



# Coffee Industry Corporation NEWSLETTER

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**Taking extension services to the  
farmer's doorstep**

## **MISSION STATEMENT**

To increase financial returns, productivity, production and market access for female and male coffee farmers and others along the value chain, with motivated, competent and continuously learning actors.

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We would love to hear from you. If you wish to share a coffee story or send a comment or feedback, kindly email to the addresses provided below and we will be more than happy to contact you to run your story in our next issue.

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## Cover photo:

From left: David Elmai, Phillip Puke and Simon Gesip ready to board SIL aircraft in Goroka bound for Dusin, Simbai- Madang Province.

## PROMOTING COFFEE CONSUMPTION AT THE ENB DAY CELEBRATIONS

As part of its community participation and involvement, the Coffee Industry Corporation has supported the East New Britain Day celebrations in Goroka on Saturday 31st October, 2015. The Corporation took the opportunity to not only go in as a sponsor for the event but also promoted consumption of local coffee produced by smallholder farmers.

Its Marketing Unit displayed various promotional merchandise and show cased a variety of coffee samples to the general public that participated at the event.

According to Marketing Officer Jacqueline Ruguna, the event was an opportunity to not only promote the industry but to showcase smallholder coffee and encourage local coffee consumption as much as possible among the general public.

Students from the University of Goroka including the East New Britain community in Eastern Highlands Province organised various traditional dances and songs and were assisted by sister provinces such as New Ireland, Autonomous Region of Bougainville and West New Britain to put up a good show for the enthusiastic crowd.

Patron for the UOG East New Britain Students Association Mr Albinus Balangan thanked the Coffee Industry Corporation for supporting the event and hopes to continue such partnerships in future to support the tertiary students associations in the province.



*CIC Marketing team during ENB Day celebrations at the National Sports Institute in Goroka.*

# DUSIN- Potential to expand coffee activities

Middle Ramu District with its four Local Level Governments (Arabaka, Kovon, Simbai and Josephstall) in the Madang province of PNG is one of the remotest districts in the country. Most economical activities revolve around coffee, cocoa, pig and betel nut. In most isolated areas in this district, basic services continue to be lacking.

With the area having a fair bit of the coastal and Highlands climate, coffee has been the most important economical crop for the inland areas while cocoa, copra and betel nut for areas closer to the coast.

Under a national initiative of CIC's district partnerships, coffee extension services and partnership programs with various districts have resulted in positive impacts on rural income from coffee. The Middle Ramu district has been engaged with CIC under such a program. The project as desired by the the district under the leadership of the Middle Ramu MP and the Minister for Agriculture and Livestock Hon. Tommy Tomscoll, two components have been funded for delivery by CIC under the agreement.



1. Coffee Development &
2. Integrated Farming System (IFS) – Apiculture or bee keeping

The first entry by CIC into the Middle Ramu District was on the 08th – 12th of December 2014 via the Dusin Air-strip in the Kovon Local Level Government of the district.

With the rugged topography and remote natural vegetation, CIC extension officers braved an almost four hours walk to reach Dusin.

Mobile Extension Officer David Elmai said that the purpose of the visit was to carry out a feasibility study to gain entry into the villages that will be the host of the

inaugural honeybee and coffee nursery programs. "Community leaders were interviewed for the project area allocations during the meetings whilst primary emphasis was put on proper organisation and leadership of community based farmers' cooperative groups," said Elmai.

## OUTCOMES OF THE TRIP:

- \* Community contacted in the form of awareness and meeting were identified as Womuk village, Ward 2, Simbai LLG and followed by Songovak village, Ward 2 of the Kovon LLG for initial operations of CIC – Middle Ramu District MOA projects.
- \* Advised and Initiated x2 farmer groups which are Songovak Integrated Farmers' Cooperative Society (SIFCC) & Womuk Farmers Development Cooperative Society (WFDCS)
- \* A 10, 500 Ha Arabica coffee nursery and 20 honeybee hives all active and are currently developing at an exceptional rate and the honey is highly anticipated to be harvested early in 2016.

Both projects are currently operational with seedlings growing under the care of properly trained and mandated farmer groups.

"We are anticipating that both projects will slowly be introduced to other surrounding communities and further within the district," added Elmai.

However farmer group formation, establishment and sustainability remains the biggest challenge of the CIC extension operations in the Middle Ramu district.



**Top left:** CIC officers on the SIL aircraft to Dusin.

**Above:** Officers take a breather as they make their way into Dusin

# CIC launches audit committee to boost transparency

The Coffee Industry Corporation Ltd has launched its Audit Committee to promote transparency and good governance in the sector, according to Acting Chief Executive Officer Charles Dambui.

The committee composition comprises of CICL Chief Executive Charles Dambui, Deputy Auditor General of PNG, Mr Lemeki Ila and Department of Finance nominee and renowned Consultant, Jerry Wemin, representing the Secretary of Department of Finance. Mr Wemin will serve as the Chairman of the committee. As a requirement two more people would be included to bring the number of the committee members to five. One of these two must have reputable financial and accounting background, while the other must be knowledgeable in the coffee industry.

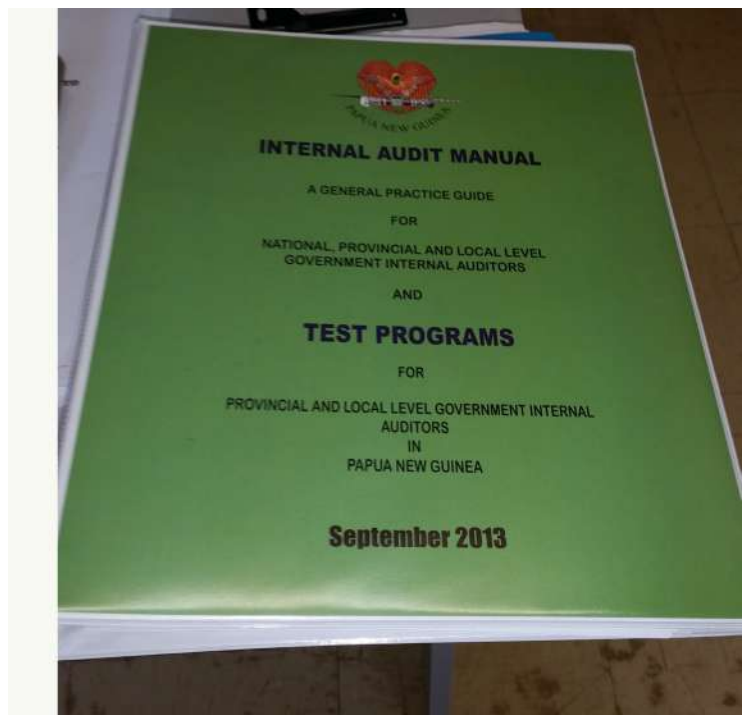
The committee was described as a milestone establishment, putting CIC as one of the first institution from a government statutory organization, including also being the first among the commodity organizations to have set up such a vigilant committee to ensure there is transparency, accountability and further to promote good governance in its operations.

Mr Dambui informed the senior officers from the government departments, including other senior CICL officers that participated at the launching that the establishment of the CICLAC would now call for greater accountability and transparency in all facets of its operations. Mr Dambui also informed the participants that after that launching CICL would also have an in-house internal committee to be headed by its own Internal Auditor Ms Lilian Amu, who would be compiling periodical reports to the CICLAC.

Since the CICL has embarked on a private-public partnership program with other organizations, districts and relevant stakeholders aimed at achieving increased coffee production, Mr Dambui stressed that the concept of having the CICLAC “would make ourselves (CICL) accountable and transparent and promote good governance”.

The Finance Department’s First Assistant Secretary (Internal Audits & Compliance Division), Mr Tess Wingi echoed that the program of institutions having such Audit Committees started in 2004 and assured the CICL management that the CICL would have some tangible overall improvements in its performance.

Mr Wingi also explained that the CICLAC is a tool that would not only look into financial aspects of CICL, but also to audit reports from the CEO and his Executive Management and thereby, rendering the CICL as being transparently accountable to its stakeholders at all times.



*Copy of the internal audit manual that was presented to CIC during the launch in Goroka*

# NEW TECHNOLOGY TO LIFT COFFEE QUALITY

**By Leo Wafiwa**

THE introduction of a new coffee pulper machine will boost coffee production and quality in Papua New Guinea.

The eco-pulper machine was introduced to smallholder coffee farmers in the Bung Village of North Wahgi area in Jiwaka. The Industry Coordination Committee (ICC) which is effectively the Board of the Coffee PPAP was present at the opening ceremony on Thursday 3 December, 2015. The ICC Chairman Ian Mopafi was guest-of-honour who officially launched the Eco pulper.

Long-time coffee farmer and businessman, John Munull who owns Kosem Coffee Limited in Banz was a delighted man at the official launching witnessed by some 500 villagers.

"I urge Papua New Guineans to use this machine to improve the quality of coffee. The eco-pulper is the way to go. I'm now happy," said Mr Munull.

The new technology will pulp large quantity of coffee beans all at once to maintain quality standard which has been a concern for the industry for some years.

It is the first to be installed by Coffee Industry Corporation (CIC) through the Productive Partnerships in Agriculture Project (PPAP), a World Bank and International Fund for Agriculture Development (IFAD) funded initiative to rehabilitate coffee production in the country.

Mr Munull who owns Kosem Coffee Ltd is a lead partner of PPAP who successfully sourced funding for the installation of the pulper machine which cost just over K50,000.

CIC General Manager for Industry Operations Division,

Steven Tumae who stood in for acting CEO urged the locals to take ownership and look after the machine.

Project Manager of PPAP (coffee component), Mr Potaisa Hombunaka challenged the coffee growers/farmers to change their mindset and operate as a business.

"The key point is business. This is how you should operate this new technology so you can continue to service it and not come running to CIC or government or whoever for money to fix it."

He also urged the growers to save the monies they earn from coffee to improve their livelihood and that of their

Mr Hombunaka therefore acknowledged the presence of National Micro Bank and National Development Bank staff and officials to explain and encourage growers and their families to save and borrow money to grow their coffee business.

The new coffee pulping machine is the first in the country to help farmers to treat wet coffee beans. It will increase coffee production, maintain quality standard and boost smallholder growers' income.

The eco-pulper removes the coffee pulp and mucilage at the same time so no need for further fermentation and washing, i.e. from pulping straight to drying but still maintains quality. When operated efficiently it uses a tenth less water to pulp a kg of coffee.

The PPAP is an agriculture sector development initiative designed to improve the livelihood of smallholder cocoa and coffee producers supported by the project.



**a) The smallholder growers and their families witnessing the new technology pulping coffee beans in large quantity b) Former local MP William EkipWii witnessing ICC chairman Ian Mopafi cutting the ribbon to officially open the eco-pulper**

# Brand New Toyota Land Cruiser for Avina Coop

**By John Supa**

The 2015 National Coffee Cupping Competition (NCCC) first prize winner, Avina Coffee Cooperative Group (CCG) from Tapo outside Kainantu town, were presented a brand new Toyota Land Cruiser utility in November.

The inaugural NCCC held in 2014 at the Gateway Hotel in Port Moresby was won by the Kanite CCG from Okapa, also from the Eastern Highlands Province. The 2015 NCCC was held at the Holiday Inn, also in Port Moresby.

In a colorful gathering at Avina village on the 20th November 2015, the attendance of a very high level delegation from CIC led by Acting Chief Executive Officer Charles Dambui and his two Lieutenants; General Managers, Steven Tumae (Industry Operations Division) and Dr Mark Kenny (Research Growers Services Division), including other senior officers of CIC, signified the importance of the NCCC.

The two General Managers were given the privilege by the CEO to jointly present the vehicle as first prize to the Avina CCG. The two General Managers also presented monetary prizes to other cooperatives from the Kainantu and Obura Wonenara Districts that took part in the 2015 NCCC among 170 groups from all over PNG that made it into the top 10. They were; Untoa Kosa CCG, Obura Wonenara – Habina CCG, Baira Fresh Ori Coffee CCG, Kainantu CCG and Aiyura CCG.

Coffee Inspector Stila Frisu told the gathering that the process of tasting and judging coffee during the cupping competition involves very stringent processes and was done by international Connoisseurs. Frisu explained that no coffee cooperative that sent in coffee for judging would compromise the process of the NCCC, therefore, the 2015 NCCC won by Avina CCG was won on merit.

The NCCC concept is to promote CIC's "Tree to Cup" policy, which, is to firstly promote coffee quality and secondly, to ensure that the coffee grower maximizes financial benefits from direct exports of his coffee to overseas markets through production of such quality coffee. In contrast, unlike previously, so called middlemen within the parchment coffee buying, processing and exporting chain, benefit the most and the poor small coffee grower simply gets only a meager portion of money from his coffee.

Messrs Tumae, Dr Kenny and CEO Dambui all challenged the Avina CCG members to maintain their top placing when the third NCCC is held in 2016. Their challenge comes after the inaugural 2014 NCCC winners Kanite recorded a slump form in the 2015 NCCC. The trio echoed that growing and producing quality coffee starts with the growers and that the growers through their cooperative groups can contribute immensely towards PNG's export of quality coffee.



*Avina Coffee Cooperative Chairman Simon Teneko receiving the vehicle keys from CIC General Manager (Industry Operations) Steven Tumae as Dr Mark Kenny (General Manager- Research & Grower Services Division) and Acting CEO Charles Dambui look on*

# First Road Project Under PPAP



*The access road from Tairora High School to Nompia which the Lamari people often use has 13 bridges built in similar fashion. Only 4-Wheel Drive vehicles use this road. Five of these very bad bridges will be rebuilt by the Project that will have a life span of 20 plus years.*

## **By LEO WAFIWA**

Smallholder coffee growers in the remote Lamari LLG of Tairora, Eastern Highlands Province will soon have access to market and other social services.

This will be made possible through the rehabilitation of a 5km access road from Nompia to Bibiori in the Lamari LLG.

This effort is being undertaken by the Coffee Industry Corporation through its Productive Partnerships in Agriculture Project (PPAP) funded by the World Bank IAD and PNG Government.

The procurement and tender process for awarding of contract for the road works are already in place. Seven companies have entered the bid for the contract. Road works will begin by April in 2016 once contract is awarded.

The rehabilitation of this rural road is the first under component 3 of PPAP, which intends to improve market access for smallholder coffee growers in the targeted areas.

The access road will connect remote sleepy hamlets, making it possible for 4-Wheel Drive vehicles, mainly Toyota Land Cruisers

to crisscross through the verdant green terraced fields.

Presently growers living at the far back of Lamari carry their coffee bags and walk for days to Nompia and wait for 4-Wheel Drive vehicles to transport their coffee beans to Kainantu town.

CIC recent coffee census had 1.5 million coffee trees in Lamari LLG area.

The PPAP team headed by Project Manager Mr Potaisa Hombunaka recently met with 12 ward councillors from Lamari LLG and some women representatives.

The councillors who are also coffee growers were overwhelmed and wanted to see the road works begin immediately to connect them with the rest of Papua New Guinea and the world.

A signed declaration by the 12ward councillors supporting the rehabilitation of the 5km road was given to the PPAP manager Potaisa Hombunaka.

Connectivity and mobility is the key to reaching out and opening up new opportunities for the rural population.

The access road will increase coffee production and other opportunities will follow to help alleviate poverty and improve rural livelihood of the Lamari people.

# PPAP empowers women in coffee business

Timbuka Coffee Limited in Western Highlands Province is managed by Ms Daisy Casopang and is one of first women recipients of the Productive Partnerships in Agriculture Project (PPAP) funding under Coffee Industry Cooperation (CIC). The Lead Partner (LP) has three co-partner groups operating in the Nebilyer District and Hagen Central in Western Highlands Province, and Avi in Jiwaka Province.

The Lead Partner services 432 farmers. This partnership agreement between Timbuka Coffee and CIC-PPAP is aimed at increasing the production of quality coffee. Recently the Lead Partner organized a training session for 469 smallholder farmers in three districts. It was an opportunity for the farmers to acquire knowledge and skills in coffee husbandry techniques, coffee harvesting, processing and quality improvement, and coffee marketing.

Among the participants were 97 female farmers and 53 children who have their own coffee blocks. Mrs Cathy Rumints, a former civil society advocate and a female member of the PPAP coffee board (Industry Coordination Committee) attended the closing of the training at Nebilyer. She was overwhelmed with the initiative taken by Timbuka Coffee Limited to work with smallholder coffee growers, especially women and children, and encourages other coffee partnerships to do the same.

Mrs Rumints wants to see all stakeholders take ownership of the opportunity being presented by CIC through PPAP to advance in their coffee production and livelihoods. A very influential community leader in the area, Councilor John Ketelga Pulga of Nebilyer Ward 1 was a participant in the training session. Mr Pulga is also a smallholder coffee grower.

Speaking during the closing ceremony, Mr Pulga said coffee is their lifeline and he wants to see the improvement and development of coffee production and quality to bring more income to the growers and their families.

He therefore welcomed CIC's rehabilitation project under PPAP and the training conducted over the two days.

Mr Pulga urges his people to put to good use the knowledge and skills they acquired in the two-day training.

He regrets the training should have come earlier during his active days so that he can be empowered to become somebody he dreamt of. However he is pleased with the training as timely for young people and encourages them to bring to fruit the theory of tree-to-cup.

The theory refers to the industrial process of converting the raw fruit of the coffee plant into the finished coffee. By adding value and processing the coffee locally, coffee farmers can increase their income and subsequent livelihood.

Elder Pulga added that the Lead Partner was visionary and thanked Ms Daisy Casopang for bringing PPAP to their haus lain or door step.

Other LPs participating in these projects are Kosem Small Holder, Kosem Group, Pacific Agriculture Management Services (PAMSL), PNG Coffee Exports, Anglimp Small holder and Rilke Coffee Ltd. These LPs are managing more than 10,000 small coffee farmers between Mt Hagen (Western Highlands) and Jiwaka Province.



*Cathy Rumints urges coffee farmers at Nebilyer to take advantage of the Productive Partnerships in Agriculture Project (PPAP) to change their lives. Seated is Ms Daisy Casopang who manages Timbuka Coffee Limited in Western Highlands Province.*

# New Executives for PNG Smallholders Coffee Growers

The PNG Smallholder Coffee Growers Associations (SHCGA) Inc has elected new executives in an annual general meeting (AGM) held recently in Goroka.

The new team will be headed by re-known coffee farmer Joseph Kom as chairman and Jerry Anisi as his deputy. Other members of the new executive team are Nick Lalop (secretary), Jeffson Angopa (treasurer) and Kaiyo Kana (general secretary Growers Associations).

At the start of the AGM, Project Manager of Productive Partnerships in Agriculture Project (PPAP), Mr Potaisa Hombunaka introduced member growers to the World Bank and IFAD (International Fund for Agriculture Development) funded rehabilitation efforts to improve cocoa and coffee production in Papua New Guinea.

He said the coffee (as well as cocoa) PPAP project since 2011 is progressing well and will cover only 10 per cent of nearly 400,000 coffee growing households to improve their yield and subsequent livelihood.

Mr Hombunaka also urged the smallholder representatives from the provinces to introduce a business approach for the long term sustainability of the coffee industry, their income and the future generation whose lives depend on coffee.

“We must take a pro-active role in developing partnership to take coffee industry to the next level.” “We must change the culture of coffee production. We have been farmers for many years.

“We must develop strategies to develop effective partnership to develop businessmen and women in coffee. I want to see more coffee businessmen and women,” he said.

Mr Hombunaka explained to the growers that the whole idea of the PPAP is to develop the capacity of smallholder growers to operate like a business and become major partners or players in the respective industries.

The PPAP is an agriculture sector development initiative designed to improve the livelihoods of smallholder cocoa and coffee producers supported by the project.

A total of 17 coffee farmer representatives from the provinces attended the one-day meeting.



*The new executives of PNG Smallholder Coffee Growers Association following their election at the AGM in Goroka. Picture courtesy of PPAP/CIC.*

# CIC in pictures



CIC's Senior Quality Control Officer Rose Romalus presenting a trophy to the Avina Cooperative as Minister Tomscoll looks on



CIC Management team during the vehicle presentation to Avina Coffee Cooperative of Kainantu

## Ensuring Only the Finest



## From tree to cup



**Left:** CIC Lab Technician Fako Zume and driver Masa Ura-ko weighing farmer coffees in Alyura during the Regional Cupping Competition **Top:** Fako Zume roasting coffee samples in preparation for cupping

# CIC in pictures



Team CIC during a recent trip to Watut for the coffee partnership program with the district



Gesture of welcome by a community in Dusun, Madang Province during a visit by CIC officers



Acting CIC CEO Charles Dambui with General Manager for Industry Operations Division Steven Tumae during the 2015 Christmas party at Steak Haus in Goroka



A lady selling her parchment coffee to a roadside buyer in Kainantu, Eastern Highlands Province

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