



6th Producers' Committee

Central America

Summary Notes

Date: August 2022
Location: Costa Rica

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1. COMMITTEE MEMBERS

Organisation name	Commodity	Name of Representative	Position
1- Mieles del Sur	Honey	Patricia González	Administrator
2- Capucas	Coffee	Omar Rodríguez	General Manager
3- Procafe	Coffee	Luisa González	General Manager
4- UES	Coffee	Silvia Herrera	Commercial & Financial Manager
5- Najil Cab	Honey	Antonio Durán	General Director

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

Personal interviews were held with each customer over the phone in order to assure a timely collection of the information, and to gain a deeper insight of their context.

4. CONTENT

KJ contacts each participant and briefly explained the dynamic of the call. 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.

PATRICIA GONZÁLEZ

- Miele del Sur was able to adapt their business and to continue their exports despite new requirements requested by the National Service for Health, Safety and Quality (SENASICA).
- The organisation was able to renew organic certification despite volatility in honey prices, which implied frequent meetings with producers and additional internal controls.

OMAR RODRIGUEZ

- In alliance with the supplier GrainChain, the organisation was able to develop a technological platform aimed to strengthen coffee traceability by digitising its supply chain operations, improving inventory management, and enabling direct payments to producers through the platform.
- The organisation negotiated new market opportunities with Asia (specifically China and Japan) for the 2022/23 cycle.
- Capucas initiated the acquisition of their own fully equipped dry mill, which allowed them to carry out the final classification process internally instead of subcontracting these services from local exporters.

LUISA GONZÁLEZ

- Procafe was able to increase production and negotiate better sales prices in the last cycle.
- The organisation was able to comply with export deadlines thanks to their strategy of shipping coffee lots in advance.

SILVIA HERRERA

- UES was able to negotiate better sales prices in the last cycle.
- The organisation has managed to fund and keep executing social projects with producers.

ANTONIO DURÁN

- Najil Cab began operating their own storage and processing plant in November 2021.
- The organisation received support from international buyers in the form of training on honey processing and on best practices for the use of the equipment acquired.

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.

PATRICIA GONZÁLEZ

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

OMAR RODRIGUEZ

- Prompt withdrawals.
- Understanding of the coffee market.
- EC available to be used all-year-round.
- Capucas looks first for finance from social lenders because they offer the lowest financial cost. Afterwards, they use the facilities with local banks.

LUISA GONZÁLEZ

- Prompt withdrawals.
- Credit conditions (competitive interest rate, long terms).
- Sharing of the same core values (support to producers and sustainable approach).
- Procafe looks for finance mostly from social lenders because they offer better conditions than local banks.

SILVIA HERRERA

- Prompt withdrawals.
- Competitive interest rate.
- Simple renewal process (less paperwork).
- UES looks for finance from social lenders because they share the same core values and have a clear understanding of the coffee market.

ANTONIO DURÁN

- Prompt withdrawals.
- Competitive interest rate.
- Effective customer service and close communication with account manager.
- Najil Cab seeks to request prefinance from social lenders because they provide more favourable conditions compared to local banks.

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?

PATRICIA GONZÁLEZ

- Prompt withdrawals.
- Competitive interest rate.
- Simple paperwork for disbursements.

OMAR RODRIGUEZ

- Relationship of trust.
- Excellent customer service.
- Financial references are provided to other lenders.
- Financial products offered (LT loans available, if required).

LUISA GONZÁLEZ

- Prompt withdrawals.
- EC available to be used all-year-round.
- Prompt response from customer representatives.

SILVIA HERRERA

- Competitive interest rate.
- Simple renewal process (less paperwork).
- Prompt and effective communication with representatives.

ANTONIO DURÁN

- Sharing of core values and social focus.
- Effective communication with account manager.
- Understanding of the honey market and international buyers.
- Excellent customer service (MG is always available and attentive).

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

PATRICIA GONZÁLEZ

- To improve interest rate of term loans.

OMAR RODRIGUEZ

- To improve interest rate.
- To provide technical assistance and funds for social projects.

LUISA GONZÁLEZ

- To simplify the annual review form.
- To provide funds for social projects.
- To review the buyer due diligence process to avoid delays or limitations when requesting finance.
- To standardise the form used by social lenders for collecting the information of the annual review.

SILVIA HERRERA

- To send updated statements when a new transaction takes place.

ANTONIO DURÁN

- To improve interest rate of term loans.
- 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?

PATRICIA GONZÁLEZ

- The current ST credits are sufficient to cope with their buyers' demand.
- The organisation's priority is to use finance from SI when needed. The application process with local banks is difficult for cooperatives (excessive paperwork and long process).
- The financial products offered by SI meet their current needs. Mielles del Sur plans to request us a term loan for equipment investment (USD 100k, 5-year term).

OMAR RODRIGUEZ

- Capucas has longstanding relationships with both social lenders and local banks. The current ST credits are sufficient to cope with their buyers' demand.
- In terms of new financial products, the organisation suggests ST/LT credits focused on (i) innovation projects such as the digital platform being developed, and (ii) crop insurance for coffee plantations.

LUISA GONZÁLEZ

- Procafe use credit from social lenders mostly because the financial cost is lower than local banks.
- In the short-term, Procafe plans to request finance to carry out a coffee renovation program (USD 200k).
- In terms of new financial products, the organisation suggests a line of credit focused on farm maintenance. Rabobank provides them with a ST credit for this purpose (9% interest rate, guaranteed with a promissory note, no need of contracts to support the finance).

SILVIA HERRERA

- The current ST credits are sufficient to cope with their buyers' demand.
- UES' priority is to look for finance from social lenders after their clear understanding of the coffee market.
- The financial products offered by SI meet their current needs.

ANTONIO DURÁN

- The current ST credits are sufficient to cope with their buyers' demand.
- In the short-term, Najil Cab plans to request a TL for infrastructure investment aimed to support their expansion plans.

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.

PATRICIA GONZÁLEZ

- Climate change mitigation.
- To deal with local competitors, which contact producers directly to offer advances or cash payments and purchase honey without considering quality parameters. Prompt withdrawals and trainings are key to tackle this challenge.

OMAR RODRIGUEZ

- Climate change mitigation.
- To deal with local competitors, which offer producers higher prices than the international market. The organisation seeks to develop value-added products to manage this challenge.

LUISA GONZÁLEZ

- To manage government related challenges whose actions have increased taxes and inflation in recent years; raising their overall expenses. In addition, more paperwork and requirements have been requested for exports.
- To deal with the difficulty to timely book shipping dates and cope with their buyers' demands.
- To reduce the disruption from local competitors through prompt repayments to producers and the negotiation of better prices with international buyers.

SILVIA HERRERA

- To open new sales channels for specialty coffee on the international market. Currently, producers are migrating from organic production to specialized micro lots.
- To establish new alliances with local or international NGOs/private institutions to carry out social projects aimed to support their producers.

ANTONIO DURÁN

- To deal with logistic challenges caused by the international conflict between Ukraine and Russia. The movement of containers to their buyers in Poland and Germany has experienced delays because some warehouses are located in Ukraine.

4.7. Impact of climate change on producer's organizations and the lives of members

“Can they give examples of how climate change is impacting their lives and business?”

In this section, the participants were asked about the impact of climate change in their lives and business. Some of this may have been covered above but a deeper understanding of regional and commodities variation of the impact can help our decision making process.

PATRICIA GONZÁLEZ

- The harvest cycle is concentrated in a shorter period (April to May) compared to previous years (December to May).
- The number of honey harvests has decreased from four to two, reducing total production.
- Prompt finance and close communication with beekeepers for better planning and for providing training on best practices have been key to manage these challenges.

OMAR RODRIGUEZ

- Dry regions have gotten drier and rainy regions have experienced heavier rains. This has led to changes in the harvesting times of coffee, which now varies in the different regions. Harvest cycles used to be more predictable.
- Low temperatures have decreased yields and have affected coffee maturity, which affects planning and exports scheduling.
- Close communication with producers and buyers has been key to manage these challenges. Capucas has reacted in a responsible manner by signing contracts with buyers at the latest possible moment ensuring their production levels in advance.

LUISA GONZÁLEZ

- The lack of rains has delayed the ripening period, which increases the upkeep cost of coffee farms (more supplies and more temporary workers).
- The drought has reduced the weight of coffee grains, causing lower yields.
- Training on best practices are provided in order to adapt producers' practices to these changes.

SILVIA HERRERA

- The yields of coffee plantations have decreased in the last years.
- The weather pattern has changed (it rains when it should not, and it does not rain when it should). This makes crop planning more complex.
- The coffee renovation program and frequent trainings on best practices are provided to their members to address the current situation.

ANTONIO DURÁN

- The harvest cycle is concentrated in a shorter period compared to previous years.
- Heavy rains are more frequent and they have affected the volume harvested.
- The expansion of the warehouse capacity has helped them to manage peak or extraordinary concentration of the harvest volumes.

4.8. Importance of certifications

“What certifications are important for their businesses and why?”

The purpose of this question is not to ask the producers what certifications they would like that we finance but rather to understand if they see any benefits from any certifications. The participants were asked about what certifications are working well for their organisation from an economic and an impact perspective (social, environmental, etc.). A conversation about Fairtrade certification was also held.

PATRICIA GONZÁLEZ

- Certifications related to organic farming practices contribute to the environment and have a positive effect on both producers and customers' health.
- FT Certification requires them to be organised and to have a close communication with producers for accountability purposes. This has been of great support for the coop's permanence on the market.
- These certifications are also required to maintain current buyer relationships, to access new market opportunities, and to negotiate better sales prices.
- Mieles del Sur is not planning to get a new certification.

OMAR RODRIGUEZ

- FT Certification protects producers against price volatility (minimum price guarantee), and has helped Capucas to maintain a loyal base of buyers, as it generates confidence in the way the organisation do business.
- The constant demand of FT coffee from buyers also benefits the coop's sales.
- Current certifications have strengthened the coop's quality program, are required to maintain current customers, and help access new market opportunities.
- Managing various certifications facilitate the implementation and monitoring of best practices at the coffee farms.
- Capucas is evaluating the possibility of requesting Kosher Certification because of a new Jewish buyer from the USA.

LUISA GONZÁLEZ

- Current certifications improve the management and monitoring of coffee farms.
- Additionally, certifications in general allow them to negotiate better prices with international buyers and to access new market opportunities.
- FT Certification protect producers against price volatility (minimum price guarantee). FLOCERT cares about the producers' well-being and seeks to protect them.
- Procafe is evaluating the possibility of adopting the Biodynamic Certification.

SILVIA HERRERA

- Current certifications allow them to negotiate better prices with international buyers, which benefits producers.
- FT Certification helps UES to support producers with social or environmental projects through the FT premium, and protects producers against price volatility (minimum price guarantee).
- UES is not planning to obtain a new certification.

ANTONIO DURÁN

- Certifications allow them to access new market opportunities.
- Najil Cab plans to obtain a FT Certification during 2023.

4.9. Technical Developments

“What technological developments do they find key for their organisations?”

In the last section, we provided context about our intention to develop a customer website to facilitate the exchange of information and communication. The participants were asked what information or processes would you like to find in a customer website provided by Shared Interest?

PATRICIA GONZÁLEZ

- Account profile/section showing data such as available balance, outstanding balance, interest rate, and recent transactions.
- Also add a detail of orders prefinanced that includes buyer's name and repayment date.
- Producer profile that describes their business and products aimed to facilitate the connection between all producers and buyers that work with SI.
- Receive alerts of the status/progress of disbursements requests and annual review approval.
- File uploading capability for documents demanded in the annual reviews.

OMAR RODRIGUEZ

- Access to previous statements.
- Detail of contracts prefinanced to monitor repayment dates, including alerts to notify the status of the orders.
- Account profile/section showing available balance, outstanding balance, interest rate, and recent transactions.
- Update/fill information for annual review through the customers' website.
- File uploading capability for annual reviews.

LUISA GONZÁLEZ

- Detail of buyers registered with Shared Interest.
- Update/fill information for annual review through the customers' website.
- Access to previous statements and possibility of generating statements when required.
- Account profile that details available balance, outstanding balance, interest rate, and recent transactions.
- File uploading capability of documents for annual review process.

SILVIA HERRERA

- Access to previous statements and possibility of generating statements when required.
- Update/fill information for annual review through the customers' website.
- File uploading capability of documents for annual review process.

ANTONIO DURÁN

- Access to previous statements and possibility of generating statements when required.
- Detail of buyers registered with Shared Interest to facilitate networking opportunities.
- Account profile/section showing available balance, outstanding balance, interest rate, and recent transactions.
- Receive alerts of the status/progress of disbursements requests and annual review approval.
- Detail of SI's staff, including their contact information.

5. CONCLUSIONS

- KJ thanked all the participants for the time they have offered to share their opinions about different topics. She mentioned that we have taken notes of their ideas and suggestions to consider ways of improving our service.
- Climate Change is clearly changing the ways our customers operate, and particularly demanding changes in best practices to mitigate the negative impacts on yield and production/export planning.
- Our service is perceived positive, particularly in the dimensions of customer service, and simple/prompt processes.
- Our customers provided interesting ideas for the future Customers Website, even suggesting new ones not considered on the initial design.



12th Producers' Committee

South America

Summary Notes

Date: August 11th, 2022

Location: Virtual Meeting (Zoom), Peru

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1. COMMITTEE MEMBERS

Organisation name	Commodity	Name of Representative	Position
1- Allima Cacao	Cocoa	Carlos Angulo	General Manager
2- Aprocam	Cocoa	Mario Zulueta	General Manager
3- Inkamoss	Moss	Juanjo Ladines	Impact Manager
4- La Florida	Coffee	Jesus Damiano	General Manager
5- Norandino	Coffee, cocoa & brown sugar	Luis Sosa	Legal Manager
6- Pangoa	Coffee and cocoa	Albino Nuñez	Commercial Manager
7- Perunor	Coffee	Manuel Rojas	General Manager

2. SHARED INTEREST REPRESENTATIVES

Position	Representative (Initial)
Lending Manager - South America	JC
Customer Representative - South America	BC

3. METHOD

The 2022 SA PCM took place on zoom. We selected seven existing customers within the three countries Shared Interest currently operates in, including Brazil, Chile and Peru.

4. CONTENT

JC 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.

ALLIMA CACAO

- Access to timely credit and decrease of SI's interest rate.
- Virtually has allowed increase of efficiency in the use of time in some procedures (visits from buyers, meetings, trainings, etc.)
- More strict European regulations has allowed the organisation to be also more strict with their members, reducing their quote of organic production, but ensuring an organic product and this reducing the chemical traces issues (compared to the previous year).
- Increased productivity in the field, supported by the implementation of an organic fertilizer plant and other organic products obtained from outside.
- Ensuring organic certification is crucial for the business.

APROCAM

- The pandemic has generated the development of projects during the year that have allowed them to ensure a good performance in the last year.
- Working together with Icam to ensure organic and environmental sustainable production has influenced in the reduction of chemical traces issues.

INKA MOSS

- On a context of general price increases due to logistic issues worldwide, the moss has allowed the communities to diversify income and has generated significant social impact.
- Ensuring the necessary cash flows to buy moss is a crucial aspect for the business.
- Higher processing plant capacity that has allowed the processing of an increased volume of moss.

LA FLORIDA

- Sustained commercial growth during the last years due to production volumes and the beginning of a new business line as trader, selling coffee from other nearby organisations with no access to the international markets.
- Development of projects to diversify income for their members. They are developing one related to fish farming. They have plans to growth as cooperative not with coffee but mainly with other products with better margins to ensure economic sustainability.

NORANDINO

- 20% of sales increase in 2021.
- Good quality of coffee offered by members.
- Development of environmental projects: Deforestation and Agroforestry.
- In 2022 campaign, more control mechanisms to avoid the presence of chemicals in products: coffee, cocoa and brown sugar.

PANGO

- Timely financing that has made possible to comply with all shipments on 2021 campaign.
- Portfolio of consolidated clients has given more flexibility to face delays due to logistic issues.
- Certification and increase of international prices at the end of 2021 campaign has contributed to obtain a positive bottom line.

PERUNOR

- Good relationship with producers and buyers.
- Access to financing has been vital to achieve objectives. Shared Interest has been an important ally.
- Although the challenges faced during 2021 due to logistic issues, they have been able to manage it properly because of the hard work of their commercial staff.

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.

ALLIMA CACAO

- They are looking for a lender who can also work on other small initiatives.
- Lenders must give different lending options, not only loans against contracts. Alterfin is currently giving them another form of financing (without contracts to attend local sales).
- Sometimes they feel harassed with so much information that some lender asks them.
- They look for lenders in fairs.

APROCAM

- SI and Root Capital are its main finance companies. Like any organization, they look for better interest rates.
- They want to have the capital on time; they have also sought financing from the Government (Agrobanco).
- SI is the financial institution that disburses the fastest.

INKA MOSS

- Apart from the interest rate, they highly value if the finance company gets involved and understands the type of work that the organisation seeks for its members beyond financial performance and its future projections.
- They are interested in a lender that provides support beyond the economic so that they can continue to increase the social impact in the future.

LA FLORIDA

- The interest rates offered by social lenders are more competitive than local banks.
- They looking for some advice of the lenders. In their experience, this help them a lot a in decision making. The advice on governance issues has also helped them a lot.
- If it is possible to diversify, that it is not focused only on coffee and cocoa. In the central jungle there is also ginger, which is a product that has been quite good. They want to make ginger but access to financing limits them for this product.
- At international fairs, good contacts are generated. They take the opportunity to visit buyers and financiers at these events.

NORANDINO

- The lender must take into account the seasonality of the product, the type of organisation and the geographical part where the crop is produced.
- The disbursement must be done quickly.
- Lender must standardize legal documents as well as banks to incur fewer expenses.

PERUNOR

- Speed throughout the due diligence process (evaluation and disbursement). They will choose who has the shortest process.
- The quality of the people with whom they are going to contact is very important, the closeness with the representative of the financial company is highly valued by them.
- They are comfortable with the speed of SI.

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?

APROCAM

- Very fast service, which is very valuable moreover on peak of harvest.

INKA MOSS

- SI is always very involved with the social impact work they do which do not is necessary the same behavior of other lenders.
- Very close relationship with SI who is always seeking to identify topics where we can collaborate (Inka moss is developing a project funded by SIF).

LA FLORIDA

- Flexibility due to confidence, moreover during the cocaine finding episode in of their exports in the past year.
- Efficiency on promoting the use of funds, anticipating the coordination to ensure a fast roll on of the facility.

NORANDINO

- Fast service and training.

PANGO

- Possibility of accessing higher working capital (increase of facility limit).
- Exhaustive financials review during due diligence process helped them to improve their administrative and accountant management.

PERUNOR

- Low financial cost. Conditions are good and today it is considered an advantage; nonetheless, local banks are beginning to offer better conditions and aggressively.
- Fast service and flexibility to begin working with new buyers and adapt to their different ways of doing business.

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

APROCAM

- Reduction of application and disbursement times.

INKA MOSS

- In general, they have felt that the process in the delivery of funds was handled well. There needs to be more flexibility because sometimes changes in the weather mean that funds are required much sooner than planned.
- Reduction of application and disbursement times.

LA FLORIDA

- They only know the EC/COEC. They have no idea about the products that SI manages.

NORANDINO

- Focus on new trends such as the environmental issue, reforestation, carbon bonds and agroforestry associated with coffee with cocoa.
- Differentiate the interest rate based on the guarantees that can be granted. This will serve as an incentive for other organizations to capitalize, acquiring real estate, machinery. That they not only collect and export but also capitalize.
- Improve the monitoring to ensure organic product and avoid difficulties with chemical findings.

PANGO

- Reduction of application and disbursement times.
- Offer of other services as assistances and training.

PERUNOR

- It would be good for organisations to be segmented and have different financial costs.
- For those clients who have guarantees, they should have a better financial cost as the risk decreases, the cost should also go down.

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?

APROCAM

- Financing of business initiatives or have funds for these purposes. Funds related to zero deforestation, women's empowerment and youth participation.
- Many members are at an advanced age and no longer cultivate properly. There should be financial support that encourages generational change.

INKA MOSS

- Financing to support complementary enterprises that seek to increase social impact.

LA FLORIDA

- They are buying fertilizers and tools to sell them to members at lower prices. In the medium term, they would like financial support for this purpose.

NORANDINO

- Look more closely at production in the field, what the producer needs: modernized irrigation, fertilizers and crop varieties.

PERUNOR

- They are satisfied with the service in terms of speed and quality of care.

- For the next campaign, they want an increase in their facility with a lower rate.

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.

ALLIMA CACAO

- To be able to comply with more strict European regulations on the organic topic.
- Increase of general costs (transports, certifications, etc.) vs same cocoa international price. Being economically sustainable is becoming very difficult.
- Logistic issues complicated the economic sustainability of the cooperative in 2021, who needed to sell some of the export product locally in order to ensure cash flow for the business to continue.

APROCAM

- To avoid the use of chemical products by members. Chemical findings have complicated their operations during 2021. The plan is to continue implementing their organic fertilizer plant and developing projects for members to acquire agricultural equipment.
- Generational change in cocoa farmers. Medium age of members is high and they are no longer cultivation as needed.

INKA MOSS

- To increase production capacity. The organisation is facing an increase on the volumes of available moss that needs to be attended in order to respond to the improvement of the international demand for their product.
- Development of improved seeds to ensure improvements in soil productivity that will help increase agricultural yields (for example with potato crops) in the areas where they operate.

LA FLORIDA

- Production yields, now around 9/10 qq. per hectare. The objective is 29/30 qq. per hectare. Although they have improved, there is still room for improvement.
- Financial restructuration to promote capitalization in order to face better next coffee harvest in a better condition.
- Training of staff to ensure a better performance.
- Traceability improvement through development of projects that aim to digitalize all the process (the aim to use less paper in the process).
- Informality in the sector with the appearance of new organisations that alter the behavior at the local market, offering prices that are not justified in the international market. In 2000, there were 14 organisations exporting coffee from Peru and today we are 114. For sure, some of these are informal organisations.
- Peruvian volume of coffee has not increased in the last years and there is an internal struggle to ensure the higher amounts of coffee between all the organisations. This

context generated speculation in the local market influencing in the local prices. The focus should be on how to improve the farm yields.

NORANDINO

Coffee:

- On the productive aspect, organic fertilization and technical irrigation. They have their organic fertilizer plant and are working with coffee seedlings improved to adapt better to climate change.
- On the processing aspect, to conclude the automation of their coffee plant, which have improved its capacity from 350k to 600k qq.
- On the commercial aspect, to look for and find buyers open to pay better prices (differentials for better coffee).

Cocoa:

- Cadmium level on cocoa grains. Studies have been made but there is no clarity on how to reduce its impact on the grains.

Brown sugar:

- Presence of acrylamide. The need to resume studies on this topic that were stopped due to pandemic.

For all products:

- Access to local markets. Development of a strategy to increase local sales.
- Reforestation and sale of carbon capture with Gold Standard and FT certifications.

PANGO

- High prices for coffee in the local market, which generate cost production increases.
- Lower volumes of coffee production due to climate conditions.
- Coffee members are speculating with price, waiting that the local price increases, so this limits access to the produce.

PERUNOR

- High prices for coffee in the local market. They are facing it talking with the majority of their buyers to find common solutions through the flexibilization of contracts, etc. Some new small coffee organisations with less experience sometimes speculate in the market generating difficulties that area at the end solved at the local market affecting its behaviour (and thus the prices).

4.7. Impact of climate change on producer's organizations and the lives of members

“Can they give examples of how climate change is impacting their lives and business?”

In this section, the participants were asked about the impact of climate change in their lives and business. Some of this may have been covered above but a deeper understanding of regional and commodities variation of the impact can help our decision making process.

ALLIMA CACAO

- Developing of organic fertilizer plant thanks to the support of CLAC.
- With the support of Rabobank they are executing a project to develop commercial aspects related to a new product: Majambo, which is a cocoa's cousin.

APROCAM

- Climate change has brought the fast propagation of diseases, deterioration of roads, etc. that have affected their operations.
- The organisation is developing different projects related to agroforestry systems with international NGOs and its buyer Icam.

INKA MOSS

- Climate change is affecting the time of the moss harvest, generating shorter periods and concentrated in few months, affecting the schedule sourcing. This situation also influences the gatherer's income.
- To have stable sourcing Inka Moss is expanding its operation to other locations that will allow them continuous sourcing.

LA FLORIDA

- Increase of deforestation in lower areas where they used to plant coffee. Due to climate change, these soils are no longer good for coffee and are now being used to develop ginger crops.
- The organisation is developing a project funded by USAID to support the development of coffee crops naturally (without the use of additional water).
- Other project of acquisition of drying machine to support the coffee processing.

NORANDINO

- Climate change has generated that lower areas can no longer be used for coffee cultivation. Therefore, producers are looking for new soils and some of them deforesting.
- They are working with reforestation and technical irrigation projects.
- Also working with carbon footprints.

PANGOA

- Climate change has affected the duration of the coffee harvest, reducing it from 4/5 to 3/4 months. In addition, the migration of the coffee plantations to higher lands generating deforestation on the search of new soils.
- They are working with reforestation and forests conservation.

PERUNOR

- Climate change has modified the characteristics of the coffee harvest.
- In some cases, the coffee yields are lower but the labour cost is increasing as the harvest has extended through all the year.
- Excess rains affects the coffee volumes finally available reducing them.
- Water management is a critical issue in coffee cultivation, so they are working with the farmers to treat the water and generate less environmental impact.

4.8. Importance of certifications

“What certifications are important for their businesses and why?”

The purpose of this question is not to ask the producers what certifications they would like that we finance but rather to understand if they see any benefits from any certifications. The participants were asked about what certifications are working well for their organisation from an economic and an impact perspective (social, environmental, etc.). Conversation about Fairtrade certification was also held.

APROCAM

- They have organic certification and FT. The foreign market requires having these certifications.
- The organisation must only have the certifications required by the market where it targets; otherwise, it would not be necessary.
- The FT is an advantage since the benefit can be transmitted to the cooperative and members.

INKA MOSS

- The certification of B because it has a focus on the environmental part and on governance. This offers alternatives for collaboration or alliances with other national and international enterprises.
- They believe that FT is an important certification, although it represents a significant challenge because the communities live in very remote areas and that it would represent a significant investment in transportation costs for the organization.

LA FLORIDA

- FT is the most relevant in the organization
- In recent years Rain Forest Alliance has gained a lot of strength, the differentials for that certificate have increased and the certificate process is now more demanding.
- Additionally has the certification Jas (Japanese Agricultural Standard)

NORANDINO

- They have three kind of fair trade certifications, also organic certification and Rainforest Alliance.
- The organisation must evaluate the costs of the certification. Certifications are beneficial as long as the differential meets the costs of the organization and those of the producer.

PANGOA

- FT has helped to work more with social projects, access to social impact funds (education, health, renewal of coffee and cocoa). Over the years, this has been one of the best certificates.

PERUNOR

- FT certification is still the most advantageous. They make greater volume of exports.
- They have seen a decrease in FTO requirements.

4.9. Technical Developments

“What technological developments do they find key for their organisations?”

In the last section, we provided context about our intention to develop a customer website to facilitate the exchange of information and communication. The participants were asked what information or processes would you like to find in a customer website provided by Shared Interest?

APROCAM

- Download the account statement.

INKA MOSS

- Download the account statement.
- Find information about their credit facility.
- Show information about buyers with whom SI works

LA FLORIDA

- Download the account statement.
- The CSAF report must be uploaded online. That the same system allows you to upload data and save historical files.

NORANDINO

- Consult information about the availability of the credit facility.
- Download the account statement.

PANGO

- Being able to upload the information requested to the web and being able to consult the historical information.

PERUNOR

- Download the account statement.

5. CONCLUSION

JC 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.

6. ANNEXES

- Programme / Agenda
- Recorded video (see it in J drive in the following link: J:\Lending\SOUTH AMERICA\Producer Committee SAm\2022



10th Producers' Committee

East Africa

Summary Notes

Date: 12 July 2022

Location: Virtual Meeting

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1. COMMITTEE MEMBERS

Organisation name	Commodity	Name of Representative	Position
1- Tropic Coffee	Coffee	Christophe Rugira	Managing Director
2- Banyankole Coffee Services	Coffee	Lauben Kurubaija	General Manager
3- Bukonzo	Coffee	Josinta Kabugho & Maureen Namusisi	General Manager & Accountant
4- KOPAKAMA	Coffee	Valens Ndereyimana	Executive Director
5- Simbi	Coffee	Abdul Rudahungana	Managing Director
6- KOAKAKA	Coffee	Bonaventure Safari	General Manager

GUEST SPEAKER - Zacharie Kiarie, Head of Resource Mobilisation at the Fair trade Africa.

2. SHARED INTEREST REPRESENTATIVES

Position	Representative (Initial)
Lending Manager- East Africa	IO
Customer Representative- East Africa	JM
<i>Lending Officer - East Africa was absent, visiting Tanzania for a Legal Mediation on a collections customer.</i>	

3. METHOD

The 2022 E.A PCM took place virtually on zoom. We invited six organisations whose representatives confirmed their participation. However, on the meeting day some experienced challenges with the internet connectivity. Despite the challenges, we managed to engage with the participants who were able to contribute throughout the meeting. The participants for this year were from Uganda and Rwanda. We selected the customers who managed their account satisfactorily in the past year and who were not in arrears. This means that all the participants were coffee producers.

For purposes of creating awareness on Fair trade, we invited Zacharie Kiarie, who is the Head of Resource Mobilisation at Fair trade Africa. Zacharie gave a 20 minutes presentation. Based on the interactions with the producers, the presentation can be summarised in two main points:

- It is beneficial to get a market first before seeking the Fairtrade certificate. New organisations that do not have a market for their products do not immediately qualify to obtain the Fair trade certification.
- He advised producer organisations that the benefits of Fair trade certification provides a cushion on minimum price in the event that world prices fall. However, a producer needs to negotiate higher prices, if the conventional prices are above the Fair trade prices.

Thereafter, we allowed the Fairtrade representative to leave the meeting and continued with the PCM.

4. CONTENT

IO welcomed all the participants and gave each a chance to introduce themselves. She explained to the participants the reason for the meeting and welcomed all to provide their views on specific topics.

4.1. Positive aspects and critical success factors

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

We asked the participants to share any success story or fundamental impact made by their organisation during the year under review. They all said that they have been able to buy coffee cherries on time because of our timely disbursements. Another positive during 2021 is that buyers were more responsive in comparison to the year 2020 when there were lockdowns. The following were some of the comments from the organisations.

We are happy with Shared Interest for supporting us. Banyankole Coffee Services is being successful in doing business because of the funds. Since we started a relationship, we have

received more than USD 500, which enabled us buy coffee from farmers. In Uganda, it is impossible to get coffee from farmers without funds. Shared Interest provides funds in time to improve operations in organisations. We have been able to receive premiums from selling our Fairtrade coffee. Without funding from Shared Interest, it would not be possible to get coffee from farmers. Through Shared Interest, farmers are able to receive seedlings to increase production. In addition, household income has improved. As an organisation we did not have assets, the local banks offer high interest rates, so the funds have helped the organisation- *Banyankole Coffee Services*.

The support from Shared Interest has been immense. Last year buyers became responsive and we are able to negotiate better prices. This was not the case in the previous years. The Fairtrade premiums are helping with infrastructure development. We have relied on donor support for a long time because we could not support our operations and sustain our cooperative. We have been closer with farmers through the Shared Interest Foundation project on climate resilience. Farmers are happy to relate with the union- *Bukonzo*.

Shared Interest started a relationship with us since 2018. The financing has helped our organisation in carrying out activities. We are able to pay farmers on time. The Term Loan was beneficial to construct a Coffee Washing Station. When you pay farmers in time, you receive more coffee. We are also grateful for these meetings because we spoke about our challenges in this platform. We have received support from the Shared Interest Foundation to run projects with farmers. We are very grateful for the grant and the financing of coffee business- *Tropic Coffee*.

Shared Interest has supported the cooperative in different activities. We receive financing for coffee season in time. In the past, we received a Term Loan to buy a truck. The truck helped to reduce transport costs. The loan interest rates were lower than the local bank. The relationship with farmers is good as we pay in time. We have acquired Fairtrade, UTZ and Organic certifications to help receive new buyers. The premiums help our farmers in social activities. We aim to increase membership- *KOAKAKA*.

We appreciate the relationship between Shared and KOPAKAMA. We received financing on coffee, but Shared Interest has also supported the youth project. Most of the member are old and trees are old, so the youth project will help fill this gap. The youth are very interested in the project. We started with 50 youth and now we have 200 youth join the project. These youth have their own plot from the support of Shared Interest. KOPAKAMA members in the community are joining and it will help KOPAKAMA to increase production. Shared Interest provides the loan in time. The coffee season started early but Shared Interest provided us with money in time and we were able to buy coffee and compete with competitors. Other lenders used to delay disbursing funds. The relationship is highly appreciated and we intend to continue working you - *KOPAKAMA*.

4.2. Criteria for choosing a lender

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

The producers said that they consider a lender that will meet their business needs. The lender must understand the agri business cycles and provide financing suitable for their business. Another consideration they look for in a lender is the flexibility to meet sudden changes as presented by high coffee prices. They also look for a lender that does not focus on matching the collateral value with the financing needs. A lender that asks for collateral needs to understand that businesses may not have collateral sufficient to cover their

business needs. They also said they consider interest rates when determining which lender to work with. Some suggested that they prefer a lender who is flexible to accommodate their growing business needs.

We are looking for a financier that will meet our needs in terms of financing. The financier needs to understand the agri business cycle, interest rate and availability of funds- *Simbi Coffee*.

We consider a financier who understands the coffee business. A lender should be able to be flexible in terms of collateral. If a financier asks for a 100% collateral value then it is impossible to meet those demands for us because of the value of our property compared to the growing business needs. - *Tropic Coffee*.

Collateral in coffee production is not possible for every contract. We prefer lenders who accept our contracts where we are not able to present land titles. We also consider availability of funds on time. Many times, we need financing based on contracts. If the money delays then it does not help, so quick financing from a lender is very important to us. Another major consideration is the interest rate. We also consider a flexible financier who can meet our growing needs in contract financing- *Banyankole Coffee Services*.

We consider collateral and timely availability of funds on request. We also assess how the financier acts when we communicate an issue. The interest rate we receive is currently high. We need a lender who will understand that our processing costs are high and try to support us with the interest rate- *Bukonzo*.

4.3. Benefits of working with shared interest

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

This section invited the participants to express their views on whether it has been beneficial working with Shared Interest and if our financing has been helpful to their organisations. We wanted to understand what products and services our customers would want to continue receiving from Shared Interest.

All the participants agreed that they find working with Shared Interest beneficial to their organisation. They feel that Shared Interest understands the coffee cycle and has been able to meet their financing needs in time. They said that when farmers are paid on time, they are encouraged to increase production and supply more coffee.

The producers who received support from our foundation were happy that this has helped them to relate better with their members. The projects where they are able to provide farmers with a different support other than buying coffee enhance unity and increase loyalty. The farmers feel more supported and appreciated.

Shared Interest also disburses funds quickly on request and this works well for them because approvals from local banks are not very quick, which delays receipt of funds.

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 following are their responses:

We appreciate Shared Interest; however, you need to improve on capacity building. The capacity building for the organisations should be specific to suit them. The financing Shared Interest provides is suitable for our needs. However, we wish that Shared Interest should consider a reduction of the interest rate. If the cooperative is showing growth, it means the risk is reducing therefore consider lowering the interest rate- *Bukonzo*.

Shared Interest needs to improve on flexibility in case the producer gets contracts going beyond the limit. Shared Interest sets a cap on the limit and when you receive contracts of a higher value, you are unable to receive sufficient financing. In this scenario, Shared Interest needs to remove the limit cap and allow borrowing based on contracts. Shared Interest also needs to introduce buyers to the producers as we are struggling to get market for our coffee - *Banyankole Coffee Services*

Shared Interest understands the coffee business. However, you need to remove the limit cap on the facilities because it is hindering adjusting to sudden volatile prices. Last year, the farm gate price abruptly increased. The organisations needs more than twice of financing to buy the same amount of coffee they would buy in the previous year. We needed flexibility of removing the cap limit to meet the challenges of high farm gate prices- *Tropic Coffee*

Our experience from the start of our relationship last year has been good. We are seeking a Term Loan for a long- term investment. Coffee businesses grow well when they invest in their infrastructure- *Simbi 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 aimed 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.

In this discussion, the participants all agreed that our products cover all the necessary needs of an organisation in agri business.

Having exhausted their comments in the previous discussions, they did not elaborate much in this topic.

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 aimed to identify if there are any specific regional challenges or product specific challenges.

Climate change has been the main challenge although we are trying to mitigate. However, it remains the key issue affecting the production quality of the coffee. Another major challenge is that in Uganda we have both large and small buyers in the region. The competition is stiff and farmers end up selling their already certified coffee at conventional prices to

intermediaries. We want to do advocacy to ensure farmer's loyalty. The big buyers go directly to a farmer's home and the government policies are lacking to curb this menace. As such, this remains a big challenge in Uganda. Bukonzo has micro stations where farmers take their coffee, but the farmers have challenges with access to water. The union has to spare premiums to facilitate that, and funds are limited. The local farm gate prices are high and the competition is very stiff. As a Union, we are unable to meet this farm gate price dictated by the local market. The intention of the big players is to 'finish' the small cooperatives. Cooperatives plan to lobby with the government until we achieve a solution but this is a long process - *Bukonzo*.

In Uganda, the traders are frustrating the small cooperatives by offering high prices and this makes the farmers sway their loyalty. The traders mix up qualities and sell it as one variety. Therefore, cooperatives producing high quality coffee are at a disadvantage. The market is not stable because of this major challenge- *Banyankole Coffee Services*

The farm inputs price has gone high because of the Ukraine- Russia war and Covid- 19. The Cost of Sales is already high in Rwanda. It is going to be challenging for Rwanda if the farm inputs critical for the production at the farm level continue to sell at high prices. It is at a disadvantage while seeking the same buyers who will also buy coffee from Brazil producers who produce in large scale. We are striving to produce high quality coffee to compete at the international level. We cannot compete with volumes - *Tropic Coffee*

4.7. Impact of climate change on producer's organizations and the lives of members

“Can they give examples of how climate change is impacting their lives and business?”

In this section, the participants we asked about the impact of climate change in their lives and business. This was to get a deeper understanding how much climate change is affecting their day-to-day business operations and how farmers are coping.

Our organisation faces the challenge of addressing some of the climate challenges. We need grants to address environmental mitigation aspects. The small farmers cannot afford certain costs and an organisation buying from them needs to inject the funds to support them. We need grants to be able to provide higher support. Currently, we are sensitising our farmers to do mulching practices and growing shade trees - *Simbi Coffee*.

Climate change is a global issue and we can support farmers in minimal ways such as planting trees and providing seedlings. The government needs to help with research to establish the coffee varieties that we can plant to adapt to the changing climatic conditions. The farmers can focus on practicing good agricultural practices- *Tropic Coffee*

Shared Interest supported us to implement a climate resilience project that directly benefited the farmers. One of our buyers also supported us to provide cook stoves to our farmers- *Bukonzo*.

4.8. Importance of certifications

“What certifications are important for their businesses and why?”

As prior mentioned, we opened the session with a presentation from a staff of Fairtrade Africa to create more awareness on the importance of having the certification. We asked the

participants about certifications that they consider beneficial to their business from an economic and an impact perspective.

Among the producers participating in the PCM, were organisations that were already Fairtrade. There are organisations that qualified for our finance after a satisfactory score on alignment to fair trade principles. The responses from the producers' varied. However, they mentioned that buyers are keen on the Rainforest Alliance or Organic certification. They have opted to obtain those certifications or are in the process of getting them.

Some producers that already had a Fairtrade certification from the beginning had to acquire a Rainforest Alliance and Organic certification in order to sell all of their coffee internationally. This was mainly to address a challenge experienced in the recent years where they have struggled to get fair trade buyers. Below are some of their responses:

"The buyers ask for different certifications. Most buyers ask for organic certification and it makes sense to seek this certification because organic coffee fetches higher prices". - *Tropic Coffee*

"The buyers have been asking for Rainforest Alliance certification. For that reason, we have plans to start the certification process immediately after we ship our coffee". – *Simbi Coffee*

We are Fairtrade Organic certified. So far, the buyers we meet ask for our double certified coffee." - *Bukonzo*

4.9. Technical Developments

"What technological developments do they find key for their organisations?"

We did not receive many responses on this topic. However, here are some of the responses from the producers:

We have been involved in the innovation of processing our coffee, moving away from just selling dry parchment or washed coffee as most organisations. We process our coffee in different varieties such as; natural and aerobic. We have been able to receive good prices. It is something new in the coffee sector. - *Tropic Coffee*

We plan to adopt a hybrid solar drying method for our coffee because we are located in a region that receives rainfalls most times. We are curious on whether this is sustainable and the quality will be retained- *Bukonzo*.

5. CONCLUSION

We thanked the participants for taking their time to join virtually for a two-hour discussion even with the challenges of internet connectivity.



Producers' Committee

WA

Summary Notes

Date: 28/07/2022

Location: Hotel Laforge, 7eme tranche, Cocody Abidjan, Ivory Coast

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1. COMMITTEE MEMBERS

Organisation name	Commodity	Name of Representative	Position
1- CAYAT	Cocoa	Zoronoue Josee	Finance and Admin Manager
2- ECAKOOG	Cocoa	Lacina Tuo	Managing Director
3- SOCODD	Cocoa	Dicko Adama	Export Manager
4- RICE	NGO	Koman Franck	FTN Coordinator
5- CADESA	Cocoa/Cashew	Ayikoe Nalene Agre	Administrative Manager
6- SOCAAN	Cocoa	Assienan Foutuguri	
7- SOCAAN	Cocoa	Anicette Asseu	Finance and Admin
8- CABF	Cocoa/Rubber	Ouattara Dawuda	Managing Director
9- ECOOKIM COOP CA	Cocoa/Cashew	Traore Francis	Export manager

Apologies:

2. SHARED INTEREST REPRESENTATIVES

Position	Representative (Initial)
Lending Manager	DB
Lending Representative	KD

3. METHOD

The second phase of the 2022 Producer Committee Meeting took place on 28 July 2022 at Hotel Laforge, 7eme Tranche Abidjan. We selected 08 existing customers within Ivory Coast in West Africa where Shared Interest currently have over 70% of its existing customers.

4. CONTENT

DB welcomed all participants and briefly explained the objective of the meeting. He mentioned impact of restrictions on movement due to Covid-19 pandemic resulting in the team's inability to visit and meet with customers. He explained that the session is a deliberate program by SI to provide opportunity and interact with its partners. Each participant introduced themselves and their organisation. This year, we identified the following questions for discussion during the plenary session;

- New financial products to meet clients' needs
- Indication of funding needs
- Any specific regional issues
- The impact of climate change
- How we can improve our customer service
- Suggesting new financial products

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.

CABF

- Expanded and diversified their income source to include a Rubber Processing Factory.
- Also established a new cocoa processing factory to help it pack and load the shipping container in their premises.
- SI was responsive and quick in ensuring timely disbursement to their company when needed most.
- Requested for an increase on their prudential limit in response to expansion in trade volumes

- Quote: For us even though we were approached by other Lenders with better lending conditions, we rejected them because SI was responsive to our needs and also disbursed faster

CAYAT

- They have expanded their commodity basket to include cashew.
- Established a radio station during the Covid-19 outbreak to help in information dissemination particularly technical information and good agricultural practices
- Constructed a new office facility made up of offices, meeting and training halls etc
- Supported their women in local processing of chocolate and honey as income diversification initiative.
- Observed the effective communication and swift response from SI team in addition to fast processing of disbursement requests

SOCODD

- Mentioned a more improved relationship with their producers due to fast processing of payment to producers.
- Reported increased in producer membership of the cooperative.
- Supported their women producers to establish and invest in rice cultivation
- Are currently happy with SI service delivery but their only challenge is the high interest rate of SI facility

ECOOKIM

- Established a new company called Ecocashew solely for cashew exports
- Increased sales volume despite the Covid-19 pandemic
- Collaborating with reNature to introduce regenerative agroforestry practices at scale to combat climate change impact
- Started Providing loans to member cooperatives to ensure effective produce mobilisation
- Provided farm equipment such as machetes and sacks to its members
- Provided training in agricultural techniques for quality control in harvesting, shelling, fermenting, drying, packing and storage
- Also rovided social support to members such as: Construction of a school at Dibobly, Assisting members with healthcare costs, Providing hospital transport for seriously ill patients etc.

CADESA

- Thanks to financial support from Shared Interest, CADESA increased its cocoa production and cocoa sales from 8,000 MT to 15,000 MT over the last two years.
- A third of its annual production is certified by the FLO (Fairtrade Labeling Organization), UTZ, and the Rainforest Alliance.
- It is also in the process of obtaining organic certification for a group of its farmers.

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.

CAYAT

- Requested an increase on their credit limit indicating that increased farm gate prices and other operational cost are impacting their cash flow.
- Noted high interest rate of SI facility compared with other lenders
- Observed the effective communication and swift response from SI team in addition to fast processing of disbursement requests
- Noted that SI should make repayment processes less strenuous by opening a local account in Ivory Coast to facilitate repayment and recovery efforts. Observed the challenge they go through as a result of central bank processes
- CAYAT challenged SI to device ways to work with smaller cooperatives on the ground. He mentioned that SI should not put all of them in the same basket but try to implement systems to reduce risks to lending and hence the interest rate
- They advocated for a local presence in Ivory Coast to deepen engagement with clients on the ground

SOCODD

- Mentioned a more improved relationship with their producers due to fast processing of payment to producers.
- Adama of Socodd urged SI to reduce their interest rate
- Requested for technical assistance and training to improve Managerial capacity, and operational and financial competence of the cooperatives
- Requested SI to install a local representative in Ivory Coast
- Requested SI support and assistance to establish women income diversification projects
- Complained about SI fees and high interest rates

ECOOKIM

- Advocated for SI to increase their current limit as SI facility is becoming the smallest facility on their portfolio
- Requested SI to review their interest rates since comparatively, SI facility is has the highest interest rates on their portfolio
- Requested some support to undertake and scale up their social projects such as reforestation and income diversification

CADESA

- Requested SI to take other certification standards into consideration such as RA and UTZ
- Complained and observed the dwindling Fairtrade market and FT contracts
- Want SI to review their interest rates in line with other lenders
- Observed the rapid communication and disbursement process for SI facilities.
- Requested SI to invest in an application or software to assist in fast processing of credit facilities and annual reviews
- Advocated SI to pay regular visit to the field to observe and assess their operations on the ground and better respond to their demands

CABF

- Advocated colleague cooperatives to learn and understand the cocoa industry
- Requested SI to incorporate rubber into their commodity portfolio and financed their rubber operation and export
- Calling for an increase on their credit limit to EUR 1.5 to 2m
- Appealed to SI to intensify their due diligence in order to identify recalcitrant borrowers.

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?

CAYAT

- Si is able to take on extra risk of lending to cooperatives without much credit record
- Fast and prompt communication
- Fast disbursement of credit facilities
- SI foundation support to social projects

SOCODD

- Swift processing and disbursement of credit to them
- Not so complicated review process
- Swift communication and engagement by SI team
- SI regularly provides updates on credit and account balances

ECOOKIM

- Rapid disbursement of SI credit facility
- SI has good relationship with all their buyers
- SI Annual review Process not too complicated

CADESA

- Less complicated disbursement and annual review process
- Good communication by SI team (Responds to emails and whatsapp messages fast)
- Multiple communication channels to reach out to SI team (Calls, whatsapp chat, emails, Zoom and Microsoft team calls)

CABF

- SI was first to support them when others refused them credit
- SI understands their operation and respond quickly to their concerns
- Support to social projects by Shared Interest Foundation (SIF)

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

CAYAT

- Improve system of monitoring especially arrears customers
- Improve due diligence process to identify recalcitrant borrowers or weak cooperatives
- Review interest and fees downward

SOCODD

- Must increase prudential limit as the cooperatives outgrow their current limits
- Reduce interest and fees as SI is becoming uncompetitive
- SI should recruit a local representative to pursue new businesses or arrears customers
- Repayments must be staggered based on Cash flow
- SI must provide technical and managerial training to local cooperatives with poor management capacity

ECOOKIM

- SI should find a way to work with smaller cooperatives as well as open an account in Ivory Coast to facilitate repayment processes
- SI should reduce their administration and set up and renewal fees
- Diversify into other commodities such as fruits and banana
- Current limit too small. Makes SI facility costly and not competitive. SI is one of the smallest facility on Ecookim portfolio. Current limit too small for Ecookim
- SI needs to incorporate other certifications beyond FT certificate. FT contracts reducing drastically

CADESA

- SI needs to reduce their interest and fees rate
- Improve budgetary allocations to social and women income diversification initiatives
- Needs longer term loan for infrastructure and investment projects
- SI must improve its document exchange process. (There are numerous applications SI can adopt)
- SI should open a local account in Ivory Coast to facilitate payment directly by cooperatives
- SI must implement a risk reduction mechanism to reduce interest on borrowing

CABF

- SI should include rubber in among commodities supported
- SI should improve its monitoring activities on the field
- SI needs to be more flexible and not treat all cooperatives by putting all in one basket. (needs to adjust interest rates and conditions based on risk level of each customer)

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?

CAYAT

- Longer term facility to enable them invest in infrastructure
- Incorporate credit risk assessments of information related to systemic risks
- SI should support innovative asset finance

SOCODD

- SI should institute flexible repayment schedule such as every quarter or semester to reflect the seasonality of cash flows

ECOOKIM

- Asset financing
- Long term finance

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.

CAYAT

- Climate change and poor yields
- Container shortage at the ports
- Reduced Fairtrade contracts

SOCODD

- Distance and cost associated with higher freight rates and longer transit times
- Aging orchards and producers
- Climate change and erratic rainfall affecting yields
- Higher operational and port services cost due to shortage of containers

ECOOKIM

- Climate change and deforestation
- Decline/Dwindling Fairtrade contracts and markets

CADESA

- Aging producers and plantations
- Poor investment by cocoa producers into farms
- Illegal mining activities

CABF

- Sole reliance on seasonal cocoa export
- Climate change and cocoa yield reduction

4.7. Impact of climate change on producer's organizations and the lives of members

“Can they give examples of how climate change is impacting their lives and business?”

In this section, the participants were asked about the impact of climate change in their lives and business. Some of this may have been covered above but a deeper understanding of regional and commodities variation of the impact can help our decision making process.

CAYAT

- Erratic rainfall and poor flowering and yields
- Drought and increased pest and disease infestation
- Drying of water bodies
- Flooding

SOCODD

- Dying of cocoa trees on the field
- Flooding of cocoa farms
- Increase in pest and disease attack

ECOOKIM

- High temperatures and droughts, farmers unable to grow as much cocoa.

4.8. Importance of certifications

“What certifications are important for their businesses and why?”

The purpose of this question is not to ask the producers what certifications they would like that we finance but rather to understand if they see any benefits from any certifications. The participants were asked about what certifications are working well for their organisation from an economic and an impact perspective (social, environmental, etc.). Conversation about

CAYAT

- UTZ/RA certifications because that is what my buyers require

SOCODD

- After audit and Fairtrade certification, there no contracts, does not make sense to continue to renew FT certificate. Would have to consider dropping it and use just UTZ/RA

ECOOKIM

- 70% of our contracts is supplied under UTZ/RA FT takes below 20%

CADESA

- Expensive keeping FT certificate with no FT contracts

CABF

- My buyers request for RA certificate

4.9. Technical Developments

“What technological developments do they find key for their organisations?”

In the last section, we provided context about our intention to develop a customer website to facilitate the exchange of information and communication. The participants were asked what information or processes would you like to find in a customer website provided by Shared Interest?

- All of them welcome any technology or application that will make their life easier and save them time. They indicated that many banks and institutions now employ online application process and they think it will help SI

5. CONCLUSION

In conclusion, there was a consensus that, SI needs to visit the field more and monitor its clients and partners including better assessment of operations of the cooperatives. It has been

suggested for SI to have an office/representative on the ground including opening a local account to facilitate repayment efforts.

Participants expressed appreciation to SI for providing a platform such as the PCM to listen to its clients and get feedback from them.

6. ANNEXES

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



Producers' Committee

WA

Summary Notes

Date: 21/07/2022

Location: Virtual, Accra

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1. COMMITTEE MEMBERS

Organisation name	Commodity	Name of Representative	Position
1- Gebana Togo	Soybeans	Joel Degboe	Finance and Admin Manager
2- Tekura	handicrafts	Kweku Forson	Managing Director
3- TradeAid	handicrafts	Nicholas Apokere	Executive Director
4- TradeAid	handicrafts	Barnabas Mansunyi Gazari	Finance and Admin Director
5- Upromabio	Dry Fruits	Etienne Dioma Christien	Managing Director
6- Fairtrade Ghana Network		Felix Ayambire	FTGN Coordinator
7- Aceli Africa		Andrew Ahiaku	Head of Banking
8-			

Apologies:

Claudio ScottoGeneral manager-Gebana Burkina

2. SHARED INTEREST REPRESENTATIVES

Position	Representative (Initial)
Lending Manager	DB
Customer Representative	GK
Lending Representative	KD

3. METHOD

The 2022 first phase of the virtual Producer Committee Meeting (PCM) took place on zoom/. We selected 05 existing customers within 03 countries in West Africa where Shared Interest currently operates in. These includes Ghana, Burkina Faso and Togo.

4. CONTENT

DB welcomed all participants and briefly explained the dynamic of the meeting. Each participants introduced themselves and their organisation. Each participant was invited to provide their views and comments on specific topics. This year, we identified the following questions for discussion during the plenary session;

- New financial products to meet customer requirements
- Indication of financing needs
- Any specific regional issues
- The impact of climate change
- How we can improve our customer service
- Suggestion of New financing products
- Impact of SI On The Quality Of Life Of Producers –
- Employees And Their Working Conditions
- Funding On Your Business
- Other Social Lenders In Ghana, Togo and Burkina

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.

TEKURA

- Expanded and Increased their export volumes and orders despite Covid-19 pandemic impact due to credit facility from SI
- SI was responsive and quick timely disbursement to their company when needed most.
- Requested for an increase in their prudential limits in response to expanded trade volumes.
- Quote ‘For us thanks to SI the Covid-19 did not impact our operations as we increase our export orders from multiple buyers’. Even though virtual meetings are good, we

urge SI to also pay a physical visit to our site to enable them better assess our operations and discuss issues affecting them. (if applicable)

- Raised the concerns of the arrears status of Tekura which was not their fault and requested SI to resolve this issue.

GEBANA TOGO

- Reported increased volumes despite Covid-19 impact thanks to SI support
- Their biggest challenge is producers loyalty. Overcame this challenge by offering the best price in the market
- Requested an increase in their credit limit. Producer price has tripled causing strain on their finances.
- Noted high interest rate of SI facility compared with other lenders
- Observed the effective communication and swift response from SI team in addition to fast processing of disbursement requests
- Quote ' Last year was the best year ever for Gebana Togo, because more than 70% of produce was supplied by our producers.
- Quote2: The partnership with SI is one of the best we have even if their interest rate is the highest in the market. This is because their procedures to have money is not difficult and fast and quick. We have been working with SI for 2 years without any issue and now our activities and operations have doubled and we need more money from SI. We hope the next campaign SI will assist us to realise our goals.
- Supplied producers with matchets, safety boots and machines to help in their production, thus creating strong partnership with produces
- Collection of produce from interior to warehouses is a big challenge with limited warehouses in the communities.
-

UPROMABIO

- Outlined the support received from SI and how it has helped sustain their operations despite Covid-19 and Climate change impact
- Summary of comments 2
- Summary of comments 3
- Quote (if applicable)

TRADEAID

- Climate change affected our operations a lot. Women don't get the straw or have to go far thereby increasing the price of the basket from 50 to 100GHs.
- Get straw from the Southern part of Ghana and lack of rainfall affects straw supply for production.
- Intend planting the straw in the North along the irrigation canal
- Quote (if applicable)

TRADEAID

- Climate change affected our operations a lot. Women don't get the straw or have to go far thereby increasing the price of the basket from 50 to 100GHs.
- Get straw from the Southern part of Ghana and lack of rainfall affects straw supply for production.
- Intend planting the straw in the North along the irrigation canal
- Quote: During the Covid-19 had challenges with client giving orders without 50 % pre-financing, but thanks to SI they were able to fulfil and supply orders to their biggest buyers

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.

GEBANA TOGO

- Get financing from their parent company but this is not enough
- Commercial Bank processes are slow
- At the beginning of the campaign, bought 3 threshing machines, Bought 4000 machetes
- Reached highest rate of collection from members than ever reached. Last year reached 8000 MT but this campaign reached 12,000 MT
- Quote: Gabana Model: at the end of the year Net profit shared in 3 parts. 1 for Share Holders 1 for Employess and 1 for the producers. All cocoa processed into chocolate everyone benefits. 10 M CFA was distributed by Mobile transfer. 2022 New model, Client to add some premium on the price and paid to producers. Budgeted 8M CFA to be paid next year.

TEKURA

- Received good order during the Covid-19 ere
- Increased orders between 50-60%
- University final year students undertake their attachment and internship with Tekura
- Diversifying their products such as beads, and fans and sub-contracting of orders
- Quote

NAME OF CUSTOMER

- Summary of comments 1
- Summary of comments 2
- Summary of comments 3

- Quote (if applicable)

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?

GEBANA TOGO

- SI is very fast in appraisal and disbursement of money.
- Needs more money, current amount is small compared with volume of business
-
- Quote (if applicable)

TEKURA

- Quick financing is SI strong point
- Quote (if applicable)

TRADEAID

- Fast processing of loans
- SI to increase their limit in order to be able to buy and stock more straw
- Summary of comments 3
- Quote (if applicable)

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

GEBANA TOGO

- Waiting for short-term finance not long term. 6 months finance but limit must be increased and needs double of previous amount with lower interest rate
- Use to have a 3 party agreement: Sell the goods to our customer, buyer pays to
- Other institutions they are working with SIDI, Inconfin and Gebana AG
- Quote (if applicable)

TEKURA

- Time to start looking for other lenders as volume of activity requires more money
- Local banks are just stop-gap. Require other financiers to serve as bridge for more orders
- Summary of comments 3
- Quote (if applicable)

NAME OF CUSTOMER

- Summary of comments 1
- Summary of comments 2
- Summary of comments 3
- Quote (if applicable)

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?

GEBANA TOGO

- Short term loans-6 months
- SI must increase their limits
- Summary of comments 3
- Quote (if applicable)

NAME OF CUSTOMER

- Summary of comments 1
- Summary of comments 2
- Summary of comments 3
- Quote (if applicable)

NAME OF CUSTOMER

- Summary of comments 1
- Summary of comments 2
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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.

GEBANA TOGO

- Loyalty of producers
- Increase loan amount
- Needs bigger funds to grow
- Facing lots of production challenges for soybeans production. 1 ton/ha in Togo but in Brazil, 5ton/ha. Trying to introduce inoculation to improve productivity. May need SI to assist them buy more quantity of this product for onward distribution to producers

- Quote (if applicable)

TEKURA

- Needs long term financing and needs to invest in technology
- Interest rate too high for long term financing
- Craft market big
- Helping to train more people. Apprentinship to train more people
- SI Foundation- to support them convert their waste into commercial value
- Quote (if applicable)

NAME OF CUSTOMER

- Summary of comments 1
- Summary of comments 2
- Summary of comments 3
- Quote (if applicable)

4.7. Impact of climate change on producer's organizations and the lives of members

“Can they give examples of how climate change is impacting their lives and business?”

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NAME OF CUSTOMER

- Summary of comments 1
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NAME OF CUSTOMER

- Summary of comments 1
- Summary of comments 2
- Summary of comments 3
- Quote (if applicable)

4.9. Technical Developments

“What technological developments do they find key for their organisations?”

In the last section, we provided context about our intention to develop a customer website to facilitate the exchange of information and communication. The participants were asked what information or processes would you like to find in a customer website provided by Shared Interest?

TEKURA

- Needs support in training and apprenticeship
- Have new machines to enhance their designs and enhance delivery time
- Buyers have apps installed for them to allow them share information and data and communicate with buyers.

- Quote (if applicable)

TRADEAID

- Introduced digital marketing and ecommerce to be able to market their products
- SI investing in tailored software will help the lending process
- Summary of comments 3
- Quote (if applicable)

NAME OF CUSTOMER

- Summary of comments 1
- Summary of comments 2
- Summary of comments 3
- Quote (if applicable)

5. CONCLUSION

Mr Ahiaku of Aceli concluded that, technological innovations such as Sales force application, has been adopted by Aceli and allow clients to upload documentation online and an interface for approvals. He indicated that SI must be cautious of risks such as wrong way lending. That is where the Client borrow in a currency other than the trading currency. The practice is to give finance to clients in the currency of trading. SI must also be aware of Phytosanitary issues and ensure clients abide by them since it can lead to rejection of a whole consignment. SI pointed out that, SI must be flexible enough to listen to its clients, as almost all participants indicate the need for additional funding in response to increasing trade volumes and growth. DB 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. OVERALL, the producers appreciated the initiative of SI in organising such a session to enable them provide feedback on SI service delivery and support to them.

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