PRODUMER II
Annual Narrative Report
(Year 3)

April 1, 2007 - March 31, 2008

May 15th, 2008

Prepared for
Canadian International
Development Agency

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ANNEXES

LIST OF ACRONYMS

ALS	Average Loan Size
APEAN	Association of Processors and Exporters of Sesame in Nicaragua
CA	Conservation Agriculture
CARE	Cooperative for Assistance and Relief Everywhere Inc.
CEO	Experimental Centre of Western Nicaragua
CIAT	International Centre for Tropical Agriculture
CIDA	Canadian International Development Agency
CLUSA	Organization of Cooperatives of the United States of America
COFODEC	Multisector Cooperative Fund for Rural Development of El Sauce
DED	German Service of Social-Technical Cooperation
EOP	End of Project (target)
FGD	Focus Group Discussion
IDE	International Development Enterprises
IDR	Institute of Rural Development
INTA	Nicaraguan Institute of Agricultural Technology
LOP	Life of Project
MAGFOR	Ministry of Agriculture
MCA	Millennium Challenge Account
MEDA	Mennonite Economic Development Associates
MFI	Micro-Finance Institution
MIFIC	Ministry of Industry and Commerce
MOU	Memorandum of Understanding
Mz	Manzana; Unit of land = 0.7 hectares
PFID-F&V	Partnership for Food Industry Development- Fruits and Vegetables
PRG	Producer Representative Group
PSC	Project Steering Committee
Qq	Quintal = 100lbs
RLF	Revolving Loan Fund
TA	Technical Assistance

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1.0 EXECUTIVE SUMMARY

Year Three of the PRODUMER II project was marked by strong achievement in the midst of various challenges. Despite excessive rains, including a major hurricane, prices of sesame on the international market were at an all-time high. Also, the producers still continued to make positive gains even though the project made a significant change of focus after the June 2007 Project Steering Committee (PSC) meeting. During this time a shift was be made to strengthening the producers via institutional channels through the MAGFOR and cooperative links, paving the way for a project exit strategy. The changes implemented have set the stage for a strong finish during year four.

Year three experienced one of the more destructive rainy seasons since the project commenced. Hurricane Felix and Tropical Depression 36 caused excessive rain and flooding which lead to significant losses to the production levels. On average, 34% of the total project harvest was destroyed. The areas in the department of Leon were the hardest hit: 100 producers out of 109 in the El-Sauce North region were affected with the loss of 197.25 mz. In San Francisco Libre 111 of the project's 153 producers there lost 220.50 mz of crops. El Sauce-South also suffered the loss of 220mz by 109 producers. In total, the project was affected by the loss of 863mz which was approximately 34% of the total planted. In total 452 (52%) of the project's producers were affected, of which 32% were women.

Despite these significant difficulties, many producers still managed to make an impressive financial gain due to the unusually high international price of sesame. The average price of sesame for both conventional and organic was US$56.05/qq in comparison with $31.12 in year two and $33.58 in year one. While the average national production harvest was 7 qq/mz for this year, PRODUMER II clients were well ahead with an average of 7.9 qq/mz, a notable achievement.

Producers were also able to supplement income through the diversification initiative PRODUMER II led this year. Crop diversification activities were carried out by 194 producers over an area of nearly 171 mz. Female participants accounted for 54% of those who carried out diversified crop production. Not only does diversification provide the economic benefit of supplementary income, but it increases soil quality if the producer also practices crop rotation.

In year three PRODUMER II continued executing its gender strategy. The project not only reached the goal of 25% participation of women, but exceeded it, with a total of 34% female participation. The Focus Group Discussions (FGDs) were a central element to the program, with positive results reported from numerous participants.

PRODUMER II encountered for the first time a gender price gap that was higher than expected. While the difference was well below the target of 15% for the LOP, it still merits explanation. PRODUMER plans to monitor project activities and data to understand why this difference occurred and to counteract it for the following year. The difference is attributed to several factors, which do not appear to be necessarily long-term. Both men and women were affected in terms of production levels to extreme weather. Women did not appear to be more affected than

men, except for in certain isolated areas.[1] However, due to the high incidence of first-time female producers in the project this year, their yields and quality were not surprisingly lower than those producers who have had the benefit of the previous two years of training. Furthermore, many of the female producers sold early in the season. They were less comfortable taking the risk of waiting for higher prices as they needed the income upfront. Producers (both male and female) who sold early in the cycle received good prices. However, those who kept their harvest and sold at a later date received significantly higher prices. Finally, cultural labour divisions were an exacerbating factor. While there was a higher rate of female participants in the project they still retained many of their traditional roles in the home. A majority of women producers were essentially doing two full-time jobs. These issues were addressed in the FGDs, with the aim that gendered cultural norms can be recognized and modified with time.

Another focal point of the PRODUMER II program in year three was Conservation Agriculture. This technology package has provided significant benefits to producers both economically and ecologically. During the past year, 25 producers implemented full Conservation Agriculture technology, with an additional 52 producers using low-till planting methods. Conservation Agriculture is also being implemented in association with MAGFOR and INTA in Leon and Chinandega. It remains an area for great extension potential. PRODUMER II led meetings with producers in order to analyze the market for low-till machine rental with the conclusion that there are a substantial number of producers interested in purchasing the low-till planters in order to use and rent out to neighbouring producers.

Regarding Marketing and Business Development, the project continued to promote the sesame industry on local, national and international levels. PRODUMER II gave training to 255 producers (105 of them women) who were trained in business and marketing practices. An additional 18 representatives from various PRGs were trained with the idea that they will in turn be able to train their respective PRG members.

On the national level, the marketing specialist continued to represent PRODUMER II at various industry forums and inter-changes, such as the National Council of Oleaginous Conglomerates. The project continued supporting APEAN, especially in regards to reaching legal status, which is still pending. Furthermore, encouraging MAGFOR to reconvene the National Sesame Commission continues to be a priority for PRODUMER II.

On an international level, PRODUMER II was able to support project-affiliated exporters in attending international industry trade fairs: FOODEX in Japan, and ANUGA in Germany. The results of these fairs were not limited to making new contacts, but actually resulted in an order being placed by a British importer. As well, another significant order is pending from the Mitsubishi Corporation for traceable and organic product from project-affiliated cooperatives in the El Sauce and Malpaisillo regions.

The most significant changes to the project focus took place following the June 2007 Project Steering Committee Meeting (PSC). The minutes of which are included in Annex 4. Prior to the meeting, the project had been following the original Project Implementation Plan (PIP) for year three. It became apparent during this meeting that the original PIP lacked a sufficient exit strategy and thus PRODUMER II focused the second half of the year on responding to this need. As a part of the process for planning for the fourth year, a project evaluation took place

[1] Of the three most affected areas (El Sauce Leon-Norte, San Fransisco Libre and El Sauce Leon-Sur) one of the these areas had an incidence of women affected that was higher than the average rate of women affected for the entire project. This was in San Fransisco libre where women made up 45% of the 111 producers affected.

with an independent consultant. The evaluation led project staff to rethink the strategy for year four, the result of which was a shift in focus from direct producer training to working with MAGFOR and PRGs. This will create long-term training and capacity-building structures. By training MAGFOR technicians and members of PRGs, the project will build a network of representatives that can pass on the training after the end of the project.

2.0 PROGRESS TOWARDS RESULTS IDENTIFIED IN LFA & PMF2

INDICATOR (ORIGINAL TARGET)	BASE LINE	FY06	FY07	FY08 TARGET (ORIGINAL TARGET IN BRACKETS)	FY08	COMMENTS
Project Goal: Average gross income of sesame per mz. is increased by 25%.	Conventional: $210.38[3] Organic[4]: $288.90[5]	Conv. $206.27 (-2%) Org. $338.56 (+17%)	Conv. $261.23 (+24%) Org. $486.66 (+68%)	25% (LOP overall)	Conv. $435 (107%) Org. $602 (108%)	The international price of sesame was exceptionally high this year, leading average income for producers to surpass project expectations.
Performance Indicators						
Outcomes						
1a. Increased sales of Nicaraguan sesame on the international market	10,410 tons	3.540 MT	5,981 MT		3,353 MT	Exceptionally bad weather due to Hurricane Felix and Tropical Depression 36 led to a decrease in the production of sesame. On average, PRODUMER II producers lost 34% of their crop.

[2] It is observed that the binding performance target for each indicator in this table is that appearing in the first column. In cases where the annual target value exceeds the binding target, the annual target is not binding. MEDA strives to exceed individual binding targets where it judges that there is scope to do so.

[3] Average gross income per manzana is calculated as Yield (#qq)* Price per qq holding price constant at the 2004-05 level of C$454/qq conventional. Avg. Conventional yield in Leon and Chinandega was 7.65 qq/mz. US$27.50 (C$454/ 16.5= $27.50). 7.65*27.50= $210.38. Yields in Ometepe have been omitted from the calculation as they were exceptionally high in the baseline year.

[4] Baseline and FY06 figures use a fixed price for FY06 for Organic of $40/qq, slightly below the Base Line price of $45/qq.

[5] This estimate uses only figures from León, as organic yields in Ometepe were exceptionally high in FY05, and inappropriate for measuring future results.

INDICATOR (ORIGINAL TARGET)	BASE LINE	FY06	FY07	FY08 TARGET (ORIGINAL TARGET IN BRACKETS)	FY08	COMMENTS
1b. Annual Increase in Yields: 6% Type A Producers (equal Men vs. Women) 10% Type B Producers	Conv: A 8.6 qq/mz B 6.7 qq/mz	Conv. A 7.34 (-15%) B 5.87 (-12%)	Conv. A 9.88 (+15%) B 8.49 (+27%)	6% Type A Producer; 10% Type B Producer	Conv. A 8.9 (+3%) B 7.8 (+16%)	Type A producers (above average yields in terms of baseline data) showed only a 3% increase in yields over baseline, a figure much lower than the other categories. Given that 45% of these producers are located in the El Sauce and San Francisco Libre regions that were hardest hit by the excessive rains after Hurricane Felix, the project is confident that the weather was the main factor in these low yields
	Org. A 8.9 qq/mz B 7.0 qq/mz	Org A 7.58 (-15%) B 7.14 (+2%)	Org A 11.08 (+25%) B 9.72 (+39%)	10% Type A Producer; 6% Type B Producer	Org. A 9.7 (+9%) B 8.5 (+21%)	
1c. 60% of male and female producers practice crop rotation	33%	46% (52% women)	50.30% (53% women)	60%	71% (75% of women)	A higher number of producers rotated crops this year, in part due to the heavy rains which made it necessary to re-plant and choose different crops.
1d. 65% (25% women) reduce impurity levels to below 3%	20% have impurity levels below 3% (average impurity level is 3.79%).	66% (59% women)	67% (58% women)	70%* (65%)	90% (89% of women)	Greater attention in the field when harvesting the sesame led to a higher number of producers with reduced impurities. This can be

INDICATOR (ORIGINAL TARGET)	BASE LINE	FY06	FY07	FY08 TARGET (ORIGINAL TARGET IN BRACKETS)	FY08	COMMENTS
						attributed to greater emphasis placed on post-harvest care during training activities.
1e. Supply of quality seed from at least 2 sources is available to 80% of producers, including new varieties from MAGFOR	70% have access to seed from at least two (2) sources.	70%	100%	100%* (80%)	100%	All producers have access to quality seed from a variety of sources and it is the producers' choice as to whether or not they will use this seed in their production.
2a. 500 loans provided to producers/ 25% female	397 loans	360/ 14% female	416/ 15% female	500/ 25% female	459 / 31% female	The number of loans provided was lower than expected due to less demand for loans. At the start of the lending cycle, the much-publicized Venezuelan-supported Bank of Rural Development caused excitement among some producers, who were hoping to receive loans at lower interest rates. However, as the productive cycle continued and the Bank failed to respond to the credit needs of the producers, many of the producers were unable to apply for timely loans. The project did however manage to increase the number of female borrowers by working with MFI partners to ensure flexible requirements for women producers
2b. Total loan value of US$250,000 available each	0	$233K/ 6% female	$255K/ 16%	$250K, 25% female	$254K / 22%	Due to greater leverage by MiCrédito, this target was achieved.

* Indicates revised FY08 target with original target in brackets.

INDICATOR (ORIGINAL TARGET)	BASE LINE	FY06	FY07	FY08 TARGET (ORIGINAL TARGET IN BRACKETS)	FY08	COMMENTS
year			female		female	
3a. 25% of project participants are women	23%	25%	27%	25%	34%	Greater emphasis on setting goals and clear steps to achieve these by project agronomists lead to this substantial increase in female producers.
3b. 90 women, co-producers or spouses of producers, involved in diversified production.		30	112	150	163	104 female producers were involved in diversified economic production activities, representing 60mz. 59 female producers received assistance in pig-raising.
3c. A study is implemented to document the participation of women in sesame production, and data is updated annually			Study updated	Study updated	Study updated	The data is updated continually using AgroMonitor.
3d. Content analyses of the proceedings of FGDs (Output 3.1.c) indicate participants are reflecting on need and opportunities to adapt gender roles, practices and attitudes in relation to Family Income Security Strategies.			Yes	Yes	Yes	Under section 9 (gender) a more thorough content analysis is described.
4a. 60% of male and female producers adopt	N/A.	94% apply 2+	87% apply 2+; 52.5%	90%* (60%) apply at least	88% in apply 2+	59% apply 4+ practises. As the LOP indicator was fully completed

* Indicates revised FY08 target with original in brackets.

INDICATOR (ORIGINAL TARGET)	BASE LINE	FY06	FY07	FY08 TARGET (ORIGINAL TARGET IN BRACKETS)	FY08	COMMENTS
improved environmental stewardship practices, and apply at least 2 sustainable farming methods.		practices; 62% apply 4+. (56% women)	apply 4+ (53% women)	two sustainable farming methods	practices; (91% of women).	within the first year of the project, a higher indicator was the target for the third year. The project is pleased that such a high rate was achieved, particularly with women being several points above the average.
4b. 30% of producers (25% women) demonstrate improved practices in pesticide application	20% use equipment	37% (22% women)	35% (25% women)	30% (25% women)	34% (28% women)	The use of pesticides was slightly lower this year as the excessive rains, while destructive for the most part, were helpful in controlling the insect population. While the number is slightly lower than the previous year, it is still above the LOP target.
5a. Existence of needs assessments, training records and performance contracts with each of the producer representative organizations	0	No	Yes	Yes	Yes	8 cooperatives have completed this process. 2 other cooperatives are pending contracts with PRODUMER II, but have the needs assessment and training records. 1 cooperative and 2 PRGs are in still in process.
5b. 1 exporter and 100 farmers (25% women) implement traceability systems	0	0	1/398	1/398* (1/100) (25% female)	1/513	PRODUMER II and Del Campo signed an inter-institutional agreement for support in developing Del Campo's traceability systems in July 2006. PRODUMER II has provided tools and technical support to Del Campo in order to develop traceability systems. At the

* Indicates revised FY08 target with original in brackets.

INDICATOR (ORIGINAL TARGET)	BASE LINE	FY06	FY07	FY08 TARGET (ORIGINAL TARGET IN BRACKETS)	FY08	COMMENTS
						end of contract in 2007, 398 producers had been given traceability system resources. An additional 115 producers (42% female) took part in traceability implementation with training received directly from PRODUMER II staff.
5c. 20% of producers (25% women) sell more than one product to market by end of project	18%[6]	18% (26% women)	29% (33% women)	35% (20%)* (25% women)	54% (45% women	Using the FGDs to find appropriate business opportunities for couples, a larger number of producers identified other crops to sell such as horticultural products, plantain and Jamaican rose.
5d. 250 producers trained (25% women) apply knowledge from business approach and marketing training	0	205 producers trained (15% women)	260 (24% female)	250 (25% women)	255 (41% women)	150 men and 105 women applied business and marketing skills gained from training provided by the project.
5e. The difference in sales price received for sesame between men and women is reduced by 15% by the EOP, using 2005/06 figures as baseline.			+/- 1%	<15%	7.3 %	While this number is significantly higher than the previous year, it still falls well within the goal of less than 15%. Please see section 9 of this report for a more detailed explanation.
Outputs						

[6] Excludes Corn and sorghum.

INDICATOR (ORIGINAL TARGET)	BASE LINE	FY06	FY07	FY08 TARGET (ORIGINAL TARGET IN BRACKETS)	FY08	COMMENTS
1.1a. 70% of producers, male and female, use certified seed	49%	27% (24% women)	67% (62% women)	70%	85% (82% Female)	Producers have access to certified seeds from several sources. Having observed the benefits of using certified seeds, producers increased their use of these, despite having to re-plant due to the heavy rains.
1.1b. 60% of producers (25% women) apply at least 3 of the 4 key production practices	N/A.	41% (28% women)	83% (81% women)	60% (25% women)	77% (74% Female)	Heavy rains did not permit all producers to apply all of the key practices. However, 50% of all producers are using all four (51% are women).
1.1c. Improved access to irrigation, proportionately among men and women, through at least one partner-led irrigation technique/ initiative	5%	1%	0%	0%	1%	MEDA was unable to successfully negotiate a partner-led irrigation initiative, as described in last year's annual report. However, 8 producers purchased new irrigation kits in year three. Follow-up assistance was given to the 32 producers who had purchased kits in year two. A total of 143 producers have purchased kits over the life of the project.
1.1d. 5% of producers (25% women) have registered to become certified organic	0	.9%	<1% (Total to date is 2%)	5%	1.6% [LOP is 5.1% (31%)]	There are a total of 151 organic producers throughout the life of the project, including 3 producers who have left the program, and 25 new producers for FY08. Of this 151, 31% are female producers. See Annex 8 for a narrative from an organic producer from Ometepe.

INDICATOR (ORIGINAL TARGET)	BASE LINE	FY06	FY07	FY08 TARGET (ORIGINAL TARGET IN BRACKETS)	FY08	COMMENTS
2.1a. MEDA supports Nicaraguan exporters to establish at least 5 new external client contacts	0	0	9	5	2 new	11 have been made over the life of the project. These two new contacts for FY08 were made through participation by project-affiliated exporters in FOODEX and ANUGA.
2.1b. Three market research reports and diagnostics are updated, info shared with partners	0	1 (IICA)	0	1	1	Information was shared with partners.
2.1c. Information provided bi-annually to MAGFOR for sesame industry database	N/A	No	Yes	Yes	Yes	Information is provided to MAGFOR on an annual basis, as well as for each planting cycle.
2.1d. An objective quality grading standard exists for Nicaraguan sesame industry.	0	In process	In process	Complete	In Progress	The quality grading standard for sesame, an initiative led by the Ministry of Industry and Commerce (MIFIC) and actively supported by PRODUMER II, has been established. It is pending review by MAGFOR and final approval by MIFIC, a process which is out of the project's control.
3.1a. Project staff participate in at least 2 gender training workshops per year during LOP	0	4	3	2	2	Two external workshops were provided to staff, with two additional gender trainings provided internally.
3.1c. 150 producer families (75 producers and spouses) participate in	N/A	N/A	236 (118 couples)	150 (75 couples)	182 (91 couples)	The project made an effort to provide FGDs to all areas, particularly those where they had

INDICATOR (ORIGINAL TARGET)	BASE LINE	FY06	FY07	FY08 TARGET (ORIGINAL TARGET IN BRACKETS)	FY08	COMMENTS
exploratory focus group discussions on "Exploration of Family Income Security Strategies"						not previously been carried out. This led to numbers that were higher than expected for this year.
3.1d At least three (3) inter-institutional agreements are established with other organizations working with gender equality in the project areas.			3	Provide follow up	Followed up with UNAG, AHCV and AMNLAE	Follow-up meetings were held each quarter by the Gender Specialist and these organizations.
4.1a. 850 producers (25% women) receive training in 6 cropping practices related to environmental management	0	543 (24% women)	440 attended 1-4 workshops; of these 306 attended 5-8 workshops (26% women)	850 (25% female)	874 (26% female) trained in 6 practises	Training sessions included the use of various visual aides such as posters, a learning game, a sesame manual and flip-charts
4.1b. Code of environmental stewardship is included in contracts with PRGs, and reviewed and affirmed by their governing bodies by EOP.	0	No	Yes (4)	Provide follow up	Yes	Clauses pertaining to environmental stewardship are now included in six project-affiliated PRG policies, including three new ones in year three.
5.1a. Two representatives from each PRG receive training in marketing and	0	No	Yes	Yes	Yes	18 producers (4 female) from 9 PRGs received this training.

INDICATOR (ORIGINAL TARGET)	BASE LINE	FY06	FY07	FY08 TARGET (ORIGINAL TARGET IN BRACKETS)	FY08	COMMENTS
exporting						
5.1b. PRODUMER II staff attend 80% of sesame industry association meetings	80%	N/A	N/A	80%	N/A	No meetings of the Nicaraguan Sesame Industry Association were convened. However PRODUMER II did participate in all of the Processors and Exporters Association meetings.
5.1c. References to gender issues exist within PRG policies	N/A.	No	In process	Yes	Yes	7 cooperatives (four new in year three) have incorporated gender-specific language within policies.
5.1d. Training given to PRGs according to assessed needs and agreement signed between MEDA and individual PRGs	N/A	No	Training started	Training completed	Training completed for 13 PRGs	Four PRGs (La Esperanza-Ometepe, Comprotexon, El Progreso el Viejo and APAOLECH) were completed in 2007 and nine in 2008 (Mujeres Unidas de la Flor, La Flor del Progreso, La Esperanza-El Sauce, La Virgen, San Lázaro, La Preferida, Mujeres de San Agustín, PRG of Carazo, PRG of Cosigüina)

3.0 ANALYTICAL COMMENTS ON VARIANCES BETWEEN PLANNED ACTIVITIES AND ACTIVITIES CARRIED OUT

This year there were no major variances between planned activities and those actually carried out. One exception was the replanting of sesame which took place after the excessive rains fell in August and September. After planting sesame in early August, a majority of producers had to replant their crop, leading to some delays in the harvest.

4.0 PROBLEMS/CHALLENGES ENCOUNTERED AND SUGGESTED MEASURES

Weather:

The largest problem faced by PRODUMER II this year was weather. As a project focused on agricultural development in rural Nicaragua, weather conditions have been considered a significant factor since the start of operations. However, from August to October of 2007, the amount of rain which fell and in turn destroyed the sesame plants was unseasonably high. Hurricane Felix damaged much of the infrastructure on the north Atlantic coast of Nicaragua. However farmers in much of Occidente and Carazo regions were affected mostly by 55 days of rain from Felix and Tropical Depression 36 which not only washed away most of their crops, but also prevented plants from growing due to the lack of sunshine. The region around El Sauce was the hardest hit for PRODUMER II producers, with around 85% of the harvest being destroyed. This obviously hindered not only sesame production, but also bean, corn and sorghum as well.

The project responded to this tragedy by providing seeds and inputs for producers to plant their crops again. This was not the ideal solution, as many producers were forced to plant weeks past the optimal time. Despite this, many producers who re-planted their sesame fields still managed to harvest in late December and early January. In the case of the producers in Carazo, many of those who had showed initial interest were unwilling to plant a second or third time, particularly since it was a crop being re-introduced in the area.

5.0 ANALYSIS OF CHANGES TO IMPORTANT ASPECTS OF THE PROJECT THAT HAVE OR SHOULD HAVE BEEN MADE

There have been no changes made to the PIP this year. As follow-up to the PSC meeting in June 2007, priority was given to establishing an agreement with the MAGFOR office in Carazo. Although this took slightly longer than had previously been expected, an agreement was reached in July, still in time for the preparations for planting in the second semester. In hindsight, the project should have planned for more time to establish this agreement. One factor which prolonged this process was the staff changes in MAGFOR. Although not a problem for project activities, it nevertheless took some time for the new MAGFOR staff to familiarize themselves with project details and to support its work in Carazo.

6.0 ANALYSIS OF PROJECT DEVELOPMENT

6.1 1000 Production Services, Technical Assistance and Training

In addition to working in Occidente and Ometepe Island, the project also expanded into the department of Carazo at the Ministry of Agriculture's request. After the Minister's office approached PRODUMER II and the PSC gave initial approval for this initiative to go forward, an agreement was signed with MAGOFOR Carazo in which MAGFOR extension staff would receive training from PRODUMER II agronomists and they in turn would provide technical assistance to producers in the Carazo department. The goal of working with 90-100 producers on 300 manzanas(111 producers originally signed up to participate) was not achieved due to the effects of the weather, particularly the heavy rains from Tropical Depression 36. In year three, PRODUMER II worked with 55 producers to plant 114.5mz in Carazo.

1000 Improved Production

In year 3 PRODUMER II actively supported 876 producers – 298 female and 578 male. Included in this figure are 216 new producers in FY08 – 68% (146) of which are female. This increase resulted from favourable sesame prices, which attracted many small producers to the crop's production. During the LOP, a total of 1,464 producers have received some form of technical assistance. This figure includes the 588 producers who have left the project. These producers are no longer working with the project for a variety of reasons, including showing no further interest after attending an initial training session, deciding not to plant sesame in a given year or graduating from the project after successfully implementing three out of the four components of the technical package for two consecutive years. Using this calculation, 380 producers have graduated. Those producers who have graduated continue to be monitored by project agronomists; however they no longer receive direct technical assistance.

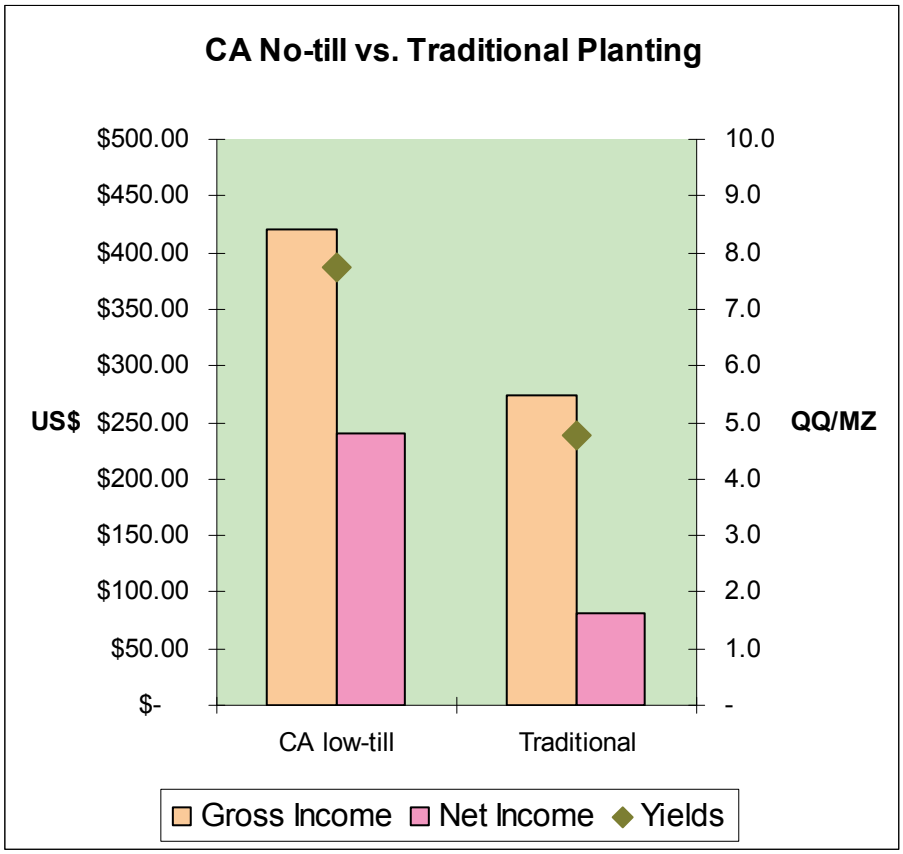
Demonstration plots have continued to receive priority in order to document and compare the cost-effectiveness of the project's technical package, Conservation Agriculture (CA) and traditional production. In year three PRODUMER II supported 56 demonstration plots and 27 control plots by providing all inputs for the demonstration plots. Producers in turn provided all the labour. A total of 51 producers participated (15 female producers and 36 male producers). 52 manzanas were planted, of which 34 manzanas were planted as demonstration plots and 18 manzanas planted as control plots. While the demonstration plots were generally established on an area of 0.5 manzanas, there were some producers that planted more, thus the average demonstration plot was approximately 0.63 manzanas.

In addition to establishing a variety of demonstration plots, PRODUMER II also supported experience exchanges with producers to visit the demonstration plots at the beginning of the planting cycle and then again to the same plot during the harvest. This is an exceptionally valuable tool for promoting new planting technology as it allows the producers to see the difference between the demonstration plot and the control plots. It also provides opportunity for valuable producer-to-producer interaction. During the whole planting and harvest cycle 21 such exchanges were held with producers; MAGFOR and INTA technical staff were also in attendance. A total of 370 producers (222 men and 148 women) participated in these visits. These experience exchanges covered subjects such as conservation agriculture, organic sesame production and diversified vegetable production.

In year three, Conservation Agriculture was an integral part of the improved production strategy (see ANNEX 1, 2 and 3 for updates on CA case studies reported in the FY07 report). CA

provides long-term economic and ecological benefits. In year three of the project 25 producers used CA technology to plant 45.5 mz, compared to only 20 demonstration plots (each of 0.5 mz) last year. By using the specialized low-till planter imported from Brazil by MEDA and sold to producers, the cost of land preparation decreased significantly in the second and third year. Conservation Agriculture on average cost the producer C$1125 in comparison to C$1450 by using traditional techniques. In the chart below one can observe the differences in gross and net income and compare to yields of CA demonstration plots and the control plots.

Table 1



The lower costs of field preparation as well as the higher gross income and yields attracted neighbouring producers enough to rent the low-till planter, representing an additional 52 producers who used the low-till planters to prepare 148.5 mz of land. Furthermore, 23 producers used the same machine on 24 mz of demonstration plots. In total 100 producers were exposed to conservation agriculture with the low-till planter and 218 mz were planted using it. When compared to the ten manzanas planted last year using CA technology and the low-till planter, the project is very excited to see such a high rate of adoption of the technology.

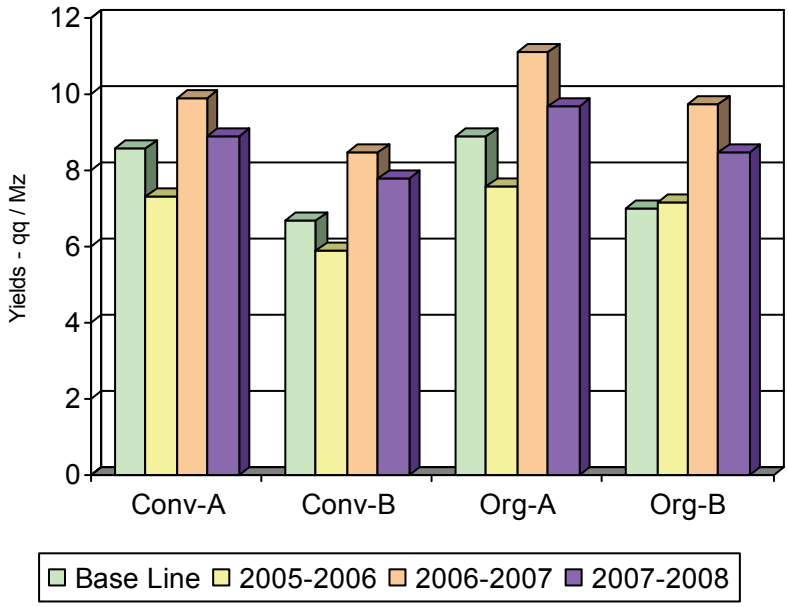
Moreover, PRODUMER II has worked with interested parties to create a sustainable market for the low-till machines. Various opportunities have been explored and pursued with producers and importers that will facilitate the proliferation of the low-till sub-soiler machine with other crops after the termination of PRODUMER II. Not only does this assist in the creation of a commercially-viable mechanism for Conservation Agriculture, but it also creates new income for the parties involved in its sale. This is further described under Marketing Services and Business Training (section 6.2)

Crop diversification has continued to be an important component of the project during the third year. As part of the response to female producers and producer spouses, the project has attempted to focus the diversification component on female producers. The crop diversification for year three involved 194 producers: 90 male producers and 104 female producers, which includes 5 spouses and 6 co-producers. The crops included cowpea, onion, organic cotton, sweet pepper, mung bean, cucumber, watermelon, tomato and yucca during both of the planting cycles, as well as plantains and pasture crops in the first and Jamaican rose in the second cycle. In total, 171 manzanas were used for crop diversification in FY08.

There are significant benefits for producers to diversify their crops. Examples of notable benefits are reduced risks associated with sole reliance on sesame as the main cash crop in addition to also improving the condition of the soil. Crop rotation helps to improve the fertility of the soil, reduce erosion and decrease dependence on various chemical fertilizers. A growing number of producers have been adopting the practice of crop rotation each year; 71% of producers practiced rotation this year compared with 46% in year one and 50.3% in year two.

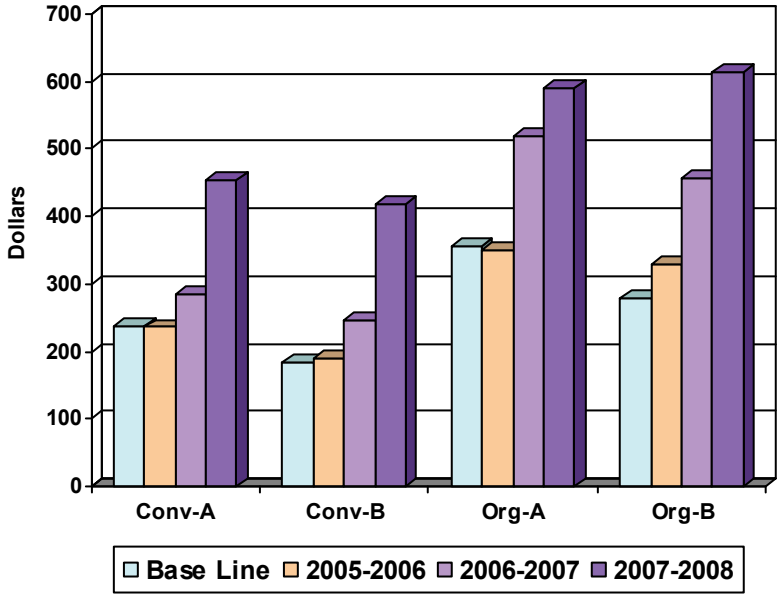
Despite these positive improvements, the project witnessed significant reduction in yields this year when compared to previous years, as can be observed in the chart below. Heavy losses are attributed to bad weather, as previously described. However, yields were still above base-line information.

Table 2. Yields per Manzana for Conventional and Organic Producers



In spite of the reduction in yields described previously, producers benefited greatly from the outstanding international prices for sesame. As observed in the chart below, net income per manzana increased significantly over the previous year and in most cases was double the baseline information.

Table 3. Net Income per Manzana for Conventional and Organic Producers



1400 Environmental Development

Environmental awareness and training continued to be important components of the PRODUMER II project in FY08. The training documents synthesized and compiled into posters last year were the main tool used this year for training in environmental issues. Each agronomist was provided a set of posters to use in training activities. These proved to be highly effective, as a variety of topics could easily be discussed in different locations. The training package includes best-practises for environmental management in production. There were seven main practises that were taught throughout the year. More than half the producers (59%) adopted 4-7 of the practises. Moreover, environmental training sessions were given to a total of 1,108 producers on a range of the 1 to 7 environmental practises.

A major component of the environmental awareness goes beyond training to practical applications which promote environmental development of the areas where the project is active. During year three PRODUMER II continued to work with producers to plant and reforest production areas. Tree-planting was an integral part of the environmental training strategy, as it can provide a live barrier between fields, create wind breaks for crops and prevents soil erosion. The major types of trees planted were Tiguilote, Nim, Brasil Blanco, Madero Negro and Madreado varieties. In total, 286 producers participated in tree-planting as part of their technical training this year (39% female producers and 61% male producers).

An important part of environmental and production activities has been to provide more support to Conservation Agriculture activities. Project participants were exposed to CA techniques in two ways in year three. First, 52 participants used low-till planting equipment which was imported by MEDA two years ago. This machine provides excellent economic and environmental benefits to farmers: it minimizes soil disturbance by requiring producers to plough only once as well as minimal ground penetration through its low-till mechanism. It also reduces costs in terms of man-power due to its dual function as planter and fertilizer. Project staff provided training sessions on the use of the low-till planter in Cosigüina, Malpaisillo, El Sauce, Carazo and Ometepe Island. These training sessions demonstrated the use of the machine with a horse in place of two oxen, the use of the machine to plant cover crops and simultaneous fertilizer

application, which reduced energy and financial costs. Throughout year three PRODUMER II staff emphasized the cost-efficiency in production and soil preparation while also promoting the soil retention benefits of Conservation Agriculture.

Secondly, 25 producers were trained in and used the full CA technology package. The key components to this package are use of leguminous crops for permanent cover, low-till planting which maintains the organic material of the soil and crop rotation which recuperates the soil biodiversity. The results of Conservation Agriculture are generally evident after three years of implementing this technique. Although project producers have not yet been following CA for three years, some have observed reductions in the costs for land preparations after the first year. In total, 45.5 manzanas were planted using Conservation Agriculture methodology and technology in FY08. This figure is in addition to the 23 producers who were involved in demonstration plots using either the machine only or the full package along with control plots over 24 manzanas.

PRODUMER II agronomists participated in a technology fair in El Sauce on March 26th along with representatives from INTA, the Millennium Challenge Account the Municipal Government of El Sauce and others. During this fair, PRODUMER II was able to present the concept of CA and discuss the long-term benefits to producers and the environment. A second technology trade fair was held March 29th in Carazo where PRODUMER II representation expounded upon Conservation Agriculture benefits for attendees.

1500 Production Financing

An integral component of PRODUMER II has been providing access to finance to sesame producers. Through two MFI partners, 143 loans were disbursed to women in FY08, an increase of 123% from FY07, as seen in the table below. 103 new loans have been dispensed since the first year of the project. The loan size in year three bears resemblance to that of year one, with a slight variance from year two's average loan size. The high incidence of new female borrowers can account for the lower average loan size for women, which although similar to year one, was a significant drop from year two. One of the most positive changes was the percentage of loans taken out by women, which jumped from 14% at the beginning of the project to 31% in year three. In general, both MFIs are fulfilling their obligations under the agreements signed with PRODUMER II. Due to less demand for loans by producers in the Malpaisillo region, the target of loans was not reached. This was a factor out of the project and the MFIs' control.

An independent consultant was hired by CIDA to do a due-diligence review of MEDA's proposal to transfer the RLF monies to both MiCrédito and COFODEC. This consultancy recommended accepting the proposal sent by MEDA, with the suggestion that COFODEC receive further institutional capacity building prior to the disbursal of funds. The project followed up with this suggestion and an external consultant provided training to COFODEC in March 2008.

Total PRODUMER II Portfolio Performance 2005-2008

	2005/2006			2006/2007			2007/2008		
	Male	**Female**	**Total**	**Male**	**Female**	**Total**	**Male**	**Female**	**Total**
Total Lent (US$)	192,101	13,165	205,266	213,663	41,614	255,277	222,581	36,717	259,298
Avg. Loan Size (US$)	618	269	570	607	650	614	696	257	560
Portfolio (%)	94%	6%		84%	16%		86%	14%	
# of Loans	311	49	360	352	64	416	320	143	463
% of Loans	86%	14%		85%	15%		69%	31%	

MiCrédito, the MFI partner in Leon and Malpaisillo, had a slightly lower overall portfolio size but the average loan sizes remained consistent with year two's numbers. The percentage of loans given to women has increased from 21% to 27% over the life of the project. In addition to this, while average loan sizes for women decreased between year two and year three, women have experienced a higher average loan size since the initial year. As part of the renewal process for this year's contract, an additional clause was included in the agreement to ensure a higher number of women were given access to credit. The particular focus was to allow women who did not own sufficient collateral or were unable to find a co-signer to receive enough finance to plant on one or less manzanas of sesame. This can be observed in the chart below with the significant drop in average loan size for women from 21% to 11% from year two to year three. Previously, these women did not have access to MiCrédito loans due to insufficient collateral. In this manner, PRODUMER was able to increase the number of women who received loans from MiCrédito, a number which would have been much lower due to the lower demand for financing the production of sesame this year.

MiCrédito Portfolio Performance 2005-2008

	2005/2006			2006/2007			2007/2008		
	Male	**Female**	**Total**	**Male**	**Female**	**Total**	**Male**	**Female**	**Total**
Total Lent (US$)	148,302	9,987	158,289	130,122	34,316	164,438	123,381	15,919	139,300
Avg. Loan Size (US$)	1,099	285	931	1,084	1,009	1,068	1,285	455	1,063
Portfolio (%)	94%	6%		79%	21%		89%	11%	
# of Loans	135	35	170	120	34	154	96	35	131
% of Loans	79%	21%		78%	22%		73%	27%	

COFODEC, the MFI partner in El Sauce, has continued to provide more loans to women both in terms of numbers and as a percentage of the RLF, as can be observed in the chart below. The number of loans has increased from 190 in the first year of PRODUMER II to 332 in year three, with 33% being dispensed to women, as opposed to the 7% in year one. In addition, average loan sizes have gradually increased over the life of the project, with men receiving an average loan of US$443 and women US$193 in FY08. As part of the process to transfer the RLF to the local MFI partners, PRODUMER II hired an independent consultant to provide COFODEC with an institutional strengthening activity in March 2008. This was a joint effort, in which both COFODEC and PRODUMER II participated in the selection and remuneration of the consultant.

COFODEC Portfolio Performance 2005-2008

	2005/2006			2006/2007			2007/2008		
	Male	**Female**	**Total**	**Male**	**Female**	**Total**	**Male**	**Female**	**Total**
Total Lent (US$)	43,799	3,178	46,977	83,541	7,298	90,839	99,200	20,798	119,998
Avg. Loan Size (US$)	249	227	247	360	243	347	443	193	361
Portfolio (%)	93%	7%		92%	8%		83%	17%	
# of Loans	176	14	190	232	30	262	224	108	332
% of Loans	93%	7%		89%	12%		67%	33%	

1700 Partnerships

New Product Development
INTA - CEO: PRODUMER II renewed the agreement with CEO to develop new sesame seed varieties, particularly focusing on expanding the trials on the Nicarao and ICTA-R varieties which were initiated in year one of the project. In addition, as a part of this agreement, the CEO has agreed to promote Conservation Agriculture activities within Leon and Chinandega this year. This includes using CA equipment on their demonstration plots and coordinating with the local INTA offices and the technical assistance staff in promoting CA throughout the zone.

6.2 2000 Marketing Services and Business Training

2100 Business and Marketing Training for Producers and Associations:
PRODUMER II project staff completed training in business and marketing in two rounds in year three. Each time it was provided to two representatives of each group in order that they may in turn pass on the expertise to their PRG. In FY07 12 producers (10 men, 2 women) from six different cooperatives were trained in marketing and export. In FY08 18 producers (14 men and 4 women) were trained. The participating cooperatives from both groups were: La Esperanza, Comprotexon, Coopsades, Mujeres de San Augustín, el Progreso, La Paz Centro, Mujeres Unidas, La Flor del Progreso, San José del Sur, La Esperanza del Sauce and La Virgen Cooperatives.

In addition, PRODUMER II offered training and development for 255 producers (150 men, 105 women) from 9 cooperatives and 4 producer groups in the following areas of business and marketing training:

- Administrative management support
- Traceability
- Conflict Management
- Trade Negotiation rounds with Sesame, horticulture and fruit buyers
- Agenda Preparation
- Cotton business plan facilitation
- Export and marketing
- Gender activity preparation (El Progreso Cooperative)

PRODUMER II's strategy was to train and empower producers to navigate the market in order to negotiate competitive prices with buyers. These efforts allowed producers to achieve an internationally competitive price. Promoting competition between buyers and producers resulted in price increases that were within the international market conditions. Moreover, the technical project staff participated alongside La Danesa (an associated export company) in training

through MAGFOR in Traceability, Best Agricultural Practises, Best Manufacturing Practises and the Laws governing these practises.

2200 Support Sesame Trade Association:
While PRODUMER II has been willing and ready to support the National Sesame Commission, it falls to MAGFOR to reconvene the body. As of the end of year three no steps had been taken in that direction by MAGFOR authorities. PRODUMER II continues to lobby contacts with the ministry to encourage MAGFOR's leadership to this body.

The project has participated actively in the National Commission of Oleaginous crops promoted by FUNICA. So far, the commission has met three times to discuss issues of importance to all links in the value chain of oleaginous crops. This has been a new initiative by FUNICA, with active support from MAGFOR, INTA and the National University system. However, due to the fact that this commission covers all oleaginous crops (corn, peanuts, soy and sesame) PRODUMER II's participation is limited. In spite of this, these meeting provide excellent networking opportunities and also an opportunity to discuss issues relevant to all crops, such as opportune supply of seeds and inputs at the start of the planting season, phyto-sanitary measures for export, access to export figures, and production finance, among others

2300 Gender Equality:
The PRODUMER II marketing specialist has continued to work alongside the gender specialist in reviewing the barriers faced by women in marketing sesame (i.e. reducing impurities, negotiating with buyers, etc.) and developing strategies to overcome these obstacles. The project had the goal of providing business and marketing training to 250 producers, of which 25% were to be female. In year three, this goal was exceeded: 41% of all producers trained were female, representing 105 out of 255. In addition to this, the marketing specialist has worked with project-affiliated cooperatives regarding policy issues. As a result, seven of these cooperatives now have policies regarding gender equality issues, which include four new ones in year three. These developments are covered in more detail under section 9.0

2400 Environmental Development:
Environmental training is continuing to prove successful as more producers are adopting CA, crop rotation, and organic agricultural techniques. In FY08, 77% of PRODUMER II's producers have been trained in environmental awareness training. Furthermore, the project has continued to offer support to the cooperatives in elaborating and/or creating within their statutes an environmental care policy that focuses on preservation of soil, water, air and flora and fauna.

In order to build sustainable production conditions for Conservation Agriculture PRODUMER II conducted two major events. A training seminar took place on August 8, 2007 at the INTA branch office in Leon with 18 producers and their representative project agronomists to analyse equipment rental business opportunities for producers who purchase the low-till planter and in turn rent it out to other producers in the community. A business plan prepared by the PRODUMER II marketing specialist was presented to the producers in this meeting. After discussing the proposed service provider model, a revised business model was created with input from producers and PRODUMER II agronomists. A secondary meeting was held post-harvest on February 6, 2008 with the same producers to review the business plan and to note any needed changes or modifications to the one presented previously. A major topic of discussion was the lack of these machines in the country, due to the high price of imported equipment from Brazil. Despite the high price, producers were still willing to purchase the equipment at full price for the next planting cycle

The other major event was the collaboration with the INTA regional office in Leon to extend Conservation Agriculture via the training and extension services of the government extension staff. In addition to providing training to INTA staff on the concept of CA and actively lobbying INTA's participation in visits to demonstration plots, PRODUMER II provided the project sub-soiler at cost to INTA for use on 10 manzanas of demonstration plots at the CEO research station in Posoltega, Chinandega.

PRODUMER II was involved in several other notable exchanges in promoting CA. The project co-sponsored with the Horscht Foundation the 1st annual low-till farmer's conference in Jalapa, Nueva Segovia. The Horscht Foundation is linked to the Horscht Company, a world leader in CA equipment manufacturing. This event provided experience exchanges and networking opportunities within Conservation Agriculture in general as well as low-till technology usage. PRESTANIC, a large MFI active in the north and Occidente regions of Nicaragua, MAGFOR-Neuva Segovia and a variety of fertilizer and equipment providers participated in the conference. Through the efforts of PRODUMER II, representatives from MAGFOR-Leon, MAGFOR-Carazo, INTA-Chinandega/León attended and participated actively in the conference.

In addition to this, PRODUMER II partnered with the Horscht foundation and FORMUNICA (a private sector farm equipment importer) to establish a private sector importation and distribution supply chain for Conservation Agriculture low-till planting equipment. PRODUMER II and the Horscht foundation's participation in the agreement with FORMUNICA is to provide a guarantee fund for a specific number of low-till machines. An initial list of producers willing to pay full price (i.e. no subsidies) was drawn up for both the special low-till planter requested by PRODUMER II and the hand-held low-till planter (also called "matracas") requested by PRESTANIC. In the case of PRODUMER, ten producers were interested and a fund representing half the cost of the machinery (placed in Chinandega) was provided to FORMUNICA as a guarantee for the ten machines requested. At the time of purchase of the planters, FORMUNICA will inform PRODUMER II, provide a cheque to an MFI and sign a three-way agreement between the producer, the MFI and FORMUNICA. Once the paperwork has been signed, FORMUNICA will return to PRODUMER II the appropriate amount in the guarantee fund. PRODUMER II is currently in conversation with several MFIs active in Occidente to provide financing for these machines by using this mechanism with FORUMNICA. By promoting finance PRODUMER II will assist in building a sustainable market for the importation of the machines, as well as their continuing use, encouraging the proliferation of Conservation Agriculture.

2500 Quality Management/ Traceability Systems:
Traceability has been an integral component in PRODUMER II's year three marketing and business capacity- building strategy. Traceability offers a two-fold benefit: producers are offered higher prices as they can prove the origin of their product and consumers are assured of the quality and value of the product they are buying. Last year PRODUMER II signed a contract with the Del Campo Cooperative in which they agreed to support a traceability initiative for the producers, affiliated cooperatives, processing plant and marketing manager. As a result of this, 398 producers from Del Campo and PRODUMER II were trained to implement product traceability systems. PRODUMER II provided follow-up to this contract in FY08.

PRODUMER II also supported two additional cooperatives, COOPSADES and Mujeres de San Agustin, in implementing Agricultural Best Practices and Traceability systems with their 115 members. With support from MAGFOR, inspections took place and the final results from the process are pending. Furthermore, 678 traceability notebooks were completed by project producers.

Further progress was made by working with INVASA (Inversiones Vargas SA), a private sesame exporter that works with project producers. This year negotiations are currently under way for a sesame trade agreement that includes a certification process for traceability and JAS organic certification (Japan) with the San Augustín women's cooperative who contended for a traceability premium.

2600 Market Linkage Development:
PRODUMER II has promoted the existence and growth of APEAN, the Sesame Processors and Exporters Association throughout the three years of the project, and continued their efforts during year three. The current challenge regarding APEAN is obtaining legal status. PRODUMER II facilitated the documentation necessary to approve the statutes of the organisation and has offered information regarding the steps needed to obtain legal status. The project has invested resources in promoting the creation of a country brand for Nicaraguan sesame. The project also continues to lobby the appropriate MIFIC office to publish the final approval of the national sesame standards. This process has been stalled due to MAGFOR's pending review and approval of the national standard

PRODUMER II has continued to support the development of the sesame industry on the national level. In year three the project has been in consultation with the Ministry of Commerce and Industry in order to facilitate premiums for sesame sales. The project has invested resources into attaining a country brand for Nicaraguan sesame of controlled origin. Currently, the project is investing resources into working with the Ministry of Commerce and Industry so that they can provide a certification of origin and quality to block producers

In year three, PRODUMER II supported the participation of exporters in various trade fairs, which resulted in both new industry contacts and direct sales. PRODUMER II promoted Nicaraguan participation via APEAN to attend trade fairs in Germany and Japan. Two exporters participated with project support in FOODEX in Japan (Sucesión Mantica and Vargas Investments) and one attended ANUGA in Germany (Sucesión Mantica). PRODUMER II covered 70% of air-fare as well as the entrance fees. In addition, PRODUMER II covered 50% of the costs related to an information booth that was set up by Eduardo Mantica at FOODEX which was used for showing samples, dispensing brochures and demonstrations with sesame products.

Nine contacts were made for 2007 year sales, as well as 2 more for 2008. A direct result of ANUGA was the sale of 66 metric tones of organic sesame to a British importer (Fuerst Day Lawson). The FOODEX fair resulted in current negotiations between INVASA and the Mitsubishi Corporation Office for organic and traceable production. A visit is pending from a Japanese organic certifier to purchase sesame from project cooperatives in El Sauce and Malpaisillo. PRODUMER II is coordinating with these cooperatives to ensure that the production is completed on time, and that the process of certification is also completed promptly and properly.

2700 Producer Organization Capacity Development:
In year three PRODUMER II continued to support the strengthening of Producer Representative Groups (PRGs). The project staff followed through with collaboration agreements, in which it was agreed that support would be provided to strengthen environmental policies for 6 cooperatives and to facilitate the strengthening of gender policies and any further needs with the following cooperatives: Comprotexon, Mujeres Unidas de la Flor, La Flor del Progreso, APAOS (Coopsades and Mujeres de San Augustín cooperatives together), El Progreso, La Virgen, and La Esperanza del Sauce.

In addition to these activities, PRODUMER II has provided follow-up analysis for the results of needs assessments previously completed for 8 cooperatives and 2 individual groups. In year three PRODUMER II began the process of providing a needs analysis with 1 cooperative and 2 PRGs, which are currently in progress.

6.3 3000 Project Management and Administration

3100 Headquarters Management and Administration: Headquarters management assures that the project policies and direction are well-guided and keeps the project on course to fulfill all established goals. In addition to providing technical backstopping in key subject areas of the project, an internal audit was conducted in November 2007. In addition, the Waterloo-based project manager in Waterloo changed from Nigel Motts to Benjamin Fowler.

3200 Nicaraguan Management and Administration: The management of the Nicaraguan office carries on as planned, including the continued sharing of office space with other MEDA programs in Nicaragua in an effort to minimize operational expenses. A Project Steering Committee meeting was held in June 2007 as well as February 2008 in Managua to review the FY07 Annual Report and discuss the Annual Plan. See Annex 4 for minutes of the June 2007 meetings and Annex 5 for a draft of the February 2008 meeting minutes. Pending items and suggestions from that meeting have been addressed and incorporated into project activities.

3300 Reporting: All reporting is implemented according to the Contribution Agreement. A Semi-Annual report was completed and submitted November 15, 2007. In addition to this, a "Lessons Learned" Section has been included in the year three Annual Report.

3400 Monitoring and Evaluation: AgroMonitor, the monitoring system which was implemented in FY06, has been functioning well. Also, a CIDA-directed evaluation was completed of the project in November 2007.

3500 Staffing Addition: In September 2007 PRODUMER II received a CIDA-sponsored Youth Intern, Shannon Brisco, in the position of Agricultural Research Associate. Duties included research and grant proposal writing, accompanying and assisting the gender specialist in Focus Group Discussions and conducting client interviews as well as assisting in writing the Year Three Semi-Annual Report.

7.0 ANALYTICAL COMMENTS ON FINANCIAL REPORT

The project continues to be within budget in all major line items. Due to a strong Canadian Dollar and stringent project management, sufficient funds are left over at the end of year three to allow for a 4th year of operations.

8.0 PLANNED ACTIVITIES FOR NEXT SIX MONTHS

The activities of the PRODUMER II for the next year were outlined in the Institutional Strengthening Plan initially presented to CIDA during the PSC meeting and updated later after discussions with CIDA. (See Annex 7 for detailed work plan) The following section provided the general background for activities as presented previously to CIDA.

1. **Embed Sesame Extension in Local Institutions**
   a. Pilot government-led sesame capacity building in Carazo Department

The Government of Nicaragua (GoN), through MAGFOR, is interested in collaborating with MEDA on sesame extension. In its letter to MEDA on July 30th, 2007 the Director General of MAGFOR specifically requested MEDA to assist the institution with issues related to certified seeds, inputs, and marketing. Moreover, a sesame exporter had separately asked MEDA to support sesame farmers in the Department of Carazo. With the exception of technical assistance, all other necessary conditions are present for sesame production in Carazo, including credit, interested buyers, and a tradition of sesame cultivation.

In response MEDA began piloting a government-led approach to sesame extension with MAGFOR in Carazo in mid 2007. In spite of the bad weather that has plagued this area, 56 producers have been supported by 6 extension officers working on 123 manzanas of sesame. MEDA supplies one agronomist to work with the Government of Nicaragua's existing extension cadre in the application of the PRODUMER II sesame training package with identified smallholder producers in Carazo at a cost of CAD$25,000 – 30,000. These funds are used to cover the fuel and per diem costs related provide training to the MAGFOR and INTA technical staff, to establish demonstration plots in each zone in Carazo, and to promote exchange visits between PRODUMER II producers in the Occidente/Ometepe and Carazo.

In a 4th year of the project, MEDA will proportionally reduce the extension budget that it directly provides relative to its partners. Over this period, MEDA will lobby MAGFOR to include a provision for this extension work in its future budget cycles, so that this work may continue. This will ensure two years of training to producers in Carazo, thereby ensuring sufficient time for a majority of producers to adopt these new technologies. Further, through continued implementation in 2008 MEDA will identify critical success factors for effective partnership with the Government of Nicaragua (GoN)'s extension staff. While early results from collaboration during 2007 have been positive, it is too early to determine the efficacy of this indirect approach to extension. If results continue to be positive, MEDA will advocate for the broader adoption of the approach by the GoN throughout sesame-growing areas of Nicaragua. It will also invest in a series of tools and materials that explain the joint NGO-GoN approach and analyze the potential for replication by other development projects.

b. Scale-up government involvement in Leon and Chinandega

In addition to carrying out a full-scale government-led extension effort in the new implementation area of Carazo, PRODUMER II will work with MAGFOR to encourage their assumption of sesame technical assistance activities in Leon and Chinandega. During a 4th year of implementation, PRODUMER II will end its direct delivery of extension services to producers while strengthening the capacity of GoN extension staff to assume this role. This will be done by sponsoring "lead farmer" demonstration plots supported with modest project resources and MAGFOR efforts to educate and engage with producers. Both institutions will jointly sponsor exposure visits for extension staff and selected producers. This approach will strengthen linkages between government extension staff and PRODUMER II -supported clients.

c. Ensure the integration of production improvement practices into other donor-led sesame sector projects

Major new funding for the sesame sector in Leon and Chinandega is being sponsored by the Millennium Challenge Account (MCA), a US-government funded initiative with strong input from the Government of Nicaragua. Implementation of the initiative is expected to begin in 2008 and continue for three years. The funding will be used to support a lead-farmer extension model within the sesame sub-sector in both Departments that is linked closely to other enterprises in the value chain. MEDA was asked to collaborate by the winning organization during the bidding

phase, and intends to reach out to this applicant to ensure replication of the PRODUMER II sesame package within that project.

d. Support production information delivery by the private sector

Private sector input suppliers are a primary source of production information in most agricultural systems. MEDA will investigate the feasibility of channelling informational materials (outlined under point 2) as embedded services through seed, fertilizer and pesticide input delivery channels to sesame farmers.

e. Cooperatives

Producer cooperatives are an important aspect of the Nicaraguan agricultural sector, and some of them present opportunities to serve as a vehicle for the sustainability of extension activities. With proper management and governance controls, Nicaraguan producer cooperatives potentially offer members such services as savings and loan products, bulk purchase and sale of sesame, bulk purchase of inputs to lower costs, and in some cases agronomic support. However, changes to the registration laws for cooperatives have caused many to lose their legal certification and thereby constrained their activities. While MEDA is cautious of overburdening rural cooperatives with services (such as credit) that may be better provided by specialist institutions, there is potential to develop strong, member-led institutions which employ PRODUMER II 's quality and yield-improving techniques. For some cooperatives, MEDA will provide institutional capacity building exercises that will assist in the re-registration process, including training for board members, developing articles of incorporation, et cetera. MEDA will also provide these cooperatives with production information and seek to link them with institutions which it has already worked to strengthen, including Del Campo, sesame exporting firms and government agencies. At an approximate cost of $2000 to $3000 per cooperative, this is a cost-effective initiative.

To further strengthen the long-term impact of the project, MEDA will seek alliances with well-established cooperatives and supportive institutions for leverage. Potential partner organizations could include FENACOOP, the Ministry of Labour and the National Council of Cooperatives. These institutions may provide a mechanism to transfer important project knowledge and experiences.

2. Development of an Independent Agronomic Team

To address the non-sustainable nature of project-funded extension staff, MEDA will discontinue the employment of its extension technicians, chief agronomist, marketing specialist and gender specialist in the 4th year of operations while working to mobilize these same resources into an independent agronomic extension for-profit company. This is a model that MEDA has successfully employed in several other countries including Haiti, Bolivia and Tajikistan. As part of this transition, PRODUMER II will enter into a contract with the newly formed company that guarantees a certain amount of work during its first year of operations based on project extension needs. It will also provide ongoing business development support to the team as it develops its business operations and identifies other clients. Contracting of this institution will be done by MEDA.

MEDA recognizes that the development of this structure does not align with the recommendations provided by the PRODUMER II evaluators. However, the affected staff have expressed their strong interest in being involved in the formation of this new unit and view it as more sustainable than continued employment by PRODUMER II. Moreover, MEDA sees there being relatively more potential for sustainability from an independent service provider than from project employees.

3. Creation and Dissemination of Project Production and Marketing Materials

To better ensure replication of PRODUMER II's effective sesame production technology package, further efforts are required to transfer these resources to other organizations and agencies in Nicaragua. Therefore, PRODUMER II will produce and disseminate training materials designed for self-learning by other agencies. Materials will be focused on the critical elements of the package, including improving yields, lowering production costs, and reducing environmental impact. The primary formats for this information would be pictorial posters based on the sesame training manual to be placed in agricultural retailers and accessible to the illiterate,[7] short pamphlets or other content for local print media, and short radio spots for local radio stations. Radio ads would be focused on the regional radio stations which cover both Departments. A partnership with the Developing Countries Farm Radio Network at U of Guelph will be explored to facilitate this process.

4. Addressing Market Information Gaps / Building Marketing Capacity

Access to timely market information differs considerably among different levels of the sesame value chain. Those closer to the final market (i.e. exporters and processors and their agents) often have more up-to-date information regarding current prices than do smallholder sesame farmers. PRODUMER II will examine how these issues might be addressed, particularly for the most impoverished producers, through an analysis done at the beginning of the 4th year. The results of this analysis will allow modifications to be made to the project's marketing system.

A second marketing initiative will be the improvement of marketing capacity among PRODUMER -linked cooperatives and producer representative groups. Interested organizations will be supported by PRODUMER II to develop business plans, of which marketing plans will play a critical component. The project will, where possible, allocate funds for the financing of these plans as well.

5. Support Sesame Sector Institutional Development

a. APEAN Strengthening

With further development, the Association of Nicaraguan Sesame Processors and Exporters, APEAN, has the potential to operate independently and to provide the sesame sub-sector with value added services and new markets. The organization has already acted to acquire high quality seeds, to represent the interests of the industry before the government, to establish country of origin status for export products, and to contribute to the development of national sesame standards.

MEDA will facilitate the process of legalization and registration of APEAN that will allow it to play a larger and more permanent role in the sector.

b. Development of the Sesame Industry Association

MEDA has attempted, since the beginning of PRODUMER II, to support the development of a Sesame Industry Association which can represent interests throughout the sector and form a unified voice for its development. Experience elsewhere demonstrates the efficacy of such councils to spearhead the needs of an industry and develop buy-in from the requisite interests. However, MEDA's efforts to work directly with MAGFOR to convene the Association have not been effective to date. As a result, although MEDA will continue to work with MAGFOR to

[7] PRODUMER II has already created a series of environmental posters which will be used as a model for these efforts.

spearhead the Commission, it will also shift its focus to encouraging other interested parties – such as exporters and producers – to advocate MAGFOR for its creation.

6. Uptake and Replication of Environmental Activities

a. Develop Public and Private Capacity in Conservation Agriculture (CA)

i. Demonstration of a sustainable private sector rental business model

Experience to date indicates that the use of CA results in significant savings during the planting cycle. While a small number of PRODUMER II farmers have purchased their own CA seeding equipment, most farmers tend to rent this equipment as a service from local businesses given the upfront machinery costs and the small amount of time per year when this equipment is required. MEDA is placing a heavy emphasis on the rental of CA planters by the equipment owners to their neighbours. Entrepreneurial training and business plan development has been provided to these farmers over the fall of 2007. During this planting season 68 producers used the equipment to plant their crops on 209 manzanas, paying an average of C$300 (roughly US$ 17) per manzana planted. This is a clear demonstration of the commercial viability of the technology, for which continued marketing and demonstration support will lead to rapid up-take.

ii. Develop a Private Sector Supply Chain

The equipment required for conservation agriculture is currently not sold in Leon and Chinandega Departments, which obviously restricts adoption and scale-up of the model. With increased rental of seeding equipment to neighbours (mentioned above), the demand by farmers to purchase their own is rising steadily. An opportunity exists for MEDA to attract equipment dealers to import and sell CA machines in these departments. After identifying interested potential partners, MEDA will sign a memorandum of agreement (MOA) with these firms to import and retail the technology within Leon and Chinandega. In order to develop a vibrant system, MEDA will support competition by approaching and working with multiple firms. To date, MEDA has identified 2 firms that have expressed interest in adding this product line to their existing operations.

iii. Support the Development of Financing Products

The purchase price of the CA equipment is quite high relatively to disposable income of target producers. Improving accessibility for potential purchasers will require that available sources of finance are available. MEDA intends to identify local finance institutions that will be willing to provide this financing to its target clients, if possible in partnership with the importer / retailer. MEDA will also work to develop a viable leasing option for producers to buy the equipment on a lease-to-own arrangement. It will identify an expert with skills in these areas to work together with local financial institutions in the development of this product in a 4th year of operations.

iv. Establish MOA with INTA

MEDA's current agreement with INTA, a research & extension institution accountable to MAGFOR, agrees that INTA will promote CA in their activities. MEDA will build on this by agreeing with INTA on a separate CA-specific MOA for a 4th year which places responsibility for CA research with the institution. PRODUMER II will contribute to this process by providing training to INTA extension staff and selected smallholders so that CA is incorporated more broadly into their farmer outreach activities.

b. Dissemination of Environmental Training Modules

Training in good environmental practices unrelated to CA has thus far been provided solely by MEDA staff. MEDA views this training as critical to the successful longer-term prosperity of the sesame sector, and will therefore strive to embed it into existing institutions the following ways:

- Provide environmental training and materials to MAGFOR and INTA staff in all collaborative efforts;
- Provide environmental training and materials to the cooperatives that PRODUMER II will work with in a 4th year; and
- Ensure the dissemination and, where necessary, the development of additional materials on good environmental practices

c. Support Organic Sesame Sector Development

PRODUMER II will work with Biolatina (one of the primary players in the organic sector) to develop a plan of action for development of the organic sesame sector, and will also spearhead the issue within industry forums.

7. Gender Awareness Scale-Up

a. Local Institutional Development in Livelihood FGDs

PRODUMER II will support the three subcontractors which it has worked together with on gender strategy work and establishing gender knowledge transfer – AMNLAE El Sauce, UNAG Leon, and the Association of Men Against Violence – to develop skills in the Livelihood-based Gender FGDs approach that has been applied during PRODUMER II. All subcontractors have agreed to continue doing activities now funded by PRODUMER II after the project ends using their own resources.

As well, based on its frameworks for gender programming, MEDA has recently been approached by MAGFOR's national gender office to support its team. This is an exciting opportunity for MEDA to integrate its gender-based livelihood approaches into the national activities of MAGFOR. MEDA will work with MAGFOR to encourage the use of co-producer terminology and their recognition in programming and its FGD tools.

8. Access to Agricultural Finance

a. Loan Fund Devolution

The provision of targeted loan funds to COFODEC and MiCrédito during the PRODUMER II project has increased the amount of credit available to the sector. Access to production finance by small-scale producers is absolutely critical to the viability of the industry. MEDA considers that this will be sustainable if these funds are permanently devolved to the institutions to continue lending, and put forward a proposal for doing this entitled "Rotating Loan Fund Transfer Proposal". CIDA has reviewed this proposal and approved it on November 2, 2007.

MEDA proposes that these funds by transferred to the two MFIs at the end of the 3rd year of project implementation, as originally planned. During a fourth year, MEDA could monitor the two organizations to ensure compliance with the agreement and continued provision of credit to sesame producers.

b. Institutional Capacity Building

Earlier studies conducted by third party evaluators identified capacity constraints existing within the operations of COFODEC that threaten its longer-term viability and growth. These include certain aspects of its operating structure and its human capital. COFODEC recognizes that it could improve its institutional structure, and has expressed a willingness to pay part of the costs for technical assistance required to do so. MEDA will allocate resources for COFODEC to select a microfinance consultant to help address the difficulties outlined in the due diligence assessment. This will occur even prior to the beginning of the 4th year. MEDA will review all applications prior to selection of the preferred candidate and review the candidate's final report. MEDA will allocate resources during the fourth year of the project to support continued capacity

upgrading of COFODEC where required. This will be guided by semi-annual needs assessments, which guide as to the progress made and major steps remaining.

c. Building Creditworthiness

A major roadblock to credit access is a lack of adequate collateral among many smallholders. PRODUMER II recognizes that this is a complex problem, and will fund a study at the beginning of a fourth year to determine the best methods by which to address it. Given that preliminary analysis suggested the non-acceptance of alternative collaterals by financial institutions is one major contributor, PRODUMER will engage in discussions with these institutions to advocate for relaxed collateral requirements.

d. Developing Improved Cooperative Access to Finance

The lack of access to finance by cooperatives and producer representative groups has been sited by some external observers as an important constraint in the value chain. As part of the needs assessment to be completed with these groups, the impact of financing will be probed. For organizations which see this as a problem and wish assistance in its resolution, PRODUMER II will assist in the development of financing strategies.

9. Monitoring and Evaluation

a. Improved Measurements

To systematize the approach of PRODUMER II and to allow more complete disaggregation of results, AgroMonitor will be revised in Year 4 to add additional analytical capacity. Co-producers will be added as a producer variable, as will farm size and cooperative membership. Further, the uses to which project earnings have been put will studied in depth at project end. This information gathered from these adjustments will be reflected in project documentation and reporting.

b. Systematization / Qualitative Gender Measurements

To allow improved systematization and measurement of the results of the livelihood-focused gender FGDs, qualitative gender measurement surveys will be implemented. As well, two qualitative gender case studies will be included in project reporting.

9.0 GENDER EQUALITY MEASURES

This year an attitude of positive gender promotion permeated project activities and events. In year three some of the long-term effects of gender-awareness elements that have been implemented since the project's inception are becoming visible. Notably, the project has 34% female participants; well over the 25% project goal. This number is comprised almost entirely of female producers, including those who were formally co-producers or producer spouses. Currently there are four co-producers and five spouses, while the rest have become producers themselves. This is largely a result of the flexibility in the access to credit this year. In addition to this, the PRODUMER II Gender Specialist has noted an increase in female attendance at project training and capacity-building events.

One issue arose as year-end reports came to completion: This year was the first year that a significant difference in price level existed for female participants compared with male participants. The goal for the project is less than 15% and last year the rate of difference had been virtually non-existent. However, this year a difference of 7.3% was noted in the prices attained by men over women. There are several factors to which we attribute this rise.

First, year three saw a significant rise in the number of female participants as a result of affirmative action access to loans. Year three had 35% female participation, in comparison with 27% and 25% in FY07 and FY06 respectively. Generally, this is a very positive feature. However it must be remembered that for women entering the sesame industry for the first time, it is very unlikely they will possess the same technical skills which would allow them to achieve yield levels and quality similar to other producers (men or women) who have been working with the project since it initiated.

Another exacerbating factor to the quality of production and thereby income levels is the difference in workload experienced by men and women. Culturally, men work the field, and women in the home. Women who took leadership of productive work were still expected to do this above and beyond their duties in the home. So, while men could devote virtually all their time and energy to sesame production, women had to manage that as well as their household duties, which naturally meant a loss of quality, which affected prices.

This issue of labour division was addressed in the Focus Group Discussion sessions. The positive results were that participants affirmed their necessity of labour-division awareness. Nevertheless, this is a culturally embedded factor and therefore, will necessarily take some time before the paradigm-shift of project participants can manifest a positive result in this area.

Project Staff Capacity-Building:
Project staff members have participated in gender training from both internal and external sources. Two workshops were held for project staff: "Incorporating a Gender Focus in Development Projects" was held October 11, 2007. "Planning with a Gender Focus," which took place March 10, 2008, had the particular objective of sensitizing project staff to gender issues through personal reflection. These workshops were led by external gender specialist consultants. Additionally, the PRODUMER II Gender Specialist gave two other workshops: one continuing the theme of "Gender Focus in Planning", and another entitled "Gender Studies: Basic concepts."

Focus Group Discussions:
The project this year held two rounds of Focus Group Discussions (FGDs) for 265 participants. These meetings were part of a number of on-going FGDs since June 2006. Overall, 682 project participants have taken part in these FGDs since their inception. For the third year of the project thirteen different meetings were held in the following zones: Malpaisillo, La Paz Centro, El Sauce, Ometepe, San Francisco, Cosigüina and Carazo (two different groups). These meetings saw 91 couples, with a total of 143 women and 132 men in attendance.

Through these focus group discussions and individual interviews conducted in conjunction, it was visible that a shift in attitude had resulted from participation. The men recognized that the female contribution was integral to the home economy. It also raised the women's awareness of their contribution to productive and reproductive work. Furthermore there has been an improvement in both male and female participant gender equality expression within the couples.

A female participant said of the workshops: "I have liked [this workshop] primarily because I have participated in more than one workshop, but whenever I have attended them, they have been only for women. I mean, when we return home and talk about the themes of the workshop

with our husbands, at best, they don't believe it, but today I have enjoyed this, because here we are, as couples."[8]

At the end of the discussions participants were asked for a commitment to improved gender measures. A large percentage of men involved included in their commitments that they would take on a greater share of reproductive work. The FGDs resulted in a raised awareness of gender issues, including a realization among participants that the problem is culturally-based and not actually grounded in biological inequality as was previously held.

One male participant in the September-October Focus Group Discussions commented that "in order to improve [things], women must be more involved and taught- so that she also has abilities to get finance or to manage the sesame sale. I know that I have to teach her how to do it, because if tomorrow I am not here to sell, then she can do it. I should be involved in the housework [too] so that she isn't working already overworked and that way we will live together better, with a more peace, calm and dignity in our life."[9]

Another notable result of the Focus Groups was a shift in gender conceptions in the area of marketing. While women are involved in the majority of sesame production cycles, a minimal amount of women participate in the marketing and sales of the crops, which is generally a male-only activity as it is includes money-management. In the last FGDs the majority of participants noted in the written feedback that they most appreciated in the marketing exercise included that the product sale should be done as a couple.

Another advance has been made in the new recognition given to the production work of women. Male participants came to recognize that without the spouses working in the various areas of production, they would have to hire outside help to carry out those roles. Consequentially, many producers gave plots of sesame-sowed land to be administered by their wives.

Inter-institutional Gender Agreements

Collective agreements were signed with other organizations working in the area of gender equality development: with The Association of Men Against Violence (AHCV), Luisa Amanda Espinoza Women's Association (AMNLAE- El Sauce) and National Ranchers and Farmers Union (UNAG-León).

While the AHCV contract officially ended in January, per the original agreement with PRODUMER II, the organization continued offering training to producers in the areas where the project was present. The AHCV representative reported that training had been carried out on the subjects of: socialization, gender condition, and gender work division and reasons behind culturally-perceived masculine superiority.

[8] "Bueno, a mi me ha gustado en primer lugar porque yo he participado más de una vez en talleres de género, pero las veces que he participado sólo hay mujeres, es decir, que cuando llegamos donde nuestros esposos y les decimos de que trato el taller, a lo mejor ellos no creen, pero hoy me ha gustado más porque estamos aquí, en parejas."

[9] "Para mejorar hay que involucrar más a la señora y enseñarle para que ella también tenga facilidades de cómo financiar o sobre la venta de un ajonjolí. Lo que yo sé tengo que enseñárselo a ella porque si mañana no estoy para venderlo, ella lo puede hacer.

Yo debo involucrarme más en los oficios del hogar que hace la mujer para que ya no trabaje a toda capacidad y así convivir mejor con una vida tranquila, digna y en paz.

AMNLAE-El Sauce requested training materials that included biblical examples, appropriate to the catholic- and protestant-based culture. This material was provided and they were able to give workshops in two zones of El Sauce on the topic of "Jesus and the New Treatment of Women."

UNAG-Leon met with the PRODUMER II gender specialist to create a work plan, which they have since been able to complete. Additionally, the León chapter of UNAG followed up with the San Augustín Cooperative female participants involved in pig-raising. They are also providing credit to these women, enabling them to build pens for their animals. Furthermore, they administered two workshops on the Development of post-harvest Residual Material-Based Hog-Feed. For this reason, PRODUMER II gave UNAG-León 7qq of corn to be dispensed to 40 female PRODUMER II/UNAG-León participants.

Cooperative and PRG Structures Include Gender-Equality References

On-going work is being carried out with the Cooperatives and PRGs to revise their official policies to incorporate gender-awareness. El Progreso Cooperative in El Viejo-Chinandega has begun breaking down production information by gender and actively promoting female participation in training workshops, technical visits and experience exchanges. To this effect, El Progreso has hired an external consultant to ensure that gender perspectives are adequately incorporated in the cooperative activities and official policies.

In addition, PRODUMER II has monitored gender-policy development in other cooperatives such as: La Virgen and La Esperanza Panales No.1, both in El Sauce; Mujeres Unidas and the Flor de Progreso Cooperatives in Ometepe. Furthermore, COPROTEXON Cooperative has manifested the gender-equality principles not only in policy, but also in practice: it currently has women in the board of directors and has integrated female members throughout its institution.

Diversification

In an effort to supplement sesame production income, efforts have been made to increase diversification of crop production among producers. 54% of the diversification crops were managed by women. Crops that were planted were: onion, sweet pepper, organic cotton, cowpea, mung bean, cucumber, watermelon, tomato and cassava. 129 women and 110 men participated between the two planting cycles. It should be noted that each woman had planted 2 or more different crops. PRODUMER II gave training on the crop raising, marketing and technical assistance.

10.0 OTHER IMPORTANT ISSUES AFFECTING PROJECT IMPLEMENTATION

All areas of the project have been discussed.

11.0 LESSONS LEARNED

Throughout the life of the project, several lessons have been learned through the experiences of the agronomists, management and producers. Having these important issues in mind for the fourth and final year of PRODUMER II will be of great value for fluid project implementation.

First, it has become apparent over the course of the last three years that very high technology adoption levels can be achieved if effective extension methodologies are employed. This was very visible in the use of CA and the high adoption rate of the technological package.

The second lesson learned was that direct agronomist-to-farmer extension can be extremely effective, but at a high cost per client. PRODUMER II is will be shifting focus for year four to extending training to MAGFOR and PRG representatives with this in mind. Also, it provides a mechanism for sustainable maintenance of the sesame industry gains that have been made over the life of the project.

A third lesson was that widespread adoption of environmentally-sustainable agricultural practices can be achieved if producers observe early economic benefits. As was explained in Section 1000 (Improved Production), Conservation Agriculture and Crop Diversification practises have wide economic benefits that coincide with their environmental benefits. Contrarily, while organic sesame has environmental benefits, the short-term financial costs were a deterrent to farmers in adopting it.

The fourth lesson thus follows: organic production is a long-term investment which, despite favourable long-term returns, has short-term transition costs which are felt to be too high by many smallholder farmers.

The fifth lesson that became apparent throughout the life of the project was that horizontal-based interest groups such as APEAN can at times be more easily formed than can vertically-linked groups (e.g. the Sesame Industry Association). While PRODUMER II continued throughout year three to encourage MAGFOR to convene The National Sesame Commission, it was beyond the control of the interested groups. Thus, horizontally-based groups which share vested interest in the industry's performance are more likely to be quickly mobilised.

Finally, the positive results of the focus group discussions proved an important lesson. Those focus group discussions that involve both spouses and use a non-adversarial methodology to appreciate the economic contribution of women can engender positive results for intra-household relations and female-driven initiatives.

ANNEX 1: Conservation Agriculture Case Study #1

Santo Dionisio Jiron Lopez

Santo is a PRODUMER II sesame producer just like his father. His father had worked with PRODUMER II for three years prior to his death nearly 2 years ago. After attending a community school until the age of thirteen, Santo began to help his father full time in the field. Now 22 years old, Santo has been working with PRODUMER II for the last five years. His father, who also used to cultivate cotton during the cotton boom in Nicaragua, taught Santo to cultivate sesame nine years ago.

He lives and works in the community of Los Playones de Catarina in the region of Cosiguina, and is one of four producers in his community working with PRODUMER II. Santo is single and lives with his mother, five brothers and sisters, and eight nephews and nieces. In 2007/2008, Santo cultivated one manzana of sesame and one manzana of corn, which is owned by his mother. His mother is responsible for all household activities and does not work in the field. She also own four cows, two pigs and six hens, the eggs of which are consumed by the family. Santo does not receive credit from any credit institutions and has only received technical assistance from the PRODUMER II Project.

Santo's overall hope in working with PRODUMER II was originally to increase his yields and earn more money; then as of last year (2006/07) he decided to place additional focus on environmentally sound technology. He transitioned from traditional methods of conventional sesame production and began implementing Conservation Agriculture practices.

Conservation agriculture is a low-till agricultural practice promoted by PRODUMER II which involves permanent cover crops, crop rotation and minimal soil disturbance. This technology is much more environmentally beneficial for the long term as it helps to reduce erosion and promote biodiversity within the soil. Conservation agriculture also provides important economic benefits by reducing production costs and increasing yields as soil fertility improves.

This was a difficult year for Santo. In previous years, Santo had yields of 15qq/mz in 2006/2007 and 10qq/mz in 2005/2006. The severe flooding this year caused Santo to lose his entire sesame crop for the 2007/2008 cycle. Nevertheless, he plans to continue conservation agriculture in the next cycle. The cost of production notably decreased this year; the greatest investment is generally required in the first year, and gradually lowers from there in subsequent years. Santo did not lose his corn crop and was able to harvest 30qq. From this portion he sold 10qq for approximately C$190 per quintal and kept the rest for personal consumption for him and his family.

Case Study – Santo Dionisio Jiron Lopez

Components	Conservation Agriculture 2007/2008	Conservation Agriculture 2006/2007	Traditional 2005/2006
Cutting weeds and/or applying herbicides	150	90	200
Tractor or sub soiler	-	500 (only 1st year)	
Grading 1			250
Grading 2			250
Rows			80
Planting	300	200	100
Complete Fertilizer	325	300	300
Use of dung and/or fungicides	120	170	170
Certified Seed	94	90	50
Thinning	400	400	300
Weeding and/or herbicides	50	140	300
Nitrogen Fertilizer	425	580	250
Chemical Insecticide (2 applications)	80 (L)	65	
Cutting/Stacking	400	500	300
Bagging	400	400	400
Transportation			
Yield per manzana	0	15	10
Price	0	500	630
Total Production costs	**2,744**	**3,345**	**2,850**
Total income	**0**	**7,500**	**6,300**
Profit	**0**	**4,155**	**3,450**

ANNEX 2: Conservation Agriculture Case Study

Juan Angel Benavides Calderon

Juan Calderon is a sesame seed producer who has been working with the PRODUMER II project for two years. Like many other producers, he was taught sesame cultivation by his father and has grown it on and off for the last few years. Currently 38, Juan lives in the community of La Esperanza, El Sauce. He lives with his wife (Pastora Azucena Martinez Lopez), three daughters ages seventeen, twelve and six, and two sons, ages eight and four.

In the 2006/2007 season, Juan dedicated one manzana to sesame and two manzanas to corn. The rest of his land is set aside for cattle, which he hopes to be able to purchase shortly. He owns ten hens, the eggs of which are consumed by the family and occasionally sold in the community. He previously owned four cows, but was pressed to sell them three years ago to pay for an operation for his wife.

Last year Juan had credit with COFODEC, an MFI located in El Sauce. Since paying back the loan in January 2007, he has not taken any subsequent loans. Between 2000 and 2004 Juan received credit from UNAG (Unión Nacional de Agricultores y Ganaderos) for his agricultural activities. He is still affiliated with this organization but no longer receives credit from them. PRODUMER II is the only organization from which he has received technical assistance for sesame.

Juan made the decision to switch to Conservation Agriculture methods in order to reduce his costs. When he cultivated sesame using traditional methods, his costs were very high. Juan was first exposed to Conservation Agriculture when he did seasonal work in El Salvador for two years. There he was able to see the economic benefits of this production scheme.

Neighbouring producers were naturally sceptical and suspicious of the newly-introduced CA technologies. However, once they saw Juan's positive results and reduced costs, interest grew. They've been able to learn more through observing local demonstration plots and have expressed interest in adopting the technology for their own.

In 2007/2008 part of Juan's sesame crops were destroyed as a result of the flooding, achieving yields of 8 QQ/MZ. In 2006/2007, Juan had yields of 12qq/mz. He was successfully able to harvest his crop of corn, gathering 25qq, from which he sold 10qq for C$200. He kept the remainder for family consumption.

Case Study 2 – Juan Angel Benavides Calderon

Components	Conservation Agriculture 2007/2008	Conservation Agriculture 2006/2007	Traditional 2005/2006
Cutting weeds and/or applying herbicides		170	320
Tractor or sub soiler **			250
Grading 1			300
Grading 2			
Rows			150
Planting	200	480	200
Complete Fertilizer	200	400	267
Use of dung and/or fungicides			
Certified Seed	120		
Thinning	250	160	200
Weeding and/or herbicides	100	160	300
Nitrogen Fertilizer	50	160	300
Chemical Insecticide (2 applications)	150		240
Cutting/Stacking	450	320	400
Bagging	100	300	150
Transportation			50
Yield per manzana	8	12	6
Price	1200	540	520
Total Production costs	**1,620**	**2,512**	**3,127**
Total income	**9,600**	**6,480**	**5,200**
Profit	**7,980**	**3,968**	**2,073**

**Typically in the first year of CA, a subsoiler machine is used which serves to break up the hard layer of soil that has formed over the years as a result of constant tractor use. Average costs for this process are US$26.50. In Juan's case, this machine was not required as his land had not been heavily tractored.
**machine not available for region of El Sauce.

ANNEX 3: Conservation Agriculture Case Study

Marco Antonio Lopez Marenco

Marco is a sesame seed producer who has been with PRODUMER II for three years. He is 30 years old and he resides in Los Paniquines, Cosiguina. Marco lives with his wife (Ilaria Socorro de Lopez), two daughters (Hazel - twelve and Bikri - seven) and one son (Jeser, nine). He owns three cows and five hens, the milk and eggs of which are consumed by the family and occasionally sold. He also owns twenty pigs which he raises and sells to buyers who pass through the community.

Marco owns five manzanas: two and a half were dedicated to sesame and one to corn in 2007/2008. He has been cultivating sesame for fifteen years which learned by watching and working in the fields with his neighbours. Prior to using CA methods, Marco did not use fertilizer.

Marco is one of four producers in Cosiguina who are implementing Conservation Agriculture. He received five training sessions from the PRODUMER II agronomist in his zone throughout the 2006/2007 season. Since Marco made the switch to Conservation Agriculture, other members of his community showed great interest in the new methodology and in implementing it themselves.

Marco made the decision to switch to CA because he had heard that it would increase his yields and soil fertility while reducing weeds and labour costs.

In the 2007/2008 season, Marco applied the CA methodology to his sesame and corn crops. It was the first year he has used CA technology with his sesame crop as there was a delay in the receiving the equipment last year. Furthermore, Marco was impacted by the severe flooding this season and lost 1 ½ manzanas of sesame. Nevertheless, he was able to harvest 1 manzana with 8qq worth of product. He sold this for a good price: approximately US$51. His harvest of corn was kept for family consumption.

Case Study 3 – Marcos Lopez Marenco

Components	Conservation Agriculture 2007/2008	Conservation Agriculture 2006/2007	Traditional 2005/2006
Cutting weeds and/or applying herbicides	90	90	
Tractor or sub soiler	-	500 (only 1st year)	
Grading 1			240
Grading 2			
Rows			480
Planting	170	150	150
Complete Fertilizer	325	270	270
Use of dung and/or fungicides	80		?
Certified Seed	90	54	54
Thinning	400	200	200
Weeding and/or herbicides	200	150	150
Nitrogen Fertilizer	870	870	870?
Chemical Insecticide (2 applications)	220	220	220
Cutting/Stacking	400	400	400
Bagging	400	120	120
Transportation			
Yield per manzana	7	7.2	6.8
Price	1000	530	620
Total Production costs	**3,245**	**3,024**	**3,154**
Total income	**7,000**	**3,816**	**4,216**
Profit	**3,755**	**792**	**1,062**

ANNEX 4: Steering Committee Meeting Minutes

Location: Pueblo Viejo, Los Laureles Restaurant

Date and Time: Tuesday, June 5th 2007

9:00 a.m. to 1:00 p.m.

Participants:

Marie-Claude Harvey, CIDA Canada
Manuel LeBris, Canadian Embassy
Mercedes Salgado, Environmental Issues, UAP/OCC
Aracely Trejos, Gender Issues, UAP/OCC
Luís Mejia, MAGFOR
Justa Pastora Cruz Ruiz, Farmer from Isla de Ometepe
Bismarck Alberto López, Farmer from Cosiguina
Fernando Valle Matute, Farmer from El Sauce
Nigel Motts, MEDA Canada
Keith Poe, Director of PRODUMER II
Marcio Pérez, Manager of PROCAT/PRODUMER II
Miguel Medrano, Monitoring Specialist, PRODUMER II
Gusnara Bustos, Gender Specialist, PRODUMER II
Roger Larios, Marketing Specialist, PRODUMER II
Katie Turner, Translator for Nigel Motts

1. GREETINGS

Keith Poe, director of PRODUMER II, welcomed the participants and asked them to introduce themselves. Keith then requested that the meeting's agenda be approved and it was approved, unanimously.

2a. The minutes of the previous meeting were presented and the agenda approved (9:04 am)

2a.1 Keith Poe, PRODUMER II Director welcomed the participants and gave a statement

2a.2 Participants introduced themselves and reviewed work agenda

2a.3 Presentation of 2007 Fiscal Annual Report (FY07) summary (April 1, 06- March 31, 07)

2a.4 Presentation of 2008 Fiscal Year Annual Operating Plan (April 1, 07- March 31, 08)

2a.5 Agreements and Recommendations of the Technical Committee

2a.6 Other comments

2b . Review of the minutes of 2006 meeting

The minutes of the previous meeting were reviewed and all the participants were in agreement that that all major objectives specified in the last meeting have been successfully accomplished according to plan, with the exception of two issues:

1. The CEI (Exports and Investment Center) will no longer be employed in the development of the traceability system. This project will continue with the support of the Del Campo Cooperative, which currently has 398 sesame seed farmers operating under this system. On this issue, Mercedes suggested that further coordination with MAGFOR should be sought.
2. Regarding the issue of literacy efforts, the project's work on this area is currently limited to El Sauce and Cosiguina. The project has transferred the list and responsibility for this effort to local Ministry of Education authorities (MINED) who will continue with the adult literacy initiative.

The minutes of the previous PSC were approved after being read.

3. PRESENTATION OF FY07 ANNUAL REPORT

3.1 Farmers withdrawn from the project

The Project Director spoke about the cases of farmers that withdrew from the project. Out of the 1082 farmers that received technical support, 257 were withdrawn from the project for not applying the project's technological package. A few concerns regarding the desertion of some farmers from the project were also addressed, partly by explaining that a few of these farmers have migrated to El Salvador and Costa Rica. Others seem to resist the technological change the project brings, which is why they prefer to withdraw, despite noticing the advantages gained by the use of better technology for sesame seed production.

3.2 Sesame Seeds Sale Prices

PRODUMER II Director, Keith Poe, presented income and performance results from farmers that indicate that in three out of four groups of farmers participating in the project, female farmers outperformed male farmers. Keith attributed the improvements to the successful implementation of the project's technological component. Aracely commented that perhaps the difference in performance and sale prices between male and female farmers had a gender component to it. Mercedes asked if women, due to having less time to look after their crops, experienced a decrease in the quality of their product. Justa Pastora, a female farmer from Ometepe added that despite the fact that women do more to look after their crops, they see no difference in sales prices. Likewise, she said that when sesame production is affected by excessive rainfall, both men and women farmers are affected equally. Aracely then asked if male farmers have an easier time trying to protect their crops than women. Justa said that was not the case since both male and female farmers all used the same soil. Bismarck Lopez, a farmer from Cosiguina, also agreed with that position. When producers sell their crop, buyers pay the same price to them regardless of gender. The most noticeable difference in terms of sales price is the quality of the product, since a better quality product will sell for a better price than a product of less quality, regardless of the producer's gender.

A gender consultant conducted a survey in January 2007 to examine this issue. Its results indicate that any differences in terms of sales prices for sesame seed producers are based were variables not related to the farmers' gender (i.e. environmental conditions, type of soil seed

quality, farming methods, etc.). Aracely said that prices and performance of male and female farmers is an important tissue that requires constant monitoring to which the PRODUMER II Director also agreed.

3.3 Organic vs. Conventional Farming methods

The Director presented performance indicators for conventional and organic farming practices. These indicate that even though total performance results increased for FY07, a significant increase was measured in the case of producers using organic farming methods. It is clear that the increase in performance is the result of producers, both conventional and organic, implementing the technological components. We still have many challenges, though. We still have farmers that resist the change from conventional to organic farming and the use of better technology for sesame seed production.

Luis Mejia, MAGFOR, also noted that organic farming is yielding better results than conventional farming. To this, Marcio explained that organic producers have learned to apply better farming practices and have the advantage of working lands with very good soil. On the other hand, conventional farmers are working on very poor soil that needs a great deal of fertilizers. Mercedes wanted to know why more farmers are not applying organic farming techniques given that organic agriculture is clearly becoming more profitable. Fernando Valle, an organic farmer from El Sauce, said that his own success is prompting other farmers in his community to learn more about organic farming itself. He also added that there are many farmers that will not venture into it because of the additional work that organic farming techniques require, especially when dealing with plagues, since it involves control but not outright extermination. Some farmers are also wary of the transition period of three years to become an organic farmer. Some would rather go into organic farming immediately.

Mercedes also wanted to know why some farmers only apply two out of the four technological components in terms of environmental conservation. She wondered if there is a correlation between schooling and literacy levels and implementation of certain practices. Marcio answered that there is some hesitation to use protective gear (occupational security) and the withdrawal and addition of new farmers had an impact in terms of numbers. Manuel LeBris pointed out that there is some decrease in relation to last year and that if the decrease has been caused by the coming of new farmers, then that situation should be explained in the report.

3.4 Conservation Agriculture

The Director reported on the advances made toward the implementation of conservation agriculture (direct planting) practices. Twenty farmers have begun work on 10 manzanas. Manuel LeBris thinks this area is somewhat small in relation to the number of farmers, 825, currently operating in the project. PRODUMER II pointed out that given the novelty of the technology and based on recommendations by the Food and Agriculture Organization (FAO), an organization well acquainted with this technology and recommends direct sowing, it should start with a few farmers and that farming land be not larger than a fourth of a manzana for every producer. This is designed to assure that the technology is used well and minimize the risk of doing things the wrong way. This is why the project considers that the advances made in FY07 are themselves considerable achievements and this is reflected in the existing demand for new equipment for farmers that do not have it and agricultural services from those producers that already have it

Nigel Motts, MEDA CANADA, pointed out that their sowing machines now provide two systems; one for seeds and another for the fertilizer. This improvement allows farmers to better use their time and resources to prepare, fertilize and thin the land for agricultural work. Bismarck Lopez also commented that at first farmers were somewhat sceptical of the capacity of the sowing machine, but after watching it work they are now convinced of its usefulness and now another three farmers are requesting the machines. Thus, farmers are more likely to accept new technologies once they have verified their usefulness. Only until then will some of these farmers adopt the technologies.

3.5 Diversification

Some of the diversified products include beans, fertilizers, peanuts, vegetables/legumes, watermelons, squash and tomatoes. Also, the project is promoting other economic activities as part of its diversification strategy which include pig husbandry and cultivation of Jamaica Flower. Aracely Trejos commented that CIDA never insisted or suggested on the purchase of pigs as part of the project's gender strategy. What it did suggest is that the project's strategy and economic diversification initiatives be intimately related.

3.6 Credit

In the portion of the report regarding the issue of credit, Keith mentioned that there is a growing concern for the decrease in the allocation of credit for women, which is the result of a change in credit-issuing policies of MiCrédito. Before this change, credit was allocated through solidarity groups. Credit is now issued on an individual basis and only when backed by solid guarantees. Another change is that micro-credit institutions have begun to brand animals offered as warranties, which is not something farmers agree with. On this subject, Mercedes commented that very few farmers will allow their animals to be branded as credit warranties. She was curious as to how the micro-credit institutions remove the brand from the animals once farmers finish paying off their loans and what aggregate value is earned by these institutions by branding the animals. Keith said that this and other credit-issuing policies would be discussed with MiCrédito in future meetings. However, Keith added that the case of MiCrédito's credit policies is a more complicated since they deal with funds loans than those of COFODEC.

Mr. Fernando Valle added that COFODEC is now asking for letters of sale and are likewise branding animals, while FDL is not doing so. He indicated that once loans are paid off, the micro-credit institution removes the branding from the animals. COFODEC is working with government funds through development partnership models, at lower interest rates than those used for funds managed by the Project. Aracely wanted to confirm her theory about PRODUMER II's offer of credits to women and if there have in fact been other female users left without credit. Mr. Luis Mejia mentioned that it would be important to bear in mind that interest rates applied to farmers should correspond to the interest rates the program gives to micro-credit institution since their ultimate objective is to support farmers.

Mr. Nigel indicated that this is a matter of discussion with the micro-credit institution. There was a quick survey carried out on this subject but a more thorough inquiry is needed. Regarding interest rates, it was noted that these have been agreed upon with micro-credit entities. Mr. LeBris added that they need to think of ways to increase credit allocation.

3.7 Product marketing

On the issue of product marketing, the report stated that 260 producers received training in marketing and business management skills. Del Campo export-oriented cooperative staff received training on the use of the traceability system. It was also reported that 65% of producers have reduced the amount of seed impurities to less than 3% while PRODUMER II continues promoting the creation of a processors and exporters association. The only concern in the area of marketing was raised by Mercedes Salgado and it is that exporters/marketing entities should not receive support because they have the capacity to perform their functions. To this Keith answered that they too formed a link of the sesame chain and therefore need to be supported so the whole chain will remain strong. Luis Mejia agreed and further said that support for exporters translates into a benefit for the country itself as it helps to strengthen country recognition.

3.8 Gender:

The area of gender has been strengthened significantly during the year. PRODUMER II has surpassed the goal of 25% goal of female participants and 112 women have begun working on new economic initiatives that include pig and vegetable farming. Focus groups with 118 couples were conducted on the issue of Exploration of Family Income Security Strategies and gender education for the technical team has continued.

All attendants were satisfied with the progress reported but noted there are still challenges to overcome on the pursuit of greater integration of women into all Project components.

One notable point regarding this issue is that the PRODUMER II team has 2 female technical consultants out of a total of 7 staff members, a fact that was not included in the annual report. Gusnara, who oversees the area of gender pointed out that they have signed agreements with three other institutions and hired a consultant to help bring the project's gender strategy up to date.

Mr. LeBris asked the farmers what they thought of gender education efforts. To that Bismarck said that they have been very good and that now some of the men are participating in various domestic chores. He also said that there are single mothers are receiving the same opportunities as married women and men.

Aracely, who has dealt with gender awareness issues since the start of PRODUMER II, wanted to know how much people participating in the project have learned in terms of implementation of gender strategies. She asked male farmers if they understand the benefits of having women enjoy the same access to credit as men as a way of partaking in equal rights. She went further on and asked whether women are earning the same profits as their male counterparts when participating in agricultural activities. She asked male farmers if they believed that training their families would lead to better income for their households.

Mr. Fernando Valle commented that his wife and children participate in the preparation of cultivation areas and that whatever earnings he makes, are shared among them all. Likewise, whatever losses he incurs are also shared by all. His wife and children have learned to make organic fertilizer and do receive better income. Theirs is a shared responsibility.

Marie-Claude asked farmers is they had received any other gender-awareness education from other institutions or non-profit organizations. To that, Fernando said that he has only received training from PRODUMER II but Bismarck has received some training from another

organization. Justa, for her part, said that couples-oriented training sessions have been very effective and women now feel like they have a space where they can express more of their concerns. Husbands have been generally forthcoming in their participation in these meetings and their families as a whole feel an improvement in their relations with other family members.

Once this session ended at 11:48 am, the summary of the FY08 Annual Operating Plan was presented in accordance to the meeting's agenda.

4. Presentation of Summary of Annual Operating Plan FY 08

PRODUMER II's Director delivered the presentation of the FY 08 Annual Operating Plan which was approved almost in its entirety except for the part related to the possibility of working in the department of Carazo, which will be assessed later on. This issue arose from a request from the Ministry of Agriculture (MAGFOR) and a private sector exporter. Nevertheless, CIDA representatives believe it is too late to begin this new initiative since the project only has one year left in operation, which would seriously hinder the necessary impact of such an initiative.

Annual Operating Plan FY 08 (April 1, 07 – March 31, 08)

Marie-Claude inquired about the new Carazo initiative. Despite her interest in this initiative, her main concern was that there would not be enough time left in the project to implement this new front and that farmers that just began receiving training would soon be left without further training or assistance. She also had concerns about MAGFOR resources, whether the farmers employ organic methods and if there is the capacity within the team to provide technical assistance. Aracely had similar concerns and also wished to know how the gender strategy would be applied in Carazo.

Mercedes explained that the conditions for a successful initiative exist in Carazo: a number of farmers made the request during a visit to Carazo by PRORURAL and the current government wishes to increase the production of sesame seeds in an area where it used to be the main crop only a few years back. The best course of action would be providing technical assistance through an agreement, supporting farmers and coordinate efforts with MAGFOR to improve their perspectives. There is also the possibility of implementing a system of differential treatment regardless of whether a particular buyer has a particular window into the market. Advantages and disadvantages will have to be assessed. A potential advantage is that they are well organized and structured. A potential disadvantage is the issue of sustainability. As such, issues such as these will have to be discussed with MAGFOR in view of the aforementioned request.

Keith mentioned that the Carazo initiative is under consideration. Aside from the support that would come from the Carazo MAGFOR authority in case of approval, collaboration with an exporter would be included too. Keith also pointed out that the most important components of this initiative, the fact that PRODUMER II already has a buyer and that it enjoys a good coordination with MAGFOR representatives, already exist. Luis Mejia added that, for quite some time, sesame seeds have been grown in Carazo as a commercial crop. The request from Carazo farmers to PRODUMER II lies in their search for better sales channels. In their meeting with Carazo sesame seed producers PRODUMER II representatives specified that production activities would not start from scratch and pointed out that many farmers have made the decision to stop growing basic food crops and have taken up sesame cultivation in the Carazo area.

Nigel finally spoke of how PRODUMER II had an interest in the Carazo initiative because of its sustainability potential. The work model would be a little different since PRODUMER II would be working directly with MAGFOR and in other areas MEDA is working directly with farmers. The project would favourably consider the Carazo work model since there would be two institutions (MAGFOR and MEDA) involved in supporting the farmers. Certainly, cost details will have to be defined as well. Mr. LeBris requested additional information within a month's time before approving the proposal.

5. Review of Agreements and Technical Committee Recommendations

1. The report of the FY 08 Annual Operating Plan was approved with the exception of the Carazo initiative
2. The decision to begin work in Carazo should be carefully considered. A better, more articulated proposal within the context of PRODUMER II's self-sustainability outlook should be put forward within a month.
3. The marketing issue is very important; more ways to strengthen the marketing component should be looked into.
4. Experience sharing among farmers should be further encouraged through the use of demonstration plots. Closer collaboration with government entities is needed. Consolidation should be better addressed at the end of the project. This is not mentioned in the report.
5. A communication strategy needs to be put into place to inform people on the achievements of PRODUMER II which also include the transference of funds to MiCrédito and CODOFEC.
6. MiCrédito interest rates should be reviewed. They appear to be excessively high and if, necessary, contract with MiCrédito reconsidered.
7. Amount of credit for women should be increased while taking into account the needs of both micro-credit entities and female farmers.
8. Relations with government institutions should be strengthened.
9. PRODUMER II's exit strategy should be planned in such a way that includes the issue of post-project sustainability.
10. The destination of PRODUMER II funds held by micro-finance institutions will be decided after September's due diligence.

6. Miscellaneous Comments made by the Participants

Manuel LeBris:"This presentation was more thorough than last year's. Stated goals should be accomplished"

Marie-Claude: "I am very happy that the project has improved a great deal in terms of gender awareness training."

Fernando - A farmer from El Sauce: "A lot has improved. We feel very grateful for the technical assistance provided by the Project."

Bismarck – A farmer from Cosigüina: "I feel good. Through the project I was able to obtain the planter and I am grateful for the technical assistance I have received."

Justas Pastoral – A farmer from Ometepe “I feel very grateful. Today we women have more space. Thanks to sesame seed farming we are able to earn money and support and feed our families..”

Aracely Trejos – Gender Consultant, UAP/OCC: “There has to be a continuing linkage from the end of CIDA’s involvement and MAGFOR’s own efforts. MEDA has a continuity-oriented approach.”

Mercedes Salgado- Environmental Consultant, UAP/OCC; “The project has seen much improvement; it is a common effort and should continue in its pursuit of sustainability.”

Meeting adjourned at 12:59.

Annex 5a: February 2008 PSC Draft Minutes in English

Location: Managua, ACDI Offices

Date and Time: Friday, February 29th 2008

8:00 a.m. to 2:00 p.m.

Participants:

Manuel LeBris	Embassy of Canada
Mercedes Salgado	CIDA, Enviromental issues
Aracely Trejos	CIDA, Gender issues
Justa Pastora Cruz Ruiz	Farmer from Isla de Ometepe
Bismarck Alberto López	Farmer from Cosiguina
Fernando Valle Matute	Farmer from El Sauce
Keith Poe	Director of PRODUMER
José Ramón Rivas	MAGFOR
Benjamín Fowler	MEDA Canada
Edwin Gutiérrez	MAGFOR
Luis Valerio	MAGFOR

1.Greetings

Welcome words from Keith Poe, director of PRODUMER, he introduced himself and asked the participants to introduce themselves as well. Mr Lebris from the embassy of Canada reiterated the welcome to the participants and thanked them all for the effort they made to attend the meeting, especially to the farmers who had come from far away. Afterwards Keith requested the approval of the meeting agenda which was approved.

2. Presentation and approval of the minutes of previous meeting

The reading and reviewing of last year's decision points took place, Keith read the main agenda points.
Keith mentioned that MiCrédito did not agree to lower interest rates but they agreed to make the allocation of credit easier to women lacking collateral.
Mr. Lebris pointed out that interest rates according to loans are very high and he agrees it must go down, he asked if interest rates could be lower, Keith replied that MiCrédito is reluctant to do so.
Benjamin Fowler pointed out that the results of a consultant showed that the operations of MiCrédito are sustainable.
The topic on strategy of communication was tackled; Keith said a website was constructed as well as the making of tracts in order to give to people.

The minutes of the previous meeting were approved.

3. PRESENTATION OF SEMI-ANNUAL FY07-08 REPORT

3.1 PRODUCTION

The director of PRODUMER said that 1062 farmers have been assisted in technical support, of which 183 have left the project as they did not want to continue. He also said that the 64 graduated producers do not need technical support but they receive follow-up visits by project staff.
Mr. Lebris, Mr. Fowler and Ms. Salgado point out the low number of graduates. Mr. Fowler asks for the definition of graduated, which Keith answers that a graduate is a farmer who has successfully implemented the technology package for two years. He added that the definition of graduated depends on the area. It was also said that the number of graduates is low because some farmers work on rented land and can not apply farming techniques successfully, besides they have to verify the usefulness of these techniques.
Fernando Valle added that some farmers do not thin even though they are told it is good to do it, Keith pointed out that for good results in production at least three out four key practices must be applied.
Bismarck added that the fact that many farmers do not own land does not allow them to do crop rotation, also shared that he started with conservation agriculture and that two years are required to show initial success. He improved in some aspects, he was told to plough the soil not so often and by doing so his yields increased.
Keith pointed out that PRODUMER reached a production of sesame seed of 14,000 quintals, which is equivalent to 24% of the national total production that was of 58,000 quintals for the Oct 07- Feb 08 period.

3.2 CREDIT

Regarding credit the Director of PRODUMER, said that the goal was to reach 25% of women which was surpassed, also added that the commitments to allocate loans have been surpassed in the third year in terms of loan portfolio.

3.3 PRODUCT MARKETING

On this Keith pointed out that 260 farmers had received training on product marketing and business management. Cooperatives were assisted in order to get organized for product marketing in Ometepe. The process to develop a technical norm to a national level for sesame seed was completed, the final approval my MIFIC is pending though, it will published after MAGFOR revises it.

3.4 GENDER

Women were supported, 44 of them began economic initiatives in horticulture. A study on yields and prices of sesame seed was made, showing minor variations between men and women producers. There were five meetings with focus groups with 98 people (45 couples attended). Inter-institutional treaties with several institutions: AHCV, AMLAE (Sauce) and UNAG of LEON were established.

3.5 CARAZO

Keith said that MAGFOR requested support for SPAR of Carazo, technicians of SPAR were trained, MAGFOR and INTA staff were assisted with technical training, assistance to farmers through SPAR technicians was provided, expenses with fuel were shared and demonstration lots were visited. Keith said that overall this was a positive experience. A total of 125 manzanas were harvested despite losses to the excessive rains during Felix Hurricane. The

good prices of sesame seeds helped to mitigate the losses. Farmers were motivated, even though they did not reach the goals and wanted to increase sesame production for the following year. Keith believes that MAGFOR's proposal to reactivate production was achieved, Luis Valerio of MAGFOR has seen improvements in the farmers' income in Carazo and notices that a positive work has been done.

3.6 CONSERVATION AGRICULTURE

PRODUMER promotes the implementation of conservation agriculture as this helps to preserve soil health. The characteristics of this type of agriculture are: permanent cover crop, minimum disturbance of the soil and crop rotation. The long term advantages are: it reduces loss in production, it increases the fertility of the soil, it increases yields, it reduces hydro and wind erosion, it increases the bio-diversity of the soil and reduces sedimentation in rivers.
Regarding conservation agriculture Keith pointed out they had success, 209 manzanas were planted at an average price of C$ 400-500 Córdobas per manzana depending on the zone. This compared to 10 manzanas from the previous year.
Mr. Lebris asked farmers if they had seen an increase in interest from their neighbors regarding this type of agriculture, Justa Cruz replied with a yes to that, and added that they have had good results with this technique.
With the planting machine, soil is being protected from erosion and now they do less fertilizing so the results are positive not only with sesame seeds but with basic grains.

3.7 MICRO FINANCING INSTITUTIONS CONSULTING

MEDA's proposal about the RLF transfer was discussed. The consultant recommends approval of proposals; ACDI accepted the consulting report of money transfer for March 29, 2008.

3.8 RAINS

Keith reported that about 30% of manzanas were lost due to intense rains which affected different farming zones; he also said that the zone of EL SAUCE was the most affected one. COFODEC has been flexible with the farmers, there has been some payment arrangements, and most of farmers have already paid their loans due to good prices of the sesame seeds in the international markets.

4. PRESENTATION OF THE 2ND HALF RESULTS OF FY07-08

The director of PRODUMER, informed about the 25% increasing in gross income per manzana, this increasing in the international price was due to the low production of sesame seed in other countries.

Mercedes Salgado mentioned that women are a small sector who grow in the worst lands their husbands assign them, these lands are closer to their homes, and therefore they are more vulnerable.
Keith said these women receive more technical support because they need to increase their production. Aracely Trejos, gender specialist, said that women not only focus in the production but also have to take care of the house and animals.
Justa Cruz said that she does not sow more than what she can produce, this way she avoids loss in production, on the other hand, Fernando Valle said that in his region men and women sell their production to an equal price.

PRODUMER urges farmers to practice organic production; Keith said men this year have increased their production while women have decreased theirs. He added that 60% of farmers practice crop rotation, there was an increasing of this type of crops because of rains.

Regarding the product marketing Keith said that 65% of farmers reduce seed impurities under 3%, also said that PRODUMER promotes the importance of thoroughly cleaning before selling so there can be a lower percentage of seed impurity.
The 70% of farmers use certified seeds, there is an increase compared to last years' percentage. Keith said they promote the use of this type of seed to increase production, and 80% has been reached. The use of the four key practices is promoted as well, although three of them are enough to obtain a good performance.

Regarding credit, 500 loans were allocated of which 25% were for women. Microcredit has not allocated all the credits they should have done, Mr. Lebris suggests to discuss this with MiCrédito, Keith added there was an agreement with MiCrédito, and that they leveraged 35% out of its own portfolio.

Mr. Fowler thinks there must be more credits to more people; Mr. Lebris suggests negotiation and a search to an exit strategy for the RLF. Everybody agrees on the importance to get to a prompt solution.

5. PRESENTATION OF EVALUATION OF ACDI

About this point Keith mentions three main recommendations:

5.1 ACDI does not support a 4th year according to presented plan in semi-annual report.
5.2 Yes to a 4th year if focusing on collaboration with cooperatives and other farmer groups.
5.3 Yes to a 4th year if collaboration with agencies of the government and others for technical support.

Mr. Lebris suggests giving more information about whether or not is worth to support a 4th year. Keith said an institutional strengthening plan was showed and it was rejected, also said that evaluation suggests a 4th year if MEDA gets to work with more farmers, Mr. Lebris added a 4th year is not worth if sustainability does not improve, and that these suggestions are a good way to show greater sustainability in the long term.
As a general recommendation ACDI suggested to study several technical support models at the beginning of the 4th year.

6. SUSTAINABILITY PLAN OF FY08-09

Keith said they propose to work with several cooperatives and ACDI proposed to continue to support the people they have worked with before, Mr. Lebris agrees.

The creation of an independent agronomist team was discussed, ACDI does not agree with the creation of this team. Mr. Fowler thinks this proposal is not sustainable for the project, and there are a lot of risks on beginning with something new. About this point all participants are in an agreement with having a study in April at the latest, to show options, models, risks, advantages and disadvantages. Everybody agrees on revising some models which have been applied in other countries, it was said that success depends on context. ACDI does not oppose the creation of an independent agronomist team because this is linked to the project's exit strategy.

Luis Valerio of MAGFOR, reiterated the intentions of this institution of continuing to work with MEDA so more farmers are benefited, especially the poorest ones and to make that connection between project and farmers.

Mr. Fowler indicated the importance of establishing alliances with other projects so capacities may be spread and developed. They talked about the possibility of farmers to pay for technical support. Bismarck believes farmers would not pay for this service because some of them do not farm too much land. Fernando Valle said that if interest rates get lower then they could pay the technical support; he also suggests support from ACDI to cotton farmers, he sees a huge potential in that sector which could pay for this service.

Aracely Trejos said that diversification is linked with the gender strategy, added that patio economy is linked to women. Keith suggests a more tracking of information between men and women in order to have updated information.

A more detailed budget and work plan will be provided to CIDA.

Mr. Lebris, of the Canada embassy, said some details are missing and that in general terms time and additional money will be requested, added they will have to wait because there is still no decisions taken and can not support new projects, one only sector is considered to be helped though there is a proposal to support two sectors: Carazo sector and Chinandega and Leon sector, also reiterated the good intentions to continue to support Nicaragua, especially the most vulnerable sectors, finally said they have the best intentions and that time will tell what will happen.

All are in agreement.

Summary of taken decisions:

The meeting approved the proposed Institutional Strengthening plan for the 4th based on the following suggestions:

1. To further study the formation of an independent agronomist team.
2. To keep collaborating with MAGFOR along with cooperatives, not working with individuals.
3. To reach an agreement with MAGFOR so this may provide technical assistance to farmers.
4. To strengthen links between farmer and product marketing.
5. In a fourth year to continue to support the institutional development of the sesame seed sector.
6. To support diversification in areas where the project has been active with sesame production.
7. To continue supporting the gender focus.

Meeting adjourned at 1: 43 PM

Annex 5b. PSC draft minutes in Spanish with CIDA comments

ACTA DE REUNIÓN DEL COMITÉ DE DIRECCIÓN

Programa de Producción y Mercadeo de Ajonjolí- PRODUMER II II

Ubicación: Managua, Oficinas de la Unidad de Apoyo al Programa de ACDI

Fecha y Hora: Viernes, 29 de febrero de 2008
8:00 a.m. a 2:00 p.m.

Participantes:		
	Marie-Claude Harvey	Senior Development Officer, ACDI-Canada (en parte, via llamada telefonica)
	Manuel Le Bris	Primer Secretario, Embajada de Canadá
	Mercedes Salgado	Especialista de Medio Ambiente, UAP
	Aracely Trejos	Especialista de Genero, UAP
	Justa Pastora Cruz Ruiz	Productora, Isla de Ometepe
	Bismarck Alberto López	Productor, Cosiguina
	Fernando Valle Matute	Productor, El Sauce
	Keith Poe	Director de PRODUMER II
	Benjamín Fowler	Encargado de proyecto? Meda Canadá
	Luis Valerio	MAGFOR Central
	Edwin Gutiérrez	MAGFOR Central
	José Ramón Rivas	Monitoreo y cultivo, MAGFOR Central

1. Bienvenida

Palabras de bienvenida de parte de Keith Poe, Director de PRODUMER II, quien se presentó y pidió a los presentes se presentaran también. El señor Le Bris de la Embajada del Canadá reiteró la bienvenida a todos los presentes, agradeció a todos el esfuerzo de asistir a la reunión, en especial a los productores quienes habían venido de lejos para estar presentes.
Posteriormente, Keith solicitó la aprobación de la agenda de la reunión y ésta fue aprobada.

2. Presentación del acta anterior y aprobación

Se procedió a la lectura y revisión de puntos de decisión llevados acabo el año anterior, Keith leyó los puntos más sobresalientes del agenda anterior.
Keith mencionó que con Micrédito no se llegó a un acuerdo de bajar taza de interés pero si flexibilizaron un poco en la metodología de entrega de crédito a mujeres sin garantías (sin garantías o en vez de 2:1, usaron el ratio 1:1?).
El señor Le Bris aseveró que la taza de interés de acuerdo a los préstamos es muy alta y está de acuerdo que debe bajar, preguntó si se podían bajar, lo que Keith contestó que Micrédito es cerrado con respecto a eso.
Sobre este tema, Benjamín Fowler dijo que los resultados de una consultaría demuestran que las operaciones de Micrédito son sostenibles.
También se habló del tema de estrategia de comunicación, Keith dijo que se ha diseñado una página Web y se han impreso folletos para dar a los productores. Se necesita más esfuerzos todavía en el tema de las comunicaciones.
Se aprueba el Acta anterior.

3. INFORME SEMI ANUAL ABRIL – SEPTIEMBRE 2007

3.1 Producción.
El director de PRODUMER II indicó que se ha apoyado a 1062 productores con asistencia técnica, 183 se han retirado porque no han querido seguir trabajando. Así mismo reiteró que los 64 graduados no necesitan asistencia técnica pero que si les dan seguimiento.
El señor Le Bris, el señor Fowler y la señora Mercedes Salgado observan que el número de graduados es muy bajo. El señor Fowler pregunta por la definición de graduado, a lo que Keith responde que graduado es un productor que por dos años consecutivos ha implementado con éxito el paquete tecnológico. Agrega que la graduación depende de la zona. Se dijo que el numero de graduados es bajo porque algunos productores trabajan en tierras ajenas por lo que no pueden aplicar las técnicas con éxito, además que estos deben verificar la utilidad de los mismos. Se solicito que se revisara la definición de graduados para reflejar mejor la realidad y que se sistematizara un poco mas la información para mejor conocer quien podría ser de hecho graduados.

Fernando Valle dijo que algunos productores no ralean la tierra aunque se les diga que es bueno hacerlo. Keith indicó que para un buen rendimiento en la producción deben aplicarse al menos 3 de las 4 prácticas claves. Mejorar el vínculo con el siguiente parágrafo.
Bismarck dijo que el hecho que muchos productores no tengan tierra propia les impide hacer rotación de cultivos, dijo que él inicio con agricultura de conservación y se necesitan 2 años para mostrar éxito, él mejoro en algunos factores, le dijeron que labrara la tierra no tan seguido y obtuvo un mejor rendimiento, la cosecha mejoró
Keith presento que PRODUMER II alcanzó una producción de ajonjolí de 14,000 quintales, lo que equivale a un 24 % de la producción total nacional que fue de 58,000 quintales durante el periodo Oct 07- Feb 08.

3.2 Crédito.
Con respecto a crédito el director de PRODUMER II dijo que la meta era de 25% hacia mujeres la cual llego a un 31%, y que los compromisos de entregar préstamos se ha sobre pasado en el 3er año con respecto al tamaño de la cartera.

3.3 Comercialización.
Con respecto a este punto el director de PRODUMER II dijo que 260 productores recibieron capacitación en comercialización y manejo empresarial. Se apoyó a cooperativas en organizarse para la comercialización en Ometepe. Se completó el proceso de desarrollar una norma técnica para el ajonjolí a nivel nacional, lo cual esta pendiente de aprobación final por el MIFIC, y que se publicará después que el MAGFOR revise.

3.4 Género.
En el componente de género, 44 mujeres recibieron apoyo en iniciativas económicas en la producción de hortalizas. Se hizo un estudio sobre rendimiento y precios del ajonjolí, el cual muestra diferencias mínimas entre hombres y mujeres. Hubo 5 reuniones con grupos focales, con 98 personas (asistieron 45 parejas), se establecieron convenios inter-institucionales con AHCV, AMLAE (El Sauce), y UNAG de León.

3.5 Carazo.
Keith dijo que a petición del MAGFOR, se hizo una colaboración con el SPAR de Carazo. Se firmo un convenio, se capacitó a técnicos de SPAR, los técnicos del MAGFOR e INTA proveyeron asistencia técnica a productores, se compartieron gastos de viáticos y también se visitaron parcelas demostrativas. Keith dice que en general la colaboración con el SPAR ha sido una experiencia muy positiva ya que colaboraron con un exportador privado y productores.

Sin embargo, se cosecharon solamente125 manzanas (sobre un objetivo de 300) y se trabajo con 56 productores (sobre un objetivo de 100), a pesar que el Huracán Félix afectara con lluvias. Los buenos precios del ajonjolí este año (± 1200 córdobas/quintal) ayudaron a mitigar las pérdidas. Los productores estaban motivados, aunque no alcanzaron metas, y querían multiplicar las áreas sembradas para el próximo ciclo. Keith cree se logró la propuesta del MAGFOR de reactivar la producción. Luis Valerio, de MAGFOR, ha visto mejoras en ingresos en Carazo, ve como positivo el trabajo.

3.6 Agricultura de conservación.
PRODUMER II promueve la agricultura de conservación ya que ésta ayuda a conservar la salud de los suelos. Las características de este tipo de suelo son; cobertura permanente del suelo, movimiento mínimo del mismo, así como la rotación de cultivos. Las ventajas en el largo plazo son: reduce costos de producción, incrementa la fertilidad del suelo, incrementa los rendimientos, reduce erosión hídrica y eólica, incrementa la bio-diversidad del suelo y reduce la sedimentación en los ríos.
Keith informó con respecto a agricultura de conservación que se tuvo éxito, 209 manzanas fueron sembradas a un precio promedio de C$ 440- 500 por manzana dependiendo de la zona. Esto en comparación con 10 manzanas el ciclo pasado.
El señor Le Bris preguntó a productores si han visto un aumento de interés por parte de vecinos con respecto a este tipo de agricultura, a lo que Justa Cruz contestó que si que con las nuevas técnicas han tenido buenos resultados.
Con la sembradora se protege el suelo de la erosión y ahora se recurre menos a la fertilización, así que los resultados no solo con ajonjolí, también con granos básicos.

3.7 Consultoría de las instituciones micro-financieras.
Se habló sobre la propuesta de MEDA para el traslado del fondo revolvente. La consultoría recomienda la aprobación de la propuesta tal como esta con la recomendación de proveer apoyar a COFODEC con talleres de fortalecimiento institucional. ACDI aceptó el informe de consultoría de traslado de fondos al 29 de Marzo de 2008.

3.8 Lluvias.
Keith habló sobre el 30% en pérdida de manzanas debido a intensas lluvias que afectaron diferentes zonas de producción, así mismo dijo que la región del Sauce fue la más afectada. COFODEC ha sido flexible con los productores, ha habido arreglos de pago, la mayoría de productores han pagado debido a los buenos precios del ajonjolí en el mercado internacional. Además, las perdidas fueron compensadas en parte por el aumento en el precio del ajonjolí pagado a los productores.

4. PRESENTACION DE RESULTADOS DE LA SEGUNDA MITAD DEL AÑO, 2007-2008.
El director de PRODUMER II, informó sobre el incremento del ingreso bruto por manzana de ajonjolí, este aumento en el precio internacional se debió a la baja producción de ajonjolí en otros países productores.
Con referencia a los rendimientos y precios de las mujeres Orgánicas B (favor de especificar de lo que se trata porque como lector no se entiende), Mercedes Salgado dijo que las mujeres productoras es un sector más pequeño, que producen en las peores tierras que los maridos le dan, las tierras en las que trabajan están mas cerca de la casa por lo tanto son más vulnerables.
Favor de hacer el vinculo con el parágrafo previo. Keith dijo que a estas mujeres se les da más asistencia porque son las que necesitan aumentar la producción. Araceli Trejos, especialista en género dijo que las mujeres no solo se enfocan en la producción sino que también deben velar por el cuido de la casa y animales. Y entonces? Favor de concluir.

La productora Justa Cruz dice que ella no siembra más de lo que no puede producir, evitando así baja en la producción, en cambio el productor del Sauce Fernando Valle dijo que en su región hombres y mujeres venden producción a mismo precio.
PRODUMER II insta a productores a que practiquen la producción orgánica, así mismo dijo que los hombres han aumentado y las mujeres han disminuido. También dijo (quien?) que el 70% de productores practican la rotación de cultivos y que este alto índice puede ser un resultado de las lluvias.
Con respecto a la comercialización el director informó que el 90% de productores reducen o lograron a reducir? impurezas por debajo del 3%, así mismo dijo que PRODUMER II impulso la importancia de limpiar para que haya así un nivel mínimo de impureza. Actualmente, alrededor del 80% de productores utilizan semilla certificada. Así mismo se promueve la implementación de las 4 prácticas claves, aunque dijo que el uso de 3 es suficiente para obtener un buen rendimiento.
Con respecto a crédito, se desembolsaron 459 préstamos del cual el 31% fueron a mujeres. Pareciera que MiCredito no ha entregado todo el crédito que debieron entregar y el señor Le Bris sugiere sentarse con Micredito a discutir esto asi como la alta taza de interés que cobran. Keith dijo que había un convenio con Micrédito y que incrementaron la cartera al apalancar un 35% de la cartera. El señor Le Bris sugiere una renegociación en profundidad con Micrédito usando la potencial transferencia de fondos como apalancamiento, antes de dicha transferencia. Si no hay apertura de Micredito se debería considerar no transferir los fondos. Todos los presentes están de acuerdo con la importancia de llegar a una pronta solución.

4.1 PRESENTACION DE EVALUACION DE ACDI.
Con respecto a este punto Keith menciona las tres recomendaciones generales.

1. la evaluación no apoya un 4to año conforme el plan presentado en el informe semi-anual.
2. la evaluación si recomienda un 4to año si el enfoque es de colaborar con cooperativas y otros grupos de productores, no con productores individuales.
3. la evaluación si recomienda un 4to año si hay colaboración con agencias del gobierno y otros para asistencia técnica.

   El señor Le Bris dijo que en este contexto ACDI había solicitado mas información a MEDA para poder tomar una decisión. Uno de los elementos fue una revisión del plan de fortalecimiento institucional presentado por MEDA en Agosto 2007, la cual se entrego en Febrero 2008 y se va a discutir al próximo punto. El elemento clave para ACDI es mejorar la sostenibilidad de los resultados logrados por el proyecto. Como recomendaciones generales ACDI recomendó estudiar varios modelos de asistencia técnica al iniciar el 4to año.

5. PLAN DE SOSTENIBILIDAD AÑO FISCAL 2008-2009.
Keith dijo que se propusieron trabajar con varias cooperativas. En esta fase del proyecto, ACDI sugiere enfocarse sobre las con las cuales ha venido trabajando el proyecto hasta ahora.
Se discutió sobre la formación a corto plazo de un equipo agronómico independiente, a lo cual ACDI inicialmente no está de acuerdo. Con respecto a este punto se llego a la conclusión de que MEDA haga un estudio a más tardar en Abril, para ver opciones, modelos, riesgos, ventajas y desventajas antes de que se tome una decisión por parte del Comité Director. Se sugiero incluir en ese análisis modelos que MEDA ha aplicado en otros países, tomando en cuenta que el éxito depende del contexto local. Además, MEDA menciono que sus técnicos solicitaron también un estudio de mercado (incluyendo sondeo de los productores sobre calidad de la asistencia técnica recibida y su capacidad/voluntad a pagar) antes de tomar su propia decisión al respeto.

Luis Valerio de MAGFOR, reiteró el interés de esta institución de seguir trabajando con MEDA para que más productores se beneficien, especialmente los más pobres, y hacer esa interrelación entre proyecto y productores.
El señor Fowler destacó la importancia de establecer alianzas con otros proyectos para que las capacidades puedan ampliarse y desarrollarse, se discutió acerca si los productores estarían dispuestos a pagar asistencia técnica. Bismarck López piensa que es difícil que productores paguen asistencia técnica ya que algunos productores no siembran mucho. Por su parte Fernando Valle argumento que si se reducen intereses entonces se puede pagar asistencia técnica, así mismo sugiere el apoyo de ACDI al sector algodonero, él ve gran potencial en ese rubro y que si podrían pagar asistencia técnica.
Falta un parágrafo sobre la solicitud de MAGFOR-Carazo a MEDA de trabajar más con la diversificación de grupos de mujeres en Carazo. Hubo una discusión sobre entrar en eso o no y al final el acuerdo fue que MEDA iba a presentar una propuesta/justificación mas detallada sobre la factibilidad, las ventajas/desventajas, vínculos con la sostenibilidad, los gastos, etc. (un poco lo que se hizo el año pasado cuando MAGFOR solicito a PRODUMER II que trabajaba con productores de ajonjolí in Carazo). Creo que los dos próximos parágrafos están vinculado a esa discusión.
Aracely Trejos dice que la diversificación esta vinculada con la estrategia de género, que la economía de patio se vincula a lo femenino. Keith dice que hay que medir toda información entre hombre y mujer para tener información actualizada. Conclusión?
Se presentara un presupuesto y plan de actividades más detallado.??? De que estamos hablando?
En base a la información recibida y a la próxima entrega de los detalles que faltan, el señor Le Bris informo que la recomendación a la gerencia de ACDI será de extender el proyecto de un ano. Agrego que todos tienen que ser claro que en este ultimo ano, no se deberían dispersar los esfuerzos tal como no se debería contemplar una ampliación de las actividades fuera de lo que es necesario para alcanzar los resultados esperados y la sostenibilidad de los logros. Todos están de acuerdo.

RESUMEN DE DECISIONES TOMADAS.
Se aprueba en general el plan presentado para el cuarto año, con la solicitud de incluir las siguientes sugerencias.

1. Renegociar los términos problemáticos de la oferta de Micrédito antes de transferirle fondos.
2. Mejorar la estrategia de comunicación y su implementación.
3. Revisar la definición de “graduados”.
4. Hacer estudio sobre la formación a corto plazo de un equipo agronómico independiente para informar la toma de decisión.
5. Seguir colaborando con el SPAR y con cooperativas directamente, en vez de enfocarse a trabajar con productores individuales.
6. Llegar a un acuerdo con el SPAR para dar asistencia técnica a productores.
7. Fortalecer vínculos entre productores y el mercado.
8. En un 4to año seguir apoyando al desarrollo institucional del sector ajonjolí.
9. Seguir apoyando actividades de diversificación económica en áreas donde el proyecto ha apoyado la producción de ajonjolí.
10. Presentar una propuesta/justificación mas detallada sobre la última solicitud del MAGFOR-Carazo en relación a la ampliación del proyecto y las actividades de diversificación para informar la toma de decisión.
11. Continuar apoyando el tema transversal de género durante el cuarto año.

Se cierra la sesión a las 1:43 pm.

Annex 6: Focus Group Discussion Summary

Introduction

PRODUMER II exists to work towards an improved sustainable livelihood for small-holder sesame farmers in the Occidente, Carazo and Ometepe Island regions of Nicaragua. The project has developed a gender strategy over the life of the project. Focus Group Discussions (FGDs) have been an integral part of this strategy since year two (2006). They are designed to provide an interface forum for male and female producers and project staff. This fosters communication on gender issues affecting production and daily life.

Background and Justification

The PRODUMER II PIP had originally called for gender training sessions that would directly address pertinent roles, responsibilities and attitudes that affected project producer families. Through dialogue between MEDA and CIDA a shift in method was made so that a more culturally-applicable manner was utilized. The result was that gender training should address issues that were a detached by a degree from gender but still closely related.

Accordingly, in year three a series of FGDs was conducted between June 2007 and March 2008. PRODUMER II producer families participated in a series entitled "Exploration of Family Income Security Strategies." These FGD sessions manifested in a series of four workshops with focus groups comprised of producers (male and female), co-producers and spouses.

This document details the methodology used in the most recent cycle to carry out the FGDs as well as the results observed by the PRODUMER II gender specialist and gender consultant.

Objectives

1. To provide a forum in which the participants, men and women, can reflect on the different and important activities that are carried out in order to generate family income, making visible the supporting roles that are fulfilled for the family's financial security.
2. To highlight the roles played by each person in the household which contribute to household income.
3. To promote commitments to gender equality by reflecting on needs and opportunities to adapting roles, attitudes and practices related to gender.

Methodology of Focus Group Discussions

The FGD methodology was carried out in essentially the same manner as previous sessions in order to facilitate continuity of practice for best results. Project beneficiaries were invited to attend the activity with their spouses and focus was placed on having both male and female participants present. The FGDs were used for data collection and to promote inter-gender dialogue. FGDs were conducted in the regions of San Francisco Libre, La Paz Centro, Malpaisillo, Cosigüina, El Sauce and Ometepe Island. In the latter half of the year, a second FGD did not take place in Malpaisillo or Ometepe. However, additional FGD sessions took place in San Francisco Libre and Cosigüina to make up for cancelled sessions during the hurricane season. During the course of year three there were 265 participants, of which 91 were couples in 13 different workshops.

Focus Group Discussion Participants October 2007-March2008					
Zone	**# of Sessions**	**Female**	**Male**	**Couples**	**Total # of participants**
Malpaisillo	1	7	7	7	14
La Paz Centro	2	26	14	11	40
El Sauce	2	24	26	22	50
Ometepe	1	10	10	10	20
San Fransisco	2	32	21	12	53
Cosiguina	2	11	16	0	17
Carazo (2 groups)	3	17	23	17	40
		16	15	12	31
Total	**13**	**143**	**132**	**91**	**265**

FGD sessions in both semesters followed a basic format: with occasional variations between semesters and groups:

a) Welcome and introduction to the gender area of PRODUMER II

b) Group Introductions: the objective, methodology and participants were all introduced. Participants would generally answer a few questions in their introduction such as "what is your spouse's best quality" and so on.

c) Information presented on feminine/masculine characteristics and gender identities

d) Event Presentation and Discussion Starting Points: The first semester focused on production strategy and its relation to gender issues, the second on marketing strategy in conjunction with gender.

e) Discussion exercises and group result sharing

f) Reflection and analysis from a gender-conscious focus

g) Commitments and Feedback

The main focus of the workshops has been the exploration of family income security strategies, with attention to issues of gender. The workshops linked such issues as the identities and roles of men and women, to concepts of the home economy, the production (first half of year three) and commercialization of sesame (latter half), and other areas of economic/productive diversification. This was done for the purpose of generating reflection, appraisal and commitments to efforts for gender equity.

The project encouraged attendance by both male and female partners. All zones followed a guideline to monitor and evaluate the progress of the focus groups. The third and fourth workshops in PRODUMER II year three included women who are single heads of the family and young people linked to sesame production. During the two years of FGDs 209 couples participated. In total, 682 individuals attended over the four rounds of workshops since 2006; only 38% (258) participated without a spouse.

Focus Group Results

The year three workshops allowed participants to openly reflect on the various activities (productive, reproductive and community) which contribute to household income, and identify

the role that each family member plays in the generation of this income. Women were especially appreciative of this opportunity as they felt it enabled their husbands to better understand the importance of domestic housework. Equally, women are now pleased to find themselves more involved in the diversification of production.

Participants expressed that they were happy to have been invited as a couple because typically only one member of the family is invited to training sessions. The majority of interviewees had never attended an event with their spouse. However they still felt it was important to participate together, learn more about each other and put what they learn into practice.

According to some of the women, as a result of the focus groups, their husbands now help with the work in the homes, feeding the pigs, taking care of the chickens and collecting water – all activities in which the men did not participate before. The ability of women to negotiate and be involved in the marketing process is now acknowledged and valued.

One male participant said "Sometimes we see a woman as nothing, we brush her off a bit and we feel that we are the men because we do so much work and she doesn't help us. But if we really start to think about it, it's the women who work more than the men. That is what I see in the chart, because with that huge amount of money in a year she would have plenty to take care of life, and yet she doesn't [actually] receive any of it."[10]

Another male producer stated "Even if she doesn't go to out to the field, she is contributing to the work there because she prepares the food so that he can go to work fed."[11]

It is also notable that both men and women discussed domestic work with the understanding that the work corresponded not only to women, but also to men. They expressed the value and capacity of women. Participants mentioned that women can work in the field and likewise men can work in the house. Both men and women recognized the economic contribution that is carried out with the home-based work. Both realize the savings achieved as a result of this work being completed.

Another advance was made through the recognition that men and women often share similar fears or anxieties. Both men and women had a fear of being robbed by the sesame buyers and both genders worried about the possibility of not receiving enough money for their sesame from buyers.

Moreover, the FGDs led to greater female participation in project training session. Some men have provided plots to their spouses in order for them to work in the field. These men help and the couples are involved mutually in the work. One couple was asked what practices they now do that they did not previously and responded: "In horticulture, we didn't use to sow [that sort of thing] and now with the plants that the project has given us, we have been helped so much- this winter we had a good tomato crop. We both work on the horticulture together, and this is really

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[10] "A veces vemos a la mujer como nada, la apartamos un poco y nos sentimos que somos nosotros los hombres porque trabajamos en el monte y ellas no nos ayudan."
Si nos ponemos a pensar bien, las mujeres trabajan más que los hombres. Eso es lo que yo veo con los cuadros porque con ese montón de billetes al año ella bien tiene para resolver su vida y de los cuales no recibe ninguno."

[11] "Aunque ella no vaya al campo contribuye a ese trabajo porque prepara la comida para que el que vaya a trabajar vaya comido."

important because now we don't buy [it], instead whatever we grew, we already saved that money from our horticulture" (male partner).[12]

Previously women were excluded from the marketing; now the men directly involve the women in this process. One woman was asked how it had improved her relationship with her spouse and responded: "In every way- before, at least there was a little communication about the marketing [of our sesame], but now after the workshop, we talk about the sesame sale and the price."[13] Some women said that the men are now involved in caring for the children. Other women noted that they have witnessed, as a result of the focus groups, an improved communication with their spouse and between their spouse and children. Men also commented on value of this change.

Conclusions

In conclusion, there have been large advances in the themes of gender sensitivity, where previously nobody would even talk about work in the home. Now they participate in the training and are involved both in and out of the house. Additionally, there is improved communication with the children and a well-rounded understanding that all the work done in and out of the house is important. Participants understand the value of sharing tasks.

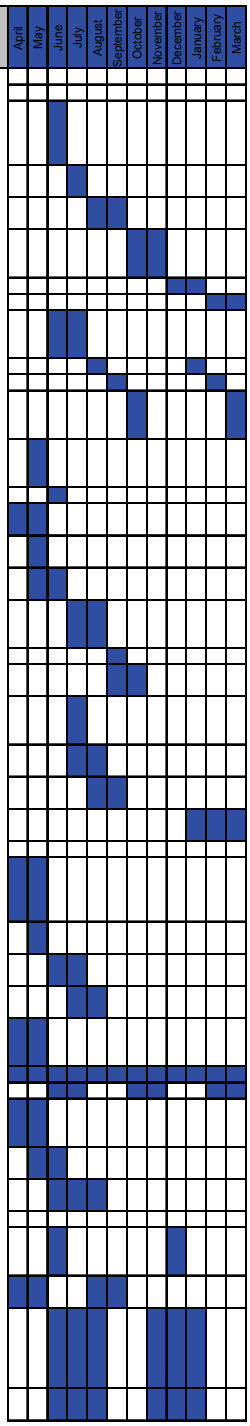
Male and female participants recognize that they are equal and that both have the right to be paid for work, to rest and to seek equal opportunities in co-operatives. They are both aware that they may have leadership in the community just as in the household.
The FGDs provided great value in these advances, which were made possible through both the topics and the format of the sessions. The practice of including both partners in the sessions fostered dialogue. The themes of the workshops were presented not only in a culturally-sensitive manner, but also with great pertinence to producers' daily lives and work.

A thorough analysis of the results of all FGDs has been conducted by the PRODUMER II gender specialist and the gender consultant. This information will be used to design future activities related to gender.

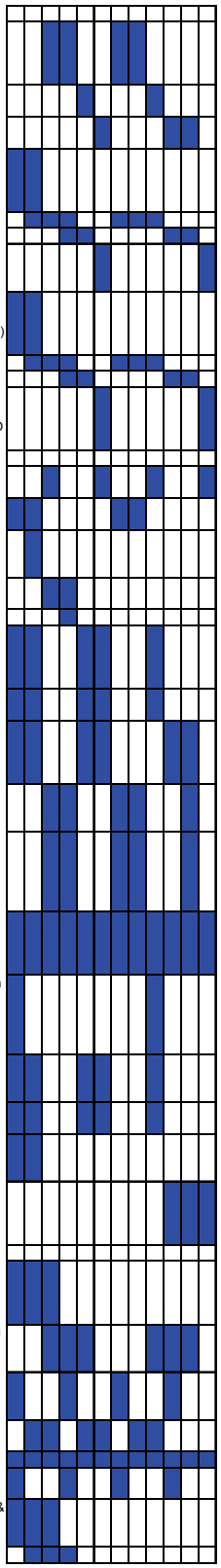
[12] "En las hortalizas, nosotros no sembrábamos y ahora con las plantas que nos ha dado el proyecto nos ha ayudado mucho, en invierno sacamos buena cosecha de tomate. Los dos trabajamos juntos la hortalizas, esto es muy importante porque ahora ya no compramos, si no que nosotros cosechamos ya nos ahorramos ese dinero de la hortalizas."
[13] "En todo, por lo menos en la comercialización había poca comunicación, pero ahora después del taller, hablamos sobre la venta y el precio del ajonjolí."

Annex 7: Detailed Work Plan for Year 4

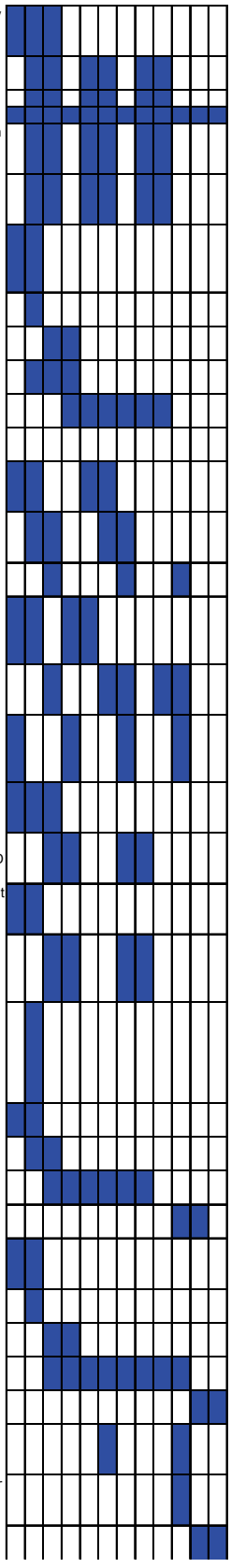
			Activity	Sub-Activity
LFA Reference	**Output**	**Indicator**		
Technical Assistance				
Lesson Learned 1. A	Synthesized understanding of the most appropriate extension methodologies developed	1 TA model evaluation study completed	Hire consultant to perform a desk-based analysis of most appropriate extension methodologies for sesame	Issue TOR
				Negotiate contract & hire consultant
				Analysis performed & report released
Lesson Learned 1. B	Sesame technology package adoption rates thoroughly analyzed	1 EOP study completed	Sesame technology package adoption rates thoroughly analyzed	Design terms of study
				Conduct study
				Write draft
Lesson Learned 1. C	Representative household expenditure surveys carried out semi-annually	2 project reports include information on use of project-generated income	Carry out household expenditure surveys	Develop survey template & determine appropriate survey methodology (e.g. sample size)
				Carry out survey
				Collect and analyze data
				Integrate resulting information into semi-annual report and final project report
Lesson Learned 1. D	Capacity of Agro Monitor to disaggregate producer results improved	Co-producer category, farm size and membership in a cooperative integrated into Agro Monitor	Integrate monitoring of additional producer characteristics into Agro Monitor	Contract AgroMonitor design consultant
				Test software to verify output
Lesson Learned 1. E	Market for private extension service providers determined	1 market study produced	Contract market analysis consultancy	Issue TOR
				Negotiate contract & hire consultant
				Analysis performed & report released
	If viable, private extension entity providing services to Nicaraguan agricultural industry	Legalization records	Support formation of independent extension entity	Issue TOR for lawyer
				Negotiate contract & hire lawyer
				Legalization and registration of extension entity completed
	Private extension entity has developed external clients	1 business plan created	Hire consultant to develop business plan for independent extension entity	Issue TOR
				Negotiate contract & hire consultant
				Analysis performed & report released
		Has been contracted by at least 1 non-PRODUMER client		
Marketing				
2. a	An integrated marketing plan is produced which focuses on improving access to market information	1 integrated marketing plan in place	Hire consultant to analyze market information access & present recommendations for reforming strategy	Issue TOR
				Negotiate contract & hire consultant
				Analysis performed & report released
			Integrate report recommendations into PRODUMER marketing strategy	Revised marketing strategy written
2. f	Support MAGFOR in establisig Sesame Industry Association	Actively encourage MAGFOR to host at least 2 sesame industry association meetings	Support development of sesame industry association	Identify key stakeholder groups for participation in SIA
				Lobby MAGFOR to host the SIA
				Attend SIA meetings
2. 1. d	Interested cooperatives have business plans (including marketing plans) in place	4 business plans developed	Hire consultant to produce business plan for sesame cooperatives	Issue TOR
				Negotiate contract & hire consultant
				Analysis performed & needs assessment released
Micro-finance				
3. a	COFODEC's management and institutional capacity is strengthened	Semi-annual assessments of COFODEC's capacity / need for additional TA	Hire consultant to provide follow-up monitoring of Institutional Strengthening Plan for COFODEC	
3. b	Encourage use of non-traditional collateral by MFIs	4 discussions held with partner and non-partner MFIs	Discussions held with MFIs	Discussions held with MFIs
3. c	Support access to financing by mid-tier cooperatives	4 assessments completed as part of the cooperative needs assessment that determines the need for credit among cooperatives and the relative supply or lack thereof	Discussions held with interested cooperatives	
		2 financing strategies developed with interested cooperatives	Workshops with interested cooperatives to integrate strategy	



Gender				
4. 1. d	Increased gender sensitivity within households	100 agricultural producing families (50 couples) participate in FGDs on "Exploration of Family Income Security Strategies"	Provide gender-based FGDs to target clients	Provide FGDs
				Complete post-FGD assessment of feedback
				Conduct follow-up meetings to assess impact of FGDs
Lesson Learned 4. A	Increased qualitative reporting on gender results	Additional reporting to document yield improvements and diversification activities	Collect detailed yield improvement and diversification data	Develop interview template & determine appropriate interview methodology (e.g. sample size)
				Carry out interviews
				Collect and analyze data
				Integrate resulting information into semi-annual report and final project report
Lesson Learned 4. B	Systematic information available on results of the livelihood-focused gender FGDs and MEDA's approach to gender more widely	EOP qualitative survey carried out	Carry out EOP qualitative gender survey	Develop survey template & determine appropriate survey methodology (e.g. sample size)
				Carry out survey
				Collect and analyze data
				Develop report presenting systematic information on livelihood-focused gender FGD methodology
Environment				
5. 1. e	Organic sesame cultivation raised at national forums	Issue raised at Sesame Industry Association meetings		
	Support market development of organic cooperatives	4 meetings with organic cooperatives		
5. 1. f	Develop a plan of action for increasing organic sesame cultivation with Biolatina	1 plan of action created	Develop a plan of action for increasing organic sesame cultivation with Biolatina	Meet with Biolatina
				Draft document for discussion
				Sign MOU
5. 1. h	Support the development of CA equipment rental entrepreneurs	20 entrepreneurs renting equipment to neighbours (at least 1 manzana)	Develop capacity of entrepreneurial capacity of equipment owners	Identify equipment owners interested in developing or scaling up their rental business.
				Link equipment owners to CA demonstration plots
				Hold business plan development and training sessions with equipment owners
				Support each entrepreneur to develop their own business plan
				Provide follow up support and monitoring of entrepreneurs with existing business plans from Year 3 and document experience
			Help to develop the market for equipment service rental among non-owners of equipments	Continue support for CA demonstration plots from Year 3
	Develop a viable private sector CA supply chain	At least 1 private firm importing CA equipment	Facilitate CA equipment supply chain development	Present equipment importation opportunity to existing agricultural importers & determine interest
				Identify number of farmers interested in purchasing their own CA equipment
				Link equipment importer and interested purchasers
				Provide a guarantee fund to the importer to encourage importation.
Lesson Learned 5. A	Project environmental approach and lessons better systematized	1 EOP report capturing environmental lessons learned	Systematically capture project environmental approach and lessons learned	
Sustainability through local capacity				
6. a	Partner gender organizations fully capable to implementing gender-based FGDs	AMNLAE El Sauce, UNAG Leon, and the Association of Men Against Violence provide 6 FGDs (2 each)	Facilitate provision of gender-based FGDs by partner gender organizations	Develop action plans with partner gender organizations
				Facilitate integration of training into organizational service delivery approach
	Carazo government extension staff providing TA to sesame producers	TA provided to targeted producers by MAGFOR in Carazo	Support MAGFOR in the provision of TA	Hold quarterly feedback & sharing meetings with MAGFOR Carazo staff
				Provide training sessions to extension staff
				Collect field visit reports
			identify all actors in value chain	Coordiante quarterly planning meetings with SPAR Carazo
	Leon and Chinandega government extension staff providing TA to sesame producers	Agreement or action plans between PRODUMER and MAGFOR / INTA	Develop agreement for collaboration with MAGFOR	Meetings held with MAGFOR & terms of partnership determined
				Action plans created



	MAGFOR sesame extension capacity strengthened	10 lead farmer demonstration plots supported	Support demo plot created	Work with MAGFOR to identify and select appropriate lead farmers	
				establish 2 demo plots per zone	
				train extension staff	
				collect field visit reports	
	MAGFOR sesame extension capacity strengthened	6 exposure visits held	Support exposure visits	Work with MAGFOR extension staff to invite interested producers	
				Coordinate logistics and costs of exposure visit jointly with MAGFOR	
6. 1. a	A needs assessment of the capacity of sesame cooperatives updated, with focus on marketing capacity	1 updated needs assessment	Hire consultant to produce needs assessment for sesame cooperatives	Issue TOR	
				Negotiate contract & hire consultant	
				Analysis performed & needs assessment released	
6. 1. b	Training materials produced for dissemination	1 training package produced			
		Training package shared with 10 relevant organizations			
6. 1. c	**Transfer of knowledge to local organizatins**				
	INTA integrates CA more broadly into their farmer outreach activities	10 trainings provided to INTA extension staff and selected producers	Facilitate CA integrating in INTA activities	Develop plan of action with INTA for CA activities	
				Establish 2 CA demonstration plots per geographic zone	
				Promote CA experience with neighbooring famrs	
	Partner cooperatives have improved knowledge and access to materials on good environmental practices	10 trainings provided	Improve cooperative knowledge	Provide partner cooperatives with training materials and posters	
				Provide trainings to cooperatives based on needs assessment	
	MAGFOR acquires PRODUMER gender analysis tools, including co-producer terminology and livelihood-focused gender FGDs	Gender-focused meetings held with MAGFOR each quarter.		Quarterly meetings with MAGFOR	
				Invite MAGFOR to attend PRODUMER focus-group discussion meetings	
				Develop a joint strategy for integrating PRODUMER's FGD approach	
				Provide MAGFOR with relevant gender analysis tools	
				Assist MAGFOR to prepare business plans with their training recipients after the completion of the FGDs	
	Millennium Challenge Account (MCA) fully informed of PRODUMER's approach to sesame development and able to integrate it into its sesame development plan	1 meeting held between PRODUMER staff and project implementer	Advise MCA project implementator of PRODUMER's sesame development approach	Meeting held with MCA project implementor	
6. 1. d	APEAN able to play a stronger, more permanent role in the sector.	APEAN legalization and registration process supported	contract lawyer to provide adviceon registratin process	Issue TOR	
				Negotiate contract & hire lawyer	
				Legalization process undertaken	
				evidence of legalization and registration process	
	Interested partner cooperatives are legally registered	identified cooperatives have been legalized and officially registered.	Legalize and register interested cooperatives	Contact potential cooperatives and identify those that are interested	
				Develop TOR for lawyer to provide legalization services	
				Negotiate contract & hire lawyer	
				provide follow up to identified cooperatives	
				Receive official records of legalization and registration	
Lesson Learned 6. A	Lessons learned from government-MEDA extension collaboration	1 end of project study completed	Gather lessons learned from Government and PRODUMER	Host meeting with MAGFOR representatives and PRODUMER staff	
				Identify generalized lessons for collaboration with government and NGOs	
				Produce report distilling lessons learned	



Annex 8: Ometepe client, Nubia Jimenez

Nubia is a PRODUMER II sesame co-producer with her husband on the Island of Ometepe. They have been growing organic sesame since joining a cooperative five years ago. Currently she is a member of the PRODUMER II project cooperative COPROTEXON and continues with organic sesame production. Nubia has worked with PROUDMER herself for sometime now.

Currently her family produces four manzanas worth of sesame. The yields she says have been about 9-10 quintals per manzanas. The family benefits from the low input cost and the higher prices that they receive for organic production. She works in the field with her husband, two eldest sons and two hired hands. They would like to hire more, but the wages have risen too much. Her youngest two children currently attend school but are too young to work in the field. In addition to organic sesame, they also plant corn, beans and various types of plantains in smaller parcels of land. These crops are used for family consumption, while the sesame is sold through the cooperative.

The project has certainly made quite an impression on Nubia. She says that the greatest benefits of the project have been for her family. The technical training has helped the family improve their production methods. But training itself is not enough, says Nubia. The project has also given them motivation. Nubia speaks very highly of the PRODUMER II agronomist that has worked with them- stating that he is a friend, but he also supports, teaches and motivates them to follow through with the things they have learned.

One of the areas of training that she is very pleased with is that of environmental care techniques. While she had some trouble growing trees from seeds last year, she says that she learned the importance of planting them to stop erosion. She recently voiced her concern within her community at the municipal office when she saw trees having been cut down- it's not just a case of planting new trees, but also keeping the ones they already have. Moreover, as an organic producer, she says that it is better for the earth and better for the consumer, recognizing how damaging consumption of chemicals over time can be.

Nubia can also see a change in her family thanks to project-run workshops on gender roles. She says that although some people will never change, she has seen a change in her husband. Whereas previously she had to do all household work, he now helps her in the kitchen and with other chores. For a woman who gets up at 4:00am every day and walks an hour just to get to the field where they work- this help goes a long way.

For Nubia, this change in her husband is important as it models for her two oldest sons that this household work is not just for the women. She points out that one day they will have to do chores on their own- like laundry and cooking- if they are going to go to live in anywhere else- such as a university in the city. University is already on the horizon for Nubia's oldest son, now working on finishing his high school diploma. He is hoping to study to be an agronomist like Rommel, their PRODUMER II technician.

For Nubia, the last several years working with PRODUMER II provided a change for the better. She can see the change in her production, her land and her home. And while she laments that the project is ending, there is hope in that her very own children will be the vessels to carry on these practices and principles in the future.