

CAFÉ  
DIRECT

REFORESTATION PROJECT

# SIERRA PIURA

CASE STUDY 2022

# FARMERS ON THE FRONT LINE

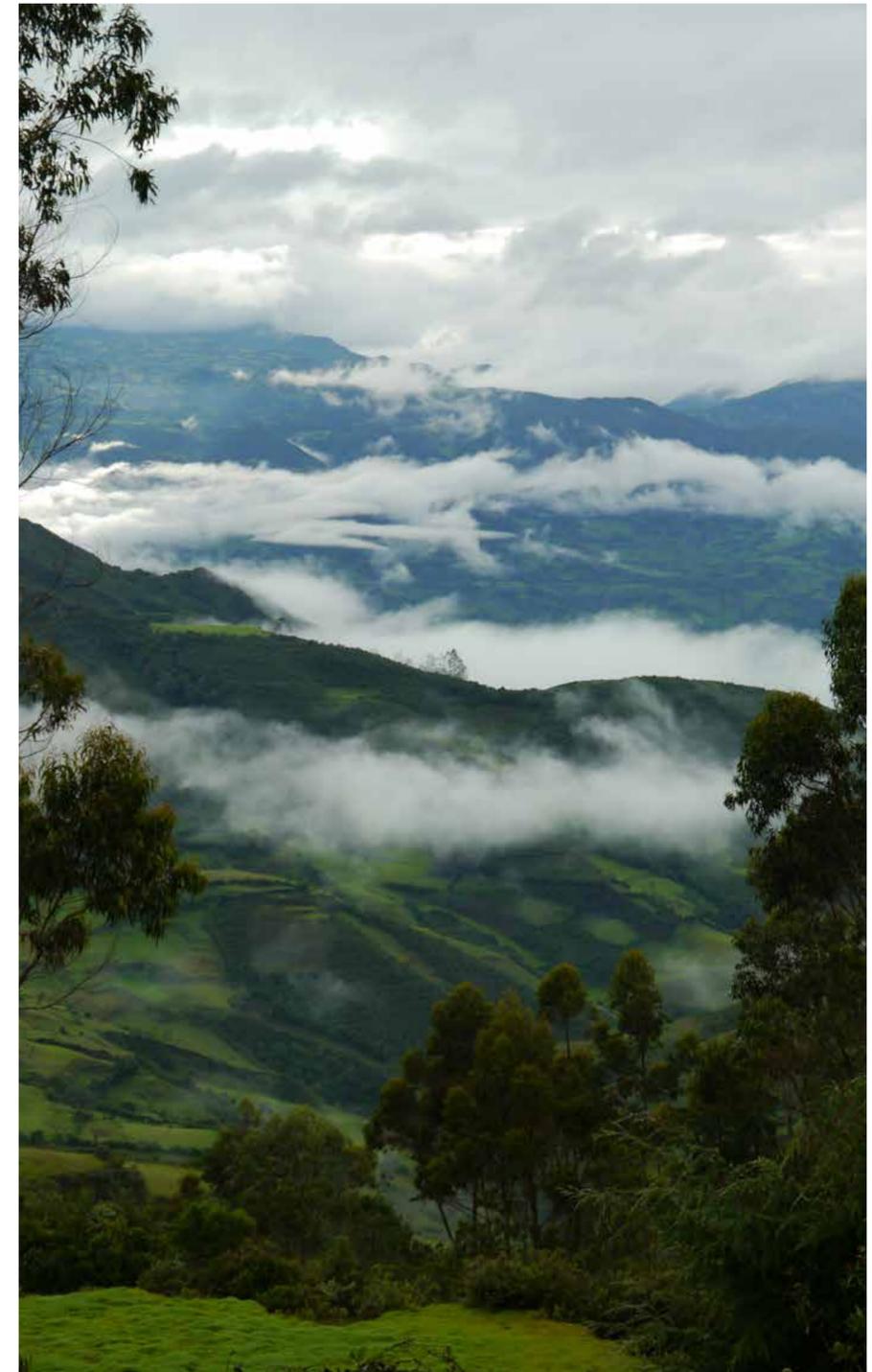
An incredible 80% of the world's coffee is grown by 25 million small-scale farmers\*, and each one of these farmers is at risk from the effects of climate change. Those worst affected by the climate change and whose livelihoods depend on the environment are also often the ones who are the least able to cope with these changes.

The situation is so bad that some parts of the world, associated with coffee farming for generations, may soon become unsuitable for coffee production altogether – potentially resulting in a shortfall in supplies to meet demand. Unless we take urgent action now, we face severe shortages and higher prices, something that will affect all of us – growers, manufacturers, retailers and consumers.

At Cafédirect we have recognised for a long time that supporting farmers in adapting to climate change is essential to protect their livelihoods and ensure a sustainable supply of coffee. The remarkable story of the Norandino (formerly CEPICAFE) coffee farmers' cooperative in Sierra Piura in northern Peru, is the embodiment of that principle.

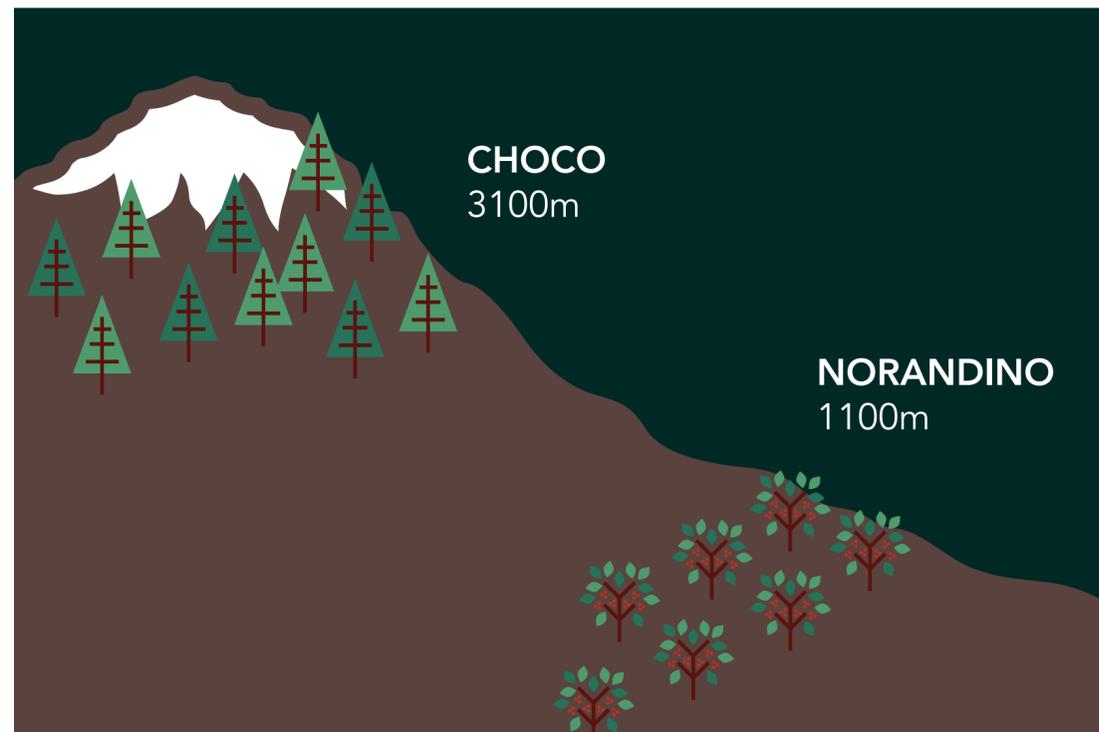
\*Source: The Fairtrade Foundation, 2022

This project was possible because Cafédirect buys directly from farming cooperatives rather than through auctions or international traders like other buyers, so this means that we are in touch with the day-to-day challenges faced by their farmers on the ground.



# FRAGILE ECOSYSTEMS

The villagers of Choco live more than 3,000 meters above sea level, their home in the Sierra Piura region of northern Peru overlooks the Andes and is often engulfed in thick, damp fog. The Choco people live in challenging conditions and depend entirely on what food they can grow for themselves and by weaving their own clothes. The community of Choco is made up of 10 hamlets and has a population of 1,454.



The residents of Choco need huge quantities of wood to build homes, to cook and keep warm. Over many generations, this has resulted in deforestation, and once wood from local forests was depleted, two-hour trips at least once a day was required to collect wood.

This deforestation was even more devastating for the small-scale coffee farmers based on the mountainside 2,000 metres below the village of Choco, a five-hour drive away. Set up in 1995, Norandino is a farmer cooperative and one of Cafédirect's longterm partners. The farmers make their living from the small family plots of land and the 5,000 members grow the finest Peruvian coffee beans and now also cocoa and panela (cane sugar).



Membership of the cooperative provides strength in numbers, but each individual farm is very small and even the slightest decrease in crop yield or quality significantly reduces income.

The deforestation in the upper regions of the Andes contributed to acute climate change in the Sierra Piura region which had catastrophic consequences for the Norandino farms. The forest had protected the coffee farms on the mountain below by regulating rainfall and preventing excessive water from reaching farms whilst keeping the soil rich and fertile for planting coffee. With the trees gone, water washed the soil away which damaged crops, which led to mudslides, damaged infrastructure and even fatalities.



Pablo Roman, local villager

# A COMMUNITY-LED SOLUTION

Cafédirect worked alongside Norandino to pilot an innovative climate change adaptation project. It was clear that reforestation of the area around Choco was key to protecting the farmers' livelihoods but the trees needed to be protected against future deforestation. Cafédirect gathered NGO expertise to help investigate the options available and resolved to use carbon credits to reward the Choco community for the planting of trees.

For every tonne of carbon captured by the new trees, the people of Choco receive a carbon credit that can be sold on the global carbon trading market, providing a rare source of income for their labour. This involves planting seedlings and managing tree nurseries which the community own and can eventually sell as sustainably harvested wood.

Once the trust and commitment from the villagers had been gained, Cafédirect provided the start-up finance to pay for tree seedlings, mapping out the reforestation areas and reforestation experts.

In 2010 5,092 carbon credits were bought in advance for £55,000. In this innovative financing arrangement, credits were purchased before the trees absorbed carbon, allowing the project to be funded. CarbonFix, a non-profit organisation, became the certification partner, an accredited agency that was able to certify the trees to allow them to be sold on the world market for carbon credits.

The carbon credits were sold directly to Cafédirect and Bewley's, Cafédirect's roasting partner. Selling directly to businesses meant the majority of the money would go to the villagers, rather than being lost to a middle trader. They became the first small producers' organisation to trade in carbon credits which provided immediate economic benefit to the local community.

As local villager, Pablo Roman comments, "We had wanted to reforest in the past, but we didn't have any technical support. In addition, we were not well off economically, and we needed money to buy seeds."

# PROGRESS SO FAR

From 2010 to 2021 536 hectares have been reforested with 594,774 trees. This has resulted in 22,830 carbon credits being sold, achieving over half of their 2035 target of selling 42,784 carbon credits. The revenue generated from the sale of carbon credits is used for reforestation activities to continue expanding to new areas and generate further carbon credits for the community.

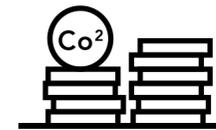
As of 2022, there are 533 members forming 11 reforestation committees across the Piura region, where 21% are women and 79% are men.



536  
HECTARES  
REFORESTED



594,774  
TREES PLANTED



22,803  
CARBON CREDITS  
SOLD



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In 2017 the carbon credits became Fairtrade certified providing an extra €1.5 per tonne of greenhouse gas emissions. Since then, the credits have been sold to a new Dutch buyer who also agreed to purchase future credits. From 2017 to 2021, this generated an income of €160,298, with a sale price of €13 per tonne of greenhouse gas emissions plus the Fairtrade Premium.

The community's Assembly group have created a development plan for Fairtrade Premium to be used in a democratic and transparent way. So far, the Premium has been used for constructing a communal building, improving operations, and purchasing tools.



Necessary pruning of the forest creates waste that can be used by the community as a source of energy to cook and heat their homes and the wood resulting from thinning the trees can be used for construction. In time, they expect to be able to sell some of the wood created by essential tree thinning and after 25 years (2035), the trees will be commercially harvested by the communities.

In addition to expansion, future plans include integrating agroforestry practices into coffee farms, generating additional income by selling edible mushrooms, made possible from the pine plantations, and constructing and selling furniture from the harvested wood.



# NORANDINO



The Sierra Piura reforestation project has become a teaching model



A farmer at the Norandino Centre of Excellence

Norandino is already benefitting from the reforestation, with an improvement in crop quality and yields. In 2015, Producers Direct, Cafédirect's farmer-led partner set up a Centre of Excellence at Norandino. Here farmers visit Choco and are trained in the benefits of reforestation, agroforestry and carbon capture, to strengthen incomes and build climate resilience.

Hermán Salvador, a farmer at Norandino explains how they are using the reforestation project to train other producers at the Centre of Excellence:

**"IT'S REALLY IMPORTANT TO RAISE AWARENESS AMONG OTHER PRODUCERS TO SHOWCASE TO THEM AS A SORT OF EXAMPLE THE REFORESTATION WORK. THAT OUR TREE PLANTS HELP US PURIFY THE AIR. THEY HELP US HAVE MORE LIFE, BETTER OXYGEN. THE FACT THAT WE HAVE A DIFFERENT FUTURE BECAUSE WE THINK THAT WE ARE GOING TO SELL OUR WOOD AND ALSO SELL CARBON CREDITS. AND IT ALSO HELPS US ATTRACT BIODIVERSITY ESPECIALLY."**

Hermán Salvador, Norandino



# A BLUEPRINT FOR SUCCESS

Peru is at the epicentre of climate change. Dramatic increases in rainfall are washing away the soil and nutrients on the slopes that coffee grows resulting in lower yields each year.

In response, Cafédirect and Producers Direct are continuing with more landscape projects within Peru to enhance the strength and resilience of small-scale farms. Nornadino's Centre of Excellence continues to educate farmers on adapting to climate change and create long-term sustainable livelihoods.



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