

*Project
Coffee +*

**in Action:
Milestones and Life Stories.**



**Supporting Smallholder Coffee
Growers in Southeast Asia**

What We Want to Do



Stallholder coffee farmers in selected areas in the Philippines, such as sultan Kudarat and Bukidnon, have improved the economic viability of their farming systems, i.e. they produce coffee and intercrops in a profitable and sustainable way and thus increase their yields and income.

Implemented by:

giz Deutsche Gesellschaft
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Nestlé Good food, Good life

The Challenges We Face

Certain areas in Asia, including the Philippines, have a long history of coffee growing. Unfortunately, the levels have been either stagnating or stagnating over the recent years. At the same time, local coffee demand and consumption is growing in the region. In these countries, much of the production takes place in rural areas where, unfortunately, poverty levels are alarming. Smallholders, who take up majority of the producers, have limited access to updated technological advances, new know-how, and primes services. They only use farm inputs, adopt entrepreneurial knowledge, and good agricultural practices in a limited way. Their plantations are often old, if not badly managed and unproductive. Thus, they often find it challenging to find quality replacement stock. Meanwhile, alternative crops can appear more lucrative and offer more frequent harvests through the year. This has forced farmers to abandon coffee production, especially when faced with agricultural prices, it would be safer for them to practice integrated farming with multiple types of crops, including coffee. Unfortunately, information and models for good intercropping systems are in short supply. As a result, their lands aren't maximized for economic viability.

The changing climate affects the environment that these farmers work on. With no support or measures being taken, the decline is going further than expected. Other problems include soil degradation, drought, weak institutions, land tenure, and lack of organization among farmers. These workers are in a weak position and are in need of inputs, advice, and services.

The Project We Dream Of

In order to address these shortcomings and challenges, Nestle Philippines and GIZ have joined forces to establish a development partnership. Both entities have worked in other countries such as Indonesia and Thailand for many years. They are able to bring their knowledge, expertise, and network in the agricultural sector.

While Nestle brings in its strong local agri-service, farmers network, and technical and sustainability standards expertise in the coffee production, GIZ adds its experience in training and in strengthening farmer groups and organizations. The project is also able to benefit from GIZ's long-term relations to the respective governments, various local stakeholders, and civil society.

Nestle aims to secure a long-term sustainable supply chain with responsibly produced coffee that meets all demands. At the same time, smallholder farmers benefit from the increased productivity, diversified crops, and boosted income.

The project works directly with 1,500 smallholder coffee farmers in the Philippines, and rest assured, all are compliant with the 4C Baselines Common Code (a baseline standard for the sector developed in a multi-stakeholder process).



The Four Components of

Project Coffee +



Training of Smallholder Farmers

This component is based on Nescafé's Better Farming Practices and is jointly developed with the cooperation of Rainforest Alliance and 4C Association.

The training aims to promote entrepreneurship and skills, thereby laying the basis for professional farm management. Included are technical skills on soil and nutrient management, intercropping with other food and cash crops, and rejuvenation of coffee trees. This is to increase quality, yields and farmer resilience. In order to pull this off, demo farms will serve as learning sites.



Strengthening Smallholder Groups and Organizations

The partnership strengthens local farmer groups and organizations according to specified local needs. This includes training and advice in terms of plan formulation and services.

Policy and Stakeholder Dialogue

This hones in on sharing tops and lessons learned with the cooperation of national and local governments, as well as civil society. The concepts, practices, and key learnings will be shared to strengthen existing structures, create local ownership, and secure long-term sustainability through proper intervention.



Monitoring and Evaluation

The implementation of activities and achievement of project results will be evaluated, reported, and if needed, adjusted.



All about GIZ

GIZ works in over
120 countries
with **18.260** employees
(12.605 NP)

Works for over
300
public and private,
national, and international
partners/clients

Has garnered
EUR 2.4 B
business volume
in **2017**



GIZ Goals

GIZ aims to bring private sectors and development corporations into a partnership by executing specific goals for each.

For private sectors:

- Assurance of supply chains, market entry and expansion in developing and emerging countries
- Marketing of products
- Finding new customers and ensuring customer loyalty
- Corporate Social Responsibility (CSR)

Development Corporation:

- Improvement of local economic conditions
- Establishment of sustainable supply chains
- Mobilization of capital and know-how
- Involvement of local communities in economic cycles

So, what exactly are development partnerships?

These are partnerships between development agencies and the private sector on equal terms. Its main goal is to connect business management and development policy. This leads to growth opportunities and benefits for companies, while at the same time contributing to sustainable development. With the partnership, both will be able to minimize potential risks from their end. It will be harnessed through the creation of win-win situations for companies and development cooperation. More importantly, common goals can be achieved faster and will make it more sustainable.

Portfolio Overview

Project (Ongoing)	Private Partner	Budget	Timeframe
SCNO Sustainable Certified Coconut Oil Production	BASF, Cargill, Procter and Gamble	3.995.000 EUR (1.176.000 EUR BMZ)	Oct 2015 – Oct 2019
ASI+ Diversification and Expansion of the Abaca Sustainability Initiative	Glatfelter	1.600.000 EUR (gl.) 1.200.000 EUR (PH) (638.000 EUR BMZ)	Nov 2017 – Nov 2020
Coffee+ Improving Smallholder Coffee Farming Systems in Southeast Asia	Nestlé	7.500.000 EUR (gl.) 2.479.000 EUR (PH) (916.000 EUR BMZ)	Jan 2018 – Dec 2020
Development Advisors (SFF)			
Department of Agriculture Region 6, Iloilo	Linked to ASI+	160.000 EUR (100% BMZ)	Jan 2016 – Jan 2019
Agricultural Training Institute Region 8, Baybay, Leyte	Linked to SCNO	180.000 EUR (100% BMZ)	May 2017 – May 2019
Philippine Coconut Authority Region 12, Gen. Santos City	Linked to SCNO	308.000 EUR (100% BMZ)	Sep 2016 – Dec 2019 (Extension requested)
TOTAL (Public + Private) PH		8.344.000 EUR	
TOTAL BMZ Agri-DPP contribution PH		3.378.000 EUR	

Supporting Smallholder Coffee Growers in Southeast Asia



in partnership with



and



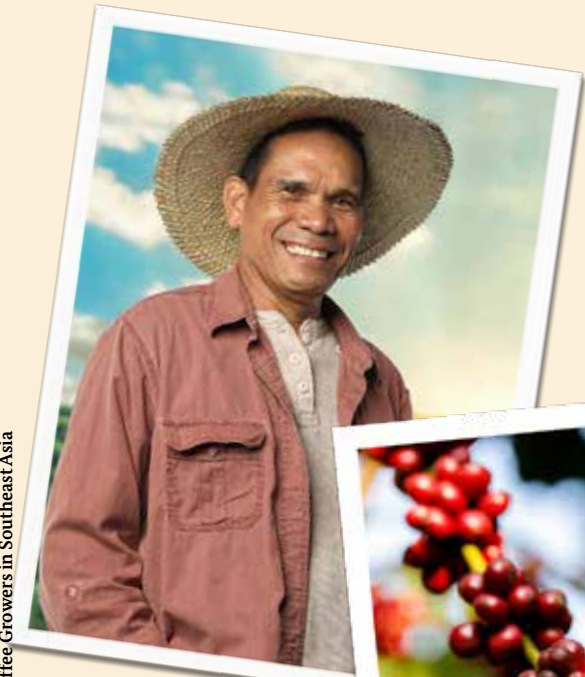
Improving Small Holder Coffee Farming Systems in Southeast Asia (Indonesia, Philippines, Thailand)

This is where Project Coffee+ and Nestle enter the picture. They have joined forces in order to achieve growth and development, particularly coffee farmers.

Project countries	BASF, Cargill, Procter and Gamble
Project locations PH	Bukidnon and Sultan Kudarat (1.500 farmers)
Duration	January 2018 – December 2020
Volume	€ 2,5 M (BMZ + private sector)
Objective	Smallholder coffee farmers in Indonesia, Philippines and Thailand have improved the economic viability of their farming system.

Supporting Smallholder Coffee Growers in Southeast Asia

Project Indicators:




Supporting Smallholder Coffee Growers in Southeast Asia

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1,500
smallholder coffee farmers have increased their net farm income by **20%**



Profitable and best-integrated farming systems with coffee are adopted by **X%** of smallholder farmers.



Systems of or access to local service delivery by farmer groups/ organizations for smallholder coffee farmers are **improved**



1,500
smallholder coffee farmers have increased their coffee productivity (yield/ha) in average by **50%** in the Philippines

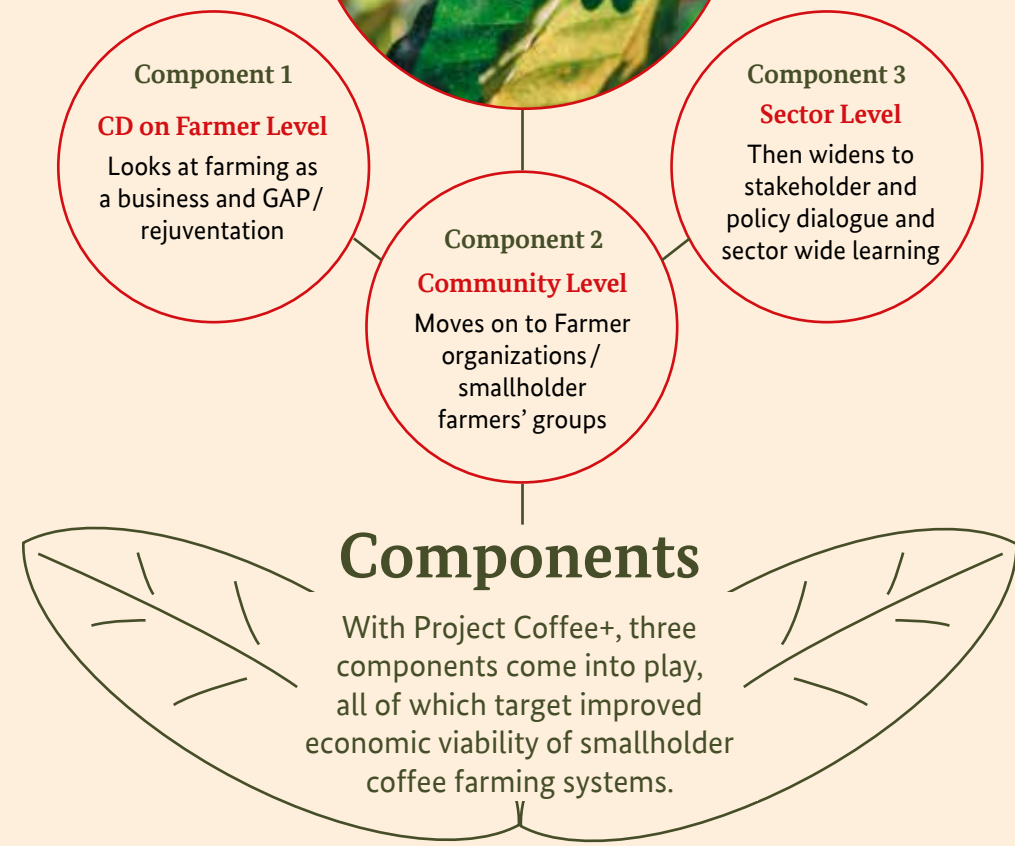


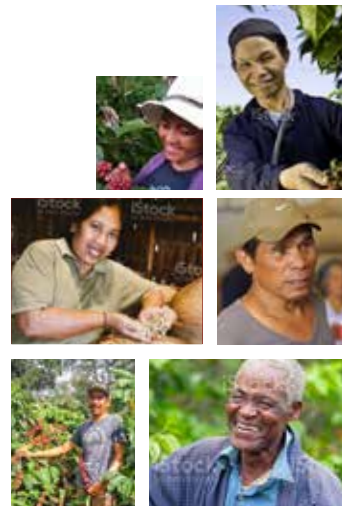
GOAL:
from 380 kg* / 235 kg** to 1ton / ha
*National Average **Baseline for Project area



Developed training modules and good practices on production techniques and integrated farming options are used by local stakeholders and public partners.







“The Selfless Men and Women Behind it All”

The Ambassadors

Project Coffee+ will soon launch its program and open its doors to smallholder coffee farmers with the help of these brave ambassadors who have worked hard in toiling their land just to push the economy up and set the country for growth and success.

Here are the six hardworking souls included:



Amado Alcaide (52 years old): Increasing the yield through adopting Nestle Better Farming Practices (NBFP)

He is a coffee farmer from Kalamansig, Sultan Kudarat, and also a member of 4C since 2012. He attested to the benefits of adopting new practices to increase productivity in his farm. Before, his green coffee productivity only reached about 200-300 kg/ha, but with continuous participation on 4C training and learning to adopt NBFP, his yield increased to 900-1000 kg/ha.

“Applying the learnings from the different coffee trainings as an investment for myself were the key to this yield increase”. That phrase comes from Mr. Alcaide as his experiences motivated him to share to his neighboring farmers in Kalamansig. He practiced proper pruning with new technique on detopping (cutting the top stem to encourage balance branching) of the coffee tree. He also followed grafting to upgrade less productive trees using scions from new Nestle coffee clones/selections. He also opted to use highly productive local clones called “Green Robusta”. By adapting these methods, he was able to increase the yield of his coffee farm and is now one of the top yielding farmers in Kalamansig, Sultan Kudarat. His son is his partner in maintaining their farm. In fact, his boy is the youngest coffee ambassador in Sultan Kudarat with 52 farmer members in his cluster. Their coffee farm now serves as the learning site during coffee trainings of Nestle to show the result of adopting NBFP.

To date, Amado is expanding his coffee areas and planting new clones of high yielding Robusta. He is not afraid to invest in coffee because he knew that his new knowledge on the how-to's of coffee plantation could make yield income. He is learning to adopt good timing of fertilization and other cultural practices with the help of Nestle Agronomists, and he believes that high yield and income is POSSIBLE with continuous learning and adoption of better farming practices.

“Successful farming is a product of courage, patience, perseverance, hard work, and faith”

... -Amado Alcaide



Andresa Tejanio
(46 years old)

Andresa is a daughter of a coffee farmer and is a resident in Upper Cabillahan, New Eden, Pangantucan, Bukidnon. She is a graduate of Bachelor of Science in Forestry “CMU” S.Y. 1995. She is married to a hardworking farmer. She has 3 children and 2 granddaughters under her brave wing. When asked why she got into coffee farming, she proudly declares that she comes from a family of original coffee farmers. Furthermore, she appreciates the support Nestle gives as a form of livelihood. Because of what she’s learned along the way, she staunchly believes that her knowledge on farming technology and techniques can lead to better production for everyone in the same industry.



Arnold Abear

Arnold is an Agri / technician who contacted his wife, Jeaneth, to help him manage a small coffee area in Bagong Silang; Arnold then was working in a rubber plantation in 2013. By 2015, he had become more active in coffee as he started managing their coffee area and acquired additional areas in Bagong Silang. By 2016 he became a contact person of Agri / technician in upper Bagong Silang during technical trainings, 4C meetings, and other field activities. He has also further received various technical trainings in NBFP and 4C. Through the years, he assisted and facilitated in GCB buying project. To date, he continues to share what he knows to other coffee farmers in the hopes that they all attain success together and separately.



**Benrose (Ben)
Subasco**

Every day is just a normal day for Benrose. He wakes up early in the morning and tends to his 70+ chickens, prepares breakfast, and goes straight to his farm. In his coffee farm, he removes weeds when necessary, monitors pests and diseases, and pinches the lowly water sprout to the bud. You can never see a sprout grow two inches in Ben's coffee farm because once noticed, he removes it immediately.

He came from a family of farmers, and although he worked in different jobs in the past, Ben tried farming vegetables (bell pepper, eggplant, tomatoes). Unfortunately, he would only earn Php40/day because there was abundant supply in the area, and if he transports his products to Isulan, he would no longer make any profit. The main reason he ventured into coffee farming in July 2011 was that he wanted his family to have a better life. He was told by his older brother that there was no profit in coffee that is why their coffee area that had been there since the 80's was not maintained. Ben's brother wanted to cut the trees and plant corn instead because he only profited Php4K+ every season. Ben did not agree and said that he will maintain the coffee area. Ben's older brother did not believe Ben when he said that it was actually a lucrative business that allowed them to make Php100K+ in income.

Although growing coffee has its benefits, Ben said that the number one problem that he encountered is the lack of financial capability to support his coffee farm. In his experience, there were times that he was unable to provide the necessary inputs in his farm because

of budget constraints. This was the reason for the low yield at the beginning. In his barangay, most coffee farmers are faced with this same predicament, securing first the needs of the household before the coffee farm, since it is hard to go with their daily lives without food in their stomach. In fact, Ben once had to lease out two hectares of corn area to provide for his family's daily needs as well as the needs of his mother and siblings. He also loaned from microfinancing institutions. His response to the financial problems is hard work and perseverance. He did not give up. More importantly, he did not stop taking care of his coffee farm. Instead, he prunes and weeds the soil regularly and when necessary, he also asks advice from the coffee technicians and applies the technology that he feels is best suited for his farm. Ben is now approached by community members for advice. Ben's farmhouse was built by a pastor in their community in recognition of Ben's reputation now as a "good coffee grower".

Ben joined 4C in 2015 to learn what it was all about upon the invitation of Nestlé's field technician, Lando Retira. He applies what he learned in his farm, especially the concept of desuckering. In 2017, he rejuvenated old coffee trees through detopping, which according to him, worked to his advantage since coffee harvesters preferred to harvest in his farm because the cherries are always within reach. Ben helps three IP's by getting them as harvesting labor and he teaches children of these IP's how to farm coffee. People in their place said that Ben treats his coffee like gold, with much care, not allowing the area to be used as pasture ground for farm animals.

Due to his open-mindedness and his cooperative personality, Ben was chosen by Nestlé as a coffee ambassador in 2018 and his farm was selected as one of the demo farms. His coffee farm improved because fertilizers were provided and the coffee quality became top notch. Thanks to the fact that he can now dry his coffee cherries in any weather due



**Benrose (Ben)
Subasco**

to Nestlé's provision of the all-weather dryer (Nestlé PH Project 150 recipient. Also given PPE and pruning shears) (Ben also received fertilizers from the Dept of Agriculture and Catholic Relief Services). According to him, most farmers in his area also benefited from the 4C program. He did not expect that Nestlé will choose his farm as a demo farm (1 ha) and provide new varieties to be planted in his expansion area (8 ha).

Now, Benrose has a growing farm in which he plans to expand to coffee (new Nestlé varieties), corn and timber (Falcata) production. Aside from Nestlé, other private individuals such as Atty. Oscar Presto, Jr./Northland noticed his influence in the area and started investing in his capabilities. He financed Ben's new coffee hulling facility (5 years to pay at 0% interest), and just recently Ben buys and consolidates coffee in his area (50-50 arrangement with Atty. Presto). Farmers he has helped in the past from 2 barangays (~100 pax) sell their coffee to Ben. Ben will also go deeper into grafting and composting. He plans to double the hard work now that his coffee farm is expanding and new business ventures are available for him.

Ben's parting words to inspire others is:

**“Kapag may sipag at tiyaga,
may nilaga”**

(translation: If you work hard and persevere, you will reap rewards.)



**Elizabeth Javier
(43 years old)**

Elizabeth is a proud farmer leader, a single mom with 2 daughters and 1 son. She hails from Sultan Kudarat, has been farming for 23 years already. Farming is her primary source of income (she relies more on coffee to provide for her needs but her cash crops are corn 1.5 hectares no harvest yet, upland rice 1 hectare no harvest yet, squash 4 hectares, peanuts 0.4 hectares), plus she is a beneficiary and an active parent leader of 4Ps (Pantawid ng Pamilyang Pilipino Program) – (receives P3,200 good for 2 months). She is very hands on in her farm, she does most of the work. When necessary (she is planting more coffee), she occasionally hires additional labor to help.

Elizabeth farms 7 hectares coffee, with net coffee income P196,854 for the years 2019-2020. Her farming needs include fertilizer, planting materials, pesticides / herbicides, labor, transportation to the buying station, dehuller, and jute sacks for coffee bean storage. Secondly, most of them need help in securing their IDs (i.e., TIN is a Land Bank requirement). She is a progressive farmer - highly literate HS graduate and passionate about coffee. She is driven and shows initiative when it comes to improving her farm. She researches on her own, and is the first coffee farmer from SNA, SK who was able to avail of Land Bank's Agricultural Competitiveness Enhancement Fund (ACEF) with very low interest rates plus moratoriums on the initial payment (she got about P292,000). She also got crop insurance as part of

the loan package. She is registered in RSBSA (Registry System for Basic Sectors in Agriculture). She is willing to make the effort to do everything necessary to get the support she needs (even traveling to other cities to get the loan or go to BIR in Tacurong, SK). She was the enumerator for Nestle's Rural Development Framework survey in 2016 in Kuden, SNA, SK (she interviewed 100 farmers).

Elizabeth is a 4C farmer, and also a recipient of Nestle's Project 150, where she received fertilizer, grafting tools and pruning shears from Nestle. She wants to give back, so she feels it is her mission to help other farmers get access to credit. Because of her vast knowledge on coffee and the area she lives in, she acts like a coffee technician. As a coffee ambassador, she mentors and coaches other farmers. She visits other farms to give advice, and also showcases her farm to other farmers. Other farmers look up to her and are inspired by her.

Elizabeth ensures the farming practices taught to her are followed by most of her farmer students. She makes sure she has continuous improvements on her farm, and she shares these with her students. Other farmers usually ask her about composting procedures, trainings, planting materials, and post-harvest facilities.



Leo Zambrano
(60 years old)

Leo is from Brgy. Kaatuan, Lantapan, Bukidnon. He started coffee farming as early as 1984 where he sells green coffee beans to 'Filipro' & Nestlé Cagayan De Oro Factory. In 2018, he was appointed and confirmed as the Coffee Ambassador in Kaatuan, Lantapa. To date, he handles 2 hectares of a variety of plantations such as Robusta beans, sayote, atsal, tomatoes, and bananas.



Philippines Coffee Comeback



The industry's rich, albeit dramatic, coffee history has witnessed its rise and fall of fortune. In the late 1990s, the global coffee crisis occurred. The domestic industry collapsed. And yet optimism prevailed as demands also rose with the rise of income. By 2010, retailers were making the most of the Filipinos' need for the brew.

The decade then saw the proliferation of a younger generation of drinkers who preferred instant coffee for their daily dose of caffeine.

Currently, the annual demand is pegged at 100,000 metric tons. Even while coffee production has gone beyond the borders of Batangas and Cavite, the annual output of green coffee beans is estimated at 23,000 metric tons yearly.

The increase in local demand has prompted coffee stakeholders to get their act together. To focus efforts in revitalizing the industry, Trade Secretary Ramon Lopez and Agriculture Secretary Emmanuel Pinol have approved the Philippine Coffee Industry Roadmap (2017-2022), a product of more than five years of organizing the sector.

While more work ahead is still expected, there is palpable conviction among shareholders. The lopsided ratio between supply and demand, although far from ideal, offers a glimpse of a bright future. The prospects are bright and opportunities are ripe.

GIZ and Nestle Philippines Launch Project to Significantly Support Farmers in Mindanao

Launched in 2010, The Nescafe plan is a global initiative that ensures sustainability of high-quality green coffee. Through this program, Nestle Philippines aims to increase the supply of local Robusta and at the same time, try to help local farmers increase yield and income. In doing so, farmers get high yielding plantlets at low cost, technology transfer via training, a support of network of agronomists, and strategically located buying stations close to coffee areas in order to give farmers easy access to sell directly to Nestle.



This year, GIZ and Nestle Philippines is launching

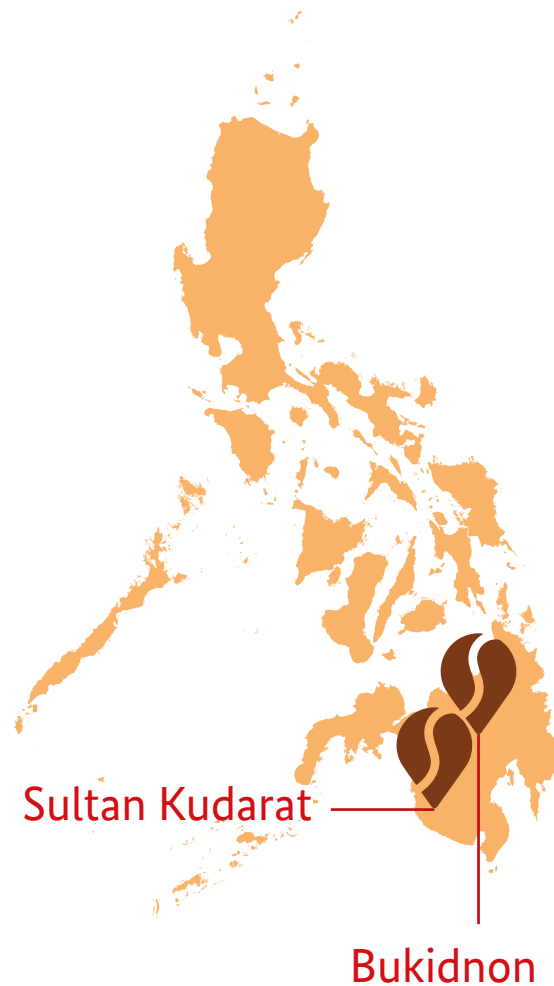
Project Coffee + Supporting Smallholder Coffee Growers in the Philippines

Its main objective is to increase yield to one metric ton per hectare over a period of three years.

Thus, increasing income and improving viability to farming systems. Over

1,500 farmers in Bukidnon and Sultan Kudarat

will be the focus of the project, training them on latest agronomic practices such as grafting, pruning, rejuvenation, and both organic and inorganic fertilization practices.



Sultan Kudarat

Bukidnon

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Nestlé Good food, Good life

aims to transform agripreneurs in using the celebrated Farmer Business School tools and to engage government and other establishments who can fill in the gaps in the chain.

Sultan Kudarat



Few Filipinos are aware that the Mindanao region produces more than 70% of the country's annual coffee output of approximately 98,000 metric tons (MT). In fact, the city alone has more than 19,000 MT in 2011.

Sultan Kudarat is a province located in the SOCCKSARGEN region. It is subdivided into 11 municipalities and one city, two of which, Lebak and Kalamansig, are major coffee producers of the country. Its economy is predominantly agricultural with a vast potential. Its output consists of a variety of crop types, making it self-sufficient.

The Robusta industry has the potential to increase livelihood to farmers, including coffee growers in conflict-affected areas.

Bukidnon



The name is derived from the Visayan term that means “bukid” or “mountain.” It is located at the very center of Mindanao, the southern part of the islands.

Bukidnon occupies a wide plateau in the North Central region and has a agriculture-reliant economy, a major part of which is coffee production.

Having the largest agricultural area with soils and climate highly compatible to coffee agriculture, Bukidnon is tagged as the region’s “food basket.” It is also labeled as the highland paradise with its rolling grassland plateau at an average elevation of 915 meters.

Not only is Bukidnon endowed with nature’s beauty, the terrain is characterized by deep ravines and dense forest mountains that protect the province from storms.

The hinterlands of Bukidnon own the sought-after sweet coffee, and in the early 1980s, the country recognized it as the coffee province, thanks to its world-class beans. With high potential, Bukidnon is an important industry player.



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