



## **Responsible Sourcing Partnership Project**

**Strategic Objective: Providing strategic trade-related technical assistance to selected MSE industries**

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First Quarterly Report Fiscal Year 2009  
(October 2008 – December 2008)

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## Acronyms:

BSD	Business Sustainability Development
CBD	Café Bom Dia
FLO	Fairtrade Labeling Organization
FGV	Getúlio Vargas Foundation
GPS	Global Producer Services
M&E	Monitoring and Evaluation
RA	Rainforest Alliance
RSP	Responsible Sourcing Partnership
SCAA	Specialty Coffee Association of America
SEBRAE	Brazilian Small and Medium Enterprise Support Agency
SKU	Stock Keeping Unit
TFUSA	TransFair USA
UFLA	Universidade Federal de Lavras/ Federal University of Lavras
USAID	United States Agency for International Development

## **Executive Summary**

### **Project Background**

The 2007-2010 Responsible Sourcing Partnership (RSP) project is an innovative public-private partnership between USAID, TransFair USA (TFUSA), Café Bom Dia (CBD), Sam's Club and Wal-Mart Stores that seeks to link Brazilian coffee farmers with mass market coffee consumers in the United States through Fair Trade Certified products. The RSP project furthers USAID/Brazil's goal to promote participation of Micro and Small Enterprise Brazilian coffee producers, including small rural producers, in the global market, using the following three working components:

- Component One: Expanding and improving the quality of supply
- Component Two: Increasing producer capacity
- Component Three: Raising the marketing capacity of Brazilian coffee growers

With cash and in-kind contributions from all partners totaling US\$1.9 million, the RSP project provides technical training and investment in farm and cooperative infrastructure to benefit more than 4,800 smallholder farmers in Brazil. At the end of the three year project, farmers and cooperatives will have the advanced skills necessary to meet market demand for high volumes of Fair Trade Certified coffee. Since implementation began in October, 2007, project initiatives have enabled significant advances in the Brazilian specialty coffee sector and continue to do so as the second year of project activities progresses.

### **Quarterly Report October 1, 2008 –December 31, 2008 (QI 2009)**

This first quarterly report for fiscal year 2009 (QI09), covers the implementation period of October 1 through December 31, 2008. The RSP partners began the second year of program implementation with a strong showing in both project activities completed and results accomplished. After one year of execution, the project has begun demonstrating results and has the maturity to implement activities with advanced scope and depth. The outcome has been greater benefit to producers through improved infrastructure, advances in coffee quality, and increased market linkages to the U.S. specialty coffee industry. The RSP partners' efforts were supported by strengthened relationships with effective implementing partners, and a full year of planning and implementation as they launched the first ever Fair Trade Certified Cupping Competition. The event's momentum carried through to a public celebration of the competition winners that included a press event designed to announce the partnership and showcase the project's successes over the course of the first year. Additional advances were made in the quarter when important members of the U.S. and international coffee industry visited Brazil, resulting in both new and strengthened market linkages. Finally, producers increased the capacity within their organizations through the continuation of governance and board trainings and advances in the *Infrastructure Grant Program*.

The cupping competition was the culmination of capacity building activities and infrastructure improvements accomplished in FY08 and the resulting celebration of the competition winners early in the quarter set the stage for enthusiastic participation in other RSP project activities. The event brought quality into the spotlight and effectively demonstrated the direct correlation between farm management practices, resulting coffee quality and the price differentials that can be achieved for quality.

Through RSP project activities that promote coffee quality, farmers and producer organizations have internalized the importance of quality and have incorporated quality management into their operations and their vocabulary. During recent annual Fair Trade certification inspections, FLO inspector Patricia Kaetsu made the following observation:

*I was with some of the groups and the impact of the coffee competition was visible. The producers are motivated and dedicated and produce quality coffee. Some organizations that I visited in 2006, 2007 and then in 2008 now know about the profitability of their product and before never spoke about 'floral coffee' or 'chocolate' and now they show interest in going deeper into understanding the nuances of their products and are proud of what they produce!*

The RSP partners hosted members of the press at the competition to share information about the event and to introduce the project and its partners. Additionally, partners promoted the RSP project and the cupping competition through press releases and articles released through their respective organizations. As a result, the scale and success of the cupping competition captured the interest of both local and international media. The event and its connection to the RSP project were highlighted in coffee industry journals, in on-line publications, and on regional broadcaster TV Alterosa, the local division of the national broadcaster SBT, and the local outlet of Globo TV network.

A number of on-site visits were conducted during the quarter, providing U.S. coffee industry representatives the opportunity to learn more about the Brazilian coffee origins and about the coffees produced by RSP project participating farmers. Through their participation in these excursions to producer organizations and farms, green coffee buyers were able to develop new business relationships and deepen their connection to the producing region from which some have been purchasing since the earliest introduction of Fair Trade certification. Industry members provided their contact information and in many cases made arrangements to receive coffee samples for potential purchases in the future.

Fair Trade Certified producer organizations continue to improve their performance through governance trainings tailored to the needs of each individual group. The specially focused trainings ensure that producer organizations receive the assistance that they need to address issues of cooperative governance, membership growth and board development.

The award phase of the first round of the *Infrastructure Grant Program* has concluded and several groups have completed implementation of their projects. Increases in quality and decreases in labor inputs have already been reported by the groups who have installed drying patios at their member's farms. The most tangible evidence of quality improvement was seen at the Fair Trade Certified Cupping Competition: the coffee that won first place had been dried on a patio financed through the *Infrastructure Grant Program*. These kinds of success stories have caught the attention of project partners as well as outside organizations who have expressed interest in funding a subsequent round of grants.

## **Activities and Deliverables**

This first quarterly report from year two of the Responsible Sourcing Partnership project (RSP project) concentrates on project activities and results achieved during the period of October to December 2008.

### **A. Activities related to Project Startup and Monitoring**

Sections below address the monitoring and evaluation as well as project management activities that will carry through the life of the project. Special note is made of the press event, the final activity remaining from the start-up phase of the project.

#### ***Annual Work Plan***

The start of the quarter brought the completion of year two planning. The resulting documents inform project activities for the coming fiscal year and provide a clear picture of expected timing and implementation procedures. All planning documents were shared with partners and approved by the RSP steering coming at the QI09 meeting held on October 24th in Belo Horizonte, Brazil.

#### ***Annual Diagnostic Survey***

In anticipation of the mid-line Monitoring and Evaluation survey that will be carried out in QII09, preparations were made in QI09 to ready the survey tool. TransFair USA staff worked with a data analyst to evaluate the data collection tool based on the quality of responses from the baseline survey. The findings from the analysis will be used to improve data collection and management for the mid-line survey.

#### ***Press Event and Media Coverage***

In conjunction with the Fair Trade Certified Cupping Competition, the RSP partners held a planned press event that served to promote the cupping competition in addition to being the project launch event.

The RSP partners reached out to the media and invited press representatives to the final event of the cupping competition held on October 24. Reporters were present at the auction on the morning of the 24<sup>th</sup> to conduct interviews with project partners and jurors.

They then attended the awards ceremony along with project partners, international buyers and producers.

The event served to introduce both the national and international press to the RSP project and its impact in the coffee growing communities where project activities are focused. Representatives of the media were able to meet with partners, learn about the successes realized throughout the first year of implementation, and experience first hand the impact that the project has had on the targeted producer groups and individuals up to this point.



**Project partners Rui Xavier of SEBRAE and Sydney Marques de Pavia of Café Bom Dia speak with several members of the press**

In addition to the press event, TransFair USA’s public relations department prepared a press release with versions appropriate for both Brazilian and U.S. media sources. The press releases were made available to project partners in both English and Portuguese for dissemination to their media contacts and for use in outward-facing publications. Additional information was posted on the TransFair USA website and through general and industry blogs. The online information provided additional details about the project and its partners and offered detailed descriptions of the cupping competition activity.

As a result of the press event and publicity surrounding the cupping competition, articles appeared in both Brazilian and international press lauding the success of the RSP project and the participation of RSP partners. The story was covered in electronic and printed coffee media sources, including the Brazilian magazines “*Éspresso*” and “*Cafeicultura*” and the websites [www.cafepoint.com.br](http://www.cafepoint.com.br) and [www.amantesdocafe.com.br](http://www.amantesdocafe.com.br)

A broader public was reached both nationally and internationally through the broad media attention that followed. SEBRAE’s national news agency promoted the event and prominently carried the story which was picked up in dozens of magazines and news-sites. An example can be seen on [www.agrosoft.org.br/agropag/102999.htm](http://www.agrosoft.org.br/agropag/102999.htm). Freelance journalist Lance Belville published an article about the competition on the *Gringoes* website at [http://www.gringoes.com/articles.asp?ID\\_Noticia=2210](http://www.gringoes.com/articles.asp?ID_Noticia=2210), and TransFair USA’s coffee team wrote and maintained a blog throughout the cupping competition, available to the public at <http://fairtradecuppingcompetition.blogspot.com/> and also accessible through the popular industry web site, *Barista Exchange*. In addition, the cupping

competition was twice the subject of stories by the regional units of the national broadcast networks SBT and Globo TV.

## **B. Results of RSP Project components**

The following sections outline the three program components with main achievements in QI 2009 summarized for each.

### ***Component One: Expanding and improving the quality of supply***

*“Expanding and improving the quality of supply through investments in infrastructure and training and technical assistance in production, post-harvest handling and processing, especially related to organic conversion. Under this component, the team will focus on transferring best practices in production and quality evaluation techniques to producers and producer organizations through training and technical assistance. The team will achieve this goal through four key activities (1.1. to 1.4.).”*

#### **1.1. Upgrade Processing Methods and Infrastructure**

##### **Activity 1: Infrastructure Grant Program**

The first stage of the *Infrastructure Grant Program* has concluded with the successful selection of proposed projects and the allocation of grant funds. A number of the recipient producer organizations are nearing completion of their projects and have begun to see improvements in coffee quality and increasing efficiency in farm management. Four of the five projects were anticipated to be completed by mid-October but implementation was slowed by delays in acquiring and transferring the final tranche of funds. In response, some of the groups were able to temporarily allocate funds from their Fair Trade premium payments or their general funds to complete acquisition of machines and materials and thereby complete project activities. It is expected that transfers will be completed in the second quarter, resulting in completion of the first round of grants in time to launch the second cycle.

In keeping with their agreements, each producer group has continued to provide reports on the status of their projects and the progress that they have made. The following are updates for each group:

**Cocaminas** completed the purchase of a truck and hulling machine. In January 2009 the group plans to complete installation and testing of the equipment. The group will be receiving assistance from the equipment manufacturer, Pinhalense, to ensure the equipment is operated in line with best practices for optimal results and maintenance of the machine. Cocaminas has also expressed interest in receiving technical assistance to

establish policies and procedures that will insure equitable access for all of its members to the mobile huller and to maximize labor and fuel efficiency.

**Associação Dos Costas** has finished adapting a truck and installing a hulling machine. The group has also purchased a stone sorter to complete its processing system. To finalize project completion, Dos Costas needs to install and paint the hulling machine and purchase an engine. The cost of the engine is R\$5,000 and will be purchased with funds received through the Fair Trade premium generated by coffee sales in 2008. The project is expected to be completed by mid-February.

The initial phase of **Coopfam's** project has been completed and, as of December 2008, the group has installed a total of 2,434m<sup>2</sup> of cement drying patios on 73% of the 20 farms targeted for the project. Members have already used the new patios to dry the first harvest of coffee and have noted increased quality and efficiency. Those members who participated in the grant program will begin to repay the money distributed by Coopfam back into a rotating fund. Once sufficient repayments have been made, the cooperative will grant funds to other members so that eventually all will have the opportunity to install drying patios.

**Coorpol** has completed purchasing all materials necessary for their project and has constructed a total of nine drying patios for individual members. The group plans to conduct an eight hour capacity building training to explain the benefit of using the cement drying patios and their technical usage. The training and installation of the remaining drying patios will take place upon conclusion of this year's particularly long rainy season.

**Pronova** has faced a staff restructuring after losing funding from the local municipality that had previously allowed the group to hire a professional agronomist. As a result, Pronova is waiting to have proper personnel to train the communities on the use and proper care of the seven depulping machine purchased with their small grant before the machines are distributed to the communities. Pronova expects to complete distribution and training during the second quarter.

Though it is still too early to have empirical evidence of an increase in coffee quality as a result of the infrastructure projects and resulting improved post-harvest processing, farmers who have completed drying patios have already begun reporting quality increases and a reduction in time and physical labor required to process their coffee. The winning coffee from the Fair Trade Certified Cupping Competition was dried on a drying patio constructed through the *Infrastructure Grant Program*.

Due to the successes that have already been reported and the enthusiasm that the first round of grants received, The RSP partners plan to initiate a second round of the *Infrastructure Grant Program*, in accordance with the original project work plan. In QI09 efforts were undertaken to promote the *Infrastructure Grant Program* to Brazilian businesses and development agencies who might have interest in supporting coffee farming communities. The project team produced a brochure that presents information about the activity and opportunities to contribute. The brochure was distributed at the Fair Trade Certified Cupping Competition event and has been presented to many potential donors. A copy of the brochure is included in Appendix 1.

It is likely that sufficient funds will be mobilized by the end of QII09 to launch a second round of infrastructure grants and to reach out to newly certified groups that are seeking to join the project.

## 1.2. Production and Post-Harvest Processing

### Activity 1: Production and post-harvest processing training

As discussed in the FY2008 annual report, Professor Flavio Borem of the Universidade Federal de Lavras (UFLA) will design a production and post-harvest processing training program on behalf of the RSP project. Prof. Borem is very well respected in the field and has worked directly with many smallholder farmers throughout Brazil. He has a good understanding of the coffees produced by farmers participating in the RSP project and understands their potential for improvement.

Prof. Borem was on the panel of jurors at the Fair Trade Certified Cupping Competition, during which he was able to sample and evaluate 69 coffees and develop an overall impression of their specific quality strengths and weaknesses. Additionally, during the cupping evaluation he heard the reaction of industry members and so has in-depth knowledge of what U.S. industry is looking for in Brazilian coffees and where their greatest areas of concern are. Prof. Borem will use this detailed information to create appropriate curricula and materials for the groups' specific needs.

The direct training program will be based on a "training-of-trainers" model to maximize skill development at both the organization and individual farmer levels and is anticipated to be carried out in conjunction with the 2009 harvest calendar which will begin in earnest in the second quarter.

## 1.3. Quality Evaluation Practices

No specific training or technical assistance activities were planned for this activity for QI09.

However, participating producer groups and farmers were directly and indirectly involved in evaluating quality during the Fair Trade Certified Cupping Competition. Interactions with jurors and RSP partners provided analysis of quality of the individual producers' coffee and opportunities to discuss the practices that produce the best flavor qualities.

Producers were able to see the descriptions of the lots that were awarded the highest marks through written evaluations that were distributed to all of the groups. The evaluations included the top ten final cupping scores awarded by the jurors in both categories, and the cup profile describing the characteristics found in the prepared coffee. From that information, producers begin to understand the importance of the flavor profile and understand what buyers look for when sampling their coffee. Having this knowledge strengthens the producers' ability to meet U.S. market demands for bean quality and overall cup profile, and also helps them to better understand buying practices.

#### 1.4. Organic Market Access

In QIV08 the RSP team reached out to a number of organic production and certification experts in Brazil and requested proposals for training and technical assistance programs to be carried out over the course of FY09. Proposals are still pending but are expected to be received early in the second quarter.

#### ***Component Two: Increasing producer capacity***

*“Increasing producer capacity through organizational strengthening in key operational and strategic areas, including financial management, operations, and marketing (2.1-2.4).”*

#### 2.1. Business Management Capacity Improved

##### Activity 1: Producer organization administrator training planning

Producer organization administrator training has been identified by each of the RSP participating producer groups as a key input to improve business management. The training program will be implemented collaboratively by TransFair USA and SEBRAE through skilled local business consultants. During Q109 a request for proposals was issued and it is anticipated that program planning will be completed and the training activity conducted as planned in the second quarter to ensure that the activities do not interfere with the main harvest season beginning in April or May.

#### 2.2. Governance and Board Development

### Activity 1: Governance and board development training planning

As a result of SEBRAE's successful Governance and Board Development training in Minas Gerais, TransFair USA is expanding the scope of the training to include producer groups in Espirito Santo.

During the second quarter consultant Andrea Salerno, who conducted the Minas Gerais training, developed a preliminary training strategy and began to work with Coofaci and Pronova to define specific objectives for a year-long schedule of workshops and technical assistance that will address specific objectives set by each producer group.

Ms. Salerno has conducted site visits to discuss the strategy and objectives for each group and will submit an analysis of her findings and a work plan for each of the groups early in the second quarter. During the same period she completed work with producer groups involved in SEBRAE's governance and board development trainings. The final sessions in the series of trainings focused on preparation for annual Fair Trade audit inspections. In collaboration with SEBRAE consultant Vanusia Nogueira, Ms. Salerno assisted a number of groups to prepare for inspection by supporting them evaluate their performance on Fair Trade standards and prepare appropriate documentation of compliance.

Ms. Salerno also worked with the groups to map out a network of partners with whom they can collaborate in the future in areas of building business relationships, securing funding opportunities, and strengthening their internal organizational structure. Ms. Salerno also supported the creation and strengthening of committees within the organizations. Special attention was paid to the creation of a women's committee at Associação dos Costas, which is intended to foster an increase in women's participation in the Association and to identify and develop business activities with particular benefit for women.

### 2.3. Supply Chain, Quality MIS and ICS Management capacity increased

#### Activity 1: Analysis of Existing Systems

During the first quarter, the RSP management team began to collect information about current supply chain management practices and to develop a diagnostic tool that will assist in the design of activities intend to improve supply chain management in all participating producer groups.

Analysis will continue into the second quarter with launch of activities in this area anticipated to begin at the end of 2009. The timing will ensure that the administrator training is complete and information management is improved prior to the launch of more complex management systems.

## 2.4. Certification Compliance and Outreach

### Activity 1: Certification Compliance Management Training

SEBRAE consultant Vanusia Nogueira continued to assist groups to understand and meet Fair Trade criteria as they prepare applications and audits. Under Ms. Nogueira's supervision, two new groups (Poços de Caldas and Carmo de Minas) successfully submitted their application packages to FLO. Ms. Nogueira also personally assisted current RSP participating groups Unipasv and Unicapfem to go through their annual inspections. When last inspected Unipasv had several corrective actions but passed the most recent inspection with success. Both groups used the assistance to implement necessary financial controls. Ms. Nogueira provided additional assistance to the groups in areas of commercialization and negotiation where several of the organizations face challenges due to a lack of experience or language differences.

### Activity 2: Membership Development Campaigns

In the last half of 2008, the Fair Trade Certified producer organizations have begun to report a substantial increase in the number of farmers requesting membership. The groups themselves view this increase as a result of improved business performance through access to Fair Trade Certified markets and the visible benefits of participating in the RSP project.

A number of the groups have decided to institute an application procedure linked to a formal decision-making process in order to pace the rate of growth and maintain the integrity of their organizations. For instance, Associação dos Costas has created a membership committee that evaluates the potential participation of each new applicant, including visiting their farms to review production practices and interviewing applicants to ensure compatibility with the association's goals and ideals. Dos Costas obtained its Fair Trade Certification during the first year of the project and is one of the smallest groups in the RSP project, with fewer than 50 members. At dos Costas, membership and community prestige have been growing steadily and as of the end of 2008 more than ten new members have joined their organization. Cocaminas has also reported that more than eighty producers have approached their organization seeking membership. They have decided to manage the influx of interest by accepting only those applicants who express genuine dedication to the principles of sustainable production and not only a guaranteed sale.

For the Espirito Santo groups, member development strategies and policies will be included in the governance trainings administered by Andrea Salerno as an effective way to encourage sustainable growth in the supply chain and increase the number of beneficiaries of the RSP project.

For groups in Minas Gerais and Sao Paulo, the RSP team has begun preparing outreach tools to assist them to communicate with current and potential members about the purpose and benefits of joining a Fair Trade Certified producer organization. TransFair USA has existing materials that have proved to be successful in other coffee growing regions that are currently being adapted for use in Brazil. During the first quarter the script of the video *Buyer Be Fair* was translated into Portuguese in preparation for creating a Portuguese subtitled version of the film that will be completed in QII09. The translated video will be provided to all participating groups and will be used as the basis for an introductory workshop program.

### Activity 3: Dual Certification

As reported in the FY08 Annual Report, partner organization Coocafe has been examining the benefits of dual Fair Trade Certification and Rain Forest Alliance certification. The organization has completed initial diagnostic and promotion activities with its members. At the close of last year, the cooperative was reporting a degree of resistance among members toward seeking Rain Forest certification based on their own cost/benefit analysis. In the first quarter, Coocafe confirmed that its members have come to the decision to suspend efforts to seek a second certification and continue to improve their performance as a Fair Trade Certified organization.

### ***Component Three: Raising the marketing capacity of Brazilian coffee growers***

*“Raising the marketing capacity of Brazilian coffee growers who will undertake to improve the reputation of Brazilian coffee and the awareness of Fair Trade’s impact. These efforts will take place through producer-driven marketing initiatives that not only support the sale of their most lucrative products (Fair Trade and organic) but also educate consumers in Brazil, Japan, and the U.S. that Brazilian coffees can offer high quality and great value (3.1 – 3.3).”*

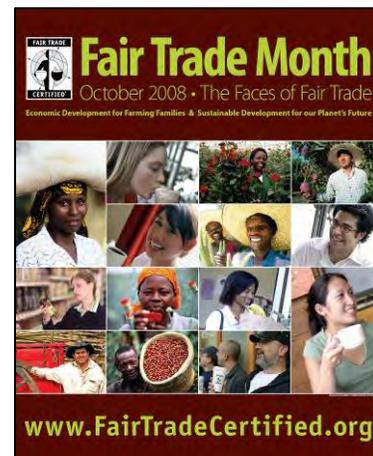
#### 3.1. Leveraging Partner Experience

##### Activity 1: Fair Trade Month

October is Fair Trade Month in the United States, a month long-event celebrating and promoting Fair Trade that is sponsored and supported by TransFair USA, but carried out by Fair Trade businesses, Fair Trade Towns, Students for Fair Trade and others. This past October, 18,000 retailers took part by promoting Fair Trade Certified products in their establishments. TransFair USA provided posters and promotional materials for use by licensees. Additionally, 160 community events were held in 98 U.S. cities and hundreds of Fair Trade Month gatherings took place all across the United States including speaking tours, movie screenings,

musical performances, classroom discussions and coffee tastings. The media also picked up on the Fair Trade Month buzz. TransFair USA estimates that the month's activities resulted in some 97 million media impressions from articles in such top-tier outlets as the Associated Press, the New York Times, Reuters and more. The month long promotion of Fair Trade Certified products helps to raise consumer awareness, with the goal of increasing overall consumption of Fair Trade Certified products, including Fair Trade Certified coffee produced under the RSP project.

This year, TransFair USA worked with marketing specialists at Sam's Club to develop a strategy that would most efficiently take advantage of the excitement generated by Fair Trade Month to stimulate sales and consumer knowledge. As part of their contribution to the RSP project this year, Sam's Club observed Fair Trade Month by dedicating a day to highlighting Fair Trade Certified products for its customers. The event took place on October 24<sup>th</sup>, a Friday and one of Sam's Clubs busiest days in terms of sales. In-store promotion consisted of distributing samples of Fair Trade Certified products and informational material to customers shopping at Sam's Club. A total of 300 stores across the country participated and 150 of those stores served Fair Trade Certified coffee from Café Bom Dia's Marques de Pavia label. Other store locations sampled Fair Trade Certified dried fruit containing Fair Trade ingredients. TransFair USA prepared and printed materials which were distributed at each of the 300 stores. The double-sided cards contained customized information introducing Fair Trade to Sam's Club customers and explaining how Fair Trade benefits the consumer as well as the producer. The back of the card included a list of Fair Trade Certified products, topped by the three SKUs of Marques de Pavia coffee sold at Sam's Club locations. Copies of the printed cards are attached in Appendix 2. The featured Fair Trade Month event provides an important boost for Fair Trade brand awareness and specifically to the Brazilian Fair Trade coffee sold in Sam's Club stores. Because of the high volumes of people that the store attracts, these types of events are particularly successful in promoting the coffee produced by project beneficiaries.



**Poster created by TransFair USA to promote Fair Trade Month**

### Activity 2: Fair Trade Certified Cupping Competition

The RSP project reached a milestone in QI09 with the successful execution of the first ever Fair Trade Certified Cupping Competition in Brazil. Coffee experts, roasters, and international industry members recognize that coffee quality competitions are hugely successful in fostering production of high quality coffee.

As a key event in the RSP project, the Fair Trade Certified Cupping Competition was designed to address all project working components by demonstrating the benefits of managing for coffee quality. The event was integrated with a training component to boost the skills of producer cuppers. The supply of quality coffee will increase as a result of increased awareness generated by the competition, and linkage to the US coffee market was also strengthened through industry visits and promotion within the United States.

Project partners began planning for the event mid-way through year one to lay the groundwork and ensure a solid foundation for the international competition that took place in October. As addressed in detail in the FY08 annual project report, producer cuppers received training in international cup quality evaluation standards set by the Specialty Coffee Association of America from Café Bom Dia's Quality Control Specialist Jack Robson Silva. Having a trained producer cupper in a producer organization provides the understanding of quality specifications necessary to raise standards. Internal cupping capacity has a strong correlation with a higher quality product. As such, RSP partners ensured this capacity by training producer cuppers representing each organization in the project.

The international round of the Fair Trade Certified Cupping Competition took place in the south of Minas Gerais, Brazil from October 19<sup>th</sup> through the 23<sup>rd</sup>. A panel of ten expert coffee cuppers from three countries conducted the final round of judging. Among the jurors were three Q-grade cuppers, the highest, internationally recognized certification for coffee tasters. The diverse panel of judges showed a high level of dedication and commitment to the mission of the event and to the producers themselves. The judging process was extremely transparent with jurors emphasizing the importance of evaluating, scoring and describing each of the 69 coffees fairly to ensure that producers see accurate results from producing the highest quality coffee. The jury was an important part of the event's success and they endured long days of tasting a wide array of coffee samples requiring an intense degree of concentration.

The RSP management team from Brazil and the U.S. met the jurors upon their arrival in São Paulo on October 19 and escorted them to Machado, Minas Gerais, to the Center of Excellence of Coffee where the international judging took place. Pre-arranged catering served three meals per day to the jurors in accordance to the strict dietary limitations laid out by international protocol and head judge Silvio Leite. Silvio Leite ran a well organized and technically strong competition which was highly praised by jurors, many of whom have participated in numerous, prestigious cupping competitions. TransFair USA staff and partners worked to ensure that the jurors and cupping lab staff had all of the necessary elements to guarantee a successful competition.



**The panel of international jurors evaluates coffee samples during the cupping competition**



**Jurors, cupping lab helpers and TransFair USA staff at the Center of Excellence, Machado**

The final day of cupping concluded on October 23<sup>rd</sup> with the ranking of the top ten coffees in each of the two categories, upon which jurors and the project partners present drove to Belo Horizonte. October 24<sup>th</sup> marked the official conclusion of the cupping competition with the auction, press event and awards ceremony, all hosted by SEBRAE at their facilities. It was a landmark day in the history of the project, with strong representation from the coffee industry, Brazil's business community, coffee producers, technical assistance providers and other important stakeholders. The morning began with the RSP Project Steering Committee Meeting, followed by a coffee auction, presentation of prizes and a reception.

To demonstrate to producers the monetary value of quality, the ten highest ranking coffees in each category were sold to the highest bidder at auction. RSP partner Café Bom Dia provided significant support for the project and for producers by guaranteeing a minimum price for all coffees sold through the auction. The minimum bid at auction was the Fair Trade price plus the \$.10/lb Fair Trade premium, and a \$.20/lb differential for quality. In the case of organic coffee, the price included an additional \$.20/lb for the organic premium, making the minimum price for conventional washed coffee \$1.55, for natural coffee \$1.50, and for organic natural \$1.75. Nine of the auction coffees sold at above the auction floor price, with the average price per pound received for all coffees closing at \$1.65. Café Bom Dia secured the winning lot from each category, paying \$3.00 per pound for the top-ranking semi-washed lot and an impressive \$7.20 for the first place



**At the auction, US and Brazilian buyers bid for the best Brazilian Fair Trade Certified Coffees**

natural coffee. By the close of the auction, a total of 24,540 pounds of coffee were sold and the twenty award winning producers collectively earned \$40,161.

**Fair Trade Certified Cupping Competition Results**

**Naturals**

Place	Producer	Group	Score	Price/lb	Sacs	pounds	Conv'tl./Org.	total price
1	Luiz Adalto de Oliveira	COOPFAM	87.69	\$7.20	20	1,200	Organic	\$8,640
2	Juares Carlos Pereira	COOCAMINAS	85.11	\$1.50	15	900	Conventional	\$1,350
3	Jose Carlos de Paiva	COOPFAM	84.63	\$3.10	21	1,260	Conventional	\$3,906
4	Paulo Cesar Afonso	COORPOL	84.59	\$2.40	10	600	Organic	\$1,440
5	Geraldo Valdecir de Oliveira	COOCAMINAS	84.56	\$1.60	15	900	Conventional	\$1,440
6	Rodrigo Reghim	UNIPCAFEM	84.43	\$1.50	20	1,200	Conventional	\$1,800
7	Jair Reguim	UNIPCAFEM	83.82	\$1.50	10	600	Conventional	\$900
8	Andre Luiz Reis	ASSOC. DOS COSTAS	83.63	\$1.60	10	600	Conventional	\$960
9	Eduardo Reghim	UNIPCAFEM	83.62	\$1.50	10	600	Conventional	\$900
10	João Evangelista Alves	COOCAMINAS	82.97	\$1.50	20	1,200	Conventional	\$1,800
***	Jose Carlos Lucas	COOCAMINAS	***	\$1.60	15	900	Conventional	\$1,440
				<b>\$4.40</b>	<b>166</b>	<b>9,960</b>		<b>\$15,936</b>

**Semi-washed**

Place	Producer	Group	Score	Price/lb	Sacs	pounds	Conv'tl./Org.	total price
1	Francisco Braga	Pronova	85.00	\$3.00	20	1,200	Conventional	\$3,600
2	Evandro Ciconeti	Pronova	84.94	\$1.60	20	1,200	Conventional	\$1,920
3	Carlos Alberto Attos	Pronova	84.83	\$1.55	10	600	Conventional	\$930
4	Youssef Nicolas Nasr	Pronova	84.74	\$1.65	13	780	Conventional	\$1,287
5	João Luiz Spavier	Pronova	84.35	\$1.55	20	1,200	Conventional	\$1,860
6	Valdeir Jose Pena Cesati	Pronova	84.31	\$1.55	10	600	Conventional	\$930
7	Angelin Ciconetto	Pronova	84.01	\$1.55	10	600	Conventional	\$930
8	Francisco Turra Nunes	Pronova	83.76	\$1.55	50	3,000	Conventional	\$4,650
9	Marcos Antonio Nali	Pronova	83.29	\$1.55	50	3,000	Conventional	\$4,650
10	João Turra Nunes	Pronova	82.59	\$1.55	40	2,400	Conventional	\$3,720
				<b>\$2.28</b>	<b>243</b>	<b>14,580</b>		<b>\$24,477</b>

Average price	Total sacs	Lbs overall	Paid overall	Average price/lb
<b>\$3.34</b>	<b>409</b>	<b>24,540</b>	<b>\$40,413</b>	<b>\$1.65</b>

The auction was followed by an awards ceremony to announce the top ten producers in each category and the prices that their coffee received at auction earlier that day. The ceremony served as a formal opportunity for project partners to unite in a public forum, in front of members of both national and international press, and to speak of progress in the first year of project activities. Nearly all producers who had entered samples into the competition were present as well, having been transported to the event by SEBRAE as one part of their contribution to the event. Speakers from each of the participating project partners – USAID, Café Bom Dia, SEBRAE and TransFair USA – took a few moments to commemorate successes and speak of their involvement in the RSP. Each partner has provided significant logistical, technical, and financial support throughout the year and was able to speak with pride of RSP accomplishments.



**The auditorium at SEBRAE's offices was filled to capacity with project partners, members of industry and over 200 producers**

The Fair Trade Certified Cupping Competition was truly seen as the culmination of a year of project successes and was celebrated as such. The RSP partners joined to form an award panel that presented certificates of achievement as each of the winners were announced by the event moderator. Prize winners took the stage amidst cheers from their fellow producers. The top three winners in each category won cash prizes in addition to the higher prices they achieved as a

result of quality premiums. The dominant producer group in each category also won an industrial Pinhalense roaster for use in the organization's cupping lab. The prizes were funded through donations by Bradesco, Pinhalense, and the US based Café Imports.

The opportunity for direct market relationships to form was not lost, and each producer shook hands with the coffee industry member who had purchased their lot. Reaction from both the winners and their fellow producers was immense and heart-felt, reinforcing the strength of cupping competitions in coffee culture. The top-ranking producers were greeted with cheers and celebration to honor their success and the winner of the semi-washed category was actually carried up on to stage by fellow producers.



**The first place winner in the natural category from Coopfam receives his check and congratulations from Sydney Marques de Pavia, President of Café Bom Dia**



**The first place winner in the semi-washed category is carried to the stage by fellow producers from Pronova**

Finally, to add an additional air of celebration to the day and to provide the chance for coffee producers to mingle with the buyers and RSP project partners,

SEBRAE hosted a reception following the awards ceremony. Coffee themed refreshments were served and TransFair USA ensured that the producers and buyers were able to meet and discuss their respective businesses. These introductions allowed both producers and industry members alike the opportunity to make a more meaningful connection. Most of the buyers are planning special release SKUs to sell the competition coffee, so understanding where it came from and the conditions under which it was produced is key to telling the coffee's story. Buyers asked about climate and production techniques as well as social conditions in the growers' communities, and all left with a feeling that true producer-industry bonds had been formed.



**Producers, RSP project partners and members of the US coffee industry mingle at the reception**

### Activity 3: Media and Marketing Training to the Producer Groups

#### *TransFair USA's Guide to the US Market*

TransFair USA's Guide to the U.S. Coffee Market is provided to producers as an informational tool to enable expansion into and understanding of the specialty coffee market in the United States. During the first year of the RSP project, the guide was translated into Portuguese and distributed to project participants who attended the SCAA Conference and Trade Show in Minneapolis. In Q109, the guide was thoroughly updated to include information and insight into the changes in the Fair Trade Certified coffee market experienced in 2008 and to make it more comprehensive and useful to producers. The revised 2009 edition will also identify and address differences between coffee growing regions that impact their relationship to the U.S. market.

The advances made this quarter lay the groundwork for broader dissemination of the guide to all participating producers. The revised market guide will be translated into Portuguese and will be made ready for Brazilian producers who attend the 2009 SCAA conference and trade show in mid-April 2009. The Guide to the US Coffee Market will also form the basis for a series of market training modules that will be taught at each participating producer organizations.

### 3.3. Marketing Missions

#### Activity 3: Inbound Industry Missions

An important objective of the RSP project is to increase market linkages between Brazil and the United States to increase coffee sales by building long-term, direct trading relationships and enhance sales opportunities for Fair Trade Certified producer groups. An integral part of achieving that goal is through industry visits to origin. The U.S. specialty coffee industry depends on its direct connections with producers and knowledge of coffee origins to identify coffees and distinguish them within the market. By sharing the stories of individual farmers with potential buyers and letting them walk in the coffee fields where their coffee is grown, industry members develop a greater affinity to the individual producer and to the concept of Fair Trade in general, making them more likely to make future purchases from regions and producers they are familiar with.

The Fair Trade Certified Cupping Competition provided an ideal opportunity to bring industry members to Brazil and introduce them to the region and the unique stories of the producers that the RSP project works with. Cupping sessions could only last up to four hours each day because the process requires such intense sensory dedication from the jurors. As such, partners scheduled cupping for the morning and by mid-afternoon the schedule was free for educational excursions. During the week of judging there was a guided visit to a producer organization, an individual coffee farm, and to the Agro-technical school in the region, all of which served to more closely link producers and industry.

The first excursion was a visit to the producer group, Coopfam. Partners arranged a visit to the organizations' administrative headquarters to see their green coffee processing facilities, and to meet the cooperative's general manager, cupper and several producers. TransFair USA staff provided translation as industry members were given a tour of the processing facilities and shown how coffee is handled, sorted and prepared for export. At the facility the jurors were also taken to the cupping laboratory where coffee samples from producer members are evaluated. The cooperative's cupper, trained through the RSP project cupping school, prepared samples from five members, cupped the samples and let the jurors take turns cupping as well.

After leaving the cupping lab, the coop's principle agronomist arrived to lead a visit to a member's farm. Members of the group had the opportunity to visit a farm and to learn about the family, their farm, the coffee they grow and their lives as Fair Trade Certified coffee farmers, gaining a better understanding of Brazilian coffee producers and the circumstances under which they are working. The agronomist then led the group through the coffee farm and talked about the coffee growing process in the area. The farm visited was also a recipient of an RSP *Infrastructure Grant Program* award and had a completed drying patio as a result.

One roaster present expressed how impressed he was that the project contributed to something so meaningful for the farmers' lives and the quality of the coffee they produced. The visit was an important part of the activity, as it strengthened the relationship between industry and producers and built an affinity between buyers and Brazil as an origin.



**Industry members and TransFair USA staff with the Oliveira family at their house**



**John Cossette of Royal coffee talks with Geraldo da Silva and Sebastião de Oliveira as Coopfam's agronomist takes the industry members on a tour of Oliveira's farm**

Coffee importer John Cossette from Royal Coffee asked TransFair USA staff to facilitate a meeting between himself and Geraldo da Silva of Coopervitae. Cossette and da Silva originally met when the RSP project brought producer representatives to SCAA last year and the two established a trade relationship at the event. Cossette wanted to take the opportunity to meet again with da Silva to strengthen the relationship. After coordinating schedules, da Silva joined the excursion at Coopfam's headquarters.

A second excursion to the Escola Agrotécnica Federal de Machado Sul de Minas which specializes in organic practices, coffee production, and processing demonstrated the extent of technical assistance available to Brazilian coffee farmers who are motivated to seek them out. The jurors were taken on a tour guided by the school's Director of Studies, Leandro Carlos Paiva to see the coffee processing facilities and teaching areas. At the roasting facility, roasters spoke with Paiva about proper equipment maintenance and then the tour continued to the laboratories where coffee evaluation practices are taught. The day ended with a barista demonstration and a conversation about coffee culture in Brazil and the evolution of coffee quality appreciation. Seeing the facilities that exist in Brazil and understanding the current state of coffee training and culture serves to strengthen the industry members' appreciation for and connection to the coffee produced under the RSP project.

A final excursion was conducted following the completion of the competition. The goal of the three day industry tour was to allow buyers to more fully

experience the coffee growing region, to meet a variety of farmers and producer organizations and to have more time to build direct relationships that will facilitate future business.

The first stop on the visit was to Associação dos Costas. Fortuitously, Wendy DeJong of Tony's Coffee had purchased coffee from one of the producer members of this group, Andre Luiz Reis, so the visit was particularly meaningful and beneficial. Reis, also the association's general manager gave a tour of the association's offices and the community center that had been renovated with the association's Fair Trade premium money and talked about the computer center that was under development. After the tour DeJong sat with the group's president, general manager and several other representatives, along with project partners and talked about the association and the coffee they grow. DeJong took the opportunity to explain her plans to sell the coffee she bought from Reis as a separate SKU with packaging that specifically highlights the organization and tells their story. She was able to gather information to be used on the label and spoke with them about selecting a picture that they would want to represent their coffee. The opportunity was very special for Reis and the entire association. Having the personal attention from a buyer validated for them what it means to participate in the RSP project and to be a Fair Trade coffee producer. Receiving the extra recognition as a result of producing a quality product reinforces the changes introduced to farmer management practices and cooperative management, and provides even greater incentive for the future.



**Andre Luiz Reis and Wendy DeJong with the lot of coffee DeJong purchased from Reis at auction**

After meeting in the group's offices, Reis invited the guests to visit his farm and meet his family where DeJong was able to see exactly where her coffee was grown and meet those who grew it. The experience was impactful for DeJong and resulted in increased determination to strongly market the Fair Trade coffee she purchased at auction and to go even further to benefit producers. She was particularly inspired by Reis investing in protecting and preserving his land and the environment.

The excursion continued with a visit to Coopervitae. DeJong and project partners met with members of the cooperative and talked about the organization, the coffee they produce and the expectations of the U.S. coffee industry. Members of Coopervitae explained how they have invested their Fair Trade premiums and how their organization has strengthened over time. DeJong took the opportunity to talk to the group about the coffees she tasted in the Fair Trade Certified

Cupping Competition and discussed harvesting methods that could correct the problem of astringency that was found in many of the samples. The conversation provided an important opportunity for both sides to talk about their perspective from their position on the value chain and gain a greater appreciation of the other. Before leaving, DeJong spoke with Geraldo Da Silva, Coopervitae's General Manager about sending samples for future purchases.

Overall the industry visits to producer organizations were very successful in strengthening market linkage and creating greater understanding on both sides of the value chain. Several important relationships were formed and other buying relationships were strengthened as a result. This was particularly evident in the response from jurors upon returning to the United States. The industry members were proud to have participated in such a meaningful and historic event and have spread the word, by means of their respective companies, of the Fair Trade Certified Cupping Competition that took place in Brazil. One example of this comes from a prominent importer who participated in the competition. He included a full page advertisement in the popular industry magazine *Roast Magazine* which included pictures of the competition and captions describing the event. (See Appendix 3)

### **C. Results**

The second year of RSP project implementation started robustly, with visible returns on project activities. Actors at all levels of the value chain have responded with positive indicators, confirming that project activities are beginning to generate measurable results. Producers internalized the message of quality and have strengthened their commitment to producing coffee that meets and exceeds the international standard for Brazilian specialty coffee. Additionally, the infrastructure improvements that have been introduced on farm have resulted in a greater facility to produce a higher quality product with fewer inputs. Furthermore, industry visits served to strengthen the relationships between producers and buyers and now members of the U.S. coffee industry have an increased awareness and interest in Fair Trade Certified Brazilian coffee. Finally, project successes have resulted in increased response from the local business community in Brazil, fostering interest in contributing to a successful endeavor.

The outcomes from the Fair Trade Certified Cupping Competition have exceeded expectations. Producers took from the activity an internalized understanding of quality and a deep seated motivation to capitalize on their new knowledge. Producers now take pride in the quality of their product. They are interested in the unique characteristics of the coffee they produce and the methods they can use to make the cup profile stronger and more in-line with industry expectations. The increase in knowledge and the resulting improvements in the coffee provide a gateway to higher prices of the U.S. specialty coffee market.

In both the United States and Brazil, the cupping competition and the in-country industry visits resulted in increased interest in the coffee produced by Brazilian Fair Trade farmers. The jurors who were present at the competition and who had the opportunity to meet the producers, taste their coffee, and tour their farms built a stronger connection to the origin and a better understanding of the coffees produced. Those industry members, through their respective companies, have spoken out about their positive experience in Brazil. Their increased interest in the region and in the coffee produced by RSP project producers will continue to foster market demand. The strong market linkages that formed as a result of the competition have the potential to evolve into strong buying relationships well into the future.

After only the first round, the *Infrastructure Grant Program* has already begun to demonstrate the significant benefits that can result from small improvements. Producers have the means with which to produce a higher quality product with a significant reduction in labor inputs. Rather than investing all of their time during the harvest to drying and processing their crop, producers have freed much of that time for other productive activities. Farmers are able to invest time in innovations in quality on their property and learn about best practices in production and handling. Even in the early stages of the first harvest after implementation, producers have seen a remarkable increase in the quality of their product and their quality of life.

The successes reported to date have caught the attention of many local Brazilian businesses involved in the coffee sector. The widespread publicity of the project, and particularly the cupping competition, has reached the local business community. Related industries, ranging from a bank with an agricultural lending portfolio to a machine company that supplies to much of the coffee community, have expressed interest in contributing to the project with cash and in-kind contributions. The local community buy-in to the project and its goals strengthens the successes and ensures enduring relationships between beneficiaries and important members of the agricultural community long after the project closes.

Big business is not alone in its interest in participating in the success of the project. As word of the RSP project outcomes spreads through the coffee producing community, interest in joining successful coffee producer organizations has also increased. Membership applications have increased, resulting in an unexpected but welcome growth in the number of producer members. With greater participation, the benefits from producing Fair Trade Certified coffee reach even more members of coffee growing communities in rural Brazil.

## **Budget**

Total expenditures for the first quarter of FY2009 totaled \$153,532. The RSP Partners mobilized a significant amount of cost share this quarter from a number of organizations who joined the effort to make the Fair Trade Certified Cupping Competition a success.

Of the \$87,085 of cost share contributed during the period, approximately \$15,000 was provided by new partners.

Spending for FY2009 is on track with expectations. The first quarter's work plan was heavily focused on executing the cupping competition and related activities, while the second quarter will emphasize developing training and technical assistance in quality improvement and capacity building activities.

**FY 2009 Q1 Expenses vs. Budget**

<b>Activity</b>	<b>3 Yr Budget</b>	<b>Q1 USAID Contribution</b>	<b>Q1 Cost Share</b>
1. Expanding and Improving Quality of Supply	495,219.00	13,229.66	0
2. Increasing Producer Capacity	447059.00	13,229.66	19,667.14
3. Raising Marketing Capacity	1,005,561.00	39,988.33	67,417.88
<b>total</b>	<b>1,947,839.00</b>	<b>66,447.65</b>	<b>87,085.02</b>

**Outlook**

During the second quarter development of targeted training and technical assistance programs will continue. In particular, interventions to address organic production, business administration and post harvest handle techniques will be launched. With the successful implementation of infrastructure improvements, training on the best practices in coffee processing will be of particular use as Brazil moves into the peak of the coffee harvest. Administrators in each of the partner producer organizations will participate in training focused on improving their customer services skills, information management systems and understanding of the specifics of the green coffee business.

Consultant Andrea Salerno will finalize planning for work with Pronova and Coofaci in Espirito Santo that will strengthen each organization's governance systems, improve their board performance, and build member commitment. Working with selected groups, the project team will continue to develop strategies to expand the supply of Fair Trade Certified organic coffee. Efforts to expand organic supply will begin with an evaluation of the producer groups most likely to benefit from support.

In addition to achieving key milestones in supply and capacity building efforts, the RSP partners will begin preparations for the second round of the Infrastructure Grant Program. Work in the second quarter will focus on raising funds and preparing for the second request for proposals.

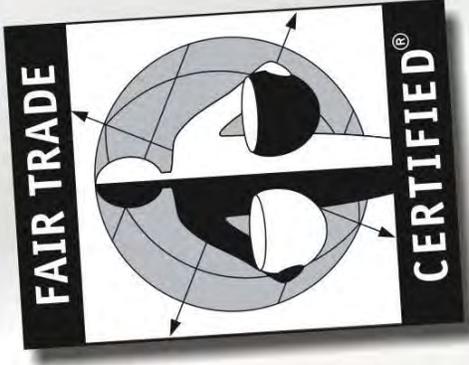
Finally, the mid-line survey of all participating producers groups will be conducted. It is expected that the survey will demonstrate significant progress in increasing sales and quality premiums by all of the participating producer organizations.

## **Appendices**

1. *Infrastructure Grant Project* Brochure
2. Wal-Mart Fair Trade Month Promotional Material
3. Café Imports' Advertisement
4. SEBRAE Media Coverage

Appendix 1: Infrastructure Grant Project Brochure

# COMÉRCIO JUSTO



# CERTIFICADO

**Parceiros:**





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preservação ambiental

## Participe

Devido ao grande êxito no primeiro ano, o projeto Parceria Fornecimento Responsável - "Financiamento em Infra-estrutura", terá grandes desafios para os próximos 2 anos. Novas cooperativas no Brasil estão em processo de certificação Fair Trade, aumentando sua capacidade produtiva. O mercado de cafés certificados está em plena ascensão no mundo. Por essas razões, a TransFair USA, está mais convicta da importância de concretizar novas parcerias estratégicas para o projeto de "Financiamento em Infra-estrutura", o que potencializará a níveis exponenciais os resultados já conquistados.

Portanto, a adesão de novos parceiros comprometidos com o desenvolvimento sustentável do planeta será muito estratégica para assegurar o sucesso do projeto "Parceria Fornecimento Responsável" - Financiamento para Infra-estrutura.

Sua contribuição pode ser decisiva para permitir que mais produtores tenham acesso a esse mercado.



**Faça do Fair Trade seu hábito!**

## Missão

A TransFair USA promove o desenvolvimento sustentável e empoderamento de comunidades, cultivando um modelo de negócio global, mais equânime e justo que beneficia agricultores, trabalhadores rurais, consumidores, a indústria e o nosso planeta. Nós atingimos nossa missão certificando e promovendo produtos Fair Trade.

## equidade

### Histórico

A TransFair USA é uma organização sem fins lucrativos e uma dos vinte membros da Fair Trade Labelling Organizations (FLO), sendo a única certificadora independente de produtos certificados Fair Trade nos Estados Unidos. A organização audita e certifica a comercialização das empresas americanas, assegurando que os produtores recebam uma justa remuneração.

## Fair Trade

A certificação Fair Trade empodera agricultores e trabalhadores a emergirem da linha da pobreza, por meio do investimento em suas propriedades, negócios e comunidades, a preservarem o meio ambiente e desenvolverem habilidades gerenciais de seus negócios para competirem no mercado global.

Fair Trade é muito mais do que apenas preço justo. Os princípios do Fair Trade incluem: preço justo, condição de trabalho justa, comercialização direta, organização democrática e transparente, desenvolvimento comunitário e preservação ambiental.

## comunidade

Importação de Café  
Certificado Fair Trade para  
USA (milhões de libras).

Crescimento das  
exportações do Brasil entre  
2006 and 2007: 46%

BRASIL	
2003	140,52
2004	1.142,82
2005	2.267,35
2006	4.410,30
2007	6.485,48
TOTAL	14.446,47

## Programa de Parceria Fornecimento Responsável

RPS Responsible Sourcing Partnership

O projeto Parceria Fornecimento Responsável 2007-2010 é uma parceria inovadora entre as organizações USAID, TransFair USA, Café Bom Dia, Sam's Club, Sebrae-MG e Rede Wal-Mart. O programa promove treinamentos técnicos e investimento em infra-estrutura, beneficiando 10 cooperativas certificadas Fair Trade com mais de 4.500 pequenos produtores de café no Brasil. Totalizando um investimento de US\$ 1.9 milhão, ao final de três anos, produtores e cooperativas terão melhor capacidade em atender à demanda de alto volume de café convencional e orgânico de Comércio Justo, melhores práticas dentro da cadeia de fornecimento e maior potencial de ingressos nos mercados nacional e internacional.

## Fundo para Financiamento em Infra-estrutura

Dentre os principais objetivos do projeto, um deles é a expansão e melhoria da qualidade do fornecimento de cafés para o mercado nacional e internacional. Desta forma, foi desenvolvido entre os parceiros mantenedores, um Programa de "Financiamento em Infra-estrutura" para viabilizar o investimento em projetos de qualidade nas propriedades e cooperativas.

## desenvolvimento sustentável



Produtores cooperados da COOPFAM - Carlos Paiva, Renato da Silva (da COOPFAM), Eusa Maria Paiva.

No primeiro ano, o Programa financiou US\$ 141.000 para 5 cooperativas que se beneficiaram com recursos para aquisições de máquinas e equipamentos que permitiram avanços significativos em seus processos produtivos. Dentre as primeiras cooperativas, foram selecionadas e financiadas:

- Coocaminas – (1 máquina descascadora e caminhão)
- Associação das Costas – (1 máquina processadora de café)
- Coopfam – (20 pátios de secagem de café)
- Cooprol – (20 pátios de secagem de café)
- Pronova – (7 despulpadores de café)



Caminhão - Descascador Conjugado para Café Ambulante

Appendix 2: Wal-Mart Fair Trade Month Promotional Material

**Welcome to the World of Fair Trade**

Sam's Club® is excited to bring you a selection of Fair Trade Certified™ products. These products represent fair prices for farming families and farm workers, rigid environmental standards and sustainable farming practices. Together we are raising the standard of living for millions of people around the world, while offering some of the highest quality products on the market today.

*Co-op member picking ripe coffee cherries.*

**The Fair Trade Certified™ Label**

 This label is your guarantee that the product has met the highest social and environmental standards available on the market:

- Stable pricing for family farmers and farm workers
- Environmentally sustainable farming practices
- Fair working and living conditions
- Investment in community development programs

**FairTradeCertified.org**

Front

**More Products, More Benefits!**

Sam's Club® offers Fair Trade Certified™ coffee, tea, sugar and vanilla, with more products to come. Our commitment is to provide our Members quality and value while giving back to the countries where Fair Trade products are grown. Fair Trade means children have access to education, health care and the nutrition they need to grow up strong in a new and better world.

*Fair Trade prices allow more access to health care.*

**Fair Trade Certified™ Products at Sam's Club**

- Member's Mark® French Roast Coffee by Marques De Paiva® (#22764)
- Member's Mark® Espresso Roast Coffee by Marques De Paiva® (#22771)
- Member's Mark® Colombian Roast by Marques De Pavia® (#176436)
- Member's Mark® Premium Ground Coffee (#857503)
- Member's Mark® 100% Ceylon Fair Trade Black Tea by Bigelow® (#810615)
- Peterson Farms™ Sweetened Dried Triple Cherry Blend™ (#881441)
- Peterson Farms™ Sweetened Dried Cherry Berry Blend™ (#881441)
- Spice Islands® Fair Trade Pure Vanilla Extract (#840122)
- Fair Trade Certified™ Bananas (#23067)

**FairTradeCertified.org**

Back

Appendix 3: Café Imports' Advertisement, *Roast Magazine*



We help make sustainability a feasibility.

**Big words for a simple mission:** bring excellent coffees to market while improving the quality of life for everyone involved.

**We invest at origin,** encouraging local producers to develop excellent green coffee and exposing new farms to the coffee industry. Coffee roasters and café owners also benefit greatly from our relationships at origin.

*Award-winning CoE and other highly-sought coffees are cupped daily - and then made available to you!*



*Andrew Miller of Café Imports congratulates a winner of the 2008 Fair Trade Certified Cupping Competition in Brazil.*

**Get access, quality, and service to grow your business.** Look to Café Imports for your green coffee supplies. You'll discover an amazing choice of the best coffees from origin - easily accessible through our bi coastal and Midwest warehousing. Let us find the best for you. **Call us or visit our web site today.**



2140 Energy Park Drive  
Saint Paul, MN

**Café Imports**  
Importers of fine specialty coffees

1-800-278-5065  
www.cafeimports.com

Andrew Miller, a juror in the Fair Trade Certified Cupping Competition highlights his experience in an advertisement in the January/February 2009 issue of the popular industry magazine, *Roast Magazine*

## Appendix 4: SEBRAE media coverage

Café justo

24/10/2008 - 18:35

### Concurso Internacional de Cafés do Comércio Justo anuncia vencedores

Vitoriosos têm produtos vendidos em leilão para compradores do Brasil e dos Estados Unidos

Andréa Avelar

**Belo Horizonte** - Foram divulgados nesta sexta-feira, em Belo Horizonte, os vencedores do I Concurso Internacional de Cafés do Comércio Justo (Fair Trade). Na categoria café natural, a primeira colocação ficou com a Cooperativa dos Agricultores Familiares de Poço Fundo (Coopfam), representada pelo produtor rural Luiz Adalto de Oliveira. O produto foi leiloado e o café Bom Dia adquiriu 20 sacas de US\$ 7,20 por libra.

Na categoria café cereja descascado, o primeiro lugar ficou com a Cooperativa dos Cafeicultores das Montanhas do Espírito Santo (Pronova). O produto foi leiloado ao valor de US\$ 3,00 por libra e também foi comprado pelo café Bom Dia. Os três primeiros colocados de cada categoria receberam prêmios nos valores de R\$ 500,00 (terceiro lugar); R\$ 750,00 (segundo) e R\$ 1.000,00 (primeiro).

A cerimônia de premiação foi realizada nesta sexta-feira (24) na sede do Sebrae/MG e contou com a presença de produtores rurais de Minas Gerais e do Espírito Santo, juizes degustadores dos Estados Unidos e do Peru e compradores brasileiros e norte-americanos.

O I Concurso Internacional de Cafés do Comércio Justo foi realizado pela Transfair, organização não-governamental norte-americana, com apoio do Sebrae/MG e do Café Bom Dia. O concurso visa estimular a melhoria da qualidade do café de Comércio Justo produzido no Brasil.

A premiação faz parte do projeto Parceria de Fornecimento Responsável, que prevê investimentos de US\$ 1,9 milhão durante três anos consecutivos para treinamentos técnicos e infra-estrutura para cooperativas, beneficiando 4.500 pequenos cafeicultores em Minas Gerais.

O projeto é uma parceria entre a TransFair USA, Usaid, Café Bom Dia, Sam's Club e Wal-Mart. O objetivo do projeto é promover pequenos produtores de café brasileiros no mercado global, expandindo e incrementando a qualidade do produto e melhorando a capacidade de gerencial e as habilidades comerciais dos agricultores. A Parceria de Fornecimento Responsável tem o apoio do Sebrae/MG, BSD Consulting, Agricafe e Associação Brasileira da Indústria de Café (ABIC).

O pagamento de preços justos a pequenos produtores que respeitam o meio ambiente, seguem a legislação trabalhista e seguem rígido controle de qualidade diferencial de preço é uma das maiores vantagens do Comércio Justo.

O Sebrae/MG apóia o Comércio Justo e desenvolve projetos para a melhoria da qualidade do produto, diminuição dos custos de produção, fortalecimento do setor e aumento das exportações. O projeto beneficia cerca de 500 cafeicultores da Zona da Mata e do sul de Minas Gerais.

Resultado do 1º Concurso Nacional Cafés Fair Trade

Categoria Café Natural

1º lugar - Luiz Adalto De Oliveira (Coopfam)

2º lugar - Juarez Carlos Pereira (Coocaminas)

3º lugar - José Carlos de Paiva (Coopfam)

Categoria Cereja Descascado

1º lugar - Francisco Braga (Pronova)

2º lugar - Evandro Cisoneti (Pronova)

3º lugar - Carlos Alberto Attos (Pronova)

Divulgação



Cafezal no Espírito Santo

<http://www.agenciasebrae.com.br/noticia.kmf?noticia=7815726&canal=199>

## Cafeicultores de Minas participam de concurso internacional

Apoiados pelo Sebrae Minas, eles participam do primeiro concurso internacional de café certificado em Comércio Justo (Fair trade)

**Andréa Avelar**

**Belo Horizonte** - Cafeicultores apoiados pelo Sebrae em Minas Gerais participam do primeiro concurso internacional de café certificado em Comércio Justo (Fair trade). Realizado pela Transfair, organização não-governamental norte-americana, com apoio do Sebrae/MG e do Café Bom Dia, o concurso visa estimular a melhoria da qualidade do café de Comércio Justo produzido no Brasil.

A primeira fase do concurso foi realizada em setembro. Um grupo de juizes degustadores brasileiros fez a seleção de 70 finalistas, 30 na categoria de cafés naturais e 40 na categoria cereja descascada. Entre os dias 20 e 23 de outubro, dez juizes internacionais estão no Centro de Excelência do Café, em Machado (MG) para analisar as melhores amostras de café. A final do concurso será realizada em Belo Horizonte no dia 24 de outubro. As dez melhores amostras de cada categoria serão leiloadas ou terão a compra garantida pelo Café Bom Dia.

Projeto Comércio Justo

A melhoria da qualidade do produto, a diminuição dos custos de produção, o fortalecimento do setor e o aumento das exportações são metas previstas no Projeto Comércio Justo desenvolvido pelo Sebrae/MG com cerca de 500 cafeicultores da Zona da Mata e do sul de Minas Gerais.

Diagnóstico realizado com os cafeicultores apontou um grande potencial de exportação dos grupos, principalmente no Comércio Justo, que hoje registra uma demanda mundial maior que a oferta de produtos certificados. "O Fair Trade é a única certificação que garante um preço mínimo entre 10% e 15% acima da cotação das commodities", explica Vanúcia Nogueira, consultora do Sebrae/MG.

Desde agosto de 2007, o Sebrae/MG apóia grupos de cafeicultores no processo de certificação em Fair Trade e no acesso a mercados externos. São cerca de quatro mil famílias beneficiadas pelo projeto, a maioria de comunidades carentes e que têm o café como principal fonte de renda.

Dos 12 grupos envolvidos, nove estão certificados e outros três iniciaram recentemente os trabalhos. Os cafeicultores participam de consultorias gerenciais nas áreas de finanças, cooperação e qualidade. "Levamos ferramentas gerenciais e oportunidades para os produtores. E estamos engajando outras entidades no projeto", destaca Juliano Cornélio, técnico do Sebrae/MG.

### Fornecimento responsável

O concurso de cafés certificados faz parte do projeto Parceria de Fornecimento Responsável, que prevê investimentos de US\$ 1,9 milhão durante três anos consecutivos para treinamentos técnicos e infra-estrutura para cooperativas, beneficiando 4.500 pequenos cafeicultores em Minas Gerais.

O projeto é uma parceria entre a TransFair USA, Usaid, Café Bom Dia, Sam's Club e Wal-Mart. O objetivo do projeto é promover pequenos produtores de café brasileiros no mercado global, expandindo e incrementando a qualidade do produto e melhorando a capacidade de gerencial e as habilidades comerciais dos agricultores. A Parceria de Fornecimento Responsável tem o apoio do Sebrae-MG, BSD Consulting, Agricafe e Associação Brasileira da Indústria de Café (Abic).

<http://www.agenciasebrae.com.br/noticia.kmf?noticia=7803121&canal=199>

