

ALLIANCES IN ACTION

BRAZIL RESPONSIBLE SOURCING PROJECT

DEVELOPMENT CHALLENGE

High income disparities and unequal access to economic opportunities are critical issues that negatively impact Brazil's economic development potential and social stability. The majority of business operations in the country are conducted by micro and small enterprises (MSEs) including small farmers. Estimates indicate that they represent 97 percent of all formal business, employ more than 60 percent of the formal workforce, and account for approximately 20 percent of Brazil's GDP. Small businesses have limited access to global markets and only produce an estimated 2-3 percent of the country's exports. There is an opportunity for small businesses to increase their exports and spur economic growth. By producing goods for export small businesses will expand their market base and provide additional employment opportunities for the people of Brazil.

BUSINESS CHALLENGE

Retailers worldwide are responding to the consumers demand for organic and fair trade products. Traditionally, it has been difficult to obtain fair trade coffee beans that are of high enough quality to satisfy the consumer. By investing in smallholder coffee farmers, retailers get the premium coffee beans their customers demand.

APPROACH

USAID, TransFair USA, Walmart Stores and local Brazilian partner Sebrae-MG are partnering to increase the incomes of smallholder coffee farmers in Brazil. Alliance partners seek to provide coffee growing cooperatives with the resources and expertise to help smallholder farmers increase exports of Organic and Fair Trade Certified coffee by 400% and 350% respectively. By engaging with both farmers and consumers, the partners are helping to bridge the divide between the field and the store. Farmers benefit from greater access to global markets and improved earnings and retailers benefit from premium-quality coffee beans.

PARTNERS



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RESULTS

- Since its launch in fall 2007, the Brazil Responsible Sourcing Partnership project has benefited 30,000 people.
- More than 680 farmers and family members at five producer organizations have received infrastructure upgrade grants of approximately \$144,000.
- In August 2009, Walmart announced that two new Fair Trade Certified™ Member's Mark coffee options from Brazil are available in more than 600 Sam's Club locations in the United States.

FAST FACTS

START: 2007 END: 2010

PARTNER CONTRIBUTIONS:

\$1,900,000

November 2009