

Format for Quarterly and Final Completion Reports for COMPETE Grants

Name of Organization:	Ten Senses Africa Ltd.
Mailing Address:	PO Box 54498 0200 City Square Nairobi
Physical Location:	Kabansora Rd. off Airport N. Rd Nairobi
Phone:	0722 210 848
Fax:	0 20 2724183
Email:	Dora Waruiru <dora@fursa.co.ke> allan.bussard@tensenses.com
Organization's Contact Person:	Allan Bussard, Dora Waruiru
P F Tracking Number:	TSA-STA-010-017
Title of Activity:	Scaling Up Kenyan Fair Trade Macadamia Exports
Start Date of Reporting Period:	October 1 2011
End Date of Report:	December 31, 2011
Date Report Submitted:	January 25, 2012

Narrative reports must contain, as a minimum, the following:

- A comparison of actual accomplishments with the goals and objectives established for the period. Particular achievements and obstacles to the success of the project should be reported in specific terms.

	Goal	Achieved to date
1	Relocate and improve plant equipment to achieve full food grade processing capacity as verified by the Kenyan Bureau of Standards.	We have carried out a scheduled Quarterly Preventive maintenance on the existing plant's machineries; boiler and its accessories. Cracker and major components were serviced. The upgrading of the existing wash rooms and toilets has been finalized and now they are to the expected standards in terms of hygiene and cleanliness
2	Increase plant capacity to allow processing of 100 tons/season (two seasons)	A contact person from Verde Ventures paid us a visit to evaluate our business and thus we are hoping to get the funding to increase our processing capacity any time. The area to be accorded the first priority are the driers, storage and grading equipments/Machines
3	Purchase 200 tons of macadamia from Meru and Taita growers associations, at a value of 6 million Ksh (Fair trade minimum price of 30 Ksh/kg).	872 kgs of macadamia nuts (NIS) were purchased during this reporting period from Taita. A total of ksh 61,040 has been paid to farmers during this period.

	Provide 1 million Ksh in social premiums for investment in community projects to the Meru/Chogoria and Taita grower associations (social premium of 5 Ksh/kg)	Owing to the fact that, this is an off-peak season and the purchases are low, the social premiums has not been paid for but will be settled once the peak season begins.
5	Provide 1 million Ksh in fees to the associations for the collection and storage of macadamia on behalf of TSA.	We paid a total of ksh 10,300 to Wamatta as collection and storage fee for 838kgs purchased during this period.
6.	Achieve Fair Trade certification (FLO advanced, introductory already obtained) and organic certification for macadamia for the two farmer's associations	<p>This groups certification process is well in order and the association has been well prepared for the 9th-12th January audit by Fair trade.</p> <p>To successfully meet the requirements of the auditors, the farmers and their representatives have been taken through a series of trainings as scheduled below.</p> <p>On the 3rd of October 2011, the macadamia farmers converged at Terrace villa Hotel in Kutus for Awareness and planning training conducted by farm2folk. Among the attendees were 7 women and 24 men.</p> <p>The initial drafting of the QMS/ICS documentation and records was done on the 13th of October and the submission of this vital document will be ready when the project is fully complete.</p> <p>Again on 15th, 16th, 17th & 18th October 2011, at Kirinyaga the members were trained on the following topics;</p> <ul style="list-style-type: none"> ➤ 1. what is fair trade ➤ Aims & Elements of fair trade ➤ Labeling /producer standards ➤ Principles & premium management ➤ Importance of fair-trade ➤ Farm hygiene and sanitation ➤ Crop management and Nutrition ➤ Waste and pollution management ➤ Water management & ➤ Policies and risk assessment <p>There were 90 participants in these trainings of which 79 were men and 11 were women.</p> <p>On 29th Nov 2011 another training took place at Kirinyaga with the groups representatives (19) and they covered the following topics;</p> <ul style="list-style-type: none"> ➤ 1. Group's dynamics ➤ Leadership & governance ➤ Planning and enterprise development

		<ul style="list-style-type: none"> ➤ Record keeping. ➤ Policy statement ➤ Social, economic, & environmental development. ➤ Labor conditions ➤ Compliance verification criteria ➤ Farmer/group Empowerment ➤ Freedom of association & bargaining. ➤ <p>On 30th November another training was held in Kirinyaga with 43 participants and they covered the below topics;</p> <ul style="list-style-type: none"> ➤ 1. Pesticide legislation ➤ Label Application ➤ Personal protective equipment ➤ Storage / Disposal/ Health & Safety <p>The FLO surveillance audit for the Wamatta association which took place between 7th-9th Sept 2011 was a great success and we as well hope the Kemfa initial flo audit will emerge victorious as well.</p>
7	Provide technical assistance to the growers in Meru and Taita that will result in a decrease in rejection rate and an increased yield of (to 25% of finished product as volume of nuts purchased)	<p>Ten Senses has contracted with Farm to Fork Ltd. to provide technical assistance to farmer groups. The technical assistance offered range from Macadamia trees top working that is; grafting of tetraphyla trees with intergripholia type where 500 trees have been top worked. This is in future going to yield high volumes and reduce the undersize (rejects) nuts.</p> <p>We also advice on good agricultural practises and discourage intercropping thus increasing the volumes produced.</p>
8	Provide technical assistance to the grower associations in Meru and Taita that will result in increased ability to manage their association for the benefit of the members.	<p>We helped the Kirinyaga association to come up with the draft constitution which we translated to an English version from the initial Swahili version. Apart from this Kirinyaga being a new and upcoming organisation most of the necessary technical assistance is being given by TSA. TSA has catered for this group's legal registration fees, Bank account opening charges, and vital logistics expenses. Once the organisation is fully FLO registered, TSA is willing to extend this assistance even further.</p>
9	Export 50 MT of processed nuts, of which at least 30 tons to the US market. This represents a sales goal of \$240 000 or 17 million Ksh (40 000 kg @ \$6/kg)	<p>Nothing has been exported during this reporting period. Nuts processed during the month of October (612 kgs) and December (703 kgs) 2011 will be exported in the month of January 2012.</p>
10	Extend the partnership agreement to one additional grower's group, with at least 500 members	<p>We are still working on modalities to have the already Started KIRINYAGA EAST MACADAMIA FARMERS ASSOCIATION Fair trade certified. The group so far has 200 registered members but there is a potential to increase to as many as 1000.</p>

		The audit and subsequent certification for this group is scheduled between 9 th -12 th of January 2012. We are awaiting a certification date from FLO-CERT.
11	Create stable employment for at least 35 staff in the Nairobi factory	We have not created any stable employment in the Nairobi Factory during this Quarter. This being a low season, most of the production processes are under utilized and they can't warrant any staff employment.
12	Create a social enterprise which will model corporate social responsibility in Kenya. The TSA board is committed to provide financial and in-kind support to an orphanage in the Kawangware slum in Nairobi.	We provided to Tapa Trust, a children's home, with shells for their cooking as fuel. 10MT of shells have been provided, which satisfies their cooking requirements for three months. This has saved them Ksh 50,000.

- An evaluation or analysis of the degree to which the grant activities are achieving the project objectives. Reasons why established goals were not met if appropriate.

- Other pertinent information including, when appropriate, analysis and explanation of cost overruns or high unit costs.

NA

- A minimum of five copies of any publication funded under the grant, including books, brochures, newsletters, bulletins, video cassettes; and single copies of all other products such as newspaper clippings, project announcements, and audited financial statements.

NA