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Rural Value Chains
Huehuetenango and San Marcos



RURAL VALUE CHAINS PROJECT

USAID – ANACAFE COOPERATIVE AGREEMENT 520-A-12-00004

QUARTERLY REPORT

October 1 through December 31, 2014

Guatemala, January 31, 2015

1. Introduction

The Rural Value Chains Project (RVCP) is a component of the Feed the Future Initiative (FtF) currently implemented under Cooperative Agreement 520-A-12-00004 subscribed on May 31, 2012 between the National Coffee Association (ANACAFE) and the United States Government Agency for International Development (USAID).

Project implementation is the responsibility of a Consortium that includes ANACAFE as the lead institution before USAID. In addition to ANACAFE, the Consortium includes the Guatemalan Confederation of Cooperatives (*Confederacion Guatemalteca de Federaciones de Cooperativas – CONFECOOP*) represented by the Guatemalan Federation of Agricultural Cooperatives of Coffee Producers (*Cooperativas Agricolas de Productores de Cafe de Guatemala – FEDECOCAGUA*) together with the Guatemalan Federation of Agricultural Cooperatives (*Federacion de Cooperativas Agricolas de Guatemala – FEDECOAG*) and the Integrated Federation of Handicraft Producer Cooperatives (*Federacion Integral de Cooperativas de Produccion Artesanal -ARTEXCO*); the Coffee Grower Foundation for Rural Development (*Fundacion de la Caficultura para el Desarrollo Rural – FUNCAFE*) and the FUNDASISTEMAS Foundation.

Project objectives include:

- Reduce poverty and malnutrition rates throughout 21 municipalities in the provinces (*departamentos* in Spanish) of Huehuetenango and San Marcos¹ by improving income among small-scale producer members of the rural value chains for coffee, horticulture and handicrafts.
- Produce deep-rooted behavioral changes among producers and their families to ensure that improved income remains sustainable and ensures improved nutrition over the short, medium and long terms.

Consortium organizations joined forces to achieve RVCP objectives by implementing activities under each of the components listed below.

- I. Improved competitiveness along the rural value chains;
- II. Greater participation in rural value chains;
- III. Improved agricultural productivity;
- IV. Increased trade and access to markets (private consolidator); **Note:** Implementation of this component was excluded from the USAID-ANACAFE cooperative agreement and included under those for another project with objectives similar to those of RVCP being implemented by a second consortium throughout municipalities in Quetzaltenango, Totonicapan and Quiche;
- V. Increased productivity of food and improved usage, and
- VI. Improvements in the handicrafts value chain.

¹ Huehuetenango: Jacaltenango, Chiantla, San Sebastian Huehuetenango, Todos Santos, Santa Cruz Barrillas, Cuilco, Concepcion Huista, San Antonio Huista, La Libertad and La Democracia.

San Marcos: El Rodeo, San Rafael Pie de la Cuesta, San Lorenzo, San Pablo, Tajumulco, Nuevo Progreso, Sibinal, San Miguel Ixtahuacan, Tejutla, San Marcos and San Pedro Sacatepequez.

In addition to each of the above components, RVCP plans activities to address crosscutting issues, as follows.

1. gender;
2. environmental mitigation;
3. entrepreneurial development;
4. financial services;
5. communications (information), and
6. engaging with local and central governments (political dialogue).

The Project Implementation Unit (UIP in Spanish) is responsible for implementing RVCP in compliance with the terms and conditions stipulated in the Cooperative Agreement between ANACAFE and USAID. The UIP was also responsible for designing and promoting a participatory process to draft the RVCP Year Three Work Plan for the period from October 1, 2014 through September 30, 2015.

The USAID-ANACAFE Cooperative Agreement stipulates that the Project submit three quarterly reports during each year of RVCP implementation (for the periods from October to December, January to March and April to June) together with one annual report (to cover the period from October to September of the following year). The reports must include a narrative description of activities during the period and describe progress to date toward RVCP expected results and indicator targets.

To that end, the UP drafted the current progress report to cover the first quarter of RVCP Year Three implementation (from October 1 through December 31, 2014). The technical teams from ANACAFE, FEDECOCAGUA, FEDECOAG, ARTEXCO, FUNCAFE and FUNDASISTEMAS provided the UIP with input for this report.

2. RVCP Implementation Context

RVCP activities unfolded over the course of the first quarter in RVCP Year Three within the context summarized below.

- ANACAFE worked with 23 producer organizations in San Marcos. Of these, four are constituted as co-ops, ten are associations, two are entrepreneurial associations (ECAs in Spanish) and six are set up as work groups (GATs in Spanish). Grower group membership totals 1,482, of which 1,134 (77%) are men and 348 (23%) are women. Members cultivate a total of 1,483.06 hectares for an average of one hectare per member with average yields of 731 pounds of parchment coffee per hectare. About 35% of the grower groups are producing organic coffee that is certified for access to specialty markets. Members from 18 of the grower groups are from the *Mam* ethnic group and members from one additional organization are primarily *Sipakapense*.
- ANACAFE worked in Huehuetenango over the reporting period with 30 small grower groups (two co-ops, 13 associations and 15 GATs). Current membership includes 1,867 coffee producers, of which 1,490 (80%) are men and 377 (20%) are women from the Mam, Qanjolal and Popti ethnic groups. Women and youth are in positions of authority within 30% of the

producer groups (9). Members produce coffee over a total of 1,951.26 hectares (an average of 1.05 hectares per producer) with yields of 5,078,200 pounds of parchment coffee (an average of 2,600 lbs./hectare).

- FEDECOCAGUA worked with eight producer groups in San Marcos and with 20 in Huehuetenango to benefit a total of 2,813 members. Of these, 2,259 (80%) are men and 554 (20%) are women. The 28 grower groups comprise 24 co-ops and four pre co-ops growing coffee on a total of 4,438 hectares. Of these, 17% are growing organically and 83% are growing coffee conventionally. The 2013-2014 harvest yielded a total of 10,103,400 pounds of parchment coffee equivalent to 8,082,700 pounds of green coffee for export. Eighteen (64%) of the 28 grower groups are certified by one or more organizations --Utz Certified, Rainforest Alliance, organic production (NOP USDA, EU, JAS), Starbucks C.A.F.E Practices or FLO Fair Trade.
- FEDECOAG worked with seven horticulture producer groups in San Marcos and with another 12 groups in Huehuetenango. Of the 19 organizations, nine are set up as co-ops and ten are associations. Membership totals 1,841 growers, of which 1,269 (69%) are men and 572 (31%) are women. The producers are growing potatoes, sweet peas, snow peas and lima beans on a total area of 147.15 hectares.
- ARTEXCO worked with three handicraft producer groups in San Marcos and another 17 in Huehuetenango. Of these, two are constituted as co-ops, three are associations and the remaining 15 groups are in the process of filing for legal status. The organizations are spread among 30 communities in three municipalities in San Marcos (San Miguel Ixtahuacan, San Lorenzo and Sibinal) and six municipalities in Huehuetenango (Cuilco, La Democracia, San Sebastian Huehuetenango, Todos Santos Cuchumatan, Concepcion Huista and Jacaltenango). The group of 20 organizations represents a total of 1,108 producers (1,100 women and eight men). RVCP provided training and technical assistance this quarter to 389 artisans, of which 384 (99%) are women and 5 (1%) are men.
- The Project expanded coverage for the food security and nutrition component (SAN in Spanish) to cover two municipalities (Tajumulco and Sibinal) in San Marcos. FUNCAFE identified 200 families of small-scale coffee producers that meet the requirements to receive RVCP support on food security and nutrition (poverty, remote access, precarious infrastructure and roadways).

FUNCAFE worked with 68 producer families this quarter, of these 46 are located in Huehuetenango and 22 are in San Marcos.

- Most of the members of RVCP coffee producer groups in Huehuetenango and San Marcos subsist with limited earnings, primarily from the sale of agricultural products (where coffee represents between 80-90% of those earnings). A very small percentage of producers supplement their income by working on coffee plantations in their area. It is well known that small-scale coffee producers in this region have limited opportunities for employment, compounded by the high rates of illiteracy and minimal schooling that prevail in the area.
- Public education offered in most communities throughout Huehuetenango and San Marcos is limited to elementary school and electricity is not yet available in 100% of the communities.

About 70% of the roads in those areas are in poor condition year around –again negatively impacting transportation costs to take their goods to market or to procure agricultural supplies.

3. Obstacles and Mitigation Measures

- Heavy rainfall this quarter damaged roads and limited access to remote communities where RVCP implements activities, training, monitoring and support –primarily those communities located in northern Huehuetenango. To mitigate this, RVCP technicians sought out alternate access routes or rescheduled some activities as necessary.
- A spate of continuous tremors in San Marcos damaged infrastructure in general and caused significant anxiety among the people working or residing in the area –including many members of the RVCP producer groups. The tremors also caused damage to warehouses, wet mills, offices, roads and dwellings. In addition, some producers cut back on their participation in RVCP activities.
- This quarter coincided with the beginning of the coffee harvest. Some producers found themselves without enough working capital and were forced to sell part of their harvest as unprocessed ripe coffee berries. This has a negative impact on their income and ability to invest in future production. Furthermore, the situation will also affect producer organizations that depend on large volumes of coffee for associative trade (one of objectives of the RVCP Entrepreneurial Development System –SIDEM in Spanish).
- Most coffee growers in San Marcos have limited income and they grow coffee on plots with degraded and infertile soils (again, negatively impacting their yields). Furthermore, when producers attempt to plant new acreage, they require significant investment to optimize their planting –further hindering increased productivity in each area. RVCP measures to mitigate this situation include efforts to encourage shade planting and tilling organic material back into the soil, together with the use of coffee production by-products (pulp and waste water) to further nourish the soil.
- Project technicians noted reduced participation in RVCP activities on SAN, family gardens and sexual and reproductive health. This is likely attributable to the fact that most of the producers working with FUNCAFE on these issues are members of organizations in the coffee value chain. Seeing as their main source of income revolves around the coffee harvest, they use most of their time to harvest their own coffee or supply their labor to other plantations in the vicinity. As described earlier, this quarter coincided with the beginning of the harvest season so the Project took measures to mitigate the situation by rescheduling events or adjusting the hours in such a way as to enable producers to participate. In addition, the Project met with organization authorities to discuss the problem and find ways to increase the participation of members in RVCP activities.

- As a result of delayed USAID approval of the RVCP FY2015 budget and procurement plan, the Project also faced problems this quarter in disbursing funds to procure supplies, material and equipment for activities.
- Some of the RVCP coffee and handicraft producer groups in San Marcos and Huehuetenango speak separate languages; a fact that hampers effective communication by Project technicians. The Project has been successful in mitigating the language obstacles as some of the technicians speak one or more Mayan languages or by calling on some of the members to interpret.

4. Activities and Progress toward Results

4.1 General

- ANACAFE technicians worked in San Marcos this quarter as summarized below.
 - a) Continued coordination with technical personnel from Catholic Relief Services (CRS) working with six producer groups in Nuevo Progreso (*Asociacion Campesina Unidos Para La Paz y el Desarrollo Integral Comunitario, ECA Nueva Escocia, ECA Emanuel, Cooperativa Integral Agricola Nuevo Porvenir, Cooperativa Integral Agricola Nuevo Eden, and GAT Nuevo San Luis*) to benefit a total of 214 members.
 - b) Technical personnel working in ANACAFE REGION I participated in a training course on the use and safe handling of pesticides. AGREQUIMA offered the course to facilitate the use of tools as required for compliance with the environmental mitigation plan for the coffee value chain. Participants received a certificate accrediting them as facilitators.
 - c) The Project worked with the legal representatives from several co-ops (*Entre Rios, La Igualdad, Nuevo Eden and Nuevo Porvenir*) to participate in ANACAFE's general assembly and election of members to the board of directors.
- RVCP worked through ANACAFE in Huehuetenango as follows:
 - a) Donate equipment for a wet mill facility to benefit selected producer organizations and support them in their efforts to maintain high quality processing and to make efficient use of water. The Project also supplied producers with personal protection equipment for the safe handling of pesticides to control disease (primarily coffee rust), as well as with computers and furniture to ensure overall support for entrepreneurial development.
 - b) The Project organized a National Technical Meeting (*Encuentro Tecnico Nacional*) as part of the process to institutionalize SIDEM. The purpose of the meeting was to use RVCP experiences to provide feedback for 16 technicians from ANACAFE on issues ranging from entrepreneurial development to gender. The meeting provided an opportunity to strengthen the ANACAFE technical assistance model to ensure the sustainability of the comprehensive entrepreneurial development system.

- c) The Project coordinated efforts with the ANACAFE Tasting Lab and with dry mill facilities operated by coffee exporters to organize tours and provide support to growers seeking to maintain high quality as a means to ensure beneficial trade arrangements and meet consumer demand. The activities benefited 30 individuals from six organizations.
 - d) Post harvest technicians participated in training events on electrical power, equipment adjustment for wet mills and estimating construction material requirements for coffee mills. The training contributed to strengthened capacity among the technicians and will contribute to improvements in RVCP assistance to all coffee producer groups.
 - e) RVCP technicians participated in a training activity on the use and safe handling of pesticides as part of a coordinated effort with AGREQUIMA at the Buena Vista plantation in San Sebastian, Retalhuleu.
- FEDECOCAGUA undertook the activities described below.
 - a) Technical assistance to RVCP co-ops to strengthen their boards. FEDECOCAGUA held regional assemblies in November 2014 to elect members to the surveillance committee (Jesus Gonzalez from Cooperativa Tajumuco in Huehuetenango and Jose De Leon, from Cooperativa San Pablo in San Marcos were elected to represent their respective provinces).
 - b) The Project provided assistance to hold the regional assemblies in November 2014 and facilitated the participation of co-ops registered through ANACAFE (to participate in general elections of members to the board). Members elected Douglas Eloan Recinos, from *Cooperativa San Jose El Obrero* in La Libertad, Huehuetenango as their representative. The position is very important in the decision-making process regarding national policy on coffee production and is essential for representing the interests of the small-scale producers in Guatemala.
 - c) The Project provided assistance to coffee producer groups in Huehuetenango and San Marcos to monitor and train them regarding integrated management of their coffee plantations and to encourage them to implement and adopt RVCP recommendations. Technicians also promoted the use of technologies by providing goods, services, material and equipment as required to meet Project objectives.

RVCP worked closely with the UGK Foundation to complement Project activities that enabled producers to obtain prizes under a number of coffee certification processes such as the FLO prize for productivity and quality awarded to 16 organizations and the prize awarded to three organizations for their strategic ranking by STARBUCKS, as well as the prize awarded to five FEDECOCAGUA organizations by Tully's Coffee.

- ARTEXCO completed the activities described below.
 - a) Coordinate efforts with FUNCAFE to include an additional 98 RVCP producer families in activities on food security and nutrition. The members and their families represent the

following handicraft producer groups: *Asociacion ADAIN* (in aldea Chalhuitz, Todos Santos, Huehuetenango), *Grupo T-xejoj* (in San Sebastian Huehuetenango) and *Secheu* (in Concepcion Huista, Huehuetenango).

- b) ARTEXCO technicians (the coordinator and three technicians from the organization and entrepreneurial development department plus one sales specialist) participated in a training course in October 2014 on the methodology required to promote SIDEM Phase IV (business strengthening). The workshop covered the contents in the manual for Phase IV, as well as the methodology to implement it among RVCP handicraft producer groups.
- c) Organize a workshop on organizational culture to provide ARTEXCO personnel with increased knowledge on promoting and maintaining a secure workplace as a means to increase efficiency and effectiveness as required to attain RVCP objectives.

4.2 Components

4.2.1 Component 1: Improved Competitiveness along the Value Chain

- **ANACAFE (coffee value chain)**

- **Increased Yields**

The data from the 2014-2015 crop yield is not included in this report pending the end of the harvest season in February 2015. As yet, no data is available to confirm whether RVCP producers effectively increased their yields.

- **Improved Post-harvest Handling**

The 23 RVCP producer groups working under ANACAFE in San Marcos include five (22%) that use shared wet mill facilities and another 18 organizations (78%) where members use individual hand operated mills.

The Project undertook the activities listed below to improve post-harvest handling.

- a) Implement a coffee quality control program for the 2014-2015 harvest using 23 samples of parchment coffee from ten organizations. The ANACAFE Tasting Lab processed the samples and assessed cup quality. Results showed that 4% of the samples were extra prime, 52% semi-hard, 26% hard and the remaining 18% was strictly hard bean. In terms of cup quality, 48% of the samples produced a clean cup, 26% were overly fruity, 9% were tart, 4% were winery, 9% were astringent and 4% were oniony.

The tasting results confirm that wet mill processing was appropriate (yielding strictly hard beans –SHB) to produce a clean cup of coffee. In addition to the technical analysis, experts also assessed cup quality to discern qualities and characteristics that could be useful when negotiating sales.

RVCP technical personnel redoubled efforts to provide assistance and recommendations to those grower groups with less than satisfactory lab results. The Project will work closely with them to see that they take corrective measures and improve their cup quality.

Project technicians also took samples of parchment coffee as part of the effort to update regional coffee cup characteristics (Volcanic San Marcos) for the 2014-2015 harvest. Five organizations provided samples, including *Asociacion de Pequeños Caficultores de Liberacion (APECAFEL)*, *Asociacion de Pequeños Productores Mayas Mames (APECAFORM)*, *Asociacion Nuevos Horizontes*, *Asociacion de Pequeños Productores Agrícolas Entre Cerros (APPAECE)* and *GAT El Cafetalito*.

- b) RVCP assistance to small-scale coffee producers in San Marcos also included delivery of a set of tools for each organization as required for proper maintenance of the wet mill facilities operated by the following groups:
1. *Asociacion de Desarrollo Integral Buenos Aires (ADIBA)*
 2. *Asociacion Flor del Cafe*
 3. *Cooperativa La Igualdad*
 4. *Cooperativa Integral Agrícola Nuevo Eden*
 5. *Cooperativa Integral Agrícola Nuevo Porvenir*
 6. *Asociacion Campesina Unidos Para La Paz y El Desarrollo Integral Comunitario (ACUPDIC)*
- d) The Project also procured ten semi-integrated modules for de-pulping with capacity to process 1,000 lbs./hour and including a screen to classify beans (uses a gasoline-powered engine). The following organizations benefitted from the modules.
- *Asociacion de Caficultores Miguelenses (ACMI)* (four modules)
 - *Cooperativa Entre Rios* (one module)
 - *Asociacion Civil de Pequeños Agricultores Comunidades Unidas (ACIPACU)* (one module)
 - *Asociacion Nuevos Horizontes* (one module)
 - *Cooperativa Integral Agrícola Nuevo Porvenir* (one module)
 - *GAT Nuevo San Luis* (one module)
 - *GAT El Cafetalito* (one module)

The equipment donation has the added benefit of being useful as demo units to teach best practices for wet mill processing and as a center for technology transfer to benefit future members.

- e) Technicians also promoted appropriate post harvest handling by checking and adjusting manual de-pulping equipment to ensure optimal operation and avoid damaging the beans during the process.

The wet mill facilities operated by *Cooperativa La Igualdad*, *Asociacion Flor del Cafe* and *Cooperativa Nuevo Eden* use recycled water to de-pulp their coffee and ensure efficient management of their water resources. In addition, growers from *Cooperativa La Igualdad* installed a water treatment plant to avoid polluting nearby water sources, while *Asociacion Flor del Cafe* uses ditches for similar purposes.

- f) The Project organized seven training activities on post-harvest handling. A total of 115 producers participated (103 men and 12 women), representing the following grower groups:
- *Asociacion de Caficultores Miguelenses (ACMI)*

- *Asociacion Flor del Cafe*
- *Asociacion de Pequeños Caficultores Mayas Mames (APECAFORM)*
- *Cooperativa Nuevo Porvenir*
- *ECA Nueva Escocia*
- *GAT Nuevo San Luis*

The Project worked with coffee producers in Huehuetenango as summarized below:

- a) Provide technical assistance to update five wet mills and 20 hand-operated wet mills to ensure appropriate handling of coffee by-products and contribute to reduced environmental impact.
- b) Work with nine producer groups to monitor quality for the 2014-2015 harvest (take 17 samples to screen for bean quality --still in time to make corrections during harvest season).
- c) Provide technical assistance to repair and maintain hand-operated de-pulping equipment for 15 members from *Asociacion ASDEFLO*R in Todos Santos Cuchumatan, Huehuetenango.

-- **Improved Technologies or Management Practices**

- a) Establish 300 meters² of seedlings to produce 150,000 disease-resistant coffee plants (*Catimor* and *Sarchimor*) distributed among 80 plantations belonging to the members of eight organizations i.e. *Asociacion Campesina Unidos para la Paz y el Desarrollo Integral Comunitario*, *ECA Nueva Escocia*, *ECA Emanuel*, *Cooperativa Integral Agricola Nuevo Porvenir*, *Cooperativa Integral Agricola Nuevo Eden*, *GAT Nuevo San Luis*, *GAT El Cafetalito* and *Asociacion de Pequeños Productores Entre Cerros*.
- b) Technicians promoted the appropriate use of by-products from the wet mill process (composting and holding tanks). Technicians encouraged growers to channel their wastewater into compost bins or holding tanks to take advantage of the 18% of organic material suspended in the water, avoid polluting water sources in the vicinity and use compost to amend or fertilize the soil. In addition, technicians informed growers that pulp accounts for 40% of the weight of the mature coffee fruit –also well suited organic material for composting.
- c) The Project worked with 15 members from four producer groups to verify and adjust manual de-pulping equipment to ensure appropriate processing and avoid damaging the coffee bean (negatively affecting yield and quality).

– **Producers using Improved Technologies or Practices**

- a) Technicians promoted improved practices among 12 of the 23 RVCP organizations in San Marcos, as follows:
 - 1) producing coffee nurseries;
 - 2) adjust manual de-pulping equipment, and
 - 3) build treatment plants for by-products from the wet mill process.

As a result, the Project benefited 95 members of RVCP grower organizations.

- b) Technicians worked with 427 producers (80 women and 347 men) from organizations in Huehuetenango implementing improved technologies/practices such as:
 - 1) coffee plantation renewal using disease resistant varieties (*Catimor* and *Sarchimor*);
 - 2) phytosanitary management, and
 - 3) fertilizing nurseries and plantations.

Growers implemented the practices over a total of 121 hectares.

– **SIDEM Implementation**

- a) Over the reporting period, the Project reviewed and updated the results from diagnostic assessments of 23 RVCP organizations in San Marcos (to become the basis for phased-in activities).
- b) Strengthen the phase on associative trade for *Asociacion de Caficultores Miguelenses* (ACMI) by scheduling an experience exchange between that group and *Asociacion de Barillense de Agricultores* (ASOBAGRI) in Santa Cruz Barillas, Huehuetenango. As a result, 38 members from ACMI were provided an opportunity to learn about the ASOBAGRI coffee collection process and handling for export sales.
- c) With Project assistance, ACMI worked through GAT Legual, GAT La Lima, GAT Siete Platos and GAT La Pena to continue the process to increase working capital from GTQ280,175.75 to GTQ378, 415.75.
- d) Technicians worked with the ACMI Trade Committee to develop the association's business plan on associative trade for the 2014-2015 coffee harvest. The committee identified and engaged with potential buyers, including *Cooperativa Esquipulas* in La Libertad, Huehuetenango and ASOBAGRI in Barillas, Huehuetenango.
- e) To follow up on possible coffee sales by ACMI members, the Project facilitated a field visit for two high-level authorities to meet with the manager and technicians from *Cooperativa Esquipulas* in La Libertad, Huehuetenango.
- f) As part of an alliance promoted by RVCP, *Cooperativa Esquipulas* conducted quality testing on ACMI coffee. In addition, they plan to send samples to potential buyers overseas.
- g) The Project scheduled 148 technical assistance visits to producer groups to address administrative, financial, accounting and organizational issues.

– **Plantation Renewal**

To control the effects of coffee rust disease infecting mature plantations, the Project provided technical assistance to 50 coffee growers around Santa Cruz Barillas, Huehuetenango to renew 4.34 hectares for a total investment of GTQ 173,600.00 (GTQ 40,000/hectare).

– **Employment Generation**

A total of 37 permanent jobs were generated this quarter (28 filled by men and nine by women) in positions as managers, assistant managers, accountants, accounting clerks, secretaries, warehouse personnel, etc. The new jobs were generated among seven of the 30 RVCP organizations in Huehuetenango.

▪ **FEDECOCAGUA (Coffee Value Chain)**

– **Increased Yield**

Given that, at the time of this writing, most producer groups in San Marcos and several from the northern region of Huehuetenango have yet to finish harvesting, Project technicians obtained only preliminary data this quarter on expected yields for the 2014-2015 harvest. Nevertheless, technicians redoubled their efforts over the reporting period to ensure that RVCP growers had every opportunity to increase their yields, as follows:

- a) Technical assistance and equipment donation to control coffee rust disease (part of the national strategy). Phytosanitary brigades and/or individual growers implemented measures to curb the disease over a total of 2,956 hectares planted with coffee.
- b) Technical assistance on soil conservation measures using shade techniques (live barriers), contour planting and plantation renewal. Although plantation renewal was not a scheduled activity this quarter, technicians noted that members from *Cooperativa Cocolense*, *Grupo Maxbal*, *Grupo La Nueva Providencia* and *Cooperativa Nueva Union* renewed their plantations with *Sarchimor* seedlings (resistant to coffee rust disease) over a total of three hectares using 13,800 plants distributed by RVCP.
- c) Technical assistance for manual weed control in preparation for harvesting 3,696 hectares of coffee plantations.
- d) Technical assistance for contour planting and perforations (using machinery) for a demo plot covering 0.22 hectares.

– **Plantation Renewal**

Producers invested funds to renew coffee plantations this quarter on three hectares i.e. *Cooperativa Cocolense* (one hectare), *Cooperativa Nueva Union* (one hectare), *Cooperativa La Providencia* (0.5 hectare) and *Cooperativa San Jose Maxbal* (0.5 hectare). Total investment amounted to GTQ104,000.

– **Post-harvest Handling**

The Project provided technical assistance, training and support for activities to improve post-harvest handling as summarized below.

- In order to ensure accurate measurements and avoid discrepancies, technicians worked with members to adjust and calibrate four platform scales operated by *Cooperativa Nuestro*

Futuro, Cooperativa Pena Roja, Cooperativa Hoja Blanca and Cooperativa Agua Dulce in Huehuetenango.

- Technicians worked to update projected yields for each producer organization and members.
- Set up a quality control screen at the shared mill operated by *Cooperativa 21 de Octubre* in for a total investment of GTQ15,000.00.
- Adjust and calibrate de-pulping equipment at both shared and individual mill facilities.
- In preparation for the harvest, work with organizations to clean and maintain warehouses operated by grower groups in Huehuetenango, provide recommendations for appropriate storage.
- Work with members from *Cooperativa San Jose* in San Marcos to adjust and modify their wet mill equipment as a means to reduce water consumption from over 1,000 qrts./100 lbs. of parchment coffee down to 300 qrts./100 pounds (on average). Water use was reduced by recycling water from the de-pulping process and rinsing steps (the wet mill was built with funding from UGK Foundation).
- Set up records to track incoming ripe coffee berries at the mills operated by *Cooperativa Comunidades Unidas* and *Cooperativa La Esperansita* in San Marcos.
- As a means to maintain certification and quality control for coffee sold to Europe, Japan and the U.S., technicians worked to implement a consolidated daily record for traceability purposes among four co-ops producing organic coffee in San Marcos.
- Work with *Cooperativa 21 de Octubre* in San Marcos to install devices to protect workers from machinery hazards and ensure a safe workplace.

RVCP technicians also completed the following activities this quarter.

- Monitor cleanliness and preparedness in warehouses operated by shared wet mill facilities to ensure compliance with food safety standards by co-ops in San Marcos.
- Monitor quality control at collective wet mill facilities in San Marcos.
- Develop pilot projects to demonstrate efficient water use and quality control measures by installing and adjusting the following equipment:
 - Technicians set up two integral environmentally friendly modules for de-pulping (remodel existing infrastructure for more efficient water use and management of coffee processing by-products while reducing the risk of affecting coffee quality). The Project donated the equipment and installation to benefit two organizations in Huehuetenango, *Cooperativa Hoja Blanca* and *Cooperativa Pena Roja*.
 - The Project provided 21 manual de-pulping devices especially suited for coffee growers processing up to 2,000 pounds of parchment coffee (no need for electrical power). The equipment is also fitted with devices to ferment and rinse the beans while recycling the wastewater to holding tanks for later composting. The Project distributed the de-pulping equipment as follows:
 - *Cooperativa Pena Roja*: four units;

- *Cooperativa Hoja Blanca*: four units;
 - *Cooperativa Tajumuco*: seven units;
 - *Grupo pre cooperative Maxbal*: three units, and
 - *Grupo pre cooperative Nueva Providencia*: three units.

- The Project distributed eight continuous flow dryers to assist producers struggling with drying procedures (often the result of climate change affecting precipitation and prolonged cloud cover). The following organizations benefited from the equipment.
 1. *Cooperativa Nuestro Futuro*
 2. *Cooperativa Hoja Blanca*
 3. *Cooperativa Pena Roja*
 4. *Cooperativa Todosanterita*
 5. *Cooperativa Tajumuco*
 6. *Cooperativa San Jose El Obrero*
 7. *Cooperativa El Porvenir*
 8. *Cooperativa San Pablo*

- To ensure optimal humidity when collecting and storing coffee, RVCP procured and distributed 19 devices to measure humidity (hygrometers) as follows:
 1. Regional collection warehouse in La Democracia, Huehuetenango
 2. Sub-regional collection warehouse in Santa Cruz Barillas, Huehuetenango
 3. *Cooperativa Chojzunil*
 4. *Cooperativa Hoja Blanca*
 5. *Cooperativa Pena Roja*
 6. *Cooperativa Nuestro Futuro*
 7. *Cooperativa San Jose El Obrero*
 8. *Cooperativa Tajumuco*
 9. *Cooperativa Todosanterita*
 10. *Cooperativa El Porvenir*
 11. *Cooperativa Agua Dulce*
 12. *Cooperativa San Pedro Necta*
 13. *Cooperativa San Pablo*
 14. *Cooperativa La Bendicion*
 15. *Cooperativa Comunidades Unidas*
 16. *Cooperativa 21 de Octubre*
 17. *Cooperativa La Esperansita*
 18. *Cooperativa San Jose*
 19. *Cooperativa Nuevo Progreso*

– **Increased Income**

The Project worked diligently this quarter to ensure increased income for RVCP producers as made evident by the prizes awarded in competitions and coffee sales to the U.S. under STARBUCKS Cafe Practices (compliance with quality standards and requirements). *Cooperativa Todosantera* was awarded a prize for GTQ24,848.43; *Cooperativa Tajumuco* was awarded GTQ360,076.46 and *Cooperativa San Jose el Obrero* won a prize for GTQ 131,060.34.44.

As a result of applying environmentally-friendly production methods (no chemicals and organic certification under NOPUSDA standards for sale in the U.S., EU standards and FAIRTRADE standards for sales in Europe and JAS standards for sales to Japan), *Cooperativa Union Coataneca* was awarded a prize for GTQ21,000; *Cooperativa Chojzunil* was awarded GTQ73,000 and *Cooperativa Cocolense* was awarded GTQ 29,700.

In addition, *Cooperativa Todosantera* and *Cooperativa Tajumuco* increased income by GTQ8,650 as revenue from transportation and photocopy services.

Furthermore, cooperatives in Huehuetenango worked in anticipation of the harvest to apply for soft loans from FEDECOCAGUA, thereby ensuring the liquidity required by members to harvest their coffee.

– **Employment Generation**

Project activities led to 92 new jobs this quarter at the administrative/technical level (managers, clerical staff, accountants, warehouse personnel, para-technical staff) plus an additional 386 temporary jobs for supervisors, members of the phytosanitary brigades, inspectors, etc. The harvest season also created 608 formal jobs to harvest 1,438,300 pounds of parchment coffee for a total of 1,086 jobs during the reporting period.

– **Improved Technologies or Management Practices**

RVCP technical assistance contributed to improved technologies or practices regarding: 1) plantation renewal using disease-resistant varieties; (2) improved technologies and new equipment to process coffee, and 3) mechanized hole drilling practices during demonstrations to promote more efficient use of resources. A total of 44 coffee producers (13 women and 31 men) implemented improved practices over a total of 177 hectares.

The Project also achieved a significant impact by providing training (many activities were co-financed, with the UGK Foundation contributing GTQ 7,020). The training enabled growers to strengthen their technical knowledge (80% of members from certified co-ops) to the point that they are capable of improving compliance with domestic and international regulations and standards.

– **SIDEM Implementation**

a) The Project worked through technical and para-technical staff from RVCP co-ops to move forward this quarter to implement SIDEM Phase II (Strengthen Administrative Management).

- b) The Project worked with *Cooperativa El Porvenir* to organize an event on the cooperative movement as a development alternative. The event provided an opportunity for the organization leadership to engage with members and understand their expectations.
- c) The Project provided technical assistance to *Cooperativa Rio Limon* to develop a business plan to strengthen associative trade.
- d) Technicians worked with *Cooperativa Rio Limon* to develop a business plan for a group of women assessing the feasibility of a bakery project.
- e) The Project began training under SIDEM Phase I (Governance) for *Cooperativa Riveras del Cabuz*. Participants included a total of eight members representing the board of directors and the oversight committee.
- f) In preparation for SIDEM implementation, the Project completed diagnostic assessments for the following co-ops: *Nuestro Futuro*, *Pena Roja*, *Hoja Blanca* and *Agua Dulce*.
- g) Technicians completed the SIDEM Assistance Plan for *Cooperativa Nuestro Futuro*.

- **FEDECOAG (Horticulture Value Chain)**

- **Controlled Conditions**

The Project completed a technical monitoring and evaluation process to assess yields when using controlled conditions (macro-tunnels) to grow tomatoes (43 macro-tunnels), cucumber (one macro tunnel), bell peppers (14 macro tunnels) and potatoes (9 macro tunnels) over a total area of 0.88 hectares. Producers plan to sell their crops on the local market.

- **Improved Technologies or Management Practices**

Technicians worked with producers from 19 RVCP organizations to promote the use of improved technologies or practices as follows:

- use and safe handling of pesticides (contents, dosage and use of personal protection equipment);
- use and handling of improved varieties;
- practices for climate change adaptation, and
- harvest and post-harvest management.

By providing technical assistance to promote the use of technologies and improved practices, the Project contributes to increase the knowledge base of producers so as to implement said practices to best suit their crops and soil conditions.

- **Employment Generation**

Project activities led to a total of 253 new jobs (172 filled by men and 81 filled by women). A new job is considered to be the result of the number of man/days required for the production process during the current reporting period.

– **New Export Crops**

This quarter, six horticulture producers from an equal number of organizations (five in Huehuetenango and one in San Marcos) grew snow peas, sweet peas and lima beans for export markets. Table 1 summarizes data on the organizations and crop yields.

FEDECOAG continued to support horticulture producers in seeking markets for their crops and in their efforts to expand production to satisfy market demands.

RVCP continued to promote the participation of producers in activities designed to access export markets. Despite the efforts, producers tend to diversify their crops to satisfy immediate demand for horticultural products.

– **Increased Income**

Improvements in the income of horticulture producers is a factor of labor costs as contributed by their nuclear family (soil tilling, intermediate management of agricultural practices), as well as market conditions (acceptable prices considering production costs per area and scaled-in planting).

RVCP technical assistance and training this quarter led to producers taking in revenues of GTQ75,153 from the sale of cucumbers, bell peppers, tomatoes and potatoes.

Table 1

RVCP Organizations Producing Export Crops

REGION	ORGANIZACIÓN	TOTAL SOCIOS	H	M	TOTAL	CULTIVO	AREA SEMBRADA cuerdas
HUEHUETENANGO	COOPERATIVA NUEVA ESPERANZA SN SH	147	117	30	147	Arveja Dulce	179.5
						Arveja Cnina	89
	ASOCIACIÓN ADAT TODOS SANTOS	104	88	16	104	Haba Listra	284
						Arveja china	32
	ASOCIACIÓN ICUZONDEHUE, SN F.LAS FLORES, CH.	170	117	53	170	Arveja China	89.5
						Haba criolla	22
						Arveja criolla	3
	COOPERATIVA SAN BARTOLO	112	87	25	112	Arveja Dulce	143
						Arveja china	50.5
	ASOCIACIÓN AMAS, QUILINCO	74	0	74	74	Arveja Dulce	55
					Arveja China	34.5	
	ASOCIACIÓN SN JOSÉ LAS ISLAS, SM.	68	61	7	68	A. China	97
						A. Dulce	246
						A.Criolla	170

– **Final or Intermediate Processing to Add Value**

RVCP redoubled training activities on good manufacturing practices because two producer groups are preparing to add value to their snow pea, sweet pea and lima bean export crops as of January 2015. In addition, technicians will supply plastic containers and stainless steel work surfaces appropriate for the selection and production processes that generate employment for women from the organizations and neighboring communities.

– **Partnerships**

a) The Project worked within the FEDECOAG Agreement to coordinate efforts with ASOCUCH to assist organizations in strengthening horticulture production and address issues pertaining to health and nutrition, organizational strengthening, production and trade.

b) As a result of progress under the RVCP partnership with USDA, a consultant worked in December 2014 to address phytosanitary issues affecting garlic crops in Chiantla, Huehuetenango (including some growers that are members of RVCP organizations). The consultant provided recommendations during field visits organized by RVCP technicians.

c) In an effort to avoid duplication of efforts, the Project coordinated efforts with COMUSAN to set up activities for the health and nutrition component.

d) RVCP coordinated efforts with SESAN to provide training and technical assistance to producers on labeling and packaging their products.

– **Management Positions**

A number of new horticulture producer organizations began working with RVCP this quarter. Of these, six already have a manager or administrator on staff (including one woman). Those are full time positions and the salaries are covered in full by the organizations' own funds. RVCP is training and assisting these management employees on management, administrative, financial, accounting, legal and fiscal issues.

– **SIDEM Implementation**

Technicians began working with eight organizations (six associations and two co-ops) to implement SIDEM Phase I (Governance) this quarter. Results are summarized below.

- Eight diagnostics currently being reviewed and analyzed so that results can become the basis for corresponding assistance plans.
- One assistance plan to implement SIDEM in an association following members' review and approval.
- Train members from four organizations (two associations and two co-ops) on identifying values as the cornerstones for the mission and vision statements for each organization.
- Train members from two organizations (one association and one co-op) on building the mission statement.

- Support and assist authorities, employees and leadership from one co-op to draft their mission statement.
 - Work with authorities, employees and leadership from two co-ops and one association to draft their vision statement.
 - Technical assistance for four organizations to update their credit policies for approval by their boards and entry into effect.
 - Assist one association to draft membership policies for approval by the board and entry into effect.
 - Work with one co-op to update the compliance manual and have it enter into effect.
 - Work with one co-op to update the internal regulations –currently in effect.
- **Increase Working Capital**
- The Project is unable to report this quarter on increased working capital for each RVCP organization in the horticulture value chain. The organizations are currently in the midst of closing out their fiscal year, but it is worth noting that capital contributions include mandatory and regular payments, special payments and/or income from services or donations.
- **FUNDASISTEMAS (SIDEM Implementation)**
- a. **SIDEM Development**
- Technicians continued to review and modify manuals and support material (practical exercises, videos and case studies) to tailor the content for each learning session.
 - ANACAFE and ARTEXCO contributed to collecting material and adapting the content for the manuals on Phase III (Strengthening Associative Trade) and IV (Strengthening Business). FUNDASISTEMAS then reviewed and published the manuals for distribution during RVCP training sessions.
 - The Project made progress on improving the education digital platform for use by RVCP entrepreneurial development specialists. The Project planned a series of ten sessions to monitor the consultants, track progress and program content prior to designing the structure, instructions and operations for the platform.
 - The Project delivered a teaching guide (studies program and content for Phases I and II on Governance and Administrative Management) to each technician from the consortium organizations working on entrepreneurial development to support producer groups.

b. Validate and Systematize

FUNDASISTEMAS sought out the most experienced personnel to validate the material based on having used the methodology directly with producer groups. ANACAFE and ARTEXCO also validated the material.

In addition, the Project took an additional step to validate the material in the field by working with *Asociacion de Desarrollo Social Ixchigualense (ADESI)* as the sixth organization to receive SIDEM assistance. Technicians completed the three-step diagnostic and classified the organization as Type B –ready to commence the appropriate SIDEM phases.

Technicians scheduled 40 sessions with board members, technical staff and members from the six organizations prepared to implement SIDEM and scheduled an additional 14 sessions with their boards. Most of the organizations have completed the diagnostics (the most advanced one is currently reviewing bylaws). One of the groups is about to acquire legal personhood and another association is about to submit its assistance plan. In and of themselves, these steps already reveal improvements in governance and administration within the following organizations:

1. *Asociacion de Desarrollo Social Ixchigualense (ADESI)*
2. *Asociacion de Desarrollo Integral Comunitario Tejutla (ADICTA)*
3. *Asociacion de Desarrollo Integral Tutuapense (ADIAT)*
4. *Asociacion de Desarrollo Integral Nimal Tnam (ADINT)*
5. *Grupo de Productores de Semilla de Papa Certificada LA COMARCA*
6. *Cooperativa Union y Progreso*

c. Methodology Transfer

The Project scheduled four workshops to transfer the methodology used by technicians from the consortium organizations that are responsible for implementing SIDEM with selected RVCP producer groups.

d. Feedback

The Project scheduled 25 sessions on SIDEM application with technicians from ANACAFE, FEDECOCAGUA, FEDECOAG and ARTEXCO. In addition, FUNDASISTEMAS joined technical personnel on field visits as follows: FEDECOCAGUA (17 visits), FEDECOAG (seven visits) and ARTEXCO (one visit).

e. Certification

The Project engaged with two universities in Guatemala to ascertain their interest and understanding of the requirements needed to certify SIDEM technicians. RVCP plans to move forward in seeking university accreditation for the program.

In working to promote deep behavioral change among the authorities in RVCP Consortium Organizations, FUNDASISTEMAS completed the following activities this quarter:

- In response to interest expressed by Keurig Green Mountain, the Project scheduled meetings to design a traceability program that could be implemented among producer groups.
- Technicians drafted a proposal for the traceability program. The Executive Director of FUNDASISTEMAS presented the proposal at an event organized by one of Guatemala’s principal buyers of premium coffee (using a consumer based and social responsibility approach).

The proposal is designed to set minimum levels for evaluation and compliance with quality standards as required by the market. The proposal intends to build trust with buyers and reduce transaction costs by assuring quality in such a way as to increase producers’ income levels.

The event provided an opportunity to engage with the individuals responsible for measuring impact, regional purchasing and corporate social responsibility. The Project requested that they evaluate the proposal. All three expressed high interest in doing so and are currently involved in selecting organizations to launch the program, set the date and define quantities.

- The Project moved forward in drafting a proposed entrepreneurial index system soon to be presented to RVCP Consortium organizations for approval.

Table 2
Results Summary for RVCP Component 1

Component 1: Improved Competitiveness along the Value Chains				
– FY2015 Results Summary				
Targets for the Coffee and Horticulture Value Chains				
Description	Life of Project	FY2015 Target	First Quarter Results (Oct-Dec 2014)	FY2015 Progress %
Coffee:				
Total 100 lb. sacks of parchment coffee per hectare *Target reviewed and modified in July 2014	25	20	18	90%
Total number of producers investing in coffee plantation renewal	2,253	1,038	94	9%
Total area (in hectares) with renewed coffee plantations	1,397	665	7	1%
Total number of wet mills new or modified to comply with standards for efficient water use and waste water disposal	16	2	7	350%

Total number of new or remodeled hand-operated mills this quarter suited to appropriate handling of byproducts	To be determined	96	41	43%
Horticulture:				
Total number of horticulture producers implementing controlled conditions (greenhouses, macro-tunnels)	90	100	30	30%
Total hectares planted with crops in controlled conditions (greenhouses, macro-tunnels)* *Target reviewed	3	2.6	1.6	62%
Export crops promoted	1	1	3	300%
Crops with intermediate or final processing	5	1	-	
Number of chains between small scale producer organizations and other stakeholders along the horticulture value chain	10	7	4	57%
Overall:				
Number of jobs created as a result of RVCP assistance* *Target reviewed and modified in July 2014	33,528	7,489	1,420	19%

4.2.2 Component 2: Broadened Participation in Value Chains

- **FUNCAFE**

- **High School Pilot Program (graduates specializing in coffee or horticulture production)**

- **High School Degree plus Certification in Coffee Production**

A total of 13 students graduated from the program in November 2014 with RVCP scholarships. The students represent nine small producer groups in San Marcos and Huehuetenango. The students graduated having developed the skills to undertake coffee production in particular, and to contribute to managing their organizations. They are prepared to either continue on with higher education or to seek employment as skilled workers.

In addition, ten students with RVCP scholarships started the program and completed their first year satisfactorily –ready to begin year two in 2015.

During the reporting period, the Project worked on selecting candidates for the next class of scholarship students in coffee production. Staff reviewed 43 applications and selected 20 students to enter the program in 2015. Since one of the admission requirements stipulated that applicants must score above 60 on the admissions test, only 20 applicants passed. Nevertheless, school authorities offered to provide a remedial course that enables the Project to provide scholarships in 2015 for 30 students.

- **Degree plus Certification in Horticulture**

The Project completed the selection process this quarter for students applying for scholarships to Universidad del Valle de Guatemala (UVG Highlands Campus) as financed by RVCP. The Project reviewed a total of 45 applications and the university accepted 13 students (nine men and two women). The Project confirmed FUNCAFE support and submitted the documentation required for scholarships and registration for the 2015 school year.

The Project scheduled a site visit to the UVG Highlands Campus this quarter for students and parents together with authorities from FEDECOAG, UVG and FUNCAFE. Students and parents toured the campus, observed teaching methodology and studies offered.

The 13 scholarship recipients are officially registered for class in January 2015. FUNCAFE provided assistance to select the candidates at one or the other of their two regional offices (with FEDECOAG) and work with the students to complete their applications and registration.

FUNCAFE also engaged *Central de Educacion Cooperativa* (CEC in Spanish) to look into offering certification courses on potato production for low-income youth from producer organizations that need to build technical and management skills (primarily for certified seed production). The Project agreed with FEDECOAG to follow up on progress in 2015 to implement the program.

■ **ANACAFE (Coffee Value Chain)**

– **Financing**

Catholic Relief Services provided GTQ160,000 to fund six RVCP producer groups in Nuevo Progreso, San Marcos to procure supplies to establish coffee nurseries.

– **Local Government Support**

As part of the activities covered by the agreement between the Municipal Government in San Miguel Ixtahuacan and *Asociacion de Caficultores Miguelenses* (ACMI) (comprised of *GAT La Lima*, *GAT Legal*, *GAT La Pena* and *GAT Siete Platos*), the local government continued to fund efforts. To that end, RVCP provided assistance in budgeting supplies according to ANACAFE technical specifications and priorities that would ensure that new coffee plantations become well established. The local government funded the effort in the amount of GTQ800,000.

In addition, municipal authorities continued to participate in RVCP activities that included a tour scheduled for ASOBAGRI and hosted by two municipal authorities and a technician from the municipal economic development department.

■ **FEDECOCAGUA (Coffee Value Chain)**

– **Financing**

Table 3 summarizes financing available to RVCP producers this quarter as crop advances or triangulated credit through RVCP co-ops, FEDECOCAGUA and local banks.

In addition, *Cooperativa Tajumuco* received funding from local banks in the amount of GTQ 3,000,000.00 and *Cooperativa El Porvenir* provided advances against crops using its own capital.

TABLE 3**Financing**

	Co-op	Financing (in GTQ)
1	<i>Cooperativa La Esperansita</i>	300,000.00
2	<i>Cooperativa San Jose</i>	250,000.00
3	<i>Cooperativa Nuevo Progreso</i>	80,000.00
4	<i>Cooperativa Tajumuco</i>	3,800,000.00
5	<i>Cooperativa San Pedro Necta</i>	200,000.00
6	<i>Cooperativa San Jose El Obrero</i>	3,000,000.00
	TOTAL	7,630,000.00

- **Increased Membership**

Table 4 summarizes the organizations that increased membership this quarter as a result of RVCP assistance.

Table 4**New Members (Oct – Dec 2014 Quarter)**

	Co-op	New Members (male and female)		
1	Cooperativa El Porvenir	4	2M	2F
2	Cooperativa San Pedro Necta	2	1M	1F
3	Cooperativa San Jose El Obrero	17	14M	3F
4	Cooperativa Todosantera	2	1M	1F
	TOTAL	25	18M	7F

- **FEDECOAG (Horticulture Value Chain)**

- **Financing**

A total of 254 producers (177 men and 77 women) from seven producer groups leveraged funding this quarter in the amount of GTQ1,142,562. The funds will go toward improving production of horticulture products and increase household income.

Table 5 summarizes producer financing.

- **Individual and Organizational Credit Ratings**

Producers and organizations complying with established credit regulations and policies while making payments on time qualify for additional credit.

Table 5
RVCP Producer Group Financing

No.	Organización	Ubicación	Cartera concedida Q.			Beneficiarios		
			Hombres	Mujeres	Total	H	M	Total
1	Cooperativa Agrícola Integral El Paraiso R.L	Tejulla, San Marcos	108,300.00	56,300.00	164,600.00	32	17	49
2	Cooperativa Agrícola Integral 10 de abril R.L	San Marcos, San Marcos	343,900.00	78,700.00	422,600.00	16	12	28
3	Cooperativa Integral de Producción Artesanal San Pedro Unido R.L	San Pedro Sacatepéquez, San Marcos	-	90,000.00	90,000.00	0	17	17
4	Asociación EL ESFUERZO	San Pedro Sacatepéquez, San Marcos	203,362.00	-	203,362.00	3	0	3
5	Cooperativa Agropecuaria y de Servicios Varios "Nueva Esperanza", R.L.	Sansebastian H, Huehuetenango	128,700.00	33,000.00	161,700.00	117	30	147
6	Cooperativa Agropecuaria y de Servicios Varios "San Bartolo", R.L.	Aldea los Regadillos, Chiantia, Huehuetenango	-	10,000.00	10,000.00	0	1	1
7	Asociación de Agricultores Tinecos -ADAT-	Aldea San Martín, Todos Santos Cuchumatán, Huehuetenango	90,300.00	-	90,300.00	9	0	9
TOTALES			874,562.00	268,000.00	1,142,562.00	177	77	254

– **Women and Youth in Producer Group Decision Making**

A total of seven new horticulture producer groups joined the Project this quarter. The expansion covers 92 members in positions of authority (board of directors, oversight committee, education committee, credit committee and others) of which 26 (28%) are women and 66 (72%) are young men.

As of December 31, 2014, a total of 19 organizations had 235 members in positions of authority personas (board of directors, oversight committee, education committee, credit committee and others), of which 69 (29%) are women and 166 (71%) are men.

– **Increased Membership**

As of December 31, 2014 the membership in RVCP horticulture producer groups increased by 841, of which 158 (19%) are men and 683 (81%) are women.

**Table 6
Results Summary for RVCP Component 2**

Component 2: Broadened Participation in Value Chains				
FY2015 Targets				
Description	Life of Project	FY2015 Target	First Quarter Results (Oct-Dec 2014)	FY2015 Progress %
Total number of partnerships between producer groups and savings and loan organizations as a result of Project coordination, assistance or support this quarter	12	6	2	33%
Total number of partnerships between producer groups and government entities (municipalities, ministries, public entities) as a result of Project coordination, assistance or support this quarter	To be determined	4	--	0%
Total number of partnerships between producer groups and private sector entities (companies, business associations, foundations, NGOs, etc.) as a result of Project participation	23	3	2	67%
Total number of producers receiving financing (loans, advances, etc.) as a result of Project coordination, assistance or support this quarter*	9,000	2,200	1,370	62%
* This result replaces "number of triangulated credit as a result of Project coordination, assistance or support." Targets reviewed and modified in July 2014.				
Total funding received by producers this quarter (\$1.00 = GTQ7.80)	To be determined	\$5,144,936	\$1,124,687	22%
Total number of organizations with women and youth in decision-making positions	40	59	71	120%
Total number of agreements with municipal governments to support producer organization activities	4	1	--	0%
Total funds leveraged and invested in Project activities (in GTQ)	GTQ24,000,000	GTQ7,421,110	GTQ974,020	13%
Total number of COCODES and/or COMUDES working with the Project	45	27	8	30%
*LOP target reviewed and modified in July 2014				
Total number of producer organizations that increased membership as a result of RVCP strengthening activities. *Result reviewed and modified in July 2014	To be determined	44	4	9%
Total number of individuals graduated/trained at high school level with specialized studies in coffee and horticulture production	120	60	13	22%
*Result reviewed and modified in July 2014				

4.2.3 Component 3: Improved Agricultural Productivity

- **ANACAFE (Coffee Value Chain)**

- **Technical Assistance on Good Agricultural Practices (GAPs)**

Technicians scheduled 95 technical assistance visits to producers from the 23 RVCP organizations in San Marcos as part of efforts to follow up on recommendations and specific programs, including additional demonstrations and training activities.

The training focused on fertilization for coffee nurseries and strengthening the mechanisms used to improve coffee quality (ideal harvest, tools and de-pulping equipment, fermentation, drying and solid waste and waste water management).

- a) **Specific Programs**

The Project designed 26 specific assistance programs on production processes including coffee nurseries (11), coffee seedlings (7) and improved productive processes (8).

- b) **Agricultural Training**

Technicians organized eight training events to benefit 214 producers (187 men and 27 women) representing the organizations listed below.

- *Asociacion de Pequeños Productores de Cafe de Liberacion (APECAFEL)*
- *Asociacion Campesina Unidos Por La Paz y El Desarrollo Integral Comunitario*
- *Asociacion de Pequeños Productores Agricolas Entre Cerros (APPAECE)*
- *Cooperativa Nuevo Eden*
- *Cooperativa Nuevo Porvenir*
- *ECA Emanuel*
- *ECA Nueva Escocia*
- *GAT Nuevo San Luis*

The Project continued to work in Huehuetenango on scheduled technical assistance activities, but the crop cycle only allowed for events focusing on soil conservation and disease-resistant varieties (on 4.34 hectares) in Santa Cruz Barillas.

- **Climate Change Mitigation**

- a. **Waste Water Recycling**

Organizations using hand-operated wet mills can recycle wastewater and coffee pulp for composting (to fertilize coffee plantations or other crops).

The Project worked with *Cooperativa Integral Agricola Nuevo Eden* in San Marcos to implement a water recycling system at their wet mill facility --ensuring more efficient use and treatment of water resources.

Technicians provided assistance to *Asociacion Flor del Cafe* in Santa Rita, Sibinal, San Marcos to implement water treatment systems at their wet mil facility (avoid contaminating nearby streams and rivers). The assistance included a primary treatment step to deposit wastewater in holding tanks for filtration and separation of solids.

The Project also followed up on appropriate handling of byproducts from wet mil processing using holding tanks at the wet mil modules that RVCP set up as demo models.

In Huehuetenango, the Project procured 58 units of environmentally-friendly de-pulping equipment for an equal number of members from ASODIET, ASDEFLO, BITENAM ASOPERC, ADICEP, ASCAFCA and ASPROAG, as well as from the following GATs: *Buenos Aires, Centro Jolomtj, San Jose Jolomtj, San Jorge, Nuevo Triunfo, Blanca Flor, San Francisco Jolomtj, Villa Linda, Providencia I and Providencia II.*

b. Bio-Beds

The Project worked with two rural training centers for coffee production (CERCAFES in Spanish) in San Miguel Ixtahuacan to set up bio-deposits to dispose of fumigation residue and rinse water. In addition, technicians set up filtration wells for wastewater from coffee processing facilities.

▪ **FEDECOCAGUA (Coffee Value Chain)**

– **Technical Assistance on Good Agricultural Practices (GAPs)**

The Project provided producers with technical assistance on the following GAPs:

- a) Planting varieties resistant to coffee rust disease (RVCP donated Sarchimor seedlings).
- b) Use of organic fungicides to control coffee rust at the following co-ops: *San Pablo, La Bendicion, Comunidades Unidas, 21 de Octubre, La Esperansita, Chojzunil, Maxbal and Union Coataneca.*
- c) Set up live barriers at the following co-ops: *Todosanterita and Tajumuco.*
- d) Work with the following co-ops to protect water sources (using buffer zones): *San Jose El Obrero, Todosanterita, Tajumuco and San Pedro Necta.*
- e) Integrated nursery management for 15,000 seedlings at *Cooperativa Comunidades Unidas* and 20,000 seedlings from *Cooperativa 21 de Octubre.*
- f) Appropriate use and handling of post-harvest wastewater to avoid environmental pollution from wet mill processing.
- g) Maintenance procedures for 142 sedimentation wells for waste water treatment.
- h) Maintenance procedures for 37 septic tanks for the following co-ops: *Todosanterita and Tajumuco.*

- i) Restructure two shared bio-beds as required for rinsing spraying and personal protection equipment at *Cooperativa San Pedro Necta* and *Cooperativa Todosantera*.
- j) Water recycling at the wet mill facility operated by *Cooperativa San Jose*.
- k) Close monitoring of the interval between the final spraying and the coffee harvest.

In addition, RVCP promoted innovative technology for efficient integrated management of coffee crops and distributed the appropriate equipment as summarized below.

- a) 13 heavy-duty seed drillers to encourage mechanization and planting of shade trees as a means to reduce costs and minimize labor enabling producers to invest in other productive activities that generate additional revenue. An additional advantage is that the use of the equipment strengthens capacity within their service brigades. The equipment is managed by the administrative staff from selected RVCP organizations, as follows:
 - *Cooperativa Hoja Blanca* (1 driller).
 - *Cooperativa Todosantera* (2 drillers).
 - *Cooperativa Nuestro Futuro* (1 driller).
 - *Cooperativa El Porvenir* (1 driller).
 - *Cooperativa San Jose El Obrero* (2 driller).
 - *Cooperativa Tajumuco* (1 driller).
 - *Cooperativa San Pablo* (1 driller).
 - *Cooperativa 21 de Octubre* (1 driller).
 - *Cooperativa San Jose* (1 driller).
 - *Cooperativa Cocolense* (1 driller).
 - *Cooperativa La Bendicion* (1 driller).

- b) The Project supplied growers with 25 heavy-duty portable pruning equipment to increase mechanization of plantation renewal (productive tissue management and shade management) as a means to reduce costs and increase time available for other productive activities to diversify income.

The organizations benefitting from the pruning equipment are listed below.

- *Cooperativa Hoja Blanca* (2 units).
- *Cooperativa Todosantera* (3 units).
- *Cooperativa Nuestro Futuro* (2 units).
- *Cooperativa El Porvenir* (2 units).
- *Cooperativa San Jose El Obrero* (4 units).
- *Cooperativa Tajumuco* (2 units).
- *Cooperativa San Pablo* (2 units).
- *Cooperativa 21 de Octubre* (2 units).
- *Cooperativa San Jose* (2 units).
- *Cooperativa Cocolense* (2 units).

- *Cooperativa La Bendicion* (2 units).
- **Climate Change Adaptation**
 - a. Technicians modified 142 sedimentation tanks for an equal number of individual wet mills to ensure that growers appropriately handle wastewater and avoid polluting nearby water sources. The organizations benefitting from the activity are listed below.
 - *Cooperativa Tajumjuco* (40 tanks).
 - *Cooperativa Todosanterita* (42 tanks).
 - *Cooperativa San Pedro Necta* (20 tanks).
 - *Cooperativa Nuestro Futuro* (15 tanks).
 - *Cooperativa Pena Roja* (15 tanks).
 - *Cooperativa Hoja Blanca* (10 tanks).
 - b. The Project modified four sedimentation wells with funding provided by UGK Foundation (procure materials including cinder blocks, chicken wire and zinc sheeting). The modified tanks will serve as models for other members. Total investment for each well was GTQ 2,000. to benefit the following co-ops:
 - *Cooperativa Rio Limon* (two modified waste water treatment wells)
 - *Cooperativa Coataneca* (two modified waste water treatment wells).
 - c. UTZ Certified, *Confederacion de Cooperativas de Centro America y El Caribe* and *FEDECOCAGUA* provided funding to install three pilot projects on waste water management to benefit three producers representing *Cooperativa San Jose el Obrero* (2) and *Cooperativa Nuestro Futuro* (1). RVCP provided technical assistance to implement the pilots as a means to reduce water contamination and avoid deforestation by producing methane gas to replace firewood for cooking (using flexible biodigestors).
 - d. The Project built a shed to be shared by producers in the region from *Cooperativa Nuestro Futuro* in La Democracia to dispose of used pesticide containers. Once the containers are collected they are transferred to the AREQUIMA recycling facility.
 - e. The Project established live barriers and terracing on 173 hectares of land as measures to retain soil moisture and avoid erosion.
- **FEDECOAG (Horticulture Value Chain)**
 - **Technical Assistance on Good Agricultural Practices (GAPs)**
RVCP worked with 1,707 agricultores (1,198 men and 509 women) from 19 horticulture producer groups on GAPs as summarized below.

- a) Soil conservation practices and design;
 - b) Use and safe handling of pesticides (number of applications, dosage, frequency, application days, spray heads and personal protection);
 - c) Use and management of organic fertilizers to improve plant nutrition;
 - d) Use and management of bio-beds to collect and biologically degrade pesticide residues;
 - e) Reforestation efforts to protect water sources;
 - f) Climate change adaptation, including awareness campaigns, promotion and distribution of material;
 - g) Soil sampling to improve plant nutrition;
 - h) Use and handling of improved varieties (peas, lima beans and potatoes)
 - i) Food safety and production handling, including pre-sorting, transportation, product handling, processing, drying and hygiene and sanitation, and
 - j) Production traceability and awareness raising among producers regarding the measures, actions and procedures that record and/or certify a product from origin to end user.
- **Technical Assistance and Support to Horticulture Producers using Irrigation**
The Project provided technical assistance and training for horticulture producers that installed 81 macro-tunnels and drip irrigation systems. As a result, producers increased their knowledge base on more efficient use of water, appropriate maintenance of water sources, consumption, appropriate watering times, crop water requirements, spray heads, irrigation hoses, pH requirements and water quality.
 - **Greenhouse Production**
The Project continued to work with producers by providing technical assistance and training on greenhouse production (use of specific varieties, registered seed, certified seed, soil types, temperature and humidity controls, local market access, management plans, production plans, production costs, quality and yields).
 - **Macro-tunnel Production**
The Project moved forward to provide producers with technical assistance and training on agricultural work plans that cover the total land area, seed type, organic fertilizer requirements, chemical fertilizers, use, days and pesticide dosage, production costs, production quality and yields.

Table 7
Results Summary for RVCP Component 3

Component 3: Improved Agricultural Productivity – FY2015 Targets				
Description	Life of Project	FY2015 Target	First Quarter Results (Oct-Dec 2014)	FY2015 Progress %
Number of GAPs promoted	10	10	10	100%
Number of good practices promoted to adapt to climate change	6	6	6	100%
Number of horticulture producers using irrigation systems	1,800	1,200	-.	0%
Producer investment levels to renew coffee plantations (in GTQs)	To be determined	Q7,000,000	Q260,000	4%
Total number of organizations with management positions on payroll	30	20	15	75%
Total number of organizations beginning capital accrual programs	10	26	-.	0%

4.2.4 Component 4: Increased Trade and Expanded Markets

This Component was eliminated from the original proposal and is not covered by the Cooperative Agreement between USAID and the Consortium.

4.2.5 Component 5: Increase Food Production and Improve Food Use

FUNCAFE is the Consortium organization responsible for collecting the data produced by the technical teams from ARTEXCO, FEDECOCAGUA, FEDECOAG and FUNCAFE working on the RVCP component on food security and improved household nutrition. This quarter, the Project benefitted a total of 3,214 members and their families from RVCP producer groups to reach a total of 17,493 individuals (50.53% women and 49.47% men).

- **Training on Child Health and Nutrition**

According to data from the FUNCAFE database, a total of 2,739 individuals participated in training workshops (39% men and 61% women). It is worth pointing out that the level of participation this quarter dropped significantly due to the coffee harvest. To make a living and provide for their families, growers place a high priority on putting in the time required to harvest their coffee.

Furthermore, most of the Project field technicians request their vacation time during the year-end holiday season. Their absence during the reporting period also constrains RVCP capacity to organize training activities. Regardless, the Project reports that the number of training participants this quarter is consistent with annual targets (FUNCAFE is expected to train 2,500 individuals each quarter for a total of 10,000 individuals for FY2015).

- **Training Participants**

FUNCAFE data show an accumulated total of 5,784 participants in training activities on health and nutrition (52.5% women and 47.5% men). Of these, 1,060 (484 men and 576 women) received more than 12 hours of training during more than 80% of the workshops on food security and nutrition. A total of 1,097 individuals (577 men and 520 women) participated in training on family gardens and 289 individuals (148 men and 141 women) were trained by the Project on sexual and reproductive health. Most of the training participants are members or families of RVCP coffee producer groups.

- **Children under Five Benefit from Activities on Health and Nutrition**

Over the reporting period, the Project worked to include 281 children under the age of five in the RVCP component on food security and nutrition. The children come from the families that just recently joined Project activities. The FUNCAFE database indicates that 2,146 children under five are directly or indirectly benefitting from RVCP activities on food security and nutrition. Parents and grandparents participated in training courses on nutritious food preparations, caring for children under two and other activities to improve child health and nutrition. Tables 8 and 9 summarize the activities benefitting more than 2,000 children under five.

Table 8
Location and Gender of Children Benefitting from RVCP Training

Province	Children < Age 5	Male	Female
Huehuetenango	1,490	771	719
San Marcos	656	330	326
Total	2,146	1,101	1,045
		51.30%	48.70%

Table 9
Location and RVCP Organization

Organization	Children < Age 5	Male	Female
ANACAFE	990	532	458
FEDECOCAGUA	462	225	237
FEDECOAG	514	253	261
ARTEXCO	180	91	89
Total	2,146	1,101	1,045

- **Family Gardens**

A total of 3,044 families have planted vegetable gardens and received micro-irrigation systems this quarter to water an area as large as 50 mts.². The irrigation system ensures that families can produce enough food through the dry season.

FUNCAFE worked over the reporting period to organize workshops on family garden production to benefit a total of 1,126 participants (51.68% women). It is noteworthy that women have increased the participation in workshops on agricultural topics, most likely attributable to the fact that men are spending more of their time tending to their crops. It could also be the result however of Project efforts to raise awareness about equal opportunities for both sexes as promoted by FUNCAFE in their training events. A total of 1,097 participants completed 12 hours of training on family garden production with at least 80% attendance levels. Participants must meet both parameters for FUNCAFE to consider them fully trained.

- **School Gardens**

The Guatemalan school year ends in October, therefore the Project put school garden activities on hold until classes reconvene in January 2015. To ensure that school gardens would be ready for students in January, FUNCAFE technicians provided irrigation instructions and recommendations, and also asked school authorities to store the tools and water filters for safekeeping. In those schools where there is an opportunity to continue growing crops over the break, technicians recommended planting legumes to enhance and nourish the soil.

- **Training Primary School Teachers on Health and Nutrition**

Over the reporting period, FUNCAFE focused efforts on training primary school teachers in the RVCP target area, but plans to expand the effort as of next quarter to include health and nutrition.

- **Health and Nutrition Training for RVCP Beneficiary Families (Coffee, Horticulture and Handicrafts)**

The Project recorded a total of 1,613 participants at workshops on health and nutrition organized by FUNCAFE. Based on data gathered from home visits and surveys, technicians confirm that families are implementing good practices in the home following training, and applying the knowledge they acquired during activities on food security and nutrition. Results show that 275 (90%) of the 306 families that participated in RVCP training are keeping their homes clean and neat. A total of 291 families (95%) are making appropriate use of latrines, 234 families (76%) are disposing of waste in receptacles and 154 children (86%) are clothed and shod.

- **Water Purification**

A total of 872 new families received a water filter this quarter provided by RVCP after participating in at least two educational workshops on hygiene, cleanliness and safe water. By requiring the training, FUNCAFE is ensured that families are aware of the importance of hygiene within their home, the need to consume safe water and the methods used in rural areas to filter water using available resources.

By providing the training and supplying selected families with water filters, the Project is contributing to the reduced incidence of gastrointestinal disease. FUNCAFE records after monitoring field activities show that 97.7% of RVCP member families participating in activities on food security and nutrition are not suffering from diarrhea.

Fuel wood Efficient Stoves for Schools and Residences

During the reporting period, technicians scheduled home visits to assess compliance by families in need of fuel wood efficient stoves. The Project identified more than 300 families throughout San Marcos and Huehuetenango. FUNCAFE plans to procure the stoves immediately to begin delivery next quarter.

FUNCAFE technicians have been monitoring appropriate use of the stoves and reduction in fuel wood consumption for food preparation and confirmed that 100% of the families currently using the improved stoves are doing so as instructed. In addition, 100% of the families reported having reduced their consumption of fuel wood by at least 50%. Families indicate that the improved stoves save them money, make for a cleaner environment in the home and contribute to overall improvements in their standard of living. As a result, technicians conclude that families are very well aware of the need to use the stoves appropriately and they also appreciate the positive effects of the improved stoves on their homes and wellbeing.

- **Community Outreach and Communication**

FUNCAFE continues to promote health and nutrition issues through training activities at the community level, primarily through grower co-ops, associations and GATS within the coffee, horticulture and handicraft value chains.

Communities within the RVCP target area usually have about 20 or 25 members of the Project grower groups that participate in training events organized by FUNCAFE. The activities promote family nutrition and health with a strong emphasis on caring for children under the age of two, women of childbearing age, or pregnant and nursing mothers.

The Project takes special care to tailor the training material to the community context and to include visual aids to convey the knowledge. Feedback from participants and community leaders confirm that participants readily accept the methodology and visual aids.

Table 10
Results Summary for RVCP Component 5

Component 5: Increased Food Production and Improved Food Use – FY2015 Targets				
Description	Life of Project	FY2015 Target	First Quarter Results (Oct-Dec 2014)	FY2015 Progress %
Total number of participants in training activities on child nutrition and health (targets modified using FtF Indicator 3.1.9-1)	35,000	10,000	2,739	27%
Total number of children benefitting from health and nutrition activities	15,000	5,000	281	6%
From previous total, children under five	1,500	1,500	281	19%
Total number of family gardens to increase availability of foods over the reporting period	5,000	1,500	451	30%
Total number of schools using food and nutritional security practices for their students	60	60	55	92%

Total number of schools using an improved fuel wood stove to safely prepare students' meals	60	60	47	78%
Total number of families drinking safe water	5,000	1,500	872	58%
Total number of families using improved fuel wood stoves to safely prepare meals	1,500	500	--	0%

4.2.6 Component 6: Improved Handicraft Value Chain

- **Training Producers on Business Administration**

- a) ARTEXCO provided technical assistance to *Asociacion de Desarrollo Integral y Capacitacion (ADICA)* in Chexap, San Sebastian, Huehuetenango, as well as to *Asociacion de Desarrollo Agricola Integral (ADAIN)* in Chalhuitz, Todos Santos Cuchumatán to review both organizations' current status at SAT. As a result of the file review, Project staff confirmed the following:
 - ADICA is missing six tax returns (three monthly income tax returns from 2011 and three VAT statements in 2011). The Project will work with the organization to comply.
 - ADAIN has no omissions in the file, but information required updating (registered accountant on file and other items that had not been updated in 16 years).

ARTEXCO will provide additional technical assistance to both organizations to ensure that pending issues be resolved at SAT.

- b) To ensure that members of RVCP handicraft organizations acquire first hand knowledge regarding the quality demanded of their products in competitive markets, the Project provided assistance this quarter for organizations to participate in the Fashion Show & Holiday Market organized in Antigua Guatemala. Eight artisans (six women and two men) representing six RVCP organizations (*Canton Norte, Mujeres Unidas, Sibinal, Cooperativa La Jacaltequita, Txejoj* and *Asociacion ADICA*). The event provided a hands-on opportunity to learn about product design, innovation and color trends and enabled the artisans to see the need for training on quality control, delivery times and pricing that would enable them to be competitive on the domestic market. The groups that participated in the event found the experience exchange very useful.

- **Best Productive Practices**

- a) The Project granted funds to members of RVCP organizations to transition from back strap looms to foot looms. The Project found that 98% of the RVCP organizations use back strap looms to produce their traditional weaving for everyday use. The technique is time consuming and production of a single piece can stretch to three months. A more efficient alternative for commercial purposes calls for a foot loom, cutting production times down from three months to a week. The cost of the finished product can be reduced by 60%, which provides more room to increase the portion of labor costs..
- b) The Project organized the first workshop (two weeks of classroom sessions followed by practical exercises) offered to leaders representing seven producer groups to instruct on basic principles and production methods for foot looms. A total of 20 artisans (95% women) attended the workshop (100% of the target for FY2015). The event was designed to enable participants to

replicate the content and share it with the other members of their organizations to benefit a total of 340 artisans (receiving the foot loom). As a result, the Project expects to see increased productivity of handicrafts in selected communities.

The Project noted a significant impact as a result of the two-week training. For years, artisans were under the impression that only men could weave on a foot loom –considering it machinery. Women were not thought capable of operating machinery, nor considered it affordable (GTQ5,000-6,000 for a foot loom compared to GTQ125 for a back strap loom). Participants were very pleased with RVCP support in this regard and consider it a means to not only produce the textiles they require for daily use, enabling them to sell a surplus within their communities, but they also realize the cost reductions and time savings are very significant.

The Project notes that five artisans from ARTEXCO core co-ops (over 35 years experience) welcomed technicians into their homes to teach the foot loom techniques to their fellow members. Furthermore, the gesture contributed to building trust and promoting additional experience exchanges in the future.

The training covered six steps in the foot loom weaving process and following the two weeks of instruction, artisans were given certificates as “technical leaders for artisanal production.” Participants are very satisfied with the content and methodology and plan to replicate the process in their communities to ensure that future generations sustain the improvements. The leaders plan to train an additional 100 artisans in their communities.

The ARTEXCO Department of Productive Technical Services recorded the process for foot loom production and will publish a handbook to enable participants to replicate the process.

One of the additional benefits of the training is that participants developed six different types of weave that they transformed into pillows. The products have been competitive and sold on domestic and international markets –an additional incentive to sustain use of the new foot looms.

c) The Project supplied the 20 participants with their own foot looms (representing seven producer groups). ARTEXCO board members, UIP staff and ARTEXCO personnel and technical staff were present to deliver the foot looms that will benefit the following RVCP handicraft producer groups:

1. *Txe-joj, San Sebastian Huehuetenango*
2. *Canton norte Ixcunen, La Democracia, Huehuetenango*
3. *Pajon, Todos Santos Cuchumatan, Huehuetenango*
4. *Asociacion ADAIN, Chalhuitz, Todos Santos Cuchumatan, Huehuetenango*
5. *San Jose Ixcunen, La Democracia, Huehuetenango*
6. *Sibinal, San Marcos*
7. *Cooperativa La Jacaltequita, Jacaltenango, Huehuetenango*

ARTEXCO technicians also scheduled a follow up visit to the groups that benefited from the foot loom training to monitor their continued use.

d) In order to benefit 30 artisanal potters in San Miguel Ixtahuacan, the Project organized a workshop on new production techniques, including a presentation by an expert on entrepreneurial aspects to further motivate and encourage participants. The workshop also covered the characteristics of good pottery clay, quality control and kiln processes. A total of 13 potters completed the training, reporting high levels of satisfaction and a commitment to share and replicate the process to benefit the other 17 potters in their community.

▪ **New Product Design and Production**

The Project planned to benefit 700 artisans with increased income and employment generation from producing 64 new products as summarized below.

a) Textile Pillows (foot loom production by RVCP artisans)

1. square pillows (including fill): 8 units (two each /four color combinations)
2. rectangular pillows (including fill): 8 units (two each/four color combinations)
3. cylindrical pillows (including fill): 8 units (two each/four color combinations)
4. round pillows (including fill): ten units (two each/four color combinations plus two extras).

b) Series of Ten Coats (using *guipil* textiles woven by RVCP artisans)

1. women coats: five units (various colors and designs)
2. men coats: five units (various colors and designs)

c) Ties, cufflinks and bowties (using *guipil* textiles woven by RVCP artisans)

1. bow ties: two units (various colors and designs)
2. ties: two units (various colors and designs)
3. cufflinks: two sets (various colors and designs)

d) Handbags and wallets (using *guipil* textiles woven by RVCP artisans)

1. handbags: 4 units (various colors and designs)
2. women's wallet: 4 units (various colors and designs)

e) High-heeled shoes, booties, baby shoes and hats (using *guipil* textiles woven by RVCP artisans)

1. high heels: two pairs (various colors and designs)
2. men's boots: two pairs (various colors and designs)
3. baby shoes: three pairs (various colors and designs)
4. hats: three units (various colors and designs)

f) Rugs: four units (various colors and designs)

▪ **New Handicraft Markets**

As part of Project efforts to generate 700 new jobs, ARTEXCO participated in a number of trade shows and exhibits as summarized below.

- a) *Centro Comercial Pradera Xela*: seek new international markets, promote handicrafts (sold 58 units, including bracelets produced by artisans from *Cooperativa La Jacaltequita*) with total sales of GTQ1,167.
- b) *Fashion Show* in Antigua Guatemala: to conduct domestic market research and assess consumer demand for a number of designs and launch the ARTEXCO trade brand *Kult*. Also provided an opportunity to exchange experiences with other producers, assess quality, competitiveness, and product transformation.
- c) Fair Trade Expo in Antigua Guatemala: RVCP financed the participation of two artisans representing *Asociacion ADAIN* and provided tailored assistance to take products to market, understand market demands and put new knowledge into practice while sharing results with other members. Participants sold 75 units (bracelets, wallets and handbags) for a total of GTQ2,415.83.

As a result of participating in the events listed above, the new *Kult* brand is positioned on the domestic market; artisans sold 370 products this quarter for total revenues of GTQ11,176.93, to benefit 14 artisans from five groups (increased revenue from handicrafts). The productive process required the creation of 41 part time jobs and five full time positions.

The Project is currently forging an alliance with INGUAT to represent Guatemala at a number of international events.

International Markets: ARTEXCO technicians completed the design of a website to promote products produced by RVCP artisans. The site includes general information, technical descriptions, photos, contact information and online sales for the entire *Kult* collection.

Producers created a sample (belt) for a New York designer using textiles from Jacaltenango.

Table 11
Results Summary for RVCP Component 6

Component 6: Improvements to the Handicrafts Value Chain				
FY2015 Targets				
Description	Life of Project	FY2015 Target	First Quarter Results (Oct-Dec 2014)	FY2015 Progress %
Total individuals trained in business administration	1,800	305	389	128%
Total individuals trained in best productive practices	1,800	930	84	9%
Total number of new handicraft products designed and produced	5	3	64	2133%
Total number of new markets for handicrafts accessed	4	2	1	50%
Additional net income per producer as a result of handicraft sales	US\$ 1,000	\$212	\$166	78%
Total sales this quarter	To be determined	\$300,671	Q. 11,176.93	0.5%

4.3 Cross-cutting Issues

4.3.1 Gender

- ANACAFE technicians report that 77% of members from RVCP coffee producer groups in San Marcos are men and 23% are women. The Project promotes greater participation by women in the organizations, as well as women taking decision-making positions. As a result of Project efforts, 24 women are currently in board positions for seven organizations: *Cooperativa Integral Agricola Nuevo Eden, Cooperativa Integral Agricola Nuevo Porvenir, Asociacion de Desarrollo Integral Buenos Aires, ECA Emanuel, GAT Legual, GAT La Lima and GAT La Pena.*
- ANACAFE technicians also address gender issues in Huehuetenango through the following activities:
 - a) Provide guidance on integrated participation by both genders in producer organizations;
 - b) Provide specific content on gender issues to be included in all training for every step of coffee production to raise awareness among members (at least a 30 minute presentation during each training activity), and
 - c) Graphic design proposal for the gender content presentations to provide handouts at each training event.
- Consolidated data this quarter indicates that 61% of participants in activities on food security and nutrition are women and 39% are men. The Project notes increased participation by women at these events compared to data from RVCP Years 1 and 2.

FUNCAFE continued to raise awareness regarding equal opportunities at the community level and introduced gender issues during training on sexual violence, responsible parenting and gender equality as a means to reduce vulnerability of women within the target areas for RVCP component on food security and nutrition.

Not only have women improved their knowledge regarding hygiene, cleanliness, nutrition, sexual and reproductive health and other issues, but they have also learned about improving their families' diet with produce from their garden (including safe handling and preserving).

- RVCP results include the fact that seven women became members of producer organizations working with FEDECOCAGUA. In addition, 338 women participated in training events organized by the Project.

- FEDECOAG activities for RVCP include strengthening opportunities for women with tailored approaches that address their needs while minimizing inequality between men and women as summarized below.
 - a) Restructuring and designing membership policies to encourage women to join;
 - b) Set up women's committees within RVCP organizations;
 - c) Seek financing for productive projects implemented by women, and
 - d) Six training modules on:
 1. sex and gender
 2. gender roles and power relationships between genders
 3. planning processes using gender equality approaches
 4. women's rights
 5. leadership and board positions
 6. reproductive and productive roles

- ARTEXCO continued to transfer knowledge using guidance on co-operative leadership training for women (six training events on gender issues in which 41 women participated). The Project has therefore surpassed the annual target of 40 participants.

4.3.2 Environmental Mitigation

- The Project provided assistance to members of RVCP producer organizations working with ANACAFE in San Marcos. The assistance was tailored for growers using individual hand operated wet mills on how to treat wastewater and coffee pulp residue as a source of organic material for fertilizer (coffee or other crops). The training is designed to mitigate environmental impact from coffee production.

- Technicians worked with members from coffee producer organizations in Huehuetenango as to soil management and conservation issues and more efficient water use in coffee processing. The training dovetailed with the Project providing 58 de-pulping units that are environmentally friendly to 58 members from 18 organizations. In addition, the Project donated 19 sets of spraying and personal protection equipment to an equal number of organizations. The equipment will be used to control the spread of coffee rust disease as measures to mitigate the effect of some of the activities in the coffee value chain.

- FUNCAFE promoted the use of organic fertilizers and natural pesticides to control pests in family gardens. Technicians scheduled home visits and confirmed that more than 70% of families with vegetable gardens are correctly applying the knowledge acquired during Project activities and are in the habit of using natural methods to control pests.

Families have complied with technical recommendations provided by the Project and increased practices to reduce soil erosion. Family gardens have soil conservation practices in place.

The families benefiting from efficient fuel Wood stoves report reduced firewood between 50-75%. The reduction implies saving in fuel wood consumption of about 3,500 mts³/year.

- FEDECOCAGUA promoted environmental mitigation measures as summarized in Table 12.

Table 12
Environmental Mitigation Measures

	Measure	Area or Amount
1	Soil conservation using live barriers and terracing	173 hectares
2	buffer zones (to protect water sources)	11,300 mts ² (1.13 hectares)
3	waste water holding tanks (manually operated wet mills)	142 wells (4 improved)
4	residential waste water treatment tanks	37
5	pesticide warehouses	0 centralized warehouses
6	Bio-beds	2
7	sheds to collect empty pesticide containers	1

- FEDECOAG worked on environmental mitigation as follows:
 - a) Publish newsletters to keep organizations updated through CAAT on climate changes so that producers can take necessary measures in planning their production;
 - b) Publish pamphlets to inform organizations on agricultural and weather issues;
 - c) Create posters on pest and disease control, personal protection equipment and mixing chemical products;
 - d) Provide technical assistance on methods for chemical applications to control pests and disease;
 - e) Provide technical assistance on applying products to transition from conventional crops to organic crops for export, and
 - f) Implement technology for controlled growing conditions using macro tunnels and drip irrigation systems.

- The Project worked with yarn and thread dyers in the handicraft sector to support and improve environmental practices. ARTEXCO trained 11 artisans conducting dye processes in Salcaja, Quetzaltenango. They currently use 6,000 lts/day of water for their dyeing and are the main supplies of raw material for textile producers in the RVCP target area. As a result of Project efforts, dye processors are more aware of the

environmental impact of their activities and of how to implement relevant mitigation measures.

4.3.3 Financial Services

The Project assisted Cooperativa Esquipulas in La Libertad, Huehuetenango to file a request for US\$ 275,000 to purchase and trade coffee (working capital).

4.3.4 Communications

- FUNCAFE technicians organized the Third Annual Congress on Food Security and Nutrition in October 2014 to promote practices and material for use at the community level. Over 450 persons attended the event, including community leaders, technical representatives from organizations working on health and nutrition and local government representatives. The event provided the Project an opportunity to promote 15 nutritious recipes developed around the key crops from family gardens or native plants.
- FUNCAFE offered space in their *FuncaExpres* newsletter (digital and social media) to publish a quarter-page article every month on RVCP results and progress that will reach over 1,000 subscribers each month. In addition, FUNCAFE set up permanent space on their website (www.funcafe.org) to report on RVCP monthly progress regarding food security and nutrition.
- FUNCAFE promoted RVCP activities in November on food nutrition and security by way of a televised broadcast on *Canal Antigua*. The broadcast included a 17.36-minute video with a special segment on promoting RVCP results (school gardens, family gardens, specialized high school program on coffee production). In addition, the video was posted on social media and YouTube with over 900 views.

4.3.5 Coordination with Local and National Governments (Political Dialogue)

- ANACAFE continued to work in San Marcos to implement agreements and commitments under the technical cooperation agreement with the municipal government in San Miguel Ixtahuacan in support of producers from *Asociacion de Caficultores Miguelenses* (ACMI).
- FUNCAFE continued to provide support for the Community Council on Food Security and Nutrition (*Conejos Comunitarios de Seguridad Alimentaria y Nutricional* –COCOSAN in Spanish) in San Miguel Ixtahuacan. In addition, the Project actively participates in meetings of the municipal councils on food security and nutrition (*Consejos Municipales de Seguridad Alimentaria y Nutricional* –COMUSANs in Spanish) in San Miguel Ixtahuacan, San Jose El Rodeo and Tajumulco, San Marcos, as well as in Jacaltenango and Santa Cruz Barillas in Huehuetenango.

The Project reached out to local government agencies to request that they make efforts to provide health and education services to members of producer organizations. For example, health services in San Miguel Ixtahuacan, San Marcos have expanded to include RVCP communities. FUNCAFE promotes that members benefitting from the component on food security and nutrition access their local health services. To that end, the Project is working with local health clinics to set up medicinal plant gardens, provide technical assistance on micro irrigation systems, water filters and additional educational material.

Entrepreneurial Development

- ANACAFE technicians in San Marcos followed up with 19 RVCP organizations implementing internal controls at coffee wholesale warehouses or regarding their credit portfolios. The effort yields increased trust among members and organizational management and facilitates the flow of administrative data.
- ANACAFE technicians worked in Huehuetenango as summarized below.
 - a) Support producer groups in complying with regulatory requirements.
 - b) Support *Cooperativa Rio Azul* and *Cooperativa Esquipulas* in complying with tax obligations, primarily in filing returns.
 - c) Work with ASDEFLO, ASODIET, ASIAST and *Cooperativa Rio Azul* to set up their accounting records.
 - d) Support ASDEFLO and ADESC to operate principal account ledgers.
 - e) Support and assist ASODIETT, ASDEFLO and AIDEC to hold their regular general assemblies.
 - f) Procure five computers, six desks and six file cabinets to benefit *Asociacion de desarrollo integral el Pajal (ADICEP)*, *Asociacion de Caficultores Flor del Cafe (ASCAFCA)*, *Asociacion de Desarrollo Integral El Esfuerzo Tuiboch (ASODIET)*, *Asociacion de Desarrollo Flor del Cafe (ASDEFLO)* and *Asociacion Integral de Caficultores (AIDEC)*.
- FEDECOCAGUA worked with RVCP producer groups on entrepreneurial strengthening as follows.

Organizational Aspects

- Work with management and staff from *Cooperativa San Pablo*, *Cooperativa Bendicion* and *Cooperativa Comunidades Unidas* to implement INGECOP audit recommendations. The Project provided guidance on procedures to submit support documents and follow up report to INGECOP.
- Technicians worked with the board, manager and accountant from *Cooperativa San Pablo* on guidance to balance the organization's bank statements on a monthly basis.
- Review internal regulations for *Cooperativa Agua Dulce*, *Cooperativa Nuevo Progreso*, *Cooperativa Hoja Blanca* and *Cooperativa Bendicion*.
- Work with the following co-ops on compliance with tax regulations and updated accounting records: *Nuevo Progreso*, *Porvenir*, *Agua Dulce*, *Hoja Blanca*, *San Pablo*, *Bendicion* and *Riveras del Cabuz*.

- Review and update minutes from board and committee meetings (oversight, education, credit, general assemblies) for the following co-ops: *Agua Dulce, Hoja Blanca, San Pablo, Bendicion* and *Porvenir*.
- Work with managers from *Cooperativa Agua Dulce* and *Cooperativa Hoja Blanca* on procedures for management, accounting and financial documents required for external audits by FLO and Cert 2014.
- Work with the accountant from *Cooperativa San Pablo* to balance bank statements (provide written recommendations on procedures).
- Work with the manager at *Cooperativa San Pablo* to draft the audit follow up report for INGECOP.
- Accompany staff from *Cooperativa Comunidades Unidas* to a meeting at INGECOP regarding an audit report.
- Review member files to update personal information and contracts as necessary.
- Work with members and boards from *Cooperativa Agua Dulce* and *Cooperativa Hoja Blanca* to organize general assemblies to approve sexual harassment, environmental and social policies.
- Assist the manager from *Cooperativa Agua Dulce* on file management.
- Work with board members from *Cooperativa Agua Dulce* and *Cooperativa Hoja Blanca* on compliance with organizational bylaws and duties.
- Train members from the oversight committee at *Cooperativa La Bendicion* on duties and responsibilities.
- Review membership policies for *Cooperativa Agua Dulce* and *Cooperativa Hoja Blanca*
- Work with management and board members from *Cooperativa Nuevo Progreso* to improve member services or include new services where applicable.

Accounting

- Review and update accounting records with the following co-ops: *San Pablo, Agua Dulce, Porvenir* and *Nuevo Progreso*.
- Set up the internal management system for *Cooperativa Agua Dulce* and *Cooperativa Hoja Blanca*.
- Set up a template to track member contributions and admission fees for *Cooperativa Agua Dulce* and *Cooperativa Hoja Blanca*.
- Review the use of FONAGRO funding at *Cooperativa San Pablo* and *Cooperativa La Bendicion*.
- Review accounting records to track FLO prizes awarded to *Cooperativa San Pablo* and *Cooperativa La Bendicion*.
- Work with board members and the manager at *Cooperativa La Bendicion* on efficient budget management, duties and responsibilities. Work with three board members, one member of the oversight committee and the manager regarding recommendations and procedures for immediate implementation regarding financial, accounting and management issues.
- Work with the accountant at *Cooperativa Nuevo Progreso* on budget line item classification.

- Review back due accounts at *Cooperativa San Pablo* and *Cooperativa La Bendicion* and provide recommendations to collect payment.
 - Work with the manager at *Cooperativa San Pablo* to implement internal controls for several accounting records.
 - Review payroll records for *Cooperativa San Pablo* and *Cooperativa Agua Dulce*.
 - Work with the accountant at *Cooperativa Riveras del Cabuz* to update accounting records and advise the board on appropriate procedures.
- FEDECOAG worked with horticulture producers this quarter to strengthen their entrepreneurial capacity and provide technical assistance and training on the following issues:
 - experience exchange on accounting policies;
 - updating credit regulations and policies;
 - results evaluations on implemented projects;
 - analyze credit portfolio and recovery plans;
 - compliance with tax and fiscal obligations;
 - compliance with support institutions;
 - project management;
 - safeguarding support documents;
 - compliance with audit recommendations;
 - organizational values;
 - regular financial analysis;
 - staff meetings;
 - digital internal control systems;
 - digital contracts, and
 - monitor and evaluate annual work plans.
 - ARTEXCO made progress on implementing the five SIDEM phases to strengthen entrepreneurial capacity within handicraft producer groups. As a result, there are now four Type B organizations and 16 Type C organizations.

The Project scheduled five learning sessions to implement SIDEM (phases on Governance and Administrative Management), which represents 31% of the annual target. A total of 57 artisans participated in the activity. The Project also provided technical assistance to *Cooperativa La Jalcalita* to review bylaws.

5. Coordination, Cooperation and Exchange Mechanisms with other Institutions Working on Feed the Future (FtF)

- El RVCP continued to participate in meetings of the Central Coordination Committee and the Departmental Coordination Committees for Huehuetenango and San Marcos, a USAID initiative to promote greater cooperation among projects under the FtF initiative.

- The Project continued to coordinate efforts with the USAID MASFRIJOL Project to benefit 396 member families from *Asociacion de Caficultores Miguelenses* (ACMI) in San Miguel Ixtahuacan, San Marcos. The efforts included providing each family with five pounds of improved black bean seeds and FUNCAFE provided training on nutritious meals using black beans while also monitoring crop development in the field.
- The RVCP UIP continued to make progress on negotiating a Letter of Understanding with the MASFRIJOL Project to ensure coordinated activities within the RVCP target area. The Project plans to complete and sign the document early next quarter.
- The RVCP UIP continued to track compliance with the commitments listed under the Letter of Understanding signed with The Nature Conservancy (TNC) under the USAID Project on Climate, Nature and Communities in Guatemala.
- ANACAFE technical personnel continued to coordinate technical activities with Catholic Relief Services (CRS) under the “Cafe Verde” Project in La Reforma and Nuevo Progreso, San Marcos.
- FUNCAFE coordinated activities with PASMO/USAID to organize a workshop in November 2014 on sexual and reproductive health (gender, masculinity, family planning, self esteem, lifestyle, women’s rights, sexual violence, community emergency preparedness, pregnancy and early childcare and STDs). The training provided the Project an opportunity to strengthen skills and increase the knowledge base of health and nutrition instructors from FUNCAFE and FEDECOAG.

PASMO provided educational material for the participants (eight from FUNCAFE and two from FEDECOAG).

FUNCAFE also coordinated efforts with the local staff from the Ministry of Health to hold a similar workshop in Huehuetenango.