

# HURRICANE MITCH RECONSTRUCTION UPDATE



**USAID/Nicaragua  
Hurricane Mitch  
Reconstruction Program**

<i>(U.S. Millions of Dollars)</i>	\$103.6
<i>Public Health</i>	30.1
<i>Economic Reactivation</i>	59.1
<i>Education</i>	4.5
<i>Municipal Infrastructure</i>	4.4
<i>Transparency and Accountability</i>	1.0
<i>Food Aid</i>	4.5



Departments of Nicaragua Affected by Hurricane Mitch

## ECOLOGICAL WET MILL RAISES QUALITY OF NICARAGUAN COFFEE

**San Juan de Rio Coco, Nicaragua**—An ecologically safe wet processing coffee mill, recently inaugurated in this mountainous region, could help small and medium producers of the September 12th Cooperative improve the quality of their coffee.

The new mill was built with a \$40,000 loan to the co-op, financed by USAID, through the Cooperative League of the United States of America (CLUSA), a private non profit organization. CLUSA receives approximately \$7 million from USAID’s Hurricane Mitch Reconstruction Program for an agricultural project that includes a coffee quality component.

The new processing plant offers a glimmer of hope to the 176 coffee growers, affiliates of the



*The USAID-financed wet processing mill results in higher coffee quality, which could give small producers an advantage in price negotiating.*

September 12th Cooperative, in light of plummeting coffee prices this year. By improving the quality of their coffee, the growers could increase their chances of obtaining higher prices.

“That is our hope and expectation,” said co-op member Juana Francisca Matey, a 49-year-old widow with a 7-acre coffee farm. At the current market price, Matey says she won’t even be able to pay back her loan to the co-op this year.

Other members of the co-op face a similar situation. Claudio Centeno owes the co-op \$1,200. At current coffee prices he won’t be able to pay it back and keep up his eight and a half-acre coffee farm. Maura



*Coffee, one of Nicaragua’s biggest export crops, provides yearly temporary employment to thousands of workers including many women.*

*(Continued on page 2)*

## ECOLOGICAL WET MILL RAISES QUALITY...

(Continued from page 1)

Monge, with 6 acres, has a loan of \$846 that will be difficult to repay at current coffee prices.

However, these coffee growers agree that the new mill gives them an advantage over the old method of processing coffee.

Like many other small producers, Centeno and Monge processed their coffee using their own rustic mills to de-pulp and clean the beans. Both said their equipment is in disrepair and sorting the beans by hand is time consuming. Plus, they had no way of separating out the larger, higher quality grains. The home-run mills also create serious pollution problems when residues and water runoff are dumped into local streams.

The new mill, with its own generator, operates with two shifts of workers (a day shift and a night shift) and is currently processing up to 400 hundredweights of coffee cherries a day. Running water and special machinery remove the outer skin, then clean and separate the larger beans from smaller, inferior grains. Along with improving quality, the new mill reduces farmers' processing costs for fuel and labor. These costs, which before were the responsibility of each producer, are now shared by all the members of the cooperative.

"Look at the quality of these beans," exclaims Cesar Melgara, who received training to operate the mill, (paid for by the USAID project), in Guatemala where a similar mill is



*Traditional coffee milling is time consuming and lacks quality control. Residues pollute streams.*

functioning. "It is so superior to the coffee processed by traditional methods." Melgara also received training to recognize the characteristics that experts use to classify coffee, known as "coffee cupping".

Another advantage of the new mill, Melgara explains, is that it is environmentally safe. During the coffee harvest, a repugnant stench emanates from gullies and streams around coffee plantations from the fermented residues that run off from traditional milling. The water at the new mill, used for the cleaning and sorting process, is recycled and the residues are filtered to avoid contaminating the area's water resources.

"Even if prices don't increase this year the mill was a good investment because it definitely improves the quality of the coffee and small producers like myself save time because now we don't have to do the processing ourselves. This will give me more time to take care of my farm," said Centeno.



*The ecological wet mill maintains a filtering pit for the residues, preventing pollution of area water resources.*

### Long Term Economic Development

USAID's agricultural program encourages farming methods that will guarantee a livelihood for approximately 100,000 farmers while protecting the environment. The \$59.1 million economic development program includes rehabilitating and improving farms through crop diversification, community irrigation systems and better farming methods that will increase yields and protect the environment. About 50,000 forest tree and 35,000 fruit tree saplings are being distributed to farmers to stabilize watersheds.

Over 1,000 miles of rural roads will be repaired along with bridges and culverts. Construction of retaining walls and dikes will help prevent flooding and erosion. These projects are generating temporary employment for 24,000 laborers.



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