

QUARTERLY RETURN

shared-interest.com | WINTER 2022

ISSUE **126**

**WEAVING
A FUTURE
TOGETHER**

Full story on page 14

SHAREDINTEREST
INVESTING IN A FAIRER WORLD

WELCOME TO YOUR WINTER NEWSLETTER



Welcome to your first member magazine of 2023. We hope you enjoyed receiving your Christmas card and message from Rwandan coffee farmers Anatholie and Etienne in December. You can hear more from Anatholie inside this issue of QR as she talks about what being part of a co-operative means to her.

Over the past 12 months, we have been listening to the range of challenges and successes experienced by producers in different countries and regions. What always shines through is the sense of community we all share. You can read about this inside, from KOAKAKA offering their truck to coffee farmers if it is needed by their families, to Apicoop involving beekeepers in the design of their honey production facility. In Ivory Coast, SOCODD installed solar-powered boreholes to bring clean water to cocoa-producing communities, and TradeAID Integrated in Ghana has opened a Straw Bank for local basket weavers so they have a supply of materials all year round.

Buyer customer Liberation Foods told us how their profits and dividends go back to smallholder farmers, to be invested in tools, equipment and community projects. These are only some of the examples shared in this issue.

It is because of the dedication of everyone involved in Shared Interest that we were recognised in a range of prestigious awards this year, which are detailed below. You can read more about our overall achievements in a pull-out Annual Review summary, as well as a snapshot of our Social Accounts report. The full versions of both documents are available on our website.

Lastly, we want to remind you of the opportunity to share in our AGM voting process, which is detailed in your enclosed letter. For those members with access to our secure Member Portal, you can vote online. Our AGM will take place online on 17th March and we hope you will be able to join us. If you need further assistance in accessing the event, or wish to manage your Share Account via the Portal, please get in touch with our Membership Team. Their contact details are included in the article on page 4.

Until next time,

Patricia Alexander
Managing Director

AWARDS

We are proud that Shared Interest has been recognised with the following awards:

Our charity, Shared Interest Foundation, was named **Charity of the Year: with an income of less than £1 million** at the Charity Times Awards.

Shared Interest Society was shortlisted in the **Third Sector Excellence Awards** and received a **Special Recognition Award** at the North East Charity Awards, for our significant and far-reaching global impact.



Volunteer Janet Wells



WORKING IN PARTNERSHIP

We place partnership at the heart of what we do, working collaboratively and sharing knowledge, to continue to achieve our mission amidst an evolving global landscape. During our Strategic Review process, we identified the need to enrich our partnership work across the organisation. In order to meet this objective, we appointed Sally Seddon, previously Volunteer Engagement Manager, to the role of Partnership Manager in September.

As farmers and artisans experience the growing effects of climate change, Sally's key focus will be to develop partnerships in this sector, and enable us to deliver our strategic objectives. These objectives will see us focus on diversifying of our lending, increasing our geographical reach and support to different products, extending our technical assistance to organisations in need, supporting gender equality, and encouraging our customers to improve their environmental practices.

As Sally takes on this new focus, Alan Simmons-Graham has expanded his role, to engage with volunteers as well as members. Our volunteers provide vital support in raising our profile and attracting new supporters. In addition to this, they dedicate their time and skills, to undertake research activities, translate documentation, interpret interviews with producers, which is vital in updating our promotional materials.

If any of these activities sound appealing to you, please do get in touch to find out how to become a Shared Interest volunteer. However, we do know that it is not always possible to commit to a defined volunteering role.

If you would like to offer your support in an informal way, you could talk to a friend about Shared Interest, or take information to your local church or community group. These smaller steps are just as important in helping us to broaden our membership, which in turn will enable us to reach more producers.

Contact Alan on email: volunteers@shared-interest.com or call 0191 233 9101 to discuss the different ways you could help.

COUNCIL COMMENT

Approximately 20 years ago, I had a small sum of money and wanted do something purposeful with it. I stumbled upon an advert in the Big Issue magazine and, after some consideration, decided to invest the money in Shared Interest.

I have invested more over the years and continued to be inspired by the stories of farmers and artisans in each issue of QR. Then, towards the end of 2016, I received a phone call from Shared Interest, inviting me to become a member of Council. My name was chosen by random selection, so it took me by complete surprise. I saw the role of Council as an important one, as it would mean that I would be helping to represent the membership to the Senior Management Team and Board of Directors. I did wonder if I was ready for this but decided yes, it was time for a new challenge. Since the March 2017 AGM, I have attended meetings with seven other members of Council. This has been a fascinating journey and I have enjoyed the interesting and insightful discussions we have had in that time.

As I come to the end of my term, we are embarking on a new strategy, resulting from the series of consultations carried out with members and other stakeholders last year. It was fantastic to hear that over 100 members took part in these workshops and discussions, and that we have a strategy that takes into consideration the global issues faced whilst being mindful of and loyal to our current mission.

I am so pleased that I accepted the invitation to join Council; I have learnt so much and continue to be impressed by the careful consideration that goes into every aspect of the organisation and our work. It is now time for someone else to take on this role, at a crucial time for the Society as access to finance continues to be vital for businesses to plan ahead for the increasing challenges of climate change in particular.

You will be asked to vote on the new members of Council, who will join after the AGM in March. I wish the candidates all the best and hope that their experience is as equally insightful as mine has been.

Katarina Diss
Member of Council

YOUR SHARE ACCOUNT

Our Member Engagement Team is here to help you, Monday to Friday from 9am until 5pm. You can contact the team directly on 0191 233 9101 or by email membership@shared-interest.com. If you have access to our secure Member Portal, you can message us online via the live chat facility.

If you have a question, please do not hesitate to get in touch. In the meantime, here are some useful tips:

How do I change my address?

It is important that we hold your current address to ensure that your statements and other communications are sent to the right place. If you have access to the Member Portal, you can update these details as necessary. Alternatively, you can write to us with your new address, ensuring that all signatories sign the letter. We can also accept requests by email but these must be accompanied by a recent utility bill or bank statement.

Why does my statement not show a recent investment?

Our statements are generated about ten days before they arrive in the post. If you send in your investment by cheque, this can also take some time to arrive, particularly with recent Royal Mail industrial action.

In addition to this, if you make an investment by bank transfer, please ensure that you quote your ten-digit Share Account number. If you would like to check the total investment in your Share Account, please contact us or log in to the Member Portal.

How do I add to my investment?

The quickest way to add to your investment is to make a bank transfer.

Our bank details are:

**Shared Interest Society Limited
Account number 70062793
Sort code 08-90-06**

You can also send us a cheque or set up a standing order (contact us for more details). Please always ensure that you quote your ten-digit Share Account number. If you have access to the online Member Portal, you can add a further investment with your debit card.

Is my investment at risk?

The money you put into a Share Account is an investment. As with all investment products, there is a risk attached. If we experienced substantial bad debts in one year, wiping out our reserves, we may have to suspend withdrawals or make a charge against Share Accounts.

You cannot lose more than you have invested and we have never had to enforce either of these actions since our commencement in 1990.

If you would like more information, please do not hesitate to contact us. We would love to hear from you.

MEMBER PORTAL

We continue to encourage more members to manage their Share Accounts online to reduce the need for print and postage. We now have 48% of our members using the Member Portal, which offers you the ability to view your statements, change your personal details, request withdrawals and make further investments. You can also cast your AGM vote online. If you prefer, you can continue to receive postal statements in addition to accessing your investment online.

MEMBER EVENTS

As mentioned earlier, our AGM will take place virtually on the 17th March. This is an excellent opportunity to hear more about the work of Shared Interest and our performance through the year. As well as the very popular online events, we are delighted to be reinstating our in-person member meetings, which will take place in-person in Edinburgh, York and London during the spring and summer months.

We will be bringing you more information about these in your next newsletter.

NUT FARMERS UNITE AGAINST CLIMATE CHANGE

Liberation Foods is the UK's first Fairtrade nut company where farmers are the majority shareholders. The nuts are sourced from Fairtrade co-operatives in Africa and South America, including brazil nuts from the Bolivian Amazon, cashews from India, El Salvador, Burkina Faso, Mozambique and Ivory Coast, and peanuts from Malawi and Nicaragua. These partnerships help secure an income for over 35,000 smallholder farmers, gatherers, and their communities.



Established in 2007 as a Community Interest Company (CIC), Liberation supplies Fairtrade nuts to several of the UK's largest supermarket chains, sold under individual store labelling. They also have their own Liberation-branded range available through their website.

It is vital that farmers are able to secure a fair price for their crops; according to the Fairtrade Foundation, nut farmers often struggle to make a decent living. Many face difficult working conditions and low pay: the average cashew farmer, for instance, earns just 3 US Dollars a day.

Shared Interest has provided Liberation with a credit facility for over 15 years, which helps in paying farmers when nuts are harvested. As a Fairtrade buyer, Liberation provides a pre-payment to producers of at least 50% of the order value and we prefinance these orders in advance of shipment.

By providing access to international markets, Liberation supports rural communities in building long-term trading relationships and securing a more stable income for families. Working together with the farmer-owned International Nut Co-operative (INC), Liberation also prides itself on fully traceable value chains, considering environmental impact every step of the way.

Changing weather conditions are also evident in the communities supported by Liberation. Many smallholder farmers in Malawi have already reported that climate change is the biggest threat they face.

Those affected include smallholder macadamia farmers belonging to the Highlands Macadamia Cooperative Union Limited (HIMACUL). The country has seen increased warming, with some districts reporting average temperatures as high as 40°C. The nation has also experienced greater intense rainfall, leading to floods and droughts over the last decade. They told Liberation that shorter growing seasons are becoming the norm, and crop yields are declining.

Agnes Msimuko, a member of HIMACUL and part of Tithandizane co-operative, said: "The past ten years have been very hot compared to when I was young, and some seasons have been very dry while others have been very wet, which have negatively affected my crop yields. During the 2018–19 growing season, we were affected by cyclone Idai, and last year we were hit by cyclone Ana, both of which have caused flooding, washing away my crops, and destroying property."



Image of Agnes provided by Liberation

Impact of Climate Change

Emmanuel Zuza carried out research on behalf of Liberation as part of his PhD on 'Understanding smallholder macadamia tree growth, constraints to nut production and climate change impacts in Malawi' and worked closely with HIMACUL. His findings state: "Climate-smart macadamia agroforestry is one of the viable options for mitigating climate change among smallholder farmers in Malawi. This involves combining the planting of Macadamia trees with a variety of other crops to give shade, help cool soil temperatures and build resilience to drought. "Farmers utilise the nuts to supplement their cereal-based diets (a delicious snack among children). The nuts can be sold in the local and export markets, thereby providing a reliable source of income when farmers cannot rely on other cash crops.

"Macadamia trees are also resilient to drought and flooding and thus provide food and income when other crops fail due to climatic shocks. For example despite the destruction caused by cyclone Ana, HIMACUL members have reported to still have hope to come back from the climate crisis."

SOCIAL ACCOUNTS

Each year, we publish a set of **Social Accounts**, which report on our social, environmental and economic performance and impact. These accounts are produced in accordance with the process recommended by the **Social Audit Network UK (SAN)** which includes an audit by an independent panel, chaired by a **SAN qualified social auditor**.



Inka Moss gatherer Fiorella
Anchiraico Montalvo

“The main change I have seen in the community is that the children can now get the proper food that they need to be healthy, and that the community as a whole has an additional source of income to cover the needs we have.”

This year saw us complete our Strategic Review process, which included our largest ever stakeholder consultation. Throughout this process, members told us they do not want us to lose sight of the small and disadvantaged organisations we support and that we must maintain the purpose Shared Interest was set up to achieve 32 years ago.

Our new strategy sets out how we will continue to widen our support for fair trade, extending our lending to organisations working towards Fairtrade certification, as well as those who meet the 10 Principles of Fair Trade. We will also continue to assist businesses in adapting to the challenge of climate change by building partnerships, encouraging our customers to become more climate resilient, and by developing information resources for our members. Gender equality has an extremely significant part to play in strengthening communities. By supporting women who live in remote and rural regions, we can increase productivity and promote economic growth. We will therefore continue to support producer organisations that meet our lending criteria and create opportunities for women's empowerment.

BUILDING RESILIENCE

We know that producers and buyers had already been affected by the pandemic but the current global economic climate has had a further impact with rising costs, alongside disruption in transport networks, a shortage of containers and changing consumer patterns. However, access to finance continues to be a significant challenge for these businesses.

Our teams on the ground know that, for smallholder farmers, this is caused by a number of factors: Firstly, farmers expect payment at harvest but this can be several months after planting, and prices can decrease due to supply and demand.

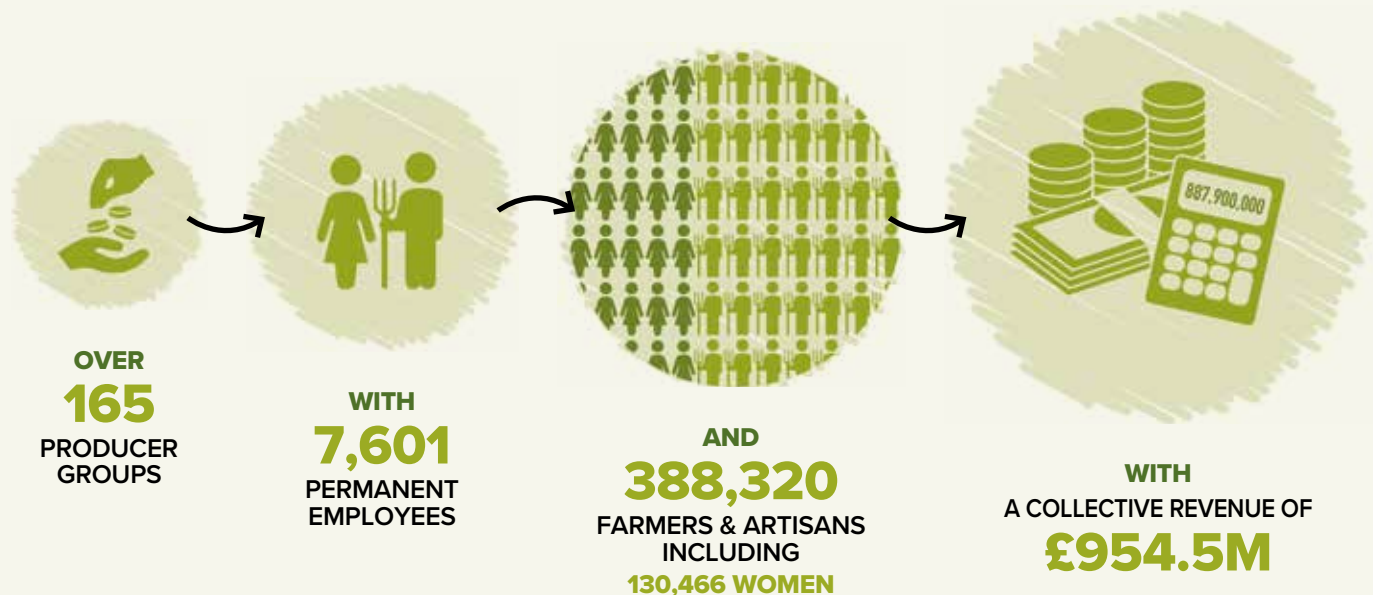
Additionally, local buyers or middlemen distort the market by paying farmers lower prices. Secondly, agriculture commodity buyers (traders, agro-processors, etc.) often do not have all the required financial resources to purchase the raw materials needed to cover the whole season and, as a result, they tend to lower prices to maximise their profits, at the expense of farmers. Lastly, commercial banks perceive the agricultural sector as particularly risky, and are reluctant to lend to smallholder farmers. Compounding this are the lending requirements expected by many financial institutions such as audited financial statements, proven governance structures, and the provision of collateral, securities and guarantees, which can be difficult for farmers to fulfill. Finally, the importation of products such as fertilisers and improved seeds can be costly due to high taxes and high transportation fees, making them inaccessible to the producers. However, with our support, we know that these enterprises can generate sustainable economic growth.

This year, our finance supported 185 customers, consisting of 165 producer groups and 20 buyers.

In terms of lending, coffee remains our largest focus, mainly due to the scale of Fairtrade coffee production, with more than half of all Fairtrade certified producers growing this commodity. During the year, rising coffee prices and volatility within the coffee market meant that producer groups required additional financing to meet customers' needs in response to the market fluctuation for the same volume previously exported. Handcraft and textile products continue to have an important place in our lending as we maintain our focus on small and disadvantaged producer groups.

Our main aim remains to support people in remote and disadvantaged communities to trade and earn a living. However, our work is not just about providing finance on fair terms, there is a wider impact on the businesses' surrounding communities and overall environment.

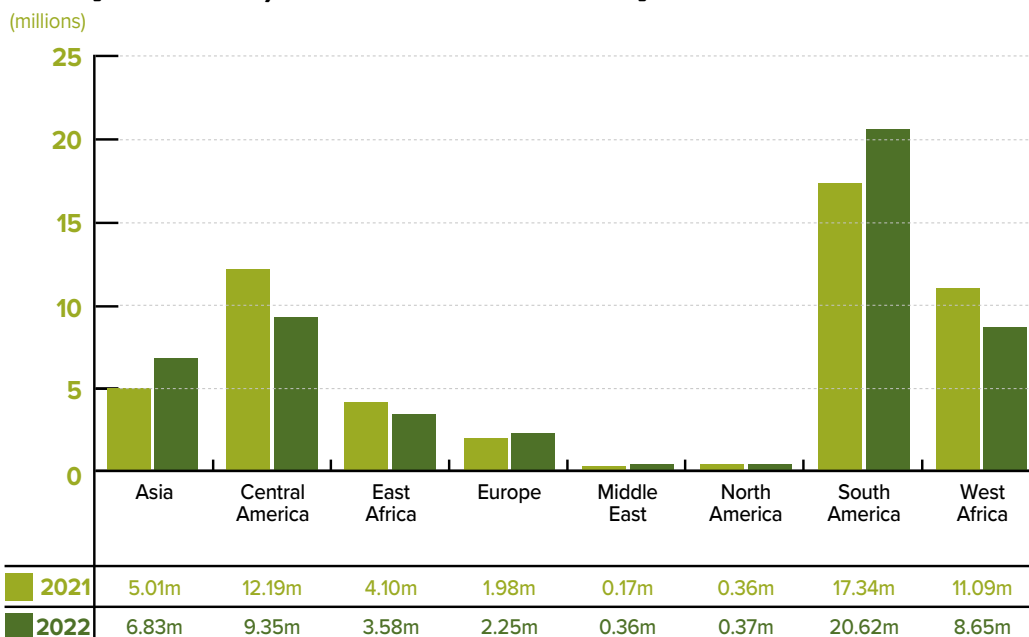
IN 2022 WE LENT MONEY TO...



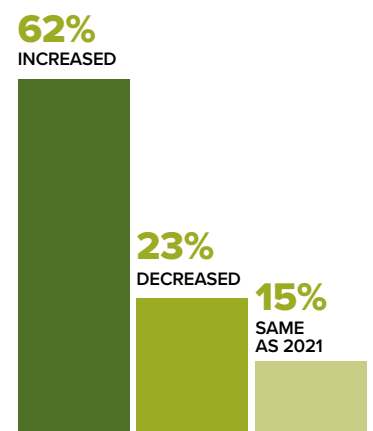
During 2022, a total of £51.9m funds were disbursed compared to £52.2m in 2021. As pandemic restrictions were lifted, buyers started to increase their orders again, resulting in higher disbursements, from £13.3m in 2021 to £15.8m in 2022. Although some producers requested additional prefinance, there was an overall decrease as the total amount of producers in our portfolio reduced by ten compared to the previous year and shipping delays meant funds were requested later, or borrowing was extended for a longer period.

Despite the challenges experienced by producer groups during the year, our annual impact survey of customers found that 62% of respondents have seen an increase in sales in the last 12 months.

Disbursements made per region to producer, customers and recipients



Organisations' sales in 2022



THE TRUE MEANING OF SUCCESS



Finance Manager Andres Garay



Nestled in an area between the Andes Mountains and the Pacific Ocean in southern Chile is honey and blueberry co-operative Apicoop (Cooperativa Campesina Apícola Valdivia), a Shared Interest customer for over two decades.

Apicoop is based in Paillaco town in Valdivia, southern Chile, where native species of plants are pollinated by bees and the nectar is used by the co-operative to produce Fairtrade honey. Its light amber colour is said to be 'liquid gold' and its taste and consistency naturally smooth. Apicoop supports the local community to use this precious resource to provide a sustainable income for families.

Founder and General Manager Chino Henriquez and Finance Manager Andres Garay are at the heart of the organisation, which was founded in 1998.

Andres explained: "One day, Chino told me: I am leaving at midday. Do you want to come with me? We are going to create a co-operative."

Chino added: "We started knocking on doors, and Shared Interest was one of the doors that opened."

Shared Interest was one of the first organisations to lend to Apicoop, with the finance used to improve their facilities for honey processing. Chino said: "Our main problem was working capital. We needed money to start everything."

When Apicoop first started out, farmers did not need to have bees or equipment of their own to get involved.

Instead, the co-operative gave each farmer ten beehives and colonies on a credit basis, along with training in how to care for the bees. This credit was then paid back within seven years, and if the beekeeping was successful, the beekeeper was able to expand and receive further hives. Today, Apicoop asks its members to have at least three years' experience, with a minimum of 50 hives.

In its almost 25 years of existence, the co-operative has faced a huge number of challenges but Chino and Andres tackle each one with determination and resilience.

Chino said: "This journey with us will not be perfect. Our individual lives are full of ups and downs. Our business has its ups and downs too. But the important thing is that we will fix our problems, and we don't repeat our mistakes, rather we learn. So this is a long term investment."

In 2007, Apicoop faced the risk of a disease called Colony Collapse Disorder affecting their hives. To safeguard their members' income, the co-operative decided to diversify, to produce the world's first Fairtrade blueberries.

In 2016, the business survived a further earthquake and volcanic eruption. However, the following year a new production facility was built, stretching over 4,000 square metres, with its design symbolic of the Apicoop ethos.

At its launch, Chino said: "Everybody in the co-op had a say in this project; every single department was consulted in the design of the building."

Andres said: "We try to make the co-operative more than just a place where they buy and sell honey. We want it to be a place where we can listen to people and that people feel part of the business. That is what is important, that people feel that the co-operative is theirs."



Beekeepers Elias Uldaricio Vasquez Huenquero and Maria Yaneth Garcés Vera, who are married and members of Apicoop, work together on their bee farm in Chile.

Chile is the longest and narrowest country in the world, with a landscape that ranges from desert to glaciers. It is surrounded by the Andes Mountains, the Pacific Ocean, the Atacama Desert and the ancient ice of Patagonia, with a coastline that stretches for over 2,000 miles.



Founder and General Manager Chino Henriquez

Chino told us when Apicoop lost 500 hives in a further volcanic eruption in 2018: "What must follow is hard work and perseverance to get things back in order. The solution we found was to pay the beekeepers in advance for next year's crop. They belong to a family; there is no need for them to feel alone."

More recently, Apicoop experienced a sustained period of shipping delays when exporting their honey from Chile to Europe. This was compounded by the impact of the pandemic, as the international price for honey fell, causing significant difficulties for the co-operative. Apicoop told us that 2020 was one of the lowest points in its history. Chino said that 'the last two-year period has provided the vicissitudes to write a book'.

Fortunately, the export price for honey has now increased considerably and local honey sales remain strong. However, increasingly harsh weather conditions in Chile, believed to be the result of climate change, continue to cause disruption. Although the sustained 'mega-drought' is affecting the central and northern regions more than the south, a decrease in rainfall and water supply has led to loss of Apicoop hives and a reduction of honey production.

Amidst this, Apicoop continues its commitment to maintaining environmental sustainability, and therefore measures and controls its carbon and water footprint, using solar energy and a wind turbine. The co-operative also provides ongoing training to beekeepers so that their bees are nurtured and continue to thrive.

Lili Becerra is in charge of Apicoop's Beekeeping Technical Department. She said: "The most satisfying part of my job is seeing how we support the producers, to achieve their development. After 22 years of working with them, I have seen how they have been able to grow, how they have been able to consolidate their business, to diversify."

Chino said: "As a beekeeper and member of the co-operative, as well as an Agricultural Engineer, Lily has the affection of many people, both for her human quality and for her work."

We were delighted to hear, at the end of 2022, that Apicoop had managed to increase the frequency of their shipments. Shared Interest Lending Manager for South America Jhonny Cabellos said: "This is a great step forward, however the co-operative still has to deal with delays of up to four weeks for the destination ports to release the cargo, which is both for administrative reasons and the accumulation of containers."



Technical Director Lili Becerra

"At the end of each year, Apicoop prepares the sales projections for the next season after negotiations with its buyers."

"This process incorporates the production levels expected worldwide as well as in Chile. They estimate that, despite the economic factors that are currently faced in Europe, 2023 looks promising for Apicoop."

Chino said: "Our business is not really about honey or blueberries. It is about people. Producers are now sending their children to university. To see this as a result of the income from honey and blueberries is the true meaning of success."

According to research carried out by three Chilean universities (Universidad de Chile, Pontificia Universidad Católica de Chile and Universidad de La Frontera), honey produced in Chile has a positive impact on health. It is both a fungicide and bactericide and has a high level of antioxidants. Honey bees pollinate many of Chile's principal export crops, including avocados, blueberries, raspberries, apples, cherries, and almonds.

Cocoa pods on a farm in West Africa.



COCOA: AT WHAT COST?

Ivory Coast is the world's largest producer of cocoa, with the majority of farms situated in rural communities where there are few alternative income opportunities. Cocoa farming employs nearly 600,000 farmers, ultimately supporting nearly a quarter of the country's population, according to the Coffee and Cocoa Council (CCC).

This production makes up about 15% of Ivory Coast's national GDP. Yet research carried out by the World Bank suggests that a typical cocoa farmer in Ivory Coast earns under 75p per day - far below their extreme poverty line of around £1.70.

According to Fairtrade International, the average cocoa farming family has an annual income of around 3,000 US Dollars, and in some cases needs to provide for up to eight people. Recent research by the Fairtrade Foundation concluded that the average household should earn around 7,500 US Dollars a year to cover their full cost of living.

Cocoa growing was promoted by Ivory Coast's government following independence in 1960, becoming the backbone of the country's rise as one of West Africa's leading economies. Today, Ivory Coast produces two million tonnes of cocoa per year, equivalent to more than 40% of the world's market. In 2019, the governments of Ivory Coast and Ghana

introduced the concept of a Living Income Differential (LID) - a policy that demanded a premium of 400 US Dollars per tonne on all cocoa sales, starting with the 2020/21 harvest. According to Reuters news agency, cocoa buyers have been reluctant to meet this increased price, saying it is not viable to pay so much for cocoa as it would encourage an oversupply, pushing prices down on the global market. As this issue of QR goes to print, no agreement had been reached between producers and their international buyers.

However, price is not the only issue facing cocoa farmers in Ivory Coast. The effects of climate change are continuing to take shape in erratic rainfall patterns, droughts and extreme temperatures. Flowering and harvests have been affected and, as a consequence, production volumes have fallen. In terms of our customer portfolio, we have seen a reduction of almost 10% in cocoa production volumes in Ivory Coast.

In our Producer Committees, we asked cocoa farmers in this region what this means in terms of effects on their farms and yield. They told us that some of their cocoa trees are dying following severe flooding and they have seen an increase in pests and disease due to fluctuating temperatures. However, the impact of this has been compounded by supply chain disruption and increased freight costs.

Producer Committees

We hold Producer Committees each year, to listen to the views of farmers and artisans in order to grow our knowledge and understand the issues and challenges faced in different regions. During the pandemic, these committees were held virtually and we now carry out a combination of face-to-face and online meetings.

A face-to-face meeting was held in Ivory Coast, with seven cocoa producers. Attendees included representatives from RICE (Fair trade Network of Ivory Coast), Fairtrade Africa, as well as producers.



**SOCODD President
Ouedraogo Moucadas,
who said: "Alone we go
far and together we go
further."**

Image provided by SOCODD



TOGETHER WE GO FURTHER

L to R: Paul Sablich Head Of Lending, Kwami Dekonor (Lending Rep WA), Innoussa Zongo (Producer) Grace Kuwornu (Customer Rep WA), Adama Dicko Export Manager SOCODD, Divine Buo (Lending Manager WA), Yao M'Bandama (Producer). Shared Interest Head of Lending and West Africa team visited SOCODD last September.

SOCODD (Société Coopérative Dialogue de Djékanou) was founded in 2010 by 150 producers from three villages, who decided to come together with a shared vision of improving livelihoods for farmers. Today it has 3,795 members (10% women) from 42 producer groups spread over 32 communities.

Geographically, SOCODD is located in Djékanou, which is in the Béliér region, otherwise known as central Ivory Coast. In terms of product range, the co-operative produces cocoa (95%), coffee (4%) and cashew (1%). They provide farmers with cocoa seedlings and fertilisers and support female farmers to produce rice and cassava to help feed their families. At the beginning of each academic year, SOCODD distributes books and stationary packs to farmers' children, in preparation for school.

Shared Interest provided SOCODD with an export credit facility in 2017 and the following year, we provided further support to increase production and purchase more cocoa from their members. In 2019, we helped finance their diversification into cashew nuts but the development of this new income stream was hampered by the impact of the pandemic. However, in 2021 things started to look more promising.

SOCODD members grow cocoa trees on small farms, harvesting for four months during the main season, while the minor harvest season lasts for two months. They allow the harvested cocoa to ferment and dry naturally for several days to increase the quality and flavour of the beans. After the beans are dried, these are packed in jute sacks supplied to each farmer by SOCODD; the sacks are branded with the logo of the relevant export buyer.

The cocoa is first delivered to a quality control facility before being taken to the central warehouse at Djékanou. Some buyers carry out a final quality check before shipment via San Pedro or Abidjan.

Unfortunately, in addition to other challenges, SOCODD is experiencing higher operational and port services cost due to shortage of containers. As a result they are hoping to use their Fairtrade Premium to buy two additional trucks and build a central warehouse in Abidjan to ease the export process.

Further to receiving Fairtrade certification in 2015, SOCODD also received a Fairtrade trader certification in 2020. This allows them to source Fairtrade cocoa outside of their own membership to meet buyer demand.

During our Producer Committees, SOCODD farmers told us that:

- They are experiencing the impact of climate change - changes in the weather affect harvest times, causing fluctuations from year to year, even on the same farm. Erratic rainfall in particular is affecting yields.
- There are challenges associated with higher freight rates and longer transit times. However, buyers are aware of these challenges and have been open to reschedule orders accordingly.
- They have good relationships with their farmers, which they believe is partly due to making timely payments.

SOCODD continues to improve the livelihoods of the members by expanding their market opportunities. In 2020, they completed the following projects using the Fairtrade Premium:

- Construction of a courtyard and teachers' accommodation for a primary school.
- Construction of a three-classroom block for a community school.
- Free distribution of school kits to pupils in the same school.
- Construction of boreholes powered by solar energy to facilitate access to clean water for two communities.

Fairtrade Premium

Fairtrade has the highest fixed Premium of any independent certification scheme. This additional sum of money goes directly to the producers' co-operatives on top of market price.

Farmers and workers invest this money in social, environmental and economic development projects to improve their businesses and communities. They decide democratically how to invest the Premium.

In direct response to the pandemic, Fairtrade International announced increased flexibility to its Standards. This meant that many of our customers were able to spend Fairtrade Premium funds to safeguard the health and livelihoods of farmers, workers and their communities.

COFFEE BRINGS GREAT CHANGES

Freshly harvested coffee cherries on a farm in East Africa.



KOAKAKA (Koperative y'abahinzi ba Kawa Karaba / The Co-operative of Coffee Growers of Karaba) is based in the Southern Province of Rwanda, just under 100 miles from the capital city, Kigali. The co-operative was officially established 20 years ago after three coffee farmer associations came together to strengthen their sales locally and internationally. Starting with approximately 800 farmers, the co-operative now has over 1,300 members (297 women).

KOAKAKA receives coffee from members at one of their three coffee washing stations, one of which produces organic coffee. There are approximately 300 coffee washing stations across the country as a whole. Rwanda exports most of its semi-washed coffees to Switzerland, and most of the fully washed and higher grades coffees to the United States.

Both washed and dry processed coffees start with the same plant but are processed differently. In dry processing, the cherries are dried first before being pulped. Wet processed, or washed coffees are dried after the pulp is removed. When the beans are semi-washed the coffee is classed as 'ordinary', and the fully-washed coffee is called specialty coffee. Washed coffees are usually fermented to loosen any remaining pectin (a soluble fibre found inside fruit) before the coffee beans are washed and then dried. Washed coffees are sought after for their transparency, clean and distinct aromas.

In 2016, the Rwandan government implemented a 'zoning strategy' in the coffee sector. The scheme, run by The National Agriculture Exports Development Board (NAEB), aimed to improve quality and traceability of coffee by asking co-operatives to support farmers in their respective geographical areas.

Shared Interest finance has supported KOAKAKA to pay farmers for the coffee cherries when they are supplied at the washing stations, and helped purchase a truck to transport the coffee from the washing stations to Kigali for processing. To ensure the best quality, KOAKAKA asks that farmers transport their coffee to their nearest coffee washing station on the same day it is harvested. This involves farmers either carrying the coffee in sacks on their head, by bicycle, or using the truck organised by KOAKAKA.

At the coffee washing station, the coffee cherries are inspected to ensure only the mature cherries are used. A colour chart showing the correct colour of the cherry is displayed at the entrance to the coffee washing site to ensure farmers bring in the ripe cherries. The cherries are then weighed, and the farmer is paid according to the volume provided.



KOAKAKA General Manager Safari Bonaventure said: "We have farmers located a long distance away from coffee washing stations. We help farmers to bring cherries using the truck. And the work of truck is to increase the quality because after harvesting we process the coffee cherries.

"The co-op is located in Southern Province and the export is done in Kigali, 160 km away. We use our truck to transport the green coffee and to reduce the cost of production.

Green coffee beans are the raw seeds of coffee cherries that have been separated or processed and are yet to be roasted. The taste and flavour are said to be held within these seeds, and come to fruition during the roasting process.

"Since we got power, we were able to sort coffee beans better and supply them to the market. When we get time in the evening, we switch on the light and sort the coffee."

Coffee farmer Marcel Myasiro

In 2016, KOAKAKA used the Fairtrade Premium to create the Karambi washing station specifically for the 'Women in Coffee range', to keep it separate from other coffee cherries and improve traceability. The group that produces this coffee is called Icyerekezo Women's Coffee Association. (Icyerekezo translates from Kinyarwanda as 'Vision').

"The truck is also to help farmers if they have a problem for example if they attend a funeral. The truck is used to set up the ceremony, or if employees are getting married the truck is used in the ceremony for transportation."

The co-operative is continuing to recover from the impact of the pandemic, which led to a considerable decrease in production.



Board member and coffee farmer Anatholie

KOAKAKA Board member and coffee farmer Anatholie Tuyisenge said: "Covid-19 caused problems as due to the strict lockdowns, farmers were unable to travel around to maintain their farms and unable to travel to sell their harvest to KOAKAKA so instead sold to private companies."

Anatholie also works as a secondary school teacher, teaching the national language, Kinyarwanda. In addition to this, she grows other crops including maize and beans; a portion of which is used to feed her family and the rest is sold on the local market.

She said: "In addition to buying the production of its members, the co-operative also takes care of them. They support and train us. The first change was a training on gender equality within the family setting that has allowed us to ensure harmonious relationships among family members at home."

In the same year, the Premium was also used to connect 12 families in the village to electricity. Previously, the small community had no access to electricity and services in the area were limited. Lack of electricity impacted upon their coffee business as they were unable to sort the coffee cherries at night after harvesting them in the afternoon, delaying delivery to the coffee washing station.

Coffee farmer Marcel Myasiro lives in Karambi and describes the impact of the connection to electricity: "The changes are that there are hair salons, machines, and an animal market that has electricity. The person who rents a house does it because there is electricity. Since we got power, we were able to sort coffee beans better and supply them to the market. When we get time in the evening, we switch on the light and sort the coffee."



Coffee farmer Marcel Myasiro

One of the most important steps in coffee production is the primary processing stage. This takes place at washing stations, where the coffee cherries are washed, to remove the outer shell and skin, and grading of coffee beans begins.

The cherries are put through a pulping machine. The machine separates the beans and any that float are removed, as that is a sign of defect.

After pulping, the coffee is dry fermented for 12-18 hours before being washed and flushed through floatation channels. This process grades the coffee based on weight.

The coffee beans that sink are the best and the highest grade.

The beans are then fermented for a second time, where they soak in clean water for 24 hours. A second selection then occurs when the coffee is hand-sorted when wet to remove any defects.

After the beans have been sorted and double fermented, they are laid on racks in the sun for drying. This process can take on average two weeks, depending on the level of sun and moisture in the air.

Akolgo Abaah as she weaves baskets in Bolgatanga, Ghana.



WEAVING A FUTURE TOGETHER

TraidAID Integrated is a social enterprise working with 65 basket weaver groups in the Bolgatanga area of the Upper East Region of Ghana. Due to the hot and dry climate, the land is difficult to farm and so the majority of the population relies on handcrafts to make a living.

Nicholas Apokerah founded the organisation after researching the role of basket weavers in Ghana whilst at university and discovering that they were earning 20% less than the final retail price of their baskets. Over 250 weavers subsequently came together, working in groups to maximise production levels.

Finding that many of the groups were making baskets of similar styles, TradeAID offered product diversification training, as well as business and marketing support. Now supporting 1,625 producer artisans (90% women), TradeAID has worked with the weavers to form small co-operatives, broadening their reach to international markets

Akumbosco Modesta has been a basket weaver for the past ten years. She said: "TradeAID has had a very positive impact on the communities. Before, the basket weavers would pass on their baskets to be sold at the local market but sometimes people would steal the money or not return it to you. Now TradeAID comes into the community to buy the baskets directly from the weavers at a good price and the weavers have their money straight away."

The impact of Covid-19 meant that sales reduced by approximately 30% between 2019 and 2020. The resulting decline in tourism and restrictions on trade saw some weavers' annual income shrinking by two thirds, to £156.



However, since then TradeAID has extended their support to approximately 200 additional basket weavers.

An ongoing challenge is the availability of straw, caused by erratic rainfall, believed to be the impact of climate change. In response, TradeAID has established a straw farm (known as the 'Straw Bank'). Nicholas explained: "It has made straw readily available to weavers and much of it is still in operation at the weavers' level."

Akumbosco also told us about the Straw Bank, and the difference it has made having local access to raw materials. She said: "This has helped to boost the business of the weavers. TradeAID has also helped people to have money in their pocket to cater for their children including purchase school books and uniforms."



Woven straw baskets are seen as a celebration of Northern Ghana's cultural heritage, produced from natural materials sourced locally. Bolgatanga in particular has become renowned for its woven grass products, which are often referred to as 'Bolga baskets'. The practice of weaving baskets is a traditional skill as old as the community after which it is named and has been passed down through generations. The straw is usually obtained from 'vetiver' or 'elephant grass'.



A hand woven basket



Atule Azeyoke weaving baskets in Bolgatanga, Ghana.

In response to the issues faced by TradeAID, our charity, Shared Interest Foundation, began working with a group of basket weavers in 2021, to diversify their income through the production of vegetables. Due to the climate conditions and soil quality, they have adopted a soilless technique.

This innovative method uses locally available products including poultry manure and rice husks in place of soil. The group continues to grow a variety of vegetables to be sold locally, providing a second source of income.

The project has also supported the refurbishment of a warehouse where the vegetables are washed and stored. It also helped establish six vegetable farms as well as providing training in rural entrepreneurship. More recently, a drip irrigation system has been installed at each farm, supplying a timely and accurate volume of water directly to the vegetable plant roots.

The Foundation also enlisted the support of the University of Ghana Crop Science Department and its professors are now providing practical training, including mentoring and farm visits to discuss progress.

Project participant Akolpogbila Apalawanya (whose photograph features on the front cover of this issue) said: "I feel great being part of the project because am learning new ways of vegetables cultivation. Also, I feel positive that the revenue I will get from the proceeds of the vegetable produce will help me take care of my children feeding, basic health needs and payment of their school fees."

SHAREDINTEREST

INVESTING IN A FAIRER WORLD



COVER IMAGE: TradeAID Integrated basket weaver Akolpogbila Apalawanya in Bolgatanga, Ghana.

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Join us on social media to keep up to date with our activities and help share our news with others.



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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%

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