

QUARTERLY RETURN 121 • AUTUMN 2021

A SENSE OF SHARED PURPOSE

KEEPING CONNECTED

Over 200 people joined our online Supporter Events about Latin America. We share the highlights with you.

OUR IMPACT

Introducing customers who are helping us understand the impact of our finance on businesses and their wider communities.

MEMBER SURVEY

A snapshot of this year's Member Survey results, which provide us with a valuable insight into your views as valued stakeholders.

SINCE YOUR LAST EDITION OF QR, WE HAVE SEEN MANY CHANGES HERE IN THE UK.

As we adjust once again to life without social restrictions, we are also coming to terms with the final decision on the UK's Official Development Assistance (ODA). Sadly, on Tuesday 13th July, the House of Commons voted in favour of reducing the international aid budget by 0.2% in response to the economic impact of Covid-19 to 0.5% of Gross National Income. Whilst this will have no direct implications for Shared Interest, some of the vulnerable regions in which we work may be affected over future months, or even years.

Consequently, as we welcome you to your Autumn issue, it is with ever-growing gratitude for our community of supporters. As we reach the milestone of £50m in Share Capital, never has our shared purpose felt stronger, nor our mission more relevant. Thank you for your continued commitment and support.

We were delighted to see so many of you join us recently for our virtual meetings, which connected you with customers in Africa and Latin America. In this edition, we share a summary of our South American event where Chino Henriquez, General Manager at Chilean honey co-operative Apicoop, joined us alongside Bastien Beaufort Deputy Manager at Guayapi – a French importer of wild plants from the Amazon Rainforest. Meanwhile, at our Central American event, we were joined by Michael Woodward Commercial Advisor & Vice-President of Coproexnic – the largest exporter of organic processed sesame seeds in Nicaragua. Dan Binks Managing Director at Liberation – the UK's only Fairtrade, farmer owned nut company – took part, to talk about their unique relationship with Nicaraguan peanut farmers.

Also included in this issue are the results of our General Meeting held on the 29th September, which was called to approve the appointment of Armstrong Watson LLP Audit Limited as the new auditors of the Society. We also share some insights from our Member Survey on pages 14-15. Thank you to everyone who took part.

We know that many of you are interested in the wider impact of your investment. In this edition, we introduce four businesses who have been Shared Interest customers for five years or more. Over the past 12 months, we have carried out detailed research into the impact of our finance, on not only the businesses themselves but also the people and communities involved. Further information on these longitudinal case studies will be published in our Social Accounts report in January 2022 and an overview will be provided in your Winter QR.

Finally, we are delighted to announce that we were shortlisted in the Third Sector Excellence Awards. The awards recognise the achievements of charities and not for profit organisations, and provide a platform for examples of good practice. Shared Interest Society was shortlisted in the Enterprise category and Shared Interest Foundation in the Small Charity, Big Achiever category. Winners were announced at an awards ceremony in London on 17th September. We send our congratulations to everyone who took part.

Best wishes,



Patricia Alexander
Managing Director



AWARD SUCCESS

We are delighted to announce that both Shared Interest Society and our charity Shared Interest Foundation were recognised at the Third Sector Excellence Awards.

The awards provide an opportunity for voluntary organisations of all sizes, and the people who work for them, to celebrate their work and the real difference they make to society.

SHARED INTEREST SOCIETY WAS SHORTLISTED IN THE ENTERPRISE AWARD CATEGORY. MEANWHILE, SHARED INTEREST FOUNDATION WAS SHORTLISTED IN THE SMALL CHARITY, BIG ACHIEVER CATEGORY.

Managing Director Patricia Alexander said: "Being shortlisted for these awards is a fantastic accolade and a real celebration of the work Shared Interest has achieved. The last 18 months have been extremely challenging for so many people, and being shortlisted demonstrates the commitment of everyone involved in Shared Interest.



"Our members are incredibly loyal, and have continued to support us as the world continues through an extremely challenging time. We are actually seeing our Share Capital increase, which is vital so that we can continue to carry out our mission of reaching those smaller vulnerable groups who are otherwise unable to access finance."

Foundation Manger Kodzo Korkortsi, said: "We are proud to have been shortlisted for the Small Charity, Big Achiever award. This year we have worked with in-country partners to deliver projects in rural communities across Africa and Latin America. Thanks to support from individuals, and funding from trusts, we have enabled people to learn new skills in cocoa farming, beekeeping, and water conservation.

"We also re-launched our Livelihood Security Fund in response to the Covid-19 pandemic to support farmers and workers affected in these communities."

INTEREST RATE

From 1st October 2021 our interest rate will reduce from 0.25% to 0.1%. Interest is applied on the 31st March each year and relates to the previous year ending 30th September. Any interest earned in the financial year Oct 2020 to September 2021 will be applied to Share Accounts in March 2022.

NEW AUDITORS APPOINTED

You were recently invited to join a General Meeting (GM) to approve the appointment of Armstrong Watson LLP as the Society's new auditors.

This took place after members were advised at the 2021 AGM that the Society was in the process of undertaking a review of audit provision as a matter of routine good governance. At the time, members voted for PricewaterhouseCoopers LLP (PwC) to be appointed as auditors pending completion of the audit tender as the Society has a legal obligation to appoint a firm and in the absence of an alternative, the incumbent retains their position.

The General Meeting was held virtually at 10am on the 29th September. Mary Coyle, Chair of the Board, moderated the meeting and welcomed 37 members who heard from Tim Morgan, Finance Director & Company Secretary and Yvonne Gale, Chair of the Audit Committee. All members attending voted in favour of removing PwC as Shared Interest Society's auditor and appointing Armstrong Watson LLP.

The resolutions were also supported by the following proxy votes:

Remove PwC	For: 1,785	(Against: 15)
Appoint Armstrong Watson	For: 1,793	(Against: 7)

Armstrong Watson is a mid-sized firm of Chartered Accountants and state that they are the largest independent firm in the north of England. They have offices across the region, including one in Newcastle upon Tyne. They were recommended for appointment by the Audit Committee following a rigorous tender process, which started with a longlist of 11 firms being contacted.

LONGITUDINAL STUDIES

As part of our monitoring and evaluation process, we carry out research to examine the longer-term outcomes of our support. We want to understand the direct impact Shared Interest finance has on the business in question and the indirect effect it may also have on the wider community.

For this reason, we select businesses we have worked with for five years or more and refer to this process as a Longitudinal Case Study.

This year, we are exploring four businesses:

- Kibinge (Coffee, Uganda)
- TradeAid (Handcrafts, Ghana)
- Lemberona (Food products, Austria)
- Alta Huallaga (Cocoa, Peru)

We feature the full studies in our Social Accounts report, which is published each January. We will also include a summary of our findings in the next issue of QR. In the meantime, here is a short introduction to each business.



Coffee berries on a farm in East Africa.

KIBINGE

Uganda is one of the world's major coffee producers, particularly of the Robusta variety. Named after the hilly region in which it was founded, Kibinge Coffee Farmers' Co-operative Society is located almost 100 miles from the capital city of Kampala. This remote community has the perfect climate to grow Robusta coffee and its twice-yearly rainy seasons, dense population of trees, fertile soils, and high altitude result in strong yields.

Kibinge was formed by four farmers in 1995 and became a co-operative 15 years later. Since then, Kibinge has made huge progress in supporting its members to increase their yield even further with the implementation of Good Agricultural Practice (GAP).

"WITHOUT KIBINGE, I WOULD NOT BE WHERE I AM NOW. I HAVE BOUGHT LAND ON WHICH I PLANT COFFEE. I HAVE PROVIDED EMPLOYMENT TO OTHERS IN THE COMMUNITY AND MANAGED TO EDUCATE MY LATE BROTHER'S CHILDREN."

Aisha Najuma, Kibinge Farmer

Isolated from other towns and villages, coffee provides the sole source of income for most of the community. Shared Interest finance has helped the co-operative to fulfil increasing orders from customers and the Fairtrade Premium has enabled Kibinge to improve many of the roads in the area. Previously, they

became impassable during the rainy season, preventing farmers from transporting their coffee - two thirds of which is exported and the balance is sold locally. They have also supported farmers with further education.

"SINCE KIBINGE STARTED THE SCHOLARSHIP PROGRAM USING THE FAIRTRADE PREMIUM, I HAVE MANAGED TO TAKE MYSELF BACK TO SCHOOL. WITH MY SALARY, I HAVE MANAGED TO BUY LAND. I HAVE COFFEE TREES AND A BANANA PLANTATION, WHICH EARN ME EXTRA INCOME."

Stella Nondago, Kibinge Employee

The co-operative has faced challenges, including the decrease in global coffee prices and the impact of Covid-19. They are also vulnerable to the effects of climate change. This causes higher temperatures to speed up berry ripening and can lead to bean defects, whilst too much or too little rainfall can also be detrimental. Throughout all of this, Kibinge continues to support its community, maintaining additional services such as a credit union and farm supply shop.

Kibinge Manager David Lukwata said: "Shared Interest believed in us. We were able to export our first container using Shared Interest funding. We appreciate Shared Interest for believing in us when no one wanted to assist us."

TRADEAID

TradeAID Integrated is a not for profit organisation 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.

The impact of climate change has caused straw to be low quality and at times difficult to source. As this is the predominant raw material of the basket industry, it can cause major problems.

Subsequently, one of the support services TradeAID provides is a Straw Bank, buying in bulk when good quality straw becomes available and selling it to communities for a lower price.

In the past, basket weavers have been forced to sell their products to middlemen, who make a profit from their work. TradeAID buys directly from the artisans, fulfilling orders from the international market and providing weavers with a fair price. Finding that many of the groups were making just one type of basket, TradeAID offers product diversification training, as well as business and marketing support.

Supporting 1,625 producer artisans, TradeAID has helped the weavers form co-operatives, which has led to forming partnerships with international companies such as SERV International (also a Shared Interest customer) who order up to 5,000 baskets each year.

TradeAID became a Shared Interest customer in 2014, using our finance to purchase weaving equipment. Last year, TradeAID extended their support to 199 new producers within the basket weaving community, helping them increase production volumes and engage in farming activities during the quiet seasons.

"THE FINANCE FROM SHARED INTEREST GIVES TRADEAID THE OPPORTUNITY TO PRE-FINANCE PRODUCERS IN ADVANCE. IT CREATES AN OPPORTUNITY FOR PRODUCERS TO SELL THEIR BASKETS FOR A HIGHER PRICE THAN ON THE OPEN MARKET. THEY ALSO GET TO RECEIVE PAYMENT IN BULK, WHICH HELPS THEM PLAN THEIR HOUSEHOLD EXPENDITURE BETTER."

Nicolas Apokerah, TradeAID Director

This year TradeAID also participated in a project with our charitable arm, Shared Interest Foundation. The project will support the basket weavers to establish a vegetable farm without the use of soil. The soilless farming technique uses readily available local materials including sawdust and rice husks, which have the ability to retain water from a sustainable source and release nutrients for the plants' growth.



Alobnii Akolbire, a member of Amongtaaba Basket Weavers Group (working with TradeAID), displays a woven straw basket she has just completed.



Azupoka Akengo (l) and Assibi Aveyaniga (r), members of Asungtaaba Basket weavers Group, display baskets they weaved together.



Apogyakiga Abugbire, a member of Asungtaaba Basket Weavers Group, walks to the weaving centre in her village of Vea, Bolgatanga District, Ghana.



Elmira with Lemberona producer
Nizomava Salima of smallholder
producer organisation Turob Bobo.

LEMBERONA

Starting out in 2010, Lemberona is a family-owned business based in Austria, selling over 170 food products across Europe. Lemberona works with over 10,000 farmers to provide a wide range of organic, Fairtrade and gluten free products, including nuts, dried fruits, and vegetables. Providing finance to Lemberona enables us to reach producers in regions where providing direct finance is not possible, such as Uzbekistan and India.

A Shared Interest customer since 2014, Lemberona has used our finance to improve their solar-operated fruit drying system. They have also expanded their product range and become members of the World Fair Trade Organization (WFTO).

The Bertagnoli family behind Lemberona has been involved in the milling and hulling business for generations in Italy and Austria and they believe in having a positive impact on people and planet. Co-Founder Elmira Bertagnoli grew up in Uzbekistan and wanted to work with small-scale farmers to bring their high quality produce to Europe.

The company is now working on a new brand known as PlantLife, which offers complete transparency across the supply chain. They are also looking to implement a profit sharing model for employees, and continue to support a better way of life for their producers and their communities.

One producer group in Uzbekistan has developed into the largest Fairtrade exporter in the country, and they hope to help other organisations to grow in a similar way.

“The finance we receive from Shared Interest allows the farmers to work in the best way and not have to worry what to eat tomorrow – which can cause people to have to make economically bad but lifesaving decisions.

“Lemberona could not support the small producers financially without the funds of Shared Interest. Through Shared Interest, Lemberona can help the small farmers to make an honest living with their own hands and have proud families and communities.”

“THROUGH SUPPORT FROM SHARED INTEREST THE SMALL PRODUCERS CAN MAXIMISE PRODUCTION, WHICH RESULTS IN MORE FAIRTRADE PREMIUM, WHICH IN TURN IMPACTS THE LIVES OF THOUSANDS OF PEOPLE IN RURAL UZBEKISTAN. THIS EQUALS REPAIRED WATER SYSTEMS, HEATING IN THE WINTER, CHILDREN WITH A POSITIVE OUTLOOK AND LESS HUNGER, AND BETTER LIFE GOALS THROUGH IMPROVED EDUCATION.”

Elmira Bertagnoli, **Lemberona Co-Founder**

ALTO HUALLAGA

Cooperativa Agroindustrial Cacao Alto Huallaga was founded as an association of cocoa producers in the valley of Alto Huallaga, Peru in 2009. Today they work with over 450 farmer members in the regions of Huánuco, San Martin and Ucayali.

Alto Huallaga's cocoa is organic, Fairtrade, and UTZ-certified, attracting a premium price from European buyers focused on high-quality cocoa, guaranteeing a good income for its members.

Since becoming a Shared Interest customer in 2013, when they began using our finance to facilitate export, they have doubled their number of employees, and now work with over 500 farmers. In addition, they have increased the amount of cocoa sold to the international market.

“SHARED INTEREST FINANCE ALLOWS US TO PROVIDE ADVANCE PAYMENTS FOR HARVESTS TO ENSURE A STABLE INCOME FOR FARMERS, GREATLY BENEFITING OUR PRODUCER MEMBERS.”

Jorge Simon, **Alto Huallaga General Manager**

As the impact of climate change makes farming more difficult in Peru, technical assistance and financing has become even more crucial for many small farmer co-operatives. The past two years have been particularly challenging for Alto Huallaga, as pests and disease damaged their cocoa trees.

However, last year, the co-operative increased the amount of cocoa sold to the international market and began new commercial relationships. They are now working on developing derivative products such as cocoa butter and powder. The profitability of these items can be up to five times higher than cocoa. To enable the co-operative to produce these additional products, they are building a production plant, which will be completed in 2023.

FAIRTRADE AND UTZ CERTIFIED

Fairtrade is a system of certification that aims to ensure a set of standards are met in the production and supply of a product or ingredient. For farmers and workers, Fairtrade means workers' rights, safer working conditions and fairer pay, including a Fairtrade Minimum Price and Fairtrade Premium. It is the highest fixed Premium of any independent certification scheme, which goes directly to the producers' co-operatives on top of market price.

Now part of Rainforest Alliance, UTZ is a certification program for sustainable farming of coffee, tea, cocoa, and hazelnuts. It was launched in 2002 as “UTZ kapeh” (pronounced ōōtz kahpāy) meaning ‘good coffee’ in the Guatemalan Mayan language of Quiché.

Cocoa pods on a farm in Peru.



FOCUS ON SOUTH AMERICA

Following the update on our series of supporter events in Summer QR, we bring you a summary of the remaining two sessions, with over 200 people joining overall to hear about our work in Latin America.

Chino Henriquez, General Manager at Chilean honey and blueberry co-operative Apicoop, joined us for our third online event, alongside Bastien Beaufort Deputy Manager at Guayapi - a French importer and distributor of wild plants from the Amazon Rainforest. Both spoke of the challenges they have faced during the last 18 months and how Shared Interest has been able to support them.

Shared Interest has 50 customers in South America (27% of our portfolio), spread across four countries: Peru, Bolivia, Chile and Brazil. Customer Representative Brigitte Narciso provided an overview, saying: "Coffee and cocoa are important products in the region, amounting to 47% and 23% of our

lending respectively. Other products we finance are fruit, honey, quinoa, handcrafts, and nuts. Historically, coffee was the focal product in South America, however we have been able to diversify the portfolio in recent years and the aim is to continue with that diversification."

Speaking about how Covid-19 has affected customers in South America, Brigitte continued: "Latin America has been the region most affected by the pandemic, with Peru having the highest death toll in the world per capita, according to the latest data. Amidst this ongoing crisis, businesses have had to adapt to continue working to meet orders and export contracts. This has meant more logistical planning to ensure products are collected on time, and also higher costs to cover the additional safety measures put in place. We have been unable to visit customers but have kept close contact via telephone, which has ensured good relationships and trust are maintained."

APICOOP

Chino began by explaining how Apicoop was initially started 40 years ago by the Catholic Church in Chile, to help the bee farmers of Valdivia, but now operates independently. In 1997, the co-operative was founded with the main aim to improve the quality of life for beekeepers, and also to bring together a country which was very much divided. Today, Apicoop has over 200 members, located across several hundred miles of diverse landscape. Chino explained how this wide spread of producers was a strategic decision early on to mitigate the impact of changing climate conditions.

He went on to explain the benefits of beekeeping, saying: "Bees have been telling human beings for millions of years that the only way to survive is by working together. If we were capable of even 5% of their collective approach, I can guarantee that 90% of our problems would be solved.

"An important outcome of beekeeping is not just about caring for the bees, or the honey itself, but how it changes lives. Many of the beekeepers have been able to go to university or send



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

their children to higher education with the income generated from beekeeping. Gender equality is also important within Apicoop, with men and women having the same rights and representation at Board level."

"THERE IS NO DOUBT THAT APICOOP IS THE RESULT OF THE COMMITMENT AND EFFORT OF ITS MEMBERSHIP PLUS THE SUPPORT OF A VARIETY OF ORGANISATIONS AND INSTITUTIONS, WHERE SHARED INTEREST HAS PLAYED A KEY ROLE IN PROVIDING MUCH NEEDED FINANCE."

Chino Henriquez, Apicoop General Manager



Main Image: Israelita Garcia Wara shells Guaraná fruits and Natalina Felipe da Paz dries Guaraná seeds.

Image Right: Guaraná beginning to ripen, its red skin bursting open to reveal white flesh and a black seed.

Image Far Right: Producer Renato Garcia Wara and his family.

GUAYAPI

Guayapi was founded in France in 1990, with the aim to develop and distribute plants from the Amazon rainforest in partnership with indigenous people from Brazil, Peru, Colombia, Paraguay and Sri Lanka. With a small team of 20 people, they distribute the Guaraná plant to 20 countries and over 3,000 retailers worldwide.

A Shared Interest customer since 2017, Guayapi has a buyer credit facility, which enables the company to pay growers for their plants as soon as they are received.

Bastien told us how Guaraná is sold in three ways: as a superfood, an ingredient to be included in fine dining, and a cosmetic.

Bastien continued: "We pay a higher price to the producers, ten times higher than the local Guaraná market. This fair price enables the producers to invest into increasing production levels, collecting and recycling non-renewable waste, ecological restoration programmes, and creation of the Wara Free University.

"WE WORK WITH OVER 18,000 PEOPLE IN THE AMAZON RAINFOREST AND WHEN YOU SUPPORT SHARED INTEREST, YOU SUPPORT GUAYAPI IN HELPING THE SATÉRE MAWÉ PEOPLE TO DEFEND THEIR TERRITORY AND THE PRODUCT OF THEIR LAND."

Bastien Beaufort, Guayapi Deputy Manager

"We have three fundamental criteria – the first is that the plants are organic, then it is of course that they are grown following the Fair Trade Principles, and also that they carry medicinal benefits from the rainforest."

GUARANÁ

The Sateré Mawé refer to this plant as Waranà. It means the principle of knowledge. The Portuguese, not having the sound W in the alphabet, renamed the plant Guaraná and this is how we refer to it in the UK.

BUYER CREDIT

Fair trade buyers are required to provide a pre-payment to producer groups of at least 50% of the order value if it is requested. We assist by offering pre-finance to pay for orders in advance of shipment.

SHARED INTEREST FOUNDATION

Shared Interest Foundation Manager Kodzo Korkortsi provided an update on a project run by our charity in partnership with Peruvian coffee co-operative CECAFE. This project is funded by donations from our supporters, many of whom are also Society members.

Kodzo said: "Working together with CECAFE, we are supporting coffee farmers in the northern jungle of Peru to increase their resilience to the coffee borer beetle. One of the most harmful pests to coffee plantations, the beetle 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."

Kodzo explained how CECAFE has developed an eco-friendly way of controlling the borer beetle at their Centre for Innovation in the Amazonas region of the Andes. The surrounding area provides a dense and humid rainforest ecosystem located at high altitude, ideal for the combative fungus known as Beauveria Bassiana. The co-operative will distribute the fungus to 200 farmers, to help protect the ecosystem and increase coffee yields.

Q&A

Q: WHY ARE YOUR PRODUCTS NOT AVAILABLE IN THE UK?

Bastien said: "Guaraná has always been presented as something difficult to sell - it is not a product as well-known as tea or coffee. Our aim is to showcase such traditional products that have not been highlighted and therefore have not been transformed into commodities. We want to inform consumers about these products, which contribute to biodiversity."

Chino said: "We are working to build up our contacts and markets in the UK and will hopefully be able to sell our honey here in the future."

Q: HOW HAVE THE FARMERS HAVE BEEN IMPACTED BY PANDEMIC?

Bastien said: "Our producers, especially those in the Amazon Rainforest, are being severely affected by the pandemic. The situation is very complicated and we have been unable to travel to visit these communities. Covid-19 has shown the strength of Fairtrade, to be a visionary programme, growing even stronger during the pandemic. Thanks to support from Shared Interest and other partners, we were able to continue buying products so the producers could continue to work."

Chino said: "In the beginning, the virus struck us really hard, but thankfully now we have a good proportion of the population vaccinated. Fortunately, our producers did not suffer very much as beekeeping was able to continue. However, we have had production closures and are continuing to be extra vigilant."

Q: IS THE NEXT GENERATION INTERESTED IN BEEKEEPING, IN ORDER TO SUSTAIN THE FUTURE OF APICOOP?

Chino said: "There has been migration towards big cities, which brings a challenge. We have to double our effort to show that there are better opportunities in the countryside - they do not have to suffer what their parents and grandparents did in the past. For example, they do not have to work with no running water in the house, lack of electricity etc. Now they have access to more technology to do the work. However, we need the help to communicate how critical beekeeping is. Without bees there would not be much food in this world."

Q: HOW LONG DO THE BEE HIVES LAST?

Chino said: "The hive has two parts - the materials, which are basically frames and boxes. If well maintained, they can last about seven years. The second part is the inside of the hives, which can last forever. That does not mean bees live forever. A queen bee is replaced every two to three years if you look after your bees well."

FOCUS ON CENTRAL AND NORTH AMERICA

Shared Interest Lending Manager for Central America Marco Garcia said: "In a region covering Nicaragua, Honduras, Mexico and Costa Rica, we support 29 customers with approximately £12m in finance. The majority of these funds support coffee, which represents 85% of the portfolio. Only the highest quality is exported and in some countries such as Costa Rica, it is illegal grow any type of coffee other than Arabica."

"MOST OF OUR COFFEE-PRODUCING CUSTOMERS HAVE LABORATORIES WITH Q GRADERS ONSITE. THEY ARE COFFEE TASTING SPECIALISTS WITH AN ADDITIONAL SKILL OF DIFFERENTIATING COFFEE TYPES. CO-OPERATIVES TRAIN TASTERS FOR THREE YEARS BEFORE THEY ACHIEVE THE Q GRADER CERTIFICATION. THEY TEND TO BE CHILDREN OF FARMERS AT THE CO-OPERATIVE - THE NEXT GENERATION OF COFFEE PRODUCERS."

Marco Garcia, Shared Interest Lending Manager for Central America

LIBERATION

Liberation - the UK's only Fairtrade, farmer-owned nut company - continues to secure an income for over 35,000 smallholder farmers, gatherers, and their communities.

Liberation Managing Director Dan Binks joined us to talk about their inventive business model and growing product range.

Dan said: "Liberation Foods is the UK's primary importer and distributor of Fairtrade certified nuts and peanuts. Founded as a Community Interest Company (CIC) in 2007, it consists of six farming co-operatives with majority shares held by the farmer-owned International Nut Co-operative (INC).

"This enables us to do things differently. Our mission is to connect consumers with smallholder farming communities through the creation of delicious food products. It also means that any profits and dividends go back to the co-operatives to be invested in tools, equipment, and community projects such as health care and education facilities.

"We specialise primarily in Fairtrade Brazil nuts from Bolivia, cashew nuts from Burkina Faso, Mozambique, and Côte d'Ivoire, as well as peanuts from Malawi and Nicaragua. We are a social enterprise with fully traceable value chains. We talk about value chains instead of supply chains, and we want to encourage co-operatives to create value-added products at origin to sell



Judith, Liberation Nuts peanut farmer.

in the UK and European markets. In the future, we hope to see peanut butter manufactured in Nicaragua for instance. We consider our environmental impact every step of the way.

"SINCE 2006, LIBERATION SALES HAVE GENERATED £1.2M IN FAIRTRADE PREMIUM, WHICH IS USED BY THE CO-OPERATIVES TO IMPROVE THEIR COMMUNITIES."

Dan Binks, Liberation Managing Director

"In terms of Liberation products you can see on the shelves, we create a Peanut and Cashew Mix, Chilli and Lime Cashew and Corn, and a Crunchy Peanut Butter. Nicaraguan peanuts feature in every single Liberation product. We currently sell through Waitrose, Traidcraft and online - and we have recently been invited to sell through Ebay for Change."

River Ruiz Bonilla,
Coproexnic farmer.



COPROEXNIC

As well as coffee, other Central American products supported by Shared Interest are honey and sesame. Coproexnic is the largest exporter of organic processed sesame seeds in Nicaragua and the co-operative's Commercial Advisor & Vice-President Michael Woodward explained how they are dedicated to improving the lives of farmers and their surrounding communities.

"Coproexnic was founded in 1994, working with rural farmers to help identify an export market for their organic seeds. They became a co-operative in 2001 and now work with over 1,200 growers in Nicaragua. Coproexnic works closely with American not for profit organisation Jubilee House Community to improve the quality of life for farmers and their families. They offer members training in areas such as productivity, best practice, fertiliser use, pest control, product safety, and occupational health.

"ORGANIC SESAME IS AN EXTREMELY RESILIENT CROP GROWN IN HOT, TROPICAL CLIMATES. RESISTANT TO DROUGHT AND FLOOD, IT ALWAYS YIELDS CROP. SOMETIMES THE OUTCOME WILL BE A GOOD CROP, SOMETIMES BAD, BUT IT IS GUARANTEED TO PRODUCE."

Michael Woodward, **Coproexnic Commercial Advisor & Vice-President**

"Growing sesame is a labour-intensive process, which uses little or no mechanisation. Everything from field preparation to harvesting is carried out manually, enabling smallholder farmers to earn a living from sesame without the need for special equipment.

"In 1995, Coproexnic exported its first container of organic sesame. We brought socially conscious buyers from around the world to Nicaragua to form mutually beneficial partnerships with the co-operative.

"In 2014, Coproexnic bought an abandoned sesame plant from the government and installed a water filtration system and modern processing equipment, which has helped with productivity. The co-operative currently achieves £3m in sales of organic sesame, which is exported to the US, Canada, and Europe.

"Other products grown organically by Coproexnic farmers include mung beans, cotton, soy and peanuts. Organic peanuts require greater technical intervention to produce than sesame but the market is much wider and offers far more opportunities for farmers. Currently, Coproexnic annually exports over 0.5m US Dollars' worth of peanuts to Europe and the US.

"The Coproexnic peanut harvest is one of the first to take place across North and South America. If we can export our peanuts more quickly and efficiently, we will have a market opportunity to carry us into the future, and we hope to see you there."

SHARED INTEREST FOUNDATION

Shared Interest Foundation Manager Kodzo Korkortsi gave us an update on an innovative project funded by supporter donations, where our charity is working in partnership with Coproexnic. He told us: "In rural Nicaragua, men often migrate to neighbouring countries in search of work and better living conditions. This leaves women behind to provide for their household, many relying on an average income of just over £50 per month from the sale of chickens and eggs.

"Together with Coproexnic, we will support 40 women from the co-operative's surrounding communities to become organic sesame farmers. Despite having access to farmland, many women do not have the necessary finance or farming experience to purchase seeds or prepare the land for planting.

"Coproexnic will provide training and support in preparing and planting an organic sesame farm. This will cover Good Agricultural Practice (GAP), organic fertiliser production, and agribusiness skills.

"The group will also receive equipment and materials to enable them to make sesame candy to sell locally - a snack made from toasted sesame seeds and caramelised sugar. We estimate that their income will subsequently increase to over £6,000 a year."

Q&A

Q: WHAT DO THE SESAME FARMERS USE TO MAKE FERTILISER?

Kodzo said: "The women are taught how to produce different types of fertiliser depending on the resources available. For example, cow manure, which they will dry and apply directly to the crop, or local plants, which are high in nitrogen.

Q: ARE LIBERATION SHARES AVAILABLE FOR THE PUBLIC TO BUY?

Dan said: "No, they are not available for the general public to purchase, only for ethical organisations. During Fairtrade Fortnight 2021, the International Nut Cooperative bought further shares of Liberation, on top of the majority of shares they owned previously. Farmers will now have an even more powerful voice in shaping the company - their participation will be transformative for future initiatives and the work between producers, sellers and buyers will be even more collaborative. This is a significant step on our journey of having a fully integrated, ethical, and sustainable value chain, which shares the values of the community and the smallholder farmer co-operatives."



Image Top:
Sesame seed plants on
Coproexnic farm.

Image Bottom:
Francisco Javier Galagarza
Coproexnic farmer.

Members at our Supporter Event in March 2019.
*Please note this image was taken prior to Covid-19.

MEMBER SURVEY 2021

Our members remain at the heart of Shared Interest, and we welcome your views as valued stakeholders. Your responses also help us understand how we can best engage with you, as well as what may motivate others to invest. Thank you to everyone who participated.

This year, 2,153 surveys were completed, which equates to a response rate of 23% (29%: 2018). Almost half of these surveys (45%) were completed online, with the remainder returned by post, before being processed by our Membership Team and volunteers. Below is a snapshot of the results:

MEMBER SATISFACTION - Members were asked how satisfied they are that Shared Interest is utilising their investment to achieve its mission and values - 97% stated overall they are 'very satisfied' or 'satisfied' that we are meeting this expectation.

Of respondents, 88% said they were 'satisfied' with how their investment was used and 99% said they were 'very satisfied' or 'satisfied' with the service they received from the Membership Engagement Team.

ENVIRONMENTAL ISSUES - The impact of climate change on developing world countries is already evident. Many of the businesses we support face challenges from extreme weather conditions and delayed harvests. We know that this is a topic of growing concern for many of our supporters, and responses to our survey clarified this. When asked how members would categorise themselves with regards to interest in environmental issues, 70% said they were deeply interested and 28% somewhat interested, so in total 98% of respondents denote this is an area of interest to them.

RISK - We balance the desire for our lending to reach those who need it most, with the need to avoid placing our capital at excessive risk. To achieve this, we implement a rigorous due diligence process. We also monitor our country-related risk using an independent evaluator organisation. This helps to guide us on setting limits on the amount we lend in support of a particular product, or in a particular country

We asked members where they felt they were with regards

to 'Risk versus Impact', with the option to take more risk and reach more vulnerable producers opposed to taking less risk to protect members' investments. The majority (70%) of respondents leaned more towards taking more risk to reach more producers that are vulnerable.

We asked members how they perceive the risk of their investment and 70% said they perceive the risk as low given Shared Interest's success to date and/or given Shared Interest's good 'on the ground' relationship with producers and fair trade businesses.

Investing in Shared Interest Society does carry risk, which is explained within our Share Account application process. We aim to manage risk carefully whilst remaining true to our mission, to support producer organisations in their desire to trade and improve their livelihoods. We currently hold just under £1.6m of reserves as a further protection and will be seeking to build this further in future years.

WHICH OF THE FOLLOWING PHRASES BEST DESCRIBES HOW YOU VIEW YOUR INVESTMENT IN SHARED INTEREST?

(Members could select more than one option)



INTEREST RATE ON INVESTMENTS - As noted on page 3 our interest rate has reduced to 0.1% from 1st October, having been maintained at 0.25% since November 2018. Members can choose what they would like to do with their interest. By waiving interest, members allow us to retain the funds within the lending pot. By simply leaving interest in their Share Account, members are providing us with more money to lend but they also have the opportunity to withdraw it. Some members opt to donate their interest to our charity, Shared Interest Foundation, to provide financial and governance training to small businesses in Africa and Latin America. When we asked about interest rate, 94% said this does not influence their decision to invest.

SHARED INTEREST FOUNDATION - We established our charity in 2004. Today, Shared Interest Foundation provides training and business support to small-scale producer groups in Africa and Latin America. Together with in-country partners, we deliver projects in rural and disadvantaged communities. We aim to improve household resilience by helping businesses grow - increasing incomes and employment for workers. By building business support networks, we also encourage fair trade farming and handcraft co-operatives to collaborate. This helps organisations to share the knowledge needed to diversify and break into new markets. Our survey asked members about their knowledge and support for our charity and 57% said they were aware of Shared Interest Foundation (26%:2018). You can read more about our charity on our website at shared-interest/foundation

COMMUNICATIONS - As a membership organisation, the value of community is of upmost importance to us. Due to the impact of Covid-19, we have embraced technology to remain connected. Our virtual supporter events have been a great success, and our first virtual AGM achieved the highest attendance in our history with almost 300 members joining - many of whom had never attended our AGM in the past.

Although the majority of our members continue to receive their communications by post, online Share Account management is steadily increasing and more noticeably so during the pandemic. Of those respondents using our secure Member Portal, 52% said they do so for AGM voting, 48% use it to view statements, and 40% to update personal information.

The next Member Survey will take place in 2024.

This Member Survey is one of the many research strands we are undertaking as part of the Strategic Review process. As we start to shape our ideas we would like to invite you to participate in a workshop to discuss emerging themes and learn a little more about the challenges and opportunities facing the Society. **The one hour workshops will take place at the end of January** and will be held virtually. If you would like further details or would like to join a session please email membership@shared-interest.com.

COUNCIL COMMENT

In the last few months, we have been overwhelmed by the sad news of natural disasters. There have been forest fires in Siberia (normally an area of permafrost now hit by scorching temperatures); devastating floods in Germany, Democratic Republic of Congo and Uganda; Atlantic hurricanes, and North American wildfires, to name but a few.

All these events bring home our fragility but at the same time, they have shown remarkable examples of courage and human kindness in the face of such adversity. Although many are far away from our comfortable lives here in the UK, it does make us aware that unforeseen events can affect us all. Sadly, in many instances, we in the West have contributed to these worldwide disasters. Where we once considered extreme weather conditions as singular occurrences, it is now very evident that we are all interconnected and our decisions have much wider consequences. We know that the producers supported by Shared Interest are particularly vulnerable to climate change as they battle to maintain an income for the families.

In one recent Council Comment, Martin Canning reminded us very eloquently that our buying choices have a significant influence on the world around us. It is not only our daily shopping habits that can make a difference looking at our finances is equally important. This year's Good Money Week is a reminder for us to pause and look beyond the most convenient choice. Instead, we can make informed decisions based upon an organisation's policies on sustainability, environmental impact and the welfare of employees. I personally believe that mission-led organisations achieve far better results in their sector. If you want to experience a good example of transparency, I would suggest you take a look at Shared Interest's Social Accounts.

Katarina Diss
Member of Council



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.

HELP RAISE OUR PROFILE

Please follow us on social media and keep up to date with our activities and share our posts with friends.



@SHAREDINTERESTSOCIETY



SHARED_INTEREST



SHARED INTEREST SOCIETY



@SHAREDINTEREST

☎ 0191 233 9100 ✉ membership@shared-interest.com 💻 shared-interest.com

📍 Shared Interest Society Ltd. Pearl Assurance House, 7 New Bridge Street West, Newcastle Upon Tyne, NE1 8AQ, United Kingdom

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:

