CERTIFIED SUSTAINABLE PRODUCTS ALLIANCE
Timber – Bananas - Coffee

Final Report
For the Period April 19th, 2004 – April 18th, 2007

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List of Abbreviations and Acronyms

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<tr>
<th>Abbreviation</th>
<th>Full Form</th>
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<tbody>
<tr>
<td>ACICAFOC</td>
<td>Central American Indigenous and Rural Community Agroforestry Coordination Association</td>
</tr>
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<td>ACICAFOP</td>
<td>Association of Central American Indigenous Communities</td>
</tr>
<tr>
<td>ACP</td>
<td>African, Caribbean and Pacific Group of States</td>
</tr>
<tr>
<td>AECI</td>
<td>Spanish Agency for International Cooperation</td>
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<tr>
<td>AGEXPRONT</td>
<td>Association for Non-Traditional Exports</td>
</tr>
<tr>
<td>AGEXPORT</td>
<td>Guatemala Exporters Association</td>
</tr>
<tr>
<td>ANACAFE</td>
<td>National Coffee Association of Guatemala</td>
</tr>
<tr>
<td>ANAM</td>
<td>Panama National Environmental Authority</td>
</tr>
<tr>
<td>ANARAP</td>
<td>National Association of Reforesters of Panama</td>
</tr>
<tr>
<td>BEO</td>
<td>Bureau Environmental Officer</td>
</tr>
<tr>
<td>bf</td>
<td>Board Feet</td>
</tr>
<tr>
<td>CATIE</td>
<td>Tropical Agriculture Research and Training Institute</td>
</tr>
<tr>
<td>CCF</td>
<td>Consultative Forestry Committee</td>
</tr>
<tr>
<td>CDI</td>
<td>Commission for Indigenous People</td>
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<tr>
<td>CICH</td>
<td>Panama Canal Watershed Interagency Committee</td>
</tr>
<tr>
<td>CoC</td>
<td>Chain-of-Custody</td>
</tr>
<tr>
<td>CeCoEco</td>
<td>Center for Competitiveness of Ecoenterprises</td>
</tr>
<tr>
<td>COATLAHL</td>
<td>Cooperativa Regional Agroforestal Colón, Atlántida Honduras Limitada</td>
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<tr>
<td>COHDEFOR</td>
<td>Honduran Corporation for Forestry Development</td>
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<td>CONADES</td>
<td>National Council of Sustainable Development</td>
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<td>CONAFOR</td>
<td>National Forestry Commission of Mexico</td>
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<td>CONAP</td>
<td>National Committee on Protected Areas</td>
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<tr>
<td>COPADE</td>
<td>Fundación Comercio para el Desarrollo</td>
</tr>
<tr>
<td>COSUDE</td>
<td>Swiss Development and Cooperation Agency</td>
</tr>
<tr>
<td>CQI</td>
<td>Coffee Quality Institute</td>
</tr>
<tr>
<td>CRAAN</td>
<td>Regional Council of the North Atlantic Autonomous Region of Nicaragua</td>
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<tr>
<td>CSPA</td>
<td>Certified Sustainable Products Alliance</td>
</tr>
<tr>
<td>CTO</td>
<td>Cognizant Technical Officer</td>
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<tr>
<td>EIA</td>
<td>Environmental Impact Assessment</td>
</tr>
<tr>
<td>FIDE</td>
<td>Foundation for the Development of Exports (Honduras)</td>
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<tr>
<td>FIIT</td>
<td>Interamerican Foundation for Tropical Research</td>
</tr>
<tr>
<td>FM</td>
<td>Forest Management</td>
</tr>
<tr>
<td>FOMIN</td>
<td>Multilateral Investment Fund</td>
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<tr>
<td>GEF</td>
<td>Global Environment Facility</td>
</tr>
<tr>
<td>GFMP</td>
<td>General Forest Management Plan</td>
</tr>
<tr>
<td>GTZ</td>
<td>German Agency for Technical Cooperation</td>
</tr>
<tr>
<td>Ha</td>
<td>Hectare</td>
</tr>
<tr>
<td>ICADE</td>
<td>Institute for Cooperation and Self-Development (Honduras)</td>
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<tr>
<td>IDB</td>
<td>Inter-American Development Bank</td>
</tr>
<tr>
<td>IDIAP</td>
<td>Institute of Agricultural Research of Panama</td>
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<tr>
<td>INTECAP</td>
<td>Technical Training and Productivity Institute</td>
</tr>
<tr>
<td>IR</td>
<td>Intermediate Result</td>
</tr>
<tr>
<td>MAGA</td>
<td>Ministry of Agriculture, Livestock and Food (Guatemala)</td>
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<tr>
<td>MARENA</td>
<td>Ministry of Environment and Natural Resources</td>
</tr>
<tr>
<td>M&amp;E</td>
<td>Monitoring and Evaluation</td>
</tr>
<tr>
<td>MICI</td>
<td>Ministry of Commerce and Industry (Panama)</td>
</tr>
<tr>
<td>NGO</td>
<td>Nongovernmental Organization</td>
</tr>
<tr>
<td>NTFP</td>
<td>Nontimber Forest Product</td>
</tr>
<tr>
<td>NTS</td>
<td>Nontraditional Species</td>
</tr>
</tbody>
</table>
PEA  Programmatic Environmental Assessment
PERSUAP  Pesticide Evaluation Report and Safe Use Action Plan
PMP  Performance Monitoring Plan
POSAF  Socioenviromental and Forestry Development Program (Nicaragua)
PROCAFE  Salvadoran Institute for Coffee Research (El Salvador)
PRONACOM  National Competitiveness Program (Guatemala)
RA  Rainforest Alliance
RAAN  North Atlantic Autonomous Region of Nicaragua
REA  Regional Environmental Advisor
SAN  Sustainable Agriculture Network
SCAA  Specialty Coffee Association of America
SENYCYT  National Secretariat of Science, Technology and Innovation (Panama)
SUB  Seal Using Brand
TNC  The Nature Conservancy
TREES  Training, Extension, Enterprises and Sourcing Program
UNDP  United Nations Development Programme
USAID  US Agency for International Development
WWF  World Wildlife Fund
**1.0 Executive Summary**

The Certified Sustainable Products Alliance (CSPA) was a three-year partnership of the Rainforest Alliance (RA), the United States Agency for International Development (USAID) and dozens of private sector companies. The goal of this groundbreaking partnership was to foster greater socioeconomic development for individuals and communities in Central America and Mexico through the sustainable management and conservation of natural resources and biodiverse ecosystems. With $8.6 million in funding from USAID and $486 million in leveraged sales and direct investments from the private sector, this project increased the number and competitiveness of sustainable agriculture and forestry enterprises exponentially. By improving enterprises’ capacities to participate in the global marketplace and promoting linkages between these enterprises and international buyers, this project created economic incentives for sustainable land management that will endure beyond the life of this project. It is these incentives that allow producers and communities to improve their livelihoods and invest further in sustainability.

This project also transformed the ways in which participating companies source the natural resources that are a cornerstone of their businesses. Our efforts helped companies like Kraft Foods, Gibson Musical Instruments and IKEA “green” their supply chains and respond to the increasing demand for corporate responsibility and traceability—all while improving the well-being of thousands of workers and their families, through purchases of responsibly-produced products and in some cases, direct investment in farms and forestry operations.

An integral part of this project was the process of certification, in which farms and forest operations are measured against rigorous standards for sustainability: standards that protect the environment, the rights and welfare of workers and the interests of local communities. Rainforest Alliance pioneered the use of market-based conservation with the creation of standards for sustainable forestry and agriculture in 1989 and 1991, respectively. Since then, we have established ourselves as a leader in the use of third-party certification as a tool for promoting the sustainable use and conservation of land and natural resources, and for differentiating sustainable products in the marketplace.

Forestry operations in this project were audited against the sustainability principles of the not-for-profit Forest Stewardship Council, which include standards for biodiversity protection, worker safety and community relations and indigenous rights. As part of this project, the Rainforest Alliance and its local conservation NGO partners who make up the Sustainable Agriculture Network (SAN) revised its sustainable agricultural standards and introduced the concept of group certification, in which a group of farms or a cooperative can share one certificate, thus lessening the financial and administrative burden of certification. The introduction of group certification as well as significant investment in growing demand led to the growth in the number of certified coffee farms from 160 at the beginning of the project to 3,646 at its close. All certified farms are inspected every year and must show continual progress, ensuring continued and increased benefit to the local environment and community.

Our successes are due to adherence to the following principles:

* Use of certification as a means of enhancing quality, sustainability and operational efficiency at the producer level, and adding value and competitiveness to key Central American and Mexican products in the marketplace.

* Fostering and use of cross-sectoral alliances among communities, small producer associations, businesses of all sizes, government institutions and NGOs to strengthen the value chains of key products and crops.

* Work with the diverse actors at the market and consumer ends of the commercialization chain—including importers, distributors, supermarkets, coffee roasters and marketers—to underscore the value of certified products and create lasting commercial and strategic partnerships between producers and buyers.
With this report, we are proud to share this project’s formidable accomplishments, which in many cases far exceeded our initial goals and include:

- 357,800 hectares of farm and forestland and 3,600 forestry and agriculture operations newly certified for their sustainable land management and productive practices;
- $437 million in gross sales of sustainably produced and harvested timber products, coffee and bananas and $49 million in direct investments in farms and forestry operations;
- 600 individuals trained as certification auditors or extensionists;
- 34 new forest products developed; and
- 71,500 permanent and temporary workers benefiting from improved living and working conditions on certified operations.

Aside from these accomplishments, a major result of this project is the increased visibility of the Rainforest Alliance Certified seal of approval and availability of certified products. In the three years of the CSPA, the RA Certified seal has popped up in more than 20,000 retail outlets around the world and in major media in the United States, Europe, Asia and Australia. The number of coffee companies using the Rainforest Alliance seal increased from 78 to 324. While it is difficult to measure how much of the sustainably produced wood from this project was actually sold with the certified seal in certified markets, our initial research tells us that we are capturing over 50% in this area, which is much higher than average for certified products that reach markets with consumer facing seals. Our education and outreach efforts ensure that consumers and companies not only recognize our seal but understand what it stands for and start to demand sustainable products—thereby voting for sustainable livelihoods and biodiversity conservation with their dollars. It is this growing demand for certified products that carries the Rainforest Alliance forward in its work, extending our mission of ensuring sustainable livelihoods and healthy ecosystems to a greater number of communities and landscapes throughout the world.

Fortunately, and due to a great extent to the successes of CSPA, Rainforest Alliance has been able to secure several key funding mechanisms to continue its work in the Central America and Mexico region:

- In Guatemala, USAID awarded RA with a 3-year grant, which began in October 2006, to continue promoting sustainable forest management in Guatemala and expand its reach to the highlands region of Verapaces and the Western Highlands, in addition to continuing the work in Petén.

- In Nicaragua, USAID awarded a 3-year grant to RA to promote certified production and marketing of coffee, tourism and forestry activities through partnerships with the private sector.

- In Honduras, RA will be able to continue its forestry work thanks to the funding from the Honduran Foundation for the Development of Exports (FIDE) and the World Bank. Gibson Musical Instruments and the Alcoa Foundation are also contributing to our continued work in the fragile ecosystem of the Rio Plátano Biosphere and the northern Atlántida region.

- In Mexico, we will be able to continue our work in Durango and Oaxaca, and expand to Chihuahua, focusing on the marketing of value-added products processed by selected ejidos and oriented mainly to the huge national Mexican market. Rainforest Alliance has secured funding from non-USAID sources—including the Alcoa Foundation, JPMorgan Chase Foundation, and the SeaWorld Busch Gardens Conservation Fund—for continued forestry work in Mexico. Rainforest Alliance has also secured some funding from IFC to continue work in coffee in Mexico.

- In Panama, we have created alliances with several government institutions and local NGOs to continue our work in the Donoso area and the Wargandí territory.

- A $12 million grant from UNDP/GEF is promoting biodiversity conservation in coffee production in six countries of Latin America, including Guatemala, Honduras and El Salvador. This will allow Rainforest
Alliance to continue its work in coffee in these countries while continuing to partner with and strengthen our local partners: Interamerican Foundation for Tropical Research (FIIT-Guatemala), SalvaNatura (El Salvador) and ICADE (Honduras).

Rainforest Alliance is grateful to USAID for its support and partnership in the CSPA, which gave Rainforest Alliance the framework and resources to build the supply of certified sustainable products from Central America and Mexico, as well as the private sector partnerships and commercial relationships which make environmental and social sustainability a rewarding investment for producers and their families. The relationships built during this project strengthened the foundation for the scale-up and expansion of the RA model of market-based conservation to include more farms and forests and additional countries and crops and landscapes. This expansion is already underway throughout Latin America, and in Africa and Asia.
2.0 Project Management

Administration and Finance

In addition to the results achieved on the ground in Central America and Mexico, the CSPA was an opportunity for RA to expand and strengthen its regional operations. Our Guatemala office grew to become the organization’s Central America regional office; it currently houses 23 employees and 6 consultants who are now supporting the two USAID bilateral projects in Guatemala and Nicaragua, as well as other ongoing programs. We have also added staff in our Costa Rica and Mexico offices, enabling us to establish a solid foundation for future conservation projects. In view of the excellent prospects to continue our work in the region generated by the project, we obtained USAID approval for almost all of the non-expendable assets procured under CSPA to be transferred to RA and to be used in the continuation of our work in each country and location. Thus, the procurement budgets approved for the two bilateral projects in Guatemala and Nicaragua assumed that RA would continue using the office equipment and furniture procured under CSPA and therefore only included incremental expenses for asset acquisition, and the inventory of assets purchased with USAID funds under the CSPA continues to support our various offices and operations in Central America.

RA-Guatemala administered the human resources, accounting, contractual services and other administrative processes for Guatemala and the field offices of the CSPA. The field offices provided monthly accounting to the RA-New York office which handled all of the finances for the project, including the final accounting at the close of the project and the submission of financial reports. As a result of the CSPA, Rainforest Alliance has implemented a new accounting and financial system that enables us to manage and track several different sources of funding at once. This is a necessary platform for our future operations and organizational growth in the region.

Environmental Assessments

The Regional Environmental Advisor (REA) approved the Programmatic Environmental Assessment (PEA) for CSPA forestry activities in Central America, which RA submitted in April 2007. The PEA covers the forestry component of the CSPA project, as well as those USAID projects that will continue the work of the CSPA. The assessment excluded the Donoso Region Master Forest Plan and teak plantation work in Panama, work in the Petén, Guatemala which was covered by a previous assessment, and the forest management plans for Santa Fe and La Esperanza in Waspán, RAAN, Nicaragua, which were also covered by a previous assessment. The assessment identified several potential issues, including: construction of roads and alteration of waterways; erosion of soil from logging; changes in forest structure and species composition; harvesting of mahogany; and, forest colonization. However, the project included many mitigation measures, including the design of roads and infrastructure to minimize erosion, directional felling techniques to minimize collateral damage, selection of a broad range of commercial species for extraction, and the decommissioning and closure of certain roads and infrastructure. Because of these built-in mitigation measures, the assessment determined that operational monitoring is of critical importance in these projects and thereby becomes a mitigation measure in itself. Further, the PEA recommended that Annual Operating Plans become detailed “how to” manuals to enable managers to undertake all of the mitigation and monitoring measures necessary in order to alleviate environmental and social impacts.

The PEA evaluated the CSPA against other alternatives for environmentally sustainable economic development, including small-scale ecotourism, intensified agricultural production, harvesting of NTFPs, small-scale mining, payment for environmental services, legal forestry without certification, and non-intervention. The PEA determined that the non-intervention option would almost assuredly result in a complete absence of any type of forest management, continued illegal logging and increased pressure on other forest resources to provide a livelihood and income. In addition to the non-intervention alternative, there were no realistic alternatives available at that time. The activities of the CSPA complement alternatives that may become viable in the future,
Such as harvest of NTFPs, small-scale tourism and select interventions to improve agricultural productivity and efficiency.

The PEA concluded that the proposed follow-on projects in Guatemala and Nicaragua contain certain environmental and socioeconomic risks that are inherent in virtually any community-based forestry project in the developing world, but these risks are manageable and reasonably small, especially when compared to the no project alternative. In addition, these projects do not violate USAID environmental regulations related to pesticides, exotic species, biodiversity, tropical forests or related issues. It also found that the projects are likely to have numerous economic, environmental and social benefits, including, most notably: increased household and community incomes; more equitable distribution of income from forestry activities; increased tax revenues; establishment of local forestry enterprises pursuing environmental management and forest certification; and long-term empowerment of indigenous communities to sustainably manage their forest resources. Therefore, the REA recommended that these projects be approved with the mitigation and monitoring measures and other recommendations proposed in the Programmatic Environmental Assessment.

PERSUAP

The Pesticide Evaluation Report and Safer Use Action Plan (PERSUAP) for pineapple production in Panama was submitted by RA and later approved by USAID in March 2007. This PERSUAP served as an amendment to the original PERSUAP approved on June 21, 2006 for the CSPA’s work in bananas and coffee. The comments of the REA (Regional Environmental Advisor) concerning the pineapple PERSUAP were that it was thorough, complete and well organized, and the efforts of the consultant who developed the assessment were commended.

The CSPA team developed a PERSUAP Monitoring Plan in August 2006, which was used to follow up on the ten key recommendations of the original PERSUAP (for coffee and bananas), in conjunction with our Sustainable Agriculture Network (SAN) partners, ProNatura-Chiapas (Mexico), FIIT – Guatemala, SalvaNatura (El Salvador) and Institute for Cooperation and Self-Development (ICADE – Honduras). The Rainforest Alliance’s Sustainable Agriculture division made steady progress on the proposed PERSUAP actions during the last quarter of calendar year 2006 and the first two quarters of calendar year 2007. RA’s Standards and Policy Unit developed preliminary versions of new indicators to incorporate the PERSUAP’s recommendations. At the same time, the unit began researching changes to Standards for Sustainable Agriculture – Sustainable Agriculture Network criteria to better accommodate PERSUAP recommendations.

An agreement was negotiated late in 2006 with a qualified intern to further update the SAN knowledge base on the required and prohibited pesticides in different countries. This work began during the first quarter of 2007 and finished early in the second quarter of 2007. This information will be distributed to SAN partners.

Some progress was made on specific changes to auditor and farmer training. Some changes will wait until national pesticide information is updated, while others, such as PERSUAP recommendations, are being included in new auditor and advanced auditor training. These trainings, however, will roll out on-demand as SAN partners are scheduled for new training, and new auditor training is requested. RA Sustainable Agriculture is researching other possible methods of facilitating this information (e-learning; self-learning modules) so that auditors learn about the recommendations and requirements before formal sessions are available.

Dissemination of Results

The Rainforest Alliance presented the final results of the CSPA project in El Salvador on April 17 and in Panama on April 18. The workshop in El Salvador provided an opportunity for key personnel from the USAID Regional Mission, authorities from the Salvadoran coffee sector, SalvaNatura, environmental entities and direct beneficiaries of the project, including Cooperativa Ciudad Barrios from El Salvador, FORESCOM from Guatemala and indigenous forestry cooperatives from Honduras, to share their experiences. As part of the Panamanian event, the Rainforest Alliance officially presented the Master Plan for Sustainable Development in the Donoso Region, the Forestry Cluster Strategy for Panama, the General Management Plan of the Morti Community and costing and other technical tools, which will be used as a guide in the certification process and
in the sustainable forestry management process. Participants included the staff of the USAID mission, environmental government authorities such as ANAM and MICI, forestry and agricultural sector authorities, and representatives of beneficiary communities.
3.0 Project Outputs

As illustrated in Figure 1, each project output was measured against one of three intermediate results, or IRs. IR1 was the increased sales of certified product in order to improve rural livelihood and well being; IR2 was improved environmental management; and IR3 was the expansion of the sustainable certification process in order to improve producer competitiveness. Project outputs are reported by product and country.

**Figure 1: Program Objective and Intermediate Result**

<table>
<thead>
<tr>
<th>General Objective:</th>
<th>IR1: Increased sales of certified products improve rural livelihood and well being</th>
<th>IR2: Improved environmental management</th>
<th>IR3: Sustainable certification process expanded for improved producer competitiveness</th>
</tr>
</thead>
</table>

3.1 Sustainable Agriculture

3.1.1 Key Achievements

**IR1: Increased Sales of Certified Products Improve Rural Livelihood and Wellbeing**

Rainforest Alliance Certified products achieved a truly global reach during the three years of the CSP. The number of registered coffee companies using the Rainforest Alliance Certified seal increased from 78 at the start of the project, to 324 at the end of the project – an increase of 315% (see Annex C for a full list of companies). New and existing partners rolled out Rainforest Alliance-certified product lines throughout Europe and the United States. For example, Chiquita Brands International—who has partnered with RA for over a decade—began selling its bananas with the Rainforest Alliance Certified seal alongside its signature label in 9 countries in Europe and rolled out a print and TV marketing campaign, while companies like Whole Foods Market came on board and began selling certified bananas and coffee in the United States through a new program called Whole Trade Guarantee. Kraft Foods, which bought increasing and unprecedented quantities of certified coffee during each year of the project, relaunched its Yuban brand using 100% RA-certified beans.

*Picture 1: Kraft Foods’ relaunch of the Yuban brand in the US with RA Certified coffee from Latin America*
Table 3.1 Companies Registered to use the Rainforest Alliance Certified Seal, 2004-2007

<table>
<thead>
<tr>
<th>Region (or Major Country Market)</th>
<th>Baseline March 18, 2004</th>
<th>Added During Life of Project</th>
<th>TOTAL as of March 31, 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>40</td>
<td>132</td>
<td>172</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>26</td>
<td>37</td>
<td>63</td>
</tr>
<tr>
<td>Latin America</td>
<td>1</td>
<td>45</td>
<td>46</td>
</tr>
<tr>
<td>Australia and New Zealand</td>
<td>3</td>
<td>40</td>
<td>43</td>
</tr>
<tr>
<td>Japan</td>
<td>2</td>
<td>35</td>
<td>37</td>
</tr>
<tr>
<td>Europe</td>
<td>6</td>
<td>30</td>
<td>36</td>
</tr>
<tr>
<td>Other Asia</td>
<td>0</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Africa</td>
<td>0</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Middle East</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>78</strong></td>
<td><strong>324</strong></td>
<td><strong>402</strong></td>
</tr>
</tbody>
</table>

The efforts to expand the market for certified coffee resulted in a growth of overall sales of 100% per year, from approximately 7,700 metric tons in the 2004-2005 harvest season, to a projected 45,000 metric tons in the upcoming 2007-2008 harvest season. Continual expansion of marketing efforts is resulting in a forecast of strong growth in demand in the coming years.

Table 3.2 Sales of Certified Coffee, 2004-2007

<table>
<thead>
<tr>
<th>Harvest Season</th>
<th>Metric Tons</th>
</tr>
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<tbody>
<tr>
<td>2004</td>
<td>0</td>
</tr>
<tr>
<td>2005</td>
<td>5,000</td>
</tr>
<tr>
<td>2006</td>
<td>10,000</td>
</tr>
<tr>
<td>2007 (projected)</td>
<td>25,000</td>
</tr>
<tr>
<td>2008 (projected)</td>
<td>30,000</td>
</tr>
<tr>
<td>2009 (projected)</td>
<td>35,000</td>
</tr>
<tr>
<td>2010 (projected)</td>
<td>40,000</td>
</tr>
<tr>
<td>2011 (projected)</td>
<td>45,000</td>
</tr>
</tbody>
</table>

During the life of the project, total sales of Central American bananas were 97 million boxes, which was 109% of the target for the project. Total sales of coffee were 34,722 metric tons, which represents 134% of the project target. This represents $342,794,672 in gross sales of bananas, and $84,025,276 in gross sales of coffee during the life of the project.
These sales figures represent earned income for the permanent and temporary workers and farmers—many of whom are defined as smallholders for farming areas of 10 Ha or less—whose livelihoods depend on farming and harvesting. In the coffee sector, these populations have been devastated by fluctuations in the worldwide coffee market in past years. Throughout the life of the CSPA, coffee producers in all project countries received price premiums that averaged from 12 to 14 cents per pound.

**IR2: Improved environmental management: Increased number of certified farms**

**Bananas**

Through this project, we certified 24,354 hectares of bananas, which is a 212% increase over the project baseline, and includes all of the independent banana producers that supply Chiquita. However, due in part to the reduction of hectares under production because of flooding and hurricanes, this area only represents 94% of the project target. However, we certified 108 operations, versus our target of 100. For the first time, we certified one of Dole’s farms (locally known as Standard Fruit). We also certified Empresa Agrocomercial of Earth University, which is supplying Rainforest Alliance Certified bananas to Whole Foods.

**Coffee**

We certified 32,958 hectares of coffee by the end of the project, a 185% increase from the baseline of 11,552 hectares, and 150% of the project target. The dramatic expansion in the number of farms certified is one of the exciting success stories of the project. During the project, we increased the number of certified farms from 160 to 3,646, a growth of 2,179%, and 1,485% of the project target. This increase is due to the success in certifying groups and cooperatives, which was very difficult to predict at the start of the project. Several large groups, including one of almost 2,000 members and another of almost 1,000 members, joined the program as a result of project activities.

Later in the project, a pineapple component was added to the certification targets. We made progress towards this goal, but did not hit our targets. See the Panama section for details on this component.

**IR3: Sustainable certification process expanded for improved producer competitiveness**

The final intended result of the agriculture component of the project was to strengthen and expand our certification systems. During the life of the project, several key tools were developed to enable a more streamlined and responsive expansion of our certification capacities, including systems for group certification, a new generic standard for sustainable agriculture, and an expanded and updated system for developing standards.

Training activities related to certification reached a wide range of actors in the banana and coffee sectors throughout the region. Extensionist trainings further extended local awareness of sustainable agriculture, and brought more farms into compliance with the standards. These individuals will carry this knowledge with them into all of their future work, whether with the farms that achieved certification, or in other agriculture work in their country. Advanced auditor training refreshed and improved the skills of the pool of auditors that already provide Rainforest Alliance Certified auditing services.

Activities aimed at strengthening the certification programs run by the individual partners of the Sustainable Agriculture Network, and at the network as a group, have achieved their intended goals. The partners can now sustain their core certification activities through certification fees, enabling them to continue to provide services without grant funding. All of the partners hired additional staff to run their certification activities during the life of the project, and are now able to maintain these added staff because of certification revenue. They have also been able to branch out into additional verification and auditing services, including the Starbucks Café Practices program, EurepGap, and Nespresso AAA, providing a “one-stop shop” service for local farmers and diversifying their sources of income.
As a result of work done during the life of the CSPA, Rainforest Alliance launched an online Marketplace on April 27th, 2007. The Marketplace is an online tool that provides real-time traceability and reports for all purchases and shipments of Rainforest Alliance Certified coffee worldwide. Exporters report each shipment of Rainforest Alliance Certified coffee, providing details of the farm origin, the quantity shipped, the country and port of destination, and the company that purchased the coffee. When this information is entered into Marketplace, the online system automatically generates a transaction certificate for that shipment. Then each time the coffee is sold, companies along the supply chain must report the farm origin, the quantity sold, the client and the destination of the shipment, and in return they automatically receive their transaction certificate for each sale. Through this system, the Rainforest Alliance can now track coffee electronically from origin through the supply chain to the roaster and distributor.

Another important part of the CSPA’s work to improve competitiveness was in making the link between sustainable farming methods and improved coffee quality. The improved techniques and holistic approach to resource management and working conditions that the Rainforest Alliance certification process requires—reduced pesticide use, shade growing, and soil and water conservation—result in a better product, and this can have tangible economic benefits for farmers who are then able to participate in high-end and specialty coffee markets. The Q Grading System was developed by the Coffee Quality Institute (CQI) and is the coffee industry’s only third-party standard for coffee quality; as such it is important to coffee roasters who are concerned with how coffee tastes. Therefore, participation in the Q Grading System is a critical part of gaining market access and navigating the marketing arena for coffee producers, as it provides a way to communicate more effectively with buyers, set asking prices more accurately, and add credibility to claims about quality. Coffee that earns a score of 80 or more out of a possible 100 points earns the Q Coffee certification, and 80 points is also considered the threshold for what is considered specialty coffee. At the 2007 Specialty Coffee Association of American conference in Long Beach, California, nearly 100 Rainforest Alliance Certified coffee producers from 11 countries were judged according to the Q standards. All CSPA countries represented at the event earned average scores of above 80, with more than 30 individual farms earning scores that qualified them for Q quality and specialty status.

Picture 2: Manuel Rugano, a coffee farmer from Nicaragua’s Bosawas region who was supported by CSPA.

Picture 3, at right: Many Rainforest Alliance Certified coffees, like that of Nicaragua’s Finca La Bastilla, earn high grades at cupping events, proving the link between sustainable farming methods and improved quality.
3.1.2 Results by Country

**Mexico**

**IR1: Increased Sales of Certified Products: Improve Rural Livelihood and Wellbeing**

Pronatura-Chiapas, the local SAN partner, developed considerable experience in promoting certified products to buyers during the life of the project. Independently, and in collaboration with the Rainforest Alliance Supply Chain Coordinator, Pronatura developed relationships with important exporters, including ECOM and MERCOM. Both of these companies are now exporting Rainforest Alliance Certified coffees from Mexico. The domestic market for certified coffee has also expanded during the project period, and ProNatura is hoping to be able to hire a local marketing/market linkage specialist to help them take advantage of this expanding market.

**IR2: Improved environmental management: Increase the number of certified farms**

Mexico experienced tremendous growth in the number of certified farms during the project period, increasing from a baseline of 11 farms to 1,026 farms at the project’s end. This growth is notable because sustainable agriculture certification has been active in Mexico for less time than in the Central American project countries, and as a result, there was less awareness of RA certification among farmers at the start of CSPA implementation. The tremendous growth is due in large part to the significant effort invested by Pronatura-Chiapas throughout the project to promote the program and educate farmers about the principles and standards of sustainable agriculture. At the start of the project Pronatura-Chiapas was primarily focused on a small area of southern Chiapas. By the end of the project, all four major coffee growing regions of Mexico were involved or becoming involved in certification. Throughout the life of the project, Pronatura presented the program to well over 6,000 producers in the states of Oaxaca, Puebla, Veracruz, Guerrero, Tabasco, and Chiapas.

Providing technical training in the Sustainable Agriculture Network’s standards was another means of expanding awareness and understanding amongst Mexican coffee farmers. During the project, Pronatura held two workshops in which it presented the revised 2005 version of the SAN’s Standard for Sustainable Agriculture, its principles, changes and tools to 72 individuals. This diverse audience included new certified coffee producers, processors, retailers, government agency representatives, researchers and academics.

Pronatura also reached out to farmers by participating in trade shows and industry events. Developing relationships with traders, industry groups and government entities has been another method by which Pronatura reached more farmers. In 2007 Pronatura certified the first large group of small and medium sized farmers, with the assistance of AMSA, the local company of international exporter ECOM.

The work that Pronatura did to promote the CSPA during the life of the project will have positive impacts long after the project has ended. Currently, there are 9 farms or groups with a total of 1,500 producers in the process of implementing the changes required to achieve certification in the near future, covering a total of 5,000 hectares. This means that Pronatura may more than double the number of certified farms, and nearly double the certified hectares, in the coming year. Additional farms are on a slower schedule in their move toward certification.

*Picture 4: Finca Santa Elena’s coffee grows in the shade of Mexico’s Sierra Madre de Chiapas*
Table 3.3 Life of Project – Certification Highlights Mexico

<table>
<thead>
<tr>
<th></th>
<th>Coffee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farms certified</td>
<td>1,026</td>
</tr>
<tr>
<td>Volume sold (boxes of banana, MT of coffee)</td>
<td>7,635</td>
</tr>
<tr>
<td>Gross sales</td>
<td>$18,477,475</td>
</tr>
<tr>
<td>Permanent Workers</td>
<td>603</td>
</tr>
<tr>
<td>Temporary Workers</td>
<td>5,961</td>
</tr>
<tr>
<td>Production hectares certified</td>
<td>7,537</td>
</tr>
<tr>
<td>Total hectares certified</td>
<td>12,792</td>
</tr>
</tbody>
</table>

**IR3: Sustainable certification process expanded for improved producer competitiveness**

One of the main objectives of the project was to strengthen the certification systems. This has multiple results, including improving the quality of the certification audit, increasing the impact of the standards, and enabling more financially independent local certification programs. In Mexico, three advanced auditor training courses were held for a total of 26 auditors. The courses covered topics such as analyzing and interpreting the new version of the sustainable agriculture standard, and the proper application of certification system tools. One of these courses also focused on the topic of tree shade as defined by the criteria in the revised certification standard. This course, entitled “Biodiversity in Coffee: Shade as an Indicator” also included seven auditors from Sustainable Agriculture Network partner SalvaNatura. Pronatura also participated in network wide training activities, such as training certification managers and administrators in client service, cost analysis, quality systems and ISO 65 standards.

In addition to Rainforest Alliance certification, Pronatura is also offering Starbucks and Nespresso verifications. This “full service” approach has been very attractive to producers, and has resulted in increased interest in our program. It is also a mechanism for improving the financial viability of the certification programs.

**Guatemala**

**IR1: Increased Sales of Certified Products Improve Rural Livelihood and Wellbeing**

Rainforest Alliance and FIIT signed an MOU with ANACAFE, the Guatemalan coffee industry association, to expand Rainforest Alliance certification in Guatemala. Annual participation in the ANACAFE congress resulted in extensive awareness building among Guatemalan producers. Additional meetings and presentations were held with exporters, producers, government agencies, and other key market actors, including the Industry Association for Non-Traditional Exports (AGEXPRONT), the National Committee on Protected Areas (CONAP), the Experimental Coffee Association (Asociación Experimental de Café). Creating such market linkages was critical to expanding the market for certified Guatemalan coffee. In addition, certified bananas from Guatemala were sold for the first time using the Rainforest Alliance Certified seal in nine European countries.

*Picture 5, at left: Worker housing on Finca Santa Isabel in Guatemala*
IR2: Improved environmental management: Increase the number of certified farms

In the years 2004 and 2005 the CSPA was heavily focused on certifying the independent banana farmers that supply Chiquita prior to the end of 2005, the internal deadline set by Chiquita for achieving certification. This goal was accomplished on schedule. One of the main tools used to help banana farmers achieve certification was a training workshop for extensionists and internal auditors, and during the early period of the project 25 participants received this training. In addition, 15 coffee extensionists received training in the standard, and four workshops were held which presented and analyzed the revised 2005 sustainable agriculture standard to a total of 61 coffee and banana producer representatives.

A partnership between FIIT and ANACAFE, partially funded by the Spanish development agency AECI (Agencia Espanola para la Cooperacion Internacional), aimed to expand certification through the training of 78 groups of small coffee growers in the SAN standards. This was done through sixteen workshops and training sessions in six different geographic regions of the country.

Table 3.4 Life of Project – Certification Highlights Guatemala

<table>
<thead>
<tr>
<th></th>
<th>Banana</th>
<th>Coffee</th>
<th>Banana &amp; Coffee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farms certified</td>
<td>26</td>
<td>137</td>
<td>163</td>
</tr>
<tr>
<td>Volume sold (boxes of banana, MT of coffee)</td>
<td>29,350,590</td>
<td>1,615</td>
<td>-</td>
</tr>
<tr>
<td>Gross sales</td>
<td>$102,727,064</td>
<td>$17,843,318</td>
<td>$120,570,382</td>
</tr>
<tr>
<td>Permanent Workers</td>
<td>4,367</td>
<td>1,080</td>
<td>5,447</td>
</tr>
<tr>
<td>Temporary Workers</td>
<td>4,582</td>
<td>12,046</td>
<td>16,628</td>
</tr>
<tr>
<td>Production hectares certified</td>
<td>7,332</td>
<td>7,564</td>
<td>14,896</td>
</tr>
<tr>
<td>Total hectares certified</td>
<td>8,936</td>
<td>12,921</td>
<td>21,857</td>
</tr>
</tbody>
</table>

IR3: Sustainable certification process expanded for improved producer competitiveness

In Guatemala, one basic auditor training workshop was delivered to 15 participants to bring in new auditors. Two advanced auditor training courses were held, with a total of 15 auditors, focused on the topics of analyzing and interpreting the revised 2005 SAN standard and the proper application of certification system tools. FIIT also participated in network wide training activities, such as training for certification managers and administrators in client service, cost analysis, quality systems and ISO 65. In addition to Rainforest Alliance certification, FIIT is also offering EurepGap, Starbucks and Nespresso verifications.

Honduras

IR1: Increased Sales of Certified Products: Improve Rural Livelihood and Wellbeing

A number of important companies launched products with Honduran coffee during the project period. The German company Tchibo, the fifth largest coffee roaster in the world, launched a single-origin Honduran product, specially labeled as such. This was an important advance for the Honduran coffee market, which has not traditionally been known for providing specialty coffees. US-based Caribou Coffee, Kraft Foods, the UK-based DR Wakefield, the Italian coffee company Lavazza and others also purchased Honduran coffee. ICADE, the
local SAN partner, developed relationships with important Honduran coffee exporters, including Molinos de Honduras, HONDUCAFE, BONCAFE, Becamo, SOGIMEX (ECOM’s local company), Volcafe, and SIGRA. Visits to Honduras by the RA Supply Chain Coordinator and events held by SAN partner ICADE, also helped to generate increase interest in certified Honduran coffee.

**IR2 Improved environmental management: Increase the number of certified farms**

As in Guatemala, the early part of the project in Honduras was focused on preparing and certifying independent banana producers. 21 banana company technicians participated in internal auditor training workshops. Coffee farmers in Honduras also benefited from relationships with a number of interested buyers during the project period. A partnership with the Italian coffee company Lavazza resulted in 35 small farms being certified. The Glasgow-based roaster Matthew Algie arranged for two small cooperatives in the buffer zones of Sierra de Agalta and La Tigre National Parks to achieve certification. A project administered by Becamo, the local representative of the Neumann Coffee Group, resulted in the certification of more than 150 farms in the San Juan Intibuca area.

Three workshops were held in order to present and analyze the new version of the sustainable agriculture standard to a total of 51 coffee and banana producer representatives. One additional extensionist training on the revised 2005 sustainable agriculture standard was held for 20 technical and professional staff (2 women and 18 men) who work closely with the development of coffee projects and farms in Honduras.

A number of certifications in Honduras are interesting because of their positive conservation impact. Several private coffee producers in the buffer area around the Copan National Park achieved certification. Thirty members of the “Cooperativa Mixta Planes Limitada” (COMIXPLANL) were also certified. This coop is geographically connected to the Honduran Mesoamerican Biological Corridor. Additional projects sought out certification as a watershed protection mechanism, including the FOCUENCAS, Helsinki Consulting Group (Trifinio project), and World Neighbours projects.

*Picture 6, above: Workers on banana farms benefit from the improved occupational health and safety measures required by certification.*

**Table 3.5 Life of Project – Certification Highlights Honduras**

<table>
<thead>
<tr>
<th></th>
<th>Banana</th>
<th>Coffee</th>
<th>Banana &amp; Coffee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farms certified</td>
<td>11</td>
<td>221</td>
<td>232</td>
</tr>
<tr>
<td>Volume sold (boxes of banana, MT of coffee)</td>
<td>4,766,807</td>
<td>2,045</td>
<td>-</td>
</tr>
<tr>
<td>Gross sales</td>
<td>$16,683,824</td>
<td>$4,946,874</td>
<td>$21,630,698</td>
</tr>
<tr>
<td>Permanent Workers</td>
<td>171</td>
<td>154</td>
<td>325</td>
</tr>
<tr>
<td>Temporary Workers</td>
<td>1,173</td>
<td>2,499</td>
<td>3,672</td>
</tr>
<tr>
<td>Production hectares certified</td>
<td>1,290</td>
<td>1,629</td>
<td>2,919</td>
</tr>
<tr>
<td>Total hectares certified</td>
<td>1,387</td>
<td>3,353</td>
<td>4,740</td>
</tr>
</tbody>
</table>
IR3: Sustainable certification process expanded for improved producer competitiveness

Three advanced auditor training courses were held, for a total of 42 auditors, on the topics of analyzing and interpreting the revised 2005 sustainable agriculture standard, as well as increasing the understanding of occupational health and safety certification criteria of the revised standard.

ICADE also participated in network wide training activities, such as training for certification managers and administrators in client service, cost analysis, quality systems and ISO 65.

Lavazza’s Commitment to Sustainable Coffee

Throughout the life of the CSPA, Italian company Lavazza worked with the Rainforest Alliance and Volcafe, a leading coffee exporter, to provide its supplier farms in Honduras, Colombia and Peru with the technology and training they needed to implement sustainable practices. Coffee from these farms is now being used in Lavazza’s Tierra! Brand. The Honduras supplier farms belong to a coop called Grupo de Productores de la Fortuna, which represents 60 small holdings. On these small farms an initial assessment team from Lavazza and RA encountered poor living conditions, wastewater from the houses and coffee mills running directly into the streams, farmers applying pesticides with no training or safety equipment, workers deforesting areas to plant new coffee farms, soils eroding and garbage accumulating. To prepare for Rainforest Alliance certification in Honduras, Lavazza paid an agronomist to train all coop members in integrated waste and pest management, reforestation and environmental education. Members now know to separate their household garbage and compost all organic waste, and to collect plastic drinking bottles to turn into traps for the bean pest “broca.” The benefits of the sustainable management of these farms extend well beyond farm borders. The Honduras farms, which lie in an isolated area high in the Merendon mountains, act as a buffer zone for the Cusuco National Park, in effect extending the conservation benefits of the protected area. This is particularly important here because the mountainous region supplies drinking water for the city of San Pedro Sula. To help maintain a healthy water supply, the cooperative is working with the parks department to preserve existing forest and reforest areas along streams on their farms. The farmers have already planted some 2,500 tree saplings, and are raising 5,000 seeds of fruit trees and hardwoods in a community nursery.

El Salvador

IR1: Increased Sales of Certified Products Improve Rural Livelihood and Wellbeing

Kraft Foods was the biggest buyer of certified coffee in El Salvador during the project period, and a visit from the then-CEO of Kraft Foods Roger Deromedi helped to raise awareness of Rainforest Alliance certification in the country. Several buyers of certified coffee purchased from El Salvador for the first time during the project, including Caribou Coffee and the German company Tchibo. Others increased their purchases, including First Choice coffee and Elan Organics. Other buyers include Mayorga Coffee Roasters, which supplies Costco, and the Japanese company Ueshima Coffee Company.

SalvaNatura worked to help position certified coffee from El Salvador as quality coffee. SalvaNatura held their first sustainable coffee quality competition during the project period. About 60 people attended the tasting—known in the industry as cupping—which was held at a trendy restaurant in San Salvador. Attendees included the USAID Mission Director, the local Kraft representative (TALOCA Trading), key coffee traders, local coffee export companies and various government representatives.

Picture 7: A cupping event supported by CSPA.
Rainforest Alliance – USAID  CSPA Final Report

Cup of Excellence, an organization that gives an award of the same name that is considered to be the most esteemed award for quality coffee, also held a quality cupping event in El Salvador involving 182 samples, mainly from the western region of the country. The winner was Las Mercedes, a Rainforest Alliance Certified farm, and six additional certified farms were recognized as “Presidential Status,” meaning their coffees surpassed Salvadoran standards for quality. Rainforest Alliance Certified coffees did extremely well in El Salvador’s Q auction.

SalvaNatura organized five workshops, attended by a total of 51 representatives from various producer groups, to present and analyze the revised 2005 sustainable agriculture standard, its principles, modifications and tools. In addition, 3 extensionist trainings for 45 technical staff from the Salvadoran Institute for Coffee Research (PROCAFE) were held in order to familiarize them with the revised sustainable agriculture standard and certification system tools. PROCAFE is a private Salvadoran organization comprised and run by representatives of the country’s four coffee producer associations. The organization’s mission is to support the Salvadoran coffee sector with environmentally-sound technology and specialized services in order to enhance market competitiveness.

*Picture 8: Coffee picker on Finca Los Nogales, a certified farm in El Salvador*

**IR2: Improved environmental management: Increase the number of certified farms**

**Table 3.6 Life of Project – Certification Highlights El Salvador**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Farms certified</td>
<td>207</td>
</tr>
<tr>
<td>Volume sold (boxes of banana, MT of coffee)</td>
<td>7,543</td>
</tr>
<tr>
<td>Gross sales</td>
<td>$18,255,078</td>
</tr>
<tr>
<td>Permanent Workers</td>
<td>2,831</td>
</tr>
<tr>
<td>Temporary Workers</td>
<td>15,389</td>
</tr>
<tr>
<td>Production hectares certified</td>
<td>8,387</td>
</tr>
<tr>
<td>Total hectares certified</td>
<td>10,375</td>
</tr>
</tbody>
</table>

**IR3: Sustainable certification process expanded for improved producer competitiveness**

Fifteen auditors attended two advanced training workshops on topics including application of the 2005 revised certification standard, certification system tools, chain of custody, and training on policies and certificates. 207 coffee farms were newly certified.
Nicaragua

IR1: Increased Sales of Certified Products Improve Rural Livelihood and Wellbeing

A number of major companies purchased Rainforest Alliance Certified coffee from Nicaragua, including Kraft Foods, the US specialty roaster Mayorga (supplying Costco), Gloria Jeans, Proctor and Gamble, Drie Mollen and Dallis Brothers.

In 2005, coffee from Finca La Bastilla earned the then-highest bid ever paid out in a CQI-sponsored auction. The buyer, Café Imports, is a long time buyer of Rainforest Alliance Certified coffees.

During the CSPA, Rainforest Alliance was a sponsor of Ramacafe, Nicaragua’s annual coffee conference. This event brings together producers, representatives of the national and international coffee buyers and other NGOs, donors and industry groups with the aim of creating business contacts and disseminating strategies for coffee production, sustainability and marketing. RA’s involvement included a booth to promote certified producers, a farm tour, and other promotional events such as a gala dinner.

IR2: Improved environmental management: Increase the number of certified farms

Extensive outreach to producers and industry groups in Nicaragua was conducted during the life of the project. Promotional activities included explaining the program to 50 farmers who sell to the exporter Atlantic Trading, which is part of the ECOM Group.

Two workshops were held which presented the revised 2005 Sustainable Agriculture Network standard to a total of 52 producer representatives from certified and prospective coffee and banana farms.

In addition, three internal auditor workshops were held in order to provide a comprehensive review of the revised 2005 SAN certification standard, including requirements and the analysis and interpretation of the standard. Beyond this, the workshops also covered audit planning, an audit evaluation system, evaluating non-conformities, and designing improvement plans and internal monitoring. A total of 65 auditors attended these workshops.

[Picture: Hacienda San Rafael exists in harmony with the surrounding landscape of Nicaragua’s Matagalpa region.]

IR3: Sustainable certification process expanded for improved producer competitiveness

During the project period Rainforest Alliance worked to improve the quality of certification audits in Nicaragua. Members of the certification services team in Costa Rica visited clients in Nicaragua to follow up on client relations, and conduct an assessment of the local auditing quality and capacity. These kinds of visits are an essential part of building in-country capacity for certification services, as well as our own quality control purposes. While we have found that working in countries where certifications are conducted by independent consultants, rather than partner organizations, can be a challenge, with an investment in capacity building and periodic supervision and assessment, we have found it to be a sustainable alternative to working with partners. As in Mexico, in Nicaragua RA is now offering Rainforest Alliance certification, along with Starbucks and Nespresso verification services. This “full service” approach is very attractive to producers, and is resulting in increased interest in our program. It also contributes to the financial sustainability of the certification process, creating more potential business for the Rainforest Alliance’s certification unit.
Table 3.7 Life of Project – Certification Highlights Nicaragua

<table>
<thead>
<tr>
<th></th>
<th>Banana</th>
<th>Coffee</th>
<th>Banana &amp; Coffee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farms certified</td>
<td>4</td>
<td>73</td>
<td>77</td>
</tr>
<tr>
<td>Volume sold (boxes of banana, MT of coffee)</td>
<td>1,819,327</td>
<td>4,549</td>
<td>-</td>
</tr>
<tr>
<td>Gross sales</td>
<td>$6,367,644</td>
<td>$11,007,081</td>
<td>$17,374,725</td>
</tr>
<tr>
<td>Permanent Workers</td>
<td>595</td>
<td>762</td>
<td>1,357</td>
</tr>
<tr>
<td>Temporary Workers</td>
<td>356</td>
<td>4,040</td>
<td>4,396</td>
</tr>
<tr>
<td>Production hectares certified</td>
<td>542</td>
<td>3,434</td>
<td>3,976</td>
</tr>
<tr>
<td>Total hectares certified</td>
<td>585</td>
<td>7,290</td>
<td>7,875</td>
</tr>
</tbody>
</table>

Costa Rica

IR1: Increased Sales of Certified Products Improve Rural Livelihood and Wellbeing

Bananas: 42,574,107 boxes of certified product sold, from 12,575 production ha and 16,684 total certified hectares; $149,009,378 in gross sales, involving 6,031 permanent and 1,222 temporary workers.

Coffee: 4,710 metric tons of certified product sold, from 6,400 production ha and 7,772 total certified ha; $11,396,861 in gross sales, involving 362 permanent and 2,122 temporary workers.

IR2: Improved environmental management: Increase the number of certified farms

The expansion of banana certification during the life of the project in Costa Rica included several exciting firsts. In addition to certifying the independent suppliers of Chiquita, the first Dole company banana farm achieved certification in the first quarter of FY2007; Dole is known locally as Standard Fruit. Another new banana certification was Empresa Agrocomercial of Earth University, which is supplying Whole Foods with Rainforest Alliance Certified bananas through an initiative called the Whole Trade Guarantee, launched in March 2007. This program will increase the availability of responsibly produced goods and is intended to empower consumers who want to support sustainable agricultural practices through the choices they make every day in the supermarket. In addition to bananas, Rainforest Alliance Certified coffee and chocolate are being sold in Whole Foods Markets in the United States and Canada as part of this program. Whole Foods hopes that within 10 years more than half of all the products it imports from developing countries will meet the program criteria for high quality, responsible environmental practices, more money for producers, and better wages and working conditions for farm workers.

During the life of the project there was a substantial uptake of Rainforest Alliance certification on the part of Costa Rican coffee cooperatives. CoopeTarrazu, a group of over 1,900 producers, was the first cooperative to achieve Rainforest Alliance certification. In 2007, Coopellanobonito, a group of 450 producers, also achieved certification. Several additional cooperatives are in the process of implementing the changes required to achieve certification.

Picture 10: Rainforest Alliance Certified bananas displayed for sale in a Whole Foods Market
### Table 3.8 Life of Project – Certification Highlights Costa Rica

<table>
<thead>
<tr>
<th></th>
<th>Banana</th>
<th>Coffee</th>
<th>Banana &amp; Coffee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farms certified</td>
<td>53</td>
<td>2,394</td>
<td>2,447</td>
</tr>
<tr>
<td>Volume sold (boxes of banana, MT of coffee)</td>
<td>42,574,107</td>
<td>4,710</td>
<td>-</td>
</tr>
<tr>
<td>Gross sales</td>
<td>$149,009,378</td>
<td>$11,396,861</td>
<td>$160,406,239</td>
</tr>
<tr>
<td>Permanent Workers</td>
<td>6,031</td>
<td>362</td>
<td>6,393</td>
</tr>
<tr>
<td>Temporary Workers</td>
<td>1,222</td>
<td>2,122</td>
<td>3,344</td>
</tr>
<tr>
<td>Production hectares certified</td>
<td>12,575</td>
<td>6,400</td>
<td>18,975</td>
</tr>
<tr>
<td>Total hectares certified</td>
<td>16,684</td>
<td>7,772</td>
<td>24,455</td>
</tr>
</tbody>
</table>

**IR3: Sustainable certification process expanded for improved producer competitiveness**

During the life of the project, 19 new auditors were trained in Costa Rica. Two advanced auditor training courses were also presented on topics including the application of the revised 2005 certification standard as well as social auditing methods. These sessions included a total of 25 participants.

In addition, three workshops were presented to familiarize both local producers and internal administrative staff with the revised 2005 certification standard. These workshops included 57 representatives from certified coffee and banana farms, as well as 6 Rainforest Alliance administrative staff.

**Panama**

**IR1: Increased Sales of Certified Products Improve Rural Livelihood and Wellbeing**

Bananas: 19,430,504 boxes of certified product sold, from 5,093 production ha and 5,311 total certified hectares; $68,006,763 in gross sales, involving 3,760 permanent and 494 temporary workers.

Coffee: 867 metric tons of certified product sold, from 365 production ha and 1,222 total certified ha; $2,098,589 in gross sales, involving 59 permanent and 832 temporary workers.

**IR2: Improved environmental management: Increase the number of certified farms**

Rainforest Alliance initiated activities in pineapple in 2006 with the target of certifying 1,000 hectares. During the first year of the pineapple activities, Rainforest Alliance conducted research and a public consultation process, and then launched the additional criteria for pineapple certification. These activities are requisites of the Sustainable Agriculture Network process of launching certification activities for new crops and regions.

*Picture 11, at left: Workers on a pineapple farm.*

While the certification criteria were under development, Rainforest Alliance staff met with various government agencies and NGOs that work in the agriculture sector to discuss collaboration. Two rounds of meetings were held with pineapple farmers and representatives from USAID, NGOs and government agencies to identify pineapple producer sustainability.
requirements and needs, and identify specific participants for training workshops.

Extensionist training workshops were then held for technical assistance providers in pineapple. A total of 26 technical assistance providers were trained, representing various farms and the cooperative Coopwest RL. This training covered how to interpret the standards, critical issues in pineapple certification, and the evaluation system.

All of the participants in the workshops were contacted to determine their interest in certification. There was a very low response from this outreach effort. Of the two farms that responded, one farm continued in the certification process, sending an application for certification. Rainforest Alliance consultants conducted a diagnostic of the farm, followed by a generic improvement plan for pineapple producers to use in implementing the standards. Unfortunately, this farm has not yet been able to achieve certification.

However, one new farm did get involved in the process of certification and after an intense 10-month process of making operational changes, obtained the first-ever RA certification for pineapple in Latin America (and only the second in the world) in October 2007. The farm, called Dolce Veladero Chiriqui, is located in David, Panama, where commercial pineapple farming often leads to widespread environmental problems including soil erosion—a particular problem for the Panama Canal, which is being filled with sediment from poorly managed farms. Studies have shown that preventing the erosion through sustainable farming techniques is cheaper than dredging the canal. Thus, Dolce Veladero Chiriqui has established itself as a leader in the region for adopting sustainability, and another farm in the region, Corporacion Frutera del Pacifico, is involved in the certification process now. These two farms are Chiquita suppliers and cultivate 226 ha. of land. Chiquita will market certified pineapples from these farms throughout Western Europe and Scandinavia.

These two farms were identified by an RA consultant who was hired to visit farms and develop a consolidated certification prospect list. He visited 15 farms in the Panama Canal Zone in early 2007, and in addition to these found several pineapple farmers outside of the Canal Zone that are interested in certification. However, RA has received clear messages from the producers that unless they have a strong market signal from buyers interested in certified pineapple – at an attractive price – that they do not see the value in certification. Most of these producers are currently certified by EurepGap, and selling to the European market. They say that they are happy with this arrangement. In order to help work on increasing buyer demand, Rainforest Alliance contracted Carlos Vega, formerly of Chiquita Brands, as a fresh produce supply chain coordinator. Among his current responsibilities is to help find fruit products for Innocent Drinks and Whole Foods. RA is hoping to link these companies to pineapple suppliers in Panama.

A post-project plan for continuing pineapple work in Panama has been submitted and approved by USAID. The outline of this plan is that RA is continuing to provide periodic technical assistance to interested producers in order to implement the required improvements that will eventually allow them to become certified. The fresh produce supply chain coordinator contracted by RA will continue dedicating his efforts to identifying and attracting national and international buyers for certified pineapples. Chiquita has again committed to buying a certain volume, and we have made initial contacts with an Italian importer, McGarlet.
Table 3.9 Life of Project – Certification Highlights Panama

<table>
<thead>
<tr>
<th></th>
<th>Banana</th>
<th>Coffee</th>
<th>Banana &amp; Coffee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farms certified</td>
<td>25</td>
<td>4</td>
<td>29</td>
</tr>
<tr>
<td>Volume sold (boxes of bananas, MT of coffee)</td>
<td>19,430,504</td>
<td>867</td>
<td>-</td>
</tr>
<tr>
<td>Gross sales</td>
<td>$68,006,763</td>
<td>$2,098,589</td>
<td>$70,105,352</td>
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<td>Permanent Workers</td>
<td>3,760</td>
<td>59</td>
<td>3,819</td>
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<tr>
<td>Temporary Workers</td>
<td>494</td>
<td>832</td>
<td>1,326</td>
</tr>
<tr>
<td>Production hectares certified</td>
<td>5,093</td>
<td>365</td>
<td>5,458</td>
</tr>
<tr>
<td>Total hectares certified</td>
<td>5,311</td>
<td>1,222</td>
<td>6,533</td>
</tr>
</tbody>
</table>

3.1.3 Regional Activities of the Agriculture Program

Marketing and Increased Sales

The three years of CSPA implementation were critical for the consolidation of Rainforest Alliance marketing efforts. During this period RA had several key strategies for market expansion. They included:

- Strengthen presence in Europe and develop presence in Japan to attract and support buyers of certified bananas and coffee;
- Expand relationships with current buyers and attract additional buyers through tradeshows, meetings, conferences, etc.;
- Initiate Supply Chain Linkage function as a support to both producers and buyers;
- Provide support to seal using businesses (companies that sell certified products) as they launch certified products; and
- Strengthen the global marketing team to enable increased focus on marketing.

Activities and results are reported below by key strategy component, followed by highlights of expanded presence in key countries.

*Strengthen presence in Europe and develop presence in Japan to attract and support buyers of certified bananas and coffee*

The European and UK markets are leading in consumer demand for sustainable products, yet there was almost no consumer awareness of Rainforest Alliance Certified products at the beginning of the project. At the time of the CSPA’s launch, Rainforest Alliance did not have any staff, partners or consultants representing the program outside of the United States and Latin America, and relied on already overstretched NY-based marketing staff to service companies who buy and sell RA-Certified coffee and advertise it as such—companies we call seal-using brands (SUBs). In order to expand the market for certified products in Europe, Rainforest Alliance opened an office in Amsterdam with one staff member in 2005, and hired consultants in the UK, Switzerland, Germany, France, and Sweden to represent the program. A full-time European Marketing Manager was hired in the spring of 2007.
With this new staff and consultant corps on the ground, reaching out to key stakeholders in Europe, with the dual objectives of supporting seal using businesses in their product launches for certified products and of strengthening awareness of and support for the Rainforest Alliance Certified brand, became a key activity of the CSPA. During the various major product launches, in particular those of Chiquita, Kraft, Tchibo, Lavazza, Innocent Drinks and McDonald’s, Rainforest Alliance staff and consultants met and maintained contact with over 100 stakeholders in 12 countries.

In order to make outreach easier in different European countries, Rainforest Alliance, with the support of consultants and public relations agencies, developed basic program materials in several languages and also created Web portals in several languages so that non-English speakers could more easily find information in their native language.

Expand relationships with current buyers and attract additional buyers through tradeshows, meetings, conferences, etc.

Rainforest Alliance marketing staff intensified the organization’s representation at and participation in key coffee industry tradeshows during the CSPA implementation period. The premier annual event for the specialty coffee industry is the Specialty Coffee Association of America annual conference and tradeshow (known as SCAA). This event draws producers, roasters, retailers and food industry representatives, and consists of a full schedule of presentations on a wide range of issues related to coffee—including sustainability—as well as exhibitor booths and networking events. In addition to attending as an exhibitor, for two years in a row Rainforest Alliance hosted a breakfast at SCAA that was attended by 300 people in 2006 and 500 people in 2007. Every year, the SCAA conference has provided a critical venue for RA to increase awareness of the RA-Certified brand and to facilitate conversations between producers and buyers.

Rainforest Alliance staff also initiated, or expanded, participation in the Specialty Coffee Association of Europe, Specialty Coffee Association of Japan, Sintercafé and Ramacafé trade shows.

Initiate supply chain linkage function as a support to both producers and buyers

Under CSPA Rainforest Alliance was able to hire a Supply Chain Coordinator for the first time. This person acted as the key point of communication and coordination between the supply and demand sides of the market for certified coffee. Marcel Clement, who filled the position, worked with each of the local SAN partners participating in the project to help them develop relationships with local industry associations, exporters, and other key stakeholders. He participated with them in local tradeshows and industry events to help build contacts and promote local supply to the international market. Working directly with local partners in this way has resulted in increased organizational capacity to deal with coffee industry representatives.

In addition to working with local partners on their market linkage efforts, the Supply Chain Coordinator met regularly with key buyers of certified coffee, at an international, regional and local level to develop rough demand projections. He also worked with local partners to develop projections of potential volumes of upcoming certifications to help match the supply and demand. We found that having a coffee industry insider who “spoke the language” of coffee traders and could help translate that information to our staff and partners was a key factor of our success throughout the life of the project.

The Supply Chain Coordinator was also able to work on raising the awareness of the importance of coffee quality. Rainforest Alliance initiated an annual certified coffee cupping event. This is now held in Long Beach,
California at the Specialty Coffee Association of America headquarters. The cupping panel consists of volunteer cuppers from the roasting, retailing and export/import segments of the specialty coffee industry, and uses the SCAA cupping form and protocol.

A partnership with CQI resulted in a number of Q grading events in CSPA countries. These events resulted in increased awareness of the certified producers in each country, helped educate producers about the quality of their coffee, and attracted buyers.

Provide support to seal using businesses as they launch certified products.

One of the primary strategies to increase sales of certified products has been to provide excellent support to businesses already buying and selling certified products. Support to seal using businesses included: identifying and meeting with key stakeholders; helping companies with crafting messages around their certified products and the concepts of sustainability; reviewing and approving company promotional materials; conducting media outreach around product launches; attending meetings with companies’ customers – or potential customers—to explain the certification program; organizing farm tours for company staff; providing training to company staff on sustainability and the Rainforest Alliance program; and co-presenting at conferences, among other activities.

These activities were pursued aggressively and continuously refined during the course of the project. This was especially challenging in Europe, where Rainforest Alliance did not have a presence at the beginning of the project, and where most of the key product launches of certified products happened during the life of the project.

As the Rainforest Alliance certification seal becomes better known worldwide, more people are seeking information on how farms are certified. To help answer their questions, we created Web pages about sustainable coffee (http://www.rainforest-alliance.org/cafe) in Spanish, French and German. We found that it was well worth the investment of time and funds to have this information available in various languages: In six months alone our coffee page 1,700 times in French, 700 times in Spanish and 300 times in German.

Strengthen the global marketing team to enable increased focus on marketing

During the period of CSPA implementation, Rainforest Alliance expanded the staff dedicated to marketing from one professional and two assistants based in New York, to five professional staff based in NY, Holland and Costa Rica, three assistants in New York, and a team of marketing and media consultants in Europe and Japan. We have also substantially expanded the Rainforest Alliance communications team’s role in providing support to seal using companies.

Expansion in key markets

During the CSPA project, Rainforest Alliance Certified products gained substantial ground in markets in the United States, UK, Europe, Japan, Canada, and Australia.

United States

The United States experienced the largest growth in the number of companies registered to use the seal, expanding from 40 to 172 companies during the life of the project. These companies range from small, local coffee shops and independent roasters, to large chains such as Caribou Coffee. These companies are located in over 35 states from Alaska to Florida, California to Maine, in addition to brands with national coverage.

In 2006, Kraft Foods re-launched its mass market Yuban Coffee with the Rainforest Alliance seal. Yuban is a major mainstream brand sold in supermarkets across the United States. Yuban will source an estimated 7-10 million pounds of certified beans, making it the largest buyer of Rainforest Alliance Certified coffee.
Another key U.S. based partner has been Caribou Coffee Company. Caribou Coffee is the second largest U.S. specialty coffee company (after Starbucks), and has over 300 stores in 14 states. Caribou has pledged to source 50% of its coffee from certified sources by 2008. The company has worked directly with their existing suppliers in Central America to help them get certified.

In 2007 Whole Foods launched its “Whole Trade Program,” featuring Rainforest Alliance, organic and fair trade certified products. Whole Foods Market is the world’s leading natural and organic foods supermarket, with 40,000 employees and 189 store locations in North America and the United Kingdom. Whole Foods is selling Rainforest Alliance Certified coffee, chocolate, and bananas, and is interested in expanding their offerings of Rainforest Alliance Certified fresh produce.

Select UK locations where Rainforest Alliance Certified products can be found:

- McDonald’s restaurants in the UK and Ireland
- Madisons Coffee Shops – UK wide
- Pret a Manger – UK wide
- The Natural History Museum, London
- The Science Museum, London
- Eden Project, Cornwall
- Morrisons in-store Cafes, UK wide
- Sainsburys, Tescos, Asda, Morrisons and other major supermarkets across the UK (100% certified coffee and Innocent Smoothies)
- Thistle Hotels in the UK
- Waitrose Supermarkets

United Kingdom

Registered seal users in the United Kingdom expanded from 26 at the start of CSPA to 63 by the end of the project.

Kraft UK launched their RA Certified Sustainable Development Coffee, Kenco, in June 2004. This was the first major launch of a RA Certified Kraft brand, and began a period of rapid expansion in consumer recognition of the Rainforest Alliance Certified seal in the UK market. In January 2007, all 1,200 McDonald’s restaurants in the UK and Ireland began selling exclusively Rainforest Alliance Certified Kenco coffee. Rainforest Alliance is also worked with Kraft and McDonald’s on plans to launch RA certified coffee in outlets across Europe, including Germany, Sweden, France, Italy, Greece, Poland, Croatia, Serbia, Ukraine and Austria. Sales of McDonald’s coffee in the UK have increased by 8% with the addition of our frog seal, and the confirmation of the Europe-wide launch dates.

Gala, an iconic 100-year-old coffee brand began using our seal in 2004, and in 2007 began a process to completely reposition the brand as 100% sustainable. Certified coffee is sold in the Natural History Museum, the Eden Project (a popular tourist attraction), the Royal Bank of Scotland, the cafes in Tesco supermarkets and many other locations throughout the British Isles.

In September 2005, Innocent Drinks first visited certified banana farms in Costa Rica. Based in the UK, Innocent Drinks sells 100% natural fruit juices in UK supermarkets and dominates the UK “smoothie” fruit juice market (60% market share), with an annual turnover of approximately £70 million. They currently sell 150,000 bottles of juice a day, plus supermarket tetrapaks, and are in the process of expanding to Continental Europe and Scandinavia.

After that initial visit, Innocent announced that it would only buy banana puree, which forms the base of most of their drinks, from RA certified banana farms. Innocent has since started buying Rainforest Alliance Certified orange juice from Costa Rica, and has expressed an interest in any other fruit that we can certify, including pineapple. The market impact of Innocent Drinks is far greater than the amount of product that they purchase, as it is seen as one of the most progressive companies in the UK for its environmental and social commitment and is frequently profiled in the press.
Continental Europe

During the life of the project, thirty new companies in Europe started using the Rainforest Alliance Certified seal, bringing the total number of companies to 36. Kraft Foods launched certified coffee brands in France, Germany, Sweden, Spain and Italy. With coffee from Rainforest Alliance cooperatives from Colombia, Honduras and Peru, Lavazza put a new roast-and-ground coffee product in the market called Tierra! Tierra! is sold across Europe and the United Kingdom in specially designed tins, with on-package advertising that explains what the company is doing to help the cooperatives meet Rainforest Alliance standards. In Holland, the Laurus retail company introduced Rainforest Alliance Certified coffee in its Super de Boer and EDAH supermarket chains. KLM, the Dutch airline, is serving Rainforest Alliance Certified coffee on board all flights. Tchibo, the leading coffee company in Germany and the fifth largest coffee roaster in the world, is selling Rainforest Alliance Certified products in the company’s more than 1,000 shops in Germany.

Nespresso, the fastest growing coffee company in the world (exhibiting 40% annual growth), offers premium espresso blends in an exclusive single-serving capsule formulation that can only be used in the company’s sophisticated machines. The Rainforest Alliance and SAN developed a unique farm-evaluation system for Nespresso that combines reviews of the social and environmental conditions with an audit of the farm and mill practices that affect coffee quality. The SAN is using this tool on thousands of farms in Mexico, Central America, Brazil and Colombia, and Nespresso developed one product line under the AAA Sustainable Quality banner. Nespresso has committed to sourcing 50% of its total coffee from SAN-verified sources by the year 2010.

After 13 years of effort and unprecedented changes, Chiquita introduced Rainforest Alliance Certified bananas in nine European countries: Austria, Belgium, Denmark, Finland, Germany, Holland, Norway, Switzerland and Sweden. Half of the company’s European supply is wearing the seal of approval – weekly, this translates to 500,000 boxes, or about 50 million individual bananas sold supermarkets throughout the region.

Rainforest Alliance and SAN staff supported Chiquita in nine launch events in Europe, one in each country. These launch events entailed substantial work on the part of our communications team and European representatives, including developing materials and messages, planning events, stakeholder mapping and meetings prior to the launch, developing articles that would run in the media before the official announcement, and substantial follow up with media and stakeholders after the launch. This resulted in a large number of stories in the press. We also created Web pages about sustainable banana farms (http://www.rainforest-alliance.org/banano) in Spanish, Swedish and German.

Partnership Profile: Chiquita marketing results

The Chiquita media campaign around the Rainforest Alliance Certified product launch resulted in more than 250 articles, of which 60% were positive. Post campaign polls reported a:

- 29% increase in consumers who think that Chiquita is a company that respects human rights;
- 46% increase in those who think the company respects the environment;
- 10% increase in consumers willing to pay a premium for a sustainable product; and
- 9% increase in consumers who associate Chiquita with quality.

Japan

Thirty-five new companies using the Rainforest Alliance Certified seal were added in Japan during the life of the project, expanding the number from 2 to 37. An additional two companies were added in other Asian countries,
an increase from zero at the start of the project. During the life of the project Rainforest Alliance made a concentrated effort to expand the Japanese market for certified coffee.

In 2005, Rainforest Alliance took advantage of the large representation of Japanese companies at the SCAA conference in Seattle by hosting a seminar about Rainforest Alliance Certified coffee in Japan. Over fifty people were in attendance to learn more about Rainforest Alliance’s social and environmental certification program, the benefits to participating producers and buyers, marketing advantages and how to get involved in supporting sustainable coffee practices. The presentation was in English with simultaneous translation in Japanese.

Additional outreach activities in the Japanese market included a booth at the Specialty Coffee Association of Japan and attendance at the Kanto trade show organized by UCC (Ueshima Coffee Company) and attended by over 1,000 UCC customers and suppliers.

Rainforest Alliance Certified products can be found in the lounges of All Nippon Airways, in business class on Asiana Airlines, on the Japanese Bullet Train, the Shinkansen, and in the Imperial Hotel, Tokyo. Some 11,000 7-11 stores sell Rainforest Alliance Certified coffee. Certified coffee products can also be found in cans sold from vending machines throughout the country.

Picture 13: Japanese imports of Rainforest Alliance Certified coffee increased dramatically during the life of the CSPA.

**Partnership Profile: UCC and Nueva Grenada**

UCC Ueshima Coffee Company, Ltd., Asia’s leading coffee roaster, began to source Rainforest Alliance certified beans in 2004. Since then, the company has gradually introduced Rainforest Alliance Certified coffee into nearly all of its product lines. UCC began promoting Rainforest Alliance Certified by creating domestic partners. “Instead of selling Rainforest Alliance Certified products as another specialty coffee, we gave companies that agreed with the principles behind Rainforest Alliance activities the opportunity to be the first to incorporate the coffee into their merchandising strategies,” explains marketing manager Makoto SakaKieda. The result has been the adoption of Rainforest Alliance Certified coffee at leading Japanese restaurant chains, city hotels popular with business travellers, and airline VIP lounges. In November 2005, UCC launched a canned coffee that is produced entirely from Rainforest Alliance Certified coffee that comes from an estate farm in Guatemala called Nueva Granada. It is sold primarily in convenience stores and supermarkets.

Certified bananas also entered the Japanese market. Chiquita Japan began placing the Rainforest Alliance Certified seal on individual finger bananas sold in convenience stores. Chiquita Japan has an 11% share of the Japanese banana market.

In late 2006 Rainforest Alliance hired a part-time representative in Japan to help continue to expand the market for certified products.
Sustainable certification process expanded for improved producer competitiveness

During the life of the project the Rainforest Alliance and the Sustainable Agriculture Network made substantial progress in revising the SAN standard and the process for standards development. In 2004 and 2005, Rainforest Alliance finalized a public stakeholder consultation process on the revised standards.

Changes to the standard implemented addressed requirements for shade cover in certain crops, widths and separation distances around ecosystems and water bodies, working hours and child labor on family farms, genetically modified organisms, and prohibited and permitted agrochemicals. The Rainforest Alliance team also reorganized the standard into a less cumbersome structure, developed performance indicators for each standard criterion, translated the standard into English, and coordinated a final technical style and linguistic edit. The revised standard was launched at the end of 2005.

In 2006, along with the changes to the network structure, Rainforest Alliance and the SAN developed new and expanded procedures for future standards development. These procedures achieved full compliance with the International Social and Environmental Accreditation and Labeling Alliance’ (ISEAL) Code of Good Practices in Social and Environmental Standards Setting. Rainforest Alliance is a member of ISEAL, along with the other major NGO-led social and environmental labeling schemes.

During the project period Rainforest Alliance staff developed criteria and indicators for pineapple certification. They then conducted a public consultation, after which they completed a public consultation summary, announcement letter, and final draft of Additional Criteria and Indicators for Pineapple Production – Sustainable Agriculture Network, which received final approval by the Sustainable Agriculture Network.

As part of work to develop a Chain-of-Custody standard and auditing system for agriculture, Rainforest Alliance conducted its first pilot audit in Europe. A local Rainforest Alliance forestry Chain-of-Custody auditor audited the installations of Tchibo in Germany, and concluded that the company had a 100% score against our Chain-of-Custody guidelines. The experiences from this audit were taken into account in revising the guidelines. During the project we made substantial progress in defining the technical aspects of Chain-of-Custody auditing, but have not finalized how the implementation of the guidelines will work.

Group certification is a key element of reducing costs for small producers and ensuring access to certification and markets, as well as streamlining the certification process for larger companies. The SAN has been certifying smallholder groups on a pilot basis since 2004. During FY05 we further developed and refined group certification standards, a preliminary scoring system and certification conditions, and an audit report template based on pilot certifications of smallholders during the first half of calendar year 2005. The group certification protocol was also tested on select Chiquita divisions in order to determine the standard’s applicability to groups of large farms under a single management system. This work led to proposed modifications of the report and scoring system. Substantial progress was made in certifying groups during the life of the project.

Several meetings of the Sustainable Agriculture Network were held during the life of the project to strengthen the certification system. Technical meetings were held, during which the certification managers of our SAN partners discussed RA quality control procedures, improved client services, budgeting for certification services, and business planning. Presentations and discussions from Marcel Clement, Supply Chain Coordinator, helped to develop a stronger understanding of the coffee industry among SAN partners. Meetings of the executive directors of the SAN partner were used to discuss the re-structuring of the network. As a result of these meetings, the SAN will be restructured into two networks, one of which will remain as the SAN and address standards and policy issues, and the other, to be called SANcert, which will be the certification body.

A final major area of technical work during the project period was adapting the certification systems to be ISO 65 compliant. This included creating a series of tools and procedures, including an internal quality manual and quality control procedures for SANcert partners, guidance tools for producers, a document control system,
revised guidelines on suspension and termination of certificates, and guidelines on addressing complaints and disputes. The Rainforest Alliance internal certification team was reorganized to better address new procedures and service certified producers and the network. These systems were finalized in early 2007 and the operational transition is underway, with expected completion in July 2008, at which point the ISO audit will be conducted.
3.2 Forestry

3.2.1 Key Achievements – Forestry

Our original proposal included four countries for our forestry activities: Mexico, Guatemala, Honduras and Nicaragua. At the project’s start, Mexico and Guatemala already had large areas of forest already certified and our main focus was on increasing the sale of certified products. The latter two countries had very little certified forest and our activities were focused on both increasing the area under certification as well as increasing sales of certified products. Half way through CSPA, Panama was added for forestry activities as well. In Panama, only plantations (mostly teak) are certified so our marketing efforts focused on teak with some funds available for a land use plan for the Donoso forest reserve and support for a forest operation plan for the Wargandi Comarca in Darien.

Our final result in sales was more than double our volume and value targets, for a grand total of $9.7 million in sales. As expected most of this occurred in Mexico and Guatemala, where there was a large certified supply in place. We also doubled our targeted investment figure for a grand total of $8.2 million invested, more than half of which reflects investments in communities in Mexico. The strategies to achieve those results were markedly different in each country.

In Mexico, we worked with certified communities in Durango and Oaxaca whose primary forest product is pine. Mexican producers have both a robust internal market and fierce competition from cheap pine imports from plantation operations in Brazil and Chile. Our successful strategy for Mexican producers focused on increasing efficiencies in primary production (and thus lowering production costs and improving competitiveness) and encouraging investment in value added secondary processing to increase revenues on the lower grades of pine. We did not intervene in the community’s lucrative sales of high grade pine. In some communities, remarkable gains in productivity were achieved which also translated into significant increases in income (up to a 60% increase in income), without increasing harvesting levels. The other remarkable achievement was the willingness of the communities themselves to invest their own funds in upgrading their processing plants. Nearly 80% of the $5.7 million investments in Mexico came directly from the communities.

In Guatemala, the certified forests are mostly located within the Mayan Biosphere Reserve where industrial and community concessions traditionally depend on mahogany sales for most of their income. Our strategy was to develop markets for non-traditional species (NTS) and the lower grades of mahogany, with an emphasis on value-added products rather than just green lumber. Targeted NTS for marketing were pucté (Bucida buceras), santa maria (Calopyllum brasiliense), manchiche (Lonchocarpus castilloi), danto (Vatairea lundellii) and low grade mahogany (Swietenia macrophylla). Working primarily through brokers, who invested their own time and resources in marketing NTS and were willing to experiment with new products and species, we successfully placed new products in the certified marketplace (guitar components, eco-decking, flooring, decking, S4S sized wood for construction, ship lap, tongue & groove, musical grade wood, moldings, E4E S4S character wood, veneer and plywood). The importance of developing markets for NTS is twofold: 1) to increase income and economic viability of the forestry operations and 2) because good silvicultural management requires that large gaps are made in the forest canopy to promote sufficient regeneration on the forest floor. Our principal partner in Guatemala has been FORESCOM, a community owned business that markets the NTS and now has its own secondary processing plant in the Peten.

Although we met our overall target for certified forest areas (1,558,211 ha) and increased the number of certified forest management operations from 69 to 94, we expected to have more forests under certification by the end of the project. Our work in Honduras was temporarily set back due to a lack of buy-in by USAID Honduras and the need to raise funds elsewhere for the work started there with cooperatives inside the buffer and cultural zone of the Rio Platano Biosphere Reserve. An important achievement, which is not reflected in our CSPA indicators, was our ability to connect the cooperatives to a market for certified guitar components which paid them 10 times more than illegal logging. We managed to wean them away from illicit forest activities into a legal market for wood coming from a managed forest. The cooperatives are not yet certified but they have made the long journey
from illegal harvesters to forest managers. They have well established market connections and experience with exporting their high value products. In Nicaragua, two years of work in supporting the public/private alliance of Madera Giron and five Mosquito communities in the North Atlantic Autonomous Region (RAAN) was seriously impeded when the federal government enacted a logging ban in 2006 and then a new forestry law excluding the zone where we had been working from any forestry activities. During the last year of CSPA we had to shift our focus to new communities and forests while still trying to improve understanding by decision makers on the role and benefit of community forestry for the RAAN.

Overall, a defining quality of RA’s forestry work has been the extraordinary level of cooperation and alliances with other stakeholders and agencies/organizations working towards similar goals (economic development with strong environmental underpinnings) that has helped us achieve the stronger than expected results.

3.2.2 Results by Country

Mexico

In Mexico, RA worked with more than 30% of the FSC certified forestland, with a particular focus on twelve ejidos and communities in the states of Durango and Oaxaca. These communities own approximately 300,000 certified hectares and annually produce more than 300,000 m³ of wood. The communities sold 2,953,607 bf of wood products for $2.4 million in sales and invested more than $5.7 million in upgrading their processing machinery and equipment. Wood sales more than doubled from our original target. The source of the sales was a combination of improved production efficiencies (more lumber produced from the same harvest levels – especially for Durango) and new, value added products such as dried lumber, dimensioned lumber, and furniture. Both the improved efficiencies and new value added products depended on outside and community financing to invest in improved machinery, dry kilns and secondary processing equipment. A felicitous outcome of increased capacity for secondary processing is the increased employment opportunities for women —some plants count women as over 50% of their total employees.

Of the $5.7 million leveraged for investments in improved processing, nearly 80% came from the ejidos and communities themselves. Other programs that provided financing include: “Alianza para el Campo,” the National Forest Commission (CONAFOR), the Durango and Oaxaca state governments, loans from the Bank of Mexico, the Commission for Indigenous People (CDI), the Economy Secretary and other NGOs.

IR1: Increased Sales of Certified Products Improve Rural Livelihood and Wellbeing

Table 3.10 Targeted sales, volumes and investments versus end of project results (US$)

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Country</th>
<th>Anticipated Outputs April 2004 – March 2007</th>
<th>Results as of April 2007</th>
<th>Difference</th>
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<td>Volume of sales (bf)</td>
<td>Mexico</td>
<td>1,330,000</td>
<td>2,953,607</td>
<td>+ 1,623,607</td>
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<td>Amount of sales Bf (US $)</td>
<td>Mexico</td>
<td>731,500</td>
<td>2,448,300</td>
<td>+ 1,716,800</td>
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<tr>
<td>Value of investments (US $)</td>
<td>Mexico</td>
<td>1,500,000</td>
<td>5,710,650</td>
<td>+ 4,210,650</td>
</tr>
</tbody>
</table>

Durango

In Durango, the CSPA project worked in a certified managed area of more than 200,000 certified hectares. The authorized volume was 250,000 m³, or 50 million bf. We worked with the following ejidos: Pueblo Nuevo, San Diego de Tenzáenz, El Salto de Camellones, El Tarahumar, San Bernardino de Milpillas and Vencedores.
Pueblo Nuevo shipped 36,000 bf of sofa furniture components to IKEA. In order to improve production and performance, consultants provided community members with training on preventive and corrective maintenance for the sawmill equipment. This led to an 18% increase in production and 10% average increase in productivity, based on average performance per cubic meter milled. We worked with the ejidos and communities to find funding to improve the efficiency of their production, carry out capital improvements and purchase special equipment. The following table outlines the equipment purchases and upgrades per community.

![Picture 14: Shipments prepared for IKEA.](image)

### Table 3.11 Equipment purchases for Durango Communities

<table>
<thead>
<tr>
<th>Ejido or Community</th>
<th>Project</th>
</tr>
</thead>
<tbody>
<tr>
<td>El Salto de Camellones</td>
<td>Debarker, chip machinery, dry kiln.</td>
</tr>
<tr>
<td>San Diego de Tenzáenz</td>
<td>Sawmill mechanization, machinery for secondary processing.</td>
</tr>
<tr>
<td>San Pablo</td>
<td>Industrial warehouse, sawmill mechanization and machinery for secondary processing, dry kiln.</td>
</tr>
<tr>
<td>Comunidad Indígena de San Bernardino de Milpillas</td>
<td>Chip machinery, sawmill mechanization, sawmill acquisition and dry kiln.</td>
</tr>
<tr>
<td>Vencedores</td>
<td>Dry kiln.</td>
</tr>
</tbody>
</table>

By the end of CSPA in Durango, we helped to secure public and private financing for the mechanization and upgrading of 4 sawmills plus the installation of kilns and secondary processing machinery for four communities. On average we saw an increase of 15 bf per m3 sawed.

### Oaxaca

In Oaxaca, RA worked with the communities of San Pedro el Alto, Santiago Comaltepec, Ixtlán de Juárez, Santiago Xiacuí, Capulalpam de Méndez and Santa Catarina Ixtetelá. We provided technical training in improved milling practices and machinery and equipment repair, and assisted with equipment upgrades (see below). This resulted in an average production improvement of 8% in Santiago Xiacuí, San Pedro el Alto, Ixtlán de Juárez and Capulalpam de Méndez. In Ixtlán de Juárez and Santiago Textitlán, consultants provided specialized training in certified school furniture production, including production engineering, product design and quality control. In addition, in order to facilitate importation of forestry equipment and machinery, we identified two customs agencies in Veracruz and two in Tampico. Consultants assisted us with a marketing study.
on certified pinewood doors in southeast Mexico. We also supported San Pedro el Alto, Ixtlán de Juárez and Santiago Textitlán in filing loan applications to the Bank of Mexico and CONAFOR to assist with expositions and fairs in Guadalajara, Mexico City, Valencia (Spain) and Hanover (Germany). Finally, San Pedro el Alto exported 18,000 bf of saw wood to San Antonio, Texas.

The following table lists the ejido or community and the equipment upgrades as part of the private/public investments made.

**Table 3.12 Equipment Purchases for Oaxaca Communities**

<table>
<thead>
<tr>
<th>Ejido or Community</th>
<th>Project</th>
</tr>
</thead>
<tbody>
<tr>
<td>Santiago Xiacui</td>
<td>Saw sharpener</td>
</tr>
<tr>
<td>Santiago Comaltepec</td>
<td>WoodMizer sawmill (replacing a larger, less efficient mill)</td>
</tr>
<tr>
<td>Capulalpam de Méndez</td>
<td>Dry kiln</td>
</tr>
<tr>
<td>Santiago Textitlán</td>
<td>Sawmill and furniture mill</td>
</tr>
<tr>
<td>Ixtlán de Juárez</td>
<td>Furniture mill</td>
</tr>
</tbody>
</table>

**Michoacán (2007)**

As an additional service for the Comunidad Indígena de Nuevo San Juan Parangaricuatro, this project helped in the marketing and promotion of their certified products in national markets.

*Pictures 15 and 16:*

*Women working at Ejido Ixtlán de Juárez in the furniture factory*
**IR2: Improved Environmental Management**

In Mexico, during the CSPA project, there was a 33% increase in the area certified and a 23% in certified processors. Details in Table 3.13

**Table 3.13 Changes in certified area and number of certified operations in Mexico, April 2004 -April 2007**

<table>
<thead>
<tr>
<th>Concept</th>
<th>Base Line (April 2004)</th>
<th>Final Results (April 2007)</th>
<th>Balance (New)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certified Hectares</td>
<td>586,219</td>
<td>781,296</td>
<td>195,077</td>
<td>33.28%</td>
</tr>
<tr>
<td>Forest Management (FM)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Certified Operations</td>
<td>32</td>
<td>45</td>
<td>13</td>
<td>40.63%</td>
</tr>
<tr>
<td>Chain of Custody (CoC)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Certified Operations</td>
<td>17</td>
<td>21</td>
<td>4</td>
<td>23.52%</td>
</tr>
</tbody>
</table>

Table 3.13 reveals a significant increase in the number of operations and certified hectares. Between 2004 and 2007 there was an increase of 13 certified operations. These primarily occurred in the major certified forestry zones of Mexico, mainly in the states of Durango and Oaxaca. A few ejidos in Quintana Roo and one in Chihuahua also became certified, as did the first plantation in the state of Nayarit. The assessed areas and the adjustments in the management plans also positively impacted the number of certified hectares.

Several new metropolitan operations, including wood stores in the Federal District, Mexico State and Querétaro, registered for Chain-of-Custody certification. Some operations opted not to retain their certification, for instance Noram de México in Durango, because they were unable to find certified markets for their products (in this case, charcoal). Some community based companies received a new CoC certificate because of reassessment, such as in the case of the Textitlán, Nuevo San Juan Parangaricutiro, Ixtlán de Juárez and El Balcón.

The US Forest Service International Program worked with CSPA to provide training and technical assistance to ejidos and communities in Durango and Oaxaca. Three courses were given on reduced impact roads and low cost road maintenance. Another course covered strategic and tactical forest planning. In Oaxaca, a course was given on cable log extraction which helps to reduce erosion and expand the reach of the extraction cable. A wood classification manual was developed to train Mexican operations on US pine classification standards to allow them to understand US market demands and grading specifications.

**IR3: Sustainable certification process expanded for improved producer competitiveness**

Improved competitiveness for certified operations had three aspects: 1) improved processing efficiencies to lower the costs of production (discussed partly under IR1); 2) strengthening the business skills of community operations; and 3) identification of new markets and new value added products.

As part of the work in improving processing efficiencies to lower production costs, each community or ejido learned to keep better production data and how to use it for decision making. Daily, weekly and monthly production totals were publicly posted at the sawmill. Gains in efficiency were made through improved sawing techniques (on-the-job training), adjustments to carriages and saws, more frequent saw filing, some improved mechanization moving the logs to the sawing platform and improved wood classification. This resulted in
significant increases in board feet produced per cubic meter, more lumber in the higher class of wood, and more board feet produced for each eight hour shift.

To strengthen business skills we originally partnered with the organization CRECE to provide both diagnostics on the community business enterprise and also to develop with the communities, a master plan for follow up training and to guide future investments and funding requests. In both the ejido and indigenous community systems, the “business” of running of forestry operation is managed by the same people who also must administer other community activities such as roads, schools, housing, etc. These positions are typically rotated every 3 years or sooner, making it difficult to build up professional expertise and experience in wood processing, marketing, etc. One of our goals was to work toward “professionalizing” these positions and trying to separate the running of the forest enterprise from the administration of the community. Of course, every community had different needs and different results.

We sought new markets for new products from secondary processing or marketing of waste products such as wood chips. Prior to CSPA most of the ejidos in Durango produced green lumber, broom stick blanks or squares and green pallets. We successfully introduced the production and sale of rounded broom handles, chips, dimensional dried lumber and furniture component parts. We commissioned two market studies—one in the north of Mexico for Durango ejidos to identify key buyers of furniture components, laminated boards and moulding—the other in central and southern Mexico for Oaxaca communities to identify the markets for doors, mouldings, laminated boards and solid wood (copies of these two market studies were sent to USAID/Mexico in a CD-ROM in January 2008). In Oaxaca, where many communities were already producing finished products such as furniture and doors, we helped them to establish an integrated marketing company (TIP Muebles) that consolidates the production from three communities and allows them to jointly bid on contracts (e.g. >$2 million contract with the State of Oaxaca for certified school furniture), jointly hire design experts and to exhibit at trade shows. They also opened a retail outlet in 2006 which features 100% certified furniture for the home and office. In many ejidos in both Durango and Oaxaca, we helped to establish the first ever marketing departments.

A costing tool was developed to help communities and ejidos to: 1) determine their costs of production in primary processing and 2) to evaluate through prototypes if a new product in secondary processing was economically viable. The costing tool will continue to be useful to the new community level marketing departments to help them evaluate if a new product is worthwhile or to help negotiate prices with buyers.

Highlights on business skill improvements are below:

**Durango**

CRECE and later CRECE-trained consultants carried out comprehensive diagnostic and planning exercises in the ejidos of San Pablo, El Salto de Camellones, San Diego de Tenzáenz and Milpillas. These served as inputs to business plans for the ejidos and the basis for successful financial proposals for the investment in new machinery. Motivational courses in each ejido were also given to raise awareness on professionalism at all levels of the forestry operation.

Two ejidos (Milpillas and Salto de Camellones) established internal consultative counsels comprised of ex-community officials. The role of the consultative counsel (with about 25 members) is to serve as an advisory group to the ejido President on issues related to business investments. Any community funds to be invested have to be approved by the entire community assembly (many hundreds of members) which normally meets only once or twice a year. By working with processing managers to daily and weekly post production data, and encouraging the ejido President to consult with their councils for new investments according to a business plan, the assemblies had better, more up-to-date production and revenue data on which to base new investment decisions. For many of the ejidos, the large amount of investments made during CSPA points to a new confidence by members in the future of their business.
In Millpillas, a computerized administrative system was installed. The system covers administration, production, human resources, finances, markets, and entrepreneurial skills (Windows ASPEL). This system is operated by the community members themselves. Training courses were based on the method of learning by doing. One of the things that has limited the installation of this system in other communities is the lack of sufficient capacity in some of the communities (software and hardware).

**Oaxaca**

CRECE, and then CRECE-trained consultants, carried out comprehensive diagnostic and planning exercises in the communities of Santiago Xiacuí, Capulalpam de Méndez, Santiago Comaltepec, Ixtlán de Juárez. These served as inputs to business plans for the communities and the basis for successful financial proposals for the investment in new machinery. Motivational courses in some of the communities were also given to raise awareness on professionalism at all levels of the forestry operation.

With support from CONAFOR, operation handbooks for Ixtlán de Juárez, Santiago Xiacuí and Capulalpam de Méndez were completed outlining the roles and responsibilities for each employee. (These operational handbooks were sent on a CD-ROM to Dan Evans at USAID/Mexico in January 2008). RA provided support for marketing materials for TIP Muebles and for Ixtlan de Juarez which included labels for furniture with the community and FSC seal, brochures and information on FSC certification. We also trained certified operations in Michoacán, Guerrero, Oaxaca, Durango and Chihuahua on FSC logo use for marketing and labeling products.

*Picture 17: Certified Pine Logs in Santiago Comaltepec*

**Table 3.14 New Products, Systems and Tools for Certified Mexico Operations**

<table>
<thead>
<tr>
<th>INDICATORS</th>
<th>COUNTRY</th>
<th>Base Line</th>
<th>Results as of March 31, 2007</th>
<th>DIFFERENCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of New Products</td>
<td>Mexico</td>
<td>(3) green board, roll wood and dry wood (Oaxaca)</td>
<td>Furniture: 22 Escuadria: 5 Others: 5</td>
<td>29</td>
</tr>
<tr>
<td>New Systems and Tools</td>
<td>Mexico</td>
<td>0</td>
<td>(3)Production cost, administrative system, Sawmilling Coefficient: (4)enterprise Image</td>
<td>7</td>
</tr>
<tr>
<td>Number of Organizations with production costs</td>
<td>Mexico</td>
<td>0</td>
<td>3</td>
<td>3</td>
</tr>
</tbody>
</table>
Central America

Key Activities and Achievements

In Central America, RA has made great advances in the area of market linkages, certified supply organization and improvement of forestry sector competitiveness. RA worked in Central America during the project period on marketing and promotion of certified sustainable forest products, including training and technical assistance in how to follow up with buyers. Buyers for Central American wood products included: Earth Source (USA), Selva Verde Products (USA), Espen (Germany), Rex Lumber Company (USA), Gibson Guitar (USA), North American Wood Products (USA) Ottar Norman Saeterlid (Norway), Carpintería Riviera, Instaparquet, Caoba of Honduras, Coope Denmark (Denmark) and Taeverson Moen (Denmark).

At the request of the purchasers, RA helped producers to develop new products from non-traditional species and low grades of mahogany. Participants created 29 new products with a high added value, such as different flooring types, decking, guitar components, eco-decking, furniture components, chairs made from pucate, danto and santa maria, kitchen shelves, barbeque tables, arrow tables and chairs, flower pot stands and parquet flooring. The craftsmen sent their developed prototypes to buyers, who provided suggestions and adjustments. The participants conducted cost and performance (based on efficiency) analysis for every item; this activity was critical to negotiate and define profitable pricing.

The Central American region sold 2,792,290 bf, equivalent to $7,208,810, exceeding the goal in both product sales volume as well as gross sales. The producers were FORESCOM, Baren Industrial S.A, Gibor S.A, Profisga, S.A and the certified forest concessions in Petén, Guatemala; Nepenthes-Coatlahl located in Ceiba, Honduras, and Mahor, Sawasito, Guayabo, Brus Laguna, La Pimienta and Wanpusirpe cooperatives, located at the Rio Platano Biosphere Reserve Cultural Zone, also in Honduras; Simplemente Madera in Nicaragua; and, small private forest owners and furniture workshops in Panama.

The forestry project raised $3,302,870 in leveraged funds. INCAE Business School, the Multilateral Investment Fund of the Inter-American Development Bank (FOMIN), the National Competitiveness Program (PRONACOM), the Ministry of Agriculture, Livestock and Food (MAGA), and the Technical Training and Productivity Institute (INTECAP) provided significant support for the training and value-added processing work in Guatemala. The Association of Central American Indigenous Communities (ACICAFOP), Centro Humboldt, German Technical Cooperation (GTZ), World Wildlife Fund (WWF), The Nature Conservancy (TNC), the Saint Louis Zoo and Social and Environmental Forestry Program (POSAS) in Nicaragua helped to improve political conditions and to train the communities in community forest management. GTZ, INCAE, FOMIN, the Honduran Corporation for Forestry Development (COHDEFOR) and Foundation for the Development of Exports (FIDE) helped to promote the added value project in Honduras, and provided technical assistance in value added processing and business skills training.

The new certified area covers 124,161 ha corresponding to 14 forest management operations, surpassing the goal for the region. In addition to the new certified area, RA assisted in developing forest management plans and environmental impact studies for 54,704 ha. The forest management plans and the environmental impact studies took into consideration the country regulations, the FSC certification standards and the USAID 216 regulations.

One of the weaknesses at the start of the CSPA project was the lack of certified CoC, which limited producers’ ability to respond to certified clients. There are currently 14 new CoC operations in the region.

To improve the efficiency of the institutional framework of forest procedures, to improve competitiveness and to strengthen forest community capacities, the project developed and implemented 20 tools, including: commercial strategy, costing systems for products with high added value, inventory control, methodology for integral industrial diagnosis, methodology to select buyers, methodology to select products, strategy for industrial development, business plan model, manual to evaluate sustainability of small and medium enterprises, methodology to develop financial planning, methodology to develop business plans for small and medium
enterprises, master plan for management areas, forest management certification manual, Chain-of-Custody certification manual, guidelines to develop general forest management plans, guidelines to develop annual operating plans (POA), basic guidelines for forest concession contracts in Panama and socioeconomic strategy for community forest management.

More than 1,500 people were trained in business skills improvement, secondary processing, product costing, forest inventories, forest management plans interpretation and exportation procedures.

To continue CSPA initiatives, we have implemented several alliances and new projects. Four of these are in Guatemala: a) the secondary processing plant of FORESCOM was established and is now operating. The Agricultural Ministry supplied most of the funds for this project. b) “aprender-haciendo” or “Learning by Doing” is a training program in secondary processing, including machinery operation, supported by INCAE-FOMIN, PRONACOM, INTECAP and Baren Comercial S.A. and that trained 10 FORESCOM members. c) Enhancing FORESCOM Competitiveness. This project was implemented with INCAE-FOMIN support. d) Organizing certified supply and responding to a demand in a better way. This project was supported by PRONACOM. A new agreement was signed with USAID Guatemala to continue to expand our forestry activities in Peten, Verapaces and Altiplano, which assures continuation of the CSPA sustainable business initiatives.

In Nicaragua, a new agreement was signed with the bilateral mission to continue and expand the activities RA has implemented with CSPA for three additional years. RA has made great advances in the development of sustainable forest management tools and the enhancement of forestry policies in favor of certified forest management.

In Honduras, RA has implemented two new projects. One project, which INCAE-FOMIN is financing, focuses on assisting forest communities in competitiveness issues. The other project is aimed at better organization of certified supply and exportation of certified products from the buffer and culture zones of the Rio Plátano Biosphere Reserve. This project is funded by FIDE with funds from the World Bank and the Inter-American Development Bank (IDB).

In Panama, funding opportunities were sought with organizations such as: Global Environment Facility (GEF), African, Caribbean and Pacific Group of States (ACP), the Panama Canal Watershed Interagency Committee (CICH), IDB, the National Council of Sustainable Development (CONADES), the National Environmental Authority (ANAM), Foundation NATURA and the Ministry of Industry and Commerce (MICI). RA has presented four proposals and there are many opportunities to find local funds to continue with the competitiveness initiatives that RA has started in Panama. FUNDECO, a local NGO, will partner with RA in these activities.

Results by Country

Guatemala

IRI: Increase sales of Certified Products, Improve Rural Livelihood and Wellbeing

Table 3.15: Certified Forestry Operations or CoC and volume sold - Guatemala

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>New Number of FM certificates</td>
<td>0</td>
</tr>
<tr>
<td>New Number of CoC certificates</td>
<td>4</td>
</tr>
<tr>
<td>New forest area certified (ha)</td>
<td>65,505</td>
</tr>
<tr>
<td>Volume of certified product sold (bf)</td>
<td>2,159,852</td>
</tr>
<tr>
<td>Gross Sales $US</td>
<td>$6,342,415</td>
</tr>
<tr>
<td>Investments $US</td>
<td>$2,484,126</td>
</tr>
</tbody>
</table>
In Guatemala, the CSPA project linked certified producers to certified buyers, and assisted producers in developing products to meet demand. As part of this work, RA marketed pucté (Bucida buceras), santa maría (Caloplyllum brasiliense), manchiche (Lonchocarpus castilloi), danto (Vatairea lundelli) and low grade mahogany (Swietenia macrophylla). In order for the local industries to create saleable products, RA then provided them with technical assistance in secondary processing, product design, industrial maintenance and quality assurance. The local industries, which included FORESCOM, Profisga, Baren Comercial, Gibor S.A, Laborantes, Arbol Verde, Carmelita, Afisap, Uaxactún and Custosel, manufactured and sold items that included guitar components, eco-decking, flooring, decking, S4S sized wood for construction, ship lap, tongue & groove, musical grade wood, moldings E4E S4S character wood, veneer and Plywood (Picture 3). As a result of these marketing activities, we facilitated sales of 2,159,852 bf, equivalent to gross sales of $6,342,415.

Business round tables and buyers’ visits attracted sixteen new buyers to the CSPA. Of those sixteen, nine companies are regularly buying certified wood products from the forest concessions in the Mayan Biosphere Reserve Multiple Use Zone: Earth Source (USA), Selva Verde Products (USA), Espen (Germany), Rex Lumber Company (USA), Gibson Guitar (USA), North American Wood Products (USA), Ottar Norman Saeterlid (Norway), Carpintería Riviera (Guatemala) and Instaparquet (Guatemala).
Leveraged funding from local and international partners was equivalent to US$ 2,484,126. Partners, who have contributed to the development of secondary processing capacity, training process, quality control, equipment maintenance, production line setting, supply organization, yield analysis and cost analysis, include: Gibor, S.A., FORESCOM, Profigsa, Petexbatún, Uaxactún, Carmelita, AFISAP, Laborantes del Bosque, Baren Comercial, INCAE-FOMIN, PRONACOM, MAGA and INTECAP.

IR2: Improved environmental management

In Guatemala, partners such as FORESCOM and local NGOs helped to improve the environmental management of the forest production areas, as required by the certification standards. Improving environmental management in forest and production areas was built into the certification requirements and carried out by partners such as FORESCOM and local non-governmental organizations. In addition, increased harvesting of NTS (non-traditional species) improves silvicultural practices by opening the forest canopy, which allows sufficient light to enter for forest regeneration, which is especially needed by mahogany. Due to market demand created under CSPA, santa maria, danto, pucte and manchiche are now part of the annual operating plan of the forest concessions.

Group certification tools have been strengthened as a result of the market strategy of NTS and lower grade wood. FORESCOM has added to its group certification seven communities covering an area of 160,922 ha. This system allowed them to lower costs and to improve their best management practices.

The certified area increased from 449,058 ha to 514,563 ha, corresponding to 65,505 new ha. This represents a considerable growth for the Guatemalan forestry sector. The total number of FM did not increase, because the FORESCOM group certification includes many individual certifications.

As a result of successful marketing, new CoCs were incorporated into the certification process. Four new CoCs were certified, representing an increase of 67% compared with the 6 operations that were certified when the project started. This increase facilitates the production chain to respond to the certified market and maintains long-term relationships with certified buyers.

IR3: Sustainable certification process expanded to improved producer’s competitiveness

To improve producers’ competitiveness, a variety of tools were developed and then used by the producers. The following tools were developed to orient the producers: 1) FORESCOM commercial strategy; 2) costing system for products with high added value; 3) system for inventory control; 4) methodology for integral industrial diagnosis; 5) methodology to select buyers; 6) methodology to select products; 7) strategy for the industrial development of the certified forest concessions; 8) business plan strategy; 9) manual to evaluate sustainability of small and medium enterprises; and 10) business skills development of forest enterprises in the Mayan Biosphere Reserve. These tools together form a business tool kit to improve competitiveness of small and medium enterprises. All tools were implemented and validated in FORESCOM, Gibor S.A and Baren S.A.

RA worked in coordination with the small to medium sized enterprises to develop and implement the tools. Partners such as the Ministry of Agriculture, FOMIN-INCAE, PRONACOM and INTECAP supported the implementation of the producer’s competitiveness tools. The Ministry of Agriculture, for example, supported FORESCOM with $260,000 to install a secondary processing plant, FOMIN-INCAE supported FORESCOM with business skills training, PRONACOM provided technical assistance in secondary processing and INTECAP trained members of FORESCOM in secondary processing for eight months. It was a great practical course using the methodology of learning by doing. Ten FORESCOM members graduated as value added processing technicians with different specializations.

The CSPA project assisted local industry with facility upgrades to enhance their ability to process NTS while also creating demand among buyers for products created out these species. Capital projects included the
purchase of three kiln dryers, three saw mills, two molding machines, three saw sharpening centers and three new added value production lines, as well as the construction of the FORESCOM processing plant, completed with the support of the Guatemalan Forest Enterprises Program. This processing plant will facilitate secondary processing for NTS. Finally, the CSPA project assisted local companies, including Gibor and Baren, in the exporting of value added products.

Picture 21: Inauguration of FORESCOM Secondary Processing Plant

Four new forest products were developed, including guitar components, eco-decking, flooring, decking, S4S sized wood for construction, ship lap, tongue & groove, musical grade wood, moldings E4E S4S character wood, veneer and Plywood.

FORESCOM worked with national processors, including INFORSA, Petexbatun, Gibor, Baren, INSTAPARQUET and Carpintería Riviera, to begin value adding processing and NTS marketing. Gibor and Baren made industrial changes to respond to the certified market. More than 1,000 people were trained in value added processing, exportation procedures, business skills, and the certification process. Baren Comercial S.A., INCAE-FOMIN, PRONACOM and INTECAP supported the development and implementation of a formal training program in valued added processing. Ten concessionaries graduated as technicians in secondary processing.

Nicaragua

IRI 1: Increase sales of certified products, improve rural livelihood and wellbeing

Table 3.16 New Certified Forestry Operations or COC, volume sold - Nicaragua

| New Number of FM certificates | 2 |
| New Number of COC certificates | 5 |
| New forest area certified (ha) | 8,034 |
| Volume of certified product sold (bf) | 8,000 |
| Gross Sales $US | $15,000 |
| Investments $US | $656,500 |

In Nicaragua, RA marketed NTS with a variety of buyers. After conducting a study on the most abundant lesser known species in the region, the project team created in-depth fact sheets on six of the species in order to promote better forest management. The producers sent wood samples to prospective buyers and arranged for the buyers to visit Nicaragua. Despite of the upheavals in changing forest policies in the country, some buyers showed a lot of interest in buying NTS. North American Wood Products, EarthSource, Global Building Products, Selva Verde Products and New Hampshire Wood are waiting for policy clarification in Nicaragua so they can buy forest such value added products as furniture, flooring, decking, windows and dimensioned wood for construction. EarthSource bought $15,000 of certified furniture, corresponding to 8,000 bf.
One of the main constraints in the Nicaraguan forestry sector is the lack of funding to implement forest management activities (especially lacking are funds for inventories and management plans). In the RAAN, forests belong to the communities, who have neither experience in forest management nor access to financial opportunities. In fact, the RAAN is one of the poorest regions in Nicaragua. To resolve this situation, the project team identified an investor with experience in certified forestry and connected him to the communities in the Waspan area. As a result, Maderas Girón S.A. invested in the development of forest inventories, forest management plans and environmental assessments. The first year’s harvest of a 20 year cycle yielded 800 m³. While the wood could not be sold due to the forest ban, La Esperanza Community received more than $24,000 for their wood, plus more than 700 labor days during the planning and extraction process. This is more money than La Esperanza Community has ever received in its entire history. The community members were happy with the alliance and wish to continue, but the national forest policy changes did not permit them to implement the 2006 and 2007 annual operative plans.

Rainforest Alliance has worked with foreign investors, USAID and US Embassy officers, the regional and the central Nicaraguan authorities to minimize the negative impacts of the forest ban law, and to improve and enhance the legal and institutional framework of the forestry sector. A national legal compendium was published to prioritize the law created before the ban.

The project leveraged $656,500 in funds for forestry management planning, implementation of best management practices, timber transportation, community labor, marketing, in-kind training, and technical assistance.

**IR2: Improved environmental management**

Despite the restrictions of forestry activities, RA certified 8,034 ha, for a countrywide total of 21,191 ha. Five new CoCs were certified, for a total of six CoCs in the country. Forest management plans and environmental impact studies were conducted for 49,704 ha. The environmental impact studies took in consideration the country legal procedures, the FSC standards for certification and the 216 USAID regulations. Annual operative plans were facilitated for 2,000 ha. The forestry ban and the economic emergency decree prohibiting any logging activities within a perimeter of 15 km from international boundaries prevented the certification assessment of 21,704 hectares of natural forest, in Santa Fe and La Esperanza communities, Waspam, Rio Coco, RAAN. In this context, we worked together with the regional authorities of the RAAN on identifying new areas for sustainable forest management outside of the new restricted zones. We identified 30,000 hectares in Prinzapolka municipality. By means of a consultation process with 8 communities and in coordination with the Consultative Forestry Committee (CCF), we supported the general forest management plans for LIMI NAWAH community members and for Wasaking incorporating Limbaika, Galilea and Dos Amigos communities.

Through a series of workshops, 362 people received training in certification issues, best management practices, business skills, and capacity building. The Central American Indigenous and Rural Community Agroforestry Coordination Association (ACICAFOC) was the project’s main partner in the capacity building workshops.
RA, ACICAFOC, Centro Humboldt, The Nature Conservancy and the Saint Louis Zoo coordinated efforts in the BOSAWAS Reserve. The cooperation with these organizations could be very useful in order to build a good monitoring systems for social and forest management impacts.

Two seminars were organized with the press to educate journalists on the sustainable forest management and forest certification.

**IR3: Sustainable certification process expanded to improve producer’s competitiveness**

The logging ban impacted the entire forestry sector with a corresponding drop in forestry investment and increase in unemployment. The image of the forest sector has been battered and with many operations shut down, there is no incentive to maintain certification. Taking in consideration these conditions, we worked to raise the profile of the importance of community forest management for local employment and incomes. RA conducted a study related to the social and economical importance of the forestry sector, including an analysis of RAAN forest strategy implementation. RA collaborated with the Social and Environmental Forestry Program (POSAF) - a program of the Ministry of Environment and Natural Resources (MARENA) – in organizational strengthening, business skills, marketing and business plan training. 115 community members were trained in organizational strengthening and 53 were trained in business skills, market issues and business plans.

The main activities conducted to improve competitiveness were the following:

- Facilitation of the alliance between Maderas Girón S.A and the communities of Santa Fe and La Esperanza.
- Workshop on forestry SMEs business development and management, addressed to 12 indigenous communities’ representatives, RAAN, SMEs and local authorities. This workshop was organized in alliance with POSAF.
- Development of two business tools: a methodology to develop financial planning and a methodology to develop business plans for small and medium enterprises. These methodologies were applied to Santa Fe and the La Esperanza communities.
- Business diagnostics for Santa Fe and La Esperanza, executed in coordination with CECOECO from CATIE.
- Mesoamerican meeting on community forest management. Attendees included 62 representatives from indigenous communities, forestry producers associations and forestry SMEs from RAAN, the department of Nueva Segovia, western Nicaragua, México, Guatemala, Honduras, Costa Rica and Panama.
- Workshop on community corporative approach and lesser known species commercialization, addressed to community forest owners, including those supported by WWF and CSPA (RA/USAID). The supply organization and market links were issues of main importance during the workshop.
- Auto-diagnostic workshop trained community leaders how to identify opportunities as well as weaknesses. Participants included leaders from La Esperanza, Santa Fe, San Alberto and Polo Lakia Tara in the Waspam municipality, and Alamikamba, Tasbapauni, Tungla, Isnawás, Prinzubila, Limbaika, Galilea and Dos Amigos in the Prinzapolka municipality. This training was organized in alliance with ACICAFOC.
- Seminar on community forest management, certification and legal framework. 48 members of the RAAN and municipal authorities participated. As result of this seminar, the Regional Council of the RAAN (CRAAN) emitted a resolution in favor of community forest management and decided to assign a budget to implement it in the year 2007.
- Elaboration of the community forest management strategy for the RAAN. This tool was developed in close coordination with the Environmental Commission of the CRAAN and the Consultative Forestry Council (CCF).
- Workshops in CoC certification, first aid, environmental regulation, and safety and health forestry operations.
Honduras

IR1: Increase sales of Certified Products, improve Rural Livelihood and Wellbeing

Table 3.17 New Certified Forestry Operations or COC, volume sold, 2006 - Honduras

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<tr>
<td>New Number of FM certificates</td>
<td>1</td>
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<tr>
<td>New Number of COC certificates</td>
<td>2</td>
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<tr>
<td>New forest area certified (ha)</td>
<td>16,019</td>
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<tr>
<td>Volume of certified product sold (bf)</td>
<td>194,038</td>
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<tr>
<td>Gross Sales $US</td>
<td>$594,195</td>
</tr>
<tr>
<td>Investments $US</td>
<td>$121,244</td>
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Two important alliances were established in Honduras. North American Wood Products is regularly buying guitar components from two communities. Caoba de Honduras, a company making high-end furniture has purchased the low grades of mahogany. We started working with three communities and now we are working with six communities. The goal on the medium term is to work with the 12 communities located in the cultural and buffer zone of the Rio Platano Biosphere Reserve. The Honduran government has given us valuable support, especially the National Competitiveness Program. We organized a buyer visit in order to promote NTS without markets and low grades of mahogany. As a result of the market relationship with North America Wood Products, Caoba de Honduras, Coope Denmark and Taeversam Moen, 194,038 bf of wood left as waste in the forest were transformed into guitar components and exported, which is equivalent to a revenue of $594,195. To achieve these sales, it was necessary to provide technical assistance on communication with buyers and quality assurance, to establish production processes, define production cost, organize the supply and assist the communities in exportation procedures.

The leader mahogany product has been sold to North American Wood Products and the lower grades have been sold to Caoba de Honduras. These alliances have been successful, because the communities are selling in a constant way and they have increased their production efficiency by 30% and their income by 500%. They are selling different sizes of dimensioned product, optimizing their raw material. The communities involved in this project are: Sawasito, Mahor, El guayabo, Brus Laguna, Wampusirpe and La Pimienta.

Through this project, the communities were able to export directly to international buyers and use an additional 30% more wood that had previously been left in the forest as waste. The communities were also able to add...
value to certain products, such as the guitar and furniture components. There is a considerable potential in the cultural and buffer zone of the Rio Platano Biosphere Reserve to create an integrated sustainable forest management model.

Under the CSPA framework, the Cooperativa Regional Agroforestal Colón, Atlántida Honduras Limitada (COATLAHL) cooperative was supported in its production process. A production diagnostic was executed and the furniture production line was defined. A costing system was developed and nine new products were budgeted and developed. The alliances between Nepenthes-COATLAHL and Coope Denmark and Nepenthes-COATLAHL Tvaersam Moen were supported. Six new products were developed to respond to Coope Denmark, Tvaerssam Moen. Coope Denmark has bought 350 wood doormats, 351 kitchen shelves and two barbeque tables. The raw material volume was 22,381 bf, equivalent to $61,178. Tvaersan Moen has bought arrow tables and chairs, flower pot stands and parquet, adding up to 7,934 bf corresponding to $28,309. All purchase orders were oriented at products with high added value from NTS, such as Rosita (*Tabebuia amazonica*), santa maria and low grades of mahogany. In total eight new products were developed, including the Gibson guitar and furniture components.

The amount invested by partners in order to implement production reached $121,244 as leverage funds. Investors have been Nepenthes, INCAE-FOMIN, COATLAHL, Biosfera de Rio Plátano Project, COHDEFOR, ACICAFOP and Guayabo, Sawasito, Mahor, Wanpusirpe, Bruce Laguna and the Pimienta cooperatives. Significant investment will be made in the near future, because FIDE approved a project (US$ 780,000) to organize supplies, to build three processing centers, to support market links and to train the forest cooperatives in business skills and secondary processing. In addition, the Alcoa Foundation and the Arigidius Foundation each approved a project to complement the FIDE efforts.

**IR2: Improved Environmental Management**

The certified area has increased by 13,623 ha, corresponding to two forest operations. A certification scoping and a legal wood audit were conducted on 95,000 ha in the cultural and buffer zone of the Rio Platanos Biosphere Reserve. A new chain of custody was certified. Great efforts were made in coordinating with organizations, such as GTZ, COHDEFOR, FIDE, INCAE, FOMIN, Nepenthes and ACICAFOP, to support the certified organization supply. Leverage funds are approved for more than US$ 1,000,000 for the next two years and it includes updating forest management plans for 50,000 ha, developing forest management plan for 60,000 ha and certifying 100,000 ha. Agreements were signed with Proyecto de Bosques y Productividad Rural (PBPR), COHDEFOR and FIDE in order to make a bigger effort on the implementation of sustainable forest management systems, and to develop a certification system under the FSC standard umbrella that could be adapted to different forest conditions in Honduras.

The National Certification Council was supported to develop the consultation process of the national standards for forest certification. Five workshops were conducted to train the forest community’s members in group certification. A group certification entity was formed and named “Union de Cooperativas Agroforestales de la Biosfera de Rio Plátano” (UNICAF-BRP). The home office is in the Champas community in Sico Paulaya. The main objectives of UNICAF-BRP are the following: a) to achieve and maintain the group certification, b) to promote policy changes in the forest institutions, and c) to promote sustainable forest management. The communities will cover the operational costs of UNICAF-BRP. Each community will contribute one lempira for each board foot sold.

Two exchange activities to Guatemala with community members and decision makers were realized. Two congressmen, one COHDEFOR representative and six members of the board of directors of UNICAF-BRP went to Guatemala to see the advances in sustainable forest management. The visited the forestry concessions and the secondary processors.
In cooperation with GTZ and ACICAFOP, the Brus Laguna, Guayabo, Mahor and Sawasito cooperatives developed their annual operative plans. North American Wood Products and ACICAFOP economically supported the elaboration of the annual operative plans.

**IR3: Sustainable Certification process expanded to improve producer’s competitiveness**

Four guitar components production lines were defined and are in production. Forty-two people from six communities received training in guitar and furniture component making, secondary processing, equipment maintenance and quality control. The Guayabo, Brus Laguna, La Pimienta, Mahor, Sawasito and Wanpusirpe cooperatives received assistance in equipment selection, installation and maintenance to produce guitar and furniture components.

Communities used the new costing system to set prices for door mats and barbecue tables. Nepenthes worked with RA on costing the door mats and providing technical support to implement a new production line for outdoor barbecue tables.

INCAE-FOMIN approved a proposal for $189,000 to support the communities in business skill practices and FIDE approved a proposal to improve competitiveness, including a component to increase the industrial capacity of the 12 forest communities located in the cultural and buffer zone of the Rio Platano Biosphere Reserve.

To better organize supply, the communities formed UNICAF, a second level community business enterprise. Twelve representatives from the UNICAF members were trained in exportation procedures, which is a complicated issue in Honduras. It can take more than one month to have all the papers in orders to export a container.

**Panama**

**IR1: Increase sales of certified products, improve rural livelihood and wellbeing**

**Table 3.18 New Certified Forestry Operations or COC, volume sold, 2006 – Panama**

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<tr>
<td>New Number of FM certificates</td>
<td></td>
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<tr>
<td>New Number of COC certificates</td>
<td>2</td>
</tr>
<tr>
<td>New forest area certified (ha)</td>
<td>5,200</td>
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<tr>
<td>Volume of product sold in process of certification (bf)</td>
<td>430,400</td>
</tr>
<tr>
<td>Gross Sales $US</td>
<td>$257,200</td>
</tr>
<tr>
<td>Investments $US</td>
<td>$41,000</td>
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</table>

In Panama, we started conducting an industrial and a chain production diagnostic, in coordination with MICI, ANAM and the National Association of Reforesters of Panama (ANARAP) to see the potential for attracting certified buyers. A business round table on certified products was organized with cooperation of MICI, ANAM and the private sector. Five international buyers with a certified demand participated in the business round table. The main objectives of the business round table were: a) to sell certified products from NTS and teak, and b) to motivate plantation owners, natural forest owners and chain of custody owners to move to the certification process. In the business round table, purchase intentions for 26 containers corresponding to $2,200,000 were signed. The buyers wanted to buy plywood, veneer, lumber, teak and flooring.
Most of the buyers have remained interested in buying the products they requested in the business round table. Five containers of certified young teak were exported to Vietnam, corresponding to 72,000 bf and valued at $42,452. The buyer was Taco International Consultant, Inc. and the sale was part of a total monthly purchase of 2,000 m³, equivalent to 848,000 bf and valued at $499,990. This buyer has expressed his interest in buying young teak from Panama on a monthly basis. The Guatemala office will follow up on this relationship.

The Panamanian forestry sector still needs to improve its industrial and competitiveness capacity. Buyers continuously ask for certified products, but there is limited capacity to provide them. For example, Earth Source continues to be interested in buying certified veneer from Orozco S.A. The limitation in this case is the lack of certified supply and the product quality. Orozco S.A has demonstrated interest in making some industrial changes once they can assure the NTS-certified supply. The RA regional market coordinator will follow up on this relationship.

Instaparquet from Guatemala sent a purchase order for engineering flooring to Selloro S.A. The limitation in this case was the price. The transportation costs and the Guatemalan import taxes were too high; paying them would have put Instaparquet out of business. However, a costing tool and a new product were developed in order to facilitate the negotiation between the parties and enhance the chances of reaching an agreement: A thinner flooring was designed, which allowed a greater volume to be transported per container and thus lowered the transportation costs per unit. A new purchase order was then sent by Instaparquet, requiring 2,000 m² of flooring with measurements of 6.5 cm wide, 30 cm long and 8.5 cm thick. The costing tool that was developed can be used to analyze and support decision-making for any product development. Selloro had also been unable to organize certified wood supply to respond on time to EarthSource’s demand.

Rainforest Alliance also learned through the Ministry of Commerce and Industry (MICI) that a group of SME furniture workshops exported a container of furniture corresponding to 6,000 bf to an American company, but we never received any formal documentation regarding the sale.

Leverage funds in the amount of $41,000 were generated based on the value of community labor, market promotion, product design, logistics, in-kind contribution in training, technical assistance and government meetings. Several projects were presented to IDB/FOMIN, CONADES, NATURA and PPD-GEF to follow up on the initiatives started by the CSPA Project. FUNDECO, our local partner, is following up on those projects.

**IR2: Improved environmental management**

MICI and FSC worked together to promote forestry certification. Eighty-eight people were trained in forest management and CoC certification process, including forest owners, NGOs and Government representatives, and 48 people from the Wargandi Comarca were trained in forest inventories and forest management plan interpretation. Thirty-two new jobs were created as a result of these efforts. During the CSPA project, 2,579 ha were certified and 5,200 new ha are in process to be certified. This is the result of the certification training workshop, business round table on certified forest products and market linkage promotion. Two new CoCs were certified and there are two new ones in process to be certified.
The General Forest Management Plan (GFMP) for 5,000 ha for the indigenous territory of the Wargandi Comarca was completed and presented to the ANAM to be approved. This important tool is a pilot plan that can be expanded to the entire Comarca forest productive area. The tool includes the FSC standards and the USAID Regulation 216 standards. FUNDECO is the local organization that will follow up on the implementation of the pilot plan. There is an initiative with NATURA Foundation and CONADES to find economic resources to develop the annual operating plan and the environmental impact study to carry out the first harvesting of 2008.

To implement the pilot forest management plan in the Wargandi Comarca, the Socioeconomic Assessment and the Enterprise Strategy were completed, consulted and approved by ANAM and COMARCA. These tools are oriented at the sustainability of forest management in the Comarca. The Enterprise Strategy has a short, medium and a long term vision. The idea is to promote forest management in a sustainable business framework.

A lot of work was done on the social side. The Wargandi Comarca internalized the Enterprise Strategy and organized them to manage their forest. The pilot social plan was first implemented in the indigenous Mortí Community. The following progress has been made:

- Agreement between the local authorities and Rainforest Alliance;
- Social and economic diagnosis;
- Strengthening of the Organization Capacities: the social system organization was developed. The Mortí Community authorities recognized the need to adapt the social structure to manage in a more professional and efficient way their forest resources;
- Formation of the Forest Community Committee;
- Organization to control illegal logging.

An exchange experience was conducted with a community forest model in Guatemala. Representatives from four Mortí communities and ANAM traveled to the northern part of Guatemala. During this trip, they had the opportunity to observe closely: certified community forest management, timber and non timber forest management, added value process, community market experiences, strong organizational community structure, and private forest management, legal institutional forest frame work, administrative concessionaries procedures, small and medium communities’ enterprise experiences and business relationships.

This trip resulted in a great motivation for the communities’ representatives and the ANAM representative. Both the communities and ANAM recognize that there is much work to be done in Panama to implement the model of integrated sustainable forest management.

The master plan of the Donoso area was finished and handed to ANAM for its approval. This study resulted in a proposal on what is the best way to manage the Donoso and Santa Fé areas. It was necessary to realize participative studies and designs through inter-sectorial dialogues with great support and participation of ANAM to help define the future of this important region. The plan was consulted in ANAM in the following departments: Protected Areas, regional representatives, Forest Department, Information system, forest cover monitoring, Biological Indicator Agency and Environmental impacts evaluation. Also, it was presented to other stakeholders, such as NGOs s and governmental organizations.

**IR3: Sustainable Certification process expanded to improve producer’s competitiveness**

The main achievement in the forestry sector was to enhance the condition to promote sustainable forest management and develop interest with the different forest actors and stakeholders. The forest cluster has been strengthened. A Forest National Committee was formed and strengthened. This committee includes ANARAP, Forestry Chamber, ANAM, MICI, the Institute of Agricultural Research of Panama (IDIAP), National University of Panama, National Secretariat of Science, Technology and Innovation (SENACYT) and the Panamá Compite Program and is legally approved by ANAM and the government.
Rainforest Alliance in coordination with the Agroforestry Committee, MICI and Panamá Compite Project organized a workshop on competitiveness of the forest sector. As a result of the workshop, the member registration of the Agroforestry Cluster increased from 7 to 19. The Agroforestry Committee agreed to execute the following activities:

- An Alliance between Compite Panamá and ANAM.
- Implementation of the forest industrial capacity diagnosis.
- Strengthening of ANARAP’s cooperation with USAID, Rainforest Alliance and MICI.
- Creation of the National Forestry Institute.
- Forest owners offered to share with ANARAP the inventory data to facilitate the marketing process.
- The Committees legal establishment (MICI- ANAM).
- To develop the following projects: Teak Plantations benchmarking, promote the national forest plan, forest foreign investment index attraction, forestry round tables, investigate added value products of young teak.
- Conformation of the following commission: Forest Policies and business climate, plantation and Natural Forests, Forest Industries, Research and Technological Transference.

A diagnostic of the forest industry in Panama was completed. The main objectives of this diagnostic were to explore the added value industrial capacity of young teak and supply potential. Without this information, it is very difficult to attract certified buyers.

A socio-economic diagnostic for the Morti Community was developed to better orient the forest management activities from the social and economic point of view.

A Tool Kit was developed to strengthen FSC certification processes and facilitate sustainable community forest management. We developed seven tools:

1) Methodology guides for the development of annual operating plans and general forest management plans for natural forests;
2) Business strategy for the administration and sustainable use of the Kuna de Wargandi Comarca;
3) Model contract for the granting of forestry concessions in Panama;
4) Diagnostic of Panama’s forestry industry with potential for production of young teak, value-added products;
5) Panama forestry cluster diagnostic;
6) General Forest Management Plan for the Mortí Community, Kuna de Wargandí Comarca;
7) General Use Plan for Donoso and Santa Fé.

RA has presented all of the tools for strengthening the certification process to ANAM for approval. Tools 1-6 will be sent to USAID/Panama on April 25, 2008, and the last one will be sent on May 9, 2008.

Funding opportunities were sought with organization such as: GEF, ACP, CICH, IDB, CONADES, Biological Corridor / ANAM, Foundation NATURA, MICI. Four proposals were presented and there are many opportunities to find local funds to continue with the competitiveness initiatives that RA has started in Panama. Our local partner to continue the activities will be FUNDECO.

We developed and costed seven new forest products. Samples were sent to buyer for approval. Some of these products were approved by the buyer and are in process of being sold to the local companies.
3.2.3 Forest Products Marketing Activities

Constraints in Market Development of NTS and Mexican Pine and Oak

Through our initial investigations to develop a strategy for directed marketing activities for the Central American NTS and Mexican pine and oak, certain constraints became apparent. These limitations strongly influence how and where our marketing capital was spent.

- Limited and inconsistent level of NTS availability, including seasonality.
- Periodic management change in communities/ejidos.
- Lack of dry kiln and protected air-drying facilities.
- Limited equipment/experience for re-manufacturing.
- Few established chains of distribution with brokers willing to take inherit risks.
- Varied species properties (color, grain, density, rot resistance, etc.) of the NTS prohibit marketing as a collective group.
- Local cutting practices in Oaxaca constrains marketing (cutting eight foot lengths only).
- Information on species and properties of Mexican oak is sketchy.
- Significant lack of understanding and knowledge of NTS in the architectural and design community preventing specification of those species.
- Most shipments to-date to distributors and to furniture manufacturers have been a container or less.

Manufacturing production runs and performance tests have been limited by both the amount of product available and the desire to engage in limited applications until testing and evaluation is more complete. Customers are, in effect, in the process of building up their confidence level that the particular species will perform to standard and be available when needed.

Source Assessment and Studies:

Current and potential customers in Europe and US are interested in a supplier’s ability to deliver wood product on a predictable basis in addition to being certified. Major consumers need accurate baseline information about, not only timber availability, but additional substantial assurance of sufficient manufacturing capabilities in both facilities and management. In preparing to meet these basic requirements, RA’s forest products marketing team has:

- Visited extensively with communities/ejidos in Guatemala, Honduras, and Mexico to examine the existing capabilities to process timber into sawn timber.
- Examined capabilities to further machine value added products with both existing equipment and expected additional capabilities.
- Met and toured secondary processing facilities to develop potential sources to augment community/ejido capability limitations to machine sawn timber into value added products. Two active manufacturers in Guatemala will participate in secondary manufacturing and there is further potential in Belize for use of Guatemalan NTS.
- Developed an enquiry checklist template for effective follow-up of sourcing requests – English and Spanish versions.
- Sent to Mexico estimated prices of lumber for EU markets and EU furniture requests were sent to Guatemala.
- For Mexico, a power point presentation has been developed as promotional material showing information regarding products, dimensions and prices (Mexican pesos) available in the community of Ixtlan the Juarez.
- Commissioned a study by the Instituto Tecnologico de Costa Rica (ITCR) to analyze Pucte handling in the Petén. After current operations were analyzed, recommendations were outlined as guidelines to increase stability and quality of finished products as well as to increase yield productivity for value-added processes. Main recommendations were: developing of a grading system for logs, validation of kiln drying schedules, searching for FORESCOM own production capacity, and outsourcing capacity with new partners that understand better what it means to export wood products to competitive markets such as United States or Australia.
- Carried out training in pine wood grading to US standards during January 2006 in Mexico as a follow up to the comprehensive study jointly undertaken with the USDA Forest Service, Forest Products Laboratory (Madison, WI.) in 2005. The abstract with pictures (fifty pages total) is available at: http://www.monona.org/files/MexicoGTR.pdf.

- In Mexico, a comprehensive study was jointly undertaken with the USDA Forest Service, Forest Products Laboratory (Madison, WI.). In this study, two US Forest Service personnel visited four Mexican communities; two each in Durango and Oaxaca and analyzed: Incoming logs; species; log sort yards; sawing; re-sawing; grading; kiln drying; and finished products. Mexican pine species were compared to those commonly found in the U.S. marketplace. Comments and recommendations were made in all areas scrutinized, including marketing options for Mexican oak species. The abstract with pictures (fifty pages total) is included in PDF and is also available at http://www.monona.org/files/MexicoGTR.pdf. Follow-up work is planned for training in pine wood grading to US standards.

- Carried out laboratory testing of NTS species and performance testing under outdoor conditions.

- Produced source description and web based documents. The communities and ejidos capabilities were fully documented. This includes location, annual capacity, species availability, seasoning and kiln capacities, secondary manufacturing equipment, contact information, and particular attributes of that site.

Marketing Support and Promotional Activities:

Rainforest Alliance had a team of marketing support personnel in place both regionally, in the US, and in Europe. Collectively, the marketing team acted with sound product knowledge and with a full set of marketing resources. Supplier and species “Sell Sheets” were developed and used. Sell sheets for NTS tropical hardwoods and Mexican pine and oak species were prepared. Photographs and description of uses, qualities, and attributes were completed. Presentation folders were created for all printed sell sheets and source documents, with the addition of and supporting information on certification, NTS in general, and other appropriate environmental and historical background.

Domestic Markets:

We have been using two local consultants in Mexico and Guatemala to find local buyers for lower grades of wood and short and commons. In Mexico the consultant was linking the ejidos/communities to industrial processors/exporters. Many of these processors already exported to certified markets or at a minimum had export experience. Some of the processors were willing to purchase wood on US specifications which reduces waste and increases the sales price to the ejido. In Guatemala, we were looking for buyers for NTS shorts and commons. TREES has managed to develop a client portfolio for value added product in conjunction with ejidos and communities.

Picture 29: Certified wood from Ixtlan de Juarez, Mexico

Mexico:

- In November 2005, led by the RA TREES Marketing Associate from Europe, a surveillance mission to Mexico went as scheduled. A total of six days were spent in-country. The main objective was to learn in more detail about products, supplying capacity, and promote direct contacts with communities in Durango and Oaxaca.

Guatemala:

- In March/April 2006, led by the RA TREES Marketing Associate from Europe, a surveillance mission to Guatemala went as scheduled. A total of six days were spent in-country; three in planning meetings with the RA technical and marketing team on-the-ground and three days in the Petén meeting community members.
and Company representatives both local and international. The main objectives were to learn in more detail about products, supplying capacity, and promote direct contacts achieved to date.

**International Markets:**

International market linkages have been developed in three main regions:

1. **Europe**, emphasizing: UK, France, Spain, Germany, Holland, Denmark, and Sweden; both NTS and pine. NTS: exterior wharfing and decking, furniture components, and flooring; Pine for furniture.
2. **North America**, principally the United States for NTS and the US Southwest for Mexican pine. NTS: flooring, patio decking, and residential furniture; Pine for millwork
3. **Vietnam and Australia**, both NTS and pine. NTS and Pine for outdoor/casual furniture for export to Europe.

**European activities (Promotional):**
- CSPA has been presented in Barcelona in a business round table organize by WWF during the international trade show for the building sector, **CONSTRUMAT** 2007.
- Five European manufacturers were invited and accompanied to a round table business-to-business event in **Panama** in 2006.
- CSPA was introduced to FSC-Netherlands and an agreed action plan to promote CSPA species and products among its members was generated.
- Participation in a seminar on green building organized by **FSC-Netherlands** in 2005. Outcome: presentation of CSPA products and species to importers and construction firms contacted via FSC-Netherlands. The development of a market link with one of the main traders of FSC products in Europe. Mainly for tropical NTS species from Guatemala.
- Promotion of CSPA products and species among European traders and door manufacturers in **MADERALIA** 2005 an international trade fair in Valencia, Spain; among garden furniture companies in **SPOGA** 2005 an international trade fair in Germany; and among Dutch and Belgium importer in a trade show organized by WWF-Belgium with Brussels in 2006;

**European activities (Market Links):**
- The RA international forestry marketing team has developed written collaborative agreements for Companies (e.g: Tamalsa, JCJ Haans..) to source from CSPA target regions—these will be new buyers.
- “La Siesta”, a German hammocks producer/distributor has asked for a quotation of various containers of semi finished products of Manchiche from Guatemala. FORESCOM has finally declined this order due to lack of technical capacity.
- “J C Haans” a Dutch garden furniture distributor is currently collaborating with RA in the production of a line of garden furniture (chair and table). Haans has provided the blue prints, FORESCOM has produced the first samples, which were positively assessed by Haans, with some requests for improvements. FORESCOM is currently working on the modifications. Also, a new line of products (wood tables) has been facilitated by Haans. FORESCOM is currently working on the production of samples.
- “Tamalsa” a Spanish importer, has asked FORESCOM for a quotation of sawn cedar and decking of Pucté. After an exchange of specifications and quotations, prices were considered too high to compete with current supply from Latin America and Brazil.
- “Eurocorp” a Spanish broker is currently in contact with RA Europe to explore the possibilities of Mexican pine doors and finger joint boards.

*Picture 30, at right: Workers produce doormats for CoopDanmark at COATLAHL in Honduras*
“Heinrich Sachs KG”, a pencil producer, is exploring alternative species to Cedar currently available in Guatemala. Two species have already been identified by RA Guatemala. Unfortunately FORESCOM does not have the capacity to meet the company’s specifications. Currently the Guatemalan team is in negotiations with local industry to outsource the manufacturing process.

“Ibecosol,” a charcoal distributor in Europe, has been in contact with “Noram” (Mexican Charcoal producer that has signed sourcing agreements with ejidos in Durango). After an exchange of specifications and quotations the Mexican prices were considered as too high, doubling current sources from South America. Discussions are still ongoing to find a solution.

“Van Der Berg” the largest Dutch importer of FSC timber requested a quotation for 200m3 of Caoba, Dante, Pucte, Santa Maria and Manchiche. The prices received were considered as being too high to compete with current supply from Latin America and Brazil.

European activities (Market Development):

- COPADE: a Spanish NGO currently working with communities in Honduras in the production of furniture for the Fair-trade market in Spain. COPADE is currently discussing an agreement with RA to develop a production line with communities in Nicaragua, source from RA projects in Guatemala and Honduras.
- Oxfam Belgium and Holland: discussions currently underway with RA Europe to open a market for products from Honduras. The challenge is to find a product that meets Oxfam requirements and suits the manufacturing capacity in Guatemala, Honduras and Nicaragua.
- ICCO supports NGOs working with forest based communities in Central America and South America. Via the relationship with ICCO a Dutch retailer has requested pricing for FSC labeled garden chairs.

- Through its SmartSource program (http://www.rainforest-alliance.org/programs/forestry/trees/services/smartsource.html) RA has engaged the global retail group Kingfisher, the UK Importers Association TTF, Chiquita, the Spanish Importers Association AEIM and promoted CSPA product and sources throughout. Kingfisher recently setup a new sourcing unit in Latin America for central and Latin American timber products, Chiquita have held meetings with RA Central America regarding pallet sourcing.

US activities:

- We had well-established US brokers developing new products and buying certified wood from Guatemala, Honduras and Nicaragua. US distributors and brokers: International Specialties, Tennessee; Earth Source Forest Products, California; Forest World Group, Delaware; Seemac Wood Products, Inc., Indiana, and Thompson Mahogany, Pennsylvania.
- Earthsource, trader, has develop a product -eco-decking- in collaboration with RA. It has placed quotations and orders of from Guatemala. During 2005, RA Marketing Manager and EarthSource representatives traveled to the Peten in late October to meet with Procinca and other processors to discuss how to improve Pucte processing standards and overcome wood degrade problems.
- “International Specialties”, trader, has placed quotations and orders to Mexico and Guatemala.
- Harmonized Wood Products, an importer looking for FSC timber, is in contact with RA Nicaragua to coordinate a visit to the forest industry in the country.
- CSPA was introduced to:
  - Manufacturers of windows and millwork; Anderson Window is already involved with certification and procuring certified pine.
  - Mohawk Door as well as other door manufacturers use certified wood components in their certified hollow core and solid doors
- Hardwood flooring is experiencing double digit growth in the US, and opportunities exist for certain major manufacturers to expand their sales through importing pre-manufactured flooring. CSPA was presented to Bruce Flooring (Armstrong World Industries) and Columbia Forest Products, the largest and third largest hardwood flooring manufacturers in the US respectively.
- US Kitchen cabinet manufacturers are increasingly relying on imported wood components. Presentations have been made by RA and certified distributors encouraging their certification and use of certified NTS, Mexican pine and oak components.

Asia activities:

The manufacture in Vietnam of outdoor/garden furniture for export to Europe is a major potential market. Manufacture there is nearly totally dependent on the importing of tropical hardwoods into Vietnam. Additionally, the demand for FSC certified woods in this type of furniture in Europe is escalating. RA initiated contact with ScanCon, a major certified outdoor furniture manufacturer but prices from Central America were too high compared to species from Brazil.

Led by the RA TREES Market Development Manager, the product development mission to Vietnam went as scheduled in June 2005. A total of nine days were spent in the country. Two seminars were held, one in Saigon (HCMC/Ho Chi Minh City) and one in Qui Nhon. These are the two centers of furniture manufacturing in Vietnam. We achieved good attendance at both seminars where explanations were given of the various wood species available as well as general information on FSC certification. Sixteen different wood products/furniture manufacturers were visited during the course of the mission. Our consultant arranged for two journalists reporting to the US furniture industry to also be part of the presentations and accompany CSPA on mill visits in Saigon and Qui Nhon. This afforded our team extended access to furniture plants as well as immediate coverage in the local Vietnam press. In August and September, articles appeared in “Furniture Today” and “Casual Living,” the top two furniture publications in the US.

3.3 Communications

In addition to the marketing activities carried out with the strong support of our communications staff, the communications team, located in Costa Rica, USA, UK and France (and now expanded to include Guatemala, Germany and Sweden) promoted sustainable forestry and agriculture in Central America to stakeholders and media in all corners of the globe throughout the life of the CSPA. Annex D lists nearly 550 press clips, which represent only approximately 60% of what was actually published and broadcast.

Most of these press clips were the direct result of the 38 CSPA-related press releases we distributed in several languages and followed up on. Furthermore, we highlighted the work of the CSPA in nearly 50 articles in seven Rainforest Alliance newsletters which are sent to tens of thousands of stakeholders, members, NGOs and other subscribers. Two of the newsletters, the Sustainable Forestry Update and Farm to Market, were created to exclusively publicize CSPA work in sustainable forestry and agriculture work in the region, and both have proven to be so popular that we continue to publish them beyond the LOP, in English and Spanish.

We remain at the forefront of mass communication technology, investing heavily in the Rainforest Alliance’s Web sites and portals, creating high quality articles with stunning photographs and using new media to reach the public, such as our Frog Blog which was launched at the end of 2006. We published more than 20 CSPA-related articles on the Rainforest Alliance Web site, which receives an average of nearly 300,000 visits a month, and created a section of our Web site devoted to the CSPA program, in English and Spanish, which highlighted the projects’ achievements.

Throughout the LOP, we organized 30 press conferences, media training events and visits to farms and forests for journalists and other key audiences, which also resulted in print media articles in notable publications around the world.
4.0 Lessons Learned

4.1 Sustainable Agriculture Division

The Rainforest Alliance and Sustainable Agriculture Network have been developing sustainability standards and testing them with farmers for 15 years, so we have accumulated valuable experience and knowledge. The farm management practices that contribute to sustainability are reasonably well known and tested. However, there are still many lessons to be learned, questions such as: How can we motivate farmers to adopt sustainable practices? What is the best way to train extensionists? How do we scale up a rigorous certification program that insists on comprehensive standards and inspecting every farm every year? How can sustainability be communicated throughout the value chain? How can supply and demand be balanced? We learned a lot through the CSPA project, and the lessons are synthesized below. Perhaps the most salient lesson, though, was that despite our years of experience, we still had a lot to learn. Hence, lesson one: be open to learning.

How can we motivate farmers to adopt sustainable practices?

In response to this question to many answers, it is useful to note what we learned what was not true: this was that farm gate prices do not affect sustainability uptake among producers. Originally, we thought that rising farm-gate prices for coffee might lessen interest among producers for certification, but this did not prove to be true. With the market for certified coffee growing rapidly and farmers seeing their certified neighbors saving money through improved farm management, the demand for certification services continued to grow.

We also invested time in proving that the benefits of certification outweigh the costs. We know that the Sustainable Agriculture Network standards guide and motivate meaningful, visible, concrete improvements on the farms, bettering the lives of farmers, workers and wildlife; farmers have told us this in the more than 15 years of experience we have in promoting sustainable agriculture. However, these benefits and claims are difficult to substantiate and quantify. Farmers feel that the program benefits them, but they themselves can’t prove it. There are many obstacles to this kind of data gathering, first among them is the fact that most farmers simply don’t keep records. And those that do keep records use personalized, not standardized systems, making comparison from one farm to another difficult.

As part of the CSPA, with additional support from the UNDP-supported Biodiversity Conservation in Coffee program, we made several attempts to gather good hard data on the costs and benefits (qualifiable and quantifiable) of certification.

For example, we hired a well-respected agronomist and coffee farmer, Alvaro Llobet, to interview coffee producers about the costs and benefits of the program. After months of effort, Llobet compiled an analysis of the benefits (both direct and indirect) that he heard most commonly from the coffee farmers he interviewed, as well as a list the program’s weaknesses. Both the positives and negatives of his study are essential to us in understanding how to motivate producers to adopt sustainability principles.

The positive benefits most commonly voiced by producers included:

- Access to new markets;
- Improved relations with surrounding communities and between employers and employees;
- The requirement to address barriers to certification encourages thinking about and implementation of methods for making continual improvement;
- Improved efficiency of workers as a result of investment in staff training;
- Improved water use and the resultant decrease in sickness of employees;
- Rational use of available resources;
- Compliance with labor laws (otherwise generally not complied with on coffee farms);
- Improved management of inventories of products, inputs and other materials, including raised awareness of and reduced or eliminated use of agrochemicals;
- Better general conditions for workers and encouragement of education for children;
- Reduction of waste.
Based on the interviews he conducted, Llobet assessed the major constraints of the problem as being:

- The cost of certification, annual audits and the maintenance and continual improvements for small- and medium-sized farmers;
- There is insufficient technical assistance support in the time leading up to the certification audit, and no resource guide or database exists that captures how other certified producers made changes to achieve certification;
- The focus on the environmental and social pillars of sustainability is stronger than on the economic pillar;
- The auditing process makes it difficult for auditors to measure and acknowledge advances and the process of implementing sustainability.

Because the cost of certification is perhaps the most common barrier we hear from producers, we conceived of group certification as a tool for allowing organized groups of small farmers to access certification. During the process of further developing the group standards we recognized that there can be several different types of groups. These now include: cooperatives and associations; company with supplier farms; company with several company-owned farms; community lands where producers don’t possess property titles but usufruct rights; and federations composed of several cooperatives/associations and processing units. Understanding that there are various possible forms that a group certification can take is essential to our ability to work in group certifications, which proved to be one of the main factors responsible for the exponential increase in the number of farms throughout the LOP.

Chiquita also completed a review of the costs and benefits of the program over ten years. They compiled the most common complaints against corporate sustainability initiatives in general, and certification in particular. They noted that these complaints, taken together, are the greatest barriers to producer uptake of the program:

- Investments required in upgrading infrastructure.
- Reduce working hours.
- Change in practices can impact productivity.
- Wage and benefit increases.
- Sacrifice productivity for labor or environmental reasons.

However, in contrast to these perceived barriers, Chiquita drew the following conclusion based on their experiences implementing certification on their company-owned farms over a period of 10 years:

- Certification program helped to bring discipline and process orientation to operations.
- Operations and local staffs have much stronger technical orientation now.
- During the time sustainability programs were implemented, costs declined while productivity increased.
- The certification program affected costs and productivity by changing the operating culture.
- Certification programs do cost money but the net impact on operating costs and productivity is favorable if management truly focuses on changing operating culture.
- Certification programs are great way to assist management in changing operating culture.
- Third-Party verification holds the organization accountable.
Chiquita’s Investment in Certification Pays Off

Over ten years in the certification program and across all divisions in Central America, Chiquita saw productivity increase by 27%, and costs decline by 12%. Disruptions from natural disasters such as Hurricane Mitch and flooding affected economic performance in Honduras, Guatemala and Panama, but in Costa Rica—which was not so affected by natural disasters—there was a 25% increase in productivity and an 18% decrease in costs.

Many of the savings came from increased recycling of materials and products used in production. Chiquita estimates that they now:

- Recycle or reuse **80%** of the plastic bags and twine used during the bananas’ development phase. This also results in cleaner on-farm waterways, as plastic bags which were once thrown on the ground often found themselves into streams, polluting and clogging up water sources.

- Save **$4.8 million annually** in agrochemical costs as a result of reduced herbicide use required by integrated pest management.

- Save **$3.8 million** annual savings from the recycling of pallets and packaging.

This is all without any expansion of cultivation area; in fact Chiquita has **reforested 2000 acres** in key buffer zones, using native species.

Beyond these savings are the invaluable improvements in worker health and safety and employee retention as a result of reduced pesticide use, required use of protective gear, **wages that are twice as high as local standards**, and the provision of child care and environmental education on most farms.
Lastly, we have found that a way to induce farmers to adapt sustainability standards is in making the link between the improved **product quality that results for sustainable practices and the resultant advantage in competitive markets**. Latin American banana producers are the most productive and efficient in the world and, despite perverse market barriers in the EU, will continue to survive and even thrive. However, coffee is a different story. At the beginning of the CSPA project, in the 2003-04 harvest season, coffee prices were at historic lows. Some analysts wondered if Central American producers, with good production and decent quality, but also with high production costs, could survive. Certification programs were traditionally seen as a hedge, a defense during times of low prices. During the CSPA project, we gathered enough data on the “**sustainability premium**” for Rainforest Alliance Certified coffee to be able to calculate that it averaged about **12 cents**. This extra cash is a godsend during times of low prices and certainly still welcome, even as prices have rebounded.

However, many analysts now agree that the only way that producers in Central America will compete with producers in other regions—particularly Brazil and Vietnam—over the long term is by producing superior quality. We assert that implementing sustainable farm management practices – as guided by the SAN standards – not only reduced operating costs but also improved coffee quality. We have some supporting data emerging from Colombia, but this claim will take longer to prove. Meanwhile, Kraft says that the certified coffees are among the best qualities that they buy anywhere in the world, and the success of Rainforest Alliance Certified coffees in earning specialty coffee status at auctions and in competitions support this claim to the link between sustainable management practices and high quality.

**What is the best way to train extensionists?**

We learned that extensive training in the standards for technical support providers who work with small and large operations alike greatly aids in helping farms to achieve certification. However, this training cannot be superficial, and we found that a combination of **time in the classroom and in the field** to be invaluable in the formation of well-rounded extensionists.

We also learned that ongoing training for existing certification auditors is essential to the continued development and quality of the certification program. This ongoing training can also serve to continuously refine and improve the impacts resulting from the certification process. We also learned that open training of large pools of potential auditors is not that valuable as an auditor training technique. While the recipients of this training may form a valuable pool of technicians educated in sustainable agricultural practices, it is better to do targeted, very small group training of new auditors to ensure that they will actually become auditors.

**How do we scale up a rigorous certification program that insists on comprehensive standards and inspecting every farm every year?**

The lesson we learned here was to **set high standards and stick to them**. The Rainforest Alliance and its partners in the SAN do not simply certify the existing conditions on farms: we insist that meaningful changes be made, that continual investments in sustainability are made, and that the farms achieve a minimum score in all ten social, environmental and farm management areas, as defined by the sustainable agriculture principles. Farms cannot be certified overnight. It often takes a farm more than a year to meet the standards. This means that the supply of certified farm goods grows slowly – to the frustration of our private-sector partners. During the CSPA program, we learned that it’s better to deal with that frustration and manage expectations than to lower our standards to accelerate certifications.

Along the way, we also learned the importance of reaching out to the whole range of stakeholders—including those like organic and fair-trade who could be seen as competitors. The Rainforest Alliance Certified program was scrutinized closely during the CSPA period, mostly by European NGOs, and it held up. In countries such as the UK, where RA Certified was initially viewed as a threat to organic and fair-trade certification in 2004, our program is now seen as a credible alternative as a result of persistent outreach and our adherence to our principles.
We also learned the necessity of **investing in stakeholder and media outreach as a way of promoting program growth.** Over the course of CSPA implementation we have confirmed that market demand is the key to program growth, and that markets, of course, are sensitive to local opinion. A single media story or public statement by an influential NGO, positive or negative, can affect the decision by a supermarket or food company pondering whether or not to invest in RA Certified goods. It still seems counterintuitive to some, but one of the best ways to enlarge the on-farm benefits of certification is to work with journalists on another continent. See the Communications & Marketing section for more on this subject.

**How can sustainability be communicated throughout the value chain?**

On the marketing side, we found the concept of sustainability, which is more complex than organic or fairtrade, difficult to explain at first to time-pressed consumers. But, since this project started in 2003, sustainability became better known and then, recently, in vogue. Alerted by global environmental and social issues such as global warming, species loss, water scarcity and persistent poverty, food companies, supermarkets and consumers have awakened to the need to make production, trade and consumption as sustainable as possible.

We learned that **certification is a good way to bring coffee producers and buyers closer together** and that the **certification seal is a way for producers and consumers to communicate.** The seal is a signal from the farmer to the consumer, and the consumer’s willingness to buy is a message back to the farmers.

**How can supply and demand be balanced?**

One of the most important and instructive innovations in the CSPA project was the hiring of a Coffee Supply Chain Coordinator, Marcel Clement, who was based in Guatemala. Clement, a former coffee trader in Europe, helped us wrestle with the mind-bending question of how to balance supply and demand.

Farmers want to see market signals before investing in the improvements necessary to earn certification. Coffee companies have to know that the coffee they normally use in their blends is available as certified before they commit to purchasing or developing new packaging. An over-supply of certified coffee favors the buyers and forces certified farmers to compete with each other. Shortages cause prices to rise, making certified coffee less attractive to buyers and – more importantly – may cause buyers to delay or even abort a planned launch of a certified coffee blend.

The CSPA supply chain coordinator gave **seminars on market dynamics** to farmers in the program as well as SAN and RA staff. This helped them begin to tune supply to match demand. In addition, we developed better systems to manage supply and demand information, a challenge that is much more difficult than it seems from the outside.

Meanwhile, as the program grew, we learned that, in order to increase demand for “certified sustainable centrals” (as coffee from this region is called), we needed to **develop certified farms in Africa and Asia.** That’s because coffees from those regions are essential flavor components of many mainstream blends, where certified centrals may be the main component. One of the main bottlenecks to program growth at this time is the lack of certified, cheap robusta from a producing country such as Vietnam, Uganda or India.

We learned the importance of **long-term planning for the introduction of certified sustainable products** in order to ensure sufficient supply. At the same time, this project demonstrated that even a certification program with the most robust and comprehensive standards—covering farm management, conservation, social and environmental protection issues – can be brought to scale. We have fully developed relationships with four of the world’s leading coffee roasters (Kraft, Tchibo, Lavazza and UCC), modest programs with two more (Nestle and P&G) and partnerships with many small roasters. The question of whether an NGO certification program can meet the demands of the mainstream coffee industry should be answered.

We also learned the importance of **remaining sensitive to market signals.** For example, we surveyed participating coffee companies and leading brands during the early stage of the project and gathered product
specifications—including quality, origin, appellation, farm identification, and volume projections—and then worked to identify potential suppliers in the region and link buyers to sellers. Alternatively, we worked through existing producer supply chains to bring those farms up to standard while supporting established and long-term business relationships. This market sensitive approach makes sense, as we were not asking the businesses to necessarily switch suppliers or purchasing channels, nor lower their product standards in order to support the project, rather we worked with them to identify their business needs and ultimately add value to their brands.

Finally, we learned the importance of building relationships with key industry actors in each country. At the start of the project, the staff of our partners on the ground in each country was primarily technical experts focused on conservation and certification. Through training from the Supply Chain Coordinator, and participation in direct meetings, tradeshows and conferences, these individuals and their organizations developed important relationships with key industry associations and exporters. They also developed a better understanding of how the coffee market works, and how to interact with industry directly, rather than through us.

We have not fully solved the challenge of coordinating supply and demand, but we have made progress by improving the communications between the markets and the producers, by improved record keeping and data gathering, and by educating brand managers that certified sustainable coffee cannot be turned on and off like a tap.

Finally, two other lessons that don’t respond to any of the original questions that guided this project but are critical and timely.

**Global Warming and Biofuels:** We learned that the increased concern over global warming, especially among publics in the major coffee consuming countries, is a two-edged sword. Mostly, it should help coffee farmers, especially certified farmers with agroforestry systems, since companies and consumers are now willing to pay to sequester carbon on farms. But this concern also drives the biofuels fad, which may have some short-term benefits for sugar producers, but at a tremendous environmental cost. Demand for biofuels is already affecting coffee producers; for example, in El Salvador and Guatemala, sugar producers are buying up and deforesting marginal coffee farms. The Rainforest Alliance and other organizations are racing to develop credible ways for coffee farmers to get paid for the carbon they sequester as well as the coffee they produce.

**Opportunity to build certification into local landscape conservation approaches:** A core value of the Sustainable Agriculture Network has always been to build the tool of certification into local conservation activities. During the course of CSPA we saw that both the SAN partners, and a number of outside entities, were using certification as part of a broader landscape conservation strategy. Projects in Honduras, Costa Rica, and El Salvador built certification into efforts to buffer protected areas, or build conservation corridors between protected areas. These projects should be studied for a more detailed understanding of their conservation impacts.

4.2 Sustainable Forestry Division
Rainforest Alliance’s TREES program has learned a great deal from the experiences of CSPA and has developed many tools which will be useful for future work with forest communities. While we can proudly point to our sales and investment targets as having been significantly exceeded, the real lessons lie in the details and in the end, the sustainability of the activity impacts (environmental, social and economic). Each country differed in its strategy, focus and outcomes. Overall, a defining quality of RA’s work has been the extraordinary level of cooperation and alliances with other stakeholders and agencies/organizations working towards similar goals (economic development with strong environmental underpinnings) that has helped us achieve the stronger than expected results.

As expected we were able to achieve higher sales of certified forest products in the two countries that already had a critical mass of certified forest (Mexico and Guatemala). The challenges in Honduras, Nicaragua and Panama included not only the strengthening of community organizations and development of new products and species but also finding support (or giving it directly) for improving forest management practices so the
environmental foundation of rural development was in place. Additional difficulties with forest policy changes in Nicaragua greatly hampered our activities and ability to have wider impacts (due to the logging ban which prohibited harvest in particular areas, and prohibited harvesting of mahogany and cedar in all areas).

Mexico
RA only worked with certified forestry ejidos or indigenous communities which had already met strict environmental standards for timber production. While the ejidos were also socially well established and organized (in comparison to the forestry communities in Central America), additional focus was placed on trying to separate the business of running an ejido or community (schools, roads, rotating administrators) from the business of selling wood products. In some target communities we managed to put in place improved data on sawmill production, increased transparency and improved data for decision making, consultative councils for more regular vetting of investment and business decisions, and independent, professional production managers.

On the economic side, the forest ejidos and communities in Mexico have a very strong internal market and do not have any problems in selling their pine lumber. However, much of the lumber produced (60-75%) was in the lower grade classes and prices did not cover the costs of production. Rapidly growing pine imports in Mexico continue to keep prices low. Through a combination of investments in light mechanization, improved machinery and maintenance and new business plans for greater secondary processing, target ejidos and communities were able to improve the quality and efficiency of their primary processing (thus lowering costs and increasing their margin) and absorb excess labor from primary processing into their secondary processing activities. The secondary processing (which requires kilns) provided greater value added for lower grades of wood and again positively impacted employment (especially for women) and income. This was the correct place to focus. We did not achieve any new direct exports of certified wood products. We did strengthen and improve the relation between certified ejidos in Durango and the certified private sector secondary processors who export to the US (eliminating the required shrinkage allowance and getting industry to accept dimensioned lumber, increased wood flows and profits for the communities). In Oaxaca, in coordination with many other projects and organizations, we facilitated two successful contracts between three certified communities and the state of Oaxaca for certified school furniture (first certified market for Oaxaca communities) and supported the development of a cooperative marketing effort among the three communities for a retail outlet in Oaxaca selling certified lumber and home and office furniture. However, the missing piece for markets is the need to develop a national demand within Mexico for certified forest products.

The close working relationship between RA and CONAFOR, where RA helped target groups apply for CONAFOR funds for machinery investments and provided follow up technical assistance, was an essential component of the success in Mexico. Similarly, complementary financing and coordination with other organizations in Mexico (FIRCO, FIRA, SAGARPA, ERA, SEDER), helped bolster impacts.

Guatemala
In Guatemala, like Mexico, RA worked only with certified forest communities. Also similarly, we did not actively engage in the sales and marketing of their most lucrative product (mahogany) but rather focused on developing markets and demand for non-traditional species (Pucté (Bucida buceras), Santa María (Calopyllum brasiliense) and Manchiche (Lonchocarpus castilloi). Key allies in this effort were US based wood brokers (Earthsource, International Specialties, North American Wood Products, Global Building Products, Espen and Selva Verde Products) willing to market and promote new species and products. Earthsource, in particular, helped to design new products for these species (eco-decking, interior flooring for pucte) and successfully market it.

The difficulties in Guatemala revolved around the newly established FORESCOM (created and implemented through a separate USAID contract with Chemonics). Thus while Chemonics was supposed to strength FORESCOM as an organization and FORESCOM’s relationship with community members, RA was charged with developing and promoting products and species to be sold via FORESCOM. In reality, FORESCOM had not consolidated its function as forest manager (regente) and provider of extraction equipment to the member communities before it became swept up in selling value added products from non-traditional species. Since
FORESCOM had no processing equipment of its own, all the processing was done through contracts with other processors in region. This extra production step caused many delivery delays and drove up costs, squeezing profits for FORESCOM. FORESCOM itself continued to be a weak partner, unable to respond directly or adequately to buyer requests. A new focus in the USAID Guatemala project Empresas Forestales seeks to address these weaknesses with greater emphasis on good solid business management within FORESCOM. FORESCOM also now has its own processing plant.

**Honduras**

Our original idea for Honduras was to work with the certified cooperatives (total area certified in Honduras at start of project was only about 35,000 ha) to help them use a wider range of species and become more economically viable. The Danish NGO, Nepenthes, was already working directly with COATHAHL, the largest certified cooperative and we provided some additional funds to help with product development and saw mill diagnostics. However, we had very little influence on strategies and programming and ultimately had strong differences in objectives and approaches. The lack of buy-in by the bi-lateral mission, effectively ended our support to COATHAHL.

Instead we found a group of cooperatives in the Rio Platano Biosphere Reserve who were interested in shifting from illegal logging to forest management. Using non-USAID funds, we have continued to successfully work with the cooperatives in the Rio Platano, securing certified markets for guitar component parts.

The success in Honduras has been a telling example of how market signals can affect land use practices. The price differential offered by North America Wood Products (broker) and Gibson Musical Instruments for legally harvested mahogany over the price paid by local intermediaries for illegal mahogany was a tenfold difference. This was sufficient for cooperatives to harvest less wood and make more money and see value in taking up forest management. They are still working towards achieving forest certification but they do have their forest management plans and legal permits in place.

**Nicaragua**

Nicaragua, like Honduras, had very little forest already certified (13,000 ha). Our strategy as part of this GDA project was to provide support and assistance to an alliance formed between Maderas Giron (a private sector wood company) and 5 Moskito communities in the RAAN. This alliance predated our involvement and significant private sector resources were invested in developing forest management plans. Our support was to strengthen community involvement and understanding of forest management and ultimately to help them develop business and financial skills once they were paid for their lumber.

Despite rapid progress on developing the forest management plans for two communities, environmental assessments and obtaining all the required government permits, Maderas Giron was delayed one year from its target harvest date due to a missing “no objection” from the protected areas authority (community forests are in the buffer zone of the Bosawas Biosphere Reserve). In hindsight, RA should have been more proactive along with Maderas Giron and USAID in explaining the wider alliance among the organizations which probably would have facilitated getting the last “no objection”. The delay was costly for Maderas Giron and also demoralizing for the communities who were hoping to receive income that year.

The following dry season, with all permits in place Maderas Giron started harvesting from one management plan. A few weeks later, the Forest Logging Ban State of Emergency was declared in Nicaragua, stopping all harvesting and wood transport. This was followed by a new forestry law that seemed to expressly target Maderas Giron (it is foreign owned) by banning any and all forestry activities within 15 km of an international boundary and within 15 km of a reserve. The forests of the 5 Moskito communities fall within both zones. Maderas Giron paid the one community where logging had occurred even though it was not clear whether or not it would be possible to move the wood. Now, a full year later, some of the wood has been moved and sawn. We are only able to report on minimal certified wood sales from Nicaragua.
Our lesson learned is to try to work with several different groups or alliances at the same time since each is potentially subject to various problems that can delay or derail implementation. In the case of Nicaragua, the logging ban and subsequent change in law has negatively affected the entire forestry sector and we now have several new partners in the RAAN and keep trying to find clarity in the law that would work to benefit community forestry.

Panama
Expanding forestry activities to Panama under CSPA was an unexpected development half way through the project. Panama requested a buy-in for certification work in pineapples (a new crop for RA) and also for forestry work. The forestry activities that the mission requested were to help promote certified sales (only teak plantations were certified), provide a master land use plan for the Donoso region and to work with a Kuna co-marca in the Darien. USAID-Regional Program and RA agreed to this buy-in.

The master land use plan for the Donoso was a viable product to deliver in 18 months. Helping to promote certified sales of teak was much more difficult to achieve in such a short time frame, especially given the dispersed nature of the plantations and limited processing capacity in Panama. RA undertook a diagnostic of the forestry sector, provoked greater communication within the sector and successfully organized a buyers round table with certified buyers. However, the follow through to work with processors and try to establish longer term business interests would have taken more time. Although we did achieve certified sales, it is not clear without some on-going facilitation, if true business alliances have been established. During this process, USAID-Regional Program questioned RA about why we were working with teak, despite the earlier buy-in which specifically requested the work with teak.

It was with some hesitation that RA agreed to work with the Kuna Co-marca since funding was limited and we were unsure of future funding to continue the work. We tried to limit our scope in the hopes of not raising expectations with the community. Our commitment was to help with annual operating plans for their forest. However, we probably would have rather not entered into such a short term relationship with a forestry community that requires longer term support and assistance.

4.3 Communications
Among the most important lessons learned were in the field with reporters. One of the most heartening of those was that seeing certified farms and forests convinces even reporters who are jaded toward other certification schemes of the efficacy of the Rainforest Alliance program. In the notable example of Joanna Blythman, the London Telegraph feature magazine reporter, she arrived in Costa Rica to see a certified orange farm and was skeptical about other certifiers she had dealt with, but she left with a good impression of the Rainforest Alliance Certified farm, proven by her favorable report.

A host of lessons on the technicalities of leading a proper press trip were learned in the field; an important one for example is that no amount of follow up is too much when arranging transportation and meetings.

Picture 33, at right: Taking journalists on field trips can be challenging, but worthwhile.

Central American media are very interested in the business side of the certification program, in terms of premiums paid, volumes sold and the availability of markets, but they are also interested in the environmental factor, especially when damages done by those not involved in the program are obvious. Such was the case in Nicaragua when there was a good media turnout for flyovers of deforested areas in the North Atlantic Autonomous Region.
For local media, the shorter the event, the more media will be represented. One full day is usually the limit, but a few media are willing to send reporters on two-day trips.

International reporters usually want to talk to the lowest-paid employees, who are the coffee pickers on coffee farms, for example. Two problems can arise:

1. Pickers are seasonal and do not necessarily know much about the farm where they work. Most say little and do not compare the farm to others where they have worked except to say they are the same and nothing is wrong or good about any of them. The problem is avoided by arranging interviews with permanent employees who live on the farm but are not managers (to fulfill the reporters’ requirement to speak with the little guy or the average employee).

2. Farm owners often prefer to show off the new, environmentally friendly machinery they invested in, as many of them have, rather than spend time in the fields with the pickers, who are not the novelty to them that they are to visiting foreign reporters. The problem is avoided with proper planning that allows time for tours of both the fields and the mills and a commitment to stay on schedule.

Rainforest Alliance staff who work in farm certification are often called on to represent the organization in interviews with the media. Because of our association with multi-national corporations that occasionally make headlines for questionable practices and are often under attack, fairly or not, from environmental and labor groups among others, reporters have put difficult questions to our staff. We have resisted asking to screen questions; rather, we began offering media training seminars and held meetings with key staff who are often contacted by media. They adopted a policy of explaining to reporters our investigation procedure for possible violations of the standard and refraining from commentary on issues specific to individual farms. To help our staff prepare for tough questions from reporters, we continue to give media training sessions.

During the CSPA project a number of larger companies began to sell coffee from Rainforest Alliance Certified farms. And while we had worked with Chiquita for many years prior to CSPA, it was during the project that the company began to use the Rainforest Alliance Certified label on bananas throughout Europe. At first we were not prepared to manage the sudden media attention in Europe as well as the large number of requests for information and assistance with marketing materials that these companies demanded. Luckily, new sources of funding allowed us to hire consultants who have proven to be invaluable.

4.4 Project Management:

Uncertainties in fund amounts and fund sources throughout the life of CSPA provided challenges for both Rainforest Alliance and USAID. RA was not fully aware of USAID’s strategy for securing funding for the project and both partners would have benefited from a clearer view of that strategy and a work plan to jointly achieve it. Of the $8.6 million ceiling in the cooperative agreement, USAID-Regional Program nearly fully funded the first half of the project with the exception of an early buy-in from USAID Mexico. The strategy of securing the remaining funds through buy-ins from bilateral missions had many challenges, which were: 1) changes in USAID personnel at the regional and bilateral levels during the life of the project weakened what we had previously understood to be solid financial commitments; and 2) decisions by bilateral missions to contract out entire SOs via RFPs eliminated potential buy-in funds for the existing CSPA cooperative agreement even though objectives and activities were extremely similar (as happened in Honduras, Mexico and an aborted effort.
by Nicaragua). However, we did receive an unexpected buy-in from Panama. Some of the programmatic consequences of the uncertain funding scenario included:

- Significant RA staff time spent in annual direct fundraising efforts with bilateral missions, the regional mission and the GDA secretariat.
- Significant RA staff time spent responding to consulting firms courting RA to include us in bids for similar work in the CSPA countries and/or RA participating in various degrees on those bids to continue CSPA work but under a different contract.
- The failure to secure a USAID/Honduras buy-in eliminated our ability to use USAID funds in that country but working relationships, commitments and expectations with communities and producers had already been raised. RA had to find alternative sources of funding to follow through with those commitments, albeit with lower-level results.
- With the buy-in from USAID Panama for 18 months, RA committed to working in one additional country in forestry (Panama) and one additional crop (pineapples, neither of which was originally budgeted). Since the buy-in did not change the ceiling of the agreement, it translated into additional activities and no additional funds. The 18 month limit was also a constraint when entering a new country or starting work with a new crop.

Initially, the partnership between RA and USAID–Regional Program was very supportive and productive, with USAID-Regional Program initially providing full support to the RA model of partnering with the private sector and building market demand for certified products. As funds increasingly came from bilateral missions, and regional support decreased over time, the general support for RA building market demand waned in favor of specific on-the-ground activities within the respective countries and a lack of understanding of the importance for certification to be driven by market forces. This bilateral approach also lost sight of the GDA focus of the project, which depended on private sector investment to not only improve in-country production practices but also to market and promote certified products from the Central America and Mexico region to consumers outside of the country.

Overall, the lessons learned here are that GDA projects with bilateral buy-in, but a regional design, need to incorporate an agreed upon and minimal level of support at the regional level, so as to support the overall regional deliverables promised to various partners. Flexibility needs to be established for the possibility of various country activities to be reduced subsequently, if buy-in is not obtained. However, this is often very difficult to do with private sector partners involved that expect a certain amount of activities within a particular country, and do not fully understand the bilateral nature of USAID funding for the NGO. Private sector partners are instrumental in GDA projects in terms of their ability to source new products and invest in communities. USAID also played a significant role in giving a platform for these private sector partners (many of whom were just in initial discussions with the RA at the time of the CSPA proposal design) to come together, commit resources, and quantify their potential activities and roles in the project through specific MOUs. The GDA mechanism offered this platform for the private sector partners to commit and engage in a project with RA that could benefit many communities. However, as maintaining adequate per-country funding throughout the project became a more complicated process to navigate, it was difficult for the RA to maintain all originally promised deliverables, both on a country-by-country level, and on a partner-by-partner level.

In regards to the process of compliance with Regulation 216, and in cultivating strong working relationships between USAID and non-traditional partners, Rainforest Alliance learned several important lessons.

- **Build capabilities of multiple project staff at the start:** In Rainforest Alliance’s experience, the project staff’s lack of knowledge about the process of achieving Regulation 216 compliance—the steps to be taken and the various levels of approval—was the major constraint. Training was provided to our staff at the end of the project, and participation was limited to one project member. We would suggest that training occur at the beginning of project implementation, and include the project administrator and all project component coordinators, since they are the staff in charge of managing the process of accomplishing Regulation 216 initial studies, and overseeing the implementation of corrective and
preventive actions during the project implementation. The focus of the training should be on creating a deep understanding of the importance of Regulation 216 compliance in order to avoid environmental or social inquiries. In addition, the process of accomplishing Regulation 216, by steps, procedures, and levels of internal approval in USAID needs to be thoroughly explained so that project staff can better manage the process and take the lead of it.

- **Convey sense of urgency of compliance**: Through training and maintenance of a closer relationship with environmental officers at USAID missions, project staff can come to understand the necessity of completing Regulation 216 initial studies at the beginning of the project. If specific conditions are included into the project agreement between an NGO and USAID stipulating that project implementation may be disrupted if this condition is not accomplished on time, then project staff and USAID CTOs would have a higher sense of urgency regarding the accomplishment of Regulation 216.

- **Encourage USAID mission staff to act in support roles for NGO staff**: In our experience, the direct relationship that our project staff had with the Regional Environmental Advisor (REA) during the last year of the CSPA was one of the keys to finally achieving Regulation 216 compliance. We recommend that USAID build this kind of direct support to NGOs from in-country environmental officers from the beginning of a project, with USAID staff having a specific amount of their time dedicated to providing support, advice, guidance, training and follow-up to help foster the process of accomplishing Regulation 216.
5. ANNEXES
## ANNEX A: CSPA Goals and Results Summary Table

<table>
<thead>
<tr>
<th>Result</th>
<th>Indicator</th>
<th>Product</th>
<th>Base Line (April 2004)</th>
<th>Project Target</th>
<th>Final Results (April 2007)</th>
<th>Balance</th>
<th>% Success</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>IR1: Increased Sales of Certified Products Improve Rural Livelihood and Wellbeing</strong></td>
<td>1.1.1 Volume of product sold</td>
<td>Bananas (boxes)</td>
<td>0</td>
<td>90,000,000</td>
<td>97,941,335</td>
<td>7,941,335</td>
<td>109%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Coffee (metric tons)</td>
<td>0</td>
<td>26,000</td>
<td>34,722</td>
<td>8,722</td>
<td>134%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Timber (board feet)</td>
<td>0</td>
<td>3,102,275</td>
<td>6,299,822</td>
<td>3,197,547</td>
<td>203%</td>
</tr>
<tr>
<td><strong>IR2: Improved Environmental Management</strong></td>
<td>2.1.1 Hectares under certified management</td>
<td>Bananas</td>
<td>7,796</td>
<td>25,795</td>
<td>24,354</td>
<td>(1,441)</td>
<td>94%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Coffee</td>
<td>11,565</td>
<td>22,000</td>
<td>32,958</td>
<td>10,958</td>
<td>150%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Timber</td>
<td>1,238,973</td>
<td>1,558,045</td>
<td>1,558,211</td>
<td>166</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>2.1.2 Number of operations certified</td>
<td>Bananas</td>
<td>38</td>
<td>100</td>
<td>108</td>
<td>8</td>
<td>108%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Coffee</td>
<td>160</td>
<td>250</td>
<td>3,646</td>
<td>3,396</td>
<td>1458%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Timber (FM)</td>
<td>69</td>
<td>75</td>
<td>94</td>
<td>19</td>
<td>125%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Timber (CoC)</td>
<td>35</td>
<td>47</td>
<td>53</td>
<td>6</td>
<td>113%</td>
</tr>
<tr>
<td><strong>IR3: Sustainable Certification Process Expanded for Improved Producer Competitiveness</strong></td>
<td>3.1.1 Number of New Auditors Trained</td>
<td>B, C &amp; T</td>
<td>0</td>
<td>72</td>
<td>93</td>
<td>21</td>
<td>129%</td>
</tr>
<tr>
<td></td>
<td>3.1.2 Number of Auditors Updated</td>
<td>B, C &amp; T</td>
<td>0</td>
<td>48</td>
<td>158</td>
<td>110</td>
<td>329%</td>
</tr>
<tr>
<td></td>
<td>3.1.3 Number of ‘Extensionists’ Trained</td>
<td>B &amp; C</td>
<td>0</td>
<td>164</td>
<td>349</td>
<td>185</td>
<td>213%</td>
</tr>
<tr>
<td></td>
<td>3.1.4 Number of New Systems and Tools</td>
<td>B, C &amp; T</td>
<td>0</td>
<td>5</td>
<td>22</td>
<td>17</td>
<td>440%</td>
</tr>
<tr>
<td></td>
<td>3.2.2 Additional No. Of Organizations with Production Cost Data</td>
<td>B &amp; C</td>
<td>0</td>
<td>6</td>
<td>6</td>
<td>0</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>F</td>
<td>0</td>
<td>20</td>
<td>23</td>
<td>3</td>
<td>115%</td>
</tr>
<tr>
<td></td>
<td>3.2.3 Number of New Forest Products</td>
<td>Timber</td>
<td>0</td>
<td>15</td>
<td>34</td>
<td>19</td>
<td>227%</td>
</tr>
</tbody>
</table>
## INVESTMENTS FROM PARTNERS

<table>
<thead>
<tr>
<th>Product</th>
<th>Investments up to FY06 (At September 2006)</th>
<th>Investments FY07 (October 07 – April 2007)</th>
<th>Total Investments LOA (At April 2007)</th>
<th>LOA Target</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bananas</td>
<td>$35,792,200</td>
<td>$0</td>
<td>$35,792,200</td>
<td>$2,300,000</td>
<td>$33,492,200</td>
</tr>
<tr>
<td>Coffee</td>
<td>$5,000,000</td>
<td>$0</td>
<td>$5,000,000</td>
<td>$2,300,000</td>
<td>$2,700,000</td>
</tr>
<tr>
<td>Timber</td>
<td>$7,770,498</td>
<td>$430,725</td>
<td>$8,201,223</td>
<td>$4,000,000</td>
<td>$3,770,498</td>
</tr>
<tr>
<td><strong>Total</strong>:</td>
<td><strong>$48,562,698</strong></td>
<td><strong>$430,725</strong></td>
<td><strong>$48,993,423</strong></td>
<td><strong>$8,600,000</strong></td>
<td><strong>$39,962,698</strong></td>
</tr>
</tbody>
</table>
ANNEX C: Newly Registered Companies Sourcing Rainforest Alliance Certified Coffee

(336 companies added from March 2004-April 2007)

<table>
<thead>
<tr>
<th>Country</th>
<th>Company</th>
<th>Date registered</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scotland</td>
<td>Bean Shop</td>
<td>03/24/04</td>
</tr>
<tr>
<td></td>
<td>Sugar Dock-McCoys</td>
<td>05/05/04</td>
</tr>
<tr>
<td>England</td>
<td>Roast &amp; Ground Ltd</td>
<td>05/11/04</td>
</tr>
<tr>
<td>England</td>
<td>Bolling Coffee Ltd; Out of Town Group</td>
<td>10/17/04</td>
</tr>
<tr>
<td>England</td>
<td>Mullins &amp; Westley Ltd.</td>
<td>12/13/2004</td>
</tr>
<tr>
<td>UK</td>
<td>Simply Coffee</td>
<td>12/16/2004</td>
</tr>
<tr>
<td>Geneva</td>
<td>Walter Matters S.A.</td>
<td>3/14/2005</td>
</tr>
<tr>
<td>Wales</td>
<td>Kopi Coffi Ltd.</td>
<td>7/20/2005</td>
</tr>
<tr>
<td>England</td>
<td>eco-4</td>
<td>8/24/2005</td>
</tr>
<tr>
<td>England</td>
<td>Gylly Beach Café</td>
<td>8/24/2005</td>
</tr>
<tr>
<td>England</td>
<td>The Earth Collection Chester</td>
<td>8/24/2005</td>
</tr>
<tr>
<td>Channel Islands</td>
<td>Cooper &amp; Co.</td>
<td>10/6/2005</td>
</tr>
<tr>
<td>England</td>
<td>Monmouth Coffee Company</td>
<td>12/5/2005</td>
</tr>
<tr>
<td>Norfolk</td>
<td>Gourmet Coffee Company</td>
<td>01/17/06</td>
</tr>
<tr>
<td>England</td>
<td>The Eve Coffee Company</td>
<td>01/25/06</td>
</tr>
<tr>
<td>England</td>
<td>South Coast Coffee Company d/b/a Kendrick</td>
<td>04/10/06</td>
</tr>
<tr>
<td>Ireland</td>
<td>Peaberry's</td>
<td>5/26/2006</td>
</tr>
<tr>
<td>Bristol</td>
<td>Martin Carwardine &amp; Co.</td>
<td>6/22/2006</td>
</tr>
<tr>
<td>England</td>
<td>Freshpac Teas and Coffees</td>
<td>7/21/2006</td>
</tr>
<tr>
<td>Bristol</td>
<td>Lyons Group Limited</td>
<td>7/31/2006</td>
</tr>
<tr>
<td>England</td>
<td>Novus Leisure</td>
<td>8/10/2006</td>
</tr>
<tr>
<td>Hove</td>
<td>The Quiznos Corporation</td>
<td>8/16/2006</td>
</tr>
<tr>
<td>West Sussex</td>
<td>World Coffee Ltd</td>
<td>09/10/06</td>
</tr>
<tr>
<td>England</td>
<td>The Out of Town Group</td>
<td>9/26/2006</td>
</tr>
<tr>
<td>Abingdon</td>
<td>Fruit Boost Ltd.</td>
<td>10/9/2006</td>
</tr>
<tr>
<td>UK</td>
<td>WRVS</td>
<td>11/14/2006</td>
</tr>
<tr>
<td>Manchester</td>
<td>Garraways</td>
<td>8/16/2008</td>
</tr>
<tr>
<td>England</td>
<td>Complete Coffee (associated merchants</td>
<td>12/4/2003,</td>
</tr>
<tr>
<td></td>
<td>international, ltd)</td>
<td>2/22/2006</td>
</tr>
<tr>
<td>England</td>
<td>J Atkinson &amp; Co.</td>
<td>5/1/2003 and</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3/21/2006</td>
</tr>
<tr>
<td>Ireland</td>
<td>Bewley's, Ltd</td>
<td>3/21/2006</td>
</tr>
<tr>
<td>EUROPE</td>
<td>Interamerican Coffee Schweiz, c/o Bernhard</td>
<td>03/11/04</td>
</tr>
<tr>
<td></td>
<td>Rothfos Intercafe</td>
<td></td>
</tr>
<tr>
<td>BELGIUM</td>
<td>EFICO</td>
<td>07/01/04</td>
</tr>
<tr>
<td>BELGIUM</td>
<td>Colruyt n.v.</td>
<td>7/7/2004</td>
</tr>
<tr>
<td>NETHERLANDS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SPAIN</td>
<td>FOCOCAFE</td>
<td>12/23/2004</td>
</tr>
<tr>
<td>DENMARK</td>
<td>Risteriet</td>
<td>11/25/2005</td>
</tr>
<tr>
<td>THE</td>
<td>Holland Coffee B.V.</td>
<td>12/7/2005</td>
</tr>
<tr>
<td>NETHERLANDS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>GERMANY</td>
<td>Premium Foods GmbH</td>
<td>12/7/2005</td>
</tr>
<tr>
<td>SWITZERLAND</td>
<td>Ecom Agroindustrial Corp. Ltd.</td>
<td>1/6/2006</td>
</tr>
<tr>
<td>THE</td>
<td>Greenco</td>
<td>1/30/2006</td>
</tr>
<tr>
<td>NETHERLANDS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>GERMANY</td>
<td>Tchibo Kaffee aka Tchibo Holding, AG</td>
<td>2/17/2006</td>
</tr>
<tr>
<td>GERMANY</td>
<td>Berliner Kaffeerosterei</td>
<td>3/5/2006</td>
</tr>
<tr>
<td>Sweden</td>
<td>Intercoffe AB d/b/a Lavazza</td>
<td>4/17/2006</td>
</tr>
<tr>
<td>Country</td>
<td>Company</td>
<td>Date registered</td>
</tr>
<tr>
<td>-----------------</td>
<td>--------------------------------------------------------------------------</td>
<td>-----------------</td>
</tr>
<tr>
<td>GERMANY</td>
<td>Neumann Gruppe GmbH/ InterAmerican Coffee GmbH</td>
<td>04/21/06</td>
</tr>
<tr>
<td>THE NETHERLANDS</td>
<td>Neuteboom KoffieBranders BV</td>
<td>5/17/2006</td>
</tr>
<tr>
<td>THE NETHERLANDS</td>
<td>Beans Coffee B.V.</td>
<td>10/10/2006</td>
</tr>
<tr>
<td>BELGIUM</td>
<td>AKC nv/ sa d/b/a Masalto</td>
<td>11/29/2006</td>
</tr>
<tr>
<td>Netherlands</td>
<td>Medellin Secret B.V.</td>
<td>12/6/2006</td>
</tr>
<tr>
<td>GERMANY</td>
<td>IFBI (Int'l Food &amp; Bev importer)</td>
<td>2/28/2007</td>
</tr>
<tr>
<td>GERMANY</td>
<td>Monimbo Coffee Estates</td>
<td>2/28/2007</td>
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<tr>
<td>SWITZERLAND</td>
<td>ECOM Agroindustrial Corp. LTD. (cocoa)</td>
<td>3/23/2007</td>
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<tr>
<td>SWITZERLAND</td>
<td>O. AEBERHARD AG</td>
<td>4/16/2007</td>
</tr>
<tr>
<td>GERMANY</td>
<td>arko Gmbh</td>
<td>4/24/2007</td>
</tr>
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<td>Drie Mollen Holding</td>
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<td>Golluecke-Rothfos</td>
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<td>EUROPE</td>
<td>Tesorera CCA - CCM, ECOM Colombia</td>
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<tr>
<td>THE NETHERLANDS</td>
<td>Laurus</td>
<td>None</td>
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<td>EUROPE</td>
<td>Lavazza</td>
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<td>AUSTRALIA</td>
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<td>02/06/04</td>
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<td>Toby’s Estate Coffee</td>
<td>4/2/2004</td>
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<td>Rio Coffee</td>
<td>7/15/2004</td>
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<tr>
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<td>Rubra Coffee</td>
<td>8/19/2004</td>
</tr>
<tr>
<td>Country</td>
<td>Company</td>
<td>Date registered</td>
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<tr>
<td>-----------</td>
<td>----------------------------------------------</td>
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</tr>
<tr>
<td>AUSTRALIA</td>
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<td>2/2/2006</td>
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<td>Belcaffe Coffees</td>
<td>03/22/06</td>
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<td>AUSTRALIA</td>
<td>Brawn Trading Company Pty Ltd d/b/a Gourmet Gold Coffee</td>
<td>7/12/2006</td>
</tr>
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<td>The Coffee Roaster Pty Ltd</td>
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<td>8/10/2006</td>
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<tr>
<td>AUSTRALIA</td>
<td>Coffee Culture Coffee</td>
<td>10/3/2006</td>
</tr>
<tr>
<td>AUSTRALIA</td>
<td>Ministry Grounds Coffee</td>
<td>10/20/2006</td>
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<td>European Roasterie</td>
<td>2/2003, Inc.</td>
</tr>
<tr>
<td>California</td>
<td>Latin Trading</td>
<td>2/2003, Inc.</td>
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<td>California</td>
<td>Farmer Brothers Co.</td>
<td>23/6/07</td>
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<td>Texas</td>
<td>Cuvee Coffee Roasting Co.</td>
<td>3/10/2004 and 4/10/2006</td>
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<tr>
<td>Korea</td>
<td>Goutier Coffee Company Inc.</td>
<td>01/23/07</td>
</tr>
<tr>
<td>Singapore</td>
<td>Graffeo</td>
<td>04/13/06</td>
</tr>
<tr>
<td>South Africa</td>
<td>Espresso Concepts</td>
<td>03/02/06</td>
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<td>South Africa</td>
<td>Tribeca Coffee Co</td>
<td>03/29/06</td>
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<td>LATIN AMERICA</td>
<td>Selva Negra</td>
<td>04/01/04</td>
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<td>LATIN AMERICA</td>
<td>Becamo: Beneficio Montecristo, S.A.</td>
<td>04/03/04</td>
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<tr>
<td>Brazil</td>
<td>Café Bom Dia, Ltda.</td>
<td>09/07/05</td>
</tr>
<tr>
<td>LATIN AMERICA</td>
<td>Café Colsuavez</td>
<td>10/11/05</td>
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<tr>
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<td>Café Coop</td>
<td>10/20/05</td>
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<tr>
<td>LATIN AMERICA</td>
<td>Gazzola Chierighini</td>
<td>11/23/05</td>
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<td>MEXICO</td>
<td>Descafeinadores Mexicanos SA de CV</td>
<td>03/27/06</td>
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<td>Colombia</td>
<td>Colombian Mountain Coffee</td>
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<td>LATIN AMERICA</td>
<td>Faisury Toro Rincon &quot;El Templo Del Café&quot;</td>
<td>04/26/06</td>
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<td>Nicaragua</td>
<td>Cisa Exportadora</td>
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<td>Aristi-Aristi Coffee</td>
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<td>LATIN AMERICA</td>
<td>Trilladora Happy Coffee</td>
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</tr>
<tr>
<td>Country</td>
<td>Company</td>
<td>Date registered</td>
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</tr>
<tr>
<td>LATIN AMERICA</td>
<td>Selecto S.A.</td>
<td>09/28/06</td>
</tr>
<tr>
<td>Nicaragua</td>
<td>Hacienda &amp; ecolodge Morgan's Rock</td>
<td>10/06/06</td>
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<tr>
<td>Portugal</td>
<td>Delta Cafes</td>
<td>10/10/06</td>
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<tr>
<td>Colombia</td>
<td>Juan Valdez</td>
<td>10/11/06</td>
</tr>
<tr>
<td>Brazil</td>
<td>Café Villa Borghesi</td>
<td>10/13/06</td>
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<td>Honduras</td>
<td>CIRAH</td>
<td>10/18/06</td>
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<tr>
<td>MEXICO</td>
<td>Expogranos Mexicanos, S.A. de C.V.</td>
<td>10/18/06</td>
</tr>
<tr>
<td>El Salvador</td>
<td>UNEX S.A. de C.V.</td>
<td>10/18/06</td>
</tr>
<tr>
<td>Brazil</td>
<td>Barletta Intermediacoes E Negocios LTDA</td>
<td>11/03/06</td>
</tr>
</tbody>
</table>

NOTE: Many of the Japanese companies do not have registration dates because of our indirect relationship with many Japanese coffee roasters and retailers. The reasons are 1) language, since non-trading companies speak very little English; and 2) culture, as the Japanese have a much closer relationship with intermediaries and the traders and suppliers provide a very high level of support to their clients, including managing the communications with RA. The trading companies (importers) all speak English to facilitate their international business relationships, so they support their clients by acting as an intermediary with Rainforest Alliance. This means that many of the Japanese roasters and retailers may not have filled out an actual registration form with us, but we know through their supply chain that they are actively purchasing and promoting products from RAC farms.

<table>
<thead>
<tr>
<th>Country</th>
<th>Company</th>
<th>Date registered</th>
</tr>
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<tbody>
<tr>
<td>Colombia</td>
<td>Café Don Marcos</td>
<td>11/09/06</td>
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<td>Brazil</td>
<td>R.J. Baiardi Café</td>
<td>11/13/06</td>
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<td>Colombia</td>
<td>Cafes Paraiso</td>
<td>12/06/06</td>
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<td>Costa Rica</td>
<td>Café Noble S.A.</td>
<td>02/11/07</td>
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<tr>
<td>Costa Rica</td>
<td>Expocerta S.A.</td>
<td>02/13/07</td>
</tr>
<tr>
<td>Colombia</td>
<td>Cafe Loma Verde</td>
<td>04/16/07</td>
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<td>LATIN AMERICA</td>
<td>Muyshondt Avila S.A. de C.V.</td>
<td>4/20/2004</td>
</tr>
<tr>
<td>United Arab Emirates</td>
<td>North Coffee Roastery LLC</td>
<td>01/02/07</td>
</tr>
</tbody>
</table>
Annex D: CSPA Press Releases, media advisories, press invitations, publications:

2004

Press Releases

- “USAID and the Rainforest Alliance to Bring Sustainable Forest and Farm Products to Market.” May 20. Distributed to a media list of over 900 targeted reporters and editors.
- “USAID y la Alianza para Bosques traerán al mercado productos forestales y agrícolas sostenibles.” May 20. Distributed to a media list of 350.
- “UK Restaurants, Hotels and Offices To Sell Kraft’s Rainforest Alliance Certified Coffee.” June 30. Distributed to a media list of 150+ targeted UK contacts in addition to Kraft’s regional contacts.
- “The Sounds of Sustainability: Sustainable Forestry & Gibson SmartWood Guitars Featured at the Newport Folk Festival.” August 5. Distributed to 800+ targeted media. Rainforest Alliance staff attended event to promote Gibson’s commitments to sustainability among press and public.
- “Rainforest Alliance Certified Sustainable Coffee Goes to School.” August 30. Distributed to 100+ targeted media contacts, in addition to Kraft’s hundreds of contacts.
- Alianza para Bosques y Lavazza: a favor del café sostenible Fincas en Honduras, Colombia, Perú reciben beneficios Oct 27. Distributed to about 40 media outlets in Honduras; 30 in Colombia and Peru.
- “Gloria Jeans Brings New Flavor to Rainforest Alliance Certified coffee.” November 2. Distributed to a media list of over 500 targeted reporters and editors, in addition to Kraft’s hundreds of contacts.
- “Leading Coffee Roaster Provides Green Beans for UK Coffee Drinkers.” November 24. Distributed to a media list of over 200 targeted reporters and editors in the UK.

2005

- “Sustainably Produced Beans from Latin America Support the Environment and Workers, and Yield a Superior Cup of Coffee.” April 15. Distributed to a media list of over 500 targeted reporters and editors, in addition to 100 press contacts.
- “New Study Demonstrates Benefits of Sustainable Forest Certification.” July 12.
- “Coffee and Banana Farmers in Central America Suffer the Effects of Hurricane Stan.” October 6.
- Media advisory: “Rainforest Alliance realizó su primera asamblea annual.” October 12.
- “Jade Leaf Exports Boost Conservation and Livelihoods in Maya Biosphere Reserve.” “Exportación Directa de Xate Fortalece Conservación y Desarrollo en Biosfera Maya.” October 5.

2006

- “Honduras Communities Sell Mahogany to Guitar Manufacturer Gibson.” “Comunidades de Río Plátano Venden Caoba a Empresa de Guitarras Gibson.” February 20.
- “Rainforest Alliance Certified Coffee Now Available at All Sam’s Club Locations in the United States.” July 14.
- “Furniture Industry Representatives Applaud the Use of Sustainable Wood Products,” October 4.
- “Rainforest Alliance Builds on Decade of Development Work in Nicaragua with New $3.6M Grant from USAID.” October 26.
• “The Rainforest Alliance Partners with Nespresso to Conserve Environment in Latin America.” “Nueva solución sostenible para la conservación y una mejor calidad de vida.” November 17.

2007 Jan.-March

• “Reflecting Trend Toward Global Companies Embracing Sustainability, McDonald’s UK Puts Rainforest Alliance Certified Coffee On the Menu” Jan 8.
• “Rainforest Alliance Joins Forces with Whole Foods Market in New Program to Source Environmentally and Socially Responsible Products from Developing Countries.” March 29.

All press releases are also posted on our Web site and featured on our homepage, visited by more than 200,000 people each month.

Publications:

The Canopy
Articles in our quarterly newsletter distributed to 33,000 members and VIP contacts

2004

• “USAID and the Rainforest Alliance Bring Sustainable Forest and Farm Products to Market,” Summer 2004
• “A Better Brew: Rainforest Alliance Certified Coffee Catches On,” Summer 2004
• “From the Executive Director: To Market We Will Go.”
• “The Top-Notch Training Behind the Seal Consumers Can Trust.”
• “Q&A with Director of the Certified Sustainable Products Alliance.”

Rainforest Matters
Articles from our monthly e-mail newsletter sent to 4,000 and viewed on our Web site.

2004 Summer

• “Kraft’s Commitment to Sustainable Coffee.” August 2004
• “Bringing Sustainable Goods to Market.” July 2004
• “Smart Alliance - A Notorious Company Changes Its Course.” June 2004
Autumn

- “Migratory Birds Fly South to Coffee Farms.”
- “Chiapas Communities Conserve Cloud Forests.”
- “Gloria Jeans Has the Flavor”

News and Notes: NGO Newsletter
Articles from our quarterly e-newsletter sent to 1,500+ conservation and development organizations

2004

- “New Certified Coffees Promote Responsible Production.” Autumn 2004
- “Plaque & Party for New Guatemala City Office.” Autumn 2004

Rainforest News
Articles from our news bulletin distributed to 750+ foundations and major donors.

2004

- “Rainforest Alliance and USAID Bring Sustainable Forest and Farm Products to Market.” August 2004
- “UK Restaurants, Hotels and Offices To Sell Kraft’s Rainforest Alliance Certified Coffee.” August 2004

Sustainable Market Update

2005

Premier issue of Sustainable Market Update, an email bulletin in English and Spanish, which we sent to more than 100 government and USAID officials, conservation groups, and producers in March, 2005. The newsletter featured five stories, with links to full reports on our Web site.

Second issue of Sustainable Market Update in summer 2005 distributed in English and Spanish to a mailing list of about 500 stakeholders in the Americas and overseas.
Stories included:

- The Rainforest Alliance and Partners Respond to Disasters
- Linking European Consumers with Central American Farms
- Communities in Mexico Improve Forest Management
- Japanese Support Good Practices in Central America
- Mayorga Coffee from Nicaragua, Honduras & El Salvador
- Caribou Coffee Supports Sustainable Agriculture in Guatemala
- Rainforest Alliance Studies Pineapple Certification in Panama.

Third issue of Sustainable Market Update distributed in autumn 2005:

- SCAA Cupping
- Kenco Launch
- UCC launches new products in Japan
- Continental Forest Greens Xate purchases
- New Study Demonstrates Benefits of Sustainable Forest Certification
- Subasta Q & Salvantura Cupping event
- Mayorga Coffee shop sells Rainforest Alliance Certified

Sustainable Forestry Update

2006

In spring 2006 we released the first Sustainable Forestry Update (http://www.rainforest-alliance.org/cspa/sustainable-forestryupdate/spring_06.html), in English and Spanish, which has been visited more than 3,000 times.

- Communities in Honduras Sell Mahogany to Gibson
- New Markets for Forest-Friendly Loggers in Guatemala
- Certified Sustainable Nicaraguan Forestland to Double
- Big Boosts for Small Businesses
- "Learn While Doing" Forestry Industry Training Project Launched

Autumn 2006 issue of Sustainable Forestry Update / Boletín Forestal Sostenible.

- Foresters’ response to Nicaragua’s forestry ban
How sustainable forestry can reduce the number of kids who are diving to dangerous depths in search of lobster in Honduras
Sustainable forestry in Panama
New USAID supported initiative in Nicaragua.

Farm to Market

In early 2007, we launched an email newsletter specifically for sustainable agriculture growers, buyers and sellers called Farm to Market/Desde la finca al Mercado/Do Agricultor aos Mercados

- Frog-Spotting: The Latest Certified Offerings
- Bringing Sustainability to African Farmers
- Building the Brazilian Market
- Certified Flowers Adorn Supermarket Shelves
- Big in Japan: Rainforest Alliance Builds Asian Partnerships
- Frog Makes a Splash at Coffee Conferences

CSPA Web Presence

In addition to our news bulletins and press releases, we posted many other CSPA related pages on the Rainforest Alliance Web site (www.rainforest-alliance.org), visited by hundreds of thousands of visitors per month.

2005

- In the first quarter launched a CSPA section on the Web site (http://www.rainforest-alliance.org/cspa/) in both English and Spanish.
- Web report on the visit to El Salvador coffee farms by Kraft CEO Roger Deromedi

2006

- In October, Communications unveiled our new Frog Blog (www.rainforest-alliance.org/blog), designed to create buzz in the blog world and share behind-the-scenes looks at how the Rainforest Alliance works.
- October 19 Frog Blog entry describes the relationship between migratory birds and sustainable coffee.
- October 26 entry talks about the movie Black Gold and how complex the relationship between coffee consumers and coffee farmers is.

2007

- Launched a new multimedia page on our Web site, including a Public Service Announcement by actress and Rainforest Alliance board member Mary Stuart Masterson extolling the virtues of shopping sustainably. The PSA was broadcast on several radio stations. (www.rainforest-alliance.org/resources.cfm?id=multimedia).
- Launched a new, password-protection section of our Web site for companies that buy and sell Rainforest Alliance Certified products. This new section gives companies extensive tips for promoting and communicating their relationship with the Rainforest Alliance and their commitments to sustainability and provides examples and interviews with company executives.

To help promote information and initiatives related to sustainable forestry and agriculture in Mexico and Central America, we added or updated information about more than 70 relevant projects on our popular Eco-Index bilingual Internet almanac (www.eco-index.org), a searchable database of more than 800 conservation initiatives and which receives an average of 38,000 visits monthly.

We also published relevant articles, such as “Chiapas Cloud Forests Conserved through Sustainable Forestry and Agriculture,” in the bilingual Eco-Exchange/Ambien-Tema news bulletin viewed by thousands on our Web site and mailed and emailed to nearly 3000 journalists, NGOs, foundations and government agencies.

We featured an interview with Carmen Aida González, former Senior Coordinator and Performance Monitoring Advisory with USAID’s regional program for Mexico and Central America, on the Eco-Index’s “On the Record” feature; it has been viewed more than 800 times.

Additional Communications tools

2004

- Fact sheet on CSPA, English and Spanish, with photos…distributed via email and in information packets to inquiring reporters, others.
- Kraft case studies, detailing improvements made on dozens of farms throughout Latin America, as a result of Rainforest Alliance certification. With photos, charts, maps. A communications tool used often by Kraft and distributed to media.
Three panel display created detailing the Rainforest Alliance’s partnership with Gibson Guitar and their sourcing of certified mahogany from the Petén. Displayed at the Newport Folk Festival in August and viewed by hundreds.

Communications produced a poster for the “PROARCA Round-up” that gives an attractive summary of our CSPA activities, and the team also drafted text for a USAID brochure on GDA. A new farm profile produced this quarter tells the story of La Central in Honduras (http://www.rainforest-alliance.org/programs/profiles/ag-la-central.html).

Chiquita Case Studies – Spent three days in the field, interviewed dozens of workers and farm managers to complete this report, with photos, on how Rainforest Alliance certification has impacted environmental, social and economic conditions on Chiquita banana plantations in Costa Rica.

Wrote and provided information on CSPA for USAID publication “Frontlines”; edited Power Point slides.

Arranged interviews, provided information on Rainforest Alliance Certified coffee near Mesoamerican Biological Corridor for video produced for World Bank and presented at a conference in Managua.

Wrote three case studies and provided photos for USAID annual report.

2005

In preparation for our May 2005 Gala event, we produced four-color profiles of several of our honorees that grow, buy or trade certified coffee from Mesoamerica:

- UCC Ueshima Coffee Company
- Wild Forest Coffee
- Lavazza coffee company
- ECOM/Atlantic.

2006

Wrote and provided photos for ten profiles of farmers on sustainable farms called Sustainability Heroes, a project Kraft uses to emphasize the difference certification makes to farmers.

Profile of Costa Rican farm Aquiares (English and Spanish)
was complemented by a June 5 article about Rainforest Alliance Certified coffee farms in El Salvador in the Observer, the sister publication of the Guardian.

- In December, we led a group of reporters from Germany to certified farms in Costa Rica; this effort helped promote the sustainable agriculture in that key consumer country.

2006

- Press conference in the Petén office in Guatemala that announced the launching of the new Rainforest Alliance program “Aprender-haciendo.”
- With Chiquita and Kraft launching and publicizing bananas and coffee that bear the Rainforest Alliance Certified seal in numerous European countries in September and October 2005, the Communications team hustled to keep up with scores of media queries from across the ocean throughout 2006. We provided information about our work in Swedish, German, French and Dutch to journalists visiting Central America throughout the year.
- January visit to certified coffee farms in El Salvador with a reporter and photographer for the British publication, Observer Food Monthly.
- Followed by a second visit to Salvadoran farms by three French and one Belgian reporter, yielding reports in their respective publications and in two cases, repeat visits to Central America with future reports expected.
- Tour of Nicaraguan coffee farms that month with a reporter for the Miami Herald and local Nicaraguan reporters.
- Four Dutch reporters toured Chiquita farms in Costa Rica that month with our assistance.
- In May journalists from Luxembourg visited Rainforest Alliance Certified banana farms in Costa Rica.
- In July two journalists from Belgium visited Chiquita farms.
- Many others throughout the year and visits are ongoing.
- We led the Latin American correspondent for the major German newswire DPA and a stringer for nearly a dozen German publications on a tour of coffee and banana farms in Costa Rica.
- We organized a visit to the community forestry project in Itxilan, Mexico, for a BBC reporter.
- In mid-April we organized and led a press trip for the British journalist Joanna Blythman, noted for her popular books on food issues in the U.K. and a lifelong freelance reporter who specializes in foods. She spent three days visiting Rainforest Alliance Certified farms in Costa Rica and wrote an five-page report that was published in the influential Sunday magazine of the daily The Telegraph.
- In August and September communications supported agriculture and forestry events in Nicaragua with documents for distribution to attendees and later reported on the events to share the information provided with others who could not attend.
- Forestry press workshop in Nicaragua in September that specified the Rainforest Alliance’s position on that country’s recent forestry moratorium and flew journalists over the North Atlantic Autonomous Region in a military helicopter to show them the difference between sustainably managed forests and slash-and-burn agriculture and cattle pastures.
- Supported a two-day conference in September on the incipient forestry program in Panama with documents and phone meetings.
- The Communications team invited and assisted journalists on a tour of two Costa Rican coffee farms that sell to Nespresso during the SINTERCAFE conference. The reporters represented the Costa Rican major daily La Nación and the newswire Reuters.
- Communications organized and led two tours for four reporters from major British media of the village Alamikamba in the North Atlantic Autonomous Region. Many of the villagers began working with TREES experts to learn sustainable forestry management and sale techniques. The tours were timed to coincide with Nicaragua’s presidential elections when reporters were in the country. The reporters who attended were with the Guardian, Financial Times, Economist and Telegraph.
- We organized three meetings between European journalists, who were visiting Chiquita farms in Costa Rica, and Rainforest Alliance agriculture experts.
- More than a dozen journalists attended a roundtable discussion about sustainable forestry we organized in Paris the end of November, at which executive director Tensie Whelan described our work in Central America.
- In early December, we organized a “coffee cupping” in London that featured a number of coffees from Rainforest Alliance Certified farms in Central America. The purpose of the event was to underline that sustainable coffees also taste great. Two expert cuppers, from London and the Netherlands, demonstrated to attending journalists how they taste coffee and what they look for in a rich, deep brew.
In January and the beginning of February we organized and led a group of four reporters from Denmark, Ireland and France to visit Guatemalan coffee farms. Also in attendance were Frank Pinto, executive director of the UNDP-GEF, Ana Lucia Orozco, UNDP-GEF program director (Guatemala), Luis Gaitan, Enrique Mena, Lucia Jurado FIIT (Guatemala partner organization of the Rainforest Alliance), and representatives of the Rainforest Alliance from Guatemala and Costa Rica.

We briefed two reporters from the Austrian publications Kurier (a leading daily newspaper) and Gewinn (a monthly business magazine), brought to Costa Rica by Chiquita.

In late February we organized and led a media trip to coffee farms in Nicaragua. In attendance were a French reporter for Marie France, a Swedish reporter for Aftonbladet, a Nicaraguan reporter for Canal 2, Nicaragua’s biggest TV news channel, another Nicaraguan reporter for the large daily newspaper Nuevo Diario, Steven Fondriest, Trade and Agribusiness Office Chief for USAID Nicaragua, Carlos Roberto Fonseca, Program Development, Outreach and Communication Assistant for USAID Nicaragua and members of the Rainforest Alliance from Nicaragua and Costa Rica.

Press clips related to CSPA

2004

- La Prensa (El Salvador), June 3. “Cafés con sello ambiental crecen a ritmo acelerado.”
- Onalaska Life, July 3. “Use your bean to buy coffee.”
- Coffeehouse Newsletter, August 16. “Enter the Frog: Coffee certified by Rainforest Alliance continues to win trade and customer attention.”
- Reuters, September 10. “Certifying coffee may soon get simpler for farmers.”

- Dallas Ft. Worth Star-Telegram, September 15. “Brew up some conscientious coffee.”
- Tea & Coffee, September 20. “Diedrich Coffee: four generations, three brands; CupService.”
- Automatic Merchandiser, October. “Kraft Foodservice Launches Rainforest Alliance Certified All Life 100 Percent Colombian Coffee.”
- Vegetarian Times, October 1. “A Carrot to the Rainforest Alliance.”
- FreshInfo, October 7. “Chiquita Safeguards Reputation.”
- Pantongraph, October 19. “Gloria Jeans Now Has Certified Coffees.”
- Basler Zeitung (Switzerland), October 20. “If Chiquita Hadn’t Changed, Migros Would Have Jumped Off.”
- Handels Zeitung (Switzerland), October 20, 2004. “Chiquita’s Struggle: How the Global Player is Trying to Make its Change of Heart More Convincing.”
- Progressive Grocer, October 23. “Italian Song of the Earth.”
- Daily News of Los Angeles, October 27. “Good Tastes.”
- Aberdeen Evening Express, October 30. “New Blend of Coffee Raises Cash for Charity.”
- World Watch magazine, November 2. “Tis the Season to be Fair and Green.”
- La Cucina Italiana, November 4. “Lavazza Tierra!”
• UNEP, SustainAbility, Standard and Poor’s press release, November 5. “Non-Financial Reporting Improving.” (Chiquita)
• SustainableBusiness.com, November 10. “Rainforest Alliance and Lavazza Team Up for Sustainable Coffee.”
• Times Union (Albany), November 15, 2004. “Green Mountain Coffee Roasters Inc.”
• Chicago Tribune, November 17. “Thoughtful Brews.”
• The Press Association (UK), November 22. “Forget Maxwell House. Would You Like a Cup of Kenco Sustainable?”
• Europa Press, November 22. “R.Unido.- Nestlé y Kraft lanzan marcas ‘éticas’ de café que no se ajustan a las normas de comercio justo.”
• The Independent (UK), November 23. “Capitalists’ Ethical Coffee? It isn’t Worth a Bean.”
• The Daily Telegraph, November 23. “City Comment: Krafty Move to Ethical Highground.”
• The Herald, November 23, 2004. “Glasgow Seeking to Become City of Fairtrade.”
• Liverpool Daily Echo, November 23. “Ethical Coffee Confusion Fear.”
• The Guardian, November 24, 2004. “Who is the Fairest of them All?”
• The Daily Telegraph, November 25. “Letter to the Editor: Not a Fair Blend.”
• Financial Times, November 26, 2004. “How to grow a good name on green bananas, Corporate Responsibility: A US fruit company has rescued its reputation by forming an alliance with environmentalists.”
• The Daily Telegraph, November 27. “Storm in a Coffee Cup Over Ethical Marketing.”
• La Prensa, Honduras, November 30. “Empresa yoreña sera certificada.”

2005

• Grand Forks Herald, December 1. “Morgasbord.” (Millstone, briefly)
• Diario del Tiempo, Honduras, December 1. “Organismo internacional certifica a empresa forestal hondureña”
• La Prensa, Honduras, December 1. “Certificación forestal a empresa hondureña.”
• Diario del Tiempo, Honduras, December 2, 2004. “Ejemplo el Manejo del Bosque en Yoro.”
• La Tribuna, Honduras, December 7, 2004. “Como un orgullo nacional: Certifican empresa hondureña sobre manejo sostenible del bosque.”
• Good Morning Guatemala (radio show), December 10, interview with Tensie Whelan

• Toronto Life, January 1. “Drink and be Merry.”
• Food Navigator, January 4. “Consumer demand for fair trade coffee still to be proved.”
• La Prensa, January 6. “Certificaran produccion cafetalera.”
• The Chicago Tribune, January 14. “Floors with a Past.”
• Reuters and Forbes.com, January 17. “Kraft to double Latin America coffee purchases.”
• El Diario de Hoy, January 17. “Kraft Foods comprará más café salvadoreño.”
• La Prensa Gráfica, January 18. “Kraft comprará doble del café “verde” del país.”
• Terra, January 20. “Representantes Kraft Foods y Rainforest Alliance visitan país.”
• *The Christian Science Monitor and ABC News*, April 22. “At a Store Near You - Ecofriendly Lumber.” *USA Today;* “Certified wood catches on in rainforest
• *The Miami Herald*, April 22. “Petén’s once lush forests slowly being burned away.”
• *Associated Press/El Nuevo Herald*. April 25. “El Salvador venderá sus mejores cafés por Internet”
• *Café Europa* (Newsletter of the Specialty Coffee Association of Europe), April 2005 “Best Practices at Work: Quality on the farm and quality in the cup.”
• *Furniture Today*, April 16. “ABC Carpet teams with Rainforest Alliance.”
• *Treehugger.com* "SmartWood Rocks the Rainforest." 4/25/05
• *Business Wire. "Winslow Management Names Green Mountain Coffee Roasters...Green Award Winners." 4/19/05
• *Prensa Libre*, "Madera para la Música: La madera certificada de Petén tiene gran demanda en el mercado internacional." 4/21/05
• *Bay Weekly. "Where Have All the Songbirds Gone?" 4/26/05
• *Reuters. "Doing well by doing good with certified commodities." 5/13/05
- **BBC News.** "Coffee may 'save' El Salvador's wildlife." 5/12/05
  EFE (Latin America.) "Premian empresas latinoamericanas por uso sostenible de recursos." 5/12/05
- **Terra Mexico** "Café Salvador de Fauna." 5/14/05
- **Mexico Forestal.** "El sector forestal mexicano en el espejo de una comunidad indígena de Durango." May 2005
  Modern Woodworking. "Gibson Guitar CEO Makes Commitment to Using Certified Wood." April/May 2005
  *The Grocer* (UK). "The Flourishing of the Rainforest." 5/14/05
- **El Diario De hoy** (El Salvador) "Café sostenible tiene su propio sello de calidad." 5/15/05
- **Tea And Coffee Trade Journal.** "SCAE Conference 2005: a coffee odyssey in Athens; Speciality Coffee Association of Europe." 5/20/05
  - **Tea & Coffee Trade Journal.** "Italian Espresso: three out of three thousand espresso warriors ... give or take a few." 5/20/05
- **Prensa Libre** (Guatemala) "Sombrio panorama de las áreas 'Protegidas.'" 5/29/05
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ANNEX E: SUCCESS STORIES

Success Stories in Forestry

In 2004 the Rainforest Alliance, an international conservation organization, began working with the U.S. Agency for International Development (USAID) in Mexico and Central America in a program called the Certified Sustainable Products Alliance (CSPA). The alliance promoted the Rainforest Alliance’s work to certify farms and forestry operations for environmental sustainability and social responsibility, assuring that farmers and foresters are paid fairly for their labor and have access to education and healthcare while working to conserve the wildlife and the natural world around them. CSPA encouraged the certification of more farms and forests and the sale of certified products in new markets around the world. In forestry, new networks between private and government financiers, budding sustainable forestry communities and professionals sharing their expertise formed within the CSPA framework. These are some of the stories and projects that resulted.

New Markets for Forest-Friendly Loggers in Guatemala

Twelve community and two private forestry operations in Guatemala’s Intza Biosphere Reserve have been certified by the Rainforest Alliance to meet Forest Stewardship Council standards. The 3.7 million-acre (1.5 million-hectare) reserve is a mosaic of concessions, national parks and other protected areas. The certified operations are making weekly shipments of palm leaves to the United States and exporting milled wood and finished products, mostly manufactured from little known tropical trees such as puncto and manchinele, for which there was no market just a few years ago. According to José Román Carrera, Rainforest Alliance forestry manager for Central America, the export of new products and access to buyers willing to pay premiums for certified wood have resulted in millions of dollars in additional income for the more than 6,000 people involved in managing the biosphere reserve’s forest concessions. He notes that this has not only led to new jobs and improved household incomes, but that part of the profits have also been invested in community works such as a potable water system, new schools, clinics and an emergency medical fund for poor families. The community of Uaxactún, set in the rainforest north of Tikal National Park, has sold non-traditional wood species to several companies, produced special cuts of mahogany for Gibson and exports weekly shipments of jade palm leaves to the United States florist supplier Continental Florals Greens.

“Learn While Doing” Forestry Industry Training Project Launched

Community foresters in the Maya Biosphere Reserve in northern Guatemala are becoming experienced in the certified wood industry through a new training program designed to put more know-how in their heads and money in their pockets. In 2006 the Rainforest Alliance, together with the private forestry company Baren Comercial, the Technical Training and Productivity Institute (INTECAP), the National Competitiveness Program (PRONACOM) and the fund for medium and small businesses FOMIN- INCAE launched the “aprender-haciendo” (“learn while doing”) program that instructs community foresters in the use of tools, the making of wood products certified by the Forest Stewardship Council (FSC) and business management. With a $300,000 budget, private and community businesses are trained to develop forest concessions to their potential, and to be able to respond to the market’s demand. The success of the “learn while doing” program is one of the results of the CSPA effort in Central America funded by USAID.

Panama’s New Sustainable Forestry Program

The Darien Gap, a 10,000 square-mile rainforest between Panama and Colombia, is the stomping grounds of jaguars, bushmasters, drug traffickers and Colombian rebels, so the lack of a road is not the least of the deterrents to would-be border crossers. However unsullied it is by through traffic, the jungle is threatened by a new bully: unscrupulous and untrained loggers. The Rainforest Alliance recently set in motion a project to train foresters in sustainable forest management. Not only will they learn to harvest trees using methods that conserve the environmental integrity of the forest, but gain access and introductions to national and international buyers with markets for unusual woods. “They will learn to operate businesses and gain self esteem so they will not be victim to wood buying companies and middlemen,” elaborates Jolanta Villareal, forestry consultant for the Rainforest Alliance’s Training Research Extension Education Systems (TREES) program in Panama. Since 2006, community forestry businesses have negotiated sales with international certified sustainable wood buyers, meetings that were enabled by the CSPA program. On the negotiating table is an assortment of wood products including doors, floors and plywood. The Rainforest Alliance is strengthening the Panamanian sustainable forestry sector with the support of USAID and help from the Commerce Ministry, the Agricultural Development Ministry, the National Environment Authority and the National Reforesters’ Association. Those organizations now make up the newly created National Forestry Committee, charged with helping in the political and business organization of the forestry sector. The goal for the first phase of the sustainable forestry project is to certify 37,000 acres (15,000 hectares) of teak plantations and three chains of custody. Kermit Moh, USAID representative in Panama said, “Small and medium-sized forestry businesses play a fundamental role in sustainable development and international business in the framework of globalization. The competitive capabilities of those businesses must be developed so they can take full advantage of new opportunities presented. We all have to work together closely to push forward a program for the development of certified forestry product exports.”
Big Boosts for Small Businesses

With support from the Multilateral Investment Fund (FOMIN) of the Inter-American Development Bank, the Rainforest Alliance began working with the Central American business university known as INCAE (for its name in Spanish) to advance sustainable forestry in communities and cooperatives in Guatemala, Honduras and Nicaragua. In Guatemala, INCAE and the Rainforest Alliance are developing small businesses that are learning how to manage sustainably lesser-known tropical woods in the Maya Biosphere Reserve. The project boosts the competitive power of community forestry businesses that extract jade palm leaves from certified sustainable concessions in the reserve. Community forestry and agriculture cooperatives in the Rio Plátano Biosphere Reserve near Honduras’ Caribbean coast also receive business management training, as do communities working in certified forests on Nicaragua’s Caribbean coast. Donating to the initiative in Guatemala are: the National Competitiveness Program (Pronacom); the Technical Training and Productivity Institute (Intecap); Baren Comercial, a private company with a concession in the Maya Biosphere Reserve; the Tropical Agriculture Research and Training Institute (CATIE); the United Nations Food and Agriculture Organization (FAO); the Swiss Development and Cooperation Agency (COSUDE); the World Wildlife Fund (WWF) and the Wildlife Conservation Society (WCS). The procurement of these funds and the alliances formed with these organizations are a result of the CSPA program in Central America funded by USAID. According to Alejandro Mejia, Rainforest Alliance business development specialist in Guatemala, “These funds will allow us to promote wide reaching projects in business development in these countries, and we have high hopes for the results.”

Helping Communities Conserve the Maya Biosphere Reserve

TO CARLOS CRASBORN, president of the Carmelita forestry cooperative, it’s clear that his community’s future rests on the conservation of the surrounding forest. With the help of the Rainforest Alliance, Crasborn and his neighbors in Guatemala’s Maya Biosphere Reserve have steadily increased the profits from their sustainable forestry businesses, and have invested more than a third of their earnings in community development, improved technology and sustainable management methods. “Our parents protected this forest for our benefit, and it is our responsibility to protect it for future generations,” reflects Crasborn. According to the 23-year-old cooperative leader, investments in a community sawmill, carpentry shop and training have allowed coop members to increase their earnings while reducing logging to less than one percent of their 141,000-acre (57,000-hectare) forest concession. Crasborn explains that the concession is divided into logging blocks, each of which will be allowed to recuperate for 40 years following timber extraction, whereas more than half of it is reserved for ecotourism and the sustainable harvest of decorative palm leaves and chicle tree sap — the traditional base of chewing gum.

Carmelita is one of 12 communities managing tracts of forest within the Maya Biosphere Reserve, a mosaic of concessions, national parks and other protected areas covering more than 3.7 million acres (1.5 million hectares) of wilderness in northern Guatemala. The reserve holds over a dozen important archaeological sites and such rare wildlife as jaguars, brocket deer, scarlet macaws and ocellated turkeys. The Rainforest Alliance has certified 12 community and two private forestry operations in the reserve, and assesses them annually to ensure that they follow strict standards for protection of the environment and people.

Laguna del Tigre National Park has lost more than 40 percent of its forest to illegal loggers and slash-and-burn farmers.

With the help of the Rainforest Alliance, the Maya Biosphere Reserve’s community-managed forest concessions have lost less than 4 percent of their forest cover.

Forest-Friendly Loggers Open Million-Dollar Markets

The Rainforest Alliance works around the world to protect ecosystems and the people and wildlife that depend on them by transforming land-use practices and consumer behavior. It pioneered the concept of sustainable forestry certification in 1989 by establishing the SmartWood program, which is accredited by the international Forestry Stewardship Council (FSC). Since 1989, the Rainforest Alliance has certified more than 1,600 forestry operations in some 56 countries. In Central America and Mexico, the Rainforest Alliance works with and receives support from the United States Agency for International Development (USAID) to help forest communities make better use of their wood and gain access to premium markets as part of the Certified Sustainable Products Alliance.

Those efforts have significantly improved community-based forestry in the Maya Biosphere, where communities have hired professional foresters to design and administer forest management plans, improved their administrative capacities, ensured safe working conditions and made various other changes in order to earn their certification. Once certified, the Rainforest Alliance helps these communities gain access to preferential international markets and provides the training necessary to meet buyers’ demands. As a result, certified operations are making weekly shipments of palm leaves to the United States and exporting milled wood and finished products, mostly manufactured from little-known woods such as pucté and manchiche, for which there was no market just a few years ago.

According to José Román Carrera, Rainforest Alliance forestry manager for Central America, the export of new products — and the access to buyers willing to pay higher prices for value-added
certified wood — have provided much-needed additional income to the more than 6,000 people involved in managing the biosphere reserve’s forest concessions. He notes that this has not only led to new jobs and improved household incomes, but that part of the profits have also been invested in community works such as a potable water system, new schools, clinics and an emergency medical fund for poor families. “The increased earnings not only raise living standards, they also raise people’s awareness of the need to manage the forest in a sustainable manner,” says Carrera.

The community of Uaxactún, set in the rainforest north of Tikal National Park, has sold non-traditional wood species to several companies, produced special cuts of mahogany for Gibson Guitars and exports weekly shipments of jade palm leaves to the US floral supplier Continental Floral Greens. According to Floridalma Ax, a member of the organization that administers Uaxactún’s forest concession, community members have invested part of the money from those sales to hire teachers for the town’s under-staffed school and provide scholarships for older students to take computer courses in the nearest city. “We invest in education because we want the next generation to be well trained and capable of defending our interests,” says Ax.

**Foragers Double as Forest Rangers**

The success of the Rainforest Alliance’s strategy for conserving the area’s natural resources is immediately apparent, especially when contrasted with the conditions found in nearby national parks. For example, Laguna del Tigre National Park, the reserve’s largest protected area, has already lost more than 40 percent of its forests to illegal loggers and slash-and-burn farmers, whereas the concessions have lost less than 4 percent of their forest cover. According to Benedit García, a former forest ranger and one of the founders of the organization that administers Uaxactún’s forest concession, the reason the concessions are better conserved than the parks is that they are protected by the people who rely on them for their livelihoods. He explains that part of the money earned from the sale of certified wood is used to pay local forest guards who patrol the concession every day, but all of the town’s residents also contribute to that vigilance. “Our secret is that we have more than 150 people working in this forest, collecting palm leaves, chicle and allspice, and if one of them sees something happening that shouldn’t be, they report it to us, and we send a delegation to that area immediately.” For Carrera, this community approach to conservation is not only the best means of protecting the Maya Biosphere Reserve, but could be the key to saving the region’s other large wilderness tracts, all of which are threatened. A career conservationist, Carrera was the regional director of Guatemala’s National Council of Protected Areas, having joined the organization when the biosphere reserve was created, and spent years battling illegal loggers and squatters before going to work for the Rainforest Alliance. “I used to think that the way to protect the forest was to say, ‘Stop, don’t touch.’ We put people in jail and confiscated the illegal wood, but the forest just kept getting smaller and smaller,” explains Carrera. “I realize now that a more effective way to conserve the rainforest is to show the people who live there that they can make a better living by managing the forest sustainably than they would if they cut it down. This is something we are accomplishing in Guatemala and that we would like to repeat in and around Central America’s other biosphere reserves, in order to ensure the survival of this region’s endangered wilderness.”

**Developing Honduras’ Sustainable Forestry Concessions to Combat Poverty and Deforestation**

The road through Honduras’ Caribbean coastal mountains is a muddy rut even in the dry season, skirting within inches of vertical slopes that plummet into rivers and the rainforest it traverses. For years it has been the only artery for trafficking illegally cut mahogany out of the rainforest, the loot from a not-so-lucrative practice that threatens the integrity of the nearby Rio Plátano Biosphere Reserve. Since August 2005, however, loggers from Guayabo, a village of half a dozen homes, have used the road to haul the region’s first legally and sustainably extracted mahogany to a stockpiling center it shares with two other villages, Sawacito and Mahor. Together, these three villages have formed a cooperative and filed for legal permission to extract mahogany. These efforts prompted the Rainforest Alliance, an international conservation organization, to tap the villages as pioneers of certified sustainable forestry in Honduras, and link them to US guitar manufacturer, Gibson.

Through a business liaison brokered by the Rainforest Alliance, subsistence farmers and loggers are now lugging mahogany planks out of the woods on muleback, cutting them with donated planers and table saws and stacking them for shipment to the US. None of the loggers has ever seen a Gibson guitar, but the company that has outfitted the likes of rock and blues legends Santana and B.B. King is paying them $40,000 monthly for a container of two-foot mahogany blocks — a windfall to the loggers, and, because the wood is harvested sustainably, a line of defense for the wildlife in the biosphere reserve. “This is the best market we’ve seen,” Guayabo logger Alcides Escaño says. “We used to sell wood for four or five lempiras (less than $0.25) per foot to national companies. Now we sell directly to the buyer for almost 40 times as much.” With training from Rainforest Alliance foresters Medardo Caballero and René Lara, the woodsmen work on the fringe of the reserve’s protected buffer zone to salvage flawless mahogany blocks from trees felled by storms or left behind by loggers, which they then cut to Gibson’s exacting standards. Whenever live trees are harvested, the loggers adhere to a management plan approved by the State Forestry Administration, which allows controlled logging in buffer zones around reserves and in areas of cultural significance. José Alvarez, the community’s gray-haired, often shoeless patriarch, can point to marked changes in the woodsmen’s attitude toward the forest in which they live. “We used to throw everything on the ground, but now we pack out our trash and go back to pick up what we find that wasn’t ours,” he explains. “We replant after cutting, which we didn’t do before, and we don’t clearcut a whole area. Things are going well for us. There’s no reason to cut illegally.”
The Daily Reality of Logging in Honduras’ Rainforests

Two by two, loggers ford the meandering bends of the Guayabo and the Paulaya rivers with mules in tow. When the mahogany blocks are cut, the loggers lash them to a wooden frame on a mule’s back and let the animal navigate its own way down the forest’s slick slopes to the first of dozens of river crossings they must make each day. In some places the wood must be hauled on muleback for up to eight hours before it reaches a road where it can be loaded onto a truck. If the rain catches the loggers in the woods, they slash banana and palm leaves with machetes and, within minutes, string up a lean-to to wait for a dry spell to crank up their chainsaws. The village of Guayabo is one of the many clusters of wooden homes interspersed among the curves of the Rio Guayabo, a fickle neighbor that cuts them off from the forests — their livelihood — and each other when it swells during rainy season downpours. Chickens, ducks, pigs and cows mill about on the usually muddy roads between the houses, which are surrounded by the most remote reaches of the biosphere reserve.

Though he’s grasping a chainsaw, local resident Omar Antonio Rivera sounds like a hopeful ecologist. “Over the years we’ve seen the animals move farther and farther away, and there aren’t as many fish in the streams because of all the hunting and fishing here, but the idea is they will come back because of our conservation work.” Seeing the chainsaw in Rivera’s hands, Rainforest Alliance forester Lara, who has worked in Honduran forestry for three decades, describes it ominously as, “the machine that is destroying the world — along with the match.” He says every household in the region has a chainsaw. On the road to Guayabo, fires set by slash-and-burn cattle ranchers are so commonplace Lara only notices when he doesn’t see the snaking plumes of smoke. The rising tide of burning and illegal logging prompted the government to unleash the Honduran army on the forests. Soldiers now guard the roads through villages like Guayabo and patrol the woods, confiscating mahogany and other timber from unlicensed loggers. But Lara knows his work with the local loggers fosters the responsible use of chainsaws and a respect for the natural world. “I like what we’re doing here,” he says. “It’s a response to illegal logging that meets national and international demand.”

Widespread, Lasting Change Through Forest Certification

Since 1989, the Rainforest Alliance has promoted sustainable forest management. In nearly 50 countries, we have certified more than 71 million acres (28 million hectares) of forests to standards established by the Forest Stewardship Council (FSC). We are the largest certifier of forests accredited by the FSC, the international organization that sets standards for responsible forest management worldwide. We first certified forests in Honduras in 1997 and the Rainforest Alliance now guarantees the sustainable management of 86,500 acres (35,000 hectares) in the Central American country. Through its Training, Research, Extension, Education and Systems (TREES) program, headed by Caballero in Honduras, the Rainforest Alliance trains and prepares communities for FSC certification and facilitates links to certified markets. Caballero and Lara are working among seven other villages in the country that together manage a combined forestry concession area of more than 173,000 acres (70,000 hectares). When these lands are certified, they will triple the area of certified forestland in Honduras, a country where, as Lara says, “thousands and thousands of people live off the forests and even the president was once a lumberjack.” This collaborative effort was funded with seed money from the U.S. Agency for International Development (USAID) as part of a program that began in 2004 called the Certified Sustainable Products Alliance that encouraged the production and sale of certified sustainable wood products, bananas and coffee in Mexico and Central America. After 2004, funding for the Rio Plátano project was carried out by the US-based aluminum producer Alcoa and Gibson Musical Instruments. The Rainforest Alliance coordinates with the GTZ-funded “Protection and Management of the Rio Plátano Biosphere Reserve Project,” which trains communities on forest management practices.
Success Stories in Sustainable Agriculture

Chiquita Reaps a Better Banana

Since 1992, CHIQUITA BRANDS INTERNATIONAL, the company that invented the banana industry, has been gradually reinventing it one farm at a time. That transformation has been guided by the Rainforest Alliance and its partners in the Sustainable Agriculture Network (SAN): a coalition of environmental groups in eight tropical nations. Auditors from those groups inspect Chiquita’s banana farms annually to ensure that they are in compliance with strict environmental and social standards; those that meet the requirements are awarded the Rainforest Alliance Certified seal. Since the Certified Sustainable Products Alliance (CSPA) program, funded by the U.S. Agency for International Development (USAID), began in 2004 Chiquita has encouraged independently owned plantations from which it buys to achieve Rainforest Alliance certification, and launched a multi-million-dollar advertising campaign in Europe that features the frog from the Rainforest Alliance logo. The corporation has been one of the most prominent of the businesses that produce, buy and sell certified bananas, coffee and wood products in Mexico and Central America within the CSPA program.

The Rainforest Alliance, an international organization that works to protect ecosystems and the people and wildlife that depend on them by transforming land-use practices and consumer behavior, created the certification program in response to the environmental problems and poor social conditions that have historically plagued banana farms. Poor farming practices were a major source of pollution and deforestation on the Caribbean slope of Central America and Colombia 15 years ago. Pesticide-impregnated plastic bags -used to protect bananas while they grow - littered riverbanks near farms, agrochemical runoff killed fish and other aquatic life, while sediment choked rivers and coral reefs. Workers often endured long hours and unsafe conditions, and suffered health problems caused by agrochemicals used on the farms.

In order to establish economically viable solutions to these problems, the Rainforest Alliance and partner organizations spent two years conferring with scientists and industry representatives and visiting farms. That effort resulted in nine guiding principles to promote environmental sustainability and social equity on banana farms. Those standards include zero tolerance for deforestation, prohibition of “dirty dozen” pesticides, protection of wildlife, conservation of water and soils, better pay, safe and pleasant working conditions and the right of unions to organize at farms.

A Fruitful Evolution

In 1992, Chiquita began applying the Rainforest Alliance’s social and economic standards on two farms in Costa Rica, which took two years to get certified. That experiment was followed by a systematic transformation of Chiquita’s other farms. At significant expense, the company has planted buffer zones along streams, installed systems for filtering wastewater from packing plants, managed garbage and recycled all plastics, instituted occupational safety programs, protected forest patches, improved worker housing, sanitary facilities, storage facilities and other infrastructure, stopped using agrochemicals that posed a risk to workers and aquatic life and switched to low-toxicity “protectors” to decrease the need for fungicides. By 2000, all of Chiquita’s company-owned farms in Latin America were Rainforest Alliance Certified. Chiquita has since concentrated on helping the independent farmers who supply more than one third of the company’s bananas to adopt those same standards. And since Rainforest Alliance certification demands steady improvement, and criteria are made increasingly strict to take advantage of new technologies and practices, the situation on certified farms gets a little better every year.

According to Raúl Gómez, a farm manager in Costa Rica who has worked for Chiquita for 15 years, the institution of the Rainforest Alliance’s standards has been the equivalent of a “social revolution.” During the past fifteen years, Gómez has helped prepare several Chiquita farms for certification, so he has experienced its effectiveness first hand.

“Everything has changed thanks to the Rainforest Alliance program. We’ve cut agrochemical use. We’ve planted hundreds of trees along roads and streams. We’re promoting environmental education,” says Gómez. “And it’s all for the good of humanity, so that we can leave something for our children.”

Transforming an Industry

Bananas are big business — the world’s number one export fruit and the fourth most important food crop after rice, wheat and maize — and Chiquita is a giant in the industry, supplying nearly 25% of the bananas consumed by North Americans and Europeans. Improvement of the company’s farms has consequently had a tremendously positive impact on vast areas of land, and more than 100 communities, whereas certification of the independent farms that supply the company with bananas is steadily increasing the acreage and population that benefits from the Rainforest Alliance’s standards. Chiquita protects patches of rainforest, recycles or reuses nearly 80 percent of the plastic bags and twine used on company farms — about 3,200 metric tons per year — and has reforested more than 2,500 acres (1,000 hectares) with nearly one million trees and bushes to establish buffer zones along rivers, roadways and around housing and other facilities.

Pesticide use is strictly controlled, workers who apply them are required to wear protective gear, and the company has planted groundcover on more than half of its farmland, which reduces soil erosion and eliminates the need for herbicides. Workers have clean and safe conditions, showers, bathrooms and eating areas, and their families have access to health care, education and recreational facilities. Chiquita recently began tackling community development, creating conservation projects, and installing filtering and recycling systems in its packing plants that reduce water use by 80 percent. The company is also investigating biological controls and new fungicides that could significantly cut the toxicity of agrochemicals used on farms.

Chiquita has demonstrated that environmental and social conditions can be improved without sacrificing production. Rainforest Alliance Certified farms, whether managed by Chiquita or other producers, are among the most productive farms in the world. Although Chiquita has invested more than $20 million to make required capital improvements, it has reduced its production costs by more than $100 million.

“In addition to gaining improved morale and productivity in our farms, we have saved money in the process. Everybody wins — the workers, the company and the environment, not to mention the Rainforest Alliance, which deserves enormous credit for showing us a better way,” said Bob Kistinger, president and chief operating officer of the Chiquita Fresh Group.
Motivated by its experience with the Rainforest Alliance, Chiquita implemented a company-wide code of conduct and began publishing corporate responsibility reports, which have been widely hailed as straightforward and honest. All of the company’s farms are now certified according to Social Accountability SA8000 criteria, the most rigorous and verifiable social standards currently available. Chiquita also signed a historic labor rights framework agreement with regional and international unions in 2001. As corporate power grows, so does the importance of corporate responsibility and transparency. The Rainforest Alliance/Chiquita partnership is a stellar example of for-profit and non-profit organizations working together in good faith. It demonstrates that a large company can improve the environment and worker conditions while bettering its bottom-line.

Kraft Takes the Lead in Supporting Sustainable Coffee Production

For four generations, Diego Llach’s family has farmed four generations, coffee amid the rainforests of the steep and shaded slopes of el Salvador’s volcanoes. The family has nine farms in the “Los Nogales” group, scattered across these mountains. When Kraft Foods CEO Roger Deromedi visited one of the farms, Llach told him that the price Kraft paid for quality Rainforest Alliance Certified coffee allowed him to invest in improvements such as better housing for workers and a doctor to care for their children. Certified farms that meet the Rainforest Alliance’s rigorous standards are the next best thing to rainforest for wildlife. They protect watersheds and wildlife, buffer parks and create biological corridors. Farmers and workers benefit because coffees certified as sustainable command a higher price in the market. This, coupled with the savings farmers experience from implementing farm improvements, allows for a better standard of living. That is why Kraft’s unprecedented commitment to buying Rainforest Alliance Certified sustainably produced coffee has commanded the attention of farmers everywhere.

The Kraft Commitment to Conservation

Soon after the Certified Sustainable Products Alliance program, funded by the U.S. Agency for International Development (USAID) began promoting the sale of certified products and encouraging the certification of banana and coffee farms and forestry operations in Mexico and Central America, Kraft made an important commitment to buy large quantities of certified coffee at premium rates. In 2004, Kraft purchased 5 million pounds of coffee from certified farms in Brazil, Colombia, Costa Rica, Guatemala, El Salvador, Honduras, Mexico and Peru. In 2005, the company purchased 13 million pounds, with plans for continuing growth. “This is the most extensive commitment to sustainable coffee ever made; Kraft is setting the bar for the rest of the coffee sector and proving that sustainability can be integrated into the way a company does business,” explained Rainforest Alliance Chief of Agriculture Chris Wille.

Torrential rains from Hurricane Stan devastated rural communities in Mexico and Central America in October 2005, leaving nearly 2,000 dead and many more still unaccounted for. Thousands of people were left homeless and crops and lives were ruined. As a demonstration of Kraft’s commitment to farmers in the region, the company bought 5,100 bags of coffee from affected farms — Kraft’s first coffee purchase from Mexico. At the same time, Kraft continued to purchase beans at a premium from farms in Guatemala, despite their reduced supply. The premiums helped farmers to recover from the disaster. In addition to buying record levels of certified coffee, the global food company is also partnering with the Sustainable Agriculture Network to train agronomists and help farmers toward meeting the comprehensive certification standards.

The Sustainable Agriculture Network (SAN), a coalition of national NGOs in Latin America that is coordinated by the Rainforest Alliance, guides farmers along the path toward true sustainability. “The Rainforest Alliance and SAN have been addressing the social, economic and environmental issues in coffee production for many years,” said Tensie Whelan, executive director of the Rainforest Alliance. “Given Kraft’s global prominence in coffee, this partnership is the first indisputable evidence that the concept of sustainability, once limited to niche markets, is entering the mainstream. With this unprecedented commitment from Kraft, we are able to demonstrate that coffee farming can be environmentally friendly, equitable and profitable.” Growing and harvesting certified coffee for Kraft in 2005 brought higher incomes and improved working conditions for more than 100,000 farmers, farmworkers, and their families and brought a combined total of 21,437 hectares (53,000 acres) of farmland into compliance with the most rigorous environmental standards.

In addition to making their coffee holdings ecofriendly, farmers in the program are conserving thousands of hectares of natural habitats and valuable ecosystems. Beyond its own program, Kraft is supporting efforts of the coffee industry to adopt industry-wide standards of sustainability. Producers such as Diego Llach appreciate the higher prices for certified coffee, and recognize that the benefits of the program go far beyond the sales price. By following the Rainforest Alliance guidelines, farmers are able to cut costs, improve quality, protect the environment and upgrade worker health and safety. For example, Llach has planted 25,000 trees, replaced pesticides with a marigold flower extract and rebuilt worker housing. “We made some investments in improved housing, sanitation and biological pest control, and many of the changes paid back in efficiency and worker morale,” noted Llach, who learned how to manage a coffee farm from his grandfather and father. “The Rainforest Alliance taught us how to protect natural resources like water supplies; it’s a philosophy that goes hand in hand with our four generations of farming experience.” These changes in the coffee farmlands are important to Kraft. As CEO Roger Deromedi notes, the company has been in the coffee business for a hundred years and wants consumers a century from now to enjoy its great coffee also. That means that coffee farmers and the environments that support them must also last; they must be sustainable.
Quality, Certified Coffee Now Available in Popular Brands

Kraft is one of the world’s leading coffee companies. In 2005, Kraft introduced 100% certified lines of popular brands such as Kenco, Jacques Vabre, Gevalia and Splendid in the United Kingdom, France, Sweden and Italy. Kraft buys more certified coffee than it needs for the packages sporting the Rainforest Alliance seal and blends the extra beans into other well-known brands such as Maxwell House, Jacobs and Carte Noire. In addition, the company has developed a 100% certified Kenco Sustainable Development brand in the UK designed for sale in away-from-home foodservice settings, such as hotels, cafeterias and restaurants. The brand caught the attention of the McDonald’s corporation in the UK and in January 2007 it announced that its stores would sell only Kenco Rainforest Alliance Certified coffee. By integrating certified coffee into mainstream brands, Kraft is helping to grow overall demand and expand the global market for sustainably produced coffee, benefit ting an ever increasing number of farm communities and wild areas.

Guatemala: Finca Buenos Aires

A Farm Overview

Felipe Guzmán’s coffee farm, Buenos Aires, has been in his family for five generations, since the 1880s, when Guatemala began to mass produce coffee and the crop accounted for 90 percent of the country’s exports. At 2,130 to 2,295 feet (650 to 700 meters), Buenos Aires is a low-altitude coffee farm that produces low-acidity, aromatic beans beneath the shade of the forest canopy.

Below the farm lies a vast network of Maya and pre-Maya Olmec ruins, discovered in 1888. Guzmán works closely with the Guatemalan government to protect the archaeological treasures found on his land, and has turned over to the Guatemalan National Museum artifacts he has unintentionally unearthed while working. He is also collaborating with archaeologists to determine where workers can safely break ground without damaging the ruins below.

Sustainable farming has been important to the Guzmán family for generations. “I learned these values from my parents, I teach them to my children, and we make it a family project,” he says. Unlike many farmers in the region, Guzmán uses integrated pest management techniques to combat harmful insects like the coffee berry borer beetle, known as the broca. Instead of using chemicals, he breeds a parasitic wasp that attacks the beetle’s larvae. “It would be cheaper just to spray everything with pesticides,” he points out, “but this is an investment in the butterflies and other wildlife you see on the farm.”

Guzmán is one of the many farmers who have sold their Rainforest Alliance Certified coffee to Kraft Foods since the corporation made a commitment to buy large volumes of certified coffee at premium rates in 2004. The agreement with Kraft was struck when the Certified Sustainable Products Alliance program, funded by the U.S. Agency for International Development (USAID), began promoting the sale of certified coffee, bananas and wood products from farmers and foresters in Mexico and Central America.

SUSTAINABILITY HIGHLIGHTS

• 147 species of trees are found on the farm, replaced as needed by native species from an onsite tree nursery
• At least 33 feet (10 meters) of natural forest border the farm’s 10 springs and two rivers, protecting against erosion and water pollution.
• Deer, wild boar, wildcats, armadillos and 65 bird species have been sighted on the farm.
• Integrated Pest Management techniques to reduce chemical use include:
  – A parasitic wasp (Cephalonomia stephanoderis Betrem) is used to fight the coffee berry borer beetle.
  – Arabica coffee bushes are grafted to the roots of the resilient robusta coffee bush to combat infestations of nematodes in the soil.
  – Weeds are cleared with machetes instead of using herbicides.
• A 16-acre (6.47-hectare) forest bordering the farm is registered as a national Natural Private Reserve.
• A school for worker’s children was created by pooling resources with neighboring farmers. Scholarships are available to help cover the costs of school supplies.
• Basic medicines are sold to workers at reduced rates, and all workers are enrolled with Guatemala’s national healthcare program.
• Coffee is sold to Kraft Foods, which provides a premium rate of about 10 percent above the market price.
Ciudad Barrios Coffee Cooperative Improves Community, Builds School with Kraft Premiums

The hills of the Cacahuatique mountain range of northwestern El Salvador were chopped bare of their scraggly oaks so long ago that some locals say they were never forested. A swathe of 43 acres that bristles with short, newly planted pines, therefore, looks incongruous, striking a contrast against the yellow-grassed, denuded slopes. At first blush, such an effort seems pointless, perhaps fulfilling an abstract, environmentalist agenda. But the coffee farmers planting the trees have something concrete in mind — water.

The rows of pines and the square holes that pock nearly 70 acres on neighboring hills where more trees will be planted are the first phase of a reforestation project destined to encompass more than 300 acres and fill underlying aquifers flowing toward 12 communities below. Reforestation is one of the projects that farmers of the Ciudad Barrios Coffee Producers Cooperative shouldered to improve the quality of life in their communities and repair the environmental damage wreaked by decades of poor land stewardship.

Thanks to an alliance with international processed food giant Kraft, the farmers saw higher returns for their coffee, which they poured into community projects, such as the reforestation of their corner of the Cacahuatique — a steep strand of shaded coffee farms studded with single-road villages and anchored between two volcanic goliaths — Chinchontepac in the southwest and Chaparrastique in the southeast.

Certification Attracted Higher Prices

Kraft turned to Ciudad Barrios after four farms belonging to the cooperative met Rainforest Alliance standards for the sustainable management of their land — land that is now marked by placards bearing the Rainforest Alliance Certified seal. Rainforest Alliance Certified farms are audited yearly for compliance with a series of measures developed in cooperation with scientists, NGOs, farmers and local governments to protect wildlife and support the welfare of laborers and surrounding communities.

Ciudad Barrios is one of hundreds of coffee farms, banana farms and forestry operations that have benefited from the Certified Sustainable Products Alliance, funded by the U.S. Agency for International Aid (USAID), an intensified effort to certify and sell sustainable products produced in Mexico and Central America.

The Rainforest Alliance’s partner in El Salvador, SalvaNATURA — the leading environmental group in the country, charged even with the management of the national parks — inspects certified farms like those of Ciudad Barrios to insure their adherence to the organization’s strict standards.

The lessons of environmental conservation and responsible treatment of workers may be spreading by word of mouth: Máximo Hernández, a year-round field hand, acknowledges that workers at other farms ask about the differences they see on the certified farms, commenting on the abundance of wildlife, the prohibition of hunting, the use of protective equipment when spraying chemicals, good housing and equal pay for men and women (the latter make up 30 percent of Ciudad Barrios farmers).

Years before Ciudad Barrios farmers considered getting their farms certified, the cooperative had won an award from El Salvador’s Environment Ministry for the water conservation efforts at its mill, which uses wastewater as fertilizer. Because of its history of insisting on environmental protection, certifying the nearly 1,000 individually owned farms in the cooperative will be more a matter of modifying some behaviors than making sweeping physical changes. Cooperative member Silvio Enrique Amayo believes that is the last step before the entire cooperative earns certification. “Change the mentality of the producers, that’s what we have to do to get certified,” he says. “It’s
not like certifying the communal properties,” which are not run at the whim of each owner. In the meantime, the cooperative’s leadership is considering new ways to spend its higher incomes. Trejo is looking at the possibility of building a new clinic or establishing a fund to help the poorest members improve their homes. “We are committed to maintaining these environmental and social standards,” he says.

Panama Sets Record for Online Auction Price

At the Rainforest Alliance's second annual Cupping for Quality event, held in April at the Specialty Coffee Association of America headquarters in Long Beach, California, Rainforest Alliance coffees again proved top-notch. At the event, where only Rainforest Alliance Certified coffees were evaluated, a panel of coffee tasting experts sampled more than 38 Rainforest Alliance Certified coffees in blind taste tests. The Carmen Estate in Panamá scored the highest with an impressive 90.75 points, and all coffees submitted achieved specialty coffee status with scores over 80. Cupping for Quality adheres to the stringent Specialty Coffee Association of America cupping protocol and grading system, also used by the Q Auction.

Another Rainforest Alliance Certified coffee from Panama set an online coffee auction record last year, selling for $21/pound unroasted. Finca Esmeralda's unprecedented price followed its first place win in the Best of Panamá cupping competition in April 2004, with a score of 95.6 out of 100. The same coffee also achieved first place in the Rainforest Alliance's first Cupping for Quality event in March 2004.

That the Rainforest Alliance consistently produces award-winning, first-rate coffees is due in large part to the organization's holistic certification standards, which directly influence quality through careful care of the land and good treatment of workers. "Our workers are proud to be on our farm," says Carlos Aguilera Franceschi of Carmen Estate, winner of the 2005 Rainforest Alliance Cupping for Quality event. "We pay them well, and they pick excellent cherries and care more for the product. They're happier, more invested. We are happier because we have better processing."

Linda Smithers, president of Susan's Coffee and Tea and past president of the Specialty Coffee Association of America (SCAA) agrees: "There's a direct correlation between quality and workers who are satisfied. If it's more than a job for workers, the quality is there in how they work."