

Classroom Exercise

From Wolverine to the Coffee Business: Laughing Man Coffee

While movie fans everywhere would probably recognize the actor who played Wolverine in the *X-Men* franchise, most are not likely to know he is also in the fair-trade coffee business. In 2011 Hugh Jackman, most famous for his depiction of Wolverine in *X-Men*, launched Laughing Man Coffee. The Australian actor—a self-acknowledged “coffee snob”—was inspired to get into the coffee business after visiting Ethiopia as an ambassador for World Vision Australia in 2009.

Jackman was working with World Vision to film a documentary about the impact the organization’s development was having on communities. However, they decided instead to focus more specifically on fair trade coffee. World Vision wanted to demonstrate how fair trade coffee made a difference in the lives of the farmers. By participating in the documentary, Jackman worked side-by-side with a 27-year-old farmer named Dukale. Jackman was struck by Dukale’s enthusiasm and joy, despite the fact that he worked ten to twelve hours days, seven days a week to support his wife and five children.

Despite Dukale’s hard work, he still struggled to provide for his family. Dukale worked as part of a cooperative of farmers in the village that grew and harvested fair trade coffee beans. These beans are grown with methods that are environmentally-friendly, and with the cooperative’s help the farmers are able to get a fairer price for their coffee beans. Jackman learned that for many farmers, coffee buyers purchased their beans at below-market rates. Because the farmers live in rural areas and do not have other options, they are often forced to sell their beans at these rates or go without any income.

Jackman was particularly inspired by how his daily morning ritual of drinking coffee could have such an impact on people’s lives. He promised Dukale that he would try to do something to help promote the fair trade movement. When he returned to New York, he addressed the world leaders at the Nations Climate Week and asked them to support the movement. However, Jackman felt like he could do even more. He did not want to just donate money either. He describes his work as giving a “hand up” instead of a “handout” because by purchasing fair trade coffee at fair prices, consumers are providing the farmers with the income needed to pull themselves out of poverty.

In 2011 Jackman partnered with businessman David Steingard to found Laughing Man Coffee, a small shop in lower Manhattan. The shop began selling fair trade coffee from farmers in Ethiopia, Papua New Guinea, Peru, Guatemala, and more. The shop was popular among consumers, who felt the coffee was both high-quality and incredibly important in making a difference for the farmers that grew the beans. Eventually they opened up a second location in Manhattan. The shop’s most popular coffee, Dukale’s Dream, was named after the farmer who inspired Jackman. All the profits that Jackman makes from the coffee he donates to the Laughing Man Foundation, which is used to support education, social entrepreneurship, and community development. Jackman’s endeavor has been compared to that of famous actor Paul Newman, who created a salad dressing empire in which all profits were donated to various charities.

The name “Laughing Man” was adopted based upon the importance of laughter and dignity. Jackman described Dukale as one of the “happiest people” he ever met. Laughing Man Foundation has the following mission

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statement: “Laughter is the expression of freedom and the melody of dignity, but around the world some are able to laugh more freely than others. Whatever the obstacle, personal initiative, collective action and community awareness are the key to a more resilient humanity. When people have the tools that they need to create change for themselves and their communities, they thrive and build resilience from the inside out. The change becomes exponential, spreading from person to person and community to community.”

Laughing Man products can be purchased online or in the shops. Soon it caught the attention of Keurig Green Mountain, which purchases the largest amounts of fair trade certified coffee globally. Keurig Green Mountain is famous for its Keurig machines and its K-cups. Keurig machines use single-serve K-cups to make individual cups of coffee easily. Keurig wanted to partner with Laughing Man Coffee. At the time, Jackman was considering expansion through franchising, but he disliked the possibility of losing some quality control in the process. After deciding that their values aligned, Jackman agreed to the exclusive partnership with Keurig, and its best-selling coffee Dukale’s Dream became available in K-cups. Keurig also donates a portion of product sales to the Laughing Man Foundation.

A major benefit of partnering with Keurig Green Mountain is that it has such a large distribution network. Keurig was determined to get Laughing Man Coffee K-cups distributed nationwide. In 2016 Kroger joined the partnership and began selling K-cups of Laughing Man branded coffee in 1,800 of its national stores. Because the coffee is Fair Trade certified, consumers have assurance that the farming practices used to harvest the coffee beans adhere to certain sustainability and fair labor requirements, as well as providing a higher income for the farmers themselves. This phenomenon of consumers consciously participating in improving the lives of others and the environment through their purchases is known as conscious consumerism. Jackman believes conscious consumerism is growing as consumers learn more about how their purchases can impact the health and well-being of communities.

As for the Ethiopian farmer Dukale, fair trade has allowed him to break the cycle of poverty. He has been able to purchase more land and even open a café. His success is also leading to job opportunities for others in the community as he has increased production and hired more farm hands. While he himself is illiterate, his son will be the first one to graduate from high school. His dream to be able to afford the basic necessities of life for his family seems to be coming to fruition through the impact of Fair Trade and conscious capitalism.

Questions

1. What is conscious capitalism and why do you think it is becoming more popular?
2. How did Hugh Jackman use business practices to develop a successful organization with a philanthropic component?
3. What are the advantages to purchasing Fair Trade certified coffee?
4. Do you believe consumers have an ethical responsibility to make sure their purchases align with their values?

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