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Rethinking coffee supply chain

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BY GRACIE BONDS STAPLES - THE ATLANTA JOURNAL-CONSTITUTION

In the winter of 2011, Michael Jones left a profitable healthcare services company that he founded and went in search of meaning.

He was 40 years old, a husband and the father of sons aged 5, 3 and 1, with whom he longed to spend more time. He was a successful Roswell businessman fulfilling a childhood dream: making money. And it just didn't feel right.

"What I thought would be a mountaintop experience that would carry me through the rest of my life lasted about three days," Jones said recently. "I felt like maybe I was dreaming about the wrong thing."

A mentor suggested he do some introspection before launching into the next chapter of his life. And so instead of seeking his next shiny financial object, Jones decided he wanted – no, needed – to invest in people, something more enduring.

That became the narrative of the next six months of his life and what ultimately led him to an office park off Hembree Park Drive, where he co-founded Thrive Farmers Coffee. He spends his days working not so much for the material things as he does to improve the lives of coffee farmers in faraway places like Honduras, Guatemala and Costa Rica.

This new venture started as he began trying to understand why his father-in-law, a Jamaican coffee grower, received only \$4 of the \$80 for which his crop sold in Japan. The solution came together as he met a future partner.

A week or so after leaving his healthcare business, Jones was introduced to Kenneth Lander, an attorney who had left Monroe to become a Costa Rican coffee farmer.

Lander's story, Jones discovered, wasn't much different from his own. Both had abandoned fast-paced lives for more balance. Moreover, both had personal experience with the challenges coffee farmers faced.



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Michael Jones at the warehouse of Thrive Farmers Coffee in Roswell.



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Michael Jones, founder of Thrive Farmers Coffee in Roswell.

Troubled that he was not seeing more of the final price of his crop when he sold his coffee beans, Lander had begun roasting his own and then selling them directly to Facebook friends in the United States. Bypassing exporters, importers and brokers, he also opened a coffee shop and sold his product to tourists. When he ran out of beans, he teamed up with other area coffee farmers and began shipping even more. The money started to come.

Lander had happened upon a solution: He was turning a profit and educating fellow farmers on best practices so their yield would increase. And in Lander's story, Jones found the reason for his father-in-law's struggles.

"I was flabbergasted," he said.

As Lander saw it, fair trade, which guarantees farmers a minimum price, was nothing more than an insurance policy for farmers.

"That's the real crux of fair trade," Lander said during a visit to Thrive's international headquarters in Roswell. "For instance, the fair trade minimum price for a pound of green coffee is \$1.41. To grow it and process it, it costs the same thing right now so the farmer basically breaks even. But that's not a livelihood. Farmers are being forced to abandon their farms. Those who don't barely earn enough to buy food even though many work two jobs"

Lander said that in his little community of San Rafael, the average food bill for a family of five is \$4,500 a year. The average coffee farmer who grows 4,000 pounds of green coffee in my community will be lucky under fair trade to make \$400 net profit. Under Thrive, he said, he would make \$5,200 net profit.

"That's the real power of our model," he said. "It's transformational"

As he first listened to Lander's story, Jones said, "The light bulb started to go on for me."

By applying a new business model that basically cut out the middle man, Jones was convinced they could take coffee – the No. 1 or 2 export in every country where it is produced – and make it work for both farmers and consumers. Farmers will make more money, allowing them to take better care of their families, and consumers will get a better quality product.

Jones said, "I started to develop a vision for what I thought was possible."

In December 2011, he traveled to Central America and got initial commitments from 425 farmers in three countries, who all signed contracts to send their coffee beans to be roasted and sold on the promise they would split the proceeds 50-50, netting farmers nearly four times what they made under the fair trade model.

"It was a little bit like the dog catching the car," Jones said.

They named their first blend Esperanza, Spanish for hope and the word Jones had heard so often during his visits.

"People were losing hope and we'd been able to give them something they'd been missing for generations," he said.

In addition to helping farmers establish relationships with local processing mills once the beans are shipped here, Thrive handles the roasting, packaging and sales online, at churches, in restaurants and in stores.

Last summer, Thrive went full throttle, retailing its coffee for \$14 to \$16 a pound and has since sold more than 300,000 pounds in the U.S. and Canada.

"We enrolled a major grocery chain called Earth Fare and have had an amazing level of feedback from consumers," Jones



Michael Jones makes coffee at Thrive Farmers Coffee in Roswell.

said.

Looking back, Jones said his last 10 years in business were worth it because they prepared him for this moment when he could invest in people's lives.

"This feeds my soul," he said.

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