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FINAL REPORT:
TRAINING OF ANACAFE TECHNICAL PERSONNEL IN
COMMODITY SYSTEMS ASSESSMENT

By

Jerry La Gra
Commodity Systems Specialist
Inter-American Institute for Cooperation on Agriculture
IICA, St. Lucia

Postharvest Institute for Perishables
College of Agriculture
University of Idaho
Moscow, ID 83843

Cooperative Agreement AID/DAN-1323-A-00-5093-00
USAID Bureau of Research and Development

GTS Report No: 113

November 1991

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FINAL REPORT
TRAINING OF ANACAFE STAFF IN COMMODITY SYSTEMS ASSESSMENT

I. BACKGROUND

In 1990, Thomas Mehen, Director, Bureau for Research and Development (USAID), visited Guatemala to familiarize himself with the Small Coffee Farmer Improvement Project (SCFIP). One of his findings was that the project is largely concentrated on problems of production technology, while the marketing/commercialization of coffee was not dealt with very thoroughly. This meant that the management, organization, technology, institutional and infrastructural arrangements relating to marketing were not addressed in detail.

This finding led to a proposal to access the services of a commodity systems specialist through the Postharvest Institute for Perishables (PIP). This Institute, in coordination with the Inter-American Institute for Cooperation on Agriculture (IICA), had developed a manual, the *Commodity Systems Assessment Methodology* (CSAM) which was thought to be appropriate for systematically addressing the needs of the SCFIP.

In July 1991, ANACAFE, USAID, PIP and IICA reached an agreement whereby Jerry La Gra, IICA Rural Development & Marketing Specialist (St. Lucia) would assist ANACAFE during a period of 20 working days in the organization, execution and follow-up of a workshop to train ANACAFE staff and other technical personnel on commodity systems assessment. The consultant's terms of reference are presented in Annex 1.

II. OBJECTIVES & EXPECTED OUTPUTS

The objective of the workshop was to identify and formulate sound ideas for improving the coffee marketing system on which small coffee farmers depend. In addition, it was felt that the activity would:

- 1) improve communication among professionals assisting the coffee sector;
- 2) improve coordination among relevant institutions;
- 3) improve the information on coffee production and marketing systems, and
- 4) result in development of a practical approach to training professionals and participants involved in the production and marketing of coffee.

The expected outputs of this activity were:

- 1) baseline documents prepared on coffee production and marketing in Guatemala;
- 2) identification of priority problems in the coffee production and marketing system;
- 3) identification of key actors in the coffee system;
- 4) methodology developed for field research;
- 5) improved coordination and communication between institutions and participants in the coffee system, and
- 6) participants trained to use the CSAM methodology.

III. ORGANIZATION AND EXECUTION OF THE WORKSHOP--PHASE 1

3.1 Organization

In June 1991 the consultant relayed to USAID/Guatemala, via PIP, a description of the workshop (including objectives, expected outputs, desired number and disciplines of participants), a proposed agenda and required in-country logistical and secretarial support (Annex 2).

Based on the above, José Luis Jimenez, Coordinator of the ANACAFE Small Farmer Coffee Improvement Project, with the assistance of Roberto Castro, USAID/Guatemala Project Manager, prepared the workshop agenda, invited participants, and proceeded to organize the workshop with the support material requested.

3.2 Description

The workshop was carried out July 15-19, 1991. It was held at the ROCAP Salon de Conferencias in Guatemala City and followed the agenda shown in Annex 3. Facilities and support from ANACAFE were excellent. Lunch was served on the premises, which served to keep the participant drop-out rate to a minimum. Approximately 30 persons from some 10 institutions were present for the presentation of the CSAM methodology on day one. The 20 persons, representing six institutions (Annex 4), were present on a regular basis for the duration of the workshop.

Day one of the workshop was limited to the presentation of the CSAM methodology. The purpose was to stimulate national professionals to think of coffee in terms of a complex system with many interrelated components. A diversity of forms, formats and instruments were presented and their possible adaptation to coffee in Guatemala was discussed. The seven hours of detailed description of the methodology and its application in Guatemala was considered too long by several of the participants. Participants played a very passive role during day one.

Day two of the workshop stimulated more interaction among the participants. Formal presentations were made by national professionals on the following four subject areas:

- macro-economics and coffee related policies;
- coffee production;
- coffee processing (procesamiento), and
- coffee marketing (mercadeo).

The purpose of these presentations was to get a feel for the type of baseline information available on the coffee system and to give all participants a better understanding of the overall system, including pre-production, production, postharvest handling and marketing of coffee.

After each presentation there was a short period for questions, answers and discussion. The resource person raised questions about priority problem areas and important areas in which no information was presented (Annex 5).

By day three of the workshop, there was considerable interaction among the participants. The 26 components of the CSAM methodology were reviewed and those relevant to coffee identified. Some components were considered irrelevant and were eliminated while others were sub-divided. A total of 27 relevant components was selected for analysis in plenary session and a summary sheet was developed. The results shown in Annex 6 indicate whether information on the respective component of the coffee system was presented during day two, whether the information was considered lacking and if so, the source of the required information.

During the balance of day three the participants were divided into four work groups by region. Each group was asked to review the 27 components and list the key actors and priority problems at each of the 27 points in the system.

During day four the resource person led a plenary group session to identify the core problem of coffee production and marketing for small farmers in Guatemala. The group agreed that the core problem could be stated as "low socio economic level of the small coffee farmer and his family in Guatemala." Based on the previous days' work and plenary discussion, the group concluded that there were nine main causes of this core problem. The group also identified a large number of core problem effects. Annex 7-A presents the graphic organization of the core problem and its causes and effects.

Problem trees for two of the main causes were developed in plenary session. These were summarized in graphic form and were used to orient the four work groups. Each work group was asked to develop problem trees for two of the main causes of the core problem, drawing upon the information (actors and problems) generated during day three.

Due to the complexity of the coffee production and marketing system and the large number of components to be analyzed, it was necessary to spend more time than anticipated on problem diagnosis. This led to the modification of the agenda for day five.

During day five, each of the four groups presented their respective problem trees which were discussed in plenary session. Suggestions for improving the presentation of the cause-effect relationships were made in each case and the necessary modifications were made (Annexes 7-B to 7-J).

Following each presentation the resource person analyzed the problem trees and identified potential areas for actions and/or project development. In this way actions and project ideas were identified (Annex 8) for development by the work groups. During the afternoon session (day five) each work group was asked to develop one project profile on a specific topic identified in the plenary session. The work groups were given approximately two hours to write a 2-3 page project profile emanating from the problem trees. As a final activity before the closing session, each of the work groups made a brief presentation of their respective project profiles (Annexes 9-A to 9-D).

The workshop was formally evaluated by 16 of the participants and the results are summarized in section 3.3.

The workshop was formally closed at 6 p.m. with brief statements from José Luis Jimenez, ANACAFE, and Roberto Castro, USAID.

3.3 Evaluation

The summary of the workshop evaluation results is presented in Annex 10. The evaluation asked the participants to rank a number of questions on a scale of 1 to 5, five being considered maximum. The following percentages refer to the number of participants ranking the respective questions at ranks 4 or 5.

With respect to the CSAM methodology, 94% felt the presentation of the methodology was clear; 81% gave it a high rating for general usefulness; 88% thought it highly useful in their respective jobs; 94% felt it to be a useful means of integrating work teams; 100% felt it made a valuable contribution to understanding the ANACAFE coffee project and the diverse problems to be resolved, and 75% thought the methodology was relatively easy to understand and manage.

In general, the methodology was given high marks and was felt to be a valuable tool for problem and project identification.

In response to the question whether the baseline information presented by national professionals was adequate to understand the problems throughout the coffee system, most responses were in the range of 3-4 on the 5 point scale. With respect to pre-production information, 50% of responses were in the range of 4-5; production, 44%; postharvest, 50%; and marketing, 44%.

As was anticipated, the baseline information presented was insufficient to give a complete view of the overall commodity system. While the presentations made were quite good, their main weakness was that they did not touch on all the important components and problems. Some important areas were treated only partially or not at all.

When queried as to whether the results of the workshop were useful for the development of the coffee production and marketing system in Guatemala, 100% of the participants responded in the affirmative, with rankings at the maximum level (4 or 5).

In response to the question of the usefulness of CSAM in the collection of information in rural areas to identify solutions to basic problems, 88% responded with a ranking of 4 or 5.

When asked whether the workshop contributed to a clearer understanding of the production and marketing system for coffee, 81% responded with a ranking of 4-5 in the case of pre-production, 88% in the case of production and 94% in the cases of postharvest and marketing.

One hundred percent of the participants felt that the methodology should be disseminated to other groups of technicians and project leaders. Suggestions were made that it be used to train leaders at different levels, i.e.:

- co-operatives and rural associations (5);
- producers, exporters, intermediaries (3);
- other departments of ANACAFE (3);
- directors and administrators of ANACAFE (2);
- extensionists, credit agents, other rural technicians (2);
- AID project to analyze sub-projects (2);
- planning institutions (1);
- project specialists (1) and
- university programs dealing with business administration (1).

All the participants were of the opinion that the methodology would be used in their work in areas such as:

- problem and solution analysis related to Grupos de Amistad y Trabajo (GAT) and other beneficiaries of the AID/ANACAFE project (4);
- identification of strengths and weaknesses of ongoing projects and design of improved solutions (4);
- organization of meetings of technicians and farmers to identify causes of priority problems and design solutions (4);
- application of the methodology at the regional level with other ANACAFE staff (3);
- analysis of the AID/ANACAFE project chronology (1).

With respect to the length of the workshop, 69% felt it was too short while 31% felt the time was sufficient.

General comments and recommendations concerning the workshop made by the evaluators included the following:

- workshop was very positive, didactically clear, to the point and straight forward;
- didactic material should be made available to participants prior to the workshop;
- more didactic material should be distributed;
- the complete methodology should be applied so that participants understand the problems more clearly and are able to design more effective solutions;
- more workshop time should be dedicated to the formulation-of-projects phase of the methodology;
- the workshop should have follow-up;
- the workshop should be divided into sections with adequate time given to each subject;
- workshop should be repeated to allow participants to become proficient in the methodology;

- another workshop should be organized focusing on diverse projects in Guatemala;
- more time should be allotted to each of the workshop sections, and
- the workshop was very adequate.

3.4 Major Achievements

Some 20 professionals (Annex 4) from ANACAFE, RUTA, PDA, PDRZC and USAID obtained a good understanding of the CSAM methodology and its application.

Considerable baseline information (Annex 5) was assembled on the production and marketing of coffee in Guatemala.

Problem trees (first drafts) were developed in nine key problem areas considered to be the primary causes of low levels of income received by small coffee farmers in Guatemala (Annex 7).

Numerous actions and project ideas were identified and work groups prepared four project profiles (first draft) in priority areas (Annex 8):

- formulation of a rural development plan for small coffee farmers;
- development of a diversification program for small coffee farmers;
- development of an effective system for the generation and transfer of technology for small coffee farmers;
- strengthening and promotion of farmers organizations.

ANACAFE decision-makers stated they intend to utilize the CSAM methodology as a planning and development tool in the strengthening of services for small farmers.

A USAID funded rural development project (Zacapa-Chiquimula) is considering the utilization of the CSAM methodology in the identification and development of self-sustaining rural enterprises.

ANACAFE formed an inter-disciplinary team to provide follow-up and continuity in the application of the CSAM methodology.

The information generated during the workshop, and to be generated post-workshop, is to be utilized in the evaluation of the Small Coffee Farmer Improvement Project.

Due to the similarities of the SCFIP in Guatemala and the Haiti Coffee Revitalization Project (also funded by USAID) the commodity specialist has included the "Consultant's Report on the Marketing of Coffee in Haiti" (Annex 11). A review of this report by ANACAFE staff may provide some useful insights as to the cause-effect relationships impacting coffee quality.

3.5 Follow-up Activities

It was agreed that the development of the final report would be a joint effort between ANACAFE and the commodity systems specialist.

The follow-up activities for the period July-October, 1991, agreed to in Phase 1, are summarized below:

Commodity Systems Specialist:

Jerry La Gra was to prepare a draft report on the one week workshop and provide ANACAFE with guidelines for the preparation of a final document on coffee production and marketing in Guatemala. The deadline of July 31, 1991, was met (Annex 12).

Jerry La Gra was to return to Guatemala during the last week of August to review the progress made and develop a plan of action to complete the exercise. Deadline August 26-28, 1991. This activity was postponed at the request of ANACAFE.

Jerry La Gra was to return to Guatemala in late September or October to finalize the Coffee baseline document and to assist ANACAFE in planning follow up activities. He returned to Guatemala for the period October 24-27, 1991 (see Phase 2 report below).

ANACAFE Interdisciplinary Team:

The ANACAFE interdisciplinary team was to collect, analyze and organize information in accordance with the guidelines presented by the consultant. Deadline August 27, 1991. Due to limited staff and other priority activities, such as USAID evaluation of the AID/ANACAFE Project, this work was not undertaken.

The interdisciplinary team was to generate and organize baseline and planning information, including the collection of data in rural areas, following guidelines to be determined during August 27-28, 1991. This was modified as indicated in the following Phase 2 report.

IV. ORGANIZATION AND EXECUTION OF THE SECOND WORKSHOP--PHASE 2

4.1 Introduction

The consultant arrived in Guatemala City on October 24, 1991 for the second stage of his assignment. During a meeting between representatives of the AID/ANACAFE Project and the consultant on the afternoon of October 24, the following items were discussed:

Translation of report: ANACAFE personnel pointed out that the draft report was partially in English. As a result, it was not widely distributed or read. It was requested that the final report be presented in Spanish.

Follow-up to workshop activities: It was pointed out that due to a series of ANACAFE activities, in particular a recent USAID evaluation, it had been impossible for ANACAFE staff to generate the information requested by the consultant in the cover letter included with his draft report. Consequently, it would be necessary to modify the original workshop objectives and the expected products from the second consultation.

Priority areas: Given the need to modify the original workshop objectives, the scarcity of time, and the desire to produce something useful for ANACAFE, the decision was made to center efforts over the period October 25-26 on one or both of the following areas: crop diversification and strengthening coffee producer organizations. Profiles for both of these areas had been prepared during the first workshop.

Second Workshop: Plans were made for the second workshop to be held Friday and Saturday (October 25-26, 1991).

4.2 Results of the Second Workshop

The second workshop was initiated at 10 a.m. on October 25, 1991 with the participation of 10 ANACAFE professionals (Annex 13), all but one of whom had participated in the earlier workshop. The first hour of this workshop concentrated on review of the results of the first workshop contained in the consultant's report. This was followed by general discussion in which the consultant outlined five basic areas which must be included in any effective development plan (Annex 14):

- clear definition of sector policy;
- description/quantification of present situation;
- identification of market opportunities;
- identification and description of priority problems, and
- detailed plan of action.

The consultant pointed out that any action plan should begin with a clear definition of the intended beneficiaries of the actions, followed by a description of the strategy to be pursued and the detailed components of the action plan. In the discussion that followed it became evident that ANACAFE perceives as its basic target group organizations of small coffee farmers in general. Within this overall population, the Grupos de Amistad y Trabajo (Friendship and Work Groups) have been receiving priority attention. It also became apparent that there are many hundreds of farmer organizations in Guatemala, most of which include coffee farmers. However, ANACAFE's knowledge of specific groups of farmers is very limited. In fact, available information is insufficient to design a project to strengthen organizations of coffee farmers.

An attempt was made to develop a project for the promotion and strengthening of coffee farmer organizations and the results are presented in Annex 15. As can be seen, while it was possible to identify goals, objectives and general outputs, insufficient information was available on target groups to define specific outputs and the specific actions required to achieve the specific outputs.

Considering the interest of ANACAFE in the two areas of "diversification" and "strengthening coffee producer organizations", the consultant identified the following subject areas for consideration as workshop topics:

Diversification:

- methodology for the identification of crops with market opportunities;
- development of methodologies to generate decision making information on production, postharvest and marketing of selected crops;
- identification of institutional constraints to diversification.

Strengthening Coffee Producer Organizations:

- identification of potential beneficiaries of ANACAFE services and the AID/ANACAFE project;
- development of methodology for the collection of baseline information on selected organizations of coffee farmers;
- review of legal and institutional framework of diverse models of farmer organizations in Guatemala.

The workshop group was of the opinion that time was insufficient to cover both topics and that of the two areas mentioned, priority attention should be given to the identification and characterization of beneficiaries. The decision was unanimous that the workshop group should concentrate on the development of a methodology which will permit ANACAFE to identify and characterize organizations of coffee producers expected to benefit from ANACAFE services in general and the AID/ANACAFE project specifically.

In general, the workshop participants were of the opinion that potential clients of ANACAFE should include any group of farmers who produce coffee, be they co-operatives, companies, Grupos de Amistad y Trabajo (GAT) or others. It was felt that coffee farmers in the process of organization could also be potential beneficiaries.

The proposed actions identified by workshop participants as part of the methodology to strengthen organizations of coffee farmers is summarized below:

1) Census of potential target groups:

Objective: Identify potential target groups of farmers.

Actions:

- promote institutional support for census;
- prepare census instrument (see Annex 16, Census Form);
- prepare work program and budget;
- obtain commitment of financial resources;
- recruit personnel;
- train personnel;
- conduct field work, collect information;

- process information;
- pre-select beneficiaries.

2) **Profiles of farmer organizations:**

Objective:

Collect baseline information on pre-selected target farmer organizations.

Actions:

- promote institutional support for elaboration of profiles on pre-selected farmer organizations;
- prepare instrument to collect information (see Annex 17, Profile Questionnaire;
- prepare work program and budget;
- obtain commitment of financial resources;
- recruit personnel;
- train personnel;
- conduct field work, collection of information;
- process information;
- analyze information to identify project ideas for elaboration of the action plan.

3) **Identification and prioritization of actions and projects:**

Once the field work has been completed, ANACAFE will form an interdisciplinary team of professionals to review and analyze the information collected on farmer organizations. The purpose of the team effort will be to identify the available resources and the specific needs of each target group of beneficiaries. The outputs of this effort will be a listing of possible actions and project ideas to benefit each particular group.

4) **Formulation of plan of action:**

Once analysis of all the information on target groups is completed, the ANACAFE interdisciplinary team will prioritize actions and project ideas and formulate ANACAFE action plan to promote and strengthen selected beneficiary groups of coffee farmers. During this stage a number of specific actions and projects will be formulated. Actions may include modification of institutional and organizational structures, decisions to undertake market opportunity studies and joint agreements with other institutions, e.g. public works for road construction in priority areas. Projects will include construction of basic infrastructure, development of managerial capabilities, improvement of processing and marketing capabilities and implementation of diversification programs.

ANNEX 1

STATEMENT OF WORK

A. Objective

The objective of the workshop was to identify and formulate sound ideas for improving the coffee marketing system on which small coffee farmers depend. In addition, it was felt that the activity would:

- 1) improve communication among professionals assisting the coffee sector;
- 2) improve coordination among relevant institutions;
- 3) improve the information on coffee production and marketing systems, and
- 4) result in development of a practical approach to training professionals and participants involved in the production and marketing of coffee.

B. Scope of Work

A commodity systems specialist will be provided to work with representatives of the Guatemalan National Coffee Association (ANACAFE) and other relevant institutions to develop, implement and provide follow-up on a workshop to train ANACAFE staff and other technical personnel on commodity systems assessment. The assessment work will include 10 days late in July 1991 to design and carry out the workshop. This will be followed by a 3-4 week data gathering activity by participants within ANACAFE and in the field. The specialist will return for a second visit, at a date to be determined by ANACAFE, to review progress, assist ANACAFE in analyzing the data and prepare a final report.

The specific tasks to be undertaken by the specialist include:

- 1) implement the necessary planning for the workshop, ensuring that training materials, forms and data collection sheets needed by participants are available. This includes identification of secondary reference materials needed as background information for all segments of the coffee system;
- 2) provide the introduction and overview of the commodity systems assessment methodology, explaining the steps and methods required to carry it out;
- 3) provide the organization and scheduling of the workshop, outlining materials to be covered and expected outputs; and
- 4) provide follow-up with participants on the findings from the field, assisting in the synthesis of results and formulating recommendations and a final report.

C. Required Reports

The Contractor will provide five copies of a summary report of the findings and recommendations of the coffee production and marketing system assessment.

D. Relationship and Responsibility

The Contractor will report directly to the Project Director of the Small Coffee Farmer Improvement Project (José Luis Jimenez) and to the USAID/Guatemala Project Manager (Roberto Castro) for guidance on all aspects dealing with the consultation.

E. Terms of Performance

July 15 through September 30, 1991

F. Work Days Specified

20 working days within a period of ten weeks (six days per week)

G. Logistic Support

All logistic support, including in-country transportation, office space and secretarial support will be provided by the Project Implementing Unit in ANACAFE.

H. Language Requirements

Proficiency in Spanish at S3/R3 level.

ANNEX 2

PROPOSED CHARACTERISTICS OF WORKSHOP

Based on the Statement of Work, following are the ideas and suggestions of the Commodity Systems Specialist, Mr. Jerry La Gra, regarding the one week workshop.

A. Objective:

Lay the ground work for the identification and formulation of sound ideas for improving the coffee marketing system on which small producers depend.

B. Expected Outputs:

- 1) Baseline documents prepared on coffee production and marketing in Guatemala.
- 2) Identification of priority problems in the coffee production and marketing system.
- 3) Identification of key players in the coffee system.
- 4) Methodology developed for field research.
- 5) Improved coordination and communication between institutions and participants in the coffee system.
- 6) Participants trained in the use of the CSAM methodology.

C. Number of participants

Preferably no more than 20.

D. Disciplines

To the extent possible, participants should include farmers, economists, agricultural economists, sociologists, food technologists and marketing specialists. All or most of these should be familiar with either coffee production, processing or marketing.

E. Materials

There should be access to a slide projector, overhead projector, screen, extension cord, IBM compatible computer with the WordPerfect program, photocopy machine, three or four large-size paper flip charts, and 12 marketing pencils in three different colors.

F. Secretarial Support

Beginning the third day of the workshop: one full-time secretary with access to additional typists as needed.

G. Transportation

Vehicles necessary to transport participants to one coffee farm and one processing plant, if possible.

H. CSAM

Mr. La Gra will send the Spanish translation of the CSAM to PIP by Federal Express. Hopefully, PIP will have time to produce draft copies in Spanish of at least the important sections of the manual, i.e., Chapters 3, 4, 5 and Annexes 1, 2, 3, 4, 7 and 9.

I. Baseline documents

USAID/Guatemala, in collaboration with ANACAFE, should identify four persons to prepare and present four baseline documents following the guidelines presented on page 106 of the CSAM. These four persons will make presentations on the second day of the workshop to provide the participants with an overview of the coffee production and marketing system as we know it today. These documents will be used for reference purposes during the development of the workshop. The persons preparing the baseline documents should be well experienced/knowledgeable in their respective areas; for instance, an economist from the planning sub-sector, an agricultural economist familiar with coffee, a coffee processor, and a marketing specialist.

J. Planning Committee

A three person Planning Committee should be selected including one person from ANACAFE, one person from USAID and the PIP resource person.

K. First Draft of Agenda

The final agenda will be prepared by the Planning Committee prior to the workshop. Mr. La Gra's suggestions for the agenda at this time follow:

First day: Detailed review of CSAM--Jerry La Gra.

Second day: Baseline Documents (content guided by the descriptions of each document in the CSAM manual).

Macro-economic: presentation, discussion and identification of problems--resource person.

Production: presentation, discussion and identification of problems--resource person.

Postharvest: presentation, discussion and identification of problems--resource person.

Marketing: presentation, discussion and identification of problems--resource person.

Third day: Division into work groups to complete CSAM forms 4.1 & 4.5 and to identify key participants in coffee system.

Presentations and analysis in plenary session.

Division into work groups for problem identification (brainstorming).

Presentations in plenary session and preparation of a final list of problems by area.

Fourth day: Work groups formed (by problem areas) and charged with the organization of the problems into a Problem Tree format.

Presentations in plenary session and finalization of Problem Tree.

Conversion of Problem Tree to Objectives Tree in plenary session.

Discussion of alternative solutions to the problems: actions, projects, strategies.

Fifth day: Identification of missing information that needs to be collected to design effective solutions, in plenary sessions.

Division into work groups to design instruments for field research to collect missing information.

Wrap-up session, in Plenary.

ANNEX 3

AGENDA

WORKSHOP: COMMODITY SYSTEMS ASSESSMENT METHODOLOGY
DURATION: July 15 - 19, 1991
LOCATION: ROCAP, 2a. Calle 15-65, Zona 13
Conference Room

WORKSHOP CONTENT:

<u>DATE</u>	<u>SCHEDULE</u>	<u>TOPICS</u>	<u>NAME OF PRESENTER</u>
15/7/91	0800 a 1700	Methodology	Jerry La Gra
16/7/91	0800 a 0900	Macro-Economics	Beatriz Villeda de Garcia
	0900 a 1000	Discussion	Jerry La Gra
	1030 a 1130	Production	Tito Hugo Marroquín
	1130 a 1230	Discussion	Jerry La Gra
	1400 a 1500	Processing	Eddie Garcia
	1500 a 1600	Discussion	Jerry La Gra
	1600 a 1645	Marketing	Edin Barrientos
	1645 a 1730	Discussion	Jerry La Gra
17/7/91	0800 a 1700	Working Groups Definition of Problems by Areas	Jerry La Gra
18/7/91	0800 a 1700	Working Groups Identification of Solutions	Jerry La Gra
19/7/91	0800 a 1700	Working Groups Conclusions and Recommendations Field Work Itinerary	Jerry La Gra

ANNEX 4-A LIST OF PARTICIPANTS

WORKSHOP: COMMODITY SYSTEMS ASSESSMENT METHODOLOGY FOR THE IDENTIFICATION OF PROBLEMS AND PROJECTS

<u>NAMES</u>	<u>SPECIALTY</u>	<u>INSTITUTION</u>
Jaime A Carrera	Agricultural Policies	PNUD/RUTA
E Roberto Jodan R	Production	FENACOAC/AID
Victor Hugo de Leon B	Computation Systems	PDA
Gonzalo Arriaga Gamboa	Extension	Rural Development Zacapa-Chig
Estuardo Suchini	Extension	Rural Development Zacapa-Chig
Roderico Cano Garcia	Commercialization	ANACAFE
Luis Felipe Pascual	Extension and AT	ANACAFE
Tito Hugo Marroquín P	Extension and AT	ANACAFE
José Angel Zavala B	Extension and AT	ANACAFE
Oscar Makepeace Morales	Extension and AT	ANACAFE
David Makepeace	Extension and AT	ANACAFE
Edin Barrientos	Marketing	ANACAFE
Mélida de Calderón	Administration	ANACAFE
Juan B Morales	Extension	ANACAFE
José Luis Jimenez	Administration	ANACAFE
Eddie García	Post Harvest	ANACAFE
Michael Schwartz	Economy	USAID/ANACAFE
Frank Astacio	Credit Advisor	USAID/ANACAFE
Thomas Mehen	Marketing	USAID/Washington

ANNEX 4-B

LIST OF WORKING GROUP PARTICIPANTS

**DAY 3
BRAINSTORMING**

GROUP 1

David Makepeace
Gonzalo Arriaga
Mélida de Calderón
Frank Astacio

GROUP 2

Luis Felipe Pascual
Tito Hugo Marroquín
Edin Barrientos
Thomas Mehen

GROUP 3

Oscar Makepeace
Eddie García
Victor De León
Roberto Campos

GROUP 4

José Angel Zavala
Roberto Jordán
Estuardo Suchini
Roderico Cano

**DAYS 4 & 5
PROBLEM TREE AND
PROJECT PROFILES**

GROUP 1

Eddie García
Roderico Cano
Edin Barrientos
José Angel Zavla

GROUP 2

José L Jimenez
Roberto Castro
Melinda de Calderón
Roberto Jordán

GROUP 3

Gonzalo Arriaga
Tito Hugo Marroquín
Roberto Campos
Victor De León
David Makepeace

GROUP 4

Oscar Makepeace
Estuardo Suchini
Luis Felipe Pascual
Frank Astacio

ANNEX 5

TABLE OF CONTENTS

COFFEE AND THE SMALL PRODUCER IN GUATEMALA

Available
Information

Yes or No

I. COFFEE IN GUATEMALA

yes	1.1	History of coffee in Guatemala
yes	1.2	Macro-socio-economic indicators
yes	1.3	Type of coffee, requirements and environmental restrictions
yes	1.4	Importance of coffee in Guatemala
yes	1.5	Distribution of production
missing	1.6	Production structure and the small farmer
missing	1.7	Policies, plans, programs, projects, incentives and taxes
missing	1.8	Public sector institutional structure
missing	1.9	Credit for production and commercialization of coffee
no	1.10	Information systems
missing	1.11	Technology generation and transfer systems
missing	1.12	Seed material
no	1.13	Rural roads
missing	1.14	Rural organizations (GATS, Co-operatives, Associations)
no	1.15	Intermediaries/exporters

II. COFFEE PRODUCTION AT THE SMALL PRODUCER LEVEL

missing	2.1	Types of producers
no	2.2	Cultural practices used by small producers (note: use Forms 4.1, 4.2 & 4.3)
no	2.3	Pests and diseases
missing	2.4	Identification of bottlenecks and causes of problems

III. POSTHARVEST COFFEE MANAGEMENT

Missing	3.1	Identification of key actors
Missing	3.2	Harvest and postharvest systems (note: use Forms 4.4, 4.5, 4.6 & 4.7)
Missing	3.3	Wet processing
Missing	3.4	Packaging, storage and transport
Missing	3.5	Identification of bottlenecks and causes of problem

IV. MARKETING/COMMERCIALIZATION

missing	4.1	Marketing channels
no	4.2	Margins
missing	4.3	Characteristics of the demand for high quality coffee
no	4.4	Price information in high quality markets

V. FINANCIAL ANALYSIS

missing	5.1	Costs and benefits of producing 20 manzanas of technified coffee [i.e. coffee produced using a technical package] under large producer conditions
missing	5.2	Costs and benefits of producing one manzana of technified coffee under small producer conditions
missing	5.3	Costs and benefits of producing one manzana of semi-technified coffee under small producer conditions
missing	5.4	Costs and benefits of producing one manzana of non-technified coffee under small producer conditions

VI. PROBLEM AND SOLUTION ANALYSIS

missing	6.1	Problem trees
no	6.2	Problem prioritization (application of Table 5.2)
missing	6.3	Analysis and formulation of solutions (actions and projects)
no	6.4	Definition of development strategies
no	6.5	Action plan

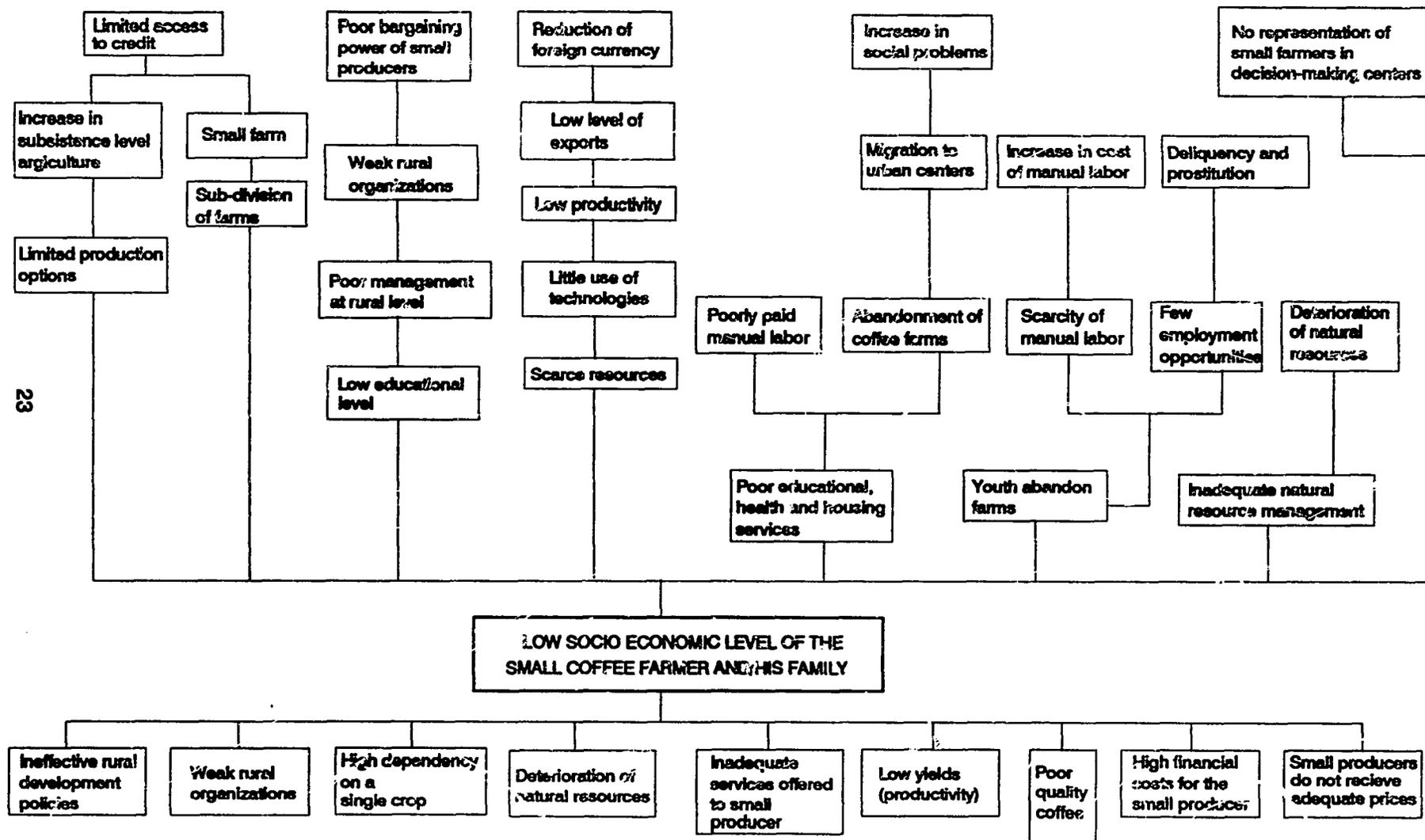
ANNEX 6

**IDENTIFICATION OF COMPONENTS RELEVANT TO COFFEE CULTIVATION
IN GUATEMALA**

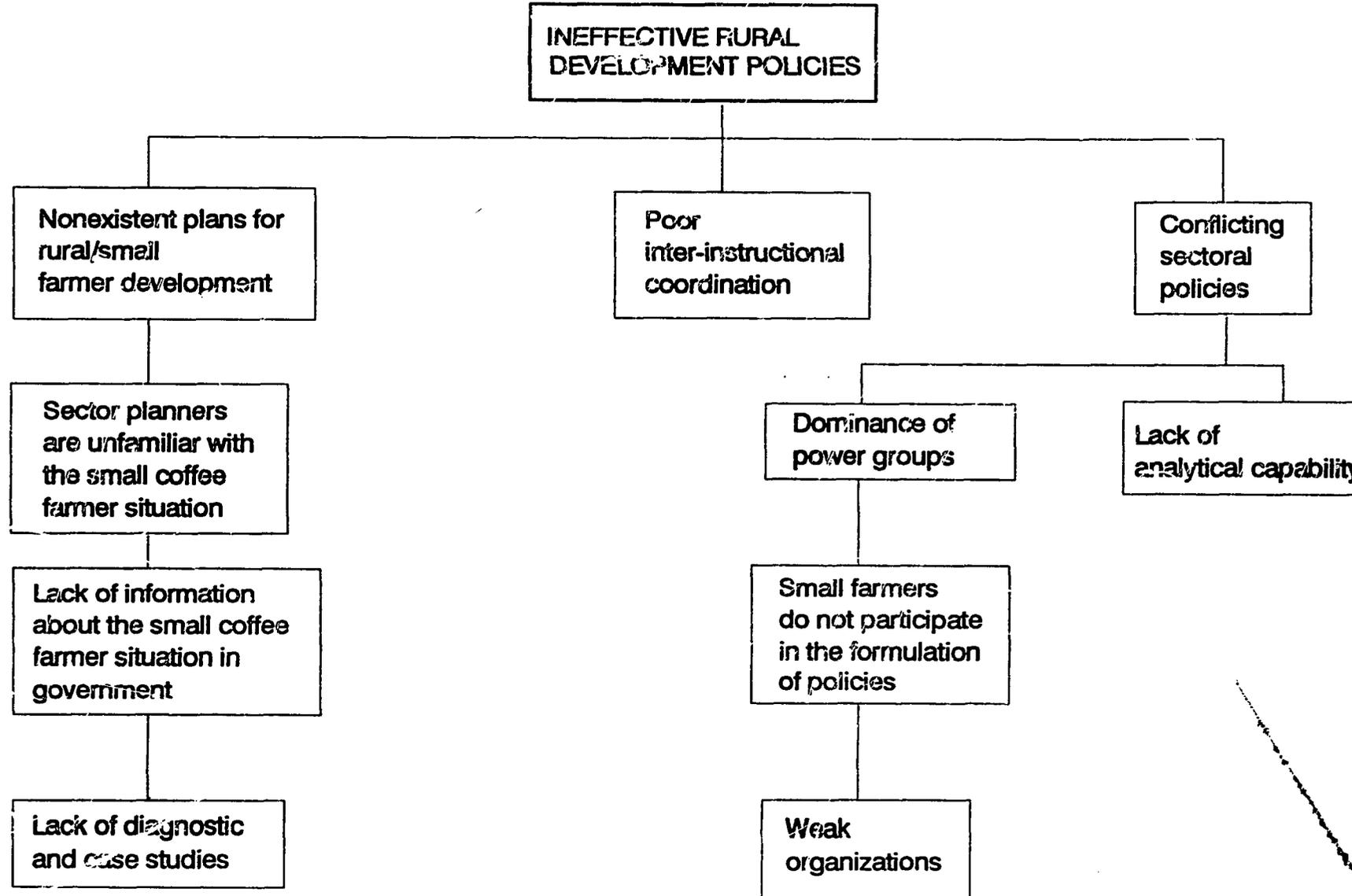
COMPONENTS	CENTRAL PROBLEMS				
	Information Given	Information Missing	Information is Indispensable	Information Source	Observations
01 Importance of coffee to the national economy	Yes	Yes	Yes	ANACAFE	Need more detailed information on small producers
02 Private sector policies that impact coffee	Yes	Yes	Yes	SEGEPLAN	
03 Institutions involved in coffee production, processing and marketing	No	Yes	Yes	ANACAFE BANKS	
04 Credit for coffee production, processing and marketing	Yes	Yes	Yes	BANKS	
05 Technology generation/ transfer	No	Yes	Yes	ANACAFE	
06 Training	No	Yes	Yes	ANACAFE	
07 Coffee production and marketing information	No	Yes	Yes	ANACAFE	
08 Rural roads	No	Yes	Yes	DGC	
09 Agricultural organizations	No	Yes	Yes	ANACAFE & INTECAP	
10 Environmental requirements and restrictions	Some	Yes	Yes	ICAITI & ANACAFE	
11 Availability of coffee seed material	No	Yes	Yes	ANACAFE PROMECAFE	
12 Small producer cultural practices	Some	Yes	Yes	ANACAFE	
13 Coffee pests and diseases	No	Yes	Yes	ANACAFE PROMECAFE	
14 Coffee reproduction and production costs	Yes	Yes	Yes	ANACAFE	
15 Coffee harvesting	Yes	Yes	Yes	ANACAFE PRODUCERS	
16 Coffee grading and inspection	Some	Yes	Yes	ANACAFE	

COMPONENTS	CENTRAL PROBLEM				
	Information Given	Information Missing	Information Indispensable	Information Source	Observations
17. Postharvest physical treatment	Yes	Yes	Yes	PROCESSORS ANACAFE	
18 Coffee packaging	No	Yes	Yes	ANACAFE EXPORTERS	
19 Coffee storage	Some	Yes	Yes	ANACAFE EXPORTERS	
20 Coffee transportation	Some	Yes	Yes	ANACAFE REGIONS	Farm-processor Processor-store Store-door
21 Coffee pulp treatment	Some	Yes	Yes	ANACAFE ICAITI	Environmental impact
22 Coffee agro-processing	No	Yes	Yes	ANACAFE EXPORTERS	Parchment-gold Toasted-milled
23 Coffee brokers	Yes	Yes	Part	REGIONS	Missing primary information
24 Coffee market information	Little	Yes	Yes	EXPORTERS ANACAFE	
25 Analysis of coffee demand	Little	Yes	Part	PRIMARY RESEARCH	Missing information at the local and external market level
26 Export potential	Little	Yes	Yes	EXPORTERS MARITIME COMPANIES	
27 Postharvest and marketing costs	Yes	Yes	Yes	ANACAFE EXPORTERS	

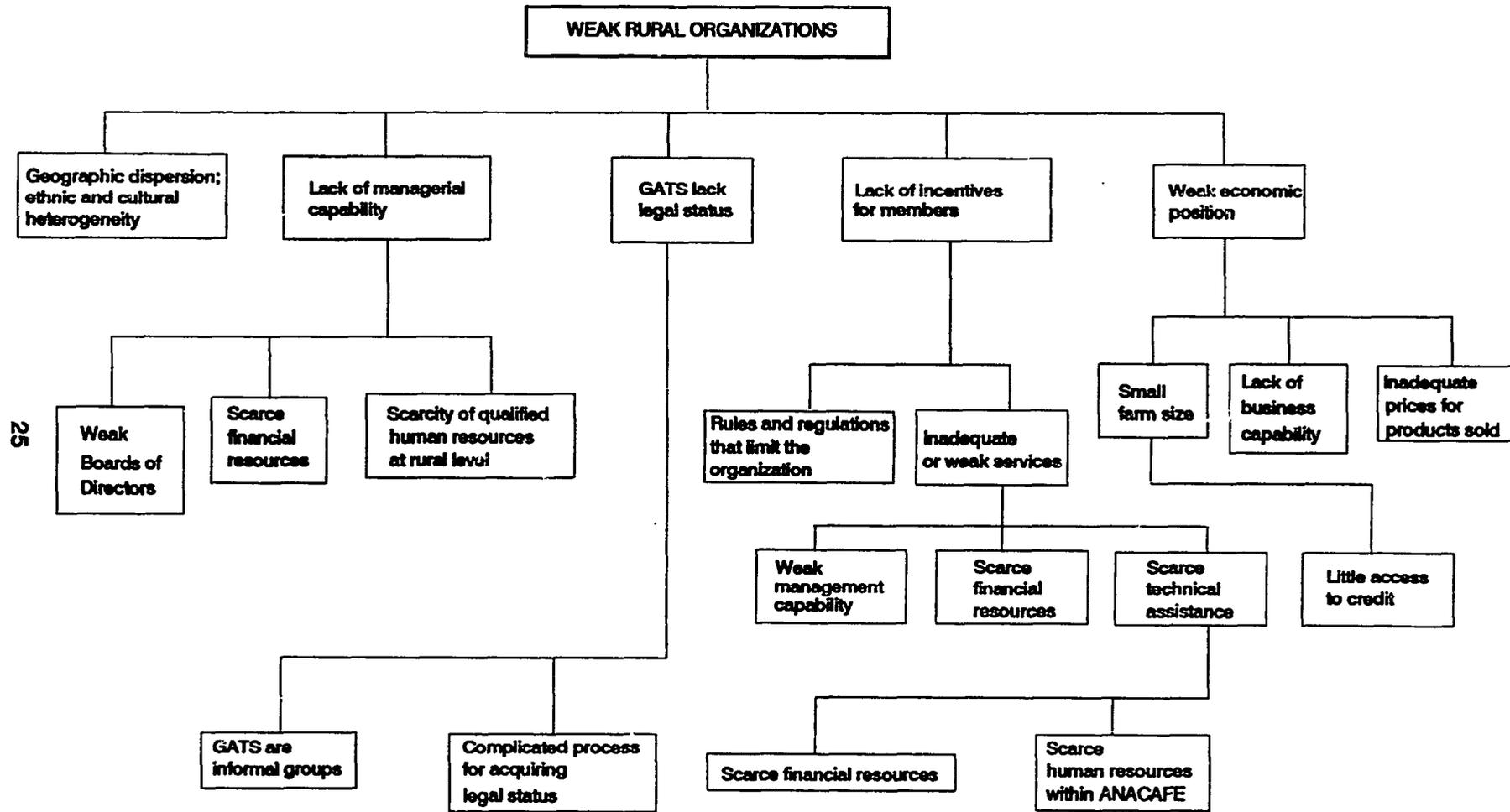
ANNEX 7-A
Problem Tree: Core Problem Causes and Effects
Low Socio Economic Level of the Small Farmer and His Family



ANNEX 7-B

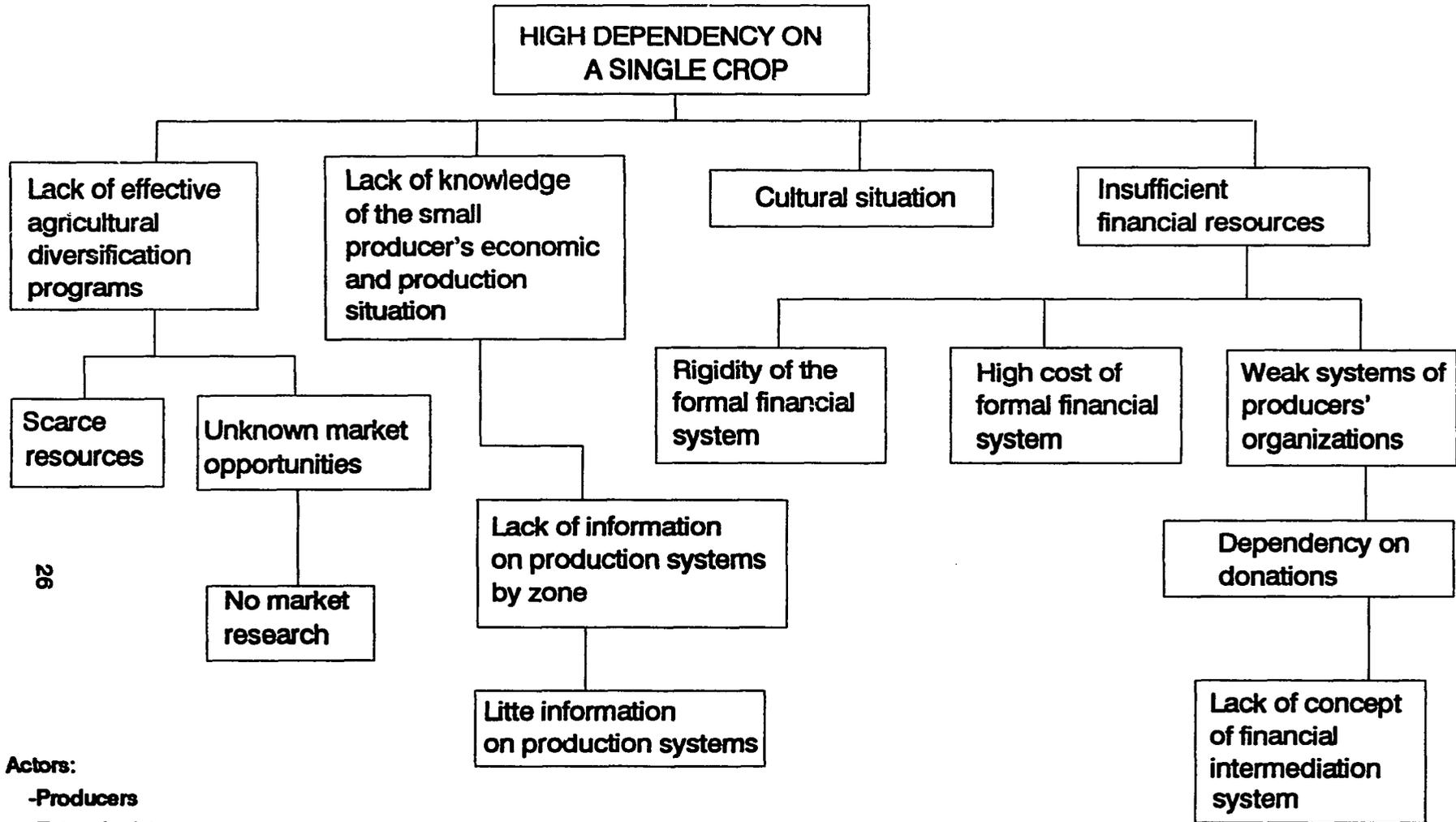


ANNEX 7-C



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ANNEX 7-D

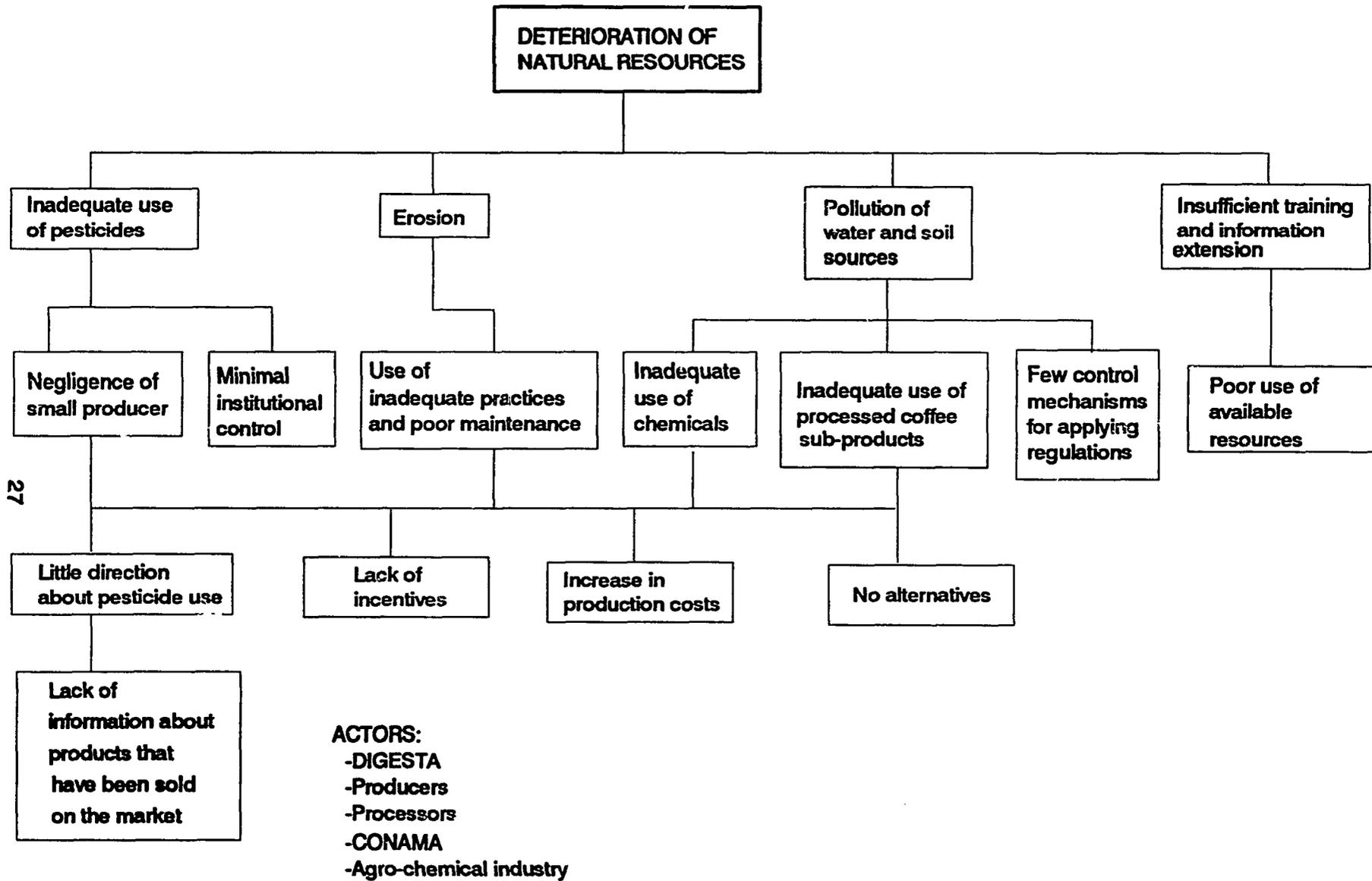


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Actors:

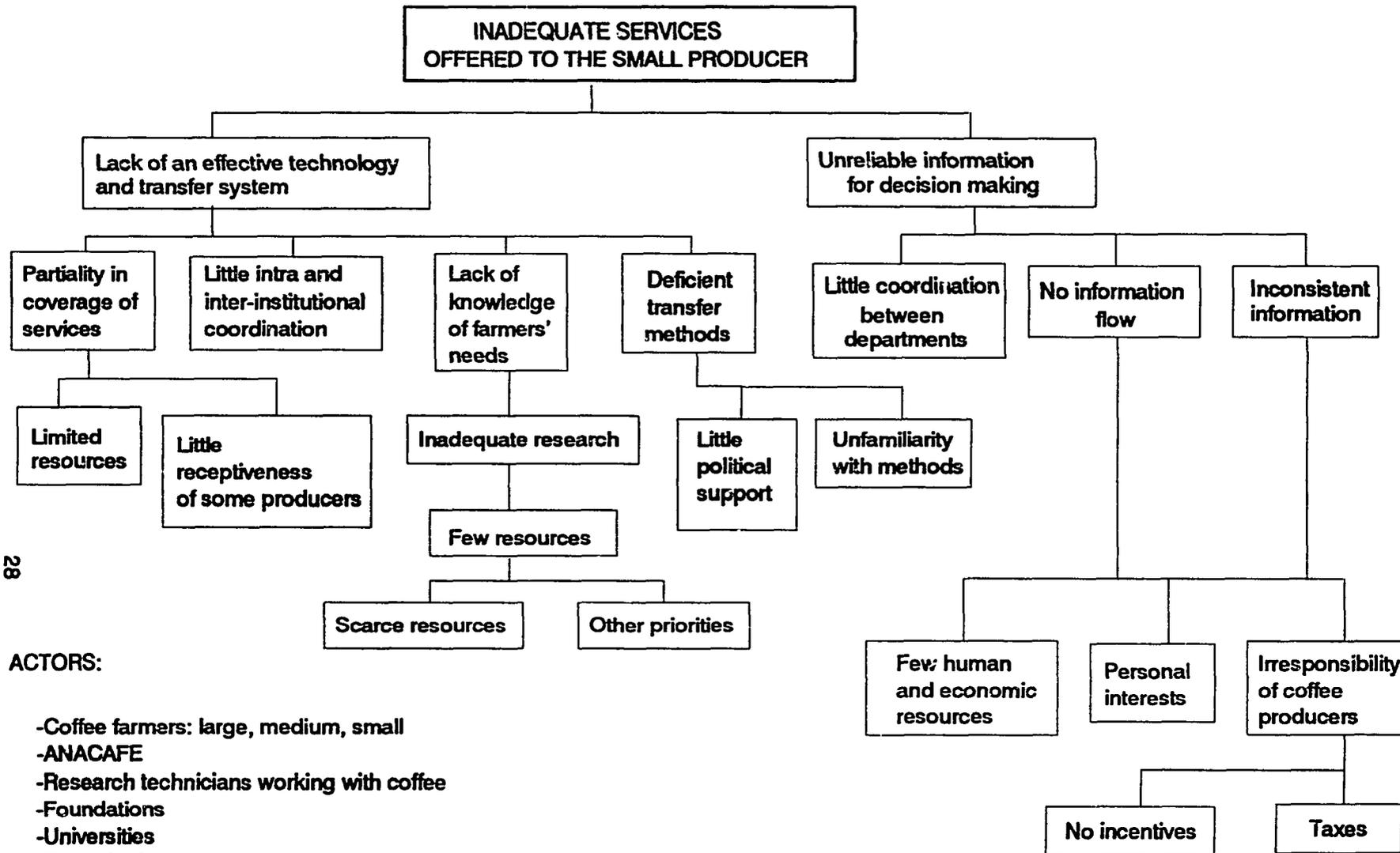
- Producers
- Extensionists
- Private/public research institutions
- BANDESA
- Agricultural savings and loan cooperatives, etc.
- ANACAFE

ANNEX 7-E



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ANNEX 7-F

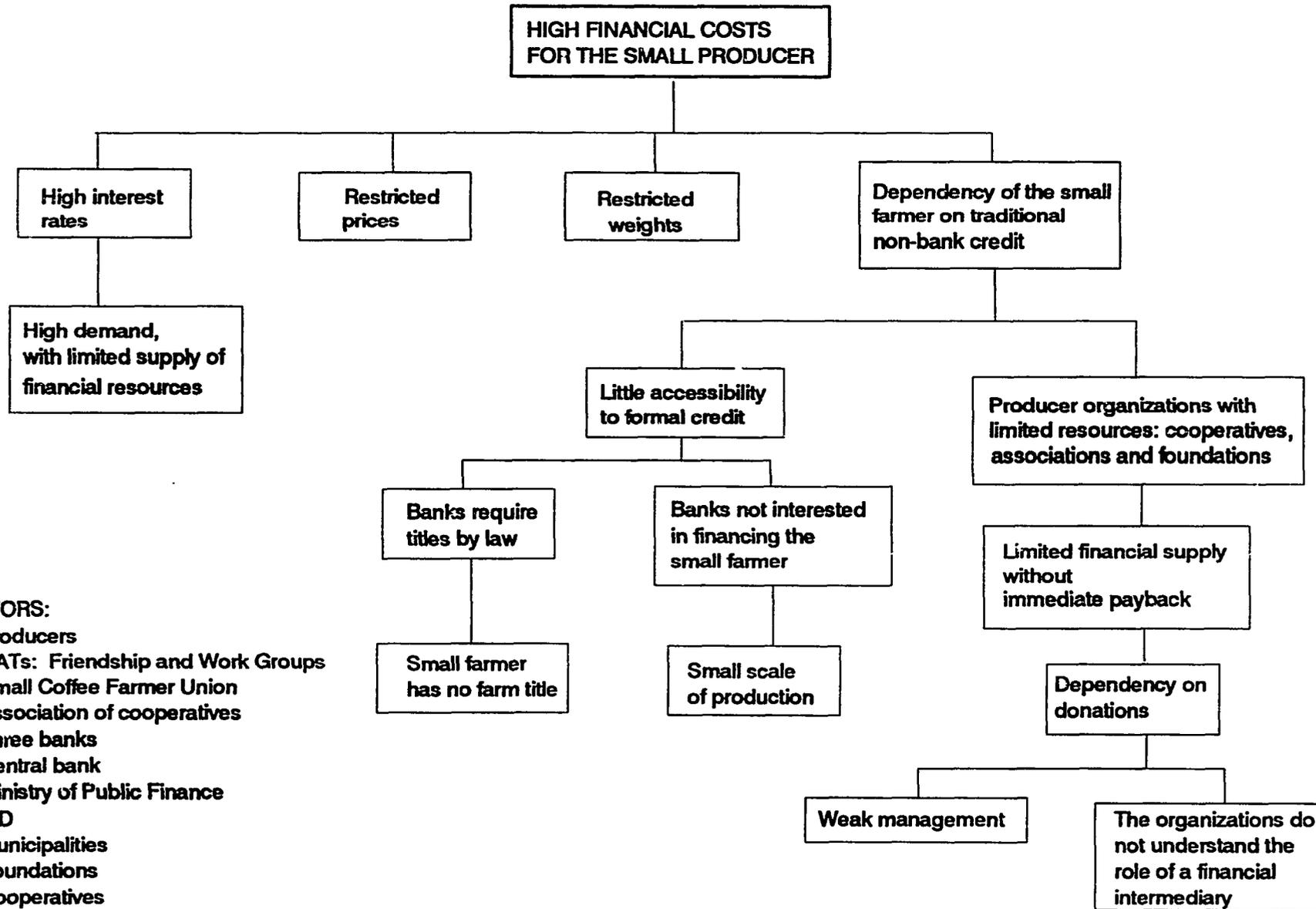


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ACTORS:

- Coffee farmers: large, medium, small
- ANACAFE
- Research technicians working with coffee
- Foundations
- Universities
- Extensionists
- Basic development institutions
- ANACAFE technicians
- Information departments

ANNEX 7-G

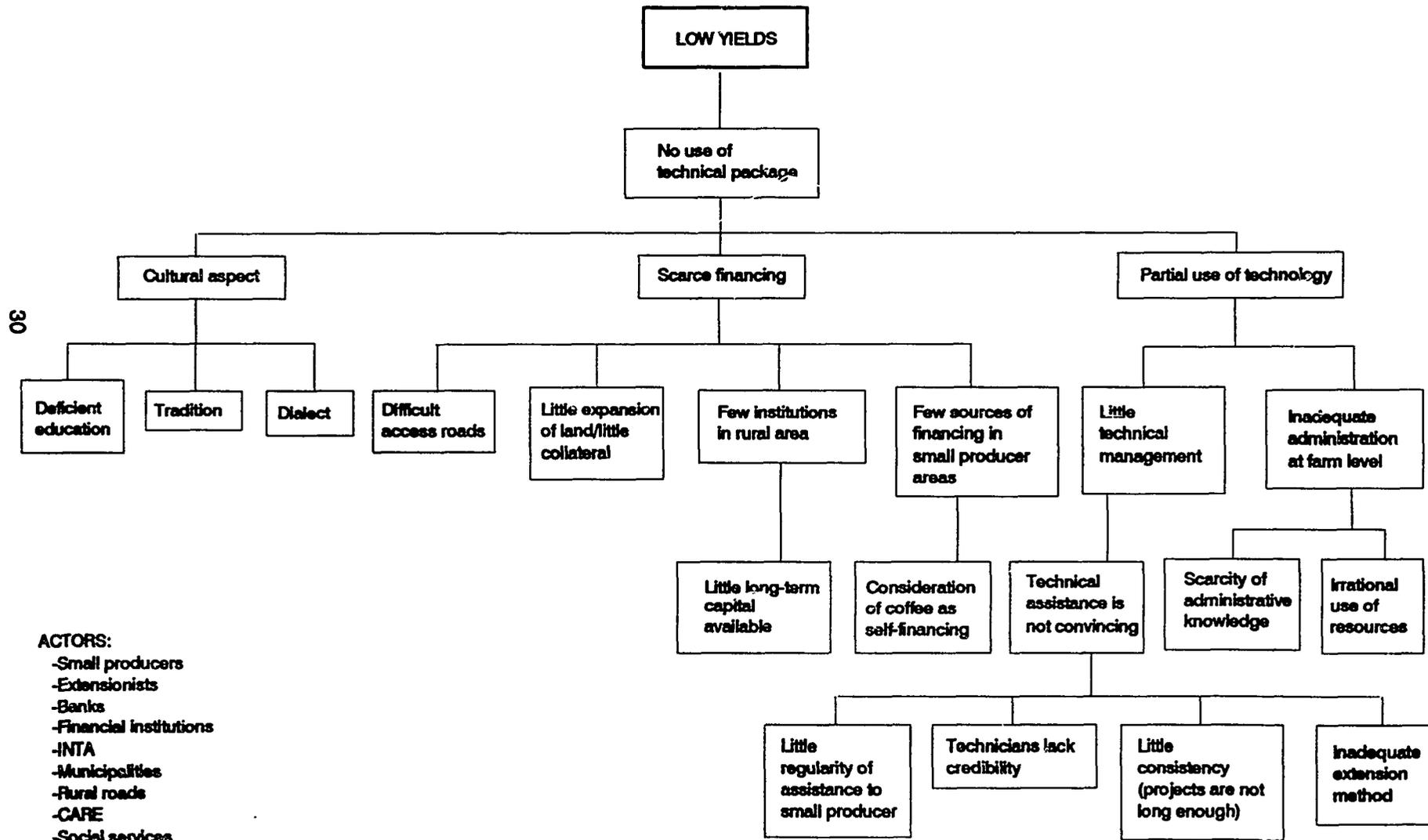


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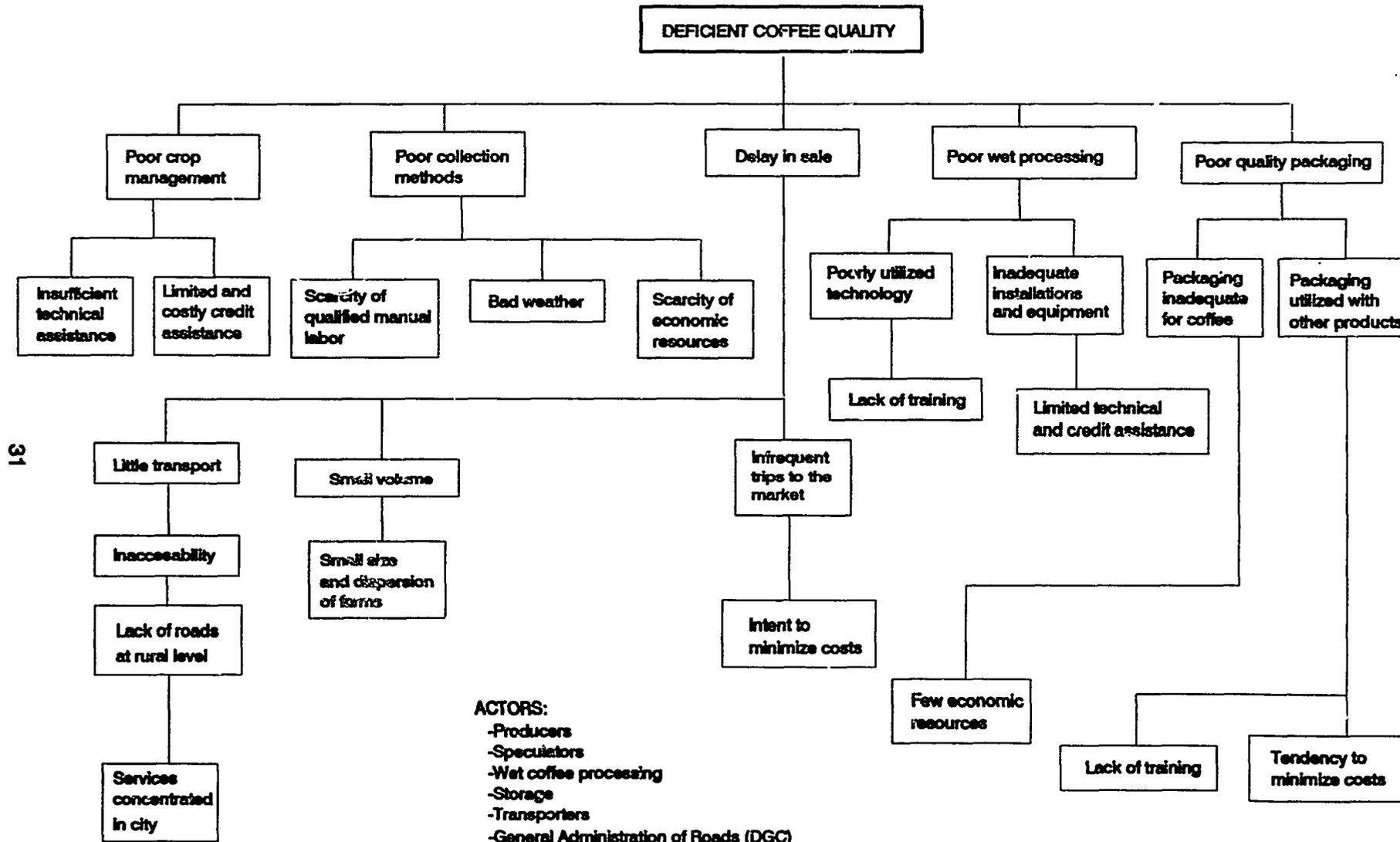
ACTORS:

- Producers
- GATs: Friendship and Work Groups
- Small Coffee Farmer Union
- Association of cooperatives
- Three banks
- Central bank
- Ministry of Public Finance
- AID
- Municipalities
- Foundations
- Cooperatives

ANNEX 7-H



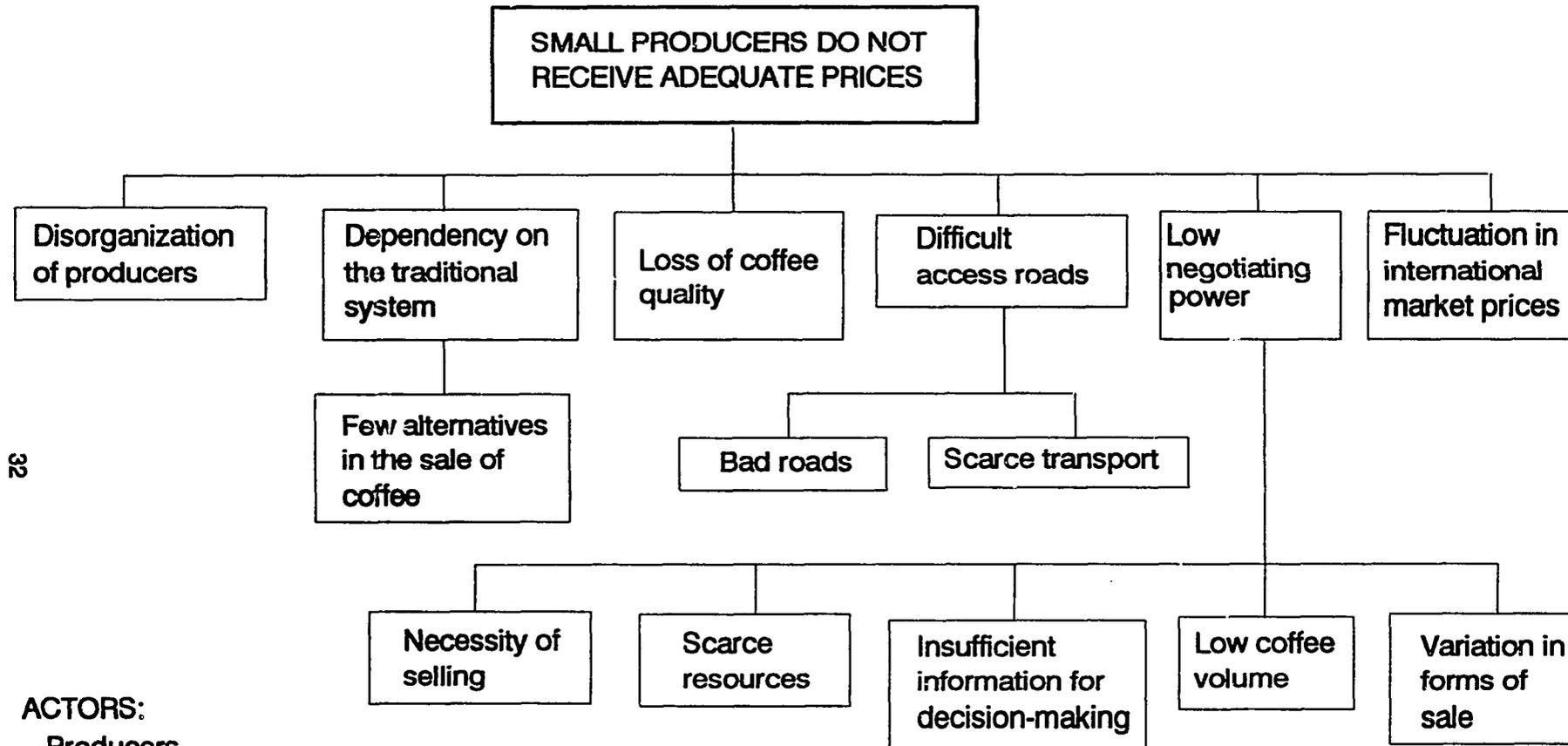
ANNEX 7-1



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- ACTORS:**
- Producers
 - Speculators
 - Wet coffee processing
 - Storage
 - Transporters
 - General Administration of Roads (DGC)
 - Municipalities
 - AID

ANNEX 7-J



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ACTORS:

- Producers
- Intermediaries
- Cooperative strengthening program
- INACOP
- ANACAFE
- INTECAP
- AID
- Multilateral organizations

ANNEX 8

ANALYSIS OF CORE PROBLEM AND ITS CAUSES AND EFFECTS

Introduction

Guatemalan farmers, like small farmers elsewhere, are profit motivated. If new technologies do not permit them to increase their net returns they will continue to minimize their investments in coffee and harvest whatever the "tipica" coffee provides. Since average returns to small Guatemalan coffee farmers are so low, even a small subsidy for growing "modern coffee" may be sufficient to stimulate their active (but temporary) participation in a coffee rehabilitation program. However, unless there is an increase in their net returns, as soon as the subsidy ends they will return to their traditional practices of minimizing their investments. In this sense, price and net returns to the farmer are the key issues that must be addressed.

The goal of the ANACAFE/AID Small Coffee Farmer Improvement Project is to increase the participation of Guatemala's rural poor in sustained, real economic growth. The project's purpose is to increase small coffee farmer income by increasing production, productivity, and product quality.

To achieve its purpose the project has two primary components: (1) the transfer to small farmers of a technical package and the necessary expertise for the production of high-yielding, export-grade coffee; and (2) the establishment and operation, through the commercial banking system and the Government of Guatemala (GOG) Agricultural Development Bank (BANDESA), of a credit fund to finance the production and investment needs of the target group (Small Coffee Farmer Project document).

The SCFIP has ten expected outputs. Under a critical analysis it can be seriously questioned whether the achievement of these outputs will have the intended impact upon small coffee farmer net income. For example:

- 8,100 small coffee farmers may receive training but may not apply the modern technologies;
- the same can be said about the 800 small producers who receive training in coffee processing technology;
- after receiving training at the M.S. level, the 4 ANACAFE technicians are likely to move into higher paying positions outside of this Institute;
- 60 ANACAFE extension agents can be trained but some may transfer to other jobs and others may be ineffective due to administrative and bureaucratic constraints;
- it will be relatively easy to train 300 para-technicians but their effectiveness will depend on organizational structure and availability of resources;
- the ANACAFE project management unit can be established with adequate staffing and financial resources but lack of decision-making information and bureaucratic limitations may render it ineffective;
- any number of processing facilities are easily constructed, but their efficiency and benefits to small farmers will depend on their organization, operation and economic viability;
- credit trust funds can be set up but small farmers may choose to not use the funds or to not repay their loans;

- quality certificates and promotional campaigns to promote high quality Guatemalan coffees in export markets will not necessarily increase incomes for small farmers.

It is not the intention to be unduly critical of the SCFIP but simply to point out that while all the expected outputs may be achievable, they will not necessarily lead to increased net returns to small coffee farmers. In fact, if the project remains primarily limited to production know-how and credit it is very unlikely that it will reach its target of "a five-fold (Q2,500) increase over current annual net income (Q500), four years following renovation."

The success of the SCFIP will be determined by a number of inter-related factors in which effective marketing is key. It is generally recognized among marketing specialists that success in marketing requires the following:

- | | |
|------------------------------|--|
| QUANTITY: | having sufficient volume of any one commodity to meet the minimum needs of the buyer. |
| QUALITY: | offering a product of sufficiently high quality to meet the needs of the buyer. |
| REGULARITY: | being able to supply the buyer with his minimum needs of quality produce on a regular basis. |
| COMPARATIVE ADVANTAGE | having certain advantages in the market which permit ones products to compete favorably in the international market. |
| COMPETITIVE ADVANTAGE | being able to supply the market with quality produce on a regular basis with operational costs at or below the level of those in the international market. |

However, successful marketing cannot be divorced from effective planning, efficient production and proper postharvest handling. All five of the above factors can be positively or negatively affected at the pre-production, production, harvest, postharvest or marketing stages of the food system. Consequently, it is imperative that in the strengthening of the SCFIP a commodity systems approach be introduced.

Workshop Exercise

The 20 workshop participants were divided into four work groups, each group with participants from one of the four main coffee growing regions. During day three of the workshop the groups identified problems and causes of problems affecting the coffee production and marketing system. Following this exercise the plenary session identified what it considered to be the core problem and nine major causes of this problem and their effects. This information is summarized in Annex 7-A, and the nine major causes are listed below:

- 1) Ineffective rural development policies.
- 2) Weak rural organizations.
- 3) High dependency on a single crop.

- 4) Deterioration of natural resources.
- 5) Inadequate services offered to the small farmer.
- 6) High financial costs for the small farmer.
- 7) Low yields (productivity).
- 8) Deficient coffee quality.
- 9) Small producers do not receive adequate prices.

An analysis of Annex 7-A and SCFIP documents indicates that the core problem identified by workshop participants coincides with the central problem giving rise to the SCFIP, i.e. low levels of socio-economic returns to the small coffee farmer and his family. However, of the nine major causes of this core problem listed above, the SCFIP deals primarily with numbers 5, 7 & 8 and with numbers 2, 4, 6 & 9 to a minor degree. It is interesting to note that the original project proposal had diversification activities (number 3) but these were deleted from the final project.

In summary, it can be said that in the opinion of the workshop participants, the actions of the SCFIP are valid ones but insufficient to achieve the project purpose. This implies the need for ANACAFE and/or other institutions to execute actions and projects responding to areas 1 & 3 and to expand the activities and allocations of resources to other problem areas, particularly numbers 2, 4, 6 & 9.

During day four of the workshop the participants were divided into four inter-disciplinary teams to formulate problem trees on the nine major causes of the core problem. The results of their efforts are presented in Annexes 7-B to 7-J. An analysis of these problem trees permits the identification of the following actions and project ideas:

- 1) Ref. Annex 7-B: Ineffective rural development policies

Actions:

- 1.1 Case studies of GATs and other rural organizations to determine their positive and negative characteristics, successes, failures, and needs.
- 1.2 Application of the CSAM methodology at a rural level with technicians and farmers in order to identify priority problems and solutions that can positively impact the economy of the small farmer.
- 1.3 Determination, by region, of the importance of the small coffee farmer in national production.
- 1.4 Identification of the principal actors in the strengthening of rural organizations and the establishment of communication channels.
- 1.5 Training of ANACAFE technicians in rural development.
- 1.6 Assessment of economic feasibility of the small farmer using the same technology package used by the large coffee farmer.

Project ideas:

- 1.1 Formulation of a rural development plan for the small coffee farmer.
- 1.2 Formulation of a project to strengthen the GATs and other rural organizations.

2) Ref. Annex 7-C: Weak rural organizations

Actions:

- 2.1 Training program for the boards of directors of rural organizations.
- 2.2 Introduction of business administration in the rural curriculum.
- 2.3 Technical assistance to evaluate laws and regulations of rural organizations and to propose changes.
- 2.4 Diagnosis of priority services at the rural organization level.
- 2.5 Strengthening of ANACAFE services, particularly in marketing, credit and training in business administration.
- 2.6 Development of a training program for rural leaders in business administration.
- 2.7 Development of models based on more effective rural organizations.

Project ideas:

- 2.1 Strengthening and promotion of producer organizations.
- 2.2 Formulation of one or more projects to facilitate the commercialization of high quality coffee.

3) Ref. Annex 7-D: High dependency on a single crop

Actions:

- 3.1 Research to determine opportunities for marketing products that can be intercropped with coffee.
- 3.2 Research in production systems at the small coffee farmer level and the identification of beneficial characteristics of the traditional system.
- 3.3 Studies of traditional financing systems in search of modern alternatives acceptable to the indigenous cultures.

Project ideas:

- 3.1 Development of a crop diversification program (a project to finance the introduction of crops and/or activities complimentary to coffee cultivation in order to maximize the returns of the small farmer).
- 3.2 Formulation of a project to strengthen the GATs and other rural organizations.

4) Ref. Annex 7-E: Deterioration of natural resources

Actions:

- 4.1 Case studies to identify abuses and causes of abuse in field use of chemical products.
- 4.2 Informative/educational actions for coffee farmers and rural students to minimize negative ecological impact.
- 4.3 Technical assistance in the identification of alternatives to reduce coffee production costs, i.e. organic practices (books written about organic coffee production).

- 4.4 Within the GATs, creation of a unit to monitor (supervise) the use of chemical products and processed coffee subproducts.
- 4.5 Review of available resources for training and technical assistance in natural resource management and proposals for more efficient alternatives for their use.

Project ideas:

- 4.1 Formulation of a coffee production pilot project in one of the regions aimed at minimizing negative environmental impact.

5) Ref. Annex 7-F: Inadequate services offered to the small producer

Actions:

- 5.1 Case studies to determine why some producers do not want to participate in technology generation and transfer programs.
- 5.2 Diagnosis of why there is not better coordination and communication between the research and extension units.
- 5.3 Diagnosis of the priority problems and needs of the small farmer.
- 5.4 Economic analysis of alternative production systems at the small coffee farm level.
- 5.5 Case studies to determine the small farmer's level of adaptation of modern technologies.
- 5.6 Adaptive research to determine optimal technical packages given the conditions existing at the small farm level.
- 5.7 Application of CSAM forms 4.1 & 4.5 in the distinct coffee regions to obtain a complete description of the coffee production and marketing system at the small farm level.
- 5.8 Diagnosis of the deficiencies in the existing technology transfer system.

Project ideas:

- 5.1 Development of an integrated technology generation and transfer system for small coffee farmers.

6) Ref. Annex 7-G: High financial costs for the small producer

Actions:

- 6.1 Case studies to determine reasons for restricted prices and weights.
- 6.2 Assessment of nontraditional financing systems.
- 6.3 Identification of model small producers qualified to receive bank loans.

Project ideas:

- 6.1 Project to facilitate obtaining farm titles at the small farmer level.
- 6.2 Project to augment financing available at the rural level through nontraditional systems, i.e. development institutions.

7) Ref. Annex 7-H: Low yields (productivity).

Actions:

- 7.1 Anthropological studies to determine the best way of integrating technological packages into the traditional systems of small scale coffee production.
- 7.2 Establishment of channels of communication and coordination with the General Administration of Rural Roads (DGC) and establish priorities.
- 7.3 Development of a training program in farm administration.

Project ideas:

- 7.1 Project to augment available financing at the rural level through nontraditional systems, i.e., development institutions.
- 7.2 Formulation of a project SCFIP-2 to expand services to 75% of the small coffee farmers.
- 7.3 Institutionalization of an effective process of technology generation and transfer services that responds to the needs of the small coffee farmer.

8) Ref. Annex 7-I: Deficient coffee quality

Actions:

- 8.1 Prioritization of rural roads in SCFIP project zones.
- 8.2 Socio-economic studies to determine why small coffee farmer manage coffee cultivation the way they do, including technological package use, coffee collection, and delay in sales.
- 8.3 Case studies of wet processing to identify positive and negative characteristics affecting product quality.
- 8.4 Studies of the type of packaging used and reasons for use.

Project ideas:

- 8.1 Rural road maintenance program with the active participation of users.
- 8.2 Wet coffee processing pilot projects managed by rural organizations and/or new rural entrepreneurs.

9) Ref. Annex 7-J: Small producers do not receive adequate prices

Actions:

- 9.1 Identification of market niches for high quality coffee.
- 9.2 Creation of a marketing information system that responds to the needs of organized small farmers.
- 9.3 Development of a small farmer training program for the standardization of coffee quality.

Project ideas:

- 9.1 Rural road maintenance program with the active participation of users.**
- 9.2 Wet coffee processing pilot projects managed by rural organizations and/or new rural entrepreneurs.**
- 9.3 Strengthening and promotion of producer organizations.**
- 9.4 Formulation of one or more projects to facilitate the commercialization of high quality coffee.**
- 9.5 "Joint venture" project with importers or roasters of high quality coffee.**

ANNEX 9-A

TITLE: FORMULATION OF A RURAL DEVELOPMENT PLAN FOR THE SMALL COFFEE FARMER

Definition of the fundamental problem:

Due to the absence of diagnostic and case studies in the rural zone, lack of government information on the rural situation has impeded the existence of rural development plans for the small coffee farmer.

Goal:

Integrate rural farmers into a rural development plan.

Objectives:

Formulation and implementation of a rural development plan for the small coffee farmer.

Expected results:

- 1) Diagnostic document.
- 2) Government will take information contained in the document into consideration for decision making.
- 3) Rural development plan for the small coffee farmer.

Activities to be performed:

- 1) Implementation of a diagnostic study of the small farmer situation in the rural area.
- 2) Informative campaign in distinct government levels.
 - 2.1 Seminars
 - 2.2 Inter-institutional coordination
- 3) Formulation of the rural development plan
 - 3.1 Define
 - objectives
 - goals
 - strategy
 - policies
 - actors
 - financing source

Duration of the project:

Four (4) months

Estimated Costs:

QUETZALES

- Printing of material	\$50,000
- 10 Surveyors	
Salaries Q 800 c/u	
Per diem Q 25 c/day	14,000
- Training	3,000
- Office supplies	4,000
- Seminars	15,000
- Informative campaign	<u>30,000</u>
 TOTAL	 <u>\$116,000</u>

Elaborated by the working group composed of:

- 1) José L Jimenez
- 2) Roberto Castro
- 3) Melinda de Calderón
- 4) Roberto Jordán

ANNEX 9-B

TITLE: STRENGTHENING AND PROMOTION OF PRODUCER ORGANIZATIONS

Definition of the fundamental problem:

Economically weak position of producers because of farm size/inaccessibility and low production volume, causing an almost nonexistent negotiating capacity.

Goal:

Producers receive fair prices for their products.

Specific objectives:

- 1) Improve producers' negotiating capacity.
- 2) Strengthen the managerial and administrative framework of the producer organizations.
- 3) Reduce producers' transaction costs.

Expected results:

- 1) Strengthened FEDECOCAGUA and FEDECOVERA organizations, resulting in better delivery of services to affiliate cooperatives.
- 2) Strengthen, in coordination with UCONOFEC, the organization of their independent cooperatives.
- 3) Strengthen and promote reforms to producer associations so that they can develop economic functions.
- 4) As a pilot plan in at least ten communities, promote formalization of the Friendship and Work Groups (GATs) into legal institutions to develop social and economic functions, and which adopt the form most convenient to the interests of their members.

Activities:

- 1) Provide a multi-disciplinary team to each GAT group potentially subject to improvement, for analysis and formulation/implementation of a work plan.
- 2) Provide training on organizational mechanisms to technicians working with producers.

- 3) Provide training to producers on advantages and disadvantages of the organization.
- 4) Coordinate with INACOP, INTECAP and ASINDES to promote and legalize producer organizations.
- 5) Coordinate with the cooperative strengthening project to strengthen cooperatives.
- 6) Establish a credit fund and identify alternative sources of credit assistance for coffee production, processing, and commercialization for at least 300,000 quintales.

Duration of the project:

Four (4) years.

Estimated Costs:

US\$

Type of expense:

-	Training of technical team	\$500,000
-	Credit fund	15,000,000
-	External technical assistance	200,000
-	Operating expenses	700,000
-	Training	<u>2,000,000</u>
	TOTAL	<u>\$18,400,000</u>

ANNEX 9-C

TITLE: DEVELOPMENT OF A CROP DIVERSIFICATION PROGRAM

Definition of the fundamental problem:

The absence of an effective agricultural diversification program prevents the small farmer from attaining the maximum benefit from the area cultivated with coffee.

Goal:

Procure maximum benefit from the area cultivated with coffee, identifying economically feasible alternatives for intercropping in each coffee region.

Objectives:

To achieve a higher income level for the cultivated area, with the objective of improving small producers' standard of living.

Expected results:

- 1) To provide the coffee farmer with a list of agricultural alternatives for intercropping which are in high demand for home consumption and on the market, particularly in the first years of planting.

The crops recommended come from a technological package that takes into account sowing time and adaptation to each region.

- 2) To introduce coffee farmers to new eating habits identified for products easily harvested and having high nutritional content.

Activities to be performed:

- 1) Elaborate technology transfer program that permits the extensionist team to convey to the coffee farmers the most suitable cultivation methodology.
- 2) Produce seed material adaptable to the coffee crop that does not interfere with the development of the plantation with respect to its pest and disease resistance.
- 3) Structure a market study for the new intercropped production. This market can be for internal and/or export consumption.

Duration of the project:

A period of ten (10) years is contemplated, during which time an assessment could be done of the crops used that give the best results from a socio-economic point of view.

Estimated production costs:

QUETZALES

-	Training	1.5 million
-	Production of propagation material	1.0 million
-	Technical assistance	5.0 million
-	Material and extension team	1.5 million
-	Other	<u>1.0 million</u>
	TOTAL	<u>10.0 million</u>

Implementing agency: ANACAFE

Elaborated by the working group composed of:

- 1) Luis Felipe Pascual
- 2) Oscar Makepeace Morales
- 3) Estuardo Suchini
- 4) Frank Astacio

ANNEX 9-D

TITLE: DEVELOPMENT OF AN INTEGRATED SYSTEM OF TECHNOLOGY GENERATION AND TRANSFER FOR SMALL COFFEE FARMERS

Definition of the fundamental problem:

Due to inadequate and incomplete research on coffee cultivation, little coordination in and outside of the institutions involved in coffee development, and the lack of adequate technology transfer methods, the services provided at the small farmer level are ineffective.

Goal:

Create an effective methodology for technology generation and transfer.

Objectives:

- 1) Put into practice the "learning-doing" technique.
- 2) Make the technology generation and transfer system effective.

Expected results:

- 1) Understand the small coffee farmer situation.
- 2) Create the guidelines that lead to the consolidation of a sound information system.
- 3) Raise consciousness to gain greater political and financial support.
- 4) Succeed in getting the coffee farmer to adopt the technology.

Activities to be performed:

- 1) Characterize the small coffee farming system to identify priority needs.
- 2) Create a sound database for decision-making.
- 3) Inform the financing sources of small coffee farmers' needs, according to the characteristics of the system, in order to facilitate the award of funds.
- 4) Create a methodology in accordance with producers' needs so that they will be receptive to the methodology.

Duration of the project:

This project will have a duration of five (5) years.

Implementing agency:

National Coffee Association (ANACAFE).

Direct costs:

Salaries	\$ 84,000
Equipment/furniture	10,000
Vehicles	<u>100,000</u>
	\$194,000

Indirect costs:

Fuel/lubricants	16,800
Maintenance	<u>14,000</u>
	30,800

Other expenses:

Technical training	50,000
Materials and equipment	<u>60,000</u>
	110,000

TOTAL \$434,800

Elaborated by the working group composed of:

- 1) Eddie Garcia
- 2) Roderico Cario
- 3) Edin Barrientos
- 4) José Angel Zavala

ANNEX 10
CSAM WORKSHOP EVALUATION FORM
SCORE

	Minimum			Maximum %		
	1	2	3	4	5	4-5
1. WITH RESPECT TO THE CSAM						
a) Clarity of presentation	()	()	(1)	(7)	(8)	94
b) General usefulness of the methodology	()	()	(2)	(5)	(8)	81
c) Applicability of the CSAM in your work	()	()	(2)	(7)	(7)	88
d) Relevancy of the CSAM for the integration of working groups	()	()	(1)	(6)	(9)	95
e) Contribution of the CSAM to the comprehension of coffee marketing and production (MPC) and of the problems to be solved	()	()	()	(6)	(10)	100
f) Facility of CSAM manipulation	()	()	(4)	(6)	(6)	75
2. WAS THE BASE INFORMATION ON TUESDAY ADEQUATE TO COMPREHEND THE PROBLEM?						
- Pre-production	()	(1)	(7)	(5)	(3)	50
- Production	()	(1)	(8)	(4)	(3)	44
- Post-harvest	()	(2)	(6)	(5)	(3)	50
- Marketing	()	(2)	(7)	(4)	(3)	44
3. DO YOU CONSIDER THAT THE RESULTS OF THE WORKSHOP ARE USEFUL FOR THE DEVELOPMENT OF THE COFFEE PRODUCTION AND MARKETING SYSTEM?						
	()	()	()	(7)	(9)	100
4. WILL THE CSAM BE USEFUL IN THE COLLECTION OF FIELD INFORMATION TO IDENTIFY PROBLEM SOLUTIONS?						
- Pre-production	(1)	()	(1)	(9)	(5)	88
- Production	(1)	()	(1)	(7)	(7)	88
- Post-harvest	()	()	(2)	(6)	(8)	88
- Marketing	()	()	(2)	(8)	(6)	88
5. DID THE WORKSHOP ALLOW YOU TO HAVE A BETTER COMPREHENSION OF THE COFFEE PRODUCTION AND COMMERCIALIZATION SYSTEMS?						
- Pre-production	()	(1)	(2)	(8)	(5)	81
- Production	()	(1)	(1)	(10)	(4)	88
- Post-harvesting	()	()	(1)	(8)	(7)	94
- Marketing	()	()	(1)	(9)	(6)	94

6. DO YOU CONSIDER THAT THE CSAM SHOULD BE EXTENDED TO OTHER GROUPS AND/OR PROJECT MANAGERS? YES (16) NO () 106

IF YES, SUGGEST SPECIFIC CASES AND HOW TO DO SO

Training in the use of the methodology at a level of:

- Cooperatives and associations (5)
- Producers, exporters and intermediaries (3)
- Other ANACAFE departments (3)
- ANACAFE board of directors and upper-level management (2)
- Extensionists, credit agents and other field technicians (2)
- USAID, for analysis of sub-projects (2)
- Planning institutions (1)
- Public sector professionals responsible for the design of projects (1), and
- University courses in business administration (1)

7. HOW DO YOU THINK YOU WILL USE THE CSAM IN YOUR WORK?

- To analyze problems and propose solutions with GATs and other beneficiaries of the AID/ANACAFE project (4)
- In the identification of strong and weak project areas and the design of more effective solutions (4)
- Meetings of technicians and farmers to identify causes of problems (4)
- Application of new knowledge in the field work (3)
- Analysis of the AID/ANACAFE project cronology (1)

8. DO YOU CONSIDER THAT THE WORKSHOP WAS:

%

- | | | |
|----------------|------|----|
| - Too long | () | |
| - Too short | (11) | 69 |
| - Enough time? | (5) | 31 |

9. OPINIONS, OBSERVATIONS, DEFICIENCIES, RECOMMENDATIONS, ETC., WITH RESPECT TO THE CSAM AND/OR THE WORKSHOP

- Workshop was very positive, clear teaching, concrete and simple (2)
- The methodology should be distributed before the workshop (1)
- The methodology should be used in the formulation of projects to clarify priority problems (1)
- Detailed project work with the CSAM is necessary to learn the methodology better (1)
- The methodology/workshop should have follow-up (1)
- The workshop should be divided in sections, giving enough time for each theme (1)
- The workshop should be repeated to completely master the methodology (1)
- Another workshop is needed to focus on one of the current projects in Guatemala (1)
- There should be more time allowed for each one of the workshop sections (1)
- The workshop was very adequate

ANNEX 11

CONSULTANT'S REPORT ON MARKETING OF COFFEE IN HAITI¹

INTRODUCTION

In discussions with IICA staff associated with the PPK (Pwoje Plante Kafe) coffee project and the review of the available literature, it is clear that IICA professionals have a clear understanding of the present situation and needs, and are well on their way to making positive changes within the constraints of the USAID funded project. Whereas the original project document overemphasizes coffee production, this is addressed in the March 1991 Redesign where the need to give greater attention to increasing net income of small coffee farmers is recognized. It will do little good to develop high input tech-packs if market prices do not stimulate the small farmer to adopt the tech-packs. As one farmer pointed out: "when coffee has a good price it will weed itself" (it will generate income to pay for the necessary inputs).

The Haitian farmer, like small farmers elsewhere, are profit motivated. If they are unable to increase their net returns by producing coffee then they will continue to minimize their investments and harvest whatever the "rat" coffee produces. Since average returns to Haitian farmers are so low, even a small subsidy for growing coffee may be sufficient to stimulate their active participation in a coffee rehabilitation program. However, as soon as the subsidy ends, unless there is an increase in their net returns from coffee, they will again minimize their investments and return to their traditional practices. In this sense, then, price and net returns to the farmer are the key issues that must be addressed.

The success of the Marketing Component will be the determining factor in the success of the PPK project.

It is generally recognized among marketing specialists that success in marketing requires the following:

- QUANTITY: having sufficient volume of any one commodity to meet the minimum needs of the buyer.
- QUALITY: offering a product of sufficiently high quality to meet the needs of the buyer.
- REGULARITY: being able to supply the buyer with his minimum needs of quality produce on a regular basis.

¹Jerry La Gra, Rural Development & Marketing Specialist, IICA Office, St. Lucia, West Indies.

COMPARATIVE ADVANTAGE having certain advantages in the market place which permit ones products to compete favorably in the international market.

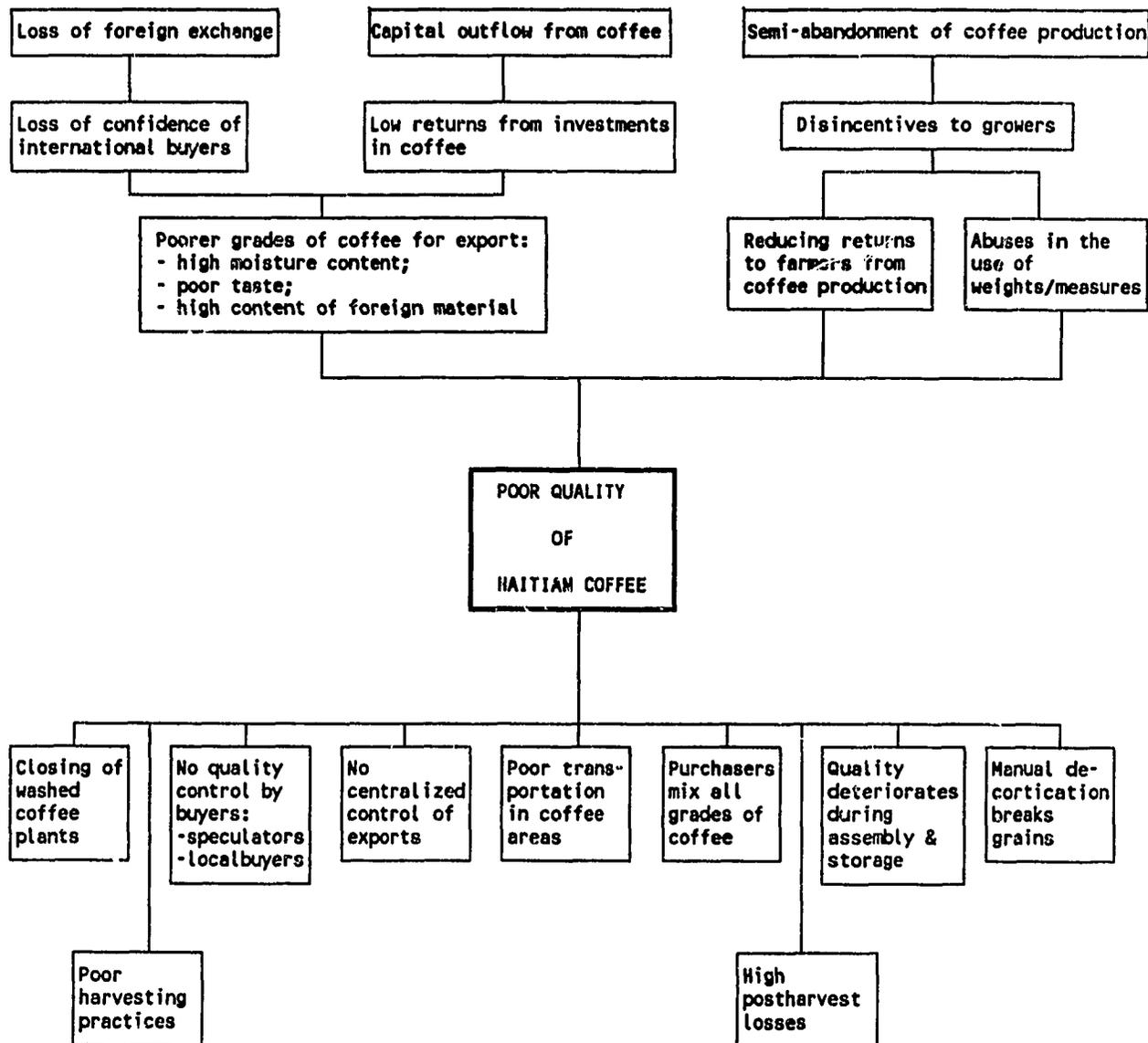
COMPETITIVE ADVANTAGE: being able to supply the market with quality produce on a regular basis with operational costs at or below the level of those in the international market.

IDENTIFICATION OF THE PROBLEMS

Of the many problems related to marketing of Haitian coffee, the question of **QUALITY** seems to be the principal constraint among the five elements mentioned above. This conclusion can be reached through a process of elimination. Haiti has a long history of international marketing of coffee and has proven that when the system works properly it can compete favorably on the international market (**COMPETITIVE ADVANTAGE**). Although Haitian coffee production is on a strong downward slide, national production is still sufficient to stimulate interest among selected customers, both traditional and new ones (**QUANTITY**). With a few improvements in the marketing system there is no reason to believe that Haiti cannot supply its buyers on a regular basis. All major investments in marketing infrastructure have been made, with the exception of roads. While poor roads complicate the assembly function this should not be a limiting constraint since roads have seldom been good in Haiti and coffee can be transported by human and animal power to pick up points (**REGULARITY**). Japan is presently purchasing coffee from Haiti in small amounts and claims have been made that a small percentage of Haitian coffee is of comparable quality to that of Blue Mountain from Jamaica. This would seem to give Haiti the potential for **COMPARATIVE ADVANTAGE**.

Assuming that the **CORE PROBLEM** for successful marketing is **POOR QUALITY OF HAITIAN COFFEE**, an analysis of the causes of this problem follows. Figure 1 shows the core problem (center), its principal causes (lower level) and some of the important effects (upper level).

FIGURE 1. Core Problem Causes and Effects: Poor Quality Haitian Coffee



HAITIAN COFFEE ANALYSIS

The underlying causes of each of the major causes of poor quality Haitian coffee are summarized below:

1. Closing of washed coffee plants:

Caused by:

- a) declining production (caused in turn by deforestation, minimum use of farm inputs and coffee rust);
- b) lack of control and supervision of local buyers and
- c) declining availability of cherry coffee.

2. No quality control by buyers:

Caused by:

- a) no price incentives (caused in turn by low international prices, general uncertainties of present system and weaknesses in the overall economy) and
- b) difficulties of assembly (caused in turn by poor roads, few animals to transport coffee, few processing facilities in rural areas and weak farmers organizations to direct assembly operations).

3. No central control of exports:

Caused by:

- a) weak government services.

4. Poor transportation in coffee areas:

Caused by:

- a) poor roads (caused in turn by weak government services, weak rural organizations and scarce resources to support self-help activities) and
- b) few pack animals in rural areas (caused by scarce capital in coffee growing areas).

5. Purchasers mix all grades of coffee:

Caused by:

- a) no economic incentive to do otherwise and
- b) difficult access to production areas.

6. Quality of coffee deteriorates during the assembly process and storage:

Caused by:

- a) wide range of moisture content of coffee in same bag and
- b) coffee is not protected from environment during the assembly process.

7. Manual decortication of coffee breaks beans:

Caused by:

- a) no market for cherry coffee and
- b) traditional practice.

8. Poor harvesting practices:

Caused by:

- a) threat of theft leads to harvest before point of maturity;
- b) farmers' need for cash leads to early harvest (before coffee matures);
- c) farmers are concerned with maximizing the weight and not the quality of the coffee and
- d) pickers are paid by quantity; there is no quality control.

9. High postharvest losses:

Caused by:

- a) poor drying practices;
- b) poor storage conditions;
- c) no minimum standards, and
- d) adulteration of coffee beans with foreign material.

All the above stem from poor rural infrastructure and equipment which is not available partially due to the weakness of the rural organizations.

ACTIONS TO RESOLVE THE PROBLEMS IDENTIFIED

One of the main objectives of the PPK coffee project should be "to improve the quality of Haitian coffee." Given the low prices on the international market and the unlikelihood that they will increase over the next few years, it is necessary that the PPK give priority to improving quality of coffee so as to be able to penetrate the specialty market. This is the most obvious strategy for obtaining higher prices that can be transferred to the grower. Without higher prices it is very unlikely that the project will prove successful.

In order to improve the quality of Haitian coffee the nine constraints outlined above will have to be eliminated. It is understood that the elimination of the constraints will be restricted to selected geographical areas. This will both reduce costs and make the solutions manageable.

The required actions to eliminate these nine constraints are the following:

1. Incentives to get pickers to harvest mostly red cherries must be built into the price structure. Considerable effort will have to be made to build a consciousness within the pickers. This will require both training and some price incentive. Most importantly it will require close monitoring and control of the pickers. A monitoring system which grades the pickers by quality of product delivered, combined with bonuses for high quality, will produce a significant impact.
2. The installation of washed coffee plants in high production areas, with quality control mechanisms and adequate drying and storage space, will go a long way towards eliminating problems 1, 2, 5, 6, 7 & 8. The scarcity of water will be a major constraint but in some cases can be resolved using catchment basins for roof water.
3. In each area with a washed coffee plant a series of training activities should be carried out. Training should be oriented to overcome existing constraints and not for the sake of training. By consulting with the "squads", priority areas for farmer training can be identified. The trainers will also need training in farmer organization, problem analysis and project identification and formulation.
4. Where production does not warrant washed coffee plants, portable hand operated depulpers can be distributed or rotated to selected farmers within "squads."
5. Improving transport of cherry coffee from farms to washed coffee plants will be necessary. The most practical solution will be the use of animal transport. Capital should be made available for the purchase of good quality stock which can be controlled by an association of farmers or perhaps by one or more rural entrepreneurs who are willing to take on the transport function as a small business.
6. A system for transporting coffee from the washed coffee plants to Port-au-Prince must be worked out. Depending on the location of the washed coffee plants, it may be necessary to hire 4-wheel drive vehicles to transport from the plant to a pickup point for commercial transport. If volume warrants, trucks may be leased to haul coffee to Port-au-Prince. The purchase of trucks would not be recommended, at least during the first two-three years of

the project. If commercial transport is used, precautions must be put in place to avoid pilferage.

7. Central control of exports will take place in Port-au-Prince, using the excellent facilities available at Damien. The necessary mechanisms will have to be worked out with the persons responsible for operating this facility. This action is already well underway.

MISCELLANEOUS CONCLUSIONS AND RECOMMENDATIONS

1. The concept of the PPK coffee project should be expanded to include the identification of alternatives for creating jobs and self-sustaining rural enterprises.
2. The idea of building the coffee project on traditional systems of rural organization, e.g. squads, is a good one. An anthropologist should be contracted to evaluate these "squads" in more detail. These groups might serve well as catalysts for community groups to analyze problems and design solutions for increasing levels of income in rural communities.
3. Most of the coffee grown in Haiti today can be considered "organically grown" since it is grown in the traditional manner without any synthetic chemicals. Since some European countries are paying premium prices for guaranteed organic coffee, this may be a niche worth studying. However, there is a high risk in marketing organic coffee when the origin is uncertain since the importer may refuse payment if the shipment is found to contain chemical residues. Although growing organic coffee is in conflict with the PPK coffee project, which emphasizes the use of chemicals, the concept should be evaluated from the economic standpoint - which system will maximize returns to the farmer?
4. Farmers' ability to produce compost as a partial substitute for synthetic fertilizers should be evaluated.
5. The importance of evaluating a wider variety of tech-packs than originally contemplated has been recognized and is being built into the 1991 redesign. The wider the range of alternatives evaluated, the better for the farmer.
6. The Government has an important role to play in the planning and monitoring of the PPK coffee project. MARNDR should be integrated into the project at the planning/policy level as soon as possible.
7. The size and quality of the coffee bean varies considerably from zone to zone in Haiti. Given the importance of maximizing returns to the farmer and given the premium prices paid for highest quality coffee, a systematic effort should be made to categorize Haitian coffee by production zone.
8. One of the main problems the farmer has in the establishment phase of production is that of transporting heavy bags of soil with coffee plants up the mountains to his farm. In many cases the plants fall and are lost or the farmer simply pulls the plants from the bags and wraps them in damp cloth, hoping that some will survive the journey. This situation suggests the need to find alternative methods for farmers to get seedlings to their farms.

One method that should be tried on a pilot basis is to give the farmer seeds, plastic bags and instructions and assist him in preparation of soil on his own farm using compost. It makes little sense to utilize a high tech system which will soon be abandoned by the peasant.

9. Cherry coffee has about five times the weight and bulk of dry coffee. Given the limited number of animals in the production areas, it will be difficult for the farmers to transport their cherry coffee over long distances. This implies the need for a larger number of washed coffee plants than originally anticipated.
10. The task that lies ahead is a very difficult one and the odds are against success. Consequently, the project should begin in those areas where conditions are the most favorable, e.g. areas of large production, relatively easy access, strongest organizations, best quality coffee, etc. The human element is the most important, therefore efforts should be made to strengthen and consolidate groups of farmers rather than to form new groups.

ANNEX 12

LETTER ACCOMPANYING DRAFT REPORT

July 29, 1991

José Luis Jimenez
Proyecto ANACAFE/USAID
Edificio Etisa, Plazuela España
Zona 9, Guatemala, C.A. 01009

Dear José Luis:

Please find enclosed my report on the workshop on the Commodity Systems Assessment Methodology held during July 15-19, 1991. I want you to know that I enjoyed the workshop, found it very useful for testing the methodology and am satisfied that it produced useful material for ANACAFE. The support received from ANACAFE during the workshop was excellent and the participation of the professionals was commendable.

This report is not a final document but should be considered part of an on-going exercise that will end with my third visit, perhaps as late as October, 1991. My final report will be submitted then.

The report describes the organization and execution of the workshop and assembles the results of the workshop into a usable form. All the outputs from the workshop are included in annexes.

As agreed with yourself and Roberto Castro, we should produce a final document on the coffee system which can be used for the development of the small coffee farmer sub-sector. The basis for this document will be the baseline information presented by the national professionals on day two of the workshop, the outputs from the workshop (problem trees, actions and project ideas) and the results of field research and information gathering to be conducted.

To produce an organized and useful document we will have to proceed in a step by step fashion. The workshop was the first step. The organization of the outputs of the workshop in this report can be considered the second step. The third step will be the review and modification/expansion of the baseline information and the information contained in annexes 7 (problem trees), 8 (actions and project ideas) and 9 (project profiles). These changes can be done as a joint effort between the ANACAFE interdisciplinary team which has been established to provide follow-up, field support staff and myself.

Over the period August 1-26, the ANACAFE interdisciplinary team should carry out the following activities:

- 1) Review the table of contents for the final document presented in Annex 5 and modify as desired. Proceed to collect additional information for those sections where information is lacking or non-available.
- 2) Initiate the collection of the following information:
 - 2.1 Application of CSAM Form 4.1 in each of the four regions.
 - 2.2 Application of CSAM Forms 4.4 & 4.5 in each of the four regions.

Note: A small interdisciplinary team can be formed in each region, including farmers and intermediaries. The team leader should fill out the respective forms which will identify all the steps in the production and marketing process used by small coffee farmers, the key actors and causes of many problems.

- 3) Review in detail the problem trees presented in Annex 7 and expand each one as much as possible, trying to identify causes of each problem or sub-problem. This can be an on-going exercise as new information is obtained. It may be desirable to seek input from PROMECAFE and other experts in undertaking this analysis.
- 4) For each problem tree in Annex 7, review the list of actors. Expand the list, try to be as specific as possible. For example, instead of saying "research institutions" ("instituciones de investigación") identify the specific institution; instead of saying "producers" ("productores") try to identify specific groups of farmers.
- 5) Review each of the problems or causes of problems and identify actions or possible project ideas required to resolve the problems. This can be done as a group exercise. Add the results to the draft list of actions and project ideas shown in Annex 8.
- 6) Eliminate, or combine, actions and project ideas which are duplicated. Prepare a final complete list of actions and projects (Annex 8) required to resolve the priority problems.
- 7) Review the list (Annex 8) item by item and identify all the actions and project ideas which are already underway or in-pipeline and identify the actor or institution (or department of ANACAFE) involved in the planning or execution of the respective action or project. Also identify reports, studies, documents, projects, other sources of information (including names of specialists) regarding the specific areas of interest.
- 8) Review the project ideas and the four project profiles in Annex 9 and assign persons to develop them to the point of a complete profile (document of 5-10 pages) as time and resources allow.

This should be sufficient work to keep the ANACAFE team busy until my second visit scheduled for August 26-28, 1991. I'll dedicate two days to working with the ANACAFE team in the review of the progress made, prioritization of actions and outlining of needs for field research.

Please make reservations for me at the Camino Real for the nights of August 26-28, 1991. I'll depart for Costa Rica on the morning of August 29, 1991.

Best wishes and good luck.

Sincerely yours,

Jerry La Gra
Rural Development/Marketing Specialist

cc: FAlexander
MChiriboga
MSegura
RPierre
HNeese
RCastro

ANNEX 13

LIST OF PARTICIPANTS IN SECOND ANACAFE WORKSHOP

<u>NAMES</u>	<u>SPECIALTY</u>	<u>INSTITUTION</u>
Gonzalo Arriaga Gamboa	Extension	Rural Development Zacapa-Chig
Roderico Cano Garcia	Commercialization	ANACAFE
Luis Felipe Pascual	Extension and AT	ANACAFE
Tito Hugo Marroquín P	Extension and AT	ANACAFE
José Angel Zavala B	Extension and AT	ANACAFE
David Makepeace	Extension and AT	ANACAFE
Edin Barrientos	Marketing	ANACAFE
Eddie García	Postharvest	ANACAFE
Guillermo Galdamez	Training	ANACAFE
José Luis Jiménez	Administration	USAID/ANACAFE
Michael Schwartz	Economy	USAID/ANACAFE

ANNEX 14
BASIC AREAS TO BE CONSIDERED IN ANY DEVELOPMENT STRATEGY

1. POLITICAL FRAMEWORK

- 1.1 National level
- 1.2 Sectoral level
- 1.3 Institutional level

2. CURRENT SITUATION IN THE RURAL SECTOR

- 2.1 Resources
- 2.2 Institutional organization
 - a) Public
 - b) Private
- 2.3 Agricultural production
- 2.4 Cattle production
- 2.5 Marketing and distribution
 - a) National level
 - b) Regional level
 - c) Extra-regional level

3. MARKET OPPORTUNITIES

- 3.1 National level
- 3.2 Regional level
- 3.3 Extra-regional level

4. PROBLEM IDENTIFICATION

- 4.1 Problems that impact the sector general
 - a) Policies
 - b) Land use
 - c) Roads
 - d) Resource availability (land, water, financial)
 - e) Other
- 4.2 Institutional or organizational problems
 - a) Public sector
 - b) Private sector
- 4.3 Problems that impact products in terms of quantity, quality, regularity of supply and price
 - a) Fruits
 - b) Vegetables
 - c) Tubers
 - d) Grains
 - e) Cattle

5. ACTION PLAN

5.1 Identification of beneficiaries

5.2 Description of the strategy

5.3 Components of the strategy

5.3.1 Harmonization of policies

5.3.2 Institutional strengthening

a) Public sector

b) Private sector

5.3.3 Infrastructure development

5.3.4 Increase in production and productivity

5.3.5 Development of the agro-industrial capacity

5.3.6 Development of the marketing systems

5.3.7 Environmental protection

5.3.8 Development of complementary actions and projects:

a) transport

b) packaging

c) distribution of materials

d) materials

ANNEX 15

PROJECT PROFILE

Project title:

Strengthening and promotion of coffee producer organizations.

Purpose:

To augment the income level of small coffee farmers.

General Objective:

To improve the efficiency and effectiveness of services at the small coffee farmer level.

Specific Objectives:

- 1) Strengthen the managerial and administrative framework of coffee producer organizations.
- 2) Develop an effective system of technology generation and transfer to benefit the small coffee producer.
- 3) Establish access mechanisms to resources necessary for the development process of coffee producer organizations.
- 4) Improve coffee producers' negotiating and marketing capacity.

Expected result:

A selected number of coffee producer organizations self-managed in a sustainable manner.

Note:

It is not currently known which coffee producer organizations will be project beneficiaries. Consequently, their characteristics and specific needs are unknown. Without such information, a project cannot be formulated.

Working Group Task:

Develop the methodology for the identification of the organizations benefiting from the AID/ANACAFE project and for the collection of information to allow the formulation of development projects.

**ANNEX 16
CENSUS FORM**

1. NAME OF THE ORGANIZATION _____

2. TYPE OF ORGANIZATION () anonymous society; () cooperative; () association; () federation; () league; () syndicate; () PDC; () EZD; () other _____

3. ADDRESS _____

4. TELEPHONE _____

5. NAME OF KEY PERSONS

<u>Name</u>	<u>Position</u>	<u>Location</u>
_____	_____	_____
_____	_____	_____

6. FOUNDATION DATE _____

7. LEGALIZATION DATE _____

8. BY-LAWS _____ yes _____ no

9. AFFILIATION TO OTHER ORGANIZATIONS?

<u>Name</u>	<u>Type of Organization</u>	<u>Time to Belong</u>
_____	_____	_____
_____	_____	_____

10. NUMBER OF MEMBERS IN ORGANIZATION _____

11. AREA OF ACTION: () national; () regional; () local

12. PRINCIPAL FUNCTIONS: () representation; () organization; () acquisition of resources; () community improvement; () other _____

13. SERVICES OFFERED: () training; () credit; () technical assistance; () processing; () marketing; () infrastructure; () sale of materials; () transport; () equipment/machinery; () other services _____

14. SOURCES AND TYPES OF FINANCING

<u>Source</u>	<u>Type</u>	<u>Amount</u>
_____	_____	_____
_____	_____	_____

15. FACILITIES INSTALLED? () training center; () coffee processing; () storage; () vehicles; () irrigation; () other _____

16. HUMAN RESOURCES AVAILABLE?
number

- () executives _____
- () middle-level technicians _____
- () operators _____

17. PRINCIPAL PROJECTS:

a) In progress:

b) To carry out:

c) Carried out:

18. NEEDS AND CONCERNS:

19. COMMENTS:

NOTES:

Who? All farmer organizations at national level and GATs.
How? Interviews by agents or contract personnel.
When? January-March 1992
Responsible: Executive Director, José Luis Jimenez
Cost? To be estimated
Program? To be formulated

ANNEX 17

FORM FOR THE CHARACTERIZATION OF GATS AND OTHER ORGANIZATIONS

Objective: To learn the group's history, experiences, plans and needs in order to formulate an action plan to help the organization attain a level of sustainable development.

I. IDENTIFICATION

1. ORGANIZATION'S NAME AND ADDRESS

<u>Name</u>	<u>Address</u>	<u>Telephone</u>
_____	_____	_____
_____	_____	_____

2. REPRESENTATIVE'S NAME AND ADDRESS

<u>Name</u>	<u>Address</u>	<u>Telephone</u>
_____	_____	_____
_____	_____	_____

3. GROUP'S AREA OF ACTION

Village _____ Municipality _____

Department _____

Elevation above sea level ___ meters ___ feet

4. NUMBER OF MEMBERS

Men Number _____ % of total _____

Women Number _____ % of total _____

5. DISTANCE TO CITY HALL _____ Km

6. DISTANCE TO DEPARTMENTAL HALL _____ Km

7. TYPE OF ACCESS (ROAD)

() paved () gravel

Notes: _____

8. ETHNIC PREDOMINANCE

() latino () indigenous () other

9. LANGUAGE

() monolingual () bilingual

10. PERCENT LITERATE _____ %

II. HISTORY

11. HOW WAS GROUP FORMED? _____

12. WHY WAS GROUP FORMED? _____

13. WHO FORMED GROUP? _____

14. TYPE OF ORGANIZATION? _____

15. DATE FOUNDED? _____

16. DATE LEGALIZED? _____

17. RELEVANT EVENTS IN GROUP'S HISTORY? _____

III. OBJECTIVES AND GOALS

18. PURPOSE AND PRINCIPAL OBJECTIVE? _____

19. SPECIFIC OBJECTIVES? _____

20. ORGANIZATION'S EXPECTED OR DESIRED OUTCOMES? _____

IV. AREAS OF SPECIALIZATION

21. PRODUCTS MANAGED?

22. PRODUCTION FUNCTIONS OR SERVICES? _____

23. PROCESSING FUNCTIONS OR SERVICES? _____

24. MARKETING FUNCTIONS OR SERVICES? _____

25. OTHER SERVICES OFFERED BY THE ORGANIZATION? _____

V. DESCRIPTION AND QUANTIFICATION OF OPERATIONS

26. PRESENT THE ORGANIZATIONAL CHART _____

27. DESCRIBE THE BOARD OF DIRECTORS AND MANAGEMENT METHOD _____

28. KIND AND NUMBER OF EMPLOYEES

<u>Kind</u>	<u>Number</u>
_____	_____
_____	_____

29. NUMBER AND LOCATION OF OPERATION CENTERS

<u>Number</u>	<u>Location</u>
_____	_____
_____	_____

30. DESCRIBE TYPE OF INFRASTRUCTURE _____

31. DESCRIBE KIND OF EQUIPMENT, MACHINERY AND VEHICLES

Equipment: _____

Machinery: _____

Vehicles: _____

Other: _____

32. IF THERE ARE SALES

<u>Kind of product?</u>	<u>Quantity?</u>	<u>Unit?</u>	<u>Value?</u>
-------------------------	------------------	--------------	---------------

_____	_____	_____	_____
_____	_____	_____	_____

33. FINANCIAL INFORMATION AND STATEMENT OF ACCOUNTS (present relevant information)

VI. OPERATIONAL EXPERIENCES (brief description of successes, failures and lessons learned)

34. WITH RESPECT TO PRODUCTION _____

35. WITH RESPECT TO MARKETING _____

36. WITH RESPECT TO ORGANIZATION _____

37. OTHER AREAS _____

VII. RELATIONSHIPS (describe kinds of past and present relationships and assistance received)

38. WITH GOVERNMENT AND GOVERNMENT INSTITUTIONS _____

39. WITH OTHER FARMER ORGANIZATIONS _____

40. WITH NON-GOVERNMENT ORGANIZATIONS _____

41. WITH REGIONAL OR INTERNATIONAL ORGANIZATIONS _____

42. WITH PRIVATE COMPANIES _____

VIII. PRINCIPAL PROBLEMS AND CAUSES (identify/describe problems and causes and how these are being resolved)

43. IN PRODUCTION _____

44. IN POSTHARVEST HANDLING AND COMMERCIALIZATION _____

45. AT THE MANAGEMENT LEVEL _____

46. AT THE INSTITUTIONAL LEVEL _____

IX. NEEDS

46. PRIORITY NEEDS	DETAILS OF NEEDS
_____	_____

X. FUTURE ACTIONS (identify and describe)

47. PROJECTS IN PROGRESS _____

48. NEW PROJECTS _____

49. PROJECT IDEAS _____

NOTES FOR THE ORGANIZATION OF THE WORK:

- Which organizations?** GATs having a certain level of development with training in production and a certain level of conscienceness to work in groups. Other pre-selected organizations.
- How many?** Approximately 45 groups, equal to two groups for one technician.
- How?** GATs will be pre-selected; field work will be the responsibility of the 27 ANACAFE technicians in six regions. A general event will be organized to present the methodology. There will be supervision and support of the technical coordinator at a regional level.
- When?** GATs: January-June, 1992; Other pre-selected organizations: April-September, 1992
- Responsible?** José Luis Jimenez
- Cost?** To be defined
- Working program?** To be defined

ANEXO 18
LIST OF ACRONYMS

ANACAFE	Asociación Nacional de Café/National Coffee Association
ASINDES	Asociación de Instituciones de Desarrollo/Association of Development Institutions
BANDESA	Banco de Desarrollo Agrícola/Agriculture Development Bank
CSAM/MESPC	Commodity Systems Assessment Methodology/Metodología de Evaluación de Sistemas de Productos de Consumo
CONAMA	Comisión Nacional del Medio Ambiente/National Environmental Commission
DGC	Dirección General de Caminos/General Administration of Roads
DIGESTA	Dirección General de Servicios Agrícolas/General Administration of Agricultural Services
FEDECOCAGUA	Federación de Cooperativas Agrícolas de Productores de Café de Guatemala/Federation of Agricultural Cooperatives of Guatemalan Coffee Producers
FEDECOVERA	Federación de Cooperativas de la Verapaces/Verapaces Federation of Cooperatives
FENACOAC	Federación Nacional de Cooperativas de Ahorro y Crédito/National Federation of Cooperatives for Savings and Credit
ICAITI	Instituto Centroamericano de Investigación y Tecnología Industrial/Central American Institute of Research and Industrial Technology
GAT	Grupo de Amistad y Trabajo/Friendship and Work Group
IICA	Inter-American Institute for Cooperation on Agriculture/Instituto Inter-Americano de Cooperación para la Agricultura
INACOP	Instituto Nacional de Cooperativas/National Institute of Cooperatives
INTA	Instituto Nacional de Transformación Agraria/National Institute of Agrarian Reform
INTECAP	Instituto Técnico de Capacitación y Productividad/Technical Institute of Productivity and Training

MARNDR	Ministère de l'Agriculture, des Ressources Naturelles et du Développement Rural/Ministry of Agriculture, Natural Resources and Rural Development
PDA	Proyecto de Desarrollo Agrícola/Agriculture Development Project
PDRZC	Proyecto de Desarrollo Rural Zacapa-Chiquimula/Rural Development Project--Zacapa-Chiquimula
PIP	Postharvest Institute for Perishables/Instituto Post-Cosecha de Productos Perecederos
PNUD	Programa des los Naciones Unidas de Desarrollo/United Nations Development Program
PPK	Pwoje Plante Kafe/Coffee Planting Project
PROMECAFE	Programa Regional de Mejoramiento del Café (IICA)/Regional Coffee Improvement Program
ROCAP	Regional Office for Cooperation on Agricultural Programs/Oficina Regional para Cooperación sobre Programas Agrícolas
RUTA	Regional Unit for Technical Assistance (World Bank)/Unidad Regional de Asistencia Técnica (Banco Mundial)
SCFIP	Small Coffee Farmer Improvement Project/Proyecto para el Mejoramiento de Pequeño Caficultor
SEGEPLAN	Secretaria General del Consejo Nacional de Planificación Económica/General Secretariat of the National Council for Economic Planning
UCONOFEC	Union de Cooperativas No Federados del Café/Union of Non-Federated Coffee Cooperatives
USAID	United States Agency for International Development/Agencia Americana para el Desarrollo Internacional