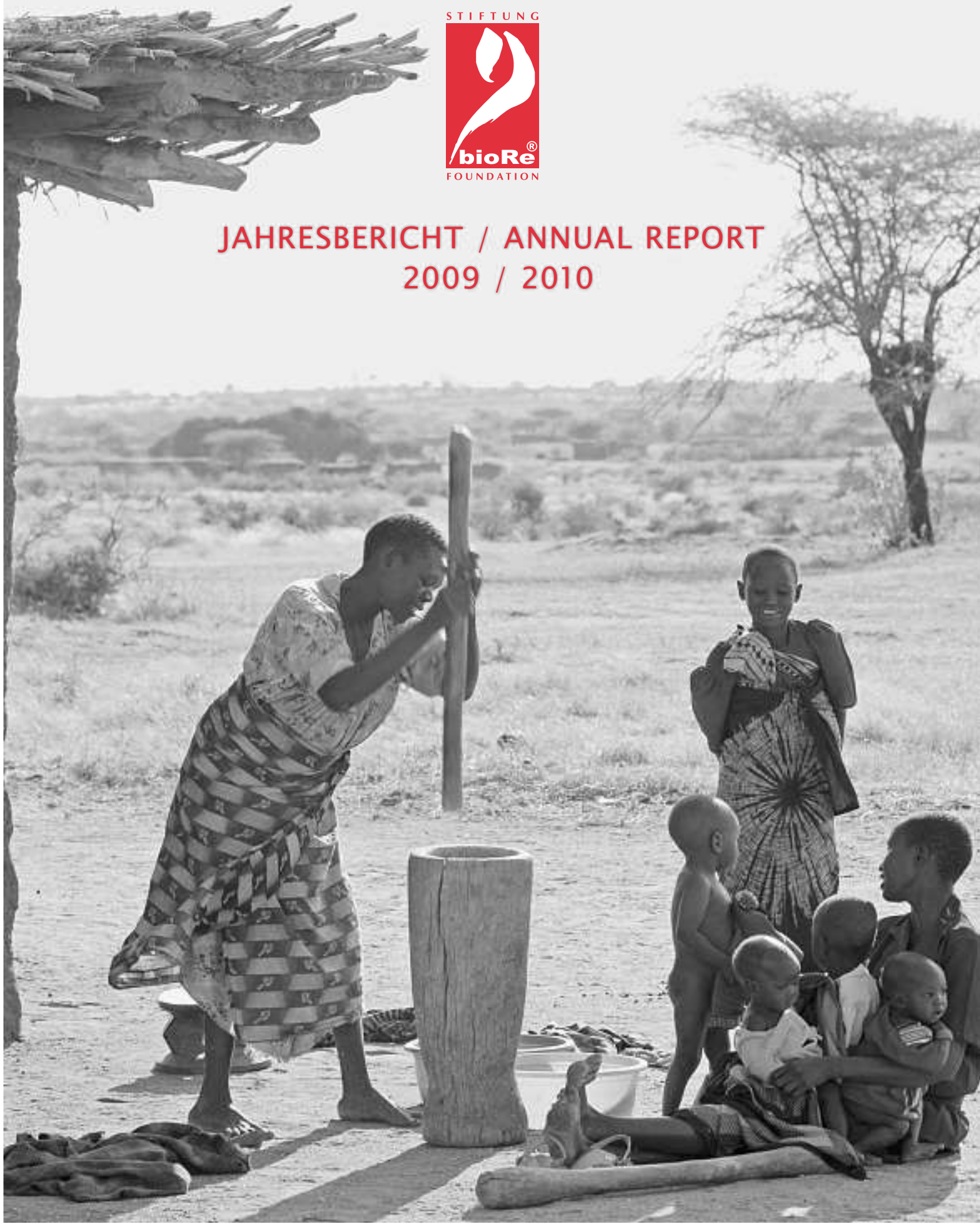




**JAHRESBERICHT / ANNUAL REPORT  
2009 / 2010**



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## Stiftungsrat Foundation Board

Patrick Hohmann  
Margrit Hugentobler  
Jürg Peritz  
Kathrin Rapp Schürmann  
Peter Tschannen



# VORWORT

Ein gutes Jahr ist zu Ende gegangen, und an dieser Stelle möchte ich mich als erstes bei allen bedanken, die mit ihren Taten und Spenden, mit ihren Gedanken und ihrem stillen Einverständnis mitgeholfen haben. Auch möchte ich jenen danken, die Tag für Tag die Idee von bioRe® hinaustragen und somit helfen, die Lebensumstände vieler Menschen zu verbessern.

Das Jahr war massgeblich gekennzeichnet durch die gemeinsame Entwicklung des bioRe® Standards mit FLO Cert GmbH und der Umsetzung des Standards in den bioRe® Organisationen.

Der bioRe® Standard ist nun soweit erarbeitet, dass wir ihn bei ISEAL anmelden konnten. ISEAL-Mitglieder sind führend in der Setzung von internationalen Standards und akkreditieren Organisationen, welche die Good Practices für die sozialen und ökologischen Richtlinien erfüllen. Sie arbeiten mit ihren Mitgliedern auf die Wirksamkeit und Stärkung des Kollektiven hin. Ein Meilenstein in der bioRe® Geschichte.

Im laufenden Jahr wollen wir die bestehenden Themen weiter vertiefen und dabei versuchen, mehr

Eigeninitiative zu wecken. Mit der FAO (Food and Agricultural Organisation der UNO), ICEA und FiBL haben wir ein Projekt in Tansania gestartet, um mittels partizipativen Lernmethoden unsere Bauern besser zu erreichen. Das Projekt ist sehr gut angefallen, und die Beteiligten sind begeistert. Nun geht es schon bald an die Disseminierung dieses Lernstils und hoffentlich auch an eine erfolgreichere Landwirtschaft.

Auf meiner letzten Tansania-Reise durfte ich erleben, wie sich der Lebensstandard der Bauernfamilien kontinuierlich verbessert. Dank unseren eigenen Studien zur Kaufkraftverbesserung sowie den Begleitstudien von Samuel Läderach und Romina Järmann wird die Wandlung immer messbarer. Dabei geht es uns darum, Entscheidungsgrundlagen zu erarbeiten, um die Wege richtig zu wählen. Denn nicht das vorhandene Kapital ist massgebend, sondern was man sich mit dem zur Verfügung stehenden Geld ermöglichen kann.

Während meiner Reise durfte ich die Schule in Mwamishali besuchen, die neu einen Wassertank hat,

# EDITORIAL

A good year has come to its end. First of all, let me thank all those who have contributed with their actions and donations, their thoughts and their silent agreement. Furthermore, I would like to express my gratitude to those who have spread the bioRe® message day by day, helping to improve the lives of many people.

One of last year's highlights was the joint development of the bioRe® Standard, together with FLO Cert GmbH, and its implementation throughout the bioRe® organisations.

In the meantime, the bioRe® Standard has been filed with ISEAL whose members are leaders in setting international standards and accredit organisations, which meet good practices for social and ecological guidelines. ISEAL and its members work towards making collective efforts effective and reinforcing them. This is a significant milestone in the history of bioRe®.

This year, we intend to keep working on the current issues and to try to promote more personal initiative. Together with FAO (the United Nations Food and Ag-

ricultural Organisation), ICEA and the Research Institute of Organic Agriculture (FiBL), we have launched a project in Tanzania using participative learning to reach out better to our farmers. The project has got off the ground very well, and its participants are extremely pleased. It is now a matter of disseminating this style of learning and hopefully creating more successful farming.

On my latest trip to Tanzania, I had the privilege of witnessing how the standard of living of farmer families is gradually improving. Owing to our study of purchasing-power improvement and the backup studies by Samuel Läderach and Romina Järmann, transformation is getting more and more measurable. Our objective is to create a basis for decision-making in order to make the right choices. What really counts is not the capital available, but what is actually made possible thanks to that capital.

During my trip, I had the opportunity of visiting the school in Mwamishali that now has a water tank donated by students from Brunnen, Switzerland, with money they collected themselves. There are also two

gespendet von Schülern aus Brunnen mittels einer selbst organisierten Sammlung. Zwei Lehrhäuser konnten frisch bezogen werden, was sicherstellt, dass es im Dorf Lehrer gibt und der Unterricht im normalen Rahmen stattfindet. Ausserdem werden weiterhin Brunnen errichtet, und ein Workshop für die Näherinnen ist durchgeführt worden. Diese haben sich gemeinsam in einer Gruppe organisiert. Momentan fehlt ihnen zwar noch das Startkapital, um Stoff zu kaufen, um damit ein Nebengeschäft aufzubauen, aber auch hier werden wir einen gemeinsamen Weg finden.

In Indien erleben wir, wie immer mehr Eltern Schulen ins Leben rufen, so dass wir heute bereits 17 Animations-Schulen unterstützen können.

Alles, was im Zusammenhang mit CO<sub>2</sub> getan wird, erscheint richtig und gut. Egal in welches Haus ich trete, wo man mir die "smokeless stoves" zeigt, erfahre ich eine grosse Erleichterung für die Frauen. Lediglich Kamine müssen noch angebracht werden, damit wirklich kein Rauch im Haus entsteht. So ist auch ständig Raum für Verbesserungen.

new teachers' houses thanks to which teachers are present in the village providing tuition in normal circumstances. In addition, more wells are being built and a workshop has been carried out for seamstresses who set up a group of their own. While they still lack the start-up capital to buy the fabric required to set up a sideline business, we are certainly going to work with them to find a solution.

In India, we are seeing more and more parents setting up schools, and we are now supporting as many as seventeen animation schools.

Any measures taken with regard to CO<sub>2</sub> emissions seem to be appropriate and favourable. No matter which house I enter to be shown a smokeless stove, I experience a great deal of relief for the women. To make sure the houses remain absolutely smokeless, all that needs to be added are the chimneys, which goes to show there is always room for improvement.

Our persons in charge in India and Tanzania are trustworthy. They are doing an excellent job, and I am deeply grateful to them for their tremendous

Unsere Verantwortlichen in Indien und Tansania sind vertrauenswürdig und leisten eine herausragende Arbeit, und ich bin ihnen für ihren grossartigen Einsatz zutiefst dankbar. Nur Dank ihrem Engagement gelingt es uns, eine nachhaltige Verbesserung der Lebensumstände zu erreichen.

Hierfür möchte ich allen Beteiligten herzlichst danken – den Gebern sowie den Ausführenden.

Ich wünsche Ihnen ein gutes Jahr.



Patrick Hohmann  
Präsident bioRe® Stiftung  
President bioRe® Foundation

A handwritten signature in dark ink, appearing to read 'Patrick Hohmann', written in a cursive style.

commitment. It is purely owing to their efforts that we are succeeding in improving living conditions in a sustainable manner.

For this, I would like to thank everyone involved, the donors as well as those executing work.

I wish you a good year.



# FARMER PORTRAITS

bioRe® has been promoting organic agriculture in India since 1991 and in Tanzania since 1994.

Two farmers, Mr Roop Singh Fatla from India and Mr Simon Benjamin from Tanzania, share their experience of adopting organic farming methods and the consequences of this to their livelihood situation.

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## MR ROOP SINGH FATLA, INDIA

Mr Roop Singh from the Village Narsingpura switched to organic farming four years ago, since he joined hands with bioRe® to start producing organic cotton.

Roop Singh is an experienced farmer and has been farming for the past thirty years. He has seen the shift from traditional agriculture to the era of the chemical farming and finally the shift to “organic farming”. Before he joined bioRe® he had been using chemical fertilizers in very small amounts. He has been practicing mixed cropping for many years, as a result he did not suffer from yield losses when he switched to organic farming.

Roop Singh has five acres of land which is situated largely in the dry belt and is largely dependent on the monsoons, although he has an open well but the well does not bear much water. He manages to irrigate his cotton fields about three times.

He has a large family of three sons and two daughters, all his children are married.

Roop Singh has attended several training programmes both at the bioRe® training centre and at the farmer field schools. He finds the practical approach of the training very useful and makes all efforts to practice what he learns. In fact this interview was given on the 6th of April 2010 when he came for attending a training programme at bioRe®. Roop Singh is extremely happy about his association with bioRe® and he is very happy with the cotton prices that are paid to him. Previously the local traders used to buy the cotton and never gave them the correct market price for the cotton.

Apart from cotton which is his main cash crop Roop Singh also plants Maize and Pigeon Pea largely for his own consumption. Due to less water in this year he is unable to sow wheat.



## MR SIMON BENJAMIN, TANZANIA

Meatu District covers 8871sq km. Altitude varies between 1000m and 1500m above sea level, with detached hills and grassy savannah woodlands. In Meatu there are two dominant land use systems, the cotton-cereal system with cattle and the traditional Wasukuma agro pastoral system. Under the former system farmers emphasize subsistence food production more than cash crops. Food crops are maize, sorghum, rice, sweet potatoes and legumes. Farmers own cattle, but the herds are smaller than under the traditional agro pastoral system. The main constraints for farmers are soil erosion and declining soil fertility. The most important constraint limiting livestock production and food security in the area is the shortage of dry-season fodder, especially in years with insufficient rainfall. The soils are mainly red to yellowish, freely drained tropical soils. Thus, based on land qualities, Meatu would be moderately suitable for extensive grazing, if it were not for the hazard, which is severe in all places.

bioRe® Tanzania Ltd. promotes organic farming in 15 villages (with focus on cotton). The average farm size of bioRe® farmers is about 79 acres, of which 20% is used for cultivation. The rest is managed as fallow land of grazing area in view of the large cattle population in the region. Cotton in the entire project region is traditionally produced without any agro-chemicals. Some producers are using compost manure for fertilization which is made from the dung of farm animals. The farms are maintained mainly by family members with the help of seasonal workers during the weeding and harvest period. bioRe® provides extension services to all contracted farmers in Meatu District. Within the context of extension services, bioRe® provides training, advisory services and monitoring of all activities throughout the season. The aim of bioRe® in working with farmers is to develop ecological, economical and sustainable agriculture. Through organic farming, we aim to teach farmers to practice agriculture practices which will enhance soil fertility, better yield and improved income.

Simon Benjamin is one of the two thousand farmers who are practicing organic farming since 1994. He comes from Bulyashi, one of the 15 villages where bioRe® Tanzania Ltd. is promoting organic agriculture to its contract farmers. Benjamin joined bioRe® in 2001. He is married and has eight children, six of them are assisting in field work; two of the children are still pursuing education at secondary school.

Before joining bioRe® Tanzania Ltd. contract farmer Benjamin was practicing conventional farming. He was like most of the conventional farmers sowing cotton after cotton, never sowing in rows, only broadcasting. He never grew any legume crops or applied farm yard manure. Today he has learnt to sow in rows, enabling him to do weeding with ox-weeder and most of all he does practice crop rotation as well as apply farm yard manure though not sufficient.

He proudly says that this has reduced his workload as well as the costs. Today he grows legume crops besides cereals and cotton. He believes that in the last nine years the soil has become better than before. With much pride he announced to us that he has increased his farm size from 70 to 100 acres and that he now owns a house with corrugated iron sheet roofing. He believes that this could only be possible after joining bioRe®. He is now a proud owner of 15 cows, 4 pairs of oxen, 25 goats and 2 ox plough & water pumps.

When asked what he was benefiting being an organic farmer he said that bioRe® provides substantial support such as extension services, regular training and visits and supports on inputs by use of input premiums. He further stressed that bioRe® supplies the inputs on time and that extra money helps to improve their life.

# SOCIAL PROJECTS

## INDEX OF PROJECTS 2009-2010

Project Number	Description	Objectives	Amount USD
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### ORGANIC FARMING

TZ 2009/3	Training and Capacity Building	Organic farming	4,795
IND 2008/11 and 2010/1	Training and Education	Organic farming	40,255

### INFRASTRUCTURE (HEALTH, AGRICULTURE & EDUCATION)

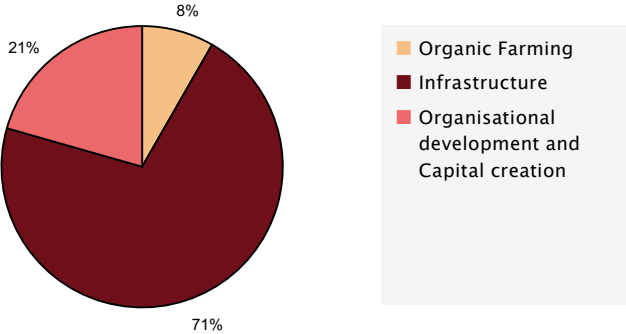
TZ 2008/4B	Efficient Stoves programme	Health and Agriculture	16,914
TZ 2009/1	Individual loans for Farmers	Agriculture	20,000
TZ 2009/2	Water tank for school in Mwamishali	Health	11,443
IND 2007/1	Mobile Health Unit running costs	Health	38,611
IND 2007/1B	Mobile Health Unit Renewal Fund	Health	60,000
IND 2007/7B	Corpus Fund for individual infrastructure (part 2)	Agriculture	8,250
IND 2008/8B	Animation School Programme	Education	60,635
IND 2008/9B	Biogas plants continuation	Health and Agriculture	105,335
IND 2009/1	Smokeless Stoves with SHGs	Health and Agriculture	51,689
IND 2010/2	Animation Bridge School	Education	17,599

### ORGANISATIONAL DEVELOPMENT & CAPITAL CREATION

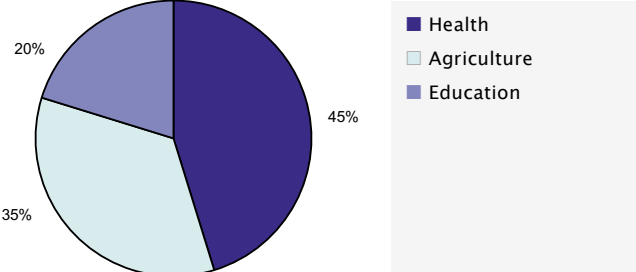
TZ 2009/4	Workshops for sewing group		23,833
IND 2010/3	Handloom Capital Creation		26,276
IND_TZ 2008/1	FLO-CERT partnership		44,380
IND_TZ 2010/1	ISEAL		17,430

# Areas supported by the bioRe® Foundation

Promotion of projects in the main areas of the bioRe® Foundation



Infrastructure for health & education



## OBJECTIVE: ORGANIC FARMING

The bioRe® Foundation is promoting organic and biodynamic farming, in particular in cotton farming areas. This purpose is supported by promotion of agricultural training and research in agricultural practices.

### LONG-TERM SYSTEM COMPARISON

(TEXT BY DIONYS FORSTER)

This report describes the third year results of the research.

Project No	IND 2007/2 FiBL Study
Start	2007/08, the research is a long-term system comparison of at least ten years



#### COTTON

In 2009, cotton was earlier sown than in the previous year. We observed that GM and conventional cotton germinated better than organic and bio-dynamic cotton. During the growing period, repeated erratic, heavy rainfalls coupled with water logged situations over longer times affected especially organic and bio-dynamic plots. In addition, the weather conditions favoured pest attack in organic and bio-dynamic treatments. In consequence, cotton yields were affected: GM cotton yield was comparable with last years; however, bio-dynamic and organic cotton yields were much reduced. Astonishingly, also conventional cotton yield was reduced and even lower than bio-dynamic and organic cotton yields. In 2009, bio-dynamic and organic cotton definitely suffered from excess water, but there could likely be other reasons behind the yield depression. The genetic base (i.e. parental material) of the seed used in bio-dynamic, organic and conventional treatments is the same. However, the genetic base of GM cotton could likely be different, regardless of the same name for the cultivar. If a genetic degeneration or diversification takes place in organic seed, yield increases may be less probable although soil fertility and general management may have improved. Besides adjusting and optimizing the management in the long-term systems comparison trial, the project now further investigates the genetic base of cotton cultivars. We are planning to set up a trial for the comparison of physiological and agronomic parameters of organic and GM cotton seed under low and high input levels.

#### SOYA AND WHEAT

Yields of organically produced soya were lower than in previous years. The lower yields were explained by heavy rainfalls before harvest, which led to outfall of seeds and a generally higher pest pressure during the growing period. On the contrary, yields of organically grown wheat were comparable to conventionally grown wheat.

### PTD ACTIVITIES

#### PHOSPHATE ROCK TRIAL

High soil pH may limit P availability to plants. Application of pure phosphate rock to the crop may have little effects. However, the application of phosphate rock in combination with other organic fertilisers or stimulants may improve its availability. The PTD phosphate rock trial includes the following treatments:

- A) Compost alone
- B) Compost with rock phosphate
- C) Compost with rock phosphate, treated with Phosphorus Solubilising Bacteria (PSB)
- D) Compost with rock phosphate, treated with cow urine
- E) Compost with rock phosphate, treated with PSB + cow urine
- F) Farmer practice

Over the last cropping season, 20 organic farmers carried out on-farm trials with phosphate rock in wheat. The trial results are promising: Treatment C yielded highest results followed by treatment B, F, A, D and E. All farmers will like to continue the trial for another year. Some of the farmers will plant cotton while others will grow soya bean. For the next season we aim to include 25 additional new farmers in the trial. The present treatments will be modified. Instead of treatments D and E, we will include two options with acid pre-treatment of phosphate rock. Research has shown that phosphate rock can be solubilised by the use of sulphuric acid. Instead of using sulphuric acid we will try to soak phosphate rock powder in Tamarind acid produced from Tamarind press cake.

#### GREEN MANURES

Limited nitrogen availability negatively affects crop yields. Innovations to increase nitrogen availability and crop yields would bring additional arguments for organic production. Gliricidia on-farm trials are one possible option which will be investigated in this PTD component. Other options are the use of Crotalaria and Aurogreen as mulches and green manures.

#### CROTALARIA (SUNHEMP) TRIAL

Crotalaria is a leguminous crop that grows fast, produces considerable biomass and fixes atmospheric nitrogen. Crotalaria is well known in the project region. However, depending on the season (e.g. monsoon or dry season), different

seeding densities may have effects on biomass production. The trial aimed to evaluate crotalaria biomass production as a pre-crop to wheat in November/December. We tested the three following seeding densities in three different adjacent plots: A = 58kg/ha, B = 115 kg/ha, C = 172 kg/ha. Having made a basal application of compost at the rate of 18t/ha and supplementary irrigation we obtained A = 3.3t/ha, B = 4.6t/ha and C = 4.8t/ha of fresh biomass after 45 days of growth. The biomass was immediately incorporated after weighing and used as green manure for the wheat crop. As a pre-crop for green manuring during the months November/December we now suggest a seeding density of 115 kg/ha.

### AUROGREEN VS SESBANIA TRIAL

Aurogeen is said to enhance above ground diversity, enhance soil biology, enhance rhizobia population, ameliorate soil temperature and reduce moisture loss from soil. The seed mixture contains about 60% legumes, 20% cereals as well as 10% of oilseed and 10% of fiber crops. The planned trial aims at comparing Aurogeen and Sesbania as undersown green manure/mulch to bare soil in organic cotton. Trial start should be mid-May.

### EARLY UPROOTING COTTON TRIAL

Traditionally, cotton requires about 9–10 months of growing season. Harvesting of cotton balls starts after about 4 months and continues for the remaining 5–6 months. Usually the big majority of the yield can be obtained in the first 3–4 months of the harvesting period. Within GM cotton cultivars this period is even shorter, which has led to a change in crop rotation of GM cotton farmers.

After having obtained about 80–90% of the yield in early December (about 6–7 months of growing period), GM cotton farmer uproot cotton and directly prepare the field for wheat cultivation. Hence, instead of one crop, GM cotton farmers are now able to have two crops and in return, a higher gross margin per field and year. Also in organic cotton, much of the yield can be obtained in the first 4–5 months of the harvesting period. Therefore, the trial will investigate the practical feasibility of early uprooting of organic cotton followed by a consecutive wheat crop. The trial should also provide solid data on the obtained gross margin per field and year.

### VALIDATION TRIAL

The validation trial aims at validating data from the long-term systems comparison trial. The validation trial was set up in May 2009 on 10 conventional farms in the neighbourhood of the bioRe research station. In a simple experiment, a field of about one acre is subdivided into two plots. While on one plot organic fertiliser is applied according to bioRe recommendation, on the other plot the farmer uses his own practice. Since the setup in May 2009, the farmers harvested two crops, soya bean and wheat. While the first yields of organic soya bean were lower than on the conventional plot, we observed almost equal yields for wheat. The lower soya bean yield was explained by the fact that conventional farmers were not used to organic pest management practices. Thus the farmers waited too long to take measures, whereupon pests strongly affected the crop. However, also the quality of the FYM, which was purchased from various places, was not sufficiently good. Conversely the good wheat yields were explained by the leguminous pre-crop and residual nutrients in the soil.

In the next year we aim to include additional 20 conventional farmers who may either grow cotton or soya bean. Thereby we will be challenged by the logistics to provide inputs such as good quality FYM or bio-pesticides and to monitor the field activities.

### COLLABORATION

Exponents of the Indian Institute of Soil Science (IISS) have visited the long-term system comparison trial at bioRe in Kasrawad. Also IISS has proposed a first draft for a project proposal. bioRe and FiBL are now in negotiation with IISS regards a Memorandum of Understanding and a contract for collaboration.



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# FAO PROJECT IN COLLABORATION WITH ICEA, FIBL AND BIORE® TANZANIA LTD

Project	FAO project in collaboration with ICEA
Start	November 2009
Budget	USD 21,000
Donors	FAO, ICEA, FiBL



The focus group on “The development of organic cotton production in Tanzania & Uganda” was held in Kampala, Uganda on the 23rd May 2009. It was organized by ICEA in collaboration with GROLINK, Organic Exchange and the Agro Eco Louis Bolk Institute–Eastern Africa Office.

One of the main outcomes from this conference was the recognition of poor soil fertility management and low yield of cotton in both Tanzania & Uganda.

ICEA proposed to develop and adopt an Experiential Learning Methodology and a pilot project in Tanzania was initiated last year in partnership with bioRe® Tanzania Ltd. in Meatu District Shinyanga–Tanzania.

FAO is funding this pilot project to the tune of USD 21'000.

ICEA carried out a survey last year and proposed to work with bioRe® Tanzania Ltd. as it already possessed the entire infrastructure. This project has already commenced in November 2009 and will be completed by November 2010.

The general objective is to develop and adopt an Experiential Learning Methodology whereby farmers will be participating in the training / learning process in improving soil fertility and increasing yield. bioRe® Tanzania Ltd. has wholeheartedly accepted to work for this as it meets the aims and goals of bioRe® Tanzania Ltd.

This project comes at the right moment when the Government of Tanzania has recently launched a modified green revolution campaign with the same aims of improved soil fertility, increased productivity and poverty alleviation of 80% of Tanzanians who are actively engaged in agriculture.



## OBJECTIVE: INFRASTRUCTURE IN EDUCATION

The bioRe® Foundation supports the creation and promotion of social infrastructure for the community in particular in the area of education.

### ANIMATION SCHOOLS, INDIA

Project No.	IND 2008/8B
Start	2007/08
Budget	USD 60,635
Donors	bioRe® Foundation with the kind support of Coop CH, Coop IT, Monoprix, Panoco, Intrade, Rewe, Sander AG, private donors

Children are our future. Some lucky ones are blessed with all the love, care and facilities provided for their development and some stand deprived of even the basic needs. In an effort to make a few of these basic amenities available to such children and addressing the right to education and health, the bioRe® Association started the Animation Schools.

The schools are mainly designed to give children an idea of what a school is and an opportunity to develop basic reading and writing skills. We do not discriminate between the children and all who are interested are given admission. This concept is very well accepted by the community and this finds expression in the fact that today we have 14 schools, with an attendance of 609 children till 31st March 2010. In the coming year we plan to start 3 more schools in different areas.

In the past year we have worked towards standardisation of the functioning of the schools whether it is in terms of providing infrastructure to the school or developing the curriculum or extra curricular activities and sports. The children look forward to coming to school and there is a marked improvement in their learning abilities.

We organised a special sport day, where children from all schools met at the bioRe® Training Centre. This day was special as with all their different characteristics the children came here together under one roof.

The last year also witnessed the inauguration of 4 new school buildings and the foundation stone was laid for another one. It was heartening to see the children and community welcome the guests on the day of the school inauguration. Every school had a different character, a different style, which ranged from a football match, to a drill display. There were sport activities to celebrate the new building in one village and in another it was a day celebration for the community.

We also have the opportunity to invite foreign students to share their experience and bring with them qualities which they share with the children and the teachers. At our end in India we have 19 teachers and 2 animation officers who look after the functioning of the schools, making sure that our resources are well utilised and the accountability and transparency of the work be maintained.

In a unique effort we distributed sweaters to all the school children this winter. It was unique, because though the idea originated from our staff the responsibility was shared by the community as well; all parents shared 20% of the cost of their child's sweater. This method symbolised the participation of the community and the parents in particular.

In the last session we have also introduced the concept of hygiene kits where we keep a kit in all schools and at the same time we distribute bathing soaps, detergents and body oil to all students monthly. Every child is entitled to 2 free medical check ups in the year and a record of this is maintained in the school.

Today our children have a chance. The community has entrusted their children in our care – a process has begun. There are children who now look up to us, as to how we will guard their future. Our schools function at the primary level and children who will pass their 5th grade this year are now interested in studying further. They have learnt to aspire! The glow and confidence in the eyes of the children is to be seen to be believed. It is now our responsibility to complete a process which has started. This is a critical time in a child's life, it is a time to guide them and develop their capacities. The bioRe® Association is already in the process of a dialogue with the parents and the bioRe® Foundation to find solutions.

All this would not have been possible without the commitment of the bioRe® Foundation and its partners.

Progress	2007/08	2008/09	2009/10
Number of pupils	288	485	609
Number of schools	7	12	14
Number of buildings	1	2	6
Number of schools with government recognition	2	10	12

## TEACHER HOUSES, TANZANIA

Project No.	TZ 2008/3
Start	2008/09
Budget	USD 41,827
Donors	bioRe® Foundation

At the village assembly held on the 26th November 2007 one of the identified community problems was a shortage of two Primary School teachers' houses at Paji village. Quality education can only be achieved through an improved teaching and learning environment at our schools and this will enable the attainment of universal primary education and eradication of illiteracy in our rural communities. Besides, low salaries and lack of teacher's houses is not only a problem in Paji but is a nationwide problem.

A good quality of education is only possible if teachers are motivated and do not miss their classes. Currently, teachers had to come from far away and sometimes came too late or missed the class session (absent), because of a lack of means by transportation or bad road conditions. One of the consequences was that there were only a few teachers at school in comparison with many children.

Through social work bioRe® is intending to support the rural communities in the project area so as to ensure sustainable development. The construction of primary school teachers' houses will be effected by local contractors with community contribution in the collection of local construction materials such as sand, hardcore, aggregates, water and also labour force.

### AIMS

- To avail teachers with an attractive working environment and to motivate them
- To accommodate the newly employed teachers who are reluctant to reside in rural areas
- To achieve universal primary education
- To spearhead the process of eradication of illiteracy
- To ensure that our communities have high quality human resources

### BENEFICIARIES

The community as a whole and the individual farmer families benefit from this support.

### IMPLEMENTATION

The construction of primary school teachers' houses is effected by local contractors with community contribution in the collection of local construction materials such as sand, hardcore, aggregates, water and labour force. The agreement on cost sharing between the community and bioRe® was made.

The construction work of two teachers' houses at Paji Primary school is almost over. Currently, the contractor is doing finishing works like painting, fixing doors and windows wire gauze.



## OBJECTIVE: INFRASTRUCTURE IN HEALTH AND NUTRITION

The bioRe® Foundation supports the promotion of social infrastructure in order to support the community with health services and nutrition

### MOBILE HEALTH UNIT AND SPECIALISED CAMPS

Project No.	IND 2007/1 and IND 2007/1B
Start	2007/08
Budget	USD 38,611 and USD 60,000
Donors	bioRe® Foundation with the kind support of Coop CH

Health has been a neglected area in rural India due to various misbeliefs, practices and impractical state policies. 70% of India's population comes from rural areas, half of which are below poverty line and prime victims of various health problems due to unsafe and unhygienic living conditions, malnutrition, contaminated drinking water and lack of awareness. Despite of many state policies and programmes, healthcare in rural areas are cause of concern and practices like magico-religious remedies, getting treatment from a quack continue to victimize people in the lack of specialised health care. The main objectives of our Mobile Health Unit have been to strengthen the basic health care in these areas keeping educative, diagnostic and curative aspect of health in the forefront. During the general health camps we have observed that every area has some specialised health issues beside the need of basic health facilities i.e. in some areas eye problems are prevalent, similarly in some areas problems related to women and children are very significant.

Progress	2007/08	2008/09	2009/10
No. of camps	223	234	229
No. of specialised Health Camps	7	8	15
No. of patients	3629	6382	6482
No. of pathology tests	2241	4846	5623
No. of X-rays	391	717	767
No. of ECGs	92	94	123
Main beneficiaries	General	Women & children	Women & children
Focus	General health	Hepatitis B, Paediatrics, Orthopaedics, Gynaecology, Ophthalmology	Paediatrics, Orthopaedics, Gynaecology, Dental, Psychiatry, Ophthalmology

Seeing these peculiar health issues, a programme on specialised health camps was proposed to the bioRe® Foundation and kindly approved. These camps are also known as Coop Specialised Camps. As many as 13 specialised camps were organized in the last financial year where 1300 patients were present.

These camps include free consultation on Paediatrics, Orthopaedics, Gynaecology and Ophthalmology. An educative camp on H1N1 Virus was organized with the Directorate of field publicity, Ministry of information and broadcasting (India). In a tribal area where we assessed Cataract as a major problem, we organized specialised camps and found 10 poor tribal farmers in need of surgery. A curative camp on Cataract surgery was organized with the help of a reputed eye hospital where these 10 patients were successfully operated upon. All of them have started earning again as they had been unemployed for a long time due to this problem. Mr Mehtab Singh Jhetra a farm worker from village Raswa said that he was unable to see because of Cataract in his eye and he had to leave his work despite his poor family economy. He says: "thanks to bioRe® for making me see again and making me able to earn my livelihood again".

It is the technical team of the Mobile Health Unit which has taken on the responsibility of identification of the problem and how to address it. We have a schedule planned for the year and contact expert doctors accordingly. This year we also plan to include Dermatology in our specialised camps.

The Mobile Health Unit has gained the confidence of the community where it operates. This has been possible because of the efficiency of the team, the good equipment and also the excellent management of the available resources. Valuable inputs brought in by the team were discussed and a thorough plan of its execution made. It is this planning, sensitivity and sensibility of the team that has been instrumental in the success of these camps.

The bioRe® Mobile Health Unit has become a model for others to follow; including the people who are the manufacturers set it as an example for themselves and other clients. Here we would like to say a special thanks to COOP Switzerland for making the specialised camps a reality and the bioRe® Foundation for giving us the courage to continue this project despite the losses in administration costs.

## WATER TANK MWAMISHALI PRIMARY SCHOOL, TANZANIA

Project No.	TZ 2009/2
Start	2009/10
Budget	USD 11,443
Donors	Schoolchildren from Brunnen, Switzerland

Water is a precious resource and it is a fundamental requirement for livelihood to survive. Scarcity of water leads to a dangerous health situation which includes hunger and water related diseases. The children are the prime victims of both non existent or inadequate water supply and sanitary facilities. Teachers and children are full aware of the importance of clean water, both for washing/hygiene and for drinking. Its importance is magnified when children are walking long distances to school, and consequently get very thirsty. Before, children brought water with them from home or asked from households near the school campus, although we are not sure of the quality of the requested water. Or, children had to walk long distances to fetch water from rivers for different service in school.

### AIMS

- To reduce the incidence of waterborne diseases such as diarrhoea, bacterial bilharzias etc. to school pupils
- Pupils to have enough time for studying instead of going to fetch water for different uses
- To obtain clean and safe water for consumption for both teachers and pupils
- To obtain water for washing after toilet use, before and after food consumption and washing utensils
- To reduce walking distances to reliable water sources

### BENEFICIARIES

School pupils at Mwamishali, teachers, and part of the community (Mwamishali Primary school has more than 600 Pupils and 14 teachers).

### IMPLEMENTATION

This project is completed. The construction of the water tank was effected by WEDECO Company with community contribution in the collection of local construction materials such as sand, hardcore, aggregates, props, water and also labour force. The construction work started in December 2009 and ended in February 2010. Water collection in the tank started in March 2010.

The following steps were involved during the construction period:

- Communication with community (i.e. school committee, village government) to get their commitment and hence signing of the agreement on cost sharing for the modalities of work.
- Foundation work
- Wall construction
- Plastering of wall
- Construction of cover and installation of gutters

### VOICE FROM THE PROJECT

School pupils, school committee and teachers are very happy and grateful with the support from the young girl Natasha and her colleagues. Now they are getting safe and clean water within their surroundings.

### COMMENTS

Although pupils are getting clean and safe drinking water at school, we are still not sure if they are consuming safe water at home.



## WATER WELLS, TANZANIA

Project No.	TZ 2007/3
Start	2007/08
Budget	USD 69,130
Donors	bioRe® Foundation with the kind support of Coop CH, Monoprix, Panoco, NPO, private donors

Apart from supporting farmers in producing quality agricultural products, bioRe® further intends to support the farmers with their families and the whole community to get clean and potable water. bioRe® clearly understands that by supporting farmers to get clean water at affordable distance, the farmers will spend more time at their farms than for searching water (i.e. digging in river beds) at long distances and by doing so farmers will increase their incomes.

### AIMS

- Easy access to clean water
- Obtain water within a reasonable distance during the whole year
- Set up a local carrier for maintenance
- Clean water will also reduce the risk of illness to the community, especially to children.

### IMPLEMENTATION

The implementation of this project is based on the "Situation Analysis Report" in 11 villages which was completed in 2007.



### PROGRESS

The official construction started in 2008. In February 2008 two new shallow wells were constructed and one rehabilitated at Ng'hoboko village. In March 2009 three new shallow wells were constructed: Two in Mwanyahina and one in Itaba. In November 2010 another batch of four new shallow wells was constructed, two were rehabilitated in Bulyashi and three shallow wells were rehabilitated at Paji.

A total of 15 water wells have been constructed and rehabilitated since this project started, 670 households are benefiting from these wells and are getting safe and clean water for home consumption.

Implementation to the next villages (Mwamishali, Mwambiti and Mwamanongu) will start in May 2010.

Progress	2007/08	2008/09	2009/10
Number of water User Groups	3	5	9
Number of wells rehabilitated	1	0	5
Number of new wells constructed	2	3	4

### VOICE FROM THE PROJECT

#### (Interview with Water User Group)

What do you see as benefit of this project?

Less sick people because of a better water quality

Is the distance to the water well significantly shorter?

Sometimes yes, sometimes not – it depends on the location of the wells, before and after construction. (Normally Water User Groups are formed by households surrounding the source. Therefore for the WUGs around the well walking distance to fetch water is reduced, although people come from far away as well.)

How much time do you spend to reach a water well?

Average of 10–30 minutes depending on the location of the household from the source, but previously more than 90 minutes go and return were spent.

### COMMENT

According to the Ministry of Water and Irrigation one shallow well is supposed to serve 25 households. Normally the situation is not like that. We have Water User Groups comprising of more than 50 households (like Ng'hoboko). In such situation it is likely to have congestion of people at water points.

## OBJECTIVE: INFRASTRUCTURE IN AGRICULTURE

The bioRe® Foundation promotes the construction of agricultural infrastructure for farmer families in order to strengthen them in their farm activities.

### CO<sub>2</sub> NEUTRAL BIOGAS PROJECT, INDIA

Project No.	IND 2008/9B
Start	2008
Budget	USD 105,335
Donors	bioRe® Foundation, Coop CH, Rewe

Biomass based fuels such as firewood, agricultural residues and cattle dung are the main source of energy for the rural people, who constitute 80% population of the bioRe® area. However, these biomass based fuels are becoming unsustainable year after year due to an increase in population and inefficient traditional stoves used for cooking. The biomass based low-grade fuels burnt on inefficient stoves creates indoor pollution of smoke resulting in adverse health conditions of the family, specially women and children.

bioRe® Association has been working towards promotion of biogas through its interest free loans scheme from the inception of the organization itself. At the beginning of 2008, we started biogas promotion on a large scale under our voluntary CO<sub>2</sub> reduction programme. In this programme we construct 1000 biogas plants in the bioRe® area every year. bioRe® farmers as well as other farmers and interested individuals can take benefit of this programme, if they have enough cattle, water and space for construction of the biogas plant. Since the start of the project in Jan. 2008, we have constructed 1875 biogas plants with this purpose. In this project every farmer who constructs a biogas plant is assisted with a donation of Indian Rupees 4000 from the bioRe® Foundation.

The biogas system basically comprises of the collection and processing of cattle dung, production and delivery of biogas and handling and application of the digested slurry in agricultural fields. The production process involves the mixing of wet cattle dung with an equal quantity of water and then it is put in the biogas plant where it is retained for some time for digestion in the absence of air. Methane gas is produced which is inflammable. This is then collected and piped to the kitchen. Biogas can also become source of light.

For the farmers the process of getting help from bioRe® Association is very simple. Interested farmers apply for the help on a prescribed application and site is inspected by the Project Leader Mr Suresh Verma. Once the site is approved of having enough space, water and availability of cow-dung the farmer is advised to start the construction. Farmers are also given technical guidance of construction. bioRe® Association has created a pool of trained masons for this purpose.

Special training for the local masons was organized for this purpose in the beginning of the project.

Once the biogas plant is constructed it is inspected, verified and a grant of Indian Rupees 4000 is given to the farmer. Continuous monitoring, training and community building are the main features of this project. bioRe® Association has developed itself into a skilled organization in promoting biogas plants. This is proven from the fact that we have succeeded in promoting biogas plants in remote tribal areas, where the government has failed to construct a single biogas plant in the last three years.

It has been a challenging project, starting from the fact that people had to be educated regarding the benefits of biogas, to its present implementation and monitoring and documentation. Our colleague Mr Suresh Verma the Project Manager is a popular person in the community. We have introduced a GPS (Global Positioning System) tracking system wherein all the biogas plants constructed will be recorded so that there is never any duplication of benefit given and we have a record of the biogas plants constructed through the bioRe® Association.

Progress	2007/08	2008/09	2009/10
Number of biogas plants	125	422	1328

In the last two years we have been successful in achieving our targets thanks to the untiring efforts of the team and we shall continue to do so in the future as well.

## INDIVIDUAL LOANS TO FARMERS, TANZANIA

Project No.	TZ 2009/1
Start	2009
Budget	USD 20,000
Donors	bioRe® Foundation

The idea is to support farmers in enhancing and improving their agricultural infrastructure through interest free individual loans. In return, this will improve and promote organic cotton farming.

bioRe® facilitates its registered organic farmers with interest free loans for developing infrastructure related to organic farming. The maximum limit for an individual interest free loan is recommended to be set at Tanzanian Shillings 500,000 (USD 380).

### CRITERIA FOR INTEREST FREE LOANS

Organic farmers who are more than three years under contract with bioRe® are entitled to apply for interest free loans. The beneficiaries should be in the organic category.

There is a limitation to provide loans, as there are limited funds available per village. The funds available per village are calculated by the number of farmers in each village.

The farmers have to pay back their loans within one year so that other farmers can get the same service. The loan must be repaid within a 12 months period, however, on special request it can be extended to 24 months.

### IMPLEMENTATION

From 23rd April 2009 to 1st March 2010 we have disbursed loans of a total of Tanzanian Shillings 8,900,000 (USD 6,850). A major part of the loans were related to agriculture particularly organic farming. Two farmers were given loans for education purposes.

From April to July 2009, we disbursed loans to six farmers. Four farmers repaid their loans during the purchase season, and the others will refund it in the season 2010.

Progress	No. of farmers	Amount in USD
Organic Farming	48	6307
Education	2	538



## OBJECTIVE: ORGANISATIONAL DEVELOPMENT AND CAPITAL CREATION

The bioRe® Foundation supports the creation and promotion of local organizations which fulfil objectives within the meaning of the aims of the foundation. These include: the promotion of the formation of capital for these organizations, leading these organizations towards independence, and transferring capital to farmers or groups of farmers and employees.

### AAVRAN HANDLOOM, INDIA

Project No.	IND 2008/5 and IND 2010/3
Start	2007/08
Budget	USD 57,043 and USD 26,276
Donors	bioRe® Foundation with the kind support of Coop CH, Coop Italy, Monoprix

Aavran Handloom is a livelihood promotion initiative, which has evolved into a very interesting small scale cottage industry. A proof of the saying “if it is willed it will be done”.

The first phase of the project was the hand spinning of the cotton yarn by women who were professionally trained and a few interested boys of a youth club who went for training as weavers. Realising the potential of the work, a proposal to develop infrastructure related to the same was made to the bioRe® Foundation and kindly approved.

Spinning wheels and handlooms were purchased and installed at the villages and workshop respectively.

The second phase saw the stabilizing of the quality of the hand spun yarn by the ladies working from their homes and the setting up of the hand looms for the boys who had completed their training. The first yardage was produced and the process of “product development” introduced.

Aavran provides employment to 25 weavers and 36 women having the advantage of working from their homes. It has employed master weavers to train people and monitor the production process.

The Aavran process chain starts from supply of Organic cotton in the form of Sliver (roving cotton) from bioRe® India Ltd. to Women Self Help Groups. These women groups produce the hand spun yarn with the help of hand spinning wheels (Ambar Charkhas) in their homes. The hand spun yarn is transported to the Aavran Handloom workshop where process of winding, warping and sizing is done before going on to the handloom for weaving. Products are finished and packed at the workshop itself. The natural and other dyeing of the yarn or the cloth is done by approved organizations.

The products manufactured ranges from handspun yarn, scarves, yardage, saris and dress materials. There is a strict quality control that is being introduced as they prepare to send their first export order and also enter the Indian market through exhibitions and sales.

Groups of unemployed youth are now empowered with knowledge and they surely have the drive to make this initiative a success.

Today the handloom has been registered as a Society and has its members. It has a separate bank account and Sales tax registration. Aavran has had sales amounting to Indian Rupees 500’000 in the current financial year. We have also developed a range of products produced with conventional yarn so that the weavers have constant work and the society can sustain itself. We are still looking for establishing a market for the organic produce which is still a premium commodity.

In the coming year, we plan to expand the capacities and number of the hand spinning units and the handlooms. The response received in the market is very encouraging and it makes us all smile.

It has been the endeavor of the bioRe® Association that this society should be an independent unit and should be able to establish its own identity.

#### CASE STUDY: RAJENDRA YADAV

Mr Rajendra Yadav, a 32 year young man from village Karondiya and founding President of “Azad Yuva Mandal” (local youth club). Coming from the family of a bioRe® farmer, he is now fully involved in the working of the handloom society as Coordinator. According to him he is fascinated as he realizes his journey from the youth camp he attended at bioRe® Training centre till now as in charge officer of the Livelihood project “Aavran”. He is involved in marketing the products of “Aavran” and attending various exhibitions, communicate with state handloom department and mobilizing Self help groups and other team members for a better quality and cost attractive products.



Aavskan

## WORKSHOP FOR WOMEN GROUPS, TANZANIA

Project No.	TZ 2009/4
Start	2009
Budget	USD 23,833
Donors	bioRe® Foundation with the kind support of Coop CH

From the experience of the first year of working with the two women groups in Mwamishali and Bulyashi, we found that they successfully stitched the cotton bags for bioRe®. In total they stitched 2309 new cotton bags and repaired 3780 damaged ones in time for the purchase season.

The situation in the villages were good, however the ladies were carrying the machines back and forth from their houses to the village authority office. This caused few machines to break because it is not good for the condition of all machines. Moreover, it was difficult to keep the machines in a dry place during the rainy season.

The new idea of this project is thus to build a workshop and to create a meeting place for the groups in the villages of Bulyashi and Mwamishali. The advantage is to have a gathering and meeting place and also place to store the sewing machines for their security. The workshop will be designed so that there is space for the women to work and also in order to keep the garments and materials in a safe place.

The workshop includes also space for a shop so that the ladies can display and sell the items they have stitched.

As the workshops are regular meeting points for the ladies, it is a good way to discuss other social issues. From there the women can develop new initiatives and community projects.

The workshops will be constructed together with the community. They have to contribute with land and local materials for the construction of the workshops.

### AIMS

- To empower women by increasing their self-confidence and financial independence
- Capacity building to women enabling them manages development projects, implement and monitor income generation activities.

### BENEFICIARIES

Two women groups (Mwamishali & Bulyashi), the community and individual farmer families.

### IMPLEMENTATION

The construction work has started at Mwamishali, while at Bulyashi the community has started to collect local materials (sand, stone, and aggregates). Also communication with both tailoring groups was made to get their final commitment to enable the agreement on cost sharing to be signed between them and bioRe®.

At Mwamishali the following steps have already been done:

- Foundation excavation
- Block making
- Wall construction and curing

After the curing process, roofing will be done followed by installation of window and door frames, plastering and painting. The construction of the two workshops is planned to end in May 2010. After completion of tailoring workshops, women will be able to do more business for other customers.



## PURCHASE POWER SURVEY

The survey of 225 smallholders of bioRe® Tanzania covered 225 smallholders, their family situation, educational level, physical assets, income from agriculture and other sources, expenses for agriculture and other items, with a focus on investments done by farmer families. The housing situation, food security, availability of health and water services round out the survey. The agricultural data on farm activities and implementation of organic farming methods is drawn from the records of bioRe®.

The basic demographic situation of farmer households in Meatu shows that the average number of household members in our sample is 11.85. On average 45% of all household members is contributing to the income of the household. In other words this means that for every 10 people in a household, 4.5 are contributing whereas 5.5 are non-contributing, dependant household members.

The average income of our sampled households for the season 2008/09 was TSH 2'682'852. This translates into a per capita income of TSH 241'010. The median income was TSH 1'978'000 which was below our average due to a rather large range of TSH 16'774'600. Analyzing the main source of income for smallholders, we find that cotton is by far their largest income source, averaging 78.3% of total income per household. Subsistence goods were not being considered as cash income for our total income calculation. Other main sources of income besides cotton stem from livestock (average 8.7%), from various small businesses, or from sales of alternate crops such as mung beans (average 2%) or sunflowers. In particular, mung beans have an increasing importance in the farmers' sample, as it develops to be a second cash crop. As a second cash crop, mung beans reduces the vulnerability of one crop failure and creates income during the crucial months of March and April, 3 months before cotton is being sold. Before this new crop of mung beans was introduced by bioRe® Tanzania, cotton was the only true cash crop in the region. Analysing livestock, the average number of cattle per household is 24. Livestock may be understood as a bank deposit, for in difficult times farmers can sell cattle, in better situations they can buy additional cattle. Reasons for earning income from livestock range from an emergency situation where farmers have to sell cattle or the trading of cattle as a business strategy. Between these extremes lies the common situation that farmers sell cattle in order to invest in infrastructure, small businesses, or land. This aspect will be explored further in future surveys to see if livestock can develop into a relevant indicator for well-being of farmers and to analyse income generation through sale of cattle. Preliminary findings show that 52% of the households indicated that they have generated income through livestock. 34% of the households were able to invest in livestock.

Compared to other case studies, the importance of remittances seems to be a rather small, as only 6.7% of the farmers indicate to have income through remittances, amounting to 0.6% of income.

The basis for any farmer is the ownership of land and from group interviews land was mentioned as an important well-being factor. The assumption is that a farmer who buys land has in the past generated possibilities for investment. The sale of land on the contrary may be out of necessity in an emergency situation or for other reasons. With regard to expenses for land purchase or renting in land, about 15% of farmers indicate expenses or investment. It will be interesting to analyse the investment strategies of farmers at a larger scale, their main income sources (cotton, premium for organic cotton, livestock) and the arising opportunities for investment into land, into house construction or into a small business to investigate which farmers actually generate additional income from farm activities to improve infrastructure and their livelihood situation.

Regarding agricultural practices, we have analysed the adoption of organic farming methods. The methods analyzed include: the application of farm yard manure (% of total cotton acreage), the intercropping of sunflower as a trap crop (% of total cotton acreage), the implementation and subsequent combating of soil erosion, as well as the adoption of crop rotation. Since the farm training is an essential component of the diffusion of these methods, we have also tested the impact of a farmer's attendance (or lack thereof) at one of our monthly trainings offered to them. The average yield of the sample farmers is 324kg per acre. The application of FYM increases cotton yields; although the adoption of FYM is not as widespread within our sample (20% apply), there was a positive relationship between increased FYM application and increasing yields for the 46 farmers who have applied in the season 2008/09. Especially after more than 30 percent of the area where FYM was applied, yields of the farmers in our sample are all above the average. In total, focusing on the farmers that have applied FYM, consequently explains an additional 12 percent of the variation in yields as mentioned above. Analysing the relationship between yield per acre and the intercropping of sunflowers in the cotton plots, there is no correlation between sunflower intercropping and the yield per acre. The average yield from farmers who have not intercropped sunflowers in cotton is 333kg per acres, from farmers who have adopted sunflower intercropping on more than 50% of the cotton area the yield is 324kg per acre. Sunflower is proposed as a trap crop therefore adoption is depending on pest infestation and the need to control it. With regard to farmer's attendance on training we found no correlation with yield; its impact needs to be monitored over a longer period of time.

# EXECUTIVE SUMMARY BIORE® SOCIAL AUDITS

## FLO-CERT

The partnership between bioRe® Foundation and FLO-CERT GmbH is a successful partnership to develop the bioRe® social and environmental standard for organic cotton farmers. Since three years, FLO-CERT is supporting the development of the bioRe® audit system and is conducting audits in India and Tanzania to control and improve the quality of social and environmental performance of the bioRe® organisations. Find below the summary report of FLO-CERT:



### **bioRe® in 2010 - A major leap towards fostering sustainable livelihoods**

2010 marks the third year of collaboration with the **bioRe®** Foundation for FLO-CERT and completes the first cycle of the development of the **bioRe®** social auditing system. It completes a three year cycle that started in 2008 - to develop the **bioRe®** social auditing system, followed by 2009 - where the focus was on analysing the effectiveness of the **bioRe®** system in the field, improving the monitoring systems and to make recommendations on developments for the years to come. This year, the **bioRe®** social auditing system takes a leap into the international arena through the ISEAL membership application process and we look forward to the exciting developments over the next three years.

As we all know, 2009 heralded in a new era of financial challenges for all. FLO-CERT salutes the **bioRe®** Foundation for proving that, especially in hard times, relationships between people and a firm commitment to fostering sustainable livelihoods will bring business success. FLO-CERT also welcomes and salutes the success of the **bioRe®** Foundation to produce garments that do not leave a deep footprint on the environment. The Carbon emissions/neutralty aspirations are now included in the **bioRe®** Standards and we challenge other businesses to embark on a similar pioneering process in the market - to show that creative business solutions can be transformational for people and for the environment.

As in the previous years of collaboration with the **bioRe®** Foundation, FLO-CERT can attest to the robustness of its systems and processes to ensure that the requirements of the **bioRe®** social auditing system are implemented. We remain in awe of the strength of the **bioRe®** Foundation's commitments to improving the sustainable livelihoods of cotton producers from the developing world and are proud to continue supporting this work.

FLO-CERT GmbH  
Bonn, the 8<sup>th</sup> of June 2010

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Executive Summary 2010



# FINANCIAL REPORT

## STATEMENT OF OPERATIONS

### Biore Foundation, 6343 Rotkreuz

<u>Statement of operations</u>	2009/10		2008/09 (previous year)	
	CHF		CHF	
<b>Revenue</b>				
Free contributions	109'200.00		101'495.96	
Committed contributions	<u>382'797.72</u>	491'997.72	<u>461'878.77</u>	563'374.73
<b>Direct project expenses</b>				
Donations from uncommitted funds	-136'464.29		-406'688.04	
Donations from committed contributions	<u>-357'634.11</u>	<u>-494'098.40</u>	<u>-333'541.85</u>	<u>-740'229.89</u>
<b>RESULT FROM ACTIVITIES</b>		<b>-2'100.68</b>		<b>-176'855.16</b>
<b>Other operating expenses</b>				
Fees and charges	-400.00		-1'020.00	
Administration	<u>-10'407.75</u>	<u>-10'807.75</u>	<u>-8'028.55</u>	<u>-9'048.55</u>
<b>OPERATING RESULT</b>		<b>-12'908.43</b>		<b>-185'903.71</b>
<b>Financial result</b>				
Income from bank interest	751.90		7'429.01	
Currency exchange profit / loss	4'986.82		-14'394.58	
Bank fees and interest	<u>-363.52</u>	<u>5'375.20</u>	<u>-211.65</u>	<u>-7'177.22</u>
		<b>-7'533.23</b>		<b>-193'080.93</b>
<b>Result of funds</b>				
Allocation of committed funds		-31'266.21		-132'610.05
Dissolution of committed funds		<u>86'710.59</u>		<u>54'446.62</u>
<b>NET INCOME / LOSS</b>		<b><u>47'911.15</u></b>		<b><u>-271'244.36</u></b>

## BALANCE SHEET

Biore Foundation, 6343 Rotkreuz

<u>Balance sheet</u>	<u>31.03.2010</u>	<u>31.03.2009</u>	
	CHF	(previous year)	CHF
<b>ASSETS</b>			
Banks	237'382.20	591'983.25	
Money market assets	499'365.00	-	
Other short-term receivables	288.07	3'895.02	
Accruals	-	25'000.00	
<b>Current assets</b>	<b>737'035.27</b>	<b>620'878.27</b>	
Investment bioRe Tanzania Ltd.	112'690.00	112'690.00	
Investment bioRe India Ltd.	146'000.00	146'000.00	
<b>Non-current assets</b>	<b>258'690.00</b>	<b>258'690.00</b>	
<b>TOTAL ASSETS</b>	<b>995'725.27</b>	<b>879'568.27</b>	
<b>LIABILITIES AND EQUITY</b>			
Provisions for projects			
- Approved projects USD	413'755.18	325'995.08	
- Approved projects EUR	18'597.80	-	
- Currency risk hedge	43'235.29	32'599.51	358'594.59
Accruals	11'696.55	5'000.00	
Donation funds	279'512.63	334'957.01	
<b>Liabilities</b>	<b>766'797.45</b>	<b>698'551.60</b>	
Foundation capital	181'016.67	452'261.03	
Net income / loss	47'911.15	-271'244.36	
<b>Equity</b>	<b>228'927.82</b>	<b>181'016.67</b>	
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>995'725.27</b>	<b>879'568.27</b>	

## NOTES (1)

### Biore Foundation, 6343 Rotkreuz

#### Notes

2009/10

2008/09  
(previous year)  
CHF

CHF

#### **Principles and organisation**

According to the deed of foundation of June 23, 2008 (replacing the original deed of foundation of June 11, 1997), the foundation follows the following purpose: Promotion of biological and biodynamical agriculture, especially cotton cultivation as a sustainable livelihood and support in this area of needy farming families in developing and emerging countries.

The foundation achieves its purpose especially through the following activities: Promotion of biological and biodynamical agriculture; support of needy farming families; creation and promotion of social infrastructures for the community, especially in the areas of education and training, health and nutrition; creation and promotion of technical and agricultural infrastructures for individual farming families; creation and promotion of organisations, which fulfill duties according to the stated purpose of the foundation; the promotion of capital accumulation for these organisations; guidance of these organisations to autonomy and the transfer of capital to farmers or groups of farmers and employees.

The board of trustees includes Patrick Hohmann (chairman, joint signature), Franz Kessler (member until September 17, 2009, joint signature), Jürg Peritz (member, joint signature), Peter Tschannen (member, joint signature) and Margrit Hugentobler (member, joint signature) and Kathrin Rapp Schürmann (member since September 17, 2009, joint signature). Treuhand- und Revisionsgesellschaft Mattig-Suter und Partner, Schwyz, has been elected as independent auditor. The Federal Department of Home Affairs is the supervisory authority.

#### **Valuation and accounting principles**

The accounting as well as the financial statements were realized according to generally accepted principles for accounting and disclosure, respectively.

The valuation of assets, liabilities and equity was realized according to the valuation rules of the Swiss Code of Obligations, i.e. the principle of acquisition value.

#### **Explanatory comments on assets invested**

Investment policy: Investments are carried out by Board of Trustees. Written investment regulations do not exist.

Composition and performance of investments can be deduced from the balance sheet and the statement of operations.

## NOTES (2)

### Biore Foundation, 6343 Rotkreuz

<u>Notes</u>	<u>2009/10</u>	<u>2008/09</u>
	CHF	(previous year) CHF
<b>Investments</b>		
bioRe (Tanzania) Limited, Tanzania Purpose: Cotton production Share capital: TZS 160'000'000.00 Percentage of shares held:	100%	100%
bioRe India Limited, India Purpose: Cotton production Share capital: INR 5'282'870.00 Percentage of shares held:	85.8%	85.8%

### **Risk Assessment**

In its meeting on September 17, 2009, the board of trustees performed a risk assessment based on a entity-specific risk matrix.

Further statutory disclosures in accordance with article 83a of the Swiss Civil Code, article 957 et seq. of the Swiss Code of Obligations and article 663b of the Swiss Code of Obligations are not required.

# SCHEDULE OF PROVISIONS

Roll forward schedule of provisions for projects 2009/10

Biore Foundation, Rotkreuz

Project Provision	Currency	Credit	used	Balance 01.04.09 CHF	Allocation 2009/10 CHF	Prepayment 2008/09 CHF	Payout 2009/10 CHF	Project Closing CHF	Correction 31.03.10 CHF Rate EUR: 143.06 Rate USD: 106.70	Balance 31.03.10 CHF
<b>Concluded</b>										
IND 2008/8B	USD	60'635.00	-60'635.00	-	62'605.64	-	-65'255.39	-	2'649.75	-
IND 2008/9	USD	110'170.00	-110'170.00	31'565.89	0.00	-	-28'437.12	-	-3'128.77	-
IND 2008/11 (Reduction 2009/10)	USD	10'000.00	-10'000.00	42'405.70	-28'809.00	-	-10'325.00	-	-3'271.70	-
IND 2008/13 (Cancelled 2009/10)	USD	-	-	58'988.62	-51'340.33	-	-	-	-7'648.29	-
IND_TZ 2008/1 (Flo Cert 09-10)	EUR	33'110.00	-33'110.00	-	48'744.54	-	-48'744.54	-	-0.00	-
TZ 2008/4	USD	5'000.00	-5'000.00	5'730.50	-	-	-5'359.00	-	-371.50	-
<b>Open</b>										
IND 2006/12	USD	6'989.00	-	8'010.09	-	-	-	-	-552.83	7'457.26
IND 2007/1	USD	83'611.00	-73'345.00	2'771.27	39'865.87	-	-32'518.16	-	834.85	10'953.82
IND 2007/1B (MHU Renewal - Bus)	USD	90'000.00	-	34'383.00	61'950.00	-	-	-	-303.00	96'030.00
IND 2007/7B	USD	8'250.00	-	-	8'878.65	-	-	-	-75.90	8'802.75
IND 2008/2	USD	11'280.00	-2'256.00	10'342.41	-	-	-	-	-713.80	9'628.61
IND 2008/6	USD	32'488.00	-16'244.40	18'616.79	-0.00	-	-	-	-1'284.86	17'331.92
IND 2008/9B	USD	105'335.00	-79'000.00	-	108'758.39	-	-85'019.80	-	4'360.86	28'099.45
IND 2009/1	USD	51'689.00	-25'845.00	-	53'368.89	-	-27'814.39	-	2'021.05	27'575.55
IND 2010/1	USD	40'255.00	-	-	43'322.43	-	-	-	-370.35	42'952.09
IND 2010/2	USD	17'599.00	-	-	18'940.04	-	-	-	-161.91	18'778.13
IND 2010/3	USD	26'276.00	-	-	28'278.23	-	-	-	-241.74	28'036.49
TZ 2007/3	USD	69'130.00	-37'000.00	62'038.39	-	-	-23'579.60	-	-4'176.08	34'282.71
TZ 2007/4	USD	10'450.00	-6'700.00	4'297.88	-	-	-	-	-296.63	4'001.25
TZ 2008/3	USD	41'827.00	-13'000.00	46'844.55	1'017.91	-	-13'076.70	-	-4'027.35	30'758.41
TZ 2008/4B	USD	16'914.00	-	-	17'463.71	-	-	-	583.53	18'047.24
TZ 2009/1	USD	20'000.00	-15'000.00	-	20'650.00	-	-15'088.50	-	-226.50	5'335.00
TZ 2009/2	USD	11'443.40	-8'000.00	-	11'815.31	-	-8'047.20	-	-94.00	3'674.11
TZ 2009/3	USD	4'795.00	-	-	4'950.84	-	-	-	165.43	5'116.27
TZ 2009/4	USD	23'833.30	-8'000.00	-	24'607.88	-	-8'047.20	-	333.45	16'894.13
IND_TZ 2010/1 (Iseal)	EUR	13'000.00	-	-	19'029.40	-	-	-	-431.60	18'597.80
Total				325'995.09	494'098.40	-	-371'312.60	-	-16'427.91	432'352.98
Total not used USD			387'774.30							413'755.18
Total not used EUR			13'000.00							18'597.80

# STATUTORY AUDITORS REPORT

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Report of the statutory auditors  
on the limited statutory examination  
to the board of trustees  
Biore Foundation  
6343 Rotkreuz

**Mattig-Suter und** Treuhand- und  
**Partner Schwyz** Revisionsgesellschaft

As statutory auditors, we have examined the financial statements (statement of operations, balance sheet and notes / pages 27 to 30) of Biore Foundation for the year ended March 31, 2010.

These financial statements are the responsibility of the board of trustees. Our responsibility is to perform a limited statutory examination on these financial statements. We confirm that we meet the licensing and independence requirements as stipulated by Swiss law.

We conducted our examination in accordance with the Swiss Standard on the Limited Statutory Examination. This standard requires that we plan and perform a limited statutory examination to identify material misstatements in the financial statements. A limited statutory examination consists primarily of inquiries of company personnel and analytical procedures as well as detailed tests of company documents as considered necessary in the circumstances. However, the testing of operational processes and the internal control system, as well as inquiries and further testing procedures to detect fraud or other legal violations, are not within the scope of this examination.

Based on our limited statutory examination, nothing has come to our attention that causes us to believe that the financial statements do not comply with Swiss law, the deed of foundation and the trusts' regulations.

Schwyz, August 18, 2010 nva

Treuhand- und Revisionsgesellschaft  
Mattig-Suter und Partner



Bruno Zünd  
Licensed audit expert  
Auditor in charge



Adrian Pollini  
Licensed auditor

bioRe<sup>®</sup>  
ASSOCIATION INDIA



# EDITORIAL

Greetings to all those who find time to read this report!

It is true, in today's world where no one has time for anything or anybody beside himself, you find time to read about our foundation and in this particular report about the bioRe® Association which has just one priority – the well being of the farming community and to work for a purpose outside the vested interest of the self.

In its fifth year of operations the bioRe® Association has achieved the trust and faith of the community that it works for, the credibility of being recognized by local government as an organization they would like to work with and the support of the donors who invest in the lives of people living hundreds of miles away from them.

There have been a lot of learning and unlearning moments. In the last year we saw our Animation School children as they participated in our "Open House Day", displaying their special skills ranging from sports, athletics to art and craft. The success of the Animation Schools can be measured in various ways. One can sense it in the eyes of the children, in the involvement of the community and a demand from different areas. We at the bioRe® Association have introduced strict monitoring tools at various levels in the schools. This is done with the intention of standardizing procedures for all the schools spread over a radius of 100 kms and also that optimum utilization of resources is achieved. Getting qualified teachers still remains our biggest challenge. We have introduced a lot of training schedules for our teachers so that we are constantly watching their progress. An academic & health record of every child is being maintained.

The Mobile Health Unit has become a model for others. It was featured in a very popular news channel and we did receive a lot acclaim for the work that is done through the bus as well as the management skills. Our focus has been on specialized camps, where we have organized medical specialists to attend to camps related to specific health requirements of specific areas. This has been well received by the community. We hope to add new specialist to our team and add new areas to extend our services to.

Keeping in mind that we would like our communities to be self reliant, we have increased our community participation in all that we do. In our CO<sub>2</sub> neutral programme we have through training increased the capacities of 5 self help groups who have learnt to manufacture smokeless stoves, these groups will also install and monitor the functioning. The easiest way was to purchase these stoves and install them, but we took this opportunity to increase the capacities of the community and increase their participation.

This involved a process, systems had to be put in place, people had to be trained not only to manufacture but also take responsibility, be answerable, it involved a lot of work but we are happy that we chose this way.

Developing skills of individuals is a key to the success of any economy and society. "Aavran" our handloom project is like a dream come true as far as these thoughts are concerned. The sound of the spinning wheels and the clicking of the handlooms assure that a stove will be lit in some homes – it assures families their square meals for the day. Product development, the confidence of the leaders and the promotion skill development have been the salient features of this project.

The annual social audit was successful. It expresses the fact that we do what we stand for. The core values of our organization have to be kept in focus always. The living conditions of most of the areas where we work are wanting in care and infrastructure. It is true that one can never do enough, but it is also true that one has to be careful of what one does and have a brave heart and clear mind. We believe that we want to mobilize the community to work towards their welfare and definitely do not want them to be dependant on us. Initiating concepts and then maintaining the level of motivation are our challenges.

I am proud to say that we have actually been trend setters for many others. We have taken on challenges and never spared ourselves from doing our best, the results of which can be seen today. All this and a lot more would never ever have been possible without the support of the bioRe® Foundation and also our bioRe® Association team. It is a pleasure that we have such a good blend of expertise and visionaries at one end and at the other "hands on" young blood who strive hard to make a better tomorrow for others, selfless and tireless.



Ritu Baruah, President bioRe® Association

# TEAM PORTRAIT

**Vivek Kumar Rawal** heads all the projects undertaken at the bioRe® Association. His dynamism reflects in the variety of projects, worked on from health, education, handloom, environment and soon there will be new livelihood promotion projects coming from him. Vivek has had the courage to take on new projects, the intelligence to put them together, the integrity to be answerable for its functioning and the diligence and meticulousness to take the project forward or to its conclusive end. His spirit of camaraderie is instrumental in keeping the team together. If not for him a lot would not have been achieved. A devoted son to his parents, he lives in Kasrawad with them and his wife and dotes on his young son.

## RESEARCH TEAM

**Rajeev Verma** is a post graduate in Agriculture from university of Jabalpur. He joined bioRe® India Ltd. as an Extension Manager and now holds the responsibility of leading the bioRe® FiBL system comparison trials. Rajeev is very committed and a sincere team member. He also takes active interest in the management of the demo farm and farmers training. He lives in Mandleshwar with his wife and two young children.

**Yogen Shrivastava** has been working with bioRe® India Ltd. as an Extension manager for 14 years. He belongs to Kasrawad and lives there with his parents, brother – their families, his wife and one daughter. He has been delegated with the responsibility of validation trials of the bioRe FiBL research. He also assists in the farmers training at the training center. Always forthcoming in organizing events and enjoys taking part in them.

**Lokendra Singh Mandloi** a graduate from the College of Agriculture – Khandwa is a young dynamic member of the research team. He is the son of Mr. Suren Singh Mandloi – director at bioRe® India. He is soon to be married and lives with his parents in Amlatha.

**Sitaram Ram Singh** started at bioRe® as a farmer from Choli village and now works with the research team. He is known taking keen interest in developing the Farmer field schools. He lives in Choli with his family.

## MOBILE HEALTH UNIT

**Dr. Shahina Ansari** leads the team of the bioRe® Mobile Health Unit. She comes from District of Chattarpur. She is a Homeopath by profession. She joined bioRe® in 2007. Her focus has been to reach out to women patients in the villages who are neglected at times due to inaccessibility of lady doctors. Recently married, she is expecting her first baby.

**Aslam Khan** is a X-Ray and ECG technician. He is resident of Kasrawad where he lives with his parents, brothers, his wife and three children. He has good experience of his field, working with reputed hospitals of the area. He also helps in the work coordination of the Mobile Health Unit.

**Chandrasekhar Sen.** is an all rounder in the team. He is responsible for the communication and helps in organising specialised camps. He lives in Samedra with his family.

**Mohan Soni** is a Pathologist by profession and finds working on the bus very challenging. He lives in Khargone with his parents.

**Lokesh Patidar** is a Pharmacist by profession. His pleasing personality helps in community communication. A quiet worker, lives in Dhamnod with his parents, his wife and an infant baby girl.

## PROJECT LEADERS

**Sharma Tiwari** is one of the Project Leaders in the Animation School Programme. He is a trained teacher, has experience of teaching in a public school. He joined the Animation School Programme in 2009. Sharma Tiwari comes from the north eastern state of Sikkim. His strengths are his professional knowledge and personal commitment to the work. His focus in the animation schools is to improve in the quality of academics and bring creativity and innovation in teaching and learning. Having a bright sense of humor, Sharma lives in Kasrawad with his wife and baby daughter.

**Mahipal Kushawah** joined as a new team member in the Animation School Programme in the beginning of March 2010. He is a graduate in Art. He has worked as a teacher in a public school. Mahipal is resident of Kasrawad. His knowledge of local language and background of schooling makes him an ideal team member of the Animation School Programme. He assists Sharma Tiwari in developing new schools and liaison with state authorities.

**Suresh Verma** is leading the ambitious CO<sub>2</sub> neutral programme which was initiated in the beginning of 2008. Suresh comes from Lepa. He has been involved in “Narmada Bachao Andolan” a social action movement in Central India as an activist. He once attended a Youth Camp at bioRe® Association and later on he joined the Association as trainee in 2005. Since then he experienced working in different projects in the Association. Suresh has proved to have a good ability to work effectively as a team member and also as a team leader. His sharp observation skills and great attitude makes him fully fit for his job. He was given a difficult responsibility of making 1000 biogas plants every year which he completed successfully. He lives in Lepa with his parents, brothers their families and his wife and two daughters.

**Ashish Joshi** is a post graduate in Social work. He is leader of Livelihood division. His main responsibility is to monitor women self help groups and to organize them to initiate some income generation activities. Ashish has been instrumental in implementing the smokeless stoves programme with the women self help groups. Still a bachelor, we hope he will find his companion soon.

## ADMINISTRATION

**Vikas Saraf** joined bioRe® Association in November 2006. He looks after accounts and finances. He is a graduate in commerce and has experience of working with a Chartered Accountant. His sincere and timely services are crucial for other team members to perform their tasks well. Vikas has helped maintaining transparency and prompt accountancy systems in the Association. Son of a farming family, he shares equal responsibility at home as well. Vikas has chosen his life partner and the two will be married soon.

**Rajendra Yadav** comes from village Karondiya. He is a organic farmer and now fully involved in the working of the bioRe's handloom society called "Aavran". According to him he is fascinated as he realizes his journey from the youth camp he attended at the bioRe® Training Center till now. He is now the leader of the handloom project and working as Coordinator of "Aavran Handloom Society". He qualified himself in this new area of work, learning the art of spinning and weaving, fine tuning and improving the quality of work at "Aavran". He is very happy to start the export of scarves from "Aavran". His lives in Karondiya village with his parents, wife and two young children.

**Hidayat Khan** is a new team member. He is graduate in Science and post graduate in IT. He has experience of working with a marketing organization and schools. He assists in administration and logistics. He is also responsible for the upkeeping of the training centre. Hidayat lives in Kasrawad with his parents and brother. Popularly known as "Khan Saheb", Hidayat is beginning to take responsibility well.

**Jitendra Jain** is heading the Coop Computer Center as instructor. He is post graduate in Commerce and has done a Post Graduate diploma in Computer applications. His main responsibility is to provide computer education to the children and interested individuals coming for such training. Jitendra is still a bachelor and is looking to be married soon.

### OUR CURRENT TEAM CONSISTS OF

President	1
CEO	1
Finance and Administration	2
Coop Computer Center	1
Cook	3
Demo Farm	9
Research Trials	9
Mobile Health Unit	7
Animation Programme	24
CO <sub>2</sub> Neutral Programme	2
Livelihood	5
Handloom Project	5
Training Staff	4
<b>TOTAL</b>	<b>73</b>



bioRe®  
INDIA Ltd.



# EDITORIAL

It is again with great pleasure that I write the editorial giving an overview of the year that went by and the main concerns that we have in the year to follow.

The trend of reduction in the crop size continued, and our crop was lower by about 28%, and the cotton prices were higher by nearly 16.5%. These are the highest prices that I have seen in the past 14 years and probably the highest prices in the history of Indian cotton. This year's rise in prices had nothing to do with the Indian government's role, this linked to the global supply and demand. The reduction of crop size was mainly due to the fact that the small and marginal farmers that we work with are more dependent on the weather for their yields.

On the financial side, like the previous year the working capital needs to the tune of 85% was met by HDFC bank, again backed by a standby letter of credit from Remei AG for 2 million USD and part of this was backed by the pledging of stocks.

bioRe® India Ltd.'s role in the bioRe® chain has evolved to a yarn production by working with several spinning mills in India. This has also meant that the cotton and the yarn stock had to be financed either by Remei AG or by bioRe® thereby increasing the interest's costs.

The threat of genetically modified cotton looms very large with virtually the whole cotton area being engulfed by it, what remains now are the pockets of organic cotton. The question of contamination due to pollination needs to be established; at the same time the situation calls for tighter controls and more testing on all fronts. The availability of Non GM cotton seed has become a major issue to reckon with, the more serious issue is that seed companies are concentrating their attention on GM varieties making improvements which are not happening on the non GM cotton varieties. This is resulting in better returns to the farmers who are using GM varieties hence increasing the attraction of farmers towards GM cotton. To counter act this bioRe® would be starting its own seed production program with "classical" varieties that were very popular before the release of GM cotton.

Furthermore the incorporation of food crops into the system has not taken off the reasons being a low demand in India for organic foods and also on the export front especially for soya nothing much was achieved.

As of writing this editorial the textile scenario in India has been going through some major changes. The Indian government is trying to regulate and control the sky rocketing cotton yarn prices, especially for the domestic Indian market. The steps that have been taken have been the ban of cotton (cotton waste) exports and the withdrawal of export benefits on yarn whereby the India cotton yarn prices have increased by 4% to 7.5%. There are also rumors there could be a levy imposed by the Government on exports of yarn.

With all the difficulties and uncertainties that we face our understanding and cooperation with Remei AG continues to be very strong. Once again thanks to Remei AG and the bioRe® Foundation for their unflinching support.

Thank you all for the support.



Rajeev Baruah, Managing Director bioRe® India Ltd.

# TEAM PORTRAIT

The bioRe® India Ltd. team comprises of 94 persons. The largest component of this is the Field Staff who are involved directly to work with the farmers. Since bioRe® has its own ginning unit there are 28 persons involved in the activities of the ginning. However, this figures goes up during the ginning season.

bioRe® India Ltd. is proud to say that almost all the personnel belong to area of the operation and large numbers around 90% of the staff have been working with bioRe® for more than 10 years. The work we do is a result of solid team work based on mutual respect and understanding of the complex issues that are involved in the entire operation. We have a dedicated and competent team who is forever willing to learn and to take new challenges.

## THE BREAK OF THE TEAM IS AS FOLLOWS

Managing Director	1
Finance Department	3
Commercial Department	2
MIS Department	2
Production Manager	1
Field Extension Team	49
ICS (Internal Control System)	3
Drivers	3
Office Assistant	2

## GINNING

Ginning / Cotton Purchase Manager	1
Security	4
Electrician	1
Cotton Purchaser	2
Ginning Supervisor	3
Permanent Ginning Labour	12
Maintenance Staff	5

<b>TOTAL</b>	<b>94</b>
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# COMPANY REPORT

## COTTON PRODUCTION

The total production of figures for the season 2008/09 and 2009/10 are as follows:

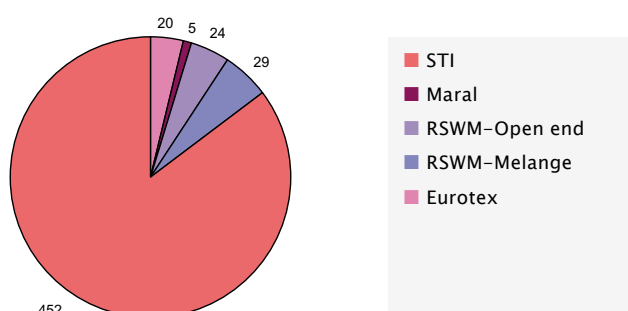
Year	2008/09	2009/10
Raw Cotton in t	5502	3963
Lint Cotton in t	1881	1332
Average Price per kg in USD	0,54	0,63

The raw cotton price has gone up by over 16.5% compared to the previous years and the overall cotton production/ collection was lower by 28%.

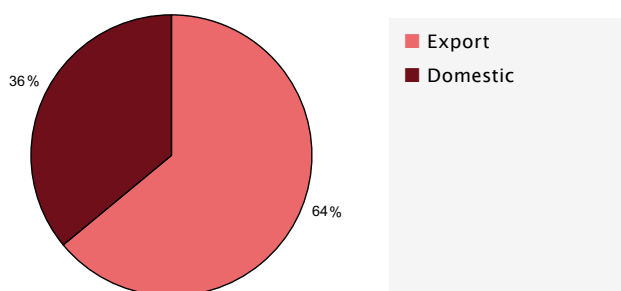
## COTTON YARN – NEW VENTURE

Since the beginning of the year Remei AG and bioRe® India Ltd. have been in discussion of bioRe® India Ltd. getting involved with the spinning of yarn. This became necessary due to the fact that the spinning mills in early 2009 were not in the financial position to finance the cotton. Moreover a 2nd spinning mill was necessary, and hence STI, a spinning close to Indore and to bioRe® India Ltd., was identified. After the visit of Mr. Hohmann in February 2009 the first trial order was given. The overall impression was excellent in terms of quality and system. One of major pre conditions set was that STI would start the process of getting itself certified as per SA 8000. (This was done and by the end of 2009 STI was SA 8000 certified). Furthermore bioRe® India Ltd. and Remei AG identified 2 other mills: one for melange production and the other one for open end and special blended yarns.

Yarn produced qty (in t)



Yarn sale



## GINNING OPERATIONS

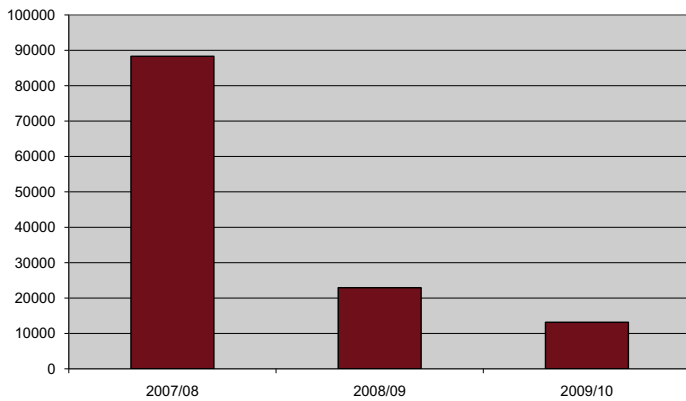
The average production was maintained at 20 to 25 tons per day. No capital investments were made in the ginning unit last year.

## FINANCIAL ASPECTS

In a nutshell the results in USD are as follows:

Year	2008/09	2009/10
Sales	3,205,350	3,801,646
Profit before Depreciation	96,673	60,728
Depreciation	- 60,014	- 23,501
Profit after Depreciation	36,659	37,227
Current Tax	- 13,760	- 8,740
Net Profit	22,900	28,487

I would also like to show the Net Profit (USD) for the last three years of operation:



## WORKING CAPITAL

The relationship development with HDFC Bank continued, a loan of 2,731,900 USD as working capital was taken from them. This loan was backed by a stand by letter of credit opened by Remei AG for 2 million USD and against stocks of cotton bales.

## LEGAL MATTERS

### ENTRY TAX AND SALES TAX EXEMPTION

We are nearing the end of the above. This year we received exemptions to the tune of approximately 50,000 USD.

## BOARD – CONSTITUTION AND MEETINGS

The board continues to be constituted with the following members:

- Mr. P. Hohmann – Managing Director Remei AG
- Mr. PV Rajagopal of “Ekta Parishad” (social activist organization)
- Mr. Surendra Sing (Organic farmer)
- Mr. Dharamendra Badole (Organic farmer)
- Mr. Rajeev Baruah

The full board met once in November 2009 where Mr. Peter Tschannen was present as a Remei AG delegate.

## BIORE® PERSONNEL

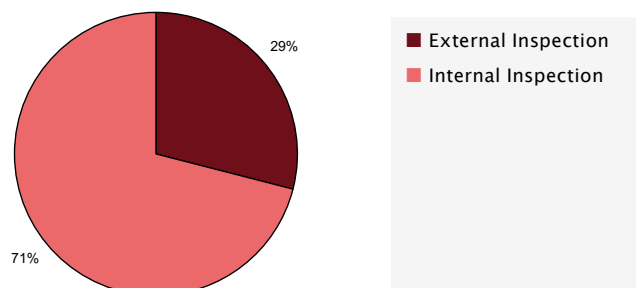
The bioRe® India Ltd. team comprises of 94 persons. The largest component of this is the Field staff who are involved directly to work with the farmers. Since bioRe® has its own ginning unit there are 28 persons involved in the activities of the ginning. This figure goes up during the ginning season.

bioRe® India Ltd. is proud to say that almost all the personnel belong to area of the operation and large numbers (around 90%) of the staff have been working with bioRe® for more than 10 years. The work we do is a result of solid team work based on mutual respect and understanding of the complex issues that are involved in the entire operation. We have a dedicated and competent team who is forever willing to learn and to take new challenges.

## EXTERNAL & INTERNAL CONTROL

The Internal Control System continued to work efficiently as most of the problematic farmers were detected internally.

A total of 38 farmers were excluded from the farmers list, 27 farmers were excluded internally and 11 by the external certification.



## CERTIFICATION

### ORGANIC (NPOP-INDIAN STANDARDS & NOP-AMERICAN)

All the farmers were certified as per the above standards. With the European standards being granted equivalence to the NPOP (Indian Standards) it is no longer necessary to be certified according to EU standards.

### SA 8000

RINA (Registro Italiano Navale India Pvt. Ltd.) continues to be the inspection body for SA 8000. Earlier the certification of bioRe® India Ltd. was according to the 2001 standards and now we have moved to the 2008 standards.

### GOTS (GLOBAL ORGANIC TEXTILE STANDARDS)

Continue to be GOTS certified for export and administration and for the ginnery.

## RELATIONSHIP WITH REMEI AG

An extremely close cooperation with Remei AG continued on various aspects, and this relationship was further strengthened and moved to another level due to bioRe® India Ltd.'s involvement with yarns.

## CHALLENGES FOR THE COMING YEAR

The challenges are plenty and I would like to summarize them as follows:

### SEEDS (COTTON)

Availability of NON GMO seeds is a major issue. Most seed companies have stopped to produce non GMO seeds and what is available today in the market are old seeds which would eventually pose problems of quality and production. Furthermore utmost care and testing of the seeds will have to be carried out to see that there is no comingling of GMO and non GMO seeds. We have also established a new supply line for the supply of certified seeds to the farmers.

For the year 2010 and 2011 the seeds have been contracted and further a new seed supply link where certified seeds in terms of germination and purity has been established. For the year 2010/11 season bioRe® has started its own seed production program (Non GMO & Untreated).

### GMO

GMO will continue to remain a major threat. Almost the entire cotton area that is not under organic production but is under GM cultivation. This also may lead to issues of contamination by pollination. The coming year will require a fair amount of testing to rule out the presence of GMO.

### GREEN MANURING TRAILS

We propose to introduce some green manuring trails with the farmers this year. An expert in this field has been established who will train the bioRe® personnel as to how this can be effectively implemented.

### AUGMENTING INCOME OF BIORE®

With the threat of GMO looming large and the fact that farmers are embracing this technology (oblivious today of the lurking dangers) finding new farmers and increasing the volume of organic cotton would not be an easy task, hence looking at options such as exports of food crops such as organic soya and to see if the ginning capacity of bioRe® can be better utilized by ginning of conventional cotton, are ideas which need to be elaborated and discussed before a final decision on the matter is taken.

bioRe®  
TANZANIA Ltd.



# EDITORIAL

As forecasted in last year's editorial, the global economic downfall has also left its mark on the Tanzanian cotton sector, yet bioRe® Tanzania Ltd. has successfully weathered the storm. While the government had to bail out most bankrupted cotton traders with bank loans, we were the proud recipients of the Tanzanian Cotton Board's Award as the best cotton buyer during the purchasing season 2009–2010. This purchasing season, however, got off to a rough start, as the national authorities could not reach an agreement on the farm gate price, resulting ultimately in a 22% governmental subsidy on the fixed conventional price of the season. Beyond the organic price premium, we also distributed this subsidy to our farmers and are able to report a successful purchasing season with a reduced number of staff.

This purchasing season was also exceptional as it was the first year that we purchased cotton from our satellite in neighboring Maswa district, Maswa Organic Farming Organization, which we provide with expertise and inputs outside of our contract farming structure.

One of the main challenges that stood out last year, besides the economic environment and the downsizing of staff, was that we were unable to purchase cotton from around 35% of our 1983 farmers, as they refused to clean their cotton according to our high quality standards. With ongoing awareness training, we are confident that we have addressed this problem for the coming purchasing season. In terms of profitability of cotton, the Tanzanian government has furthermore decided to extend its 50% input subsidy for staple crops to cotton farmers for this season, whose impact and efficiency we can analyze in the coming season.

The challenge of the low cotton price was furthermore tackled head-on by bioRe® farmers by increasingly intercropping leguminous crops in their cotton acreage. Especially mung beans, known for their soil improving properties, have become a welcome alternative income source and are strengthening the diffusion of our organic practices. Despite of the recession, we furthermore continued with our strong social commitment towards our community. With the aid of the bioRe® Foundation and our donors, we were able to improve accessibility to vital infrastructures in several of our villages, including the building of a water tank for school children, teacher houses, and shallow wells.

It is especially during a difficult economic year like this that the value of sustainability, achieved with such committed partners as Remei AG and COOP Switzerland, becomes clearest. We thank them for their trust and continued support placed in us and we look forward to sustain our momentum into next year.



Niranjan Pattni, CEO bioRe® Tanzania Ltd.

# TEAM PORTRAIT

At the beginning of 2009 bioRe® Tanzania Ltd. had to slim down its team due to economic circumstances. The smaller yet efficient production team is led by **Ms Tuma Samson** who joined bioRe® Tanzania Ltd. at the inception of the project. She gradually climbed the ladder from a field extension staff to a managerial position beginning March 2009. She is the daughter of an organic bioRe® farmer. The entire Extension Team consists of the children of the farmers from within Meatu District. They speak the same language and understand the traditions of their community better. All of them are trained within the company and have a long experience in their jobs. They are hardworking and dedicated. Thanks to Ms Tuma's long experience and effective leadership the team works like one family bringing efficiency and dedication to the farming community.

**Mr Wilbroad Mkwavi** joined us as a new staff member at the beginning of 2009. He has a long experience in cotton spinning industries and his knowledge of quality parameters of cotton makes him an ideal member of our team. He assists the production manager and supervises the ginning processes. Mr Mkwavi also liaises on behalf of the company with cotton authorities. The crucial Internal Control System (ICS) team is headed by **Mr Peter Kwilasa** who regulates the stringent controls. Mr Kwilasa started his job with bioRe® Tanzania Ltd. as an Extension Officer and was promoted the post of ICS Manager in 2009. He holds a Diploma in Agriculture and has a good rapport with the farmers. Finance and Administration Officer **Mr Salim Mkumbwa** is an assiduous, sincere and dedicated member of bioRe® Tanzania Ltd. He puts in long hours without question and never likes to keep any of his work pending. His amicable nature makes him a pleasant team member to work with.

**Ms Justina Samson** is a graduate in Bachelor of Science in Home Economics from the University of Sokoine-Tanzania. Before joining the company she gained some experience working as facilitator in community projects for NGO's. She joined bioRe® Tanzania Ltd. 2004 as an Extension Supervisor but soon was placed as the manager of the company's social department. Ms Justina Samson comes from Meatu District and understands and appreciates the community needs and hardship of this district. We find her an ideal person for this responsibility which she handles effectively with the sincerity the job demands.

**Niranjan Pattni**, born in Pemba Island Tanzania, manages the team since 2000.

## OUR CURRENT TEAM CONSISTS OF

CEO	1
Finance and Administration Officer	1
Production Manager	1
Assistant Production / ICS ginning / Quality	1
Field Supervisor	9
Field Extension Team	13
ICS (Internal Control System)	2
Secretary	1
Logistics	1
Mechanic	1
Drivers	3
Security	12
Demo Farm	4
Kitchen & Upkeeping	4
Social Department	1
<b>TOTAL</b>	<b>55</b>



# COMPANY REPORT

## PRODUCTION

This purchase season started very late compared to the normal start in June. The previous season's economic crisis had already left many Tanzanian cotton traders/ginners in huge debts with the local banks. A consensus on the gate prices for the farmers was not reached until the government intervened and bailed out the traders with the bank debts as well as agreed to add an almost 22% subsidy on the fixed conventional price.

In the previous season we had warned our contract farmers that the company will not purchase contaminated seed cotton. While an estimated 5'847 tons of seed cotton was harvested from 1983 contract farmers, we could only secure 3'818 tons (65%) of premium quality cotton. It was imperative to draw a line on quality matters for the farmers to realize the consequence of neglecting this vital issue. This was in line with the Government and Tanzania Cotton Board regulations.

We purchased an additional 302 tons from the new satellite MOFA which I had mentioned in last year's report. The entire production was In-Conversion and later sold as conventional. MOFA management and farmers continued to get further trainings during the year, which was partly financed by bioRe® Tanzania Ltd. and RLDC (Rural & Livelihood Development Company) based in Dodoma-Tanzania.

Our partnership with Bibiti Ginnery continued and the entire production was roller ginned. In order to bring down the costs, this season bioRe® did not put any of their staff at the ginnery. The entire operations were handled by the Ginnery staff, with the bioRe® staff verifying the quality matters only.

## FINANCES

Finances continued to be secured from overseas bank under guarantee from Remei AG.

The results for the year in USD are as follows:

Year	2008/09	2009/10
Sales	5,123,221	2,956,496
Profit before Depreciation	40,302	- 9,194
Depreciation	- 30,782	- 30,474
Profit after Depreciation	9,520	- 39,668
Current Tax	-	-
Deferred Tax	- 4,459	4,220
Net Profit	5.061	- 35,448

## MANAGEMENT & BOARD

The bioRe® Team was downsized to necessity, from 100 members of staff to 55. A new production head was promoted with many years of experience of working with the local environment. These measures did not compromise any controls nor quality of work.

For example, the seed cotton purchase team was not exceeding two staff in each purchase centre and it proved to work more efficiently.

Regular board meetings were held and continued to guide us on matters of strategy and operation.

## TRAINING

Training of the farmers as well as staff continued throughout the season. The field staff continued to get the trainings at the centre on various topics such as standards for NOP and identification of farmers, quality control during purchase and documentation work. The farmers & the family producers were given the trainings at their doorsteps. Regular field schools were organized in villages. This season again in view of the last season's performance more emphasis was given on quality harvesting and storing. Farmers were aware of the consequence of the poor quality cotton during the purchase time. We look forward to see the result this coming season.

Demo plots continued to play a very vital role in training. The host farmers are proving to be doing a great job in propagating good agricultural practices.

## INTERNAL & EXTERNAL CONTROL

At the beginning of the season a senior staff member was promoted to take over internal control as ICS Manager & continued to play a strong role in identifying the defaulters in time. The defaulter level amongst full organic farmers remained the same at 9%, whilst new farmers were defaulting at a higher rate, mainly due to planting cotton after cotton.

External inspection took place during harvesting period from 25th May to 1st June 2009. During this season all Full Organic production was certified for EU 834/2007 as well as USDA National Organic Program (NOP) standard.

## SOCIAL ACTIVITIES

With the support from the bioRe® Foundation, Remei AG and donors the social activities continue with the same fervor.

More smokeless stoves have been built, more shallow wells have been added, and a primary school in one of the bioRe® villages received a water tank to the great joy of 600 pupils.

A social audit will be conducted by FLO-CERT beginning 4th May 2010. We look forward to be assessed on our social commitments.





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