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*“Helping Indonesia to Grow”*

**PADA**  
**Quarterly Report of Project Activities and Achievements**  
**Quarter Two, 2010**  
**January I – March 31, 2010**

## **Papua Agribusiness Development Alliance (PADA)**

### **Kokonao**

The Maria Bintang Laut Cooperative continues to compete with local traders setting competitive prices to pay fishermen for their catch. Seafood traders in the area have purchased fish from the Cooperative, as well as directly from fishermen, expanding the overall positive affect of the project. Since August 2008 through March 2010, the Cooperative has purchased 51,489 kg of Barramundi fish and 25,075 kg of mixed variety fish. The total amount of money paid directly to fishermen in Kokonao is Rp. 676,311,000 (\$75,146). Total ice sales compiled by the Cooperative since August 2008, total over \$3,300. This additional cash is providing economic benefits to hundreds of villagers, helping to rejuvenate the economy in Kokonao and the surrounding area.

In January, PADA, with additional funding from LPMAC, began assisting the Cooperative



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

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. This new storage system will save the fishermen time, energy, and fuel costs. PADA also worked with the Cooperative to rehabilitate one of the boats used for transport and fish collection.

## **Papua Coffee Development**

### **Wamena**

In March 2010, AMARTA grantee, Baliem Arabica Cooperative (KBA) successfully exported the first container of coffee to international buyers, Paragon Coffee in the USA. The event was a historic moment because this was the first time that Papua Province had exported agricultural products internationally. The Cooperative sold 12 tons of coffee and made around \$42,000. In attendance on the day of the shipment of the coffee were the Director of Baliem Arabica Cooperative, Mr. Selion Karoba, the Director



of the Estate Crops Department of Papua Province, Mr. Melkias Monim, and the PADA Coordinator, Mr. Kornel Gartner.

The AMARTA-PADA team and the Cooperative continued to follow up on the internal control system that includes a farmer registration process. This system allows KBA to guide members to follow organic and fair trade standards. The Cooperative officers regularly check on farmers' compliance as they purchase coffee at different villages. The total coffee purchases in Wamena for the quarter totaled approximately 300 kg.

### **AMARTA Meets with Governor of Papua to Discuss PADA Work**

Chief of Party, David Anderson, PADA Coordinator, Kornel Gartner, and Baliem Arabika Cooperative (KBA) Director, Selion Karoba, met with Governor Barnabus Suebu in Jayapura on Feb. 17<sup>th</sup> 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.

AMARTA presented the Governor with copies of the AMARTA/PADA 2010 Work Plan, AgroCulture Newsletter No. 22, the AMARTA Quarterly Report for the period October to December 2009, and a briefing on a report titled 'History and Status of the Specialty Coffee Industry of Papua and Areas Requiring Assistance by the Government of Papua'.



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

The Governor thanked USAID/AMARTA/PADA for the work they have conducted to help improve the livelihoods of Papuan farmers and fishermen. He stated *"This is very valuable and important assistance being provided to our people in Papua, and synchronizes very well with the Government of Papua's RESPECT program."* The Governor discussed the importance of assisting an agriculture commodity such as coffee, which has a very high value and high demand in the world market, and a product that the highlands areas of Papua could competitively supply. He indicated his intentions to further support the development and improvement of local infrastructure necessary to transport coffee from the farm gate to the point of export. AMARTA informed the Governor of the accomplishments of the Baliem Arabika Cooperative which has sold Rp. 977 million (\$107,000) of coffee green beans since beginning in early 2008, and informed him of KBA's exporting 12 tons of Baliem Blue organic and Rainforest Alliance certified coffee to the importing firm Paragon USA.

The Governor also 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 to be held in Anaheim, California from April 15<sup>th</sup>– 19<sup>th</sup>, 2010.

### **Arabica Coffee for Freeport Employees**

Starting in January 2010 the employees at PT Freeport mining began enjoying Arabica coffee supplied locally from the Baliem Valley in Papua in accordance with a contract signed in late 2009 between the Baliem Arabica Cooperative and PT. Pangansari Utama, which is the catering company for PT Freeport Indonesia.

PT Pangansari Utama agreed to buy 12 tons of roasted and packed coffee from the Cooperative per year, or one ton a month, at a price of Rp. 54,000 per kg. One ton of green bean coffee is delivered every month to the Social and Local Development Department (SLD) of Freeport's Highland Agriculture Development roasting unit in Timika. The coffee is then roasted, grinded and packed before delivery to Pangansari.

In the beginning of January 2010 the Director of KBA, 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.

The cooperation between Baliem Arabica Cooperative, the SLD Department of



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

Freeport, and PT Pangansari Utama is good for Freeport employees and Arabica coffee farmers alike. On one hand this deal provides PT Freeport employees, who come from various backgrounds, the opportunity to taste one of the rarest and most flavorful Arabica coffees in the world. On the other hand, the profit from selling the coffee goes directly to the KBA to continue buying coffee at a fair price from member farmers and to provide technical and material assistance to the farmers throughout the Baliem Valley.

### **Baliem Valley Arabica Coffee Farms Certified by Rainforest Alliance**

In April 2009, the Baliem Arabica Cooperative was audited by the Rainforest Alliance organization, a group that works to conserve biodiversity and ensure sustainable livelihoods by transforming land-use practices, business practices, and consumer behavior. The purpose of the audit was to analyze the performance of the farms adhering to good socio-environmental management practices promoted by the Sustainable Agriculture Standards and the Sustainable Agriculture Network.

The audit was completed according to the following criteria: standards for sustainable agriculture, standards for groups, list of prohibited pesticides, and farm certification policies. Two auditors from the Rainforest Alliance organization, accompanied by the Director and staff from KBA, along with AMARTA staff visited the Baliem Valley. The program included initial meetings, revision of documents, evidence gathering, interviews, and a final meeting. The Cooperative and PADA waited for almost nine months for the results. Finally, in January 2010, the Baliem Arabica Cooperative received the good news they were hoping for and were awarded a certificate from Rainforest Alliance. This certificate indicates that the farmers of Baliem Valley fully comply with good practices of socio-environment management. The certificate is granted to the Baliem Arabica Cooperative for the period of January 6, 2010 to January 5, 2011 and means that the Cooperative will be listed as a Rainforest Alliance certified farm on the Rainforest Alliance website and other official marketing materials. The Cooperative will also receive an on-line traceability tool.

As a result of this effort the Cooperative, and all of its member farmers, will receive a premium price for coffee produced, as the international and domestic marketplaces both understand the stringent guidelines and quality standards required to achieve certification.



Noah Jackson (sitting 2nd from left) and Liz (sitting 4th from right) from Rainforest Alliance, and Mr. Ayub Karoba and Mr. Yudas Kenelak (standing 3rd and 4th from right) from Baliem Arabica Cooperative, with coffee farmers in Wolo Village

## **Moanemani**

Upon agreement of all stakeholders the coffee processing facility of Santo Isidorus Cooperative was moved in March from Moanemani to Bomomani. This was done to increase efficiency in the coffee buying and processing. The village of Moanemani, which is the Capital of Dogiay District, is far away from the coffee producing villages. As a result for the past two years the Cooperative has had difficulty buying coffee, conducting socialization of programs, and completing the registration process. All equipment is now stored in a Cooperative warehouse in Bomomani Village. The plan is to extend the processing house and install the equipment next quarter. The coffee buying and processing will begin once the facility is ready for use.

Aside from increasing production, the PADA team also works closely with the Cooperative to strengthen its management and business knowledge. New personnel from the Cooperative were identified along with field coordinators. The treasurer will receive training from the PADA accountant to familiarize himself with USAID finance

rules and regulations. The Cooperative will also have a manager who oversees the day to day buying and processing activities. All the personnel will report to the Cooperative Director who coordinates with PADA.



**Santo Isidorus Cooperative members move and reinstall the equipment in Bomomani**

## **Agimuga**

PADA continued its work this quarter with the Catholic Diocese of Timika to improve farming and livelihoods in Agimuga District. The program continues to be extremely successful and, as of this quarter, the farmers have cultivated 14 hectares of rice. The yield per hectare is about 4.5 tons. The rice is then processed at the facility granted by PADA in Aramsolki Village. Predominantly, the rice is for local consumption though some farmers have sold rice to local government officials. As the program expands it is envisaged that the farmers will have a sustainable market in nearby districts, especially the districts in the highland area. PADA continues to provide improved rice seed and sends a rice expert from Makassar on a regular basis to research the land and monitor planting.

After seeing the success in Aramsolki, the farmers in two neighboring villages, Amungun and Kiliarma have also asked for PADA assistance to improve their rice production. In February new farmer groups were formed in these two locations. In mid-March the head of the groups from three villages met with the PADA team in Timika to devise a plan on how to move forward. It was agreed that the focus will continue to be on rice for local consumption and then subsequently improving fruit and vegetable farming. The three groups also agreed that there should be a buying station in each village as a trading center to purchase the rice from farmers and supply them with other critical items. The construction of the buying stations will begin in the first week of April.

Also in Agimuga, the construction of the swine farm is complete. The donated boar and two sows from PT Freeport Indonesia receive constant care and treatment from the swine farm group. Recently the boar was put in a mating house with a sow.

Unfortunately, the sows have not given birth so in April a pig expert from Makassar will go to Agimuga to check the conditions of the pigs. Later on when the sows give birth the piglets will be distributed to the pig farmers until everyone receives a boar and a sow.

