



# **7<sup>th</sup> Producers' Committee**

## **Central America**

### Summary Notes

Date: July 2023

Location: Costa Rica

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## 1. COMMITTEE MEMBERS

Organisation name	Commodity	Name of Representative	Position
1- Capucas	Coffee	Omar Rodríguez	General Manager
2- Flor de Café	Coffee	Nelson Quesada	General Manager
3- Mieles del Sur	Honey	Patricia González	Administrator
4- Najil Cab	Honey	Simmon Montes	Production Manager
5- Prodecoop	Coffee	Merling Preza	General Manager
6- UCA SJRC	Coffee	Griselda Jarquín	General Manager

## 2. SHARED INTEREST REPRESENTATIVES

Position	Representative (Initial)
Lending Manager - Central America and North America	MG
Customer Representative - Central America and North America	KJ

### 3. METHOD

The 2023 CAm PCM took place on teams. We selected six existing customers within the five countries Shared Interest currently operates in, including (Honduras, México and Nicaragua).

A personal interview was held with Mieles del Sur over the phone as they were unable to join the virtual meeting.

### 4. CONTENT

KJ welcomes all participants and briefly explained the dynamic of the meeting. Each participants introduced themselves and their organisation. Each participants were invited to provide their views and comments on specific topics. This year we identified nine questions.

#### 4.1. Positive aspects and critical success factors

***“What is going well at the moment and have been a success this year?”***

The participants were asked to share any success story or a fundamental impact made by their organisation during the year under review.

##### **Omar Rodríguez / Capucas**

- Capucas was able to manage all exports directly.
- The organisation has a consolidated staff committed to quality performance. Their knowledge and skills have contributed to maintaining quality standards and increasing buyers' confidence.

##### **Nelson Quesada / Flor de Café**

- Flor de Café was able to deal with local competition and coffee price speculation. The organisation promoted a close communication with their members to (i) inform about the cooperative's performance, plans and goals, and (ii) provide training about the cooperative philosophy.
- They have improved their internal processes to increase efficiency.
- The organisation obtained their own export license.

##### **Patricia González / Mieles del Sur**

- Mieles del Sur was able to negotiate favourable sales prices for organic honey during the last cycle.
- Producers remain loyal to the cooperative. Patricia said: “New beekeepers would like to join the cooperative and we will evaluate these requests during 2024”.

##### **Simmon Montes / Najil Cab**

- Najil Cab was able to increase their beekeepers' network and negotiate favourable sales prices for producers despite market disruptions (lower demand, volatile honey prices, and high inflation).
- They continue to maintain a sustainable business, exceeding their sales forecasts in the last cycle.

### **Merling Preza/ Prodecoop**

- Prodecoop was able to cope with buyers' demand despite the disruption caused by the high international coffee prices.
- The organisation was able to repay on time the orders prefinanced by social lenders.

### **Griselda Jarquín / UCA SJRC**

- UCA SJRC has been able to cope with buyers' demand despite higher production costs.
- The organisation was able to repay their contracts as scheduled.
- Their producer groups remained active and loyal to the cooperative.

## **4.2. Criteria for choosing a lender**

### ***“What do they want from a finance provider and where would they go to find finance?”***

The participants were invited to think about the aspects that they value most from finance providers and where they would go to find finance. We wanted to get their views of the other social lenders in the market and which sources they use to look for finance providers.

### **Omar Rodríguez / Capucas**

- Prompt withdrawals.
- Competitive interest rate.
- EC available to be used all-year-round.
- Capucas looks first for finance from social lenders because they offer lowest financial costs. Afterwards, they use the facilities with local banks.

### **Nelson Quesada / Flor de Café**

- Competitive interest rate.
- Simple processes (less paperwork for renewal process and disbursements).
- Flor de Café looks for ST finance from social lenders only because they offer better conditions than local banks.

### **Patricia González / Mieles del Sur**

- Prompt withdrawals.
- Competitive interest rate.
- Simple processes (less paperwork for renewal process and disbursements).
- Mieles del Sur looks for finance from Despertar Maya (local organisation) and SI only because they offer better credit conditions.

### **Simmon Montes / Najil Cab**

- Competitive interest rate.
- Social profile of the lender.
- Understanding of the honey market.
- Percentage of prefinance of contracts (more than 70%).

- Najil Cab looks for ST finance from social lenders only because they offer better conditions than local banks.

#### **Merling Preza/ Prodecoop**

- Prompt withdrawals.
- EC available to be used all-year-round.
- Flexibility in ST credit limit (possibility to increase it according to market conditions and trend of coffee prices).
- Simple processes (less paperwork for renewal process and disbursements).
- Competitive interest rate.
- Prodecoop looks first for finance from social lenders because they offer the lowest financial cost. Afterwards, they use the facility with the local bank.

#### **Griselda Jarquín / UCA SJRC**

- Flexibility in ST credit limit (possibility to increase it according to market conditions and trend of coffee prices).
- Simple processes (less paperwork for renewal process and disbursements).
- EC available to be used all-year-round.
- Effective customer service.
- Competitive interest rate.
- UCA SJRC looks first for finance from social lenders because they offer the lowest financial cost. Afterwards, they use the facility with local banks. Griselda said: "Local banks are our last resource because the use of coffee pledges increase our financial expenses".

### **4.3. Benefits of working with shared interest**

#### ***"What benefits do they feel they have working with SI?"***

This section invited the participants to think about the benefits of working with Shared Interest. What do they find helpful? How is our customer service viewed? What are the benefits you would like to continue receiving from SI products and services?

#### **Omar Rodríguez / Capucas**

- Prompt withdrawals.
- EC available to be used all-year-round.
- Omar said: "This Producers' Committee is an interesting opportunity to discuss issues of common interest and to listen to the challenges and experiences of other producers".

#### **Nelson Quesada / Flor de Café**

- Prompt withdrawals.
- Simple processes (less paperwork for renewal process and disbursements).

#### **Patricia González / Mieles del Sur**

- Prompt withdrawals.
- Competitive interest rate.

### **Simmon Montes / Najil Cab**

- Prompt withdrawals.
- Excellent customer service.

### **Merling Preza/ Prodecoop**

- Prompt withdrawals.
- Simple processes (less paperwork for renewal process and disbursements).

### **Griselda Jarquín / UCA SJRC**

- Prompt withdrawals.
- EC available to be used all-year-round.

## **4.4. Aspects to improve by shared interest**

### ***“What aspects of our products and services could be improved?”***

This section invited the participants to think about the areas of improvement in regards to the services and products provided by SI. What do they find a challenge? Do they have any suggestions of what we might change? This could cover the understanding of their account conditions and if there are regional trends in non-compliance to certain conditions

### **Omar Rodríguez / Capucas**

- To improve interest rate.
- To increase the limit of ST credit and/or provide positive references to other lenders to facilitate their access to additional finance.
- To provide technical assistance.
- To provide funds for social and environmental projects. Omar said: “SI could identify Capucas’ needs to explore an alliance with IDB – Inter-American Development Bank i.e. SI could provide positive references to IDB and NGOs aimed to evaluate projects’ opportunities to be developed with the support of all parties (SI-producer-NGO)”.

### **Nelson Quesada / Flor de Café**

- To consider their credit record to assess lending conditions, such as the interest rate and charge of renewal fee.
- To provide technical assistance and training on process improvement, governance, finance, and strategic planning.

### **Patricia González / Mieles del Sur**

- To consider their credit record and longstanding relationship with SI to continue supporting them with prefinance despite current challenges.

### **Simmon Montes / Najil Cab**

- To improve the way information is detailed in the statements to make it clear and easy to understand.

### **Merling Preza/ Prodecoop**

- To consider their credit record to assess the possibility of providing finance without contracts at the beginning of the 2023/24 cycle.
- To improve interest rate.

### **Griselda Jarquín / UCA SJRC**

- To consider their credit record with SI to increase the limit of their EC.
- To improve interest rate.
- To improve the way information is detailed in the statements to make it clear and easy to understand.

## **4.5. Supply and demand of lending**

### ***“What new types of financial products or services are needed for their organisations?”***

The participants were asked about their current level of demand for financing versus level of supply in their region. This is to explore types of short and long-term finance they required along with to understand the potential in the region for our finance and if other organisations in the region could benefit from our services. What financial products are providing other lenders (local or international ones) they would like SI provides?

### **Omar Rodríguez / Capucas**

- Capucas is interested in diversifying their credit portfolio with social lenders and reduce their ST loans with local banks. Omar said: “Some social lenders do not provide finance in Honduras and/or are planning to maintain their level of lending without increasing the current limits”.
- Capucas suggests SI to assign a portion of the EC for pre-financing without contracts. Buyers are delaying the signature of contracts because of the volatility in the FT market.
- In terms of new financial products, the organisation suggests LT loans focused on (i) productivity investments, (ii) coffee renovation and reforestation programmes, (iii) energy efficient projects, and (iv) technology projects.

### **Nelson Quesada / Flor de Café**

- The current ST credits are sufficient to cope with their buyers' demand.
- Flor de Café suggests us to assign a portion of the EC for pre-financing without contracts.

### **Patricia González / Mieles del Sur**

- The current ST credits are sufficient to cope with their buyers' demand.
- Mieles del Sur looks for finance from Despertar Maya (local organisation) and SI only because they offer better credit conditions. The application process with local banks is difficult for cooperatives (excessive paperwork, lengthy processes and low priority to the beekeeping sector).

### **Simmon Montes / Najil Cab**

- The current ST credits are sufficient to cope with their buyers' demand. The approval of the new EC will support their financial needs.
- No additional financial products are required.

### **Merling Preza/ Prodecoop**

- The current ST credits are sufficient to cope with their buyers' demand.
- Prodecoop suggests us to assign a portion of the EC for pre-financing without contracts.
- No additional financial products are required.

### **Griselda Jarquín / UCA SJRC**

- The current ST credits are sufficient to cope with their buyers' demand. However, UCA SJRC would like to increase limit with social lenders to reduce ST loans with local banks.
- In terms of new financial products, the organisation suggests LT loans focused on (i) productivity and equipment investments, and (ii) energy efficient projects.

## **4.6. Main Challenges**

### ***“What is the biggest challenge facing each of them currently?”***

The participants were asked about the biggest challenges each organisation faces (not COVID-19 related).

### **Omar Rodríguez / Capucas**

- To negotiate favourable average sales prices with buyers during the 2023/24 cycle taking into account:
  - New FT minimum price from August 2023 onwards.
  - FT USA decision to freeze the minimum price during 2023.
  - Low trend in international coffee prices
  - Low differentials in Honduras.
- To deal with local competitors, which could increase the local average sales price.
- To generate value-added products. Omar said: “We need to work together (buyers, producers, social lenders) to develop projects on this matter and to communicate the stories of our producers”.

### **Nelson Quesada / Flor de Café**

- To maintain their sales volume considering FT market volatility due to the change of FT minimum prices.
- To deal with the low trend of international coffee prices.

### **Patricia González / Mieles del Sur**

- To explore new market opportunities for conventional honey. The current prices for this commodity are low.



### **Simmon Montes / Najil Cab**

- To increase the number of producers in order to meet honey demand from buyers. New producers should pass through an extensive evaluation and training program before becoming members.
- To negotiate favourable conditions for producers by maintaining or improving average sales price.
- To increase exports to strengthen international positioning.

### **Merling Preza/ Prodecoop**

- To position their coffee in the market under the new FT minimum prices in order to promote a decent income for producers. Merling said: "It is key to develop a robust internal strategy to sell the new minimum prices as a fundamental aspect of the FT system".
- To deal with higher operational and financial costs as buyers are waiting until the last minute to sign contracts for the 2023/24 cycle but they must carry out coffee harvesting and processing activities, for which financing is key.
- To negotiate flexible lending conditions with social lenders, including the approval of the first disbursements of the 2023/24 cycle against a formal written request from Prodecoop. Merling said: "This can be assessed for "Top customers", as financing is required to start coffee harvesting, and contracts are not expected to be signed soon".
- To deal with higher financial expenses due to the shortage of containers in Nicaragua (exports now finish around October instead of July). Merling said: "It is key to explore the possibility of sharing these costs with buyers and social lenders".

### **Griselda Jarquín / UCA SJRC**

- To be able to sell all its coffee taking into account the new FT minimum prices. Griselda said: "It is key to communicate producers' challenges to increase the industry's awareness".
- To increase the limit of the ST credits with social lenders to reduce the finance received from local banks, which represent higher costs due to the use of coffee pledges.

## **4.7. Climate change programs/projects**

### ***"What type of climate change programs / projects are needed in your businesses?"***

In this section, the participants were asked the programs they have already been implemented and/or are currently undergoing on climate change. We also asked what programs would be required in the future to have a deeper understanding of the adaptation and/or mitigation programs the organisations require to run their business properly or to face perceived challenges. It will also help to identify if there are particular needs depending on the supply chain.

### **Omar Rodríguez / Capucas**

- Capucas is working on a project to measure their carbon footprint in order to reduce emissions and become eligible for carbon credits.
- Omar said: "We would like to promote reforestation programmes on coffee farms as a way to mitigate the effects of climate change".

### **Nelson Quesada / Flor de Café**

- Flor de Café is carrying out a project with the UN World Food Program (WFP) aimed to support the cooperative with training on climate resilience, reforestation activities, water harvesting and living fences.
- The organisation is assessing the possibility of developing a reforestation programme with the support of Rabobank.
- Nelson said: “It is key to support producers with training on sustainable practices and appropriate mitigation actions to deal with climate change”.

### **Patricia González / Mieles del Sur**

- The limited revenue does not allow the cooperative to manage projects for the benefit of the producers.
- Mieles del Sur would benefit from training on (i) adapting beekeeping practices to changing climatic conditions, (ii) good beekeeping practices for honey production and (iii) care/conservation of hives.

### **Simmon Montes / Najil Cab**

- No projects on climate change are being implemented at this moment.
- Najil Cab promotes good beekeeping practices for sustainable apiculture, and their processing plant works with clean energy technologies such as a solar photovoltaic system.

### **Merling Preza/ Prodecoop**

- Merling said: “The implementation of development projects has been a challenge during the last three cycles due to the economic and social situation in Nicaragua. However, we have been able to promote reforestation activities in coffee farms”.
- Prodecoop produces their own organic fertilisers. Nevertheless, they would like to develop a project to build a production plant and improve the way fertilisers are prepared. To carry out soil analysis in coffee farms is key for process improvement, and they are unable to do it at this moment.

### **Griselda Jarquín / UCA SJRC**

- No projects on climate change are being implemented at this moment.
- They are assessing the possibility of developing a project with Rabobank to measure their carbon footprint.
- UCA SJRC stated their interest on developing projects focused on (i) adapting coffee production to climate change, (ii) income diversification, and (iii) reforestation.

## **4.8. Technical Assistance programs**

### ***“What technical assistance programs are important for their organisations and why?”***

The purpose of this question is ask the producers what technical assistance programs they are undertaking. This can include a wide variety of topics related to agricultural projects, governance, finance, price risk management, among other ones. It will also be beneficial to know how they fund these projects (proper funds, donations from development institutions, social lenders' funds).

### **Omar Rodríguez / Capucas**

- Capucas has a permanent technical assistance program for producers focused on promoting sustainable practices in coffee plantations.
- Omar said: “We would like to develop (i) technology projects to increase efficiency, and (ii) agricultural projects aimed to strengthen the production of organic fertilisers to generate an additional income”.

### **Nelson Quesada / Flor de Café**

- Flor de Café has a permanent technical assistance program for producers focused on promoting sustainable practices in coffee plantations.
- 15% of FT Premium is assigned annually to cover the related costs and promote sustainable practices in coffee farms.
- The organisation suggested us to provide training on the following topics (i) strategic planning, (ii) process improvement, (iii) finance, and (iv) governance.

### **Patricia González / Mieles del Sur**

- The limited revenue does not allow the cooperative to manage permanent technical assistance programs, or projects for the benefit of the producers.
- Mieles del Sur would benefit from training on (i) price risk management and (ii) finance.

### **Simmon Montes / Najil Cab**

- Najil Cab support their members with training on agricultural best practices, organic production and environment protection.
- They have a permanent technical assistance program for producers focused on promoting sustainable practices and effective administrative management in their apiaries.
- The organisation would benefit from training on (i) price risk management and (ii) finance.

### **Merling Preza/ Prodecoop**

- Prodecoop has a permanent technical assistance program for producers focused on promoting sustainable practices in coffee plantations.
- The organisation has a group of internal auditors that support their members to comply with the certification's requirements and anti-money laundering policies.
- They have promoted the incorporation of young members to the cooperative. Prodecoop has supported them with training on Q grader and Q process.
- The organisation would like to implement projects on (i) credit portfolio management (ii) food security/income diversification, (ii) process improvement, and (iv) capacity building for coffee farmers.

### **Griselda Jarquín / UCA SJRC**

- UCA SJRC has a permanent technical assistance program for producers focused on promoting sustainable practices in coffee plantations.
- The organisation is implementing a project with the NGO “Ayuda en Acción” aimed to support 107 women producers to improve the quality of their coffee.

- The organisation considers key to implement projects on (i) strategic planning and (ii) income diversification.

#### **4.9. Gender gap**

##### **“How is your organisation improving gender equality?”**

In the last section, we want to understand different activities or projects that are carried out by the organisation on gender equality.

##### **Omar Rodríguez / Capucas**

- Capucas signed a national policy that seeks to promote gender equality. This policy has been shared with their members. Omar said: “Producers have distributed their lands equally among their sons and daughters. 25% of women producers own their lands. Moreover, Capucas has appointed women in leadership roles (export, quality and administrative departments)”.
- One buyer support a project focused on the development of entrepreneur activities with women members, who receive training on effective administrative management.
- Capucas would like to carry out a project with women producers focused on creating value added products and promote income diversification.

##### **Nelson Quesada / Flor de Café**

- The project with UN World Food Program (WFP) includes training on gender equality. 50% of the beneficiaries are women.
- Nelson said: “It is key to develop new projects focused on women's empowerment and productivity investments for women producers”.

##### **Patricia González / Mieles del Sur**

- The limited revenue does not allow the cooperative to manage gender equality programs.
- Patricia said: “Only 10% of our members are women. We would like to increase the participation of women in the community. This could be achieved by developing new projects and training on gender equality and women empowerment”.

##### **Simmon Montes / Najil Cab**

- Najil Cab provides supports a women empowerment project aimed to train female beekeepers to develop microbusinesses focused on honey value-added products (soaps, body crème, candles, and candies) in their local communities.
- The organisation has a gender equality policy to ensure that women and men have equal rights and access to resources.

##### **Merling Preza/ Prodecoop**

- Prodecoop has established a gender equality program focused on economic and social empowerment. They have a credit fund (zero interest rate) aimed to support women with new projects and to acquire their own land for coffee production.
- They implemented a health programme to prevent uterine cancer. Prodecoop has an alliance with the Ministry of Health to increase awareness among women producers and support them with medical care.

## **Griselda Jarquín / UCA SJRC**

- UCA SJRC is implementing a project with the NGO “Ayuda en Acción” aimed to support 107 women producers to improve the quality of their coffee.

## **5. CONCLUSION**

- MG and KJ thanked all the participants for the time they have offered to share their opinions about different topics.
- KJ mentioned that we have taken notes of their ideas and suggestions to consider ways of improving our service.
- Positive feedback was received about the Producer Committee. The customers valued the possibility of bringing producers together.
- The change of the FT premium will have a significant impact on coffee producers during the 2023/24 cycle. They stated that our financial support is key to start harvesting activities despite buyers’ position to delay the signing of contracts.
- Producers are developing projects on climate change, technical assistance and or gender gap mainly thanks to the support of NGOs and Rabobank.
- Our service is perceived positive, particularly due to our simple renewal and disbursement processes.

## **6. ANNEXES**

- PowerPoint Presentation by CAm
- Agenda
- Recorded video

# **11<sup>th</sup> Producers' Committee**

## **East Africa**

### Summary Notes

Date: July 2023

Location: Telephone Interviews

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## 1. COMMITTEE MEMBERS

Organisation name	Commodity	Name of Representative	Position
7- Tropic Coffee	Coffee	Christophe Rugira	Managing Director
8- Cyahinda Coffee	Coffee	Frederic Hakizimana	Operations & Marketing Manager (co-Founder)
9- Gisha Coffee	Coffee	Gerald Atukunda	General Manager
10- Huye Coffee	Coffee	Donatien Iyamuremye	Finance Manager

## 2. SHARED INTEREST REPRESENTATIVES

Position	Representative (Initial)
Kennedy Mwasi	KM

### 3. METHOD

We held personal interviews with each customer over the phone for an hour, in order to assure a timely collection of the information, and to gain a deeper insight of their context. This methodology worked well because in the previous virtual meetings, the producers had unstable internet connection. They were unable to participate fully during the discussions and missed others views on certain topics.

### 4. CONTENT

We selected four participants to provide their views and comments on specific topics. All the participants are in the coffee business. We discussed various topics, whose details form this report.

#### 4.1. Positive aspects and critical success factors

##### ***“What is going well at the moment and have been a success this year?”***

We asked the participants to share any success story or a fundamental impact made by their organisation during the year under review.

They all appreciated that SI disbursed funds to them with no delays, which enabled them to buy coffee from their members. In Rwanda, the participants emphasised on the critical timing of receiving funds because of high farm gate prices driven by the local competition. When they receive financing on time, they are able to buy coffee from their farmers before competitors. In Uganda, there also experience stiff competition and the timely disbursement helps in fulfilling contracts with buyers on time.

The producers also mentioned that they have maintained their membership and added more farmers because of available finance to buy coffee from them. This has also opened market opportunities for them because they have been able to work with more buyers after buying high volumes of coffee.

*“In January this year, Cyahinda received financing from SI and used the money to pay advance to farmers. The farmers needed the advance to pay for their children’s school fees. At the time we paid an advance to farmers, the government had not set the farm gate price. When the season started, Cyahinda considered the government minimum price and agreed with the farmers a reasonable price. The final agreed price was higher than the government set minimum price. The SI finance early in the harvest helped Cyahinda overcome the challenges of the high local market prices caused by competitors”\_ Frederic Hakizimana*

#### 4.2. Criteria for choosing a lender

##### ***“What do they want from a finance provider and where would they go to find finance?”***

The participants were invited to think about the aspects that they value most from finance providers and where they would go to find finance. We wanted to get their views of the other social lenders in the market and which sources they use to look for finance providers.



The participants all suggested that they prefer a lender who understands the coffee business cycle and provides finance when needed. They also appreciate when a lender is flexible to provide additional finance whenever a situation arises to fulfil contracts or buy more coffee.

*“SI had provided pre finance to Gisha to fulfil a contract with a buyer in Egypt, but eventually the buyer was unable to take the coffee, due to USD currency challenges. SI was flexible enough to allow us replace the contract with a new buyer in Switzerland and sell our coffee”- Gerald Atukunda, Gisha Coffee*

The producers also said they consider lenders who are not focusing on taking security because this hinders their business needs. Realistically, they may not have security whose value would match their working capital needs, while they need to fulfil contracts or buy large volumes of coffee to sell competitively to the international markets.

Producers working with other social lenders confirm that they receive almost the same products offered by SI. The social lenders also do not focus on the value of security to match lending if they compare with what local banks demand. The other social lenders also provide pre finance or working capital against contracts or Letters of Intent from buyers. However, the SI Stock Facility is more practical for producers because they are able to access it without contracts.

*“Most buyers give contracts to the South America markets, and when they come to East Africa, they prefer to buy large volumes of coffee from Ethiopia, before considering other countries. In Rwanda, we do not grow coffee in large scale because of the size of our land parcels so we get contracts last because of our smaller volumes. The SI Stock Facility is very helpful for our organisation because we are able to buy coffee in time and then look for buyers to set contracts later in the year when they are willing to discuss”. Christophe Rugira, Tropic Coffee*

There is a specific social lender was fixated on pre financing contracts only. When a producer does not provide a contract, they are penalised for not utilising their facility limit.

On the one hand, the local banks application process is rigorous and they tend to make approvals without aligning them to the harvest season. The approval at most times comes after the harvest season has ended, making it useless to use the finance.

### **4.3. Benefits of working with shared interest**

***“What benefits do they feel they have working with SI?”***

In this section, we wanted to gather the participants’ thoughts on what they perceive to be the benefits of working with Shared Interest. What do they find helpful? How is our customer service viewed? What are the benefits you would like to continue receiving from SI products and services?

Producers are appreciative that SI finance is provided in a timely manner either at the start of the harvest or finance contracts. This has helped them to buy good quality coffee during peak harvest seasons.

Most of their response here was a repetition from what they said in the previous questions.

### **4.4. Aspects to improve by shared interest**

***“What aspects of our products and services could be improved?”***

This section invited the participants to think about the areas of improvement in regards to the services and products provided by SI. What do they find a challenge? Do they have any suggestions of what we might change? This could cover the understanding of their account conditions and if there are regional trends in non-compliance to certain conditions

The producers are generally happy with the quick response to their requests for financing. However, they suggested that the COEC documentation process could be simplified. They are also not comfortable with the request to bring more security whenever they ask for an increased facility limit. This has led them to shy away from SI and look for alternative lenders who do not ask for collateral.

The producers pointed out that the area SI needs to improve on is making frequent visits.

*“SI listens to organisations challenges and provides a solution. However, there is need to visit more for monitoring.” \_ Donatien, Huye Coffee*

#### **4.5. Supply and demand of lending**

##### ***“What new types of financial products or services are needed for their organisations?”***

We asked the participants about their current level of demand for financing versus level of supply in their region. This is to explore types of short and long-term finance they required along with to understand the potential in the region for our finance and if other organisations in the region could benefit from our services. What financial products are providing other lenders (local or international ones) they would like SI provides?

The producers said that SI finance is suitable for their business. They also appreciate that we disburse at the right time either at the start of the harvest for the stock facility, and those who service contracts, they are able to receive finance and fulfil on time. The producers all agree that it is critical to receive finance at the right time and to have a lender who can restructure repayment term period during challenges. This was in relation to challenges they faced in delayed shipments and for some with buyers. SI was flexible to consider a new contract.

They require SI to consider increasing facility limits in between the year, whenever possible because at times, they have the chance to buy more coffee from farmers but do not have the funds.

To be specific this year, the government of Rwanda uplifted the zoning policy, which in the past restricted an organisation to buy coffee outside their region (government borders). The positive side lifting the zoning policy ban of this is that an organisation can buy coffee a specific coffee quality required by buyers outside their region. This was restrictive in the previous years. However, it is also a disadvantage because now the competition will be stiffer so they need available finance at all times.

#### **4.6. Main Challenges**

##### ***“What is the biggest challenge facing each of them currently?”***

The participants were asked about the biggest challenges each organisation faces (not COVID-19 related). This question should help to show us how we could do better to meet their needs. It will also help to identify if there are any specific regional challenges or product specific challenges.

The producers cited the biggest challenge they are currently facing is competition from larger traders who push the local market prices. In Uganda, the market is liberal because the government does not set a minimum price. Meanwhile in Rwanda, the government sets a minimum farm gate price but does not put a limit cap to which an organisation can buy coffee.

In both Rwanda and Uganda, the governments have allowed the international buyers to invest through local coffee washing stations. These international buyers are causing unfair competition, because they are managing the entire coffee value chain from the farm to the end market. They have the benefit of economies of scale, from shipping large volumes, warehouses and are the international market players. Our producers are finding it difficult to keep up with this kind of competition because the cost of production is high.

The buyers are not agreeing to negotiate good prices and there is fear that this situation will get worse because the world prices are expected to further reduce since Brazil has overcome the frost situation that was a challenge for the past two years.

#### **4.7. Climate change programs/projects**

##### ***“What type of climate change programs / projects are needed in your businesses?”***

In this section, the participants were asked the programs they have already been implemented and/or are currently undergoing on climate change. We also asked what programs would be required in the future to have a deeper understanding of the adaptation and/or mitigation programs the organisations require to run their business properly or to face perceived challenges. It will also help to identify if there are particular needs depending on the supply chain.

The producers said that climate change has presented several challenges to their coffee production. While they have made some interventions, they still need to train their farmers in order to help them mitigate the challenges presented by the climate change. All the producers feel that capacity building the farmers in best practices of coffee production is still a critical intervention.

*“SIF has supported us to provide training to farmers in one of our local coffee washing stations. We still want to roll out the same project on farmers in another coffee washing station. We do not have the funds yet but will be open to receive a grant.”\_ Christophe Rugira, Tropic Coffee*

*“We would like to capacity build our farmers in good agricultural practices. It is critical for our farmers to receive support that helps them in increasing their coffee production”\_ Frederic Hakizimana, Cyahinda Coffee*

*“We would like to build gabions at the farms. In addition, we would like to plant more trees to reduce the effects of climate change”\_ Donatien, Huye*

*“We would like to equip our farmers with agribusiness skills so that they can fully utilise their farms. We also want to train them on climate change mitigation. We also need solar driers to help us dry coffee because harvest season most times coincide with the rains”\_ Gerald, Gisha Coffee*

#### **4.8. Technical Assistance programs**

##### ***“What technical assistance programs are important for their organisations and why?”***

The purpose of this question is ask the producers what technical assistance programs they are undertaking. This can include a wide variety of topics related to agricultural projects, governance, finance, price risk management, among other ones. It will also be beneficial to know how they fund these projects (proper funds, donations from development institutions, social lenders' funds)

*"We looked for grants and used the funds to build parabolic solar drier. This is a greenhouse for coffee drying and we have used it to dry our anaerobic processed coffee"\_ Christophe Rugira, Tropic Coffee*

Tropic Coffee has also received a grant from Alterfin, which has been used to get their farmers Rainforest Alliance certified.

In the case of Cyahinda they received technical support from Root Capital to equip their management skills.

*"In 2022, Root Capital approached us for financing and offered to provide training on Risk Management and Governance." \_ Frederic, Cyahinda Coffee.*

Cyahinda also mentioned that they feel their management team and staff will benefit for a training on management skills, logistics and exporting and cupping.

Although producers have made interventions for some areas, they mentioned other critical aspects they consider important such as governance and management skills and price risk management. These are aimed at the management and staff but they do not have the funds yet to pay for these trainings. The focus has always remained on the farmers' capacity building.

#### **4.9. Gender gap**

##### **"How is your organisation improving gender equality?"**

In the last section, we want to understand different activities or projects that are carried out by the organisation on gender equality.

Some of our producer organisations have set up women welfare group fund, which assist them to access loans for school fees. Some said that they

However, majority of the producers confirmed that they have not set any gender specific projects, but are inclusive in all their projects aimed at farmers.

## **5. CONCLUSION**

The views presented in this report were gathered from coffee producers and is not representative of the other value chain. They were also gathered from Rwanda and Uganda producers, where we currently have active customers who are accessing our finance. The producers' views represented the majority of our customers based on our interactions and discussions.

# **13<sup>th</sup> Producers' Committee**

## **South America**

### Summary Notes

Date: 02/08/2023

Location: Virtual Meeting, Peru

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## 1. COMMITTEE MEMBERS

Organisation name	Commodity	Name of Representative	Position
11- Asociacion Valle Grande	Coffee	Elmer Benavides/Ivan	President/General Manager
12- La Florida	Coffee	Edwin Villacorta	General Manager
13- CAES Piura	Brown Sugar	Elber Meza	General Manager
14- Cuenca del Huallaga Cacao		Michell Valles	General Manager
15- Asprocafe Santuario	Coffee	Oscar Santos	Administrator
16- Cooperativa San Fernando	Coffee	Wilbert Almanza	General Manager
17-			
18-			

**Apologies:**

## 2. SHARED INTEREST REPRESENTATIVES

Position	Representative (Initial)
Lending Manager South America	BB
Customer Representative South America	MC
Customer Representative South America	SR

## 3. METHOD

The 2023 South America PCM took place on Teams App. We selected six existing customers within one country Shared Interest currently operates in; it corresponds to Peru.

## 4. CONTENT

BB welcomes all participants and briefly explained the dynamic of the meeting. Each participants introduced themselves and their organisation. Each participants were invited to provide their views and comments on specific topics. This year we identified nine questions.

### 4.1. Positive aspects and critical success factors

***“What is going well at the moment and have been a success this year?”***

The participants were asked to share any success story or a fundamental impact made by their organisation during the year under review.

#### ASOCIACION VALLE GRANDE

- The organisation highlighted that coffee prices this year have shown a reduce volatility. Positive outlook when it is compared to that of year 2022, when prices paid to producers in some cases were higher to those of the international market.
- One positive aspect this year is their adequate relationship with buyers; customer has acknowledged that other participants in the industry have deteriorated its relationship with buyers in some cases as these organisations did not comply with some contracts in 2022.
- Another final aspect to remark in 2023 is the start of operation of a new collection center, which was partially funded by Agroideas Government project.

#### LA FLORIDA

- The organisation positively remarked that this year they have improved the relationship with their members; important mission considering that 2022 has been a difficult year considering the sharp drop of international coffee prices.
- It was also remarked that this year they have increased the presence of technicians in the field.
- The organisation is looking to improve three aspects in 2023 and going forward (yield, quality, and efficiency in the usage of resources).

#### CAES PIURA

- The organisation highlighted that in their main product (brown sugar) they are having a very positive year.
- CAES Piura is advanced in their pre-feasibility study to add technology in their production process; important milestone for CAES Piura to start to evaluate the possibility of an investment for a potential plant.
- The organisation highlighted their adequate competitive advantage when comparing them with Manduvira (Paraguayan organisation, which is the biggest organisation in this organic product worldwide), this advantage is related to the Free Trade Agreements that Peru possess.

#### CUENCAS DEL HUALLAGA

- The organisation highlighted that this year will be an important milestone in terms of sales. They expect to almost triplicate their sales in 2023.
- The customer has brought technology to the operation (AGROS app and tool) to monitor organic production in the field. Important considering that the industry is facing issues related to tests failing to positive in organic samples.
- The customer has managed to hire more personnel in view of the forecasted sales.

#### ASPROCAFE SANTUARIO

- The organisation remarked that 2023 has been important in terms of quality and revenues due to specialty coffees.
- As an important milestone for 2023, the organisation would be starting to sell to South Korea (micro lots).

#### COOPERATIVA SAN FERNANDO

- The organisation has obtained a grant from one of its customers in USA, proceeds are being used in irrigations systems, they expect to provide this support to the majority of its members in 2023 and going forward.
- In 2023, the organisation has worked in strengthening the relationship with their members.

### 4.2. Criteria for choosing a lender

#### ***“What do they want from a finance provider and where would they go to find finance?”***

The participants were invited to think about the aspects that they value most from finance providers and where they would go to find finance. We wanted to get their views of the other social lenders in the market and which sources they use to look for finance providers.

#### ASOCIACION VALLE GRANDE

- Key topics when looking for a financial provider are the tenors of the credit facilities, the requirements requested by financial provider, and the interest rates.
- The customer provided an example of complexity when working with another social lender, meaning that this social lender has an initial requirement that the organisation needed to enter into a training process, for them to then start an assessment process for a credit application.



- Another key aspect highlighted was the timing that a financial provider takes to grant the disbursements.

#### LA FLORIDA

- The organisation pointed out that key drivers when looking for a financial provider are the agility in the approval process, the requirements in terms of forms to be filled, and the interest rates.
- The customer also pointed out that they go to look for finance in a first instance with financial providers that are less bureaucratic in terms of requirements when they grant contracts to be financed. La Florida mentioned that in some cases it has taken up to 15 days to receive a disbursement.

#### CAES PIURA

- The organisation highlighted that at first instance they look for better interests rates. Then, how fast funds could be granted, and they also look for financial providers less bureaucratic.
- The organisation pointed out that they do not work with other social lenders, but they are exploring with one social lender the possibility of funding for 2024. Also, that they work with a local bank (BBVA).

#### CUENCAS DEL HUALLAGA

- The organisation highlighted that they look for financial providers that could grant funds all year-round. That some other social lenders demand that their exposures are fully repaid in order to assess new potential disbursements; on which the organisation disagrees with this way of working.
- Another key aspect for the organisation is the pricing of the facilities granted.

#### ASPROCAFE SANTUARIO

- The organisation remarked that they look for pricing and the agility in the disbursement process when deciding for financial providers.
- The customer pointed out that they are not looking for more social lenders as they are happy with the increase provided by SI in 2022.

#### COOPERATIVA SAN FERNANDO

- The organisation shared their view in line with comments shared by other organisations in this topic, highlighting that they prefer to work with organisations that do not have too many requirements, and that do not ask for a lot of documentation or forms.
- The organisation pointed out that currently they are not looking for other sources of funding as they have obtained some financing from members that have extra liquidity.

### 4.3. Benefits of working with shared interest

#### ***“What benefits do they feel they have working with SI?”***

This section invited the participants to think about the benefits of working with Shared Interest. What do they find helpful? How is our customer service viewed? What are the benefits you would like to continue receiving from SI products and services?

#### ASOCIACION VALLE GRANDE

- The organisation remarked the adequate tripartite process (contracts granted) offered by SI.
- The organisation is very happy with the service provided in the disbursement process; the agile service.

#### LA FLORIDA

- The organisation highlighted the agile process of our disbursements.
- The organisation also highlighted our monitoring and communication after disbursements, pointing out that this also help them to with their tracking and monitoring of their orders. They pointed out that other lenders disburse and then communication is poor or nil.

#### CAES PIURA

- The organisation remarked the relevance of the triangulation process (contracts granted).
- The customer highlighted that relevance of the revolving nature of our credit facilities. They pointed out that with their other lender (a local bank) they need to first cancel the outstanding to then request another disbursement.

#### CUENCAS DEL HUALLAGA

- The organisation highlighted the close communication during all the season, which gives them the opportunity to transmit challenges that they could be facing in certain point of time.
- The customer also highlighted that we are a lender that understands and supports the organisation in years that could be difficult years. They feel that our support looks for letting organisations grow over time.

#### ASPROCAFE SANTUARIO

- The organisation shared their view in line with the triangulation process, remarking that it is good way of working.
- The organisation pointed out about our positive support in terms of requirements; other lender has asked them to have the raw material at plant in order to make financing.

#### COOPERATIVA SAN FERNANDO

- The organisation also remarked the relevance of the tripartite process (contracts granted) as good way of working.
- The organisation highlighted the agile disbursement process performed by SI.

### **4.4. Aspects to improve by shared interest**

#### ***“What aspects of our products and services could be improved?”***

This section invited the participants to think about the areas of improvement in regards to the services and products provided by SI. What do they find a challenge? Do they have any suggestions of what we might change? This could cover the understanding of their account conditions and if there are regional trends in non-compliance to certain conditions

#### ASOCIACION VALLE GRANDE

- The organisation mentioned if SI could repay other contracts financed with SI with the repayment received from other contracts also financed with SI. Since they are relatively new, they did not know that we could do it.
- The organisation also mentioned that usually the percentage of the contract assigned to be financed by SI could be considered low. In an outlook of increasing commodity prices this would be highly appreciated.
- Interest Rate charged was also pointed out as an area of improvement.

#### LA FLORIDA

- The organisation mentioned that it would be good to have other products that could be used in social projects.
- Interest Rate charged was also pointed out as an area of improvement.

#### CAES PIURA

- CAES Piura mentioned that they would like to have credit facilities for other commodities; this organisation has other products that are not representative in their total sales, but that they would like to boost its sale.
- Interest Rate charged was also pointed out as an area of improvement.

#### CUENCAS DEL HUALLAGA

- The organisation mentioned that usually the percentage of the contract assigned to be financed by SI is usually low. This is very important in an outlook of increasing prices of their commodity traded.

#### ASPROCAFE SANTUARIO

- The organisation mentioned that they would like to have availability to credit facilities related to long-term loans to perform some small investments (i.e. to cover investments in gathering centers).

#### COOPERATIVA SAN FERNANDO

- The organisation mentioned that they would like to have credit facilities for other commodities. Some of their farmers have avocado as another plantation, and these farmers have approached the cooperative to explore the possibility of making joint efforts to start exporting this product (amount would not be representative).

### 4.5. Supply and demand of lending

#### ***“What new types of financial products or services are needed for their organisations?”***

The participants were asked about their current level of demand for financing versus level of supply in their region. This is to explore types of short and long-term finance they required along with to understand the potential in the region for our finance and if other organisations in the region could benefit from our services. What financial products are providing other lenders (local or international ones) they would like SI provides?

#### ASOCIACION VALLE GRANDE

- The organisation mentioned that it would be useful to have long-term loans products to make some minor investments, for example in the construction or improvement of gathering centers.

#### LA FLORIDA

- The organisation mentioned that they would like to have access to long-term loans since the ones that they have now are expensive (high interest rates). They would like to use these loans to improve the sale of sub-products.

#### CAES PIURA

- The organisation highlighted that credit facilities to support other commodities, like peanuts, would be useful for them. Even though their main product by far is brown sugar, they would like to improve the sale of other minor products.

#### CUENCAS DEL HUALLAGA

- The organisation mentioned that they would need long-term loans for infrastructure. They mentioned that there is a term loan being negotiated with another social lender. They would like to explore our offer in that regard.

#### ASPROCAFE SANTUARIO

- The organisation mentioned that they are interested in long-term loan as a product to invest in infrastructure related to gathering centers.

#### COOPERATIVA SAN FERNANDO

- The organisation would like to have a long-term loan and a credit facility for a potential new commodity (avocado, which would not be representative in their mix of sales).

### 4.6. Main Challenges

#### ***“What is the biggest challenge facing each of them currently?”***

The participants were asked about the biggest challenges each organisation faces (not COVID-19 related). This question should help to show us how we could do better to meet their needs. It will also help to identify if there are any specific regional challenges or product specific challenges.

#### ASOCIACION VALLE GRANDE

- The organisation highlighted that they have not closed all the contracts that they were expecting at the beginning of the campaign; given the low demand of buyers requesting to close contracts.
- The customer also mentioned that processors/consumers are trying to buy cheaper coffee; that FTO coffee now is being perceived as expensive.

#### LA FLORIDA

- The organisation pointed out that their access to other financial providers is one challenge that they are facing right now. The organisation explained that they had an issue with one container back in 2021, and that many lenders decided not to fund La Florida anymore.
- The customer also mentioned the low availability of contracts for this campaign.

#### CAES PIURA

- The customer mentioned that El Niño Weather Phenomenon would be the main challenge right now. They would be trying to gather the product earlier for contracts to be shipped in 2024's campaign.

#### CUENCAS DEL HUALLAGA

- The organisation mentioned that their main challenge is the continuing rising of cocoa prices and their availability of credit facilities to fund that expansion. They restated that it would be good if SI could increase the percentage of financing assigned to the contracts provided.

#### ASPROCAFE SANTUARIO

- The customer mentioned that they have a low amount of contracts closed at this point of the campaign.
- They highlighted that there is some speculation in regard of the increase of coffee prices; some farmers are keeping the coffee in their farms, which could be dangerous for the quality of the product.

#### COOPERATIVA SAN FERNANDO

- The customer is facing challenges regarding low demand of FTO contracts.
- The organisation pointed out about issues regarding climate change; mentioning that the climate has been dry which could affect the yield and quality of the coffee.

### 4.7. Climate change programs/projects

#### ***“What type of climate change programs / projects are needed in your businesses?”***

In this section, the participants were asked the programs they have already been implemented and/or are currently undergoing on climate change. We also asked what programs would be required in the future to have a deeper understanding of the adaptation and/or mitigation programs the organisations require to run their business properly or to face perceived challenges. It will also help to identify if there are particular needs depending on the supply chain.

#### ASOCIACION VALLE GRANDE

- The organisation has developed a project named Climate-Smart Coffee to measure dioxide carbon levels; they are exploring offering bonds to the international market.
- They have mentioned that the next reforestation project will be the implementation of a nursery for the production of seedlings to reach some savings. The types of seedlings will be produced based on the producers demand. Their goal is also to reforest 1,800 hectares of coffee. The buyer Benecke Coffee would be participating in this project

#### LA FLORIDA

- The organisation has highlighted that 109 producers have been certified with the Bird Friendly Stamp in order to conserve biodiversity.
- They are using the coffee husk to prevent it ending up poorly composted and emitting greenhouse gases. In addition, it represents another source of income for the producer.
- They have indicated that there is a need for irrigation system investments because this year there has been lower rain in the region.

#### CAES PIURA

- The organisation is located in areas where some hydric resources origins, and is encouraging communities to develop nurseries.
- They have mentioned the need of making reservoirs in some other cases due to lower rains.

#### CUENCAS DEL HUALLA

- The organisation has implemented organic fertilisers to reduce the increase of pests and diseases that have been affecting some cocoa areas. These products have been financed with the organic premium received.
- They have applied to reforestation projects with Solidaridad (NGO).

#### ASPROCAFE SANTUARIO

- The technical assistance provided by the organisation to producers includes a module on raising awareness of climate change and environmental conservation.
- Through the Fair Trade program, they have been installing amazonian sprouters since 2019.

#### COOPERATIVA SAN FERNANDO

- The organisation has pointed out that there are shortages of water resources. In this sense, the client has requested funds from its buyers for the installation of drip irrigation systems.
- They have implemented their own program to encourage their producers to preserve virgin forests.

### 4.8. Technical Assistance programs

#### ***“What technical assistance programs are important for their organisations and why?”***

The purpose of this question is ask the producers what technical assistance programs they are undertaking. This can include a wide variety of topics related to agricultural projects, governance, finance, price risk management, among other ones. It will also be beneficial to know how they fund these projects (proper funds, donations from development institutions, social lenders' funds)

#### ASOCIACION VALLE GRANDE

- The organisation has highlighted that technical assistance in the field is necessary to meet the requirements of the certification standards as well as the internalisation of the producer concerning cultivation techniques.
- They consider that technical assistance for the care of the environment and administrative processes are key for the organisation.

#### LA FLORIDA

- The organisation has pointed out that its number of technicians is insufficient to cover all the producers' demands.
- The organisation has pointed out that it is a challenge for them to meet certification standards when the access to technical assistance is limited.
- To mitigate the lack of technical assistance they have implemented a kind of training with some members, for them to support a larger number of producers.

#### CAES PIURA

- The challenge for the organisation is to hire one more field technician for this year.
- The organisation has pointed out that at the administrative level they also require technical expertise such as budget training (to control costs and expenses).

#### CUENCAS DEL HUALLAGA

- The organisation has mentioned that over time the technical assistance has only concentrated in solving immediate needs.
- They are critical in that one of the limitations of technical assistance is the processing of information. Sometimes the information obtained from technical assistance does not reach the staff for planning purposes. The organisation has implemented new technologies to make a correct evaluation of the field in order to detect the needs of the producers.

#### ASPROCAFE SANTUARIO

- They mentioned that there is a necessity to increase the number of technicians in the field.
- They have indicated that they need technical assistance in administrative matters such as, financial, governance, and sales.

#### COOPERATIVA SAN FERNANDO

- The organisation has highlighted that it is important to have technical assistance to maintain efficiency in the field.
- The organisation has pointed out that technical assistance in the field is not sufficient to cover the needs of the producers.

### 4.9. Gender gap

#### **“How is your organisation improving gender equality?”**

In the last section, we want to understand different activities or projects that are carried out by the organisation on gender equality.

#### ASOCIACION VALLE GRANDE

- The organisation pointed out that the certification programs have been improving their standards, and have already included regulations on gender equality.
- Since last year, they have implemented a gender committee, and have ensured that there is women's participation in all the organisation's committees.

#### LA FLORIDA

- The organisation has 93 women members whom carry out field activities, cultivation and animal husbandry (aiming to income diversification).
- They have a family development committee made up of woman producers and wives of producers. They manage a USD 30k budget for small business projects.
- The organisation has executed the Con Manos de Mujer (translation of With Woman's Hands) project where some producers are working with specialty coffee under the Aroma Mujer brand.

#### CAES PIURA

- The organisation now considers the married couple as the partner, which means that if the husband cannot attend an assembly, his wife can replace him and has the same right to vote.

#### CUENCAS DEL HUALLAGA

- The organisation has pointed out that they have been promoting gender equality. For example, the council is made up of five members: two men and three women; while the administrative staff of the organisation are six women and three men.

#### ASPROCAFE SANTUARIO

- The organisation mentioned that there is still little participation of women in the organisation, despite the fact that there are women members in some committees, such as the education and vigilance committees.
- They are developing a project called Cafe Mujer for the production of roasted coffee with the participation of some women members.

#### COOPERATIVA SAN FERNANDO

- The organisation has worked on projects with the NGOs TRIAS and UPADI. They currently have two associations made up of women for the sale of guinea pigs.
- One of the women's committees is being benefited from Pro Compite (Government Programme), for the production of honey coffee through technical assistance and equipment.

## 5. CONCLUSION

BB thanked all the participants for the time they have offered to share their opinions about different topics. He mentioned that we have taken notes of their ideas and suggestions to consider ways of improving our service.

It was well noted that all customers had something positive to share in regard of milestones achieved, or that would be achieved, during 2023. Most of the participants shared their view in regard of key aspects when looking for a financial provider; which are mainly related to the quantity of documentation of forms requested, and the agility in the disbursement process. Aligned with this, all participants shared their view that SI has an outstanding performance when referring to the disbursements process; and most of the participants highlighted our interest in how they are performing across the whole season, and also our adequate monitoring process.

In regard of areas of improvements of SI, none of the customers identified something material; most comments received were in regard of SI to assign a higher percentage of financing to contracts provided, or SI to provide financing for other commodities or small projects; also high interest rates were questioned. Customers identified as other products the necessity of small long-term loans (for example to improve gathering centers) or credit facilities for other products/sub-products. As main challenges, their opinions were diverse; however, we can identify common ones as issues related to climate change, or the delay in the closing of coffee contracts in view of the increased minimum coffee price by FT.

Organisations are aware of climate change and its effects on producers' farms. This is evidenced by the lack of rain in some regions. The response of the organisations is to work together with their committees on projects to take care the environment, including reforestation (nurseries), the production of organic fertilisers, the management of coffee by-products, and the construction of reservoirs and drip irrigations systems. Another challenge that the



organisations face is technical assistance. All participants mentioned that there is a shortage of technical assistance to meet the needs of the producers in their farms. Some pointed out that they have formed schools to train some members to support others. They have also mentioned the need for technical assistance in other areas, especially in finance.

Finally, we are happy to hear that there are important developments in the organisations in regard of gender equality. All the organisations are working on this through projects, new policies, and encouraging members to become more aware of women's place within the organisations. Although there is still a long way to go, we observed that they are all aligned on the need for women to have more participation and equal rights.

## **6. ANNEXES**

- PowerPoint Presentation by SR
- Programme / Agenda
- Recorded video

**6<sup>th</sup>**

**Producers' Committee**  
**West Africa Region**

Summary Notes

**Date: 25/07/2023**

HOTEL LAFORGE-COCODY ANGRE, ABIDJAN

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## 1. COMMITTEE MEMBERS

N°	Nom	Organisation	Commodity	Contact
1	M. ENOKOU Jacques	CAYAT COOP CA	Cocoa	07 07 97 84 47
2	Mme AGRE Née AYIKOE	CADESA COOP CA	Cocoa, Cashew, Coffee, Rubber	07 08 97 49 99
3	Mme DOGO Dorothée	CADESA COOP CA	Same as above	05 05 71 07 86
4	KOUADIO K. A. Cyrille	YEYASSO COOP CA	Cocoa, Cashew	07 49 52 51 58
5	Mme ASSEU Anicette	SOCAAN COOP CA	Cocoa	07 77 25 56 95

6	Mme KONE Pognan	ECAKOOG COOP CA	Cocoa	07 49 96 17 58
7	DICKO Adama	SOCOOD	Cocoa, Cashew	07 47 52 12 27
8	OUEDRAOGO Abdougani	SOCOOD	Cocoa, Cashew	07 77 24 12 55
9	Mme KOUADIO Marcelle	CABF	Cocoa, Cashew, Rubber	07 08 00 86 03
10	SAVANE Mamadou	SOCAK KATANA	Cocoa	07 58 61 61 42
11	BUO Divine James	SHARED INTEREST	N/A	05 95 80 82 45
12	KWAMI Dekonor	SHARED INTEREST	N/A	+223 02 43 14 49 74
13	AMOAKON Mian	KEY STRATEGY CONSULTING	N/A	07 08 27 21 31

**Apologies:**

## 2. SHARED INTEREST REPRESENTATIVES

Position	Representative (Initial)
Zie Ouatarra Ecookim	

## 3. METHOD

IF IN PERSON: The 2023 West Africa Region PCM took place in Abidjan, Ivory Coast. We selected 07 existing customers based in Ivory Coast and a new Prospect also based in Ivory Coast Shared Interest currently operates in, including.

### FACILITATORS

1. Mian AMOAKON KEY STRATEGY CONSULTING SARL  
[key.strategyconsulting@gmail.com](mailto:key.strategyconsulting@gmail.com)
2. Kwami Dekonor-Shared Interest
3. Divine Buo Shared Interest

### Duration

5 heure 30 minutes

## 4. CONTENT

Welcome address by Divine Buo

Presentation of SI, the SI Foundation and review of Performance 2022 by Mr KWAMI Dekonor and BUO Divine

### Object of the meeting

- To ascertain from selected customers within the region their current financial needs and discuss how to improve our financial services to the producer groups;
- To allow producers to explain current challenges facing handicraft and commodity trade and discuss ways of addressing challenges;
- Discuss the different types of climate change projects or programs implemented in 2022/2023. To identify factors causing climate change and the impact on their business;
- Discuss with producers additional commodities for financing within the region to diversify our business concentration;
- Explore other financial products suitable to the needs of our customers;
- Discuss new innovations and technologies to assist in faster and more efficient service delivery to our clients;
- Discuss various measures adopted to improve equality between men and women in your organization.

### Topics covered

- What benefits do they derive from working with SI?
- What aspects of our products and services could be improved?
- What new types of financial products or services does their organisation need?
- What is the biggest challenge they are currently facing?
- What types of climate change programmes/projects do your companies need?
- What technical assistance programmes are important to their organisations and why?
- How is your organisation improving equality between men and women?

### 4.1. Positive aspects and critical success factors

***“What is going well at the moment and have been a success this year?”***

The participants were asked to share any success story or a fundamental impact made by their organisation during the year under review.

	<ul style="list-style-type: none"><li>•</li></ul>
Success stories to share	<ul style="list-style-type: none"><li>• ECAKOOG :</li></ul>

	<ul style="list-style-type: none"> <li>– <input type="checkbox"/> CEMOI donates 2 tricycles to two women's groups</li> <li>– <input type="checkbox"/> Setting up a literacy centre for women and men</li> <li>– <input type="checkbox"/> 4 women have joined the Board of Directors</li> <li>• SOCAAN : <ul style="list-style-type: none"> <li>– <input type="checkbox"/> Best cooperative in Côte d'Ivoire in 2019 for its social actions</li> <li>– <input type="checkbox"/> 4 times winner of the best cooperative in the Mé</li> </ul> </li> <li>• YEYASSO : <ul style="list-style-type: none"> <li>– <input type="checkbox"/> A producer has been invited to Kenya to share her experience</li> </ul> </li> <li>• CADESA <ul style="list-style-type: none"> <li>– <input type="checkbox"/> Prize for the best exporting cooperative in Côte d'Ivoire for the 2019-2020 season</li> <li>– <input type="checkbox"/> Construction of a school in Adebem</li> <li>–</li> </ul> </li> <li>• CAYAT <ul style="list-style-type: none"> <li>– <input type="checkbox"/> Internal regulations are displayed at the entrance to the offices.</li> </ul> </li> <li>• SOCOOD <ul style="list-style-type: none"> <li>– <input type="checkbox"/> Diversification of production activities with food crops for cocoa farmers' own consumption</li> <li>– <input type="checkbox"/> Processing of cocoa by women to make chocolate</li> </ul> </li> </ul>
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## 4.2. Criteria for choosing a lender

***“What do they want from a finance provider and where would they go to find finance?”***

The participants were invited to think about the aspects that they value most from finance providers and where they would go to find finance. We wanted to get their views of the other social lenders in the market and which sources they use to look for finance providers.

**XXXX** Not discussed

## 4.3. Benefits of working with shared interest

***“What benefits do they feel they have working with SI?”***

This section invited the participants to think about the benefits of working with Shared Interest. What do they find helpful? How is our customer service viewed? What are the benefits you would like to continue receiving from SI products and services?

1. Strengths with SI	Challenges with SI
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<ul style="list-style-type: none"> <li>• Ms Anicette Asseu, SOCAAN: it is difficult to obtain credit from local banks, compared with SI</li> <li>• M. Dicko Adama, SOCODD : <ul style="list-style-type: none"> <li>– <input type="checkbox"/> SI financed grassroots cooperatives</li> <li>– <input type="checkbox"/> SI stands out from the crowd with its presence on the ground</li> <li>– (proximity to partners)</li> <li>– <input type="checkbox"/> SI goes straight to the point, without wasting time</li> <li>– <input type="checkbox"/> Rapid disbursements</li> <li>– <input type="checkbox"/> SI listens to its partners and communicates effectively</li> <li>– <input type="checkbox"/> The Foundation enables AGRs to have a rapid impact</li> </ul> </li> <li>–</li> <li>• KWAMI Dekonor, SI : <ul style="list-style-type: none"> <li>– <input type="checkbox"/> No stock guarantee with SI</li> <li>– <input type="checkbox"/> The interest rate has already been lowered for some cooperatives. This is done on a case-by-case basis</li> </ul> </li> <li>–</li> <li>• Jacques ENOKOU, CAYAT : <ul style="list-style-type: none"> <li>– <input type="checkbox"/> The deposit requested by SI is minimal</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• M. Dicko Adama, SOCODD : <ul style="list-style-type: none"> <li>– <input type="checkbox"/> Calls for a reduction in the SI interest rate, which currently stands at between 9 and 12%.</li> <li>– <input type="checkbox"/> Set a fixed amount for application fees</li> </ul> </li> <li>• Mme KONE Pognan, ECAKOOG: <ul style="list-style-type: none"> <li>– <input type="checkbox"/> Review the contract method because a cooperative can benefit from the 20% of the CCC and not have a closed contract.</li> </ul> </li> <li>• Jacques ENOKOU, CAYAT : <ul style="list-style-type: none"> <li>– <input type="checkbox"/> Reduce the interest rate</li> <li>– <input type="checkbox"/> Set a single amount for administration costs</li> <li>– <input type="checkbox"/> SI repayment transfers from Ivory Coast can take several months, during which time interest accrues</li> <li>–</li> </ul> </li> </ul>
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#### 4.4. Aspects to improve by shared interest-CAPTURED IN 2<sup>nd</sup> Column above

##### ***“What aspects of our products and services could be improved?”***

This section invited the participants to think about the areas of improvement in regards to the services and products provided by SI. What do they find a challenge? Do they have any suggestions of what we might change? This could cover the understanding of their account conditions and if there are regional trends in non-compliance to certain conditions

XXXXXX

#### 4.5. Supply and demand of lending

##### ***“What new types of financial products or services are needed for their organisations?”***

The participants were asked about their current level of demand for financing versus level of supply in their region. This is to explore types of short and long-term finance they required along with to understand the potential in the region for our finance and if other organisations in the region could benefit from our services. What financial products are providing other lenders (local or international ones) they would like SI provides?

## 2. 8. Plenary discussions

3. What benefits do they derive from working with SI?	<ul style="list-style-type: none"> <li>- Proximity to SI</li> <li>- Good communication</li> <li>- Flexible credit terms</li> <li>- SI's presence in the field</li> <li>- The actions of the SI Foundation</li> </ul>
What aspects of our products and services could be improved?	<ul style="list-style-type: none"> <li>- The interest rate to be lowered</li> <li>- Standardise application fees</li> <li>- Rapid disbursements</li> <li>- Increase credit lines</li> </ul>
What new financial products or services does their organisation need?	<ul style="list-style-type: none"> <li>- Long-term loans, after 3 to 4 years of collaboration</li> <li>- Benefit from technical assistance</li> </ul>
What is the greatest challenge currently facing each of them?	<ul style="list-style-type: none"> <li>- Impact of climate change on cocoa production</li> <li>- New EU provisions on deforestation</li> <li>- Fluctuation in cocoa volume</li> <li>- Poor cocoa quality due to brown rot</li> </ul>
What types of climate change programmes/projects do your companies need?	<ul style="list-style-type: none"> <li>- Agroforestry</li> <li>- Replanting because plantations created in 2021 can no longer be certified</li> <li>- Reducing the use of chemical inputs</li> </ul>
Which technical assistance programmes are important to their organisations and why?	<ul style="list-style-type: none"> <li>- Capacity-building for cooperatives: production capacity, project management, market research, cost control, etc.</li> <li>- Support for market research</li> <li>- Training in new agricultural practices such as soilless farming</li> <li>- Training in renewable energy</li> <li>- Crop diversification</li> <li>- Cocoa processing</li> <li>- Tools for preparing projected financial statements</li> <li>- Budget monitoring</li> <li>- Drawing up a budget</li> <li>- Support for fund-raising</li> <li>- Strategic planning</li> <li>- Training on new EU standards</li> <li>- To know the impact of the loan, you need to know the baseline situation in terms of poverty, the environment, etc.</li> </ul>
How is your organisation improving gender equality?	<ul style="list-style-type: none"> <li>- We need to talk about equity rather than equality between men and women</li> </ul>



	<ul style="list-style-type: none"> <li>• - Invest in income-generating activities for women</li> <li>• - Bequeath a portion of the newly-created plantation to the farmer's wife</li> </ul>
Success stories to share	<ul style="list-style-type: none"> <li>• ECAKOOG : <ul style="list-style-type: none"> <li>– <input type="checkbox"/> CEMOI donates 2 tricycles to two women's groups</li> <li>– <input type="checkbox"/> Setting up a literacy centre for women and men</li> <li>– <input type="checkbox"/> 4 women have joined the Board of Directors</li> </ul> </li> <li>•</li> <li>• SOCAAN : <ul style="list-style-type: none"> <li>– <input type="checkbox"/> Best cooperative in Côte d'Ivoire in 2019 for its social actions</li> <li>– <input type="checkbox"/> 4 times winner of the best cooperative in the Mé</li> <li>–</li> </ul> </li> <li>• YEYASSO : <ul style="list-style-type: none"> <li>– <input type="checkbox"/> A producer has been invited to Kenya to share her experience</li> </ul> </li> <li>• CADESA <ul style="list-style-type: none"> <li>– <input type="checkbox"/> Prize for the best exporting cooperative in Côte d'Ivoire for the 2019-2020 season</li> <li>– <input type="checkbox"/> Construction of a school in Adebem</li> <li>–</li> </ul> </li> <li>• CAYAT <ul style="list-style-type: none"> <li>– <input type="checkbox"/> Internal regulations are displayed at the entrance to the offices.</li> </ul> </li> <li>• SOCOOD <ul style="list-style-type: none"> <li>– <input type="checkbox"/> Diversification of production activities with food crops for cocoa farmers' own consumption</li> <li>– <input type="checkbox"/> Processing of cocoa by women to make chocolate</li> </ul> </li> </ul>

#### 4.6. Main Challenges

***“What is the biggest challenge facing each of them currently?”***

The participants were asked about the biggest challenges each organisation faces (not COVID-19 related). This question should help to show us how we could do better to meet

their needs. It will also help to identify if there are any specific regional challenges or product specific challenges.

### Challenges encountered during the year

Challenges encountered	Solutions proposées
<ul style="list-style-type: none"> <li>• M. Dicko Adama, SOCODD : <ul style="list-style-type: none"> <li>– <input type="checkbox"/> Lack of cocoa in the field</li> <li>– <input type="checkbox"/> There are sometimes delays in disbursement</li> <li>–</li> </ul> </li> <li>• Jacques ENOKOU, CAYAT : <ul style="list-style-type: none"> <li>– <input type="checkbox"/> Surplus production to be disposed of</li> </ul> </li> <li>• Mme AGRE Née AYIKOE, CADESA <ul style="list-style-type: none"> <li>– <input type="checkbox"/> Lack of cocoa throughout the country, leading to delays in reimbursements</li> <li>– <input type="checkbox"/> The product is overpriced because of the drop in supply</li> </ul> </li> <li>• KOUADIO Cyrille, YEYASSO: <ul style="list-style-type: none"> <li>– <input type="checkbox"/> Lots of products that the cooperative can't sell</li> </ul> </li> <li>• Mme Anicette Asseu, SOCAAN : <ul style="list-style-type: none"> <li>– <input type="checkbox"/> Concern for container</li> <li>–</li> <li>– - Mrs KOUADIO Marcelle, CABF: <ul style="list-style-type: none"> <li>– <input type="checkbox"/> No contract to sell the product</li> </ul> </li> <li>– - Mrs KONE Pognan, ECAKOOG: <ul style="list-style-type: none"> <li>– <input type="checkbox"/> We have cocoa, no contract</li> </ul> </li> <li>– - SAVANE Mamadou, SOCAK KATANA: <ul style="list-style-type: none"> <li>– <input type="checkbox"/> Lack of volume and quality of product</li> </ul> </li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>– <input type="checkbox"/> Would like to see financing put in place early, i.e. at the beginning of September</li> <li>– <input type="checkbox"/> Turn to local solutions, with credit on less advantageous terms than for SI</li> <li>–</li> <li>– <input type="checkbox"/> Additional loan on less advantageous terms</li> <li>– <input type="checkbox"/> The majority of contracts are carried out using own funds</li> <li>– <input type="checkbox"/> Caution should be exercised when revising downwards future volume forecasts</li> </ul>

## 4.7. Climate change programs/projects

***“What type of climate change programs / projects are needed in your businesses?”***

In this section, the participants were asked the programs they have already been implemented and/or are currently undergoing on climate change. We also asked what programs would be required in the future to have a deeper understanding of the adaptation and/or mitigation programs the organisations require to run their business properly or to face perceived challenges. It will also help to identify if there are particular needs depending on the supply chain.

*Response captured in table above*

## 4.8. Technical Assistance programs

*Response captured in table above*

***“What technical assistance programs are important for their organisations and why?”***

The purpose of this question is ask the producers what technical assistance programs they are undertaking. This can include a wide variety of topics related to agricultural projects, governance, finance, price risk management, among other ones. It will also be beneficial to know how they fund these projects (proper funds, donations from development institutions, social lenders' funds)

## 4.9. Gender gap

*Response captured in table above*

***“How is your organisation improving gender equality?”***

In the last section, we want to understand different activities or projects that are carried out by the organisation on gender equality.

*Response captured in table above*

## 5. CONCLUSION

DB thanked all the participants for the time they have offered to share their opinions about different topics. He/She mentioned that we have taken notes of their ideas and suggestions to consider ways of improving our service. **OVERALL COMMENTS plus views from producers on the meeting.**

- **Some good practices revealed during the session**
  - Bank transfers for repayments:
  - Responsibility for repayment lies with the borrower: as long as the funds are not in the SI account, interest applies.
  - Contact the bank's foreign transfer department directly.
  - Keep a close eye on developments at FINEX
  - Make sure the cooperative's account is liquid.
  - It takes two weeks for the transfer to reach SI
  - Mutual assistance between cooperatives :
  - Create a network to enable cooperatives to share good practice and lessons learned

- In terms of credit disbursement :
- On the basis of the letter of intent, 40% of the funds can be disbursed

## **6. ANNEXES**

- PowerPoint Presentation by XX (if applicable)
- Programme / Agenda (if applicable)
- Recorded video (if applicable)
- Discussion notes/points (if applicable)