



**Location:** Ahuachapan Province, El Salvador

**Partner Institution:** Banco Hipotecario

**Crop:** Coffee (production, processing, trading, roasting)

**Use of Funds:** Implementation of agroforestry systems: renovation of coffee trees

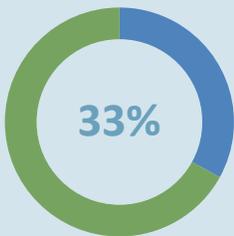
### Key Figures



**265,000 hectares** of El Salvador are forested.



**Total percentage of primary forest remaining** in El Salvador.



**Of coffee produced** in El Salvador is certified by sustainability standards.

**32.2 million tons of carbon** is stored by coffee plants each year, equivalent to **6.8 million cars** driven each year.



Sources: Country Coffee Profiles El Salvador, ICO, 2016 and Global Forest Resources Assessment, FAO, 2015

### Three Generations of Coffee Growers

Miguel Menéndez oversees the family-run company Casal which was set up by his grandfather in 1880 before evolving into the renowned coffee producing company it is today; an integrated producer, processor and exporter of green coffee for specialty coffee buyers interested in Salvadorian coffee. Today, Casal operates eight farms (approximately 255 hectares of shade-grown coffee land), which altogether produce around 4,000 bags of 46 kg of coffee per year. Casal also sells coffee under its own brands (Metsi, Selva Verde, and Café Tapacun) and runs a state of the art wet-and-dry coffee mill named Piedra Grande.

Casal employs around 100 full-time employees year round, of which 40% are female, plus an additional 20 staff at the mill that increase to 500 during the harvest. As part of the shift towards the specialty coffee niche, the Menéndez family has managed to develop direct trade relations with some of the finest roasters and retailers in the U.S., Europe, Japan and Oceania, who then roast and serve their coffee as a bean to cup specialty, highlighting the small batch process that is often behind the scenes.

Casal is primarily an export company and its coffees are exported to more than ten countries through its robust chain of clients with whom a direct commercial relationship is key to the business.

Casal's farms and facilities routinely welcome clients and visitors to see the sustainable practices employed in the coffee production process for themselves. By applying sustainable practices, Casal is able to protect natural resources, thereby ensuring its production well into the future.

## Banco Hipotecario

A key partner institution of the eco.business Fund since 2015, Banco Hipotecario is one of the few institutions that specializes in the agricultural sector in El Salvador and has developed expertise in providing credit to companies in the coffee value chain. The bank, with a dedicated team of agronomists, monitors and evaluates each client's practices and overall performance. Don Miguel has been a client of Banco Hipotecario since he started the coffee mill in 1997. Since then, Casal has received multiple loans in order to modernize the Piedra Grande mill, renew its coffee plants, as well finance its requirements.



Tapacun Coffee, Casal's coffee

## Shade-Grown Coffee

Shade-grown coffee plantations are often called coffee forests for the numerous and vital environmental services they provide such as the sequestration of CO<sub>2</sub>, soil preservation, and the protection of the region's biodiversity (such as migratory and resident birds, small mammals, and reptiles, among other species). Nevertheless, the most important environmental service that shade-grown coffee provides to El Salvador has to do with its contribution to the preservation of groundwater resources.

Don Miguel's coffee is strictly high grown (SHG), which means it is grown between 1300 and 1700 meters above sea level. SHG coffees are typically sought after because the higher elevations mean slower bean development, resulting in distinctive coffee profiles.

The company's strategy is clear: Focusing on producing high quality coffees which can be differentiated not only by their quality and traceability but also by their genetic material, processing methods and the agricultural practices applied.

Casal's farms are exemplary of the Salvadoran shade-coffee scene where coffee production interacts freely with native tree species; Don Miguel's company has created a reserve of more than 50 hectares of protected native forest on one of its farms. This reserve is located at the top of an extinct volcano and acts as a wildlife sanctuary for wild frogs and other species that can be spotted in the crater's freshwater lagoon. As part of the company's vested interest in the conservation of the region's biodiversity, Casal has inventoried more than ten different fauna species that live in their coffee forests.

For Casal, sustainability is the only way of doing business. It allows them to sustain their business foundation while improving productivity and quality and reducing costs. By

ensuring the quality of its coffee, Casal receives better prices and is able to maintain its sales.

For its sustainable, forward-thinking business practices and delicious final coffee cup, Casal has won the National *Taza de la Excelencia* (Cup of Excellence) for three consecutive years (2010 – 2012). The Cup of Excellence is the most prestigious international competition and award for high quality coffees. During the national competition with some 300 entries, every coffee is tasted and rated by experts, with winning coffees sold at premium prices.

**About us** - The eco.business Fund is spearheading the promotion of business practices that contribute to the preservation of biodiversity, the sustainable use of natural resources, and climate change mitigation and adaptation through private enterprises. By providing financing for business practices that conserve nature and foster biodiversity, the fund seeks investments with both financial and environmental returns. The fund mainly provides loans to qualified local financial institutions that lend the money to eligible borrowers, which include holders of recognized certifications or those making improvements in line with conservation and biodiversity goals. The fund supports sustainable operations in the sectors of agriculture, fishery, forestry and eco-tourism. For additional information please visit [www.ecobusiness.fund](http://www.ecobusiness.fund) or email us at: [info@ecobusiness.fund](mailto:info@ecobusiness.fund).

## In Brief: Casal's Sustainable Practices

| Sustainable Practices   | Benefits  |
|---|---|
|  Shade-grown coffee system                | Serves as a carbon sink<br>Reduces use of chemical fertilizers<br>Reduces water loss<br>Prevents soil erosion |
|  Seed bank maintenance                    | Offers more resistance to climate change<br>Reduces susceptibility to pests and diseases                      |
|  Coffee plant renewal                     | Offers more resistance to pests<br>Allows greater productivity  |
|  Ecological coffee pulpers                | Efficient use of water<br>Reduces water loss  |
|  Water recycling and rainwater collection | Effective use of water<br>Access to water during low rainfall   |
|  Water treatment tanks                    | Efficient use of water<br>Reduces use of chemical fertilizers<br>Reduces water loss<br>Reduces water runoff   |

Funded by:



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