyers for bulk and specialty foods at the Coop. "Working directly with suppliers is not common, as each supplier has an invoice and the paperwork can quickly add up to take a lot of a buyer's time. More distributors also means more deliveries to be coordinated."

Many of these important distributors are fellow travelers—cooperative organizations themselves with clear mission statements, guiding principles and a parallel trajectory which complements the Coop's. Equal Exchange is one of the most important and closely aligned with the Coop.

You may recognize Equal Exchange's logo—two red arrows joined together—on labels on your bananas or bulk coffee. What does not fit on their label is their mission statement:

"...to build long-term trade partnerships that are economically just and environmentally sound, to foster mutually beneficial relationships between farmers and consumers

and to demonstrate, through our success, the contribution of worker co-operatives and Fair Trade to a more equitable, democratic and sustainable world."

Equal Exchange was founded in Massachusetts in 1986, importing coffee from Nicaragua in defiance of a Reagan administration trade embargo. Equal Exchange later expanded to sourcing coffee from farmer groups across Latin America and Africa, and tea from India, Sri Lanka and South Africa. Today, it distributes chocolate, bananas, nuts, dried fruits and olive oils, all sourced from small farmer cooperatives.

The groups and cooperatives all view themselves as democratically organized.

Leah Madsen, sales manager at Equal Exchange, explained: "We have set up governance and capital structures to mitigate some of the most oppressive forces of capitalism. We're trying to feed people, support people who produce food and support ourselves. We prioritize people over profit."

Equal Exchange and the Coop go back a long way. "Back in the 1980s, we were excited about the founding of Equal Exchange. I am certain that we were buying their products in their first year," said Joe Holtz, one of the founding members of the Coop, who just stepped down as general manager.

Since then, Equal Exchange has grown to become one of the Coop's most important distributors. Madsen said the Coop is equally important to Equal Exchange. "PSFC is our largest single-store revenue partner for bulk coffee. Coffee represents more than half of our sales and an even higher percentage of our gross margin," she remarked.

According to Madsen, over the past year the Coop sold 44,879 pounds of Equal Exchange coffee. (This is equivalent to covering the entire ground floor of the Coop with coffee beans two inches deep). The second largest mover of bulk coffee for Equal Exchange was a six-store chain that purchased 41,690 pounds of coffee. After that chain, the next largest single store sold less than half of the Coop's annual volume.

This relationship holds sway beyond the hard numbers. “I love working with Park Slope,” Madsen said. “At an organizational level, the food coops we sell to are very important for Equal Exchange, and the Park Slope Food Coop is an important leader within the national food coop scene. PSFC is the only member labor cooperative still going, and it is a valuable example of anti-capitalism. It is valuable to have an ideological and philosophical partner.”

Equal Exchange and the Coop can have a real impact on small-scale farmers’ livelihoods. The bulk coffee bought by Coop members in the last year is approximately equivalent to the total coffee output of 22 family farms. The 729,520 bananas that Coop members purchased in 2024 paid \$125,660 directly to small-scale banana farmers in Ecuador and Peru.

There are also other, less tangible effects, Madsen explained. “There is so much global upheaval—state violence, militias, civil war, genocide—that we can support farmers operating in these areas to have some economic and social platform through trade and solidarity by bringing them resources. Money flows in, but the organizational impact of allied neighbors as part of civil society is also important.”

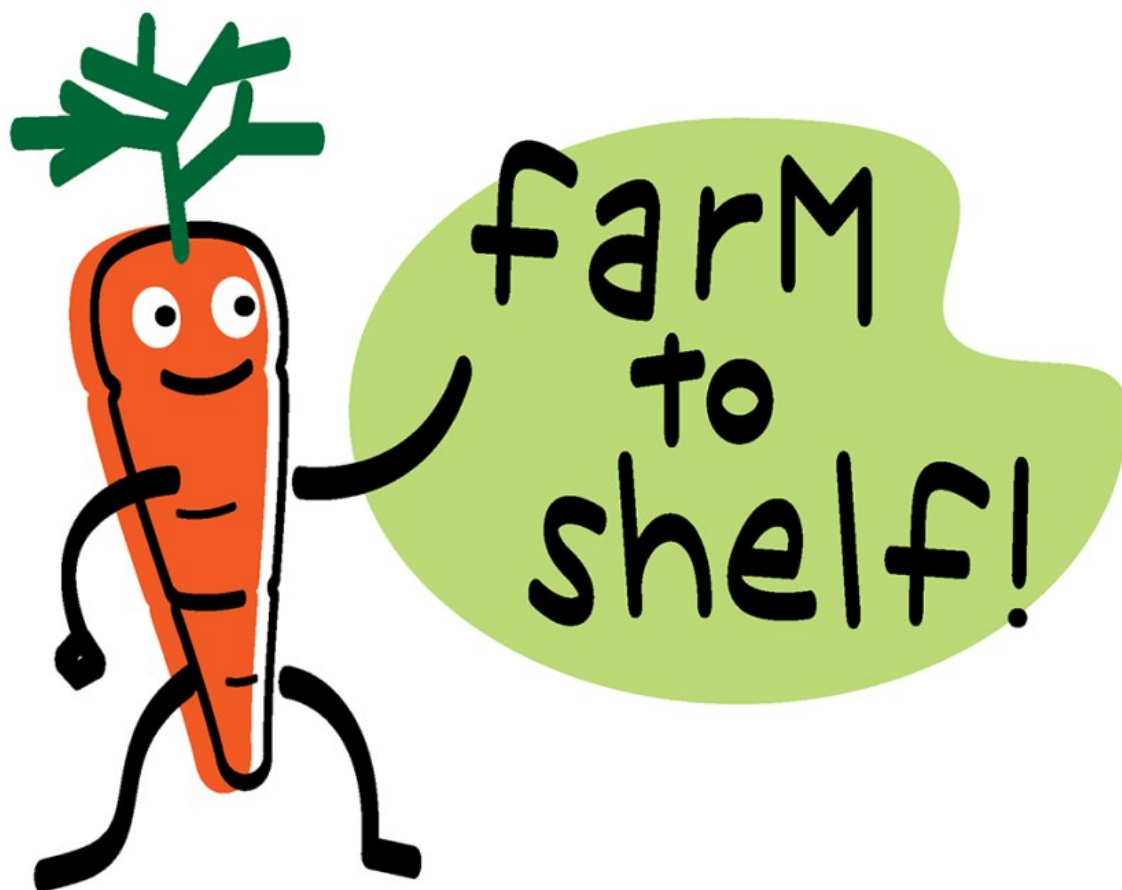


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“Coops can be more of a positive organizational force than the state in some cases and have been a vehicle for peasant farmers to build political power,” she added. “Farmer cooperatives can use the dollars earned through fair trade premiums. The money we spend with our growers is used to build things like roads and health clinics. We provide access to capital that helps them avoid predatory interest rates.”

In 1994, Equal Exchange became a worker-owned cooperative. Today, each of the 110 to 120 worker-owners has an equal voting share and equal profit share, whether they work in senior management or at entry-level.

While the worker-owners can vote equally, not all decisions are voted on. Madsen explained that “much of the governance and general decision-making is delegated to management or different working groups and committees. Worker-owner votes primarily focus on board elections, bylaw changes, charitable contributions and major changes to operations.”

Equal Exchange initially focused on promoting fair trade in the global south through coffee, and the mission and guiding principles were easily interpreted. In many cases, this trade supports the transition from a commodities trade rooted in colonial histories, and seeks to increase solidarity and transparency when connecting producers and consumers.

Fair trade does not encompass products sourced from the U.S., yet conventional agricultural trade practices here can also be problematic, and small-scale farmers that implement best-practice growing procedures, such as almond farmers in California, need support.

As a result, Equal Exchange management now says that its mission is supporting “fair trade in the global south, and alternative trade in the global north.”

Decisions are not always universally popular. Equal Exchange went through a period of selling single-serve coffee pods (like the ubiquitous K-cup). There was debate among worker-owners about the quality and environmental impact, yet the decision was made by one of the sales teams to proceed. The team had autonomy to make that decision within the guiding principles, on the basis that if people insist on drinking single-serve coffee, then it would be best to drink fair trade higher-quality single-serve coffee.

While the guiding principles of Equal Exchange are often motivated to mitigate the impacts of broader societal challenges, the procurement strategy is much more granular and individualized. Equal Exchange visits its growers, building its network by vetting a farm’s structure and ability to reduce the negative impact of agriculture on the planet.

Equal Exchange sources olive oil from the Palestinian Agricultural Relief Committee (PARC) in the West Bank and from Sindyanina of Galilee in Northern Israel. The suppliers of these oils were chosen not based on their political geography but for their alignment with democratic fair trade practices.

PARC promotes the sustainable economic development of 41 farmer cooperatives, improves water supply and critical infrastructure and provides social services for women, children and families in the West Bank. Sindyanna of Galilee is “a female-led non-profit that actively promotes the concepts of ‘business for peace’ and fair trade in Israel. The organization sells olive oil from Arab small farmers and then channels all of the profits back into Arab women’s education and other economic activities.” Both olive oils are sold at the Coop.

Closer to home, the Coop has sold pecans from New Communities Inc., a Black-owned small farmer collective in southern Georgia that operates a land trust which developed from the Civil Rights movement. Yet Coop members don’t always buy these high-quality products from mission-aligned organizations.

“We love their story and what they’re about,” recalled Receiving Coordinator Henriksen. “The problem here at the Coop is shelf space, and member dollar spends really dominate that. I loved the product, but the members weren’t buying enough of them.”

This suggests an information gap. “I wish members knew more about what is going on behind the scenes at this lovely grocery store,” Henriksson said. That may be the next challenge: offering the Coop’s buyers a way to share the motivating stories of where the food comes from with members in the aisles.

Dan Bergsagel is a structural engineer from London. He likes to talk about the unexpected things hiding in plain sight.