



**Sustainable Development in the Los Cacaos Valley**  
**Proyecto de Desarrollo Sostenible de Los Cacaos (PDS)**

**ICP Project**

**2002 – 2005**

**Final Report**

Hamburg, November 2017



INTERNATIONAL  
**Coffee Partners**



## Executive Summary

**Project Coordinator:** Rufino Puello Herrera

**Project Duration:** 1.12.2002 – 1.11.2005

**Project Office:** San Cristóbal, El Salvador

**Project Location:** Los Cacaos, San Cristóbal

### Project Objective

Increase income and contribute to raise the standard of living of coffee farmer families in the Los Cacaos Valley through sustainable development

### Main activities

- Promotion of sustainable coffee production as well as improved and environmentally friendly coffee processing
- Assistance in achieving land titles required as collateral for bank credit
- Promotion of other income generating activities (diversification)
- Assistance in establishing professional economic operations
- Improvement of basic social services

### Achievements of the project

- Project activities encompassed all levels of the coffee production, processing and commercialization to the internal and international market. Sustainable and environmentally friendly techniques were promoted.
- Parts of the project coffee was roasted and sold to rural food shops in the south of the country.
- The project supported the *Asociación de Caficultores La Esperanza (ASOCAES)* in the establishment and registration process of an agro-industry company and provided support to set up necessary transport and office facilities as well as organizational development. The farmer owned company was established to professionalize the services offered by ASOCAES to its members.
- Investments were realized to expand and upgrade the coffee processing infrastructure.
- Coffee plantations of ASOCAES members were rejuvenated.
- Income diversification through fruit production was supported. Although the project's main focus was on coffee, the project supported activities related to fruit production (mainly passion fruit) including the identification of opportunities, the initialization of production, processing and marketing.
- Land titles were acquired and enabled farmers to capitalize their agro-industry business.



INTERNATIONAL  
**Coffee Partners**



## Content

Project Background .....	4
High Level Progress & Project Outreach .....	6
Project Objective .....	6
Project Outreach.....	6
Progress on Specific Objectives .....	7
Specific Objective I .....	7
Specific Objective II .....	8
Specific Objective III .....	9
Specific Objective IV .....	9
Project Finance & Strategic Partners .....	11
Project Context.....	<b>Error! Bookmark not defined.</b>



INTERNATIONAL  
**Coffee Partners**



## Project Background

The municipality of El Cacao valley in Garabito is located in the south of the Dominican Republic, 70 km southwest of the capital Santo Domingo. Coffee constitutes the most important cash crop for the approximately 1,300 small scale farmers in the municipality. It is grown under shade from fruit and forest trees on plots from less than 1 ha up to 3 ha. The coffee varieties Típica and Caturra are grown in altitudes between 600 and 1,200 meters above sea level. They are (mainly) wet processed and classified as Baní.

At project start the use of agricultural inputs had declined in comparison to prior years. This was due to the aftermath of the coffee price crisis but also due to limited technical know-how, e.g. on integrated coffee production, proper soil management, pruning of trees etc. Yields were generally low and generated little income. Farmers neither participated in added value generating processes nor in the commercialization of their coffee. The deficient processing infrastructure for the production of washed coffee needed to be renewed and upgraded. Infrastructure for transport was in bad conditions and had repeatedly suffered from the effects of hurricanes. As a consequence, the standard of living was low, in particular in the remote areas of the district's center El Cacao.

The Asociación de Caficultores La Esperanza<sup>1</sup> (ASOCAES), founded in 1979, has supported coffee farmers in the district of Los Cacaos in Garabito ever since. At project start ASOCAES represented approximately 61% of the coffee producers of the community offering services in coffee processing, marketing, selling, as well as providing loans through its commercial relationships with private and federal banks.

Several factors, however, drastically limited the impact of ASOCAES' operations. Loans were insufficient and the access to formal credit lines was difficult. Insufficient processing capacity limited production to a maximum of approximately 5,000 qq<sup>2</sup> (226,800 kg) of coffee per year. The majority of coffee produced by the members of the organization was sold through distribution channels other than of the organization and commercial benefits were lost. Only 25% to 50% of the coffee produced in the last ten years had been sold through the organization.

In addition to those factors, the consequences of hurricane George, which had caused severe damages in the whole area in September 1998, could still be felt when the project started. Moreover, the coffee price crisis contributed to even lower family incomes and threatened their living conditions.

Unemployment both for women and men continues to be one of the biggest problems in the municipality of Los Cacaos. Although this leads, in general terms, to sufficient workforce available for coffee production, migration, especially of young people to urban areas and to the

---

<sup>1</sup> Organization of Coffee Producers La Esperanza

<sup>2</sup> *Quintal, qq*: a Central American weight unit. In the Dominican Republic 1 quintal corresponds to 100 pounds, approximately 45.36 kilograms.

United States, is increasing and puts the future and the sustainability of the coffee sector in the Dominican Republic at risk.

To tackle these challenges and to improve the difficult situation in the long term, this ICP project focused on strengthening the structure and significantly improving and professionalizing the services offered to the members of ASOCAES combining ecological, social and economic factors in an integrated approach.

## High Level Progress & Project Outreach

### Project Objective

Sustainably enhance the livelihood of the coffee-producing families organized in the association ASOCAES to contribute to the rural development of the municipality Los Cacaos in the southwest of the Dominican Republic

The project aimed in more specific terms to

- Improve the social and economic conditions of the rural population with a focus on the sustainable development of agriculture in the municipality Los Cacaos
- Promote the diversification of agriculture through the implementation of micro-projects
- Professionalize the services offered by ASOCAES
- Create opportunities for future generations in the region

### Project Outreach

About 600 coffee farmers and their families benefited in a direct way from the project. At project start most of these farmers were already organized in the organization ASOCAES. Besides those beneficiaries the project also reached 300 farmers indirectly. Those farmers had previously not been active in the organization but – due to the project dynamics – gradually integrated themselves into project activities.

The members of ASOCAES have on average 56 tareas<sup>3</sup> (3.5 ha) of coffee, which amounted to a total area of 45,800 tareas (2,876 ha) of coffee and an annual production of 16,000 quintales<sup>4</sup> (726 tons) of green coffee with yields of 35 libras/ tarea (5.50 qq/ha or 250 kg/ha).

The project aimed at reaching yields of 16 qq/ha (726 kg/ha) after five years of project duration via a rejuvenation program.

---

<sup>3</sup> *Tarea*: a traditional unit of land area in the Dominican Republic and some parts of Central America. The tarea equals about 628 square meters or 751 square yards; this is 0.0628 hectare or 0.155 acre.

<sup>4</sup> *Quintal*: a Central American weight unit. In the Dominican Republic 1 quintal corresponds to 100 pounds, approximately 45.36 kilograms.

## Progress on Specific Objectives

### Specific Objective I

Sustainable coffee production is promoted and leads to increased productivity and improved quality of coffee

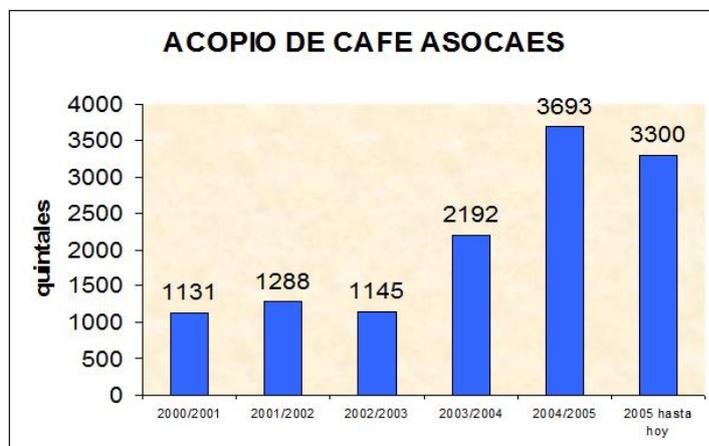
#### Main activities on specific objective

- The project's main focus was on the promotion of sustainable coffee production as well as improved and environmentally friendly coffee processing.
- Those activities involved capacity-building of producers at all levels of the coffee production process; technical assistance in sustainable rejuvenation and management of coffee plantations, as well as technical assistance in the installation of environmentally friendly wet processing stations. A biogás plant was established as well.
- The project supported the expansion of ASOCAES' already existing dry processing infrastructure and conducted trainings on the efficient use of wet and dry processing systems.
- Also trainings on coffee quality were conducted to build up capacity of the staff, e.g. the professional training of two cuppers.

#### Main achievements

- Wet and dry processing stations were built and renovated
- Project farmers have gained considerable knowledge and skills in good farming, harvesting and processing techniques
- 9,714 tareas (610 ha) of coffee have been rejuvenated
- Farmers conduct quality controls of their coffee
- Quality of the coffee has increased considerably, that the coffee could be sold as Specialty Coffee and 50 families were in the process of being certified at project end.
- A credit line for farmers has been established which enables them to make investments on their farms and to increase their productivity.
- Farmers achieved added value through the sale of roasted coffee.

Figure 1: Amount of green coffee bulked by ASOCAES until project end in November 2005



## Specific Objective II

Strengthen the farmer organization ASOCAES through assistance in organizational and entrepreneurial development to improve its commercial activities (including value addition through roasting and direct sale)

### Main activities

- Set-up of the Agroindustrial La Esperanza S.A. Agroessa as a marketing and commercializing company with its members as shareholders. Company offices were built, machines and vehicles purchased. Also software systems were introduced to improve credit administration and commercialization. An internal control system was implemented for ASOCAES and the company Agroessa including the development of geo-referenced maps.
- Coffee roasting was initialized. A coffee roaster was bought and installed to be operational. The project facilitated capacity-building of staff on quality control at the roasting plant.
- Support the professional marketing of coffee. Market research was conducted and a school competition was organized to create a coffee label, to find a product name and design the product. The project supported project farmers and ASOCAES in strengthening their good relations with trading companies and supported them in the negotiation of credits/loans.

### Main achievements

- The company Agroindustrial La Esperanza S.A. Agroessa was established on April 17, 2004. The company is owned by its shareholders who are members of ASOCAES.
- Employees were trained and could build up capacity e.g. in marketing, including labelling of coffee and package design.

- Direct sale/ local distribution was initialized. Coffee was sold to local shops and cafés.
- Promotion campaigns were conducted to raise awareness for the product. In addition, two cuppers were trained and due to organizational development and business trainings ASOCAES and the company Agroessa increased the professionalism of their economic operations.

### Specific Objective III

Income diversification for project farmers contributing to sustainable regional development

#### Main activities and achievements

- ICP assisted in income diversification projects through the promotion and implementation of other agricultural/husbandry production systems.
- Furthermore, the project supported activities to enhance the ecotourism sector in the region and determined two trekking paths with four roadside-inns as well as several promotional billboards for tourists.

#### Main achievements

- Until the end of the project, 800 tareas (50 ha) were planted with passion fruit, macadamia, sapote, citrus fruits and other fruits. Processing plants for fruits were purchased, set-up and started operations. The establishment of five micro-enterprises (small grocery stores, purchase of pigs, sheep, and cows) was supported in three communities of the municipality.
- Four families benefit directly and 30 families indirectly from the improvements in the tourist sector. 25 young adults received professional training to become eco-tourist guides.

### Specific Objective IV

Improved social and economic conditions of project farmers through integrated micro-projects

#### Main activities

- ICP assisted project farmers in acquiring land titles required as collateral for bank credits. Activities included the demarcation/ delineation of landholdings, the determination of heirs, the legalization of land purchases and finally the transfer of land.
- ICP and its project partners also supported the improvement of infrastructure and enhanced the provision of basic health services (e.g. through vaccination days or the renovation of several latrines).

#### Main achievements



- Land rights were granted and legally titled to enable farmers to make use of them as collaterals. At the end of the project 1,300 tareas (82 ha) were titled, while 2,000 tareas (125 ha) were in the process of being legally titled.
- Country roads were renovated with support of the city council. 70 km of bridle path (caminos de herraduras) and 20 km of highways in 10 coffee producing municipalities del Cacaos Valley were rebuilt.



INTERNATIONAL  
**Coffee Partners**



## Project Finance & Strategic Partners

### Financial contributions to project

The total project was financially supported by

- International Coffee Partners (contribution of 225,300 EUR, about 33% of the total project volume)
- *Association of Coffee Farmers La Esperanza* (ASOCAES)
- *Consejo Dominicano de Café/ AFD* (CODOCAFE)
- OXFAM Intermón
- Federación de Caficultores de la Región Sur (FEDECARES)
- CDE/EU - Centre for the Development of Enterprise

### Strategic Partners

One important partnering organization for ICP in the Dominican Republic was **FEDECARES** (*Federación de Caficultores de la Región Sur*). This non-profit organization was set up by first and second-tier coffee producer organizations in the Southern Region and serves as the region's apex organization. ASOCAES is a member of FEDECARES. FEDECARES is made up of ten nuclei (associations) which aggregate smaller associations throughout the Southwest. FEDECARES encompasses 6,000 farmers on 15,625 hectares who produce on average between 80,000-85,000 qq annually (for an average of 2.6 ha/producer and average yield of 250kg/ha). FEDECARES has been participating with CODOCAFE (*Consejo Dominicano de Café, in cooperation with AFD, the French Development Agency*) in a major coffee rehabilitation project following the damages suffered from Hurricane Georges in September 1998. This joined program also replaced trees affected by disease and age. 772 ha could be rejuvenated for the benefit of 2,472 families. FEDECARES also provided production credits to its members. The typical term involved a two-year repayment schedule.

Other international partnering organizations in this project were:

- **OXFAM-Intermón**, a Spanish non-profit Development Cooperation Agency, that promotes rights of people to live a decent life;
- **AECI** (Agencia Española de Cooperación Internacional), the international Cooperation Agency by the Spanish Government;
- **Caritas Dominicana**, an organization by the Catholic Church which supports the social politics by the Church in the Dominican Republic.
- **USAID**, the United States Agency for International Development
- **AFD**, Agence Française de Développement.

Furthermore, there was close cooperation with the following local partners:

- **INDRHI** (*Instituto Gubernamental adscrito a la Secretaría de Medio Ambiente y Recursos Naturales*);



- **ASDESJO**, a non-profit organization created to support the development in the municipality of San José de Ocoa;
- **PROMATREC** (*Proyecto de Tierras Regadas y Cuencas*);
- and **PPS/FMAM** (*Proyecto de Pequeños Subsidios del Fondo para Medio Ambiente Mundial*).



INTERNATIONAL  
**Coffee Partners**



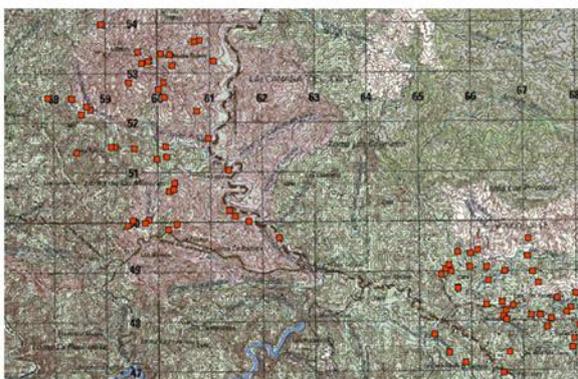


Office of Agroindustrial La Esperanza S.A.



Cupping professionals

MAPA GEOREFENCIADO



INTERNATIONAL  
**Coffee Partners**

