

## 2014 GROW TOGETHER END OF YEAR REPORT December 2014

Dear Friends and Fellow Cooperators,

I hope you are all doing well and that the holiday season is off to a good start.

Thank you so much for your support of our Fair Foods Coop Supply Chain Development Project and the Grow Together Fund!

We at Equal Exchange, and more importantly, the farmers of the Aprainores Cashew Coop, are so appreciative of all your interest, efforts, and financial support to help the coop continue to grow and strengthen its organization.

In 2014, we were able to raise \$22,000 from food cooperatives which are being used to create a Revolving Loan Fund (RLF), administered by a 3-person committee of Aprainores board members. The idea of the RLF is to make small short-term loans to producer members (up to 60% of the total amount they made from last year's cashew harvest) that they will then repay in May 2015 after they turn in next year's harvest. Aprainores is charging a 12% interest rate (remember that Salvadoran banks charge over 22%).

Aprainores plans to build up this fund and keep it going year after year with the hope that members will be less likely to have to sell some portion of their cashews out of the coop, borrowing from the intermediaries, *called coyotes*, to buy basic foods and medicines during the year.

As you may have heard, this year there was a Central America-wide drought and many farmers throughout the region, including the Aprainores members, lost all of their corn. Corn, as you know, is an important staple in the Salvadoran diet and has gotten quite expensive to buy (thanks to the NAFTA and CAFTA free trade agreements). Given how hard things were this summer, I was told that this newly established Revolving Loan Fund was extremely important to the farmers and will help the Coop to collect more cashews during the 2015 harvest. More cashews mean more income for the farmers and more working capital for the coop.

Below is a very brief report from Alex Flores, General Manager of Aprainores. It reflects the first wire transfer of funds sent to them in August. The second disbursement of funds was wired to Aprainores in December and will be used to make additional short-term loans.

After the holidays, we at Equal Exchange plan to continue promoting this Coop Supply Chain Development Project with other food co-ops. We will keep you all up to date with our progress. I will be visiting Aprainores in January and will send a report about the on-going project that Equal Exchange has been funding to get new cashew trees planted. Our hope is that within 5 years, the coop will have an additional container of cashew nuts to export to Equal Exchange. We in turn will have more cashews to offer to you our coop and natural food store partners, and your shoppers.

If you have questions, please feel free to be in touch with me and/or your sales representative.

Thanks so much again and if we don't speak before hand, I wish you all a happy holiday and peaceful New Year!

In Peace,

Phyllis