

## After a terrible cup of joe in the office, a founder decided to bring African coffee traditions stateside

### Level 3: Advanced

#### 1 Warmer

##### a. Discuss these questions.

1. When do you drink coffee or tea? What kind(s) do you drink?
2. In your culture, is there a certain way coffee and / or tea are prepared? Describe it and explain any rituals that are part of it.
3. How have coffee and tea influenced social norms and rituals across different cultures?

#### 2 Key words

##### a. Choose the correct word to match each definition below. Then find and highlight them in the article to read them in context.

1. to get back or recover something that has been lost or taken away  
a. proliferate      b. retrieve      c. compensation
2. to move to another country with the intention of living there permanently  
a. collective      b. flagship      c. immigrate
3. the place, person or thing from which something originates or can be obtained  
a. source      b. tangible      c. retrieve
4. a group or organisation working together towards a common goal, often in the context of shared interests or benefits  
a. collective      b. fluctuate      c. proliferate
5. a period of significant growth, expansion or increase in activity, often within a certain industry  
a. premium      b. boom      c. profitability
6. of higher quality or greater value compared to others, often used to describe products or services that are superior or more expensive  
a. compensation      b. equity      c. premium
7. to increase rapidly in number or spread quickly  
a. fluctuate      b. equity      c. proliferate
8. fairness and justice in the way people are treated, often relating to shared ownership or financial investment in a company  
a. equity      b. incentivize      c. supply chain

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9. the ability of a business or activity to generate profit or financial gain  
a. boom                      b. profitability                      c. flagship
10. capable of being touched or physically felt; clear and definite  
a. tangible                      b. equity                      c. source
11. the sequence of processes involved in the production and distribution of a commodity  
a. source                      b. flagship                      c. supply chain
12. payment or reward given to someone in exchange for their labor, services or loss  
a. collective                      b. compensation                      c. incentivize
13. to change or vary irregularly in number, amount or level  
a. fluctuate                      b. equity                      c. profitability
14. to encourage specific actions or behaviours by offering a reward or a benefit  
a. charisma                      b. honor code                      c. incentivize
15. the best or most important product, store or location in a company or organisation, often representing the brand's highest standards  
a. premium                      b. flagship                      c. fluctuate

**b. Complete the sentences with words from the previous activity. You might have to change the form of the word.**

1. Customers are willing to pay a(n) \_\_\_\_\_ for handcrafted coffee drinks made from fair-trade beans.
2. Consumer demand has caused the number of fair-trade farms to \_\_\_\_\_, providing more opportunities for farmers to earn a decent living.
3. The recent \_\_\_\_\_ in specialty coffee shops has provided more appealing coffee experiences for enthusiasts around the country.
4. After accidentally deleting her business plan, the owner was relieved to \_\_\_\_\_ a backup copy from the cloud.
5. The company's new policies aim to promote \_\_\_\_\_ by ensuring all employees have equal access to advancement opportunities.

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6. Global \_\_\_\_\_ disruptions have forced many companies to seek alternatives for their manufacturing needs.
7. The job offers competitive \_\_\_\_\_, including both salary and comprehensive benefits.
8. A coffee startup from Miami will open its new \_\_\_\_\_ store in downtown Manhattan next month.
9. The café prides itself on \_\_\_\_\_ all its ingredients from local organic farmers.
10. Despite strong sales, the startup's \_\_\_\_\_ was affected by rising operational costs.

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*Kahawa 1893 prioritizes small producers and premium beans, while also offering consumers a 'virtual pot' to support its suppliers*

**Claire Wang**

**19 September, 2024**

- 1 When she was a child in Kenya, Margaret Nyamumbo learned about a custom that took place on her grandfather's coffee farm: every few weeks, the women who worked there would gather around a table and drop money into a large pot. Anyone who had contributed had the right to later retrieve funds in the form of a small loan.
- 2 This so-called "table banking" system, a custom in Kenya, helped women involved in the coffee trade support one another. Kenyan women, who historically are denied land ownership and therefore the ability to take out loans, provide 90 per cent of labor on coffee farms but own just 1 per cent of the land.
- 3 A decade after she immigrated to the US, Nyamumbo launched her own coffee startup that takes table banking one step further – by bringing overseas coffee drinkers to the table. "I thought, what if we could have consumers pitch into this 'virtual pot' and then farmers can have money to go around?" said Nyamumbo, who lives in New York City.
- 4 Named after the Swahili word for coffee and the year that commercial coffee production took off across Africa, Kahawa 1893 sources beans directly from collectives and family farms in Kenya, Tanzania, Rwanda and Congo. It also supports female coffee farmers through a bitcoin-powered tip fund. Through a QR code printed on each bag of beans, buyers have directly contributed 45,000 US dollars to the "virtual pot". The company matches the funds, so 90,000 US dollars have gone to more than 500 women and girls in Africa.
- 5 Kahawa 1893's collection of roasted beans quickly took off in the US. Home-brewed coffee boomed in the last few years thanks to the rise of remote work culture. In 2021, the company became the first Black woman-owned coffee brand to be sold at Trader Joe's. In 2023, the startup brought in 3 million US dollars in revenue, two-thirds of which came from wholesale channels. An appearance on Shark Tank led to Nyamumbo, 36, securing a deal with Keurig.
- 6 Kahawa 1893's launch coincided with a shift in American coffee culture, which prioritizes small producers and premium beans. Specialty coffee, which accounts for 50 per cent of the global value of traded coffee, brought coffee consumption in the US to a 20-year high. Meanwhile, Starbucks-inspired coffee chains have proliferated across the country, particularly in the historically under-caffeinated south and midwest. The coffee market, now valued at an estimated 28 billion US dollars, is expected to surpass 33 billion US dollars by 2029.
- 7 But Nyamumbo is pouring her attention into lifting up the farmers. "Our focus on equity means we lose some short-term profitability," she said. "But we see this strategy working in the long term."
- 8 How did you come up with the idea for your company?
- 9 After my MBA at Harvard, I covered consumer goods at an investment bank on Wall Street. I was keen to build something tangible in the real world that could directly impact people. The specific idea was inspired by my days at the office, where I drank very bad coffee. I knew we had really good coffee in Africa and I wanted to figure out a supply chain that would make it possible to have our coffee more conveniently available.
- 10 Your website allows consumers to tip the farmers directly, and your company matches their contributions. Can you explain this strategy?
- 11 In the fair trade model, we pay a premium that goes back to farming communities. Tipping is a similar mechanism of giving money back to farmers. Right now we have a QR code on the back of our packaging and ... in our online checkout system. So far, we've helped around 500 women, 200 in Kenya. People have contributed close to 45,000 US dollars in tips, which we matched for a total of 90,000 US dollars.
- 12 The specialty coffee market rests on the idea that consumers will pay a premium for quality beans. How do you balance production quality with fair compensation?
- 13 The current [coffee trading] system is more commodity-driven, where prices fluctuate based on the stock exchange. If farmers have to stick to this, they'll get the same low price regardless of quality, so they'll not invest in quality processing. A holistic approach is to buy from small farmers year after year and work with them to invest and improve quality.

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Because of the “speciality grade” of our coffee, we’re able to incentivize farmers to invest in quality by promising them a higher premium price. They essentially have a promised market. Kahawa 1893 pays farmers nearly double the minimum fair trade price of 1.80 US dollars per pound of coffee.

- 14 Kahawa 1893 has made more than 7 million US dollars since your appearance on Shark Tank. What's your next step?

- 15 My dream is to open a coffee shop. I’d love to have flagship stores in different cities, starting in New York City – but definitely Kenya, in Nairobi, as well. It would be fun to bring the tipping system to the store. If someone tips the barista, for instance, some of that will go to the farmer.

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### 3 Comprehension check

a. Answer the questions using information from the article.

1. Where did Margaret Nyamumbo learn about the custom of table banking?
2. What percentage of labor on coffee farms is provided by Kenyan women, and what percentage of land do they own?
3. Where does the company's name Kahawa 1893 come from?
4. From which African countries does Kahawa 1893 source coffee beans?
5. How does Kahawa 1893's digital tipping system work, and what impact has it had so far?
6. What retail milestone did Kahawa 1893 achieve in 2021?
7. How much revenue did Kahawa 1893 generate in 2023?
8. What inspired Margaret Nyamumbo to start her coffee business?
9. How does Kahawa 1893's pricing model differ from traditional coffee trading systems?
10. What is Nyamumbo's future vision for her company?

### 4 Key language

a. Complete the sentences using the correct phrasal verb from the wordpool.

set up

pitch in

took off

go around

get together

figure out

take out

1. The women on her grandfather's coffee farm would \_\_\_\_\_ every few weeks to drop money into a large pot.
2. Kenyan women, who provide most of the labor on coffee farms, historically cannot \_\_\_\_\_ loans due to land ownership issues.
3. Nyamumbo launched her coffee startup to \_\_\_\_\_ a way for consumers to support coffee farmers directly.

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4. She wondered if consumers could \_\_\_\_\_ to a 'virtual pot' to help farmers have enough money to \_\_\_\_\_.
5. Kahawa 1893's collection of roasted beans quickly \_\_\_\_\_ in the US.
6. An appearance on Shark Tank helped Nyamumbo \_\_\_\_\_ a deal with Keurig.

**b. Match each phrasal verb to its definition. Use the sentences above for context clues to help you.**

- |                 |   |
|-----------------|---|
| 1. get together | a. to become successful or popular            |
| 2. take off     | b. to start or launch something               |
| 3. pitch in     | c. to gather or assemble as a group           |
| 4. go around    | d. to contribute or help                      |
| 5. set up       | e. to distribute or be enough for everyone    |
| 6. figure out   | f. to find a solution or understand something |

**c. Write four personalised sentences using the phrasal verbs above.**

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_

## 5 Discussion

**a. Discuss these statements.**

- 'Fair trade is better than monetary aid because farmers and artisans want to be empowered to be profitable'.
- 'Fair trade is not charity. It is simply a just, equitable way to do business'.
- 'Customers care about ethics and morality when buying products'.

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### 6 In your own words

a. Do some research about fair trade companies. Answer these questions.

- What does *fair trade* mean?
- What are some of the social, economic and environmental criteria that comprise fair-trade standards?
- How does it help farmers and artisans?
- Why are fair-trade practices needed?

b. Report your findings to the class and share the facts you learned, as well as your opinions.

Here are some phrases to help you give reasons during your report:

- *due to ...*
- *as a result of ...*
- *considering that ...*
- *therefore ...*
- *which led / contributed to ...*
- *resulting in ...*