Coffee — billion dollar

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The seventies will definitely be looked upon as an important turning point in the relationship between the developed and underdeveloped worlds.

No longer willing to see their resources exploited at low prices just to perpetuate the profits of corporations, producers of primary commodities are linking together in order to obtain more revenue and more stable income.

Coffee is one of these commodities.

It is second in value only to petroleum among primary commodities traded internationally. In value it accounts for over 13% of all primary commodity exports and represents 1.2% of total international trade.

International trade in coffee worth $2.3 billion (1968) is generated by 42 coffee-growing countries.

All of them are underdeveloped and many rely on coffee sales as their major source of foreign currency earnings. Across the world 20 million people are employed in nurturing the coffee crop and many more are dependent on it.

Coffee is the lifeblood in foreign exchange earnings for many countries. Colombia, for example, relies on coffee for nearly 68% of all its exports and five of the other leading Latin American producers obtain more than 30% of their overseas earnings from coffee sales. In Africa, half of Angola's export trade is accounted for by coffee, while in Uganda the percentage is around 44% and in the Ivory Coast over 30%.

That the countries of Africa and Latin America are so dependent on the export of one commodity for their foreign exchange is a direct result of imperialism.

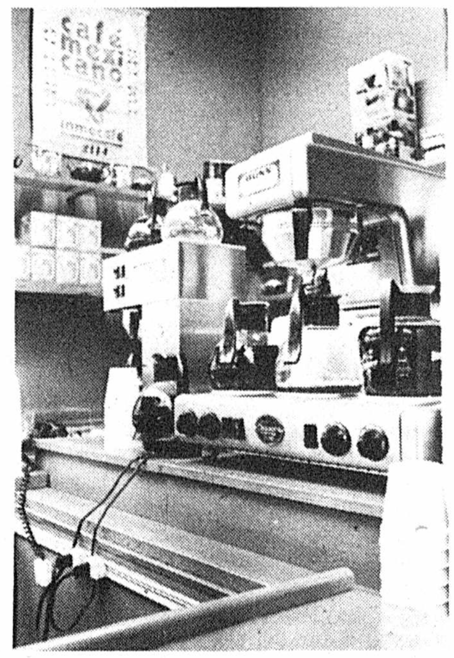
Much of the most fertile land in the underdeveloped world has been taken to be used for the growing of export crops such as coffee, sugar, tea, tobacco and bananas. Throughout the centuries great areas of land have been made infertile by careless growing of these crops. Huge plantations owned by local landowners or directly in partnership with foreign food firms have "locked-in" the fertile lands for the growing of cash crops for the developed world.

The most abhorent aspects of the plantation economy is that it restricts severely the amount of arable land available for the growing of food for the millions of peasants, the very ones who, working on the plantations, face continuous hunger, malnutrition and often starvation.

From 1962 to 1972, trade in coffee was controlled by the International Coffee Agreement (ICA). Its purpose was to prevent massive over-production. To this end it fixed export quotas for each of the producing countries. These were reviewed and amended annually by producing **and** consuming countries together. In principle their effect was to stabilize the prices of all grades of coffee.

This agreement was unfair to the producing nations, as the consuming nations had just as much or more to say about the price of coffee and the amounts to be sold every year. As a delegate from the Ivory Coast put it in 1970, "No one seems to put limits on what we have to pay for manufactured goods from industrialized countries."

The U.S. led the way for consuming nations in the development of this agreement and did everything they could to increase the quotas from the producing nations and thereby reduce the price per bag that the corporations had to pay. But what the consumers had to pay was something else. The highest market would bear was and still is the principle here.



In 1972, the ICA broke down primarily because the producing nations felt it was no longer in their interest to maintain such an agreement.

The fact that OPEC was started that year gave impetus to forming an independent producers group.

In Sept. of 1973, Brazil, Colombia and the Ivory Coast, the three biggest producers of coffee (56% of world production) set up a multinational coffee marketing corporation called Cafe Mundial. The purpose of the corporation was

In Turin, Italy, a man was sentenced to two years in prison after he had been found guilty of raping his wife. The man defended his case by saying that his wife had agreed to intercourse. The wife said that she had agreed because he was pointing a gun at her.