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COOPERATIVE FUND of New England

From Borrower to Investor: Equal Exchange

Like many borrowers of the Cooperative Fund of New England (CFNE), Equal Exchange was such an innovative business when it was founded in 1986 that conventional lenders wouldn't even consider lending it money. As social enterprises, cooperatives rarely fit the mold of mainstream financial institutions, and this co-op proposed to take economic democracy, social justice and sustainability to new levels.

Equal Exchange was a pioneer in Fair Trade long before the term became a buzzword. With its core mission of considering farmers as partners rather than just suppliers, they actually proposed to pay producers *more* for their crops rather than driving prices down. And as a worker co-operative, they proposed to make employees the owners of the business and the stewards of its mission.

Equal Exchange first obtained a loan from CFNE in 1989 to support the growth of its product line to include *Café Libre*, a new coffee sourced from Zimbabwe as part of the campaign to end apartheid in South Africa. Collateral used to secure the loan included the personal guarantees of the co-op's founders.

"Equal Exchange was able to get off the ground thanks to supporters like CFNE who were willing to take a risk on what then seemed like a crazy idea," says founder and co-executive director, Rink Dickinson. "Twenty-five years later, we've shown that connecting farmers and consumers is not only the right thing to do, but is an idea that has really changed the marketplace."

Today, Equal Exchange is a thriving worker cooperative with more than 80 members and three regional offices. Once limited to fairly traded coffee, the co-op also offers organic small farmer teas, cocoa and chocolate, and a line of snack products sourced from family farms here in the the US. Food co-ops across the country were among Equal Exchange's first customers and remain among their most committed partners, creating an international

cooperative economy reaching from the farmer to the consumer. Equal Exchange's fairly traded products can also be found in grocery stores, cafés and communities of faith across the US.

Recently, the co-op has taken on issues beyond Fair Trade. For example, Equal Exchange's new campaign, "Small Farmers. Big Change: Creating a Green and More Just Food System,"

seeks to educate the public about the importance of family farmers and their co-ops in protecting the environment.

Like many of CFNE's borrowers, Equal Exchange has become successful enough to obtain resources from conventional banks. When Equal Exchange paid off its loan, however, an opportunity soon arose for them to support other co-ops. CFNE was just launching the Cooperative Capital Fund (CCF), a new source of patient capital for co-ops that performs like equity without threatening their mission or the control of members.

"As a worker co-op and fair trade organization, we are very aware of the challenges of accessing financial resources while staying true to your mission," says Rob Everts, co-executive director. "The Cooperative Capital Fund is an innovative tool to help grow the cooperative economy — one that we wanted to support."

Equal Exchange was among the first to commit to an investment in the new fund, joining with other co-ops, organizational investors and individuals to support this new initiative.

You can help support Equal Exchange and their farmer partners by asking for their products where you shop and learning more about their "Small Farmers. Big Change" campaign. For more information, please visit www.equalexchange.coop.

You can also support the development of co-ops like Equal Exchange through your investment in CFNE and CCF, or with a charitable contribution to our work. For more information, please contact us or visit www.coopfund.coop. — *Profile by Erbin Crowell.*



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Members of Equal Exchange and CIRSA, a coffee co-op in Chiapas, Mexico.