



International Coffee Council
108th Session
5 – 8 March 2012
London, United Kingdom

**Reconversion of small coffee farms into
self-sustainable agricultural family units
in Ecuador (CFC/ICO/31)**

Executive Summary 2007-2011

Background

This document contains the Executive Summary of the final report for the concluded project: 'Reconversion of small coffee farms into self-sustainable agricultural family units in Ecuador' (CFC/ICO/31). The project commenced in September 2007 and was completed in September 2011. A copy of the full report is available from the Secretariat upon request.

Action

The International Coffee Council is requested to take note of this report.

EXECUTIVE SUMMARY

RECONVERSION OF SMALL COFFEE FARMS INTO SELF-SUSTAINABLE AGRICULTURAL FAMILY UNITS IN ECUADOR CFC/ICO/31

Implementation period: 1 October 2007 – 30 September 2011

Implementation of this project began on 1 October 2007 and was completed on 30 September 2011. The components of the project were: a) organizational strengthening of producers; b) diversification of agricultural production on farms; c) agroindustry and joint marketing; and d) dissemination of results.

The results achieved during implementation of the project are detailed below:

Component 1: Organizational strengthening

Activities under this component involved the direct participation of 1,244 small coffee family units, organized in 31 producer organizations in the provinces of Manabí (10), El Oro (6) and Loja (15). The aim was to train producers to develop strategic production planning for their own farms, participating in the following programmes:

- The organizational programme of the project provided for training to strengthen the social, administrative and legal capacities of the producer organizations involved. It included the preparation of at least 31 'strategic plan' outlines adapted to the individual needs of each organization and to define the vision, mission, strategic aims and activities required to consolidate these plans. Planning was designed to make better use of the production advantages of the family unit (farm) by overcoming socio-organizational weaknesses.
- Training for 185 leaders (142 men and 43 women) of participating producer organizations in the Rural Leadership Schools established in each province.
- Strengthening the management capacity of producer organizations to raise the funds needed to carry out complementary projects; around 36 spin outs were completed during the course of the project at a total cost of US\$3,826,173.
- Monitoring of strategic reconversion plans for individual farms and the targets established by the organizations to which they belong through the Internal Control Systems (ICS) designed to be adopted by participating producer organizations as self-control instruments to ensure compliance with the production standards, norms and regulations established in the strategic reconversion plans for individual farms. Through these ICS, producer organizations could constantly monitor the targets established for the 1,244 farms and 31 organizations involved in the project.

- Establishment of funds for micro credits to support agricultural production activities, through Revolving Funds operated by producer organizations. These Revolving Funds were created with 'seed capital' (a sum of US\$132,434) obtained from recovering a proportion of the value of goods supplied by the project and from voluntary savings by members, and were used to meet the urgent needs of producer families through micro-loans; to date around 1,200 micro-loans were granted averaging US\$100 each.

Component 2: Diversification of agricultural production on farms

The main diversification activities carried out for the reconversion of coffee farms were:

- Training for coffee producers on technical aspects of agricultural and livestock production on their coffee farms. During the course of project implementation 9,593 training workshops were held on agricultural production and 4,884 on livestock activities, with an emphasis on practical demonstrations, lectures by experts from local universities and institutions, field trips and technical tours.
- Renovation of farms affected by El Niño implied the replacement of 2,122 hectares of old or damaged coffee trees with new improved varieties. The goal of the project was 1,200 hectares, exceeding the target by 76%. Improvements in farming practices included use of fertilizers, pest control, diseases and weeds, pruning and regulation of shade.
- Preparation of organic fertilizer produced around 313,445 litres of fermented liquid fertilizer (bio-organic, purine and microbiological) and around 6,486 tonnes of compost used for crops grown on individual participating farms during the implementation period.
- Quality improvement of coffee for export included the establishment of coffee processing units (the construction of 643 tub tanks for fermentation and washing and 659 solar driers) in the provinces of El Oro and Loja to meet requirements for improving the standard of wet processing on 53% of the participating farms. In Manabí, improvements were made to the 10 communal centres used by the 400 participating farms to process 85% of the wet-processed coffee produced.
- Development of family farms and agricultural production has improved food availability for the 1,200 participating family units, with the establishment of 973 family farms growing short-cycle crops (1,485 hectares/year) annual crops (565 hectares) and perennial crops (renovation of 1,231 hectares including coffee).
- Promotion of husbandry production to increase, at family level, the availability of protein sources for the diet and additional source of income from the sale of surpluses. The following figures were recorded during the course of the project: around 156,596 birds for poultry production (including laying hens, broiler chickens, turkeys and quails), 509 beehives, 3,876 pigs, 600 guinea pigs and 112,500 fish.

- Reforestation for environmental maintenance and commercial purposes: This activity contributed to the environmental and economic sustainability of farms in the medium and long term by providing for reforestation using native plant species. During the period of project implementation around 606,000 trees were planted in various agroforestry systems, exceeding the target goal of 200,000 trees by almost three times. The successful reforestation has also contributed to the conservation of endangered native flora and fauna in the project areas involved, protecting the habitats of native animal species.

Component 3: Agroindustry and joint marketing

The project promoted processing of primary products and joint marketing as a strategic means of improving the use of agricultural and livestock surpluses while adding value to primary production. The 31 producer organizations involved in the project participated in the following activities:

- Processing of primary products: Six units for processing compound animal feed were established to provide added value for maize by producing poultry and pig feed, twice as much of the three units planned. Two processing units planned for roasted and ground coffee were established (in Manabí and Loja) and improvements were made to the processing unit for roasted and ground coffee belonging to the ACOLL organization in El Oro. Agroindustrial activities were extended with the addition of 24 centrifugal honey extractors.
- Joint marketing: During the period of project implementation 38,012 quintals of green coffee were sold through joint marketing; certified organic coffee accounted for 19,561 quintals of the total. The aim was to reduce intermediation in the commercial process. Coffee farmers' organizations provided communal storage for small volumes produced by their members to enable them to market more attractive quantities of homogeneous quality and obtain better profits. Joint coffee marketing, provided the basis for consolidating producer organizations.

Component 4: Dissemination of results

As part of the project dissemination activities a link to the COFENAC web page (www.cofenac.org) was prepared to provide information on the activities and technical documentation generated by the project.

Results of the project have been presented to delegations from the Polytechnic School of Chimborazo and the Polytechnic School of the Armed Forces, two Italian NGOs (*Centro per un Appropriato Sviluppo Tecnologico (CAST)* and *Cooperazione Internazionale (COOPI)*), the US company Coffee Intelligentsia Inc., a delegation from the Guatemalan National Coffee Association (Anacafé) and one from the Guatemalan Network of Private Reserve Areas.

Two information videos were prepared and distributed: the first on activities carried out during the first two years of project execution (mid-term report) and the second on activities carried out during the four years of project execution (final report). The following material was prepared and distributed: three posters, three brochures, two information bulletins and one booklet on sustainable management of coffee farms.

Two international project dissemination workshops were held in Guatemala City. The first was held on 1 March 2010 with the support of Anacafé and the ICO, and was attended by 19 technicians from Ecuador, Guatemala, Honduras and Mexico. A second workshop entitled 'Contribution of the REFINCA project to the conservation of natural resources and adaptation to climate change', was held in Guatemala City on 10 and 11 August 2011, with the participation of 23 technicians and coffee leaders from Ecuador, Guatemala and Honduras.

Assessment of resource utilization

Expenditure attributable to resources provided by the CFC totalled US\$1,030,725, representing 92.2% of the total CFC contribution to the project. From November 2007 to 31 October 2009, Corporation PL-480-USDA co-financed activities for a total amount of US\$269,189. COFENAC contributed US\$376,221.

Forward planning

Preparations are being made for the closure of the project with the participation of main stakeholders i.e. leaders of coffee producer organizations and representatives of local governments and national institutions involved. International bodies such as CFC (the main donor) and ICO (the supervisory body) will also participate.