



***Sylvester Banda, one of 1,731 reformed poachers-turned farmer, joining the ranks of 225,929 COMACO farmers that are restoring soils with agroforestry.***



**COMACO**  
Community Markets for Conservation

**ANNUAL REPORT**  
**2020**

# WHO WE ARE

## Our Values

## Our Beliefs

- Never, ever give up
- Honor innovation and smart thinking for problem solving
- Respect, share, motivate, trust, delegate, focus and solve
- Do things better, faster and cheaper
- Plan for success, not failure
- Keep It's Wild! products organic, growing and on the shelves
- To our customers, we listen, excite and win them over
- To Zambia, we link farmers to customers to save wildlife and trees, keep people out of poverty



# CONTENTS

<b>1</b>	LETTER FROM THE CEO	5
<b>2</b>	IT STARTS WITH SMALL-SCALE FARMERS	7
<b>3</b>	OUR SUPPLY CHAIN: FROM REMOTE FARMS TO PROCESSING PLANTS	9
<b>4</b>	GROWING MARKET VALUE FOR OUR FARMERS	10
<b>5</b>	FACT CHECKING OUR IMPACT – BY THE NUMBERS	12
<b>6</b>	MAPPING IMPACT ACROSS AN ECOSYSTEM	14
<b>7</b>	FINANCIAL STATEMENTS	20

# PRODUCTS GIVING FARMERS THE INCENTIVE TO CONSERVE AND CONSUMERS A HEALTHIER CHOICE



## FROM THE CEO

Dear Supporters,

I think we can all agree that 2020 with the threat of COVID has been a year like no other. I hope you and your families are safe and well.

At COMACO, we are immensely proud and thankful to end 2020 stronger than ever. With their personal dedication, effort, and determination, our COMACO staff has kept operations running smoothly in challenging times. There is no better team with which to face head-on the challenges of conservation and a mission that reaches so many in so many remote places.

What exactly do we do? We organize poor, small-scale farmers into cooperatives that support their training, farm inputs, and access to markets. We turn raw farm and non-timber forest commodities into high-valued food products to pay farmers a premium for what they produce. In exchange, we ask the same farmers to do the conservation, like no poaching, It's a social contract that grows over time as skills, trust and markets improve. Gradually the land recovers, and the lessons gained, we become a little wiser and share with others to scale our efforts elsewhere.

Along the way we meet amazing people. Most are farmers; others are traditional leaders, church leaders, politicians, civil servants and the various partners we work with. All together they add to the COMACO story: how they lead, teach, innovate, and simply do good. They become COMACO, making it better and stronger.

2020 was a year of growth for COMACO. We extended our work from our core area of Luangwa Valley to communities around Kafue National Park, and to reach new markets we added new infrastructure, processing lines and staff to grow our It's Wild! food brand. 2020 leaves us feeling more confident than ever that we will continue to make positive change in Zambia and perhaps beyond.

In this annual report we highlight these achievements. How we repaired rural landscapes, built healthier food systems, empowered communities to conserve soils, forests, and wildlife, and expanded sales to achieve financial sustainability. Now, we stand stronger than ever to face future challenges, particularly climate change. Global warming requires that we build carbon-neutral economies. Our climate-positive It's Wild! products put us at the forefront of a solution in Zambia and the world.

Nothing is impossible. Working together, everything is achievable.

Yours sincerely,  
Dale



274 staff



225,929 farming families



89 chiefdoms  
3 provinces



1,731 wildlife hunters transitioned to farming



7,424,764 tons of produce bought




16 food products

# IT STARTS WITH SMALL-SCALE FARMERS

2



 104 lessons weekly  
5 radio stations  
1.2 mill households

**HOW**



  
SHARING lessons & self reliance through cooperatives

**WHAT**

Using nature-based solutions, we give farmers the skills to keep soils healthy. This enables farmers to grow enough food for consumption and surplus to sell. Families become more sedentary and use the extra biomass they produce to cook. With less pressure on trees, landscapes slowly heal and forests are able to sustain additional food and income. Our COMACO farmers currently total 225,959 across 89 chiefdoms and 3 provinces, giving life back to the land and de-risking climate change.

**How small-scale farmers learn**  
104 local language lessons aired weekly over 5 radio stations reaching 1.2 million households.  
Local language training manual in livelihood skills distributed to 21,000 farmer groups.  
11,298 local trainers who reinforce farming skills and monitor adoption.

**What small-scale farmers learn**  
Restoring soils with organic matter and nitrogen-fixing trees.  
Diversifying food crops with 3 different legumes.  
Controlling disease and pests without using chemicals.  
Sharing lessons and building self-reliance through membership in cooperatives.

**What we achieved in 2020**  
47 million nitrogen-fixing trees planted on farmland.  
41,768 tons of carbon retained in farm soils.  
190 tons of certified crop seeds locally produced and distributed.  
Seed cost to farmers reduced by over 50%.  
81 cooperatives providing farmer services.  
22 cooperatives on track to be self-financed with their own business plans.  
336 community trainers using smart-phones to track crops and farming practices.  
10,000 beehives installed in local forests.



nature-based solutions for healthy soils



food security plus surplus to sell



reducing vulnerability to climate change

# OUR SUPPLY CHAIN: FROM REMOTE FARMS TO PROCESSING PLANTS



Cell phone app for crop buying  
**HOW**

“Because of COMACO, we are encouraged to grow more because of your prices and we don’t have food shortages anymore.”  
- COMACO FARMER

“Before COMACO, my husband would sell our crops in town and squander earnings. Now, women like me are encouraged to farm because the money comes to our doorstep and I can sell directly to COMACO.”  
- COMACO FARMER

**Conservation starts with soils but it takes markets for conservation to work. Our markets reach remote places where poverty and conservation often collide. With top market prices, we make conservation farming profitable and in return we ask the farmer to do the conservation. What separates farmers from the market prices we offer, are bad roads and the challenges of bringing crops to where we do the buying. Working through our cooperatives, we make this happen; and 2020 reached new heights of efficiency, accountability, and volumes of purchased crops, demonstrating the power of local partnerships.**

**What we bought**  
7,725,848 tons from 43,148 farmers. Groundnuts, soybeans, cowpeas, beans, maize, rice, honey, mangoes, wild mushrooms and wild caterpillars.

**How we buy**  
From 450 bulking points managed by cooperatives. SMS communication that allows us to coordinate buying logistics. Cooperative management of grain quality, grain bags, crop weighing and data collection. Commissions to cooperatives for services rendered.

**Controls**  
Modern warehouses to control humidity and security. Automated weigh-bridge to verify crop weights. Inspection teams to certify each bag. Trained cashiers for all transactions. Lab tests on grain quality.

**WHAT**  
7,725,848 tons of produce from 43,148 farmers



# GROWING MARKET VALUE FOR OUR FARMERS 4

Collectively our cooperatives represent one of the largest chemical-free farms in Africa, supporting a diverse value chain of 16 different natural, nutritious food products that we manufacture under the It's Wild! brand. From seed to shelf, we bring the best value possible to our farmers. To accommodate the growing number of COMACO farmers, we continued investing in our 5 processing centers, contributing to improved infrastructure and processing efficiencies, increased production volumes, and new market opportunities. Local currency devaluation and market suppression by COVID challenged our margins but we've kept sales growing.

## Investments

- 6 new warehouses, adding 5000 tons of storage space for crops.
- 3 hectare property expansion at our Chipata hub.
- 6 trucks for hauling crops and delivering products.
- New food safety lab equipment.
- Honey processing plant renovations with new equipment.
- New processing lines for soy pieces and cowpea snacks.

## Production

Monthly capacity increased by 300 tons of finished products: honey increased by 75%, peanut butter (75%), yummy soy (40%), rice (20%), mangos (30%).

## Sales performance, growth and challenges

Turnover in local currency is increasing at 30 - 50% year-on-year. Exports down from 35% (2019) to 15% of total sales due to COVID-related disruption. Challenges with debtors not paying on time attributed to market constriction. COMACO's own Green Market Shops adding 20% of total sales.



Production increase to 300 tons/mth



Turnover in Kw increased @ 30-50% year on year



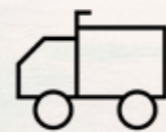
INVESTMENT



renovations to the honey processing plant



INVESTMENT



6 new trucks for hauling products

# FACT CHECKING OUR IMPACT – 5 BY THE NUMBERS

COMACO’s impact on conservation is through its influence of new skills and premium markets on farmers’ livelihoods that help shape environmental outcomes. This influence extends to community leaders and their role in molding community norms for safeguarding local resources. Tracking environmental trends that correlate with behavior change is at the core of what we monitor to assess COMACO’s impact. Our own Monitoring and Evaluation Unit provides this internal audit function and commonly works with third parties to validate our results. Our impact delivery for 2020 is summarized below:

**Farmer level:**  
 225,929 farmers have signed a conservation pledge and joined a local cooperative.  
 Annual household income up by 2.3%, food security up by 1.4%.  
 76% farmers complying with sustainable, eco-agricultural practices, covering 168,800 ha.  
 41,768 tons of carbon retained in farm soils from these practices.  
 85,455 farmers planted 47 million *Gliricidia sepium* tree seedlings on cropland.  
 90,749 households using fuel-efficient cookstoves burning mostly *Gliricidia* offcuts.  
 Nutrient levels in crops grown with *Gliricidia* significantly higher than without.

**Community level:**  
 52 Community Conservation Plans certified with regulations protecting local resources.  
 53 violations to the plans tried in local courts and punishment given by local chiefs.  
 44 cooperatives monitoring farmer compliance and earning credits for soil carbon.



225,929 farmers signed a conservation pledge



Food security increased 1.4%




Household income increased 2.3%



**COMMUNITY**  52 community conservation plans certified

**Conservation:**  
 Use of fuel-efficient cookstoves saving as many as 2.3 million trees annually.  
 58 poachers transformed, for a total of 1,731 reformed.  
 Incidence of fires reduced by 3.6%  
 1.54 million hectares of 54 community conservation areas under local protection.  
 Wildlife recovering in 2 of these areas based on local household SMS survey.



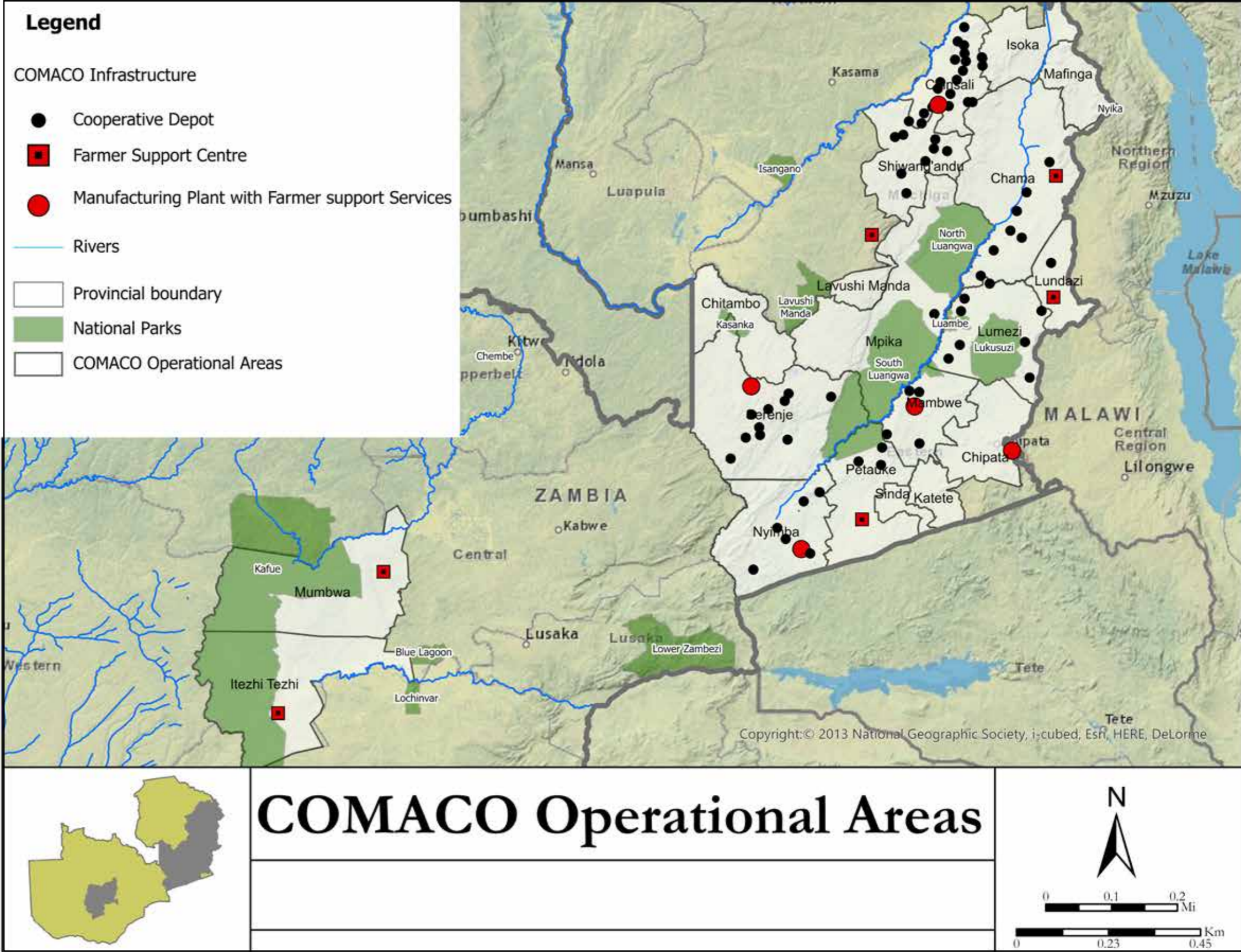
**CONSERVATION**  90,749 households use fuel efficient cooking stoves



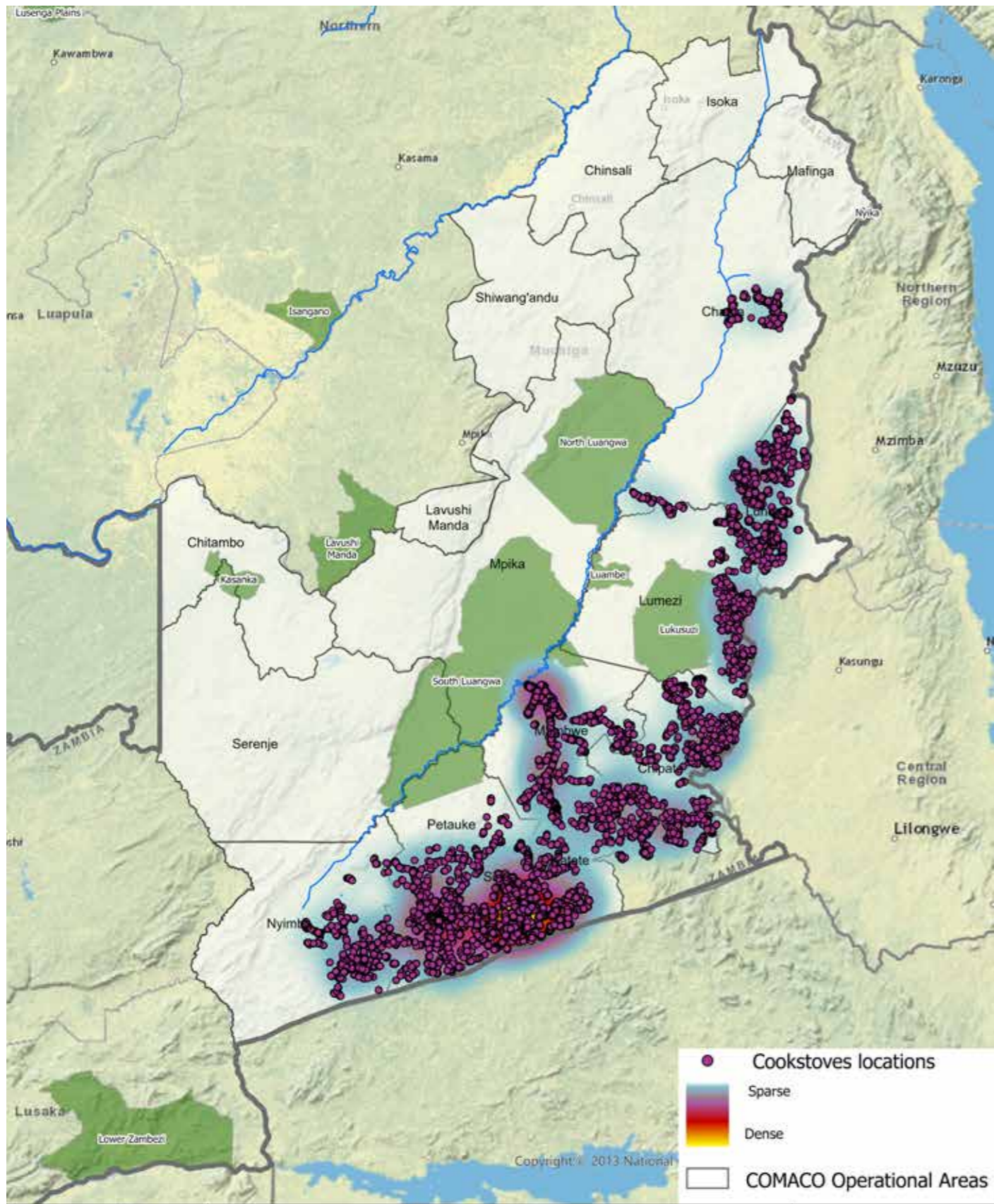
**FARMERS**  47 million *Gliricidia sepium* trees planted

# MAPPING IMPACT ACROSS AN ECOSYSTEM

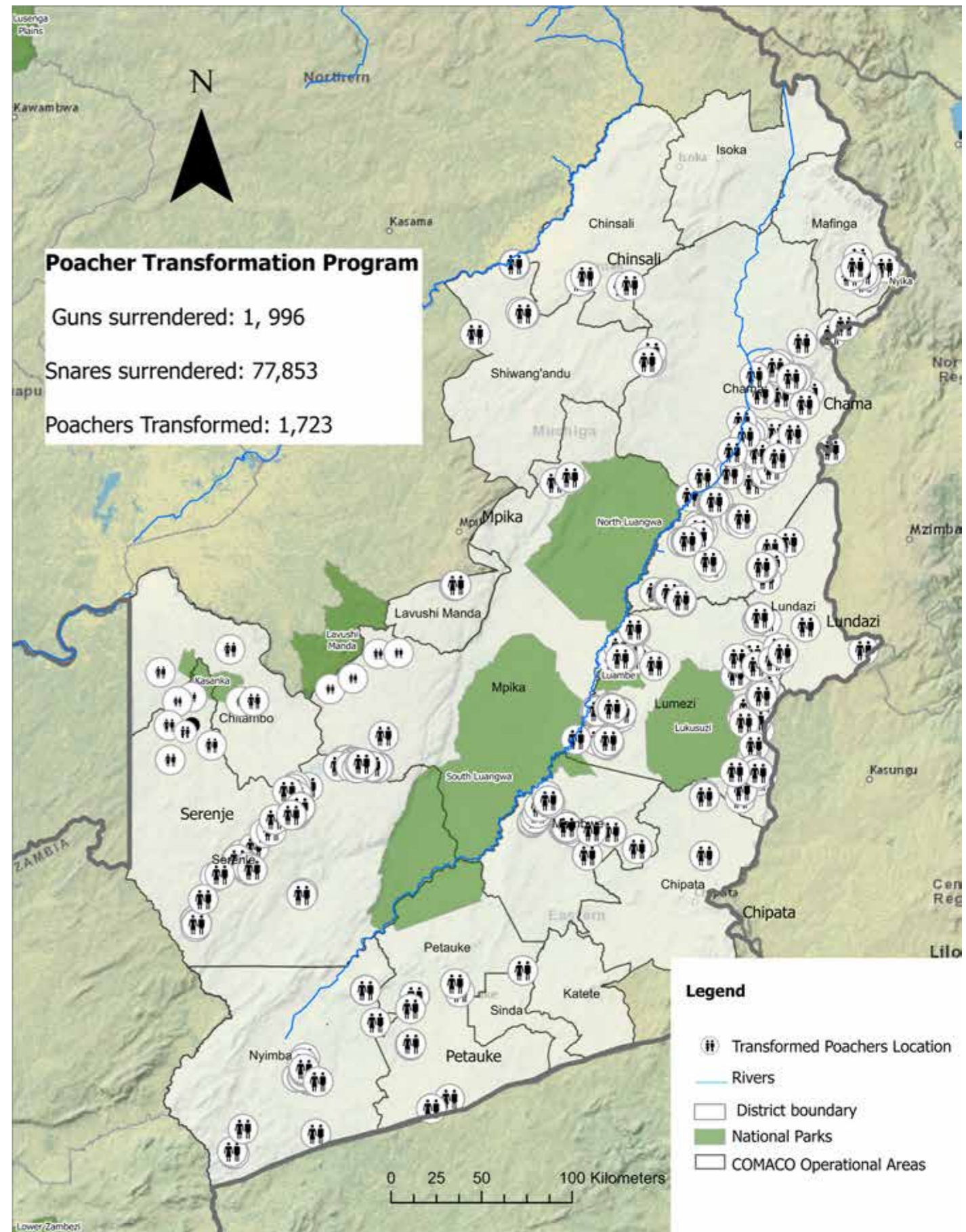
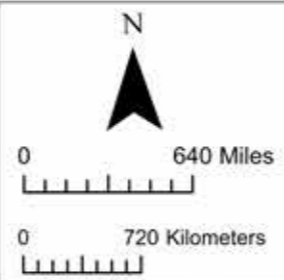
COMACO was designed to work on a landscape scale and we chose the Luangwa Valley ecosystem to develop and test its approach. Spanning over 105,000 km<sup>2</sup>, this landscape supports one of Africa's richest wildlife populations, a vast watershed that drains into the Luangwa River, and over 400,000 small-scale farmers who extract from it as do a growing number of commercial interests populating the landscape. As custodians of the land, local farming communities, presided by their local chief, hold the key to Luangwa Valley's future. Efforts by COMACO are helping to shape this future. Maps and the use of spatial data to inform and plan better decisions for conservation have become an essential tool for our work.



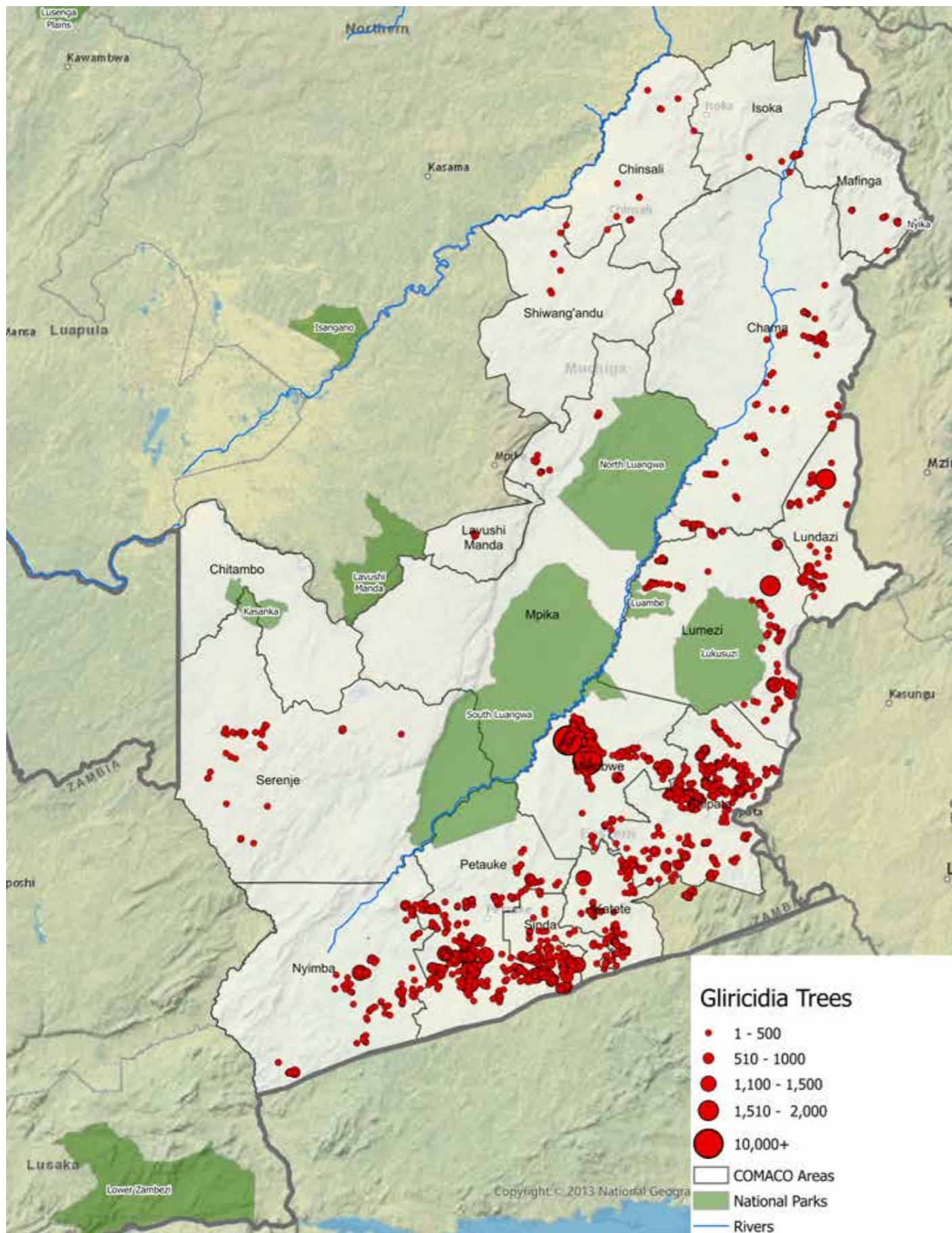




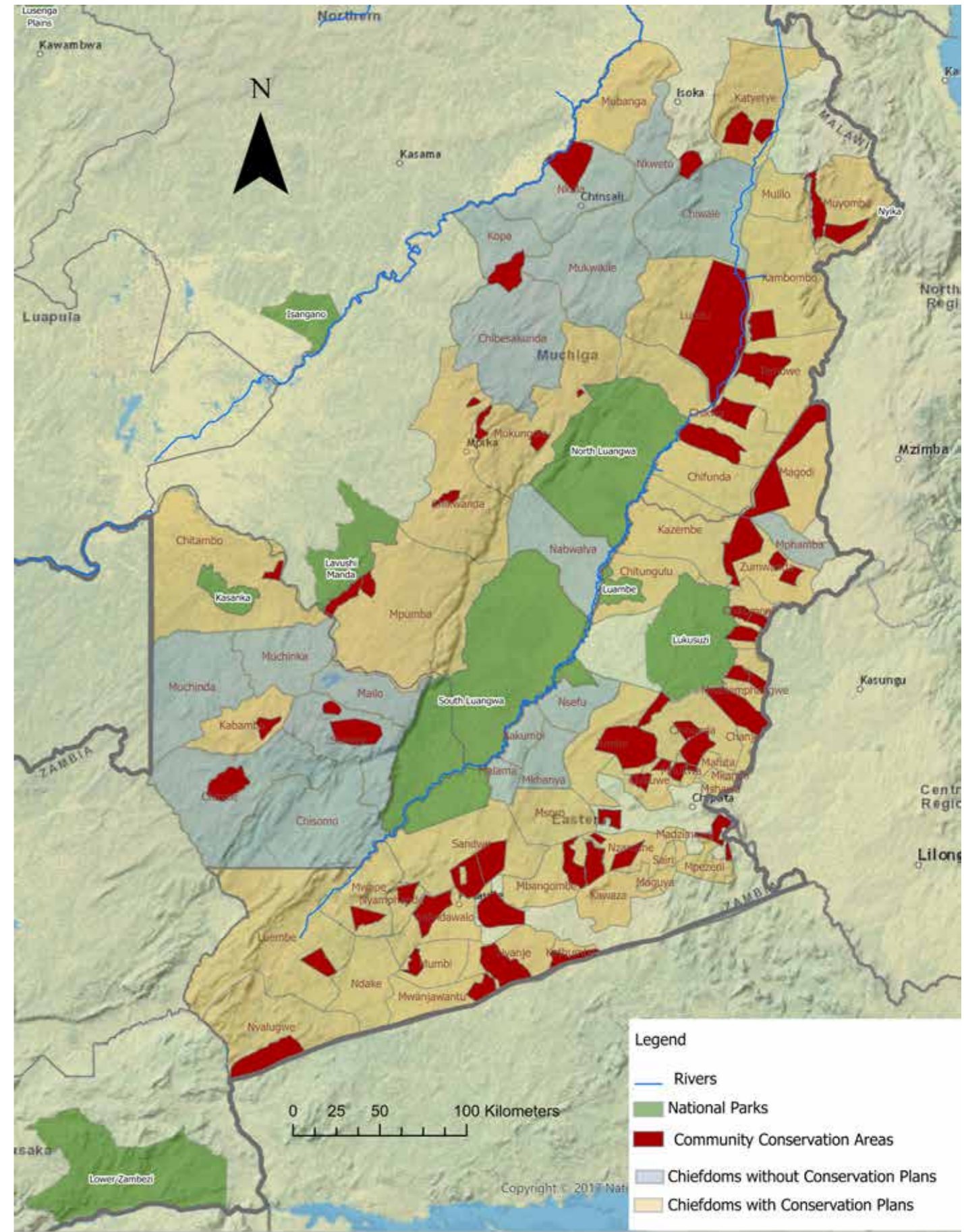
## Cookstove Distribution



## Transformed Poachers Locations



Farm plots with Gliricidia Trees

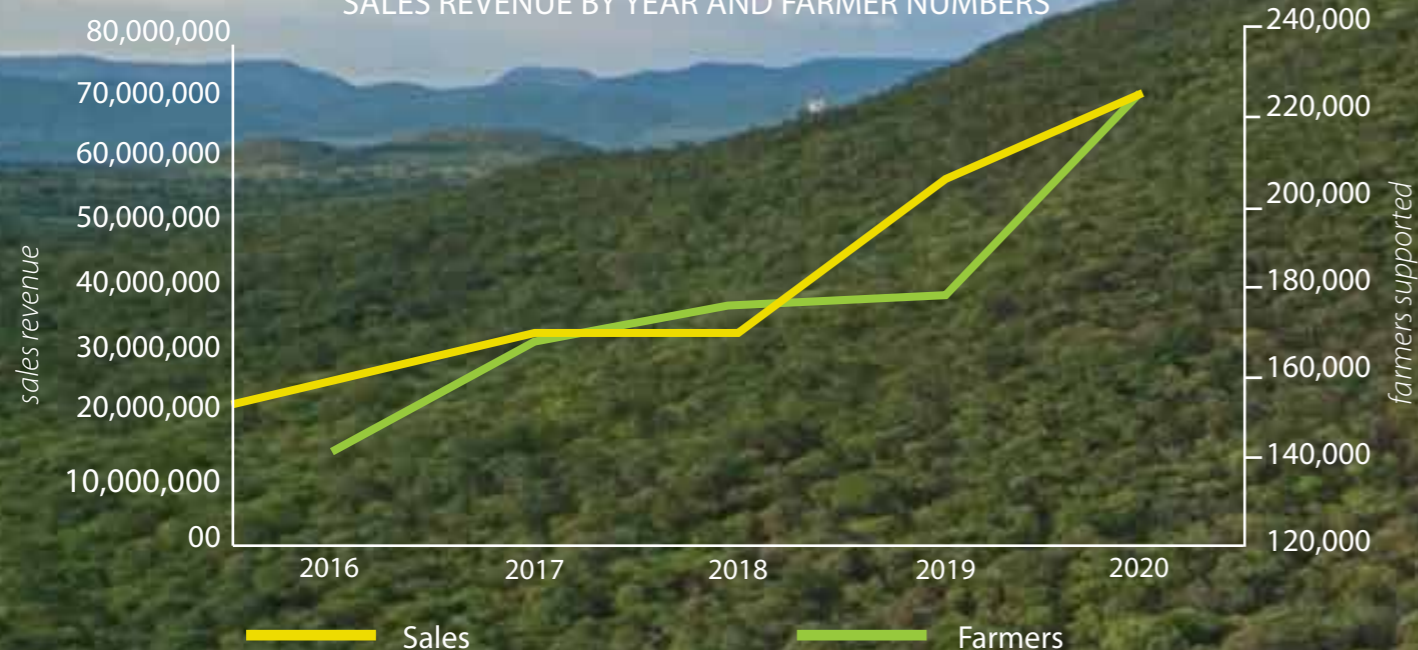


Community Conservation Areas and Status of Conservation Plans

# FINANCIAL STATEMENTS

## 1 JAN 2020 TO 31 DEC 2020

SALES REVENUE BY YEAR AND FARMER NUMBERS



STATEMENT OF COMPREHENSIVE INCOME IN ZMK

INCOME	FY20	FY19
<b>Programme Operations</b>		
Operating Grants	76 723 129,00	49,104,914.00
Capital Grants	11 332 266,00	19 371 039,00
<b>Total Grant Income</b>	<b>88 055 395,00</b>	<b>68 475 953,00</b>
<b>Programme Costs</b>		
Programmes & Services	38 917 037,49	31 950 099,00
Programme Staff Costs	16 862 028,51	15 381 669,80
<b>Total Programme Costs</b>	<b>55 779 066,00</b>	<b>47 331 768,00</b>
<b>Net Surplus</b>	<b>32 276 329,00</b>	<b>21 144 185,00</b>
<b>Business Operations</b>		
Sales Revenue	69 429 789,00	56 863 047,00
Cost of Sales	50 601 031,00	39 587 902,00
<b>Gross Profit</b>	<b>18 828 758,00</b>	<b>17 275 145,00</b>
Selling & Distribution Costs	5 141 998,00	5 237 738,00
Operating Costs	9 777 451,00	4 007 927,00
General & Administrative Costs	17 671 124,00	14 246 020,00
<b>Total Expenditure</b>	<b>32 590 573,00</b>	<b>23 491 685,00</b>

Net Profit Before Tax	(13 761 815,00)	(5 090 819,00)
Tax Expense	30 047,00	56 444,00
Net Profit After Tax Expense	(13 791 862,00)	(6 272 984,00)
Total Comprehensive Income for the Year	18 484 467,00	14 871 201,00

STATEMENT OF FINANCIAL POSITION

Assets	FY20	FY19
Non-current Assets	41 796 818,00	26 377 822,00
Current Assets	149 228 521,00	69 349 316,00
<b>Total Assets</b>	<b>191 025 339,00</b>	<b>95 727 138,00</b>
<b>Liabilities</b>		
Non-current Liabilities	64 325 478,49	22 523 770,00
Current Liabilities	36 865 631,51	28 063 801,00
<b>Total Liabilities</b>	<b>101 191 100,00</b>	<b>50 587 571,00</b>
<b>Net Assets</b>	<b>89 834 229,00</b>	<b>45 139 567,00</b>
<b>Funds</b>		
Accumulated Funds	41 590 633,00	23 106 166,00
Restricted Funds	48 243 596,00	22 033 401,00
<b>Total Funds</b>	<b>89 834 229,00</b>	<b>45 139 567,00</b>

STATEMENT OF CASHFLOWS

Cashflow from Operating Activities	22 008 170,00	19 023 267,00
Cashflow from investing Activities	(41 796 818,00)	(26 377 822,00)
Cashflow from Financing Activities	116 964 615,00	44 776 905,00
<b>Change in Cash &amp; Cash Equivalents</b>	<b>97 175 967,00</b>	<b>37 422 350,00</b>
<b>Cash and Bank Balances</b>		
Restricted Cash Balances	48 243 596,00	22 033 401,00
Unrestricted Cash & Bank Balances	48 932 372,00	15 388 949,00
<b>Total Cash &amp; Bank Balances</b>	<b>97 175 968,00</b>	<b>37 422 350,00</b>

Accounts audited by HLB Zambia, a member of HLB International



*Gliricidia – from nursery to farm plot.*



*Chemical-free, using Gliricidia instead.*



*Creating more space for trees and wildlife*



*Grading for premium quality and markets*



*Turning groundnut shells into renewable energy*



*Simply the best tasting peanut butter in the world!*



*Chipata manufacturing hub*

COMACO can be your call to action. Help us reach more farmers who can make conservation happen. Support schools with honey farms. Turn poachers into farmers. Replace chemical fertilizers with trees. Create products for better nutrition. Reward communities that keep forests and wildlife safe. There is so much we can do together but it takes support.

To enquire, learn about COMACO, get involved or help, check out our website or follow us:



@comaco\_zambia



COMACOfZambia



@COMACO\_zambia



COMACO@itswild.org

[www.itswild.org](http://www.itswild.org)

