

Small coffee growers strike deal with Hindustan Unilever

A pathbreaking agreement between Hindustan Unilever (HUL) and small coffee growers of Kerala and Karnataka has been entered into at Bangalore on 27 February 2009. The agreement will help small farmers sell their produce through their cooperatives to HUL at prevailing market prices and help them get certifications to sell at premium prices.

The deal was facilitated by Bangalore-based NGO, Prakruthi, supported by Solidaridad of the Netherlands. Solidaridad South and South East Asia Director, Dr. Shatadru Chattopadhyay and Prakruthi Director Pramod John feel elated at this for this is the first fruit of their work among small coffee growers of Kerala, Tamil Nadu and Karnataka in the past four years.

HUL, represented by Mr. Rohit Tandon and Mr. Pai, senior officials of the purchase department in HUL, talked with representatives of Kodagu Small Coffee Growers' Society, Organic Wayanad Group, Kattapana Coffee Growers and Empower Coffee Growers, Wayanad.

Mr. Tandon said that HUL buys coffee from small coffee farmers as part of their corporate social responsibility to help small farmers come out of the clutches of middlemen and moneylenders. In the long run, especially in bad times, farmers will benefit from this

understanding since coffee is in constant need and they would have an assured buyer in HUL, he added.

Mr. Subramani, President of the Kodagu Small Coffee Growers' Society said that HUL had agreed to lift 50 tons of coffee from its premises at Hunsur this season at a price with a premium of Rs. 2.25 per kilogram. He said the coffee is entirely sourced from small growers and the margins will be passed on to the farmers.

Representatives of the three cooperative groups from Kerala said

The deal

HUL will buy any amount of coffee produced by small coffee growers through their cooperatives or representative bodies at market prices

The emphasis will be on small growers.

Certified and/or organic coffee, if available, would also be sourced at a premium.



that although they have about 200 tons stored with their member-farmers, they may find it difficult to source it from them without having sufficient working capital. This, they said, could not be resolved at the table since it needs further discussion with their managements. They, however, welcomed the opportunity and agreed to deal directly with HUL.



at the negotiating table....(Hotel Ashraya International, Bangalore)

