

Coffee Initiative

Brewing Prosperity in East Africa



More than 5 million farmers across East Africa grow coffee, but because of the small size of the farms, low yields, and low prices that are common in the region, most of these farmers have lived in poverty. In 2008, TechnoServe and the Bill & Melinda Gates Foundation launched the Coffee Initiative to help coffee farmers in Ethiopia, Kenya, Rwanda and Tanzania improve their livelihoods and lift their families out of poverty. Over seven years, the project helped to bring lasting change to the region's coffee sector: boosting production and incomes for more than a quarter-million farmers, improving coffee processing and sales at hundreds of coffee cooperatives, and spurring long-term investment in the industry.

THE COFFEE INITIATIVE APPROACH

To catalyze these changes, the Coffee Initiative worked across each level of the value chain.

Agriculture: TechnoServe staff provided training on good agricultural practices to 139,609 farmers across four countries. As a result of implementing these techniques, farmers increased their average yields by 38 percent – with that number expected to rise as longer-term investments on the farm begin to bear fruit.

Cooperative processing and management: To unlock the quality of their coffee and earn a price premium, farmers need access to the right processing facilities. The Coffee Initiative helped cooperatives to establish 195 new wet mills to process coffee and improve operations at 145 existing wet mills. Support included technical training on mill operation and quality control, as well as business training to help the wet mills be financially sustainable.

The coffee ecosystem: To be viable businesses, cooperatives need access to capital expenditure loans, working capital, professional services and connections to buyers. The Coffee Initiative worked with banks, exporters and other market actors to build sustainable commercial relationships with cooperatives. As a result, cooperatives were able to access more than \$21 million of financing and earn an average price increase of \$1.54 for each kilogram of coffee they sold.



Joseph and Pauline Langat are growing healthier and more productive coffee trees in the highlands of Kenya's Great Rift Valley.

IMPACT OF THE COFFEE INITIATIVE

The project directly benefited 267,987 coffee farmers. The farmers' coffee income increased by an average of 27 percent.

OUR IMPACT BY COUNTRY

	BENEFICIARIES	AVERAGE COFFEE INCOME INCREASE ¹
Ethiopia	160,524 	21%
Kenya	52,565 	26%
Rwanda	32,923 	62%
Tanzania	22,275 	13%

¹Coffee incomes will increase in future years as the adoption of agronomy best practices impact coffee tree production.

LONG-TERM SUSTAINABILITY

Spurred by the success of the Coffee Initiative, international coffee roasters and local governments have invested more than \$25 million in partnerships to further improve the region's coffee sector. Additionally, many of the approaches developed by the Coffee Initiative – such as the use of business advisors to support the managers of coffee cooperatives – have now been adopted by local coffee exporters and banks in the region.

The new commercial links, business practices and agricultural techniques catalyzed by the Coffee Initiative continue to benefit farmers. In 2015, TechnoServe commissioned an independent study to revisit cooperatives where project support had ended in 2012, in order to measure the initiative's lasting impact. The report concluded: "The overall conclusion from the data is that the gains recorded at the end line survey by TechnoServe have been maintained over the last three seasons and that this premium is nearly double the \$0.53 per kilogram reported at the endline in 2012."

"Entire coffee regions in East Africa that were largely ignored by specialty buyers prior to interventions by organizations like TechnoServe have now become highly sought-after sources of spectacular quality. The potential had been there all along, but was unrealized because some basic infrastructure was lacking and farmers did not have good access to knowledge or training. The coffees were mediocre at best, without much value. Today, these farmers are producing some of the world's most exciting and delicious coffees and have successfully connected with the specialty marketplace."

–Geoff Watts, Intelligentsia Coffee

ATHANASIE'S STORY

When Athanasie Musabyimana gave birth to her daughter in a Tanzanian refugee camp, she named her Nzamwitakuze: "I will give you a name if you survive." It was 1994, and Athanasie, her husband, and young son had just fled the genocidal violence in their native Rwanda. We were packed together like blades of grass," she said.

Two years later, with the return of peace to Rwanda, the growing family was able to go back to its small coffee farm in the eastern part of the country. However, shortly thereafter, Athanasie's husband died of malaria, leaving her alone to tend to the farm, her two young children, and her aging parents. In 2006, with low coffee yields and prices, she earned just \$160.

With support from the Coffee Initiative, however, both improved. TechnoServe helped her local cooperative, COCAMU, to build a wet mill in 2007, and the Coffee Initiative supported COCAMU to bolster its operations. The cooperative's improved coffee was sought after by roasters and COCAMU earned a premium that benefited farmers like Athanasie.

In 2009, Athanasie enrolled in training from the Farm College, hoping to boost the productivity of her 634 coffee trees. "I learned better composting, better pruning, and how to use NPK fertilizer for coffee. But what I really learned was how to rejuvenate my trees," she said. Between 2008 and 2010, her trees' productivity increased by more than 50 percent, as did her coffee income. The following year, she used the extra money to purchase more land and plant an additional 700 coffee trees.

Now, those new trees are producing coffee cherries, and Athanasie's coffee income grew to more than \$430 in 2015. Athanasie has been able to purchase health insurance for her extended family and acquire more land, where she is growing maize to provide the household with greater food security and a diversified source of income. She has plans to renovate her house and, most importantly to her, she has been able to pay the school fees for her children. Nzamwitakuze, who Athanasie had once feared might not even survive, has recently completed the first stage of secondary school – thanks to coffee.



Athanasie Musabyimana (right) with her daughters.

HEADQUARTERS

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