



Responsible Sourcing Partnership Project

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

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Annual Report for Fiscal Year 2010
(October 2009 – December 2010)

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Acronyms:

ABD	Association Bio Dinâmica
BSD	Business Sustainability Development
CEC	Center of Excellence for Coffee
CQI	Coffee Quality Institute
FLO	Fairtrade Labeling Organization
FGV	Getúlio Vargas Foundation
GMCR	Green Mountain Coffee Roasters
GPS	Global Producer Service
M&E	Monitoring and Evaluation
RSP	Responsible Sourcing Partnership
SCAA	Specialty Coffee Association of America
SEBRAE-MG	Brazilian Small and Medium Enterprise Support Agency, Minas Gerais
SEBRAE-ES	Brazilian Small and Medium Enterprise Support Agency, Espirito Santo
SEBRAE-SP	Brazilian Small and Medium Enterprise Support Agency, Sao Paulo
SKU	Stock Keeping Unit
FTUSA	Fair Trade USA
UFPA	Federal University of Lavras
USAID	United States Agency for International Development

I. Executive Summary

Project Background

The 2007-2010 Responsible Sourcing Partnership (RSP) project is an innovative public-private partnership among USAID, Walmart Foundation, Wal-Mart Stores, Inc. and Fair Trade USA (FTUSA) that links 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 over US\$ 2 million, the RSP project provides technical training and investment in farm and cooperative infrastructure to benefit more than 5,700 smallholder farmers in Brazil. At the end of the three year project, farmers and cooperatives 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.

Annual Report: October 1, 2009 – December 31, 2010 (FY2010)

This FY2010 report provides a detailed account of the activities and deliverables of the Responsible Sourcing Partnership project third and final year, October 2009 through September 2010. The report also includes reporting for QIFY11, October 1, 2010 through December 31, 2010, a period amended to the project through a no-cost extension.

The no-cost extension was possible in the budget due to the shift in personnel that occurred in January 2010. Both USAID and Walmart Foundation agreed to the no-cost extension and the project continued for one additional quarter. Based on the implementation calendar and budget projections, there were several benefits in extending an additional three months beyond the contracted project end date including several concluding activities outside the harvest and export season. The additional quarter made it possible to expand the work plan to include previously excluded activities in organic training, price discovery and market training, a third Fair Trade Certified Cupping Competition, and in-depth close-out evaluation activities. The additional QIFY11 quarter activities are called out in detail in section *B. Results of the RSP project*, of this report.

Comprehensive project results and impact will be presented in full in the Life of Project Report due March 31, 2011.

Effective October 1, 2010, TransFair USA changed its name to Fair Trade USA. The new name aligns the organization with the global Fair Trade initiatives and increases organizational

recognition as part of the Fairtrade Labeling Organization (FLO). The name change does not reflect any other organizational changes.

Highlights of this year include: (details in report)

- Improved Annual work plan process incorporating stakeholder input (II.A)
- End of project post-harvest training assessment, end of project survey and assessment of life of project key performance project and program indicators implemented with preliminary analysis indicating positive outcomes and being incorporated into adaptive management (II.A)
- Key media coverage including events in multiple outlets and channels (print, websites, Facebook, Twitter, etc) (II.A)
- Administrative changes including name change to Fair Trade USA and transition of management team to U.S. based TFUSA team
- Four new producer organizations – Assopro, Assodantas, Ascarive and Acafeq – became Fair Trade Certified joined the RSP project with 303 new members (II.B)
- Infrastructure grant program funded a variety of critical projects of 5 producer groups for a total of US\$90,646.63, benefitting 763 farming families (B.1.1)
- Post harvest training in best practices and quality management of 49 Train the Trainers and 715 producers (B.1.2)
- Centralized and on site internal quality evaluation training for 77 Producers trained: 66 men and 9 women (B.1.3)
- Fair Trade organic trainings through seminars, direct training and Train the Trainers: Producers trained: 188; 164 men, 24 women (B.1.4)
- Business administration management capacity building included 41 on-site visits with 14 producer groups and 75 producers training; 56 men and 15 women (B.2.1)
- Continued Governance training in collaboration with SEBRAE- MG of 729 producer and community members (B2.2.1)
- Finance committee training with 14 producer groups of which 67 individuals: 58 men, 9 women (B2.2.2)
- Innovative 2 day Price Discovery training with 8 producer groups of which 14 individuals: 12 men, 2 women (B.2.3.3)
- Certification support through networking and formalizing meetings with FLO staff including quarterly certification support requests (B.2.4.1)
- Increase in FT membership of 13.5% in 2010 (B2.4.2)
- Continued commitment by partners Sara Lee Brazil to sourcing FT coffee and Sam's Club to promote and sell FT Brazil coffee (B.3.1.1)
- Hosted the 2nd and 3rd FT Brazil Cupping Competitions with 257 total entries (B.3.1.2)
- Media and marketing training as preparation for SCAA event held for 8 participating producer groups (B3.1.3)
- Updated *The Guide to the U.S. Coffee Market* translated to Portuguese and distributed to producer groups (B.3.1.3)
- Producer marketing materials professionally designed and updated for maximum impact (B.3.2.1)
- Support for developing individual marketing tools (B.3.2.2)
- 10 producer groups representatives participated in SCAA trade show, lectures and meetings: 9 men and 1 woman (B.3.3.1)

- SCAA Brazilian coop representatives participated in U.S. Sales tours, visiting numerous buyers, retail outlets along with colleagues from African cooperatives allowing for exchange (B3.3.2)
- Green Mountain Coffee Roasters' commitment to purchase from all Fair Trade Certified groups, build long-term buying relationships (3.3.3)
- Buyer tours to producer groups and farms with GMCR, Atlas Sustainable Harvest and Twin Trading. (B.3.3.3)

II. Activities and Deliverables

This Fiscal Year 2010 Annual Report includes the 15 month period of October 2009 through December 2010 and reviews project activities and results achieved during the 15 month period, with special note of the activities carried out in QIFY11, October 2010 through December 2010.

A. Activities related to Project Startup and Monitoring

The sections below address monitoring, evaluation and project management activities that have taken place over the life of the project.

Annual Work Plan

The FY2010 work plan was submitted to partners and approved in QIFY10. The planning process for FY2010 included extensive input from the technical experts who have been implementing training and technical assistance activities during the first two years of the project. Experts in their respective fields and well acquainted with the particular situation of each group, the project consultants created innovations in the planning training programs that improved results and best serve the producers and producer organizations. The project merged activities to better reflect the cross-discipline nature of trainings. In addition, high-impact activities were added or expanded upon as a result of the extension.

Overall, the activity goals set forth in the FY2010 work plan were met and exceeded during the 15 month period. Details of activity accomplishments are presented in section B of this report. Two activity contributions to the work plan from outside partners were removed, as the partners did not pursue the objectives, namely activities *1.2.2, Peer to peer experience share* and subcomponent of activity *3.2.1, Update producer marketing materials*; create a joint website for Minas Gerais coffee producers. These activities were not central to achieving the projected project results and their absence did not deter from project impact.

Final M&E and GPS project impact evaluation

Fair Trade USA implemented final project evaluation activities. A mix of tools was used to get a thorough picture of not just whether outcomes were achieved, but as well to monitor stakeholder satisfaction of the project process and results, lessons learned and long term sustainability of the project activities. The project M&E moved beyond accountability to learning and continuous improvement.

Three main approaches made up the M&E activities.

- Quantitative data captured through a Baseline and End of Project M&E survey of the growers cooperatives.
- Qualitative data captured through phone interviews and surveys with key stakeholders and informants.
- In-depth post harvest training assessment using control groups.

In addition, documentation review of other M&E data sources including project and audit reports complemented the analysis.

During FY10, Mauricio Muricy, project consultant during the business administration training, conducted end of project evaluation surveys for quantitative analysis with 14 of the producer groups including capturing or verifying missing baseline data. This data on project and program key performance indicators (KPIs) was complemented by qualitative interviews with approximately 20 internal and external stakeholders, including buyers, project staff, consultants, auditors and the producer groups themselves. The information was prepared into a draft analysis for adaptive management to help improve the planning and M&E plan for the Sustainable Sourcing Project (SSP), as well as other related projects.

In parallel, Professor Flavio Borem, who led the post-harvest training activity, developed and implemented a rigorous post-harvest training evaluation to quantify the impact of the project training delivered. Using statistical analysis and control groups, this assessment will help to identify changes in quality over time and adoption rate of proven methodologies that can be attributed to the project activities. The assessment is in draft form and being reviewed with external experts. Preliminary analysis indicates numerous positive outcomes. More importantly, it is also evident that this study will help to identify best practices and the conditions for the cooperatives to prioritize investments. It will also be invaluable to leverage future training improvements. More information about the post-harvest training study can be found in section 1.2.1. *Production and post-harvest processing training.*

Preliminary analysis show impacts were achieved with increases in all capital assets:

- social capital (e.g. strengthened FT producer networks)
- human capital (e.g. increased knowledge in governance, business and best management practices, quality)
- financial capital (e.g. increased prices received, FT premium)
- physical capital (e.g. infrastructure projects through project grants and FT premium)
- natural capital (e.g. reduced pollution of waste and pesticides through FT certification requirements, increased acreage under certified practices)

A final assessment of the project, program KPIs and the post harvest training will be included in the Life of Project Report.

Producer Engagement Activities

One formal producer meeting was carried out in FY2010, along with increased email and telephone communications with the representatives from each producer organization and several informal meetings at the Specialty Coffee Association of America conference, during organized industry visits to Brazil and at the Fair trade Certified Cupping Competition.

In February of QIIFY10, the RSP project management team held the first of two planned producer engagement meetings on February 23, in Varginha, Minas Gerais, Brazil. The meeting was hosted in collaboration with Sebrae-MG and was well-attended, with several representatives from each of 13 of the 14 total RSP project producer groups participating at that time. The agenda focused on evaluating project activities completed to date, and planning for the upcoming months of activities, including logistical and tactical input on the FY2010 work plan, and preparation for the



Producer group representatives at an RSP project meeting in Varginha

Specialty Coffee Association of America’s annual trade show and conference. Group representatives were very engaged and provided positive feedback about recent activities, primarily regarding the business administration training, the Fair Trade Certified Cupping Competition and post-harvest best-practices training. The group expressed preferences regarding timeframe for future activities and provided information about when activities should be carried out to be most beneficial to the producer members.

As the project progressed, the relationship between the RSP project management team became very collaborative and the project increasingly reflected feedback from producer group representatives. The project management team created a rapport with the groups that allowed for constructive dialogue about activity structure, implementation time frame and continuum of activities and benefit beyond the close of the RSP project.

Media Coverage

In QIFY11, the project partners completed the Walmart commissioned RSP project video. The video shares the impact of the RSP project and the benefit of Fair Trade for small holder producers and their families. The video includes testimonials from cooperative presidents, farmers, their family members and project partner representatives about their participation in the RSP project and the impact that the initiative has had. For differing audiences, the video was edited to full-length, eight minute version and a two minute, web friendly version; all editions were subtitled for English and Portuguese speaking audiences. The project partners screened the two minute version of the video at the Fair Trade Certified Cupping Competition in Belo Horizonte. DVDs of the video were distributed to all the project partners and the producer organizations to promote the project with their respective constituents. Fair Trade USA has featured a link to the video on its home page. The video is also available on YouTube: http://www.youtube.com/watch?v=UwPbc2Ychfg&feature=youtube_gdata

Throughout FY2010, the project partners promoted the RSP project through joint press releases, articles in industry publications, and social media posts. The RSP project was featured in *The Morning Cup*, a publication that reaches over 8,000 members of the specialty coffee community at the Specialty Coffee Association of America’s annual conference. Project participating producer group representative, Beatriz Souza Pereira, participated in a *Ustream* webcast panel discussion, generating buzz among the Fair Trade community. Throughout the year the RSP

project continued to be a popular feature on the Fair Trade USA web site through flicker albums, blog and twitter posts.

The Fair Trade Certified Cupping Competition awards event was an important media opportunity for the RSP project in QIFY11. The project partners issued a joint press release to announce the winner and highlight the quality improvements that have resulted from the tree year partnership project. The press release was picked up by online publications, including The Wall Street Journal's *Market Watch*; *Earth Times*; and *Food CEO* among others. The story was also featured in the coffee industry online publication, *Specialty Coffee Retailer* and juror participants Fernwood Coffee Company and Reunion Island Coffee wrote about the competition and their experiences on their web sites, Facebook accounts and Twitter feeds. In Brazil, the RSP participating producer organization Coopervitae shared the story with the coffee industry magazine *Espresso*. The story is on the *Espresso* web site. See *Annex 1* for the full story and links to competition media coverage.

Fair Trade USA will produce a press packet once all project impact data is completed, likely in March, to announce the conclusion of the RSP project and present the highest-level results of the project. The packet will include the RSP project video, photos and impact data. The packet will be distributed through mainstream media outlets.

Project Steering

The RSP project management structure transitioned in QIFY10, with the shift of management from local project manager to management out of the Fair Trade USA offices in Oakland, California. To ensure a smooth transition, the project management team actively communicated with producer organizations and local consultants about the transition and maintained regular communications. The transition proved beneficial to the management structure, with a direct chain of communication between the home office and the producer groups.

The RSP FY2010 work plan was approved by all of the partners in QIFY10. A formal Steering Committee Meeting was held in QIFY11, in conjunction with the Fair Trade Certified Cupping Competition. The meeting served to review project status and accomplishments from the past year and to align partners' expectations. The meeting revealed that all of the project partners are satisfied with the current project trajectory and no changes were required.

Project steering was supplemented by the Communications Committee; a committee made up of representatives from each of the project partners, designed to manage external project communications. The Communications Committee met regularly and increased partner involvement in project steering without the need for extraordinary Steering Committee meetings.

B. Results of the RSP Project components

The following sections outline the three program components with main achievements in QI FY2011 summarized for each.

The project beneficiary population continued to grow in 2010, with the inclusion of four new producer organizations. Assopro, Assodantas, Ascarive and Acafeg all became Fair Trade Certified in 2010 and were invited to participate in the RSP project. Their inclusion increased the beneficiary population by 303 producer members, bringing the total beneficiary population to 5,700 farming families.

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 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

2010 activity results

Producer groups awarded: 5
Total grant value: US\$90,646.63
Average award per group: US\$20,000
Population benefited: 763 farming families
Projects completed: 43 drying patios, 14 hulling machines, 1 cupping lab. 1 sorting machine

During FY2010, RSP project partners implemented the second round of the infrastructure grant program. Following the success of the 2008 edition, the second infrastructure grant project was launched in QIV FY09 and concluded in QIVFY10. The second edition of the infrastructure grant program provided loans to five producer organizations, totaling US\$90,646.63 and serving a total member population of 763 farming families.

Coopfam constructed a new cupping laboratory that serves both cooperative members as well as the larger community of coffee producing families. The new cupping laboratory benefits the approximately 250 members of Coopfam and the surrounding coffee growing community who has access to quality evaluation workshops and cupping services. Since constructing the cupping lab, Coopfam has hosted international buyers in a professional setting that meets the strict standard for cupping labs; enabling clients to taste coffee at origin in a setting that matches the buyer’s lab. Coopfam used the lab intensely throughout the 2010 harvest and sales season to cup and evaluate member coffee.

Assoc. Dois Corregos (Unicafe) used their grant funds to purchase a sorting machine that separates differing bean quality. The group now has the internal capacity to control their quality output, rather than being dependant on third part equipment. The grant funded equipment was installed and used during the 2010 harvest by producer members. Assoc. Dois Corregos increased traceability and saved members BRL 3.50 per sack by performing the first step of the milling process with their own equipment.

Dos Costas distributed and installed the 14 mobile hulling machines purchased with their infrastructure grant. The 14 machines benefit all 84 members of the association. The machines, though installed on individual properties, and maintained by one farming family, are accessible to neighboring producer members. Access to the machines allows producers to process pulped natural coffee, as an alternative to natural coffee. The alternative process provides a market-viable option when factors such as weather lower the quality of natural coffee. The diversification also helps Dos Costas to provide different products to their clients and to sell more volume as export quality coffee at a better price.

Unipcafem paved 18 drying patios, totaling 13,500² meters. Coopervitae paved 25 drying patios, totaling 10,000² meters. Construction was completed in time for the 2010 harvest and patio recipients used the patios to dry this year's crop. Paved drying patios improve coffee quality by allowing for uniform drying, faster drying time, and less risk of spoilage due to mold and fermentation. The paved patios also improve the quality of life, particularly for women, who are responsible for managing the drying process. In the absence of paved patios, the coffee is dried on dirt patios, a very labor intensive and dusty task. The farming families who received drying patios through the RSP project gained better working conditions and the ability to produce higher quality coffee.

In addition to the initial capital investment, groups extended the benefit by establishing rotating funds, by which the initial investment is incrementally returned to the organization's infrastructure fund and is used to finance infrastructure projects for additional members or to pay for the infrastructure equipment's operational costs and upkeep. Producer organizations' investment in members also helps to strengthen the organization and member commitment. Members are more likely to support the cooperative structure they belong to and deliver their coffee for commercialization through the organization when they see tangible membership benefits, such as the infrastructure grant program.

After the completion of all infrastructure grant projects, there was a small surplus of funds remaining in the budget. The project partners had initially intended to wire the funds to reimburse groups that had used their operating fund or premium money to complete their projects. However, given the cost and time of wire transfers, executing the payments in the final quarter carried too much risk, and the money was repurposed to other project activities.

Overall activity impact information will be presented in the final Life of Project report.

1.2 Production and Post-Harvest Processing

Activity 1: Production and post-harvest processing training

2010 activity results

Producer Agronomists Trained: 16 (+33 agronomists through indirect training)

Direct trainings: 56

Producers trained: 715

Producer group representatives identified post-harvest processing best practices training as fundamental to improving the quality of member coffee. The groups that participated in the post-harvest training in 2009 expressed the importance and value of the training and the effectiveness of the training model. The project partners decided to expand the training, with the goal of providing benefit to a greater number of producers.

The training followed the same methodology as the 2009 training, including curriculum development by Professor Flavio Meira Borem from the Federal University of Lavras, training of trainers, and on-farm direct training with producer members. In this second edition, the project partners incorporated suggestions and feedback from the agronomist trainers, Professor Borem and coffee quality experts, to make this round even more beneficial.

The first important consideration addressed through the second round of post-harvest training was expanding the training to a greater producer population. The project partners worked with all fourteen certified groups participating in the RSP project at the time of the training to identify skilled agronomists who are members of the producer organization or the community to receive training and disseminate the information to Fair Trade Certified coffee producer members. Through the process, a total of sixteen agronomists were selected, representing ten of the fourteen groups. Groups who did not have a member agronomist to send were assigned to one to the other agronomists.

In 2009, two agronomists, Claudio Baquiao Filho and Eliezer Reis Jorge, participated in the post-harvest training of trainers and conducted direct trainings with producers. Both agronomists participated again, this year as advanced trainers. They used their knowledge and experience from the previous year to help their colleagues develop their skills as agronomists and as trainers. During the training of trainers, the two advanced trainers shared stories and photos from the trainings they conducted the previous year to help contextualize the training. During the direct trainings, Baquiao and Reis attended the first training that each agronomist conducted to provide support, answer questions specific to each region, and provide feedback about training methodology to be incorporate into subsequent trainings.

The overall structure of the curriculum remained constant from the first post-harvest training to the second, with one important addition. The training conducted in QIIFY10 incorporated increased sensory evaluation during the training of trainers. Input from Professor Borem and coffee quality experts prompted the addition of a full day of quality evaluation or “cupping” to the agronomists’ training. Agronomists often understand the biological reasons for defects but not necessarily what that translates to in the cup. By including cupping training in the

curriculum, the agronomists develop greater appreciation for the quality of the bean and the quality of the coffee in the cup.

The training of trainers was held at UFLA May 17-21 and incorporated concepts of coffee agronomy, coffee processing technologies, cup quality evaluation, training methodology, and an on-farm visit. Also during the five day session, the agronomists co-authored, with Professor Borem, a training manual with the key information to be presented during the field trainings. The completed materials were distributed to each trainer to use and distribute to all producer participants. An additional outcome from the five day training of trainers was a sense of community and shared experience among the agronomists. Often only the leaders of the cooperatives and associations convene for meetings with representatives from other producer organizations, but in this case agronomy professionals had the opportunity to meet, share their unique regional experiences and discuss with peers some of the overlapping issues that they all encounter. Many of the agronomists self organized to attend the initial trainings led by their fellow agronomist. Observing one another allowed the agronomist to improve their own training methodology and to visit member farms from another producer region.

Following the training of trainers, each agronomist returned to his or her respective region to train members of the producer group or groups assigned to him or her. During QIII FY10 each of the agronomists conducted his or her first training session, which was observed by either advanced agronomist Baquiao or Reis. Each training was held on a member farm and includes theoretical as well as practical, hands-on training. Producers were engaged in the learning process by actively participating in hands on demonstrations and sensory evaluation. The cupping training that the agronomists received translated into a tasting session with producers that allowed producers to experience the flavor profile of beans that have a defect and beans that are processed properly, in accordance to the training methodology.

Coocafe, a cooperative with a producer population of roughly 4,000 members sent four agronomists to participate in the training of trainers. The cooperative has an extensive producer services structure built into the organization, but welcomed the opportunity to participate in this RSP project training and to advance the skills of their 33 agronomists. While Coocafe isn't able to implement direct training for this activity on the same scale as the other groups, the cooperative still found an effective way to disseminate the information to its members. The four agronomists who attended the training at UFLA returned to Coocafe and held training for the other 29 agronomists on staff members who train producers. The agronomists are sharing the information with producer members during routine farm visits. Feedback from the agronomists who attended the training has been positive and their observations have shown that producers are implementing the suggested post-harvest practices.

After all training activities were complete the training impact evaluation phase began. On July 22-23, 2010, a total of 10 of the original 16 trained agronomists returned to participate in a guided debrief about their direct training experiences and to learn from Professor Borem about proper survey implementation. The follow-up training of trainers was an important opportunity for the agronomists to experience share and learn from each other's direct training experiences. Each agronomist gave a short presentation, highlighting what worked

best during their on-farm trainings and bringing up any points of difficulty. By talking about the strengths and weaknesses, the agronomists had the opportunity to learn not only from Professor Borem but from their peers.

The 10 agronomists and Professor Borem, with input from the RSP partners and Monitoring and Evaluation consultant Aimee Russillo, developed a survey tool and methodology for gathering data to be used for impact assessment of the post-harvest best-practices direct training. See *Annex 2* for sample survey tool used. The survey captured which practices are employed by producers who attended the training, as well as those who did not.

The team of agronomist conducted a total of 274 interviews with members of 12 Fair Trade Certified producer organizations, 144 from members who received RSP post-harvest best practices direct training and a control group of 130 producers who did not receive direct training. Forty-five operations were analyzed for groups who produce semi-washed coffee and 27 operations were considered for the groups who produce natural coffee. The data collected through the interviews informed analysis on about farm infrastructure, access to processing equipment, adoption of post-harvest best practices, observed shifts in quality and individual evaluations of the effectiveness of post-harvest best practices training.

The raw data collected using the survey tool was then cleaned and analyzed by a team of statisticians, led by Professor Flavio Borem and statistics professor Renato Ribeiro de Lima, at the Federal University of Lavras (UFLA). From the resulting analysis, the statistics team concluded that the RSP post-harvest best practices training was highly effective. Producer members, who participated in post-harvest best practices training, showed higher adaptation rates of best practices for nearly every operation analyzed.

Additionally, in 8 of the 12 groups surveyed, over 80% of producers reported improvement in the quality of their coffee's flavor, body and cup after implementing the practices from the training. The survey team also gathered information about the strengths and weaknesses in the post-harvest process of each producer group. The resulting analysis was provided to the producer group's agronomist and administrative staff to inform the focus of future training activities with members. A summary of survey results is available in *Annex 3*.

Activity 2: Peer to peer experience sharing

This activity was built into the work plan based on activities anticipated by project partner Sebrae-MG. The RSP project partners planned to support an experience share initiative led by Sebrae-MG. Sebrae-MG did not implement the activity and it in turn peer to peer experience sharing was removed from RSP activities as well.

1.3 Quality Evaluation Practices

2010 activity results

Centralized trainings: 4 days

Producers trained: 35; 32 men, 3 women

On-site trainings: 13 days

Producers trained: 42; 36 men, 6 women

Coffee quality experts agree that internal quality evaluation capacity within the producer organization is important for improving the quality of member coffee. Throughout the RSP project the project partners have addressed coffee quality evaluation capacity with a series of trainings targeted to the quality evaluation specialist or „cupper’ at each organization. The trainings focused on improving evaluation skills and developing greater capacity for evaluating producer member coffee, based on the internationally recognized Specialty Coffee Association of America’s (SCAA) evaluation scale and the Brazilian evaluation methodology, COB.

In FY2010, the project partners introduced an innovative approach to the training model by conducting quality training with the commercial managers in conjunction with the quality specialist at each producer organization. By introducing the commercial manager to the training, the producer organizations deepened and strengthened their ability to talk with buyers and communicate with cuppers about quality.

In QIII FY10, the RSP project partners implemented a one day training consisting of both theoretical and practical components of quality evaluation. The theoretical component emphasized the importance of quality evaluation at the producer organization and the differences between the SCAA and COB methodologies and when each is used. The practical component allowed cuppers and commercial managers to cup side by side and better share their experiences and perspectives. In the practical training the participants had the opportunity to taste and evaluate coffee from different regions of Brazil and contrast flavor profiles.

The training was an important opportunity for both the cuppers and commercial managers to understand the point of view of the other, exchange information and develop a common language to discuss coffee quality. The exchange between cuppers from different groups was also an important opportunity to share information.

A total of 35 individuals, representing all 15 Fair Trade Certified producer organizations participating in the RSP project at the time of the training participated in the training activity. Four trainings were conducted in three different locations, to make the training geographically accessible to all groups and to maintain the group size to a productive number. Participants filled out an evaluation following the training and all feedback was very positive regarding the methodology, professionalism, and topics of instruction. Some constructive comments urged for more intensive instruction, including more hours of training and more involved theoretical explanation and more time to cup samples.

During QIVFY10, the RSP project focused quality evaluation training on the internal quality evaluation systems within each group. A total of 42 commercial directors and quality evaluation specialists, 36 men and 6 women, from 13 producer groups participated in the training. Past trainings in quality evaluation with quality evaluation specialists and commercial managers provided the foundation for this quality training to center on internal evaluation systems and training on lot creation and market destination strategies.

The training was carried out during the month of August and into the first part of September. The timing was important, as producers were just concluding the harvest and the producer organizations had already received the great majority of coffee to be commercialized for the current export season. The training was in part theoretical and in part practical, working directly with the coffee on hand. As such, it was important to wait until the groups had coffee from members to engage fully in the practical component. The consultant used the coffees from the current harvest to define with the groups which lots combine together best to create optimum flavor profiles that international buyers seek. This component engaged the theoretical principles, but also had the practical application of defining lots for the current commercial season. The timing also coincided with a request for samples from a major Fair Trade Certified buyer in the United States. Many of the groups worked with the consultant to combine lots that would fit the profile the buyer would be interested in.

Each international market and buyer has a specific product profile that their customer is looking for. The differences buyers look for include internationally recognized scores like the Specialty Coffee Association of America (SCAA) ranking, screen size, flavor attributes, and growing altitude, among others. When a producer organization understands the audience it is selling to, it is much easier to provide the best product and to receive the price reflective of the demand. One portion of the training focused on defining the profile sought by different markets and working with the commercial managers and cuppers to identify which lots and profiles from the current 2010 harvest is best suited to each customer base.

Because each group has a different structure for quality evaluation and commercialization, the consultant adapted the training to reflect the needs of each. The components of the training were either emphasized or reduced depending on skill level, but contained a version of the following topics. The first topic of the training was calibration of SCAA methodology. With cuppers who are very experienced the SCAA methodology portion was a brief calibration of technique as samples for later analysis were prepared. Groups with less cupping experience spent more time perfecting their cupping skills based on the SCAA methodology. All groups also reviewed their current evaluation systems, either internal or external, and received feedback from the consultant about how to improve their systems in both the short and long term. Regardless of the group's capacity level, the analysis and feedback translated into a work plan that the consultant created with the cupper and commercial manager of each group. The work plan maps next steps for the immediate future as well as evaluation systems to strive towards in the years to come.

In addition to the direct training carried out with the producer organizations, the project partners provided valuable quality information to producer organizations and individual producers. During the Fair Trade Certified Cupping competitions producer members submitted samples that were evaluated by a panel of respected cuppers with connections to industry. The cuppers scored and evaluated the coffee samples and gave a score and tasting notes or in the case of elimination due to defect, the defect that was noted. The project staff reviewed and cleaned the data and provided the information back to the groups to share with producers. The direct feedback from cuppers helped the producer organizations and individual producers gain a better sense of their quality capacity and the impression that international buyers have of their coffee. Producers received feedback from both the 2009

and 2010 Fair Trade Certified Cupping Competitions. A total of 139 producers submitted samples to the 2009 competition and received scores and feedback about their samples and 118 submitted samples to the 2010 competition and received feedback.

To expand the benefit of sensory evaluation to a larger population, the RSP project partners held a tasting for the more than 250 producers who attended the Fair Trade Certified Cupping Competition awards ceremony. The objective of the activity was to expose producers to the difference of high quality coffee verses coffee that has a defect. The activity challenged producers to identify the defective sample between two prepared coffee samples. Many producers have not sampled different coffees and the experience showed then the difference in taste of coffee that is well processed and coffee that is not prepared according to best-practices.

At the awards ceremony, three different tables with the samples representing high quality, defect-free coffee and coffee with a defect were placed throughout the reception lobby. Project trained agronomist and cuppers staffed each table inviting producers to sample the coffees and give their opinion. Project trained cuppers guided the producers on basic tasting techniques and project trained agronomist reminded producers what avoidable agricultural practices cause fermentation and other defects.



Producers participated in a coffee tasting and evaluation with RSP project trained agronomists and cuppers

1.4 Organic Market Access

Activity 2: Fair Trade organic training

2010 activity results

- Seminars: 4
- Direct trainings: 17
- Producer Agronomists Trained: 5
- Producers trained: 188; 164 men, 24 women

The project partners responded to producer feedback in FY2010 by reintroducing organic initiatives back into the project structure. The RSP project addressed organic production through a two part approach. The first part of the training is a presentation on organic production given regionally by producer member and organic farmer Claudio Baquiao Filho. The presentation was followed up by an organic specific training of trainers session and direct training, mirroring the successful post-harvest handling training model.

The objective of the regional presentation is to define the fundamentals of organic best practices, dispel misconceptions, clarify where organic production is most viable and share how producers can evaluate whether or not they should pursue conversion to organic farming

on their property. The talks also served to provide validity to and promote interest in the upcoming on-farm trainings with local agronomists.

RSP project trained agronomist, Claudio Baquiao Filho, held four regional presentations introducing the principles, certification, and farm management techniques of organic coffee production. The presentations took place in regional locations accessible to members of all groups that expressed interest in learning more about organic production. Forty-one members from a total of five groups attended the organic presentations that covered the definition of organic agriculture, main issues of certification, sustainability considerations of organic coffee, and how to weigh the cost-benefit of organic coffee production to determine if it is a viable option for a particular property. The training also provided the opportunity for producers to identify other members within their organization and in neighboring organizations who are also interested in organic production. Producer organization Dos Costas has already taken the step of formalizing this common interest by creating a nucleus of producers within the cooperative dedicated to pursuing organic conversion.

In QIFY11, the RSP project partners implemented the second phase of organic training. After raising interest and presenting base-line information about organic production and certification, the project partners introduced a training of trainers activity to build local capacity among the groups interested in organic production. The training took place at the Federal Institute of Education, Science and Technology in Muzambinho and was led by Claudio Baquiao Filho in partnership with Professor José Marcos Angélico Mendonça, expert in organic coffee agronomy. Five of the producer member agronomists who participated in the post-harvest training of trainers attended the five-day organic training of trainers. The training agenda provided for a rich and interactive training that included; best practices in pest and disease management and monitoring, plant nutrition and inputs, organic composting. The training took place in the classroom but also included two half-day visits to near-by organic properties for hands-on demonstrations. The training also produced teaching methodology and a curriculum for the direct training sessions as well as a *Best Practices for Organic Production* manual distributed to the producer groups and to the farmer members who attend direct training.



Producer agronomists during the field component of the organic training of trainers



Trained producer agronomists ready for direct training

Following the training of trainers, the producer agronomists returned to their communities to implement on-farm direct trainings with small groups of no more than 15 producers per group. The trained agronomists implemented 17 direct trainings with producer members from 3 producer organizations, reaching a total of 142 producers, 127 men and 15 women. The trainings were both theoretical and practical and were conducted on a producer member property to take full advantage of hands-on training applications. Trainers reported that the trainings were well received by producer participants and expressed that the trainings were an important opportunity to expose producers to the methodologies of organic production. The trainings also served to dispel misconceptions about organic production as a theory that doesn't work in practice. By educating on the fundamentals of organic production and farm management methods of organic farming, producers learned about the feasibility of organic production in their specific region. Non-organic producers also learned about more sustainable methods of organic production that they can apply to their conventional farm. For additional training details see *Annex 4*.

This training provided me and those who participated with a holistic view of organic farm management; a process that very often seems difficult due to a lack of information. This training has opened a door in our cooperative that will never close.

Eliezer Reis Jorge
Agronomist
Cooperativa dos Produtores de Café
Especial de Boa Esperança

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 to 2.4).”

2.1 Business Administration Management Capacity Building

Activity 1: Business administration on-site visits

2010 activity results

On-site visits: 41

Producer groups trained: 14

Individuals trained: 75; 56 men, 15 women

Fiscal year 2010 advanced the business administration training that began in FY09 with classroom training covering accounting rules, administrative tools, purchasing, exporting, financial reporting and planning, and legal compliance. In FY2010, the participating producer organizations received on-site trainings with the finance and administration team made up of an accounting specialist and an export specialist. The consultants visited each of the fourteen participating groups for three on-site technical visits. The visits provided for individualized attention as each organization implements the accounting and business management lessons learned in the classroom training. The consultants tailored the training materials presented at the classroom training to correspond to each group.

During the first on-site visit at each group, the trainers had asked for cost information from each group, including the costs for transport, warehousing, and supplies. After analyzing the costs for groups and comparing the groups that are geographically close, the trainers were able to return to each group with an analysis about cost and talked to groups about selecting a supplier and negotiating the cost of transport.

The second training session also addressed client base diversification and commercializing strategies for the coming harvest. The trainers specifically addressed the groups that have a narrow client base and talked to them about strategies for diversifying their sales to minimize risk. The discussion included advice about client outreach, producer relations, and sales advice relative to the group's current organizational structure.

In addition, the trainers worked with each group to compare the cost of direct export versus exporting through a third party. The groups that are not currently in a position to direct export are burdened by the additional cost of paying for the service of exporting their coffee. The trainers helped groups to weigh their cost benefit and their organizational goals as they make the decision to export directly or continue to contract a third party exporter. In conjunction with this conversation, the trainers addressed the legal status of each group and what that means for the group's capacity to grow to scale as a business. The trainers helped the associations weigh the benefits of transitioning the legal status from association to cooperative.

The trainers also worked with the groups to create computerized systems for documenting cash flow and assigned homework for the groups to work on prior to the third and final training. The follow-up assignments included updating cash flow spreadsheets, producing profit and loss statements, improving excel skills and reviewing insurance and other legal documents.

The groups that joined the project mid-year, Assodantas, Ascarive and Assopro received a modified version of the business administration training. They were not participants in the RSP project at the time of the classroom training, but the training team conducted on-site visits and reviewed the management tools and information to bring the groups up to speed on the materials. For additional training details for these groups see *Annex 5*.

2.2 Governance and Board Development

Activity 1: Governance training

2010 activity results

Producer Groups Trained: Coopervitae, Unipcafem, Coopfam, Dos Costas, Assodantas, and Assopro

Training time: 100 hour training module per organization

Participants: 40 producers per meeting

Producer Group Trained: Coofaci and Pronova

On-site trainings: 14 days-Coofaci, 15days-Pronova

Producers and community member participants: 729 total

Cooperative Governance training began at the start of the RSP project and continued through FY2010. Governance Training in 2010 consisted of two main components: Trainings with groups in Southern Minas Gerais administered by project partner SEBRAE-MG and parallel trainings with producer groups in Espirito Santo, managed directly by Fair Trade USA.

During FY2010 consultant Andrea Salerno worked with the producer groups Coopervitae, Unipcafem, Coopfam, Dos Costas, Assodantas, and Assopro in the state of Minas Gerais. Salerno's work with each of these groups consisted of approximately 100 hours of training focused on transparency, aligning member goals, building and maintaining effective communication systems and promoting member involvement. During the course of the 100 hour module, Salerno met with each group on a monthly basis for a full day of training. On average, 40 producer members attended each training day in Southern Minas Gerais. Major FY2010 accomplishments for the groups in southern Minas Gerais include Dos Costas obtaining cooperative status, Coopfam democratically electing new leadership and implementing systems of transparency, fully incorporating association Sampaio into Coopervitae's membership base and helping newly formed organization Assopro increase member involvement

Salerno concluded work with Assodantas, Dos Costas and Unipcafem in Q3FY2010, with Coopfam in QIV FY2010, and with Coopervitae in Q1FY2011. Assopro is still in the first half of their 100 hour module and continued work with Salerno throughout Q1FY11. SEBRAE-MG will continue to support Assopro's work with Salerno into calendar year 2011.

In the state of Espirito Santo, the first phase of cooperative governance training with both Pronova and Coofaci concluded in Q1FY2010. The first phase was very successful and both groups achieved the goals set out in their work plans to strengthen both internal and external communication structures, solidify their cooperative structure, and enhance member participation, among others. Pronova and Coofaci were both greatly strengthened by the cooperative governance training but their respective management teams felt they needed additional time with the consultant to solidify and build upon the initial trainings. Both Pronova and Coofaci submitted work plans and cost share proposals for an additional 12 days of training in a 6 month period with each group. Trainings were held once a month during the

months of March through August with Pronova and Coofaci. Each training consisted of two consecutive days per month at each organization.

During the 12 training sessions Coofaci finalized a work plan for FY2010, worked to form strategic alliances with Brazilian financial institutions and other supporting entities, and reorganized the board of directors' internal structure. With Salerno's guidance Coofaci also appointed a commercial manager, hired and administrative assistant and contracted two agronomists through partnership agreements. Coofaci's financial needs at took priority during some of the trainings and prevented the consultant from working on solidifying additional structural changes.

During the additional 12 training days with Pronova, Salerno worked with the groups to formalize the producer committee as a permanent entity and officially change the cooperative's decision making structure to incorporate the voice of the producer committee. Also, through the work with Pronova's staff and board members, each manager has developed a specific work plan for themselves and their department. All work plans have been approved by the board. The cooperative as a whole also developed a strategic work plan to ensure that each employee's daily efforts are contributing to the cooperative's identified priorities.

Pronova independently hired consultant Andrea Salerno for a 2 day follow up consultation December 20 and 21 to track staff and board member progress against their approved work plans. Salerno met with the producer committee to evaluate their continued work. The committee continues to meet monthly and facilitates communication between Pronova's members and cooperative leadership. The producer committee produced their second annual newsletter in December of 2010. Excerpts from the newsletter are included in *Annex 6*.

Activity 2: Finance committee training

2010 activity results

- Producer groups trained: 14
- Individuals trained: 67; 58 men, 9 women
- Training days: 13

In addition to the cooperative governance work, the project partners identified the need for training with the financial oversight committee of each organization. The role of the finance committee is fundamental to the fiscal strength and long-term sustainability of each organization. The finance committee is made up of producer members who may or may not have any formal finance training, yet are tasked with providing oversight of the organizations finances. The objective of the training is to support members of the finance committee to exercise their fiduciary responsibilities of financial oversight.

Consultant Mauricio Muricy, who trained the producer organizations during the Business Administration training, activity 2.1.1, also implemented finance committee training with fourteen of the producer organizations. One of the key objectives of the training was to build

awareness and understanding around the importance of the finance committee to the legal structure of the cooperative and to the cooperative's sustainable governance.

The training focused on basic accounting fundamentals, such as how to read a balance sheet, cash flow management, and what points of concern to look for in each one. This part of the training gave the members of the finance committees the capacity and tools to effectively carry out their function of financial oversight.

The training that began in QIVFY10 concluded in November of QIFY11, with training visits to the remaining groups. Those trainings followed the same structure and objective as the initial training. In total, QIFY11 trainings reached 5 groups in a total of 5 sessions and trained 35 finance committee members.

The trainings were well attended by members of the finance committee and feedback provided by participants identified the training as useful and important for their committee functions. For additional training details see *Annex 7*.

2.3 Supply Chain Management and Logistics improved

Activity 1: Analysis of existing structures

In QIFY10 this activity was incorporated into project activity 2.1.1.

Activity 3: Price discovery training

2010 activity results

- Producer groups trained: 8
- Individuals trained: 14; 12 men, 2 women
- Training days: 2

At the end of QIVFY10, conversations with buyers and meetings with groups brought to light an important component of organizational capacity training that the RSP could still address in QIFY11. Brazilian specialty coffee has only recently been sought on the international coffee market. Fair Trade producer organizations are used to selling their coffee to buyers who offer commodity price and are not used to negotiating offers based on cost of production and market information. As a result, producer organizations were price takers, selling their coffee at prices not commensurate with the cost of production or the market rate. The lack of information was doing a disservice to the groups and was skewing the market for Brazilian specialty coffee.

To strengthen the groups' pricing capacity, the RSP project partners entered into collaboration with Twin, an organization that is part NGO – providing services to producer organizations through trainings, a producer representative board, and product promotion – and part importer, that imports coffee from the origins represented on their board and contributes profits back to the NGO. In QIFY11 the project partners began a collaborative process with Twin to design a training program that addressed the unique situation of pricing for small-holder producers in Brazil. The training topics included an overview of the coffee

market and the New York „C Market’, buyer relationships management, costing and market differentiation including cupping samples from international origins.

The two-day training was held November 23 and 24 at the Center of Excellence in Machado; a location that is central to a large number of producer organizations and is equipped with facilities that accommodate all aspects of the training, from classroom lecture, participatory activities, and a lab for coffee cupping.

The timing of the training was appropriate, as the producer groups had previously received training through the RSP project in activity 2.1.1; *Business administration training* that provided initial pricing assistance. Furthermore, the representatives at the training had also participated in quality evaluation training that prepared them to understand the quality component of determining price. The training was very relevant, as it came following the visit from Green Mountain Coffee Roasters coffee buyer, Ed Canty. For many producer groups, that was the first time talking to a buyer who asked to groups for an offer rather than stating the price they would pay. Many commercial managers were not prepared to draft an offer and this training gave them the tools to do just that. The training provided a dynamic space for commercial managers to learn about the market, pricing and differentiating their product and service. Overall, producer organizations received the skills to effectively position their organization and Brazilian Fair Trade Certified coffee on the international coffee market.



Producer organization representatives participated in the two day training that included interactive group work



Participants worked collaboratively to work through price definition activities that reflect actual costs

2.4 Certification Compliance and Outreach

Activity 1: Fair Trade Certification compliance and management training

Producer certification support is an important and ongoing service that groups require to stay in the Fair Trade system. The RSP project has identified that the best long-term resource for certification support comes from the Fair Trade certifying body, the Fairtrade Labeling Organization (FLO).

FLO has a producer support body, Producer Services and Relations (PSR), which provides on the ground support to producers and producer organizations. PSR has recently emerged with a stronger presence in producing countries, offering greater assistance. In Brazil, the system includes a new regional coordinator and a new liaison officer, both of whom provide support to Fair Trade Certified organizations. While there are many product categories and producer organizations that PSR is responsible for in Brazil, Fair Trade USA is working with the representatives in Brazil and with the representatives at the FLO headquarters in Germany to find ways to provide the needed ongoing support to the project participating coffee producer groups.

The producer organizations have had increased contact with the FLO representatives in Brazil since the RSP project meeting in February of QII FY10. The project partners invited Regional Coordinator, Catalina Jaramillo, to participate and provide information about Fair Trade minimum pricing and FLO structure. The meeting was productive and helped to strengthen the connection between the groups and the FLO representative. Since that meeting, Jaramillo has been a valuable resource to the Fair Trade coffee producer groups. She has engaged the groups in the FLO standards review process and worked with them to ensure that they have a clear interpretation of the standards changes and how those changes will impact the organizations.

In addition, through a formal request process open to the Fair Trade Labeling Initiatives, Fair Trade USA has submitted requests each quarter for certification support to the coffee producing organizations. The requests have been granted and producer groups have received visits from the Brazil-based liaison officer. The objective of the visits was to provide a resource for groups with questions or concerns about their certification. With the service request, groups are now receiving regular visits from a FLO representative to discuss any challenges they are having with certification and to identify solutions to those challenges.

The RSP project provided additional certification support while at the Specialty Coffee Association of America's annual trade show and conference in April 2010. At the conference, the RSP project partners organized a roundtable discussion exclusively for the Brazilian producer group representatives. One of three experts in the discussion was Chisara Ehiemere, Vice-President of Certification at Fair Trade USA. Ehiemere presented information about Fair Trade standards and answered certification questions. The roundtable provided an opportunity for the producer groups to discuss some of the certification concerns that they all share and to get answers from a Fair Trade representative. The encounter also allowed Ehiemere and the groups to meet and open channels of communication for ongoing and future certification questions. That relationship has proven important in the short term as several groups have needed certification assistance in QIII FY10 and Ehiemere was able to provide support.

During FY2010, four new groups gained Fair Trade certification; Assopro, Assodantas, Ascarive and Acafeg. During the same time two groups faced certification challenges that put their certification at risk. Through the RSP project, those groups received the assistance they needed to regain good standing and maintain their Fair Trade certification.

Activity 2: Membership development campaigns

2010 Activity results

■ Percent Increase in Membership: 13.5%

Each producer organization has a differing strategy for growing and maintaining producer membership. The project partners have developed ways that the RSP project can support groups in their individualized growth strategies.

In QIV FY10, the RSP project partners distributed the video, *Buyer Be Fair* with Portuguese subtitles to the producer organizations and discussed recommended uses of the video. *Buyer Be Fair* details the origins of Fair Trade and contextualizes the role that producers play in the global Fair Trade market. Initial project screenings of the movie in Brazil helped Fair Trade USA identify sections of the video to edit out. In QIV FY10 Fair Trade USA made the edits to the video, resulting in a shorter final version that is more specific to producers and is appropriate for membership development campaigns at the producer organizations.

In addition, cooperative governance consultant, Andrea Salerno, is supporting the producer organizations she works with on effective strategies for not only strengthening current membership but in helping the groups reach out to their respective communities in a way that is sustainable for the long-term growth and governance structure of the organization.

At the close of FY2009, total Brazilian Fair Trade Certified producer membership was 4,975 producers. By the close of FY2010, total membership had increased to 5,646 producers. This represents a 13.5% increase in membership. Significantly, the increase is the result of growing membership across producer organizations and not due to the addition of large producer organizations into the system. Groups are continuing to grow as the benefit of Fair Trade Certification draws producer families to Fair Trade Certified producer groups.

Component Three: Raising the market 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 United States that Brazilian coffees can offer high quality and great value (3.1 to 3.3).”

3.1 Leveraging Partner Experience

Activity 1: Marketing strategic planning

The Fair Trade USA Business Development team continues to build productive relationships with representatives at both Sam’s Club and Walmart. Together they are discussing strategies to continue increasing the presence of Fair Trade Certified products in Walmart and Sam’s Club locations.

Throughout 2010, Sam’s Club promoted the Members’ Mark Fair Trade Certified Brazilian coffee through „pod display’ promotions. For approximately two weeks per quarter, Sam’s

Club featured the coffee sourced from RSP project participating producer organizations in a center isle display in all of their 600 locations across the United States. Sam's Club provided the valuable display space to promote the product as part of their counterpart contribution to the project.

Sam's Club reports that sales of Members' Mark Fair Trade Certified Brazilian coffee have remained constant and they will continue to sell the product sourced from the RSP project participating producers into the future.

The RSP project partners facilitated a meeting between Sara Lee Brasil and the Fair Trade USA staff in Brazil. Fair Trade USA participation included the Director of Coffee Business Development, Jennifer Gallegos; the Vice-president of Certification, Chisara Ehiemere; and the Producer Services Latin America Program Manager, Colleen Scott. The objective of the meeting was to further strengthen the commitment of Sara Lee Brasil – a major coffee buyer in Brazil – to deepen their understanding of Fair Trade and support them in their purchases from Fair Trade producer organizations in Brazil and their relationships with retailers in the United States. The meeting opened a dialog between the two organizations and paved the way for future collaboration to grow the market for Brazilian Fair Trade Coffee.



Fair Trade USA Vice-president of Certification, Chisara Ehiemere, presents the Fair Trade Certification model to Sara Lee Brasil staff



Fair Trade USA staff with Sara Lee Brasil staff at the Sara Lee Brasil coffee plant

Activity 2: Fair Trade Certified Cupping Competition

During the 15 month project year, the RSP project partners hosted two editions of the Fair Trade Certified Cupping Competition in Brazil, in QIFY10 and QIFY11. Producer organizations and their producer members were incentivized by the first year of the competition and the activity became an integral component of each of the three years of project implementation.

The Fair Trade Certified Cupping Competition is open to all members of Arabica producing Fair Trade Certified producer organizations in Brazil. The competition is held in two coffee processing categories, natural and semi-washed. The purpose of the competition is to emphasize the importance that quality holds on the external market and to showcase the high quality Fair Trade Certified coffee produced in Brazil.

The technical design and competition structure developed by the project, in collaboration with Silvio Leite of AgriCafe was carried over from the first year of competition. The rules were amended each year to accommodate lessons learned during the prior competition and to include feedback from producers. The FY2010 and FY2011 competitions were held later in the year; the international round shifting from October to November. During the first year of the competition, jurors detected “greenness” in the coffee that results from not leaving the green beans to rest long enough after processing. The later competition date helped resolve that problem. Another adjustment from the first year of competition was a change in the number of lots that are judged in the final round. Because only the top ten finishers in each category are guaranteed a sale, organizations that participate in the competition but don’t place in the top ten are left with coffee late in their export season that they have to try to sell. Additionally, jurors reflected that it was an intensive process to judge the large number of samples evaluated in FY2009. As a result, the national round of competition selected only the top twenty coffees, down from 40 the first year, to advance to the international round.

Preparation began with quality evaluation training with the groups, described in section 1.3 of this report and the FY09 annual report. By the end of year three, all of the producer organizations were equipped to internally evaluate their member coffee and select and prepare samples for the competition. Producer group capacity to perform this function improved greatly from one year to the next. Of the samples submitted to the FY2010 competition, 10% were eliminated due to visual defects. In contrast, none of the samples submitted to the FY2011 competition were eliminated due to visual defects. This improvement demonstrates the increased professionalism and skill level of the groups and their ability to meet the quality expectations of international jurors or buyers.

National Round

To be eligible for the national round of competition, samples had to score 80 points or above on the SCAA scale. A total of 139 samples met that criteria and were judged during the national round of competition in FY2010, representing participation from 9 groups and 118 samples were judged during the national round in FY2011 from 14 groups.

In FY2010 the national round was judged by a panel of five Brazilian jurors Ailton Ribeiro, Sara Lee; João Batista Jarduli, Café Responsável; Paulo Cesar Junqueira, Cocarive; Renato Souza, Datterra Coffees; and head juror Marcia Yoko Shimosaka, AMSH Consultoria Agricola. The jury was experienced and professional and the support staff on site facilitated a technically sound round of competition. In FY2010, the project partners increased the rigor with which samples were judged in the national round and created a panel of 10 highly-qualified Brazilian cuppers, several of whom participated previously: Ailton Ribeiro, João Batista Jarduli, Renato Luiz de Souza, Paulo Cesar Junqueira, Cristiano Carvalho Ottoni, Bruno Souza, Luciano Toledo, Leo Moco, and head juror again, Marcia Yoko Shimosaka.

Both years, the national round of the competition took place mid-October at the Center of Excellence for Coffee. The jurors evaluated samples based first of physical appearance and then using the SCAA grading scale. By the end of the three days of competition the jury had selected a total of 40 coffees, twenty in the semi-washed category and twenty in the natural category, to advance to the international round.

International Round

The 40 qualifying samples in the international round were then judged and ranked by an international panel of jurors. The international round of competition was held in November both years. The schedule provided for juror calibration the followed cupping to select the top ten in each category and then a final cupping session to assign a rank to each of the top ten coffees. Fernando Oliveira served as the head juror for the international round of competition for both the FY2010 and FY2011 competitions. Both years, the competition was run with technical integrity and audited by the CEC.



Jurors in the cupping lab during the international round of competition during the FY2010 and FY2011 competitions

The FY2010 jury included: Renato Souza, Datterra Coffees; João Batista Jarduli, Café Responsável; Professor Flavio Borem, Federal University of Lavras; Marcia Yoko Shimosaka, AMSH Consultoria Agricola; Ailton Ribeiro, Sara Lee; Todd Caspersen; Equal Exchange; head juror Fernando Oliveira, AgriCafe; and observer, Silvio Leite.

The FY2011 jury included: Adam Pesce, Reunion Island Coffee Company; Joao Batista Jarduli, Café Responsável; Bill Madary, International Coffee Corporation; Ben Cram and Rob Kettner, Fernwood Coffee Company; Marcia Yoko Shimosaka, AMSH Consultoria Agricola; Nam Ho Kim, Empresa Gabeeyang Co; Paulo Cesar Junqueira, Unique Coffee; head juror Fernando Oliveira, AgriCafe.

The competition was again technically sound and praised by the jurors for the professionalism and effective execution. Following the FY2010 international round of the competition, the jurors debriefed about the experience and the coffees they had cupped. The general impression was very favorable and the jurors from the United States in particular expressed their surprise by the quality that they found in the competition. Jurors who had participated in the FY2009 and FY2010 competitions as well as the FY2011 competition spoke to the improvements that they saw in quality. They noted that this was by far much higher quality coffee than they had seen in the prior Fair Trade Cupping Competitions, particularly in the natural category.

Awards Ceremony

Competition winners were announced at awards ceremonies in November: November 21, 2009 and November 5, 2010. The purpose of the event was to announce and celebrate the winners of the cupping competition, honor the high quality Fair Trade Certified coffee produced in Brazil and draw both national and international attention to the great achievements of producers and partners.

In FY10, the event was attended by Lisa Kubiske, Chargé d' Affairs A.I. American Embassy, Brazil and Gilman Viana Rodrigues, the Agriculture Secretary of Minas Gerais as well as representatives of the Responsible Sourcing Partners, Geffery Bell, USAID Country Director-Brazil, Paulo Mindlin of Walmart-Brazil and Lynn Lohr of TransFair USA.

In FY11, project representatives and special guests included Mark Pannell, Vice U.S Consul for the State of Rio de Janeiro, Brazil; Alex Araujo, USAID/Brasil; Paulo Mindlin of Walmart-Brazil; Jill Southard, Director of Category Management and Bernardino Cangussu Guimarães, Special Assessor for the Secretary of Agriculture from the State of Minas Gerais.

To orient the project partners and special guests to the practice of cupping and the process that led to the day's ceremony, one juror representative prepared a hands-on cupping demonstration. The juror explained the steps to cupping and then let partners and guests taste winning coffees, just as the professional jurors had done the day before.



Olivia with guests, Lisa Kubiske, Paulo Mindlin, Lynn Lohr, Gilman Viana Rodrigues and Geffery Bell.



Mark Pannell cups coffee with jurors and the project partners

In both FY2010 and FY2011, the project provided transportation for all project participating groups interested in attending the event. More than 250 producers attended each year to learn the results of the competition and to support their organization and fellow producers. The ceremony began with opening remarks from the project partners and the special guests. Each speaker used the opportunity to applaud the producers for their hard work and to emphasize the importance of the work that we are doing together. Both years, speakers addressed issues of quality and explained to the audience the results of the competition and some of the subtleties of the jurors' evaluation. In addition, in FY2011, RSP project trained producer agronomist Eliezer Reis Jorge shared his experience with the RSP project over the past 3 years and the impact that the project has had on his life and on his community.

During the FY2010 awards ceremony, the project partners debuted the RSP project video, described in section A, *Media Coverage*. During the FY2011 ceremony, the project partners screened the edited 2 minute version of the film with Portuguese subtitles.

Following the video, the much anticipated awards announcements were made. The winners in the semi-washed category were announced followed by the announcement of the winners in the natural category. Each winning producer was presented a certificate of recognition and a cupping spoon. The professional grade cupping spoon was given to producers to not only commemorate their achievement, but to also encourage them to taste their coffee. The top three winners in each category also received a cash prize, donated by project contributor Bradesco Bank in FY2010 and by Coccamig in FY2011. In each of the two categories, third place winners received BRL 500, second place received BRL 1,000 and first place received BRL 1,500. All of the competition winners received their awards to cheers and congratulations from the audience. The first place winner in each category was announced at the end of the ceremony. The excitement in the auditorium was intense as the winners were announced.



The project partners with the competition's winners; FY10 and FY11

Auction

Following judging, the top coffees in each category were sold at auction. The auction process was different in the FY2010 and FY2011 events. In both years, however, the minimum starting bid was calculated as the Fair Trade Certified minimum price the day before the auction opened, plus the ten cent Fair Trade social premium, plus a twenty cent quality differential.

In FY2010, RSP project partners prepared an electronic auction by which to sell the fifteen winning coffees to members of the international coffee industry. The auction provided a platform for importers and roasters to purchase the special micro-lots. Over 500 Fair Trade Certified coffee licenses were contacted about the auction. Those that were interested were able to request samples of all of the auction coffees. A total of 22 licensees requested a participant packet with samples of green coffee to taste. The outreach to licensees had an important impact in its own right. The auction provided the opportunity to engage coffee licensees and get Fair Trade Certified Brazilian coffee into their cups.

The auction opened to bidders on January 18 at 9:00 in the morning and closed on January 21st at 12:00 noon. The minimum bid was calculated at US\$ 1.70 for naturals and US\$ 1.75 for semi-washed. Four of the lots went to U.S. buyers and the remaining lots were purchased by Sara Lee Brazil. The top semi-washed lot sold for US\$1.80/pound and the top natural sold for US\$1.75/pound. The auction was successful at exposing members of the U.S. coffee industry to Brazilian coffee and at securing a strong price for the quality beans. Andre Luis Reis, Manager of Assoc. dos Costas sent a message to congratulate the project on a successful auction and shared the following: “I want to congratulate the auction; for us the result was very good. This is what we had hoped for; the result meets with our organization’s objective of selling to new buyers. I can hardly contain my happiness!”

The project partners facilitated communication between the producer organizations and the buyers. The parties were introduced and staff provided translation support as needed. Each side was interested to learn about the other; asking for pictures and background information. The direct market linkage was an important way for both roasters and producers to connect to the opposite site of the coffee value chain.

In FY2011, the auction was similar to the structure in place during the FY09 auction. It was held live with the buyers present at the awards event. The producer partners held a reception the morning of the awards event and invited jurors, coffee buyers, and friends of the RSP project. All of the winning samples were prepared according to SCAA standards and available to taste. The auction opened with a minimum bid of US\$2.31 for natural coffee and US\$2.36 for semi washed coffee. Buyers in the room submitted closed envelop bids and all of the lots were sold to either international buyers or auction backer, Green Mountain Coffee Roasters. The top bid natural coffee sold for US\$3.05/pound and the top bid semi-washed sold for US\$3.10/pound.



Buyers at the FY2011 auction

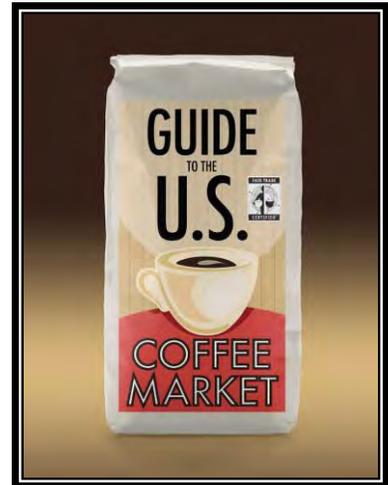
Because the buyers and producers were present at the event, the project partners took the opportunity to introduce buyers and sellers and facilitate direct market linkage. Additional market linkage from the auction was possible through buyer tours that took following the competition. Additional details can be found in section 3.3.3; *In-bound industry missions*.

Activity 3: Media and marketing training to cooperatives

In preparation for the Specialty Coffee Association of America's annual trade show, Sebrae-MG hosted a training day for the participating groups from southern Minas Gerais to discuss marketing strategy and best practices at a trade show. The objective of the training was to prepare the groups representatives for the experience of a tradeshow and to discuss best-practices. Nine of the groups have sent representatives in the past and of those, eight of the representatives that participated this year were attending the SCAA trade show for their second or third time.

This year the training provided by Sebrae-MG reviewed and expanded upon the information presented in previous trainings which was particularly important for the participants who would attend for the first time. In addition to information about meeting buyers, participating in business meetings in the United States, and how to best utilize the time at the trade show, the training session also served to establish shared objectives and sales strategies among the groups. The pre-show orientation helped to bring the groups together under shared objectives so that when they participated in the show their internal network was already established.

For the third consecutive year, Fair Trade USA published the *Guide to the U.S. Coffee Market*. The guide is a resource tool for coffee producers and coffee producing organizations that sell or are interested in selling coffee to the U.S. specialty market. The guide outlines the structure and history of the U.S. coffee market, including historical trends and the rise and fall of coffee origins that supply the market over time. With the current global economic situation, the guide presents information about shifts in green coffee purchasing. A specific section addresses the current Fair Trade market in the U.S. and new to the 2010 edition, coffee market expert Judith Ganes-Chase contributed a poignant article about the critical challenges facing the world coffee market. The current guide also includes updated and expanded appendices with contact



information for Fair Trade Certified importers and roasters in the United States, along with contact information for Fairtrade Labeling Organization (FLO) representatives by country. For the benefit of producers participating in the RSP project, the guide was translated into Portuguese. At SCAA, Fair Trade USA presented each group with a copy of *The Guide to the U.S. Coffee Market* in Portuguese. The guide was distributed to the Brazilian groups in both a CD format and a bound hard copy.

While in the United States, Fair Trade USA invited project participating producers to participate in a series of workshops hosted at the Fair Trade USA offices in Oakland, California. The trainings included Human Resources, Cooperative Structures and Social Media and Marketing. The Social Media and Marketing workshop was led by Fair Trade USA's Senior Manager of Web Initiatives, Tamera Ferro and Public Relation Manager, Katie Barrow. The training team presented the importance of social media in business to business relationship building. Producer organizations learned about ways to use Facebook, Twitter and blogs to reach their buyer audience.

The training was interactive and engaged the cooperative and association leaders in the process of reaching out to the specialty coffee community online and promoting their businesses. In real time during the training, Barrow posted comments on Twitter and Facebook about the training and the group watched as online followers responded and posted comments. The training motivated participants to establish Facebook profile pages and promote their businesses on the internet. The following is a link to the Facebook page that the cooperative Dos Costas developed after the RSP project training:
<http://www.facebook.com/home.php#!/pages/Cooperativa-dos-Produtores-de-Cafe-Especial-Costas-5588/161077803943108?v=wall>

3.2 Impact Marketing

Activity 1: Update producer marketing materials

In FY2010 the RSP project partners worked with the producer organizations to both update existing marketing materials and also to develop a creative new approach to marketing materials that the groups themselves can easily update.

Fair Trade USA worked closely with each group to update their Fair Trade USA sponsored profile. The profiles are hosted on the Fair Trade USA web site for use by buyers and consumers. The profiles are an important source of information for buyers and the more up to date they are the better it is for the group's market linkage. In addition, the producer profiles for each group were displayed at the Fair Trade Certified booth at SCAA. This year in preparation for SCAA, Fair Trade USA hired an outside designer to design the layout of the profiles to make them more graphically pleasing. All of the participating producer groups now have updated producer profiles electronically on the Fair Trade USA website and printed versions were available at the SCAA trade show booth.

In addition, Sebrae-MG updated the printed marketing materials that they created for the groups last year in preparation for SCAA. Sebrae-MG created new material for the groups that were new to the Fair Trade system and to the project. Each group received their materials to use at the trade show and beyond.

During their participation in the project, cooperative and associations have developed a greater understanding of the importance of telling their story and the need to market their coffee. Starting in QIIIFY10 the project partners began preparing and implementing components of a marketing strategy that the groups can employ as they see fit for their individual situation.

Fair Trade USA understands that green coffee buyers receive hundreds of samples from producer organizations all over the world. Some of those samples may never be cupped or get passed over in the cupping lab. To help the Brazilian producer groups to differentiate the samples they send to

I would like to say that it has been a pleasure working with you and we are so thankful for the support, information, industry contacts and business opportunities, we have received. And now, this piece of marketing material! We believe it will be very useful and a valuable tool for our cooperative. We will send it to a printer and use it as soon as possible.

Paulo Marcio Reis Fernandes
COOFACI

buyers the RSP project worked with a designer and Fair Trade USA's marketing and coffee teams to create high-impact marketing materials. The materials allow producers to tell their own story and provide buyers with real-time information about production, product availability, and updated contact information. The end result is a small format brochure, sized to attach to green coffee samples. In addition to telling each group's unique story, Fair Trade premium uses, and mission, the brochure includes a form where the group can fill in real-time sales information and include their current business card.

During QIFY11, 15 groups received the electronic sample of the marketing material and had the opportunity to edit or change the materials to their liking. Once the materials were finalized, each group received a print ready electronic file of their personalized marketing collateral. These materials are living documents, as the variable information is all filled out by the commercial manager prior to sending samples to buyers. The project partners have received very positive feedback about the materials and the groups were enthusiastic to have their own material to update and to tell their story effectively to buyers. See *Annex 8* for an example of the finalized marketing material.

Activity 2: Producer marketing tool kit

Throughout FY10 project participating producer organizations have received project support to develop their own unique marketing strategies to international buyers. Producer organizations learned about the importance of social media in the business to business relationships, as described in section 3.1.3, *Media and marketing training to cooperatives*. Additionally, each group worked with Fair Trade USA to tell their story and develop marketing materials that reflect their story and tells buyers the relevant information about their organization, section 3.2.1, *Update producer marketing materials*. The project partners synthesized the information from the social media training and the highest level marketing strategy information and circulated it to all of the groups via email.

3.3 Marketing Missions

Activity 1: Participation in SCAA 2010

2010 activity results

- Producer groups represented: 10
- Individuals present: 10; 9 men, 1 woman

A delegation of ten Brazilian Fair Trade Certified producer group representatives participated in the 2010 Specialty Coffee Association of America (SCAA) annual conference and trade show, April 15-18 in Anaheim, California. The show is the largest event for the U.S. specialty coffee industry and attracts over 8,000 attendees representing the entire value chain, from growers to consumers. The event is an important opportunity for producers to shorten the distance between themselves and their target market in the United States. The project participating producer representatives exhibited in the Fair Trade Certified booth, the largest and one of the most visible booths at the show.

Prior to the SCAA trade show and conference, the RSP project partners contacted licensees who had a history of purchasing Fair Trade Certified coffee from Brazil or who had

expressed interest in entering the market. Those licensees were sent samples of green coffee to taste and a note inviting them to meet the producer organizations while at SCAA. The response from that outreach was positive and meetings were set up between group representatives and Fair Trade importers in the United States. One of those meetings between a cooperative commercial manager and a buyer resulted in a contract negotiation for several containers from the 2010 harvest. In other instances, strategic licensees such as McDonalds and Starbucks responded positively to the quality of the coffee and are continuing the conversation about future Fair Trade opportunities.

The Brazilian delegation had a very full agenda for the 2010 SCAA event. They began their visit with the Fair Trade USA Fair Trade Producer Forum on April 14. The Fair Trade Producer Forum is a full day educational forum that provides information relevant to Fair Trade Certified coffee producers, in a producer-only setting designed to foster discussion and idea-share among producers from all origins. The topics covered in the 2010 Fair Trade Producer Forum included *Climate change and the impact on producers*, *Cost of production and price-Fair Trade producers in the global economic crisis*, *Organic production-productivity and profitability*, among others. Brazil was an important topic of discussion and the RSP group representatives were able to gain important insight to the global coffee market and how the Brazil impacts the market. This year's event was attended by approximately 200 producer participants.



Brazilian producer representatives with their peers from Fair Trade producer organizations from around the world at the Fair Trade Producer Forum



Coopfam president Marcelo de Paiva with Thanksgiving Coffee green coffee buyer, Ben Corey-Moran with translation support from project staff

During the days of the conference and trade show, producer group representatives participated in morning lectures and were present on the trade show floor in the afternoon. The morning lectures included topics such as *Water Quality and Water Filtration*, in which producers learned about the importance of water quality when cupping coffee; *Ask the Green Coffee Buyers*, a dynamic discussion in which importers rotated among small groups, allowing the Brazilians to collectively ask questions pertinent to their business; *Corporate Social Responsibility: Communicating Your Companies Efforts*, a lecture about marketing the socially responsible side of a coffee business.

In the afternoon the Brazilian producer group representatives participated in the Fair Trade Certified booth, where they set up marketing materials and samples and met with show

attendees. While on the show floor the group representatives had different schedules allowing some to participate in buyer meetings, while others toured the show floor or stayed in the booth to receive buyers.

Fair Trade USA worked with the Fair Trade licensee community to schedule meetings for the Brazilian producer representatives. The scheduled meetings resulted in busy but productive agendas for everyone. Commercial managers met with buyers to establish new relationships or solidify past buying histories. Fair Trade USA staff provided translation assistance for the meetings, as necessary. When not in meetings, Fair Trade USA staff with importer relationships from the Certification and Global Producer Services departments led tours of the show floor and introduced representatives from buyer and producer businesses. The encounters were productive and many importers were thankful to have the contact and access to supplies of Brazilian Fair Trade Certified coffee.

While at the SCAA conference, the RSP project partners hosted a roundtable discussion exclusively for the Brazilian project participating groups. The objective of the activity was to provide a space for the producer representatives to talk with experts from different disciplines and get candid answers to the questions that are specifically relevant to Brazilian small holder farmers. All ten producer representatives participated in the round table conversation along with industry experts, Al Liu, Trader/Specialist in Certified Coffees, Atlas Coffee Importers; Flavio Meira Borem, Agronomy Post-harvest Professor, Federal University, Lavras; Chisara Ehiemere, Vice-President of Certification, Fair Trade USA. The conversation was very productive and generated active discussion among the group representatives and the experts about U.S. market demand, Brazilian coffee quality and the potential for specialty coffee from Brazil, and certification compliance standards and the upcoming cost of sustainable production analysis and what that will mean for Brazilian Fair trade producers.

Activity 2: U.S. Sales Tours

In conjunction with the SCAA conference and trade show in Anaheim, California, the project partners organized a visit to a Sam's Club location where the producer representatives could see their coffee on the shelf in a retail location. The visit was hosted by Fair Trade USA's National Accounts Director, and the Sam's Club store manager. Together they talked to the producers about Sam's Club's marketing strategy and the sales promotions scheduled for the coming year. The visit was meaningful for the producers who got to see their coffee for sale on the shelf and also for the Sam's Club management team who had the opportunity to meet the people who produce the coffee they sell. The visit to the Sam's Club was a special



Brazilian producer group representatives with Brazilian Fair Trade Certified coffee project partner, Walmart Stores, Inc.'s Sam's Club

opportunity for both sides of the supply chain, as they gained greater understanding of the partnership they are engaged in. Walmart representatives were pleased that members of their staff had the opportunity to meet with the grower organizations that supply their stores.

Following the SCAA conference and trade show, the project partners hosted the producer group representatives in California to visit members of the extensive Fair Trade licensee community. Fair Trade USA is based in Oakland, California and has a broad base of supporters and licensees in the area. By extending their stay, producer group representatives were able to take advantage of being in the United States to visit with current and potential buyers and to see the other half of the value chain first hand.

Fair Trade USA hosted not only the representatives from the Brazil RSP project but also representatives from projects in the organization's Africa project portfolio. All of the activities during the three day visit were attended by both the Brazilian and the African producer organization representatives from Kenya, Tanzania, Rwanda and Ethiopia. By sharing the experience with representatives from other coffee producing origins, the Brazilian representatives were able to contrast their reality with their counterparts in Africa. The experience was enriched by the opportunity to learn about other origins and see that despite the geographical divide, coffee producer businesses from these origins have a lot in common.

The visits to industry included a balance of small and large roasters, an importer and a café to provide a full picture of the complete value chain. Licensees were selected based on their commitment to sourcing Fair Trade Certified coffee from Brazil and their strong relationship with Fair Trade USA. Both producers and purchasers of Brazilian Fair Trade Certified coffee benefited from the visit and the opportunity to understand one another and their shared business.

The first visit was to Vasquez Coffee Company in San Francisco, followed by a visit to Mr. Espresso in Oakland. The visits provided a contrast of a small and large roaster, both of which purchase green Fair Trade Certified coffee from the groups. During both visits the owners led a tour of the facilities and roasted a batch of coffee to allow the group to see the full process, from green beans to packaging. While touring the green bean stocks, the producer representatives found bags of coffee from their organization and enjoyed seeing their beans in roasting facilities far away from the origin.

The following day the group of producer representatives from Brazil and the African countries, led by Fair Trade USA staff visited the importer, Royal Coffee Incorporated. While at this visit, green coffee buyer John Cossette led a tour of the offices including the cupping lab and sample storage facilities. Cossette introduced the group to the staff at Royal, including the people that have the most contact with purchasing, invoicing and receiving, to put a face to the names of either side of the transactions. Cossette was generous with his time and answered questions about the U.S. coffee market, about sales, organic demand and numerous other topics that were of great interest to the producers groups. Cossette then took the group on a tour of the warehouse where the coffee is received and held prior to shipping to roasters all of the United States and the world. There Cossette and the warehouse manager explained the logistical aspect of their business, talked about origins and answered specific

supply questions. Again the groups had the opportunity to find their coffee in the warehouse and take pictures of the coffee with the buyer. Many of the group leaders expressed that this was an important moment for them to understand the value chain and the expectations of their business counterparts. Celito Barbosa, Commercial Manager for Coofaci, when asked what he thought of the visit to the importer, responded pensively that it showed him the importance of professionalizing Coofaci's own business.



Producer representatives and Royal staff in the importer's warehouse



Geraldo da Silva of Coopervitae and John Cossette of Royal Coffee with a sack of Coopervitae coffee

The visit to the importer was followed by a trip to the small town of Healdsburg and to Flying Goat café, where Fair Trade Certified coffee drinks are sold. Flying Goat is also a licensee that purchases and serves Fair Trade Certified coffee from Brazil. The group met with the owner, Maura Harrington, and learned about the origins of the business and community's commitment to high quality Fair Trade Certified coffee. Harrington answered questions about market trends, quality expectations and organic demand from the purveyor's perspective. Everyone was treated to an espresso drink made with 100% Fair Trade Certified espresso from project participating Brazilian cooperative, Coopfam. It was a moving experience for the group representatives to sit in the café, drink expertly prepared Fair Trade Certified Brazilian espresso drinks and hear from the café owner about her commitment to paying just prices that compensate for the quality of the beans and the hard work of the growers.

The U.S. sales tour was a unique experience for producer leaders to visit the full value chain and have access to industry experts in their place of business. Dessalegn Jena, Deputy General Manager of Oromia Coffee Farmers Cooperative Union has participated in nine consecutive SCAA tradeshows in the United States and this year was the first time that he had the experience of visiting an importer or roaster at their place of business. The opportunity to have this kind of direct access isn't easily accessible to most producer organizations, and the Brazilian representatives took full advantage of the opportunity to

meet buyers, tour facilities, talk with their African counterparts and experience the specialty coffee industry in the United States.

Activity 3: In-bound industry missions

It is important for coffee buyers not only to meet producers while they are in the United States, but also to have the opportunity to visit producer organizations and understand the business realities and the specific quality situation of the groups. The RSP project continues to support members of the U.S. specialty coffee industry who travel to Brazil to visit the project participating Fair Trade Certified producer groups.

Due in large part to the advances that the producer organizations have made in the past three years under the RSP project and the support from Fair Trade USA, major U.S. roaster and important Fair Trade market partner, Green Mountain Coffee Roasters has decided to start sourcing Fair Trade Certified non-organic coffee from Brazil. One-hundred percent of the Fair Trade Certified coffee they purchase from Brazil will be from project participating cooperatives and associations. For many of the groups this signifies an important entry into the U.S. specialty coffee market.



Buyer for Green Mountain Coffee Roasters, Ed Canty meets with producer groups to talk about building long-term commercial partnerships



In the cupping lab, Canty talks with producer group representatives and their cuppers about quality expectations

One way that Fair Trade USA is supporting GMCR is through access to the producer organizations in Brazil. In August of QIV FY10, the RSP project partners, led by Fair Trade USA, organized a visit to Brazil for GMCR green coffee buyer, Ed Canty. The purpose of the visit was to introduce the groups to GMCR. The buying relationship has the potential to grow over time and for GMCR to be a substantial market partner for the Brazilian organizations in the United States. Because of the enormous current and future potential of the relationship, the project partners facilitated a trip that would help Canty understand the unique situation of sourcing coffee from Brazil and start the path of long-term buying relationships with the groups.

The highlight of the week long trip was two regional meetings with the groups. The RSP project hosted a meeting in Southern Minas Gerais, at the center of excellence and another in Espirito Santo. All of the groups in both regions attended and had the opportunity to meet Ed Canty, learn about GMCR through a video in Portuguese that GMCR made for the trip,

discuss quality and contracting expectations. In attendance were the commercial manager and/or president and the cupper who evaluates and selects coffees for export. In both meetings, the groups brought samples of their coffee to cup with Canty. It was an important opportunity for producers, cuppers and the roaster to discuss cup quality, flavor profile and expectations.

The events, in both Minas Gerais and Espirito Santo, were extremely valuable. In a short period of time the producer organizations and GMCR were able to learn a tremendous amount about each other, in a setting that was conducive to establishing long term relationships. Canty's reaction to the experience was very positive. He said after the first day that if he only had that experience his trip would be complete. He was able to learn about the groups, understand the different Brazilian coffee flavor profiles and gain an appreciation for what will be required to do business in this new origin for GMCR. Producer group representatives present were also highly impacted by the experience. For many of the groups, it was the first time they had the opportunity to talk with the end buyer and hear directly about quality expectations. It was also a unique opportunity to meet with a buyer so committed to Fair Trade principles, who expects transparency in the whole chain of custody and requires proof that the producer organizations receive the full amount for their coffee. GMCR is interested in establishing a long term relationship with their producer partners and have an expectation of professionalism and fairness in the interactions. This kind of relationship with a buyer is new for many of the groups and was validating.

With this visit, the RSP objectives culminated as the quality, business and market trainings from the past three years were put into practice and paid off.

Following the group meetings, Canty and Fair Trade USA staff visited eight producer organizations. The visits to the cooperatives and associations were an opportunity to talk more in depth about the quality of the coffee that an organization produces and also for both sides to understand each other better. Canty was taken to cooperative headquarters, warehouse facilities, community centers and farms. He talked with group leaders about community projects, Fair Trade social premium investment, production practices, environmental programs, quality, price and contracting. The additional time with the groups further established relationships and deepened Canty's understanding of the situation in



During visits to producer organizations, like Coopfam, seen here, Canty had the opportunity to and calibrate quality expectations



Producers told Canty their individual stories of the impact of Fair Trade, like this producer who became a land owner as a result of Fair Trade

Brazil and the important advances that the groups have made in quality, business and cooperative structures and the impact that Fair Trade and the RSP project have had on the communities.

In addition to the visit by Green Mountain Coffee Roasters, the importers Atlas Coffee Importers, Twin Trading and Sustainable Harvest were also in Brazil during QIVFY10. The RSP project also supported logistics and relationship management with the importers' visits to Coopfam, Coopol and Coofaci. Project staff facilitated translation and supported conversations about sourcing and pricing. Many of the producer organization structures, milling and export practices are different in Brazil than in other origins. Buyers who are just entering the Brazilian market have specific hurdles to face, even to know that the differences exist. The RSP project staff worked with the importers and the producer organizations to reach a common ground for contract negotiation.



Buyers from Twin and Atlas cupped coffee with the president and cupper of Coopol



Visit with Twin and Atlas to Paulo Cesar Alfonso's family

During QIFY11 Fair Trade USA also facilitated a buyer tour for members of the 2010 Fair Trade Certified Cupping Competition international jury. Following the conclusion of the Cupping Competition awards event and auction, Fair Trade USA staff accompanied Ben Cram and Rob Kettner of Fernwood Coffee Company, Adam Pesce of Reunion Island Coffee



Reunion Island recorded a video interview with the producer of the coffee they purchased at auction

Ltda, and Bill Madary of International Coffee Corporation on a visit to Fair Trade Certified farms and producer organizations. The buyer tour visited Dos Costas cooperative in Boa Esperança, MG and Assopro association in Ouro Fino, MG. Buyers had a chance to see the groups' social, environmental, and quality improvement projects and tour their coffee fields.

A highlight of the buyer tour was the additional market linkage support for Assopro and their newest client- Reunion Island Coffee Ltda (RI Coffee). Adam Pesce of RI Coffee

purchased Assopro producer Francisco Pereira's coffee beans at the 2010 cupping competition auction. The post auction follow up visit was a great opportunity for buyer and seller to discuss quality, connect on personal level and lay the groundwork for a potentially ongoing sales relationship. Pesce took advantage of the visit to interview Pereira about his 2010 production. RI Coffee plans to use these videos and photos to promote the single lot coffee among their clients.

Visiting farms and meeting small scale producers in their homes was amazing and really makes one appreciate what goes into the drink we love so much. We met hard working, honest, happy people who live in some of the most beautiful places on the planet
Ben Cram, Fernwood Coffee

A similar visit took place following the FY2010 cupping Competition. During the FY2010 Fair Trade Certified Cupping Competition, U.S. coffee buyer Todd Caspersen of Equal Exchange participated in a visit to Coopfam and Assoc. Costas. Equal Exchange is an important coffee buyer in the United States and the opportunity to showcase the best Brazilian coffee and introduce their green coffee buyer to Brazilian producers was not lost.

The first day of calibration took place in the afternoon to allow all of the jurors time to travel to the Center of Excellence. The free morning provided time to take a trip with Caspersen to visit Coopfam. The visit began with a tour of the cooperative's facilities including their recently completed, RSP project funded cupping lab. Following the tour, the group visited a near-by organic producer. Caspersen has extensive experience working with Fair Trade Certified organic producers in other Latin American countries, and the visit to farms in Brazil provided a useful contrast. He was impressed by the level of understanding that the producers



Project partners, competition jurors and members of Assoc. Costas at the Assoc. Costas community center had of organic practices and the support they had from their cooperative for soil analysis and for transferring best practices.



Todd Caspersen of Equal Exchange talks with a member of Assoc. Costas on his farm

After the conclusion of the cupping competition, and en-route to Belo Horizonte for the awards ceremony, the group of project partners and jurors spent a day with Assoc. Costas. The group was given a tour of the association's new offices, the cooperative warehouse that Assoc. Costas partners with and member farms. Caspersen again had the opportunity to talk with producers about their production and farm management practices.

At the reception following the Fair Trade Certified Cupping Competition awards ceremony, Fair Trade USA staff made introductions between Caspersen and producer group leaders and members. The introduction gave the producer group leaders a valuable opportunity to speak with a member of the U.S. coffee industry. They were able to practice their marketing skill and learn from the questions that Caspersen asked as well as the information he shared.

Aside from the in-bound industry missions, the RSP project partners supported importers in the United States with communications, translation and export updates. Often times the language barrier is the greatest obstacle in contract negotiations. The project partners facilitated phone calls with translation support, translated emails and passed along updates to keep buyers informed and open access to groups that they previously hadn't worked with.

C. Results

The RSP project finished the final 15 month year exceeding all project deliverables and results. Four additional groups became certified in 2010 and began participating in the RSP project bringing the total benefitting population to 5,700 farming families. Reported sales of Fair Trade Certified Brazilian coffee to the United States dipped in the first semester of 2010. Walmart Stores continue to stock product and sales have remained steady, however green coffee buying has been sporadic and imports to the United States have seen peaks and valleys with a dip in semester one 2010 as the retailer reduced surplus stock. Final 2010 sales information will be available in the Life of Project report, but initial reporting from producer organizations indicates that this has been a robust year for sales, some groups selling more coffee than ever before.

Component 1

The RSP project expanded and improved the quality of supply in the final project year through building on the successes of activities initiated in the first years of the project. Under *Component 1* the project partners implemented a second round of infrastructure grants, reaching 5 producer groups and benefitting 763 farming families with grants totaling nearly US\$100,000. Post-harvest training reached 715 producers and trained 16 producer agronomists, in addition to 33 professional agronomists trained through extension, to be a resource in their communities and producer organizations. The post harvest training is lauded by many producers and one of the most important production training resources they have had access to. Within the producer organizations quality evaluation staff and commercial managers strengthened their skills through quality evaluation training that reached 77 people in total. The quality evaluation training helped the groups to advance their internal capacity to taste their coffee and with that information, provide feedback to producers about their production practices, reach their target buyer, and sell their coffee with a greater understanding of their product. Finally, in FY2010 and QIFY11 the RSP project partners extended organic training to interested producers. The training included seminars, a training of trainers and direct training that reached 188 producers in total.

Component 2

In *Component 2: Increasing Producer Capacity*, the RSP project partners worked with consultants and partners to strengthen organizational structures. Business Administration training reached all 14 participating producer organizations and trained a total of 75 producers and staff members. Governance training continued with the groups in Espirito Santo, training 729 producer and community members. In collaboration with Sebrae-MG producer organizations in Minas Gerais advanced or concluded modules of 100 hours each of governance training. Sixty-

seven members of the financial oversight committees at 14 producer organizations received training in the critical function that their role has to the general health of the organization as well as basic accounting and financial oversight. The project management team worked with Twin Trading to design and implement an innovative two-day price discovery training attended by 14 commercial managers from 8 producer organizations. Through RSP project initiatives, all producer groups received additional support from the Fairtrade Labeling Organization to meet and maintain Fair Trade certification. Through project support, including member recruiting tools, membership in Fair Trade Certified producer organizations increased 13.5%.

Component 3

Access to markets was the component identified by producer group representatives as having the greatest impact on their organizations and their members. By increasing the number of Fair Trade sales and entering into partnerships with buyers committed to long-term relationships, producer groups saw the greatest impact. Through higher prices and Fair Trade social premium, groups were able to make important investments and producers were able to better provide for their families and make improvements to quality and the environmental. The RSP project supported market linkage in FY2010 through two editions of the Fair Trade Certified Cupping Competition, which raised awareness in the specialty coffee industry of the high quality coffee produced in Brazil. Eight producer groups received marketing training in preparation for the Specialty Coffee Association of America's annual trade show and conference. Ten groups in total attended the SCAA event and had meetings with current and potential buyers. All ten representatives participated in a buyer tour after the conference and had the opportunity to learn about the importer, roaster, and consumer side of the supply chain. Fair Trade USA updated the *Guide to the U.S. Coffee Market* and distributed the Portuguese version of the resource to all producer organizations. Walmart has expressed continued commitment to source Fair Trade coffee from Brazil and continue selling it in club stores across the United States. Working with a designer and Fair Trade USA's more than 10 years of experience, the project partners designed and distributed marketing materials to each group that can be easily updated with sales information. Finally, the RSP project supported market linkage for numerous buyers visiting Brazil. One of those buyers is Green Mountain Coffee Roasters who has committed to purchasing Fair Trade Certified coffee from Brazil and build-long term buying relationships with the producer organizations.

III. Budget

Grant spending for the Responsible Sourcing Partnership project concluded in line with budget projections. All activities concluded and project spending ended by December 31, 2010. Final budget close-out shows that grant spending and counterpart contributions are in line with the grant agreement. Line item variance is less than 10%. Total USAID grant spending for the year was US\$260,000.00, bringing the total life of project grant spending to US\$660,000.00. Reported counterpart contributions for FY2010 reached US\$675,450.52, which includes significant marketing and promotional contributions from Sam's Club. Total counterpart contributions for the life of project reached US\$1,468,551.70, surpassing the US\$1,287,839.00 required contribution. Total project spending, including both direct grant spending and counterpart contribution, both cash and in-kind, finished at US\$2,128,551.70.

FY 2011 QI Expenses vs. Budget

Activity	3 Yr Budget	USAID Contribution	Cost Share
1. Expanding and Improving Quality of Supply	495,219.00	16,198.19	3,504.89
2. Increasing Producer Capacity	447,059.00	12,663.85	14,011.26
3. Raising Marketing Capacity	1,005,561.00	26,181.49	304,054.89
total	1,947,839.00	55,043.53	321,571.04

FY 2010 Annual Expenses vs. Budget

Activity	3 Yr Budget	USAID Contribution	Cost Share
1. Expanding and Improving Quality of Supply	495,219.00	95,074.09	143,168.16
2. Increasing Producer Capacity	447,059.00	72,298.88	93,856.46
3. Raising Marketing Capacity	1,005,561.00	92,627.03	438,425.90
total	1,947,839.00	260,000.00	675,450.52

IV. Outlook

The Sustainable Sourcing Partnership (SSP) Project, a two year public private partnership among USAID, Green Mountain Coffee and Fair Trade USA, follows on the close of the Responsible Sourcing Partnership (RSP) Project. The SSP Project targets the same beneficiary population of Brazilian small-holder Fair Trade Certified Arabica coffee producing families and focuses on improving sustainable production practices and protecting land resources.

The final RSP project Monitoring and Evaluation is a valuable asset to the SSP project, as the management team has the opportunity to learn from stakeholder feedback to build a strong follow on project. Several of the activities are carrying forward as well, such as organic training, a small grant program focused on environmental technical assistance, and certification support. Many of the relationships and resources cultivated in the RSP project will continue into the SSP project.

Other activities outside of the scope of the new project will also continue into the future. Producer organizations, consultants and friends of the project plan to continue the cupping competition model into the future and agronomists trained through the training of trainers are now an integral part of their communities and continue to provide agronomy support to producer members. Additionally, the community of producers that was established through the RSP project continues to be a valuable network

for the producer organizations. The network of agronomists who trained together in the post-harvest and organic trainings have foraged friendships and professional relationships that will continue into the future. The presidents and general managers are formalizing their relationship with regular meetings independent of RSP project activities and are discussing the possibility of a union of small producer organizations.

The successes of the project will be presented in a press packet that will feature the project video and the results from the Monitoring and Evaluation study.

V. Annexes

1. Media coverage: Cupping Competition
2. Post-harvest training impact survey tool
3. Post-harvest training impact survey results summary
4. Organic training
5. Business administration training
6. Governance training: Pronova newsletter
7. Finance committee training
8. Producer marketing materials

Annex 1

Media Coverage: Cupping Competition



<http://revistaespresso.uol.com.br/noticias/concurso-internacional-de-qualidade-de-cafe-comercio-justo-divulga-resultados-no-brasil.html>

Concurso Internacional de Qualidade de Café Comércio Justo divulga resultados no Brasil

Os vencedores desta edição foram produtores de café de cooperativas do Espírito Santo e Minas Gerais

22/12/2010 | TEXTO Mariana Proença



Criado numa parceria público-privada, o Projeto Parceria Fornecimento Responsável (PFR) é uma união da USAID, Wal-Mart Stores Inc., TransFair USA e da brasileira SEBRAE-MG, para promover a ligação entre os agricultores brasileiros de café e o mercado consumidor nos Estados Unidos através da certificação Comércio Justo.

O projeto PFR proporciona assistência técnica orientada ao mercado para os pequenos produtores do setor cafeeiro no Brasil e envolve toda a cadeia para melhorar a produção e construir um acesso sustentável ao mercado. O objetivo é expandir e melhorar a qualidade e o fornecimento de café, aumentar a capacidade dos produtores na lavoura e também em marketing.

Com contribuições de todos os parceiros, num total de 1,9 milhões dólares, o projeto PFR 2007-2010 financia capacitação, investimento e apoio técnico a uma crescente população de produtores de café certificado pelo comércio justo. No Brasil são, atualmente, cerca de 30 mil membros de famílias de pequenos produtores filiadas a 12 organizações de café certificados comércio justo. Em contrapartida, nos Estados Unidos, os parceiros investem em marketing e promoção para sensibilizar os consumidores americanos a comprar o café brasileiro com certificação.

Dentre as realizações, há o treinamento dos trabalhadores da fazenda na colheita e pós-colheita, capacitação das cooperativas, treinamento em administração de negócios e em produção orgânica. Os produtores também irão participar da feira anual da Specialty Coffee Association of America e irão fornecer 100% do café brasileiro certificado de comércio justo para a marca Member's Mark em mais de 600 lojas do Sam's Club nos Estados Unidos.

Para premiar os melhores cafés, foi realizado o Concurso de Qualidade de Café Certificado Comércio

Justo, vencido pelos produtores de cooperativas do Espírito Santo e Minas Gerais. Conheça os resultados:

Concurso de Qualidade de Café Certificado Comércio Justo- Brasil 2010

Cereja Descascado

Luciano Dazilio Delpupo	PRONOVA	ES	86.11
Valdeir José Pena Cezati	PRONOVA	ES	85.86
Herberto de Castro Junqueira	ASCARIVE	ES	83.93
João Turra Nunes	PRONOVA	ES	83.93
Domingos Savio Lopes	PRONOVA	ES	83.04
Evandro Cisconetti	PRONOVA	ES	82.57
Geovani Ismael Reguim	UNIPCAFEM	MG	82.14
Valdir Dalcin Tomazini	PRONOVA	ES	81.54
Sonia Brisolla Jordão	RIO CLARO	MG	81.11

Natural

Carmo Barbosa Fernandes	COOPERVITAE	MG	84.30
Adilsom Paulete	RIO CLARO	MG	83.78
Francisco Pereira	ASSOPRO	MG	83.46
Ercilei José de Oliveira	COORPOL	MG	83.43
Aguinaldo Donizeti Reghin	UNIPCAFEM	MG	83.21
Jamil Destefani	UNIPCAFEM	MG	82.89
Marco Aurelio Flora e outros	ASSODANTAS	MG	82.83
Meirielen Reghin	UNIPCAFEM	MG	82.16
Maicon dos Santos Reguim	UNIPCAFEM	MG	80.64

Additional Media links:

Market Watch

<http://www.marketwatch.com/story/usaid-walmart-fair-trade-usa-and-sebrae-minas-gerais-announce-winners-of-the-2010-fair-trade-certified-cupping-competition-in-brazil-2010-11-10>

Earth Times

http://www.earthtimes.org/articles/press/certified-cupping-competition-brazil_1543187.html

Specialty Coffee Retailer

<http://www.specialty-coffee.com/ME2/Audiences/dirmod.asp?sid=&nm=&type=MultiPublishing&mod=PublishingTitles&mid=8F3A7027421841978F18BE895F87F791&tier=4&Id=E1B01EE9AD424AEA931893B74815CD55>

Fernwood Coffee Blog

<http://fernwoodcoffee.com/2010/12/brazil-and-back/>

Reunion Island Facebook post

<http://www.facebook.com/album.php?aid=261325&id=298597379764&ref=mf>

Annex 2

Post-harvest training impact survey tool

QUESTIONARIO PROJETO FORNECIMENTO RESPONSÁVEL

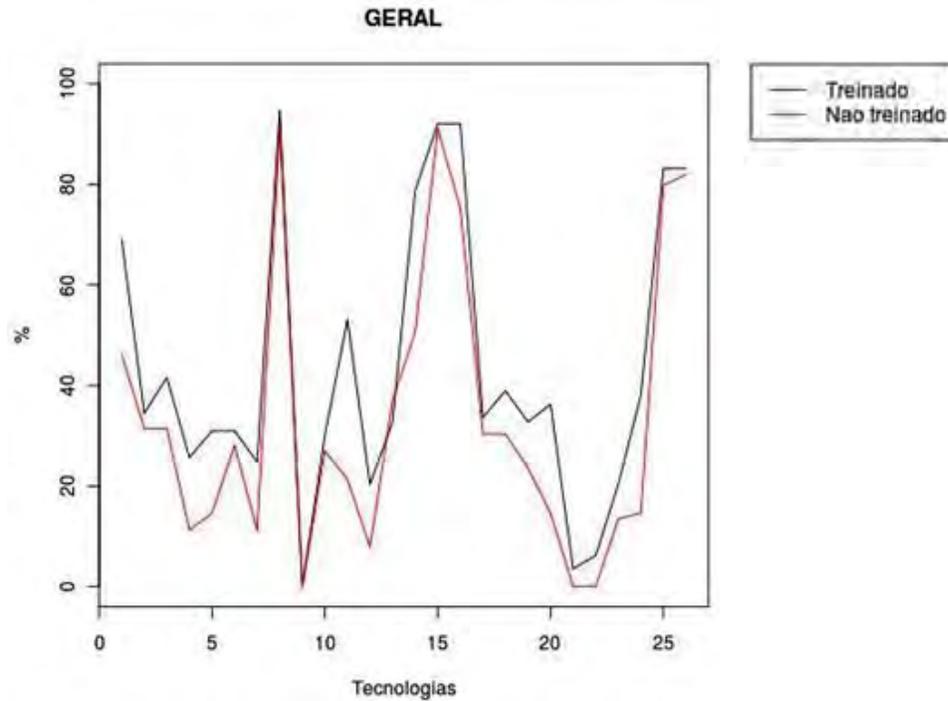
IDENTIFICAÇÃO				
Nome:				
Propriedade:				
Município:				
Cooperativa/Associação:				
Coordenadas: Latitude		Longitude:		
Faixa de Altitude:				
Área plantada:				
Produção: safra 2009		safra 2010		
Período de colheita:				
Observações:				
CARACTERIZAÇÃO DA INFRA-ESTRUTURA E DA PRODUÇÃO				
Colheita: () Manual () Semi-mecanizada () Mecanizada				
Volume colhido: litros/dia				
Transporte do café para o terreiro: () Manual () Animal () Veículos				
Área de terreiro: m ²				
Tipo de terreiro: () terra () lona/pano () lama asfáltica () asfalto () cimento () tijolo () suspenso () estufa () híbrido () outros_____				
Possui Lavador: () não		() sim - capacidade: L/hora () próprio () associação () terceiros Observações:		
Usa o Lavador: () sim		() não por que?		
Possui descascador: () não		() sim - capacidade: L/hora () próprio () associação () terceiros Observações:		
Usa o Descascador: () sim		() não por que?		
Possui desmucilador: () não		() sim - capacidade: L/hora () próprio () associação () terceiros Observações:		
Usa o desmucilador: () sim		() não por que?		
Qualidade do café *	2006	2007	2008	2009
% bebida rio zona				
% bebida rio				
% bebida riada				
% bebida fermentada				
% bebida dura				
% bebida mole				
* Informação fornecida pela cooperativa, associação ou armazém onde é realizada a classificação e degustação das amostras do café dos produtores.				
Você conhece o treinamento em Procedimentos Pós-colheita do projeto Forneimento Responsável? () sim () não				
Você já participou do treinamento? : () sim () não				
Se sim, em que ano? () 2009 () 2010				
Você considera necessário continuar com os treinamentos? () sim () não				
Você observou melhoria na qualidade do café após o treinamento? () sim () não				
Se a resposta foi sim, a melhora ocorreu: () na bebida () redução dos defeitos () no aspecto () outros:				
Responda abaixo, as operações pós-colheita realizadas na sua propriedade.				
			Por que	
Você colhe o café de acordo com as características de solo, altitude, faces de exposição ao sol e variedades.	Sim	Não		
Quanto tempo (horas) você leva para transportar o café após a colheita da lavoura para o processamento?				
Na produção de café natural, qual a porcentagem de frutos				

verde no início da colheita?		
Na produção de café cereja descascado, qual a porcentagem de frutos verde no início da colheita?		
Você colhe e processa separadamente os frutos vermelhos dos amarelos?	Sim	Não
Você limpa a moega após sua completa descarga?	Sim	Não
Você lava o café?	Sim	Não
Após quantas horas você troca a água do lavador?		
Você processa separadamente o café de chão do café de pano/máquina?	Sim	Não
Você separa o café bóia no peneirão?	Sim	Não
Você descasca o café cereja?	Sim	Não
Você desmucila o café descascado?	Sim	Não
Você despolpa o café?	Sim	Não
Você descasca o café passa?	Sim	Não
Você descasca o café verde?	Sim	Não
Você realiza a limpeza da área de processamento após o término do trabalho?	Sim	Não
Qual a espessura do café natural no início da secagem?		
Quantas vezes você roda o café natural durante o dia?		
Qual a espessura do café natural no final da secagem?		
O café natural descasca-se durante a secagem no terreiro?	Sim	Não
Você enleira o café natural e cobre com pano a partir da meia-seca?	Sim	Não
Com quantos dias de diferença você une lotes de café natural?		
Você usa secador para o café natural?	Sim	Não
Qual o modelo e a capacidade?		
Qual a umidade que normalmente o café natural é retirado do terreiro para o secador?		
Qual a espessura do café verde no início da secagem?		
Quantas vezes você roda o café verde?		
Qual a espessura do café verde a partir da meia-seca?		
Após a meia-seca, você enleira e cobre o café verde com pano?	Sim	Não
Qual a espessura do café descascado no primeiro dia de secagem?		
Quantas vezes por dia você roda o café descascado?		
Qual a espessura do café descascado após o 2º dia de secagem no terreiro?		
Após a meia-seca, você enleira e cobre os cafés descascados após as 15:00hs?	Sim	Não
O pergaminho do café descascado está quebrando durante a secagem no terreiro?	Sim	Não
Qual a espessura do café descascado após a meia-seca?		
Se você usa secador, qual a umidade que normalmente o café descascado é retirado do terreiro?		
Com quantos dias de diferença você une lotes de cafés descascados?		
Você completa o secador com cafés homogêneos quanto ao tipo e umidade?	Sim	Não
Qual a temperatura máxima da massa do café natural no secador?		
Qual a temperatura máxima da massa do café descascado no secador?		
Qual a temperatura máxima da massa do café verde no secador?		
Usando secadores, você realiza o repouso do café após a meia-seca?	Sim	Não
Qual a umidade final do café?		
Você coloca café quente sobre café frio nas tulas de armazenamento?	Sim	Não
Você separar o café de acordo com seu tipo e nota?	Sim	Não
Comentários e observações:		

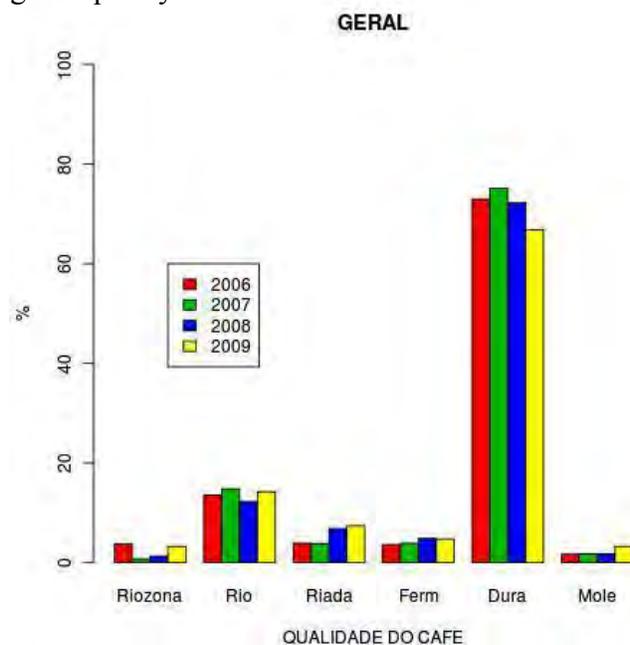
Annex 3

Post-harvest training impact survey results summary

Evaluation of 27 post-harvest best practice techniques and their adoption among RSP trained producers and non-RSP trained producers. The data shows an overall higher adoption rate of best-practices among RSP-trained producers.



The following table depicts coffee quality among participating producer organizations. Organizations are producing international export quality coffee, and in 2009 increased the quantity of the highest quality beans.



Annex 4

Organic training

Assopro

Trainer: Henrique Junqueira de Assis

Number of Trainings: 8

Training Dates: November 22, 23, 24, 29, 30 &
December 1,2

Total number of producers trained: 44
(37 males, 7 females)



Coopervitae

Trainers: Amparo Messias Cintra & Ivan Wagner Freire

Number of Trainings: 5

Training Dates: November 17, 19, 23, 27 & 30

Total number of producers trained: 60
(58 males, 2 females)



Dos Costas

Trainer: Eliezer Reis Jorge

Number of Trainings: 3

Training Dates: November 25, 27 & 30

Total number of producers trained: 38
(32 males, 6 females)



Annex 5

Business administration training

Assopro

Trainer: Mauricio Ramos da Silva Muricy

Number of Trainings: 2

Training Dates: September 28 & November 11, 2010

Total number of producer members/admin staff trained: 3; 3 men



Assodantas

Trainers: Mauricio Ramos da Silva Muricy

Number of Trainings: 2

Training Dates: September 14 & November 8, 2010

Total number of producer members/admin staff trained: 4; 3 men, 1 women



Ascarive

Trainer: Mauricio Ramos da Silva Muricy

Number of Trainings: 2

Training Dates: September 22 & November 10, 2010

Total number of producer members/admin staff trained: 1; 1man



Coopfam

Trainer: Mauricio Ramos da Silva Muricy

Number of Trainings: 1

Training Dates: September 21, 2010

Total number of producer members/admin staff trained: 1; 1 woman

Annex 6

Governance training: Pronova newsletter



UMA EQUIPE NOTA 10!

Reuniões, planejamentos, debates, mudanças... No ano de 2010 a equipe de colaboradores da PRONOVA viveu um período de intensas transformações. Um trabalho de reorientação profissional foi iniciado gerando resultados positivos no cotidiano da PRONOVA.

Revisão no organograma, definição de metas, elaboração de planos de trabalho e cronograma de execução, foram alguns dos temas desenvolvidos. Cada setor teve a oportunidade de repensar sua estrutura e fazer propostas de mudanças com o objetivo de tornar a ação de sua equipe cada vez mais profissional e eficiente. O foco principal é a busca da qualidade no atendimento ao cooperado.

Atualmente, a PRONOVA tem um plano de metas que poderá orientar sua ação, direcionando esforços e investimentos. Todos os colaboradores se envolveram e viveram profundas mudanças que terão reflexos positivos no processo de desenvolvimento da cooperativa.

Este trabalho somente foi possível porque a PRONOVA tem uma equipe Nota 10! Um grande abraço a todos!



ANDRÉA SALERNO
Consultora da
FAIRTRADE U.S.A.

COMITÊ ESTÁ CONSOLIDADO

Criado em 2009, o Comitê de Produtores da PRONOVA se fortaleceu ainda mais neste ano e contou novamente com o apoio da FAIRTRADE USA e seus parceiros.

Em 2010, os membros do Comitê, juntamente com representantes da diretoria e da equipe de colaboradores da cooperativa, percorreram diversas regiões em visita às comunidades integradas, levando informações e ouvindo os cooperados, o Comitê participou mais ativamente das atividades e decisões da PRONOVA.

Um diagnóstico participativo foi elaborado, identificando aspectos positivos e pontos que ainda precisam ser melhorados. Um grande esforço foi desenvolvido por todos, visando a permanente melhoria da cooperativa e a satisfação de seus cooperados.

Em dezembro de 2010, com a entrega dos certificados aos líderes participantes, mais uma etapa é concluída. A expectativa é a de continuidade dos trabalhos do Comitê no próximo ano, já que ele passou a fazer parte da estrutura organizacional da cooperativa.

Parabéns à PRONOVA pela consolidação do Comitê de Produtores, o que simboliza a prática verdadeira dos princípios cooperativistas através da socialização das informações, estímulo à participação e decisões compartilhadas. Um novo modelo de gestão foi inaugurado após a criação e fortalecimento do Comitê. Muitas conquistas estão por vir, com certeza.

Feliz Natal a todos e um 2011 de muitas realizações.

ANDRÉA SALERNO
Consultora da FAIRTRADE U.S.A



PALAVRA DO PARCEIRO

Há três anos a Fair Trade USA tem a honra de trabalhar no projeto de Parceria de Fornecimento Responsável (PFR) com os nossos parceiros, a United States Agency for International Development (USAID), as lojas Wal-Mart, SEBRAE-MG e as 16 cooperativas e associações de produtores de café Fair Trade do Brasil. O Projeto PFR trabalhou para fortalecer a cadeia de fornecimento de café Comércio Justo brasileiro de alta qualidade e aumentar o acesso aos mercados internacionais.

O projeto PFR tem apoiado as organizações de produtores a serem parceiros fortes com os compradores internacionais, a produzir café de qualidade e evoluir seu produto e a melhorar seu sistema de governança interna. A Pronova abraçou esta iniciativa e reformou sua estrutura de comunicação e envolvimento com membros. Os avanços que a Pronova tem feito nos últimos três anos, através de iniciativas como o Comitê de Produtores, tem impressionado os parceiros nacionais e regionais e são um testemunho do que uma organização pode realizar quando se adota os ideais de Comércio Justo juntamente com as comunidades unidas.

Gostaria de elogiar e honrar a Pronova, seus funcionários e membros do Comitê de Produtores, em nome do Fair Trade USA e do projeto de Parceria de Fornecimento Responsável, por sua dedicação ao fortalecimento da cooperativa. No ano passado vimos a Pronova alcançar novas alturas na estrutura organizacional e na inclusão de membros. O Comitê de Produtores está funcionando independentemente do apoio do projeto de PFR - parabéns para esta conquista! Os parceiros do PFR estão impressionados com a maneira pela qual o Comitê de Produtores tem apoiado os colegas, funcionários e a comunidade através de objetivos comuns, de proximidade e confiança mútua.

Tem sido um prazer trabalhar com a Pronova durante os últimos três anos, pois é uma organização que contribui para os nossos objetivos comuns e faz o projeto ser mais forte. Obrigada a todos os membros do Comitê de Produtores por seu trabalho e dedicação. O trabalho de vocês fortalece a sua organização, a sua comunidade, e a comunidade global Fair Trade!

Laura Ann Sweitzer
Colleen Scott
Coordenadoras do Projeto Parceria Responsável – FAIRTRADE USA

Galeria dos Líderes



Jair Vieira de Melo
Santa Luzia - Conceição do Castelo - ES

"O comitê representa para mim o fortalecimento da diretoria nas suas decisões".



Edivaldo Lopes
Córrego da Prata – Castelo - ES

"O comitê representa uma oportunidade maior de aproximação entre cooperativa e cooperado".



Máximo Lorenção
Tapera – Venda Nova do Imigrante - ES

"O comitê representa mais esclarecimento sobre a movimentação da Pronova e das ações da diretoria".



Adriano Wruck
Associação de Rio Ponte – Domingos Martins – ES

"O maior avanço da cooperativa com o Comitê foi que nos sentimos mais firmes na cooperativa. Vimos união e força. Com isso podemos melhorar qualidade dos serviços, trocar ideias e crescer juntos".



José Leandro Romão
Córrego da Prata – Castelo - ES

"Como avanço do Comitê em 2010, o mais importante para mim foi o comitê ir às comunidades para divulgar os trabalhos e o dever da cooperativa com os cooperados".



Evandro Cisonetti
Caxixe Quente – Castelo – ES

"A visita do Comitê na minha comunidade foi muito importante para esclarecer e tirar dúvidas, principalmente em relação a integralização".



Pedro Ruckdeschel
Vila Pontões – Afonso Cláudio - ES

"Esperamos que o comitê se torne um ambiente de liberdade em discutir os negócios da cooperativa e ao mesmo tempo um meio de alcançar um número maior de associados. Vejo também como um meio de discutir um mercado melhor para os cafés de qualidade que produzimos".



João Fortunato Destefani
Sapucaia – Venda Nova do Imigrante - ES

"Por ser um cooperado e fazer parte do Comitê, pude ver a necessidade da cooperativa em auxiliar o homem do campo para juntos enfrentarmos as adversidades. O Comitê foi um marco em minha vida".



Felix Falqueto
Lavrinhas – Venda Nova do Imigrante – ES

"A visita do Comitê na minha comunidade foi muito importante pelo entrosamento com os participantes do comitê, com seus colonos e outros visitantes".



Edevaldo Costalonga
Fruteiras – Vargem Alta – ES

"É notável que depois da criação do Comitê de Produtores, se tornou mais rápido o acesso às notícias da cooperativa e houve muito avanço e melhoria nos trabalhos realizados pela cooperativa".



Giovanni Carlos Tozi
Jacutinga – Brejetuba – ES

"Após a criação do Comitê melhorou a transparência da administração da cooperativa e a importância dela para os seus cooperados".



Valdeir Tomazini
Bateia – Castelo – ES

"A visita do Comitê na minha comunidade foi muito importante, pois minha participação foi mais valorizada e agora trocam mais ideias comigo sobre a Cooperativa".



Zélio Antônio Zambom
Vila Pontões – Afonso Cláudio – ES

"A visita do Comitê na minha comunidade foi o elo de comunicação entre a cooperativa e cooperados existentes ali".



Gilberto Brioschi
Providência – Venda Nova do Imigrante – ES

"Com a criação do Comitê e as visitas do mesmo nas comunidades, a PRONOVA conseguiu identificar os seus acertos e os seus erros, fazendo com que a diretoria e seus funcionários conseguissem montar seus Planos de Trabalho com mais conhecimento da realidade".

Annex 7

Finance committee training

Assopro

Training Date: September 27, 2010

Total number financial advisory council members trained: 4; 4 men



Assodantas

Training Date: September 13,2010

Total number financial advisory council members trained: 6; 4 men, 2 women



Ascarive

Training Date: September 23, 2010

Total number financial advisory council Members trained: 1; 1 man



Coopfam

Training Date: September 20, 2010

Total number financial advisory council members trained: 4; 3 men, 1 woman



Coopervitae

Training Date: September 16, 2010

Total number financial advisory council members trained: 4; 4 men

Coorpol

Training Date: October 26,2010

Total number financial advisory council members trained: 6; 6 men



Coocaminas

Training Date: November 9, 2010

Total number financial advisory council Members trained: 6; 6 men

Responsible Sourcing Partnership

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Coofaci

Training Date: October 25, 2010

Total number financial advisory council members trained: 4; 4 men



Dois Corregos

Training Date: November 13, 2010

Total number financial advisory council members trained: 6; 5 men, 1 woman



Dos Costas

Training Date: September 17, 2010

Total number financial advisory council members trained: 6; 5 men, 1 woman



Rio Claro

Training Date: November 12, 2010

Total number financial advisory council Members trained: 9; 7 men, 2 women



Unipasv

Training Date: September 18, 2010

Total number financial advisory council members trained: 4; 2 men, 2 women



Unipcafem

Training Date: September 15, 2010

Total number financial advisory council members trained: 7; 6 men, 1 woman

Annex 8

Producer marketing materials

Front



Brazilian Fair Trade Coffee

RIO CLARO

Associação dos Produtores Rurais da Microbacia Hidrográfica do Rio Claro

RIO CLARO's mission is to provide financial security for producer members and their families through the sustainable production and commercialization of high quality coffee. RIO CLARO focuses on reducing members' production costs, protecting the environment and investing in quality.

Back



Inside

RIO CLARO
FLO ID: 6378
Pratânia, Sao Paulo

Tockry's date (data de hoje) Number of members (número de associados)

Coffee varieties (variedades de café)

Average farm altitude (altitude média das fazendas)

GPS coordinates (coordenadas GPS)

NATURAL **SEMI-WASHED**
Average production volumes (volumes de produção média)

NATURAL **SEMI-WASHED**
Quantity of Fair Trade non-organic coffee available from current harvest (Quantidade de café Fair Trade não-orgânico disponíveis da safra atual)

NATURAL **SEMI-WASHED**
Available to export (Data aproximada para Exportação)

Organic certifier (Certificadora Orgânica)

NATURAL **SEMI-WASHED**
Quantity of FT-organic production available from current harvest (Quantidade de café Orgânico disponíveis da safra atual)

Comments (Observações)

The Associação dos Produtores Rurais da Microbacia Hidrográfica do Rio Claro is located in the state of Sao Paulo in Southeastern Brazil. The Association provides producer members with technical support, training opportunities and access to production technology. RIO CLARO members have consistently placed well in local and national cupping competitions. RIO CLARO is committed to the sustainable production of high quality Fair Trade Certified coffee.

Business Card