

QUARTERLY RETURN 123 • SPRING 2022

WORKING HAND IN HAND WITH NATURE

CECAFE CO-OPERATIVE

How one coffee-farming family has passed down knowledge from grandfather, to father, to son.

FAIRTRADE FORTNIGHT

We brought farmers and supporters together online to explore climate change resilience.

QUEEN'S AWARD

Two years after winning our third Award, we received it in an official ceremony.

WELCOME TO YOUR SPRING QUARTERLY RETURN (QR)

The season of new beginnings, spring is a time of hope. As this newsletter goes to print, our thoughts are very much with the people of Ukraine as we all hope for a peaceful resolution to the conflict.

Here in the UK, many communities felt the impact of extreme weather conditions in the earlier part of the year. The debate continues whether the recent rainfall and high winds are the direct result of climate change. However, there is no doubt that it is a real and growing issue for the farmers we support.

This Fairtrade Fortnight, we joined the campaign to shine a light on the critical role that Fairtrade plays in climate justice. Smallholder farmers are working hard to increase their resilience to environmental changes but unfortunately, many lack the support needed to put in place the adaptation and mitigation measures urgently needed. This year, we brought farmers and supporters together in a series of online events that focus on the varied challenges faced in different regions. If you wish to watch any of these online, the recordings are available on our website at shared-interest.com/past-events and you can read a detailed summary of our African sessions on pages 8-13, as well as highlights from the event hosted by our charity Shared Interest Foundation.

Your Summer QR will include an overview of our virtual events from Latin America. In the meantime, news from this region comes from Northern Peru, featuring our front cover story of CECAFE co-operative. This ambitious group of over 800 coffee farmers are working hand in hand with nature to increase their climate resilience. Read about the co-operative's innovative approach on pages 14 and 15, including how one family has passed down knowledge from grandfather, to father, to son.

Back in the UK, we have also been working with the next generation, in this case budding fair trade supporters, as we launched our latest Little Book of Fairness. This bright and colourful publication and accompanying resources are available for our young members, and we have also continued to introduce them to schools and community groups.

Please get in touch if you would like some copies for friends, family or groups in your local area.

This year, our AGM took place online for the second year running, with over 100 of you joining us on Friday 11th March. It was fantastic to see so many of you taking part in our Q&A session, which provided an interesting and lively debate. A full overview of our AGM is on pages 6 and 7.

Some of you may remember that in April 2020, Shared Interest was recognised with a third Queen's Award for Enterprise in the category of Sustainable Development. This prestigious accolade means that The Prime Minister has advised Her Majesty the Queen that Shared Interest's work is beneficial to society, the environment, and economy. Due to Covid restrictions, we were unable to receive the Award officially at that time. We were therefore honoured to attend a formal presentation on 10th March, featured on page 4.

We are dedicating the Award, and indeed this issue of QR, to our friend and colleague Ann Colquhoun. It is with a heavy heart that I share the news that Ann passed away recently. Many of you knew Ann as Membership Account Manager and will have been in touch with her, whether through correspondence or in person at our supporter events or AGM. She was a valued member of the Shared Interest team for over 20 years and will be deeply missed by us all. We have written a special tribute to Ann on the page opposite, which includes some treasured memories from her time with us.

We are continuing to collect messages and recollections to compile a commemorative book to celebrate Ann's life at Shared Interest. If you wish to share something with us, please email membership@shared-interest.com

Until next time,

Patricia

Patricia Alexander
Managing Director



Front Cover: Leider Delgado, collects coffee plants from the CECAFE co-operative greenhouse in Lonya Grande, Peru.

IN TRIBUTE TO OUR FRIEND AND COLLEAGUE, ANN

The Shared Interest team was deeply saddened by the death of much-loved colleague and friend, Ann Colquhoun, earlier this year. One of our longest-serving members of staff, Ann was a highly valued employee of Shared Interest for 21 years. She carried out numerous roles, bringing her skills and experience to our Customer Service and Finance departments and, for the last 16 years, to Membership. Ann became a fountain of knowledge to the Shared Interest team, always there with words of wisdom and recollections of times gone by.

Many of you will have known Ann in her role of Membership Account Manager. It is highly likely you may have spoken to her on the telephone, or corresponded with her over the years. Ann was also in regular attendance at our AGM and Supporter Events and enjoyed meeting members. She would always say it was lovely to 'put faces to names.'

Ann joined the organisation on 20th September 2000, when the structure was somewhat different to today. There was no independent Membership Team and Ann worked for Malcolm Curtis, who retired as Head of Lending last year, after serving 22 years. He said of that era: "One of the biggest contrasts between then and now was the lack of technology. There were no emails and we had a Producer Liaison Officer who would travel for about three months at a time, to seek producer customers in different parts of the world."

Ann would speak fondly of her own trip overseas to visit potential customers in 2001. Away for the best part of a month, she visited Indonesia and the Philippines, meeting with a pottery producer and a handcraft centre; both went on to be financed by Shared interest for several years.

Ann was a highly regarded member of the Membership Team. Head of Member Engagement Kerrey Baker said: "Ann was greatly missed at our recent Queen's Award event, having been at Shared Interest for the previous two award ceremonies in 2008 and 2013. In 2008, she accompanied Managing Director Patricia Alexander to Buckingham Palace where the Queen hosted a reception for The Queen's Awards for Enterprise winners."

Patricia recalls: "Ann was thrilled to be asked to the reception at the Palace. She talked about the experience, who she had met and how proud she was of Shared Interest for months after the event. It was pleasure to accompany her on such a special occasion."



"THOSE OF US WHO HAVE BEEN ON THE BOARD FOR A WHILE HAVE FOND MEMORIES OF ANN. WE REMEMBER HER AS QUIET, UNASSUMING AND FRIENDLY - IN FACT, AS ONE BOARD MEMBER PUT IT, LOVELY. SHE WILL REMAIN LONG IN OUR THOUGHTS."

Shared Interest Chair, Mary Coyle

These recollections and more will be part of a special book compiled in tribute to Ann. We would love to hear from members who would like to share any messages or memories with us, to celebrate Ann's life at Shared Interest. Please contact membership@shared-interest.com or call us on 0191 233 9102. The book will be shared with Ann's family and friends. Our thoughts remain with them at this difficult time.



QUEEN'S AWARD OFFICIAL PRESENTATION

Almost two years after being recognised with the Queen's Award for Enterprise in the Sustainable Development category, we were officially presented with the Award on Thursday 10th March. It is the third time Shared Interest has been awarded within this category, previously recognised in 2008 and 2013.

At a private ceremony led by Her Majesty's Lord-Lieutenant for Tyne & Wear, Mrs Susan Winfield, Managing Director Patricia Alexander received the Award on behalf of Shared Interest. She said: "This is the result of the hard work and dedication of every single person involved in the organisation. It is a badge of honour and symbol of pride that we are achieving our mission and fulfilling our role in meeting the Sustainable Development Goals."

Lord-Lieutenant Mrs Susan Winfield said: "It was a pleasure to present Shared Interest with their Queen's Award for Enterprise. It is worthy recognition of the organisation's continued ethical and social motivation to alleviate poverty by enabling people in remote and disadvantaged communities to trade and earn a living. My congratulations to all members of the team who have achieved this Award."

Patricia continued: "Being awarded a Queen's Award for Enterprise for the third time makes this a very special honour. Having received the Award in the Sustainable Development category in 2008, and 2013, we felt that recognition again in 2020, during our 30th anniversary year, was an exceptional achievement. We have since become an advocate of the awards, as a Queen's Awards for Enterprise Champion.

"We would not be here today at all without the support of our UK membership. They continue to be extremely loyal and have supported us throughout the pandemic.

"Their investment is vital as the communities we support are facing more complex challenges, including the impact of climate change. We place significant importance on raising awareness of the environmental and economic challenges faced by farmers and the innovative solutions they implement.

"Access to finance is one of the most powerful tools businesses can have right now, so that they can keep supply chains moving and make sound decisions for the future."

Main Article Image: The Shared Interest UK staff team receiving the Queens Award from Her Majesty's Lord-Lieutenant for Tyne & Wear, Mrs Susan Winfield.

STRATEGIC REVIEW

Towards the end of 2021, we embarked on a full strategic review process and invited members to participate in a workshop as we began to shape ideas. These sessions took place on 31st January and our Head of Member Engagement, Kerrey Baker, was delighted with the response.

She said: "We had intended to run two sessions but demand was high and so we divided 130 members between ten discussion workshops. This was the largest face-to-face strategic review consultation to date and it gave us an invaluable insight into the views of our membership.

"We discussed some emerging themes from the initial research, which included topics such as gender equity, climate change impact, expansion into other markets and certifications, technology, risk, partnerships and technical assistance.

"What was prevalent from discussions across all workshops was the view that, regardless of what we consider in the strategy, we must stay true to our mission and not lose focus on the disadvantaged communities we support with our finance.

"There remains a strong support for fair trade and feedback showed that we must continue to be mindful of the Fairtrade Minimum Price and Premium as important components of this.

"In addition, from the external stakeholder consultations we are undertaking, it is clear that Shared Interest is highly valued and respected and seen as a pioneering organisation."

We will bring you an update with details of our strategic plan in the next issue of QR.

AWARD SUCCESS

Shared Interest Managing Director Patricia Alexander has been named as one of the top 100 Women in Social Enterprise (WISE) in the UK.

The annual WISE100 list is created by NatWest Social & Community Capital in partnership with Pioneers Post. This year's Top 100 women were announced at the end of February, with Patricia appearing alongside a multitude of inspiring female leaders. She was also named as a Social Investment Champion finalist.

COUNCIL COMMENT

For the second year running, Fairtrade Fortnight's theme focused on climate change and the need to support smallholder farmers to adapt their practices in the face of climate-based problems. In line with that theme, Shared Interest ran a series of virtual events, concentrating on the impact of climate uncertainties on producers.

'Respect for the Environment' is of course one of the 10 Principles of Fair Trade laid down by the World Fair Trade Organisation (WFTO). Furthermore, Shared Interest's Member Survey conducted in Summer 2021 noted 98% of respondents expressing 'interest' or 'deep interest' in environmental issues.

So it comes as no surprise that in preparing for its latest Strategic Review, Shared Interest acknowledges that there will be increasing demand for finance to address environmental impacts and to build resilience for farmers and co-operatives. This could take the form of technical assistance sitting alongside financial support.

It is pleasing, therefore, to see our charity Shared Interest Foundation scale up what it is doing in this field. Hence, producer groups in Africa and the Americas are being supported to incorporate 'climate-smart' practices.

Fair trade farmers may be slightly more resilient to some challenges due to support through the Fairtrade Premium, or Minimum Price. In large co-operatives, greater working capital can accumulate, it can be invested in disaster recovery funds to help those most affected get back on their feet. However, the majority of smallholders lack the finance to implement desired changes when hardship comes along. Therefore, a commitment from the consumer to source or buy Fairtrade products collectively means more money to enable such farmers to address climate realities. Decent wages enable investment in technologies, training and infrastructure to increase resilience to such shocks.

The Fairtrade Foundation has launched a Fairtrade Climate Network, to connect and enable collaboration between businesses sourcing from Fairtrade supply chains. Businesses involved have also signed the Fairtrade Climate Pledge. Some well-known brands are already listed as participants and it will be interesting to see how this develops.

Stephen Thomas
Member of Council

ANNUAL GENERAL MEETING

We held our Annual General Meeting (AGM) online for the second year running, on Friday 11th March.

Shared Interest Chair of the Board, Mary Coyle, welcomed over 100 members as she gave her opening speech saying: “It is a delight to see so many of you with us today. Thank you for joining us and showing your unwavering support. In fact, it has been inspiring to see the resilience and commitment of everyone involved in Shared Interest throughout the past 12 months. As a membership organisation, shared purpose has always been at our heart, and this sense of community has never felt stronger.

“Although we continue to miss meeting you in person, what technology has enabled us to do is to create an even closer link with the farmers and artisans supported by your investment. Today, you will hear more about the vital impact made on communities across the globe.”

Managing Director, Patricia Alexander echoed these sentiments, saying: “It is hard to believe that the last time we were together physically was at our March 2020 AGM, two years ago.

“THIS HAS BEEN AN EXCEPTIONAL 12 MONTHS FOR SHARED INTEREST. WE HAD RECORD INVESTMENT IN DIFFICULT CIRCUMSTANCES AND OUR MEMBERSHIP CONTINUES TO BE INCREDIBLY LOYAL. WE ARE ALSO EXTREMELY GRATEFUL FOR THE COMMITMENT AND SUPPORT OF OUR VOLUNTEERS, INCLUDING A GROWING NUMBER OF THOSE IN TRANSLATOR ROLES.”

Managing Director, Patricia Alexander

“In terms of lending, we continue to support a wide range of products. Three-quarters of our finance is focused on coffee and cocoa, which is representative of the Fairtrade portfolio overall. Eight per cent of our lending supports handcraft organisations in communities where people may have no alternative way of earning an income.

“Eighty-eight per cent of our lending supports farmers and artisans directly and 22% supports fair trade buyers.

“Sustainable Development Goals (SDGs) continue to be extremely important to us, with five goals in particular where we feel we can make most impact. If you are interested in learning more about how we embed these goals in our work, please read our Social Accounts report available on our website.

“In January, we gained a deeper understanding of our members’ views at a series of workshops organised as part of our strategic review process. We will share more details in summer as we develop our strategic plan.

“Our charity, Shared Interest Foundation, implemented a variety of projects over the last year, including beekeeping in Burkina Faso and product diversification into passion fruit in Uganda and sesame in Nicaragua. In Ghana, women from a handcraft co-operative began growing vegetables without the use of soil. Three ‘Growing Fairer Futures’ projects were undertaken in Ghana, Ivory Coast and Rwanda, supporting young people to manage their own cocoa or coffee farms. This includes learning skills such as organic compost production as part of climate-smart agriculture practices.”

Finance Director Tim Morgan said: “The financial overview, given the circumstances, is of a strong year overall with a growth of £4.6m in Share Capital and an encouraging increase in the number of Share Accounts (220).”

Tim talked through progress made over the last five years and the challenges of fluctuating exchange and interest rates. He explained how this is due to the majority of investment being in Sterling, and over 90% of our lending being made in other currencies – mostly US Dollars and Euros.

He said: “Our total income was £3.3m, which shows a slight decline, partly driven by exchange rates as we have to borrow the majority of the currency that we lend. There has been a reduction in running costs, due to a range of reasons such as limited travel during the pandemic, and bringing more marketing activity online. We have a small surplus to add to our reserves and more detail on this can be seen on page 9 of the Directors Report and Accounts, available on our website.

“This year bad debt costs reduced and still compare reasonably with similar lenders. The annual charge is essentially a provision made for amounts owed to us that we

anticipate may not be repaid. We concluded the year with substantial bad debt provisions and almost £1.7m of reserves in place.

“Our charity Shared Interest Foundation had a good year of delivery and was able to designate some of its own funds to specific projects at the year-end.”

OTHER FINANCIAL POINTS INCLUDED:

- Interest earned on deposits steady at £50k
- Cost of money borrowed reduced by £139k to £94k
- Bad debt cost £1,012k, a reduction of £154k
- No proposed donation from Society to Foundation this year
- Result is a small surplus after interest to members (0.25%)

Results of the postal ballot were confirmed during the online event. This included the election of Melissa Duncan and Paul Valentin to the Board, together with the election of Theresa Black and David Fellows to Council. The following resolutions were carried on the day with a significant majority (and this reflected proxy votes of members not attending the online event):

- Financial Accounts
- Social Accounts
- Re-appointment of Auditor

Our Chair, Mary Coyle, closed the meeting, thanking retiring Non-Executive Directors, Paul Chandler and Martin Kyndt for their help and support. Mary also thanked Kate Roberts and Andy Normandale for giving their time to serve on our Council over the years.

She closed with: “It has been a pleasure to connect with you all online this morning. We hope to see you again at our Supporter events taking place later this year. More details will follow in your Summer QR.”

A Q&A session preceded the voting, with members posing a number of questions to the Board of Directors. Minutes of the meeting are available on our website at shared-interest.com/agm-2022

EXCERPT FROM MODERATOR’S REPORT

Could I thank all Council members for their work, and in particular my fellow Joint Moderator, Katherine Wyatt, for fulfilling that role after Martin Canning stepped down from it a year ago. I would like to record our appreciation for the contributions of Kate Roberts and of Andy Normandale, who end their time on the Council at this AGM, after six and three years’ service respectively. Their input has been much valued. During the past year, we have welcomed Shelagh Baird-Smith to our midst, and we look forward to the infusion of new blood in the form of Theresa Black and David Fellows as from this AGM (subject to endorsement by members).

Council has been described as various things: one of our roles is that of a ‘ginger group’, stimulating discussion and change by bringing ideas to the Board and management. We have also been called ‘the third eye’ of the organisation, keeping it on mission; and ‘the heart’ of the Society too, reflecting the shared purpose members feel with the communities that we support through providing funding. We have aimed to fulfil those diverse functions to the best of our ability, whilst being representative of members’ views.

Appreciation is due to those Shared Interest members who volunteer - as ambassadors, translators, administration or community supporters, data entry inputters, desktop or event researchers. There has been a blossoming of online training conducted for volunteers and an expansion in the range of activities they perform. Volunteers’ willingness to make extra contributions to Shared Interest’s work is to be commended.

CLIMATE RESILIENCE ACROSS OUR REGIONS

As we know, climate change poses an increasing threat to us all. However, sadly, for many communities, the effects have been evident for many years in the shape of soaring temperatures, long spells of drought or heavy flooding, sometimes leading to landslides. Furthermore, what comes with many of these extreme weather conditions is the increasing prevalence of pests and disease.

This Fairtrade Fortnight, we wanted to bring our supporters and farmers together, to discuss the issues faced in different regions. Across a series of online events, we heard from our regional teams in Africa and Latin America, as well as customers who are already experiencing the varied effects of extreme weather conditions. Here, we provide an overview of our African sessions, which includes a special focus on the climate mitigation work of our charity Shared Interest Foundation.

FOCUS ON EAST AFRICA

During our East Africa event, we heard from our Lending Manager Immaculate Ochieno based in Kenya, and Founder & Managing Director of Huye Coffee David Rubanzangabo, who joined us from Rwanda. Immaculate began by giving an overview of our support in East Africa. She described how we currently work with 49 customers across four countries: Kenya, Uganda, Rwanda and Tanzania. The majority of our finance supports coffee but we are continuing to diversify into other products.

Immaculate told us that the East Africa region has faced a series of climate crises, including heavy flooding in Uganda, just before the pandemic hit. Prior to that, Northern Kenya had suffered severe drought.

Immaculate said: “Unfortunately, smallholder farmers are affected most as they are less prepared for such events. For instance, we know that many were left with no food crops when swarms of locusts destroyed farms with wheat, maize and corn. Many farmers were left with nothing to harvest.”

She also explained the issues facing farmers who have two harvest seasons, such as coffee growers in Uganda. Rapidly changing weather patterns mean that when one harvest is affected, there is not enough time or resources to prepare

for the next harvest. In addition to this, producers are still recovering from the impact of the pandemic.

Immaculate said: “The main focus right now is protecting the land against soil erosion – to safeguard farms and maintain quality. Many co-operatives have begun their own training programmes in climate mitigation. They have taken steps such as integrating banana trees in coffee plantations. There is a dual benefit of growing a food crop but also planting trees strategically to provide shade.”

Soil and water management are serious issues requiring expert intervention and in Rwanda, the Coffee Board provides specialist support for smallholder farmers, whilst in Uganda, the Coffee Authority has the same focus.



Polaroid Image: Coffee beans after drying.



Immaculate handed over to David Rubanzangabo, who founded Huye Coffee in Rwanda in 2012. He said: “We are located in the Southern Province and have two washing stations that process 1,000 metric tonnes (MT) of cherries per year (1MT equals 1000kg). We work with 10,173 coffee farmers, to export their produce to the UK, USA, Thailand, Singapore and Japan.

“The region is mountainous so is prone to soil erosion. Food security is an issue due to the vulnerability of certain crops to increased temperatures. Coffee trees are very sensitive to these changes, forcing growers to go to higher lands, which again are more prone to erosion. Meanwhile, the valleys and lowlands suffer from increased flooding, causing loss of human life as well as products and property.”

“THE SOUTHERN PROVINCE HAS BECOME INCREASINGLY DRY OVER PAST 20 YEARS. THIS HAS CAUSED CROP GROWTH TO REDUCE SIGNIFICANTLY AND SHOULD THIS CONTINUE, PRODUCTIVITY WILL DROP BY AT LEAST 50%.”

Huye Coffee Founder, David Rubanzangabo

Huye Coffee has put measures in place to support its farmers including encouraging farmers to diversify. They have also established a farmer field school to teach Good Agricultural Practice (GAP) techniques such as creating organic compost and planting orange and mango trees for shade.

Main Article Image: Freshly picked coffee beans from a Bukonzo farm in Uganda.

Q&A

DO YOU TRAIN FARMERS IN PERMACULTURE TECHNIQUES?

David said: “I produce coffee on my own farm so understand the challenges faced. We have a technical team that goes to meet farmers, as well as five trained agronomists and we also receive support from the Rwandan Coffee Board.”

HAVE PRODUCER NEEDS CHANGED AS RESULT OF CLIMATE CHANGE?

Immaculate said: “There is more uncertainty about production and price, which affects co-operatives being able to pay farmers on time. However, as well as climate change there are also market changes, shipping issues and the impact of Covid-19.”

David added: “We started to see changes three or four years ago, production went down and income was low. We are introducing intercropping with coffee and bananas. Intercropping is where we grow two or more crops in proximity to produce a greater yield. It remains difficult to plan ahead - some days there is a lot of rain and others there is a lot of sun. We also organised for farmers to learn how to make manure at home mixed with coffee pulp.”



FOCUS ON WEST AFRICA

At our West Africa event, we heard from Shared Interest Lending Manager Divine Buu based in Ghana, and Ethienne Christian Dioma, Director of mango and hibiscus co-operative Upromabio in Burkina Faso.

Divine began by giving an overview of our finance provision in this region, explaining how the majority is focused on cocoa (77%), with a small amount supporting the production of nuts, fruit, soy, coffee and handcrafts.

Divine said: “The effects of climate change differ locally, nationally and regionally, affecting livelihoods, as well as food and water security. In West Africa, daily temperatures range between 25 to 30°C, providing very humid conditions.

“One of our customers lost 20MT of mango due to a change in weather pattern, another customer was forced to sell their produce below market price because erratic weather damaged the quality of the harvest.

“The co-operatives we are working with are also shifting towards climate mitigation initiatives, such as organic farming, improved farming techniques and educating members on the importance of sustainable farming.”



Divine then handed over to Ethienne, who explained that Upromabio was founded as a co-operative in 2009. Based in Burkina Faso, the co-operative works with over 100 farmers (43 male mango farmers, and 56 female hibiscus farmers).

“UPROMABIO HAS A DRYING UNIT WHERE WE PRODUCE DRIED MANGO, DRIED HIBISCUS AND MANGO PUREE. WE EXPORT TO FOUR BUYERS IN EUROPE, BASED IN GERMANY AND FRANCE.”

Director of mango and hibiscus co-operative Upromabio, Ethienne Christian Dioma

“There have been some great achievements through the Fairtrade Premium, these include: the construction of a drying unit with an average production capacity of 15MT of dried mango per year, a school in Toussiana currently housing 200 students, maintenance of a one-acre school orchard and the establishment of a half hectare mango tree nursery. We began working with Shared Interest in 2019, and without this support, we would have made only 50% of our orders.

“WE HAVE SEEN A HUGE IMPACT AS A RESULT OF CLIMATE CHANGE, WE ARE SEEING INTENSE PARASITIC ATTACKS ON OUR MANGO FRUITS, FLOWERS HAVE BEEN DRIED OUT BY HEAT OR TORN BY STRONG WINDS, INSUFFICIENT OR POORLY DISTRIBUTED RAIN CAUSES IMMATURE FRUIT HARVESTS.”

Ethienne Christian Dioma

“All of this is causing a reduction in production yields and processing capacity, meaning producers are unable to fulfil orders and risk losing customers.

“So far, Upromabio has implemented a range of mitigation measures, such as the establishment of a drip irrigation system in the school orchard, training in water retention, tree pruning and organic manure, and the installation of ventilation in dryers to reduce product losses after drying from 5% to 1%.

“Over the next five years, we aim to improve the productivity of existing mango orchards, and encourage the planting of more pest and disease resistant orchards taking into account the experiences acquired in current training and monitoring. For the hibiscus harvest, we will encourage tailored practices that take into account difficult climatic conditions.

“We will also increase our processing capacity to 50MT per year for dried mango and 10MT of mango puree. We will diversify by focusing on the local market and also other regional Africa markets as well as European buyers.”

Q&A

Q: CAN YOU TELL US A BIT MORE ABOUT THE RAINWATER HARVESTING AND STORAGE AND WHY IT IS IMPORTANT FOR THE FARMERS?

Divine said: “With Burkina Faso being located in the northern part of the region it experiences just one rainy season per annum. The moisture from this rain is supposed to support productivity throughout the year. So rain harvesting initiatives such as construction of mini dams to harvest the rain water during the rainy season, and the digging of mini boreholes are practices that conserve water which is essential to combat the impact of droughts.”

Q: WHAT ARE THE HIBISCUS FLOWERS USED FOR, AND WHY ARE THE MANGO PRODUCERS MALE AND HIBISCUS PRODUCERS FEMALE?

Grace said: “The hibiscus is mainly used to produce tea, and a small number of other beverage drinks.”

Kwami continued: “This is due to land ownership. In Burkina Faso and other parts of Africa, land is owned by men and not by women. As mango is a long-term product requiring land, it is farmed by male farmers, hibiscus on the other hand is a short-term product and therefore is farmed by women. Upromabio has a strategy to work with both male and female farmers in this way.”

FOCUS ON OUR CHARITY'S CLIMATE SMART PROJECTS



Shared Interest Foundation Manager Kodzo Korkortsi opened the event from Ghana, to talk about the climate smart projects run by our charity in Africa and Latin America. Bukonzo Organic Farmers' Cooperative Union (BOCU) General Manager Josinta Kabughu joined him from Uganda, to explain how farmers in her region are affected by climate change.

Shared Interest Foundation recently supported 365 Bukonzo coffee farmers to diversify into passion fruit. This also included provision of tools and practical training to improve the quality of their coffee beans.

"WE ALL KNOW THAT CLIMATE CHANGE IS ONE OF THE MAJOR CHALLENGES FACING PRODUCERS IN THE GLOBAL SOUTH. AT SHARED INTEREST FOUNDATION, WE AIM TO SUPPORT PRODUCERS IN BUILDING STRONG BUSINESSES AND CLIMATE CHANGE RESILIENCE IS BECOMING INCREASINGLY IMPORTANT IN THAT PROCESS."

**Shared Interest Foundation Manager,
Kodzo Korkortsi**

"We have also been working with in-country partners to develop and implement a wide range of eco-friendly farming practices.

Kodzo provided an overview of current projects, saying:
"In the Amazonas region of Peru, we are working with coffee co-operative CECAFE to increase their environmental resilience."

"Last spring, we supported CECAFE to produce a fungus in their onsite laboratory. The fungus is mixed with water before being sprayed across coffee plantations. Over 100 farmers have now used this natural method to protect their plants against the devastating effects of the coffee borer beetle. (Read more about this on pages 14-15.)

"This includes the production of compost from natural waste products including coffee peel and animal manure. We have also provided similar training for farmers in Uganda and Nicaragua, using locally sourced materials.

"Many of our projects involve the planting of trees to provide a natural way of protecting crops against soil erosion and increasing temperatures. Our projects last year saw us plant 160,275 trees, including 4,275 shade trees in Africa and South America to increase soil stability, reduce erosion and provide natural shade to cocoa and coffee crops. We planted 1,000 Moringa trees in Burkina Faso to increase biodiversity and support beekeeping activities, 60,000 cocoa trees in West Africa and 95,000 coffee trees in East Africa to enable 150 young farmers to establish their own farms."

Josinta updated us on the work of Bukonzo Union, which is based in Western Uganda and brings together 12 co-operatives of smallholder coffee farmers. Josinta said: "The farmers are facing a lot of challenges due to climate change. The major issues have been floods - in 2020, over 1,200 farmers lost their crop fields due to flooding. We have also had long droughts and heavy storms in which people have lost their lives. The quality of the coffee is suffering and coffee berries are becoming smaller, meaning farmers' income is affected."

"TO OVERCOME THESE CHALLENGES, BUKONZO HAS BEEN WORKING WITH SHARED INTEREST AS WELL AS OTHER PARTNERS. WE HAVE PLANTED OVER 35,650 TREES, AND WE ARE ALSO CREATING AWARENESS OF CLIMATE CHANGE AND HOW FARMERS CAN ADAPT."

Bukonzo Organic Farmers' Co-operative Union (BOCU) General Manager, Josinta Kabughu

"We are supporting farmers to diversify by distributing passion fruit seedlings; we are providing farming tools and equipment, along with training in climate smart agriculture and organic fertiliser.

"We are thankful of the support Shared Interest has given us in helping our farmers overcome their challenges."

Q&A

Q: ARE THE FERTILISERS APPLICABLE IN ANY REGION OR DO THEY NEED TO BE TAILORED?

Kodzo: "For the fungus, strains are sourced locally and propagated in the laboratory. This is suitable for farmers in the Latin America region; however we have not explored this in other regions such as Africa. For the compost, the materials vary from one local area to another depending on what is available."

Recordings of our events are now available on our website

shared-interest.com/events-archive

You can read more about the work of our charity on our website, or request a copy of the Shared Interest Foundation Annual Review by emailing foundation@shared-interest.com



Image Above:
A CECAFE co-operative farmer checks the weight of a sack with organic fertiliser for coffee crops.

Main Article Image:
Josinta Kabughu, General Manager of Bukonzo Organic Farmers Cooperative Union.



COMBINING INTUITION AND INNOVATION

CECAFE brings together 852 farmers in the Amazonas region of Peru, who believe that their coffee is a symbol of wellbeing. The co-operative produces high quality Fairtrade and organic beans, grown amidst rainforest and mountain ranges.

Established in 2006 by a group of 80 coffee producers from Lonya Grande, the co-operative has grown tenfold, expanding its geographical coverage to other provinces in the Amazonas and Cajamarca region, directed by Founder and General Manager Elmer Sánchez.

Elmer is proud of the traceability of CECAFE coffee and the co-operative uses mobile technology to keep updated on farmers' yield. There is also an online system that allows buyers to track their coffee from farm to shipment.

CECAFE has used Shared Interest finance for over ten years, to ensure that farmers from local communities can earn a sustainable income.

Elmer said: "The financial support provided by Shared Interest has allowed our co-operative to pay farmers on delivery of their coffee."

This means that farmers like Segundo and Belver Garcia (pictured) can increase production, and have the income needed to manage their land effectively, working in harmony with their surroundings. As production increases, so does the amount of Fairtrade Premium paid to the co-operative. CECAFE has dedicated this additional sum of money to community projects promoting health and wellbeing for farmers and their families.

A member of CECAFE for 15 years, Segundo said: "Feeling the trust that Shared Interest gives us is something that motivates us a lot; especially if it comes from people whom we have a lot of respect and admiration for."

A decade ago, Segundo's son Belver joined the co-operative with his wife Rosita and together they run their family-owned farm, which has been passed down through generations.



The co-operative also works closely with farmers like the Garcia family, to share soil conservation methods such as the application of coffee pulp as compost. In their dedication to protect and preserve the landscape, they have also established a 40-year reforestation project.

Elmer said: "We have also launched projects to strengthen the women's committee, and supporting new technology that helps the sustainability of the industry."

However, CECAFE has also faced challenges and Elmer explained what has affected the co-operative most: "The consequences of the pandemic had a direct effect on business performance, due to the loss of production. Achieving positive economic results has been a challenge for the entire team, including producers, managers, collaborators and our partners.

"On the other hand, coffee exporters in Peru have had to deal with the shortage of containers to send our product abroad. This has delayed our deliveries; we have incurred increased costs, and even had to look for alternative ports."

Shared Interest Head of Lending Paul Sablich said: "Weather cycles are changing and it can lead to severe disruption. An example is the El Niño phenomenon, a cyclical event that increases the temperature of the Pacific Ocean."

**"GLOBAL WARMING IS INCREASING THE
FREQUENCY OF ITS EXTREME EFFECTS, LEADING
TO INTENSIFYING DROUGHTS, WORSENING
FLOODS, AND SHIFTING HURRICANE PATTERNS."**

Shared Interest Head of Lending, Paul Sablich

A few years ago, the northern coast of Peru was severely affected by landslides and flooding.

"Some producer organisations lost everything and we worked alongside them, recognising the uncertainty that they faced. It was a hugely difficult time for farmers and it has taken years to recover. We want to support businesses, communities and people through these times of adversity to reach their full potential. After all, this is the true spirit of fair trade. And it is this way of working together which will help farmers face new challenges, especially those related to climate change.

"It represents an increasing threat to communities in the 49 countries we work across and the rich diversity of products we support."



Image Above:
Auber Terrones, coffee taster, holds one of the coffee brands produced by CECAFE.

CECAFE is also working in partnership with our charity, Shared Interest Foundation, to protect their coffee plants against the destruction of the borer beetle. One of the most harmful pests to coffee plantations, it can attack an entire yield of berries if no control is applied. Due to the impact of climate change, the tiny insect is thriving in warmer temperatures, which poses increasing challenges for Peruvian farmers.

Last spring, CECAFE began to produce the Beauveria Bassiana fungus in their onsite laboratory, using local native strains. The fungus is mixed with water before being sprayed across coffee plantations. Over 100 farmers have now used this natural method – referred to as Biological Control - to protect their plants.

CECAFE is also producing organic compost from natural waste products including coffee peel and animal manure. The compost is sold to farmers at the affordable rate of £8 per 50kg bag, which can be purchased through a payment plan with the co-operative.

A year ago, the commercial cost of a 50kg bag of compost was £15 but prices have since soared to £46 per bag due to an increase in transport costs and inflation.

Elmer told us that without this compost scheme, the majority of farmers would not be able to afford organic fertiliser. This would impact significantly upon their coffee production, sales and income.



Quarterly Return is the newsletter of Shared Interest Society. Shared Interest Society Ltd is a fair trade lending organisation, which is a member of Co-operatives UK. It uses the pooled investments of its members in the UK to make real and lasting improvements to people's lives in the developing world.

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Shared Interest Society Ltd is registered with the Registrar of Mutual Societies, number 27093R. The Directors decide on what the interest rate payable to members will be. The interest rate since 1st October 2021 has been 0.1%

BECAUSE WE CARE:

