

**Case Study: Sociedad Cooperativa  
de Caficultores de Ciudad Barrios de R.L.**

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# 4C-RAC Stepping up Exercise Report, El Salvador



33 Av. Sur, #640

Colonia Flor Blanca,

San Salvador, El Salvador

Tel: (503) 2279-1515



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## I. Introduction

This 4C-RAC Stepping up Exercise Report documents the efforts of the Ciudad Barrios Cooperative, consisting of small-scale coffee farms located in the north eastern region of El Salvador. The Ciudad Barrios Cooperative is a member of the 4C Association and has a 4C Unit that was verified in January 2010.

The purpose of documenting the exercise is to identify the activities and practices that had to be implemented by the farms working with the 4C Code of Conduct so as to comply with the Sustainable Agriculture Standard and obtain Rainforest Alliance Certification™.

This report will also serve as a support tool for training and consulting of technicians, farmers and other parties that are working with 4C Units or groups looking to implement a more demanding sustainability standard, such as Rainforest Alliance Certification™.

The methodology consisted of evaluating the 4C Unit, starting with a review of the internal management system documents, the socio-environmental management systems of the partner farms or plots, informative meetings with small-scale producers to explain the certification process they were getting involved with, diagnosing each coffee farm or plot, interviewing producers, their families and workers, as well as members of the coffee community, training for technicians and small-scale coffee farmers, including direct consultancy and supervision of the improvements being implemented, additional documents, as well as onsite improvements. Once permanent monitoring or evaluation showed positive results, it was recommended that the request for the certification audit be made.

SalvaNATURA ([www.salvanatura.org](http://www.salvanatura.org)), an organization based in El Salvador that works in close cooperation with Rainforest Alliance in the Sustainable Agriculture Network, was responsible for the onsite coordination of the exercise and preparing the report. SalvaNATURA is looking to play a role in environmental conservation and adaptation to climate change, to achieve sustainable development and improve the quality of life of the people of El Salvador and the Central American region.

This document provides general information on the Cooperative subject to the 4C-RAC exercise (Section II), the coffee-growing region where the project is located (Section III), detailed onsite information on the stepping up exercise (Section IV), experiences from using the internal management system (Section V), the work done to implement the SAN standard and the continuous improvement philosophy (Section VI), the timetable of key activities (Section VII), the most significant lessons learned during the exercise (Section VIII) as well as SalvaNATURA's comparative observations, reflections and recommendations (Sections IX and X).

## II. About the Cooperative

In 1972, 16 coffee visionaries got together to create the Sociedad Cooperativa de Caficultores de Ciudad Barrios de R.L. (hereinafter "the Cooperative").

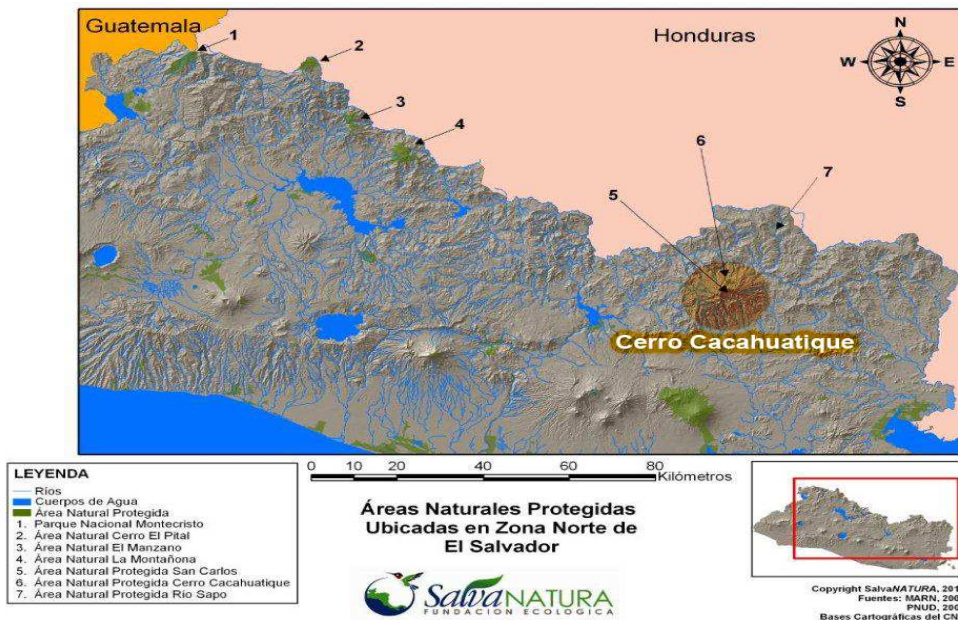
The mission of the Ciudad Barrios Cooperative is "to be an environmentally and socially responsible cooperative model in El Salvador, offering quality products and services with added value, working to satisfy our clients' requirements, therefore generating well-being for our partners, employees and the community, with coffee as the central axis of our activity."

The Ciudad Barrios Cooperative has a total of 873 partners that amongst them own 1,512 farms altogether. At present, 132 farms of the verified 4C Unit have received Rainforest Alliance Certification™.

The growing demand for certified sustainable coffee led the Cooperative – a 4C Member – to adopt the 4C Code of Conduct as a basic technical tool to implement sustainability in coffee cultivation as well as facilitate the increase in RAC sustainable coffee farms and volumes produced.

### III. Project Zone – Cacahuatique Mountain Range

The **Cacahuatique** Mountains are located between the departments of San Miguel and Morazán, in the northeast of the Republic of El Salvador.



Protected natural areas located in northeastern El Salvador

### IV. Case Study - Ciudad Barrios Cooperative

The Cooperative received its license (License No. 30013-22-1-0113) to sell 4C Compliant Coffee on February 22, 2010 with a 4C Unit consisting of 256 business partners. This was made possible with technical support from SalvaNATURA and funded by the IFC-ECOM-NESTLÉ-RAINFORREST ALLIANCE project.



The farms that would participate in the stepping up process by implementing the Sustainable Agriculture Standard were “recruited” from these 256 4C farms through an open invitation process. During this process, the business partners made the democratic decision to commit to making additional improvements to their own farms.

Between August and December 2010 the Cooperative once again received technical support from SalvaNATURA. This support focused on the project objective of obtaining the Rainforest Alliance Certified™ seal for the farms in the 4C Unit.

SalvaNATURA’s technical assistance and training was provided in the framework of the GEF-UNDP Coffee Biodiversity Conservation project and the CAFTA-DR/USAID Rainforest Alliance Environmental and Labour Excellence project. In addition, the Cooperative made its own contribution to the stepping up exercise by increasing technical personnel from 2 to 6 technicians. It also took on the food and lodging expenses of the SalvaNATURA trainers and advisors. Members of the Cooperative paid for the improvements made on their farms.

During the preparation process, some of the farms were left for a later phase because, upon evaluation, they showed low performance or commitment rates. This left 132 farms at the end, representing a 52% success rate of farms within the 4C system that were certified with the RAC seal.

The implementation of sustainability standards in coffee-growing is a key factor for the Cooperative because its strategic vision sees the Cacahuatique Mountain Range becoming a sustainable landscape with medium-term consolidation. The coffee farming communities bordering Ciudad Barrios benefit from the zone’s environmental resources and the richness in biodiversity; for instance, all the water used by the communities comes from Cacahuatique.

The growing market for sustainable coffees has encouraged the Cooperative and its producer partners to implement sustainability standards ranging from the 4C Code of Conduct to the Sustainable Agriculture Standard (Rainforest Alliance Certified™). The Cooperative already had four of its own farms certified, which cover an area of more than 250 hectares of coffee. This was the first time, however, that the small-scale coffee producers of the Cooperative were involved. The commercial incentives from 4C Compliant Coffee as well as Rainforest Alliance Certified coffee sales have been key to the efforts and commitment to expand sustainability standards.

## **V. Internal Management System in the 4C Unit before RAC**

The IMS was established based on the 2009 financial year because SalvaNATURA provided support in the creation of the 4C Unit. The document consists of general instructions; modifications that were made consist of: a) the persons in charge for each job or position were identified, b) the mechanisms and procedures for decision-making and communication between the administrator and the business partners or producers, for instance on new income or sanctions, were listed in detail, and c) the IMS financing mechanism was established.

## **VI. Implementation of the Sustainable Agriculture Standard and Continuous Improvement**

The issues for which the most effort was required included the use of a Social and Environmental Management System (SEMS) on farms, as well as workers' rights, occupational health and safety, and environmental protection.

A follow up on the findings was done by creating a simple but functional SEMS for each producer. Consequently, living conditions were improved, drinking water was treated, it was made mandatory for workers applying agrochemicals to use protective gear, men and women's wages were equalized, infrastructure for washing gear and equipment used to apply agrochemicals was constructed as well as showers for the workers applying agrochemicals. Medical consultations and training were also provided.

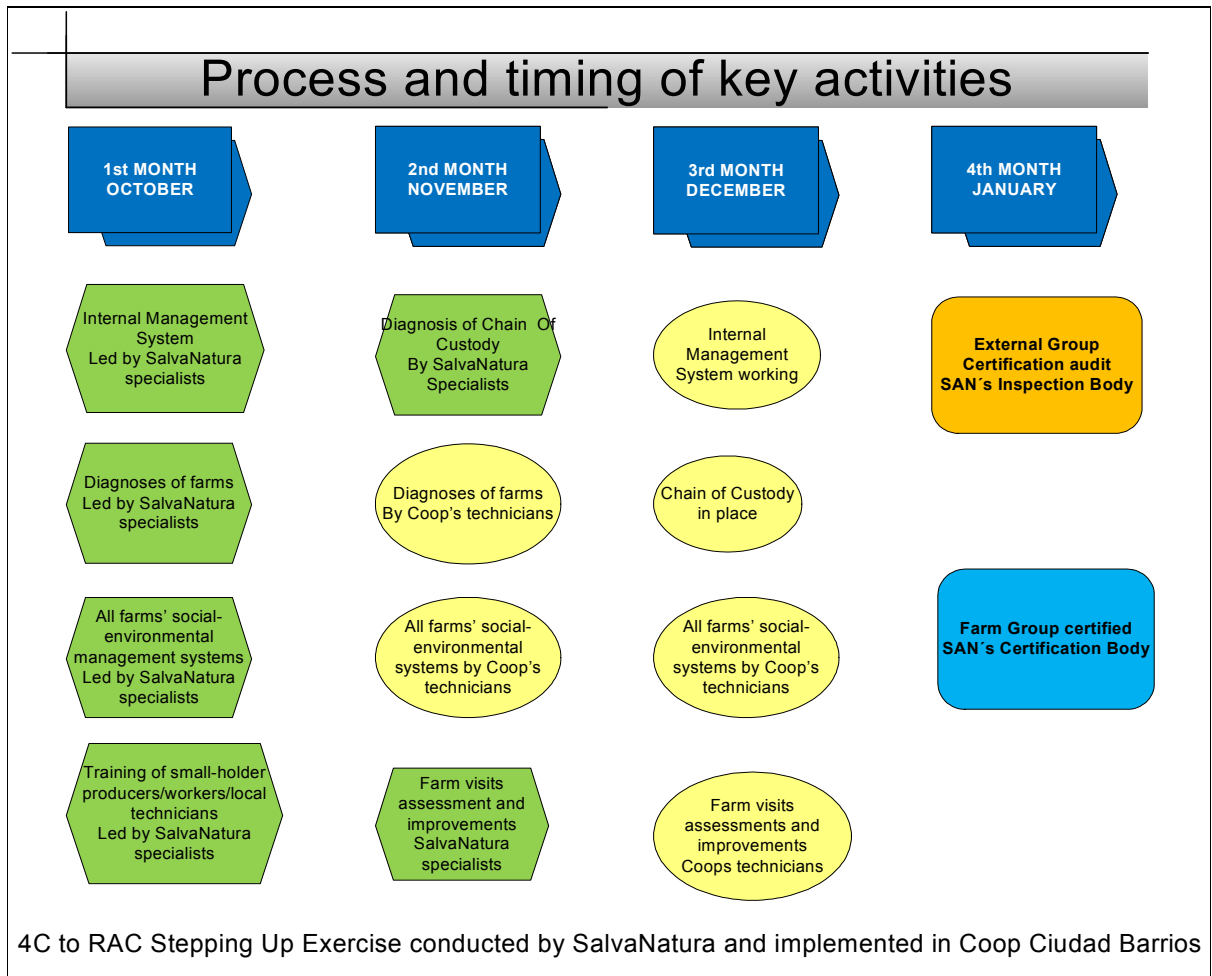
During RAC diagnoses, it was observed that they had not carried on with the improvements following 4C Verification. The activities or improvements that stood out on the farms in the 4C Unit under RAC diagnosis were: waste management, labelling, equal wages for men and women, spreadsheet control, basic social and environmental policies, elimination of prohibited pesticides, child labour control, and construction of pits for residual water from house chores.

The Cooperative obtained group Rainforest Alliance Certification™ and will undertake another evaluation or external audit within 12 months. The Cooperative therefore immediately implemented its corrective action plan as part of its annual work plan in preparation for the next audit. This evaluation will measure the group's performance and level of continuous improvement, focusing on the IMS of the administrator as well as on the individual farms and the entire chain of custody. Critical shortcomings or the failure to fulfil certification conditions can result in the withdrawal of the RAC seal and consequently the loss of the license to sell their coffee as certified.

After the RAC audit, the SalvaCERT auditors assigned the Cooperative with a score of 100% for the general fulfilment of the SAN Group Certification Standard. The audit report was also approved by the SAN certifying agency, Sustainable Farm Certification (SFC). With regards to compliance with the Sustainable Agriculture Standard, the average score per audited farm in the sample was 93.94%, with a maximum of 98.57% and a minimum of 83.20%; these results are better than outstanding for a certified group.

## **VII. Timetable of the process with key activities**

Preparing the farms and IMS training involved three months of intense effort, distributed as follows:



## VIII. Activities and lessons learned in the “4C-RAC Stepping up Exercise”

### 8.1 Information and documents available upon starting the 4C-RAC Stepping up Exercise.

Previously, as part of the exercise, the 4C Self Assessments completed by the producers were kept on file by the Cooperative’s administration; now producers are required to keep and handle their own documents. A diagnosis of the SAN Standard was carried out on each farm, first by SalvaNATURA specialists so as to demonstrate the process to the Cooperative’s technicians; after that, SalvaNATURA monitored the diagnoses when the technicians carried them out directly. The diagnoses yielded a positive outcome as a result of the prior implementation of the 4C Code of Conduct.



Although the group had not yet updated their 4C Business Partner Mapping, the document was still essential in beginning the process of becoming Rainforest Alliance Certified™, due to the quality and amount of information contained therein.

At the start of the exercise, SalvaNATURA refreshed knowledge on aspects of the 4C Code of Conduct so as to involve the producers 100%. The concept of the internal management system was also reinforced because it was the basis to making SAN certification of the farmer group possible.

There were no identifiable unacceptable practices as defined by the 4C Code of Conduct on the farms, which favoured the implementation of the SAN Standards. Although training was provided in the 4C Unit, it had not been documented.

All the farms were diagnosed; the findings were recorded on a specification sheet along with recommendations for the implementation of improvements on each farm. After that, the farms were revisited to verify the implementation of the corrective actions.

The requirements of the RAC chain of custody were evaluated in La Colmena mill as required by the RAC Farm Group Certification.

The experience of the Cooperative's technicians with regard to the 4C system facilitated the implementation of the SAN Standard. This enabled them to evaluate farms and provide the new technicians with necessary training. The training sessions provided to meet the SAN Standard were based on 4C Trainings held in the year 2010, making use of already-established logistics structures and common topics, as well as additional topics.

## **8.2 Activities and documentation resulting from the “4C-RAC Stepping up Exercise”**

The following are the results of the evaluation and diagnosis of the application of the SAN Standard on farms in the 4C Unit:

- The Business Partner Mapping was an essential tool for the creation of the internal management system of the farm group, which included the preparation of data on issues such as: a) land use (infrastructure, forests, water springs, and crops other than coffee), b) coordinates for geographic positioning, c) production per farm or plot (the data for each producer was available, but some producers have more than one farm or plot). The tool was also necessary to verify traceability.
- Local technicians were trained in the use of GPS equipment and the Google Maps tool to map the farms.
- An organizational chart was made to create a local Certification Committee; the Cooperative promoted medical consultations, made signposts for all the farms, safety equipment was purchased and materials were acquired to make water potable. The biggest challenge was to keep the producers or members of the Cooperative united to achieve certification based on the SAN Group Certification Standard.



- The farm workers, who were already receptive due to the implementation of the 4C Code of Conduct, received trainings; however, several adverse conditions or practices continued, such as discrimination against women (whose wages were lower than men's); the equalisation of wages was leading to complaints from the male workers, although producers in general endorsed equality in this regard; Yet another improved issue was the use of protective equipment, which some workers had refused to use for cultural reasons.
- Local technicians were trained to interpret the SAN Standard in several sessions. SalvaNATURA specialists therefore carried out 10 farm diagnoses to teach local technicians how to interpret and evaluate each criterion. After that, the local technicians conducted 10 diagnoses supervised by a SalvaNATURA technician, who helped to clarify any doubts and also elaborated on the concepts and interpretation. Last but not least, the local technicians evaluated the farms on their own and clarified any doubts in subsequent meetings or queries by phone.
- The members of the Cooperative's administration body as well as the local technicians were trained to implement the Internal Management System using the Group Certification Standard and concepts based on the ISEAL Internal Management System.
- Those farms that already had infrastructure in place and employed permanent workers had to make investments to improve housing conditions, waste deposit and water treatment pits, washing facilities for safety equipment, showers for workers, barriers to separate water bodies, as well as to compensate workers for the time spent to attend training sessions and medical checkups.
- Those farms without infrastructure in place also improved the water storage for the washing of equipment and for workers' showers, reduced the application of chemicals, created barriers to separate water bodies and crops (using farm material: tree trunks cut down to make poles, bamboo shoots, sisal or plastic sacks), and compensated workers for the time spent attending training sessions and medical checkups
- On farms with infrastructure in place, investments ranged from US \$400 to US \$800, and on farms without infrastructure, the investment ranged from US \$70 to US \$150. The difference in the latter case was mostly due to the fact that some farms had no infrastructure at all, while although others had infrastructure on the property, it was either deteriorated or did not meet the SAN Standard.
- In La Colmena mill, the main expenses were those for training and for the manufacture of signposts for the farms and the coffee mill. Since there was infrastructure to segregate coffee already in place, no additional investments were required.
- Three of SalvaNATURA's technicians specialized in sustainability standards (4C Code of Conduct, SAN Standard and others) were involved in supporting the exercise. On behalf of the Cooperative, six technicians were involved, in addition to the administrative and management staff, such as the General Manager and CEO; their intervention was crucial.

### 8.3 Approved awareness and training activities during the “4C-RAC Stepping Up Exercise.”

The producer training program included topics listed in the table below which, in some cases, participants had not dealt with before:

Sessions	Topics	Purpose
1	4C Self Assessment	Refresher course
	Safe Handling of Agrochemicals	Explain specific requirements of the SAN Standard and 4C Code of Conduct
2	The Sustainable Agriculture Standard	New topic
	Biodiversity	New topic covering RAC+4C
3	Occupational Health, Safety and Hygiene	New topic covering RAC+4C
	First Aid	New topic
4	Integrated waste management	New topic covering RAC+4C
	Integrated pest management	New topic covering RAC+4C

## IX. Comparative observations

4C Verification and RAC audits are very similar in their approach, that is to say, they both evaluate performance in the social and environmental areas as well as farming practices. In the case of RAC, however, evaluators focus more on the awareness of good practices of the group administrator as well as of the producers and workers. The following are comparisons related to the documentation used on the farms:

Documentation	4C	RAC
Service application	It is easier to fill in	The information required in the tables is repetitive
Checklist	The text of the self assessment forms is not very legible and is quite crowded; it seems that filling out the self assessment can be tedious for farmers, even with the assistance of technicians.	The text is legible, short and to the point with regards to requirements of the criteria; It is easy for the technicians to complete it during the evaluation itself.

Rating tool	The self assessment form is highly dependent on an electronic environment; this is a limiting factor on the field because the outcome of the assessment cannot be shared with the coffee-farmer during the farm visit already.	Performance can be rated manually together with the coffee farmer, and the score on performance and actions to be carried out can be reported right away.
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## X. Improvement Recommendations for future “4C - RAC Stepping Up Exercises”

- The persons in charge of the internal management system as well as other instructors must document the training program. They must record all the training provided using the same internal management system or use third parties, in accordance with the requirements of the Sustainable Agriculture Standard.
- The management and updating of the 4C Business Partner Mapping can be included in the RAC internal management system because it contains valuable information that can improve technical, administrative and market planning as well as management; the Business Partner Mapping is a tool that contains useful detailed information for both systems (4C and RAC).
- In the case of the farms, integrated forms can be created to report farming activities that will also include the improvements promoted by 4C and/or RAC; if recorded separately, they may be disassociated in practice, whereas it is actually the case already that farming activities are being improved in just one process.
- The Cooperative should implement the 4C Code of Conduct on 100% of the supplier farms to ease migration to certification programs such as Rainforest Alliance Certified. However since the 4C Code of Conduct does not evaluate the internal management system specifically, and verifications are not annual, it is recommended that the Cooperative or the current internal management system develop a periodic self assessment mechanism. The mechanism should be based on the SAN Group Certification Standard or a similar system that is compatible with the interests and vision of the Cooperative, like ISEAL.
- One of the main obstacles to implementing good practices is resistance to change; this affects not only producers but workers and their families in general. It would therefore be a good idea to implement clear, flexible standards that can be applied in a “learning by doing” manner. This will enable farmers to acquire a better understanding of the good practices and view the implementation of sustainable agriculture as a feasible, practical program. Sustainability in farming obviously implies a change in the coffee culture, whose implementation will be resisted at times.
- Providing a basic good practices system before preparing for certification can help generate a genuine commitment to continuous improvement by farmers in the short-term.



- The 4C Code of Conduct can be a very practical onsite tool for small producers and its application beforehand can help with the successful implementation of the Sustainable Agriculture Standard in the short term and obtaining the RAC seal.