

# DEEPENING IMPACT

## Case study: Cracking the issues around transparency

### The company

Liberation Foods is the UK's only fair trade, farmer-owned nut company – the co-operatives of small-scale farmers who supply its nuts own a 44 percent share. Brazil nuts from Bolivian producers are sold under the Liberation brand and others, such as Tesco and Sainsbury's.

### The challenge

In recent years, Brazil nut co-operatives have faced a number of issues. These include market and currency fluctuations, adverse weather conditions and the complexity of managing contract processors to shell and pack nuts at origin.

Brazil nut gatherers can spend weeks in the forest collecting the nuts that fall from trees that grow up to 160ft tall. The nuts, encased in a 'coconut', are carried by hand, motorbike or boat back to central collecting points from where they are sent to processing plants before export. The complexity of this supply chain makes communication and transparency even more difficult than in more conventional set-ups.

The co-operatives Liberation works with – COINACAPA, ACEBA and Aire Muje – supply good quality nuts and there is potential to grow their market. But challenges around poor communication and the flow of information are affecting the co-operatives' performance.

### The project:

#### Strengthening communication and accountability in the Brazil nut value chain

Liberation saw the opportunity to invest in reopening communication channels and creating new ones to support co-operatives to prosper and become a stronger trading partner. The project included:

- Training co-operative boards, management and staff in best working practices, supporting them to understand how the Brazil nut market functions and develop basic tools for planning and controlling business processes.
- Strengthening co-operatives' external communication skills and relationship management by identifying current knowledge gaps and designing and implementing new communication tools and systems.



Brazil nuts inside their 'coconut'

### Liberation's top tips:

**Do your research on the context of the organisation you are working with.** How many communities does the manager you are dealing with work with, what's the geographic spread and how do they communicate? The manager may have to visit each community personally, which might be a day's journey from the office. Be realistic – you won't be able to talk to everyone so knowledge is needed about the key people you need to train who can roll out the information.

**Take a staged approach with iterative training.** Rather than give a day's intense training, it is often better to give a bit of information, get feedback, reflect and then give some more. Being flexible in style and content of information is vital.

**Use local knowledge and expertise and be prepared to be flexible.** Local trainers may be more in tune with the audience and their way of thinking. Training someone used to a practical life in the forest will be a very different prospect to training a team used to sitting at computers all day.

# DEEPENING IMPACT cont/...

## The benefits

Farmers and workers throughout the world typically have the least amount of information on the wider industry in which they work of any player in the supply chain. The extent of this, and its impact, is often not understood by their trading partners.

Liberation wanted to change this. They showed the management and gatherers in the three Brazil nut co-operatives how their nuts were packaged and bought in the UK, something many had never seen before. They also provided information on market movements and the wider industry context, such as the impact of the supply of other types of nuts on the demand for Brazil nuts. Key to this process was that the information was succinct and, above all, relevant to the producers.

This information was a powerful motivating factor for the gatherers, who have to spend weeks on end in a dangerous forest environment. They now understand the reasons behind quality standards and why quality affects the price they get for their nuts. This encourages them to treat the nuts in the right way. For Liberation, this has led to an improvement in the quality, quantity and timeliness of supply.

This level of transparency is also powerful in price negotiations. Demystifying preconceptions about pricing and offering an understanding of the wider market strengthens messages about quality requirements and also allows co-operatives to better explain the reasons for price changes, whether positive or negative, to their members.

## The outcomes

Transparency has worked in both directions. Liberation has seen a significant increase in the amount of information they have received in return for what they have provided to the co-operative. This two-way flow means Liberation has more knowledge to speak confidently to customers and consumers. The conscious opening up of communication channels has also led to more timely and frequent reporting from the co-operative and an overall strengthening of the relationship.

Understanding the local context and working in a more transparent manner has also enabled Liberation to spot potential difficulties within the co-operative, work with the management team and head off delays and disruptions to supply which might otherwise have occurred.

In the longer term, this improved level of communication has meant greater opportunities – for example, becoming involved in plans for a new processing plant. This has the potential to increase value added by the co-operative, and give them more control over timing and quality of processing. It can also enable Liberation to work in partnership with the co-operative to have more input into the standards adhered to when processing, and make the co-operative a more sustainable and reliable business partner.



Picture Caption - Sidebar.

## Liberation's top tips:

**Never forget the day-to-day reality of life for producers or underestimate how different the environment is.** On a minor scale, some contacts may only get to internet cafes once a week to check their emails so be prepared for communication to take longer than you may be used to. There may also be local politics and relationships that unexpectedly impact on plans. Flexibility and the willingness to show respect to the right people is important.

**Giving information means you'll get information back.** Talking about areas producers might not even be aware of (for Liberation, this was talking about other nut markets as well as just Brazil nuts) provides a huge amount of value for producers. You'll be surprised by what you'll get back in terms of quality and quantity when there is perceived to be a more level playing field in the relationship. However, be prepared that by opening up these discussions there may be an expectation that you can solve all the supply chain problems ever faced. You need to be prepared for the discussions and to manage expectations.