

Developing an Eco-palm market in North America: A pilot project with churches

August, 2004

Prepared by:

Dean Current

January 31, 2005

CONTENTS

- I. XATE 2004 PROJECT OVERVIEW
- II. PROGRESS TO DATE
- III. SUSTAINABLE HARVEST AND PROCESSING GUIDELINES
- IV. SUPPLY CONSIDERATIONS RELATING TO CERTIFICATION OF XATE PALM
- V. DEMAND / MARKETING CONSIDERATIONS RELATING TO CERTIFICATION OF XATE PALM
- VI. CHAIN OF CUSTODY CONSIDERATIONS RELATING TO CERTIFICATION OF XATE PALM
- VII. LIST OF CERTIFICATION PROJECT PARTICIPANTS

I. PROJECT OVERVIEW

Introduction

We have been moving ahead with efforts to certify and sell sustainably harvested fair trade palm to Christian congregations as a first step in promoting the sale of those palms through retailers in North America and Europe as a means to promote forest and palm conservation and improve the livelihoods of the communities gathering the palms. Since May of 2004 we have been concentrating on: 1) working on the guidelines necessary to set up a sustainable harvest; 2) certifying that harvest through a “fair trade” protocol which includes sustainable harvest guidelines; 3) identifying available supply through communities that have expressed interest in selling sustainable palm; 4) identifying potential demand from churches in a pilot area for the 2005 Easter season; and 5) setting up arrangements with a Texas importer, retailers and wholesalers and interested congregations.

Following is a short description of the process necessary to prepare for a 2005 pilot sale. It may not be realistic to have the final certification guidelines and a definite certification process agreed upon for the 2005 sale but we should be able to have guidelines in place and set up a mechanism for returning income from the sale to community associations which will then be able to distribute the additional income to members or set up community funds to be used by those associations:

- **SUSTAINABLE HARVEST AND PROCESSING GUIDELINES:** Starting at the forest and community level we need to define guidelines for the harvest and processing of the palms trying to avoid discarding up to 50% of the palms collected as has been known to happen in the past. This will include guidelines on the number of fronds that can be harvested from a plant and the length of time between one harvest and the next. In addition guidelines and training will be needed to properly select and handle the palms.
- **DEFINING CERTIFICATION GUIDELINES:** The harvesting and processing guidelines along with the monitoring of palm populations will form the basis of the certification. Harvesting guidelines will ensure sustainable harvest while handling guidelines will help guarantee the quality of the product that enters the market and minimize the number of fronds discarded.
- **SUPPLY CONSIDERATIONS RELATING TO CERTIFICATION OF XATE PALM:** In order to develop the palm market and ensure we have enough certified palm to meet the demand will require understanding how much natural forest grown palm can be supplied from the interested communities. This will require working with the communities interested to define the amount and type of palm they can provide to the market. This will require some kind of inventory of existing palm populations. This is a technical issue that will require field work with the communities.

- **DEMAND / MARKETING CONSIDERATIONS RELATING TO CERTIFICATION OF XATE PALM:** Just as understanding the potential supply of certified palm from the communities is important, we must also have a good idea of demand from Congregations and, because of the need to coordinate the supply from communities with the demand from churches we are hoping to get commitments from churches early so we are not promising too much to communities and so that we can coordinate the harvest and delivery as smoothly as possible. This will require getting the information out to churches and their leaders and coordinating the ordering of the palms. Our partners in church organizations will be important to this effort and coming up with a certification and message that is attractive to them and a certification that is acceptable to them.
- **CHAIN OF CUSTODY CONSIDERATIONS RELATING TO CERTIFICATION OF XATE PALM:** Once the orders from churches have been received and the communities identified that will supply the palm, we will need to coordinate the harvest and delivery of the palm to the congregations. Part of this process will also include fixing a price for the palm and deciding how the communities will receive the additional income from the certified palm. This work will have to be coordinated with Continental Floral Greens (CFG), retailers and wholesalers, churches and the communities providing the palms.

Overarching Objectives

- Promote the conservation of natural forests, the sustainable management of *Chamaedorea* palms, and improved local livelihoods through the certification of palm management and sale of the palm through a certified-fair trade label.
- Implement certification of harvesting, management and, trade practices for *Chamaedorea* palms originating in Guatemala and Mexico for sale to church congregations in the United States and Europe.

II. Advances to date

Guatemala

Dean Current of the University of Minnesota, Abraham Guillen of TREES/Rainforest awith Jim Everett of Continental Floral Greens (CFG) in Guatemala City in April to discuss a pilot sale from the communities to CFG and how we might structure future sales to congregations. Jim Everett is willing and interested in working with us and will be a key link needed to move palms between the forests in Guatemala and Mexico and congregations. NPV is developing a training program for harvesters and processors with the objective of promoting sustainable harvest and processing a quality palm with a minimum of palms discarded due to poor quality. Mr Everett is interested in working with the certification effort and suggested that the orders come through his retailers and wholesalers and that we attach a label during the selection process that would identify the palm as certified and also the community or region of origin. They have done that in the past and it would add very little cost.

Following the meetings between our partner, Naturaleza Para la Vida (NPV), members of the participating communities, Jim Everett and his Guatemalan associates, a preliminary trial sale was set up between the communities and CFG. As part of the trial, community members (primarily women) were trained in the selection of palms for the market in the Guatemalan warehouses of suppliers to CFG. Those community members then returned to their communities to train others at the community level. Through this arrangement, the communities have started to process palms at the community level and are becoming familiar with that process and then sending processed palms to Guatemala and from there to CFG. According to our Guatemalan counterparts the sales have progressed well but they are still in a testing/learning phase. Nonetheless this is an important first step which can be repeated in other communities involved in the palm sales. NPV has been working with a Peruvian consultant who has worked closely with the Guatemalan communities. We are looking at the possibility of hiring the same consultant to work with communities in Mexico, given his experience in Guatemala.

Several forest-community concessions have been identified and are presently working toward certification through the Forest Stewardship Council's (FSC) *Smartwood* program. Thus, palms originating from the Guatemalan community concessions may be marketed via green marketing channels. Our objective in Guatemala would be to complete the requisite activities in order to add the complementary socio-economic (Fair Trade) label. The percentage of the harvest that will benefit from this additional certification will be determined by the level of demand generated by the congregations / churches. Fair trade certification, will grant access to a potentially higher fair-trade price, in a potentially expanding market.

Following is a summary of some of the activities that have been carried out in Guatemala with Smartwood and the TREES program of Rainforest Alliance, NPV and the communities (information provided by Jose Roman Carrera – TREES):

- An addendum to the forest certification for timber harvest which will cover palm harvest has been prepared and validated in the field.
- Three management units were evaluated to be included in the areas for certified palm harvest.
- The communities and Smartwood are working on complying with the preconditions necessary for the certification. Those preconditions include a management plan for palm harvest.
- A center for storage and sorting of palms has been set up in the community of Uaxactun.
- The participating communities have initiated testing for quality to avoid large losses from culling poor fronds.
- Several trial shipments have been sent to CEFASA (the local agent for CFG) CEFASA has been pleased with the quality of the shipments they have received.

- The community has been able to negotiate higher prices primarily due to the quality of the product they are providing.
- The communities are still evaluating the best way to transport the palm from the Peten to Guatemala City to determine the most efficient and least expensive way to transport the palms.
- Plans are in place to add a new community, Arbol Verde, to expand the work and increase the supply.

Mexico

At the end of June, Dean Current and Chantal Line Carpentier traveled to Chiapas, Mexico to meet with PRONATURA and participate in a PRONATURA workshop entitled “**SACRED ORCHIDS OF CHIAPAS**”. The theme of the workshop was the role of plants in religious ceremonies and included a discussion of the palm project. During the discussions, all parties agreed to work on the palm project. PRONATURA will take responsibility for working with palm harvesting communities in Chiapas while Dean Current and his colleagues in the US and National and Regional representatives of Smartwood/TREES in Latin America will work on market and certification issues.

Several organizations in Mexico have expressed interest in working on the certification. At present, the government of Mexico provides some oversight on palm harvesting. Conservation International is working with several groups that harvest palms. Rene Ochoa is working with Conservation International. George Dyer and Bryan Endress have worked with Mexican palm harvesting communities and we have other connections to communities there. At this point we have identified partners in Chiapas, Oaxaca and Tamaulipas Mexico and the community forest concessions in the Peten of Guatemala.

Additional information:

- Communities in the Guatemalan Peten are receiving certification from Smartwood for sustainable harvest of palms which will provide a good model that may be applied elsewhere or provide guidelines for other certification schemes. They are working closely with the NGO Naturaleza para la Vida (NPV) and Smartwood/TREES to organize the communities for local processing and more direct sales under a sustainable harvesting program.

III. SUSTAINABLE HARVEST AND PROCESSING GUIDELINES

Objective

Implement certification of *Chamaedorea* palm harvest practices (sustainable harvest) and trade practices (fair trade) in Guatemala and Mexico for sale to congregations in the United States. This would have two parts: one part is the development of guidelines for the sustainable harvest of the palms and for addressing the fair trade/social justice issues and the second would be defining the certification approach to be used. Dave Wilsey has initiated this process with Transfair, USA and the certification process for palms is well advanced in the Guatemalan Peten.

Activities

1. Coordinate Guidelines for Sustainable Harvest [Mexico]
 - A. What we know from the Guatemala community concessions:
 - i. Ecosystem descriptions
 - ii. Forest species inventories
 - iii. Mapping of multiple-use / harvesting / conservation zones
 - iv. *Xate spp.* biology data
 - v. Monitoring
 - B. Regional differences (Mexico) from the Guatemala experience
 - C. Guidelines and training / sanctions for non-compliance
 - D. Develop a timeline
 - E. Determine costs
2. Coordinate Fair Trade Certification [Guatemala & Mexico]
 - A. Socio-economic inventory requirements:
 - i. Population demographics
 - ii. Livelihood strategies
 - B. Establish / verify democratic decision-making processes
 - C. Establish / verify modes of equitable benefits distribution
 - D. Monitoring
 - E. Institutional / technical / market training
 - F. Develop a timeline
 - G. Determine costs
3. Coordinate Chain of Custody Certification
 - A. Map chain of custody
 - B. Identify contamination “hot-spots” in chain of custody
 - C. Develop a timeline for CoC certification
 - D. Determine costs / benefits of certification at each link
 - i. Certification
 - ii. Training

- iii. Packaging and labeling
- iv. Monitoring

Information Requirements & Responsibilities

1. FSC / Smartwood certification guidelines presently being used in the Guatemalan community concessions
2. Obtain and/or develop fair trade certification guidelines from TRANSFAIR- In process – Dave Wilsey and Transfair.
3. Research information on levels of sustainable harvesting. Currently being put together by Dave Wilsey in coordination with researchers and communities.
4. Develop chain of custody certification. This is presently being coordinated between Dave Wilsey, Transfair, USA and Jim Everett of Continental Floral Greens.

IV. SUPPLY CONSIDERATIONS RELATING TO CERTIFICATION OF XATE PALM

Objective

Develop partnerships with communities in Guatemala and Mexico to secure a stable supply of certified (sustainable harvest and fair trade) *Chamaedorea* palm for sale to denominations and churches in the United States and Europe interested in supporting trade that improves socio-economic and environmental conditions.

Activities

1. Establish a list of participating communities / ejidos;
2. Acquire current *Chamaedorea spp.* inventories by community / ejido;
3. Determine potential harvest estimates by species based on sustainability standards;
4. Acquire actual annual harvest / sale by species in previous year(s);
5. Develop a system of demand allocation (quotas) among communities based on current inventories, estimates for harvest, and actual previous harvest/sale;
6. Develop educational / training materials to share with communities that outline the details relating to the creation of a certified palm market (i.e. demand-driven markets)
 - a. Opportunity A: Sale of a percentage of total harvest at a premium through Fair Trade certification
 - b. Opportunity B: Potential for the percentage of total harvest sold at a premium to increase as annual demand increases

Information Requirements & Responsibilities

1. List of participating communities: Most communities have been identified or a coordinating organization responsible for selecting communities has been identified.
2. Inventories of *Chamaedorea* supply by community and data on previous sales. Some of these inventories have been requested and others will be requested. This will be a continuing activity.
3. Establish quotas by community participating in the effort: A percentage of total sales will be assigned to each community selected based on an equitable sharing as well as the inventory each community can provide for sale. For initial sales it will be important not to interfere with current sales or upset existing relationships between the communities and their traditional buyers.
4. Training and informational materials: Based on the work currently being carried out in Guatemala as well as research available, informational materials related to sustainable harvest and handling to guarantee quality will be developed. This will be complemented by training programs based on the training already carried out in Guatemala.

V. DEMAND / MARKETING CONSIDERATIONS RELATING TO CERTIFICATION OF XATE PALM

Objective

Develop partnerships with committed and potential sources of demand for certified (sustainable harvest and fair trade) *Chamaedorea* palm from Guatemala and Mexico within the church communities of the United States and Europe.

Activities

1. Define the group of denominations and congregations committed to purchasing certified palms for Palm Sunday, 2005
2. Develop a list of denominations and congregations interested in purchasing certified palms (those not necessarily committed to participating this year)
3. Develop a comprehensive consumer education and marketing program related to sustainable harvest and fair trade (top-down and bottom-up):
 - a. Denomination-level (Certified palm project brochure)
 - b. Congregation-level (Brochure, poster, and presentation)
 - c. Parishioner-level (Bulletin insert)
4. Develop an advertising strategy focusing on peak and off-peak markets
 - a. Print media
 - b. Website
5. Consider church delegation requirements (community visits)

Information Requirements & Responsibilities

1. We will be working primarily with Lutheran and Catholic congregations in the Upper Midwest for the 2005 sale.
2. A list is being developed of the congregations interested in receiving certified palms for the coming Easter season.
3. A market strategy will be developed over the next two months which will carry us through the coming Easter season and into the following season.
4. Same as 3 above.
5. To be developed through coordination with interested church groups.

VI CHAIN OF CUSTODY CONSIDERATIONS RELATING TO CERTIFICATION OF XATE PALM

Objective

Establish a transparent and certifiable chain of custody from the individual harvesters and communities to churches.

Activities

1. Chain of Custody Mapping
 - a. Community / Forest
 - b. International
 - c. Domestic
2. Training and Education
 - a. Harvesters
 - i. Quantity and selective harvest
 - ii. Quality
 - iii. Monitoring / Recording
 - b. Processors
 - i. Selection
 - ii. Packaging
 - iii. Monitoring / Recording
 - c. Handlers / Shippers
 - i. Labelling
 - ii. Packaging
 - iii. Monitoring / Recording
 - d. Vendors

Information Requirements & Responsibilities

1. This work is being developed by David Wilsey in coordination with TransFair USA and suppliers.

VII. Major Participants

Type of Activity/Participant	III	IV	V	VI
Certification representatives:				
FSC/Smartwood/TREES;				
Transfair USA				
Equal Exchange (If available)				
Supply-side representative(s):				
Communities in Mexico				
PRONATURA – Chiapas, Mexico				
Conservation International				
Guatemalan communities or their representative				
Naturaleza para la Vida – Peten, Guatemala				
CONSERVA, Albar Rios – Tuxtepec, Mexico				
Demand-side representative(s):				
Sarah Ford, Lutheran World Relief;				
Melanie Hardison, Presbyterian Church				
Jim Everett, Continental Floral Greens				
Researchers:				
George Dyer, University of California – Davis				
Bryan Endress, University of Oregon				
Maren Peterson, Cultural Geographer				
Dietmar Stoian, Center for Competitiveness of Eco Enterprises				
Angel Sol, CATIE				
Meagan Keefe, University of Minnesota				
Vanessa Zajfen, Iowa State University				
CEC:				
Chantal Line-Carpentier, CEC				
Dean Current, CINRAM / University of Minnesota				
Dave Wilsey, CINRAM / University of Minnesota				