

SAMUSALA SAMPLES ENCLOSED

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The enclosed sample of tea is from the *Nuwara Eliya* region of Sri Lanka, a grade known as *BOP--broken orange pekoe*. It may not prove to be exactly the tea we select for Samusala, but it is of the quality and grade we are considering most seriously.



Inhale the aroma. Brew it up. Let it steep for four minutes. Taste it first without milk or honey. Let us know what you think.

Regards, and thank you for your continued support.

The managers of Equal Exchange,

Rink Dickinson
Jonathan Rosenthal
Michael Rozyne

Annual Meeting: April 16, 1987

First



Annual Report

March 16, 1987

Drawings by Sue Niewiarowski

Typesetting by Xanadu Graphics

“The happiest moment of my life was when they told us, ‘We have land for you,’” Bonifacio Orosco Mendez smiles as he remembers. “We could work here, live here, and it won’t belong to the state or any other boss. If there is a job to be done, we come to agreement among all of us how it will be done.”

Bonifacio never expected to have land of his own. His father had owned a small farm in Nicaragua’s coffee-growing central region of Matagalpa, where he grew up. But his father abandoned the family when Bonifacio was very young, married another woman, and left the farm to his new family in his will.

Bonifacio was ten and working as a shoeshine boy the year his mother died. That same year he met a man who offered him work if he would go to the Atlantic coast. “I said, ‘Let’s go,’” he recalls. “I didn’t like life with my stepfather.” So he traveled and worked in the coastal cities for seven years, carrying drinking water to places where there was none. Eventually the company he worked for left the coastal region, leaving Bonifacio with nothing but a letter of recommendation to help him find other work. He stayed on there for seven more years, scrubbing, sweeping, cleaning.

That’s when he started thinking about a place of his own. “One never forgets the place where one is born. I still had family in Matagalpa, uncles, aunts, brothers.” And he had fond memories of the land—lush steep mountainsides that climbed to form rounded peaks. Blankets of mist spotted with cloudbursts that covered the peaks, keeping the air sweet and cool. Firey sunsets that burned into the western slopes, announcing the end of the day.

Bonifacio returned to his native Matagalpa a grown man. Although he was with family again, life continued to be very hard.

On the first anniversary of the revolution in 1980, the new government announced a proposal for widespread agrarian reform, a plan that was passed into law that same summer. Soon land titles to abandoned, idle, or underused farms were given to formerly landless peasants. When Bonifacio saw others getting land, his dream was rekindled. He and a friend went to the next village, San Ramon, to speak with the Ministry of Agrarian Reform and learn what they must do to qualify. They were told that preference was being given to farmers that formed cooperatives. So they returned to their village of Jacita Sul and got together a group of ten other farmworkers who also longed for their own land.

"At first we all wanted individual land," Bonifacio recalls. "We said, 'What's a cooperative? What do we do in a cooperative?' But we also said, 'We're not going backward. If it has to be a cooperative, we're going forward. We have such a great need for land; we'll take it any way we can.'"

(Notes from a visit to the cooperative La Verona, by Kimberly French, a journalist who traveled with Equal Exchange in Nicaragua, January 1987. La Verona is in the high-mountain region of Nicaragua from where Equal Exchange procures its coffee beans.)



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MORE ABOUT GROWTH, BREAKEVEN, AND GROSS MARGIN. Increasing gross margin depends heavily on a successful move to Canada. The move requires a change in our coffee purchasing, quality control, processing, decaffeination, and transportation. In the summer of 1986 we interviewed and visited five Canadian roasters in Toronto, Montreal, and Vancouver. We did a trial roast of 4,000 pounds in October with a roaster in Toronto. We recently completed a second roast in Montreal, and will continue to roast in Montreal in the foreseeable future. By July 1, we expect to be getting 67% of our coffee from Canada, the exception being decaffeinated. Because the Swiss water-process we employ to decaffeinate our Nicaraguan beans is centered in Europe, we will continue to purchase this coffee from Holland.

The move to Canada will increase gross margin by reducing the landed cost of the coffee we bring in. However, it also raises our working capital needs as we now must finance green unroasted coffee beans in addition to the finished ready-to-ship inventory.

Other important contributions to both sales and gross margin in 1987 will come from (a) a shift in the sales base to favor the higher-margin-earning category 'wholesale,' which includes grocery stores, coops, and restaurants; (b) expanded sales from new products; and (c) expanded sales in gift packs.

NETWORKING AND EDUCATION. The alternative trade organizations (ATOs) in Europe are older, more experienced, and more familiar to the general public than the ATOs in North America. Equal Exchange will take a leading role in 1987 networking ATOs in the United States through a trade association we will help organize. ATOs in North America need to strengthen their aggregate position in the marketplace by aggressively promoting the concept of how consumers, by buying from an ATO, can help Third World producers avoid the stranglehold of multinationals and native elites.

ANNUAL MEETING ANNOUNCEMENT: THURSDAY, APRIL 16, 1987 3PM

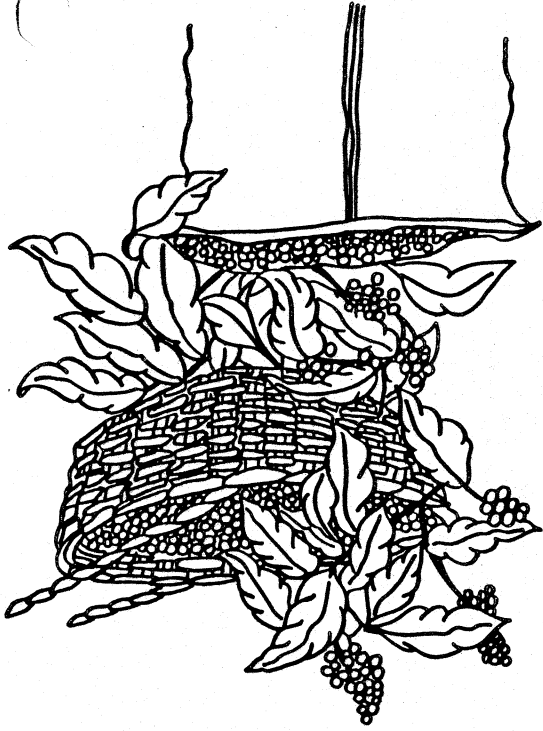
On Thursday, April 16, 3 PM, at the 443 Albany Street, Boston office/warehouse location, Equal Exchange will hold its annual meeting for 1987. All shareholders are invited to attend--please notify us in advance if you are planning to come.

The meeting will focus on the role of advisers and directors in Equal Exchange.

groups in Grenada, St. Croix, and Haiti, exploring possibilities for spices, coffee, and organically grown tropical fruits, vegetables, and herbal teas. We are busily searching for our next product line.

The major goals of operation for 1987 are (1) to realize sufficient growth in sales, gross margin, and in our customer base to bring the company to the point of financial breakeven; (2) to raise \$100,000 in working capital; (3) to introduce an expanded coffee line and a new line of Sri Lankan black tea, and (4) to play a leadership role in the networking and educational development needed to build a national movement of alternative trading organizations.

(The coffee harvest: imagine bright red --cranberry colored--coffee "cherries", each being carefully plucked from the tree into a sturdy straw basket tied to the waste of the picker. When the basket reaches twenty pounds it is dumped into a burlap sack and taken away to be washed and fermented.)



When you throw your life behind something the stakes get higher.

On May Day, 1986, after waiting five weeks while U.S. Customs detained our first shipment, we opened our doors and began shipping Cafe Nica to stores and food coops in New England. *Three years* of slowly accelerated planning had culminated in a full-time venture for the three founders, and in a plan to introduce Nicaraguan coffee as the initial product line of the new alternative trade company, Equal Exchange.

In our first eight months of sales the political climate surrounding the revolution in Nicaragua was, to put it mildly, turbulent. We saw the contra rebels increasingly show their colors of ineptitude and disarray at the hands of a stronger and more effective Nicaraguan army. We watched the Reagan administration cling steadfastly to its Nicaragua deathwish as lies and coverups and news of failed policies reached the American public in daily soap opera-like cadence.

For some Equal Exchange customers Nicaraguan coffee provided a vehicle for education, an act of solidarity with the people of Nicaragua, and a way to generate extra income. For others, Cafe Nica was just plain good tasting coffee. For Bonifacio, and other growers we met in Nicaragua, our efforts became a symbol of hope--hope that someday the peace movement would win, and U.S. aggression toward the people of Central America cease. For us, Cafe Nica is just the beginning. A more breathtaking and challenging beginning would be hard to imagine.

There were times when the embargo against Nicaragua loomed before us almost as an inspiration, moving us to work ever harder to circumvent the unjust suspension of trade. There were other times when all the logistics required to coordinate processing coffee in a third country became one large hassle.

There were times when it seemed as if the only accounts we could develop were those with the word "rainbow" or some color of exotic animal in the name. (We now count the Rainbow Grocery & General Store--San Francisco, Rainbow Grocery--Chicago, Rainbow Natural Foods--Denver, The Black Sheep--Amherst, Mass., The Golden Rooster--Springfield, Mass., and Wolfmoon Food Coop--E. Lansing, Mich. as regular customers. Rainbow Grocery & Cafe--Atlanta, Rainbow

Stores-- Minneapolis, and The Blue Goose--Flagstaff, Ariz. are on our prospective list.)

There were times when we (and those who advise us in the Corporate Trading Department of the Bank of New England) thought the dollar would stop falling. But it hasn't. The decline of the dollar from 3.25 Dutch guilders in September 1985 to 2.05 guilders this month had a significant impact on our financial performance in 1986--details below. Just as important, it prompted us to move our roasting and packaging operation to Canada, the most important operational event for the company all year.

On the whole, 1986 was a strong year. Looking back in a decade, we are most likely to remember 1986 as the year we introduced controversial coffee in high-tech bright yellow, red, and brown packages to food coops and natural food stores all over the country. And as the year we learned, the hard way, the power of foreign exchange markets.

In 1986 we felt the strong support of people who joined our efforts by investing their personal savings and professional time. The start-up capital invested in 1986 by twenty-one founding shareholders, and the literally hundreds of hours contributed by four Boston area artists, one attorney, and two print and graphic design companies, have enabled us to introduce Equal Exchange, *with pizzazz* to a growing market of socially concerned consumers. In 1987 we will reach an audience several times that size.

In 1986, true to our mission to "revitalize the food experience" by educating consumers about the people and processes behind the food they eat, we stirred up some controversy in a small, northern New England community.

A frustrated Abbey Lawrence, in a letter to the Evening Citizen of Laconia, New Hampshire writes, "And now, for everyone who applauds the Sandinistas...the coffee produced on these wonderful 'cooperative farms' is available locally. The accompanying (EE promotional floor) display refers to the 'dictator Somoza,' though it doesn't tell us what Senor Ortega might be, in comparison to whom Somoza was a bumbling boyscout...And, we are reminded that the United States has been condemned for its trade embargo by that bastion of righteousness, the World Kangaroo Court...Fortunately, there is a loophole in the embargo just big enough to accommodate imported coffee, though not nearly as large as the holes in the heads of the people doing the importing."

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A year later Rink Dickinson visited with Sarvodaya and began negotiating for the importation of top quality tea which was to be the initial product line of a new company already named Equal Exchange. Sarvodaya farmers did not produce the black tea themselves. It was grown and traded on the commercial markets like all "Ceylon tea." But the tea project was to be an apprenticeship in international trade, managed by Sarvodaya staff, leading to other products which Sarvodaya farmers would grow and handle from start all the way to export.

In March 1987, the third founding partner of Equal Exchange, Jonathan Rosenthal, departed for Sri Lanka to launch the Samusala Tea project--Samusala is the Sinhalese word for cooperation. On the morning of his departure, while Jonathan stood impatiently in line for his plane ticket, Michael and Rink met with Harsha Navaratne over whole wheat pancakes in Boston.

Harsha recounted how the civil war in Sri Lanka had diverted the focus of Sarvodaya's work away from economic development in the direction of humanitarian assistance for refugees. Their centers in the war-torn north had taken in thousands of children left to be orphans or homeless by the fighting. Harsha has found himself increasingly in the role of intermediary, trying to bridge the communication gap between the warring sides and advocate for nonviolent solutions to the conflict.

For Sarvodaya, a trade partnership with Equal Exchange is one way the movement will build income earning projects which lead toward economic self-sufficiency. Equal Exchange will introduce Samusala Tea in September this year. We hope to identify other products we can begin to trade toward the end of 1988. Leading candidates: basmati rice, dried pineapple, dried coconut, spices, coconut soap, mangosteins.

In 1987, in addition to Samusala tea, we will add whole bean Nicaraguan coffee in a consumer 8oz size. The entire line of Cafe Nica coffee will be packaged in new *printed* vacuum bags which will provide information about Equal Exchange, a short story about the coffee producers and our high-quality coffee, and directions for proper brewing and storage.

Samusala Tea and the expanded Cafe Nica line will be supported by attractive and fun promotional materials which tell the stories of the producers at the point-of-purchase: pamphlets, counter displays, stand-up floor displays.

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If our goals in the areas of growth, working capital, and new product additions are met in 1987, we will have laid a strong foundation for a healthy future.

1987 is indeed a pivotal year.

A LOOK AT 1987

"When our large shiny bus negotiated its last major pothole and pulled into the remote village center of Labunorawa, the villagers greeted us with curious stares worthy of a brontosaurus in Times Square. The arrival of twenty-five fair skinned North Americans bearing Nikons was indeed an event here.

"Later that night, in a village gathering that drew hundreds, I found myself the center of ridicule for a small group of rowdy Sri Lankan boys, behaving as obnoxious as one might expect a rowdy group of American high school boys to behave. One would call me some name in Sinhalese, and they'd all laugh. But when Harsha Navaratne, a national leader of the Sarodaya Shramadana movement, began to speak, *everyone's* eyes became riveted to the stage.

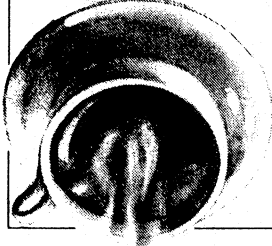
"I learned a great deal about public speaking from Harsha that night. I couldn't understand a word he said. But his postures, gestures, charisma, and the certainty of his gentle tone made me sure that the words I couldn't understand were true. Later that week he told me he had used his personal life story to get people's attention. Then, he followed with words about how the villagers could make things happen on their own, without depending on the government for things they would likely never deliver."

(from journal notes, Michael Rozyne, July 1983)

In the summer of 1983, Michael Rozyne spent three weeks visiting the Sarodaya Shramadana village development movement in Sri Lanka as part of an Oxfam-America study tour. Sarodaya works in literally thousands of the most remote villages in Sri Lanka promoting the formation of nursery schools, health care centers, cottages industries, market gardens, and community projects like road repair or the draining of swamps to eradicate malaria. During the second week of his stay the country was tormented by racial riots, a pogrom, which left hundreds of Hindu Tamils dead, wounded or homeless. The fighting between the minority Tamils and the majority Buddhist Sinhalese continues to this very day.

The response came from a Donald Carey in nearby Gifford--a note to the same Evening Citizen. "Many thanks to Abbey Lawrence for her letter of Dec. 4 calling attention to the Nicaraguan coffee now available at the Laconia Food Co-op. We have tried this arabica-bean coffee, available in a water-processed decaffeinated form, and it is absolutely delicious...If you are a coffee lover, be sure to shop the Co-op. This premium coffee really fills the bill."

Nicaraguan coffee Cafe Nica tastes better in every way



5. *Global hands working together*
Thousands of volunteers come from Europe, North America and Latin America to harvest coffee--Nicaragua's number one source of foreign exchange.

6. *An Alternative Trade network you will be proud to join.* Equal exchange imports top-quality food products from peasant cooperatives and Third World governments that are helping their country's poor gain economic power.

7. *Break the embargo.* The World Court ruled that the U.S. embargo against Nicaragua violates international law. When you choose Cafe Nica, you support the right of the Nicaraguan people to a future of their choice.



Order Cafe Nica--
regular, decaf, dark
roast--from EQUAL
EXCHANGE, PO Box
2652 Cambridge, MA
02238 617-482-4945

1. *Delicious, high-mountain flavor*
Drip-grind and whole bean coffees are vacuum-packaged for freshness.

2. *A better life for the peasant farmer.*
Since the dictator Somoza was thrown out of power in 1979, campesinos have benefited dramatically by improved health care and education. One-third of the nation's farmland has been granted free to 85,000 landless families.

3. *Cafe Nica decaf is Swiss water-processed.* No harmful chemicals are used to remove the caffeine.

4. *Lower pesticide levels.* The Sandinista government banned the deadliest pesticides including DDT and dieldrin. In their place the government instituted an Integrated Pest Management program which relies on biological controls.

(An example of an advertisement used to promote Cafe Nica in 1986)

1 9 8 6 F I N A N C I A L S T A T E M E N T

SALES	
Consumer level	11,317
Wholesale level	22,160
Distributor level	79,771
Total sales	113,248
COST OF GOODS	
	92,289
GROSS MARGIN (18.51%)	20,959
Other income (1)	1,348
<u>TOTAL INCOME</u>	<u>22,307</u>
OPERATING EXPENSES	
Salaries, benefits, payroll tax	28,759
Promotion/advertising	4,219
Product development	1,698
Other expenses (2)	19,409
<u>TOTAL EXPENSES</u>	<u>54,085</u>
<u>PROFIT/LOSS</u>	<u>(\$31,778)</u>

(1) Other income: interest and contributions;
 (2) Other expenses: rent, utilities, phone, postage, insurance, supplies, travel, copying, interest, paid consultants.

The operating loss of (\$31,777) in 1986 was (\$13,000) more than we projected to lose our first year, a result of the dollar decline. In buying coffee from the Dutch alternative trade organization Stichting Ideeel Import, we first buy Dutch guilders. Under these trade conditions, a 35% increase in the price of Dutch guilders resulted in a comparable increase in the price of our roasted and packaged coffee.

When the cost of goods goes up a company can pass the increase along to customers, they can lower their gross margin, or they can do some of both. We did some of both.

In the summer of 1986 we passed a nearly 10% price increase along to customers, pushing the coffee to what we considered to be its ceiling price. Any further increase, we felt, would cause a serious decline in sales. Fortunately, that is, for First World coffee consumers--not for Third World producing countries, the world coffee price has dropped substantially. We have since lowered our prices to wholesale and distributor accounts, and plan a second price decline for early summer.

As a result of cost increases, we had months in 1986 during which gross margin fell below 12%. By October, with the arrival of our first shipment of Canadian roasted coffee, and with initial sales of gift packs, we had brought the gross margin up to 19%. In November and December it was 28%.

The added losses in 1986 put more pressure on our working capital needs. In 1987 we plan to raise our equity base from \$75,000 (before losses) to \$150,000. We have commitments that bring us to \$100,100 at the time this report was issued. Furthermore, we plan to take on long-term loans of nearly \$25,000, bringing our debt load to more than \$40,000.

The primary new uses for working capital in 1987 will be for green (unroasted) coffee beans, inventory of new 8oz whole bean coffees, printed 4-color coffee bags, black tea from Sri Lanka, printed tea boxes, and promotional floor displays and pamphlets for Cafe Nica and Samusala Tea.

The management of Equal Exchange believes that the unforeseen losses accrued in 1986 are sustainable, and that the fundamental cause for them--the dramatic weakness of the U.S. dollar--has been addressed in our plan for 1987. The move to Canada stabilizes the landed cost of our major product.

On May 1 (May Day) our first shipment cleared Customs and arrived in our warehouse, finally giving our 1200 ft² floorspace the appearance of a food business as opposed to a dance hall. The arrival was two months late, a combination of processing delays and unexplained Customs delays.

In the five months since May 1 we have opened 8 distributor accounts, 25 store accounts, and begun direct-mailing to individuals coast to coast. Serious coffee connoisseurs can now find Cafe Nica on the store shelves of the Rainbow Grocery in San Francisco, Balducci's in New York City, and at the Knoll Farm (Country) Inn in the Green Mountains of Vermont. Employees hard at work at Oxfam-America in Boston, at Food First in San Francisco, and at the Red Sun Press in Jamaica Plain, Mass. brew Cafe Nica from 9 to 5. But the majority of sales in 1986 will pass through food co-ops across the country who purchase Cafe Nica from one of our co-op distributors in Cambridge--Mass., Savannah--NY, Minneapolis, Madison--Wisc., Tucson, Iowa City--Iowa, and Columbus, Ohio.

In five months we have shipped all orders without delivering a single out-of-stock. And we have managed to fill most every direct-mail and store order within our stated turnaround time of 48 hours. Recognizing we won't be able to maintain a "perfect" service record forever, we are very proud of our 100% record to date. And we will maintain a fierce commitment to fast turnaround and minimal out-of-stocks.

Sales through September 26 are \$49,590.34. To make sense of this figure next to projected sales requires a bit of interpolation, since we began selling two months later than originally planned. Sales between March 1-September 26 were originally projected to be \$62,300. However, our revised projections for May 1-September 26 showed \$45,000. The importance of these numbers is that sales are close to where we expected them to be.

On the other hand, gross margin (the difference between our selling price and the actual cost of the goods to Equal Exchange) is below what we projected. The chart on the next page shows the dramatic decline of the U.S. dollar against the Dutch guilder. Because all of our products come from Holland (and are paid for in guilders) the weakening dollar has caused our costs to increase over 30% in less than a year. We anticipated the dollar would decline. But never to these extremes.

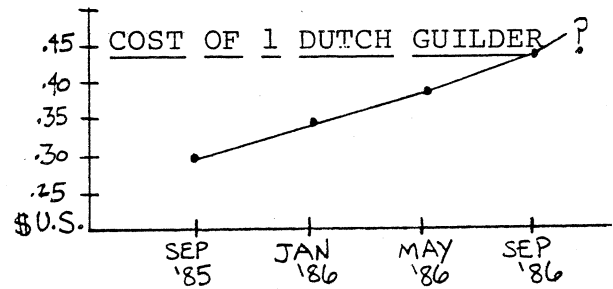
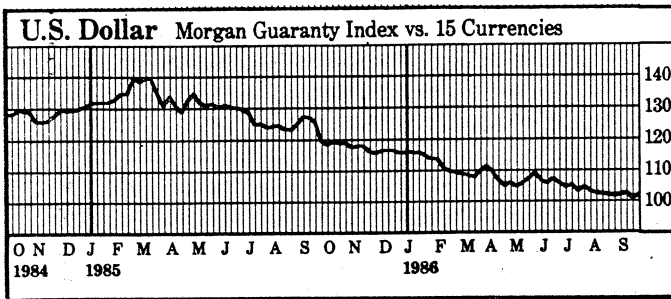
On August 18 we increased our selling prices by near 10%. Nevertheless, we are unable to absorb the impact of the full 30+% cost increase by passing it along to consumers--that would put Cafe Nica over \$10.00 per pound. (It's great coffee, but \$10./lb.?)

Our strategy to control costs is to move our roasting and packing operation to Canada. Since August we have interviewed and visited



five Canadian coffee roasters in Vancouver, Toronto, and Montreal. We are currently test-roasting 5000 lbs. in Toronto, and we expect to select a co-packer during October to begin roasting the majority of our coffee no later than February 1987. Sadly, we forfeit the relationship with the Dutch alternative trade organization Stichting Ideeale Import. However, in addition to bringing costs in line, the move to Canada should also expand our options for packaging, blending, and roasting.

In 1986, the dollar fiasco means that our losses will be larger than originally projected. How large will depend on sales, the future of the U.S. dollar, and on how fast we are able to move to Canada.



(from Wall Street J. 10/2/86)

The loss is manageable if we reach our capital goal and make a successful move to Canada. We have raised \$75,000. in equity to date, and are pursuing another \$75,000. to finance growth and new products in 1987. As for Canada we are optimistic. We have narrowed the field to two roasters who are submitting final bids to us next week.

More cause for optimism is the response from the marketplace. People love our coffee! And store managers really like our promotional materials. The attached "Display Ad Slick" is an example of how we are reaching out in some magazines, newsletters, and distributor catalogues.

We joined the merger & acquisition madness in August when we "acquired" our first business. When Adelante Trading, a small alternative trade group in New York City, closed last month, they decided to turn over their customer list to Equal Exchange. The Adelante mailing became our first trial venture in the world of direct-mail.

On the new product scene, we recently introduced the Cafe Nica Gift Pack, designed especially for the busy holiday season. We continue to plan for the introduction of superb!!! black tea from Sri Lanka sometime in 1987. And we are pursuing leads in Peru, St. Croix, Haiti, and Puerto Rico. A staff visit to Nicaragua is planned for January 1987--coffee buying and research.

All three of us are working full-time now to turn America onto Nicaraguan coffee. You can help out by sharing these order forms with friends, by ordering our beautiful gift packs in November/December, and by providing the names of potential investors who would consider an investment in Equal Exchange.

Regards! Rink Dickinson, Jonathan Rosenthal, Michael Rozyne

Nicaraguan coffee



Cafe Nica Gift Pack

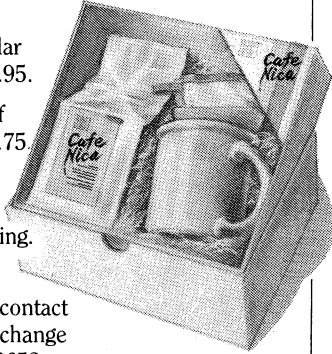
The Cafe Nica Gift Pack combines 1/2 pound Nicaraguan vacuum-packaged drip-grind coffee (*Regular*, or water-processed *Decaf*); an attractive stoneware mug handcrafted by Bennington Potters; and a no. 4 size 100% cotton reusable "Eco-filter." Each pack includes a colorful gift card and an informative message about the Nicaraguan people, all packaged in a sturdy white gift box, *ready for shipping*.

With regular coffee \$13.95.

With decaf coffee \$14.75.

Plus shipping.

To order, contact
Equal Exchange
PO Box 2652
Cambridge, MA 02238 617-482-4945

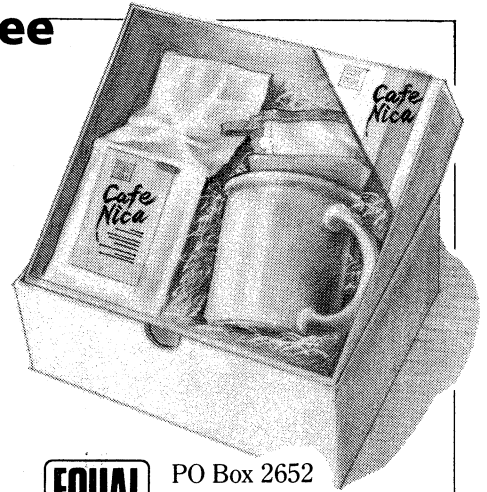


Nicaraguan coffee

Cafe Nica Gift Pack

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Equal Exchange imports top-quality food products from Third World cooperatives and governments that are helping their country's poor gain economic power: *an Alternative Trade network you can be proud to join.*

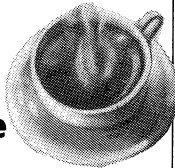


PO Box 2652
Cambridge, MA 02238
617-482-4945

ORDER	PRICE	GIFT PACK with	TOTAL
	\$13.95	Regular (2 lbs net wt)	
	\$14.75	Decaf (2 lbs net wt)	
SHIPPING		Total for Gift Packs	
ON 12 LBS		Tax (MA residents 5%)	
OR LESS:		Shipping (see chart)	
(Over 12 contact Eq. Ex.)		TOTAL	

SHIPPING ADDRESS:	
West of Mississippi	East of Mississippi
\$6.75	\$2.75

Introducing (at last) . . . a coffee that keeps Ronald Reagan awake



He knows Nicaraguan coffee is delicious and has mass appeal.

He knows the campesino farmers live better today than before 1979, the year the dictator Somoza was thrown out of power.

And he knows that Equal Exchange's work—keeping the spirit of the Nicaraguan people alive in the hearts of the North American public (*despite the U.S. embargo against Nicaragua*)—makes it harder to mobilize for war.

It's left a foul taste in his mouth.

It will leave a great taste in yours.

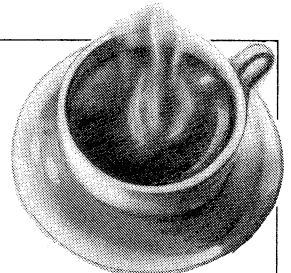


Nicaraguan coffee

Order Cafe Nica—regular, decaf, dark roast—from EQUAL EXCHANGE, PO Box 2652 Cambridge, MA 02238, 617-482-4945

Nicaraguan coffee

Cafe Nica tastes better in every way



1. Delicious, high-mountain flavor. Drip-grind and whole bean coffees are vacuum-packaged for freshness.

2. A better life for the peasant farmer. Since the dictator Somoza was thrown out of power in 1979, campesinos have benefited dramatically by improved health care and education. One-third of the nation's farmland has been granted free to 85,000 landless families.

3. Cafe Nica decaf is Swiss water-processed. No harmful chemicals are used to remove the caffeine.

4. Lower pesticide levels. The Sandinista government banned the deadliest pesticides including DDT and dieldrin. In their place the government instituted an Integrated Pest Management program which relies on biological controls.

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Order Cafe Nica—regular, decaf, dark roast—from EQUAL EXCHANGE, PO Box 2652 Cambridge, MA 02238 617-482-4945

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Cafe Nica Nicaraguan Coffee

PO Box 2652, Cambridge, MA 02238, 617-482-4945

These prices are effective August 18, 1986. Due to constant changes in the world economy affecting both coffee production and foreign currency rates, prices are subject to change.

*Dear Friend,
 Equal Exchange imports food products from cooperatives and governments in the Third World that are helping the poor in their countries gain economic power. Our intent is to provide you with delicious food products and the satisfaction of knowing your dollars are working for social change. At the same time, peasant producers in the Third World earn badly needed income and step closer to their dream of self-determination.
Our Guarantee: If any product does not meet your full expectations, notify us within 30 days and we'll send you a refund or exchange the item. Your choice.
 Enjoy the coffee!*

Jonathan Rosenthal

Help us promote Nicaraguan coffee by providing us the names of friends and family members who would like to try Cafe Nica.

Name _____ Address _____ City _____ State _____ ZC _____

Name _____ Address _____ City _____ State _____ ZC _____

Name _____ Address _____ City _____ State _____ ZC _____

Name _____ Address _____ City _____ State _____ ZC _____

CAFE NICA	UNIT	PRICE	ORDER	TOTAL
Regular Roast: Drip Grind	8oz	3.65		
Regular Roast: Whole Bean	2.2lb	16.10		
Decaf, Swiss Water Process: Drip Grind	8oz	4.10		
Decaf, Swiss Water Process: Whole Bean	2.2lb	18.05		
Dark Roast, Nic/African Blend: Drip Grind	8oz	3.55		
Intro Sampler: Drip Grind (Save 5%) 2 Reg, 1 Decaf, 1 Dark Roast	4/8oz	14.20		

GIFT PACKS (See Description—Back Panel)

With Regular Coffee	30.5oz	13.95		
With Decaf Coffee	30.5oz	14.75		

FULL CASE DISCOUNTS: 10% OFF for Mixed Case 24/8oz or 5/2.2 lb.
 15% OFF for Single Item Case 24/8oz or 5/2.2 lb.

SHIPPING on 12 lbs. net weight or less:	
WEST OF MISSISSIPPI	EAST OF MISSISSIPPI
\$6.75	\$2.75

1. TAXABLE SUBTOTAL — GIFT PACKS ONLY
2. SALES TAX — MASS. RESIDENTS, 5% LINE 1
3. NONTAXABLE SUBTOTAL — COFFEE
4. SHIPPING (SEE CHART)
5. TOTAL — SUM OF LINES 1-4
6. MINIMUM ORDER 13.95 (BEFORE SHIPPING)
7. MAKE CHECKS PAYABLE TO EQUAL EXCHANGE
8. ENCLOSE PAYMENT WITH ORDER

SHIPPING

1. Rates are indicated in chart above. For orders over 12 lbs. net weight, contact us for rates.
2. Normally, coffee is shipped within 48 hours of receipt of your order. We will notify you by mail if there is a delay in your order for any reason.
3. Fill out "Your Address," regardless of where you ship to.
4. If you would like us to ship the order to a different address (e.g. gift pack for a friend), provide that address under "Shipping Address." Note: UPS will not deliver to PO boxes.

Your Address

Name _____ Address _____ City _____ State _____ ZC _____

Phone _____

Shipping Address (if different)

Name _____ Address _____ City _____ State _____ ZC _____

Phone _____

Cafe Nica tastes better in every way

1. Delicious, high-mountain flavor. Drip-grind and whole bean coffees are vacuum-packaged for freshness.

2. A better life for the peasant farmer. Since the dictator Somoza was thrown out of power in 1979, campesinos have benefitted dramatically by improved health care and education. One-third of the nation's farmland has been granted free to 85,000 landless families.

3. Cafe Nica decaf is Swiss water-processed. No harmful chemicals are used to remove the caffeine.

4. Lower pesticide levels. The Sandinista government banned the deadliest pesticides including DDT and dieldrin. In their place the government instituted an Integrated Pest Management program which relies on biological controls.

5. Global hands working together. Thousands of volunteers come from Europe, North America and Latin America to harvest coffee—Nicaragua's number one source of foreign exchange.

6. Break the embargo. The World Court ruled that the U.S. embargo against Nicaragua violates international law. When you choose Cafe Nica, you support the right of the Nicaraguan people to a future of their choice.

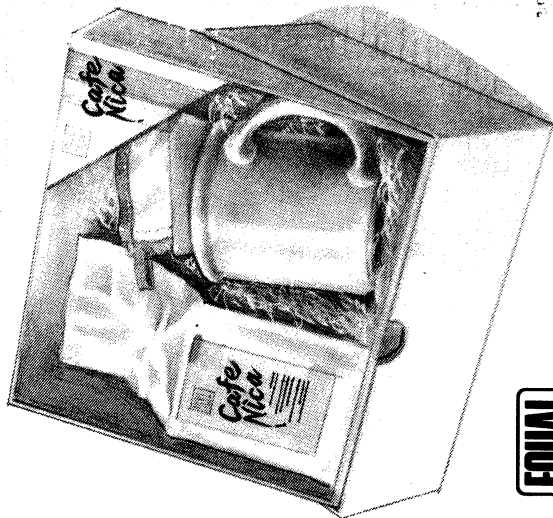
Nicaraguan coffee



Cafe Nica Gift Pack

The Cafe Nica Gift Pack combines 1/2 pound Nicaraguan vacuum-packaged drip-grind coffee (*Regular*, or water-processed *Decaf*); an attractive stoneware mug handcrafted by Bennington Pottery; and a no. 4 size 100% cotton *reusable* 'Eco-filter'. Each pack includes a colorful gift card and an informative message about the Nicaraguan people, all packaged in a sturdy white gift box, *ready for shipping*.

When you drink Cafe Nica you join a growing worldwide network of Nicaraguan coffee consumers.



EQUAL EXCHANGE
PO Box 2652
Cambridge, MA 02238

**BULK RATE
U.S. POSTAGE
PAID
BOSTON, MA
PERMIT NO. 52786**



**Cafe Nica
Nicaraguan Coffee**



Cafe Nica Nicaraguan Coffee

PO Box 2652, Cambridge, MA 02238, 617-482-4945

These prices are effective August 18, 1986. Due to constant changes in the world economy affecting both coffee production and foreign currency rates, prices are subject to change.

*Dear Friend,
 Equal Exchange imports food products from cooperatives and governments in the Third World that are helping the poor in their countries gain economic power. Our intent is to provide you with delicious food products and the satisfaction of knowing your dollars are working for social change. At the same time, peasant producers in the Third World earn badly needed income and step closer to their dream of self-determination.
Our Guarantee: If any product does not meet your full expectations, notify us within 30 days and we'll send you a refund or exchange the item. Your choice.
 Enjoy the coffee!*

Jonathan Rosenthal

Help us promote Nicaraguan coffee by providing us the names of friends and family members who would like to try Cafe Nica.

Name _____ Address _____ City _____ State _____ ZC _____

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Name _____ Address _____ City _____ State _____ ZC _____

Name _____ Address _____ City _____ State _____ ZC _____

CAFE NICA	UNIT	PRICE	ORDER	TOTAL
Regular Roast: Drip Grind	8oz	3.65		
Regular Roast: Whole Bean	2.2lb	16.10		
Decaf, Swiss Water Process: Drip Grind	8oz	4.10		
Decaf, Swiss Water Process: Whole Bean	2.2lb	18.05		
Dark Roast, Nic/African Blend: Drip Grind	8oz	3.55		
Intro Sampler: Drip Grind (Save 5%) 2 Reg, 1 Decaf, 1 Dark Roast	4/8oz	14.20		
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Phone _____

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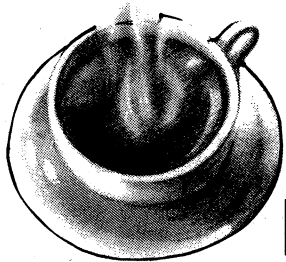
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Cafe Nica Gift Pack

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