



Responsible Sourcing Partnership Project

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

Cooperative Agreement No. 512-A-00-07-00014-00

Final Report
(October 2007 – December 2010)

Submitted to:
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Acronyms:

ABD	Association Bio Dinâmica
BSD	Business Sustainability Development
CBD	Café Bom Dia
CCC	Consejo Consultivo de Café/ Coffee Advisory Council
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
RA	Rainforest Alliance
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

A. 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 Brazilian specialty coffee.

B. Final Report: October 1, 2007 – December 31, 2010

Overall the project was successful as measured by Outputs (Section III), Outcomes (Section IV) and Stakeholder Perceptions. A summary of the results:

Indicator	Baseline*	End of Project	%
ROI 2008 and 2010	453%	1,871%	12:1 avg
Quality SCAA Score	79.33	81.71	3%
Nr Producer groups	10	16	60%
Nr Producers	4,744	5,700	20%
Beneficiaries**	28,049	33,701	20%
Total Production Area in hectares	101,262	118,136	17%
Total Production Capacity mt	25,402	42,695	68%
Average Yield sacks/ha	25.61	30.76	20%
Total FTC premium	US\$ 799,510	US\$ 1,549,072	95%
Total FT Sales Revenue \$***	US\$10,153,787	US\$27,108,774	167%
Total FT sales volume in lbs	7,995,108	15,490,728	95%
Average Price FTC export \$/lb	1.27	1.75	38%
Average price local	1.01	1.35	34%
Differential FTC/local	0.29	0.40	38%
Number of women members	332	454	37%

Credit offered to members	3	4	+
Revolving Credit offered to members	1	4	+
Number of Sales Contracts	124	210	69%
Number of Business Partners	41	50	22%
Governance Ranking	5.9	7	+
Democracy Ranking	7.7	9.6	++
Decision Making Ranking	6.6	8.5	++
Representative Accountability Ranking	6	6.5	+/-

* on project start conducted Feb/March 2008

**based on coefficient x 5.9125

*** based on Total FT sales volumes x Average FTC export \$/lb

More importantly, higher level (and longer term) 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)
- 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)

Overall the RSP project is from all aspects a success – results were achieved, partners met their organizational objectives (win/win), producers and cooperatives were highly satisfied with the project and a strong foundation has been laid for further work going forward. The project is seen by the cooperatives and producers themselves as sustainable and replicable across the region. A fundamental shift in attitudes of the cooperatives was achieved with the increased access to information and technical skills. The donor/beneficiary relationships developed into a working network with empowered members. These are all strong indicators for continued positive impacts. This project has helped change the way the cooperatives think about learning and improving their skills and practices.

II. Introduction

This end of the project report includes the period from October 2007 through December 2010 and reviews major project activities and their outputs and results achieved during the life of the project. Quarterly and Annual reports for the project include detailed descriptions of the activities along with annexes of producer group specific training data and additional photo documentation.

The RSP project partnership transitioned in the second year of implementation. Project partner Café Bom Dia exited the project and Walmart Foundation assumed Café Bom Dia's counterpart commitment through cash contribution. The transition did not impact implementation and the project maintained activities and services to producers.

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.

A. Activities related to Project Steering and Monitoring

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

1. Annual Work Plan

For each year of the project, Fair Trade USA developed a work plan in collaboration with the project partners, industry experts and the beneficiary representatives. The work plan narrative and Gantt chart were submitted and approved by the project partners at the start of each Fiscal Year. As the project progressed, the project partners were able to incorporate feedback from the producer organizations, local consultants and coffee industry partners. The result was a project plan that continued to innovate activities, to address the needs of the groups, and to address the requirements of the U.S. coffee industry. All work plan objectives were met and exceeded in the three year period, as presented in section B of this report.

2. Project and Program Monitoring & Evaluation (M&E)

Fair Trade USA Global Producer Services (GPS) department began creating a M&E system in 2007 based on the principles of adaptive management and continuous improvement using the RSP project as the model.

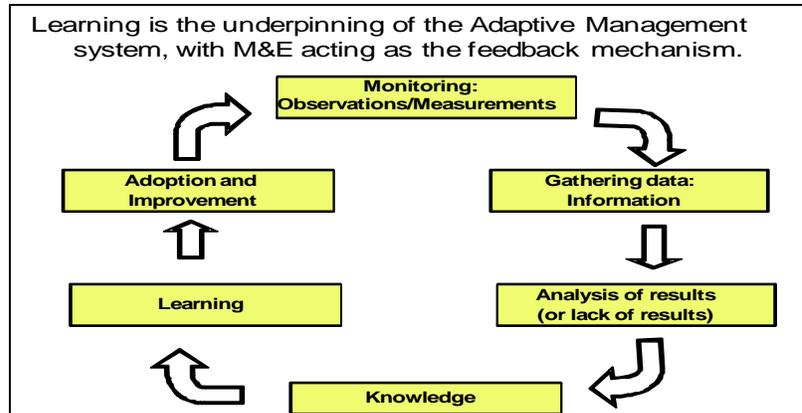


Figure 1: Adaptive Management Cycle

RSP project M&E was embedded in the program system.

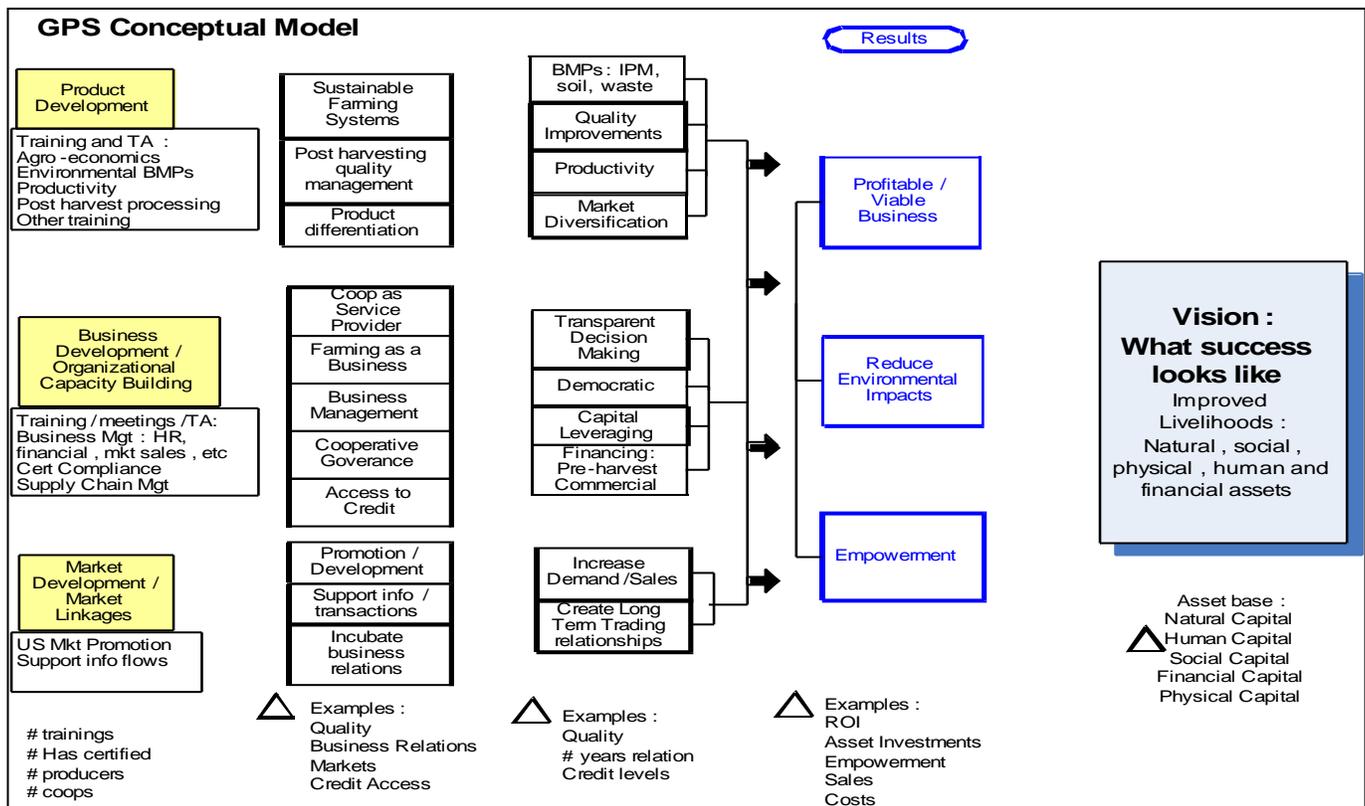


Figure 2: Fair Trade GPS Conceptual Model

The Theory of Change for the program provided the framework for the project M&E based on the project's main strategies (discussed Section III):

Component One: Expanding and improving the quality of supply

Component Two: Increasing producer capacity

Component Three: Raising the marketing capacity of Brazilian coffee growers

The project's target results are discussed in Section IV:

- A 5:1 return on investment (cash and in-kind contributions from all partners totaling US\$1.9 million) during the project with continued growth beyond the life of the project;
- A marginal increase in volume sold of 32 million pounds during the life of the project, generating \$8 million in revenue for small farmers;
- A \$0.25 market differential on average between quality FT and organic coffees and the broader market (adjusted for the Brazil differential);
- Increased quality of production aligned with demand (as measured by increases in cupping scores and volumes sold at higher price points);
- Six producer cooperatives in Minas Gerais strengthened; and
- Increased consumer awareness in each destination market within the scope of this project.

A mix of tools was used to get a thorough picture of not just whether outcomes were achieved, but also 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 grower cooperatives. (Annex 1 and 2)
- qualitative data captured through phone interviews and surveys with key stakeholders and informants. (annex 3 and 4)
- in-depth post harvest training assessment using control groups.

This information was used for the analysis in Section IV on program outcomes and impacts. In addition, review of documentation of other M&E data sources including project and audit reports complemented the analysis. The following criteria were applied while conducting the evaluation:

- **Relevance.** The extent to which the activity is suited to local and national development priorities and organizational policies, including changes over time.
- **Effectiveness.** The extent to which an objective has been achieved or how likely it is to be achieved.
- **Efficiency.** The extent to which results have been delivered with the least costly resources possible;
- **Results.** The positive and negative, and foreseen and unforeseen, changes to and effects produced by a development intervention. Results will include direct project outputs, short to medium term outcomes, and long term impact including global environmental benefits, replication effects, and other local effects.
- **Sustainability.** The ability of an intervention to continue to deliver benefits for an extended period of time after completion. Projects need to be environmentally as well as financially and socially sustainable.

3. *Producer Engagement Activities*

Producer engagement activities were built into the project work plan as a result of producer feedback during the start up phase of the RSP project. Producer group representatives asked to maintain an active role in project steering and as a result, Fair Trade USA initiated formal producer engagement meetings 1-3 times per year in Brazil, with additional meetings throughout the year, either in Brazil or in conjunction with events in the United States.

The project partners' close collaboration with the producer groups resulted in a dynamic partnership and producers gained a strong sense of ownership for project objectives and outcomes. The constructive dialogue meant effective activities that addressed the groups' needs and ensured project continuity beyond the close of the RSP project; producer groups feel ownership over the activities and desire to continue to increase their success in the future.

4. *Media Coverage*

Each of the project partners' media and promotions teams worked collectively as well as independently, using their particular strengths to cultivate media opportunities. At the start of the RSP project, the project partners announced the partnership and celebrated successes with a press release and media event at the Fair Trade Certified Cupping Competition in Brazil. The partners distributed this release and subsequent press releases through their respective media channels and received coverage in mainstream as well as social media outlets.

The project partners also made a project video, commissioned by Walmart, that shares the impact of the RSP project and the benefits of Fair Trade for small-holder producers and their families. The video includes testimonials from the 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. The video was distributed to all project partners and producer organizations to promote the project with their respective constituents. Fair Trade USA has featured the video on its web page. The video is also available on YouTube: http://www.youtube.com/watch?v=UwPbc2Ychfg&feature=youtube_gdata

5. *Project Steering*

The RSP project partners convened for regular Steering Committee Meetings at least once per year to review the project work plan, review project status, and realign on objectives and expectations. Additional meetings were held as needed on a less formal basis and the partners communicated regularly.

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 with extraordinary Steering Committee meetings.



III. Output Results of the RSP Project components

This section outlines the three main program components with project outputs summarized for each.

Table 1 summarizes the number of producers who participated in direct project training for all activities carried out between QIFY08 through QIFY11. As producer organizations gained Fair Trade certification, they were incorporated into the RSP project and invited to participate in all project activities. The following table represents activities from all three project components and includes all direct trainings. Where no data was collected, the field is marked ‘_n/c’ indicating ‘_not collected’. In the first half of the project gender data was not routinely collected though in later trainings this practice became standard. Detailed information for each training activity is presented by components in this section of the report.

Training	number of trainings	number of individuals trained	number of men	number of women
Production and post-harvest	86	1216	n/c	n/c
6/18/2008 Post Harvest Training at UFLA	1	158	105	53
TOT 2009	1	2	n/c	n/c
Direct Training by project agronomist_2009	24	236	n/c	n/c
Day presentations by Professor Borem_2009	2	60	n/c	n/c
TOT 2010	1	16	14	2
Direct Training by project agronomist_2010	56	715	n/c	n/c
Coocafe_Training of Staff Agronomist_2010	1	29	n/c	n/c
Quality Evaluation Practices	20	100	n/c	n/c
Training, QIV FY2008	1	7	n/c	n/c
Training, QIV_FY09	3	15	n/c	n/c
Training, QIII FY10	4	35	n/c	n/c
On site Consultation	12	43	34	9

Organic best-practices	24	239	190	29
On-site consultations 2009	3	51	n/c	n/c
Organic Production Seminars	4	41	32	9
Organic TOT	1	5	5	0
Direct Training by project agronomist_2010	16	142	127	15
Business Administration	45	78	58	20
Centralized Training	4	9	5	4
On-site consultations	41	69	53	16
Cooperative Governance	n/c	1,089	58	9
Minas Gerais Trainings	750 hours	360	n/c	n/c
Espirito Santo Trainings	48	729	n/c	n/c
Finance Committee Training	14	67	58	9
Price Discovery Training	1	14	12	2

Table 1: Summary of Life of Project Outputs

1. 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

Producer grants awarded: 10

Total grant value: US\$227,655.34

Average award per group: US\$20,000

Population benefitted: 1,435 farming families

Projects completed: 80 drying patios, 21 hulling machines, 2 mobile processing units, 1 cupping lab, 1 sorting machine.

During the three years of the RSP project, the project partners implemented two editions of the infrastructure grant program. A total of 10 grants were awarded with a total value of US\$227,655.34; five grants were awarded the first year with a total value of US\$137,008.71 and five were awarded the second year with a total value of US\$90,646.63.

The project has a lasting impact beyond the life of the project. Each group was asked during the grant application process to include in their project design mechanisms for continued impact beyond the initial investment. Many groups built rotating funds into their projects, in

which initial grant recipients pay back either all or a portion of the capital investment over time and the fund is used for either new infrastructure investments for new members or upkeep and maintenance of communal machinery. In the case of drying patios and hulling machines, the groups have already been able to reinvest the initial grant money back to members who have installed drying patios or hulling machines. Larger machine projects have been maintained with the profit that resulted from the investment.

Producer groups value the impact that the infrastructure grant project brought to their members and to the strength of the organization. Individuals were able to improve the quality of their coffee and their quality of life by making improvements to their processing methods. Groups were able to provide improved services to their members through the project, increasing member loyalty and strengthening their cooperative community.

The purpose of the infrastructure grant program was to support organizations to make improvements to their processing and evaluating systems that will improve product quality. The project partners determined that trainings would be most valuable if producers had the proper infrastructure to implement best-practices. Under each edition of the program, all RSP project participating groups were invited to submit a project proposal, complete with work plan, population impact projection, and budget. The proposals were evaluated by a Grant Committee comprised of project partners, coffee agronomy experts and individuals with technical expertise in coffee production. The top five proposals were selected and received funding to implement their improvement project. The project partners monitored implementation progress to ensure that spending was in line with the approved work plan for each group. Groups documented the project and provided monthly progress reports to the project partners. All infrastructure projects were completed successfully in each edition of the infrastructure grant program.



The projects resulted in 80 drying patios, 21 hulling machines, 2 mobile processing units, 1 cupping lab and 1 sorting machine. The infrastructure improvements provided the groups with the means to dry, process and evaluate their coffee to a higher quality standard.

1.2 Production and Post-Harvest Processing

Activity 1: Production and post-harvest processing training

Producer Agronomists Trained: 18 (+29 agronomists through indirect training)

Direct trainings: 83

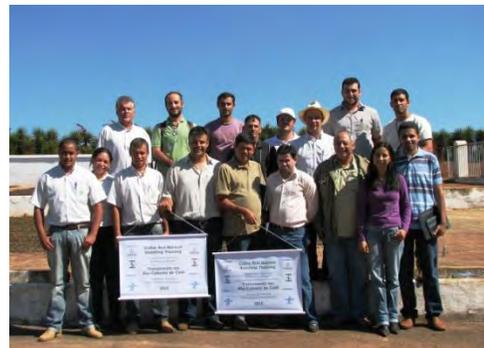
Producers trained: 1216

The RSP project partners developed local capacity and trained over 950 producers through production and direct training in post-harvest handling by a network of project trained agronomists. Producer group representatives and coffee agronomy experts identified post-harvest processing training as fundamentally important to improve the quality of member coffee and increase the volume of coffee that can be sold on the international market. Many of the defects found in producer member coffee are the result of post-harvest processing methods that deteriorate quality. Through low-tech, low-cost improvements and minimal increase in labor inputs, producers can improve the quality of their coffee and in turn gain higher profits.

Producer organizations received initial introduction to post-harvest handling best practices during a series of lectures given by coffee agronomy expert Professor Flavio Meira Borem of the Federal University of Lavras (UFLA). The RSP project partners facilitated producer member participation in the professor's talks which provided base information and opened producers to receive additional information in the future.

The project partners worked with Professor Flavio Meira Borem to develop the training activity, which was implemented in two editions during the RSP project. Feedback from the first edition of the training was incorporated into the second edition, resulting in a greater dissemination of information and a more developed sensory evaluation component.

The training structure consisted of a training of trainers, in which trained agronomist members were identified from each producer group to receive training. Groups that didn't have a producer member who fit that profile were assigned to a producer agronomist from a different group in the same region. By training producer members, the increased capacity stays with the group and is not dependent on outside funding streams or personnel transitions. Agronomists participated in training led by Professor Borem at UFLA which taught the producer agronomists post-harvest best practices, teaching methodology and presented the curriculum that all producer agronomists would follow.



Trained agronomists then returned to their respective communities and held direct trainings on member farms that taught members post-harvest best-practices and also presented the importance of producing quality coffee. Many producers have never tasted their own coffee and don't perceive differences in cup quality. By exposing producers to the differences in high quality coffee and coffee with defects, the agronomists illustrated the impact of implementing the best-practices and the result that it has in the final product.

The training reached a total of 18 producer agronomists and trained an additional 29 agronomists by extension. Through direct, on-farm training 951 producers received training during the two editions of post-harvest processing training. Individual producers and producer organizations have expressed that the training was very valuable and that by implementing the best-practices, they have seen improved coffee quality and increased volume that can be sold as export quality.

Following the training activity, the producer agronomist met once again at UFLA to prepare for an activity impact study. Led by Professor Borem, the producer agronomists debriefed about their training experiences and aligned on survey methodology. They returned again to their communities and carried out the study with producer members who attended the training and a control group that did not. The results from the survey were analyzed by Professor Borem and a team of statisticians at UFLA. Each producer group received the activity results including a breakdown of which best-practices that were being implemented and in which areas the group should focus additional trainings.

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 in turn the peer to peer experience sharing was removed from RSP activities as well.

1.3 Quality Evaluation Practices

Centralized trainings: 8
Producers trained: 57
On-site trainings: 12
Producers trained: 43

Throughout the RSP project the project partners worked with producer organizations to strengthen their internal quality evaluation capacity. The training program began with centralized training with the quality evaluation specialist, or cupper, from each group in September of 2008, prior to the first Fair Trade Certified Cupping Competition. The training focused on introducing SCAA methodology and training cuppers on sample preparation for competitions; skills that prepared the groups to participate in the project-sponsored competition and build their overall capacity to evaluate member coffee and prepare samples for buyers.

The first round of training was advanced upon the following year with three regionally-specific training sessions provided to all of the producer group cupper representatives. The trainings were more accessible to participants, as they were located geographically closer to their cooperatives and addressed the skill levels present in each region. The training used the methodology established the first year, reviewing the skills taught previously and then advancing the curriculum to include advanced quality evaluation skills.



With a solid foundation of methodology and common practices established, the third year of the project innovated quality evaluation training to provide greater benefit to the producer organizations. The following round of regional trainings was provided to not only the quality evaluation specialist who had participated in the previous trainings, but were also geared to the commercial manager in each producer group. The trainings were designed to help establish a common language between the cupper who evaluates the coffee and the commercial manager and/or president who negotiates with buyers and provides quality feedback to producer members. The training was taught at the level of a quality evaluation specialist and advanced their cupping skills, but at the same time the commercial manager and/or president was able to learn about cupping and the language to communicate with their cupper and prospective buyers. The commercial manager's ability to communicate coffee quality and the characteristics that it exhibits in the cup is important, as generally only the commercial manager participates in trade shows, buyer meetings and on-site visits with buyers.

The final quality evaluation training reviewed SCAA cupping methodology with the cupper and commercial manager, but also served as a consultancy for the producer organizations to define the objectives of their quality evaluation systems. Rather than a group setting, the final training was individualized and held on-site at each producer organization. The training focused on supply system analysis and resulted in a work plan with both short and long term goals for each group to advance their internal quality evaluation systems. The consultant who carried out the training helped the groups understand that not only short and long-term advances were necessary but also why internal evaluation is important and why they should prioritize the improvements in order to grow their business.

1.4 Organic Market Access

Activity 1: Development action plan for organic certified Fair Trade coffee

- | Number of trainings: 3; 1 at each of 3 cooperatives
- | Producers trained: 51

Demand for Fair Trade Certified Organic coffee on the international specialty coffee market prompted the RSP project partners to include organic production in the project work plan.

During the first year of the project, however, there was limited interest from producers to convert to organic certified production. The project responded to this by focusing organic trainings to groups that already held organic certification, working on increasing the quality and volume of organic supply. The groups that hold organic certification, Coopfam, Coopervitae and Coopool, participated in on-farm organic production assessments. The assessment resulted in an analysis of the strengths and weaknesses of the organic producer members of each group and the areas where the organization should focus their agronomy resources. The sessions also included a direct training component that trained producers in organic best-practices.

Activity 2: Fair Trade organic training

Seminars: 4
Direct trainings: 16
Producer Agronomists Trained: 5
Producers trained: 239

In the final year of the project, producer organizations expressed strengthened interest in organic and sustainable production practices. Relying on the results from the consultation and expertise of organic coffee specialists along with project trained organic member agronomist, Claudio Baquião Fiho, the project partners developed a training approach that was applicable to all producer groups, both those who currently hold organic certification and those who do not. The training was carried out in two phases. The first phase was an initial seminar circuit, designed to increase producer interest in organic production by defining organic production, answering preliminary questions, clarifying where organic production is most viable and sharing how producers can evaluate whether or not they should pursue organic production on their property. The seminars were carried out by Baquião Fiho who provided introductory information to the general producer population in a seminar setting. The post-harvest best-practices training model proved that producers are more receptive to receiving in-depth training programs after receiving a clear introduction to their importance from an expert in the field.

The second phase of training was direct training by regional agronomist members of Fair Trade Certified cooperatives or associations. The direct training followed the training structure established in *Activity 1.2.1, Production and post-harvest processing training*, with participation from the previously trained producer member agronomists. The head trainer was Claudio Baquião Fiho, in partnership with Professor José Marcos Angélico de Mendonça of the Federal Institute of Education, Science and Technology in Muzambinho.

Following the training of these 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. 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. By educating them 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.

2. 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

On-site visits: 41
Producer groups trained: 14
Individuals trained: 78

RSP participating producer organizations received business administration training targeted to the professionals who are running the business side of the cooperative or association. The training objective was to provide both business accounting and supply management training to the staff member responsible for those tasks at each producer organization. The activity included a 4-day centralized classroom training, attended by the administrative representative from each organization. The training successfully established a basic level of knowledge on business administration best practices such as accounting rules, administrative tools, purchasing, exporting, financial reporting and planning, and legal compliance. Administrators who participated gave positive feedback, stating that the training was beneficial for all levels of business structure and skill. An unexpected outcome was the degree of peer support that emerged from the participating group of trainees, their varied levels of experience created a classroom dynamic in which participants supported each other by bringing real world experiences and solutions into classroom discussions.



The classroom training was followed up with on-site visits by the team of consultants. The visits provided individualized attention as each organization that implemented the accounting and business management lessons learned in the classroom training. The two trainers spent three full days with each group, in one month intervals, gaining a better understanding of how the organization carries out business functions and tailoring the best-practices presented in the classroom training to the needs of the organization. The trainers provided

comprehensive objectives for each group and measures to track their progress. Groups have reported that the tools and skills they gained through this training are valuable as they continue to create business plans, make yearly projections and budgets, and make informed decisions to grow their businesses.

2.2 Governance and Board Development

Activity 1: Governance training

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: 48

Producers and community member participants: 729 total

Each project participating producer organization received cooperative governance training through a program tailored to the specific needs of each producer group. Producer organizations met with the cooperative governance consultant once per month during a two year period to address cooperative structures, governance best practices, internal and external communication, and also worked with the groups to better understand and maintain the Fair Trade Certification and increase membership through community outreach meetings. The training helped the groups address the needs and issues specific to their organization and work towards solutions as they implemented their individualized work plan.

Activity 2: Finance committee training

Producer groups trained: 14

Individuals trained: 67

Training days: 14

The finance committee of each producer organization 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 Finance Committee Training is to support members of the finance committee to exercise their fiduciary responsibilities of financial oversight.

The RSP project partners provided on-site training at each of 14 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 issues 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 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.

2.3 Supply Chain Management and Logistics improved

Activity 1: Analysis of existing structures

This activity was incorporated into activity 2.1, *Business administration training*.

Activity 3: Price discovery training

Producer groups trained: 8

Individuals trained: 14

Training days: 2

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, as well as costing and market differentiation including cupping samples from international origins.



The two-day training was held at a central location and was attended by a total of 14 representatives from 8 producer organizations. The training was valuable to commercial managers and presidents who gained the skills to draft an offer for buyers, price their coffee based on factors such as production costs and market demand, and manage relationships with international buyers.

2.4 Certification Compliance and Outreach

Activity 1: Fair Trade Certification compliance and management training

The RSP project partners assisted certified producer organizations to maintain their certification and worked with groups interested in obtaining certification to work through the application and compliance process.

Consultants working directly with project partner Sebrae-MG worked with groups to obtain and maintain certification. The support was fundamental in the increase in producer organization inclusion in the Fair Trade system and resulted in an increase from 6 Fair Trade Certified producer organizations when the RSP project was in the proposal phase to 16 certified groups at the close of the project.

In addition, Fair Trade USA worked directly with the producer certifying body, the Fairtrade Labeling Organization (FLO), to provide certification training and urgent assistance to the producer organizations through a network of FLO staff members in Brazil.

Activity 2: Membership development campaigns

■ Percent Increase in Membership: 13.5%

Each producer organization has its own growth targets and interest in growing membership. The RSP project supported those goals by providing the tools to recruit and manage membership. The project partners provided each producer organization with a copy of the video, *Buyer be Fair, the Fair Trade Coffee Story*, a video created by Fair Trade USA that explains the Fair Trade movement from its origins to the global reach it currently claims and shows producers their crucial role in the global community.

In collaboration with the governance work carried out in activity 2.2.1, the groups received assistance recruiting in their communities and managing their application process. Producers have reported increased membership numbers and site increased community awareness of the benefits of Fair Trade and the benefits of the RSP project as the key reasons for the growth.

Activity 3: Dual Certification

At the start of the RSP project market forces created pull for a dual certified product with both Fair Trade and Rainforest Alliance (RA) certifications. The RSP project partners worked to meet this demand by partnering with Imaflora, the RA certifying body in Brazil. Together the Fair Trade USA and Imaflora identified candidate groups and worked through the diagnostic process and promotion of the dual certification. Producer members however decided to suspend the effort after carrying out a cost benefit analysis and concluding that the cost of dual certification did not provide great enough benefit. The RSP project partners in turn did not continue to pursue dual certification for Brazilian Fair Trade producer organizations.

3. 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

One of the most important assets that the RSP project partners exercise is the ability to harness their combined marketing power to raise consumer awareness of Brazilian Fair Trade Certified coffee on the U.S. market. Walmart Stores possess a vast retail reach and Fair Trade USA has over ten years of experience marketing Fair Trade Certified coffee to business partners and consumers. The combined resources proved valuable for producers, as Fair Trade Certified Brazilian coffee was sold in the over 600 Sam’s Club locations across the United States. Consumers gained added exposure to the product through promotional activities and strategic product placement, resulting in increased sales during the promotional activities.

Fair Trade Month, championed by Fair Trade USA, is celebrated during the month of October to promote Fair Trade Certified products in the United States. The month of promotions and activities increases consumer awareness of Fair Trade Certified products and the benefits farming families receive when consumers choose Fair Trade Certified products. During Fair Trade Month Sam’s Club dedicated a day to highlighting Fair Trade Certified products for their customers, including distributing promotional material and sampling Brazilian Fair Trade Certified Coffee produced by RSP participating farming families.

Fair Trade USA continues, beyond the close of the RSP project, to work with Walmart Stores and their suppliers to increase the access and visibility of Fair Trade products in their retail locations.

Activity 2: Fair Trade Certified Cupping Competition

The Fair Trade Certified Cupping Competition was a cornerstone event of the RSP project that increased quality production awareness among producers and showcased the high quality coffee that is produced in Brazil for specialty coffee buyers. The event was carried out all three years of the RSP project and in that time showed producers the value of quality coffee and introduced coffee buyers to the world of Brazilian Fair Trade Certified specialty coffee.

The competition was open to all Fair Trade Certified Arabica coffee producing organizations and was judged by an international panel of jurors. All of the jurors were experts in their field and well regarded in the coffee community. In addition to their endorsement of Brazilian Fair Trade Certified coffee on their company web site, many of the participants included blog and

twitter posts and discussed the event widely with other members of the specialty coffee community. The competition highlighted Brazilian Fair Trade certified Coffee and awakened the specialty coffee community in the United States and beyond to the potential of Brazilian coffee.



Producers also were exposed for the first time to the benefit of producing quality coffee. Generally producers are paid the same price for their coffee without differentiation for especially high quality. Through the competition and subsequent auction producers were awarded and recognized by their peers, the coffee community and the project partners for the excellence of their coffee and received a higher price for their beans. Experiencing first hand the benefits of producing quality coffee inspired producers to invest the time and labor to produce higher quality coffee that would continue to command a higher price from the market.

The Fair Trade Certified Cupping Competition was also an important event for the RSP project partners to showcase project achievements and invite senior representatives from within their respective organizations to participate. The event gained the attention of the media in the United States and Brazil.

The producer organizations and RSP project consultants identified the competition as a valuable tool in promoting the importance of quality among producer members, uniting producer organizations in a common event and raising visibility of high quality Brazilian Fair Trade Certified coffee among members of the coffee industry. Because of the significance of the competition for all concerned, the project maintained the event for three years. Producers, Brazilian consultants and project partner Sebrae-MG have all expressed interest in ensuring that this activity continues beyond the close of the RSP project.

Activity 3: Media and marketing training to cooperatives

Each of the three years of the RSP project, prior to the Specialty Coffee Association of America annual trade show, the RSP project partners provided training to the producer group representatives. The training focused on helping producer representatives gain the most from the trade show experience. Representatives learned what to expect at the trade show, how to prepare in advance by pulling production volume and quality information and bringing business cards, marketing material and green coffee samples. The training also served to strengthen the network of producers who would participate. At the show the training paid off and the producer representatives were prepared to conduct business meetings, talk with consumers and potential buyers and helped each other by introducing less established groups to long-term Fair Trade buyer contacts.

Fair Trade USA published the *Guide to the U.S. Coffee Market*, with an updated edition each year. 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. The 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 hard bound copy.

While in the United States for the 2010 SCAA trade show, 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 workshops included training on Human Resources, Cooperative Structures and Marketing through Social Media. 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. The training motivated participants to establish Facebook profile pages and promote their businesses on the internet.

3.2 Impact Marketing

Activity 1: Update producer marketing materials

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. All of the participating producer groups 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 created, and each year updated, printed marketing materials in preparation for SCAA. 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.

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 may get passed over in the cupping lab. To help the Brazilian producer groups to differentiate the samples they send to 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.

Activity 2: Producer marketing tool kit

RSP project participating producer organizations received project support to develop their own unique marketing strategies for international buyers. Producer organizations learned about the importance of social media in 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 give buyers 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

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

The Specialty Coffee Association of America hosts an annual trade show and conference, the largest specialty coffee event in North America, attracting over 8,000 attendees each year and representing the full value chain from growers to consumers. The SCAA event is an important opportunity for producers to shorten the distance between themselves and their target market in the United

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

States. Each year of the RSP project the project participating producer representatives exhibited in the Fair Trade Certified booth, one of the largest and most visible booths at the show.

The RSP project partners organized meetings with buyers, round-table sessions, and provided floor tours for the producer representatives. Producers also participated in the Fair Trade Producer Forum, a one-day educational forum that provides information relevant to Fair Trade Certified coffee producers designed to foster discussion and idea-sharing among producers from all origins. Representatives had a valuable experience that strengthened business relationships with current and potential buyers and provided valuable information about the coffee industry and their target market.

Activity 2: U.S. Sales Tours

The RSP project partners conducted U.S. sales tours in conjunction with the annual SCAA trade show and conference. Representatives from the RSP project participating producer organizations participated in visits during the days of the conference and in 2010 extended their stay to participate in on-site visits to importers roasters and retailers. One important opportunity that the RSP project partners created was a visit to project partner Sam’s Club retail locations in both 2008 and 2010. During the visit producer organizations got to see their coffee on the shelf and were received by Fair Trade USA account managers, Sam’s Club managers and the project partners. The producers had the chance to hear about the sales and promotion information for the Fair Trade Certified Brazilian coffee sold at Sam’s Club locations, 100% of which is produced by project participating producers.



In 2010, the producer representatives extended their stay in the United States to visit market partners near the Fair Trade USA offices in Oakland, California. The visits provided a unique opportunity for producer representatives to learn about the other side of the value chain and see where their partners do business. The visit left a lasting impression on the producers who attended, and nearly one year later they are still talking about the experience and the impact that it had.

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 producer groups. The RSP project supported members of the U.S. specialty coffee industry to travel to Brazil to visit the project participating Fair Trade Certified producer organizations. Throughout the project, RSP project staff worked with coffee buyers to organize productive visits to Brazil where they could meet with producer organizations, taste coffee, visit farms and get to know their business partners.

Each year in conjunction with the Fair Trade Certified Cupping Competition the project partners hosted participating jurors – members of the U.S. specialty coffee market – on visits

to producer organizations. The visits allowed the producers to tell their unique story directly to buyers and show them the impact that their business has on the lives of the producer's families. The visits have an impact for both the producer and the buyer.

In addition, buyers would regularly contact the project staff regarding visits to Brazil and would receive assistance planning their trip, translating communication with producer group representatives and ensuring that the experience was beneficial for both sides. Project staff supported many buyer visits, including meetings between all of the groups and major U.S. coffee roaster, Green Mountain Coffee Roasters (GMCR). 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, GMCR 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. The RSP project staff and Fair Trade USA staff supported a visit to Brazil for GMCR to get to know the Brazilian Fair trade coffee market and establish long-term buying relationships.

IV. Results and Outcomes

Overall the project was successful as measured by Outputs (Section III), Outcomes (this section) and Stakeholder Perceptions. A summary of the results are found in Table 2. Due to issues of confidentiality and sensitive business information, only aggregate numbers are presented in this report. All detailed files on producer group numbers can be found in the Fair Trade USA offices.

Table 2: Summary of Project and Program Results

Indicator	Baseline*	End of Project	%
ROI 2008 and 2010	453%	1,871%	12:1 avg
Quality SCAA Score	79.33	81.71	3%
Nr Producer groups	10	16	60%
Nr Producers	4,744	5,700	20%
Beneficiaries**	28,049	33,701	20%
Total Production Area in hectares	101,262	118,136	17%
Total Production Capacity mt	25,402	42,695	68%
Average Yield sacks/ha	25.61	30.76	20%
Total FTC premium	US\$ 799,510	US\$ 1,549,072	94%
Total FT Sales Revenue \$ ***	US\$10,153,787	US\$27,108,774	167%
Total FT sales volume in lbs	7,995,108	15,490,728	94%
Average Price FTC export \$/lb	1.27	1.75	38%
Average price local	1.01	1.35	34%
Differential FTC/local	0.29	0.40	38%
Number of women members	332	454	37%
Credit offered to members	3	4	+
Revolving Credit offered to members	1	4	+
Number of Sales Contracts	124	210	69%
Number of Business Partners	41	50	22%

Governance Ranking	5.9	7	+
Democracy Ranking	7.7	9.6	++
Decision Making Ranking	6.6	8.5	++
Representative Accountability Ranking	6	6.5	+/-

* on project start conducted Feb/March 2008

**based on coefficient x 5.9125

*** based on Total FT sales volumes x Average FTC export \$/lb

More importantly, higher level (and longer term) 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)
- 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)

These are discussed in more detail Section B Assessment Results below.

A. Methodology

1. **Quantitative Analysis**

In order to compare changes over time, the project determined a set of key performance indicators (KPIs) based on the GPS conceptual model. A baseline survey instrument was designed by the project team and implemented with the project's initial 10 producer cooperatives involved in the RSP project. These surveys were implemented in person using external consultants.

Due to data quality issues and difficulties in obtaining some information at the outset, the baseline data was not complete for all KPIs. However, all project indicators were documented. Based on feedback and external input, the survey was adjusted (simplified) and one on one training conducted with the data collector in order to improve data quality for the end of project survey. The end of project survey included 14 cooperatives, with the 2 newer cooperatives, Acafeq and Ascarive, excluded. A copy of both versions of the survey can be found in Annex 1 and 2). The basis for this analysis:

Overview of Groups in RSP Programs							
	FLO ID	Entered RSP	M&E Diagnostics		No. of members 2008	No. of members 2009	No. of members 2010
			2008	2010			
MG	ACAFEG	18987	2010	n.a	n.a	n.a	25

	ASCARIVE	21331	2010	n.a	ok	n.a	n.a	53
	Ass. dos Costas	5588	2007	ok	ok	60	80	84
	Coocafé	3589	2007	ok	ok	3690	3690	4000
	Coocaminas	6079	2008	ok	ok	55	74	73
	Coopervitae (1)	2541	2007	ok	ok	151	260	317
	Coopfam	2300	2007	ok	ok	227	242	301
	Coorpol	4741	2007	ok	ok	40	74	74
	Assopro	20009	2010	n.a	ok	n.d.	109	155
	Assodantas	20790	2010	n.a	ok	n.a	41	70
	Unipasv	2673	2007	ok	ok	77	82	86
	Unipcafem	5153	2008	ok	ok	53	44	44
ES	Coofaci	840	2007	ok	ok	99	125	120
	Pronova	3542	2007	ok	ok	292	265	250
SP	Unicafé	5612	2009	n.a.	ok	n.a.	17	17
	Ass. Rio Claro	6378	2009	n.a.	ok	n.a	31	31
	Totals					4744	5134	5700
(1) Coopervitae integrated 2009 former group of Sampaio								

2. **Qualitative Analysis**

A series of interviews were conducted to understand key stakeholders' perceptions and insights on the project's process, implementation and performance. A semi-structured interview was conducted by phone and took approximately 30 minutes - 1 hour. See Annex 3 and 4 for a copy of the interview and Interviewees. Interviews were conducted by a third party familiar with the project to enable confidentiality. Twenty stakeholders were interviewed from all key groups. None of those interviewed had been involved in the actual design of the project. Generally this could be considered a weakness, but interviewees felt that the project team was responsive to input and flexible to project adjustments.

About half of those interviewed were involved in some capacity in the project management or implementation, some indirectly.

B. Assessment Results

Both the numbers and the stakeholder interviews are very positive on both the project implementation and the outcomes reached with benefits for all partners.

- ✓ The quality of production has improved

- ✓ Capacity of production has improved
- ✓ Producers in Brazil are in a better position to meet market demands and commercialize their product

Most of those interviewed were very familiar with the RSP project, although most had not been involved over the entire time period. The project was considered by all interviewees a success, most beyond expectations. It addressed many different issues simultaneously, tailoring to the needs of groups and provided an efficient approach to developing and enhancing the function of the cooperatives.

Specifically, the project provided producers with a keener awareness concerning efficient methods of production and means to succeed in a growing international fair trade market. This included providing producers with the knowledge and structure they need to be competitive, professional, and capable of meeting organizational standards and requirements of fair trade certification

1. Return on Investment (ROI)

The project investment has been leveraged by partners over the 3 years. First year data predicted that the final project Return on Investment would be 778%. However the return on investment has been significant, more than doubling project targets! On average the project had a 12:1 return surpassing the project target of 5:1.

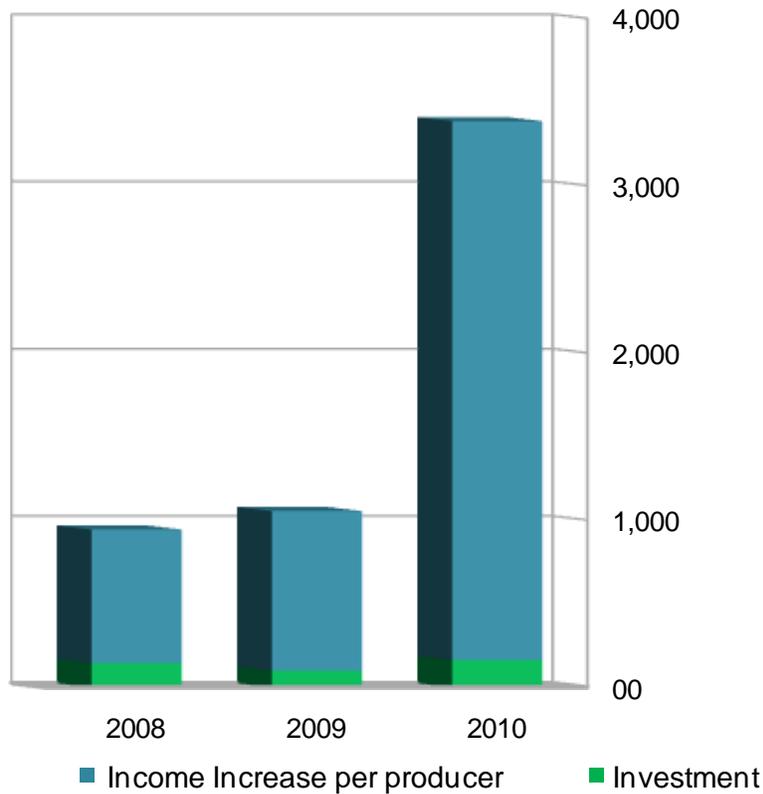
Table 3: Investments and ROI in US\$

	Total Investments	Investment per producer	Income Increase per producer	Return on Investment
2008	\$685,583	\$144.52	\$798.75	453%
2009	\$511,437	\$99.62	\$954.23	858%
2010	\$931,531	\$163.43	\$3,221.36	1,871%
Total	\$2,128,552			

The total investment has averaged \$136 annually per producer for trainings, marketing and technical assistance as outlined in Section II. These income increases from selling into higher priced FT export markets brought additional income in the first year of approximately \$800 per producer and increased to over \$3,200 in 2010!

These improved incomes will continue for years to come based on the model of investing in developing capacity and training of trainers in management, quality and marketing of Fair Trade Certified coffee.

RSP Project Return on Investment



2. Prices

Prices over the project period increased worldwide, however the average price for Fair Trade Certified (FTC) export increased at a slightly higher rate than local prices, 38% versus 34%. The differential between FTC and local prices increased over the project from US\$0.29/lb to US\$ 0.40/lb. Together with improved quality (below), market linkages and production capacity, the producer groups are well positioned to take advantage of higher sales at higher prices.

3. Sales Volumes

Total Fair Trade Sales for project participating producer groups nearly doubled during the life of the project. Total exports increased from 7,995,108 pounds from the 2008 harvest, to 15,490,728 pounds from the 2010 harvest. The benefits of increased Fair Trade sales were widely shared among project participating producer organizations, 14 out of the 16 groups increased their total Fair Trade Certified Sales.

4. Premium

The total Fair Trade premium increased every year with increased sales volumes rising 95% over the 3 year period! The use of premiums was highly variable based on the needs and priorities of the different producer groups but generally at least 50% was reinvested into the cooperative for various uses including vehicles, laboratories, staff, offices, coffee processing equipment, even land purchases.

Around 10% was the average use for community and/or education projects including school uniforms and training programs.

Investment in environmental projects was reported lower at less than 5% on average, but this may likely be attributed to be how the question was interpreted. Several investments may benefit quality directly, but also have environmental benefits. For example there are many environmental benefits to improving certain coffee processing techniques.

Several groups use the premium as a revolving loan fund for producers, thus leveraging the amount many times.

5. Productivity

The average yield of the cooperative sample increased 20% over the project. Estimated yield was 25.61 sacks (60 kilos) per hectare in the baseline and 30.76 in 2010. The yield varies across the various Brazilian growing areas, but the average is in line with, or higher than the averages. Since productivity also varies due to many factors beyond the control of the project activities including rains and temperature, it is interesting for further research to see if the RSP trainings and applied cultural practices have led to higher productivity.

In addition, the total production area in hectares increased 17% and based on higher productivity, production capacity increased 68%! This poses enormous potential for the producer groups going forward in increasing economic returns and improved livelihoods.

6. Quality

Generally many of the cooperative groups did not have good information on quality of their coffee, particularly based on international guidelines (SCAA). Nine of the cooperatives do have standardized SCAA scores from the beginning of the project. From this group, on average, quality scores went up 3%. This number does not reflect the positive change in both increased quantities of higher quality available, but more importantly, the improved understanding of the link between quality and production practices.

Producers have a better understanding of how to identify quality and attribute value to their product and make necessary adjustments (quality improved). Before the RSP, quality assessment was carried out externally by middlemen and most producers did not know about how production practices affected quality. Cupping competitions created knowledge of flavors and aromas, and solidified the connection between quality and farming practices. Producers in the

RSP project have gained knowledge of the areas they need to improve as a result of training and exposure to a larger market.

When asked about improvements in the quality of production members described the importance of visibility created through events such as the cupping competition and quality evaluation training in conjunction with other elements of the project. The cupping competition helped bring awareness to producers in remote regions of Brazil and highlight the role of quality. The group's participation in these events helps elevate their standard of production and enhances their image in the specialty coffee industry. Continuity and expansion of Fair Trade Certified production depends on this growing awareness and visibility.

Due to the RSP project, producers have elevated the quality of their product to meet the demand of international markets more readily. Over the project, the number of contracts and contacts reflected this increased capacity. Sales contracts went from 124 to 210, an increase of approximately 70%! The average number of contracts per cooperative increased from 12 to 18 over the project. At the same time, the number of business partners increased 22% from 41 to 50.

7. Capacity Building

Through different trainings in technical issues, environmental sustainability, governance, administration, and quality evaluation all the groups described an increased knowledge and capacity to continue spreading the knowledge acquired. Overall, the training brought awareness to producers that can not be reversed. Details on trainings and outputs are found in Section III.

8. Organizational Strengthening

The RSP project focused on strengthening good governance and all groups were given attention and guidance in, professionalism, management, quality of production, internal organization and administrative structure.

When the project began locals were not ready to meet all the requirements, guidelines and demands of a cooperative. There was no centralized organizational structure and time was required to adjust to working together and allocating responsibilities. Over the project there were significant improvements in governance, democracy and decision-making.

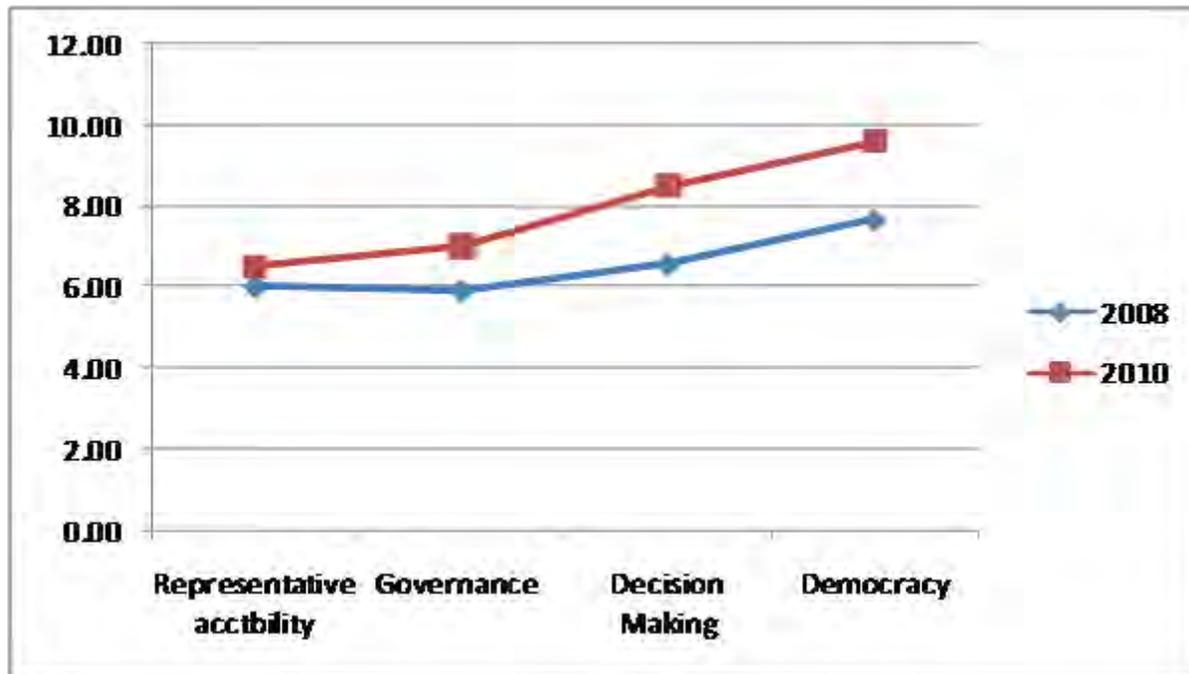


Figure 3: RSP Average Cooperative Rankings 2008/2010

There was a slight increase in the Representative Accountability indicator with the majority of the cooperatives ranked at 5 over the life of the project

- 0 -no representatives or accountability
- 3 -representatives with work plans
- 5- previous plus members have access to reps
- 7- previous plus reps provide written (or formal verbal) reports to members
- 10 -previous plus annual performance evaluations of reps

The survey data showed an improvement in Governance ranking indicators of close to 20%:

- 0 -no structures
- 3 -written bylaws, defined member rights and responsibilities. Clearly allocated authority.
- 5-updated member lists, written minutes and record of activities maintained
- 7-written decision-making and electoral rules in place and implemented
- 10-books and records up to date, by laws are followed, performance measures for officials

At the beginning of the project, half of the project participating producer organizations ranked a 5 or less on the governance scale. At the end of the project, only one cooperative had a ranking at 5 or less, with the remaining cooperatives ranking a solid 7.

There was a 30% increase in the Decision Making indicator among the cooperatives, with the majority of the cooperatives at the end of the project ranking 10.

- 0-no transparency, no member input
- 3- some delegation in practice, limited member input
- 5- authority allocated in writing, bylaws, policy and procedures.
- 7- previous plus job descriptions for representatives, board and committees

10 -high transparency, previous plus budgets and financial reports provided to members

There was a similar large jump (25%) in the Democracy indicator with the majority of the cooperatives at the end of the project now ranking 10:

0 -autocratic

3 -processes are transparent, decision-making meetings are scheduled, and members have access to them

5-general assembly/annual meeting, important decisions taken by vote

7- previous plus elected board, leadership committee

10 -highly democratic, choices offered, voting process accessible and transparent

Today, all the cooperatives mentioned have a high degree of organization and capacity for growth. Goals, plans and timelines have been delineated and members are better prepared to meet these demands because of the RSP project. The following highlights the feedback from the cooperatives:

Results described by the cooperative members on organizational strengthening

- Through courses like administrative training and governance training, members of the cooperative were able to better organize and develop strategies to improve their standards.
- Members formed committees and boards of directors, which facilitated understanding of organizational structure and responsibilities
- Meetings became more participatory and efficient through producer committees, consensus building and allocation of responsibilities
- Improved organizational structure within cooperative and cooperation between members, including member- devised strategic work plans
- Communication is better between internal members - administrative staff, producers, and board members, and improved management transparency
- Decision-making is swifter- measures of equality within decision making have been implemented (voting/ information meetings) and promotes shared responsibility
- Decision-making became more inclusive – votes are taken to determine welfare of members in cooperative
- Responsibility is more evenly distributed within internal members of cooperative
- Members can attend meetings to discuss grievances.
- The members felt their organizational capacity has improved- this has allowed for growth and greater participation of members – in cases where numbers of members decreased (Pronova for example) measures were taken by the cooperative to be more organized and accountable. Members that were previously counted as participants but were inactive were asked by the cooperative to leave. The current membership number depicts a more accurate account of active participants in the cooperative.
- improved certification compliance through strengthened organizations
- There is a more cohesive structure in place as a result of the project

9. Technical training

A separate, in-depth assessment was conducted on post-harvest training and summarized in the annual FY2010 report. Several of the trainings incorporated management and technical training. For example, the quality focus was not just on technical aspects but overall management skills including negotiating prices based on quality.

General results from the producer perspectives included:

- Newly acquired soil analysis skills and practical techniques that improved methods of production and resulted in higher quality of production, lowered inputs and reduced waste
- Increased producer awareness and knowledge - improved methods of production resulting in environmentally sustainable practices
- Better understanding of market demands both international and domestic .
- increased standard of production (through access to resources) and improved process of production
- improved post harvest management

10. Access to Credit

Lack of credit is a limiting factor for building assets and business development. In the first year of the project, an assessment of credit was conducted with the cooperatives. Identified obstacles included lack of infrastructure or assets as collateral; time gaps between credit need and income from coffee sales and administrative capacity. The majority of the producers had access to credit at the farmer level, but the administrative requirements pose an obstacle to many members. Members and the cooperatives received capacity building, which improved their organizational skills, which is fundamental for running successful businesses and using credit. The Fair Trade standard requires pre-harvest financing from buyers to address the time gap, although only one cooperative accessed pre-harvest financing credit from buyers. The RSP project provided infrastructure grants enabling the cooperatives to build wealth assets for future credit guarantees.

Over the life of the project, the number of cooperatives who offered credit (short or long term) increased from 3 to 4 cooperatives, but there was a larger increase of cooperatives offering revolving credit from 1 to 4 cooperatives.

11. Partnerships

Partnerships brought more resources and built the reach of the project. However partnerships also required a higher degree of communication and coordination, which placed additional challenges. The addition of SEBRAE-MG to the partnership was a critical success factor with their complimentary mission to strengthen small and medium sized enterprises, on the ground technical network and local resources. No government agencies were brought into the project, but this was accomplished indirectly through SEBRAE who works closely with the Brazilian government.

The RSP project successfully worked with several high profile consultants, such as professor Borem and Silvio Leite, who brought immense institutional resources to the project. Project participating producer organizations continue to benefit from these expanded resource networks.

Crucial collaboration on the cooperative level (between institutions) was created and this would not have been possible without the RSP project. These newly formed partnerships among producers provide an asset for further work.

12. Gender

The number of women members increased over the project from 332 to 454; however the percentage of total still remains low with only a slight increase from 7% to 8% of female members of total membership during the project. Since only official members/producers are allowed to officially vote on matters concerning the cooperative, women's voices are not prevalent in these sessions. This challenge of engaging and empowering women in the project is discussed in Lessons Learned further in this report.

Some of the increase of women's participation came through the RSP's project educational work around female participation in Southern Minas. Educational seminars were held to discuss the importance of female participation, their role in the community, and cooperative environment. Two of the organizations saw excellent improvement in female participation overall and several cooperatives had 15% increases in women Board members. Monitoring data was not collected on gender participation at meetings for the RSP, but interviews with cooperatives and experts revealed:

- there was a visible increase of women attending committees and small women-only meetings
- Numbers of women attending small women-only meetings have increased
- Female participation in the cooperative has increased and more women are in managerial positions
- During committee meetings, internal business meetings, and general decision-making discussions, women do participate

As members of the community, these women saw opportunity for engaging in cooperative work and improving their standard of living. Project activities that were successful included holding "women only" meetings with wives of members or women members themselves. Rural groups seemed more receptive to female participation due to higher reliance on family participation in these locations. Meetings that were easily accessible from home in terms of time and commute were also important considerations as the women hold higher levels of responsibilities for household activities. The larger, more urbanized cooperatives were more centralized and women found it more difficult to integrate into these structures. This has implications for future work on increasing women's participation.

13. Environmental

The environmental awareness brought to communities through Fair Trade practices and organic training was a key element in the project. This knowledge created a shift in local production with less toxic substances used in soil preparation, less fertilizers, waste management, composting etc. This has enabled members in rural areas to learn new methods of production, which are better for the environment. Producers in these cooperatives now understand better the importance of environmentally sound practices. This was a point of consensus among producers and a shared priority for communities, encouraging participation from locals in the RSP project. The awareness raised regarding improvements in environmental practices is fundamental to improving their standard of living. The project has helped producers achieve their goals of preserving the areas they live and work in.

Overall Summary based on evaluation criteria:

Criteria	Achieved	Comments/Examples
Relevance	High Satisfaction	Benefits for all stakeholders. Producers felt included and their needs were being met and voices heard.
Effectiveness	Very High Satisfaction	Project met and exceeded targets and expectations of all stakeholders with shared benefits.
Efficiency	Satisfaction	Improved over time. Communications was an issue (both geographical distance and language) in the outset but some re-structuring addressed needs.
Results	Very High Satisfaction	Outputs such as diverse and tailored training led to increased knowledge, abilities and capacity for longer term effects particularly around quality and institutional strengthening
Sustainability	Medium Satisfaction	Building local training capacity and partnerships will help in replication and longevity of positive results. Some issues, like environmental sustainability and gender were not focus of project and could be strengthened going forward

V. Project Strengths, Weaknesses and Challenges

Understanding project strengths and weaknesses is important to leverage Fair Trade’s core strengths and shore up weaknesses going forward for continued high level positive impact.

A. Strengths

A critical factor for the project's success was the very professional, accessible, and efficient management team in terms of transferring information, answering questions and overall, being available to explain the project and its objectives. This built a confidence and trust in creating a strong partnership with empowered participants. Other major strengths cited in interviews included:

- + Results and benefits for all partners
- + Project management team - high commitment, quality, organized
- + Origin focus
- + Embedded education process in cooperatives and building local capacity
- + Training aspect improved knowledge and skills
- + Strong extension network in Brazil capitalized
- + Strong environmental policy in Brazil in line with Fair Trade standards
- + Power of partnerships combined to have complimentary resources with different missions
- + Market linkages and backstopping
- + Market linkages such as SCAA conference (networking, empowered growers)

B. Weaknesses

There were some project weaknesses, partially due to the geographical distances (US/Brazil and within Brazil), however these were for the most part addressed during the project for improvement going forward.

- minimal direct contact with beneficiaries: limited on site visits
- risks of certification compliance not well factored into project
- communication challenges: not informed, updated or lack of transparency in how some decisions are made
- lack of project management tools/systems meant some inefficiencies
- lack of international involvement in cupping competition
- dependency on one buyer

C. Challenges

There are some administrative challenges facing the project including implementing a project without a strong local partner, communications and data quality for project monitoring. The project team struggles with balancing investing in more upfront planning and flexibility in last minute activities and adjustments.

Challenges facing Cooperatives

Cooperative members expressed challenges that still remain including reaching members in remote areas, limited access to resources to improve production process, need for increasing participation of women and improving the structure and organization of the different cooperatives. During interviews, several themes emerged:

- Difficult to transfer knowledge to producers living in remote areas
- Regaining credibility in cooperative process remains a priority

- Locals struggled with meeting requirements for standards and certification – culturally producers were not accustomed to cooperative structure and had lost faith that it could work. Now, focus is on building accountability in the Fair Trade Certification process and expanding awareness of Fair Trade Certification in communities
- Meeting and maintaining certification is an ongoing challenge
- Lack of resources to stimulate growth in the cooperative including resources needed for core administrative and maintenance costs and investments for quality improvements including machinery (credit discussed in Lessons Learned)
- Theoretical instruction difficult to implement
- Cultural stigmas in many areas prevent women from engaging effectively in the cooperatives

There were varying degrees of accomplishments among the different cooperatives. The level of success varied throughout the different groups, but they all benefited to varying degrees from the project. The greatest challenges seem to remain in the structural and administrative areas within the cooperative, the internal dimensions. The external components of the project including communication between Fair Trade and members seemed very successful. The challenge appears to be within the layers of administration and governance. Particularly smaller cooperatives or those in the initial stages of developing an internal structure within the group are still struggling with basic organizational issues that prevent them from taking full advantage of project activities. Some cooperatives have few administrative members and responsibilities are less clear. A few of the cooperatives appeared to be more centralized regarding decision-making practices.

VI. Lessons Learned and Recommendations

Lessons learned were discussed in each section but are summarized here within an adaptive management framework for any insights gained to apply to future projects.

There were lessons learned early on which were implemented during the project to address some of the weaknesses identified including communications. Another weakness, lack of stakeholder involvement in project design was addressed in the new Sustainable Sourcing Partnership project. Project management consulted with producer coops, agronomists and other stakeholders during the proposal phase.

A. Project Communications

The most cited improvement by stakeholders was communications. With communications there are several aspects- language, geographical distance (US/Brazil and within Brazil), communication channel (email, phone, skype, etc) and form (directive or collaborative). All aspects improved from the stakeholders' perspective over the project duration. Since few of the producer groups speak English, communications were almost only in Portuguese, team members were relatively accessible for producer groups through local phone networks and notification on

activities was more frequent according to the interviewees. Several interviewees commented that the communication became more collaborative with openness and higher levels of input and feedback encouraged. The few stakeholders who still felt at the end of the project that communication was an issue, were not as directly involved in implementation. While they had minimal contact, they did wish to be kept informed of activities and progress.

Going forward there are some recommendations:

- Maintain accessibility to producer groups for building stronger partnerships
- Maintain high level of communications through multiple channels
- Distribute a simple, quarterly project update (perhaps the Executive Summary of the donor report) to a wider group of stakeholders, including those not directly involved in the project.
- Maintain transparency in plans, updates and decisions
- Manage expectations particularly of newer groups/producers

B. Project management including M&E

In the initial phase, the project was managed with a local partner, which has advantages of being local, but created an added layer of management and coordination. The final year was managed directly by Fair Trade USA project team members and this improved several aspects of the project management including efficiencies and responsiveness. Going forward a direct, hands-on project management approach with local partners is recommended. The project was also somewhat disconnected from Fair Trade USA's overall work. A stronger connection and alignment of goals with the rest of the Fair Trade USA and FLO is also recommended to leverage organizational resources and know how.

On the administrative side, there was some inefficiency in "reinventing" tools and lack of standardization identified. The need for more systemization of activities with checklists, formats and templates was recognized as a time saver and would also enable/empower more of the cooperatives to maintain some of these records themselves.

The project struggled to get consistent, complete quality M&E data for the baseline as cooperatives had minimal staff and some administrative structures were not well developed. The project team changed the format to simplify it and trained a data collector to work with the cooperatives to collect baseline and end of project data. Data quality still was poor with lack of standardized measures, gaps and errors. In addition, since the baseline and end of project survey were different, there were issues and additional resources needed to organize the data. The project team has identified most of the issues and is addressing this in future projects. A review of data quality and integrity is critical in order to have information available to monitor and track progress. Clarity on supply including pipeline will be critical as market demand increases.

C. Training

The extensive training implemented during the project had many positive results. However the different producer groups are at different stages of maturity and capacity, which requires tailoring training to the different needs. Reaching more distant, rural producers will remain a challenge, especially addressing their needs in a cost effective manner. Using model farms, farmer mentoring and formalizing the Fair Trade network will provide some opportunities for extending reach in a sustainable manner.

One of the project strategies, organic certification, was modified during the project due to weak supply base and lack of competitive advantage of Fair Trade. Groundwork was laid to include this strategy in the new project within overall sustainable practices.

Some members expressed the need for training to be less theoretical with a more practical focus. At times the focus of the trainings seemed too abstract. For example, in the area of export and import – they would like to have a better understanding of the step by step process of coffee export to the US (visiting ports, meeting exporters, learning the process of export)

Due to the different levels of maturity and capacity, trainings had varying degrees of results. The organic training for example were more or less beneficial to the different groups. The more experienced cooperatives described the organic training as ineffective and too basic. The information provided in the organic training was not useful to them and they felt that it was not a good use of time. Cooperatives suggested that in the future tailoring the training to the specific needs of the cooperative would be more effective.

D. Marketing and Communications

Considering the success of the project, it has a remarkably low profile outside a small circle of the project team. Improved dissemination among market players is key. The new SSP project formed a Communications Committee designed to address this weakness. Dependence on only one main buyer was risky for the growers as changes can drastically affect sales and livelihoods. The project has already gotten more buyers involved for the next phase. Marketing activities such as the SCAA coupled with continued quality improvements will raise the profile and reputation of the Brazilian Fair Trade Certified coffee creating market driven demand. Facilitating this connection between buyers and growers is a competitive advantage of Fair Trade USA and will be key.

E. Credit

While credit is theoretically available to cooperatives and members through various sources, access to resources remains a limiting factor for critical investments. Barriers identified in the first year assessment have only partially been addressed. Cooperatives ability to access pre-harvest financing was only utilized by one cooperative. Cooperative assets have increased through project infrastructure grants but guarantees at the farmer level are still limited and credit appears to still be a barrier for implementing improvements. Numerous investments in quality improvement needs were identified in the post harvest assessment. The capacity and tools to access credit should be explored going forward.

F. Gender

Increasing the level of women involved in membership activities and decision making roles is important going forward. Recommendations include:

- focusing more on developing strategies geared towards educating all members about the importance of female participation
- Hold more meetings targeting women (in cooperatives and wives of producers) to empower them and encourage participation, while speaking to their specific needs
- Hold women only meetings. Masculine presence is often dominant in cooperative settings thus meetings focused on promoting women's participation can build confidence and their understanding of Fair Trade
- Consider time and place for events so they don't conflict with household responsibilities.
- Small women centered meetings encourage them to be more active and more strategic in larger committee meetings

VII. Financial

Grant spending for the Responsible Sourcing Partnership project concluded in line with budget projections. All activities and project spending concluded by December 31, 2010. Final budget close-out shows that grant spending and counterpart contributions are in line with the grant agreement. 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.

Life of Project Budget vs. Actual

Activity	3 year budget	USAID Contribution	Cost Share
1. Expanding and Improving Quality of Supply	219,475.53	224,823.91	356,625.64
2. Increasing Producer Capacity	212,965.22	193,207.11	232,902.75
3. Raising Market Linkage	227,571.25	241,980.98	879,023.31
<i>total</i>	660,012.00	660,012.00	1,468,551.70

VIII. Sustainability Going Forward

The RSP project provided sustainable outcomes that producers will continue to engage in the future. By improving the business administrative section and governing structures, producers elevated their ability to produce the quality and quantity of their product. Specifically – groups are functioning at a higher potential- their book keeping is more organized, members in administrative positions are better prepared to take on tasks, and roles in the cooperative are more delineated, which provides for better communication between members.

The cooperative members expressed an overwhelming belief that the project accomplishments are sustainable and the awareness raised regarding improvements in environmental practices is fundamental to improving their standard of living. Also, there is a shared belief that these newly acquired skills and knowledge will enable them to continue best practices. The perception is that the awareness of Fair Trade principles introduced into the communities proved more successful than alternative past methods.

Participation in international events and competitions developed a higher standard of quality and awareness of Brazilian coffee. This raised the profile of Brazil coffee and commitment of domestic and international buyers will help ensure the long term sustainability of outcomes. The foundation has been laid for producers to continue improving, particularly to invest in quality. The connections with buyers act as a strong market based incentive.

The camaraderie created through many of the project activities has led to a cohesiveness and strong interest of the producers themselves creating a national level Fair Trade network of cooperatives. SEBRAE could play a key role in continuing to provide support directly and through other projects.

Overall the RSP project is from all aspects a success – results were achieved, partners met their organizational objectives (win/win), producers and cooperatives were highly satisfied with the project and a strong foundation has been laid for further work going forward. The project is seen by the cooperatives and producers themselves as sustainable and replicable across the region. A fundamental shift in attitudes of the cooperatives was achieved with the increased access to information and technical skills. The donor/beneficiary relationships developed into a working network with empowered members. These are all strong indicators for continued positive impacts. This had helped change the way the cooperatives think about learning and improving.

Furthermore, the professional, dedicated project management team is well positioned to continue work with the same beneficiary population through the 2010- 2012 Sustainable Sourcing Partnership project. Green Mountain Coffee and USAID both contributed \$200,000 to fund the initiative. The new initiative—the Sustainable Sourcing Partnership Project — aims to increase producer organizations’ understanding of and compliance with Fair Trade environmental standards and Brazilian environmental law. The collaboration is designed to support Fair Trade certification for new producer organizations and increase the amount of land under enhanced environmental protection through this certification. The project will also support producer organizations interested in organic production and promote marketplace access for their products.

IX. Annexes

1. Baseline Survey
2. End of Project Survey
3. Semi Structured Interview
4. Interview list

X. Index of Submitted Reports

1. Quarterly Report 1: QI FY2008 – October 2007-December 2007
2. Quarterly Report 2: QII FY2008 – January 2008-March 2008
3. Quarterly Report 3: QIII FY2008 – April 2008-June 2008
4. Annual Report 1: FY 2008 – October 2007-September 2008 (with Quarterly Report 4: QIV FY2008 – July 2008-September 2008)
5. Quarterly Report 5: QI FY2009 – October 2008-December 2009
6. Quarterly Report 6: QII FY2009 – January 2009-March 2009
7. Quarterly Report 7: QIII FY2009 – April 2009-June 2009
8. Annual Report 2: FY 2009 – October 2008-September 2009 (with Quarterly Report 8: QIV FY 2009 – July 2009-September 2009)
9. Quarterly Report 9: QI FY2010 – October 2009-December 2009
10. Quarterly Report 10: QII FY2010 – January 2010-March 2010
11. Quarterly Report 11: QIII FY2010 – April 2010-June 2010
12. Quarterly Report 12: QIV FY2010 – July 2010-September 2010
13. Annual Report 3: FY 2010 – October 2010-December 2010 (with Quarterly Report 12: QI FY2011 – October 2010-December 2010)
14. Final Report: October 2007-December 2010

Project Responsible Sourcing Partnership Project			
Date			
E-mail of contact person			
Filled in by			
Cooperative/Estate Information			
FLO Code	ID		
Full Name			
Common Name			
Years in Operation			
FT Certified			
General Product Information			
Product			
Average Elevation	m		
Quality			
Percentage of defects	%		
SCAA Score			
Main Harvest Season, starting month	month		
Main Harvest Season, ending month	month		
Main Export Season, starting month	month		
Main Export Season, ending month	month		
Production/Price Information			
Total Production area	ha		
Total Organic Production area	ha		
Total Annual Production	MT		
Export Quality Production	MT		
Annual FTC Production	MT		
Organic Production	MT		
Organic and FTC Production	MT		
Other Production	MT		
Total Sales Volume	MT		
Breakdown			
Average farm size	Hectares		
Average price FT	\$/kg		
Average price organic	\$/kg		
Average price FTC and organic	\$/kg		
Average price not FT export	\$/kg		
Average price local market	\$/kg		
Average price paid by intermediaries	\$/kg		
price organization received from buyer	\$/kg		
Price paid to members			
No processing	MT		
Semi-processed	MT		
Processed	MT		
Metric tons per hectare			
Premium Information			
Total Premium received			
Distributed to Members			
Invested in Business			
Invested in Social Development			
Social Premium Breakdown			
Category 1 (fill in)	%		
Category 2	%		
Category 3	%		
Category 4	%		
Category 5	%		
Category 6	%		
Category 7	%		
Costs and Margins			
Based on last financial statements			
Total Annual Sales	US\$		
Cost of Goods Sold	US\$		
Total Operating Costs	US\$		
Total expenses incl. Tax	US\$		
Gross Margins	US\$		
Percentage of income from farming	%		
Total Assets	US\$		
Total Liabilities	US\$		
Inventory	US\$		
Ratios			
Profitability	%		
Current ratio	%		
Quick ratio	%		
Cooperative Decision-Making, Leadership and Structure			
Cooperative Grade			
# individual producers			
Total FTC producers			
Total # member organizations 2nd			
Total # FT member organizations			
Voting members			
Women members			
% women board members	%		
Legal Registration	yes/no		
Years established	years		
Member control			
Representative Accountability			
Governance Structures			
Decision Making			
Democracy			
Cooperative Services			
Credit offered to members	yes/no		
Member sales to coop	MT		
Coop Budget from services fees	%		
Do members sign a contracts	yes/no		
Operações Na Propriedade			

Cooperative/Estate Information			
Gender of Primary Operator Male			
Gender of Primary Operator Female			
Farm Operations			
Permanent	Male		
Permanent	Female		
Permanent	Total number		
Part Time	Male		
Part Time	Female		
Part Time	Total number		
Seasonal (average)	Male		
Seasonal (average)	Female		
Seasonal (average)	Total number		
Community access to potable water	%		
Access to credit			
Pre-harvest financing accessed	yes/no		
% pre-harvest financing of contracts	%		
pre-harvest competitive rates	%		
Short Term Commercial Credit	yes/no		
% short term financing of contracts			
Incidents of late payments	No.		
Long Term Commercial Credit	yes/no		
Level of credit investment capital			
incidents of late payments	No.		
commercial credit competitive rates	%		
Business relationships			
Total Sales Volume to US	US\$		
# sales contracts			
# business partners			
Average years per partner			
Business management			
Staffing	No.		
Business Plan with Budget	yes/no		
Number of default or contract issues			
Default and contract issues	%		
% contracts completed on time			
Financial Management System	yes/no		
Inventory/Traceability System	yes/no		
Estates Only			
# women in management			
basic salary men			
basic salary women			
# incidents discrimination			
% workers belonging to union	%		
% employees covered by collective bargainin	%		

Internal Use only: Verifiers				
Member Control Scale				
0 no membership control				
3 members informed but limited input				
5 members informed, provide input on decisions				
7 previous, plus access to decision making				
10 previous plus members actively participate in decision making				
Governance Structure				
0 no structures				
3 written bylaws, defined member rights and responsibilities. Clearly allocated authority				
5 updated member lists, written minutes and record of activities maintained.				
7 written decision-making and electoral rules in place and implemented.				
10 boon and record up to date, by laws are followed, performance measures for officials.				
Representative Accountability				
0 no representatives or accountability				
3 representatives with workplans				
5 previous plus members have access to reps				
7 previous plus reps provide written (or formal verbal) reports to members				
10 previous plus annual performance evaluations of reps				
Decision Making				
0 no transparency, no member input				
3 some delegation in practice, limited member input				
5 authority allocated in writing; bylaws, policy and procedures.				
7 previous plus job descriptions for representatives, board and committees				
10 high transparency. previous plus budgets and financial reports provided to members				
Democracy				
0 autocratic				
3 Processes are transparent, decision-making meetings are scheduled, and members have access to them				
5 General assembly/annual meeting, important decisions taken by vote				
7 previous plus elected board, leadership committee				
10 highly deomcratic. Choices offered, voting process accessible and transparent				
Staffing				
0 no volunteers or staff				
3 volunteers with informal responsibilities				
5 staff and volunteers with informal responsibilities				
7 staff and volunteers with written responsibilities				
10 hired management team that supervises departments with hierarchies				

RSP Project End of Project Survey

Pesquisa de Resultados GPS					
Planilha de Coleta de Indicadores de Resultado					
Projeto	Responsible Sourcing Partnership '07-'10		Completado por		
País	Brasil		Pessoa / pessoas entrevistada(s)		
Data	10/1/2010		Email de contato		
Base de dados					
Informação sobre a Cooperativa/Associação					
Código FLO					
Nome Completo (razão social)					
Nome fantasia					
Anos estabelecido					
Mes/ano de certificação FLO					
Produção Anual Certificada no certificado FLO					
Coordenadas GPS					
Elevação Média					
	2006	2007	2008	2009	2010
Informação Geral do Produto					
Porcentagem de defeitos de café cru ao exportar	%	%	%		
nota por sistema SCAA					
nota por sistema interna					
Safra Principal - Colheita (meses)					
Safra Principal - Exportação (meses)					
Informação sobre Produção / Preço					
Área Total de Produção	ha	ha	ha		
Área Total de Produção Fair Trade	ha	ha	ha		
Área Total de Produção Orgânico (não Fair Trade)	ha	ha	ha		
Área Total de Produção Fair Trade e Orgânico	ha	ha	ha		
Media de sacas por hectare	sacos	sacos	sacos		
Produção Anual Total (recebido ao organização)	sacos	sacos	sacos		
Volumen total de vendas	sacos	sacos	sacos		
Volumen (recebido na organização) de Qualidade Exportação	sacos	sacos	sacos		
Vendas de café Fair Trade exportado (fora do Brasil)	sacos	sacos	sacos		
Vendas de café Orgânica (não Fair Trade)	sacos	sacos	sacos		
Vendas de café Orgânica+Certificada FT	sacos	sacos	sacos		
Vendas de Outra Produção	sacos	sacos	sacos		
Tamanho médio de propriedade					
Preço médio FT					
Preço médio orgânico (não Fair Trade)					
Preço médio FT + orgânico					
Preço médio exportação não FT não orgânico					
Preço médio mercado local					
Preço pago aos membros					
Informação sobre o Prêmio					
Prêmio Total recebido					
Discriminação do Prêmio Social:					
Comunidade					
Educação					
Meio Ambiente					
Saúde					
Programas para mulheres					
Investimentos em Desenvolvimento da organização					
Outros usos					
Prêmio gastado mas não em projetos específicos					
Prêmio não gastado					
Custos e Margens					
Com base na declaração financeira completa					
Vendas Anuais Totais					

RSP Project End of Project Survey

Planilha de Coleta de Indicadores de Resultado

Custos Totais (bens, operacoes, impostos, etc.)					
Total de Ativos					
Total de Passivos					
Tomada de Decisão, Liderança e Estrutura da Cooperativa					
numero de produtores membros					
numero de produtores certificados FT					
Membros com poder de voto					
Membros mulheres					
% Mulheres como membros da diretoria					
Prestação de Contas Representativa					
Estruturas de Governança					
Tomada de Decisão					
Democracia					
Serviços oferecidos pela Cooperativa					
Crédito oferecido aos membros (sim/nao)					
Fundo rotário para infraestrutura para membros					
Vendas de membros à coop	%	%	%		
Operações na Propriedade					
numero de membros com parceiros (meiros)					
numero de parceiros (meiros) que sao meiros da organizacao					
numero de membros con trabalhadores com carta assignada					
Acesso a crédito					
Financiamento Pré-colheita obtido (sim/nao)					
% de contratos de financiamento pré-colheita					
Crédito Comercial de Curto Prazo					
% financiamento de curto prazo de contratos					
Crédito Comercial de Longo Prazo					
Nível de Crédito capital de investimento					
Relacionamentos de Negócio					
numero de contratos de vendas					
numero de parceiros de negócios					
Gestão de Negócios					
Equipe					
Plano de Negócios com Orçamento					
Sistema de Gestão Financeira					
Sistema de Inventário / Rastreabilidade					

Introduction

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

Component One: Expanding and improving the quality of supply

Component Two: Increasing producer capacity

Component Three: Raising the marketing capacity of Brazilian coffee growers

With cash and in-kind contributions from all partners totaling more than US\$1.9 million, the RSP project provides technical training and investment in farm and cooperative infrastructure to benefit more than 5,000 smallholder farmers in Brazil. At the end of the three year project, farmers and cooperatives will have the advanced skills necessary to meet market demand for high volumes of Fair Trade Certified coffee with the following targets results:

- A 5:1 return on investment during the project with continued growth beyond the life of the project;
- A marginal increase in volume sold of 32 million pounds during the life of the project, generating \$8 million in revenue for small farmers;
- A \$0.25 market differential on average between quality FT and organic coffees and the broader market (adjusted for the Brazil differential);
- Increased quality of production aligned with demand (as measured by increases in cupping scores and volumes sold at higher price points);
- Six producer cooperatives in Minas Gerais strengthened; and
- Increased consumer awareness in each destination market within the scope of this project.

Interviews of Key Stakeholders

1. General Information
 - a. relationship with RSP project - role, time frame
 - b. general perspectives- high level (very well, so so, poor...)
 - c. outcomes reached - why/why not - high level. ask if they are familiar with the proposed outcomes.

2. Understand their interaction with the RSP project to ascertain stakeholder engagement:
 - a. were you integrated into the project design? How?
 - b. were you integrated into the project implementation or management? How?
 - c. how were you kept informed on project progress? (frequency and means)
 - d. How you assess the strengths and weaknesses of RSP approach
 - e. How well RSP identified and pursued partnership opportunities

- f. How well do you believe RSP has implemented the project and knowing what you know now, whether you would "do it again" or replicate it elsewhere
3. For companies specifically:
 - a. what motivates you to move towards sustainability? (risk management, right thing to do, consumer demand, better management etc)
 - b. what are barriers?
 - c. perceived value of RSP - life of project and going forward?
 4. In looking at the overall RSP project, we want to understand several aspect to determine how well the project was designed, rationale and how well the project has been implemented: review the Outcomes and discuss, from your perspective-the project's:
 - **Relevance.** The extent to which the project is suited to local and national development priorities and organizational policies, including changes over time.
 - **Effectiveness.** The extent to which the objectives have been achieved
 - **Efficiency.** The extent to which results have been delivered with the least costly resources possible;
 - **Results.** The positive and negative, and foreseen and unforeseen, changes to and effects produced by the project activities including direct project outputs, short- to medium term outcomes, and longer term impact including global environmental benefits, replication effects,
 - **Sustainability.** The likely ability of an intervention to continue to deliver benefits for an extended period of time after completion. Projects need to be financially, environmentally and socially sustainable.

Use the following general categories to rank these.

- **Highly Satisfactory (HS):** The project had no shortcomings in the achievement of its objectives, in terms of relevance, effectiveness or efficiency.
- **Satisfactory (S):** The project had minor shortcomings in the achievement of its objectives, in terms of relevance, effectiveness or efficiency.
- **Moderately Satisfactory (MS):** The project had moderate shortcomings in the achievement of its objectives, in terms of relevance, effectiveness or efficiency.
- **Moderately Unsatisfactory (MU):** The project had significant shortcomings in the achievement of its objectives, in terms of relevance, effectiveness or efficiency.
- **Unsatisfactory (U)** The project had major shortcomings in the achievement of its objectives, in terms of relevance, effectiveness or efficiency.
- **Highly Unsatisfactory (HU):** The project had severe shortcomings in the achievement of its objectives, in terms of relevance, effectiveness or efficiency

5. Lessons Learned
 - a. Is there anything noteworthy/special/critical that was learned during project implementation during the first years that is important to share with other projects so they can avoid this mistake/make use of this opportunity?

- b. What would you do differently if you were to begin the project again?
- c. How does this project contribute to sustainable development
- d. To what extent has the project been relevant to local, national, regional, global efforts to reduce poverty / enhance democratic governance / promote gender equality and empowerment of women? Others? Please explain.
- e. Has this project been able to generate global environmental benefits while also contributing to the achievement of national and/or regional goals?

Specific For producers:Producers purpose statement:

Purpose statement:

The purpose of this questionnaire is to gather feedback and input on your experience with the FairTrade Responsible Sourcing Project for the end of the project review. The following questions were designed to generate thoughts and opinions on the project's overall strategy and implementation . Did the project meet your needs? expectations? What would you have done differently? This information is confidential, so please answer questions freely. All the information provided will be used to further improve partnership projects in the future. We have also interviewed project staff, technical experts and buyers. The growers voice is important! We will be preparing a report for FairTrade and the results will also be shared with you. Thank you for your time and participation.

Supply development. A main barrier to sustainable practices is the low level of capacity among coffee growers, who find the standards challenging to implement. It is important to understand what drives farmers to certification and how the FT standards help them become better farmers while protect their environment, improve conditions of their workers and improving their economic well being. It is also important to understand the significant investments that farmers often have to make on their farms and their perceptions of the RSP and future.

Objetivo

O objetivo deste questionário é recolher opiniões e sugestões sobre a sua experiência com o projeto- Parceria de Fornecimento Responsável, antes do fim da revisão do projeto. As questões a seguir foram criadas para estimular pensamentos e opiniões sobre a estratégia e implementação do projeto. O projeto atendeu suas necessidades? Expectativas? O que você teria feito diferente? A entrevista é confidencial, por isso, responde às perguntas livremente. Todas as respostas fornecidas serão usadas para melhorar ainda mais a parceria do projecto no futuro. Também entrevistamos funcionários do projeto, especialistas técnicos, e compradores. A voz do produtor é importante também! Vamos preparar um relatório para a equipe da Fair Trade e os resultados também serão compartilhados com vocês. Obrigado pela sua participação. **(Por favor, envie este questionário antes de 03 de dezembro, obrigado.)**

Introdução

A Parceria de Fornecimento Responsável 2007-2010 é uma parceria público-privada entre a USAID, o Fair Trade USA, o Wal-Mart, Inc. e SEBRAE-MG, este projeto liga os cafeicultores brasileiros com consumidores do mercado de café nos Estados Unidos através da certificação de productos comercio justo. O projeto promove o objectivo da USAID/Brasil que promove a participação da pequenas empresas e os produtores de café do Brasil, incluindo os pequenos produtores rurais no mercado global, usando essas três estratégias:

- Primeiro componente: Expansão e melhoria da qualidade do produto
- Segundo componente: Fortaleça a capacidade de produção
- Terceiro componente: Aumentar a capacidade de comercialização dos produtores de café do Brasil

As perguntas da entrevista - por favor, lembre-se todas as respostas são confidenciais!

1. Informação Geral
 - a. Sua função no projeto RSP: seu papel, desde quando?
 - b. Suas perspectivas sobre o projeto inteiro utiliza escala de 1 (fraco) e 10 (máximo)?
 - c. Você tem um entendimento dos objetivos do projeto (acima)?
 - d. Você acha que os objetivos do projeto foram alcançados? Por quê? Por que não?

2. Participação de Parceria (não existem respostas certas ou erradas!):
 - a. Você foi envolvido na concepção do projeto? Como?
 - b. Você foi envolvido na execução ou administração do projeto? Como?
 - c. Você foi informado sobre andamento do projeto? (frequência e de que maneira)
 - d. Por favor, avalie os pontos fortes e fracos da metodologia deste projecto RSP?
 - e. Avalie como o projecto RSP - identificou e acompanhou oportunidades entre os parceiros? Você tem recomendações?
 - f. Como foi a implantação do projeto RSP e sabendo o que você sabe agora, o que você sugere é feito de forma diferente?
3. Olhando para o projeto RSP inteiro, queremos entender vários aspectos para determinar como o projeto foi elaborado, pensado e executado. A partir de sua perspectiva utilizando as seguintes categorias: por favor, discutir os resultados do projeto

Utilize as seguintes categorias para classificá seus sentimentos:

- Altamente Satisfatório (HS): O projecto não teve retrocessos na realização de objectivos, em termos de efetividade, relevância ou a eficiência.
- Satisfatória (S): O projeto teve pequenos retrocessos na realização de objectivos, em termos de efetividade, relevância ou a eficiência.
- Moderadamente satisfatórios (MS): O projeto teve deficiências moderadas na realização dos seus
 - objectivos, em termos de efetividade, relevância ou a eficiência.
 - moderadamente insatisfatório (MU): O projeto teve retrocessos significativos na realização dos seus objectivos, em termos da efectividade, relevância ou a eficiência.
 - Insatisfatório (U) O projeto teve grandes deficiências na realização dos seus objectivos, em termos da efectividade, relevância ou a eficiência.
 - Altamente insatisfatório (HU): O projeto teve retrocessos graves para a realização dos seus objectivos, em termos da efectividade, relevância ou a eficiência

4. Por favor, escreva SH, S, MS, MU, e U HU e incluir seus comentários para o seguinte:

- Relevância. A medida em que o projeto está atingindo prioridades de desenvolvimento local e nacional e as estruturas organizacionais, abordando as mudanças a longo prazo.

- Efetividade. A medida em que os objectivos foram alcançados

- Eficiência. A medida em que os resultados têm sido entregues com os recursos de menor custo possível;

- Resultados. As mudanças positivas e negativas, e previstos e imprevistos, e os efeitos produzidos por essa atividades do projeto, incluindo o resultado do projeto imediato, a curto e médio prazo

- Os resultados e impacto a longo prazo, incluindo os benefícios ambientais globais, efeitos e consequências

- Sustentabilidade. A capacidade provável de uma intervenção para continuar a oferecer vantagens para um longo período de tempo após a conclusão do projeto. Os projetos precisam ser financeiramente, ambientalmente e socialmente sustentável.

5. Lições Aprendidas

a. Existe alguma coisa importante / prioridade especial/ urgente aprendida durante a implementação do projeto nos primeiros anos que é importante compartilhar com outros projetos e / ou cooperativas para que possam evitar erros e melhorar oportunidades?

b. O que você faria diferente daqui para frente?

c. Escreva como este projeto ajuda a atingir seus objetivos? Se não, explique as suas recomendações.

d. Como é que este projeto ajudou a reduzir a pobreza e melhorar a governação democrática / igualdade de gênero e a participação das mulheres? Outros? Por favor, explique.

e. Este projeto foi capaz de gerar benefícios ambientais e contribuindo para a realização dos objectivos económicos? Por favor, explique.

6. Fornecimento de desenvolvimento

a. Qual tem sido o principal motivo para se envolver na certificação FT?

b. Que tipo de investimentos foram necessários para a cooperativa? Quais foram as questões ou barreiras para obter a certificação?

c. Que tipo de investimentos foram necessários para os produtores? Quais foram as questões ou barreiras para obter a certificação?

Category	Organization	Interviewee	role/position
Donor	USAID	Alex Araujo	Social & Economic Development Advisor
Staff/consultants	FairTrade USA	Colleen Scott	current project coordinator
	FairTrade USA	Laura Ann Sweitzer	RSP project assistant
	FairTrade USA (former)	Julia Delafield	former project coordinator
	FairTrade USA (former)	Jennifer Bielman	previous GPS program director
	FairTrade USA consultant	Beat Gruening	initial project coordinator
	FairTrade USA	Miguel Zamora	Coffee supply & LAC stakeholder relations
Partners	GMCR	Ed Canty	Green Coffee Buyer
	Sara Lee Brazil	Reinaldo dos Santos Pereira	Buyer, FT
	Thanksgiving Coffee Company	Ben Corey Moran	President
	Center of Excellence/ SEBRAE consultant	Vanusia Nogueira	project consultant
	Independent but work w/Sebrea	Andrea Salerno	Uniminas Consulting
	FLO	Catalina Jaramillo Botero	FLO Producer Services
	FLO	Patricia Kaetsu	Current auditor for FLO-Cert
Cooperatives	Coopol	Fábio	Administrative Manager
	Rio Claro/CooperPrata	Ernani Brisolla Jordão	President of CooperPrata
	Coofaci	Paulo Marcio Reis Fernandes	President
	Pronova	Jackeline Unianna Donna	Coordinator/Manager of Certification
	Cocaminas	Daniela Oliveira	General Manager of Cocaminas
	Unipasv	Francisco Alves de Assis	President