

LONGITUDINAL IMPACT STUDY OF PRODECOOP 2006-2018



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- Guillermo Boquin Ramirez, Vice President, Finance
- Salatiel Valdiva, Vice President, Co-operative Development
- Rigoberto Rodriguez, Vice President, Operations
- Ismael Campos, Vice President, Industrial Relations
- Ligia Lopez, Commercial Manager
- All coffee producers who took part in the study
- Staff and all members of PRODECOOP
- All Shared Interest team members involved in the study

Introduction

Longitudinal studies are uniquely suited to help us understand social change. Unlike the annual reviews, we undertake for customers, longitudinal studies follow the organisation over a period of time to give a more comprehensive story of the impact from our financial support.

This study explores the impact of our credit facilities on PRODECOOP, a second level coffee co-operative located in Esteli, northern Nicaragua.

Shared Interest first supported PRODECOOP with a credit facility in 2007, enabling them to buy coffee from their members. Over the preceding years, we have provided a line of credit to enable the co-operative to overcome increasing coffee prices within the volatile international market.

Nearly 40% of our finance is used to support coffee producers, mainly due to the scale of Fairtrade coffee production with more than half of all fair trade producers growing this commodity. The focus of this study is to understand how Shared Interest financial support has contributed to the organisation's development and to assess the impact of these services on the livelihood of producers, workers, and the larger community.

We used both quantitative and qualitative methods including mini-surveys, semi-structured interviews and group discussions to gather data for the study. The target population for the survey comprised 41 PRODECOOP workers and 42 coffee producers. We conducted semi-structured interviews with 10 workers and 10 producers. We also interviewed the senior team members, including the General Manager, the Vice President Finance, the Commercial Executive, the Vice President Operations, the Vice President Cooperative Development and the Vice President Industrial Processes. In addition, we reviewed all available documentation on PRODECOOP from 2006 to 2018. This included proposals, annual reviews, field visits reports and financial reports. The quantitative data was analysed using a data analysis software known as the Statistical Package for Social Sciences (SPSS) and the qualitative information was analysed using both inductive and deductive content analysis methods.

Overview of the coffee sector in Nicaragua

Established in approximately 1850, coffee production continues to play a major role in the socio-economic development of Nicaragua. It is the country's primary export, generating over 500 million US Dollars a year. The importance of coffee to Nicaragua's economy is not just in its export value but also in the number of people who depend on the crop for their livelihood. According to USDA Foreign Agricultural Services 2017,¹ the coffee sector in Nicaragua employs 332,000 people, representing 15% of the country's total labour and 54% of the agricultural sector). Data from the Nicaraguan Ministry of Agriculture shows that there are about 44,000 coffee producers in the country and the sector supports 32% of rural employment. In fact, about 30,000 households grow coffee and another 200,000 households receive some part of their income as full-time or part-time labourers in coffee production, processing and marketing. An estimated 95% of Nicaragua's coffee farmers are small-scale producers with farm sizes ranging from less than a hectare to 14 hectares. Producers grow

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https://apps.fas.usda.gov/newgainapi/api/report/downloadreportbyfilename?filename=Coffee%20Annual_M anagua_Nicaragua_6-13-2017.pdf

their coffee plants in the shade of primarily indigenous trees. This method of shade-grown cultivation preserves the biodiversity and ecology of the region, preventing soil erosion, deforestation and water contamination.

Coffee is mainly produced in the North Central Region of Nicaragua, with a range of altitudes from 365 to 1500 meters above sea level. According to the most recent agricultural census, there are approximately 140,000 hectares planted with coffee, out of which 90% are being harvested. Arabica is the dominant variety of coffee.

The overall coffee yield in Nicaragua is low due to a number of factors, which include limited access to long term credit for farm maintenance, low adoption of good agricultural practices and technologies, and the volatility of international prices - a major disincentive for coffee farmers. During the 2013/2014 crop season, production was severely affected by coffee rust and anthracnose, reducing yield by approximately 25%.



The Government has since introduced programmes to increase yield.

Nicaragua exports coffee to the United States, Canada, Europe, Japan, Australia, Costa Rica, and Taiwan. The total export for the 2015/2016 season was over 1,913,292 bags of 60kg. The coffee sector is divided between large single estates, co-operatives, and small growers associations.

The formation and development of PRODECOOP

Promotora de Desarrollo Cooperativo de las Segovias (PRODECOOP) is a second floor organization that enables small organic co-ops access to international markets.

The organisation was created in 1997 under the leadership of Merling Preza, the current General Manager. Merling was born in Condega, Esteli. She graduated from UCA University in Esteli in 1989 and started working in a family business for 12 months before taking a role in a non-governmental organisation known as Censontle. This organisation was providing support to producers and building the capacity of co-operatives. It also had a trading arm known as Colibri, which had been buying coffee from co-operatives for export.

In 1993, both Censontle and Colibri closed, and this paved the way for the creation of a private corporation, which became a second level co-operative in 1997, known as PRODECOOP with 38 primary societies as members. The secondary level co-operative is responsible for milling the coffee, preparing it for export, and handling the export logistics of the coffee. It consists of primary co-operatives of farmers who grow coffee and then supply it to PRODECOOP to be commercialised. They obtained Fairtrade certification in 1993 and organic certification in 2004.

When PRODECOOP was first established, they acquired a piece of land to locate their office, and then in 2000, they purchased a dry mill. In 2002, with financial support from a local bank, they renovated and expanded the office space. They also purchased coffee classification equipment with financial support from the Inter-American Development Bank. This infrastructure increased the capacity to process coffee but they did not have enough working

capital to purchase coffee from their members. In the early years, the organisation could not afford to buy more than 50% of members' production volumes.

In 2002, with support from social lenders and pre-finance from buyers, they were able to buy up to 80% of members' production.

As the producers increased their production levels, the finance gap widened and PRODECOOP required additional finance to buy the coffee.

The organisation was financially constrained and was forced to pay producers 40% of the coffee value on receipt and 60% after the coffee was exported.

In 2005, local banks offered credit facilities but their interest rates were too high for PRODECOOP to afford, so they intensified the search for affordable finance. According to Merling, it was critical for PRODECOOP to access finance with the lowest cost, and from a lender who would respond swiftly to their credit needs.

In 2006, Shared Interest, provided a line of credit, enabling PRODECOOP to meet their financial needs. Subsequently, they were able to buy 100% of total coffee production from the producers and fulfil all their contracts on time.



**Guillermo Boquin
Ramirez, Vice
President Finance**

Merling said, "Shared Interest's finance helped PRODECOOP to improve their cash flow and to buy coffee from members without any delays. It also made it possible for us to fulfil our commercial obligations.

"Without Shared Interest finance, a large proportion of our coffee producers would have been denied of a good income - they would have sold their coffee on the local market at very low prices.

"With the support of Shared Interest and other social lenders, we were able to assist our producers to improve the quality of their coffee and we also increased our ability to deliver our contracts on time and this led to the expansion of our Fairtrade market. The premiums earned have contributed to improve the livelihood of producers in their various communities."

According to Guillermo Boquin Ramirez, the Vice President Finance at PRODECOOP, "If Shared Interest had not provided us finance, we would have borrowed from local banks but at higher interest rates and this would have eroded our profits and led to reduced payment to our producers."

The number of buyers increased from 10 in 2003 to 25 in 2008 and to 33 in 2012 indicating increased access to market. As the business expanded, they needed further finances to fulfil orders. In 2009, Shared Interest increased their credit line to enable them meet their financial needs.

He described Shared Interest as an organisation that understands the needs of producers and responds swiftly to their financial needs and this was demonstrated by the four consecutive increases applied to the credit line between 2006 to 2018.

The organisation's access to finance has provided them with the necessary cash flow to build a new warehouse in 2015 and to upgrade their coffee processing machinery and equipment.

The impact of Shared Interest finance

I. Business growth and sustainability

PRODECOOP has accessed finance from various organisations to increase their business operations and build a sustainable organisation. Despite this, PRODECOOP was unable to raise the necessary capital to meet their operational costs. They needed the support of Shared Interest to increase the volume of coffee purchased in order to fulfil orders.

According to Guillermo, the distinctive feature of Shared Interest is the swiftness with which they provide finance. He said, "Shared Interest is very flexible and provide quick access to finance and this helps us to deliver our orders on time."

"In 2006 when PRODECOOP was in dire need of finance, Shared Interest offered us a credit line with a very competitive rate and this minimised our cost of production and increased our profit".

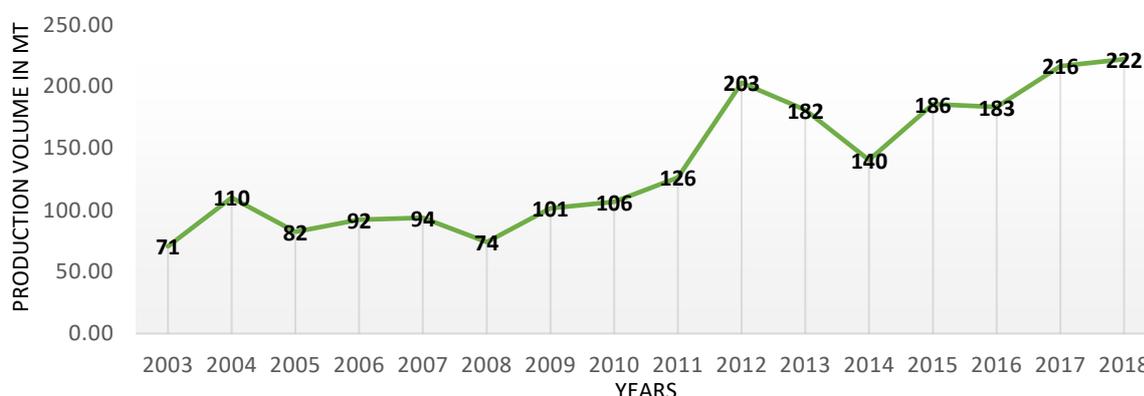
He noted that the organisation's access to finance at a very low cost has played a crucial role in the growth and sustainability of the business.

Rigoberto Rodriguez, the Vice President Operations said, "If finance is expensive, it is an obstacle for growth; getting a low cost credit facility from Shared Interest has facilitated the growth of our coffee business and sustained the organisation over the years."

He explained that access to low cost credit facility from Shared Interest had not only minimised their cost of production but also enabled them to increase payment to producers.

Access to finance has made it possible for PRODECOOP to increase sales and to generate revenue, which they have used for business growth. Graphs 1 & 2 show the production and sales level of the business.

Graph 1: Coffee Production Volume in metric tonnes (MT)



The graph shows that PRODECOOP has increased its coffee production volume over the years and this was in response to the growing market demand.

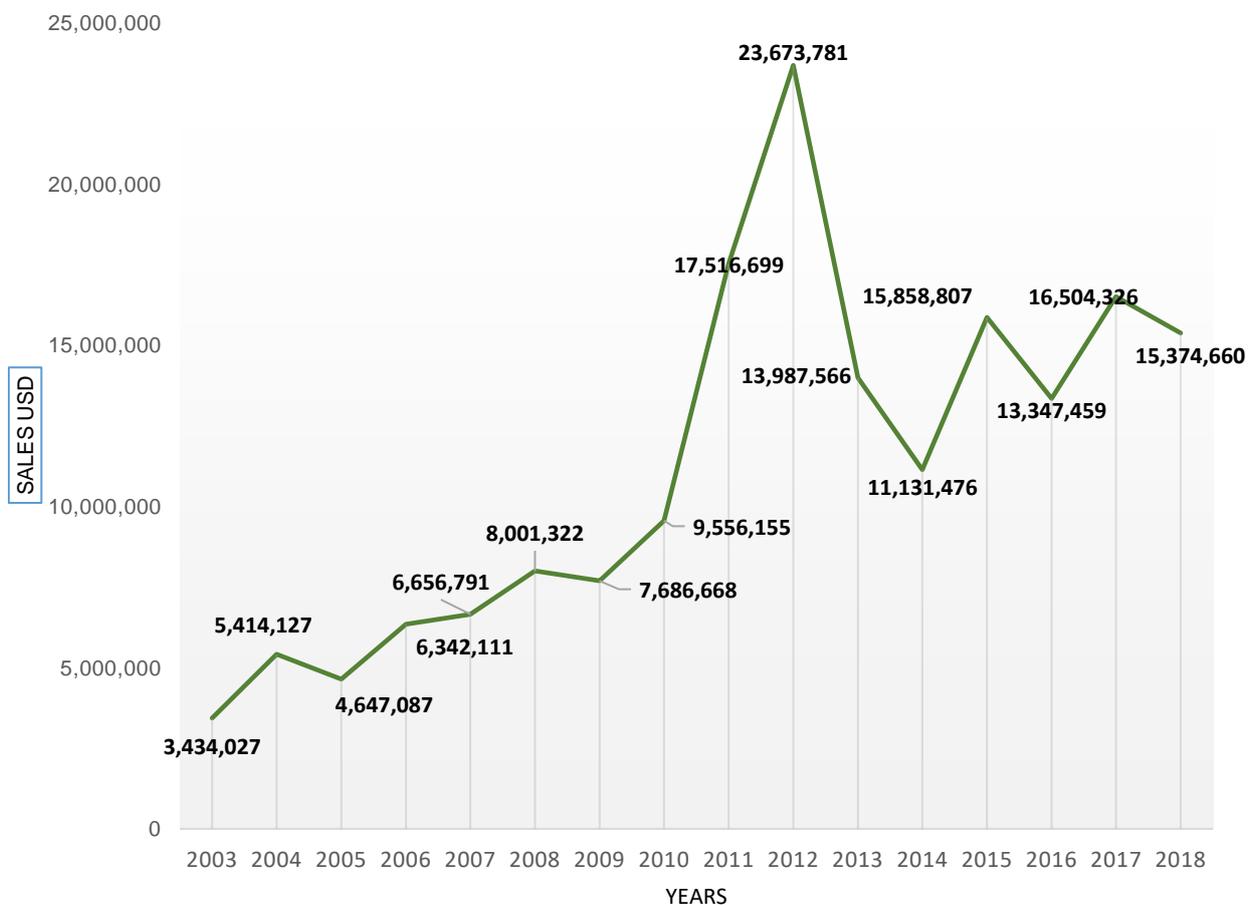
Ligia Lopez, the Commercial Executive said that they were able to increase production and sales of coffee due to the increased access to finance. "Shared Interest have been particularly very flexible with their finance and supported us throughout the years."



**Ligia Lopez,
Commercial Executive**

Ligia attributed the occasional decline in the production levels to outbreaks of coffee rust disease. She explained that production also dropped when farmers cut down their coffee trees to replace them with new ones. Production was very high in 2017 and 2018 due to a favourable rainy season, which caused the early flowering of coffee trees planted in 2014, following the outbreak of coffee rust. In addition, Ligia also pointed out that the availability of credit facilities contributed to the increase in production. She explained that farmers had access to credit facilities from PRODECOOP for the maintenance of their farms, resulting in high yield. Graph 2 shows the sales level from 2003 to 2018 in US Dollars.

Graph 2: COFFEE SALES IN USD



PRODECOOP's sales have grown steadily over the years but they did see a sharp decline in sales between 2013 and 2014. This was due to fluctuations in the world market price for coffee compounded by a deterioration in the quality of coffee following the outbreak of coffee rust and anthracnose disease. Despite this, PRODECOOP managed to maintain a relatively high level of sales during the period.

The Commercial Manager explained that they had grown their Fairtrade market and this significantly affected the level of sales. She stated, "We were able to grow our sales significantly because Shared Interest and other social lenders supported us with credit facilities".

In a mini survey, comprising 42 coffee producers and 41 workers, we asked the respondents to indicate how well they think the business of the co-operative union had grown over the years. Ninety-five percent of respondents said the business had grown significantly or very significantly. The remaining 5% said the business had grown marginally. The respondents were also asked to indicate their level of agreement or disagreement with the following statement: "The cash flow situation of PRODECOOP has improved significantly over the years" and 87% agreed or strongly agreed. Five percent were neutral, and 8% disagreed or strongly disagreed.

In an interview with some of the producers, they said that the organisation had been buying an increasingly higher volume of coffee and unlike the early years, payments were both prompt and regular. This indicates that PRODECOOP has improved its cash flow. The organisation's investment in infrastructure and production equipment also suggests an improved cash flow.

In 2015, PRODECOOP constructed a 2,000-square metre warehouse for their dry coffee mill, increasing their coffee processing capacity from 40,000 quintal to 150,000 quintal (1 quintal = 100kg). They also constructed a new laboratory and bought a new coffee-roasting machine after renovating the coffee roasting unit. Later in 2018, they purchased a new colour classification machine to improve coffee quality.

Since 2004, PRODECOOP has increased its coffee collection centres to three.

The Vice President, Industrial Relations, Ismael Campos reported that there had been a great change at the dry mill factory.

He said the mill was acquired with only a single warehouse, but four additional ones were added over the years. He added that new offices were constructed to accommodate the increasing number of employees.



"All the infrastructural changes at PRODECOOP show that we have grown as a business over the years and we will sustain this growth as long as we continue to have access to affordable finance."

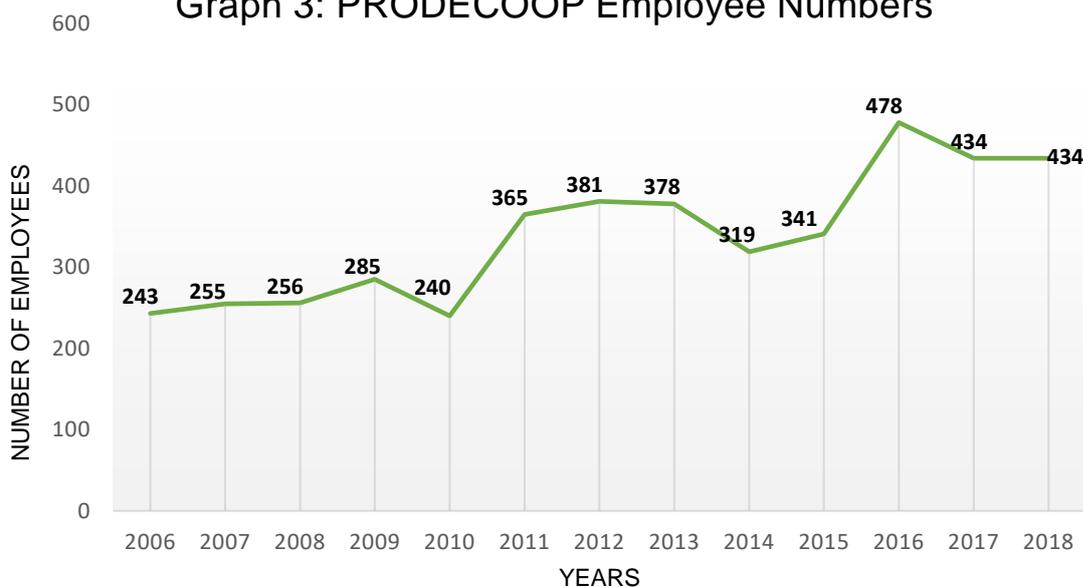


The 2,000 square meter warehouse constructed in 2015

II. Employment and livelihood impact

According to Ismael Campos, PRODECOOP's increased access to finance has had a multiplier effect on job creation and livelihood improvement. Buying an increasingly higher volume of coffee from producers also means employing more workers at the coffee drying mill to handle the coffee processing activity. Since 2006, PRODECOOP has recorded a steady increase in the number of employees, and over 80% of these employees are seasonal workers at the dry coffee mill. Ismael noted that the number of workers at the dry mill had increased by 140% to 324 over the past 14 years due to the doubling of coffee production volumes.

Graph 3: PRODECOOP Employee Numbers



Access to finance has also led to improved conditions for workers. PRODECOOP pays an annual harvest bonus in September and an annual performance bonus in December. They

offer personal loans to their employees at a low interest rate. In addition, they pay one extra month's salary to workers at Christmas and provide them with Christmas gifts. Employees are included in a collective life insurance scheme and they pay for their pension. Salaries are paid in US Dollars and are reviewed every five years. Furthermore, workers have access to free medical care; PRODECOOP occasionally invite medical officers to conduct health checks for workers. They provide regular training to staff and some are sent abroad for specialised training.

In our survey, we asked workers how their income had progressed over the years, and the impact this had on their livelihood. We also ask them to state how satisfied or dissatisfied they were with their working conditions. We found that 59% said their income had increased significantly, 7% had increased slightly and the remaining 34% said their income had remained the same. Seventy-one percent said their quality of life has improved very significantly or significantly, 22% said it had slightly improved and 7% said it had remained the same. Fifty-six percent said they were very satisfied with their working conditions, 29% said they were moderately satisfied, and the remaining 15% said they were neither satisfied nor dissatisfied.

It is evident that employees of PRODECOOP have seen increases in their income and their livelihoods have improved over the years. None of them reported a deterioration in their quality of life. PRODECOOP has contributed to the improvement in the quality of life of many community members by offering them a job.

Aguada Emilce Ruiz Avila, was employed at PRODECOOP several years ago. She was born in 1986 in Palacaguina, the community where PRODECOOP dry mill factory is located. She completed her primary education in 1999 but she could not continue to the high school due to financial constraints. Her father was a farmer but did not own a farm. Her mother was unemployed, so Avila depended on her father's income for survival. As years passed by, it became more difficult for her father to provide the basic needs of the family.

In 2003, Avila decided to search for a job in order to contribute to the family income. She was employed at PRODECOOP's dry mill as a temporary worker, earning 42 US Dollars per month. Due to her hard work and commitment, she was promoted to the position of temporary laboratory attendant and her salary was increased to 223 US Dollars per month. At the laboratory, she analysed the coffee. Whilst working at PRODECOOP, Avila enrolled in high school on a part-time basis. She attended classes on Sundays and graduated in 2014 with a high school certificate.



**Aguada Emilce
Ruiz Avila**

She said, "I wouldn't have completed high school if PRODECOOP had not offered me a job".

In 2012, Avila was made a permanent member of the laboratory staff and her salary increased to 332 US Dollars per month. Five years later, she received another salary increment raising her salary to 560 US Dollars per month. In 2015, PRODECOOP sent Avila to Italy to for coffee tasting training.

Since being employed at PRODECOOP, Avila has been contributing to the household income. She said they have expanded the family house and improved the quality of their meals. She was able to buy home appliances, which made life more comfortable for her parents and siblings.

“We don’t struggle anymore to meet our basic needs and we do enjoy peace of mind as a family.”

Dora Maria Gonzalez Lopez, also explained how her employment at PRODECOOP has changed her life.

Dora was born in 1977; she completed her primary education in 1991 but dropped out of high school in 1993 to search for a job in order to take care of her personal needs and contribute to the household income.

Dora was employed at PRODECOOP in 1996 as a casual worker. She had three children, who were under the care of her mother. In 2004, her mother became sick and Dora had to resign from PRODECOOP to take care of her and the children. Her mother sadly died and Dora returned to PRODECOOP in 2008 to work as a permanent worker at the coffee roasting unit, a position she has been occupying to date.



Dora Maria Gonzalez Lopez

Dora said her employment at PRODECOOP has enabled her to support the education of her children. One of them is in the second year at the University and another one has completed high school. The third child is in the primary school and she is able to provide for all their educational needs. She built a four-bedroom apartment in 2010 and bought furniture and home appliances.

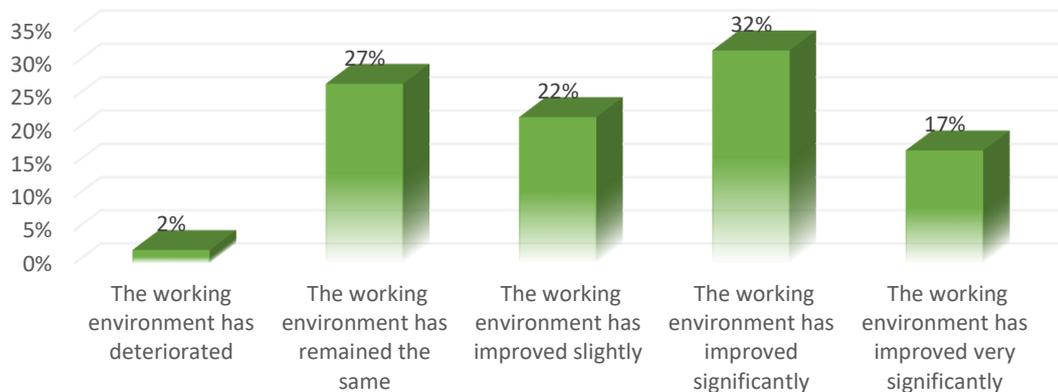
“If I were not employed at PRODECOOP, I would have gone to other countries in search of jobs like others do, but I am happy I got a job right here in my community and I am able to provide the basic needs of my family”.

PRODECOOP has contributed to a reduction in the youth migration to other countries by offering them job opportunities in the community. We found that, without access to finance, PRODECOOP would not be able to buy the required volume of coffee and this would have limited job opportunities for the community. We believe that Shared Interest finance has provided, and continue to provide, sustainable jobs for men and women in the community of Palacaguina and beyond.

Our survey also elicited employees’ perception about their working environment. The results are summarised in the graph below and indicate that PRODECOOP has invested in the working environment of employees. They undertook renovation work, expanded their office

space, and equipped the coffee processing factory. The new warehouse constructed in 2015 is very spacious, airy, and well lit.

GRAPH 4: EMPLOYEES'S PERCEPTION ABOUT THEIR WORKING ENVIRONMENT



Although there has been an increase in the number of employees, producer numbers have remained the same over the years. Currently PRODECOOP has 38 member co-operatives, with a total of 2,300 individual producers.

PRODECOOP is focussed on the support to producers. They have 20 well-trained extension officers and 44 promoter farmers that provide technical assistance, extension services and certification support to producers. The promoter farmers are trained by PRODECOOP for a period of 12 months and they are paid 100 US Dollars per month to support other farmers.

PRODECOOP has been paying producers 'price improvement', which is an additional payment made to each producer at the end of the coffee season, in the months of August and September. The payment ranges between seven and 10 US Dollars per quintal of coffee delivered to PRODECOOP. This payment is useful as many producers run out of cash during that period of the year and the funds enables them to meet the basic needs of their households, and to undertake farm maintenance work.

Furthermore, PRODECOOP helps the producers to renovate their coffee farms by providing new coffee trees from their coffee nurseries to replace their old trees and increase yield. In 2013/2014, when coffee farms were destroyed by leaf rust disease, PRODECOOP supported all the affected farmers to replant new trees, and this kept many in business.

PRODECOOP implemented several interventions, in partnership with development organisations and aimed to increase farm yields and producer income. In 2015, they implemented a five-year project in partnership with the Catholic Relief Services. The project was designed to strengthen producers' resilience to climate change and increase their income through diversification. The cost of the project was 300,000 US Dollars with a 20% contribution from PRODECOOP. A total of 250 producers from PRODECOOP's member co-operatives benefited from the intervention that enabled the participants to go into the cultivation of other food and cash crops, including cocoa and fruits.

In 2016, PRODECOOP launched another project entitled 'New Lives', in partnership with the European Union and an international support organisation called We Effect. Through this project, they have trained 1,000 producers including 690 women and 310 men in coffee nursery management and honey-coffee production, a speciality coffee. The producers were also trained in other income generation activities such as beekeeping and sugarcane farming. The overall objective of the project was to support the producers to grow their income to improve their quality of life. The total cost of the project was 720,000 Euros and PRODECOOP made a contribution of 20%.

PRODECOOP has been supporting its producers through diversification projects such as fish farming, fruit growing and beekeeping. In 2016, they launched a beekeeping project to the value of 100,000 US Dollars in partnership with Heifer International. Through this project, they provided 100 producers with honey production equipment and five beehives per individual. PRODECOOP contributed 20% of the total cost.

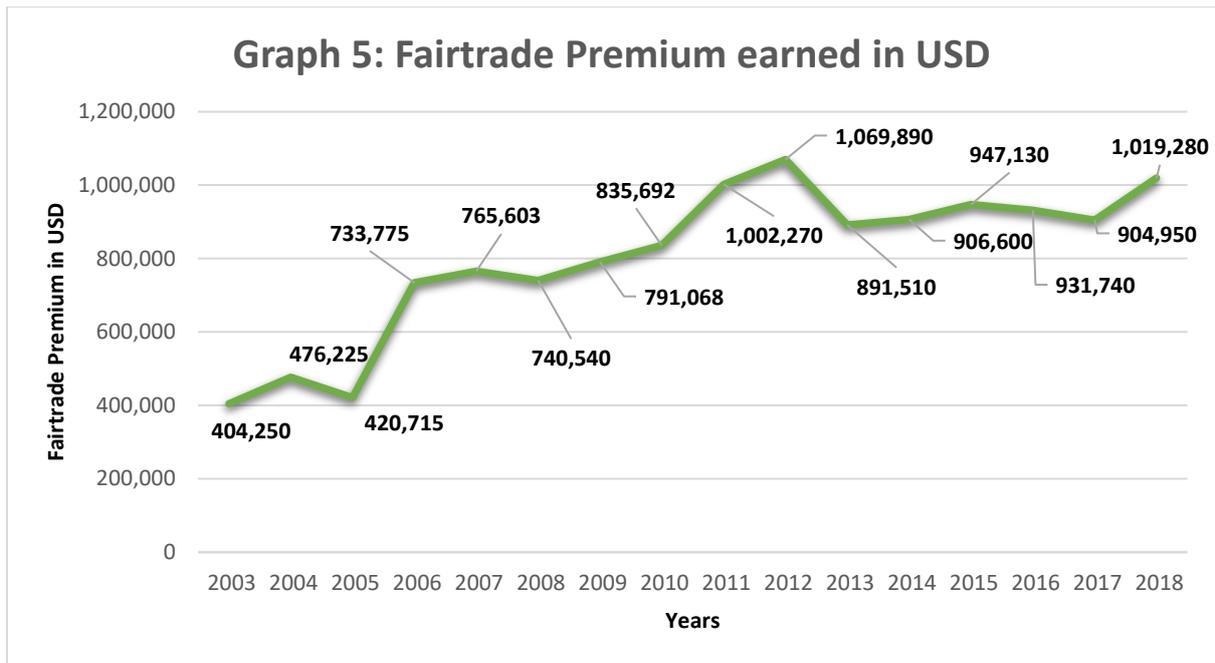
In 2017, PRODECOOP started a five-year project in partnership with We Effect. This project focusses on building the capacity of all 2,300 producers to enable them to achieve sustainable coffee production. The leadership teams within the base co-operatives are undergoing training in organisational development, co-operative management and leadership. As part of the project, 500 youths are also being trained and supported to go into coffee farming. The cost of this project is 500,000 Euros with 20% contribution from PRODECOOP.

In 2019, Heifer International supported PRODECOOP to start yet another three-year project geared towards coffee quality improvement and income diversification. The project aims to support 500 coffee farmers to plant high quality coffee trees for increased yield. The 500 beneficiaries are receiving training in coffee quality management. In addition, they are being provided with climate and disease resistant coffee trees. Some technical staff at PRODECOOP's dry mill are also receiving training in coffee quality management as part of this project. The producers have also been given beehives to diversify into beekeeping for extra income. The total value of the project is 500,000 US Dollars with a contribution from PRODECOOP.

All aforementioned projects have impacted on the producer income and livelihood.

According to Salatiel Valdiva, the Vice President Cooperative Development, all these interventions were made possible because of PRODECOOP's access to finance. He explained that some of the interventions were either fully financed or partly financed with the Fairtrade Premium. He said, "Without the support of our financial partners, which of course include Shared Interest, we wouldn't have been able to increase our sales to earn higher premiums and contribute to the various life improvement projects."

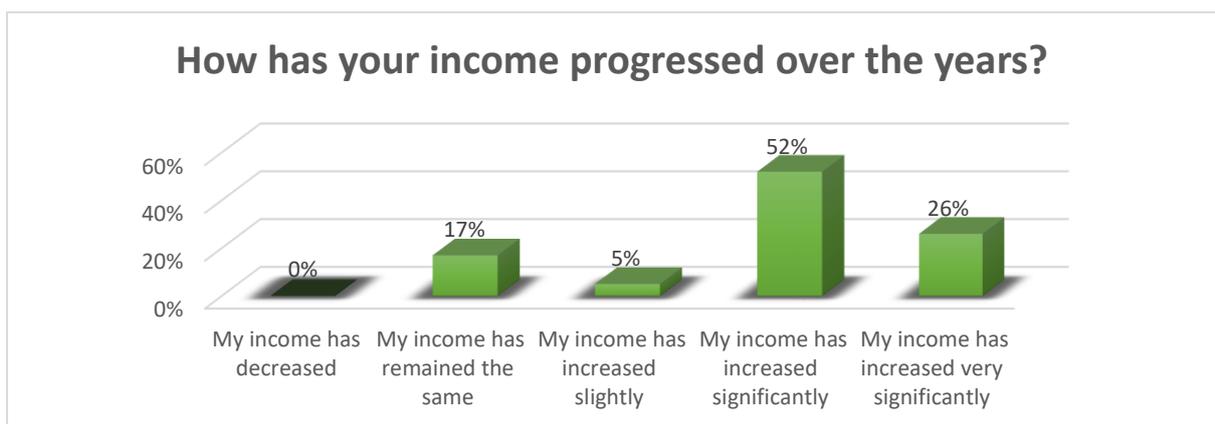
In fact, PRODECOOP has earned an increasingly higher Fairtrade Premium over the years. The graph below shows the Fairtrade Premium earned from 2003 to 2018.



Our survey assessed the impact of PRODECOOP interventions on producers' yield, income, and livelihood.

Seventy-four percent of respondents said they had seen a significant or very significant increase in the volume of coffee cherries supplied to PRODECOOP. A further 14% said volumes had increased slightly, 10% said they had remained the same and 2% said the volume had declined. Eighty-six percent said the support received from PRODECOOP was high or very high.

The respondents were asked to state how their income had changed over the years and the impact it has had on their quality of life. Graphs 13 and 14 show the results.





We spoke to PRODECOOP producer Nicholas Cordoba about PRODECOOP's increased access to finance.

Nicholas completed his primary education in 1990 but his parents could not afford to pay for his secondary education due to low income. It was hard for his parents to provide his basic needs, including food. He had no other choice than to work as a labourer in coffee farms to earn an income. In 1997, he bought a 0.17 hectare coffee farm from his savings, as his ambition was to become a coffee farmer. He harvested 4 quintals of coffee from the farm and sold it at the local market.



**Nicholas Cordoba,
Coffee Producer**

In 1998, he joined PRODECOOP through a base co-operative known as '22 de Mayo' and started supplying coffee to them. He used the proceeds from his sales to expand his farm and in the year 2000, his production increased to 6 quintal. After joining PRODECOOP, Nicholas has received yearly pre-harvest finance to maintain his farm and to plant new trees. The pre-harvest finance has helped Nicholas to expand his 0.17 hectare coffee farm to 2.8 hectares.

“The financial support from PRODECOOP has made me realise my dream of becoming a successful coffee farmer. As a beginner, there was no way I could have made it if PRODECOOP had not supported me.”

He explained that PRODECOOP provided access to a reliable market and paid a fair price for his coffee.

In 1997, Nicholas sold his coffee locally and at a low price but since joining PRODECOOP, he has been paid a good price for this coffee. He noted that, in addition to the pre-harvest finance, he was helped to diversify and grow other crops to increase his income. He was supported to start citric fruit and plantain farms in 2006 and 2008 respectively.

In 2018, with the support from PRODECOOP, he started beekeeping to create another source of income. He also received training from PRODECOOP on good agricultural practices,

organic farming, climate smart agriculture and beekeeping. He said the training had helped to increase his yield and income. Nicholas' total coffee production is 60 quintal per year, against 4 quintal when he started coffee farming.

"I come from a poor family but PRODECOOP have helped me to make it in life. Today I am not only a successful coffee farmer but also the president of my cooperative society.

"As a labourer in people's farm, I never knew I could get to where I am today but I believe with determination and access to the right financial support, one can become successful, no matter your background."

With the increase in income, Nicholas decided to realise his dream of having a high school education. He enrolled in a weekend school and completed the course in 2011. He also supported two of his children to complete their university education. Both are currently in employment at various institutions. His third child is in high school and the youngest is attending primary school. In 2013, Nicholas pulled down his wooden house, and replaced it with a concrete house. He also bought a motorcycle.

Francis Jubelis Gonzales Hernandez shared a similar story. Francis completed high school in 2003 and dreams of becoming an accountant but her father did not have the means to support her.

She got a job in a coffee co-operative in 2004 and started an evening and weekend accounting course a year later, completing it in 2011.

In 2009, Francis decided to go into coffee farming, after starting a job at one of PRODECOOP's producer co-operatives. Having expressed the desire to grow coffee, PRODECOOP supported her with a credit facility of 7,000 US Dollars. She was then able to purchase a 0.7 hectare coffee farm and settle a debt to her father.



**Francis Jubelis
Gonzales Hernandez,
Coffee Producer**

She produced three quintal of coffee in 2009 and made an income of 230 US Dollars. In 2012, PRODECOOP granted her another credit facility, which enabled her to expand her farm to 2.8 hectares, bringing her total coffee production to 10 quintals with an income of 1,500 US Dollars.

In 2014, the outbreak of coffee leaf rust disease affected her coffee trees and her production reduced to seven quintals. Following the outbreak, PRODECOOP supported her with another credit facility to replace the affected coffee plants. These new trees were harvested in 2018, increasing her production to 73 quintals, and she made an income of 9,490 US Dollars.

"PRODECOOP have changed my life and made me a proud coffee farmer."

Francis benefited from a number of PRODECOOP training courses, including management of personal finances, co-operative development processes, crop management, and leadership.

She also explained that she purchased inputs from PRODECOOP at subsidised prices and occasionally they distributed inputs at no cost to the producer.

“PRODECOOP have helped me to bring joy to my parents and siblings”.

III. Social, gender and environmental impact

PRODECOOP has made several interventions in the areas of education, gender and environment. Since 1995, they have provided educational support to children in the communities where they operate, supporting 80 children to attend University or receive technical training at the tertiary level. These 80 students received 50 US Dollars per month for the duration of their course.

Furthermore, PRODECOOP supported 100 children to access higher education by providing them with 30 US Dollars per month. This payment enabled children to pay for educational resources and to pay for their transportation to and from school. It should be noted that very few of the communities have high schools.

Up until 2017, PRODECOOP provided learning materials, including pens, pencils, books and school bags to primary schools, supporting over 6,000 children. After the Government took the decision to provide learning materials to all children in primary schools across the country, PRODECOOP has redirected its resources into a reading project.

PRODECOOP has also contributed to school infrastructure in some communities, including sports and recreational facilities. In 2007, they implemented a teacher education project in partnership with the European Union. Over the course of a year, 40 teachers from 15 high schools received training in the concept of co-operatives, leadership and integrated development.

As part of our survey, we asked respondents to rate the support of PRODECOOP to community development and 98% said they felt PRODECOOP made a high or very high contribution to the community.

PRODECOOP provides regular training to all their female coffee producers to enable them to increase yield and income. In 2015, they assisted seven women to expand their coffee farms by giving them additional farmland. They have consistently ensured the mainstreaming of gender in all their projects and that women are not disadvantaged.

Since 2008, PRODECOOP has run a quarterly campaign aimed at reducing cervical cancer. Health workers are sent into the communities to conduct the necessary examinations, administer treatment, and provide counselling. The campaign reaches 800 women every year and this has helped promote the general health of women in farming communities.

Concern for the environment remains part of all PRODECOOP programmes. They promote reforestation by distributing native trees and fruit tree seedling to producers on regular basis. They developed the tree seedlings in partnership with the National Institute of Forestry. In

2017, they distributed 50,000 trees to their producers and they have recently entered into a new partnership with the government to provide additional trees to members. As part of this agreement, the government will provide 10,000 native trees and 5,000 fruit trees for distribution to community members.

PRODECOOP has been running an environmental and food security project in partnership with the University of Santa Clara in California since 2009. The main components of the projects are reforestation, soil conservation, organic production and back yard gardening. So far, 850 households have benefited from the project. Tree seedlings were provided to beneficiaries and this has contributed to the preservation of forestlands and the conservation of biodiversity.

They have led campaigns for the protection of water bodies and the development of an ecosystem around rivers. They have trained their members in organic production and invested in organic production equipment to ensure soil conservation and reduce environmental pollution.

Conclusion

PRODECOOP's access to finance has been a determining factor of the success of the business. It has enabled them to increase production and sales and to expand their markets. With the improvement in their cash flow, they have invested in production infrastructure, equipment, and the training of their producers to increase yield.

Over 2,300 farmers and their dependents derive their livelihood from the business of the organisation. They increased farmers' access to finance for farm maintenance and supported them to diversify into other income generating activities. They also implemented admirable initiatives in the area of education and environment. In addition, they provided employment opportunities to for the youth in the community.