

Annual Report 2019

Reporting period:

January – December 2019

Date:

June 2020

Prepared by:

Hanns R. Neumann Stiftung



INTERNATIONAL
Coffee Partners



Hanns R. Neumann Stiftung



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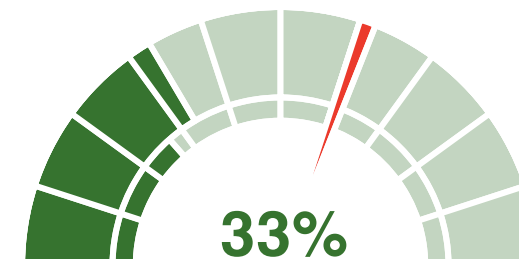
Abbreviations & Explanations

Abbreviations

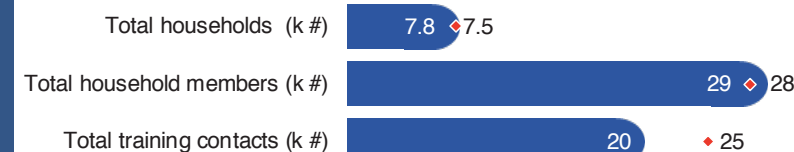
ADA	Austrian Development Agency
ARC	Alliance for Resilient Coffee
CAFE	Coffee Alliances for Ethiopia
c&c	initiative for coffee&climate
CSA	Climate Smart Agriculture
CEFI	Centros de Estudio y Formación Integral
CTPT	Comisión Trinacional del Plan Trifinio
DC	Depot Committee (i.e. a second-tier farmer organization)
GAP	Good Agricultural Practices
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
HRNS	Hanns R. Neumann Stiftung
ICP	International Coffee Partners
KPB	Kelompok Pemasaran Bersama (Collective Marketing Group)
MCT	Mesa de Café de la Region Trifinio
M&E	Monitoring and Evaluation
OD	Organizational Development
NKG	Neumann Kaffee Gruppe
PO	Producer Organization (i.e. a first-tier farmer organization)
SCA	Specialty Coffee Association
SDG	Sustainable Development Goal
Senar	Serviço Nacional De Aprendizagem Rural

Units

gbe	green bean equivalent
ha	hectare
k	thousand
t	metric ton
EUR	Euro
USD	United States Dollars
#	number



Inner circle: result 2018
 Outer circle: result 2019
 Bold figure center: result 2019
 Red indicator: project target 2019



Blue bar & white number: result 2019
 Red diamond & black number: target 2019

Summary

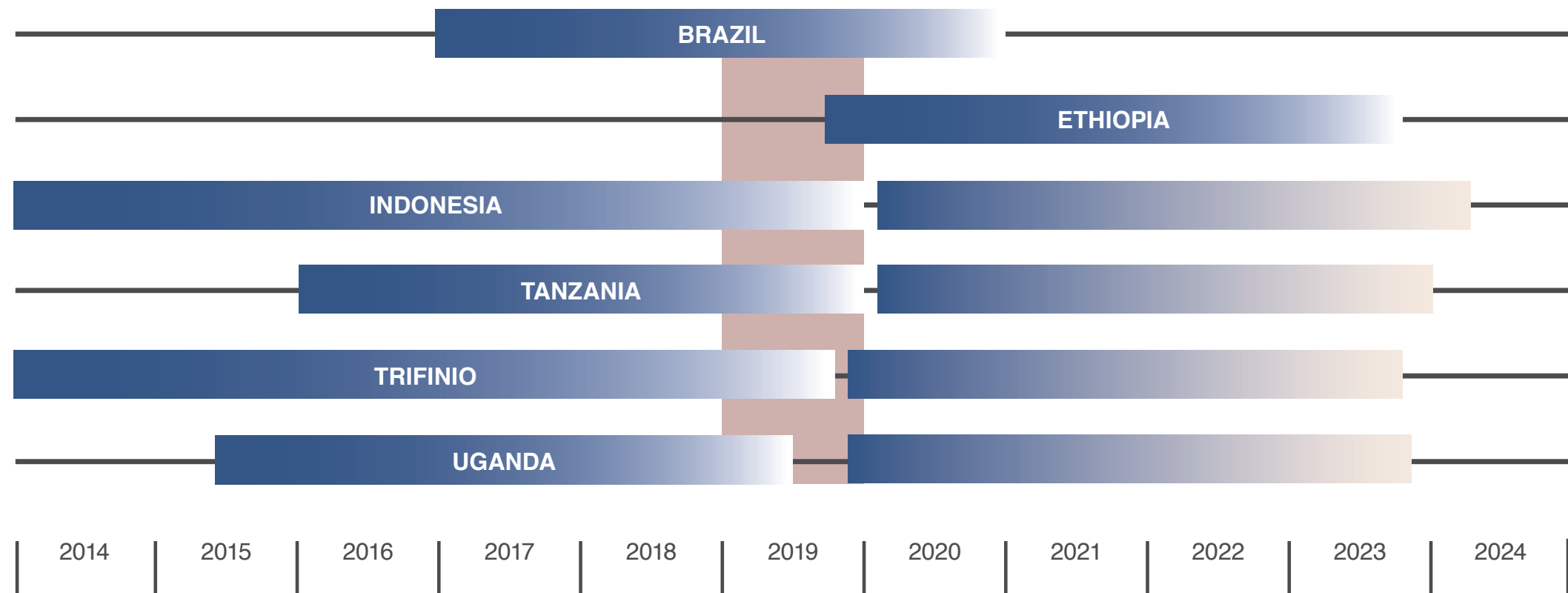
During 2019, the new ICP 5 Year Strategy (2019-2023) was finalized by the ICP Shareholders, which builds on the achievements reached in the ICP focus countries Honduras, Guatemala, El Salvador (Trifinio region), Brazil, Uganda, Tanzania and Indonesia. The ICP project in Trifinio works through the multi-stakeholder platform Mesa de Café de la Region Trifinio (MCT) with indirect beneficiaries. In East Africa, ICP extended its activities to Ethiopia, where a new project co-financed by the Austrian Development Agency (ADA) started in October 2019. The projects in Brazil, Indonesia, Tanzania and Uganda came to an end in 2019. However, due to the long-term commitment of ICP, follow-up projects were defined to ensure a continued support of the coffee farmer families in those project regions.

The holistic livelihood approach of ICP encompasses the promotion of inclusive family businesses, strengthening of farmer organizations, rolling out of climate-smart practices based on the experiences gained in the initiative for coffee&climate (c&c), encouraging the next farming generation and mainstreaming gender equality in all interventions. In addition to coffee, diversification of production systems is emphasized as a means of stabilizing cash flows, ensuring food security, reducing risks and conserving natural resources.

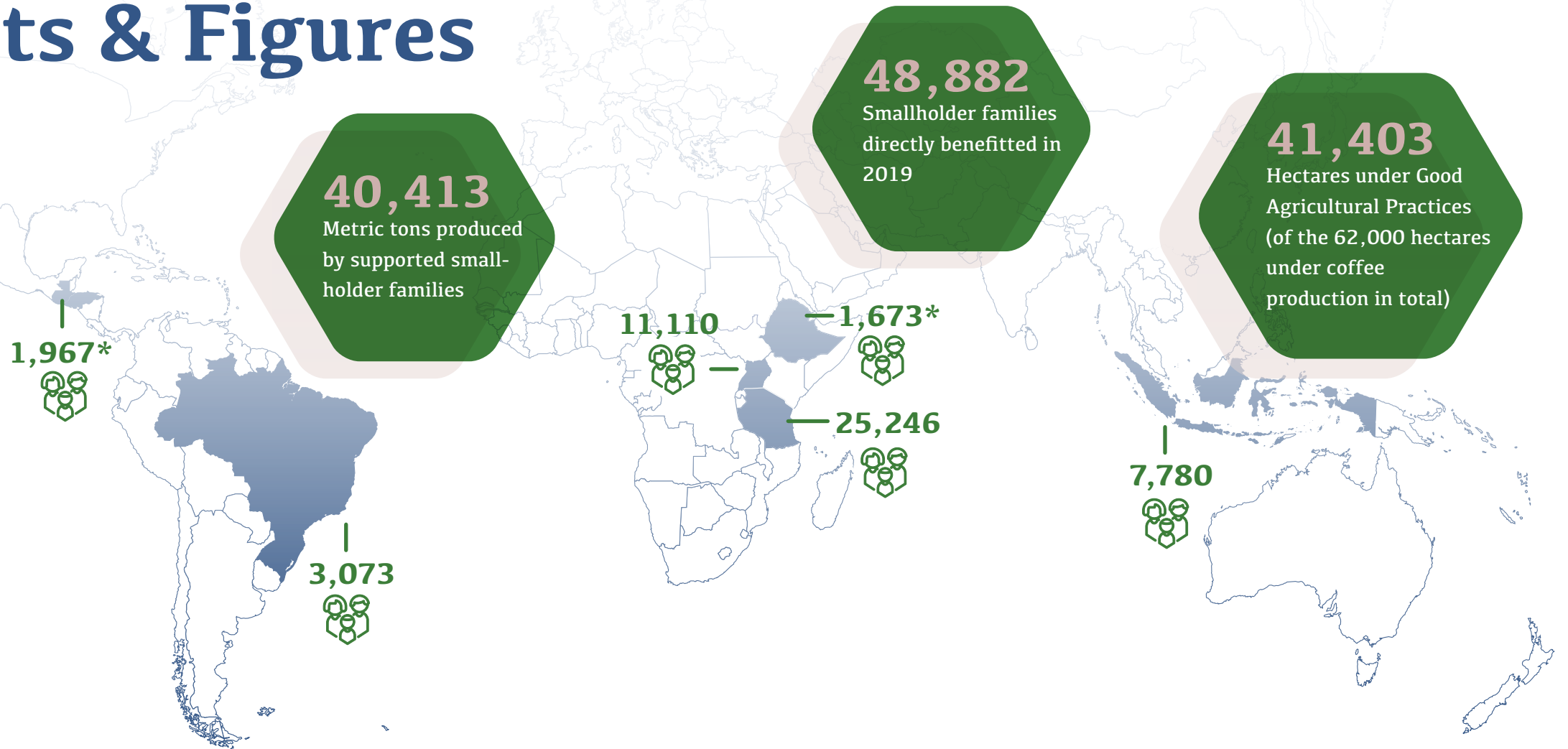


Project Timeline

Overview of projects covered in this report



Facts & Figures



*Note: The ICP project in Trifinio works indirectly with 1,976 smallholder families through the multi-stakeholder platform Mesa de Café de la Region Trifinio (MCT); these households are not accounted for in the direct outreach figures above. For the ICP project in Ethiopia only direct beneficiaries are communicated as the project started in October 2019.

Facts & Figures

Snapshot of figures from projects at different stages



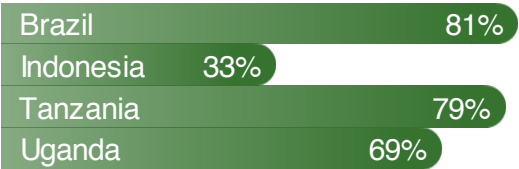
174,086
Training contacts in 2019



1,837
Supported Farmer Organizations in 2019 of which strong & professional



68 %
Adoption of good agricultural practices*



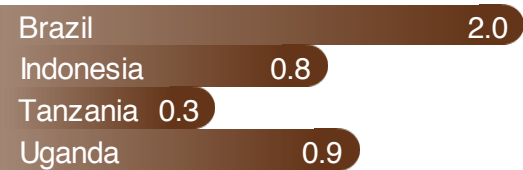
16,228
(9 %)

Youth training contacts
(< 35 years old)

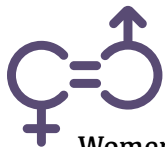
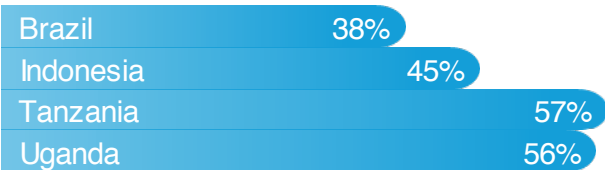
60 % 2nd Tier
28 % 1st Tier



3.4 %
Average coffee production (t gbe/ha)
increase compared to 2018*



48 %
Adoption of climate smart practices*



60,906(34 %)

Women training contacts

*Note: The ICP project in Trifinio works indirectly with 1,976 smallholder families through the multi-stakeholder platform Mesa de Café de la Region Trifinio (MCT); these households are not accounted for in the direct outreach figures above. For the ICP project in Ethiopia only direct beneficiaries are communicated as the project started in October 2019.

History

Established in 2001, ICP is a strong pre-competitive partnership of eight committed coffee companies working for a more prosperous future for smallholder families.



DELTA CAFÉS
PORTUGAL



FRANCK DD
CROATIA



JOH. JOHANNSON KAFFE AS
NORWAY



LUIGI LAVAZZA S.P.A.
ITALY



LÖFBERGS LILA AB
SWEDEN



NEUMANN GRUPPE GMBH
GERMANY



GUSTAV PAULIG LTD.
FINLAND



TCHIBO GMBH
GERMANY

ICP provides hands-on support to smallholder coffee farmer families around the world. The ICP projects are implemented by Hanns R. Neumann Stiftung (HRNS), a key partner in planning, programming, partnership development, reporting and other project activities.

Since 2001 ICP has
implemented 23 projects
in 13 countries.

92,693
Smallholder Families
(directly benefitted as
of December 2019)

\$16 m
Investment
(million invested by
ICP Shareholders as
of December 2019)

\$3.7
Return on Investment
(for every \$1 invested
in Trifinio based on
an independent
evaluation in 2017)

About this Report

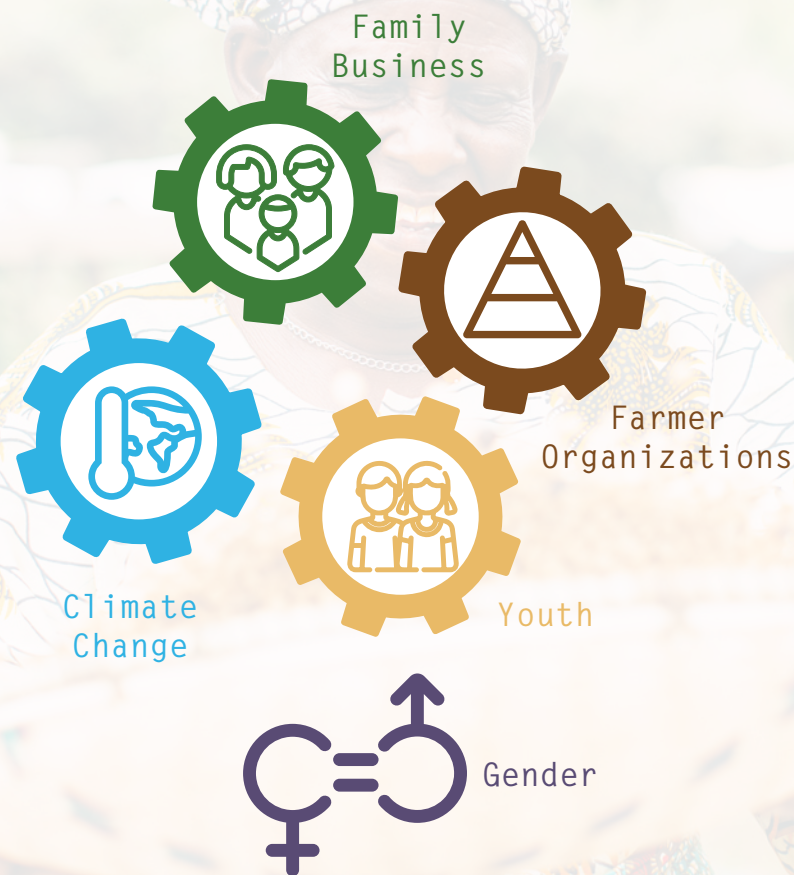
This report summarizes the progress and achievements of the ICP program in 2019, implemented by HRNS and its partners. Currently, this program is operational in 6 regions. This report is structured from East to West, starting with Indonesia, over the African countries, ending with Brazil and Trifinio (Honduras, Guatemala, El Salvador).



Each country chapter contains a story from the field and ends with an outlook for 2020.

Finally an update is provided on the initiative for coffee&climate as well as the activities of the ICP M&E and the Communications Working Groups.

For each country first project facts are presented, followed by outreach data such as number of households, area under coffee, number of training contacts, etc. against set targets. Subsequently, for each country, achievements are represented per strategic theme:



Indonesia

74 %

of the project households had higher coffee yields in 2019 compared to the project start in 2014

67 %

of cooperatives established by the project since 2014 were rated as 'strong & professional' in 2019

REGION	South Sumatra, Indonesia
TITEL	Strengthening the Smallholder Robusta Sector in Sumatra, Indonesia
DURATION	01/2014 – 12/2019
BUDGET	800,000 EUR
BENEFICIARIES	7,500 smallholder households
PARTNERS	International Coffee Partners, The J.M. Smucker Company
KEY OBJECTIVES	To improve the profitability and climate change resilience of coffee production for 7,500 Indonesian smallholder Robusta farming households in an economically, environmentally and socially sustainable way

Project Scope

Project activities in Indonesia began in 2014 and focused on improving productivity, profitability, sustainability and climate resilience of smallholder coffee production in southern Sumatra. Collective action at beneficiary level was promoted through the establishment and professionalization of farmer organizations, while the participation of women throughout the coffee value chain and the perspectives of youths in rural areas are important cross cutting aspects of the approach.

In 2019, 6 HRNS field officers, together with 6 field assistants and 68 key farmers supported **7,780 smallholder coffee farmer households** who harvested 8,542 t of green beans from 11,120 ha of land.

The overall production of green beans was below the target. This was due to yield targets being much higher than actual yields. Although ¾ of project farmers had higher yields in 2019 compared to the project baseline, average yields of 1 t/ha are still not achieved (see next page).

At around **20,500, the training contacts in 2019** were lower than the target of 25,000. This was because many households had already fulfilled the training curriculum and did not request additional trainings.

Indonesia



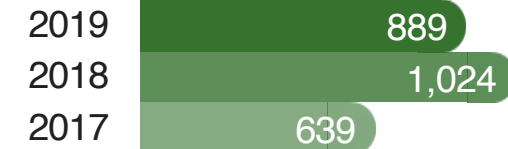
Family Business

- After deducting the production costs (~USD 100 USD/ha), project households made **889 USD/ha in profits** from coffee in 2019. This is an increase of 78 % in profits compared to 2015. However, it is 14 % less than in 2018. Given that coffee prices were 16% lower in 2019 compared to 2018, and that yields, too, were slightly lower in 2019, this is still a good result.
- In 2019, **green bean yields averaged 768 kg/ha**, which was statistically the same as in 2018, and an increase of 55 % from the 2014 yield baseline figure of 500 kg/ha. It compares favorably with current yield estimates of non-project farmers undertaken by traders in the same areas.
- Adoption of GAP was 33%** and increased for every practice in 2019 compared to 2018. Project targets were not met, as they have been too ambitious.
- At 16%, the average adoption of post harvest practices** decreased compared to 2018 since less households practiced selective picking of red cherries. Using tarpaulins to dry cherries, however, increased by nearly 40%.



Indonesia

Profits [USD /ha]



Productivity [t gbe /ha]



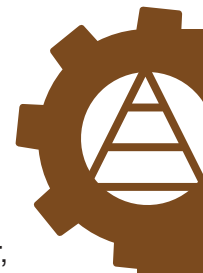
Adoption



Good Agricultural Practices

(Post)-Harvest Practices

Farmer Organizations



- In 2019, the project supported a total of **345 farmer organizations**. Of these, 336 were 1st tier, village-level farmer groups and nine were 2nd tier cooperatives.
- Only **15% of 1st tier groups were 'strong & professional'**. Many of these predated the project and were established in order to allow members to receive subsidized inputs rather than perform proper functions. As such, it has often proven difficult for them to operate more professionally.
- **67% of project-established cooperatives (2nd tier) were rated 'strong & professional'**. As they increasingly assume more functions for their members, they form a cornerstone of the project exit strategy.
- In 2019, cooperatives **bulk and sold 297 t gbe**, which represented about ¼ of their members' coffee, and 23% more than in 2018 despite overall lower harvests in 2019.
- Due to the lower coffee prices in 2019 compared to 2018, cooperatives were unable to offer high margins: total added value of the coffee sold was lower in 2019 than in 2018.

Indonesia

Strong & Professional



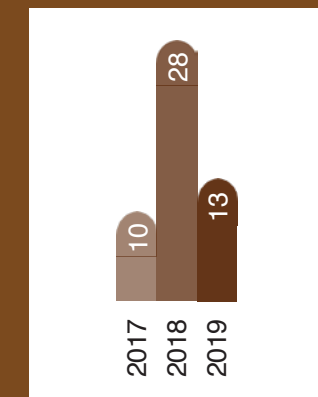
1st Tier
Village-level farmer groups

2nd Tier
Cooperatives

Coffee Bulk and Sold [t gbe]



Value Added [k USD]



Youth

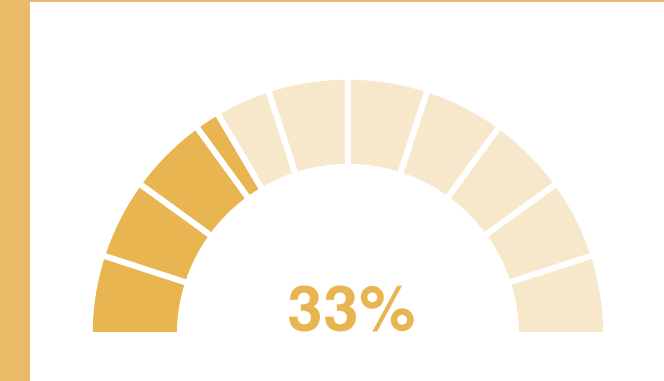


- Youth attendance in training was strong. Given that youth only make up 26% of registered farmers, the fact that **trainings were attended by 33% of young farmers** on average indicates the interest of youth in coffee farming.
- Furthermore, **90% of board members in project cooperatives are under the age of 35**.
- With 35%, the percentage of youth registered in the project reflects the percentage of youth living in the target area.

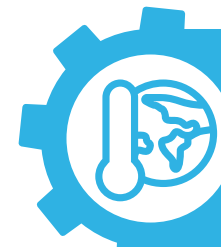


Indonesia

Training Attendance of Young Farmers

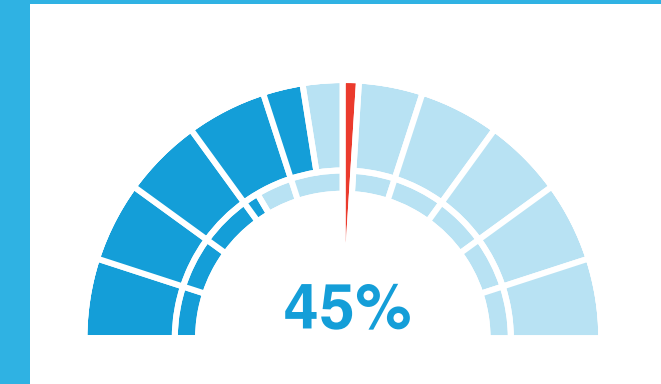


Climate Change



Indonesia

Adoption



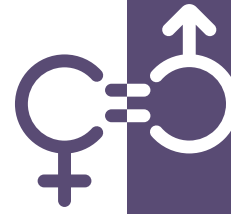
Climate Smart Practices



- Just under half of the households fully adopted the extended climate smart practices. This is an increase of 12% from 2018, but still slightly under the target of 50% adoption.
- The project trained households on maintaining a permanent soil cover, composting, and shade trees as part of climate change adaptation measures.
- Adopting all three practices together is complicated and takes time to achieve. **The adoption of at least one or two of the extended climate change practices, on the other hand, was done by virtually all farmers (96%).**
- Furthermore, although average ambient maxima temperatures have risen by about 1° C over the past 3 decades and rainfall patterns have become less predictable, few households were currently aware or concerned about climate change.



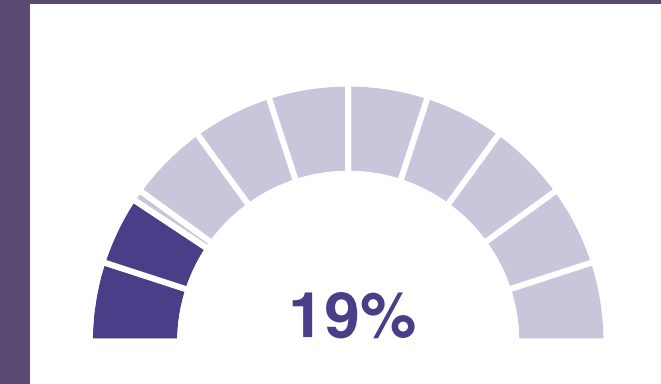
Gender



Indonesia

- 19% of the training participants were women, although for some topics, women attendance topped 40%, while for others it was only around 8%.
- This is similar to previous years and marginally higher than the 15% women registered in the project, but below the target of 30% women in trainings. In the next years, the trainings will address couples (husband and wives together) rather than individuals to ensure a higher attendance of women.

Training Attendance of Women



Story

“

“The cooperative helped me because it gave me the best price compared to local collectors, while the down payment is very helpful because it covers expenses until the coffee is sold, without having to pay interest.

I used the down payments to pay for the cost of a motorcycle taxi to transport the coffee from my farm to my house, and to pay daily wages for picking coffee, and for other daily needs.”

Aswandi, Indonesia

Based on an agreed business plan, the project loaned USD 12,000 to cooperative KPB Koper in April 2019 so that it could give down payments to members that sold coffee to it. The full amount was repaid by KPB Koper in September.

The Aswandi family, smallholder coffee farmers in Kota Dalam Village Province, sold 375 kg green beans to KPB Koper in June, receiving EUR 200 immediately as a down payment, and a total EUR 375 after the onward sale of their coffee. Had they sold through a local middleman, they would have earned EUR 10 less, the equivalent of five days' wages of a local farm worker.



Next Steps

The project area will expand in 2020 and **another 7,000-8,000 households** will be registered as part of the second phase of the ICP project in Indonesia. The new project will continue the cooperation with The J. M. Smucker Company and aims at **improving the livelihoods of 15,000 smallholder coffee farming households** in southern Sumatra until 2024.

The data collection system will be reviewed in order to make it more interactive, allowing to establish the reason behind trends more thoroughly and then accordingly learn and react to them in real time.

In order to drive grass-root, farmer-centered innovation, **50-100 on-farm demoplots will be set up across the target area**. On these, farmers themselves can identify problems and potential solutions together with HRNS experts and subsequently test them. Next to each 'good' demoplot, there will be a comparative plot on which the traditional production is visibly maintained.

These **demoplots will be the nucleus of training activities**. A core group of 'demoplot farmers' will train their peers on the demoplots.



Ethiopia



REGION	Amhara National Regional State, Ethiopia
TITEL	Coffee Alliances for Ethiopia (CAFE) Phase 2
DURATION	10/2019 – 09/2023
BUDGET	1,150,000 EUR
BENEFICIARIES	2,500 smallholder households
PARTNERS	International Coffee Partners, Austrian Development Agency
KEY OBJECTIVES	Improved livelihoods of 2,500 smallholder families in the Amhara region through enhancing their production and value addition of coffee and other crops in a sustainable way and addressing gender equality at all levels of the intervention.

50

Farmer Field Schools are active and cover about 20 different topics linked to the seasonal crop calendar in 2019

1,673

coffee farming households are already beneficiaries of the project in 2019

Project Scope

Ethiopia is the country of origin of Arabica coffee. Coffee is the country's most important export commodity and has been part of the Ethiopian culture for generations. This is the first ICP project in Ethiopia. It builds on the results of phase 1 of the Coffee Alliances for Ethiopia project (2014-2019), which was co-financed by Lavazza Foundation, The Löffberg Family Foundation, the Löffberg Family Foundation, Austrian Development Agency (ADA) and Hanns R. Neumann Stiftung.

The project supports **1,673 coffee farming households** of which **1,471 are headed by men** and 202 by women. These households were part of phase 1 of the CAFE project and will be further supported during phase 2.

Until end of 2019, **50 Farmer Field Schools** and **50 demo plots** have been established building upon the project activities of phase 1. Each Farmer Field School has a trained facilitator, coached and supported by the project. Together with these facilitators, project Development Agents are supporting farmers to improve production and quality.

The **baseline study** for phase 2 of the CAFE project is planned for beginning of 2020. So far, the data from phase 1 can be used as reference figures for the coffee area and production.



Family Business

Coffee farming households are supported to improve their economic situation, their food security and nutrition status with the following expected project results:

70% of households manage their farms efficiently and sustainably by applying GAPs.

Increased average hectare productivity of 40%.

50% have access to (informal) financial services.

35% have diversified their production system and produce vegetables and/or fruits in own gardens.

Established coffee nurseries offer additional income generating opportunities and enable access to improved seedlings.



Ethiopia



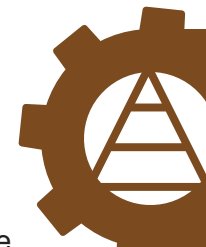
Farmer Organizations

The establishment of efficient, inclusive Farmer Cooperatives (10) and a Union (1) shall ensure long-term support of smallholder coffee families with the following expected project results:

Farmer Cooperatives and Union are able to plan their operations.

Farmer Cooperatives and Union have structures in place that enable efficient service provision to members.

By selling via the Union, farmers receive at least 9% price premium compared to local market.



Ethiopia



Climate Change

A climate vulnerability assessment was conducted in the first phase of the project. Findings and recommendations are now developed as tool kits.

Coffee farming households are supported to improve their adaptive capacity to climate change with the following expected project results:

70% of the households apply climate smart agricultural practices.



Ethiopia



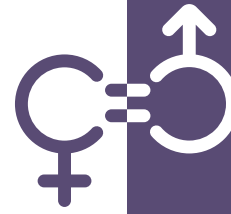
Gender

The **Gender Household Approach** will be rolled out with the aim to improve gender relations in farming households and to achieve the following **expected project results**:

50% of households demonstrate joint planning and decision making between men and women.

30% of participants in project activities and trainings are women and at least 10% of facilitators are female.

30% of farmer organization leadership including management & controlling committees consist of women.



Ethiopia



Story

“

“We found the holistic approach of the CAFE project exceptionally important to our livelihoods. Before the project’s interventions, the quality of the coffee was questionable and inferior even to our test as we were applying the traditional coffee production methods. After entering into the program, we started preparing coffee like professional farmers as taught by the project development agents. We are encouraged by the outcome and acquired additional coffee land (lease) and now we manage 2.125 ha. We are supplying high-quality coffee for the export market through our cooperative. The change did not only occur in the field but also in household decision making. We have started planning together, making decisions together on household issues including coffee marketing, saving money by jointly opening bank accounts, spending money with each other’s knowledge, respecting each other’s ideas as well as caring for one another.”

Family Mekonen, Ethiopia

Mrs. Emebet Mekonen and Mr. Birhanu Mekonen are project beneficiaries of the CAFE project phase 1 and change agents.



Next Steps

A **baseline study** is planned to be conducted to provide an in-depth analysis of the project intervention areas and support the development of tailor-made approaches to address the identified needs.

Intensify the extension approach through additional Farmer Field Schools, and further trainings of facilitators and demo plot owners.

Develop a **scorecard for cooperatives** for internal sustainability assessment and strengthen their internal controlling mechanisms.

Develop a **climate tool kit** based on the vulnerability study conducted in phase 1 of the CAFE project.

Conduct a workshop with other local stakeholders on climate change, climate smart practices and other identified adaptation tools.

Promote further awareness raising on the **importance of youth involvement** in the project activities.

Scale up and strengthen **gender mainstreaming and the Gender Household Approach**.



85 %

of the supported
smallholder households
applied recommended
(post)-harvest practices
in 2019

Tanzania

REGION	Northern and southern Tanzania
TITEL	Improving lives through commercially oriented farmer organizations in Tanzania
DURATION	01/2016 – 12/2019
BUDGET	800,000 EUR
BENEFICIARIES	25,000 smallholder households
PARTNERS	International Coffee Partners, Swedish International Development Cooperation Agency (Sida), Lavazza Foundation
KEY OBJECTIVES	To improve the livelihood of 25,000 coffee farming households within 4 years in northern and southern Tanzania

79 %

of the project households
have adopted good agri-
culture practices following
HRNS trainings in 2019

Project Scope

The ICP intervention began 2006 in southern Tanzania with a pilot project targeting 2,000 households. In cooperation with other partners, the activities have been scaled and the current intervention contributes to improving the livelihoods of 25,000 coffee farming households in the northern and southern coffee regions in Tanzania.

The project in Tanzania reached **25,246 households** translating to **150,657 individual household members**.

Members were clustered in **730 primary structures (Producer Organizations)** and **94 secondary structures (cooperatives)**.

98,699 training contacts were reached on different training topics addressed by HRNS. This reflects an increase of 30 % compared to the previous year, although the target figure of 150,000 training contacts could not be reached. More trainings were conducted on leadership level to support the adoption of the new coffee marketing requirements for cooperatives.

The total production throughout the season was **5,849 metric tons from 20,357 ha**. The targeted total production could not be met, as with 550 kg/ha the target was quite ambitious for the local setting.



Family Business



Tanzania

Adoption



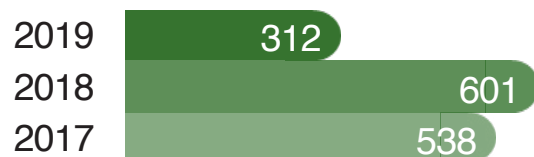
Good Agricultural Practices



(Post)-Harvest Practices

- An average **gross margin of \$312 per ha** was reached in 2019. This reflects a decrease of 48% compared to **\$601 in 2018**. Due to the low international coffee prices the parchment coffee prices received by farmers dropped by 29% in 2019.
- Due to farm rejuvenation promoted by the government, **productivity per ha dropped by 22%** as the newly planted trees will only start to produce in about 3 years.
- **GAP adoption** rates were also affected by the investments in rejuvenation; hence a **drop from 92% in season 2018 to 79% in 2019**.
- Improving coffee quality gained importance for smallholder families which is reflected in **high rates of post-harvest practices adoption (85% in 2019 and 82% in 2018)** including coffee sorting, wet processing, separation, storage and transportation.

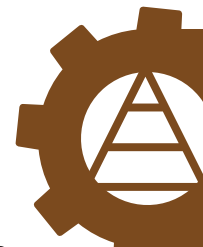
Profits [USD / ha]



Productivity [t gbe / ha]



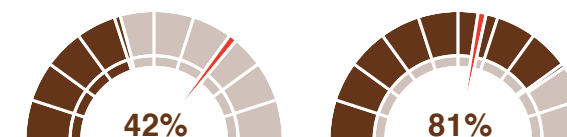
Farmer Organizations



- 303 of the 730 supported POs reached the status 'strong & professional' through the establishment of Farmer Field Schools and internal saving schemes. In total, 150 new POs had to be formed due to changes in the coffee sector.
- 77 of the 90 supported cooperatives attained the status 'strong & professional' as the new coffee marketing regulation from 2018 added requirements which are covered in the internal assessment matrix for cooperatives. To ensure these cooperatives adhere to the new requirements, further support is needed.
- The new coffee marketing regulations instructed all coffee to be marketed through cooperatives. This regulation increased the amount of bulked coffee and 3,971 metric tons of green coffee have been bulked by 85 supported cooperatives in 2019.
- It was not possible to capture value addition for the season 2018/19 as this figure shows the difference between the farm gate and the auction price. With the new coffee marketing regulations, farm gate transactions are no longer permitted.

Tanzania

Strong & Professional



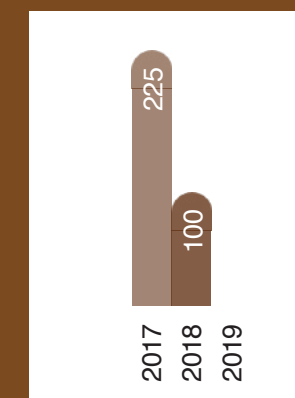
1st Tier
Village-level farmer groups

2nd Tier
Cooperatives

Coffee Bulked [t gbe]



Value Added [k USD]



Youth

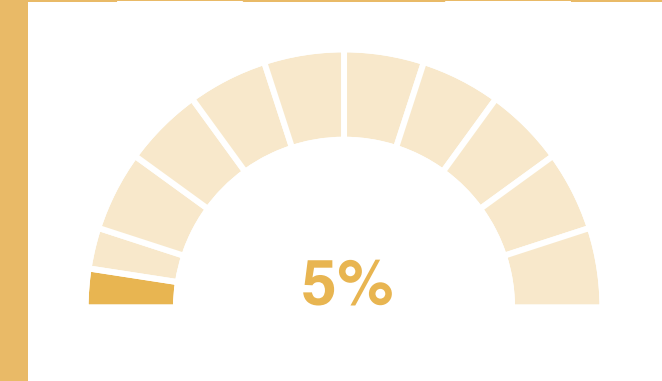


- One of the biggest challenges in Tanzania is the low rate of youth engagement in coffee growing communities. Just **5% of the participants** in the project activities were **under the age of 35**.
- Strategies to change youth's perception of coffee farming and agriculture in general include specific trainings for youth with a focus on business and entrepreneurship skills as well as addressing all members of the household with the project interventions.



Tanzania

Training Attendance under the Age of 35



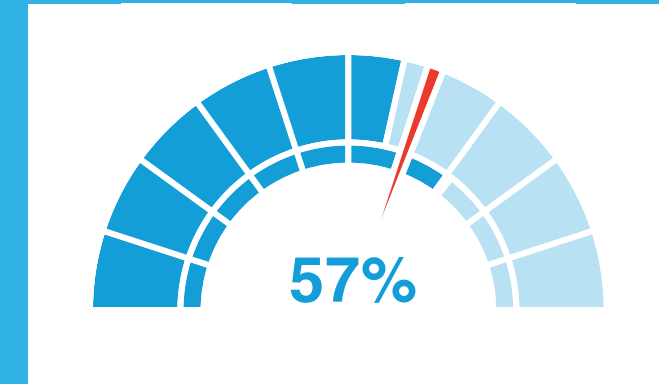
Climate Change

- **Adoption rate on climate-smart practices dropped from 71 % in 2018 to 57 % in 2019** due to rejuvenation and uncertainties caused by low international coffee prices and the new coffee marketing regulations.
- **Five community climate change adaptation task forces have been established** to enhance the adaptation of practices through the participatory development and implementation of climate-smart adaptation and mitigation plans for the entire community.
- **Together with local stakeholders**, selected adaptation and mitigation practices are tested, monitored and promoted. Among the practices are planting of improved coffee varieties and shade trees, live soil covers, dry mulching, construction of rain-water harvesting structures.
- **A module on safe use and handling of agrochemicals** was developed and integrated in training on Integrated Pest Management which ensured sensitizing farmers on proper use and storage of agrochemicals in case they are needed for controlling pests and diseases.



Tanzania

Adoption

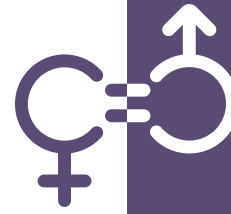


Climate Smart Practices



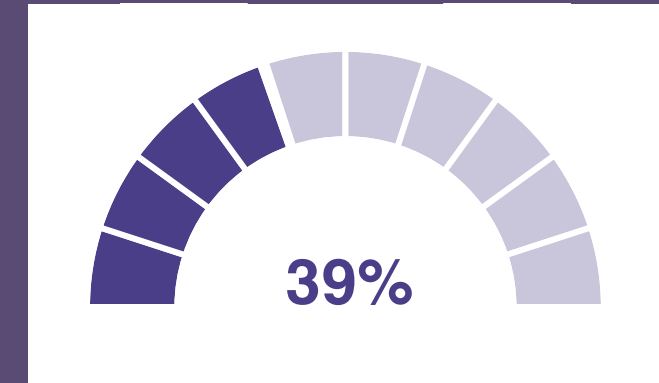
Gender

- Female participation is increasing i.e. **39% of attendees** engaged in all trainings **were women.**
- Agronomy, Conservation Farming, Gender and Organizational Development topics attracted the largest proportion of female trainees.
- HRNS gender interventions are increasingly strengthening the involvement of women in all projects; e.g. taking up influential roles in farmer organizations and communities.



Tanzania

Training Attendance of Women



Story

“

“Coffee farming is my employment. After receiving money from the cooperative through which my parents sold their coffee, I could not afford to leave it. Since 2013, I started attending trainings in coffee production and applying the knowledge on my farm. In 2018, I acquired a new coffee farm with 600 coffee trees, and I have also continued to improve the farm I inherited from my parents to further enhance productivity.”

Saidy Shedoni, Tanzania

Saidy used to earn his living by doing menial jobs in the streets, he never dreamt of becoming a coffee farmer like his parents, who were members of Iwaka PO in Izumbwe Cooperative where coffee bulk-ing was compulsory.

Unfortunately, his father passed away shortly after the 2011/12 bulking season and as the only son in the family, he was assigned to receive the coffee sales for that season. It was a considerable amount of money which was an eye-opener for him. He immediately understood that coffee farming is a profitable business. He also began attending trainings on coffee production and became an active PO member.



Next Steps

The new **ICP project started at the beginning of 2020** with the aim of empowering small-holder families to increase their resilience to climate change through sustainable farming with a special focus on empowering women and youth. The project targets 4,000 households (including 390 youth) until the end of 2023.

Develop and implement the graduation approach to enhance the sustainability of farmer organizations and project activities.

Strengthen gender and youth integration in all project interventions. ICP is committed to empowering women and encouraging gender equality throughout its interventions. Further youth engagement in business and entrepreneurship trainings, OD, GAP, and CSA, is part of the efforts to cultivate generational change in the farming sector.

Strengthening farmer organizations through improved governing structures, capitalization and internal saving schemes.



Uganda

REGION	Central Region, Uganda
TITEL	Strengthening the Coffee Farmers Alliance
DURATION	05/2015 – 06/2019
BUDGET	800,000 EUR
BENEFICIARIES	15,000 smallholder households
PARTNERS	International Coffee Partners
KEY OBJECTIVES	Up-grade the service delivery capacity of farmer organizations: technical extension, bulk marketing, value addition, linkages to buyers and service providers, access to finance (scaling of pilots)

125 %

income increase from coffee production by the end of the project in 2019 compared to the beginning of the project in 2015

41 %

of the cooperatives were rated as 'strong & professional' by the end of the project in 2019 compared to the beginning of the project in 2015

Project Scope

ICP project implementation in Uganda commenced in 2004. Since then ICP has supported approximately 50,000 smallholder coffee farming households in establishing their farmer organizations through which they now have access to key services such as extension, value addition, marketing and finance. The Depot Committees (DC) established within the project are today recognized in the sector as models for enhancing the commercial performance of smallholders.

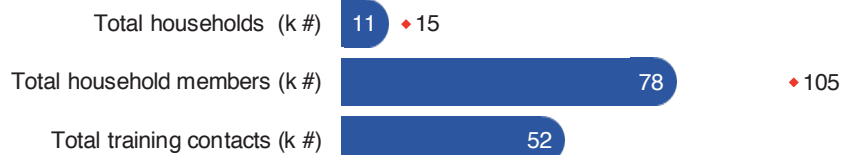
In 2019, **11,110 households** participated actively in **501 Farmer Field School sessions**.

By the end of the project in April 2019, **8,070 out of the 14,385 registered households** completed the entire training circle on **Financial Literacy and Good Agricultural Practices (GAPs)**. The remaining ones have been trained on parts of the two curricula.

The **project trained 668 farmer extensionists** (114 DC Extensionists and 554 Contact Farmers). As these extensionists are all farmers themselves, a large pool of trainers has remained in the project area.

3,706 households accessed financial services in the form of fertilizer and cash advances.

Uganda



Family Business



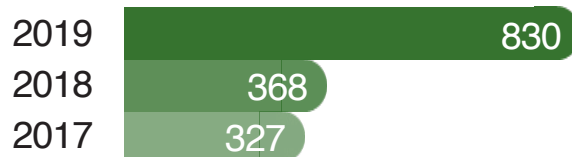
Average **coffee yields** have increased impressively per hectare as well as per tree. The average yield per tree has increased from 0.64 kg green coffee in 2017 to 1.01 kg green coffee per tree in 2019.

This is largely due to the **high adoption of GAPs** which stands at **69% for pre-harvest practices and 88% for (post) harvest practices** as well as due to good weather conditions and improved access to fertilizer.

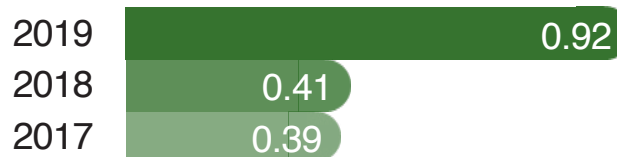
Average household net income from **coffee production** has increased by **124%** from 370 to 830 USD/ha.

In order to sell through the DCs and achieve a higher price, households have **invested in tarpaulins to meet the quality requirements** of the DC.

Profits [USD/ha]

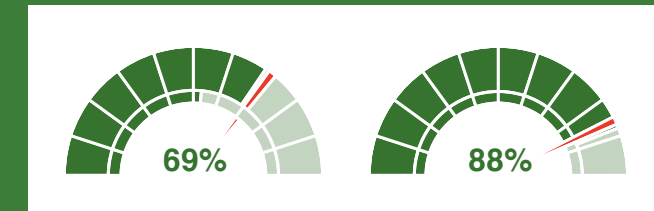


Productivity [t gbe/ha]



Uganda

Adoption

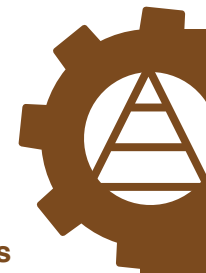


Good Agricultural Practices

(Post)-Harvest Practices



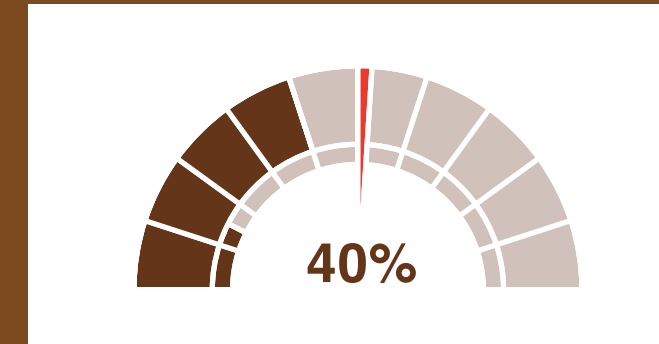
Farmer Organizations



- The project strengthened **30 Depot Committees (DC)** and **554 Producer Organizations (PO)**. All the DCs were converted into cooperatives due to new regulations.
- By the end of 2019, the number of DCs being '**strong & professional**' was **12**, reflecting **40%** of the supported DCs.
- The existence of the organizational structure on the ground was instrumental for connecting farmers with **innovative financial services** such as NKG BLOOM through which they could get access to quality fertilizers on time. The DCs were provided with a smartphone application to register farmers, record coffee deliveries, control stocks and input operational costs and sales.
- Since the introduction of the smartphone data application in 2017, the DCs were able to sell more than **2,585 metric tons of coffee**.
- **29 DCs had access to financial services** and could provide related services to their members.

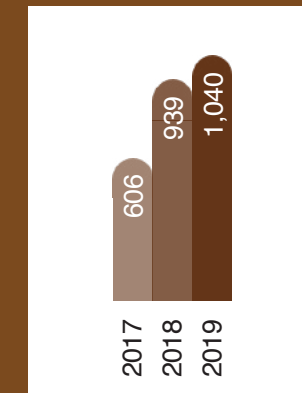
Uganda

Strong & Professional

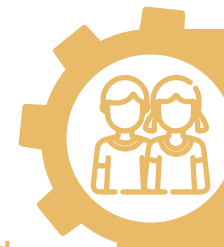


2nd Tier
Cooperatives

Coffee Bulked [t gbe]

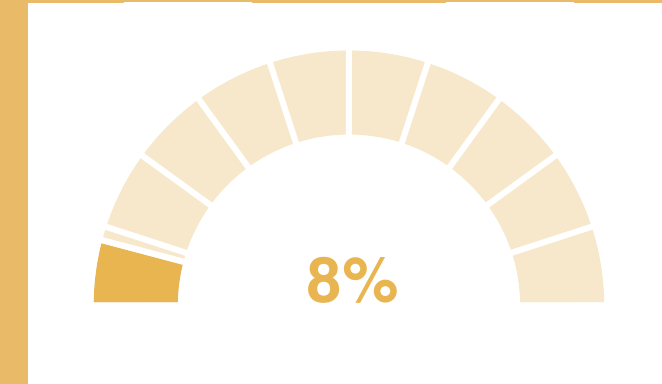


Youth



Uganda

Training Attendance

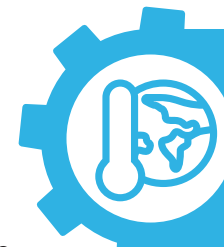


- Though Uganda has the second youngest population globally, **93% of the registered farmers were over 35.**
- Youth lack guidance, resources and skills to engage in farming. Access to land and finance is a major constraint to engage in coffee production and explains the **low youth participation in trainings of 8%.**
- Despite the low participation, registered youth have been very active supporting with bulk marketing and even taking up leadership positions in cooperatives.



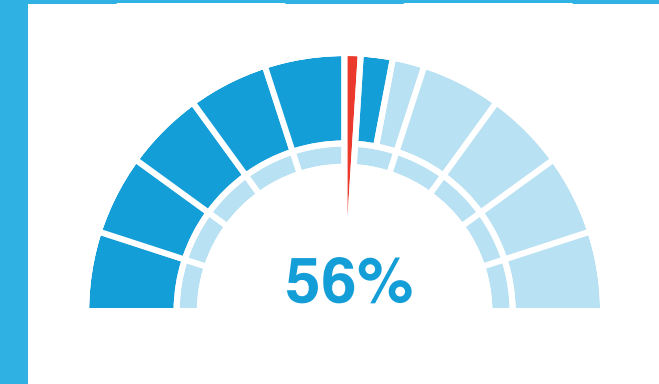
Climate Change

- Climate change adaptation was included in the Farmer Field School training curriculum. There was a major focus on those GAPs which enhance resilience to drought and erratic rainfall – Uganda's main challenges related to weather.
- DC Extensionists and Contact Farmers have been trained on the risks of climate change and **on adaptive measures**. They have discussed this within their respective Farmer Field Schools.
- From the last adoption survey, **56% of farmers correctly shaded** their farms and **62% dug trenches** as a soil water conservation measure.
- HRNS heads the **climate change working group** under the Uganda National Coffee Platform to develop a Climate Change Action Plan for the coffee subsector. The ICP project areas will benefit from this action plan once completed and implemented.



Uganda

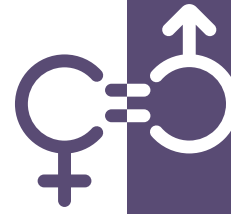
Adoption



Climate Smart Practices



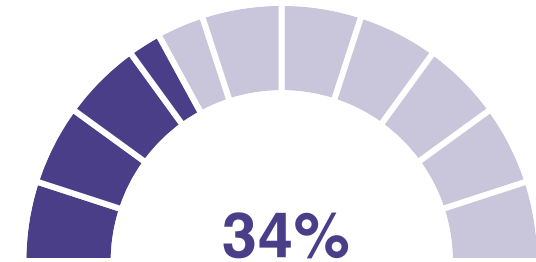
Gender



Uganda

- 95% of the participating households were **male headed** and **5% female headed**. Coffee is culturally considered to be a man's crop, so often the man registers for the family.
- Through the Gender Household Approach, joint planning and joint decision making has been promoted within the households as well as sensitizing on gender equality. This led to **34% women participation** in trainings.
- Of the 114 DC Extensionists, 16 are female and of the 554 Contact Farmers, 110 are female.

Training Attendance of Women



Story

“

“Since I joined the ICP project my life completely changed because now I earn a living. The ICP project helped us to know more about the garden and develop financially by making farming a business. I’m my own boss.”

[Teddy, Uganda](#)

Since she got involved in the ICP project, Teddy’s coffee profits have improved. Through trainings, she learned how to enhance primary processing and various good agriculture practices which increased her yields and her coffee quality. The ICP project has also supported Teddy and fellow farmers in her community to develop professional cooperatives which work as service providers to their members. Membership in the cooperatives enables the farmers to market their coffee directly to exporters and to enjoy other benefits such as access to genuine agro-inputs and funding. Teddy is now quite experienced in coffee farming and has become an active members of her farmer organization. She is responsible for about 90 young farmers (3 groups of 30 members) and, every fortnight, facilitates a meeting with each of the groups to share her knowledge using her own farm to demonstrate best practices.

Visit Teddys farm. [↗](#)



Next Steps

The new ICP project has started end of 2019 with the aim of empowering smallholder coffee farmer families with adaptive measures to enhance the resilience of their production system to climate change. The project targets 5,000 households until the end of 2023.

Leadership of DCs are sensitized about the importance of generational change in agriculture and the inclusion of youth in the leadership of farmer organizations.

Coffee farmer families and DCs in the ICP project areas continue to be role models for households from other locations and for other stakeholders.

DCs continue having strong partnerships with exporters.



Brazil

10 %

higher productivity per ha in 2019 compared to the baseline in 2017 on the farms supported by the project

REGION	Regions of Sul and Matas de Minas – Minas Gerais, Brazil
TITEL	Promotion of productive and entrepreneurial strategies to increase the sustainability of organized coffee producers and their families in Minas Gerais
DURATION	01/2017 – 12/2020
BUDGET	550,000 EUR
BENEFICIARIES	3,000 households
PARTNERS	International Coffee Partners
KEY OBJECTIVES	To increase the sustainability and incomes of coffee farming families and their farmers organizations.

27 %

of the 74 producer groups supported since the beginning of the project, are legally established in 2019

Project Scope

ICP has supported projects in Sul de Minas and Matas de Minas since 2010 – reaching over 3,000 farmer households. The latest phase began in 2017 and will run until end of 2020, promoting improved environmental, social, and economic sustainability in coffee cultivation. In 2019, the project focused on strengthening producer organizations to improve their members’ livelihoods.

The project interventions support **3,073 coffee farming families, in total 11,408 people** in the Sul de Minas and Matas de Minas Gerais regions.

The total **coffee production** in 2019 reached **17,116 tons on an area of 8,390 hectares** of farmland. This target was set at the beginning of the project and does not reflect the current productivity of the project beneficiaries.

In 2019, the project focus shifted from direct farmer support to strengthening farmer organizations as service providers to their members. Therefore, training activities including governance and leadership trainings were conducted for the leaders of organizations in cooperation with the Universities of Lavras and Viçosa. Due to this shift of concept, the originally planned number of training contacts will no longer be reached. The target figures would need to be adjusted to reflect the new concept.

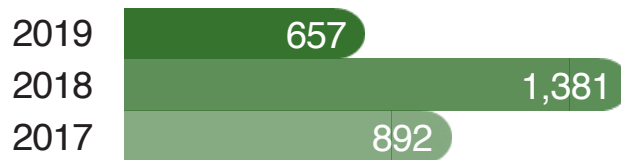
Brazil



Family Business

- In 2019, the low international coffee prices also affected the coffee farming households in Brazil. In combination with increased production costs, especially costs for inputs, this led to a decrease of **net profits from coffee by 52%** compared to 2018.
- Productivity in 2019 was 12% lower** compared to 2018 (but 10% higher compared to 2017). The average productivity level of the smallholder families is **comparable to professional farms**.
- Despite the economic downturn, the **majority of farmer families applied good agricultural as well as harvest and post-harvest practices** as trained by the project (81% and 88% respectively).

Profits [USD /ha]

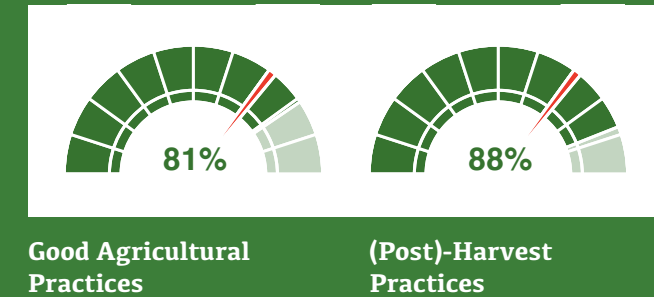


Productivity [t gbe/ha]

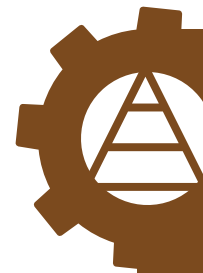


Brazil

Adoption



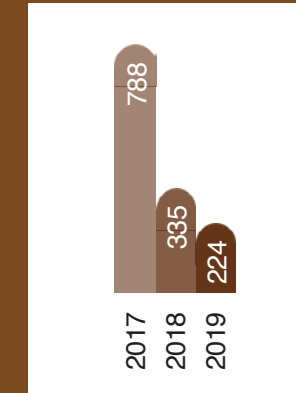
Farmer Organizations



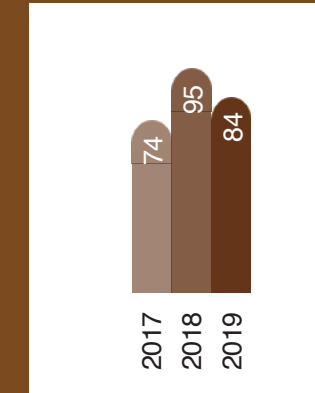
- The **project supports 73 farmer organizations (FOs)** reaching out to **3,073 members**.
- As some FOs lack the technical expertise in professional marketing, the volume of coffee bulked went down since 2017. Therefore, in both project regions, **9 FOs** (5 in Minas and 4 in Matas) **were identified as strong organizations** with the potential to guide other FOs. These anchor organizations will support and provide services against compensation to other FOs in their neighborhoods – a business-oriented concept that forms part of the project's exit strategy.
- In 2019, the project focused on strengthening the management of farmer organizations. In total **41 leaders were trained** (9 women and 32 men) in business planning and public advocacy in favor of their members' interests.
- The **aggregate value of collective sales in 2019 was about 12% lower** than in the previous year due to the low international coffee prices. However, it was **14% higher compared to 2017**.

Brazil

Coffee Bulk
[t gbe]

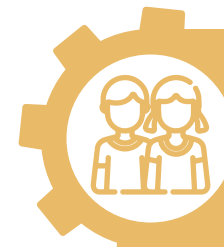


Value Added
[k USD]



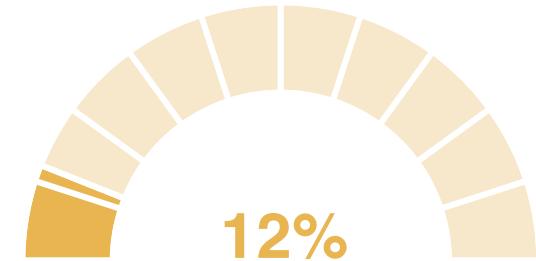
Youth

- Overall, **12% of the participants** in the project trainings were **younger than 35 years**.
- The project promoted, in partnership with SENAR:
 - More **dialogue between parents and children**.
 - Training of **young people to become managers** of rural businesses.
- The project also guided families in **developing family succession plans** for a coordinated transition; 10 families successfully participated in such a family succession course.

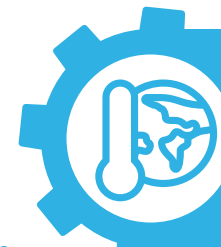


Brazil

Training Attendance under the Age of 35

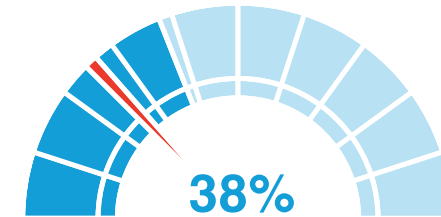


Climate Change



Brazil

Adoption



Climate Smart Practices



38% of the coffee farming households adopt climate smart practices to cope with climate change; this assessment was done within the initiative for coffee&climate (c&c).

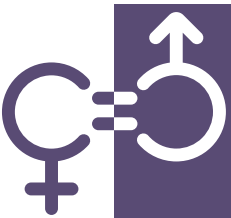
The following practices are recommended:

- Use of cover crops, windbreak barriers and shade trees.
- Application of organic matter and gypsum in the soil.
- Rainwater harvesting.
- Use of varieties resistant to drought, pests and diseases.
- Preservation of green areas and springs as well as construction of containment barriers.
- Collection of climatic data.

The regional Community of Practice has become a platform of private and public partners for sharing their experiences in addressing climate change. 7 Community of Practice sessions were held, with the participation of 50 stakeholders contributing to the dissemination of the project's learning in Brazil's coffee sector.

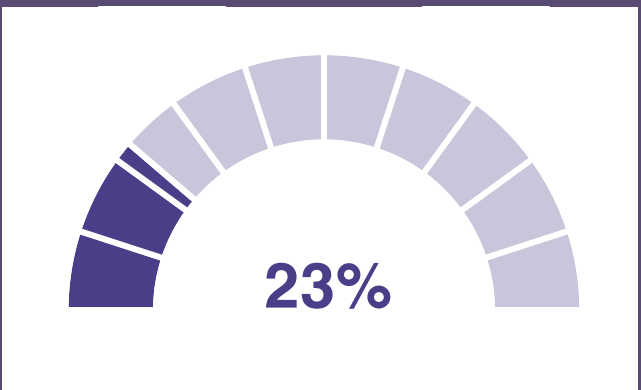
Gender

- The project actively promotes the inclusion of women in its training programs.
- 23% of the participants in the training sessions were women.
- As a result, women have become more proactive and got greater recognition within the family.



Brazil

Training Attendance of Women



Story

“

“We were thinking about giving up our coffee activities till one day in 2014, we were visited by a technician from the project and everything changed.”

Rosângela Moura Alves, Brazil

Rosângela, was born in 1986. She grew up amidst coffee plantations. Till today she works with coffee as well as her parents. She and husband Eliéser Carmelito own the Carmelito farm, located in the city of Santa Margarida.

Thanks to the training offered by the project, they were able to professionalize and better manage the quality of their coffees, as well as seek better market outlets. Currently, Rosângela stands out on the national scene for having participated in the Florada Contest. She was awarded for presenting a micro-lot of coffee grown at 1,300 m altitude, which is considered rare. She scored 88.38 points in the 1st edition of the contest. This coffee will be sold nationally under the Três Corações brand.

Rosângela and her family can no longer see their lives without being involved in coffee.



Next Steps

Conduct **risk assessments with the anchor organizations**. These risk assessments will provide the basis for strategic plans to guide their further development and work in the mid to long-term.

Advance the development and implementation of the **service provider concept** to neighboring farmer organizations together with the anchor organizations.

Continue to focus on **management and leadership development** through respective trainings for farmer organizations.

Develop together with anchor organizations a plan for continuous improvement of members' coffee quality.

Realize the **7th Coffee Quality Competition** with participation of at least one ICP company.

Continue and extend the very successful and much appreciated work to **support the generational change** within coffee farmer families in cooperation with SENAR.



Trifinio

90 %

of the project participants
in 2018 said they see a
brighter future*

85 %

of the beneficiaries in
2018 felt that their
coffee quality had im-
proved since entering
the programs*

REGION	Trifinio (tri-border region Honduras, Guatemala, El Salvador)
TITEL	Sustainable Coffee Production in Trifinio
DURATION	01/2014 – 10/2019
BUDGET	600,000 EUR
BENEFICIARIES	3,700 (including 2,000 indirect beneficiaries through the MCT)
PARTNERS	International Coffee Partners, the Trifinio Commission and the National Coffee Institutes of Guatemala, Honduras and El Salvador
KEY OBJECTIVES	Improve the economic, environmental and community conditions of the coffee growing regions in the upper catchment area of the Rio Lempa

Project Scope

Located in the tri-border area of Guatemala, El Salvador, and Honduras, the Trifinio Region is a key coffee growing area in Central America. The first ICP project there started in 2009. A second phase began in 2014, with a key focus on the development of regional coffee activities. This included the establishment and strengthening of the coffee roundtable, the [Mesa de Café de la Region Trifinio \(MCT\)](#), which facilitates cross-sector dialogue, increases knowledge sharing and aligns efforts and resources in the region.

In 2019, the project reached **1,976 indirect beneficiaries**. These indirect beneficiaries are members of the multi-stakeholder platform [Mesa de Café de la Region Trifinio \(MCT\)](#), the regional coffee roundtable in Trifinio which connects farmer organizations, national coffee institutions, local governments, private sector partners, and other actors across the coffee value chain. In 2017, the ICP Project changed its approach and instead of working with own field staff directly with farmers, the support is channeled via the MCT.

In 2019, project activities had a strong emphasis on stakeholder communication, increasing knowledge sharing and aligning approaches among local, national, and international partners. The project's support of the MCT contributed to the promotion and execution of regional development strategies and the **implementation of MCT-led events**, such as tri-national coffee competitions and coffee forums, as well as the development of a pilot Trifinio Coffee Box set, promoting and marketing Trifinio as a single coffee region and exploring opportunities to differentiate coffee from the region.



Project Scope

Regional coffee events have helped to **establish relationships with the private sector** to increase recognition and showcase coffee from Trifinio. These events highlight coffee quality and promote regional characteristics as well as generate opportunities for smallholder farming families to meet national and international buyers and strengthen market access.

EXPOFERIA – Competition and Forum in San Ignacio, El Salvador

- **Since 2015, the MCT has spearheaded an annual EXPOFERIA**, a regional coffee forum and coffee competition in Trifinio. The event brings together producers and farmer organizations, national coffee institutes from Guatemala, Honduras, and El Salvador, input suppliers, coffee buyers, and other members of the private sector. The fifth EXPOFERIA took place in El Salvador in 2019, with over 250 participants.
- **The EXPOFERIA** provides a shared space for local and international stakeholders to discuss key issues affecting the coffee sector in the region, including panel discussions and participatory forums on climate change, gender and generational empowerment, and coffee quality. Regional baristas also share their skills with attendees as part of a barista presentation.
- **The EXPOFERIA** also hosts a competition **promoting specialty coffee from Trifinio**, presenting the best coffees from each of the three countries. Through this competition, coffee importers and exporters have the opportunity to taste coffee with farmers and purchase the coffee directly. **The winning coffee in 2019 came from El Salvador**, with 88.54 points.



Youth

In 2019, the project has supported capacity building and personal development of youth, encouraging the participation of young farmers as active members of the coffee value chain and drivers of the rural economy via:

- **Tri-national Rural Innovation Hubs** (Centros de Estudio y Formación Integral - CEFIs) which are a training spaces where youth develop skills and occupational projects in line with the educational and employment opportunities available within and close to their communities. Three CEFIs took place, with 90 participants (30 per country in Honduras, Guatemala, and El Salvador). **21 youth established their own businesses**, building upon their occupational projects linked with the coffee value chain, including coffee shops, coffee roasteries, agricultural supplies.
- **Innovative Coffee Farming Diplomas** is a training curriculum which cultivates the skills of youth involved in the coffee value chain with a specific focus on generational collaboration, to better connect young people to the coffee sector and promote their integration into the MCT. Three innovative diploma courses have taken place (one per country), **training 87 young farmers in 2019**. The trainings have been conducted in cooperation with the National Universities of the three participating countries.



Trifinio



Climate Change



Trifinio

● In 2019, the project has started to conduct a **tri-border climate vulnerability survey** in the coffee growing municipalities within the Trifinio region. This survey aims to generate a better understanding of regional climate vulnerability faced by farming families and guides the development of regionally appropriate measures to adapt and mitigate effects and impacts. It was facilitated through a collaboration between technicians from the coffee institutes of each country, HRNS, the Trifinio Commission (CTPT), and other local actors, who received training utilizing a survey tool developed by HRNS. The ICP project has supported **data collection and analysis**.

● EUROCLIMA, a **complementary project promoting resilient coffee landscapes in Trifinio and the Dry Corridor of Honduras**, received final approval end of 2019 (**total outreach 4,000 farming families**).

- Implemented together with the Honduran National Coffee Institute (IHCAFE), the EUROCLIMA project will coordinate specific climate activities together with ICP, through the establishment of demonstration plots, exchange visits, and farmer field days.
- Experiences and lessons learned by the ICP and EUROCLIMA projects will also contribute to the on-going development of Honduras' climate change strategy and policy, as well as inform and increase the ability of the MCT to address issues related to climate change, supporting coffee farming families and improving their adaptive capacity.



Story

“

“I am a young woman who today, thanks to the support of the MCT and its members, have achieved my dream of having my own business. I never thought of becoming an entrepreneur but thanks to the training I received, I am. Now I can provide better living conditions for myself and for my family.”

Alodia, Honduras

Alodia Geraldina Gabarrete is from Sensenti, Ocotepeque, Honduras. Her parents are coffee growers and she also has her own small coffee farm. In 2019, she took part in the TRINACIONAL CEFI (Rural Innovation Hub), facilitated by the MCT. Through these trainings she developed life skills on topics including teamwork, leadership and communication. Alodia learned about entrepreneurship and business planning, even developing a life career plan. As a result, she established a bookstore in her community and is growing her business day by day, working towards a better future.



Next Steps

Building upon the achievements of ICP initiatives in the region, a **third phase of the ICP project has started end of 2019**, which will reach 2,500 farming families in the departments of Ocotepeque and Copan (part of the Trifinio Region), and Lempira, Honduras.

A baseline study is planned to be conducted to provide an in-depth analysis of the project intervention areas and support the development of tailor-made approaches to address the identified needs.

Coordinate activities with the Honduran National Coffee Institute as part of the **EUROCLIMA project**.

Coordinate with the **Alliance for Resilient Coffee (ARC)** project to increase organizational development and inclusive approaches with farmer organizations who have taken part in climate change trainings.

Review the needs identified as part of a Landscape Assessment Framework developed by Conservation International in Honduras and develop appropriate actions to address these needs based on the results.



Sustainable Development Goals (SDG's)

The work of ICP contributes to the United Nations SDG's

By increasing the profitability of coffee and food crops, ICP contributes to reduced poverty and zero hunger.

More stable incomes and empowered women lead to better access to quality education for children.

ICP works with all household members, fostering gender equality and equity.

The ICP investment in rural areas helps to generate economic growth and reduced inequality.

The sustainable practices ICP promotes help farmers to adapt to climate change and to preserve life on land.

ICP builds partnerships locally and globally to achieve the goals for the supported smallholder families.

ICP also wants to pursue goal no. 17 more prominently by spreading the news about ICP.

SUSTAINABLE
DEVELOPMENT
GOALS

1 NO
POVERTY



2 ZERO
HUNGER



4 QUALITY
EDUCATION



5 GENDER
EQUALITY



8 DECENT WORK AND
ECONOMIC GROWTH



10 REDUCED
INEQUALITIES



13 CLIMATE
ACTION



15 LIFE
ON LAND



17 PARTNERSHIPS
FOR THE GOALS



initiative for coffee&climate

coffee & climate
enabling effective response

The second phase of the initiative for **coffee&climate (c&c)** has been successfully completed in Nov 2019. The initiative has been greatly accepted in producing countries and realized the following achievements:

- The number of **trained smallholder families has increased to 92,613**.
- **The adoption of tested and promoted climate-smart practices** has significantly increased.
- Mainstreaming of **gender equality, youth and agro-input issues** has been integrated.
- **More than 31 community adaptation plans have been implemented** covering topics such as zero tolerance for fire, wildfire and deforestation, and water source protection.
- Through a 'Training of Trainers' format, **805 local trainers have been qualified** to promote the implementation of c&c practices.
- More than **30 'Memorandums of Understanding' with local partners** have been signed to further roll out c&c training. The national and **local institutions and implementers contributed 424,389 EUR in-kind** to the initiative during phase II.
- **Phase III is planned for 2020 to 2023** and ICP has committed to become the host of the c&c initiative to ensure continuation and consolidation of this important work. In phase III, the c&c approach will be combined with the ICP livelihood approach to align project implementation in the most efficient way.



M&E Working Group

The Monitoring & Evaluation work of International Coffee Partners is supported through a working group in which shareholders as well as HRNS staff members are represented. One main achievement in 2019 was the definition of a **joint learning agenda document** during a workshop in June. This document outlines key learning questions along the core intervention components and will **guide future research and learning efforts** within ICP projects.

An **external evaluation** has been conducted in **2019 for the ICP Tanzania project**. In total, 201 household interviews as well as additional qualitative data collection has been conducted between March and May 2019. The report shows that the **project is highly relevant to the target group and was effective and efficient in delivering results**. An impact on farmer livelihoods has been achieved especially in the realm of organizational development with mixed evidence on farm level, mainly due to low coffee prices, unfavorable climate and changes in sector regulations.

ICP continues to be committed to rigid M&E work. In the upcoming project phases, we will invest in **wider usage of ICT tools and improved methods of data management and analysis** on all levels of project implementation.



Communications Working Group

ICP Communication is implemented along indicators developed by the ICP Communication Working Group in alignment with the ICP Steering Committee. The Working Group collaborates efficiently and constructively in regular digital and personal meetings. Most targets for communication were achieved in 2019. Content is increasingly shared in shareholder communication channels as well.

Milestones 2019:

- Launch of updated [ICP-Website](#)
- ICP Panel Discussion at [SCA Expo Berlin](#)
- Regular publishing on the [ICP-Blog](#) and ICP Social Media [LinkedIn](#), [facebook](#) and [twitter](#) covering stories from the field, showing results, learnings and challenges
- Continued „[Coffee Break](#)“ video series in which shareholders speak about topics like youth and sustainability, how ICP is addressing them, as well as insights from the field
- Increased Public Relation work like about [ICP's new project in Ethiopia](#) being shared on various [Special Interest Websites](#) and through some of shareholders' PR channels





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