

Rainbow of Hope COMUS Organic Coffee Project

Update to the Board
June 19, 2010

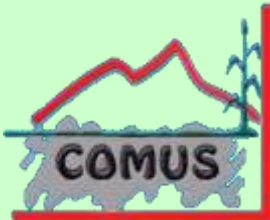


Organization of Presentation

- COMUS background
- Coffee and subsistence farming in San Francisco Javier
- Organic Coffee production
- Rainbow and COMUS
- Future Plans
- Questions for the Board

COMUS

- In 2009, Rainbow of Hope partnered with COMUS, The Association of United Communities of Usulután



ASOCIACIÓN COORDINADORA DE COMUNIDADES UNIDAS DE USULUTÁN

ENTIDAD DE INTERÉS SOCIAL, NO LUCRATIVO, APOLÍTICA, NI RELIGIOSA

COMUS

- COMUS is a community based organization in one of the poorest regions of El Salvador, San Francisco Javier, Usulután.



COMUS

- For the last 19 years COMUS has organized and run numerous basic community support programs for the 44 communities (25,000 people) they represent
- Their programs include
 - ✓ health care,
 - ✓ community education and organization,
 - ✓ micro-credit



Photo courtesy of COMUS

COMUS

- While COMUS receives funds from various national and international development aid organizations, its **focus is on long term sustainability**
- Its **primary goal is to generate all of the funds for its social programs from profits garnered from its agricultural production initiatives:**
 - ✓ a small, local, coffee processing facility;
 - ✓ an ecological brick manufacturing process, as well as
 - ✓ medicinal plant production and processing.



Photo courtesy of COMUS



COMUS is a shining example of a grassroots NGO, developed and run by the people it assists.

Rainbow and COMUS



- In 2009, Rainbow of Hope partnered with COMUS to help them improve one of their key focus areas:
 - ✓ **organic production and processing of coffee** by the small subsistence farmers in the San Francisco Javier area.

Photo courtesy of COMUS

- In the coffee business, elevation is everything
- The higher you go, the more production you get and the more desirable the flavours of the coffee.



Most of the farmers in this region struggle to earn even a subsistence living because

- Their land is located at low to mid- elevation
- There is little water available in the area,
- The distance to get what little coffee they produce to a processing plant is(was) very long

Coffee and Subsistence Farming in San Francisco Javier

- With the help of some international aid funds and the ingenuity and hard work of a remarkable of young Scottish man named Jamie Coutts, COMUS built, from bits of scrap metal and old machinery, a coffee processing plant (called a *beneficio* in Spanish) of their own



Photos courtesy of COMUS

Coffee and Subsistence Farming in San Francisco Javier



- The plant came on line in 2003 giving the community a critical boost.
- Although as individual farmers they did not produce much coffee, as a group, bringing their coffee to a their own processing facility, they were **able to supply a market in local towns for coffee.**
- As COMUS is a non-profit organization, the profits from the plant were directed back into their community support programs

Organic Coffee Production



- Because of their focus on sustainable low input, agricultural practices, COMUS has promoted organic coffee production
- COMUS has achieved **official organic certification** from BCS Germany for
 - ✓ organic production on 124 manzanas (91 hectares) of coffee
 - ✓ as well as for the coffee processing plant

Organic Coffee Production

- Farms that had removed their coffee to grow sugar cane are now being **replanted with a mix of coffee and native trees** to provide **shade for the coffee**.
- **Shade** is critical for coffee at low to mid-elevations as it **increases the quality of the beans** the coffee bushes produce.
- The native trees and fruit trees planted along with the coffee also **provide additional food** for these subsistence farmers, thereby improving their food security.



Photo courtesy of J. Coutts

COMUS Organic Coffee Production: Sustainable Business

- The COMUS coffee brand is “El Taburete”
 - named after the local volcano
- Their coffee is characterized by a low acidity and a full, but mild flavour and scent.
- Most of the coffee produced by the San Fransico Javier coffee processing facility is sold to local markets.



Organic Coffee Production



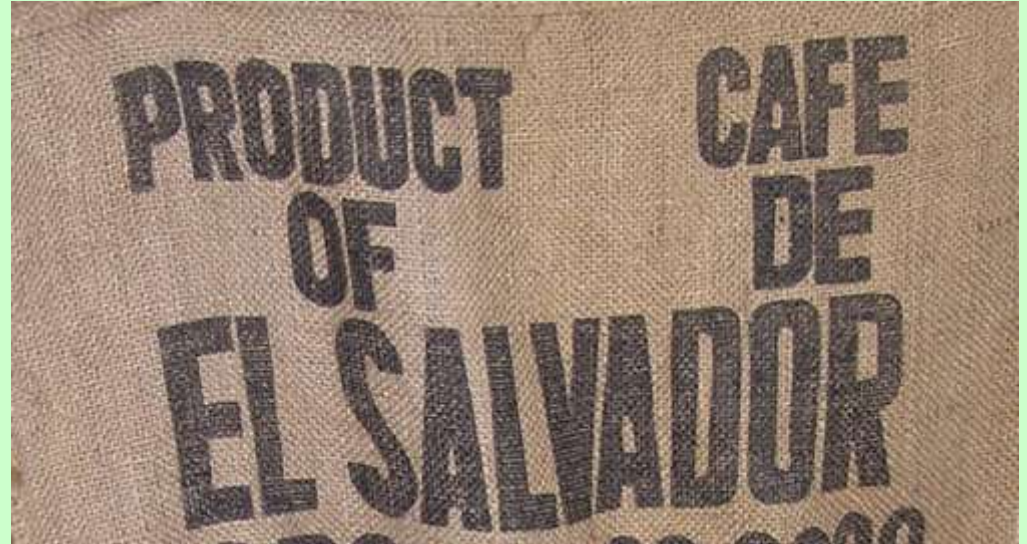
The farmers have

- adopted organic techniques for coffee production, and
 - have received training in improved coffee growing practices, thereby enabling them to grow
- ✓ **More coffee** and
 - ✓ **higher quality coffee suitable for** the more lucrative **international fair trade organic coffee markets**

International Organic Coffee Market



Photo courtesy of J. Coutts



- **An export market for their high quality organic coffee has been identified** in New York and Europe
- To meet the demands of this large organic fair-trade coffee market, the capacity of the farmer's processing plant needed to be expanded

Rainbow and the Coffee Processing Plant

- The processing plant in San Francisco Javier was plagued with problems due to frequent power outages, common in these remote rural areas.
- Without power, the coffee processing came to a halt and hundreds of pounds of coffee spoiled.
- As well, the facility did not have enough capacity to process the amount of coffee that could be generated by the farmers in the area, given their improved production.



Rainbow Support



- In 2009, Rainbow of Hope provided funds for a generator to keep the power running through the processing season

Rainbow Support

- Rainbow also provided funds for a sheller and a coffee bean transportation device (an elevator) which allowed more efficient processing of the coffee.



Don and Jaimie and the elevator

Rainbow and the Coffee Processing Plant

- These additions enabled the plant to increase its output by **three fold**.



Rainbow Support

- As well, some Rainbow funds were used to permit COMUS to purchase more coffee beans from the small producers in the high season
- This encouraged more marginalized farmers to plant and maintain organic coffee stands.



Photos courtesy J. Coutts

Next Steps

- A key goal for the COMUS coffee project is to produce and process enough high quality organic coffee to fill a container for shipment to Europe or the USA.
- The objective identified is to build sufficient capacity to fill one container with organic coffee for export by 2015
- This requires improvement in productivity both at the processing facility as well as at the farms

Production Facility

Key items leading to meeting the objective are:

- ✓ Construction of an additional drying patio: \$15,000 USD
- ✓ Purchase of a new bagger: \$ 5,800 USD
- ✓ Purchase of a new washer: \$ 5,700 USD



Production

- Facilitate bringing coffee in from fields, carrying coffee targeted at local towns to markets:
- ✓ Purchase of truck
\$8,000 USD



Photo courtesy J. Coutts

Farm Production



- Increase finca production by renovating >30 yr old trees
- ✓ establish nurseries in 5 communities(different elevations, different soil types) each growing 5000 seedlings for out-planting
- ✓ \$7750/yr for 5 years

Farm Production

- Establish demonstration and training site for organic coffee production, medicinal plant production
- ✓ \$4,000 to establish site (renovate old bushes on 1 Mz, replant 1 Mz)
- ✓ \$2,500 purchase coffee seedlings and medicinal plant seedlings
- ✓ \$4,500 training (22 workshops over 5 years in 4 communities)



Photo courtesy J. Coutts

Farm Production

- Scale up compost (fertilizer) production, for use on organic farms, and for sale to generate \$'s for community programs
- Construction of compost facility \$15,000



Food Security



- Provide food and economic security to community producers in the **lower elevation lands**
- These coffee plantations are **most vulnerable to climate instability**
- Also, they cannot produce coffee in sufficient quantities and of sufficient quality to make more than a subsistence living

Food Security

- \$100 (~ 30) **fruit/nut trees and vegetable seeds** provided to each of 50 producers in the 400 to 800 m elevation zone
 - Total \$5,000
- Provide technical support for the farmers through
 - ✓ training workshops as described in demo site and
 - ✓ Visits by COMUS agriculture promoters once per month to provide agronomic advice



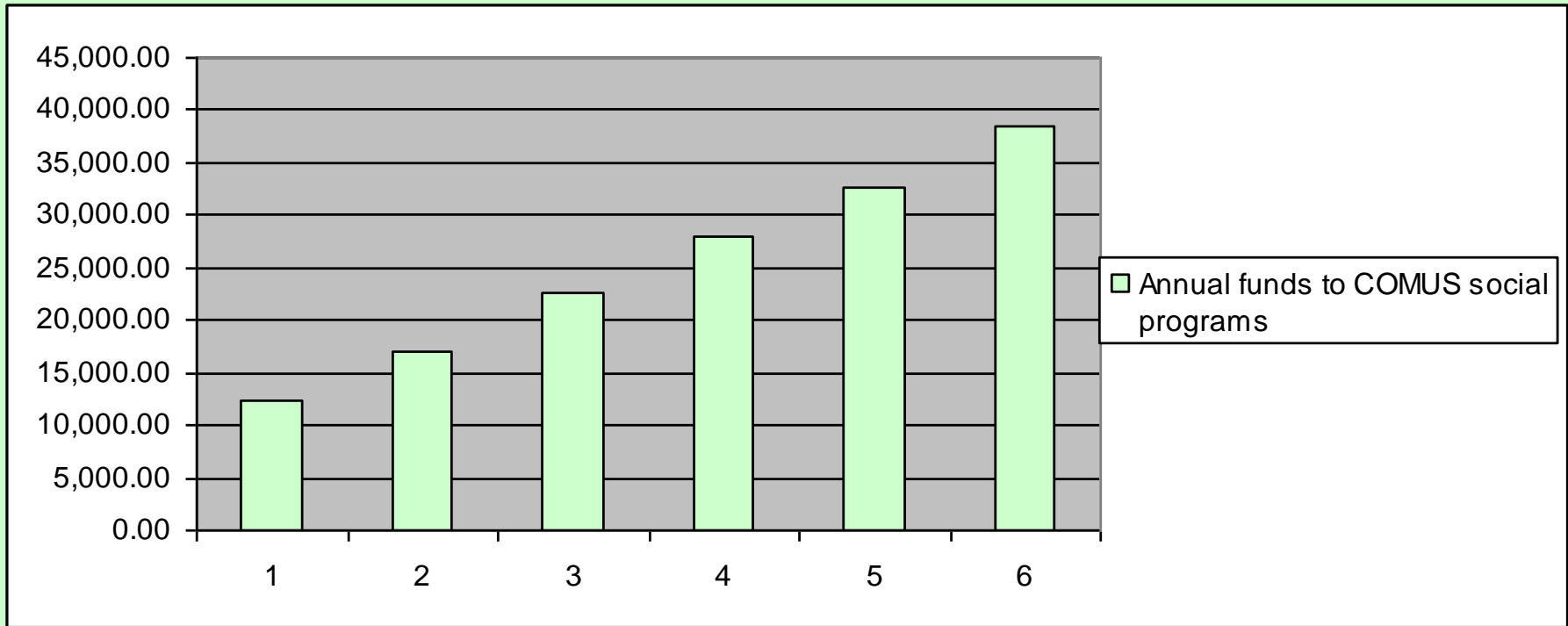
For this investment, over 5 years

- the number of producers supplying the plant, and benefiting from the training increases from 49 to 210.



Photo courtesy COMUS

Returns on Investment



For the **\$105,000** investment, **community programs** are projected to receive **\$150,000** dollars over the 6 years.

If **wages are included** in the above benefits, for the **\$105,000** investment: **\$420,000** are returned to the community over the 6 years

Summary of Benefits

- ✓ raising of producer family incomes through the sale of the coffee,
- ✓ improving watershed condition through planting of trees,
- ✓ increased profits from the processing plant will permit expansion of the COMUS micro-credit program,
- ✓ increase social program support for 200 families with under-nourished children and:
- ✓ fully establish a long term, commercially and ecologically viable, organic coffee production base for small farmers in the Usulután region

Summary and Questions for the Board

- Izalco project has reached a self sustaining status, if alternative funding sources are not found by December 31, 2010, funds for this project will be re-focused to the coffee program
- Funding for Sonsocate, Morozan and the school garden will be maintained at a base level (supplies, wages for 2 farmers)
- Does the board feel this (the coffee project) is a project they are willing to support?
- Does the board think this project might be received well at CIDA if we were to pursue matching funding there?