## CASE STUDY 7

### **Producer Training Project**

Value capture: the program finances a public good – finance

providers do not directly capture the value created





A grant funded program in Brazil educates farmers around process-oriented practices, such as rehabilitation, and more sustainable inputs-oriented practices

#### Producer training project - ACOB Figure 1: Structure of the project **Grant funders** R&R type Local partners Grant-based rehabilitation<sup>1</sup> Producer cooperatives and Country Brazil associations, exporters, individual farms, public education and extension Cost USD 0.66 million in cash and USD 2 million in-kind institutions, private institute 2014 - 2017 **Dates** USD 600,000 Brazil is a specific case for renovation: about 50% of coffee Local partners is produced by large farmers who integrate R&R as part of provide in kind ACOB provides training their regular agricultural practices. **ACOB** funding on farmer organization Climate change associated to poor practices have been corresponding to to SHFs in loose value causing quality, productivity and economic issues to the **Project context** ~USD 2 million chains or to whole supply chain and severe water issues. disconnected SHFs. (e.g. local Over use or wrong use of inputs lead to input losses, high agronomists) They reach SHFs costs and socio-environmental impacts. through coffee buyers' • Small and medium farmers not reaching the better markets, partners or through Training on several ACOB network and reaching lower price markets. practices, including rehabilitation • The overall purpose of the producer training project delivered by ACOB is to "innovate and promote sustainability in the coffee sector offering smart, low cost, clean, simple, innovative and efficient practices to SHFs in loose value chains or SHFs in tight value chains producers". disconnected • ACOB trained 2705 coffee farmers on GAP, rehabilitation Objectives, practices, coffee quality and group organization.153 training activities, and sessions were performed Farmer Farmer Farmer Group Group Group results 2 Х Value creation: increased yields, reduced costs, added value to the coffee sold, improved livelihoods, reduced land degradation; coffee plots and coffee farms are more resilient to climate change Legend

Notes: (1) Promoting rehabilitation is one of the objectives of the producer training project. Objectives include (i) promote smart and low cost practices to increase yields and sustainability, (ii) increase coffee quality, (iii) implement practices to make coffee more CLIMATE resilient, (iv) support farmer organizations and (v) support women in all the parts of the value chain.

Source: ACOB, Producer training project, 2017 – Dalberg interviews

Finance

Knowledge

In-kind funding

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Project context		Management of the three R&R components	
Coffee viability	<ul> <li>Relevance: The region where the project operates is exposed to climate change but looks to maintain coffee production in the long-run. SHFs could benefit from yield uplift through the adoption of GAP and R&amp;R.</li> <li>Willingness: SHFs are willing to be included in the program as soon as they see economic, or social, results in demonstration plots or at their peers' farms.</li> </ul>	Inputs	<ul> <li>Providers: The program does not have an input distribution component.</li> <li>Challenges faced: Brazilian farmers can typically access the needed inputs (e.g. fertilizers), but sometimes struggle to use them correctly (amount, timing and type of agrochemicals).</li> <li>Solution: The program teaches SHFs to use process-oriented practices and more sustainable use of input-oriented practices. Pruning, stumping and replanting are part of these practices.</li> </ul>
Farmer segmentation	<ul> <li>Country situation: 50% of coffee in Brazil is produced by farmers with land &lt; 8 ha. Whereas large producers are mostly organized, SHFs lack formal organization.</li> <li>Program segmentation: The program targets SHFs in loose value chains, with farm size averaging 5 ha. Disconnected farmers receive training on farmer organization.</li> </ul>	Finance	N/A : No finance provided to SHFs
R&R need	<ul> <li>Country need: There is no need for large renovation programs in Brazil. Large producers already integrate renovation on a rolling-basis. Small farmers could benefit from production increases if they applied proper rehabilitation practices.</li> <li>Program objectives: Promote sustainable ways to increase production by SHFs, including rehabilitation.</li> </ul>	Knowledge	<ul> <li>Providers: ACOB and partners</li> <li>Challenges faced: Farmers lack training on smart agricultural practices, on climate &amp; water issues, on coffee quality and on producer organization.</li> <li>Solution: ACOB offers 4 training modules to farmers, under the form of field trainings, group trainings and publications. One of the modules, "Sustainable coffee management" includes education on R&amp;R.</li> </ul>

#### Lessons learned

- Showing real-life example of success helps farmers to engage with new practices: Seeing short-term economic benefits of the new practices helped farmers and their peers to adopt new practices. Program implementers should screen practices leading to short-term economic results and promote them to farmers.
- Investing in renovation without analyzing the soil and micro-climate conditions is risky: Renovation is advised when rehabilitation can no longer recoup yields. Yet, if trees, soil and environment are mismanaged, positive effects from renovation will not last. ACOB is training farmers on soil and micro-climate management practices to make future renovation investments sustainable.

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