



# VEGA COFFEE

ROASTING COFFEE AT ORIGIN

## DEVELOPMENT IMPACT



**Vega Coffee** is a for-profit social enterprise with operations in Nicaragua and Colombia. Vega is transforming the coffee supply chain by empowering farming communities to roast, pack, and ship their own coffee. The company ships the coffee directly to American consumers, thereby connecting customers directly to smallholder farming communities.

## SUSTAINABLE BUSINESS MODEL

- ▶ Vega sells its curated, single-origin, direct and fair-trade coffee to individual consumers through a subscription service. The coffee arrives at the door of the customer within three to five days of roasting.
- ▶ University and office clients purchase fair-trade, organic, single-origin coffee from Vega through bulk purchases.

## VALUE PROPOSITION

- ▶ Women selected from farming cooperatives roast the coffee from their communities at Vega roasting centers. They receive full-time salaries and benefits. The additional income earned by the roasters has a tangible impact, such as helping extended families fund initiatives like further education for children and access to healthcare.
- ▶ Additionally, the coffee roasters serve as ambassadors to their communities where they educate their fellow farmers about coffee quality and production, helping the farmers increase their yields and therefore, income.

## SCALABILITY

- ▶ Vega established its roasting facility in Nicaragua in 2014 and after proving the viability of the business model, the company scaled its operations to Colombia in 2018.
- ▶ It is possible to roast coffee at origin anywhere that coffee is grown. Vega proves that companies who sell single-origin coffee could roast their coffee with the farmers instead of importing the green beans to developed countries for roasting.

## PROBLEM

The majority of profits in the coffee supply chain are earned by the coffee roasters, located almost entirely in developed countries.

## SOLUTION

- ▶ Coffee farmers learn to roast their own coffee and the salaries and profits involved in roasting stay in the country of origin.
- ▶ Coffee farmers learn how to identify and produce specialty-grade coffee beans and increase their yields.
- ▶ Farmers increase their income by selling specialty coffee beans significantly above the commodity price.

## KEY MESSAGES

### For social enterprises:

- ▶ Rethink your value chain and evaluate how you can move value-added processes closer to people living in poverty.

### For policymakers:

- ▶ Policymakers should create favorable trade terms for companies who roast coffee at origin before importing the product into Europe and North America.



## PARTNERS

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