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“Helping Indonesia to Grow”

PAPUA AGRICULTURE DEVELOPMENT ALLIANCE (PADA)

Quarterly Report of Project Activities and Achievements Quarter Three 2010 (April – June)

Introduction

The AMARTA-Papua Agriculture Development Alliance (PADA) program is pleased to submit this quarterly report which reviews activities implemented from April – June 2010. A number of milestones and successes were achieved this quarter, including the construction of three fish collecting points and trade stations and a new fish collecting boat. These new resources will help to enhance productivity for the fishermen working with Maria Bintang Laut Cooperative in the seafood business. In addition, the provision of equipment such as solar powered radios and four-wheel drive vehicles continued to enhance coffee development in Baliem and Kammu Valleys, while newly established community buying stations are stimulating the economy in Agimuga District.

Project Management

Monitoring and Evaluation

The following progress was made this quarter against the ten approved USAID indicators:

1a. Number of additional hectares under improved technologies or management practices

No new additional hectares were added this quarter.

1b. Number of additional units of animals, fish, and other aquaculture products under improved technologies or management practices

AMARTA added **14,830 kilograms** of Barramundi and mixed fish (aquaculture) and **3** new swine (livestock) through implementation of value chain interventions.

2. Number of producers organizations, water users associations, trade and business associations, and community-based organizations (CBOs) receiving USG assistance

No additional community organizations were added this quarter.

3. Number of agriculture-related firms benefiting directly from USG supported interventions

AMARTA implemented activities in partnership with **3 agriculture firms**, including the following: Coffee (2), Fisheries (1)

4. Number of individuals who have received USG supported short term agricultural sector productivity training

No new individuals trained were added this quarter. In previous quarters PADA conducted short training programs to provide knowledge on best agricultural practices in an effort to improve local farmers' harvesting capacity and meet international standards. During this quarter, the focus was to assist grantees to buy and market products such as coffee from Wamena and Moanemani, and fish from the Mimika coastal area. Additional trainings on best agricultural practices are planned for next quarter, which will focus on fruit and vegetable cultivation in the villages of Jila, Faka Fuku, Aramsolki, Amungun and Kiliarma, as well as post-harvest handling of coffee in Wamena and Moanemani.

5. Percent change in value of international exports of targeted commodities as a result of USG assistance

The Baliem Arabica Cooperative in Wamena sold 12 tons (12,000kg) of green bean coffee to Paragon Coffee Trading in the USA. The Cooperative earned \$3.57 per kg of coffee, an increase in value of international exports of 100% since this was the first ever export of Papua coffee to the international specialty coffee market.

6. Percent change in value of purchases from smallholders of targeted commodities as a result of USG assistance

Impact of USG assistance has also produced additional positive results in the value of purchases from smallholders compared to last year's comparable quarterly sales:

Coffee, Baliem Arabica Cooperative, Wamena: Value of purchases was \$18,000, an increase of 35 % from last year.

Coffee, Santo Isidorus Cooperative, Bomomani: Value of purchases was \$2,000, an increase of 100% since no purchases were completed last year.

Tropical Fruit (Banana) Faka Fuku, Agimuga community: Value of purchases was \$1,200, an increase of 100% from last year since this is the first time bananas were purchased from Faka Fuku.

Aquaculture Kokonao-Papua, Maria Bintang Laut Cooperative: Value of purchases was \$12,511, an increase of 369% from last year.

7. Number of new technologies or management practices made available for transfer as a result of USG assistance

PADA activities have introduced **6 new technologies** or management practices available for transfer to farmers this quarter, including:

Swine /livestock (4): Swine disease prevention, vitamin injection, farm construction and farm hygiene.

Vegetables (1): Making organic compost for rice, fruits, and vegetables in Agimuga.

Coffee (1): Coffee tree pruning in Bomomani.

8. Number of additional surveillance and/or control systems in place for agricultural threats

No new surveillance or control systems were added this quarter.

9. Number of public private partnerships formed as a result of USG assistance

This quarter, PADA activities established **3 Public Private Partnerships** to enhance agribusiness interventions, including:

(1) Cooperative Baliem Arabica and PT Pangansari Utama; (2) Cooperative Baliem Arabica and Highland Agriculture Development; and (3) Cooperative Santo Isodorus and Highland Agriculture Development.

10. Number of women's organizations/associations assisted as a result of USG Supported interventions

No new women's associations were added this quarter. PADA anticipates forming women's organizations for vegetable cultivation in Jila, Amungun, Kiliarma, and to support banana cultivation in Faka Fuku.

AMARTA Grants Program

During the quarter, AMARTA continued to work with Baliem Arabica Cooperative and Maria Bintang Laut on the final three grants to implement important activities in Papua. Details regarding major accomplishments are noted below.

Kokonao Fishery Program (Maria Bintang Laut Cooperative)

This quarter, the main focus of the Kokonao fishery project was to improve and maintain the quality and quantity of seafood supplied to Timika. The Maria Bintang Laut Cooperative constructed three new seafood storage facilities with internal cooling systems to preserve the fish before delivery to the market. This is vital for two reasons:

First, the locations of some villages are too far from the existing ice factory in Kokonao, making it necessary to have a cold storage facility nearby to store fish and minimize spoilage before making the long trip to Kokonao. Now, villagers can fish every day and store their catch at the new facilities, then later on the 7-ton Maria Bintang Laut boat can collect the seafood for delivery to Timika. The second reason is that frequently fishermen return at unpredictable hours- usually before dawn- requiring a cold storage facility to preserve their catch before transporting to Timika.



AMARTA/PADA staff visits the cool storage buying station in Timika Pantai village

In June, PADA, with additional funding from The Amungme and Komoro Community Development Organization (LPMK), completed the construction of cold storage facilities in three locations: Otakwa, Timika Pantai, and Pomako Villages. The locations were selected based on their proximity to surrounding fishing populations where they will serve as collection points for the Cooperative to purchase fish and sell ice. In addition, these shelters will serve as community markets, which provide important daily supplies.



USAID Mission Director, Walter North, LPMK Executive Secretary, Emanuel Kemong (center), and PT. Freeport-SLD department VP, Mr. Arief Latif handling fish delivery at Maria Bintang Laut Cooperative's new docking and fish collecting point

The new storage system will save fishermen time, energy, and fuel costs. The facility in Pomako Village is near the market in Timika, so it also serves as a docking facility for all Maria Bintang Laut Cooperative boats.

On July 26, 2010, USAID Indonesia's Mission Director, Mr. Walter North visited the Pomako facility and witnessed fish being delivered from coastal villages via Otakwa and Timika Pantai.



Construction of Maria Bintang Laut Cooperative's new docking and fish handling facility at Pomako Harbor



Maria Bintang Laut Cooperative staff cleaning and cutting fish at Pomako Harbor

Papua Coffee Development

Wamena

During the quarter, Baliem Arabica Cooperative focused on monitoring its internal control systems to ensure that all farmers continue to farm organically. The activity is in preparation for the upcoming inspection by the Rainforest Alliance Organization to renew the Cooperative's organic certification. Also, the coffee buying team from the Cooperative continued to socialize best practices in harvesting and post-harvest handling. The standards are important for the Cooperative to ensure the highest quality of coffee is sold to domestic and international buyers.

The Cooperative received extremely positive news on July 22nd from Paragon Coffee Trading Company in the United States. The first ever export container of coffee that was shipped from Papua to Paragon in early 2010 was received and sold very quickly to a number of interested buyers. Paragon has provided a firm commitment to buy virtually the entire supply of coffee from Baliem Arabica Cooperative at a premium price. The agreement validates the efforts and quality control system established over the previous two years and saves the Cooperative time and resources in marketing their product since they have a well known international buyer in place.

Additionally, the PADA program sent an STTA to Wamena for three weeks in June to help the Cooperative focus on business management, including cooperative governance, financial management, and membership participation in business affairs. The Cooperative has done an outstanding job in coffee production, they now need to strengthen their institutional and business capacity to ensure that the Cooperative is managed professionally and the financial statements are documented accurately.



The Director of Baliem Arabica Cooperative socializing proper methods of organically maintaining coffee plants

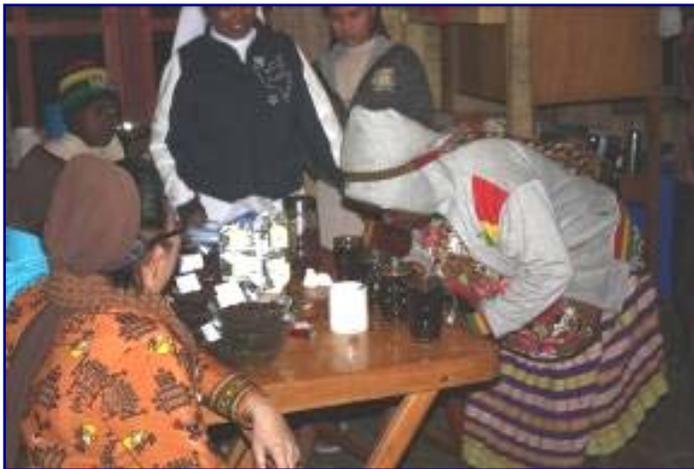


Meeting with farmers to socialize organic coffee farming

Moanemani

The new field coordinators from Santo Isidorus Cooperative have performed well in conducting coffee buying, production, and marketing. During the quarter the Cooperative managed to process and sell 1,050 kg of green bean coffee to a domestic customer, Highland Agriculture Development (HAD), in Timika, Papua. The Cooperative sold the coffee at Rp. 35,000 per kg, which provided a total profit of Rp. 36,750,000 (\$4,083). The retained earnings are currently being used to continue purchasing coffee from local farmers, providing additional income and also helping the Cooperative to continue processing the coffee and expand its market beyond Timika, ideally reaching customers in Jayapura and in Java.

In June, PADA sent an STTA to assist the Cooperative in creating internal systems,



Local women in Bomomani received basic training in coffee cupping

organic coffee farming, and quality controls. The STTA is also responsible for helping strengthen the Cooperative's organizational and financial management systems. The Cooperative currently has a manager who oversees the daily operational activities, including coffee buying, processing, marketing, quality control, bookkeeping, and monthly reports to the Cooperative Director and PADA.

Agimuga

The Agimuga District in Mimika, Papua is comprised of four villages with approximately 1,000 families, most of whom earn their livelihoods from farming and pig breeding. The prices of goods sold in Agimuga are often three times that of Timika for two reasons: First, travel to Timika is done on the river, taking 8 to 10 hours and the cost of traveling by boat is high. Second, there are only three privately owned kiosks operating in the village that can virtually set their prices at will.



PADA continued its work this quarter in Aramsolki with the

STTAs Matheus Sariubang and Djafar Baco explain how to properly plot rice to farmers in Kiliarma Village

Catholic Diocese of Timika generating excellent results, as farmers improved cultivation techniques resulting in producing 4.5 tons of rice per hectare. The rice is still mainly for local consumption, though some farmers successfully sold rice to civil servants in the village.

After seeing the success in Aramsolki, the farmers in three neighboring villages: Amungun, Kiliarma and Faka Fuku also asked for PADA assistance to improve their rice production. In June, the PADA team sent a rice consultant and a swine farming expert to visit the two newly formed farmer groups in Amungun and Kiliarma Villages, where residents eagerly participated. It was agreed that the focus will continue to be on rice for local consumption and then subsequently improving fruit and vegetable farming. The three groups also agreed that there should be a buying station in each village as a trading center to purchase the rice, vegetables, and fruit from farmers, as well as a kiosk that sells basic goods to the community. The construction of the buying stations in Aramsolki, Amungun, Kiliarma and Faka Fuku were completed in June 2010 and are now open for business. The buying stations are shops owned by the community and serve the daily needs of the locals. The PADA team will work with all stakeholders to devise an economically feasible business that can generate a profit, while also providing villagers with essential items that are affordable.

The initial inventory for the kiosks is provided by PADA; once the kiosks start making a profit then restocking supplies will be the responsibility of the shopkeepers and the profits will be invested in the village based on community priorities.



The transport boat helps generate more income for Agimuga villagers

Currently, the community owned boat, which was granted by PADA brings passengers and goods to and from Agimuga, while the John Deere Tractor and trailer, also granted by the project, is used to transport goods throughout Agimuga District. Sometimes local contractors charter the tractor and trailer to complete government projects. All the money made from the boat and tractor operations go directly to the community and are used to support the farmers' needs including local development and health programs.

In Faka Fuku, bananas are plentiful but the farmers are having difficulty marketing the product. The PADA team met with a banana agent in Timika who expressed a willingness to purchase all of the bananas that can be supplied from Faka Fuku. Since the locals do not have any capital, PADA helped fund the initial purchase of bananas to initiate the supply line to the market in Timika. Shipment of the first batch of bananas to

Timika was overseen by Mr. Sanath K. Reddy and Ms. Anna Juliastuti from USAID and AMARTA Chief of Party, Dr. William Levine. The shipment sold for \$1,630, representing the first sale of the crop since it was originally planted in 1995.



Bananas at Faka Fuku dock ready to be loaded on to the boat for shipment to Timika



Buying Station in Kiliarma before renovation.....



and after

PADA Indicators for October 1, 2007 - June 30, 2010

INDICATORS	April -June 2010 (sum)	Total Per Indicator
	Q3 2010	
Number of additional hectares under improved technologies or management practices as a result of USG assistance	-	1,242
Number of additional units of animal, fish and other aquaculture products under improved technologies or management practices as a result of USG assistance	14,833	91,400
Number of producer organizations , water user associations, trade and business associations, and community-based organizations (CBOs) receiving USG assistance	-	74
Number of agriculture related firms benefiting directly from USG supported interventions	3	20
Number of individuals (men and women) who have received USG supported short-term agriculture sector productivity training	-	1,845
Percent change in value of international exports of targeted agricultural commodities as a results of USG assistance	100	100
Percent change in value of purchases from smallholders of targeted commodities as a result of USG assistance	151*	116
Number of new technologies or management practices made available for transfer as a result of USG assistance	6	41
Number of additional surveillance and/or control systems in place for agricultural threats	-	11
Number of public-private partnerships formed as a result of USG assistance.	3	10
Number of women's organizations/associations assisted as a result of USG assistance.	-	-

* Average of four categories collected