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*“Helping Indonesia to Grow”*

## **PAPUA AGRICULTURE DEVELOPMENT ALLIANCE (PADA)**

### **Quarterly Report of Project Activities and Achievements Quarter Two 2011, January-March 2011**

## **Introduction**

The Papua Agriculture Development Alliance (PADA) program is pleased to submit this quarterly report which reviews activities implemented from January-March 2011. A number of successes were achieved this quarter, including the harvest of new and higher value horticultural cash crops such as chili in Agimuga, Amungun, and Aramsolki, and peanuts in Faka Fuku. Coffee activities continued to expand and emphasized quality control, and culminated with the second export of 13.2 tons from Wamena to Paragon Trading Co. in the United States. In addition, construction on a new fish processing facility with cold storage facilities in Timika is underway.

## **Project Management**

### **Monitoring and Evaluation**

The following progress was made this quarter against the approved USAID indicators:

#### ***1a. Number of additional hectares under improved technologies or management practices as a result of USG assistance***

PADA added **2 ha** under improved technologies, including 1 ha of chili each in Aramsolki and Faku Fuku.

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

Maria Bintang Laut Cooperative purchased an additional **4,409 kilograms** of Barramundi and mixed fish this quarter, while the swine farm in Aramsolki reported **12** new piglets born in January.

#### ***4. Number of individuals who have received USG supported short term agriculture sector productivity training***

This quarter, PADA provided training for an additional **169** individuals, 163 men and 6 women in chili and coffee.

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

During the quarter the Baliem Arabica Cooperative exported **13.2** tons of coffee to Paragon Coffee Trading Co. USA. The shipment generated income of \$44,484 for the Cooperative who received an 11% price increase per kg – from \$3.37 to \$3.75.

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

- Bananas purchased from farmers in Faka Fuku Village, Agimuga District totaled Rp. 8 million.

- Coffee purchased from farmers in Bomomani totaled 3,200 liters at Rp.16 million or \$1,800.
- Fish purchased by Maria Bintang Laut totaled 4,409 kg for the quarter. The total value of purchases from January to March 2011 was Rp.49,168,000 (\$5,525) and since inception is \$211,000.

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

### **Kokonao Fishery Program**

In Manasari Village, two hours east of Kokonao by boat, a new trade station is under construction and will be completed in April. The new facility is expected to provide two tons fish and one ton of produce per week. To extend the supply line to the east, another new station in the Pece Village is currently under construction and will be completed at the end of May 2011. It is expected that purchases will increase by an average of four tons per week with the two new buying stations in Manasari and Pece.

As a result of this effort, villagers in many fishing areas now have access to the market in Timika where 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 remains fresh during transport, fishermen in distant villages will be able to expand their efforts and earn additional income for their families.



**Manasari New Trade station scheduled to be finished in April**

There are 621 fishermen from 20 villages engaged in the fisheries program and selling fish to Maria Bintang Laut Cooperative.

### **Timika Fish Processing Facility**

Based on the extension of trade stations through Mimika and the increased fish and vegetables supplied to Timika, the construction of a modern fish processing plant with cold storage for added value fish products and space for other produce was required for more efficient distribution to customers. Training of Maria Bintang Laut Cooperative personnel, including laborers



**Fish processing in Timika under construction**

and management officers was conducted in order to prepare for the possible expansion of operations beyond 2011.

The current supply of fish from the Kokonao service point continued to expand based on increasing the supply line, however hygiene and food safety concerns need to be addressed to improve customer confidence. The ability to freeze or sell fresh chilled fish cutlets will add significant value, and a number of customers exist for purchasing more fish, including Pangansari catering company who requires 36 tons per month. Construction work on the facility began in February 2011, and currently the project is about 30% completed, with the foundation for the steel supporting structure 85% finished.

To insure the best results in production, quality, and food safety standards, PADA organized training workshops for Maria Bintang Laut management, trade station personnel, and fish processing specialists in Timika. In total, 24 participants from the Cooperative were trained at the two day workshop on January 17<sup>th</sup> and 18<sup>th</sup>. Additional technical assistance was provided in February and March directly at the trade stations in Kokonao, Timika Pantai, and Otakwa regarding food safety and supply chain issues. The field training included 85 participants from eight villages and 10 field managers from buying stations.



**Coffee placed in the container for export to the US**

## **Papua Coffee Development**

### **Wamena**

#### **Coffee for Export**

On March 12<sup>th</sup>, the Baliem Arabica Cooperative successfully shipped 13.2 tons of Arabica coffee to Paragon Coffee Company in New York, USA. This shipment was completed based on the contract agreement signed between the two parties in 2010. The coffee came from seven regencies throughout the Baliem Valley and was grown organically by local farmers. PADA, through the Cooperative, assisted in buying, processing, and shipping the coffee. The Cooperative generated income of \$42,780. The funds will be used to improve the quality and quantity of coffee, and to continue purchasing coffee directly from farmers in local villages.



**Participants attend the training event in Timika**

### **Pulping Stations For Baliem Valley Coffee Communities**

The aim of the PADA coffee project in the Baliem Valley is to establish a sustainable specialty coffee supply chain from the farmers in Baliem Valley to the international specialty coffee market. In order to meet this goal, AMARTA and the coffee farmers must reach several milestones; including receiving organic certification for the Wamena origin that requires farmers to show that they comply with organic farming standards. Farmers must, therefore, demonstrate the ability to properly handle coffee beans during the post-harvest handling stage and when processing the cherries to avoid contamination. Unfortunately, a majority of the farmers lack basic tools and equipment needed to properly wash and pulp coffee cherries. Washing is usually done directly in the rivers and pulping, or removing the cherries is done with the farmers' bare hands or teeth. Aside from time and energy, these two practices are not sanitary and could negatively affect the quality of the coffee. One of the pressing needs from local coffee farmers is pulping equipment, which is used to remove the coffee cherry in order to extract the parchment.



**Pulping stations in Wolo, Papua**



**Pulping stations in Yalingga, Papua**

In an effort to solve the existing problems, PADA included in its work plan the construction of eight pulping stations in strategic areas accessible to surrounding villages in several districts that can be used by farmers from five different villages. A pulping station includes a modern pulping machine, a water tank, and a clean washing area. During the quarter, the Baliem Arabica Cooperative completed the construction of four pulping stations in Wolo, Yalengga, Kimbim, and in the Jagara Districts.

## Post-Harvest Handling Equipment Distribution

In order to ensure that organic certification is maintained by farmers they must show that they comply with organic farming standards and demonstrate the ability to properly handle coffee after harvesting to avoid contamination. Unfortunately, a majority of the farmers in the villages lack the basic equipment needed to comply with these standards. In addition to constructing pulping stations, PADA purchased basic equipment and tools for cooperative members to help improve productivity and sanitary standards. In total, 800 drying sheets (plastic tarps), buckets, and washbasins were distributed from January 10<sup>th</sup> – 13<sup>th</sup> by Cooperative personnel in 10 locations throughout the Baliem Valley.



Distribution of Coffee equipment in Wamena

## Baliem Arabica Coeoprtative Annual General Meeting

On April 7, 2011, the Baliem Arabica Cooperative held its first Annual General Meeting. In attendance during the meeting were the Directors of Jayawijaya Regency's Trade, Industry and Cooperative Department and Estate Crops Department, Cooperative leadership, and members from seven regencies in the Baliem Valley.

The agenda included a general report of activities during the past year, a financial report, marketing activities completed in 2010, and plans for 2011 and 2012. Attendees also broke into small groups to develop a work plan for the coming year and then presented their recommendations, which were included in a letter to the government.



Participants at the Baliem Arabica Cooperative's Meeting

## **Moanemani and Bomomani**

In an effort to continue to meet the high demand for coffee during the 2011 season the San Isidore Cooperative in Bomomani requires a new processing and storage facility in Bomomani. Together with the PADA team a processing unit was designed according to



Timber for construction on site

organic specialty processing standards. The new facility will accommodate machinery granted by PADA and provide a storage facility for 20 tons of coffee. Currently, the Cooperative is working with local laborers on construction that is scheduled for completion by the end of April. The Cooperative is continuing to work on the extension of nurseries and growing seedlings to expand the production base by 10 hectares in 2011.

## **Agimuga**

### **Chili Farming in Kiliarma and Amungun**

PADA established activities in revitalizing banana trees and creating a trading post in Faka Fuku Village, in addition, in Aramsolki Village farmers are now active in swine farming, rice cultivation, and have established their own trading post. There are two other villages- Kiliarma and Amungun- that have built trading posts and are now planting chili to support the community and increase economic activity. Actually, the local villagers in Agimuga do not use chili in their food, however chili was selected because it grows well in the area and has a high value in the market. Chili in Timika comes from Java and Sulawesi, and the price in Timika is quite expensive, around Rp. 45,000 – Rp. 100,000kg.



Chili Farming in Kiliarma and Amungun

The first harvest in Kiliarma took place in February. The pilot plot was very successful and averaged 25 kg per week from the 0.5 hectares, providing Rp. 500,000 per week in revenue that encouraged farmers from Agimuga to extend their chili plantation. More than 30 farmers are now engaged in this activity and as a result of this important initiative, Papuan farmers are moving from simple subsistence farming for personal consumption to making more market driven agribusiness decisions. This shift in thinking is significant as it shows the evolution of PADA farmers from simply striving to survive to becoming more entrepreneurial and understanding market dynamics, such as demand and price premiums for higher value commodities.

*“We were very skeptical about the chili farming, but after I saw the results I wanted to plant chili and make money for me and my family.”*

Pak Lucas, an Amungun farmer

### **Pig Farmers in Aramsolki Village, Agimuga Thriving with New Additions**

Recently, a group of pig farmers was formed in Aramsolki Village called 'Bomogomaki', taken from a river name in Agimuga District that translates into "in place of light", which



**New piglets in Aramsolki village, Agimuga**

literally means that the breeder has created a clearer future with swine farming. In Papua, pigs are a very important commodity for the community. The price of pigs can reach Rp. 10 million.

Last year when the swine project started in Aramsolki, Freeport donated one boar and two sows to the community. PADA supported these activities by providing assistance in the form of pig pen construction, swine farm training- focused on maintenance and disease prevention, and providing animal feed.

During the quarter, one of the sows produced 13 new piglets. One piglet was donated to the church, while 12 piglets and the three original pigs are now cared for by the community group. The total number of pigs raised by the farmer group is now 28. Four pigs were sold to Amungun and Kiliarma Villages in order to replicate the Aramsolki swine program there by creating new swine farms. The income of Rp. 40 million was used as working capital for the farmer group. The 'Bomogomaki' group consists of 12 people, 10 men and 2 women.

### **Jila**

#### **Farmer Training in Chili and Coffee**

The new activities in Jila, including fish ponds, duck breeding, solar power utilization, and chili farming are stimulating increased interest from neighboring villages. While socializing new efforts, PADA confirmed that the construction of pig pens and cages for ducks was completed and is currently awaiting the supply of piglets and ducks from the government. Also, the fish pond for the fresh water fish project is 100% completed and PADA distributed freshwater catfish based on requests from villagers.

In the second week of February, PADA invited 50 farmers and village representatives to visit Jila to participate in socialization, and to receive training and technical assistance in replicating chili nurseries in other villages. A total of 121 participants from seven neighboring communities joined the training and stayed overnight since the distance from one village to another is quite far. The recently built honai was used as a meeting place and accommodation for the guests.



**Chili farming training in Jila**



**Chili Seedlings training in Jila**

Aside from the introduction to chili farming, PADA also introduced coffee. Since Jila is located in the highlands, it is perfect for planting Arabica coffee that has a high market value. The farmers were enthusiastic about the possibility of planting coffee and requested that PADA return regularly to help set up coffee farms for those who are interested. One of the main problems in Jila is the water supply, since villagers are forced to retrieve water from the river about 500m west of the village and the river valley is about 200 m below the village, so bringing water up from the river takes about 30 minutes. One person can only carry about 15 liters of water because of the difficult terrain. In addition, people suffer from diarrhea and skin problems due to a lack of fresh water, and fields and vegetable nurseries were barren during dry periods. In an effort to resolve this serious issue, PADA worked with the Jila villagers to build a water supply, collecting water upstream and installing a water pipe to the village. The progress has been excellent and the project is already 40% finished with an expected completion date at the end of May.



**Villagers working on water piping**

### **Faka Fuku**



**Farmers and their children learn about peanuts**

Starting in December 2010 PADA provided training to seven peanut farmers, six men and one woman, in Faka Fuku. Two Families planted peanuts successfully and harvested 70 kg of peanuts by the end of March. AMARTA provided them with improved seeds, prepared the land for planting, and taught good agricultural

practices for improved production and quality. The peanut farmers group manages approximately 0.5ha of land.

The Faka Faku farmers recently requested chili seeds to plant based on the successes they heard about from Agimuga in March. Faka Fuku farmers are now taking the initiative to get chili seeds for planting; the first time since the project started that these villagers requested agriculture support.

**PT. Freeport, LPMak, USAID, and PADA Hold a Quarterly Review Meeting**

On February 20<sup>th</sup> the latest quarterly review took place and included the following participants: Michael Nehrbass, USAID Director of Economic Growth; Dr. Sanath K. Reddy, USAID Senior Economic Growth Adviser; Dan Thomson, USAID Private Enterprise Officer, Emanuel Kemong, LPMak Executive Secretary; Yohanes Arwakon, Director of LPMak's Economic Bureau; Arief Latief, Vice President of PTFI SLD Department, Philippa Zainudin, PTFI SLD; Yahya Alkatiri PTFI SLD, Dr. William Levine, AMARTA/PADA Chief of Party; and Kornel Gartner, PADA Program Coordinator. The agenda included presentations, a review of the approved work plan, an update of program implementation, discussion of the October-December 2010 PADA Quarterly Report, planned activities to be completed by June 30<sup>th</sup>, 2011, and a budget presentation showing expenditures.