Negotiation of communal land ownership of an abandoned coffee plantation

The community of La Florida in Quetzaltenango, Guatemala, successfully occupied and became owner of an abandoned coffee plantation. Between 2002 and 2004 they negotiated communal ownership with the Fondo de Tierras (State Land Fund), the Ministry for Agriculture, the private owners and banks. They secured the legal title over the finca in 2005 thanks to a governmental loan that was written off in 2007. The families, who once lived as tenant farmers in large plantations, have transformed the abandoned plantation into a thriving organic coffee cooperative that ensures their livelihood security.

PRINCIPAL ORGANISATIONS INVOLVED
SCIDECO (Civil Society for the Development of Colombia), Trócaire, Fondo de Tierras (State Land Fund)

Location
Quetzaltenango, Guatemala

Timeline of the case
2002-2007

TARGET AUDIENCE
governmental bodies working with peasants and indigenous peoples; communities trying to secure land ownership; farmers’ cooperatives

KEYWORDS
land redistribution, poverty reduction, organic agriculture, communal land
Background and issues

Guatemala is characterized by a high degree of land concentration. Indeed, the Gini index for Guatemala, an indicator of economic inequality, is one of the highest in the world (World Bank, 2015). Less than 1 per cent of agricultural producers control 75 per cent of the best land (Minority Rights 2008).

Guatemala was unable, as has been the case in most neighbouring countries, to achieve an effective agrarian reform, nor did it establish other agrarian or fiscal policies that could have resulted in more egalitarian access to land (Mauro and Merlet 2003). Negotiations with government authorities for a more equal distribution of land throughout the 1980s and 1990s resulted in few successes. The internal armed conflict that raged throughout the country for 36 years had roots in this inequality. The UN-backed Peace Accords of 1996, which marked the end of the internal armed conflict, called for many reforms, including agrarian land reform and resettlement for displaced communities, but they were never fully implemented. However, the Guatemalan government created the Fondo de Tierras, a state institution that supports and provides credit to individual farmers or communities to buy land. As standard practice the Fondo de Tierras buys the land, transfers it to the individual or community, and demands the reimbursement of the debt at special conditions or favourable interest rates.

Guatemala has an indigenous population of over 60%, three-quarters of which live in poverty, and the rural indigenous communities experience the greatest levels of poverty and inequality. They have little or no access to land, and where they have access their security of tenure is low. Many work as tenant farmers, but their labour rights are routinely violated. Many communities suffer alarming rates of malnutrition and lack access to basic services such as health and education (Minority Report 2008).
Coffee plays a major role in Guatemala's economy. The country ranks second in the world after Colombia on high grade coffee production. While coffee prices peaked at the international market around 1996-1997, they fell to one third in 2002. The decline in price and production worsened the already difficult conditions for Guatemala's peasant farmers.

The western highlands of Quetzaltenango are known for yielding some of the finest coffee in the world. However, the highlands are also known for being one of the areas that was most affected by the violence of the internal armed conflict, for its high levels of unemployment, and for its extreme poverty.

The situation of the 50 campesino families that are subject of this case study was exemplary for the situation of campesinas in the highlands. The families were landless and their family members worked as wage labourers or tenant farmers on the plantations in Quetzaltenango. In this position, they were subject to exploitation, marginalization or even servitude. They had little or no land tenure security. This limited their possibilities to grow their own food, and it put them on the verge of starvation. SCIDECO had already approached 28 landowners to buy land through the Fondo de Tierras. Most of the land owners were willing to sell, but not through the Fondo de Tierras.

**Solution**

In 2002, the 50 families associated with SCIDECO decided to peacefully occupy the abandoned areas of Finca La Florida, an unproductive plantation in Quetzaltenango. While the occupation of land is not legal, the families considered occupation as their last resort to access land and to ensure their food security. Other avenues had been explored without success.

Following the occupation in 2002, the community entered into negotiations with the Fondo de Tierras, the Ministry for Agriculture, and the private owner of the abandoned plantation, in order to secure legal ownership over the plantation without incurring into excessive debts.

The perseverance of the farmers was rewarded three years later, when they became legal owners of the land. Once their ownership had been secured, the community concentrated their efforts on regenerating the plantation after years of abandonment. Today, La Florida is a certified organic farm that abides by principles of social and environmental sustainability.

**Activities**

On October 11th, 2002, some 50 families, united in the association SCIDECO, occupied 400 hectares of Finca La Florida. Finca La Florida, a coffee plantation located in the municipality of Columba, Quetzaltenango, was largely unproductive since 1994. As the coffee crisis had worsened the economic situation in the area, and as the private owner of the plantation was unable to pay off his debts, the Bancafé bank had claimed ownership of the plantation in 2000. Bancafé bank was not interested in rehabilitating the plantation, only in selling it.

At the time of the occupation, there were 80 families living on the plantation, yet they were in dispute with Bancafé bank over unpaid salaries. During their occupation, the 50 families of SCIDECO took pains not to interfere with these 80 families and their conflict with the bank.

Immediately following the occupation of Finca La Florida, Bancafé bank received word that a group of campesinas had occupied the plantation. Their impulse was to seek an eviction order for the families but they were contacted by the leader of SCIDECO with a request to enter into negotiations.
Bancafé agreed. After their first meeting Bancafé decided they were willing to negotiate with the campesinos to find a solution to benefit each party. Bancafé also agreed to resolve the standing conflict with the 80 families in the productive area of the plantation. Bancafé was under high pressure to resolve the conflicts, because the whole banking sector was looking at Finca La Florida and how the redistribution of the plantation was being negotiated (Roldán 2009).

During the first two years of occupation, the 50 families lived in conditions of extreme hardship: while they had access to abundant natural resources such as land, firewood, fruit trees and water, they lacked decent housing and infrastructure. They also endured threats from other groups that tried to occupy the plantation.

The association SCIDECO began to look for sources of funding that would allow the 50 families to purchase the plantation. SCIDECO opted not to buy the land from the Fondo de Tierra as this would mean that the families would incur enormous debt. They negotiated with other state entities - the Ministry of Agriculture in particular - to buy the land and transfer this to the campesino families on the provision that rather than directly paying back the loan, the community would invest in the rehabilitation of the plantation and the local reactivation of the campesino economy.

A change of government in 2004 disrupted the deal. The new government did not accept the terms of this deal. The new government insisted in that the loan would have to be paid back in full over eight years. Given the large extension of Finca La Florida, the new government also insisted in that the deal include more families – more than just the 50 families represented by SCIDECO. The association then started to look for other families among the hundreds in the region that had been affected by the coffee crisis. Eventually 80 families from San Marcos agreed to participate in the sale.

In April 2005, SCIDECO bought Finca La Florida from Bancafé through the Fondo de Tierras for a total price of 6.5 million quetzals. Later that month, President Berger and the head of the Ministry of Agriculture travelled to Finca La Florida to participate in the official ceremony of handing over the land.

Once their ownership of the land had been secured, the community of La Florida concentrated its efforts on regenerating the plantation after years of abandonment. The plantation was divided into communal areas for the commercial production of coffee, banana and macadamia; private plots assigned to each family to grow food for private consumption; communal areas for conservation and reforestation. Men and women work together and there is a high emphasis on gender equality. Decisions are taken by the General Assembly, in which each member of the community has a vote and no individual or group has the right for veto. Every two years the General Assembly chooses a Directive Board and a President.

In 2007, the government of Guatemala created the Sustainable Development Programme for the Vulnerable Rural Population. Under this program, the government bought a total of 22 fincas in order to redistribute the land. Finca La Florida was one of them, meaning that the government completely cancelled the loan taken by the La Florida farmers. In November 2007, SCIDECO signed the agreement with the Government, certifying that it is free of all debt related to the purchase of Finca La Florida.

Today, Finca La Florida is a flourishing cooperative that produces certified organic coffee. It sells to local and international fair trade markets through Manos Campesinas and Red Kuchubal networks. Their production has been certified by Mayacert.

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1 Mayacert provides certification to agricultural products across Mexico, Central America and Colombia. Manos Campesinas is an umbrella organization that works with 8 grassroots organizations representing 1073 individual small coffee producers. Red Kuchubal is a network of local peasant and indigenous producers that promotes the commercialisation and sale of agro-ecological products in local and international markets.

“For us it was not an easy decision, given the local mentality of fear and false respect for the fincas ... However, necessity gave us strength and courage to develop a negotiation strategy with the owners.”

Virgilio Pérez, SCIDECO legal representative.
Importance of the case for people-centred land governance
This case study is a significant example of how a group of landless campesino farmers managed to rehabilitate and reactivate an abandoned coffee plantation, by peacefully occupying the abandoned land, and negotiating the purchase of the abandoned land between the private owner and the State.

In addition, the case study also shows that communal ownership of land can help smallholder farmers to compete in the global market. The cash crop of the plantation – coffee – is cultivated exclusively on the communal areas of Finca La Florida. All commercial decisions related to the coffee production and commercialisation are taken in a democratic manner by the entire community.

In conclusion, the case of Finca La Florida exemplifies a new, viable economic model for campesino farmers in particular and for Guatemala as a whole.

Changes

Baseline
Before occupying Finca La Florida, the members of SCIDECO had been working as wage workers or tenant farmers on the plantations of Quetzaltenango. In this position, they were often subject to exploitation, marginalization or even servitude. They had little or no land tenure security, limiting their possibilities to grow their own food, and putting them on the verge of starvation. They also lacked access to basic services such as health and education. Wage workers and tenant farmers often live in a vicious circle of debt, due to the rent and credit policies of the companies they work for, or the prohibitive costs of health care.

Achievements
After the occupation of Finca La Florida, the community negotiated the purchase and ownership of the plantation between the government and the private owners of the plantation. In 2005 they became legal owners. In 2007 the government cancelled their debts.

During the 2013-2014 coffee season, the finca produced 108 quintales (nearly 5 tonnes) of Pergamino Coffee with a total value of 100,000 Quetzales (over 13,000 USD). Banano cultivation also provided a significant income, as the community harvests on average 75 quintales (3.5 tonnes) of banano per week. They also produce macadamia, cacao, honey, cassava, taro, chickens and cattle for the local market.

In addition, all families now produce 75% of the food they consume domestically and they no longer suffer malnutrition.

Evidence
Lessons learned

Lessons for civil society

The private land market alone cannot meet the demand for land
Currently, the private land market cannot meet the demands for land of the peasants in Guatemala. The occupation of unproductive land seems to be their only way to gain access to land, yet it results in a process that is very long and demanding for the occupying families.

The community needs to be cohesive
It is essential that occupying families are well organised and have sufficient political and legal capacities to negotiate with the private owners and the State. In this sense, it is recommendable that the community claims communal ownership and management of the land, as this helps the community to become one single identity.

The community needs to have a vision for their project
The families of La Florida had a development vision for their project before occupying La Florida. This has been essential in order to build a collective project that was able to reverse the history of conflict over land in Guatemala.

Inclusion of women and youth
It is critical to train younger generations in practical skills and create space for their participation in the land occupation process. Women must be able to equally participate in all community decision making and organisational structures.

Lessons for policy makers

A wide land reform is needed
The occupation of La Florida shows the need to embark on a wide reform of the coffee sector in Guatemala, based on an alternative model of access to land. Such reform process will need transparency in the planning, budgeting, execution, and evaluation. Transparency and accountability can be ensured through a reliable system of internal and external auditing.

Women play a crucial role
The role of women in agricultural production and land management must be recognised and their specific needs and contributions must form an integral part of collective land ownership and management strategies.

Access to land alone is not enough
Providing rural families with land is only part of the solution to reduce rural poverty. Indeed, the land is often unproductive and the families remain often without an adequate access to the market. When debating the transfer of land to campesino groups, the public institutions need to think more thoroughly about the economic model and opportunities they can provide to the campesino groups.
Challenges
Since the plantation had been abandoned for many years, the rehabilitation of Finca La Florida required a significant investment. While the immediate need of the community was the improvement of their food security, they also needed to set up a socio-economic structure for their cooperative and invest in the productive infrastructure of the plantation.

Follow-up
Local land rights movements need to link up with national land rights movements, in order to contribute to sustainable reforms at national level. In particular, a first goal should be the approval of Law 40-84 on Integrated Rural Development (Desarrollo Rural Integral), which will be fundamental for the recognition and empowerment of rural farmer families.
Supporting material

References and further reading

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Photos, videos


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