



COMMON FUND FOR COMMODITIES
**Project on “CREATION OF PILOT DEMONSTRATION PLANT
AND TRAINING TO IMPROVE OLIVE OIL QUALITY IN LATIN
AMERICA” (IOOC 08)**

Argentina, thanks to its land availability, favorable soil & climatic conditions, the existence of a traditional olive sector and National programs for the expansion of this crop, has all the potential to become a top olive oil producing country in South America if its olive growing and processing system is optimally exploited and valorized to the benefit of the farmers and the key success factors of the olive oil market, namely the enhancement of olive plantation productivity, the improvement of olive oil quality, the reduction of the cost of production and branding differentiation, are effectively addressed to enable a high quality and differentiated branded Argentinean olive oil to compete in both national and international markets.

It is precisely with the intent to enhance the cost-effective and environmentally sustainable production of a high quality olive oil, as a means to increase the revenues of the olive farmers and boost the overall sustainable development of the Argentinean olive oil sector, that the Common Fund for the Commodities (CFC) launched in May 2009 in the North East Argentinean province of Catamarca, a four year project on “Creation of a Pilot Demonstration Plant and Training to Improve Olive Oil Quality in Latin America”.

Financed by CFC with a grant of USD 1.65 million with a total budget of USD 2.13 million, this project has transferred efficient processing technologies, agricultural best practices and marketing know how to small & medium scale olive farmers, entrepreneurs and mill operators, through systematic training sessions on olive oil processing, marketing and intensive orchard management and the setting up of a modern pilot processing plant to serve as a medium scale production and demonstration facility in the Catamarca region. The project has been executed in partnership with BERCI International Consulting as Project Executing Agency, the National University of Catamarca as National Collaborating Institution, the FAO Intergovernmental Group on Oilseeds, Oils & Fats as Supervisory Body, and CNR-IVALSA as Technical Assistant.

Though the area has strong potential, Catamarca is Argentina’s poorest province with incomes far below the national average. In general, the agricultural sector is less developed and diversified than the rest of the country. The objective of the project is to enhance the olive oil sector in Catamarca in terms of a higher olive oil quality and crop productivity, which can be translated in higher financial returns, also thanks to the premium price generated by an effective brand strategy, which enabled the creation of the new brand concept “Olivares del Valle” (www.olivaresdelvalle.com) for the marketing of the olive oil produced at the CFC plant by the Cooperative of local olive farmers “Los 12 Olivos”.

The innovative character of the technology applied, which allows the production of a top-quality olive oil, assuring the most efficient utilization of the olives, together with the highest opportunity of waste reduction for yield maximisation, and the efficient recycling of the by-product for an environmentally friendly processing of the olive, has enabled the CFC pilot processing plant in Catamarca to surge as a Center of excellence and know how dissemination for olive oil development in Argentina.

Beneficiaries

The Pilot Processing Plant was donated by CFC to a farmer cooperative *Cooperativa Olivícola los 12 Olivos*. The group is presently formed of 13 members. The farms sizes vary between 4 and 15 hectares each, with a total of 119 hectares. At the moment, 60 hectares are available for expansion allowing for a great growth potential in the coming years. The main olive varieties used are: Arauco, Manzanilla, Piqual and Coratina, with an average yield at present around 10-15 kg of fruit per plant as they are still relatively young (5-8 years old). No major agronomical issues have been highlighted in the orchards, apart from the alternate bearing and the need, in the mid-term, to widen the varietal spectrum of the olive plants.

The plant offers milling, filtering and bottling services also to non-members of the Cooperative. The fees for such services are based on a scale as to keep the project's initial objective of benefiting small scale producers.

The principal beneficiaries of the CFC project are olive small farmers who suffered from lack of modern production technology, basic infrastructure to process olives and store the product, technical assistance to improve productivity, and marketing know-how. The members of the cooperative together with other local independent olive farmers have received extensive orchard management training over the course of the four year project to ensure maximum output and superior quality throughout the value chain.. These trainings were provided by the staff of the University of Catamarca as well as by international guest speakers of diverse expertise in the olive oil production domain.



[caption] *The processing plant in Catamarca held an open house in September 2012 and invited industry stakeholders to learn more about the plant and to sample their extra virgin olive oil.*

Component 1: Establishment of One Pilot Demonstration Plant (PDP)

Objective To provide training to mill managers, mill operators, repair and maintenance mechanics and to provide demonstration of the milling process and plant operation to entrepreneurs with the view to promote investments in the production of quality olive oil in the region.

Output One modern plant will be established, with maximum capacity of 1,300 kg of olive per hour in Argentina, with trained managers and operators capable of imparting know-how to transfer the technology of modern olive oil processing.

Assessment Objective and output fully achieved

The modern olive processing plant set up by the CFC project and supplied by the Italian firm Perialisi S.p.A, worldwide market leader on olive oil extraction technology, is located in the industrial zone in San Fernando del Valle de Catamarca known as the “pantanillo”, 7 kms from the city center. The Plant is set up in close proximity to existing olive orchards to facilitate the supply of olives and, more importantly, to provide opportunities for demonstrating the linkage of olive quality and the processing methods in achieving the desired olive oil quality. The compact machinery, the continuous and automated process minimizing olive oil oxidation and the increased percent of oil extraction are a clear comparative advantage of the technology applied. With its processing capacity of 2000 Kg per hour (actual 1600 Kg/hr), considered adequate to process olive crop from a large number of small olive farmers, the plant manages the complete process of olive oil making, from receiving and sorting the olives to extracting and bottling the end product. It provides a state-of-the-art crushing, testing, storing and bottling facilities for the production of high quality olive oil to be promoted and sold under the brand “Olivares del Valle”, also developed under the project.

The technology applied by the CFC olive processing plant features technologies that ensure maximum yields while reducing environmental impact, like a two-phase decanting process that minimizes residue and water consumption. It is also advantageous in terms of extraction efficiency: operating with a 2-phase extraction system, the output volume of oil from the same quantity of crop will be 15% higher than traditional milling technologies and the processing wastes minimized with the elimination of waste water.

The 2- phase olive oil extraction system presents the following advantages:

- Compact machinery (one decanter can replace several presses)
- Continuous and automated process
- Limited labor required
- Highest percent of oil extraction
- No or very little production of vegetable water
- Olive oil from two-phase centrifugation systems contains more phenols, tocopherols, trans-2-hexenal and total aroma compounds and is more resistant to oxidation than oil from three-phase ones and from hydraulic presses.

The finalization of the Civil Works for the rehabilitation of the building and the setting up of the olive crushing facility took longer than planned: the administrative procedure to obtain the 20 years temporary donation of the land and the building hosting the plant from the Provincial Government and to secure the funds from the Ministry of Education for the rehabilitation of the building are at the origin of the delay in setting up the processing plant, which, despite an official inauguration in April 2011 became fully operative in the first quarter of 2012, following initial production tests in July 2011. This delay caused a domino effect on all the activities linked with the running of the plant itself (i.e. production & marketing of high quality olive oil; training, investment promotion and technology dissemination) that could only start in March 2012. Training activities not directly related to the utilization of the pilot plant were thus implemented on time. The completion of the pilot plant enabled the implementation of the foreseen training on modern olive oil processing and the various tests of olive oil production, chemical and organoleptic analysis to be made in early 2012, while the first olive oil produced gave positive results in terms of quality.

The plant is run by properly trained operators recruited as permanent staff: a master miller, a technician and a plant manager. During the 2013 production season, three temporary technicians were also hired. Demonstrations and technical trainings have been organized for the plant staff. The mill operators received training by Pieralisi on the dismantlement, cleaning and reassembly of the processing machine. They were also trained on the bottling line as well as the labelling machine. A comprehensive manual on olive oil production and orchard management was drafted by IVALSA.

Ownership

Among the three alternatives scenarios for the plant ownership considered by the Consultative Committee of the CFC, during its 40th meeting, i.e. (i) the University of Catamarca; (ii) private sector operator and (iii) a farmers' cooperative, the latter was chosen as the optimal solution in order to represent the interests of the farmers and at the same time to enable the UNCA to utilize the plant facilities as for training and research purposes out of the peak production season. The Cooperative 12 Olivos, has received the plant in donation from the CFC for commercial use by its members, but will have to assure the utilization of the plant for dissemination and training purposes by the UNCA which, in exchange will grant to the cooperative the exclusive use of the plant building. A legal agreement between the two parties has been signed.

The donation certificate for the transfer of the ownership of the olive oil processing plant to the Cooperative 12 Olivos was signed on July 10th 2013 by the President of the Coop Martin Cherasco here shaking hand with the CFC Project manager Francesco Gibbi. (Picture below)



Component 2: Pilot Production of High Quality Olive Oil to Demonstrate the Production Process and Establish the Technical and Economic Viability of Operation

Objective To run and validate the effective operation of the plant under local conditions and local management; to provide practical training to required people (technicians, extension officers) and demonstration of operations to potential entrepreneurs.

Outputs Production ranging from 300 to 330 tons of quality olive oil in the pilot plant during the implementation period; A gross revenue of USD 690,000.00; production and marketing data to evaluate the viability of the plant.

Assessment Objective and output achieved on a smaller scale by July 2013 but with clear potentials to fulfil the identified financial targets during the marketing campaign of 2014 thanks to a projected increase of the 2013 production volume and the premium price recognized by the market to the Olivares del Valle brand. The limited crushing volumes so far available, while assuring the financial sustainability of the plant, are seen as the major bottleneck to maximize its potential profitability.

Since March 2012, the CFC olive oil pilot processing plant is fully operational, allowing for the production of extra virgin olive oil, the implementation of the foreseen trainings on modern olive oil processing and the marketing campaign. The plant offers milling, filtering and bottling services also

to non-members of the Cooperative. The fees for such services are based on a scale as to keep the project's initial objective of benefiting small scale producers. With the intent to make the plant financially self-sustainable, for the 2013 processing campaign it was decided to set the price for the milling at 60USD/T and the bottling fee at 0.40USD/unit. The plant business plan was draft accordingly and a supply contract model to be signed by the farmers was drafted by the PEA with the intent to uniform operations. The detailed management structure of the plant and the Coop are available in Annex I.

During the 2012 crop season, approximately 50 tons of olives have been made available for olive oil processing by the farmers. The exceptionally limited harvest of 2012 did not allow engaging in a full production scale of olive oil, which was postponed to the crop season 2013, but it enabled the production of a limited quantity of olive oil (5.9 Tons) of which 350 Kg were retained at the plant to be used for the chemical tests and the marketing & promotion campaign. Agreements for the supply of olive to be processed at the plant during the crop season 2013 have been concluded with two medium size independent olive oil producers, for a total supply of 237.7 Tons of olives and with the cooperative 12 Olivos, which supplied the mill with 147 Tons of olive.

During the first commercial production & marketing campaign in 2013, the plant processed 385 tons of olives with an average oil extraction rate of 11% and it is expected to double the crushing volumes in 2014. About 16,000 Liters of extra virgin high quality olive oil were produced and marketed in 2013 under the Brand "Olivares del Valle". Thanks to the overall project intervention, the small holder farmers of Catamarca, united in the Cooperative "Los 12 Olivos", as main beneficiaries of the project, tripled their sales returns per liter of olive oil from 3 USD in 2010 to 10 USD in 2013.

Crushing volumes are expected to double in 2014 also considering the fact that the CFC plant is the only processing plant currently operating in the entire Catamarca province. With the training received from Mr. Leandro Ravetti, one of the top world experts in olive oil production and a Catamarca native, olive producers will be able to utilize the table olives, about 224tn of fruit, that they usually discard because too small to sell. The possibility to broaden the supply base by crushing also under-sized table olives offers important opportunities to maximize the crushing capacity of the mill and to extend the crushing period of two months anticipating oil production as early as January from the next season in 2014. At full capacity, the pilot plant is expected to produce 150,000 litres of high quality olive oil per year, which at the average wholesale price of 10 USD/Lit, will result in a total gross revenue of USD 1,500,000.

The ameliorative activity of the crushing system can be highlight by the improvement recorded in the organoleptic qualities of olive oils and also by the change in the parameters of the Rancimat which is related to the index of stability of an oil when the values are greater than 10.

Rancimat index	2009	6,5	2010	9,4	2012	14,2
Rancimat index	2009	7,9	2010	6,7	2012	11,8

The excellence of the nutritional profile of monovarietal extra virgin olive oil of Arauco is inherent in its composition of polyphenols that in sensitive concentrations (> 100 ppm) provide specific feeding-health properties and antioxidants clear differentiation for organoleptic tastes and pleasant smell. The beneficial effect on health is complemented by the presence of low levels of free acidity and of peroxide

International Sales

Today, the extra virgin olive oil produced in Catamarca is marketed under the name *Olivares del Valle* to buyers in North and South America. Olivares del Valle is distributed in Canada by ATK Consulting Group. The distributor's main clients are specialized boutiques and high end restaurants nationwide. The story behind the product as well as the quality has allowed the cooperative to obtain an excellent sale price of 12USD/Lit. The project and its participants are enthusiastic about the quality of the oil and the potential opportunities it represents for the region. The pilot processing plant in Catamarca now serves as a model and information hub for sharing knowledge and best practices for olive oil production in Latin America.

Local Sales

The plant manager and staff have attended three promotional events in 2012 starting with the Fiesta Del Poncho in July (a fair of local artisans for the public), Expolivo and Argoliva in September. These events have proven to be very successful and have allowed us to test the public's reaction to the product as well as the retailers.

In 2013 the Cooperative, with the support of the PEA, participated successfully at the important agro-food fair Caminos Y Sabores, a yearly fair held in Buenos Aires every month of July. The fair is open to all small producers in Argentina and attracts of 100,000 visitors over four days. 2013 was the first year of commercialisation for Olivares del Valle. This fair proved to be a good platform for the Cooperative to introduce their product to the local market. The results were very encouraging, $\frac{3}{4}$ of the starting inventory of 1000L were sold and the feedback received was excellent.

- Caminos Y Sabores Fair 2013 - Olive oil bottles of various size for a total volume over 750 Liters were sold during 4 days with a total turnover of 37,500 pesos. (7000 USD).
- Direct showroom sales.

A showroom adjacent to the plant has been set up to allow for direct sales. The showroom is equipped with a tasting bar and the cooperative plans on hosting regular tasting courses to the public as well as various seminars on topics ranging from olive oil production to consumption.

Component 3: Training, Investment Promotion and Technology Dissemination

Objective To provide managerial and technical training (mill operation and olive field management) of trainers in new olive oil processing techniques and intensive management of olive orchards; demonstration of investment opportunities in olive oil processing to potential entrepreneurs and other interested parties.

Output At least 30 olive oil technology specialists, and over 150 technicians including agricultural extension officers will be trained or exposed to the operation of modern olive oil plant and intensive management of olive orchards.

Assessment Training output achieved on a smaller scale but the marketing strategy resulted in an outstanding achievement in terms of investment promotion and market access.

The cooperative's members and other independent olive farmers from the Catamarca province have received extensive orchard management training Demonstrations and technical trainings have been organized over the course of the four year project together with training for olive farmers on the adoption of good agricultural practices and good orchards management. These trainings were provided by the staff of the University of Catamarca as well as by international guest speakers of diverse expertise in the olive oil production domain. In total 20 farmers, 13 members of the cooperative plus 7 other local olive farmers, were trained in a wide range of topics from Soil Characteristics; Diseases; Fertilisation; Weeds; Pruning, Harvesting methods; Storage; Agronomical factors in processing; olive crushing; Overview of Olive sector worldwide; Marketing & Brand management; sensorial evaluation of olive quality and panel test, Good agricultural practices and management of a cooperative.

The objective to sustainably enhance the income potentials of the olive oil farmers of Catamarca was achieved thanks to the premium price and market access generated by an effective brand strategy pulled by the PEA, which enabled the creation of the new brand concept "Olivares del Valle" (web site: www.olivaresdelvalle.com) for the marketing of the olive oil produced at the pilot plant by cooperative members. During 2012 the logo was created, bottle labels designed along with all the promotional materials needed for commercialisation (posters, brochures, gadgets). A Facebook page (www.facebook.com/OlivaresDelValle) has also been launched.

Project Impact Summary

- Better quality olive oil
- Premium sales price and higher earnings for the producers (3USD Vs 10USD post project)
The initial projected sales price was set at 5USD per liter. With a recent increase of the commodity price, the sale price for Olivares del Valle was set at approx 10USD (wholesale price).
- An opportunity for the smaller scale producers to begin a commercial production and access the formal market. With increased harvesting costs, some of the farmers had stopped harvesting and producing olive oil. By combining the access to a processing plant at a low fee

and a potential for higher earnings, it is now financially interesting for the very small farmers to produce olive oil.

- A new and positive outlook on the potential and possibilities for the local producers
Many farmers were reviewing the option selling off their plantations. The project has allowed them to keep working and has provided hope for their future.
- Financial autonomy and less reliance on government aid
- Job Creation : The project has employed 3 people full time since 2012; two people full time and 3 people on a temporary basis in 2013 for production alone. The plant also employs 2 full time security staff.

Way Forward & Project Sustainability

The careful preparation and smooth execution of the next olive oil production & marketing campaign (2014) is going to be essential for project effectiveness and sustainability. The main challenge for the project will be to produce, within the coming years, tangible economic gains for the members of the cooperative, assuring a higher and sustainable income from the production and sale of high quality olive oil, which could obtain a premium price on the national market. For the future, the plant needs to invest into building firm business relationships with other farmers' cooperatives and middle size olive producer in order to assure the utilization of the processing mill per his full capacity and the production of a critical volume of quality olive oil to be marketed at national level

Currently harvesting is done entirely manually and relies heavily on hired labor, whose cost has risen constantly in recent years. This situation represents a risk for the region's olive cultivation, whether small or large scale. In the mid-term, the shift to mechanized harvesting methods appears to be an economically sound way out of the problem. The purchase of this equipment falls outside the foreseen investment of the CFC project but the farmers' co-operative could refer to the Provincial Government of Catamarca to access a loan.

As a result of the ongoing promotion campaign, the PEA already received an offer from a distributor based in Canada (ATK) who is interested in purchasing the olive oil. The story behind the product as well as the quality has allowed the cooperative to obtain an excellent sale price of 12USD/Lit. This is a start but definitely a promising sign of the growing interest in this new product.

The pilot processing plant in Catamarca now serves as a model and information hub for sharing knowledge and best practices for olive oil production in Latin America.

Assessment of resources utilization

The overall project expenditures are in line with the approved budgets beside for an over expenditure in the budget category “personnel” linked to an underestimation at time of formulation of the labor costs of running the plant. The higher spending in operational costs, mitigated by a lower spending for technical support. Regarding the expenditures for equipment, the last installment (10%) of the pilot plant cost has been paid to Perialisi following the completion of the trainings for the mill operators and the reparation of the pulp extractor.

- Review the actual availability and timely disbursement of the counterpart contribution (the total value shall be presented and compared with the amount agreed in AR/PA):

The financial commitment of the UNCA through the provincial Government and the Ministry of Education for the allocation of the land where the plant is located, the construction of the building hosting the plant, the maintenance, security and general expenses of the plant have amounted so far to a total of 2.700.000 Argentinean Pesos corresponding to USD 570,600 an amount higher than the counterpart budget foreseen in the AR (USD 483,000).

- The first project audit, considering expenditures up to 2011, has been submitted by BERCI and approved by CFC while the second and final Audit considering expenditures till project completion (31 July 2013) is still awaited.

Documents in Annex:

1. LETTER OF APPRECIATION from COOP Los 12 Olivos
2. The Olive Oil Production Process in images
3. Overview of CFC support for the development of the Olive Oil Commodity
4. Table “STATUS OF PROJECT IMPLEMENTATION” reflecting the progress made by all project activities till the end of the project 4 year life cycle on 31st July 2013.

Annex I

LETTER OF APPRECIATION from COOP Los 12 Olivos - 23rd August 2013

It is a pleasure for us to let you know that the Creation of a Pilot Demonstration Plant and Training to Improve Olive Oil Quality in Latin America, which was donated to our Cooperative by CFC, has been extremely important for us, otherwise it would have been almost impossible to produce a first quality olive oil. In this way we can compete with oils produced in the best production facilities all over the world.

The whole project has been developed, managed and executed with great professionalism, not only by managers (BERCI and IVALSA) but also by supervising bodies (FAO). Besides, the National University of Catamarca has been a great help, both financially and administratively. Nowadays, the oil produced in the Plant by our Cooperative is tasted by the public at various public events and has had a great acceptance.

We believe that CFC has helped us to make our olive oil project sustainable, allowing us to financially sustain our farms and the people and families that work and take care of our plantations. The members of the Cooperative do continue having meetings so as to keep this great Project running. Thank you all again.

Yours sincerely,

Raúl Alfredo López, Secretary, Olive Oil Cooperative Los 12 Olivos Ltda.

Annex II

The Olive Oil Production Process in images:



The Olive Orchards



The Plant





Reception and washing area





The Production Area



The Chemical Analysis of the Oil



The Final Product with Logo



The Promotional Activities (Fairs)

Group photo at the plant: CFC, FAO, IVALSA, BERCI, UNCa and members of Coop 12 OLivos



Annex III

Overall CFC support for the development of the Olive Oil Commodity

CFC has, so far, supported 8 projects for the development of the olive and olive oil commodity, for a total project cost 12.33 million USD and a total CFC funding of 7,1 million USD. These projects, implemented in Northern Africa and the Middle East for the dissemination of modern cultivation and processing technologies and best agricultural practices, focus on both pre and post-harvest interventions, in particular: Genetic Olive Improvement; Conservation, Characterization and Collection of Genetic Resources in Olive; Recycling of Vegetable Water and olive Pomace on the Agricultural Lands; Olive Pollen Monitoring for Crop Yield Forecasting; Development and Dissemination of Sustainable Irrigation Management in Olive Growing; Pilot Demonstration Plants and Training to Improve Olive Oil Quality, and Creation of Pilot Demonstration Nurseries Centres.

CFC commodity development interventions aim at addressing the main critical success factors of the olive oil sector in the targeted countries, namely the enhancement and stabilization of olive yields, the reduction of the cost of production, the improvement of olive oil quality and product differentiation through branding, in order to effectively contribute to the development of a sustainable and competitive olive oil sector in the targeted countries and to improve the socio-economic situation of all actors involved in the olive oil processing chain.

**Annex IV
STATUS OF PROJECT IMPLEMENTATION AS AT JULY 31ST 2013**

Planned Activities	Targets Set	Present Status	Remarks
<u>COMPONENT I: ESTABLISHMENT OF ONE PILOT DEMONSTRATION PLANT</u>			
Activity 1.1 Preparation of the Project Launch Workshop and of the definitive executory programme for the installation of the PDP	Prepare the Project Launch Workshop. Visit the possible plant sites. Provide a detailed planning for the PDP establishment.	The Project Launch Workshop was held during 11-14 May 2009 in Catamarca and was attended by a large number of participants including representatives from the Federal Government, the State and Municipal Governments, the private sector and other stakeholders. During the stay in Argentina, 4 possible plant sites were visited and a detailed planning was finalized.	Activity completed 100%
Activity 1.2 Seminar to explain operation, management and maintenance of pilot plant; to draw up the plant test protocols and the programmes for the courses.	Provide demonstration of the milling process and plant operation. Preparation of a manual on the use, management and monitoring of the PDP and a plan for the training courses.	<p>The seminar-course to the benefit of the plant staff to explain operation, management and maintenance of pilot plant was realized during the crop season (March 2012); specialized staff of the plant provider was present at the plant during the month of May and April to demonstrate the plant operation and to solve any technical difficulty.</p> <p>A manual on the use, management and monitoring of the PDP has been elaborated and distributed to the plant staff.</p> <p>The programmes of the courses were presented during the first annual meeting which was held in coincidence with the project Launch; the PEA proposed general themes as possible topics to be treated during the training activities scheduled from PY1 to PY 4. The collaborating center agreed upon it and shared with the PEA the opinion to implement as much as possible practical training more than theoretical modules.</p>	ACTIVITY COMPLETED 100%
Activity 1.3 Drawing up of machinery and equipment detailed specification	Detail the specifications of the equipment needed to establish the PDP.	Activity completed.	Activity completed at 100%
Activity 1.4 International Competitive tender for the procurement and installation of the plant and equipment.	Preparation of tender for equipment procurement; launch of tender for competitive bidding.	Activity completed.	Activity completed at 100%
Activity 1.5 Evaluation of bids submitted and choice of the most suitable offers.	Receive, evaluate and compare bids; Select supplier and seek approval of CFC; enter into contract with supplier detailing delivery schedule to project site.	Bids have been compared and evaluated and the supplier has been selected; documents have been sent to CFC for approval in order to enter into contract with supplier. Further to the evaluation of the bids Peralisi was selected as the supplier. A draft contract has been prepared and agreed upon by both the PEA and Peralisi.	Activity completed at 100%
Activity 1.6 Acquisition of plant site and preparation of site.	Choice of the most appropriate site for the installation of the plant, taking into account visibility, accessibility and availability of basic infrastructure and utilities (water, electrical power, etc.).	The Government of Catamarca made available to the University an existing building to house the pilot plant.	Activity completed at 100%

Activity 1.7 Civil works including factory building, houses, stores, and access facilities.	PDP layout and verification of the availability of basic infrastructure and utilities.		Activity completed at 100%
Activity 1.8 Procurement, transportation and assembly of the PDPs.	The PDP shall be delivered to the project site in San Fernando del Valle de Catamarca, Argentina, on a "cost, insurance and freight" basis, excluding customs and tax duties. The Supplier shall proceed to the installation of the equipment according to a work plan agreed upon with the PEA.	The equipment was delivered and assembled in December 2011.	Activity completed at 100%
Activity 1.9 Recruitment of manager and mill operators.	Identify the personnel to properly run the PDP; their early identification is required since they have to assist in the establishment of the PDP.	A plant manager and two technical staff have been recruited. Changes have occurred in the staff composition without affecting the team efficiency	Activity completed at 100%
Activity 1.10 Trials and tests of the assembled plant	Ensure the efficiency of the plant and its proper installation.	Initial tests have been conducted in June 2011 and about 1000 liters were produced. Further tests were undertaken during the past crop season (March 2012) confirming the overall good functioning of the plant. A design flaw was detected at the pomace separator level. Peralisi are working to find the proper solution before the beginning of the next season. Peralisi has undergone a restructuration of the organization. Peralisi Argentina is no longer the contact for the plant, the responsibility now falls directly under HQ. This change has resulted in a delay to fix the machinery. IVALSA is following up on the remaining issues	Activity completed at 100%
Activity 1.11 Training of managers and mill operators on the operation and management of the mill. <i>Activity integrated within Activity 1.2.</i>	-	An intensive plant management training was held in Italy for the plant manager who later presented her training to the staff and cooperative.	ACTIVITY COMPLETED 100%-
Activity 1.12. Realization of a background study on the historic and current structure of the olive sector at the farm and industry level. Evaluation of the supply chain efficiency	Identification of the strengths and critical points in the farmers/entrepreneurs/farmer cooperatives activity.	The study was undertaken by the PEA. The document was attached to progress report n°4	Activity completed at 100%
Activity 1.13 Seminar for the presentation and discussion of the results background study of the olive sector at the farm and industry level		The main findings of the study were presented during a seminar on October 12 th , 2011 held at the plant. The participants included representatives of the olive sector, such as farmers, cooperatives, association of farmers, oil producers, olive agronomists, University staff and Students.	Activity completed at 100%

COMPONENT II: PILOT PRODUCTION OF HIGH QUALITY OLIVE OIL

Activity 2.1 Development of production programme	To develop an optimal production program by contracting olive supplies from olive farmers and cooperatives	The production program was analyzed with the UNCA staff, plant manager, PEA, IVALSA, CFC observer and FAO and CFC representative during the annual meeting held in March 2012.	Activity completed 100%
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Activity 2.2 Contracts for the supply of olive-	To provide the sufficient raw material to properly run the Plant by contracting olive supplies from olive farmers and cooperatives	A model of the contract to be used was jointly elaborated by the PEA and IVALSA with inputs from CFC and FAO provided during the onsite mission (march 2012). The format of contract has been provided to UNCA and Plant manager to monitor the quantity of raw material entering the plant. Signed contracts are expected by end of November. Members of 12 Olivos have received the contracts and agreed to sign them.	Activity completed at 100%
Activity 2.3 Sales of produce (olive oil)	Insure a greater income for farmers	Due to a very low production for crop year 2012 no selling will be accomplished with the oil produced but only promotion activity. Although there has been serious interest from buyers, the 2012 production yield was too low to complete this activity.	Activity completed at 100%
Activity 2.4 Data collection, analysis and storage	Run and record the effective operation of the plant under local management	A preparatory document was prepared and distributed during the Project Coordinating Committee held on 13 May 2009 and provided basic information on the olives that will be processed in the plant. A reviewed document by the plant manager was adopted in order to accomplish the activity during crop season 2012.	Activity completed at 100%
Activity 2.5 Monthly performance record by mill manager to PEA, including specifics of problems of operations, repairs and maintenance	Verify the efficient operation of the plant	All along the crop season mill Manager has reported to the PEA plant functioning approximately every 15 days. The Reports provided by the plant manager were complete and included pictures and detailed descriptions of problems of operations, repairs and maintenance	Activity completed at 100%
Activity 2.6 Terminal physical performance report by the mill manager	Verify the efficient operation of the plant	The reports were prepared by the plant manager.	Activity completed at 100%
Activity 2.7 Recording and evaluation of the marketing experience and consumer's reaction to higher quality oil.	Quantify the positive reception of consumers to higher quality olive oil.	Activity highly linked to olive oil production. A survey was conducted during the 2012 Expolivo in Catamarca as well as at the Argoliva in San Juan.	Activity completed at 100%

COMPONENT III: TRAINING INVESTMENT PROMOTION AND TECHNOLOGY DISSEMINATION

Activity 3.1 Preparation of practical training programmes on the continuous olive oil processing system for the purpose of improving quality of olive oil produced in the region.	Preparatory work to maximize the impact of the project training activities.	Several practical trainings have already been prepared on topics ranging from processing to storage to marketing.	Activity completed at 100%
Activity 3.2 Training and demonstration programme for intensive management of olive orchards, and exposure to modern olive oil processing.	Enhance the know-how on olive orchard management and see the plant in operation to show producers the advantages to be gained from using modern extraction methods.	Training abroad was conducted during project implementation (Italy, November 2010) focusing on exposure to modern olive oil processing and a local demonstration programme for intensive management of olive orchards was conducted by UNCA staff	Activity completed at 100%

		The UNCa has been holding seminars once in a month on various olive orchard management topics.	
<i>Activity 3.3</i> Running of at least three panel test courses for the local officers including managers, millers and other technicians.	Provide local plant staff with technical preparation on the olive oil sensory characteristics.	A first brief introduction to olive oil panel tests was provided during the abroad training (Italy, November 2010). A second training has recently been provided at the plant site by the local panel test officially recognized by the IOOC. A third course was given in February 2013.	Activity completed at 100%
<i>Activity 3.4</i> International mid-term and final workshop and proposal of a follow-up investment programme	To ensure as a wide dissemination as possible of the project's activities and results during and beyond project completion.	A mid-term CFC observer has participated to the on field mission and annual meeting which was held in March 2012.	Activity completed at 100%
<i>Activity 3.5</i> Running of technical extension Training.	Improve farmers knowledge on olive orchard management.	A series of training courses have been conducted (plague management, pruning, waste management)	Activity complementary to act
<i>Activity 3.6</i> Marketing and customer sensibilization campaign	Promote consumption of olive oil of premium quality produced by the pilot plant.	Marketing material such as website, brochures, small give away samples were prepared and handed out at several events. The plant staff has attended 3 tradeshowes over the months of June to September and several contacts with local and national buyers have been established. Two members of the cooperative were involved in the planning of the Caminos Y Sabores Fair.	Activity completed at 100%
<i>Activity 3.7</i> Encouragement of small-scale olive producers to form cooperatives; general promotion of investment among potential entrepreneurs	Provide producers and entrepreneurs with guidance on investment in olive plan establishment.		Activity completed at 100%
<i>Activity 3.8</i> Preparation of comprehensive report covering the training activities.	Provide a separate document including all training activities conducted during the examined project year.		Activity completed at 100%
<i>Activity 3.9</i> Preparation and distribution of technical and training manuals.	Provide supporting documents to the participants of the training activities.	Training manuals have been prepared and distributed following the training activities.	Activity completed at 100%

COMPONENT IV: PROJECT MONITORING AND SUPERVISION

<i>Activity 4.1</i> Supervision of, and technical support to collaborating national institution through regular visits.		Five visits were made since the midterm review by the PEA.	Activity completed at 100%
<i>Activity 4.2</i> Organize annual meeting of the Project Coordinating Committee.	Organize the meeting of the CFC, the PEA, SB and UNCA to discuss progress and workplan for year IV	The last annual meeting was held in July 2013.	Activity completed at 100%

Activity 4.3 Preparation and submission of annual programme of work and budget		The final APWB was distributed following to the annual meeting on March 15 th 2012	Activity completed at 100%
Activity 4.4 Mid-term and final evaluation of the project		The Mid Term evaluation was undertaken during the week of March 12 th 2012	Activity completed at 100%
Activity 4.5 Facilitating the preparation of evaluation reports		Information and data have been promptly provided by the PEA to CFC and SB when requested.	Activity completed at 100%
Activity 4.6 Submission of six monthly and annual progress report; and of annual financial and audit report.	Provide report to the Supervisory Body and to the Fund on the work done and progress made.		
Activity 4.7 Annual review of results and future programmes by the SB			
Activity 4.8 Annual monitoring visit and report by the Fund			
Activity 4.9 Preparation and submission of Project Completion Report and final financial and audit report			