A photograph of a coffee plantation with a mountain in the background. The foreground shows rows of coffee plants with green leaves and some red cherries. A dirt path leads through the plants. In the background, a large mountain peak is visible under a blue sky with some clouds. The entire scene is framed by a white rectangular overlay containing text and a logo.

DE LA GENTE™

DE LA GENTE, OR "FROM THE PEOPLE"
GREAT DIRECT FROM
COFFEE FARMERS
CULTURAL EXCHANGE TOURS
CHANGING LIVES
GENERATING ECONOMIC OPPORTUNITY

2014 ANNUAL REPORT



In April, we launched a re-imagined organization with a clear focus on how we are most effective at generating economic opportunity for coffee communities and a vision of how to build a more inclusive coffee economy based on strong cooperatives and great coffee. We chose the name De la Gente, or 'from the people,' because we believe that it speaks to the heart of who we are and what we do.

Life is often difficult for disadvantaged coffee farmers, their families, and their communities. Isolation - geographically, economically and socially - has led to frequent disempowerment of the farmers in the coffee chain, high levels of vulnerability and extreme poverty amongst farming communities. Our goal is to break the cycle of poverty.

We are excited about the changes we've made, the work we're doing and the successes we've had in 2014. We believe the results stand on their own.

We look forward to another year of building a better coffee economy that empowers cooperatives, delivers great coffee, spreads awareness, and generates economic opportunity, and we hope you'll join us.



Farmers from the San Miguel Escobar cooperative after packing coffee from the 2014 harvest.

MISSION De la Gente works with coffee farming communities to create economic opportunity that improves the quality of life for their families and communities.

De la Gente works with coffee cooperatives of small-holder farmers. While small-scale farmers produce the majority of Guatemala's coffee - one of the country's most important crops - most are still subsistence farmers who live in poverty. By working together in organized cooperatives, the farmers DLG works with are able to achieve more through collaboration and cooperation with fellow farmers. Even so, members of our partner cooperatives are still susceptible to events such as global price shocks, natural disasters, climate change, and lack of access to credit, information, and markets.

For example, roya (coffee leaf rust) has spiked in recent years, at the same time that the coffee market has been particularly volatile. Some farmers have lost up to 90% of their coffee plants, and given that it can take up to 4 years for new coffee plants to produce fruit, roya has devastated these farmers by wiping out their income for the foreseeable future. These farmers now face a daunting challenge to break out of the cycle of poverty.

Despite all these challenges, De la Gente believes that we can build a more inclusive coffee economy that provides sustainable livelihoods for farmers and still delivers great coffee to consumers.

WHERE WE WORK

APCASA

10 farmer members
Altitude 3,500+ ft. (1,070 m)
Varietals: Bourbon, Caturra and Catuai

La Suiza

116 farmer members
Altitude 4,300-6,000+ ft. (1,300-1,800 m)
Varietals: Bourbon, Caturra and Catuai

San Miguel Escobar

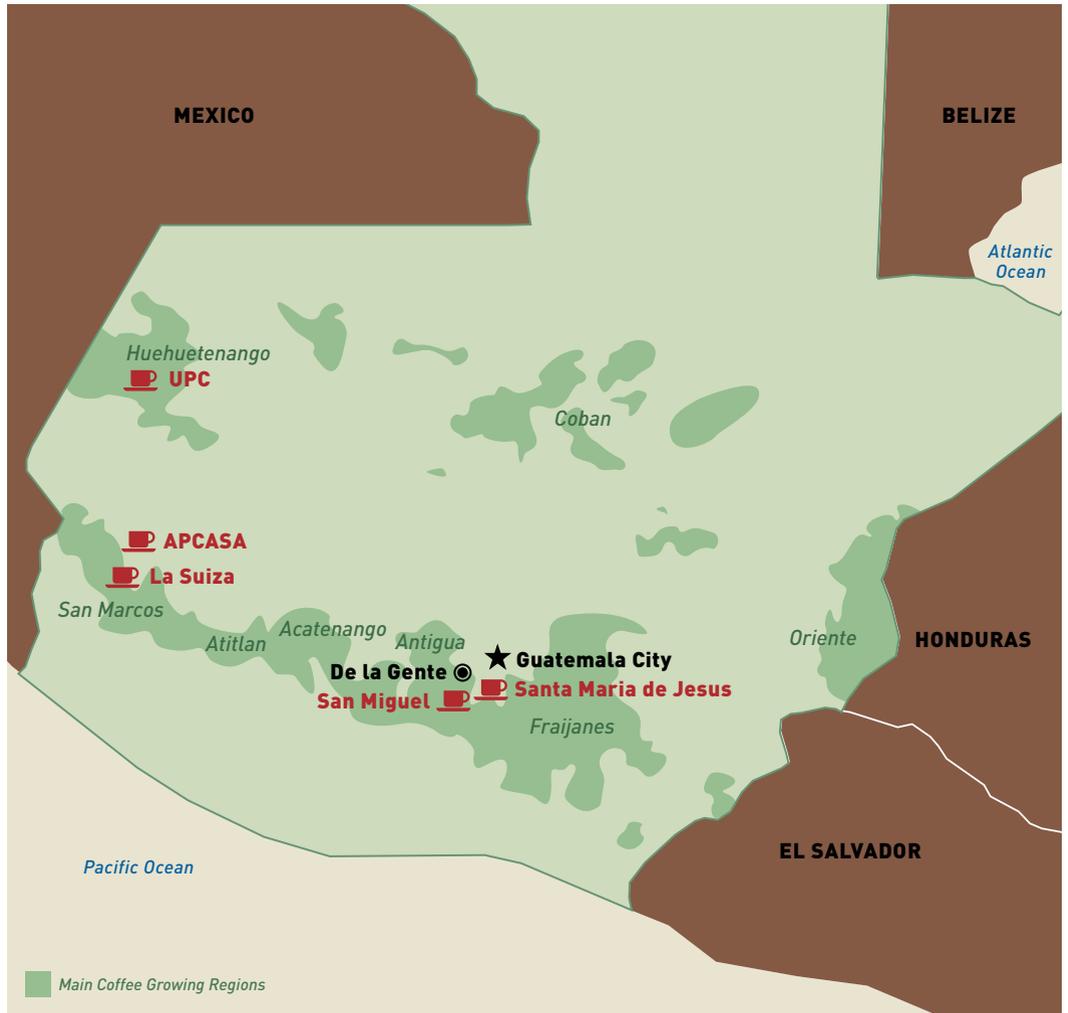
30 farmer members
Altitude 5,000+ ft. (1,500 m)
Varietals: Bourbon, Caturra and Catuai

Santa Maria de Jesus

15 farmer members
Altitude 6,750+ ft. (2,070 m)
Varietals: Bourbon, Caturra, Catuai and Catimor

UPC

124 farmer members
Altitude 4,300-5,600+ ft. (1,300-1,700 m)
Varietals: Bourbon, Caturra, Catuai and Maragoype



MARTA



Marta represents a new generation of hope for the future of Guatemala. She was only able to attend school through the sixth grade because of the large size of her family and their lack of money. Marta wants

a better life for her two children, so she works hard to ensure they will be able to finish school, including university. She recently bought 4 cuerdas of coffee land (approximately 1 acre) through our microfinancing program for women, funded partially through BFB Foundation, which will allow her to increase her income over the next few years.

JACINTA



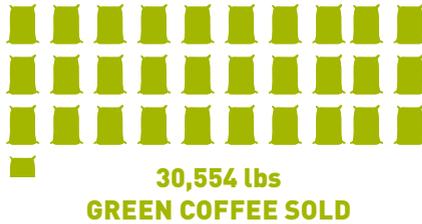
Jacinta lives and farms in La Suiza, which is situated in a very remote part of Guatemala, which means she, and the other community members, have few resources or opportunities. Her husband went to Mexico to find work, so she is currently raising her children on her own. She is 62 and has 5 children still living with her, along with 6 grandchildren. She has normally sold

coffee fruit to coyotes (middlemen), but this year, De la Gente will be exporting some of her coffee, meaning she will make 3x more than she did last year.

COFFEE

The De la Gente brand of coffee stands for great coffee that has a positive social impact. Our coffee business creates direct connections with buyers and consumers and is a source of improved income for the small-holder farmers we work with.

BY THE NUMBERS



8 De la Gente is now available in 8 schools and community organizations in the US/Canada.

15 De la Gente is now available in 15 different locations that either use and/or sell our coffee in Guatemala.

\$155,492
PAYOUT TO PRODUCERS

HIGHLIGHT

Now available: monthly coffee subscriptions, which now account for **15%** of online roasted coffee sales.

QUALITY IMPROVEMENTS MADE IN 2014

We cup coffee often during the harvest season in order to ensure great tasting coffee for consumers.

Switched roasters in the US for all online orders and bulk roasted coffee orders so the coffee would be roasted at the same high quality as specialty coffee shops.

COFFEE CAN BE PURCHASED ON OUR WEBSITE
WWW.DLGCOFFEE.ORG



COFFEE, CONTINUED



TESTIMONIAL FROM A GREEN COFFEE BUYER

"As a US-based roaster, it can be too easy to forget the many skilled, artisan hands an annual coffee harvest passes through before it even reaches the states. Origin trips - like our visit to the San Miguel Escobar Cooperative in 2015 - are not only an important part of quality control, but a way to gain real perspective on your role in a much larger process.

That's why I'm so glad the folks at De La Gente were there to facilitate the experience. They made everything easy, from accommodation in their beautiful guest house at the base of the same volcano where the coffee is grown, to farm visits, tastings, and one-on-one time with the farmers and families who live and work in this amazing place.

We'll continue to support De La Gente's education-based mission, as it continues to improve financial stability and quality of life in the San Miguel Escobar community and others like it throughout Guatemala. Keep up the good work, guys."

Tyler Liedman, True Stone Coffee Roasters, St. Paul, Minnesota



TESTIMONIAL FROM A FARMER

"I used to work at a hotel in Antigua and would work over 40 hours in 3 days over the weekends. The rest of the week I would work in the fields, but didn't have the resources to farm my land well and I couldn't afford to buy any more land. I rarely got to spend time with my family.

All of this has changed with the help of De la Gente, which has given me more opportunities than I've ever had. I benefit from the export of the coffee and the tourism. My wife also benefits because of the tourism when a group is here for lunch or dinner with us, allowing her to earn money as well. I have been able to purchase more land through the microfinance program, allowing me to grow my business. I'm now able to hire three people to help me harvest the coffee and I am able to pay fair wages, meaning I'm helping other people in the community too. None of this would've been possible without De la Gente."

Gabriel, Farmer, San Miguel Cooperative



COOPERATIVE ASSISTANCE

De la Gente helps cooperatives build their capacity so that they can be autonomous, democratic and profitable organizations that provide income and support for their members. Through training and financing, we provide access to the knowledge and resources they need for success.



TRAINING

To help facilitate training and an exchange of ideas, DLG held a Coffee Congress to discuss production and processing methods. Following the DLG Coffee Congress, all representatives attended the National Coffee Conference of Guatemala, sponsored by ANACAFE, where they had the opportunity to meet a variety of coffee industry experts and learn about current issues in the industry, such as roya and climate change.

1st one ever held All **5** cooperatives represented **11** community leaders in attendance

FINANCING

Access to affordable financing (credit) allows cooperatives to meet their short term needs and invest in future growth. Financing for the purchase of machinery and land allows cooperatives and their members to invest in the infrastructure needed to improve their yield and quality. Harvest financing allows cooperatives to have cash flow during the harvest season, enabling them to access markets while still meeting their household needs. Without such financing, farmers are often forced to sell coffee to coyotes (intermediaries) at subsistence prices in order to have immediate cash.

LOANS

\$81,926 Total rolling land loan lending portfolio

5 land loans in 2014 = **11** cuerdas of land (approximately 4 acres)



\$21,800 Harvest loans

EQUIPMENT



FINANCING FOR SAN MIGUEL ESCOBAR TO INSTALL TRILLA (DEHUSKER) AND MECHANIZED SORTING MACHINE



PULPEROS (REMOVES THE FRUIT FROM THE BEANS) FOR 4 FARMERS

\$105,000+
TOTAL CURRENTLY LENT OUT SUPPORTING RURAL COFFEE FARMING FAMILIES.

WOMEN'S FUND

In 2014, we established the Women's Fund - a dedicated fund to support female farmers in the industry. This is the first phase of our gender equality program to address gender inequality in the supply chain, working to increase women's participation. Specifically, we want to empower female farmers to be business owners in their own right, with access to land, markets and education. Through empowering women in coffee farming we build stronger communities and better quality of life for farmers and their families.



3 female farmers have been able to grow their businesses and purchase land to produce more coffee.

COOPERATIVE ASSISTANCE, CONTINUED

RESOURCES DISTRIBUTED

By providing low- or no-cost access to farming resources, De la Gente helps farmers improve the yield and quality of their coffee.



245 liters of fertilizers and fungicides distributed to aid farmers

1600 lbs of organic fertilizer



10,000
PILONES (SEEDLINGS)
FOR TREE NURSERY



HIGHLIGHT

LA SUIZA

ACUPDIC (Association of Farmers United for Peace and Whole Community Development) is a cooperative of 116 members comprised of former guerrilla fighters and internally displaced people from the 36-year long Civil War. Due to its remoteness, lack of public transportation, and basic government services, poverty and malnutrition are everyday realities. Two years ago the roya fungus (coffee leaf rust) destroyed nearly all of their coffee plants, forcing farmers to start almost completely anew.

De la Gente provided assistance on roya management, consisting of farmer-to-farmer training and fertilizer and fungicide assistance. La Suiza's production began to recover with this year's harvest, and De la Gente and the cooperative signed a contract to export coffee for the North American market, which is a first for the cooperative! The export is a huge step forward for the members, providing them with a much greater income from their coffee than ever before.



TESTIMONIAL

TIMOTEO MINAS LEAD AGRICULTURAL TRAINER

"I enjoy working with the communities and participating in the projects because I get to see the successes and the impact we're having. I have forged great friendships with the community leaders and have a lot of confidence in them. The economic opportunities they have been afforded help these families tremendously.

I would like to work with more communities and help more people. Many of the farmers with whom we work today are telling others about De la Gente and the great work we are doing, and more communities are calling me wanting us to help them, wanting to be involved in the great work we are doing. Farmers are telling other farmers that we're helping them in the fight against roya. When the problems of roya start, I feel it in my heart, because I understand what they're up against. I want to help them work as a team and combat the disease. I am so proud when I can help them."

COMMUNITY TOURISM

Our tours and group trips open up a world of adventure and opportunity and are mutually beneficial for the individuals, the communities and the travelers. De la Gente tours take people beyond mainstream tourism. We want visitors to learn far more about Guatemala, the people and the culture than they would on conventional tours.



1,481 Coffee tours

432 Artisan workshops

\$17,434 INCOME GENERATED FOR FARMERS
 (EXCLUDING ADDITIONAL COFFEE SOLD)

HIGHLIGHT

Due to demand for workshops for younger children, we developed a peanut butter workshop that's only 1.5 hours in length and serves a magnificent treat at the end.

TESTIMONIAL, AS POSTED ON TRIPADVISOR

"This was a great tour for kids. The tasks were easy for them to do so our kids were involved in the whole process. They even got to stir the nuts on the comal and try their hands at grinding! Lydia and her family were very good at including our kids in the process and I think they enjoyed being addressed directly instead of through me. I highly recommend this tour for kids. You won't find a better way to step into a true Guatemalan's life."



Winner of the **2014 Certificate of Excellence by TripAdvisor** and ranked **#2 for Things to do in Antigua**. The award is given to outstanding hospitality businesses that have received praise and recognition in reviews by travelers. Winners of the award represent the upper echelon of businesses listed, with only the top 10% receiving the prestigious award.

13 Community partners (tour agencies and other NGOs who regularly send us tours)



COMMUNITY TOURISM, CONTINUED



SERVICE LEARNING TRIPS (SLTS)

12 Groups



172 Total participants

100% Rate of return on schools participating

\$33,999 TOTAL PAYOUT TO FARMERS AND FAMILIES FOR SLTS

TESTIMONIAL

"I volunteered with De la Gente during an alternative summer break for my university and it was one of the most rewarding experiences I've ever been on. I was overcome by the hospitality of the farmers we worked with, as they shared their homes, food and culture with us. I learned an incredible amount of information about the current evolution of the coffee industry, and have come to the conclusion that direct trade coffee gives more back to the community when farmers are able to receive a higher income and thereby give their children a chance at higher education. The De la Gente staff and interns are an incredible team, making both our stay comfortable while not losing sight of their mission to help the families of Guatemala. I feel so lucky and inspired by my visit, I would encourage everyone to take the opportunity to visit this organization for a week, two weeks, or even a few months. You will not regret it."

TOURS OFFERED:

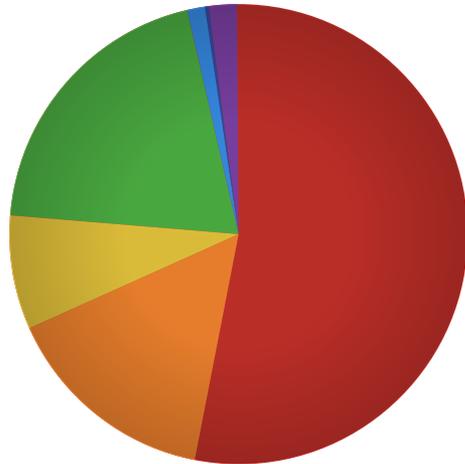
COFFEE, PEANUT BUTTER, PEPIAN, TEXTILES, BURLAP BAGS, NATURAL LOTIONS, IRONWORK, WOODWORK



FINANCIALS

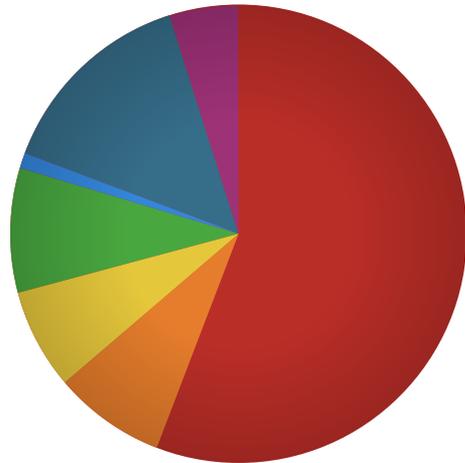
INCOME

| | |
|-----------------------------|------------------|
| ■ Coffee Sales (all) | \$230,331 |
| ■ Donations & Grants | \$66,103 |
| ■ Tours & Workshops | \$34,767 |
| ■ Service Learning Trips | \$87,041 |
| ■ Volunteer Fees | \$5,587 |
| ■ Other (merchandise, fees) | \$1,021 |
| ■ Discounts | -\$9,033 |
| Total income | \$415,817 |



EXPENSES

| | |
|--|------------------|
| ■ Coffee purchases and COGS | \$216,976 |
| ■ Cooperative Assistance & Fundraising | \$30,669 |
| ■ Tour Costs | \$27,765 |
| ■ Service Learning Trip Costs | \$33,999 |
| ■ Volunteer Costs | \$4,421 |
| ■ Org Administration | \$55,951 |
| ■ Professional Fees* | \$19,040 |
| Total expenses | \$388,820 |



TOTAL SURPLUS/DEFICIT \$26,997

**Incurred more than normal due to start-up costs*





YOUR CONTINUED SUPPORT IS IMPORTANT TO DE LA GENTE!

For us to continue to offer financing, resources, training and other services, we need your support. Whether it's a monthly financial gift, a bequest, or a gift of time, it's all vitally important to our success.

**TO FIND OUT HOW YOU CAN MAKE A LASTING IMPACT, VISIT
WWW.DLG.ORG/DONATE-TODAY**

DE LA GENTE
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