

VISION

A world without poverty and oppression

MISSION

Working to transform communities for the poor and marginalised

PURPOSE

Supporting partners in developing countries; creating awareness in New Zealand about aid and development issues

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CASH CROP DEVELOPMENT

—Papua New Guinea

Papua New Guinea is one of the most diverse countries in the world, with over 850 indigenous languages and tribal societies in a population of seven million. With less than 20 per cent of its people living in urban areas, much of the population lives in the thousands of traditional communities scattered through the fertile highland valleys, most made up of barely a few hundred people and separated from neighbouring groups by language, custom and tradition.

PNG gained its independence in 1975 but had been working towards its statehood since the end of World War Two. As early as 1948, Australian Baptist missionaries had gone into the highlands and begun working in the Baiyer River Valley to address the health, educational and economic needs of the people. One of those pioneers recognised the possibilities for growing coffee in the region, and when a Kiwi doctor working in the area began to promote the program back in New Zealand Rob Thomson, another Kiwi Baptist, got involved. For over 20 years from 1961 Rob and his wife Win worked amongst the Enga people to establish both a flourishing coffee industry and a vibrant faith community.

Unfortunately when tribal conflicts broke out in the mid 1980's much of the work was

undone. The grower's co-op that had been established fell apart, crops were destroyed or neglected and the processing facilities ruined. Since the fighting ended, without the organised support of the co-op coffee growers have been unable to make good returns on their crops.

Today coffee remains a vital product in PNG, with about one third of the population involved in its production. In 2009 the World Bank supported a report on the state of the industry, which indicated that greater quality



was needed, an objective attainable by investing in cooperation, training and infrastructure. It is exactly these goals that BANZAid is partnering with the Baptist Union of PNG to achieve.

The Baiyer River Valley is again where New Zealand Baptists are going to help support and build these

communities. Working alongside the Baptist Union of PNG, we hope to help restore and bolster the economy of the district. The project aims to improve the growing processes and techniques as well as targeting the market chain to improve the returns to growers. Together with support from the New Zealand and Papua New Guinean Governments we hope that this partnership will see a real change to the lives and prospects of the people in this region, and be a restatement of our commitment to walk alongside our brothers and sisters in the Baptist Union of PNG.



Believing God and Serving Holistically



PROJECT GOAL:
Sustainable agricultural livelihoods for coffee growers

Baptist Union of PNG

"Believing God and Serving Holistically" is the slogan line of the Baptist Union of Papua New Guinea.

The BUPNG was established as a national organisation to unify the Baptist Churches across the country and to address the health, education, welfare, and pastoral needs of Baptists of PNG. They have been operating for 35 years and are fully managed by their own people.

The BUPNG have a well established development

programme in health and education funded from AUSAID through the Australian Baptists. They have several hospitals, an HIV/AIDS awareness programme, village health workers, and about 40 schools spread through the provinces of PNG.

They are a member organisation in the Church Partnership Programme which is an initiative of Australian Aid (AusAID) to build the capacity of national Church bodies to lead in

the development of PNG.

NZ Baptists served in PNG alongside their Australian counterparts for many years. New Zealand agriculturalist Rob Thomson and his wife Win worked in the Baiyer Valley for 24 years through the 1960s and 1970s. In that time they had a part in the introduction of coffee as a cash crop for the area.

This project is the first partnership between the BUPNG and BANZAid.

Investment: BU Kofi Company

BANZAid is offering a different sort of investment. We are inviting you to invest in the coffee growers of the Baiyer Valley in Papua New Guinea. It is a high risk investment, with no loyalty bonuses and no chance of selling it to the Australians later on!

BU Kofi Company Ltd has been set up by BANZAid and the Baptist Union of PNG because the coffee growers of the Baiyer Valley are not getting a fair deal for their crop. Our research shows that we can pay the growers a fair trade price for their parchment coffee, sort and grade it, transport it to Mount Hagen, pay for processing into green bean, and still make a profit on our on-sale to the national PNG coffee markets.

We are not talking micro-enterprise, but the setting up of an SME (small to medium size enterprise) business. It requires a sizeable capital investment to set the business on a strong trading foundation. The aim is a self-sustaining business that will have a lasting and positive impact in the community. The trading income of the company will pay for training and advisory services for the farmers, as well as supporting a demonstration farm which

will research alternative crops to help reduce susceptibility to fluctuations in the international prices of coffee.

It is a company with a 'triple bottom line': a viable business enterprise with positive community and environmental impacts. Our undertaking with our partners, the Baptist Union of PNG, is that all profits from the venture will go back into community health and education services that reach the people of the Baiyer Valley.

Any work in Papua New Guinea carries a high level of risk. The country is politically unstable, and there is always a level of civil disorder and violence. The project is rebuilding services destroyed by years of clan fighting. However the Baptist Union has worked hard to

build a peace settlement and there is a strong desire in the community to see this work.

BANZAid is asking our supporters for \$100,000 over the next three years. This will be matched by \$700,000 from the New Zealand Aid Programme and \$575,000 from the Government of Papua New Guinea. We believe that this is an exciting and positive project, and one that will be a good investment for your money!



Papua New Guinea



Papua New Guinea (PNG), officially the Independent State of Papua New Guinea occupies the eastern half of the island of New Guinea and numerous offshore islands. It is located in Melanesia, in the south-western Pacific Ocean, just to the north of Australia. The capital is Port Moresby.

It is one of the most diverse countries on Earth, with over 850 indigenous languages and at least as many traditional societies, in a population of just over seven million. It is also one of the most rural, with only 18 per cent of its people living in urban centres. It is

also one of the world's least explored, culturally and geographically, and many undiscovered species of plants and animals are thought to exist in the interior of Papua New Guinea.

The majority of the population live in traditional societies and practise subsistence-farming agriculture. PNG has several thousand separate communities, most with only a few hundred people. The largest portion of the population lives in fertile highlands valleys that were unknown to the outside world until the 1930s. Divided by language, customs, and

tradition, until recently some of these were unaware of the existence of neighbouring groups only a few kilometres away.



NZ and Baiyer Coffee

In the early 1960s a hundred acres of land was leased to establish an agricultural training programme in the Baiyer Valley area. The aim of this was to give growers skills in good growing, harvesting and processing procedures in order to bring the coffee bean to the dried parchment stage where it would then be ready for marketing.

A young Kiwi agriculturalist was recruited for this. He was Rob Thomson a 23 year old from Nelson. Rob tells the story:

"So that the growers could obtain a fair price for their product we set up a growers co-operative which would purchase the parchment bean from the growers, process it further to the green bean stage and onsell it to the international coffee traders. To facilitate this we engaged the services of Rev. Don Moore, an Australian with knowledge of commerce. This would become B.L.U. Enterprises. Growers bought shares and received good dividends as well as a fair price at the "farm gate" for their product. The economic advancement of the whole area was largely based upon coffee growing and coffee trading. Schools flourished and medical services became more available to everyone.

"B.L.U. Enterprises flourished for around 20 years and the community thrived. However from the mid 1980's until 2007 tribal wars of the most vicious kind broke out. The B.L.U.

Enterprise factory and facility and much of the individual and tribal coffee crops were destroyed or neglected. Poverty, malnutrition and disease became common place and most schools closed or were destroyed. Roads fell in to disrepair and transport became very dangerous. Those who could still produce coffee had great difficulty and risk to get their crop to market. Once at the market they had to accept whatever price the trader offered to pay them and in many cases they received much less than their product was worth.

"By 2008, through the courageous and persistent efforts and prayers of church men and church women, peace had been restored. The skill base for producing good coffee still remains and good crops of coffee are being re-established. Roads are being reopened and repaired. Economically the region is recovering but the coffee growers are still at the mercy of the traders. I suspect they are not receiving a fair price for their product and are certainly not receiving a dividend."

Coffee growing is still the base industry of the whole area. Every aspect of social life that requires finance is highly dependent upon the success of this industry. Every effort to rebuild this industry back to its full potential with growers receiving a good return is enormously worthwhile.





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Project Budget—Year 1

The first year is the most expensive, with the costs of setting up and buying necessary equipment. After the first year trading income will increase, and we anticipate that by the end of Year 3 the company will reach sustainability with its own income.

Activity	Year 1
1: Coffee Trading Company established, equipment purchased, and operating	678,438
2: Farm established with seedling nursery, crop research facilities and training resources	417,568
3: Agricultural extension services reaching project villages	62,100
PNG Support Costs	141,246
BANZAid NZ Costs	17,180
Expenditure Total	1,316,532
BANZAid Contribution	30,000
PNG Government commitment	575,000
NZ Aid Programme (MFAT SDF)	469,080
Anticipated trading income	242,452
Income Total	1,316,532

Find Out More about Global Poverty

Visit the BANZAid website for more. More about the projects that BANZAid is supporting. More news of current issues in development. More resources about development.

The **Projects** section of the website has information on our projects, both current and past. Here are real stories and photos from the people who benefit from the work that we are doing.

The **News** section has our own news stories, and also feeds from the Bangladesh media and from global development media.

The **Resources** section of our website is for people who want to know more about the issues of global poverty and development. This is a place where you can find articles on the issues, and links to statistics and analysis of what is being done around the world. Here you will find:

Articles - this section has articles on a variety of development issues. We aim to look at the issues from a Christian and Biblical perspective.

Downloads - there are three sections of downloads:
Documents: reports from our projects, and basic documents about BANZAid policies and projects;
Study Materials: downloadable documents on some of the hot issues in development, such as the impact of corporate tax evasion in the developing countries and the impact of the financial downturn;
Videos: downloadable videos that you can use in your youth group or Church.

Photos - here are albums of photos from our projects. These will be regularly updated as we get new photos.

Videos - view videos here, both the ones that are available in the downloads section and others on poverty issues.

Links - the list of links starts with other Baptist organisations. We then have links to other sites with a Christian approach to development issues, before going on to a range of wider organisations, both New Zealand and international. Included here are some news sites, covering both current disaster situations and also relevant news of development issues.

New material is regularly added to the website. When new material is added we promote it with our email newsletter, to which you can subscribe through links on the site, or send us an email asking to be added to the list (info@banzaid.org.nz).

