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STRENGTHENING THE COFFEE VALUE CHAIN IN PERU PROGRAM

Quarterly Progress Report

February 1st – March 30th, 2011

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Expanding Opportunities Worldwide

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LIST OF ACRONYMS

ADISA	Asociación Distrital Agropecuaria
ADP	Alternative Development Program
APAVAM	Association of Agricultural Producers of the Alto Mayo Valley
APROCASS	Asociación de Productores de Café Agrario Selva Soritor
APROECO	
CAPEMA	Asociación Central Agropecuaria Perla del Mayo
CONAJOC	National Coordinator of Young Coffee Growers
CONAMUCC	National Coordinator of Coffee and Cacao Women Producers
CPCC	Peruvian Chamber of Coffee and Cocoa
CQI	Coffee Quality Institute
CVC	Coffee Value Chain
DGCA	Directorate General of Agricultural
EC	European Commission
EDE	E.D.E. Consulting
EMMP	Environmental Mitigation and Monitoring Plan
FaaB	Farming as a Business
FFS	Farmer Field School
FLO	Fairtrade Labelling Organisations
FP	Fundacion Progreso
GAP	Good Agricultural Practices
GDA	Global Development Alliance
HQ	Headquarters
ICP	International Coffee Partners
ICS	Internal Control Systems
INCAGRO	Programa para la Innovación y Competitividad del Agro Peruano
IPM	Integrated Pest Management
JNC	Junta Nacional de Café
M&E	Monitoring and Evaluation
MINAG	Ministry of Agriculture
MIS	Management Information System
MoU	Memorandum of Understanding
PEAM	Special Program of the Alto Mayo
PCC	Programa de Compensaciones para la Competitividad
PDA	Programa de Desarrollo Alternativo
POAs	Planes Operativos Anuales
POs	Producer Organizations
RITS	Relationship Information Tracking System
SCAN	Sustainable Commodity Assistance Network
SIGC	Sistemas de Gestion de Calidad
SH	Sustainable Harvest
STTA	Short-Term Technical Assistance
SCVC	Strengthening the Coffee Value Chain
TA	Technical Assistance
TOT	Training of Trainers
USAID	United States Agency for International Development

I. INTRODUCTION

On February 1, 2011, USAID awarded Cooperative Agreement No. AID-527-A-11-00001 to ACDI/VOCA for the implementation of a three year, \$3.675 million program entitled **“Strengthening the Coffee Value Chain in Peru” (SCVC)** Program. The SCVC program goal is to improve the competitiveness and sustainability of the Peruvian coffee sector, to increase coffee production and quality to ensure that interested smallholder farmers are receiving the highest premiums for their coffee and are maintaining licit economic activities. The program objectives are: 1) enhanced productivity and production on coffee farms; 2) improved farmer access to new and profitable markets; and 3) increased technical and management capacity of Peruvian coffee organizations and institutions.

This first quarterly report for the SCVC program covers the period from February 1 – March 31, 2011. The first two months of program activity were busy with multiple program deliverables, including the Work Plan, Performance Monitoring and Evaluation (M&E) Plan and the Environmental Mitigation and Monitoring Plan (EMMP), along with the standard start-up administrative and coordination activities of a new program.

II. PROGRAM ADMINISTRATION AND MANAGEMENT

Program start-up and administration

After signing the award, the Chief of Party (COP), Thelonious Trimmell, arrived in Peru on February 3rd and had an initial debriefing with USAID program team: Cynthia Shartzer – Regional Contracting/Agreements Officer, Tommy Fairlie – AOTR, Loren Stoddard – Director Alternative Development, and Victor Merino – Environmental Officer. The debriefing and several subsequent meetings focused on the award requirements, alternative development design, strategy and approach, as well as the technical expectations and program role within the broader alternative development strategy. In addition, the USAID organizational structure and personnel assignments were discussed. During the first weeks of program start-up several meetings were held with program implementing and resource partners to begin to engage them on the work plan and how to best operationalize the program. Also during this period Mr. Trimmell participated in the San Martin Regional Development Coordination Meeting in Tarapoto on February 10, 2011, organized by the San Martin Regional Government and sponsored by USAID/(Programa de Desarrollo Alternativo) PDA.

In parallel to other technical program activities to initiate the program and ACDI/VOCA operations one of the first steps was to complete the registration of ACDI/VOCA as an ENIEX in Peru and subsequently apply for and receive ACDI/VOCA’s tax identification or RUC number. This process was completed in mid-February 2011. Once our RUC number was received we were able to open a bank account with Banco de Credito del Peru (BCP).

On February 23, Mr. Trimmell and his family were fully mobilized to Lima, Peru where his children were registered in school, his visa was applied for and received and his family’s new residence was identified and their belongings received.

In February and March 2011, the SCVC program team conducted extensive coordination visits with implementing partner organizations to formally introduce the SCVC program and its technical team. The content of each meeting included discussions on each partners’ roles in the implementation of the program, the means of cooperation between the program and the partners, along with a general review of the basic content of our standard sub-

agreements. Coordination meetings were also held with program resource partners, Regional Government of San Martin, Ministry of Agriculture (MINAG), Junta Nacional de Café (JNC), Fundacion Progreso, Fundacion Neumann, Cámara Nacional de Café y Cacao.

During the reporting period we collected motorcycle and 4x4 pick-up quotes in the preparation of the waiver request which was submitted on March 14, 2011 and approved by USAID on April 13, 2011. We anticipate to purchase these vehicles the beginning of May 2011.

The signing of three subawards with program implementing partners was completed and the partners began obtaining quotes for the purchase of office equipment, tools and basic equipment for field work required to execute their portion of the program.

After an extensive search to find an office within the program budget, on March 28, the ACDI/VOCA program team moved to its office location in San Borja (Av. Parque Sur 724). Prior to moving in to the office to enable operations we purchased the necessary office furniture and equipment, and the set-up of the communication infrastructure, including a computer network. Searches for the field office in Moyobamba were initiated during the reporting period though an office hadn't been identified at the writing of this report.

Other administrative actions included the setting up our payroll and accounting system, establishment of administrative and financial procedure manuals, local forms and internal controls, accounting training, and establishing and updating ACDI/VOCA information with SUNAT. A Regional Financial Manager from our Ecuador program spent a week training staff and partners on proper financial reporting and internal system procedures.

Long and Short-term Staffing Actions

The program has completed the hiring of the majority of its team. This includes those employed by ACDI/VOCA directly and those hired by the program's implementing partners. Details of the positions filled are listed in Table 1. For all selected employees a minimum of three interviews were conducted per position. Several Deputy Chief of Party (DCOP) candidates were interviewed and the anticipated selection is scheduled for July 2011 based on the requested and received extension for the nomination of DCOP candidates.

Table 1: SCVC Program Team

Name	Position
Thelonious Trimmell	Chief of Party (COP)
Romulo Echeagaray	Technical Coordinator
Jean Paul Collazos	Monitoring and Evaluation Specialist
Alexandra Newcomb	Administration and Communications Manger
Melissa Serna	Accountant and Executive Assistant
Fernando Reategui	Organic Production Specialist
Jady Coronel	Quality Coffee Production Specialist
TBD	Deputy Chief of Party
Solidaridad	
Ezio Varese	Operations Manager
Victor Perez	Field Coordinator
Milva Vasquez	Administrator
Fredegundo Zurita	Field Technician
Alfonso Cachique	Field Technician
Peter Silva	Field Technician

Jhonny Vasquez	Field Technician
Sandro Perdomo	Field Technician
TBD once Moyobamba office is selected	Assistant/Guard
Sustainable Harvest	
Bruno Paino	Program Manager
Claudia Aleman	Relationship Coffee Manager
Oscar Gonzales	Supply Director
Angel Garcia	Quality Assistant

Ten Short-term Technical Assistance (STTA) assignments were completed in Peru during the reporting period, as detailed in the subsequent Table 2.

Table 2: Summary of short-term Program Support

Name	Dates Duration	Source of Program support	Topic/Purpose
*Thelonious Trimmell, Chief of Party	Feb 3-12, 2011 (Arrived Permanently Feb 23, 2011)	ACDI/VOCA HQ	Initial meetings with USAID, partners and stakeholders after signing of agreement. Support to program start-up including meeting with lawyer for registration of Power of Attorney, RUC, staff interviews and hiring, etc.
*Sergio Rivas Paraguay Country Representative	Feb 7-9, 2011	ACDI/VOCA Regional Staff	Support in all legal, regulatory and compliance related issues for the start-up phase.
*Glenn Blumhorst Managing Director Community Development	Feb 8-12, 2011	ACDI/VOCA HQ	Completion of Registration, request of RUC and opening of Program Bank Account
Bruce Kernan	Feb 21-March 2, 2011	ACDI/VOCA Consultant	Preparation of the Environmental Monitoring and Mitigation Plan (EMMP)
Luis A. Cuellar	March 20 - April 2, 2011	ACDI/VOCA Colombia based Coffee Advisor	Advisory services on program design and interventions and partner relations
Orlando Hoyos	March 18 – April 9, 2011	ACDI/VOCA Colombia based Coffee Advisor	Advisory services on field interventions
*Diana Caley, HQ Program Start-up Specialist	Feb 19 – March 6, 2011	ACDI/VOCA HQ	Facilitate program start-up, including office search, logistics, staff hiring.
Alexandra Newcomb, Short-term independent consultant	Feb 17 – March, 2011	Local Consultant (To be hired as long-term staff)	Managerial and technical support to program start-up including office search, logistics, staff hiring.
Jean Paul Collazos. Independent Consultant	Feb 21- March 1, 2011	Local Staff (to be hired as long-term staff)	Preparation of the program EMMP and initial M&E data collection
**Jorge Cuevas and **Fernando Seminario	February 2011	Sustainable Harvest (SH) staff PDX - LIM OAX - LIM	Training on cupping using RITS system

*Not charged to SCVC program, covered by ACDI/VOCA.

** Not charge to SCVC program, covered by Sustainable Harvest.

Program Dissemination Events

San Martin Stakeholder Workshop: A stakeholder workshop was held in Moyobamba March 22-24th. Participants included representatives from the following: Solidaridad, Sustainable Harvest, CQI, Neumann Foundation, APAVAM, APROCASS, ADISA, CAPEMA, Frutos de Selva, El Dorado, (two management and two producers – one was a woman), Junta Nacional del Café, Gobierno Regional de San Martin, PEAM, Coffee Quality Institute (CQI), MINAG Dirección de Competitividad/Agronegocios, Presidente de la Mesa Tecnica de Café de San Martin, Technoserve and Chemonics/PDA.

The purpose of the stakeholder workshop was to review the work plan with implementing partners and select stakeholders and come to consensus on the timing and activities to be implemented during the first year. It was also designed to learn more about the activities, strengths and weaknesses of the targeted producer organizations while also to begin coordination with existing programs and projects in the region.

Shared resource and coordination meetings: The process of engaging the USAID-funded implementers was initiated with several coordination meetings with

Technoserve during the reporting period. In addition the SCVC technical teams met with Technoserve and PDA/Chemonics teams in Tarapoto to coordinate training and field level interventions. A schedule of regular meetings was developed and points of contact established. In addition, a regular scheduled coordination teleconference with USAID, Technoserve, and PDA/Chemonics was initiated.



Figure 1 Frutos del Selva Presentation at Moyobamba Stakeholders Workshop.

Program Deliverables

The three start-up deliverables: 1) Program Year One Work Plan 2) Performance Monitoring and Evaluation Plan (PMEP) and 3) Environmental Mitigation and Monitoring Plan (EMMP), were submitted to USAID during the first two weeks of March, 2011. Based on the working sessions during the workshop held in Moyobamba March 22-24 the program team adjusted the work plan accordingly and resubmitted on April 4th. Subsequent discussions were held with USAID to review the submitted documents and USAID provided final approval for all three submitted documents.

III. COMPONENT ONE: ENHANCED PRODUCTION AND PRODUCTIVITY OF COFFEE FARMS

The SCVC program aims to build the capacity of coffee producers to improve the productivity of their coffee farms, including technical and human resources, applied inputs and proper management of natural resources. This will be done by focusing on the rehabilitation and renovation of coffee farms through systematic pruning, new bushes, and the promotion and implementation of Good Agricultural Practices (GAP) for production, harvest and post-harvest practices.

During this quarter, the SCVC program began to tackle these objectives through the review and initial modification to existing training materials and technical manuals on GAP, Proper Pruning, Farmer Field School, etc. Among these is an adaptation of Ecoselva's entrepreneurial oriented Coffee Rehabilitation, Renovation and GAP manual. Multiple meetings were conducted with Solidaridad, JNC, EcoSelva and the ACDI/VOCA technical team to arrive at technical consensus. The manual will be finalized and approved next quarter at which time we will use it as foundation to train the program's field technicians so that local technicians are using the same technical concepts and language. Concurrently, the SCVC team together with the producer organizations developed a draft training and TA schedule for the next several months'.

The SCVC team made two trips to San Martín to meet with each of the eight producer organizations to present the program and further detail the concrete actions to be carried out by the program with each of the organizations. The purpose of these trips was also to reaffirm the willingness of each organization to be part of the program. The reaffirmation of each individual organization and its board of directors was requested in writing and a draft agreement was initiated.

Identification of Farmer Leaders/promoters and Demonstration Plots: SCVC program partner, Solidaridad, together with the producer organizations, began identifying farmer leaders (promoters) and the locations of the demonstration plots. The demonstration plots will be the focal point for the rehabilitation of coffee farms. The organizations sent lists of the proposed promoters as well as producers that wish to voluntarily rehabilitate their farms. The SCVC team then initiated the process of verifying each of the producers that wishes to participate voluntarily in the rehabilitation of their farm in close coordination with each



Figure 2 Illustration of the coffee quality issues in Moyobamba, poor coffee drying technique and the darker colored beans indicates very poor quality coffee.

organizations management structure, the program's management and technical teams.

Field technicians will conduct farm-level surveys of each of the producers who volunteered demonstration plots using a survey form to gather information about the family and farm – this information will also feed into the overall baseline survey. At the same time, technicians will evaluate the current state of the coffee parcels, the farmer's knowledge, the farmer's expectations of the program, certification status and processes applied on their farm, and the work to be improved as part of his or her organization's operating plan. The

technician also collects soil and other samples to have a starting point with each of the registered producers.

Training of technicians via e-learning courses: The first e-learning course for technicians, "Continuous Improvement," began in the first half of March. Ten technicians from the region are registered, including members of the producer organizations technical teams (Adisa, Capema, El Dorado, and Frutos de Selva), as well as part of Solidaridad's SCVC technical team.

IV. COMPONENT TWO: IMPROVED FARMER ACCESS TO NEW AND PROFITABLE MARKETS

This component centers on improving the quality of coffee through training programs for producer organizations to implement a management and quality assurance system. This assistance aims to promote market access by applying marketing strategies through linkages with private sector partners; helping farmers achieve certifications that can bring them a higher sales price; support coffee quality contests; building local capacity by addressing required skills such as cupping and other skills critical to understanding and accessing specialty and differentiated internal and external markets.

To achieve these objectives and conduct these activities ACDI/VOCA with its program implementing partners, Sustainable Harvest and CQI, as well as other value chain participants, met on multiple occasions—though most significantly at the stakeholder workshop in Moyobamba, to develop a coordinated 2011 training calendar. The developed calendar includes: 1) field cupping training for the eight primary cooperatives in San Martin; 2) roaster training in Lima to provide expertise on roasting, packaging and retailing specialty coffee; 3) beginning selection and training of Q Grader candidates from cooperatives and other coffee organizations; 4) barista training: Peru National Barista Championship and training national barista judges; 5) initiating the Q Instructor Train-the-Trainer course for 15 qualified Peruvian Q Graders.

In addition to planning activities during the reporting period the program through its partner Sustainable Harvest conducted several important training events detailed below:

Let's Talk Coffee Regional Peru: The Sustainable Harvest “Let’s Talk Coffee®” regional event was held in Lima from February 13-15. Let’s Talk Coffee® Regional is Sustainable Harvest’s farmer event in Peru which brings together top Fair Trade and Organic suppliers and their principal coffee roaster customer to meet face-to-face and talk about the recent challenges and opportunities from the current harvest. Through Let’s Talk Coffee® Regional, cooperatives learn information and skills that help them operate more efficiently and provide better service to their members.

Twenty-six coffee cooperative organizations participated, including the eight principal cooperatives from the SCVC program, for which we had the participation of managers, presidents and quality control representatives. The biggest current buyer for these Peruvian cooperatives is Green Mountain Coffee Roasters (GMCR), Ed Canty, Green Coffee Buyer, and Brent Ballard, Quality Control Manager, of Green Mountain participated.

Specifically, the 2011 Let’s Talk Coffee® Regional had the following objectives:

- * Improve the conditions of shipping and logistics to improve timely delivery
- * Define quality parameters and to continue activities with continuous quality improvement through training and calibrations
- * Evaluate the liquidity and funding challenges in the current market rise
- * Set pricing guidelines to minimize price risk volatility during the harvest

Cooperative	2011 Contracts Signed
ADISA	4
APAVAM	4
Aprocass	2
APROECO	6
CAPEMA	2
Frutos de Selva	4
Oro Verde	5
TOTAL	27

- * Set margins for contracts for the current crop
- * Presented the performance evaluation of each organization and provide feedback to results of previous year

During this event, Sustainable Harvest negotiated many of its contracts with both current and new suppliers from Peru. Individual meetings between GMCR and each cooperative, where the program helped cooperatives negotiate 27 contracts for CVC target cooperatives as detailed in the chart to the right. (Additional contracts may be signed closer to the harvest; advance contracts enable the cooperatives to access critical pre-harvest financing).

In addition, the event program dedicated time for presentations and open conversation between suppliers, financiers, certifiers and local NGOs to foster access to credit for co-ops and potential alliances. Root Capital, Innovak and Fairtrade Labeling Organization (FLO) participated. Through these discussions, we addressed challenges, generated new strategies, and discussed potential projects to assist producers at the farm level and the organization level.

Event highlights included:

- Summary of current harvest in terms of production, quality, shipment and prices
- Coffee market and consumption international trends by GMCR
- Market perspectives and future projection by Sustainable Harvest
- Panel on challenges in managing risk in volatile market by cooperatives managers
- Small group discussion with one representative from each supply chain actor (co-op, importer, roaster, and financial institution) to create dialogue and define joint strategies for addressing the new crop price at this volatile juncture.
- Presentation on the updated criteria of FLO by FLO iv.
- Importance of liquidity, challenges to access this and the importance of improving financial reporting to be eligible for credit from Root Capital
- Technological innovation with high-end organic inputs to improve productivity and soil quality by Innovak.

In addition to the contracting for the 2011 harvest, other outcomes accomplished during Let's Talk Coffee® Regional Peru included creating a strategy to ship coffee on time and facilitate shipping logistics, strategies to strengthen cupping calibration and quality control, facilitating conversations about financial risk management, and discussing a new strategy to fix contracts between suppliers, Sustainable Harvest and GMCR.

Cupping Training: On March 24-26 Sustainable Harvest held its first quality control training in the APAVAM cooperative's lab in Moyobamba, San Martín. This training was the first of three trainings that will prepare participants for the Q-grader certification course. During the March training, key information was provided about quality control procedures and standards and the common language of taste used by the industry to describe coffee quality and profiles.

One of the objectives of this first workshop was to evaluate the level of knowledge of each participant and their abilities to evaluate coffee quality. The SCVC program aims to motivate organizations and reiterate the importance of quality control as a tool for improving quality and generating improved relationships with buyers to have more and better market opportunities. Also, we explained the importance of having trained personnel in this area to assist with sales of coffee. Within each cooperative, the goal is to form a group of quality control experts within the staff.

RITS (Relationship Information Tracking System): On March 25-28, Mr. Oscar Magro (Chief Technology Officer of Sustainable Harvest) visited the ADISA cooperative in San Martín to

begin understanding the specific systems and processes that the co-op currently uses to manage its operations and coffee inventory.

Mr. Magro's visit included conversations with Alvaro Prada, ADISA's manager, as well as a visit to the co-op's warehouse and dry mill. Oscar also spoke with coffee producers and co-op staff to understand their needs for information tracking and coordination. ADISA showed Mr. Magro their current system for tracking coffee deliveries and payments to farmers. Oscar presented RITS system to the staff and select members of ADISA to show them how RITS can make their deliveries, payments and product traceability easier. Mr. Magro also explained how RITS can help ADISA to increase the consistency and reliability of the overall quality of their coffee and facilitate information reporting to third-party certifiers.

Based on his conversation with the co-op and his diagnosis of the current systems in place, Sustainable Harvest is developing a schedule for adapting the RITS software and the metrics tracking and reporting module for the San Martin context. In the coming months, Sustainable Harvest will continue training ADISA in the use of RITS on laptops and portable tablet computers, which will allow ADISA to efficiently collect, organize and disseminate key information about their coffee production and export.

V. COMPONENT THREE: INCREASED TECHNICAL AND MANAGEMENT CAPACITY OF PERUVIAN COFFEE ORGANIZATIONS AND INSTITUTIONS

The SCVC program focuses on the organizational strengthening of coffee value chain actors by improving the marketing, decision making technical skills, and risk management of the organizations as well as increasing access to credit for producers and producer organizations. Building trust among producers, input suppliers, financial institutions and buyers/exporters will enable them to leverage their numbers, reduce costs and capture new markets.

The SCVC team conducted coordination meetings with the selected producer organizations to formally introduce the SCVC team, and discuss: 1) the organizations role and responsibility in implementing program activities, 2) types of technical assistance and training, and 3) the role and responsibilities of embedded field technicians.

In addition, the SCVC team began working with the producer organization's on identify the their needs and expectations and integrating the program activities into the organization's annual operating plans, including the initial development of a training and technical assistance schedule based on the agriculture calendar and all the producer organization's planned training and technical assistance activities – not only those provided by the program but by all sources.

It is important to note that program components one and two have an important producer organization management capacity building aspect to them and that no one component operates in isolation; all are intractably linked along the value chain.

VI. PROGRAM MONITORING & EVALUATION

During this reporting period the SCVC team initiated the design and schedule of the baseline study including the determination of the sample size, activity schedule, survey instrument and budget (see Annex 4). Baseline desk research began and official field level data collection is scheduled to begin May 2 and be completed by May 31, 2011.

In addition, ACDI/VOCA began the development of a program management information system (MIS) in coordination with ACDI/VOCA headquarters and M&E Information Systems Specialist, Dale Key. The MIS will store data on beneficiaries and program activities, including trainings, technical assistance, workshops, program performance indicators and financial data. The MIS database will be tested during May 2011.

Below are the numbers of people trained as part of the training activities that have taken place so far.

Component	Type of training	Date	Location	# direct beneficiaries		# indirect beneficiaries	
				F	M	F	M
Market Access	LTC Regional	February 13-15	Lima, SH office	0	9	7	44
Market Access	RITS visit	March 25 - 28	Naranjos, San Martin ADISA	1	8		91 families
General	Program stakeholder work planning workshop	March 22 - 24	Moyobamba, San Martin	9	30	-	-
Market Access	Cupping Training	March 24-26	Moyobamba, San Martin	5	8	0	4

Gender Integration

All program training and technical assistance activities to date have taken extra steps to ensure that there has been significant participation by women. This has included invitations which explicitly requested women family members' participation, providing the necessary forum, space and encouragement for women to be able to actively participate and engage in training and technical assistance activities.

In addition, during the review and adaptation of training and technical assistance materials special attention has been taken to ensure that women's important role and active participation is highlighted, and that for the prosperity and long-term health of the family, their farming business and the operations of the producer organization a integrated and leadership role for women is necessary.

Environmental Compliance

ACDI/VOCA consultants Bruce Kernan and Jean Paul Collazos conducted field research in San Martin, visiting the producer organizations and the coffee growing regions to make observations, determinations, and recommendations regarding the Environmental Mitigation and Monitoring Plan (EMMP). The plan was prepared, reviewed and edited by ACDI/VOCA and submitted March 15, 2011.

VII. UPCOMING ACTIVITIES FOR NEXT QUARTER

The program has an ambitious list of planned activities for next quarter. Some of the activities listed below have already taken place but because they fall outside of the current reporting period are included here as activities to be completed.

- Meeting with Café Peru and working on the training schedule April 14 – 18th with them and CQI. The SCVC program will be covering Raul Rodas' (2nd place, 2010 World Barista Championship) flight from Guatemala, per diem, and costs associated with the public event that ACDI/VOCA suggested take place in Parque Kennedy or some other public location to help ensure greater publicity for Peru's National Barista Championship and to promote national consumption of quality coffee. A five minute promotional video of the event will be developed.
- Logistics for participation in the Specialty Coffee Association of America (SCAA) conference scheduled for the end of April. Thelonious Trimmell and Romulo Echegaray will be participating along with several HQ based staff and CQI and Sustainable Harvest staff. Representatives from at least five of the eight beneficiary producer organizations will also be attending. For the SCAA we developed a brochure that was printed for use by the participating producer organizations to help market their coffee/organization to buyers and financiers.
- Conducted accounting training with new ACDI/VOCA admin/accounting staff and implementing partner admin/accounting staff. Training by ACDI/VOCA's General Accountant in Quito, Ecuador,
- Revised work plan submitted April 4th.
- ACDI/VOCA team and USAID (Tommy Fairlie) met with DEVIDA team and shared the Strengthening the Coffee Value Chain in Peru program objectives, approach and activities. An open meeting where many questions were asked and answered – the initial step to further coordination.
- Four day barista training activity with Raul Rodas. An activity coordinated by the organizing committee led by Café Peru with participation and support from ACDI/VOCA, CQI, and Sustainable Harvest. The training was held at Sustainable Harvest's Center for Excellence in San Miguel.
- Technical team meetings with Producer Organizations (POs) to support them in the development of their individual action and training plans to help ensure all implementers working with them are incorporated and a viable calendar of activities is developed and shared to eliminate duplication of efforts and ensure the POs accept and have ownership of the interventions.
- First phase of the baseline study initiated with visits to POs, USAID implementers in the region (Technoserve, PDA/Chemonics) and program implementing partners, to collect existing information from them to incorporate into baseline. Establish the program Management Information System (MIS) and database and begin the baseline data collection and analysis process April 15th.
- Preparation and submission of program operations plan to APCI.
- Development of an organic fertilizer proposal for Oro Verde. Conduct environmental compliance training.
- Continue gathering field information from each of the promoters and producers who have voluntarily enrolled in the program to rehabilitate coffee farms using systematic high pruning and GAPs. Initiate preparations to begin pruning in the low and mid-altitude zones. Initiate systematic high pruning in the low altitude zones according to the altitude of beneficiary producer's farms.

- *Training of beneficiary producers in:* Farmer field schools methodology; Systematic High Pruning; Soils, Soil Management and Conservation; and Plan for Soil Fertility and Fertilization on Coffee Farms. Promoters and technicians will participate in e-learning courses on GAP, Teaching Methodologies for Technicians that Train Producers, and Continuous Improvement and Certifications. And the management teams of producer organizations will begin the Coffee Management Diploma course.
- *Risk Management Seminar for Cooperatives:* Due to a schedule conflict for international consultant Albert Scalla from Hencorp, the Risk Management seminar has been rescheduled for June 1-6.
- Due to price variability as a result of changing supply and demand for coffee, cooperatives face increasing financial risk as they strive to balance their costs with their income from coffee sales. This seminar will focus specifically on how to quantify price risk in coffee trading and will provide participants practical tools to manage this risk. This training course will be designed as a practical guide for small- and medium-sized coffee producers to increase their awareness of how price risk is created and some of the options available for managing it. The seminar will provide tools and strategies on various levels - financial strategies for managing price and market volatility, insurance, and vertical integration within the coffee value chain.
- *Know your Cup:* Sustainable Harvest will support this CQI workshop, which will include an activity with Baristas and preparation for the first national barista championship. Sustainable Harvest's Center of Excellence is a space well equipped to develop a training activity on cupping or quality control, as well brewing methods.
- *Trainings in cupping and quality evaluation:* The second cupping training for 2011 will take place in Sustainable Harvest office and Center of Excellence from June 8-11. Cupping is not a single activity; training must include knowledge of the laboratory, sample roasting, and also the production and processing -- cultivation, harvest, parchment, milling, transport, all the way to roasting. To be most effective, a cupper should be well versed in finding and defining the fine flavors or defects in a cup, and also be able to point out the reasons behind what is found in each cup and to offer their suggestions to farmers for improvement. In this second training SH will teach participants how to assess coffees for specialty markets and identify quality problems in the cup stemming from post-harvest processing and storage.
- *Traceability System Implementation with ADISA:* RITS will be adapted and implemented to fulfill the Peruvian context, and Sustainable Harvest carry out its first on-site computer and RITS training in the coming quarter. In May, Sustainable Harvest Portland staff Adam McClellan will visit ADISA to begin the first stages of training and introduce the laptop and tablet computers. In April and May, the Sustainable Harvest technology team will dedicate significant time to software development to adapt RITS to the Peruvian context and develop the metrics tracking module in RITS.