



COFFEE

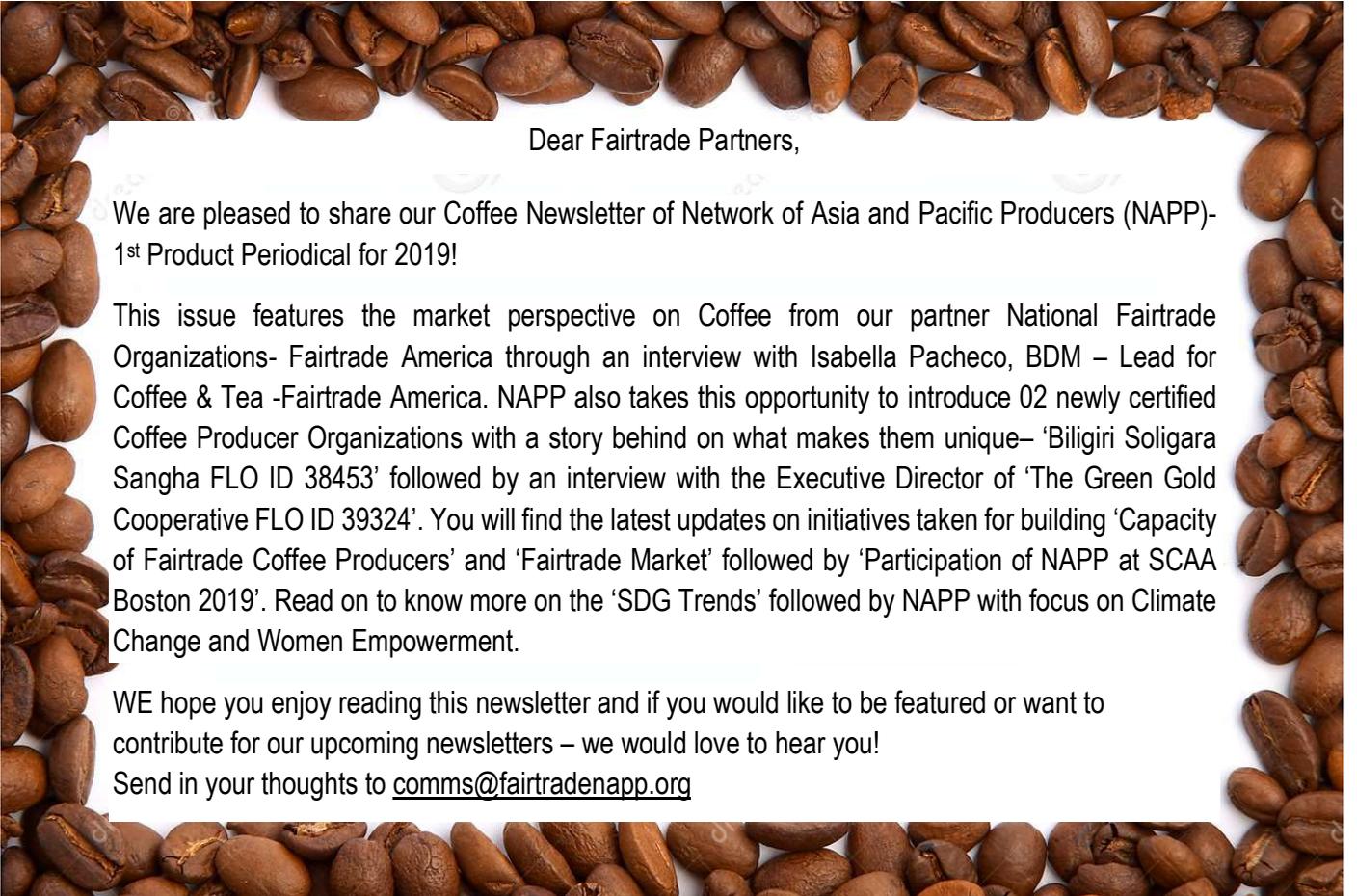
NEWSLETTER

PRODUCT PERIODICAL

MAY 2019



FAIRTRADE
NETWORK OF ASIA &
PACIFIC PRODUCERS



Dear Fairtrade Partners,

We are pleased to share our Coffee Newsletter of Network of Asia and Pacific Producers (NAPP)- 1st Product Periodical for 2019!

This issue features the market perspective on Coffee from our partner National Fairtrade Organizations- Fairtrade America through an interview with Isabella Pacheco, BDM – Lead for Coffee & Tea -Fairtrade America. NAPP also takes this opportunity to introduce 02 newly certified Coffee Producer Organizations with a story behind on what makes them unique– ‘Biligiri Soligara Sangha FLO ID 38453’ followed by an interview with the Executive Director of ‘The Green Gold Cooperative FLO ID 39324’. You will find the latest updates on initiatives taken for building ‘Capacity of Fairtrade Coffee Producers’ and ‘Fairtrade Market’ followed by ‘Participation of NAPP at SCAA Boston 2019’. Read on to know more on the ‘SDG Trends’ followed by NAPP with focus on Climate Change and Women Empowerment.

WE hope you enjoy reading this newsletter and if you would like to be featured or want to contribute for our upcoming newsletters – we would love to hear you!

Send in your thoughts to comms@fairtradenapp.org

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FOREWORD



Let Fairtrade Cups bring change to our World!

The world depends on farmers in developing countries to drink its favourite beverage – coffee. It can definitely influence people’s sourcing patterns and contribute to creating better prices for the farmers and a sustainable future.

Coffee being one of the main commodity of Fairtrade, it plays a crucial role in our market. The Fairtrade Minimum price offered to the coffee farmers and producers gives them assurance of Fair price thus providing them an opportunity to improve their communities.

The coffee market is so huge and varied now, that there is demand for different types of coffee from different origins. People like to consume coffee in different ways; hot, cold, flavoured, the list goes endless.

Earlier, there was no Global branding for coffee from Asia and Pacific Region, but the market is fast evolving due to the concentrated effort taken by the current NAPP Board. We have managed to establish new B2B relationships and secure recognition for Asian coffee. The strong presence of NAPP at International Fairs and Coffee Expo’s has paved the way for this change. While Indonesia, India and Vietnam are the leading coffee producing regions across Asia and Pacific, we also have Myanmar, Thailand and Laos as the upcoming new origins in coffee producing regions.

Climate change remains one of the biggest threats to many agriculture regions across the Asia Pacific. Small Producer Organizations remain particularly vulnerable with climate change posing serious threat to their livelihoods.

This problem has prompted Fairtrade Network of Asia and Pacific Producers, to launch ‘Climate Schools’ that will support research and critical thinking on Climate Change. The Pilot Project started in 2018 in South Asia and in 2019 it has already scaled up to covering 18 SPOs across South East and South Asia.

Women farmers are a strong presence in coffee farming and production and NAPP spares no measure to empower them. As a part of Fairtrade, NAPP subscribes to the Fairtrade’s Theory of Change which is based on the Sustainable Development Goals of UN, wherein emphasis is laid on gender equality and gender equity by empowering women to determine their future. To address issues that pertain to gender, Fairtrade NAPP is working on launching a Women’s School of Leadership. The school will target women within Producer Organisations that are Fairtrade Certified to enhance their participation in the leadership and management of their communities, organisations and households.

At NAPP, we remain focused on ways to impacting coffee production and helping farmers in developing countries fight poverty, prejudice and inequality. This impact deepens when you create a bridge of goodwill and trust between the coffee consumer and the coffee farmer.

Bijumon Kurien
Chairman
Network of Asia and Pacific Producers (NAPP)

FOREWORD



Brewing up a storm in Asia!

Coffee has seen explosive growth in Asia recently. Traditionally, tea drinking markets-Indonesia, Turkey, India and Vietnam all had double digit coffee growth in recent past. The trend is likely to continue with consumers slowly but surely acquiring taste for Coffee and new tempting product innovations being launched regularly expanding markets tantalizing consumers.

For Fairtrade in Asia Pacific region Coffee is one of the most important commodities grown in Indonesia, Vietnam, India, Laos, Thailand and Papua New Guinea. It has strong presence of growers with 67 Coffee Producer Organisations.

Only organized small holders can be part of Fairtrade certification protected by a Fairtrade Minimum Price in this wildly fluctuating commodity. While their organizations and communities are sustained by Fairtrade Premium which is paid to the producer organization on top of the agreed Fairtrade price, for growers to decide democratically how to use it building grassroots democratic institutions.

The Fairtrade Premium has provided cushion and predictability to Fairtrade farmers. It benefits not only the Producer Organizations but the entire community. The growers need to invest a part of Fairtrade premium in quality or productivity improvement.

Sourcing Fairtrade Coffee makes business sense too through which companies can fulfil their corporate social responsibility to grower communities in return getting sustainable and quality coffees.

Fairtrade is among foremost ethical labels and coffee demand is growing year on year among consumers amounting to about 25% retail sales of all Fairtrade sales globally. Quality as well as exotic Arabica and Robusta varieties from Asia and Pacific are available for discretionary consumer tastes across the globe.

As you turn the pages of this publication you will discover the rich aroma of Fairtrade Coffees from across the region which have empowered the farmers and contributed in making agriculture sustainable in rural communities.

Kuldeep Singh Chauhan
CEO
Network of Asia and Pacific Producers (NAPP)

ASIA AND PACIFIC COFFEE MARKET TRENDS AND FORECAST 2019-2024

Asia Pacific has emerged as a major revenue contributor to the global coffee market, supported by increased out of home coffee consuming population and increased revenue generated by supply of coffee products via online medium & shipments by various countries including India, Malaysia, Vietnam & Philippines. It highlights the growth opportunity in fresh **coffee**, with the opening of speciality cafés as well as rising incomes. Meanwhile, instant **coffee** is expected to maintain its appeal to consumers seeking affordability and convenience.

As per 2018/19 USDA Forecast - Vietnam's production is forecast to add 1.1 million bags to reach a record 30.4 million as cooler weather and off-season rains helped stimulate coffee trees just prior to flowering and cherry-setting. Exports, domestic consumption, and ending stocks are expected to rise on higher available supplies. Indonesia's production is forecast to gain 500,000 bags to 10.9 million. Robusta output is expected to reach 9.7 million bags on favourable growing conditions in the lowland areas of Southern Sumatra and Java, where approximately 75 percent is grown. Arabica production is also seen rebounding to 1.2 million bags.

Three out of the five fastest growing retail coffee markets are in Asia. Indonesia is currently the fastest growing packaged retail coffee market with a combined annual growth rate of almost 20 percent over the past five years, while India and Vietnam had a CAGR of 15 percent during the same period. Asia's booming coffee market is driven largely by a surge in new coffee products. In the last 5 years the number of new coffee products launched in Asia rose 95 percent, while the number of tea products rose only 55 percent.

America is leading the third wave coffee movement, accounting for over one quarter of all global third wave coffee retail launches, but it is gaining traction in Asia. Fifteen percent of coffee products launched in Asia in the recent past had a premium claim, a fact generally known to be true in coffee, especially when comparing Colombians and Brazils, or Kenyans with Ethiopians.

Though there certainly are coffee-growing regions with tighter-knit profiles and like climates, Asia Pacific is not one of those regions, even though the islands are often lumped together under the same broad category-occasionally even tied to a much broader "Asian" spectrum that includes India, Thailand, and Vietnam. There is a whole world of flavor and culture in the Asian Pacific region, and the coffees there stands out on its own with each profile distinct and each producer unique, defying the conventional tendency to categorize them all together.

FAIRTRADE SALES AND PREMIUM

As per the available data from 2017 the total Fairtrade premium generated for Asia and Pacific Region was 68,10,843 USD benefitting thousands of farmers and their communities.

In 2018 NAPP has actively taken up various initiatives with a programmatic focus on climate change, quality and productivity and Living Income. Much emphasis is laid on building a strong commercial strategy from preparing inventory of specialty coffee to trainings on capacity building for improving production and quality.

Currently there are 67 Fairtrade certified Coffee producer organization from Vietnam, Indonesia, India, China, Laos, Timor, Thailand & Papua New Guinea.

NFO SPEAK



As producer networks, we always welcome the market perspective from our partner National Fairtrade Organizations (NFOs).

In this edition we feature Isabella Pacheco, Business Development Manager – Lead for Coffee & Tea -Fairtrade America.

Prior to Fairtrade, Isabella worked for over 8 years in international trade and development of markets between Latin America and The United States for brands like Welch's, Sunny Delight, Wise Snacks, and Coca-Cola Brands among others. She was responsible for developing and setting stronger and more reliable distribution channels as well as translating the brands marketing strategies and campaigns to Latin American markets.

She is originally from Venezuela and is the 4th generation of a family of farmers. This led her to get involved in numerous projects to help improve living conditions in farming communities in her home country and ultimately find her way to Fairtrade.

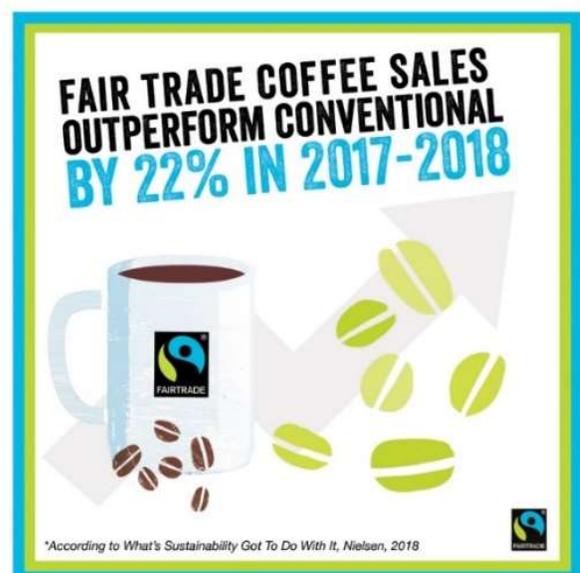
Q. Could you tell us about your role as coffee specialist and the kind of work NFOs do on the market front? Are they in a position to influence brands to source coffee from specific origins?

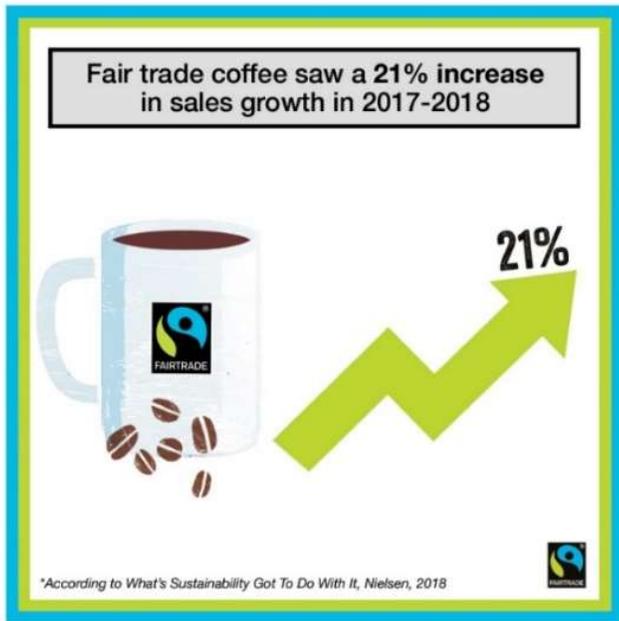
A. As an NFO, Fairtrade America works on growing demand and awareness for the Fairtrade Movement. Unlike in Europe, Fairtrade does not enjoy a high level of awareness in the United States. This poses a real challenge that we have enthusiastically taken on. We are constantly working on growing our presence in important tradeshows and conferences related with our activities of prospecting and scouting new business opportunities. We also work on our direct reach to consumers by optimizing our website, advertising, articles for media and social media outlets.

My role as a lead for coffee is to show brands, roaster, traders and retailers, (especially during this time of coffee price crisis), not only the importance of sustainable and ethical sourcing but also highlight the true value of the coffee instead of just the cost. It is also to ensure that the brands understand that Fairtrade is an investment in their supply chain to guarantee a reliable source of ethically grown beans. Sadly, we don't foresee coffee prices increasing any time this year, so I realize that making sure that the true value of the product is understood is more important than ever.

Q. Is the market for Fairtrade coffee growing especially with other sustainability labels like Utz and RA increasing their market share?

A. Fairtrade coffee sales grew 21% in the United States years 2017-2018. Also, according to a 2018 Nielsen Sustainability Study, Fair trade coffee sales have outperformed conventional coffee sales by 22%. In addition, Fair trade coffee sold five times faster than conventional coffee. I must add that it does not mean that the prices of a cup of coffee has increased, on the contrary the price has decreased in the past year.





At the same time there are much more competitive ethical label market in the United States than anywhere else. It not only includes RA and Utz but other major competitors like Fair Trade USA and Fair for Life. A look at the below chart of - Globe Scan Study from 2017, states that although RA label is more visible in the USA, Americans are much less likely to purchase it over other labels. Also, keeping in mind that our direct competitors and the Trans Fair logo have been in the US market much longer, yet we are in a very close vicinity and working hard to get that number to be higher.

Q. What are the current taste preferences of consumers in American markets?

A. According to the NCA's 2018 trends report, although home brewing and espresso-based drinks are still the most popular ways to have coffee here, Cold—brew and Ready-To-Drink coffees are the fastest growing trend acquiring 11% of the market in the past 2 years. Also note the market has had a significant shift towards 'gourmet' coffees as the younger demographic (18-25 yrs.) is more interested in higher quality and diverse origins. Gourmet coffee is now representing 50% of the (US) market according to market consultant Michael Edwards.

Q. Does Asian coffee interest consumer markets? Is the market demand for Arabica from Asia and Pacific growing?

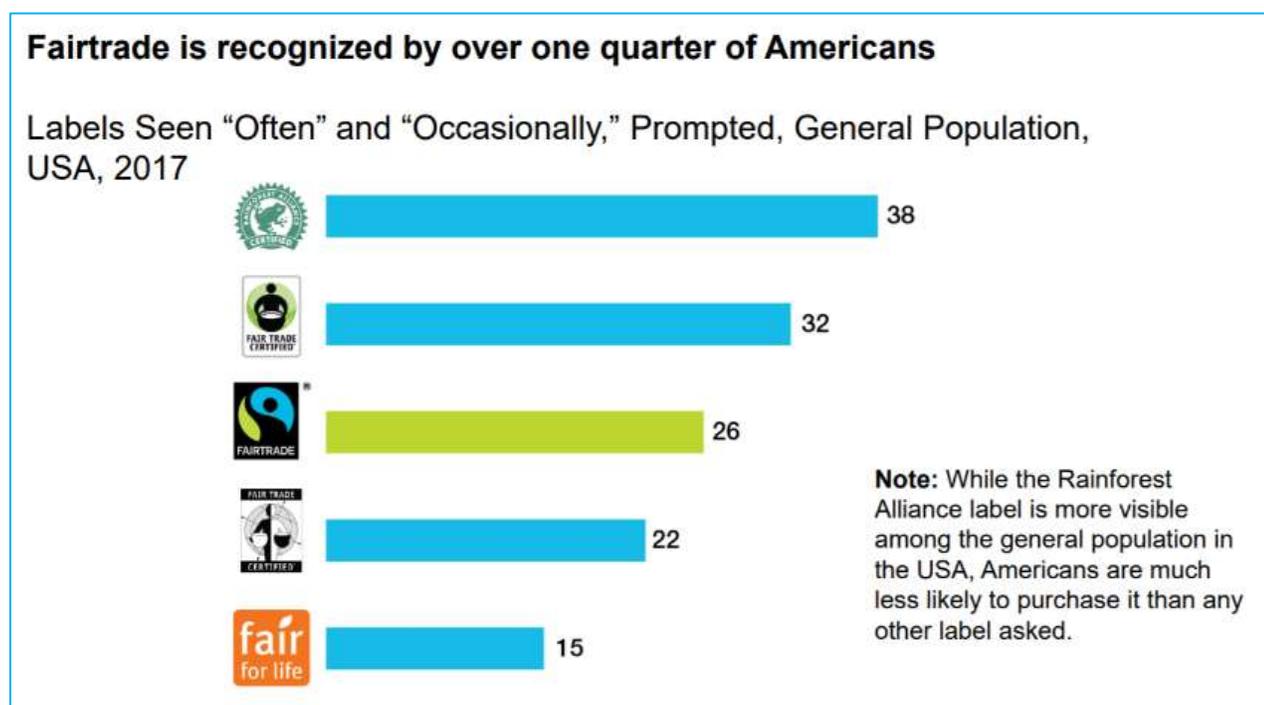
A. Still Vietnam is the first origin that comes to mind when talking of Asian coffee as their volumes are always very high. But as I mention, the single origin and gourmet coffee demand is increasing, and this does not exclude the gourmet coffees from Asia. In my opinion, currently the most popular Asian origins here are Indonesian: Sumatra, Indian: Monsoon

Malabar, and there is a growing interest for coffee being brought from Myanmar (Burma).

Q. What efforts can producers from Asia take to improve their visibility in the American market?

A. My recommendation is for the producers to develop direct relationship with their exporters and traders, and making sure that they know who is, moving their coffee along the supply chain and having a participation in trade is the key. Simultaneously, knowing their coffee well and how it is unique in comparison to others is a great tool for them to connect to their exporters and traders.

For example, I received a NAPP Specialty Coffee Profile booklet from our dear colleague Mr. Kuldeep Chauhan, which showcases coffees profiles that are ready for being exported to American traders who are interested to import. This type of readily available material is important when the opportunities arise. I recommend keeping this updated and for producers to facilitate information to be included regularly.



Q. Is there potential for National Marketing Organizations like Fairtrade America to facilitate producer organizations meet market requirements?

A. I would like producers and participants in the Fairtrade system to see Fairtrade America as their ally, so producer networks like NAPP are always welcome to reach out to us. If there is anything we can do to help, we will gladly do so. We are constantly trying to make sure that our prospects and current licensees know that they have countless Fairtrade coffee and tea options that can come from Asia as well as Africa and Latin America. Also, I want to assure you that we are tirelessly working on increasing the demand and awareness for Fairtrade.

Q. What advice would you have to a small holder coffee farmer organization trying to go independent with their brand? Would you rather recommend they focus on connecting with the big brands?

A. Regardless of your approach it is important to differentiate yourself. Find what makes your coffee different and work on developing your story and your process to get to your bean. It could be from the taste profiles you offer, to your washing techniques, to the story of how your cooperative came about. What makes you unique? Bigger companies who source ethically will appreciate this and if you are building your own brand this will be essential.

It gives your coffee VALUE and separates it from the .90cents per the coffee market, I would currently not venture into a new brand but try to focus energy on what is currently at hand and how to make that more robust. I would recommend that producers work on building relationships with their current buyers, and see if there is opportunity of growth with them and offer ways on how they can help brands feature them. They also need to perhaps think on how to make their source of income more diverse and include that part of their story.

Q. Our producers are keen to know what exactly do buyers expect from their coffee supply and how do buyers perceive coffee from Asia?

A. I believe the 4 key things expected are:

1. **Professionalism** - This include response time and ease of communication as well as reliability on the relationship and availability of coffee.
2. **Quality** – Consistent quality and perhaps Gourmet/ Specialty as this market is growing.
3. **Price** – Staying Competitive.
4. **Uniqueness** – in product and story

Q. What would you term as ‘good, quality coffee’?

A. A cup of a good drip brew relatively high in acidity with fruity and floral notes is how I would describe my perfect cup of coffee. But of course, the definition of “good, quality” varies immensely depending on who you ask. What I truly consider essential is that all players transforming those beans into a cup of brewed coffee are making their best work. Therefore, for me as for many coffee consumers it is very important to know the story behind the coffee we are consuming, from the Barista to the Producer, because that is what truly makes a good cup of coffee possible.



PRODUCER SPEAK



Achukkegowda has a 2 acre farm and the highest recorded diversity of native tree species – 54 species per acre.

Coffee grown by Indigenous Tribe in Tropical Evergreen Protected Forest dominated by Wild Tigers

Biligiri Soligara Belegarara Sangha- recently certified Fairtrade Producer Organization; FLO ID 38453, is situated in the South Indian state of Karnataka, is nestled in a hill range that hedges the Eastern and Western Ghats at an altitude of 1600 Masl. This evergreen forest is also a protected Tiger reserve and is covered with dense tropical forests. The reserve is home to a rich and diverse variety of flora and fauna and wild animals which led to the formation of Biligiri Ranganathaswamy Wildlife Sanctuary in 1974.

BRT Tiger reserve spanning over 540 Km² was formed in 2011 and is the first protected area in India where indigenous communities have been granted land rights, to cultivate for improving livelihood standards under India's Forest Rights Act, 2006. This makes it probably the only coffee growing area in a tiger reserve, in the world!



Origin
BR Hills



Elevation
1600 m

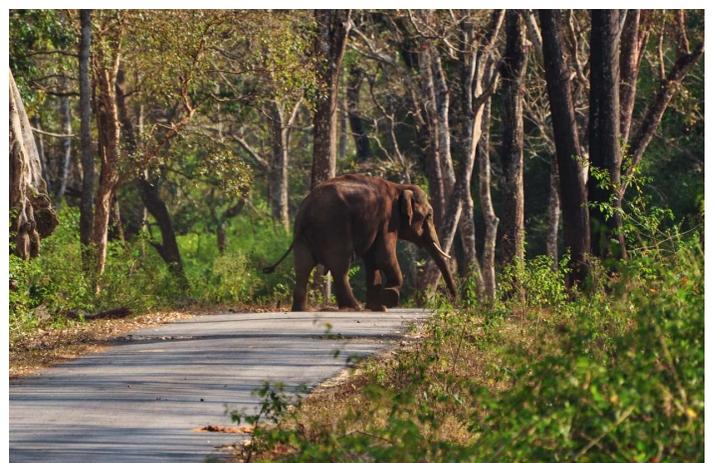


Forest Type
Shola
Grasslands



Process
Handpulped
Arabica

WHERE PLUMP ARABICA COFFEE FRUITS ARE REGULARLY BRUSHED BY PASSING WILD ELEPHANTS, LEOPARDS, GAUR, DEER AND OTHER ANIMALS



Coffee Cultivation in BRT:

About 450 Tribal families took up coffee cultivation in BRT in the early 1990s. Currently, coffee is grown in about 500 acres. BRT remains as one of the few geographical clusters in India wherein fine Arabica coffee is grown using traditional cultivation and processing methods. The Arabica coffee grown here is by 'default organic' with only natural inputs adding to the fertility of the soils and imparting a distinct flavour in the cup. It is shade-grown, washed and sun dried keeping the natural elements intact. The brew exhibits a sweetish aroma, full body and mild flavour, thick liquor and richness characteristic of a well-balanced and rounded washed arabica.

It has been found that the bees and butterflies contribute more than 33% boost to fruit set in the region. Giant honeybees pollinate the coffee flowers and the Soligas gauge the quantum of their coffee by the bee activity.

Coffee Trading:

BRT's tribal coffee growers have joined hands to form a local collective which is legally registered as a Society called "Biligiri Soligara Belegarara Sangha" under the applicable State laws. The collective obtained Fairtrade Certification in 2019 (FLO ID 38453).



We opted for certification

because it fetches better price and better premium for our coffee which will greatly improve the economic status of the tribal community-

Mr. Made Gowda- President Biligiri Soligara Belegarara Sangha

There are 392 farmers in the Fairtrade certified group with a total area of 486 Acres and an average of 1.2 acres per farmer. The group has 258 male farmers and 134 female farmers with a total production capacity of about 60MT Arabica parchment coffee (dried) per annum. Every lot is hand pulped and then dried to suitable moisture levels before being bagged and transported for secondary processing.



Capacity Building

The Coffee Board of India and the Government of Karnataka, India have been building capacities of the collective and its members in cultivation, processing and trading of fine coffees. The origin of the coffee is assured by a Blockchain solution which enables traceability upto the cluster level. Each lot of the coffee is accompanied by a certified Q-grader cupping report that complies with SCA testing and reporting methods.



Block chain helps in identifying the farmers who grow better quality coffee thereby fetching better prices to the quality coffee grower. This also encourages other farmers in the community to grow better quality coffee-

Mr. Made Gowda- President Biligiri Soligara Belegarara Sangha

Network of Asia and Pacific Producers (NAPP) will be jointly working with Coffee Board in imparting training to Producers on:-

- ✓ Implementation of Blockchain and its relevance in coffee
- ✓ Climate resilient practices
- ✓ On productivity enhancement of coffee
- ✓ Latest package of practices
- ✓ Post- Harvest technologies
- ✓ Centralised processing e.g. pulping etc availing subsidies from Coffee board
- ✓ Access to finance
- ✓



WHERE THE FRUITS SLOWLY RIPENS TO THE SONGS OF PSYCHEDELIC BIRDS MANY OF WHICH ARE ENDEMIC TO THE REGION. PIC: THE CRESTED SERPENT EAGLE

BLACK BAZAA COFFEE PVT. LTD

The Grower group is supported by a Fairtrade Certified trader - Black Baza Coffee Pvt. Ltd. FLO ID 39361 who markets the certified Arabica parchment coffee.



“Black Baza Coffee obtained its Fairtrade Small Licensee certification in 2019. The objective of this Fairtrade certification was to engage with like-minded businesses and farmer producer organizations.

We first procured coffee from BR Hills in 2017. At that time, there was no Sangha and coffee was being procured from individuals. We travelled home to home and collected coffee seeds and weighed these sacks of coffee in front of each producer. This was not the usual practice at the time. Local traders would not weigh out bags in front of producers and as a result, it was not uncommon for producers to be paid for twenty or even thirty kilos less than what had actually been weighed out.

When we started work in 2017, producers also did not have any awareness about market price and would therefore have no choice but to accept whatever price was being offered.

We were the first ‘fair’ and ‘transparent’ buyers in the region and this not only pushed other local traders to follow suit but also empowered producers to start negotiating prices and terms of engagement themselves.

Since inception in February 2019, the sangha has sold 12.5 tonnes of Fairtrade certified coffee and received a premium of 2.62 lakhs. We are also sourcing FT certified Robusta Cherry from Elements Trading based in Kerala. Fair Trade certified coffees comprise about 70% of our total volume. While we are currently only roasting and retailing coffee for India, we have every intention to expand both our sourcing as well as market to different countries”-

Arshiya Urveeja Bose- Black Baza Coffee Pvt. Ltd.

'FROM OPIUM TO COFFEE CULTIVATION' THE GREEN GOLD COOPERATIVE, FLO ID 39324



Gold Members working in Pan Ling Village

Myanmar is the world's second largest opium producer, accounting for 5% of the world's total opium production, and 10 % of the world's total opium cultivation. Over 50% of the production occurs in Southern Shan State, therefore, United Nations Office on Drugs and Crime (UNODC) in coordination with the Government of Myanmar, began implementing the Alternative Development (AD) Program in the townships of Hopong and Loilem in 2014. Alternative Development provides farmers who previously farmed opium, with a licit alternative – in this case namely coffee.

The farmers benefiting from the livelihood component of the AD program soon realized the importance of creating a community structure in order to have a better position in the market. With the support of UNODC, 537 farmers created 'The Green Gold Cooperative (Green Gold)' on July 20, 2015. Since then, many more farmers have joined and current membership has reached over 900 farmers. In addition to the incorporation of new members, Green Gold has developed democratic participation mechanisms aimed at guaranteeing equitable representation of its members, with a particular emphasis ensuring the equal participation of women.

Green Gold has recently achieved two remarkable milestones.

1. The first milestone was the signing of a partnership agreement with the French company Malongo for 05 years.

As per the agreement, Malongo, is committed to buy all the coffee that Green Gold Cooperative offers under Fairtrade conditions until 2022. Additionally, it will also provide direct support to the Cooperative and its members on various social issues and market development. Green Gold is committed to obtaining the Fairtrade certification and is strengthening the organization in order to achieve this goal.

2. The second milestone achieved, was the direct transfer of \$86,000 USD from the Swiss Embassy in Myanmar to Green Gold in 2018.

For Green Gold, the Fairtrade Certification will guarantee a good income to its members. This is particularly relevant when taking into account that they are located in areas with a permanent presence of poppy crop; a decrease in real income can be an incentive for farmers to re-establish illicit crops. Crops like coffee, with a stable marketing channel and with fair prices, can contribute decisively to create a new economy with a legal basis, which replaces the poppy's illegal economy in those territories.

The Fairtrade standard will allow Green Gold to become a reference in Myanmar on how it is possible to change to a model of coffee production, respecting the environment, providing the same opportunities and protecting the rights of all.



In conversation with Mr. Sai Han Myo Aung- Executive Director – The Green Gold Cooperative

Q: The Green Gold Cooperative switched from growing opium to coffee, how did they know coffee would thrive

and from where did they source good quality Arabica?

A: UNODC has extensive experience in alternative development programs and specifically in the use of coffee crops as an alternative crop. As a result of UNODC efforts to implement the AD programme in South Shan State, the farmers that opted to switch from poppy cultivation to coffee crops, decided in 2015 to create a cooperative as a strategy to face the markets and explore additional opportunities in the future as a producers organization.

The coffee seeds come from plantations in very good conditions located mostly in Shan State, and selected after technical reviewing carried out by coffee experts. Green Gold members plant only arabica varieties to maintain high quality and allow farmers access to specialty coffee markets.

Q: How has coffee cultivation contributed to peace and stability in the region? How has it benefitted the farmers?

A: To date, the areas that have established coffee plantations have reduced the possibility of replanting poppy, as the land is now in an agroforestry system. The lack of poppy has created an atmosphere of legality in the villages, avoiding conflicts and the presence of actors involved in drug trafficking. In fact, other farmers in the villages are growing coffee themselves and are working to become members of Green Gold and thus leave poppy cultivation for licit crops.

Additionally, the social engagement and work on coffee activities through the cooperative, is allowing communities to develop a stronger social fabric at the village level. This will allow communities to make more cohesive decisions on what activities they can do to improve livelihoods for a legal and sustainable future.



Q: When and why did The Gold Cooperative get Fairtrade certified? Which countries do you currently export to and what has been the benefits received?

A: Green Gold has not yet received the certification. However, they have already received the initial audit and permission to trade and soon await the final report. The General Assembly of the Cooperative discussed the possibility of obtaining Fairtrade certification in 2017 and from there began the process of certification. Now they have a buyer in Malongo, who signed a 5-year agreement for the commercialisation of its harvests under fair-trade conditions, for purchasing and marketing their coffee and to help strengthen the cooperative, through technical and financial support.

In 2018, Green Gold exported its first container to France as a conventional coffee, but under Fairtrade prices. The 2019 harvest is ongoing, but Green Gold expects to export at least three containers of green grain coffee under Fairtrade conditions this year.



Malongo_Asemblée_Nationale_01@shehanhanwellage



Women at the Cooperative sorting coffee beans

Q: Tell us something about the newly launched brand ‘Shan Mountain Coffee’.

A: In March 2019, Malongo launched “Shan Mountain coffee” in Vienna at the Commission on Narcotic Drugs (CND2019) and in the French parliament in Paris. Three representatives from Green Gold attended the events, thanks to the support of Malongo. ‘Shan Mountain coffee’ is now available in Europe, mainly in France, Switzerland, Spain, Belgium, and England.

This was a significant step for former poppy producers towards a successful legal high-value crop and was an important milestone of the partnership agreement between Green Gold and Malongo.

Q: Does it make market sense for coffee producers to develop their own brand or is it safer to tie up with larger brands?

A: At this stage of the process Green Gold saw a partnership with Malongo as a strategic and sustainable option, but in the future Green Gold is considering developing their own brand and looking for additional markets.

Q. What advice would you give to producer groups who would like to emulate the steps taken by the Green Gold Cooperative for switching to coffee cultivation?

A. Believe that another world is possible. Don't focus on the problems that will inevitably rise in their path, but see the future with a long-term vision. For small scale farmers, they only can face the global markets jointly and work together toward the same dream.

Q. How can UN ensure sustainability of the Cooperation?

A. UNODC will continue working to strengthen the cooperative, supporting it so that its members can build their capacity to face the markets in the future. Green Gold and UNODC will work together to ensure strong management continues in order to improve the lives of the farmers and their families.

SDG TRENDING- GOAL 13



Installation of Weather Station

Launch of Climate School with 18 Producer Organizations across 04 Countries in Asia and Pacific Region

Climate change is a fundamental threat to many agriculture regions across Asia Pacific. Small Producer Organization remain particularly vulnerable with the change posing serious threat to their livelihoods. Many countries in the region are experiencing frequent natural calamities- intense flooding, droughts etc. Under developed and developing countries in Asia and Pacific are particularly vulnerable as their economies are substantially dependent on agriculture and related businesses. Globally, the financing needs for climate change adaptation in developing countries to 2050 are estimated at \$100 billion annually.

Fairtrade Network of Asia and Pacific Producers (NAPP) with 277 producer organizations, geographically spread across Asia and Pacific regions, has therefore rolled out an innovative new project to support farmers in adapting to climate change starting with the launch of Climate Academy in 04 countries with over 18 Producer Organizations.

The Climate Adaptation Project aims to increase the resilience and adaptive capacity of small producer organizations through trainings and subsequent application of insights, skills and techniques in the farm. The resilience is built through the development of cutting-edge management practices at a community and institutional level. The same is undertaken with the expertise of a UK Based social enterprise 'Climate Edge' which specialises in gathering relevant farm specific climate and production data & data analytics.

In Oct 2018 the NAPP Climate School was officially launched with the installation of 05 weather stations with 12 Fairtrade Producer Organizations. In March 2019 06 weather stations were installed in 06 Producer Organizations, along with a workshop by the Climate Edge consultants on technical know-how session for gauging climate change in South and South East- Asia.

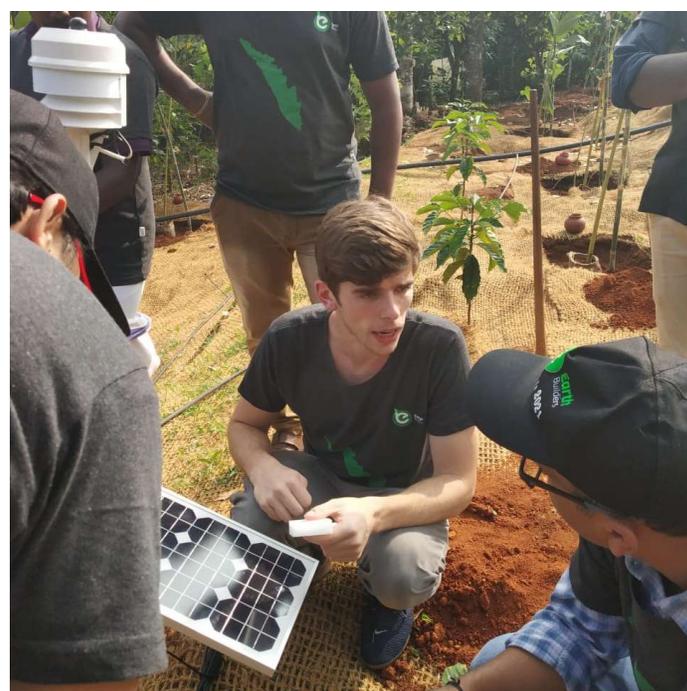


Launch of Climate School logo by Dario Soto Abril CEO- Fairtrade International, Bijumon Kurien Chairman- NAPP, Kuldeep Singh Chauhan -CEO NAPP with the team

The Project will have three phases:-

1st Phase: The first phase will involve installation of 'Weather Station' installation and 'Monitoring' across Vietnam, Indonesia, India and Laos in over 18 Producer Organizations. The project will gradually scale up to other countries and products in the coming years. The weather station allows relevant climatic data to be collected on farms to detect threats and to guide the precision use of inputs and irrigation method.

A mobile enabled app allows NAPP to monitor vital data, in real time, from all of the farms to be instantly viewed and analysed from anywhere in the world. It enables key data to be collected on farms (product variety, soil type etc) thereby giving cooperatives a crucial overview of their farms along with expert guidance and advice.



Climate Edge Expert explains the data monitoring process

2nd Phase: It will include setting up of 'Farmer Field school/Demonstration' plots in SPOs where the weather stations are installed in order to showcase climate adaptation technologies.

3rd Phase: It will include setting up a 'Climate Portal'- a knowledge sharing platform for all the Fairtrade producers based on the entire research and findings.



Installation of weather station post the baseline survey

SDG TRENDING

GOAL 5- GENDER EQUALITY



Participants at the launch of the Women in Cooperatives Forum.

ESTABLISHMENT OF 'WOMEN IN COFFEE FORUM'

NAPP in partnership with TPSA Canada with a common vision for gender mainstreaming and women empowerment has led to many activities in 24 Fairtrade coffee SPOs in Indonesia, which are known for producing the renowned Arabica Gayo/Sumatra coffee.

The SPOs in Gayo, Indonesia comprises of 8165 female members and 22.3% of women are part of the executive and the supervisory board of the cooperatives. Women have always taken an active part in the Gayo coffee supply chain right from plucking of red cherries to sorting beans and small pruning. Traditionally, the women also participate in all the decision making and management of household and farming.

However, there are still notable gaps to be filled in order to achieve a more stable state of gender equality such as the lack of women representation in leadership roles of cooperatives with mixed memberships. A lot of female farmers still face some constraints in becoming members of cooperatives as they do not own land which is a pre-requisite to becoming a member.

Therefore, Network of Asia and Pacific Producers in partnership with TPSA Project Canada implemented- Fairtrade Gender Strategy with an aim to achieve gender equality and empowering women in coffee cooperatives by-

- (1) increasing and strengthening women's participation at the farm level
- (2) increasing and strengthening women's participation at the level of farmers' groups, and
- (3) increasing and strengthening women's participation at the organizational level of the cooperatives.

This will further improve the situation of women participation in the organizational and economic activities of coffee SPOs and transform the coffee supply chain in the region into a more gender equality state.

Currently 04 gender mainstreaming and women empowerment activities have been implemented and culminated with the establishment of 'Women in Coffee Forum' on 29th November 2018.

THE JOURNEY:

The journey started in July 2018 with the conduct of workshop by NAPP and TPSA Canada which was attended by 22 female leaders from 8 women-led cooperatives.

The workshop stressed on the importance of gender awareness and gender mainstreaming at the individual and organizational level, and the positioning of the female leaders as the change-makers in their respective organizations. The concept of gender responsive governance with a set of governing policies to create equal and fair opportunities for both the genders was introduced by NAPP and TPSA Project Canada introduced.

03 main activities on gender mainstreaming were planned for the workshop:-

(a) Training on Gender Awareness

The Gender Awareness Training was conducted on 3rd October 2018 with the participation of 38 leaders from 24 coffee cooperatives. The one-day training was designed to build awareness about the values and the principles of gender equality and the importance of gender responsive governance.

Outcome: The activity led to the formation of an Action Plan to address the gaps in the current conduct of governance in each cooperative with regard to the gender responsive governance.



Adi Amiyadi, Secretary of Koperasi BQ Baburrayan and Chairman of the Indonesian Fairtrade Producers Association, speaks about his learnings at the gender-orientation training.

(b) Training of Trainers on Women Leadership

Following the Gender Awareness training, the Training of Trainers of Women Leadership was conducted from 15th to 18th Oct 2018 in Central Aceh, South East Asia. This training was imparted to 18 female leaders (both from executive and supervisory board) from 6 women-led coffee cooperatives.



Rizkani, chairperson and founder of Kokowagayo, speaks to forum participants.

The training aimed to instil Leadership skills to the women leaders that would enable them to implement such gender responsive governance in their Cooperative. The training covered topics on:-

- *Concepts of gender and its analysis*
- *Principles of cooperative and Fairtrade Standard;*
- *Transformative women leadership;*
- *Concepts and skills of facilitation*
- *Techniques of communication and networking.*

Outcome: The participants developed an 'Organizational and Individual Action Plan' to improve the participation of women in various decision making activities and also implementation of women leadership training at their respective cooperatives.

(c) Pilot Training on Women Leadership at three cooperatives, as a capacity building that will support the conduct of gender responsive governance.

Pilot Training on Women Leadership was attended by 38 female delegations and farmers from 3 SPOs.

The 03- day training covered 06 major topics:

- *Concepts of Gender and Gender Analysis,*
- *Principles of Cooperative and Fairtrade Standard,*
- *Gender Responsive Governance*
- *Transformative Women Leadership*
- *Groups Dynamics and Facilitation*
- *Effective Communication.*

Outcome: All the training materials were customized as per the capacity and need of farmers. An individual Action Plan was created by each participants with regard to improving of the quality and quantity of women's participation at the farm and group level.



L—R: Rizkani, Mahyana, and Hasanah.



Forum Notes



Team discussion

The Gender mainstreaming program was culminated by the establishment of **'Women in Coffee Forum'** on 29th November 2018.

The forum is intended to be a venue where women members and leaders of coffee cooperatives, have the opportunity to share common experiences and support one another as coffee farmers, as cooperative members, and as women. These co-op members and leaders envision that the forum will help sustain the efforts that have already been made to promote gender equality in co-op governance and to increase women's participation in the membership and leadership of cooperatives.

EXPECTED IMMEDIATE OUTCOMES OF THE PROJECT:-

- Improved trade and investment information flows between Indonesia and Canada, particularly for the private sector, SMEs, and women entrepreneurs, including trade-related environmental risks and opportunities
- Enhanced private sector business links between Indonesia and Canada, particularly for SMEs
- Strengthened analytical skills and knowledge of Indonesian stakeholders on how to increase trade and investment between Indonesia and Canada;
- Improved understanding of regulatory rules and best practices for trade and investment

CAPACITY BUILDING



Women Members from 23 SPOs at the Training on Digital Marketing



1 Training to 23 SPOs on FT Standards

WORKSHOP ON DIGITAL MARKETING FOR 23 COFFEE SPOs IN SOUTH EAST ASIA

NAPP in collaboration with TPSA, Canada and ANGIN- Angel Investment Network of Indonesia held a women entrepreneurship 'Workshop on Digital Marketing'. It aimed to educate women leaders in the Coffee Cooperatives to develop digital marketing strategies for their business, such as the introduction of digital marketing tools that are beneficial to their business. The workshop was attended by 46 women participants from across 23 Coffee SPOs in Indonesia, South East Asia.

ANGIN invited trainers to deliver digital marketing materials specifically for women-led SMEs. Participants learned things such as developing digital marketing strategies for their business, useful digital marketing tools, and practical suggestions for planning the marketing strategy.

This event does not only provide training on digital marketing, but also aims to provide understanding to digital marketing companies, government bodies, and other stakeholders regarding gender-based challenges to access the market and break market barriers by digital marketing. We hope that this activity can serve to be a bridge to form networks between women-led SMEs and related stakeholders.

At the end of the training, participants had:

- ✓ increased understanding on gender issues in marketing, including exporting through digital marketing
- ✓ enhanced knowledge about digital marketing (i.e., various website platforms and social media)
- ✓ improved knowledge and skills in developing a strategy and plan for digital marketing for their business

TRAINING ON 'AWARENESS OF FT STANDARDS, PRINCIPLES & CERTIFICATIONS' IN SOUTH EAST ASIA

A Fairtrade training on Standards, Principles and Certification was conducted for Coffee Producers in South East Asia covering all major topics on:-

- Minimum and Premium price
- Ft standards on trade-including trading contracts, traceability, product sourcing and use of the Fairtrade mark
- ICS-Gender
- ICS- Cooperative principles

Various training methods such as focus group discussion, individual conversation with farmers, collectors and farm visits were used to make it more effective.

The main objective of NAPP was also to understand the current situation of Coffee SPOs in terms of compliance, supply chain and climate issues and to develop ways to address the issues.

Around 23 SPOs received supports to address issues concerning Non-compliance, improving capacity of financial staff, recording of financial transactions by premium committee, participation in gender and climate academy programs.

BUILDING FAIRTRADE MARKETS



Coffee Producers from SE Asia at the Cupping Training

COFFEE CUPPING TRAINING

BUILDING CAPACITY OF PRODUCERS FOR AN EFFECTIVE COFFEE SUPPLY CHAIN

Though, there has been a steady growth of sales for Fairtrade Coffee from Vietnam, however the quality of coffee remains an issue. The farmers in the region still follow old techniques of processing coffee without assessing its impact on the quality of the coffee. This issue makes the quality of Vietnamese coffee unstable and seen as low creditability by the International buyers.

Therefore, NAPP in consultation with the network of producers and buyers organised a 03 day 'Training on Cupping' in March 2019 at Daklak- the capital of coffee where majority of the Fairtrade coffee cooperatives from Vietnam are located. The training was attended by 30 participants from 17 Coffee Cooperatives.

The main objective of the training was to teach the professional practice of cupping to the Producers and utilise the skills to:

- ✓ Assess the coffee quality and the various factors that affects it.
- ✓ Improve coffee quality by adopting better techniques at the production and processing level.



- ✓ Build their competence in producing high quality coffee that qualifies the requirements and standards of International Market.
- ✓ Adopt the cupping technique as the basic and crucial requirement in the coffee supply chain.
- ✓ Build on the core vocational skills required by people who work with coffee on a daily basis.



THEORETICAL AND PRACTICAL TRAINING SESSION BY SCAA EXPERTS TO COFFEE PRODUCERS

The training was imparted by certified trainers from Specialty Coffee Association of America with more than 10 years of practical experience in the industry. The participants were taught practical skills balance with theoretical concepts. It included basic steps of identifying basic taste and aroma recognition (basic essentials of sensory evaluation) to the intriguing technique of preparing cupping and grading as per the international scoring system.

The coffee samples from all the 17 SPOs were put for cupping test and quality analysis. Based on the result the trainers provided valuable feedbacks to each SPOs on the positive and negative quality of their coffee. They also provided guidance for measuring the implications of poor processing techniques that lead to low coffee quality and suggested ways to adopt better processing technique to improve upon the quality.



I have been planting coffee for more than 50 years. We did not know about our coffee quality and always trusted that our coffee was the best and there was no need for any changes. Post the cupping training, I could analyse both the good and bad qualities of my coffee and most importantly I was now aware of the techniques to improve it. I will get back to my farm and implement it and will keep cupping as a habit to test my coffee regularly for improvement- *Mr. Yki - Eatu Fair Agri Service Cooperative- FLO ID 33762*

OUTCOME

The main aim of the training was to enable the producers to be able to prepare a range of sensory related tests including different cupping protocols, setting up of professional cupping table and coffee terminology to increase the coffee quality and sales in the long run.

Post the training Thuan Anh Agri Cooperative; FLO ID 28651 made a strategic decision to purchase a sample roasting machine, to check the grade and quality to improve the quality of their roasted coffee.



Coffee Roasting Machine purchased by Thuan Anh Agri Co-op



Sample testing and quality evaluation by the Producer



“

In order to check the quality of our coffee and produce high quality coffee, we have utilized the Premium money to invest in a roasting machine. Since then the coffee quality have been good and income is better for farmers. I hope every Cooperative adopts this module as it also fetches better income for workers- Thai Viet Thuan- Internal Control- Thuan Anh Agri Co-op

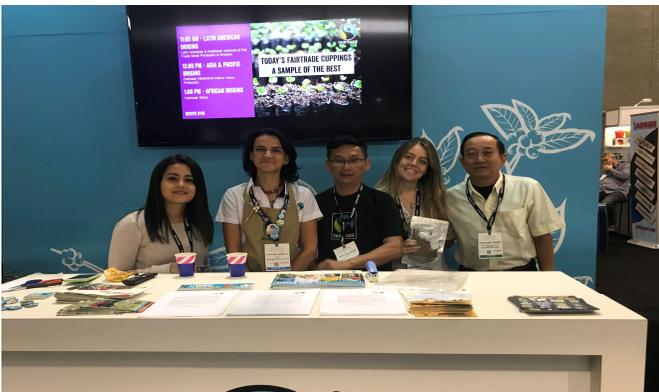
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I handle Marketing for my Cooperative and I attended the training because my cooperative asked me to. However, post learnings on cupping, I love coffee more and so proud to be the next generation of coffee producers in Vietnam” - Nguyen Ngoc Hang- Eaten Cooperative



Hang preparing coffee for cupping

BUILDING FAIRTRADE MARKETS



Participation of Asia and Pacific Producers at SCAA 2019

'COMPETENCE ENHANCEMENT & EFFECTIVE TRADE FAIR PARTICIPATION' @ SCAA BOSTON 2019

Out of all the marketing instruments available trade fairs offer by far the widest range of functions. This is where our Producer Organizations can conduct business, cultivate their image, look for trade partners, create market linkages, strengthen and build networks. However, in order to make the most of a trade fair it is essential for NAPP to prepare optimally and to choose the "right" event for meeting the stated objectives.

Specialty Coffee Market is one of the top priority for NAPP considering majority of coffee from the region gets exported to America and Germany. The Specialty Coffee expos are extremely important for Producer Networks to get access to latest informations on technological and agriculture development in the coffee sectors, and to stay competitive in an increasingly demanding and dynamic global market where buyers expect very high quality coffee.

It creates the opportunity for our stakeholders to reach their target audience easily, economically and under one roof.

Therefore, NAPP in partnership with Fairtrade International, National Fairtrade Organization - Fairtrade America and Producer Networks-CLAC and Fairtrade Africa organized the participation at the 31st Specialty Coffee Expo via the setup of common Fairtrade Promotional Booths and awareness activities. The Fair was held from April 11th to 14th, 2019 in Boston. Support was extended by NAPP to 04 Coffee Producer Organizations from South East and South Asia for promoting Specialty Coffees from the region.

The prime objective for NAPPs participation was :

- ✓ To create awareness of Fairtrade coffee from Asia and Pacific Region
- ✓ To showcase diverse range of coffees from different region of Asia and Pacific Region
- ✓ To build Fairtrade markets by direct networking with consumers and businesses (traders, roasters, buyers, brands etc)
- ✓ To advocate and educate global stakeholders on various impact and benefit of Fairtrade in the Coffee supply chain– Living Income, Minimum and Premium Price and other sustainable development goals.
- ✓ To get access to information and latest development in the coffee industry
- ✓ Capacity Building, Strengthening and Exposure for Producer Organization
- ✓ Creation of trade linkages with old and new prospects
- ✓ To Improve Market and Sales efficiency of the Coffee Producers



NAPP Delegation showing Specialty Coffee Profile of NAPP



Cupping card- Asia Pacific Region

The Producers got an opportunity to engage in various B2B meetings with potential roasters, traders and buyers. Apart from the meeting their participation expanded to coffee cuppings organized jointly by the Fairtrade team. 12 samples from Asia and Pacific Region were part of the global coffee cupping along with other coffee origins from Latin America and Africa. As per the cupping results all the samples qualified as per the specialty grade and standard. The focus is to offer greater commercial visibility to small coffee producers for increasing their sales and thereby supporting them in their productive capacity, which has been affected by various external factors such as climate change and decline in international coffee prices.



Asia Pacific Cupping Session

Alongside the event on 12th April the coffee industrialists wore black ribbon and gathered together at the Fairtrade Booth to stand in solidarity with the coffee farmers world- wide who are facing real time economic and environmental crisis. Black ribbons were distributed to everyone to advocate the message of 'Sustainable coffee and Sustainable livelihoods' by supporting a payment of minimum 1.40 dollars for coffee per pound!



Geographical Indication of Indonesian Coffee



JOIN US in our efforts to promote sustainable production and sourcing to responsible consumption by **STAYING CONNECTED**

-  @NetworkofAsiaandPacificProducers
-  @Network of Asia & Pacific Producers (NAPP)
-  @NappFairtrade
-  @fairtradenetwork
-  www.fairtradenapp.org
-  Network of Asia & Pacific Producers (NAPP)

CONNECT TO US AT:

SCAE World of Coffee, Berlin
June 8th - 10th 2019

SCA Japan
Sep 26th to 28th 2019

SCA South Korea
Nov 8th to 10th 2019

Each issue of the Product Periodical will provide insights on key products relevant to Producers in Asia and Pacific Region

If you enjoyed reading this newsletter or would like to be featured or want to contribute – we would love to hear you!

Send in your thoughts to comms@fairtradenapp.org

www.fairtradenapp.org

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