



International Coffee Organization
Organización Internacional del Café
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Organisation Internationale du Café

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Projects/Common Fund

Executive Board/
International Coffee Council
19 – 23 May 2008
London, England

**Enhancing resource use efficiency
in coffee production and processing by
Farmer 2 Farmer learning**

Project proposal

Background

1. This document has been submitted by the Foundation Hanns R. Neumann Stiftung (FHRNS) with the support of the Vietnam Coffee and Cocoa Association (VICOFA) and the Tanzania Coffee Board, and contains a summary of a project proposal to improve the capacity of smallholder farmers to make rational investment decisions and optimize production and processing.
2. The proposal has been circulated to the Virtual Screening Committee (VSC) for assessment and will be considered by the Executive Board in May 2008. A copy of the full project proposal is available upon request.

Action

The Executive Board is requested to consider this proposal together with the recommendations of the VSC and, if appropriate, to recommend approval by the Council.

PROJECT SUMMARY

Project title: Enhancing resource use efficiency in coffee production and processing by Farmer 2 Farmer learning

Duration: Four years

Location: Main coffee producing areas in Tanzania, Uganda and Vietnam (Dak Lak, Lam Dong, Gia Lai provinces).

Nature of the project: Improvement of income of coffee farmers and reduction of negative environmental impact of farming through improved use of resources.

Brief description: The project aims to enhance resource use efficiency by coffee producers and processors through improving learning from peers. To achieve this, the project will assist farmers and their service providers (e.g. extension staff, traders) to form Farmer 2 Farmer learning groups. To support these groups, an open-source, freely available software tool will be developed and implemented that facilitates registration of production and processing activities by farmers, analysis of these data in terms of biophysical, financial and environmental performance, and comparison of results among the participating farmers. Existing software tools are available but none combine smallholder data registration, sustainability and learning in a single comprehensive package. Training materials and a blue-print for implementation will be developed to facilitate application of method and tools by others. Plans for up-scaling will be developed together with the authorities and stakeholders involved.

On the basis of experiences in other projects, it is expected that participating farmers will achieve substantial improvements in resource use efficiency, especially in fertilizers and irrigation water, with concurrent reductions in costs per unit produced. In addition, farmers will become better able to quantitatively evaluate options for changes in production and processing management. This will make it easier for them to adapt to (relative) changes in prices of

inputs and outputs and in market demands, such as from buyers requesting certified sustainable coffee. Inclusion of service providers and researchers in the project activities will stimulate learning between these groups and farmers, and contribute to more efficient and effective agricultural research.

Estimated total cost: US\$2,679,600

**Financing
sought from the Fund:** US\$2,479,600

**Form of financing
sought from the Fund:** Grant

Co-financing: US\$140,000 provided by the Foundation Hanns R. Neumann Stiftung, US\$60,000 by DE Foundation. US\$112,500 provided by participating farmers. Co-funding commitment by DE Foundation and the Foundation Hanns R. Neumann Stiftung.

**Form of co-financing
(in cash):** In-kind

Counterpart contributions: n/a

**Project
Executing Agency (PEA):** EDE Consulting

Supervisory body: International Coffee Organization

Estimated starting date: 2008

Logical Framework

Project title: Enhancing resource use efficiency in coffee production and processing by Farmer 2 Farmer Learning

Estimated project starting date: 2008

Estimated completion date: July 2012 **Date of this summary:** 21-1-2008

Narrative summary	Objectively verifiable indicators	Means of verification	Important assumptions
<p><u>Project goal: The broader objective to which this project contributes:</u> To improve the capacity of smallholder farmers to make rational investment decisions and optimize production and processing.</p>	<p><u>Measures of goal achievement:</u> A decrease per unit of coffee produced in terms of (a) costs of production; (b) amount of labour used; (c) amount of nutrients used; (d) amount of pesticides used; and (e) amount of water used (in case of irrigated farming only).</p>	<p>Statistics from (a) exporting companies; (b) Farmer 2 Farmer learning databases; supplemented by (c) farmer interviews.</p>	<p><u>Concerning long term value of project:</u> Service providers continue to be interested in offering these services to farmers; farmers are willing to change management techniques.</p>
<p><u>Project Purpose:</u> (a) to develop and implement a tool for efficiency improvement and monitoring; (b) to increase income of participating farmers¹; (c) to increase social coherence in participating communities; (d) to disseminate use of tool to other countries and commodities</p>	<p><u>Conditions that will indicate purpose has been achieved. End of project status:</u> (a) amount of inputs used per unit of coffee produced decreased; (b) income of participating farmers has increased; (c) increase in number of farmer groups that jointly market their coffee; (d) other countries and organizations in coffee and other commodities use the tool; (e) better knowledge about the dynamics of coffee farming and adoption of improved technology by farmers.</p>	<p>(a) Farmer 2 Farmer learning database; (b) idem (a); (c) farmer interviews and exporter survey; (d) monitoring and following up enquiries from other organizations and countries about the availability and implementation of tool.</p>	<p><u>Affecting purpose to goal link:</u> (a) cost savings sufficient incentive for farmers to record data during project implementation; (b) idem (a); (c) working at group level generates sufficient incentives for continuation; (d) tool and impact of its application prove to be substantial and sustainable.</p>
<p><u>Outputs:</u> (a) a dedicated, multilingual and tested software system for collecting, storing, analyzing and disseminating crop data; (b) substantial reduction of production costs and concurrent increase in income (Vietnam), productivity increase (Uganda, Tanzania).</p>	<p><u>Magnitude of outputs necessary and sufficient to achieve purpose:</u> (a) successful pilot implementation of tool; (b) production costs have decreased per unit of coffee while revenue per unit has increased.</p>	<p>(a) Detailed cost and benefit analysis of tool application; (b) Farmer 2 Farmer database and final evaluation report.</p>	<p><u>Affecting output to purpose link:</u> (a) Outcomes of analysed results can be interpreted by farmers; (b) idem (a)</p>

¹ Any income changes will be calculated using the average farm gate price during the first year of the project implementation

Narrative summary	Objectively verifiable indicators	Means of verification	Important assumptions
<p><u>Inputs: Activities and types of resources:</u></p> <p>(a) Awareness raising workshops;</p> <p>(b) technical support to develop tool and guidelines for application;</p> <p>(c) training of institutions and farmers on tool application;</p> <p>(d) equipment for hosting tool application on project sites;</p> <p>(e) technical assistance and training for implementers.</p>	<p>Component 1 (US\$77,300) Sensitization of authorities and stakeholders</p> <p>Component 2 (US\$756,350) Development of software</p> <p>Component 3 (US\$53,600) Development of blue print and training material</p> <p>Component 4 (US\$499,675) Test implementation in Vietnam</p> <p>Component 5 (US\$776,275) Test implementation in Uganda and Tanzania</p> <p>Component 6 (US\$123,000) Monitoring process and results and communication and promotion</p> <p>Component 7 (US\$393,400) Project management</p>	<p>Annual Audit reports.</p> <p>Steering Committee meeting minutes.</p> <p>Quarterly progress reports.</p> <p>On-site visits.</p> <p>Farmer reports.</p> <p>Software package.</p> <p>Workshop reports.</p> <p>Training documents.</p>	<p>(a) financing is received on time and as agreed;</p> <p>(b) Project Executing Agency and management units execute implementation effectively and according to plan;</p> <p>(c) local stakeholders, including farmers, remain committed to the project</p>