



BRI II Building, 28th Fl, Suite 2806
Jl. Jend. Sudirman 44-46, Jakarta 10210,
Phone: 62-21-571 3548/49, Fax: 62-21-571 1388

“Helping Indonesia to Grow”

AMARTA
Annual Report of Project Activities and Achievements
2010
(October 2009 – December 2010)

Introduction

AMARTA is pleased to submit this annual report* which reviews activities undertaken during the October 1st 2009 – December 30th, 2010 time period. Technically, 2010 witnessed considerable progress in all fields as AMARTA maintained its focus on cocoa, coffee, high value horticulture and policy advocacy. Numerous successes were achieved as quality and production continued to increase and access to new markets expanded for farmers who received substantial premiums, increasing income, while decreasing costs by implementing good agricultural practices.

Executive Summary

- AMARTA welcomed Dr. William Levine as Chief of Party on March 12th, 2010.

RACA

- On January 12th, AMARTA held a workshop on “Improving the Horticulture Value Chain in Simalungun” and signed a working agreement with the District Government of Simalungun.
- On February 11th, AMARTA launched a new Regional Agribusiness Competitiveness Alliance (RACA) in Pak Pak Bharat and signed a working agreement.
- On September 23rd the Pro-Agribusiness Alliance of Pakpak Bharat received a prestigious \$12,500 grant award from the British Council.
- On January 21st, the Deli Serdang Barangan Banana Community Alliance, in coordination with the Department of Agriculture of Deli Serdang, held an inauguration ceremony for 12 new women’s farmer groups from STM Hulu Sub-district and STM Hilir Sub-district, consisting of 223 members.
- AMARTA, in collaboration with the office of the North Sumatera Senator, Parlindungan Purba, initiated the formation of the ‘North Sumatera Coffee Forum’.
- The Deli Serdang Banana Alliance and Karo Horticultural Society Alliance joined an exhibition from December 11th to 17th, 2010 and was one of five qualified participants who received an award from the Ministry of Cooperatives and SMEs.

COCOA

- AMARTA provided support through training activities to 300 cocoa farmer groups (FGs) including 136 existing groups in Polman, North Luwu, East Luwu, and North Kolaka Districts.
- In Bali, AMARTA provided support through training activities for 60 new cocoa (FGs), while continuing to support 80 existing groups through follow up training in Tabanan and Jembrana.
- AMARTA built 300 solar dryers to improve the quality of cocoa production throughout South, Southeast, and West Sulawesi and 240 solar dryers in Tabanan and Jembrana, Bali.
- Selling cocoa to exporter PT Olam in Sulawesi using a transparent system provides a premium price of about Rp. 1,500 – Rp. 2,000 per kg more than local traders were offering.

* The AMARTA Project was extended from Oct 1st 2009 to Dec 31st 2010. This represents a five quarter time period. The LOP indicators/goals were set to include this extension.

COFFEE

- AMARTA continued supporting the activities of the Specialty Coffee Association of Indonesia (SCAI) that now has 102 members.
- On October 9th and 10th, 2010 in Bali, SCAI organized the First Indonesian Specialty Coffee Auction to increase the quality and quantity of Arabica coffee. Average sales price was %5.25/kg, \$ 1.50/kg more than the world price at that time.
- The 2nd International Arabica Natural Coffee Conference organized by The Yemen Small and Micro Enterprise Promotion Service (SMEPS) took place in Sana'a, Yemen on December 13th and 14th. SCAI was invited to the conference with all costs being paid by the organizer.
- SCAI attended the Specialty Coffee Association of America Event from April 15th to 18th, 2010, in Anaheim, California. A number of buyers expressed interest in purchasing copies of the Indonesian coffee maps, resulting in nearly \$1,000 in orders, and contracts closed during the event totaled 12 containers or approximately 216 tons of coffee worth approximately \$800,000.
- On September 8th, 2010 Mr. Remigo Yolanda Berutu, the Bupati of Pak Pak Bharat District officially inaugurated AMARTA's coffee nursery by planting the first seeds in Dusun Pangkalan.
- AMARTA continued providing coffee productivity training to farmers in North Sumatera, adding 421 hectares under improved technology, assisting 101 farmer groups (including 2 women's FGs) and training 935 farmers, 647 men (69%) and 288 women (31%).

HIGH VALUE HORTICULTURE

- On December 9th and 10th a delegation from USAID Washington and USAID Indonesia visited AMARTA's activities in West Java.
- On May 24th-26th 2010, USAID and Ministry of Agriculture staff members visited North Sumatera to monitor AMARTA's ongoing activities in the horticulture value chain.
- On June 22, 2010 AMARTA signed a Memorandum of Understanding with the Syngenta Foundation. The two entities agreed to cooperate in providing training in high value horticulture improvements in West Java and North Sumatra. Eight such training sessions were conducted during this reporting period
- AMARTA continued to conduct intensive training for banana farmers in Deli Serdang District. To date, total production is 987,663 hands with a total value of Rp 5.9 billion or \$650,000 sold at an average price of Rp 6,000 per hand.
- AMARTA completed intensive training for 3,911 banana farmers in Deli Serdang, Karo Highland, and Simalungun Districts, including 2,203 men (56%) and 1,708 women (44%), with 81 farmer's groups covering 3,579 hectares of land under improved technology.
- By utilizing the packing house in Tiga Juhar, the Deli Serdang Agribusiness Cooperative delivered 30,000 hands of barangan bananas to a local prison, 60,000 hands to the Medan local market, and 3,600 hands of the highest quality to PT Sewu Segar for supermarkets in Jakarta. The total value of bananas delivered was Rp. 378 million (\$42,000).
- Total value of purchases for carrot in Berastagi , North Sumatra period Sept 2010 to January 2011 was \$51,333

FLORICULTURE

- AMARTA introduced new varieties of flowers and constructed 11 greenhouses in Raya Village, Berastagi and planted 9 types of flowers with a total of 41,269 seeds.

- AMARTA continued improving the local floriculture market in Berastagi helping total sales increase to Rp. 990 million (\$110,000) or 38% increase from the previous period (\$ 80,000). AMARTA trained 208 farmers- 70 men (34%) and 138 (66%) women, from nine women's farmer groups, covering 104 hectares of land.

Papua Agricultural Development Alliance (PADA)

- The AMARTA 15-month extension through December 2010 was signed on November 13th, 2009, while the PADA extension was approved on June 16th, 2010 with PT Freeport Indonesia and LPMK to expand activities in the Mimika Region of Papua.
- On July 27th, 2010, an agreement was signed by USAID, PT Freeport Indonesia, and LPMK ensuring that PADA will continue providing assistance to Amungme and Komoro communities, as well as launching new agricultural support in Jila Village.
- PADA collaborated with the Maria Bintang Laut Cooperative to operate three fish buying stations in Timika Pantai, Otakwa and Pomako Villages. This initiative has had a dramatic positive affect financially for villagers, the fish purchased directly from smallholders. From October 2009 to December 2010, totaled Rp. 661,964,000 or \$ 72,353.
- PADA continued to support Baliem Arabica Cooperative to produce high quality coffee to Paragon Coffee Trading Company, USA. Thus far 24.5 tons of coffee for export valued at \$85,464 was shipped to the United States. The total purchases from participating smallholder coffee famrers through December 2010 is \$78,765.
- The Industry, Trade, and Cooperative Department of Jayawijaya Regency donated a new vehicle to Baliem Arabica Cooperative with an estimated value of Rp. 120,000,000 (\$13,333).
- PADA continued to support the Catholic Diocese of Timika to improve farming and livelihoods in Agimuga District focused on rice farming, swine, and operating buying stations. Aramsolki pig farmers oversaw the birth of 13 piglets which were distributed to farmers to expand the project.
- On June 28th, PADA transported the initial banana purchase from farmers in Faka Fuku. The shipment sold for \$1,630- the first sale of the crop from the village since 1995. The farmers generated net income of \$ 5111 (Rp. 46 million) from August through December 2010, with total income per family during this period of Rp 3.8 million.
- In an effort to increase economic activities in Jila, AMARTA is establishing two new fish ponds and building infrastructure to support economic activities including the construction of a trading post.
- AMARTA introduced chili to the people in Kiliarma and Amungun because it grows well in the area and has a high value in the market.

Project Management Update

Monitoring and Evaluation

The following achievements represent **five quarters** of efforts by the program against the ten indicators approved by USAID:

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

AMARTA achieved **22,145 hectares** under improved technologies through implementation of value chain interventions during the year, including the following: Cocoa (6,846 hectares), Coffee (2,896 hectares), Vegetables (205 hectares), Tropical Fruit and Flowers (12,195 hectares).

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

During the year, AMARTA added **76,189 kg** of Barramundi and mixed fish (Aquaculture) and **16** new swine (Livestock) under improved technologies through implementation of value chain interventions.

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

During the year, AMARTA assisted **1,702 associations and farmer's groups** through implementation of value chain interventions, including the following: Cocoa (224 organizations), Coffee (677 organizations), Vegetables (31 organizations), Tropical Fruit and Flowers (761 organizations), and Regional Agribusiness Competitiveness Alliances (RACAs) (9 organizations).

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

AMARTA implemented new activities this year in partnership with **88 agriculture firms**, including the following: Aquaculture (2), Cocoa (1), Coffee (45), Vegetables (20), Tropical Fruits and Flowers (2) and Regional Agribusiness Competitiveness Alliances (18).

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

AMARTA conducts training programs to provide knowledge on best agricultural practices in an effort to improve local farmer's harvesting capacity and to meet international standards. During the year a total of **84,019 farmers** participated in agribusiness trainings, including the following: Aquaculture (6 participants), Cocoa (59,928 participants), Coffee (5,323 participants), Vegetables (2,169 participants) Tropical Fruit and Flowers (14,463 participants), and Regional Agribusiness and Competitiveness Alliances (2,130 participants).[†]

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

Exporters reported export values of the following commodities versus last year's comparable quarterly sales as noted below:

[†] Although not requested as an indicator, AMARTA is pleased to report that as of 31 December 2010, 2,143 GOI and extension staff have participated in the project's training events

Cocoa South & Southeast Sulawesi, PT. Olam Indonesia: Total exports were \$34,941,018 for the past five quarters, a decrease of 8%, mostly due to weather conditions.

Cocoa West Sulawesi, UD Tunas Jaya: Total exports were \$22,122,682 for only two quarters in 2010 when AMARTA continued to collaborate with the company, an increase of 139%.

Coffee Wamena, Baliem Arabica Cooperative: Total exports were \$85,464 for 24.5 tons- this figure includes two shipments, an increase of 100%.

Specialty Coffee Association of Indonesia: Total exports were \$308,124,000 since the inception of the project as this value is being reported for the first time to ensure accurate numbers were provided from all members, an increase of 100%.

Horticulture West Java, PT Alamanda: Total exports were \$33,307, an increase of 100%.

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

Impact of USG assistance has produced additional positive results in the value of purchases from smallholders compared to last year sales figures:

Cocoa South & Southeast Sulawesi, PT. Olam Indonesia: Total value of purchases was \$31,781,614 for the year, a decrease of 10% compared to the previous five quarters.

Cocoa West Sulawesi, UD Tunas Jaya: Total value of purchases was \$20,485,600, an increase of 144% from last year for only two quarters in 2010 when AMARTA continued to collaborate with the company.

Horticulture West Java, CV. Bimandiri: Total value of purchases was \$209,783, an increase of 20% from last year.

Horticulture West Java, PT. Momenta: Total value of purchases was \$464, an increase of 100% from last year, and the first time purchases were recorded in this location.

Horticulture West Java, Baby French Farmer Group: Total value of purchases was \$32,484 during the year or an increase of 100%, and the first time purchases were recorded in this location.

Horticulture West Java, Tauhid Farmer Group: Total value of purchases was \$9,382 or an increase of 100%, and the first time purchases were recorded in this location.

Aquaculture, Maria Bintang Laut Cooperative, Kokonao: Total value of purchases was \$72,353, a reduction of 40% from last year due to government programs that diminished fishing in Kokonao from January through July. The total value of purchases since inception of the program in January 2008 is \$205,301.

Coffee Wamena, Baliem Arabica Cooperative: Total value of purchases was \$78,765, an increase of 100%.

Coffee Bomomani: Total value of purchases was \$3,397, an increase of 100%, and the first time purchases were recorded in this location.

Specialty Coffee Association of Indonesia: Total value of purchases was \$209,678,000, an increase of 100% since the inception of the project as this value was not reported until accurate numbers could be provided from all members.

Bananas in Faka Fuku: Total value of purchases was \$5,111, an increase of 100%, and the first time purchases were recorded in this location.

Citrus in Berastagi: Total value of purchases was \$6,489,000 an increase of 54% from last year; the total value of purchases since inception of the program is \$14,594,510.

Bananas in Deli Serdang: Total value of purchases was \$318,000, an increase of 48%; the total value of purchases since inception of the program is \$469,068.

Floriculture in Berastagi: Total value of purchases was \$190,000, an increase of 100%.

Carrots in Berastagi: Total value of purchases was \$51,333, an increase of 100%, and the first time purchases were recorded in this location.

Broccoli in Berastagi: Total value of purchases was \$4,667, an increase of 100%, and the first time purchases were recorded in this location.

Regional Agribusiness and Competitiveness Alliances, Total value of purchases was \$690 worth of barangan bananas by Carrefour Medan a 100% increase, and the first time purchases were recorded in this location.

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

AMARTA activities introduced **53 new technologies or management practices** available for transfer to farmers during this year, including:

Cocoa (3): Garden evaluation, pod line pruning method, and introduction of work plan and book keeping.

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

Coffee (9): (1) Coffee quality certification for exporters and producers, (2) coffee tree pruning, (3) using Aravhis Pintoii as cover top soil to protect coffee from weeds, (4) using organic fertilizer for coffee, (5) coffee regenerating technology, (6) shading tree application, (7) improved seed selection and seedling nursery development, (8) coffee processing in Bomomani, and (9) coffee regenerating technology

Vegetables (32): (1) Introduced Beefsteak Tomatoes Variety, (2) Introduced Drip Irrigation Technology for Tomatoes, (3) Introduction of Fertigation (Fertilization and Irrigation) on Beefsteak Tomatoes, (4) Introduced Simple Green Houses for Beefsteak Tomatoes Production, (5) Making of compost with resources from surroundings for rice in Agimuga, (6) Sprinkler Irrigation for Watering Baby Carrot and Planting Space Application for Baby Carrot, (7) Post Harvest Handling Technique for Beef Tomato, (8) Application Technique / Crop Protection for Beef Tomato, (9) Seedling Tray for Green Leafy at Garut (10) High Density Planting for Broccoli and Soil Sterilization , (11) Sterilization Process of Seedling Media Soils for Green Leafy , (12) New Composition of Seedling Media for Green Leafy (13) Introduced Drip Irrigation Technology for broccoli, (14) introduction of Fertigation (Fertilization and Irrigation) on Broccoli, (15) Farmers Group Strengthening, (16) Land tiller Mechanization for Green Bean, (17) Soil sterilization with chlorida silver to reduce club root for Broccoli, (18) Introduction of new 2 varieties from IVEGRI, (19) Introduced potato seed production in farmers level, (20) Introduction New Seed Variety for Berastagi Carrots, (21) Chinese Carrot - JDH in Garut , (22) New Varieties of Sugar Snax 54 (Super Sweet Baby Carrot), (23) Canyon Bean in Pangalengan, (24) LE 47 Bean from IVEGRI in Pangalengan, (25) LE 155 Bean from IVEGRI in Pangalengan, (26) LE 165 Bean from IVEGRI in Pangalengan, (27) Fresh Handling for Broccoli, Using Crushed Ice as Cooler to Keeps Self Life , (28) Underground Water Tank in Garut & West Bandung, (29) Tomato Grafting in Garut & West Bandung, (30) Pest and disease control for horticulture and rice in Agimuga, Papua, (31) introduction to Good Agricultural Practices (GAP) for chili in Agimuga, (32) introduction to Good Agricultural Practices (GAP) for peanuts in Faku Fuku, Agimuga.

Tropical Fruits and Flowers (5): (1) Introduction to Good Agricultural Practices (GAP) for bananas in Faku Fuku, Agimuga, (2) Post harvest handling for citrus, (2) Post harvest handling for banana, (2) Post harvest handling for floriculture and (5) Breaking bulb dormancy period technology

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

This year, AMARTA activities introduced **6 new control systems** for rice and coffee. For rice, AMARTA introduced: 1) a planting and harvesting schedule, 2) pest and disease control for horticulture and rice, while for coffee AMARTA introduced 3) Beauvariana Bassiana for combating coffee cherry borers, 4) environmental control for organic certification including consideration of rivers, streams, and waste, 5) pest and disease control, and 6) using broca traps to fight coffee cherry pod borers.

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

This year, AMARTA activities have established **13 Public Private Partnerships** to enhance agribusiness interventions:

(1) Cooperative Baliem Arabica with PT Pangansari Utama, (2) Cooperative Baliem Arabica with Highland Agriculture Development, (3) Cooperative Santo Isidorus with Highland Agriculture Development, (4) Bayu Radio in Kabanjahe, (5) PT Momenta Agrikultura, (6) San Isodor Cooperative with Highland Agriculture Development Timika (coffee roasting and packaging), (7) PT Carrefour Medan, (8) Syngenta Foundation, (9) PT Sewu Segar Nusantara, (10) Bank Jabar Banten, (11) PT Alamanda Sejati Utama, (12) Fruit and Vegetable Exporter's Association of Indonesia (AESBI) and (13) PT Sumber Tani Horti.

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

In Year 2010, AMARTA assisted **61 women's organizations/associations** through implementation of value chain interventions, including the following: Cocoa (10 organizations), Coffee (7 organizations), Vegetables (14 organizations), Tropical Fruits and Flowers (10 organizations), and RACA (20 organizations).

AMARTA Grants Program

AMARTA witnessed the completion of the original series of PADA grants as final reports and assessments were conducted in conjunction with administrative tasks. During the year, three new PADA grants were submitted and approved by USAID, including the following:

- Additional support for Maria Bintang Laut to improve ice storage located at the village harbor in Kokonao. PADA and the Cooperative built an ice storage facility closer to the village pier where fishermen start their daily trips.
- Additional support for Baliem Arabica Cooperative and its members by increasing their coffee processing efficiency. PADA supported the initiative with a grant for construction work and equipment- such as 10 sorting tables, moisture testers, scales, and pallets.
- Providing Maria Bintang Laut Cooperative resources to enhance fish collecting and processing in Kokonao. PADA supported Maria Bintang Laut in building and operating a modern processing facility located in Mapuru Jaya a harbor close to Timika City.

During the remainder of the year, PADA continued to work with Baliem Arabica Cooperative and Maria Bintang Laut Cooperative to implement activities in the final three grants. Coffee activities continued in Wamena with purchasing and processing, while the design of ice bunkers and a fish processing plant were completed in Kokonao. The grants will be completed and closed in early 2011.

Advocacy for Improved Enabling Environment

The advocacy program consists of two main activities: Network and Partnership Development and the Regional Agribusiness Competitiveness Alliances (RACAs). These activities support the strengthening of AMARTA's existing interventions under cocoa, coffee, and high value horticulture. Below are details on progress made during this year.

Network and Partnership Development

Partnership with the Government of Simalungun

On January 12th, 2010, AMARTA held a workshop on "Improving the Horticulture Value Chain in Simalungun". The workshop became an official inauguration event with the signing of a working agreement between AMARTA and the District Government of Simalungun. The workshop was attended by 223 agriculture stakeholders. As a result of this initiative, farmer groups will receive assistance in advocating for improved access to markets and will work closely to lobby for changes at the local government level.

Partnership with the Government of Pak Pak Bharat

On December 7th, 2009 AMARTA visited the Regent of Pak Pak Bharat, Department of Agriculture, as well as farmers who grow organic coffee and citrus. The Regent was very impressed with AMARTA's activities in Karo and Deli Serdang and asked for the successes to be replicated in Pak Pak Bharat. The government committed to becoming AMARTA's partner to implement activities in horticulture and coffee. A workshop was held at the district center on February 11th, 2010 addressing competitiveness issues. In total, 248 agriculture stakeholders attended the event. The Pak Pak Bharat Regency was enthusiastic and signed a working agreement at the last session of the workshop.

Pakpak Bharat Pro Agribusiness Community Alliance Wins a Grant from the British Council

On September 23rd, 2010, the Pro-Agribusiness Alliance of Pakpak Bharat received a prestigious \$12,500 grant award from the British Council. The competition included more than 600 participants from all over Indonesia with only 45 organizations selected, including only three winners for start-up entrepreneurship development. The Alliance submitted a proposal to stimulate the organic fertilizer market in Pak Pak Bharat, which is an entirely new idea and business concept. The award was formally presented by the English Ambassador in Jakarta to the Alliance who will establish an organic compost fertilizer production site to support farmers.



DR. Sabam (third from left) and other winners of the Community Entrepreneurs Challenge 2010

Dialogue for Coffee Stakeholders in North Sumatera

On September 30th, 2010, AMARTA held a workshop on improving the coffee value chain in North Sumatera with coffee stakeholders in cooperation with the North Sumatera Senator's Office, represented by Mr. Parlindungan Purba. The Workshop was attended by 270 participants. As a result of this event the North Sumatera Coffee Forum was formed to create partnerships, solicit opportunities, and function as an advocacy group for coffee. AMARTA anticipates the formation of the forum will stimulate ideas and resources from the public and private sector.

Deli Serdang Banana Alliance Holds a Policy Dialogue with Parliament

The Deli Serdang Barangan Banana Alliance met with the Parliament of Deli Serdang on November 11th, 2010 in Lubuk Pakam. The Alliance submitted three proposals expected to be incorporated into the 2011 fiscal year budget. AMARTA, in collaboration with the University of North Sumatera, trained the Alliance on how to identify pressing problems and write proposals. As a result of this initiative, Parliament, through its chairman Hj. Fatmawaty and one of the leaders, Mr. Alinatar Siregar, accepted the proposals and promised that they would be included in the 2011 Deli Serdang budget with a total of Rp. 280 million in funds committed.



The Director of Deli Serdang Parliament, Mrs. Hj. Fatmawaty and Mr. Alinatar Siregar, discuss the budget allocation

Regional Agribusiness Competitiveness Alliance (RACA)

TVRI North Sumatera Covers AMARTA's Barangan Banana Community Alliance Demonstration Plot in Deli Serdang

On October 20th, 2009 TVRI North Sumatera recorded activities in AMARTA's Barangan Banana Community Alliance Demonstration Plot in Deli Serdang as the leading institution in cultivating barangan bananas. The program was broadcast on November 29th, 2010. One of the objectives of the program was to expose the barangan banana farmers in Deli Serdang to appropriate practices and methods in an effort to improve production.

The Deli Serdang Barangan Banana Community Alliance Inaugurates 12 Women's Farmer Groups



Inauguration of 12 women's farmer groups represented by each group's chairwoman

On January 21st, 2009 the Deli Serdang Barangan Banana Community Alliance, in coordination with the Department of Agriculture of Deli Serdang, held an inauguration ceremony for 12 new women's farmer groups- six from STM Hulu Sub-district and six from STM Hilir Sub-district, consisting of 223 members. The ceremony took place in Tiga Juhar Hall, Deli Serdang and was followed by a dialogue between one of the women's farmer groups and the energy defense fund (KKPE) offered by Bank Rakyat Indonesia (BRI), sponsored by the GOI with low interest loans for farmers.

The Karo Horticulture Community Alliance and Barangan Banana Alliance of Deli Serdang Accesses New Markets through Carrefour



The Ministry of Cooperative and SME's, Mr. Syarifudin Hasan, visited the Alliance's booth where the women farmer's groups had the opportunity to offer him banana cake

After several meetings, negotiations, and quality assurance verification a contract was signed between Carrefour and both North Sumatera RACAs in June 2010. The agreement was followed by an exhibition conducted by Carrefour Gatot Subroto Medan from December 11th to 17th, 2010 for small and medium agriculture enterprises. Both Alliances joined the exhibition along with 50 other exhibitors. Carrefour ultimately selected the Alliances as one of five qualified participants who were provided an immediate contract to work with the supermarket- rather than having to wait for the usual 12 month assessment period- and received an award from the Ministry of Cooperatives and SMEs.

RACA Establishment in Sulawesi

On April 6th, 2010, AMARTA facilitated the initial meeting for the establishment of a RACA in North Luwu. It was attended by 37 participants who discussed several issues related to cocoa production, in particular cocoa export tax policy and the high incidence of cocoa diseases. The participants agreed to form an alliance to support cocoa sector development and officially launched the association for North Luwu on May 11th, 2010. After the Alliance was officially created and registered a formal appeal requesting the export tax be repealed was sent to the Central Government.



Initial meeting of the Alliance in North Luwu attended by various cocoa stakeholders

Similar efforts were completed in North Kolaka, the new RACA in this district was established on April 8th, 2010 and was followed by a workshop on May 12th, 2010 to discuss several issues such as provision of superior clones for rehabilitating old trees used by farmers, creating a local movement to encourage cocoa farming, funding support from the banking sector leveraged by the National Land Agency associated with the land certification system, and establishing a specific export port for cocoa in North Kolaka.

While in Polewali Mandar, the RACA activities focus on establishing the Community Cocoa Alliance (SIKAP) on June 18th, 2010. This declaration was supported by 138 farmers and witnessed directly by the Regent of Polewali Mandar, Dr. H A Ali Baal. He also offered support from the government in the form of office space and other in-kind resources to assist SIKAP Mandar in carrying out their activities.

Bali Cocoa Farmers Alliance and Local Government Working to Improve the Agribusiness Climate

In an effort to strengthen cocoa farmers' capacity in Tabanan District, Bali, AMARTA facilitated a workshop aimed at improving competitiveness on October 27th, 2010. Approximately 80 people participated in the workshop, coming from cocoa communities represented by the Jembrana Community Alliance (ALKANA) management, the Estate Crops Department of Tabanan District and Bali Province, and other government officials from Tabanan District.



Mrs. Liestyowati, The Director of Estate Crops Department from Tabanan District, committed to provide support through the Cocoa National Movement Program (GERNAS). She hopes this effort will lead to sustainable partnerships between farmers and the government in creating a conducive business climate in Bali. Finally, she thanked USAID/AMARTA for all the support given to farmers through various capacity building programs.

Chairmen of the Alliances and Estate Crops Agency officials from the provincial and district level in Bali

Cocoa

Indonesia's Cocoa farmers are confronting serious challenges in the form of widespread disease infestation, aging stock, poor cultural practices, and new taxes on exported production. The average yields have declined from 590 kg/ha to 400 kg/ha. AMARTA is pleased to report that in the last fifteen months the project has focused on improved production practices, the average yield on Project- assisted fields has actually increased by 150 kg/ha to 750 kg/ha. Below, we provide data on methods AMARTA cocoa specialists used to achieve this growth.

Sulawesi Kakao Alliance (ASKA) Program - Sulawesi

AMARTA Sulawesi Cocoa Alliance (ASKA) Training Activities

The ASKA cocoa training program in Sulawesi reestablished activities on December 17th, 2010 with training and technical assistance provided to 150 farmer groups (FGs) located throughout Polman, North Luwu, East Luwu, and North Kolaka Districts. Each field trainer supervised 10 farmer groups (FGs). During the last three months a total of **20,690** farmers attended training sessions on: 1) Bean sorting and storing management, 2) Defining cocoa bean quality, and 3) Field visits and cocoa clinics.

Solar Dryer Development

In an effort to help farmers dry cocoa to improve quality and sanitation, **300** solar dryers have been provided by AMARTA to participating farmer groups. The new technology has received positive acclaim from farmers and government officials who have replicated the successful pilot initiative using their own resources and funding. Sixteen solar dryers have been built by the Estate Crops Department of North Luwu District, Sulawesi. AMARTA introduced a simple solution for farmers to achieve better results. The overall quality is greatly improved and the loss from animals and vehicles running over beans has been dramatically reduced.

"With solar dryers my job is easier, and I have increased revenues from cocoa sales due to improved quality, moisture levels, waste reduction, and better color of beans that were more uniform when I sold them to a trader for Rp 21,000 per kg, while other farmers only received Rp 19.000 per kg."

Mr. Sahabuddin, a 42 year old farmer from Polman



Solar dryer with rack model that allows for double the capacity in Polman



Roll up top model in Luwu

Farmer Field Day in North Luwu and North Kolaka

Farmer Field Days are events where farmers meet, learn, and share experiences with other farmers at AMARTA demonstration plots. Visiting successful gardens that have applied new cultivation techniques allows farmers first-hand exposure to their peers who have increased productivity and quality. During this year, AMARTA conducted two Farmer Field Days in North Luwu and North Kolaka on June 17th and July 7th, 2010. As a result of this activity, farmers have increased their skills and knowledge relating to intensification, replanting, and rehabilitation, and were motivated by other farmer's successes in pre-harvest methods and post-harvest handling.



Discussions between farmers and the demonstration plot owner



Participants observe some excellent local clones exhibited by farmer groups

Cocoa Model Garden Demonstration Plots

Demonstration plot gardens provide farmers with convenient access to learn by seeing a model garden in their area. The plots are located in strategic areas close to the training sites for access by all training participants. These model gardens are managed by field trainer coordinators and serve as an indicator for good practices and also the development of some technological research and studies.



Demoplot garden at Batualang Village, Wotu District, Polman



Plot intensification at the dem plot in Cendana Hijau Village, North Luwu

Clone Trials with ICCRI

During the year, in an effort to improve the overall quality of cocoa trees and prepare farmers for the future, significant clone trials have been conducted with the Indonesian Cocoa and Coffee Research Institute (ICCRI), Jember on testing six cocoa clones.

Dr. Agung Wahyu Susilo from ICCRI was extremely active in this activity. The collaboration aims to provide better planting materials for farmers and serves as the basis for wider distribution to farmers in Sulawesi and Bali. The clone trials are also intended to produce good planting materials with high productivity that is resistant to pests and diseases.

The cloning trials were conducted from January through October 2010, and included the following varieties: ICCRI 03, ICCRI 04, ICCRI 05, Sul 1, Sul 2 and Sca 6. There are a total of eight testing locations in Sulawesi and Bali. Findings from the test results showed that the best demonstration plot location with the highest success rate of 95% was in Pakue Village, North Pakue Sub-District, North Kolaka District. The fertile soil and young age of the cocoa trees- below 15 years- seemed to be the key contributing factors for success.



A seven months old local clone after grafting



Dr. Agung Wahyu Susilo in AMARTA's demonstration plot

Increasing Income Using a Transparent Purchasing System

In an effort to increase cocoa farmer's income, AMARTA's work is not only limited to increasing production, but in changing farmer's mind-set from focusing on challenges in a difficult environment to embracing new technology and improved markets both domestically and internationally. AMARTA's training program for cocoa farmers is implemented with a range of activities to broaden knowledge and increase income- starting from working in the garden to finding the best available buyers. One way to improve the available opportunities for cocoa farmers is to build stronger partnerships between them and exporters who can offer a transparent purchasing process and educate farmers on accessing new markets.

Through AMARTA's ASKA Program, farmers engage directly with exporter, PT Olam Indonesia, and now enjoy the benefits of this cooperation. Currently, many farmers are gradually trying to avoid middlemen who speculate when buying farmer's beans and almost always provide a lower price than exporters. This collective marketing offers a transparent process in pricing and also provide guidance for farmers especially when their cocoa beans do not meet quality standards.

"Before USAID/AMARTA came and facilitated the creation of PT Olam's local buying station in our village, we used to sell our cocoa to local traders receiving a maximum of Rp. 17,000 per kg. Now we can get Rp. 18,500 – Rp. 19,500 per kg when we sell to PT Olam. All of the farmers are pleased with this additional income to help support our families. We first sold to the buying unit when AMARTA helped us to visit the location. Ever since that time my friends and I still sell our beans to PT Olam where we receive a premium price of about Rp. 1,500 – Rp. 2,000 per kg compared to local traders."

Mr. Usman, Cocoa Farmer from Labipi Village, North Kolaka District

Film and Poster Distribution

AMARTA distributed 2,220 VCDs on Cocoa Garden Maintenance and Organic Cocoa Plantations (1,800 for 300 FGs in Sulawesi and 360 for 60 FGs in Bali). In addition, 390 poster sets were also distributed to FGs and other beneficiaries. AMARTA's training materials have been recognized by the Government of Indonesia as being extremely high quality; the national GERNAS program has duplicated AMARTA's materials for mass distribution throughout the entire country. Approximately 1,776 farmer groups or over 46,000 farmers have benefited from the materials through the GERNAS program.

Comparative Study Tour in Polman District for Bali Farmers

AMARTA facilitated three farmers and two estate crops agents each from Tabanan and Jembrana District, to visit a successful site where cocoa strategies have been implemented in Polman District, West Sulawesi. The results of the visit were quite positive as all participants directly witnessed the activities of farmers working with AMARTA who have successfully developed side grafting. The participants were inspired and optimistic that side grafting in Bali can be accomplished. During the trip they also had the opportunity to procure some excellent cocoa clones like Sulawesi 1 and 2 to be grafted in their gardens.



Side grafting techniques shown at the demonstration plot in Bussu Village, Polman

Farmer Instructor Training by BBPP in South Sulawesi

On August 15th, AMARTA met with the Center for Agriculture Extension (BBPP) of Batangkaluku, South Sulawesi and developed a module for harvest and post-harvest handling technology training. The initiative aimed to seek inputs from related stakeholders and improve the curriculum for a comprehensive training program. Based on the discussions and feedback, AMARTA generated a revised training curriculum and proceeded to deliver the updated topics in September at the BBPP office in South Sulawesi. As a result of this initiative, AMARTA has created a total of five modules and trained 35 field extension agents in Sulawesi,

SustaIndonesia Kakao Alliance (SKA) – Bali

2010 ASKA-SKA Baseline Survey

In April, the 2010 Baseline Survey results were completed. The tool was designed to provide initial information before AMARTA interventions began in order to compare results after training and technical assistance are completed, and was implemented in six provinces in Sulawesi and two in Bali. It involves 360 farmer groups totaling 9,000 cocoa farmers- 7,500 in Sulawesi and 1,500 in Bali. The key finding was that farmer's average income per hectare per year in 2008 was about Rp. 8.2 million which increased 14% to Rp. 9.3 million in 2009.

Overview of SKA Farmer Training Activities

During the year, SKA provided training on: Defining cocoa bean quality, cocoa clinics, bean sorting, and storing management. During the training, participants practiced fermentation and each farmer group contributed 50 kg of fermented beans to produce a total of four tons of fermented beans as a simulation number that aims to compare the benefits provided from existing companies. A total of 4,419 farmers - 296 of whom were women- attended the training. To support the training, AMARTA distributed fact sheets to all 60 groups of farmers about regular harvesting, pruning, sanitation and fertilization (PsPSP) one of the most effective agriculture practices. Posters and VCDs were also provided to attendees for future reference.

Solar Dryer Development

During the last three months of 2010, AMARTA provided 80 solar dryers for Jembrana and Tabanan farmers- 40 units for each location. Constructing solar dryers was led by the Estate Crops Department of each district. Mrs. Ni Luh Wayan Aryuni, a 40 year old member of Kerta Laksana Banjar Dangin Farmer's Group in Jembrana, revealed that prior to using a solar dryer, she dried her cocoa on the floor of her home or by the roadside where risk of loss is enormous due to rain, animals, or damage from cars and motorcycles. With solar dryers the process of drying cocoa beans is simplified and far quicker than what was previously accomplished.



Solar dryer built by Buana Kerta in Jembrana

SKA Demonstration Plots



Demonstration plot in Tegak Gede, Jembrana using banana trees for shade

In December, both Tabanan and Jembrana experienced heavy rainfall; fortunately, it did not pose a significant negative impact to grafted trees in AMARTA's demonstration plots. Excellent progress was witnessed in Tegak Gede, Jembrana where some grafted trees began producing fruit, and with intensive maintenance and special care it is expected that grafted trees will produce healthy beans by May 2011. The percentage of pests and diseases such as VSD and black pod is an astoundingly low 0.4%, while grafted tree success has reached an impressive 90% utilizing bananas as shade trees. As for the demonstration plot Megati in Tabanan, the successful grafts reached 80%, however the plants were attacked by stem canker, affecting 30% of the trees due to high rainfall.

USAID Visits Bali SKA Program

On October 7th, 2010, AMARTA's COP, Dr. William Levine, and USAID COTR, Mrs. Anna Juliastuti, visited AMARTA cocoa locations in Tabanan and Jembrana. The trip began with visits to farmer groups that own business processing facilities for fermenting cocoa beans, solar dryers, and cocoa warehouses. Dr. Levine suggested maximizing processing of fermented cocoa to add value and improve the selling price to increase income. He also expressed his expectation that solar dryers- as a newly introduced technology- will be reproduced to improve bean quality and sanitation during the drying process. Finally, he stated the importance of self motivation for cocoa farmers to in Indonesia since neighboring countries like Vietnam and the Philippines have prepared to compete with Indonesia. For the sustainability of the program Mrs. Juliastuti conveyed her wishes that AMARTA's training and technical assistance be continued by the farmers own initiative since AMARTA will be closing down shortly.



A farmer shows his technical grafting skills

Access to Markets

With the end of the harvesting season in Jembrana and Tabanan Districts, bean quality has declined due to black pod attack and excessive rain and wind that caused significant production decreases. Collective marketing once again proved to be lucrative with the highest recorded price obtained on December 22nd, 2010 for fermented beans at Rp. 26,200 per kg when selling directly to PT Bumi Tangerang. In total, Jembrana facilitated sales of 1.5 tons, while in Tabanan two tons were sold.

Coffee

Improving the Coffee Value Chain in North Sumatera

In March 2010, AMARTA began implementing the coffee training program in North Sumatera in two districts; Simalungun and Pak Pak Bharat. During the most recent three months AMARTA added 421



Broca trap training in Simalungun

hectares under improved technology, assisting 101 farmer groups (FGs)- including two women's FGs and training 935 farmers, 647 men (69%) and 288 women (31%). In addition to coffee production, AMARTA also conducted training in two broca trap workshops in Pak Pak Bharat and Simalungun. A new business was created by some participating entrepreneurial farmers to sell hypoctan and beavaria bassiana; local farmers Mr. Ngatio, Mr. Panudji, and Mr. Amri Purba found an importing distributor to supply materials to create a business, while helping their fellow farmers in combating the pests.

Coffee Cherry Borer Survey Completed by North Sumatera Coffee Forum

From November 15th through 20th, 2010 the North Sumatera Coffee Forum, created by AMARTA, compiled a survey of nine districts- five locations per district- who produce Arabica coffee and are impacted by CBB attacks to collect information that can be used in statistical analysis. The information will help the Coffee Forum advocate for government assistance in fighting pests and diseases for coffee farmers. As result of this activity the findings were shared with the local parliament, government offices, and businesses who will all work together to develop solutions.

Opening Ceremony of the Pak Pak Bharat Coffee Nursery

On September 8th, 2010 Mr. Remigo Yolanda Berutu, the Bupati of Pak Pak Bharat District officially inaugurated AMARTA's coffee nursery by planting the first seeds in Dusun Pangkalan. This nursery is a collaborative program between AMARTA and the villagers since they have made a significant contribution in developing the nursery. AMARTA also established a quality control system to ensure good practices are upheld in order for the nursery to produce and distribute only the highest quality seedling material. The nursery is operated and maintained by a women's farmer group who now have 70,000 seedlings. AMARTA provided technical assistance in seed selection, bed management and marketing. Fifty five thousand seedlings will be sold in 2011

Building Partnerships with Government Extension Agents in Simalungun

On June 18th and 23rd, AMARTA conducted meetings with government extension agents in Simalungun. The objective was to review and evaluate current activities and determine future actions to improve coffee quality and yields. The extension agents proposed that efforts be made to identify the champion coffee farmers in each village where AMARTA holds trainings in order for other farmers to see the improvements in productivity and quality. Twelve champion farmers were eventually nominated and AMARTA and the extension agents will work on program activities to transform the nominees' farms into showcase locations for other farmers to visit.

SCAI Activities

AMARTA supported the formation of a trade association to represent the Arabica coffee industry in Indonesia. As of December 2010, the Specialty Coffee Association of Indonesia (SCAI) had 102 dues paying members. Twenty two percent of the members are coffee exporters, and they collectively

export 50% of Indonesia's Arabica coffee. Sixteen percent of the members are coffee farmers' cooperatives, representing over 23,491 members. Seventeen percent of members are coffee retailers and roasters. Nineteen percents are individual members whose companies have not been established yet in the coffee industry but are interested to enhance their knowledge in Specialty Coffee, while the remaining members include certification agencies, importers, equipment suppliers, government/institution and coffee consultants.

Creating Geographical Indications

Two meetings with the Department of Agriculture and Directorate General of Processing and Marketing were held to explain the importance of establishing, and technique for developing, geographical indications (GIs) in Indonesia. Funded by AMARTA, SCAI and CIRAD are working to develop scientific methods of identifying coffee from different origins. During the 2008-2009 season, 32 type samples of Arabica coffee were collected in the origins of Sidikilang, Lintong and Gayo.



Specifically for Toraja, the GI activities were conducted through a collaborative program with the Forestry and Estate Crops Office of Toraja Utara. SCAI held the second GI workshop for Toraja Coffee on July 1st, 2010. The workshop intended to socialize the benefits of GIs and endorse the formation of the "Toraja GI Protection Community", consisting of all stakeholders; this action is the first step to apply for certification. As a result of this event two farmers' cooperatives representing 1,600 farmers joined SCAI. These farmers produce 24 tons of coffee per year in an area covering 800 ha. By applying GI, it is expected that the production average will increase from 350 kg per ha to a level of 500- 750 kg per ha. The establishment of area boundaries will minimize the entrance of non-Toraja coffee to the area and encourage greater adherence to good agricultural practices (GAP).

SCAI Participates in ASEAN Tourism Forum 2010



Mr. Sapta Nirwanda and the Minister of Culture and Tourism of Brunei at the Indonesian coffee booth

The ASEAN Tourism Forum (ATF) is an exhibition held annually to introduce the culture of ASEAN countries to over 1,500 guests. The majority of visitors who attend the exhibition were buyers from around the ASEAN community. In cooperation with the Ministry of Culture and Tourism of Indonesia, SCAI was invited to participate in the ATF 2010, from January 25th-28th, 2010 at the Bridex Center, Brunei Darussalam. At this event, SCAI represented by its member Ms. Tuti H. Mochtar introduced Indonesian specialty coffees to the participants.

SCAI Attends the Thailand Coffee, Tea, and Drink Expo 2010

SCAI participated in the 2010 Thailand Coffee, Tea, and Drink Expo from February 18th – 21st, 2010 at the Bangkapi Mall Convention Hall in Bangkok. SCAI was invited in conjunction with the Thailand

National Barista Championship held during the Expo. Two members, Tuti Mochtar, from Santino Coffee, and Mira Yudhawati, from Caswell's Coffee, represented SCAI in the barista event. SCAI marketed the association by placing their logo on all promotional materials (backdrop, posters, participants, and t-shirts.)

Hundreds of visitors were interested in Indonesia Coffee, especially Arabica coffee. After tasting samples a number of roasters and retailers expressed interest in purchasing coffee from SCAI producers. There is an excellent opportunity to penetrate the Thailand market since this year Thailand will allow ASEAN imports to enter tax free.

SCAI in International Tourismus Bores (ITB) Berlin

Invited by the Department of Tourism and Culture, SCAI participated in the Coffee Corner of Indonesia booth at the International Tourismus Bores in Berlin, Germany from March 10th-14th. SCAI was represented by Tuti Mochtar, SCAI Director and Mira Springorum from Menacom. The Indonesian booth was 800m², and was inaugurated by the Indonesian Minister of Culture and Tourism, Mr. Jero Wacik. During the event, the SCAI booth attracted more than 3,000 visitors. Through this promotional fair, SCAI had the opportunity to communicate with Mrs. Sylvia Arifin Mulyawan, from the Indonesian Ministry of the Economy. She invited SCAI to participate in 'Coffee Day' held in Berlin regularly every October.

Expand Promotion of Indonesian Specialty Coffee in the Domestic and Global Marketplace

The SCAI website was activated in early 2009 and has had 45,639 unique visitors (on average 2,684 visit per month) and received 513,079 total hits (on average 30,181 hits per month) from all over the world. The visit and hit rate showed an increasing trend: In the past quarter, the SCAI website has received more than 4,000 visitors per month. Forty-two percent of the website visitors were Indonesian, 27% from the USA, 12% from China and 18% from various other countries including Germany, Russia, Romania, England, Australia, and Malaysia.

Origin Tour by the Moscow Coffee House to Sumatera, Java, and Toraja

From May 21st though 31st, SCAI coordinated a visit for its members Valery Zarvazin and Maxim Bodiensky from The Moscow Coffee House to SCAI members' farms and processing facilities. Moscow Coffee House wanted to visit Indonesia because demand for Indonesian coffee in Russia is increasing substantially. Their objective was to understand the farms, processing, and the vendors who supply the coffee. They also would like to build relationships and discuss terms and conditions with exporters. They visited the farmers and the processing facilities of PT Menacom, PTPN XII, PT Indokom, and CV Lion Lestari. SCAI provided the company data on production and exports in Indonesia.

SCAI Participates in the Specialty Coffee Association of America Event



From April 15th to 18th, SCAI and some of its members traveled to Anaheim, California for the 2010 Annual Trade Show and Exposition organized by the Specialty Coffee Association of America (SCAA), the largest coffee event in the world. The show includes the World Barista Championship, an educational symposium, a coffee

The SCAI booth at the SCAA Exposition in Anaheim, California

quality contest called “Cup of the Year”, and numerous training courses and lectures. Although many visitors were aware of Indonesian coffee, they appreciated the opportunity to speak directly with exporters and sample coffee from various origins. A number of buyers expressed interest in purchasing copies of the GI maps, resulting in nearly \$1,000 in orders. The contracts closed during the event totaled 12 containers or about 216 tons of coffee worth approximately \$800,000.

Before the opening ceremony on April 15th, the Indonesian Consular General in Los Angeles, Subijaksono Sujono, accompanied by Edi Suharto (Economic Affairs Consular) and Arief Fadilah (Commercial Attaché) visited the SCAI booth. For the first time, the Indonesian government played an active role in supporting both SCAI and the Association of Indonesian Coffee Exporters (AEKI), which also had a booth at the show. Their support included picking up the delegation from the airport, pre-event promotion from the Commercial Attaché, and commitment to cover the booth expenses for the SCAA show in 2011, which will be held in Houston, Texas. SCAI coffee samples and the seven origin maps will be displayed in the Indonesia Trade Promotion Center in Los Angeles or the Indonesian Embassy in Washington. The Commercial Attaché promised to link distributors of Indonesian products with SCAI members.

SCAI Organizes the First Indonesian Specialty Coffee Auction

From October 9th through 10th, 2010 in Bali, SCAI organized the First Indonesian Specialty Coffee Auction to increase the quality and quantity of Arabica coffee. The auction lots were identified from 59 samples that were received from exporters and farmers from across Indonesia in August and September. These samples came from seven exporters, eight farmers’ groups, two roasters, two institutions, and two individuals. There were 47 samples of Arabica coffee and 12 samples of Luwak coffee. Each lot was graded by Q-cuppers and the highest quality coffees were then cupped by 22 judges, 10 from Indonesia and 12 international experts. Fifteen out of 22 lots in the auction were sold to buyers from the United States, Australia, Taiwan, Thailand, and Indonesia. The highest scoring lot of Arabica coffee was produced by a farmer in Aceh Gayo from the Atu Lintang Regency. This lot of 600 kg of green coffee sold for \$10.50 per kg and was purchased by Tony’s Coffee in Seattle, United States. Comparing the price to the New York commodity price on Friday, October 8th that closed at \$4.04 per kg, this is a record price for green Arabica coffee from Indonesia. In total, the auction sold 7,385 kg of coffee valued at \$42,696 or an average of \$5.80 per kg, 44% above the New York commodity price.



The 22 cupping judges along with international buyers

SCAI Invited to Yemen to Participate in International Coffee Conference

The 2nd International Arabica Natural Coffee Conference organized by The Yemen Small and Micro Enterprise Promotion Service (SMEPS) took place in Sana’a, Yemen on December 13th and 14th. SCAI was invited to the conference with all costs being paid by the organizer. Attendees included: Muhammad Rasid, a farmer from Aceh, I Made Rida Atmaja, a farmer from Bali, and Resianri Triane, SCAI Coordinator.

The objectives of the conference were to promote the Yemeni national economy through increased coffee production, improve coffee quality, and open new markets for Yemeni Arabica coffee. The conference was opened by U.S. Ambassador to Yemen, Mr. Gerald Feierstein and continued with a conference, exhibition, farmer training, and espresso workshop. Ms. Triane served on an international cupping panel who graded all of the participating coffees. An Indonesian coffee sample from Papua finished in fourth place overall, while many visitors stopped by SCAI's booth to find out more information. The SCAI delegation also met with the Indonesian Ambassador, Mr. Nurul Aulia, who presented gifts to the three travelers when they visited the Embassy.



SCAI members in front of the Indonesian Embassy

High Value Horticulture

High Value Horticulture in West Java

AMARTA Introduces new MD-2 Variety Pineapple to West Java



Demonstration Plot of Pineapple MD-2 from tissue culture production in West Java

AMARTA partners with PT Mandiri Jaya Flora (MJ Flora), a floriculture and agriculture producer firm that supplies export and domestic markets developed techniques to transplant MD-2 variety pineapple through tissue cultures. AMARTA is working closely with MJ Flora at their sophisticated tissue culture laboratory and utilizing their extensive knowledge in plant transplanting through tissue culture.

In June 2010, AMARTA and MJ Flora coordinated with the West Java Provincial Office of Agriculture to develop the nursery and disseminate the results to farmers interested in developing MD-2. Several fruit and vegetable export companies have expressed interest in cultivating MD-2, including PT Alamanda Sejati Utama and PT Momena Agrikultura. Responding to the demand, AMARTA planned follow up training for plant nursery and production techniques.



AMARTA staff show MD2 planting techniques

In preparation for AMARTA's distribution of MD2 pineapple seedlings to participating farmers early 2011, on November 11th, AMARTA provided MD2 production training, attended by 15 participants who are being considered as recipients of the high quality planting material, as well as staff from the West Java

Agriculture Office, Bogor Agriculture Institute, Faculty of Agriculture Padjajaran University, PT. Alamanda, and CV. Bimandiri. AMARTA encouraged the planting of MD2 pineapple because this particular variety has a sweeter taste than the local varieties, low water content so it can be stored longer, and has the potential to be exported. The total number of stems that can be planted on one hectare of land is about 99,000 seeds and one stem can produce six new shoots per year.

West Java Agribusiness Action Group – Value Chain Center

AMARTA supported the establishment of the Value Chain Center (VCC) in West Java tasked with expanding networking, conducting policy and competitiveness analyses, maintaining a database of organizations, and most importantly, acting as a service provider for agribusiness companies. AMARTA conducted a dialogue with 20 exporters in the West Java and Jakarta area. As a result, participants agreed to establish the Indonesian Fruits and Vegetables Exporters Association, who subsequently developed a five-year work plan to increase exports and the overall quality of fruits and vegetables in Indonesia.

Broccoli

AMARTA set up an 800m² demonstration plot for broccoli in Desa Cikole, Cikidang, Lembang for better broccoli farming including drip irrigation, crop protection, post-harvest handling and modern and export market access. This activity involves the 35 member Tani Tauhid Farmer Group. AMARTA also introduced better nursery systems, replacing a seedbed based nursery with tray based nursery to reduce the risk of club root disease.

On August 4th, AMARTA's broccoli demonstration plot in Cikidang, Lembang completed a successful harvest. By using 3 x 3 crop distance fertilizer application is greatly reduced, saving farmer's money and labor. With the same plot of land farmers previously only planted 1,500 stems while now they have 2,500 stems. AMARTA also introduced pre-cooling after harvesting at farmer packing sheds and new broccolini (mini broccoli) varieties. The current broccoli demonstration plots in Cikidang, Lembang are already planted with 5,700 broccoli transplants and 300 broccolini plants using direct seedling.



Broccoli harvest from demplot in Cikidang

Tomatoes

AMARTA, working with the Syngenta Foundation and Rijk Zwan Seed Company, is introducing interventions to address some of the key constraints in specialty tomatoes, particularly beefsteak, as well as the common local variety. AMARTA networks and partners with buyers that supply high end supermarkets to produce and market tomatoes that receive a premium price in Jakarta and Singapore. PT Momenta has been instrumental in providing support to growers, supplying grafted tomato plants and technical assistance to help farmers produce a better grade of tomato, and paying a minimum of Rp. 5,000 per kilogram for beefsteak tomatoes. On June 3rd training on production techniques for beef tomatoes was held at Desa



Healthy tomatoes grown by AMARTA farmers in West Java

Sukahurip, Cigedug. During this event, PT. Momena proposed a contract grower scheme to the farmer group and committed to continuing to supply 5,000 grafting transplants per month. AMARTA introduced plastic covering and irrigation technology that has resulted in growers producing tomatoes year round with far less fluctuation in production yields between seasons. The demonstration plot has already harvested and sold a total of 1,446 kg.

Berastagi Carrots Introduced in West Java

The quality of local carrots planted by farmers in Garut was no longer able to compete with imported carrots. AMARTA introduced new Berastagi carrots from North Sumatera to farmers in Girijaya Village, Cikajang, Garut. The reason for selecting the Berastagi variety was the similarity of characteristics with imported carrots in size, color, and taste. On August 12th, 2010 one of AMARTA’s carrot demonstration plots was harvested, and the 400 m² of land produced 839 kg. In total, 20% of the carrots met export or super market standards, 60% were sold to local markets, and the remaining 20% of the carrots were below acceptable quality. AMARTA partner, Bimandiri bought the highest grade carrots at a price of Rp 3,500 per kg, almost 100% higher than the price of local carrots that sell for Rp 1,800 per kg. If only 50% of the crop reaches export standards, which AMARTA believes is easily attainable, farmers will receive increased revenue of 60%-70% compared to local carrot prices currently being paid.



New Berastagi carrot seeds introduced by AMARTA in West Java produced sweet, uniform and healthy carrot

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Screen House for Vegetables Nursery at Cisurupan, Garut



The screen house at Cipelah Farmer’s Group site

To complement Bimandiri’s expanded procurement from farmers in Garut, and in an effort to develop export grade horticulture, AMARTA has provided the Cipelah Farmer’s Group with a vegetable nursery screen house. The nursery operated by the farmer group produces transplants (seeds) in response to orders from Bimandiri. For the planting program Bimandiri will provide farmers with good quality transplants, produced from the nursery and is committed to purchasing produce that meets export standards.

Farmer Training on Farm Record Keeping in West Java

The goal of farm management training is to change farmers’ behavior from subsistence to commercial oriented with sound basic financial documentation. Very few farmers have farm activity records that show expenses and revenues from their efforts. During April – June 2010, ten FGs were selected to participate; five in Garut, two in Bandung, and three in West Bandung. Trainings were conducted in two phases: The first



Farm management training for women in West Java

was an introduction explaining the concept of farm record keeping, farm budgeting, and cash flow. The second was a tutorial on farm record application. A total of five tutorials, conducted every two to three weeks, totaling 50 tutorials, were delivered for 618 people, 425 (69%) male and 193 (31%) female. Feedback from participants was extremely positive and the farmers understood the importance of keeping detailed and accurate financial records in order to understand cash flow and the need for working capital, record all activities to monitor performance, and prepare documents required by financial institutions to apply for a loan. The second phase of training began in August 2010 through the implementation of farm management training, with new material on cash flow, business management, and accessing financial services. The training was conducted for 107 people including 61 men and 46 women. To support the training, AMARTA has created a handbook that includes a number of important topics and examples that allow farmers to begin to manage their farms like professional businesses.

Bappenas and USAID visit AMARTA's Lembang Sites

On August 9th and 10th, 2010, USAID and a contingent from Bappenas visited demonstration plot sites and AMARTA's partners in West Java. Bappenas representatives joined USAID's Contracting Officer Technical Representative (COTR), Anna Juliastuti, visiting broccoli plots in Parongpong and Cikidang, Lembang, observing a farm management training session for the Kawani Asih Farmer Group in Cikidang, and visiting a green bean demonstration plot in Cibodas, Lembang. Mr. Nono from Bappenas commented about program sustainability in the future, *"Collaboration with LPPM Padjajaran University is one effort that can sustain AMARTA's interventions."*

Collaboration with IVEGRI and Syngenta Foundation

Cooperation between AMARTA and IVEGRI started in 2008. Many achievements have been accomplished during this time, and in 2010 Syngenta Foundation joined in efforts to provide additional support to help farmers in West Java. On July 23rd, all three organizations conducted potato seed production and virus detection training and good agricultural practices (GAP) for seed production techniques. This activity was followed on September 4th with field training on post-harvest handling for potato seed production. To support the potato seed production demonstration plot, IVEGRI provided a technical expert, while AMARTA and Syngenta Foundation supported the construction of a screen house to train farmers in higher quality seed production. The culmination of this collaboration was marked by a Field Day and Seminar to introduce Technological Innovations for Vegetables. The activities were conducted on October 12th and 13th. In total, 204 participants attended the first day (161 men and 43 women), including farmers, government officials, private sector businesses, and university staff. On the second day of the event the number increased to 215 participants.



Participants during farmer field days at IVEGRI's site in Lembang

All of the participants were given the opportunity to visit demonstration plots for potatoes, Berastagi carrots, sweet corn, green beans, leafy greens, tomatoes, peppers, and broccoli. In addition, they were shown new technology shade cover for tomatoes and broccoli, drip irrigation, and benefits to mechanization using a hand tractor for land preparation. Most participants hoped that similar events could be conducted on a regular basis to provide updated technology and information. The event was also considered extremely useful by the agricultural extension agents who were present.

Capacity Building Training for IVEGRI Researchers

IVEGRI as the vegetable crop research institute in Indonesia has many knowledgeable scientists. Advances in technology, research, and development to improve capacity are important for all researchers. On December 28th and 29th AMARTA sponsored training activities that were attended by 77 participants (38 male and 39 female) from IVEGRI and BPTP West Java. On the first day topics included: Issues and Trends in Marketing Materials, scientific writing methods and research results including programs, processes, products, and researchers. These topics were delivered by Danny K Rusli (PT Momenta), Ir. Endang Setyorini, Msi and Dr. Achmad Dimiyati, MSc., from the Ministry of Agriculture. Participants were very enthusiastic about this event because it helped provide new insights into their work. Mrs. Nur Hartuti, an IVEGRI researcher said, *“This activity was very useful for senior researchers and the material presented was useful to analyze, while for junior researchers, of course, many learned a great deal of new knowledge.”*

High Value Horticulture in North Sumatera

Citrus Standard Operating Procedures Training and ToT

AMARTA's citrus activities in Karo, North Sumatera continued with training at production centers, including: Simpang Empat, Merek, Berastagi, Naman Teran, Munthe, and Baru Jahe. The Indonesian Citrus Society (ICS), North Sumatera continued to support AMARTA and will ultimately be responsible for sustaining successful efforts. ICS is also disseminating recommended good agricultural practices (GAP) and providing hands on technical assistance to farmers in rehabilitating their citrus fields that are under producing. From October to December 2010, 122 FG's, totaling 1,378 farmers consisting of 1,060 men (77%) and 318 (23%) women participated in citrus cultivation training covering 941 hectares. One of participant, Mrs. Mawari Boru Tarigan, a citrus farmer in Karo Highlands, North Sumatera shared her feelings about this activity: *“I started from zero. I had no idea about good agricultural practices (GAP) and standard operating procedures (SOPs) in citrus cultivation. AMARTA taught me knowledge of citrus cultivation and now I am successful and confident in myself to grow high value produce.”*

AMARTA Creates new GAP Citrus VCD

AMARTA distributed a VCD that includes the latest training materials. A total of 5,000 copies were distributed to extension agents and citrus farmers, covering land preparation, planting, pruning, rehabilitating old citrus trees, and post-harvesting handling.



AMARTA citrus training materials

A citrus training on May 24th aimed to provide an open forum for farmers where they could share their experiences implementing technology introduced by AMARTA. Many farmers expressed their thoughts on what they have accomplished and challenges faced. In total, there were 67 farmers from different villages who attended the event. AMARTA also distributed VCDs illustrating proper GAP to the representatives of each farmer group so that they can review the recommended strategies on their own or in small groups. In total, 1,280 VCDs were distributed to farmers at this training.

“After AMARTA came to our village last year and provided training assistance and materials I was able to revitalize my citrus cultivation and started harvesting higher quality fruit that I sold in the local market for a higher price than I had ever received. Our hope in the future is that USAID/AMARTA will continue its program helping citrus farmers in the Karo Highlands because it helps all the citrus farmers.”

Mr. Herman Tarigan, Citrus Farmer in Karo Highland , North Sumatera

Citrus GAP Training Results

During the year, in an effort to quantify measurable achievements, AMARTA conducted surveys with farmers who were trained by selecting and sampling 10 trained farmers from each village and farmer group. Comparing harvest production, production costs, and income before and after implemented citrus GAP procedures, the following successes were recorded in the most recent three months:

- Harvest production is about 6,900 kg per ha of land
- Monthly production costs reduced from Rp. 2- 2.5 million to Rp. 1.5-2 million, or about 25-33%
- Average monthly income increased from Rp. 1.5- 2 million to Rp. 2-2.5 million, or about 25- 33%

Improving Local Carrot Seed Using a Greenhouse Prototype

AMARTA is continuing to work with local agencies to receive a certificate and label from the North Sumatera Seed Inspection Authority. The operation of growing and maintaining the seeds was directly managed by the Karo Carrot Association that is encouraging farmers to use superior quality local seeds in an effort to compete with imported fresh carrots. In May 2010 the AMARTA carrot greenhouse began harvesting carrot seed, compiling 20 packs valued at Rp. 1 million. The total value of seed sales between September 2010 and January 2011 was \$51,333. Although the proceeds were small, the success of the crop protection technology proven in the AMARTA demonstration now enables seed producers to drastically improve pollination and the quality of their carrot seeds. The pilot demonstration provided an important lesson for carrot farmers showing that the use of nets for the local carrot seeds is not effective whereas a complete plastic cover is. In order to solve the problem in the future, the farmers will use the AMARTA greenhouse designed for tomato production to continue carrot seed production.



Farmers harvesting carrot seed

Improving Banana Production and Quality

Training and technical assistance in demonstration plots are the focus of AMARTA's training program for improving banana production and quality. The training starts at the village level and is followed by further guidance in AMARTA's double row system demonstration plots. The materials covered in basic training include an introduction to double row cultivation, basic barangan banana principles, pest and disease control, and post-harvest handling. After



Banana TOT in AMARTA's Bintang Meriah demonstration plot

participating in the initial activities, farmer groups continue in their own study gardens, where they implement the technology package. From October – December 2010, AMARTA completed intensive training for 3,911 banana farmers in Deli Serdang, Karo Highland, and Simalungun Districts, including 2,203 men (56%) and 1,708 women (44%), with 81 farmer’s groups covering 3,579 hectares of land under improved technology.

“I was amazed at the impact of replicating USAID/AMARTA’s double row system on my own land since I have grown bananas for many years using the same strategy. I realized that this new system of cultivation is very profitable since it produced double the amount of stems using the same amount of land, which means double the profit for me.”

Sudarman Tarigan, Banana Farmer in Deli Serdang , North Sumatera

The promotion of this approach is continued to the GOI extension services which are technology transfer agents in agriculture, and who continue to conduct trainings for farmers based on AMARTA’s technology. The extension agents were early adopters of the double row system and have continued to utilize the system. Facilitators in banana training came from the Bureau of Agricultural Application Technology (BPTP) of North Sumatera and Dr. Terkelin Tarigan from North Sumatera University.



Working together with local extension agents

Marketing of Deli Serdang Bananas Using the Packing House

By utilizing the packing house in Tiga Juhar, the Deli Serdang Agribusiness Cooperative delivered 30,000 hands of barangan bananas to a local prison, 60,000 hands to the Medan local market, and 3,600 hands of the highest quality to PT Sewu Segar for hypermarkets in Jakarta. The total value of bananas delivered was Rp. 378 million (\$42,000). The packing house also provided employment for 13 laborers. For the last three recent months the Alliance also began delivering barangan bananas to Carrefour Medan. The Cooperative has established a relationship with Carrefour, becoming a regular supplier; the total volume delivered so far was 1,024 kg, valued at Rp. 6,144,000 (\$682). It is expected that 2011 will see tremendous growth as the Cooperative expands this new relationship and understands the quality demanded by Carrefour.



AMARTA’s COP visits the Bintang Meriah demonstration plot



Banana Training Results

In an effort to quantify measurable achievements, AMARTA conducted surveys with participants who were trained by selecting and sampling farmers from each village and farmer group. Comparing harvest production, income before and after implemented banana technology, and selling price per hand the following successes were recorded from October – December 2010:

- Harvest production increased 125%, from 693 bunches to 1,560 bunches per ha
- Average monthly income from banana fields increased 118% from Rp. 1,119,116 to Rp. 2,445,238
- Average sales price increased 27% from Rp. 3,750 to Rp. 4,750 per hand
- Total production of barangan bananas was 750,000 hands with a total value of Rp 3.759 billion or \$416,000 sold at an average price of Rp 5,000 per hand

Ministry of Agriculture and USAID Visit North Sumatera



The USAID and Ministry of Agriculture team visits the banana field dem plot

From May 24th- 26th, USAID and the Ministry of Agriculture staff members visited North Sumatera to monitor AMARTA's ongoing activities in the horticulture value chain. USAID's Jacky Hendrawan, and Heldi Yunana and Adrian from the Bureau of International Cooperation, and Nurli Eriza and Sindha Cahya Wardhani from the Directorate of Horticulture visited trainings of Karo farmers at the citrus demonstration plot and banana demonstration plot. The delegation also visited the Simalungun Agriculture Department to get feedback on AMARTA's collaboration with government agencies.

Crysant Women's Farmer Group Harvests Their Flowers

In August, the women from Crysant Farmer's Group harvested their first flowers from the demonstration plot. The price of chrysanthemums ranged from Rp. 500 – Rp. 3,000 per peduncle and were sold in a nearby local market immediately. The women estimate that this season they can earn around Rp.10 million in profit, and they can harvest three times a year. The Farmer Group will divide the proceeds among the members based on each woman's contribution. Mrs. Ulin Ras, a member of Crysant stated, *"Thank you USAID/AMARTA for teaching us improved techniques for growing flowers. We hope AMARTA can continue helping us in improving our harvest and accessing markets so in the future we can do all of the work ourselves and expand the business to show other women what is possible."*



The women with their first harvest

Improving Floriculture Production and Marketing

AMARTA introduced new varieties of flowers and constructed 11 greenhouses in Raya Village, Berastagi. Nine types of flowers with a total of 41,269 seeds were planted in the 11 greenhouses. The cost share in labor, bamboo, and other support provides a 50% contribution from the women farmer

group members, while AMARTA provides UV plastic and planting materials. The greenhouses have proven to dramatically increase the productivity and quality of flowers, as well as allowing year round harvesting. The latest flowers to blossom include several chrysanthemum varieties and leafy ornamentals that are brand new for the women since they are sourced from West Java. The varieties are excellent quality and unique in North Sumatera, thereby increasing current market demand.

From October to December 2010, AMARTA continued improving the local flower market where farmers and buyers meet. Significant improvements were made to the building and operations of the market helping total sales from October through December 2010 increase to an impressive Rp. 990 million (\$110,000) or 38% increase from the previous quarter (\$ 80,000). The future plans include helping the women establish a floriculture producer cooperative to standardize flower prices in order to stabilize the supply and provide consistent prices to buyers. During the last three months of 2010, AMARTA trained 208 farmers- 70 men (34%) and 138 (66%) women, from nine women's farmer groups, covering 104 hectares of land.



AMARTA supported farmers selling their flowers in the new market space

Protecting and Increasing Tomato Productivity Using Greenhouses

AMARTA assisted in helping farmers learn GAP and post-harvest handling for tomatoes using a greenhouse in Merdeka Village, Berastagi, Karo. Working with the Jumah Juluh Farmer's Group and their 25 members, technical assistance focused on planting tomatoes inside greenhouses to reduce the cost of pesticides by 50% and allows the farmers to secure their harvest year round. The harvest will produce around five tons of tomatoes. With initial capital of Rp. 8 million, the farmers can generate income of Rp. 19 million, based on an average selling price of Rp. 4,000 per kg. Mr. Markasta Sinulingga, the Jumah Juluh Farmer's Group Coordinator, stated that: *"Through technical assistance and information on greenhouses, we already see the impact of this new technology on helping us to improve our livelihoods."*



Mr. Markasta in the tomato greenhouse

Papua Agriculture Development Alliance (PADA)



Newly rehabilitated boat for the Cooperative collecting fish from different villages along the coast

Kokonao Fishery Program

In January 2010, PADA, with additional funding from LPMak, began assisting the Maria Bintang Laut Cooperative in building satellite shelters or bunkers at several points outside Kokonao to facilitate purchasing fish and selling ice for fishermen who live and work far from the ice factory. These shelters will serve as points of transaction where fishermen can sell and store their fish to be picked up later on by the Cooperative. PADA also worked with the Cooperative to rehabilitate one of the boats used for transport and fish collection.

In June 2010, PADA, with additional funding from The Amungme and Komoro Community Development Organization (LPMak), completed the construction of cold storage facilities in three locations: Otakwa, Timika Pantai, and Pomako Villages. The locations were selected based on their proximity to surrounding fishing populations where they will serve as collection points for the Cooperative to purchase fish and sell ice. In addition, these areas will serve as community markets, which provide important daily supplies. The new storage system will save fishermen time, energy, and fuel costs. The facility in Pomako Village is near the market in Timika, so it also serves as a docking facility for all Maria Bintang Laut Cooperative boats. On July 26, 2010, USAID Indonesia's Mission Director, Mr. Walter North visited the Pomako facility and witnessed fish being delivered from coastal villages via Otakwa and Timika Pantai.

The significant increase of fish supplied from collecting stations provides empirical evidence that the Kamoro fishermen are motivated and actively participating in the expanded fish supply chain. The Cooperative and the AMARTA office in Timika receive weekly requests from villages along the coast to extend the supply chain and to open new collection points.

At the village of Amar, two hours west of Kokonao by boat, a new buying station was constructed and finished in December. The new facility provided a supply of five tons per week at a price of Rp. 10,000 per kg. To extend the supply line to the east, another new station in the Pece Village area is currently under construction and will be completed at the end of January 2011. It is expected that total purchases will increase on average to seven tons per week with the addition of these two new buying stations in Amar and Pece.



USAID Mission Director, Walter North, LPMak Executive Secretary, Emanuel Kemong (center), and PT. Freeport-SLD department VP, Arief Latif handling fish delivery at the new docking and fish collecting point

As a result of this effort, villagers in many fishing areas now have access to the market

in Timika where they can sell all of their fish. The demand is virtually unlimited as Maria Bintang Laut Cooperative has ongoing contracts with a private hospital, businesses, and PT Pangansari- the catering company of PT Freeport Indonesia. By establishing convenience for fishermen and ensuring the fish remain fresh during transport, fishermen in distant villages will be able to expand their operations and earn additional income for their families. There are 621 fishermen from 20 villages engaged in the fisheries program and selling fish to the Cooperative.

Papua Coffee Development

Wamena

Baliem Arabica Cooperative, with USAID assistance through the PADA program, managed to achieve several major objectives this year. The Cooperative received extremely positive news on July 22nd, 2010 from Paragon Coffee Trading Company in the United States. The first ever export container of coffee that was shipped from Papua to Paragon in early 2010 was received and quickly resold to a number of interested buyers. Paragon has provided a firm commitment to buy virtually the entire supply of coffee from the Cooperative at a premium price. The second shipment was completed in December 2010, this time 12.5 tons of coffee was sent to Paragon with a total value of \$47,000.

In September, the Cooperative successfully hosted an inspector from the Rainforest Alliance Organization to renew organic certification that acknowledges the Cooperative members as organic coffee farmers and helps increase the value of coffee for export. The inspector was pleased with the Cooperative's internal control system and issued a new organic certificate in October 2010. The Cooperative also bought and processed 10 tons of coffee for export between August and September. There are 883 coffee farmers selling their beans to the Cooperative, including 583 organic farmers and 300 non-organic farmers. The Cooperative purchases coffee cherries from the community at a price of Rp. 5,000 per liter

The Baliem Arabica Cooperative held its Annual General Meeting in October and agreed upon the following items: Farmers will receive Rp. 5,000 per liter for their beans in 2011; three additional kiosks will be established along the supply line in the remote villages of Wollo, Tiom, and Asalaigama; Selion Karoba was elected as the Chairman of the Cooperative; and members voted to extend the supply line and increase the number of coffee plantations in the Baliem Valley who work with the Cooperative.



Mr. Selion Karoba, Chairman of Baliem Arabica Cooperative (left with hat) receives the car documents and keys from Mr. Wiklif Wakerkwa

In an effort to improve its business management, including cooperative governance, financial management systems, and membership participation in business affairs, the Cooperative recently established a partnership with a local foundation, Yayasan Oikonomos Papua (YOP) who has provided finance and business training to Cooperative members and personnel. A round table discussion was also held with the Cooperative, farmers, and the Dinas to improve transportation, good agricultural practices (GAP), and post-harvest handling.

In addition to the significant accomplishments mentioned above, the Industry, Trade, and Cooperative Department of Jayawijaya Regency donated a new vehicle to Baliem Arabica

Cooperative this year. The estimated cost for the vehicle is Rp 120,000,000 (\$13,333). The keys to the brand new pick-up truck were officially handed over by the Jayawijaya Regency's Head of Industry, Trade, and Cooperative Department, Mr. Wiklif Wakerkwa, and were accepted by Mr. Selion Karoba, the Chairman of Baliem Arabica Cooperative. The vehicle is intended to help the Cooperative to improve its efficiency in program socialization, overseeing quality control for member farmers, and expanding the reach of coffee purchases for thousands of farmers in the Baliem Valley. Combined with the provision of two Strada pick-up trucks from USAID/AMARTA through the PADA program, this significant contribution shows the commitment and confidence of the local government to improve coffee development in the region.

Arabica Coffee for Freeport Employees

The Cooperative gained a new customer: PT. Pangansari Utama, the catering company at PT. Freeport Indonesia. PT. Pangansari agreed to buy 12 tons of roasted coffee from the Cooperative per year, or one ton a month, at a price of Rp. 54,000 per kg. Two tons of processed coffee for Pangansari was delivered to Timika in November 2009. The coffee will be roasted and packed in Timika and all of the profits from this venture will go straight to the Cooperative to continue buying coffee at a fair price and providing technical and material assistance to the members.

In the beginning of January 2010 the Chairman of Baliem Arabica Cooperative, Mr. Selion Karoba came to Timika to make the first official coffee delivery to PT Pangansari. The delivery was accepted by PT Pangansari Utama's General Manager Mr. John Rumende. The Cooperative delivered 750 packs of coffee, with a second delivery made in mid -January. Subsequent monthly deliveries have been made throughout the year.



Baliem Arabica staff preparing samples at the Sentani warehouse in Jayapura



Baliem Arabica Cooperative makes their first coffee delivery to Pangansari's warehouse

Moanemani and Bomomani



Local women in Bomomani received basic training in coffee cupping



San Isodor Cooperative working on farmer socialization in Moanemani

The San Isodor Cooperative managed to process and sell 1,050 kg of green coffee beans to domestic buyers during the year at Rp. 35,000 per kg, which provided a total profit of Rp. 36,750,000 (\$4,083). Total purchases by the Cooperative were 1,747 kg at Rp. 35,000 per kg that provided Rp. 30,572,500 worth of income to farmers, and the Cooperative managed to sell the 1,747 kg for Rp. 61,154,000.

The retained earnings are currently being used to continue purchasing coffee from local farmers, providing additional income and also helping the Cooperative to continue processing the coffee and expand its market beyond Timika, ideally reaching customers in Jayapura and in Java.

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

The PADA team also assisted the Catholic Church in Bomomani Village in establishing the new cooperative. The license for the Santo Isidorus Cooperative expired and a new license was secured for San Isodor in October 2009. Initially, there were only 20 members, however there are now 141 coffee farmers participating in Bomomani activities, including: 31 farmers from Timipa with 1,930 trees, 86 farmers from Bomomani with 3,629 trees, 9 farmers from Modio with 652 trees, 12 farmers from Idakebo with 172 trees, and 3 farmers from Moanemani with 456 trees.

Agimuga

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

The construction of the buying stations in Aramsolki, Amungun, Kiliarma, and Faka Fuku were completed in June 2010 and are now open for business. The buying stations are shops owned by the community and serve the daily needs of the locals. The trade volume is high requiring all of the kiosks to be restocked twice a month. The kiosks or trading centers purchase rice, vegetables, and fruit from

farmers to be marketed in Timika and sell farmers daily subsistence items creating healthy economic activity and healthier citizens in the Agimuga District.



The transport boat helps generate more income for Agimuga villagers

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

The program extended from Aramsolki Village of to neighboring villages of Amungun and Kiliarma during the year. The villagers in the two new locations are interested in cultivating rice to improve local food security; however

they have also asked PADA to assist in producing high-value horticulture products that can be marketed in Timika. AMARTA recently introduced chili to the people in Kiliarma and Amungun. Although the local villagers in Agimuga do not consume chili it was selected because it grows well in the area and has a high value in the market. The current chili supply in Timika comes from Java and Sulawesi, and the price in Timika is quite expensive, from Rp. 35,000 – Rp. 100,000 per kg

PT. Freeport Indonesia donated one boar and two sows to the Aramsolki pig farmers in November 2009. One week after the delivery the pig farmers put the boar in a mating house with a sow. The farmers were trained in November on breeding techniques and the way to care for their pigs. This includes the application of vitamins and immunization for disease prevention. It is anticipated that the pig farmers will supply the best quality pork meat for the market. Eventually the pig farmers group can create a business where pork meat can be sold on a regular basis to different villages in the coast and districts throughout Mimika Regency.



New piglets in Aramsolki village, Agimuga

The swine farmers' group in Agimuga called Bomogomaki saw positive results in August 2010.

The two sows gave birth to a total of 13 piglets that were distributed to members of the group that have been most active working at the swine farm. The farmers are raising the piglets in the manner introduced by PADA in order to rear healthy pigs with good quality meat. In order to obtain working capital, four pigs will be sold in the Kiliarma and Amungun Villages for Rp. 40 million. Those two villages, in accordance with AMARTA work plans, will then replicate the successful project by creating their own swine farms. Each village will receive one pair of pigs for

breeding by groups of farmers. In Papua, pigs are a very important commodity for the community. The price of pigs can reach Rp. 10,000,000.



Training on pig vaccination from PADA staff and the completed swine farm in Agimuga

Recently, the pig farmer groups went a step further and agreed to write up a plan and allocate some of the RESPEK funds from the provincial government of Papua to continue funding the rice activities, as well as swine production. The farmers have asked that PADA help in the discussion to determine possible investments to better accommodate the needs of the two projects.

Faka Fuku

In Faka Fuku Village, Agimuga District, bananas are plentiful; however the locals have difficulty marketing the product. They initially received seedlings from the government and began planting in 1995, though no one ever provided technical assistance, training, or helped them in accessing markets by creating a supply line. As a result, banana trees were left unattended and none of the villagers harvested ripe bananas. Usually, the bananas were simply left to rot and fell out of the trees along the river. Sometimes other travelers along the river would stop and steal the bananas from the community plantation since no one was responsible for maintaining the area.



Faka Fuku Banana farmers loading the boat to send the Banana to market in Timika



2.5 tons of bananas from Faka Fuku ready to be shipped to Timika

In order to assist Faka Fuku banana farmers, the PADA team met with a banana agent in Timika who showed a strong willingness to purchase as many quality bananas that could be supplied from Faka Fuku. The agent was excited at this opportunity because, until now, his company had to purchase bananas from outside Timika. Since the locals do not have any investment capital, PADA funded the initial purchase of bananas to initiate the operation. On June 28th, PADA transported the initial

purchase from farmers. The shipment sold for \$1,630; a 25% increase above the purchase price, representing the first sale of the crop from Faka Fuku since 1995. On August 6th, PADA set up a trade station and integrated village shop that produced total sales of Rp, 64 million through the middle of December 2010. Total profit for the villagers was 6.4 million. The initial sale of bananas to the market in Timika included 9.2 tons purchased at the farm gate for Rp. 5,000 per kg. The farmers generated net income of \$ 5,111 (Rp. 46 million) from August through December 2010, with total income per family during this period of Rp 3.8 million. There are 29 banana farmers, 28 men and 1 woman, participating in the program in Faka Fuku.

As a result of this initiative, farmers have become motivated to rehabilitate their banana plantations and are receiving a significant premium for their product. The supply chain is imbedded in PADA activities and the transportation costs are minimal due to other activities in the area occurring simultaneously allowing villagers of Faka Fuku to leverage existing boat trips.

In addition to this activity, PADA also provided training to seven peanut farmers, 6 men and 1 woman, in Faka Fuku. AMARTA provided them with improved seeds, prepared the land for planting, and taught good agricultural practices for improved production and quality.

Jila

The PADA team assisted Jila in building infrastructure to support economic activity, including the construction of a trading post, a traditional meeting house, and a demonstration plot for high-value horticulture products. Due to the difficulty of transportation to Jila, which can only be reached by airplane or helicopter, the shipment of materials and supplies is difficult. The construction of the trading post is finished and it is fully operational, providing sales of daily necessities in the kiosks that generated sales of Rp 10 million for the community in only the first week it was opened. Work is now underway to construct a meeting house and demonstration plot. As soon as these two projects are completed, PADA will decide together with the villagers on the horticulture products that can be planted in Jila that have a high market value.



Newly constructed trading post in Jila

In an effort to diversify activities in Jila, AMARTA is establishing two new fish ponds. Construction is currently under way, and AMARTA is coordinating with the local government Fisheries Department. After explaining the rationale and plan for the new fish ponds, the Government was extremely supportive and enthusiastic since they had already tried a similar initiative in the past that was never completed. The Government also agreed to provide two specialists who are currently working in Tembapapura on a similar effort to support AMARTA in Jila, including performing water and soil analysis to ensure the correct foundation is in place and the proper species of fish are provided. The Government will also supply Jila with the fish and the fish food since they have resources available.

As a result of this effort, PADA will once again leverage successful relationships with local governments that have offered assistance with value chain efforts to ensure that farmer's livelihoods are improved. Throughout the country, these efforts have proven to maximize resources available for beneficiaries and improved oversight from both PADA/AMARTA's staff and government extension agents. This

particular program will also increase income for villagers in Jila, as well as providing an important source of nutrition and protein for villagers who often face food insecurity.



Fish pond constructions in Jila

MoU Signing Ceremony Inaugurates Expanded PADA Programs

Based upon outstanding results achieved during the first phase of the Papua Agriculture Development Alliance (PADA), the Alliance partners—USAID, PT Freeport Indonesia, and LPMAC—agreed to extend support activities for a second year. On July 27th, 2010 a new Memorandum of Understanding (MOU) detailing the extension of this relationship was formally signed at the Mimika Regency Bupati's house in Timika. The document thus insured continued assistance for Amungme and Komoro communities, as well as launching new agricultural support activities in the Jila community. The signatories of the MOU included: 1) Walter North, USAID Mission Director; 2) Abdul Muis, Vice Bupati of Mimika Regency; 3) Arief Latif, Vice President, PT Freeport Indonesia; and 4) Emanuel Kemong, Executive Secretary, LPMAC. The appreciative audience attending the ceremonies was treated to speeches by the signatories as well as traditional ceremonial dances and chants by a Komoro ensemble.



MoU signing between USAID, Freeport, and LPMAC

AMARTA Meets with Governor of Papua to Discuss PADA Work



AMARTA and PADA coordinator meet with Papua Governor, Mr. Barnabas Suebu

AMARTA's previous Chief of Party, David Anderson, PADA Coordinator, Kornel Gartner, and Baliem Arabica Cooperative Chairman, Selion Karoba, met with Governor Barnabus Suebu in Jayapura on February 17th, 2010 to discuss various matters related to PADA's efforts. Mr. Melkias Monim- Head of Estate Crops of Papua Province and Mr. Agus Sumule- the Governor's Advisor also participated. The Governor agreed to support the attendance of Selion Karoba and the Director of Estate Crops of Papua to attend the Specialty Coffee Association of America convention and exhibition held in Anaheim, California from April 15th- 19th, 2010.

Timika SSB Radios Provide a Simple Communication Solution

The villages where PADA works still have not received telecommunication services, either fixed telephone lines from PT Telkom or mobile phone networks from Telkomsel or Indosat. To facilitate coordination in the field, PADA beneficiaries require tools that allow them to exchange information from AMARTA's office in Timika with the field coordinators in the villages. To overcome communication barriers, and in accordance with the existing work plan, PADA built a communication system using SSB technology (Single Side Band). Almost all equipment is installed using solar cells to solve the electricity supply constraint. There are 1,418 villagers who benefit from the solar arrays and radios that PADA installed.



Radio communication installed at Pireme



Solar cell installation at Pireme

In addition to radios, PADA also provided three satellite telephone used as a communication kiosk. Operations and maintenance of the radio communications equipment at the project sites is conducted by PADA's village coordinators since they participated in the training provided during the initial installation and are trained to install, repair, and operate the radios. The benefits include enhanced coordination of activities, such as: coffee purchasing information and scheduling fish purchases, while the communities also use this resource for the purpose of sending news, requesting shipping documentation, and for personal matters. With radio systems installed at several locations, the challenge of limited access is diminished through improved communication.