

CAN A PROFITABLE BUSINESS ALSO BE PROFITABLE FOR NATURE AND CREATE A VIRTUOUS CIRCLE?



IMPLEMENTING A CENTRAL MILL: A HUMAN ADVENTURE INVOLVING NESPRESSO, A NATIONAL FARMING ASSOCIATION, NGOS AND THE LOCAL COMMUNITY.
PROJECT CONSORTIUM OF PARTNERS INCLUDING NESPRESSO, FNC, EXPOCAFE, LOS ANDES COFFEE COOPERATIVE, USAID AND THE DEVELOPMENT AGENCY ACDI/VOCA.

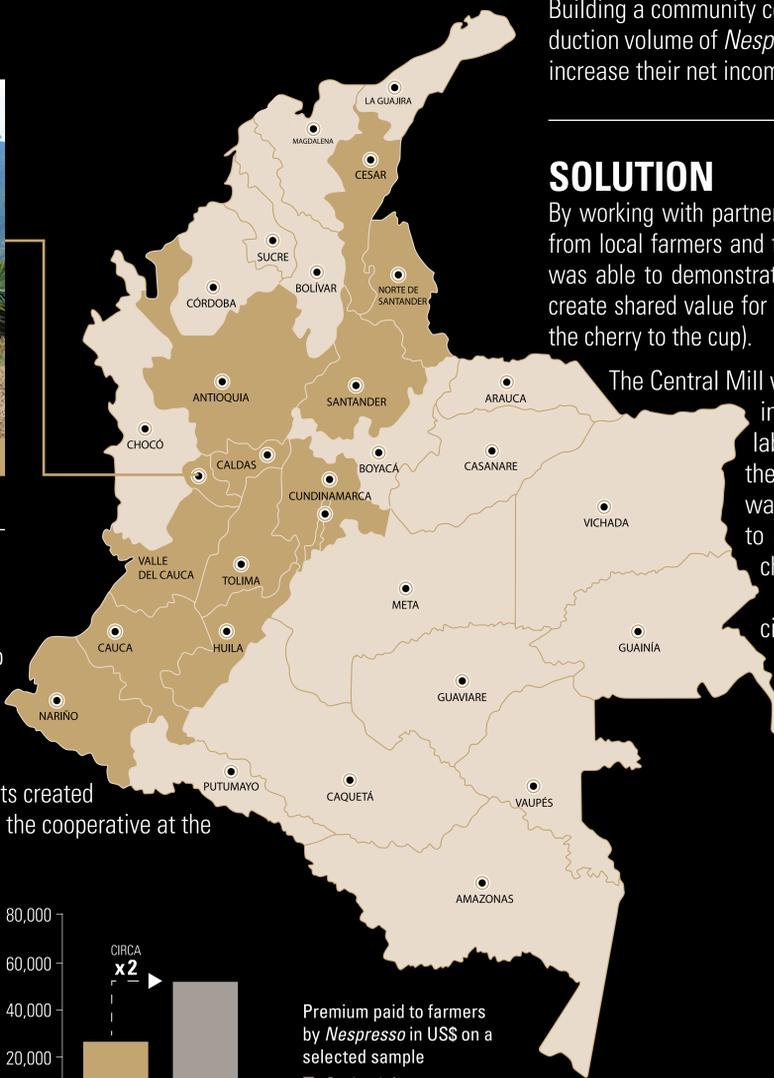
INTRODUCTION

Colombia is recognized among the five most biodiverse countries on the planet* and the home to some of the highest quality coffees appreciated by connoisseurs around the globe. Preserving such an exceptional environment in key coffee-producing regions and guaranteeing the highest quality coffee crops are some of the challenges coffee growers are facing. The average size of a coffee farm is just 2.5 hectares. Despite their small size, individual farmers have traditionally carried out their own milling and drying leading to inefficiencies.

These practices can deteriorate the quality of coffee and the environment, as well as farmer profitability. Building a community coffee processing centre in Jardín region enabled coffee farmers to double their production volume of Nespresso AAA Sustainable Quality™ standard coffee, secure a higher price premium and increase their net income, as well as dramatically reduce water consumption and pollution.



Jardín, Central Mill



SOLUTION

By working with partners and by obtaining support from local farmers and their community, Nespresso was able to demonstrate that a Central Mill could create shared value for the entire value chain (from the cherry to the cup).

The Central Mill was completed in 2010 and includes a quality testing laboratory, a wet mill, where the natural fermentation and washing process takes place to extract the bean from the cherry and 3,000 square meters of solar drying capacity, where the green coffee

beans with parchments are sun dried before being hulled, sorted and graded.

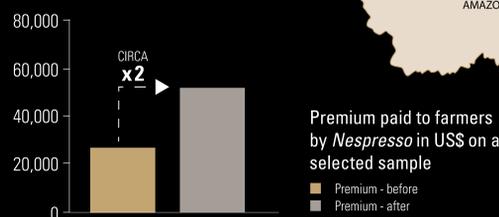
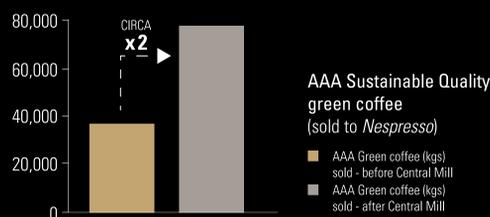
Although central milling is far from being a new idea, and some central mills do already exist in Colombia, this project was unique in the sense that:

1. It was designed according to Nespresso's sustainable quality requirements, such as integrating sun drying and water treatment.
2. The initiative was led by the farmers' entrepreneurship.
3. A quality sensory profiling lab as well as quality traceability processes (from cherry sorting, fermentation to drying) were fully part of the project scope.

ECONOMIC IMPACT

↑ 17% Farmers have doubled the volume of coffee that is sold according to Nespresso's quality and sustainable criteria helping them secure higher premiums and increasing their net income by 17%.

The Central Mill is also run as a cooperative and any profits created by the Central Mill are shared among the farmers through the cooperative at the end of the season.

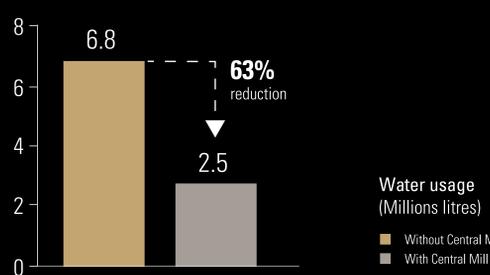
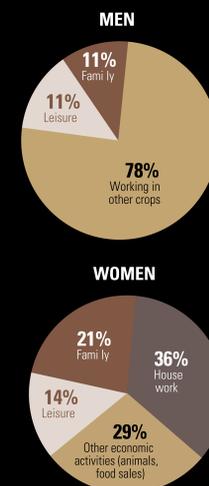


SOCIAL IMPACT

By using the Central Mill, farmers save approximately 4 hours or more per day during the harvest and avoid labour-intensive tasks.

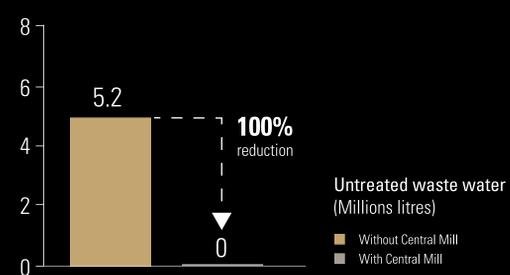
This extra time is being used either to make improvements to the farm or to make time to be with their families.

Activities in which extra free time is spent (percentage)
Source: Technoserve, Farmer survey and focus groups (N=25)



ENVIRONMENTAL IMPACTS WATER USAGE
A coffee farmer will traditionally use around 25 litres of water to process one kilogram of coffee. However, at the Central Mill, only **11 litres** of water per kilo of parchment are required.
The Central Mill has reduced water usage by **63%**.

ENVIRONMENTAL IMPACTS WASTE WATER MANAGEMENT
↓ 100% The Central Mill also contains a waste management system to prevent pollution of the natural environment and help protect local ecosystems. Waste water is treated by a water treatment system and the leftover pulp from the milling process is re-used as compost. Water pollution has been reduced by 100%.



CONCLUSION

This Central Mill is about increasing the volume of the highest quality coffee, sold at higher premiums, integrating infrastructures and processes that protect the environment. It's about creating a virtuous circle and innovative business models creating shared value for today and also for future generations.

"I have been with Nespresso since the beginning. My daughter is studying to become a nurse and the three others are still at school. I no longer have any children working on the farm. I get up every day at five o'clock in the morning, milk the cows and take breakfast to my workers. Before, I used to have to work the full day up to five o'clock in the evening, but now I no longer process my own coffee cherries. They are delivered straight to the cooperative the day they are harvested and I have free time to grow my own vegetables and bananas."

Luis Alfonso, Coffee Farmer in Jardín

*www.wwf.org