

The Lasting Impact of TechnoServe's Work with Coffee Farmers



For 50 years, TechnoServe has been providing business solutions to poverty. It is essential that these solutions last long after TechnoServe's work ends, and our approach reflects that: as we link people in the developing world to information, capital and markets, they gain the tools they need to raise their incomes and to lift themselves out of poverty for the long-term.

In 2016, we sought to understand just how lasting the impact of TechnoServe's work is. Thanks to a grant from the Goldsmith Foundation, TechnoServe commissioned an external "ex-post evaluation" of a project completed five years earlier to improve the livelihoods of coffee farmers in Rwanda and Ethiopia¹. When that work ended in 2011, the data showed significant income gains for the farmers due to improved yields and the better prices they received for their coffee. This ex-post evaluation sought to answer the question of whether those gains persisted five years after the project ended. The results were strongly positive: the income-enhancing improvements to smallholder farmers' agricultural practices and the prices they obtained were sustained years after the project's completion.

IMPROVING THE LIVELIHOODS OF SMALLHOLDER FARMERS

TechnoServe relied on two primary levers to boost the income of coffee farmers:

- **Productivity:** providing agronomy training to the farmers so that they could increase their yields, and
- **Price:** helping farmers to establish or improve cooperative wet mills, which improves the quality of the coffee, thereby allowing them to earn a higher price for it.

At the conclusion of the project five years ago, this approach was found to have had significant success. Participating farmers in Rwanda saw their coffee incomes increase by an average of 62 percent, while those in Ethiopia experienced an average income increase of 21 percent.

In 2016, the evaluation firm tested whether farmers were still using the improved farming practices they had learned through



the project and whether wet mills were still paying farmers a price premium for their coffee, critical questions that tell us if the improvements in farmer incomes have persisted during the five years since TechnoServe stopped working with them.

SUSTAINED IMPACT ON FARMING PRACTICES

Through its "Farm College" curriculum, TechnoServe provided training to smallholder coffee growers on a series of low-cost, climate-smart best practices. These practices were selected because they are simple and cost-effective for farmers to implement, and because they have meaningful effects on increasing yields. A previous evaluation in Rwanda found that the adoption of these best practices led to an average yield increase of between 58 and 75 percent.²

However, only 45 percent of farmers surveyed in Rwanda were using half or more of these best practices before participating in the project. By the time their participation in the project ended in 2011, that share had risen to 97 percent, a clear demonstration of the training program's effectiveness in changing behaviors.

1. This work was carried out as part of the Coffee Initiative, funded by the Bill & Melinda Gates Foundation and implemented by TechnoServe in two phases between 2008 and 2015. This evaluation reviews work completed in 2011.
2. The full report is available at technoserve.org/coffee-yields

In 2016, external evaluators traveled to the same region of Rwanda to visit farmers who had participated in the project. This evaluation found that 78 percent of the farmers were still using at least half of the best practices. This shows that even five years after completing training, most farmers continue to use the techniques they learned in the program.

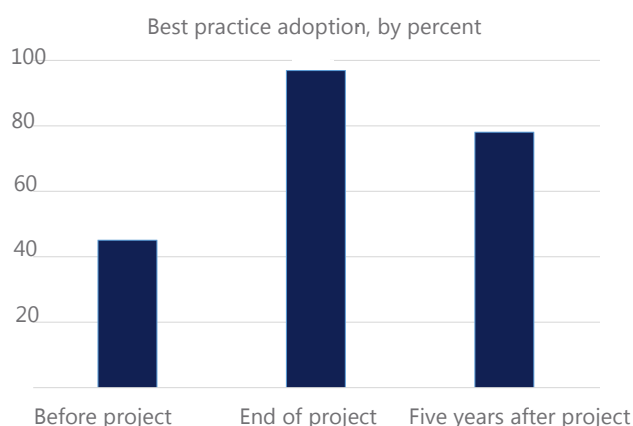


Figure One. Percentage of farmers adopting at least half of the best practices taught by the Coffee Initiative.

“The evidence from the survey confirms that the substantial yield gains documented at the end of the project have remained for most farmers five years later.”

Evaluation of the TechnoServe East Africa Coffee Initiative, IPE Triple Line, 2017

SUSTAINED IMPACT ON COFFEE PRICES

Through the project, TechnoServe worked with farmers to establish or improve cooperatively-owned wet mills. These low-tech processing facilities improve the quality of the coffee, which then earns a price premium that is passed on to farmers. Over two years, TechnoServe provided each wet mill with technical support to improve the quality of its coffee as well as managerial training to ensure that it could function as a profitable business.

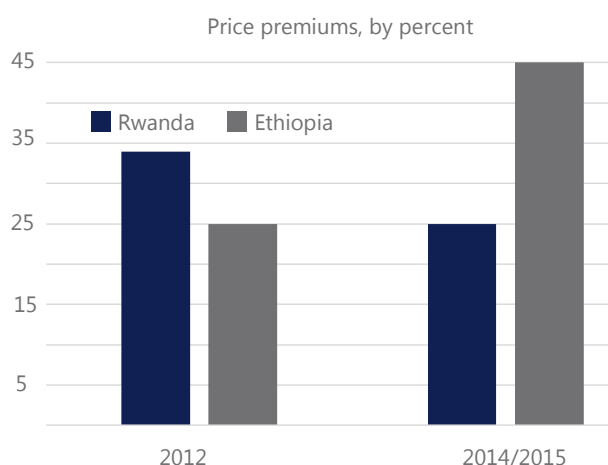


Figure Two. Premium by percentage paid to farmers by wet mills that had received TechnoServe technical assistance, above local unwashed/semi-washed coffee prices.

EVALUATION METHODOLOGY

This evaluation was carried out by IPE Triple Line. To measure the lasting impact of the agronomy training program, the evaluators drew a random sample of 620 farmers who had participated in the project. Rather than rely on interviews to measure best-practice adoption, the evaluators visited each farm and tabulated adoption based on first-hand observation. To calculate the price premium offered by wet mills, IPE Triple Line reviewed the financial data from each of the cooperatives that received TechnoServe support as part of the 2010 cohort, as well as published data on the prices paid to farmers for semi-washed coffee in Rwanda and sun-dried coffee in Ethiopia.

In 2012, after completing the program, the wet mills in Rwanda paid an average premium of 34 percent above the semi-washed coffee price. In 2015, farmers still received a premium, though it declined to 25 percent due to the maturation of Rwanda’s premium coffee sector and rising operating costs at some cooperatives. In Ethiopia, the price premium paid by wet mills grew from 25 percent at the end of the project to 45 percent in 2014—the last year for which data is available—reflecting a growing demand for high-quality, washed coffee.

In addition to its finding that wet mills continued to provide farmers with a price premium years after completing the program, the evaluation also found that the wet mills continued to be viable businesses. In Rwanda, for example, 90 percent of the wet mills remained in operation three years after completing the program.

“The TechnoServe model has contributed to a significant change [in Rwanda]. There has been a rapid growth in the proportion of coffee that is going through the wet mills, increasing from virtually nil in 2004 to over 40 percent in 2014 .”

Evaluation of the TechnoServe East Africa Coffee Initiative, IPE Triple Line, 2017

Because farmers continue to use yield-enhancing best practices and receive a price premium from wet mills, the evaluation firm is confident that they also continue to enjoy improved incomes, five years after their participation in the project. At TechnoServe, we are pleased to receive such strong evidence that this work met our commitment to lasting impact.

Read the full report at technoserve.org/coffee-impact.