



**Implementation CFC Project:  
Capacity Building and Rejuvenation of Tea  
Smallholdings by Adopting Eco-Friendly  
Management Practices and Strengthening  
Marketing Links for Enhanced Income  
Generation of Poor Farming Communities in  
Indonesia and Bangladesh**

***PROGRESS REPORT***

***Period : January 2011-October 2014 - Indonesia***

***Period: July 2013 – June 2014-Bangladesh***

***21st Session FAO IGG on Tea Meeting, 5-7 November 2014***

# FAO -CFC – Indonesia Tea Board

DTI (PEA) & Bangladesh Tea Board (PIA)

**Project:** *Capacity Building and Rejuvenation of Tea Smallholdings by Adopting Eco-Friendly Management Practices and Strengthening Marketing Links for Enhanced Income Generation of Poor Farming Communities in Indonesia and Bangladesh*

- Project Agreement : 11 January 2010 – (3 years)

# Agreement DTI – FAO - CFC

- The Project Agreement was signed on the 11th January 2010 with the total fund US \$ 1,994,630 for 3 years period.
- CFC Financing (Grant): US \$ 1,843,030 of which US \$ 921,515 from contribution of OPEC Fund for International Development to CFC projects and Co-financing, as the Counterpart Contribution: Indonesia Tea Board (US \$ 95,700) and Bangladesh Tea Board (US \$ 55,900)

## **DTI and BTB Agreement**

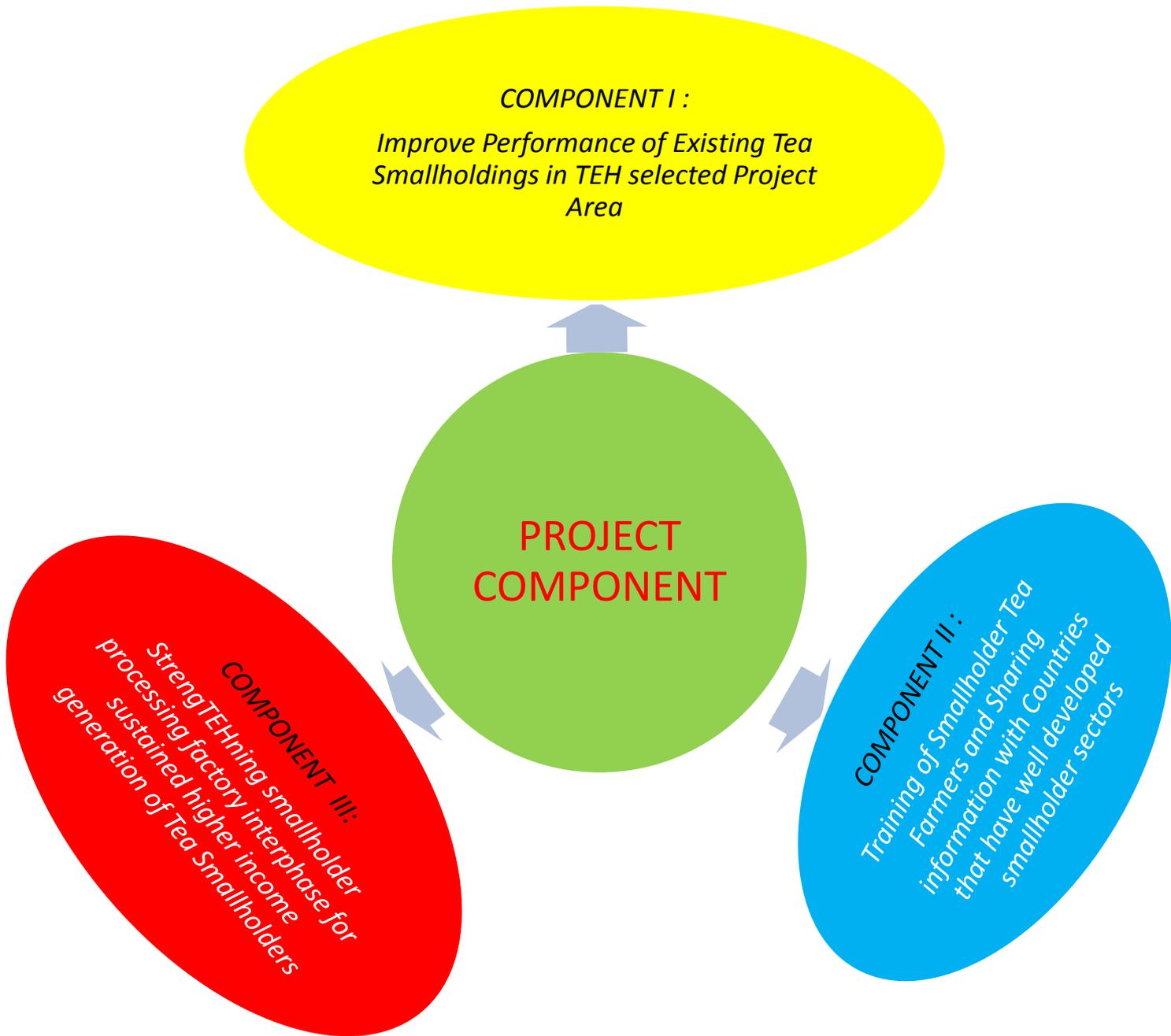
- CFC Project in Bangladesh is based on agreement between the Indonesia Tea Board as the PEA and the Bangladesh Tea Board as the PIA (Project Implementing Agency) on the **1st March 2012** and
- between Bangladesh Tea Board with Collaborating Agencies on 22nd July 2012.
- **BTB Collaborating agencies among others:**  
Bangladesh Tea Board Regional Office in Bandarban, Bangladesh Tea Board Regional Office in Panchagar and PMTC Ltd.

# Project Summary

- **Project Executing Agency (PEA): Indonesia Tea Board**
- **Project Implementing Agency (PIA): Bangladesh Tea Board**
- **Location: Indonesia and Bangladesh**
- **Starting Date: January 2011 in Indonesia**
- **July 2013 in Bangladesh**
- **Completion Date: June 2015**
- **Budget (Indonesia): US \$ 1,125,307**
- **Budget (Bangladesh): US \$ 609,123**
- **CFC Fund: US \$ 553,223.00**
- **Counterpart Contribution: US \$ 55,900.00**

# The Objectives Of The Project

- To strengthen the knowledge-base of tea smallholders and rejuvenate smallholdings for enhanced productivity and quality improvement by producing high quality leaf that is free of extraneous chemical residues;
- To strengthen the bargaining position of the low income smallholder tea farmers in the value chain for higher remuneration;
- To alleviate poverty and unemployment, bringing about a social improvement in the life style of the poor farmers consequently.



**COMPONENT I :**

*Improve Performance of Existing Tea Smallholdings in TEH selected Project Area*

**PROJECT COMPONENT**

**COMPONENT II :**  
*Training of Smallholder Tea Farmers and Sharing information with Countries that have well developed smallholder sectors*

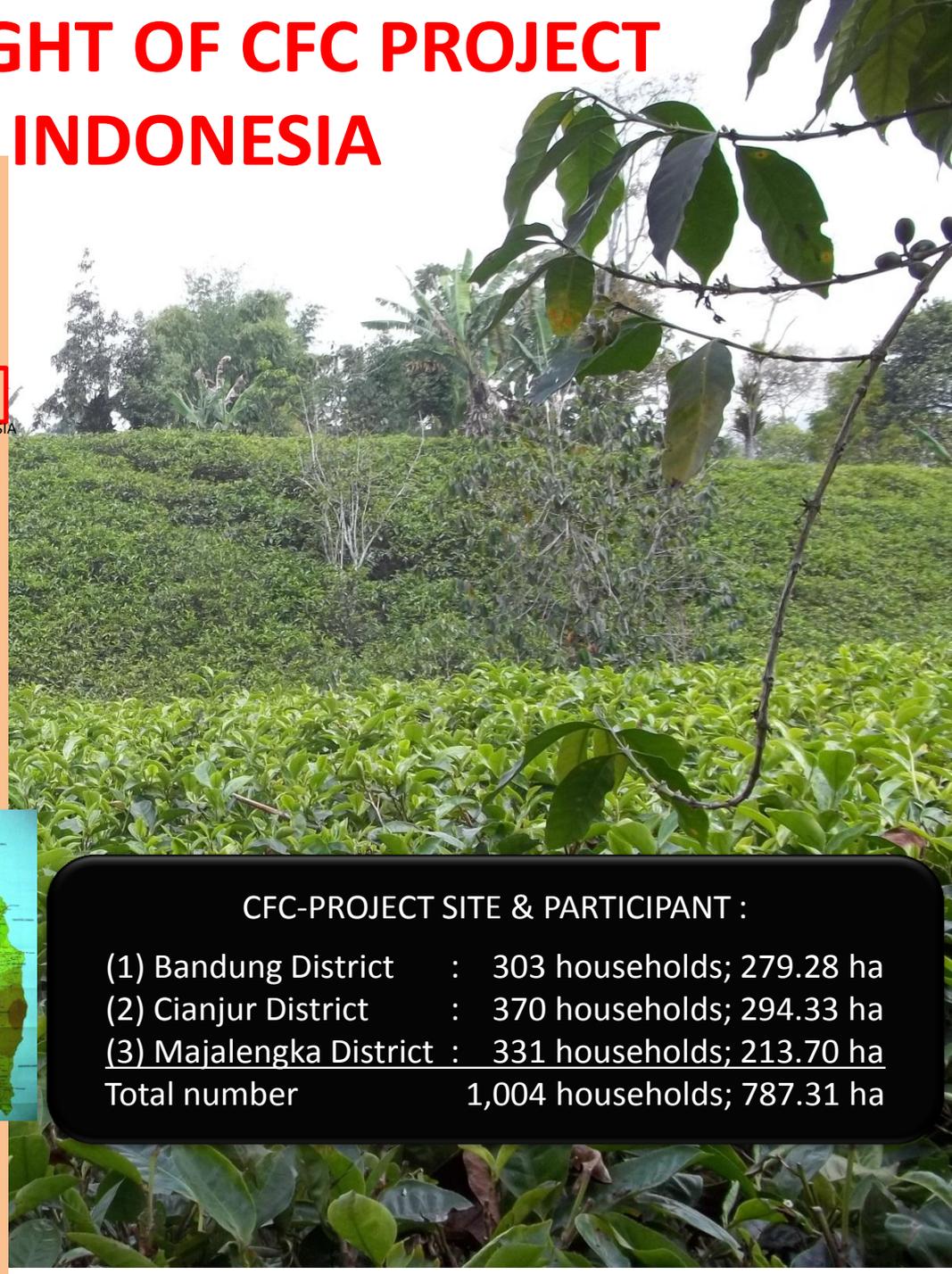
**COMPONENT III:**  
*Strengthening smallholder processing factory interphase for sustained higher income generation of Tea Smallholders*

# HIGHLIGHT OF CFC PROJECT INDONESIA

MAP OF  
CFC PROJECT SITE  
IN INDONESIA



 Smallholding Tea  
Plantation CFC Project Site



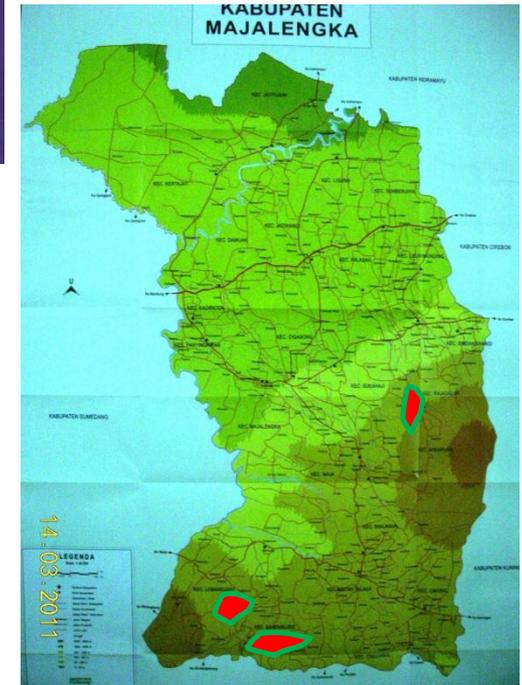
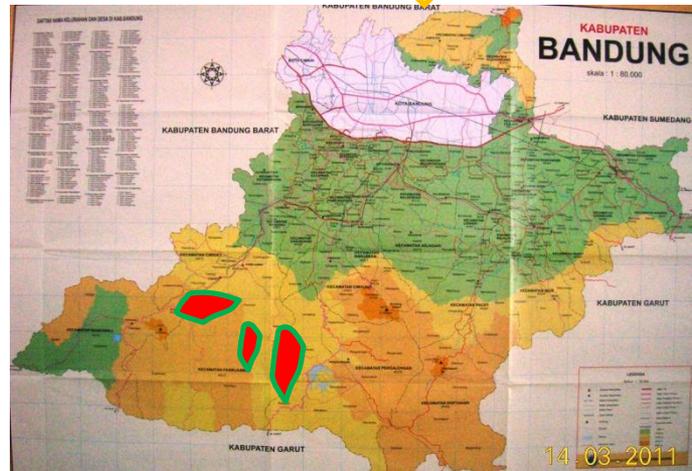
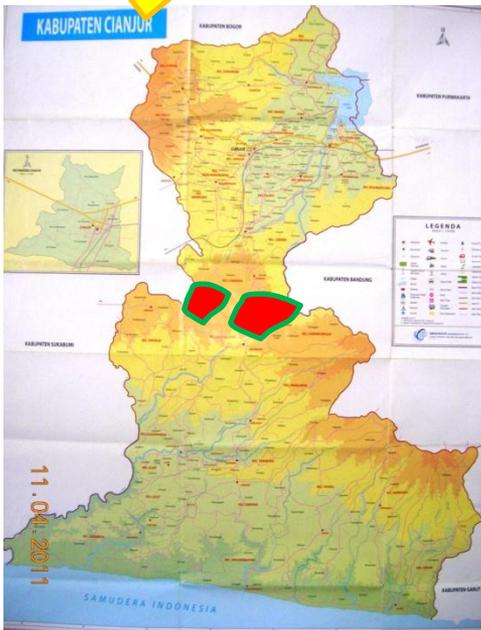
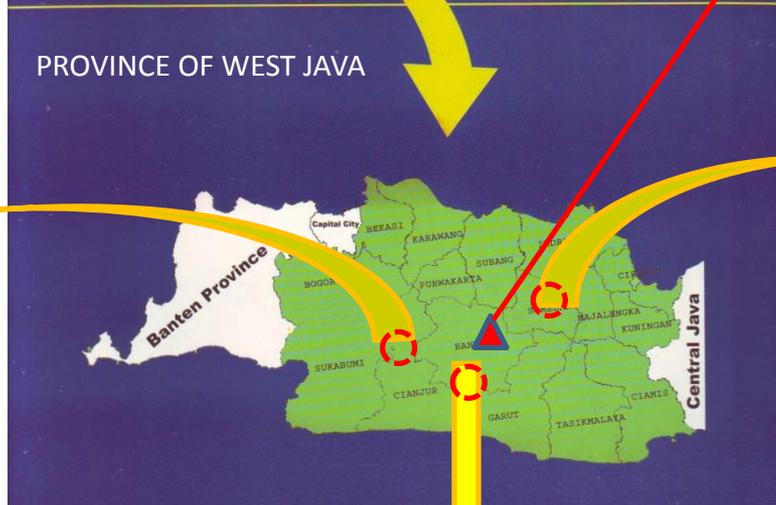
## CFC-PROJECT SITE & PARTICIPANT :

(1) Bandung District	: 303 households; 279.28 ha
(2) Cianjur District	: 370 households; 294.33 ha
(3) Majalengka District	: 331 households; 213.70 ha
Total number	1,004 households; 787.31 ha

# MAP OF CFC PROJECT SITE IN INDONESIA



CFC-PMU OFFICE OF INDONESIA



 Smallholding Tea Plantation CFC Project Site

# Number of Project Participant

<b>REGENCY / District</b>	<b>Number of Sub district</b>	<b>Number of village</b>	<b>Number of Farmers candidate (person)</b>	<b>Number of Farm candidate (ha)</b>
BANDUNG	2	9	303	279.28
CIANJUR	1	3	370	294.33
MAJALENGKA	3	11	331	213.70
Total	6	23	1.004	787.31

## **PROJECT LOCATION**

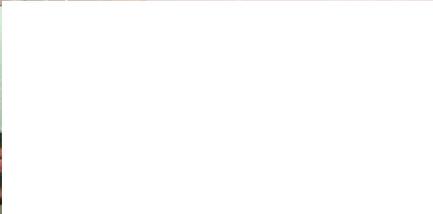
**Indonesia part ( 40 SHG ):**

- 1. Bandung regency**
- 2. Cianjur**
- 3. Majalengka**

**Bangladesh part ( 9 SHG ) :**

- 1. Bandarban regency**
- 2. Panchagarh regency**

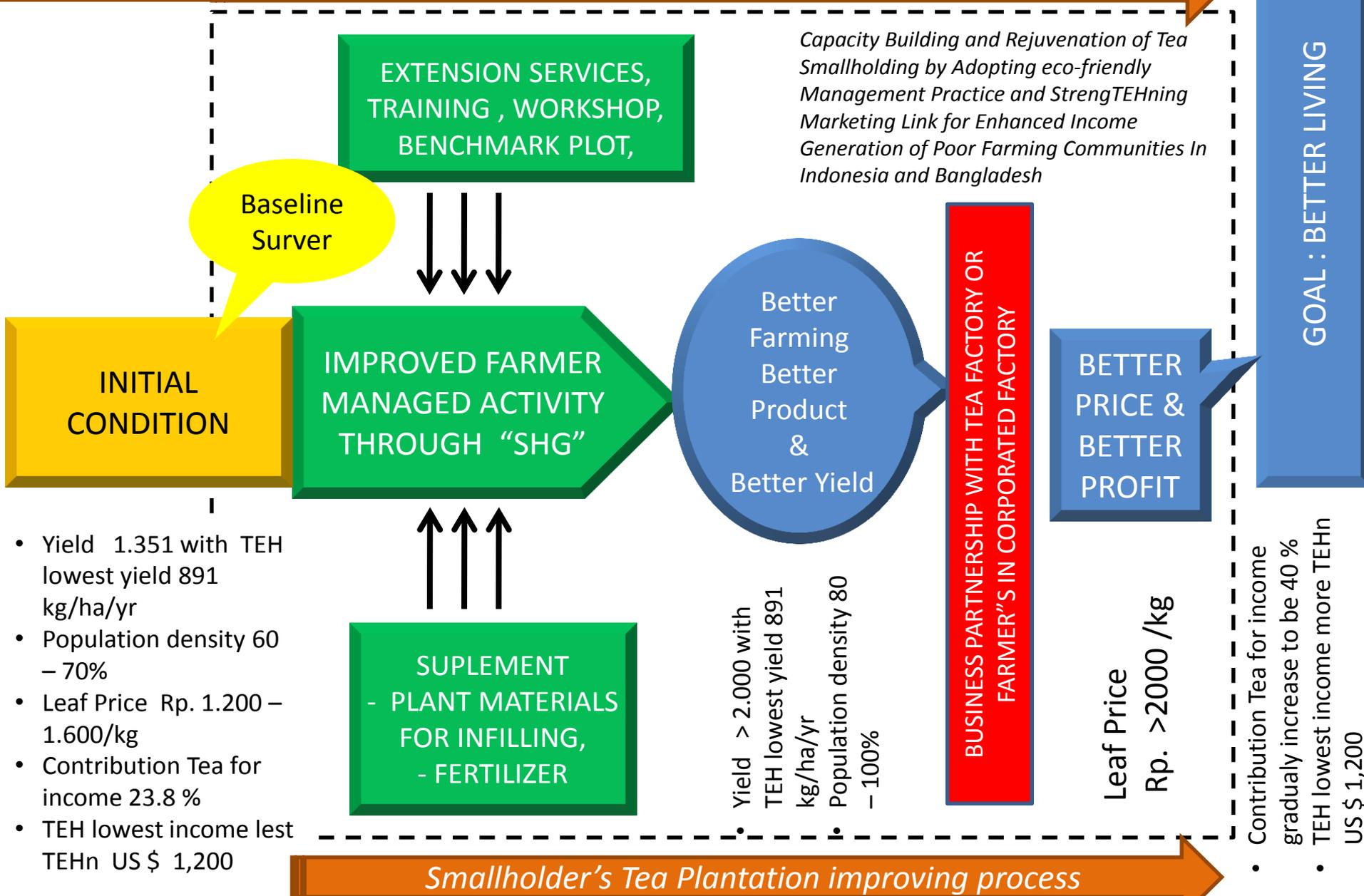
*Establishing CFC-Project Participant Group in form of Self Help Group, further called as SHG at entire regency project sites*



# CFC – Indo TEA BOARD Program

YEAR 2010

YEAR 2011 - 2013



INITIAL  
CONDITION

IMPROVED FARMER  
MANAGED ACTIVITY  
THROUGH "SHG"

Better  
Farming  
Better  
Product  
&  
Better Yield

BETTER  
PRICE &  
BETTER  
PROFIT

GOAL : BETTER LIVING

- Yield 1.351 with TEH lowest yield 891 kg/ha/yr
- Population density 60 – 70%
- Leaf Price Rp. 1.200 – 1.600/kg
- Contribution Tea for income 23.8 %
- TEH lowest income lest TEHn US \$ 1,200

SUPPLEMENT  
- PLANT MATERIALS  
FOR INFILLING,  
- FERTILIZER

EXTENSION SERVICES,  
TRAINING , WORKSHOP,  
BENCHMARK PLOT,

- Yield > 2.000 with TEH lowest yield 891 kg/ha/yr
- Population density 80 – 100%

Capacity Building and Rejuvenation of Tea Smallholding by Adopting eco-friendly Management Practice and Strengthening Marketing Link for Enhanced Income Generation of Poor Farming Communities In Indonesia and Bangladesh

BUSINESS PARTNERSHIP WITH TEA FACTORY OR  
FARMER'S IN CORPORATED FACTORY

Leaf Price  
Rp. >2000 /kg

- Contribution Tea for income gradually increase to be 40 %
- TEH lowest income more TEHn US \$ 1,200

Smallholder's Tea Plantation improving process



## PROCUREMENT and DISTRIBUTION OF FERTILIZER TO THE FARMERS

NO	MONTH	FERTILIZER	BANDUNG (279.28 Ha/ 303 KK)	CIANJUR (294.33 Ha / 370 KK)	MAJALENGKA (213.7 Ha / 331 KK)	TOTAL PMU (787.31 Ha / 1,004 KK)
			VOLUME (Kg)	VOLUME (Kg)	VOLUME (Kg)	VOLUME (Kg)
1	Oct-11	NPK 30:6:8	69,820	73,583	53,425	196,828
2	Jun-12	NPK 30:6:8			53,425	53,425
		UREA	41,892	44,150		86,042
		PHONSKA	27,928	29,433		57,361
		Total (2)	69,820	73,583	53,425	196,828
3	Mar-13	NPK 30:6:8	69,820	73,583	53,425	196,828
4	Oct-13	NPK 30:6:8	69,820	73,583	53,425	196,828
	TOTAL		279,280	294,330	213,700	787,310

**PROCUREMENT AND DISTRIBUTION  
NURSERY PLANTS FOR  
FARMERS TEA PROJECT PARTICIPANTS  
Through : Self managed Tea Nursery and  
Purchasing Ready Plants**







**TRAINING OF TRAINERS di PPTK Gambung diikuti para penyuluh dan tokoh tani peserta proyek / pembekalan ilmu pengetahuan dan keterampilan untuk kegiatan diseminasi dan penyuluhan di lapangan**

***TRAINING OF TRAINERS in PPTK Gambung attended by the extension workers and farmer leaders project participants / Briefing the knowledge and skills for the dissemination and extension activities in the field***



Praktek  
Penerapan GAP di Lapangan dan  
GMP di Pabrik Pengolahan Teh

*Practical of Good Agricultural Practices (GAP)  
in the Field  
and Good Manufacturer Practices (GMP )  
in tea processing factory*



PELATIHAN  
PEMBUATANPEMBIBITAN STEK DAUN TEH  
*TRAINING*  
*TEA CUTTING NURSERY*  
AT  
PPTK GAMBUNG





## Extension services

*Any where can be held the Extension activity either at Village Office, Farmer house, at hut meeting, or in the field, even at green tea processing of smallholding tea leaf*





Dihadiri Camat dan jajar Muspika Kecamatan Sukamantri

*Workshop is one implementation of Dissemination activities planned in each SHG .  
In implementation there held in SHG and some are combined taking place in PPTK Gambung and at other locations in an integrated manner*



*Majalengka conduct implementation workshops discussing various subject matter relating to institutional empowerment ( SHG ) , implementation GAP especially in improving the quality of tea leaves and marketing results .*



*In practice involves all relevant elements of both government , technical department, entrepreneurs and leaders of local tea farmer Each workshop was followed by an average of 30 participants took place at the Village Hall , Office of SHG , even at the plantation*



## FIELD WORSHOP AT SHG



Peneliti /Bidang Pengembangan Usaha PPTK-Gambung



Direktur PPTK-Gambung



Peneliti dari PPTK-Gambung



*Workshop activity involved all of stakeholder and resources person, covering the experts from Tea Research Institute of Gambung, Consultant, Government official from Estate Crops Services both province and district level, keys farmer, Extension Offices Service and local Sub district and Village government officer team.*



WORKSHOP diselenggarakan di PPTK Gambung, di Saung SHG di Kantor SHG dan Balai desa

*Indoor Workshop activity at Tea Research Institute of Gambung, at Hut Meeting at SHG Building and Village Office*



# Field Workshop : Re-actualizing the Tea Farmer Institution toward the raising smallholding tea agribusiness to join in form of Indonesia Tea Incorporated



Peserta :

- Petani peserta Proyek CFC terdiri dari para pengurus dan anggota SHG  
dersa dan SHG Gabungan Kabupaten Cianjur 45 orang

- Pengurus SHG Gabungan

Kabupaten Bandung 3 orang,

- Kabupaten Majalengka 3 orang,

- Penyuluh Lapangan 6 orang

- Nara Sumber dari unsur :

- DTI/PEA 3 orang;

- Koordinator Proyek 1 orang;

- PMU 5 orang.

- Dinas Perkebunan

Propinsi Jawa Barat 2 orang;

- Dinas Kehutanan&Perkebunan

Kab Cianjur 2 org

- Dinas Perindustrian dan Perdagangan

Kab. Cianjur 1 orang;

- PPTK Gambung 1 orang;

- PTPN-8/Perkebunan Teh Panyairan 1 orang;

- PTPN-8/Perkebunan Teh Pasirnangka 1 orang;

- APTEHINDO 1 orang;

- Unsur Muspika Kecamatan Campaka 1 orang;

- Muspika Desa Wangunjaya 1 orang



## LOCAL EXCHANGE :

*Farmers Project participants CFC go tea plantation PTPN VIII Pasirmalang Bandung District to improve the knowledge of doing business on a large scale agribusiness tea in many aspects, especially how to preserve the tea plantation and harvesting that can provide benefits as expected.*

*The main attention is directed to:*

- *Fertilization plantation using organic fertilizers, including the use of rabbit urine (local term called fertilizer CPK = Rabbit Urine)*
- *Plucking by Tea harvesting Machine*
- *Analysis of plucking / tea leaf analysis (PMS)*
- *Tea leaf Handling after harvesting*

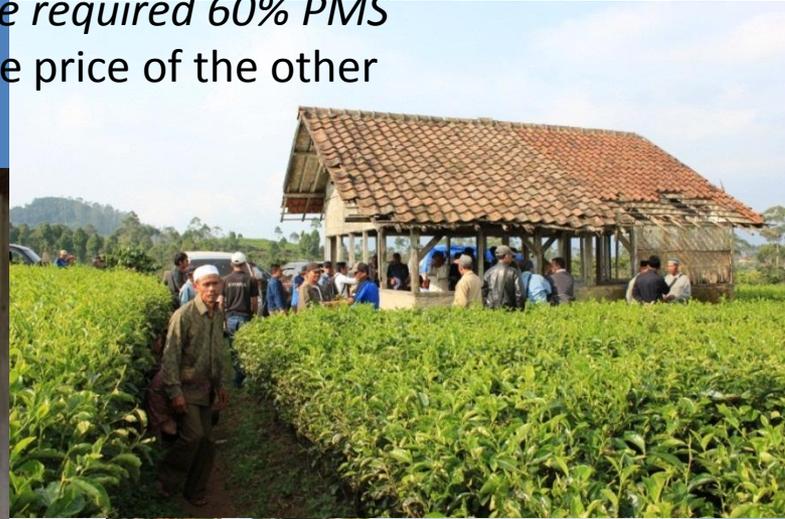


# LOCAL EXCHANGE ;

To the smallholding tea plantations in the Village of Pangalengan sub Ddstrict, who apply recovery methods.

Using continuous fertilizer to the maximum, resulting in a productivity of 4,000 kg / ha / year

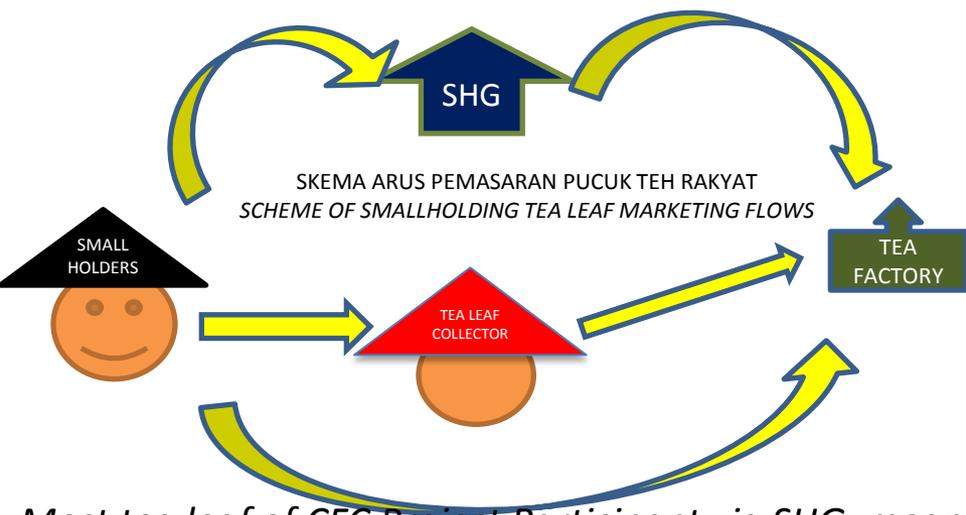
Selling tea leaf to PT. GAL Pasirjambu as a result of marketing partnership to meet the required 60% PMS consistently receive above-average price of the other quality leaf





**SELF HELP GROUP  
FAO-CFC-DTI  
Dec, 2012**

# Business Meeting between Tea Smallholder and Green Tea Factory Owners



Most tea leaf of CFC Project Participant via SHG, meanwhile non-project tea leaf through Tea Leaf Collector, and some big farmer who belong >5 ha direct to factory



PT GAL di Bandung



Pabrik CMC di Majalengka



*One of Green Tea Processing Factory as partnership of the CFC project participants vary from the simple processing to the proper factory who operated GMP*



*Most of the green tea factory require guidance and assistance to improve the capacity and quality according to GMP standard*



CV. Wiayaya Tea & KUD di Bandung



Cameli Virgasari di Cianjur

# LESSONS LEARNED

- **SELF HELP GROUP ---> 40 SHG's**
- **REVOLVING FUND**
- **SHG NEED STRONG, CONTRIBUTING, RESPECTABLE LEADER**
- **SHG IS GOING TO DEVELOP VALUE ADDED PRODUCTS & MANAGE ITS OWN FACTORY**
- **CONTINUOUS GUIDANCE THROUGH EXTENSION SERVICE**

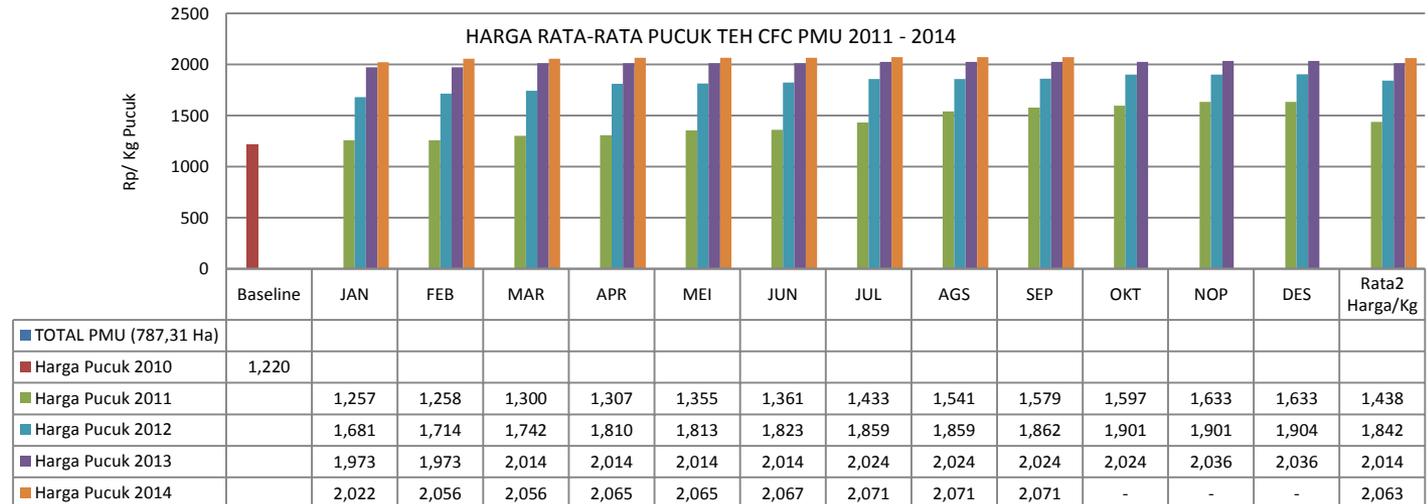
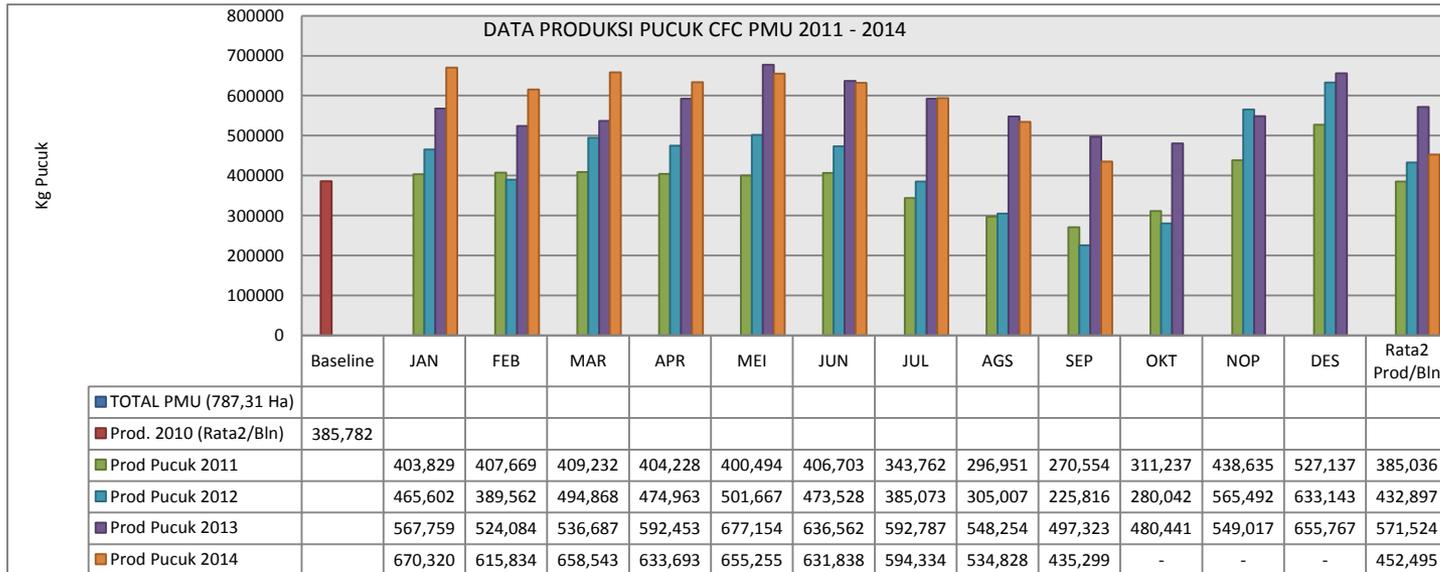


Project Manager CFC and Chair person  
Canada Tea Association visited the  
Project sites on 2nd November 2014



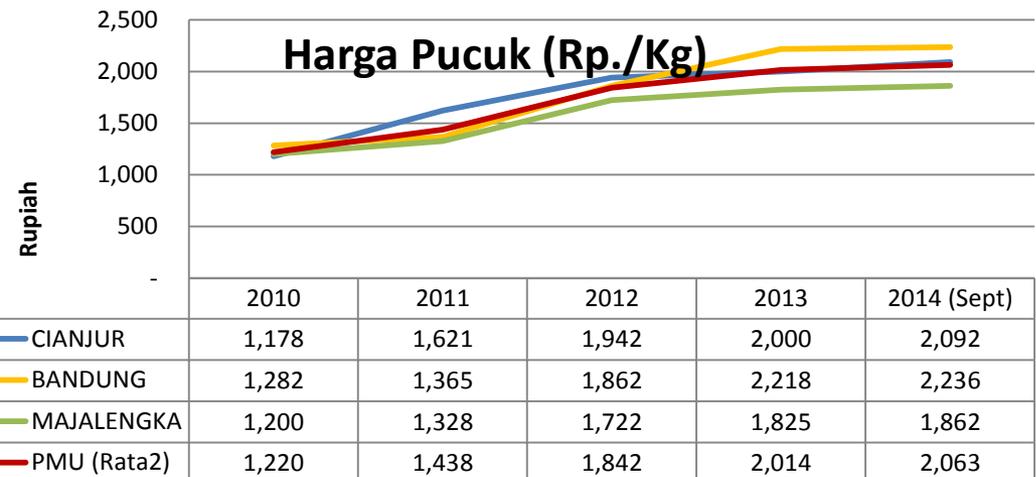
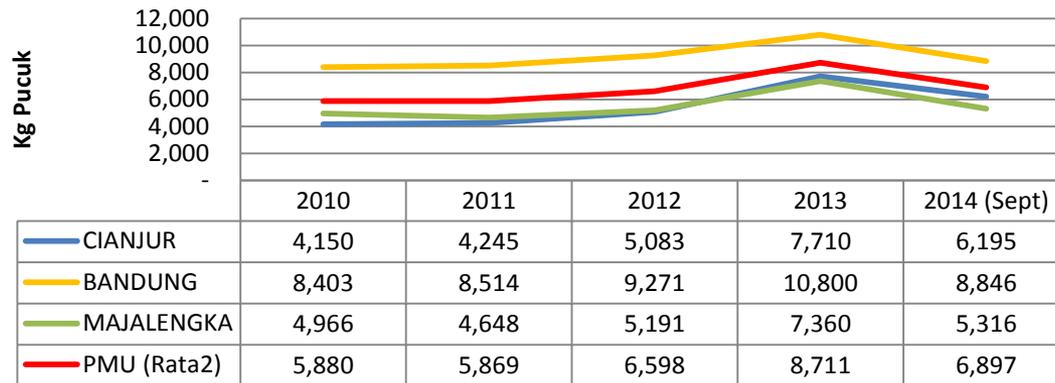
# Profile of Project Result

## Tea leaf production and tea leaf Price



# Flow of progress of Tea leaf Production and Tea leaf Price During CFC Project implementation

## Produktivitas Pucuk (Kg/Ha/Thn)



# PROJECT PROGRESS IN INDONESIA

## •Current level of achievement of objectives and targets:

- Yield is increased by 48 % from an average of 385,782 kg / month in 2010 to be 584,468 kg / month up to December 2013.
- PMS (Tea Leaf Eligible to be processed) increased from 34 % to 38 %.
- Tea leaf Price increased by 65 % from the baseline Rp. 1220 /kg in 2010 to Rp. 2014/kg in December 2013 in some Bandung areas Rp. 2.500/kg with 60 % PMS.
- Income generation from tea increased from 23.8 % to around 30 %.

## **REVOLVING FUND**

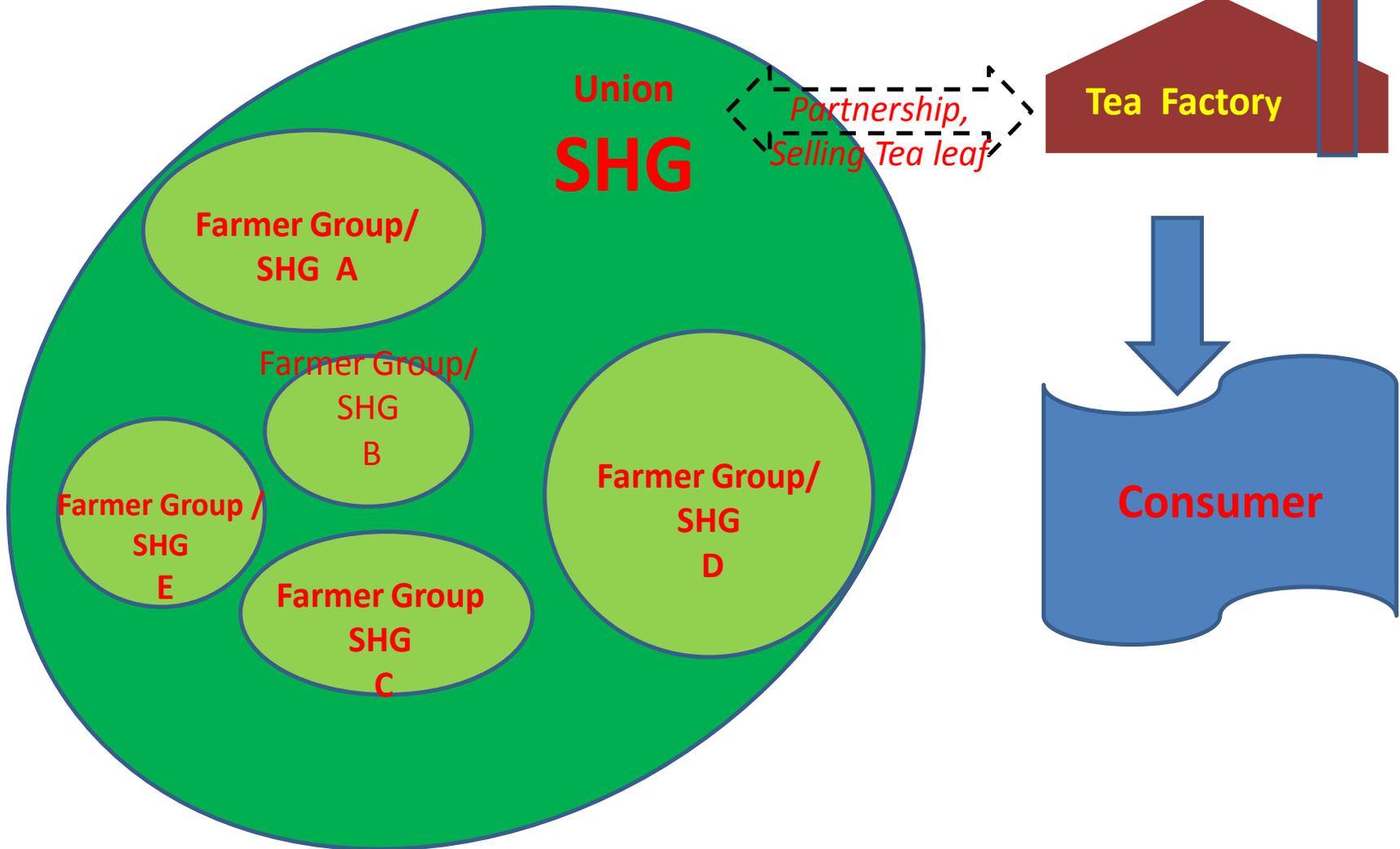
- The total amount of Revolving Fund until December 2013 is :

US \$ 26,820 equivalent with IDR 308,453.350

July 2014 :

US \$ 34,571.64 equivalent with IDR 407,945.300

# PARTNERSHIP BETWEEN SHG + PROCESSOR



# ECONOMIC SCALE

TEA LEAF PRODUCTION  
5 TON /DAY

Tea Factory

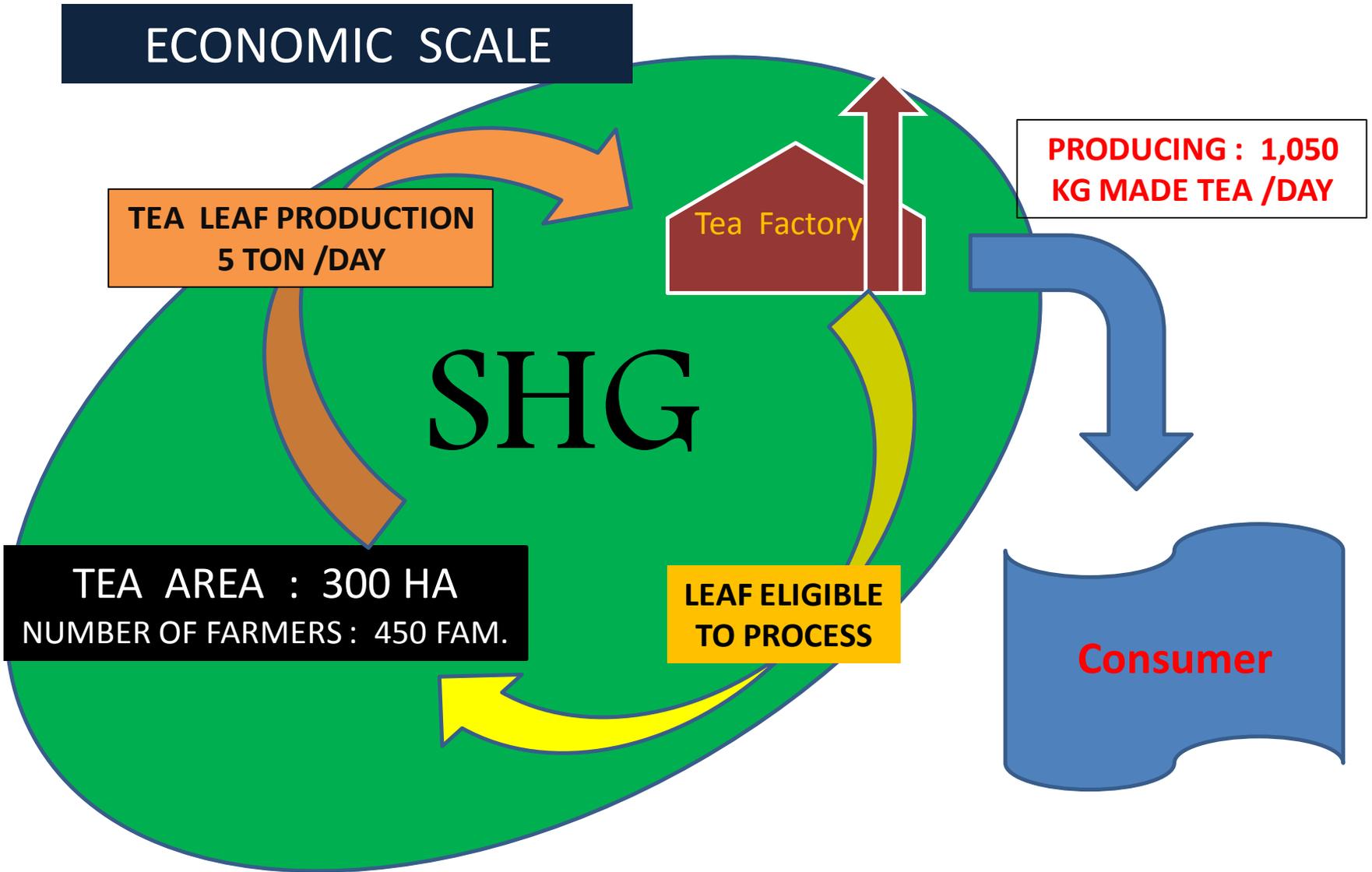
PRODUCING : 1,050  
KG MADE TEA /DAY

# SHG

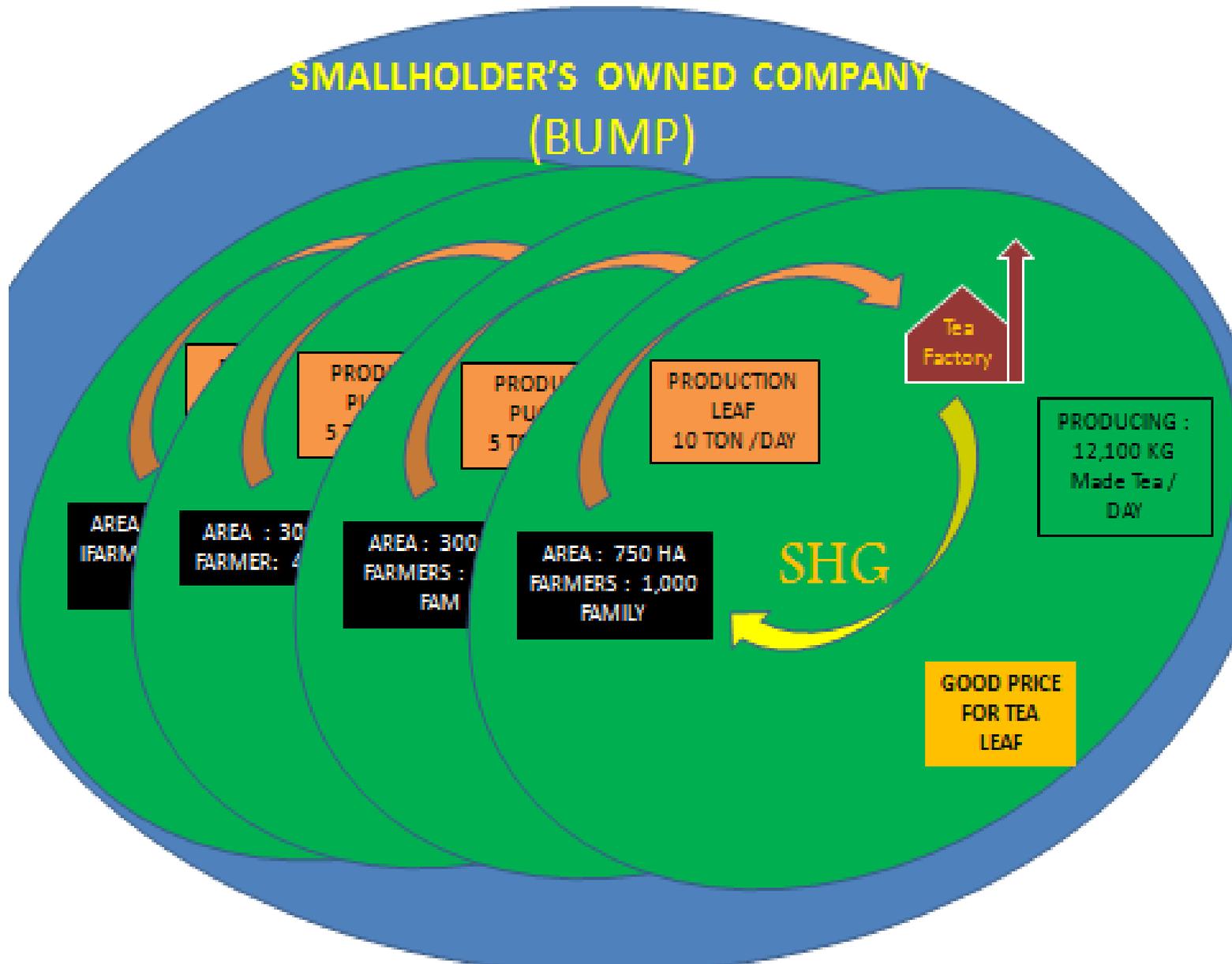
TEA AREA : 300 HA  
NUMBER OF FARMERS : 450 FAM.

LEAF ELIGIBLE  
TO PROCESS

Consumer



# SMALLHOLDER'S OWNED COMPANY (BUMP)



***Grant for empowering farmer's institution of project participant***



**PROJECT PROPOSAL FOR TEA SMALLHOLDER**  
**SUBMITTED TO BE FUNDED BY INTERNATIONAL DONORS:**  
*CFC – IFAD- IFC or WORLD BANK- ADB etc.*

***“ EMPOWERING INDONESIA TEA SMALLHOLDER  
THE VITAL COG IN THE INDUSTRY TOWARDS  
IT’S SUSTAINABILTY ”***

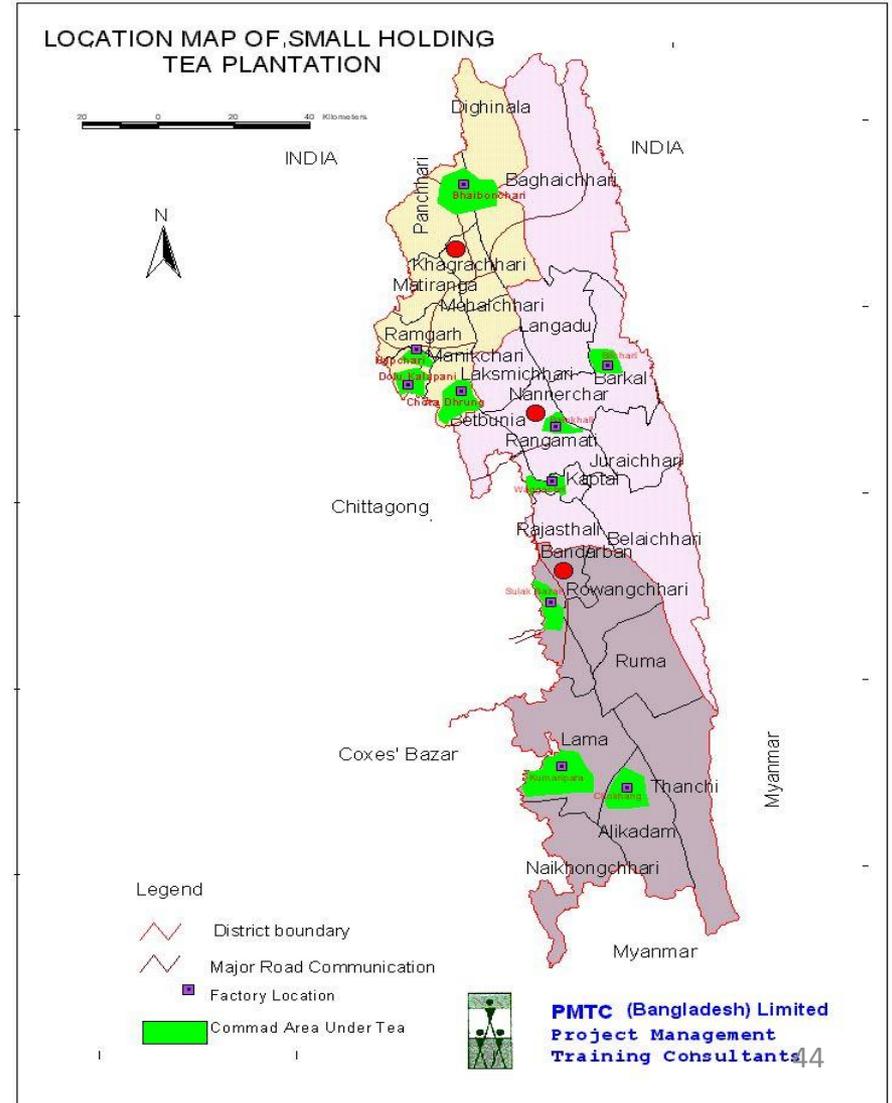
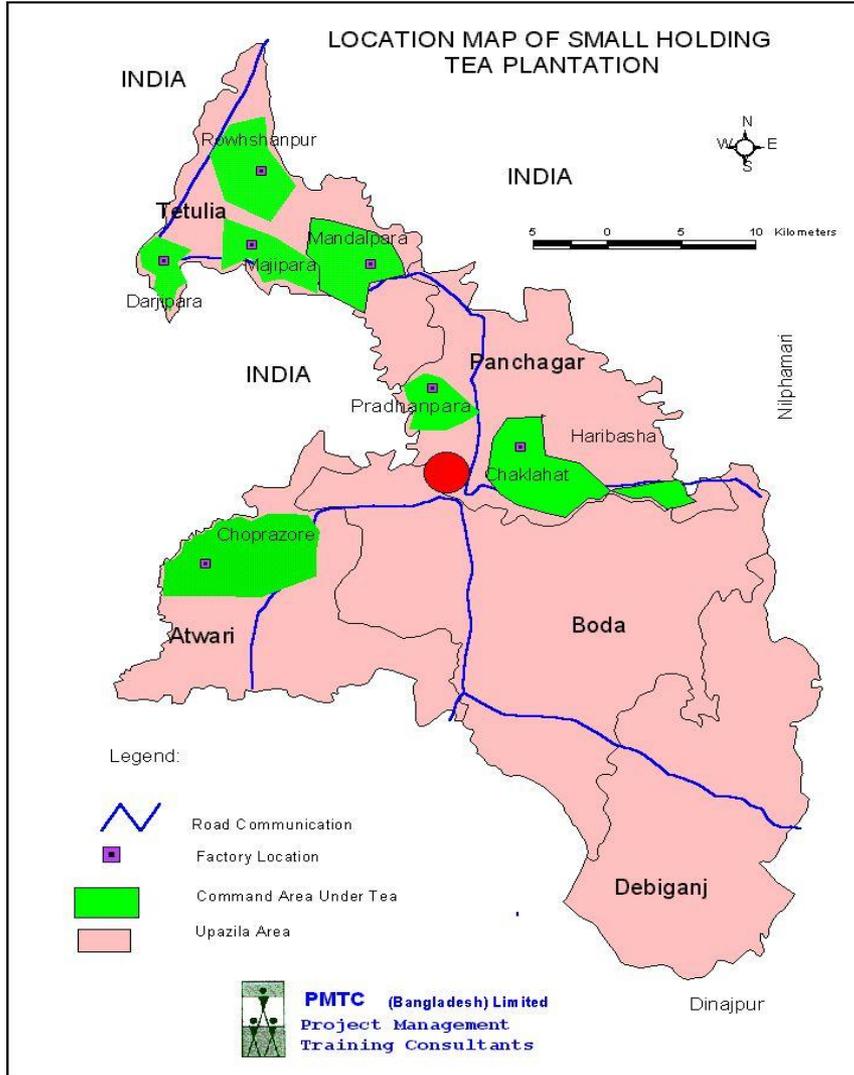
# **IMPLEMENTATION CFC PROJECT BANGLADESH**



# Bangladesh Tea Map



# EXISTING AND PROPOSED TEA SMALL HOLDERS AREAS



## Project Beneficiaries

Number of actual participants in the project is **505** small growers/smallholders covering a total area of **612** ha of smallholder's tea plantation scattered in Panchagarh and Bandarban regions.

# Profile of Small farmers- Age distribution

Age group	Type of the Beneficiary			
	Existing Grower		Prospective Grower	
	Count	%	Count	%
At least 20	1	3.2	9	12.2
21-30	12	38.7	26	35.1
31-40	7	22.6	19	25.7
41-50	6	19.4	11	14.9
51-60	1	3.2	6	8.1
Above 60	4	12.9	3	4.1
Average age	39.7		35.5	

# Profile of Small farmers-Family size

Family Size	Type of the Beneficiary			
	Existing Tea Grower		Prospective Tea Grower	
	Count	%	Count	%
At least 3	3	9.4	17	23
4-5	14	43.8	37	50
6-7	10	31.2	16	21.6
More than 7	5	15.6	4	5.4
Average		5		5

# Profile of Small farmers-Sex ratio

Sex	Type of the Beneficiary			
	Existing Grower		Prospective Grower	
	Count	%	Count	%
Male	28	78.5	70	94.6
Female	4	12.5	4	5.4
<b>Total</b>	32	100	74	100

# Profile of Small farmers- Income

Income	Existing Grower	Prospective Grower	All
	Mean	Mean	Mean
Total Income (BDT)	98,901	87,096	90,416

## Distribution of small growers /smallholders between the geographical locations

Year	Name of Location	Number of small growers	Area under Tea (ha))	GL Price (Per Kg)	Production (Kg)	Yield Increase (%)
2012	Panchagarh	285	324.39	18.50	354,950	-
	Bandarban	41	110	22.00	3950	-
2013	Panchagarh	363	377.39	25.00	492,343	38.71%
	Bandarban	41	110	25.00	5875	48.73%
2014 (up to June)	Panchagarh	464	502.00	20.00	387,000	-
	Bandarban	41	110	25.00	3500	-

## Progress of the Project...

**Yield:** increased by 38.71% in Panchagarh and 48.73% in Bandarban in 2013

**Area:** Area increased in Panchagar 25%, Bandarban no apparent increase

**Price:** There was a considerable increase of price of GL up to 2013. Price is now a bit declined due to less price in the auction

- **Financial progress:** About 17% of the project fund utilized and proportionate activities have been completed. The remaining activities of the project will be accomplished as soon as fund is available.

## Progress of the Project...

- **Self Help Groups:** 8 SHGs in Panchagar and 1 in Bandarban formed. Training modules developed on SHGs management.
- **Extension Service:** Local consultants, BTB extension officers are regularly visiting farmers' field for providing extension services.
- **Training and Field Demonstrations:** Local consultants and BTRI scientists are providing different training on tea culture and several field demonstrations organised.
- **Tea nursery:** Nursery preparation work in progress
- **Linkage to Factory:** Project staffs facilitating linkage to the factory for better price.

# Field Demonstration



# Field Demonstration



# Field Demonstration



# Field Demonstration



# Class Room Training



# Field Demonstration



# Clone Nursery



# Plants Distribution



# Proud Farmers



# Proud Farmers



# Bought Leaf Factory



# Bought Leaf Factory





# CFC PROJECT NURSERY

JOINT VENTURE

BANGLADESH & INDONESIA

BANGLADESH TEA BOARD, PANCHAGARH







THANK YOU