

Ed Bullard founded TechnoServe to give people in the developing world access to the tools and knowledge needed to lift themselves out of poverty. Over time, our focus expanded from individual farmers to small businesses and agricultural cooperatives, and eventually entire industries and countries.



This edition of the World newsletter shows how TechnoServe's work can impact industries, creating new opportunities and higher incomes for poor people. In Honduras, we undertook a four-year program to make coffee and cocoa producers more competitive. TechnoServe's advisors helped farmer groups improve the quality of their products, giving them an edge in the global marketplace. Although we worked with a limited number of clients, our strategy influenced the direction of these industries across the country.

Similarly, TechnoServe helped banana farmers in Uganda move from subsistence to commercial farming, allowing them to bring in higher incomes. We assisted 26,000 farmers, but our impact was felt even more broadly as these farmers showed their neighbors the path to a better life, and new business groups helped sustain and expand this progress.

These stories took place in different parts of the world, but they share a common theme: When people are empowered with the right skills and knowledge, they can create sustainable improvements that extend far beyond their own walls. As Ed firmly believed, a hand up is better than a handout.

Supporters like you help make these types of programs a reality. Thank you for your efforts to create a sustainable solution to poverty.

*Bruce McNamer
President and CEO*

Honduran Farmers Find Success Through High-Quality Coffee and Cocoa

High in the mountains of western Honduras, the 25 coffee farming families of the Flor del Pino cooperative are staging a quiet revolution.

Sons and daughters of landless farm workers, these producers gained ownership of land in the village of Gualtaya through 1970s agrarian reforms. Their plots have the combination of altitude and shade needed to produce some of the country's best coffee. But for years, these farmers sold their coffee through local buyers at low prices. Vulnerable to price swings and lacking business savvy, the families earned little income from their coffee trees.

In 2007, the farmers of Flor del Pino began working with TechnoServe to develop their practices in the field and in the market. Our advisors helped the cooperative improve the quality of their coffee and connect with German and South African buyers, leading to more than \$360,000 in direct export sales since 2008.

The higher incomes have helped these families improve their nutrition, their homes, their health and their education. And the cooperative has made a difference across its close-knit community by helping bring potable water and electricity.



The farmers of the Flor del Pino cooperative are earning higher incomes through coffee and helping to improve their community.

“Thanks to TechnoServe, we have a business vision,” said Rodolfo Deras Maldonado, president of Flor del Pino’s board of directors. “We have international buyers. We are working to improve the quality of our coffee and have better incomes.”

The Flor del Pino members are among the families who have benefited from a TechnoServe initiative, funded by the U.S. Department of Agriculture’s Food for Progress Program, that aimed to improve the competitiveness of both the coffee and cocoa industries. During

(continued on page 3)

Ugandan Widow Finds New Hope in Bananas



Specioza Kakweezi has raised her income from matooke with TechnoServe's assistance.

For more than 30 years, Specioza Kakweezi has grown the plantain-like banana known as matooke on her one-acre farm in the hills of southwestern Uganda. Specioza, a widow, once grew matooke simply to feed her family. Today, she has turned her farm into a profitable business – and a ticket to a better future.

Specioza was able to make this transformation with help from TechnoServe, which has worked since 2005 to promote a more efficient and competitive matooke industry in Uganda. With funding from the Alliance for a Green Revolution in Africa and the Rockefeller Foundation, TechnoServe has helped more than 26,000 farming families improve the quality and quantity of their bananas and connect to higher-paying markets.

Matooke is a staple of the Ugandan diet, but many farmers earn little to no income from their crop. Specioza once struggled to sell her bananas at the market after feeding her family.

“Before TechnoServe, the quality of matooke that I had was very poor,” Specioza said. “The matooke I did grow I could not sell.”

In 2008, TechnoServe began reaching out to farmers in Specioza's community. She attended meetings that introduced her to the benefits of joining a producer business group, where small-scale farmers band together to sell their crops collectively, improving their bargaining power. By May, Specioza had joined the Bitooma Matooke Group.

For Specioza, the new knowledge and market access have made a noticeable impact in her life.

Through the business group, Specioza attended seminars that showed her how to increase her productivity and improve the quality of her matooke. TechnoServe advisors trained Specioza and other farmers in best practices, including spacing the trees properly, applying the right inputs and selecting the most marketable varieties for planting. We worked to strengthen business skills and market connections for farmer groups across southwestern Uganda. And TechnoServe helped some farmers diversify into dairy in order to boost their incomes.

The program helped change lives on a wide scale. TechnoServe

worked with more than 26,000 farmers who sold nearly \$22 million worth of matooke – more than three times the original goal. These farmers accessed nearly \$2.5 million in credit to help expand their plantations. More than 3,600 farmers now regularly sell milk to chilling plants for nearly \$3.3 million in sales.

For Specioza, the new knowledge and market access have made a noticeable impact in her life. When she sold her bananas on her own, she earned \$1.80 per bunch. Selling in bulk through her business group, Specioza earns \$3 per bunch. She harvests her bananas every two weeks and sells about 40 bunches each month.

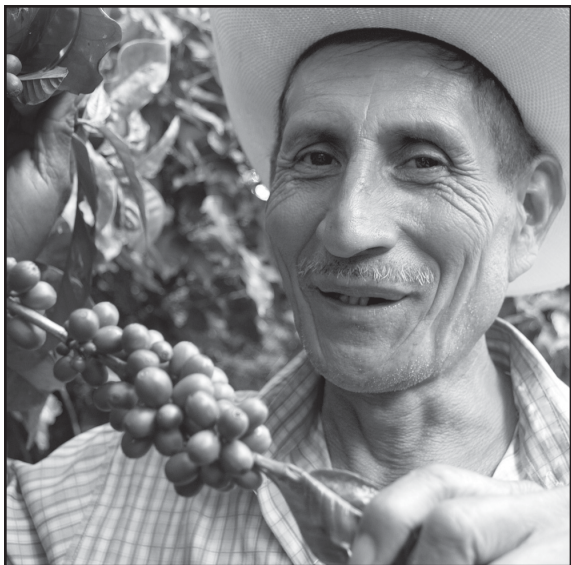
With savings from her higher income, Specioza was able to build a new home out of brick and cement, replacing her unstable mud-and-wood house. Her children are grown, but she raises four grandchildren. Specioza is better able to afford their school fees and supplies. She can provide them with more wholesome meals of beans, matooke, rice and bread. Specioza is proud of the improvements she has been able to make for her family.

“Everything changed when I got the training,” Specioza said. “Now I know how to earn money from my matooke.”



TechnoServe has helped more than 26,000 matooke farmers increase their incomes, creating a brighter future for Ugandan families.

Honduran Coffee and Cocoa Farmers *(continued from page 1)*



Juan Deras, a member of the Flor del Pino cooperative, displays berries from a coffee tree.

the four-year program, TechnoServe worked directly with 25 beneficiary groups that generated nearly \$15 million in sales and bought products from more than 2,200 farming families. But the program created an even wider impact across both industries as TechnoServe and its partners demonstrated the benefits of targeting the specialty coffee and fine cocoa markets.

Coffee is Honduras's most important crop, accounting for more than a third of the country's agricultural output. Much of its production is excellent high-altitude coffee – ideal for the specialty market – but Honduras has always sold its coffee as a commodity, with no price premium for its quality. TechnoServe promoted a strategic plan for the industry that focused on improving producers' skills and building the infrastructure needed to sell coffee to specialty markets.

TechnoServe advisors trained farmers in agronomic topics such as irrigation, fertilization, pest control and crop management. At the same time, we facilitated the design and financing of processing stations that allowed farmer groups to sell their coffee at a better price. TechnoServe also helped clients develop a business plan, learn essential business skills and improve their marketing capabilities.

With the USDA's support, TechnoServe and our local partners helped spread the improvements to the

broader industry. The national coffee association, IHCAFE, now emphasizes specialty coffee and improved post-harvest handling. TechnoServe partnered with the Jicatuyo Foundation in the city of Santa Rosa de Copán to build a cupping laboratory, allowing small-scale producers across the region to assess the quality of their coffee before negotiating with buyers. TechnoServe has shared our learnings widely within the industry, and our clients have set an example for other producers in the region.

"Other farmers in the area say that they admire our cooperative because we are improving our lives, and we are working not only for our families but for the community, too," said Flor del Pino member Juan Deras. "We have no formal education, but we want our children and our grandchildren to have an education and a better future."

An Industry Reborn

In cocoa, the USDA program has helped revitalize the sector. Although Honduras has produced high-quality cocoa for centuries, it has always been sold to commodity markets. The combination of a devastating hurricane, disease and low commodity prices nearly wiped out the Honduran cocoa industry in the early 2000s.

TechnoServe developed a strategy targeting the fast-growing fine cocoa market that was widely endorsed across the industry. Our advisors identified promising native plant varieties and trained farmers in grafting techniques to reproduce the genetic material in new trees. The program is supporting the planting of more than 2,500 acres of fine cocoa, and other initiatives aim to plant more than 7,400 acres of the local varieties identified with USDA's support.

TechnoServe showed producers how to ferment and dry their beans to ensure quality, and we partnered with the Honduran Agricultural Research Foundation to build a cocoa quality control laboratory – the first of its kind in Central America. Our advisors enlisted the help of industry experts to

develop a marketing strategy and facilitate initial sales of fine cocoa. Gourmet chocolate makers have shown significant interest in Honduran cocoa beans.

The new plantations are also creating environmental benefits by replenishing deforested areas. Using the knowledge and methodologies developed through the USDA program, TechnoServe and local partners Fundación Merendón, the San Pedro Municipal Water Division and Aguas de San Pedro are helping farmers in protected areas of the Merendón mountain range to improve their livelihoods and protect degraded hillsides by planting cocoa and other trees.

The beneficiaries include the smallholder farmers of CAPROCAFIM, a 60-member cooperative spread across 14 mountain communities. TechnoServe has helped these farmers cultivate new varieties and revive existing trees. CAPROCAFIM has planted more than 120 acres of cocoa and raised nearly \$34,000 to build a nursery and plant new trees.

"TechnoServe did not come to our area alone," said Victoriano Garcia, president of CAPROCAFIM's board of directors. "They created an alliance and gave us more opportunities to sell our products."



TechnoServe advisor Juan Jose Aguilar displays a dissected cocoa bean in a new quality control laboratory.

Supporters Witness TechnoServe's Impact in Kenya

In April, five TechnoServe supporters traveled to Kenya to see TechnoServe's work firsthand. Together with TechnoServe staff, the donors visited programs in coffee, dairy, tourism, horticulture and youth entrepreneurship. Here's what they had to say about the experience:

"It was an absolutely fabulous trip to Kenya. I now appreciate the true nature of TechnoServe's mission and the passion and dedication of their field personnel. I understand why they are one of the most respected business development nonprofits in Kenya. The projects we visited will serve as a model for others in Africa. The trip made me feel good about my support of TechnoServe."

Pete Raquet,
TechnoServe Member Chair



"For Patty and me it was a transformative experience. Seeing firsthand the work TechnoServe does, its positive effect on individuals and communities, has inspired us to continue support."

Patty and Alex Velaj,
TechnoServe Members

"Touring the farms and co-ops with TechnoServe's superb staff was a life-enhancing experience. I am deeply impressed with the level of professionalism as well as the innovative and useful technical support offered at each project. The recipients were fantastic and exuberant in their appreciation of their partnerships with TechnoServe."

Ellen Jewett,
TechnoServe Member



WAYS YOU CAN SUPPORT TECHNOSERVE

Direct Contributions

Gifts of cash, real estate or personal property will support our work in developing countries.

Appreciated Stock Contributions

Gifts of stock or other investments which have recently grown in value can be more advantageous than cash as they can leverage your tax benefits.

Memorial and Honorary Gifts

Contributions can be made in memory or honor of a relative, friend or colleague. Your gift will be acknowledged to the honored person or family.

Bequest Contributions

By including a gift to TechnoServe in your will, you can provide a meaningful contribution to either current operations or TechnoServe's endowment.

Pooled Income Fund Contributions

Contributing to TechnoServe's Pooled Income Fund results in income for you proportionate to your contribution and a tax deduction based on the estimated principal that will be left to TechnoServe.

Charitable Gift Annuities

A charitable gift annuity contract with TechnoServe provides a guaranteed lifetime income for you and a tax deduction based on the estimated principal that will be left to TechnoServe.

Charitable Remainder Trusts

A charitable remainder trust naming TechnoServe as a beneficiary can provide income for you and a tax deduction based on the amount that will be left to charity.

For more information please write (address below) or call Darlene Brown at 1-800-99-WORKS.



TechnoServe
BUSINESS SOLUTIONS TO POVERTY

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Since its inception in 1968, TechnoServe has helped to create or expand thousands of businesses, benefiting millions of people in more than 40 countries.