Support for Sustainable Coffee Production of Organized Small Coffee Farmers in the Municipalities of San Cristóbal and Tamahú Alta Verapaz, Guatemala

ICP Project 2001 – 2005

Final Report

Hamburg, November 2017

INTERNATIONAL Coffee Partners

Executive Summary

Project Coordinator: EDE Consulting/ Mauro García

Project Duration: 01.10.2001 to 01.09.2005

Project Office: San Cristóbal, Alta Verapaz

Project Location: San Cristóbal, Santa Cruz, Tamahú, Tactic (Cobán) of Alta Verapaz

Project Objective
Strengthen the sustainable socio-economic development of coffee growers and contribute to improve the living conditions of farmer families in the project area through the promotion of sustainable coffee production and improved self-management

Main activities

- Establishment of environmentally sound small wet-processing stations in the municipalities of San Cristóbal and Tamahú
- Technical support in the efficient and sustainable use of those small wet-processing stations
- Support in the production and commercialization of high quality parchment coffee through staff training in quality control at all stages during harvest and the procession steps
- Assistance in the organizational development of the farmer organisation *Asociación de Caficultores de Tamahú y San Cristóbal* (ACTASA – Association of Coffee Farmers in Tamahú and San Cristóbal) and provision of trainings in marketing, administration and in the organization of the coffee value chain
- Support in the diversification of agricultural production
- Collaboration with various organisations to improve basic social infrastructure and services

Main achievements

- Farmer association **ACTASA** with 500 members is constantly expanding and has established a comprehensive internal control system in place (SCI – *Sistema de Control Interno*)
- Farmers participate effectively in added value generating processes
- Increased income through the production of high quality Arabica coffee
- Application of sustainable practices in the farm operations (including water recycling and recycling of coffee pulp)
- Income generation diversified through the reforestation of 2,000ha fallow land and selling of quality handicraft products to tourists by supported women groups
- Innovative extension system assures continuous learning
- Collaboration with various organizations for improvement of basic social infrastructure and services

Main challenges encountered

- As the communities associated to ACTASA had received the wet-processing stations quite quickly after the project start, a main challenge was the promotion of the correct use of those newly established washing stations and static dryers in a very short time. The coffee quality of the harvest in season 2002/2003 was low as several communities had problems in the proper use of the static dryers. The general problem was over-drying and a high content of *s pringers* which indicated that the drying temperature was too high.

Main lessons learnt

- Sustainable and consistent high quality coffee production can only be achieved when there is an Internal Control System in place which supports the implementation and monitoring of specific standards. It is also the prerequisite for coffee to become certified as organic and/ or by any sustainable verification system.
  The successful implementation of the SCI in ACTASA was initiated by the ICP project and supported by World Neighbors (*Vecinos Mundiales*) who have vast experience in the implementation and monitoring of organic coffee production.

Content

Project Background

Coffee, grown under shade trees on relatively small plots (1ha up to 3ha), was the only cash crop for small-scale farmers in the Alta Verapaz region. Due to this dependency, the coffee crisis had a devastating impact on farmers' livelihoods in the region.

Coffee yields and quality were quite low as a result of limited knowledge in good farming, harvesting and processing techniques as well as almost no application of agricultural inputs. Prior to project activities, smallholder farmers neither participated in coffee value-adding processes nor in marketing activities. The processing infrastructure for washed coffee at the level of the cooperatives was weak and needed to be overhauled. Transport infrastructure was in bad conditions and the majority of farmers sold to middlemen at unfavourable conditions. As a consequence, the living standard was low in particular in the remote areas of San Cristobal and Tamahú, in which the project was located.

Natural conditions for the production of high quality coffees are very good in the region. Project farmers produced in average 5,200 bags of green coffee per year of varieties which are classified as high quality beans (Caturra, Catuaí and Bourbon, washed processed and classified as HB[1] and SHB[2]).

The project in Alta Verapaz, was set up in 2001 by a consortium between ICP, the European Union (EU-ALA) and two Guatemalan local based groups – ACTASA (Asociación de Caficultores de Tamahú y San Cristóbal), and ASILCOM (Association of Forestry Producers) to tackle these challenges and to improve the farmers' situation.

The project was linked to activities initiated by the project ALA[3] 94/89 aimed at improving living standards of organised smallholders and their families in 1996. ALA was based on an agreement between the EU and the national Coordinating Executive Secretariat of the Presidency (SCEP), and strengthened groups of producers through 5 years of technical assistance in organisational development, agricultural production, credit systems, diversification, and also matters related to the basic needs of the population.

[1] HB = high grown; hard bean; synonym for "high grown". The term refers to highland grown Arabica at an altitude between 1,200 and 1,400 meters above sea level.
[2] SHB = Strictly Hard Bean; synonymous with "strictly high grown. The term refers to coffee grown at altitudes higher than 1,400 m above sea level. Beans grown at high altitudes mature slower and tend to be harder with a higher density than beans grown at a lower altitude. The inherent consistency and taste attributes of high grown beans makes them more expensive.
[3] ALA refers to the EIB (European Investment Bank) lending in Asia and Latin America (ALA) since 1993. Those lending projects are governed by mandates from the European Union (http://www.eib.org/projects/regions/ala/index.htm).

High Level Progress & Project Outreach

Project Objective

Strengthen sustainable socio-economic development of coffee growers and contribute to improve the living conditions of farmer families in the project area

Based on the learnings of the ALA project, the ICP intervention had been designed to support mainly organized farmers.

Project activities were centred on the establishment and the efficient use of small wet-processing stations for coffee to improve the production and commercialization of high quality parchment coffee. The main focus of the project was to provide trainings and capacity building for members of the organization ACTASA.

The project aimed at implementing feasible concepts to increase farmers' self-management and to enhance their capacity to generate income through coffee in a sustainable way. In addition, alternative sources of income were introduced and promoted.

Project Outreach

Over the five years of implementation, the project directly reached 500 mostly indigenous coffee farmers and their families (Maya tribes Pokquomchi and Quequchie). Further inhabitants of the target area benefitted mainly through improved marketing channels. Most of the project farmers were organized in farmer groups and the two associations **ACTASA** (Asociación de Caficultores de Tamahú y San Cristóbal) and **ASILCOM** (Asociación de Silvicultores Comunitarios), which were also strengthened in their operations by the project activities.

Progress on specific objectives

Specific objective I

Project farmers acquire skills and build infrastructure for improved coffee processing

Main activities and achievements

- Sustainable coffee production techniques were promoted among the farmers
- Ecological processing stations have been installed and finalized
- Farmers appointed one of them as supervisor in charge of quality control from cutting to cup testing

Farmers received intensive training in adequate use of processing stations and quality control:

- A local technical consultant was contracted to develop a small training handbook covering all relevant topics (harvesting, processing, drying, storage).
- Intensive training sessions with all project farmers were conducted by technicians of HRNS. Those training sessions covered all relevant topics regarding harvesting methods, wet processing, drying and humidity control).
- Both the use of conventional and thermal yards for the drying process have been tested intensively. Project farmers achieved very good results managing the process with protecting plastics (with open sides to control humidity).
- Project farmers received cupping training to gain better awareness of coffee quality and exchange visits to other coffee farmers were organized to facilitate peer-to-peer learning.

Main challenges

- The continuous rains during the harvest period made appropriate drying of parchment coffee difficult.
- As a result, the process of drying was accelerated with a dryer "de pila" at the headquarter of the project, which was donated by the previous project ALA and installed by ICP/ALA/ACTASA/ASILCOM. To increase the drying capacity, another dryer (Guardiola type) with a capacity of 60 wet quintales[4] (2760 kg) was installed.
- At the beginning of the harvest in season 2001-2002, it was intended to follow the recommendation of the consultant Patrice Gautier regarding the timely processing of coffee cherries to parchment and its commercialisation within 15 days after harvest. However, due to the lack of capacities, it was not possible to dry all coffee lots in the given timeframe.

Main lessons learnt

- It needs time to learn the proper use of processing and drying tools as well as the experience with the proper drying timeframes.

[4] 1 quintal (qq) in Guatemala = 46 kg

Specific objective II

Farmer organizations are strengthened through continued organizational development

Main activities

The farmer organization ACTASA was assisted in establishing sound and transparent commercial operations. This included administrative and organizational support as well as training in the organization of the coffee flow, the adequate control of coffee quality and thorough business management practices.

Main achievements

- Farmer association ACTASA with 500 members is constantly expanding
- Internal Control Systemestablisehd and implemented with the support of World Neighbours (*Vecinos del Mundo*)
- Farmers participate effectively in value added processes (e.g. quality enhancement, bulk marketing)
- Production of high quality Arabica coffee by the project farmers has led to increased income:
    - Contracts established with ICP partners: Paulig (Finland), Löfbergs (Sweden), SERTINSA (NKG), which sold coffee to Starbucks.
    - Farmers received on average USD 20 more per quintal (46 kg) compared to the market price in the region due to a bonus for high quality.

Main challenges

- Planned increase in coffee quantity/ quality was not reached in the first season due to unfavorable weather conditions – rain during the harvest season made appropriate drying difficult
- Not yet sufficient capacities for drying huge quantities of parchment

Main lessons learnt

- During the project, a strong commitment of members was perceived which was crucial for the success of the project activities. The project attracted new members and increased its scope of activities.
- One lesson learnt is, hence, that a long-term approach generates trust and strong linkages. The initial success of the project ALA could be consolidated during the project in the areas of quality control, marketing and commercialisation. ACTASA received support to ensure the establishment of economically healthy and transparent operations, and was ready to operate autonomously at the project end.

Specific objective III

Other aspects such as income diversification, waste management and composting are addressed within an integrated training approach

Main activities and achievements

Minimization of environmental impacts of processing stations

- Wet processing stations were converted to environmentally friendly units by introducing recycling and treatment of washing water as well as promoting decomposting of coffee pulp. The project provided material and skilled expert knowledge whereas the benefiting farmers contributed with labour to realize required constructions.
- Recycling of coffee pulp through the Californian red worm: Vermiculture has been introduced in all processing stations. The workers have been trained to handle and harvest worm-compost and to use the resulting humus as fertilizers on their plots.

Diversification of agricultural production:

- "Meliponas" (traditional bees) have been introduced. This concept corresponded to the idea of environmental conservation. The "meliponas" are insects with a very intensive pollination activity, mainly in tropical forests. At project end, more than 20 melipona beehives with 7 different species were set up in the community of La Providencia in Alta Verapaz. This is the result of a common effort of the project ALA/ICP and the Grupo de la Providencia (member of ACTASA).

Assistance in reforestation

- This assistance has been provided from 1998 up to date. The areas have been inspected to evaluate growth and development indices and to guarantee that aisles minimise the danger of extensive forest fires.
- Technical assistance was provided for 110 ha of 3-years-old "Macadamia" plants. This assistance referred to farm management, pruning and control of plagues / diseases.
- Provision of inputs required for agro-forestry activities undertaken by ASILCOM (Association of Forestry Producers)

Income diversification

- Several woman groups were strengthened and trained, specifically in market oriented production of maguey handicraft raising their families' income.

Main lessons learnt

- The combination of a wide range of activities addressing different target groups favours sustainable income-generation in the whole region. As the project not only benefits small speciality coffee producers but also their kinship and those working in the agro-forestry sector, the holistic approach contributes effectively to integrated regional sustainable development.

Project Finance & Strategic Partners

Financial contributions to project

The total project was financially supported by

- International Coffee Partners (contribution of 604,450 EUR, about 46% of the total project volume)
- Association of Coffee Farmers Tamahú/San Cristobal (ACTASA)
- The Integrated Rural Development Project
- Inter-American Development Bank
- Project ALA of the EU
- Fondo de Inversión Social
- Government of Guatemala
- Gesellschaft für technische Zusammenarbeit (GTZ)

Strategic Partners

Main project partners of ICP who also worked on coffee-related and socio-economic regional development activities were

- the European Union via the Project ALA 94/89
- Secretaría de Coordinación Ejecutiva de la Presidencia (SCEP) on behalf of the Government of Guatemala
- local governments, international organizations and non-governmental funds/ projects such as World Neighbours (Vecinos Mundiales)
- Inversiones para la Paz
- AGEXPRONT (Asociación Gremial de Exportadores de Productos no Tradicionales)
- ANACAFE (La Asociación Nacional del Café)
- INTECAP (Instituto Técnico de Capacitación y Productividad)
- La oficina de Cuerpo de Paz de Estados Unidos,
- CONALFA (Comité Nacional de Alfabetización) and
- PRODEVER (Programa de Desarrollo Rural de la Verapaz) active in Alta Verapaz.

Project Photos

The following photos illustrate the project achievements that do not only benefit the smallholders but also those farmers working in the agro-forestry sector in the project area.

Construction of a wet processing station

Coffee fermentation and washing

Thermal yard with open sides to control humidity

Members of ACTASA during their cupping training