

# USADF BRINGS HOPE TO FARMERS OF RWANDARO COFFEE FARMERS COOPERATIVE SOCIETY LTD

## Background

Rwandaro Coffee Farmers Cooperative Society Ltd. is a rural producer organization of 687 farmers whose *mission* is to promote members' livelihood and household income through improved farming practices, marketing, crop financing, bulking and export. The cooperative which was founded as a Farmers Group in 2016 is now permanently registered as a cooperative under the laws of Uganda. Its production area is located in Rubirizi District, neighbouring with the Queen Elizabeth National Park at the edge of Western Rift Valley, South Western Uganda. The Cooperative produces both Arabica and Robusta Coffees on well distributed fertile volcanic hills and sharp valleys where farmer members derive their livelihood. Here is a map of individual members' geographical locations:

[https://www.google.com/maps/d/edit?mid=119AyJDmrQ\\_vUyaTNvSwI52\\_rVhIf5uee&ll=0.2710132234938628%2C30.08508167000001&z=13](https://www.google.com/maps/d/edit?mid=119AyJDmrQ_vUyaTNvSwI52_rVhIf5uee&ll=0.2710132234938628%2C30.08508167000001&z=13)

## The Challenge

Whereas the cooperative produces the biggest volume of both Arabica and Robusta coffee in the district with good cupping scores (at an average cupping score of 84%), its coffee production and quality are constrained by the limited technology used in processing dry cherries as well as parchment. Since inception, the cooperative has been using a low-performance old coffee huller which compromises production speed as well as the quality of the product and henceforth, fetching a lower price in the market. Not only does the machine delay farmers to process coffee and get money, but the processed coffee comes out with broken beans and waste material, leading to low coffee out-turn. Once the quality is compromised, buyers will either buy this coffee cheaply, or will not buy it at all.

Furthermore, due to inadequate working capital to purchase farmers' coffee throughout the coffee season, the cooperative is only able to buy a small fraction of the total farmers' produce. The remaining balance is left to middlemen who pay meager prices to farmers. As a result, coffee farmers suffer income losses. Not only are the farmers frustrated and demoralized, but this has a huge general negative impact on their livelihood and coffee production in general.

## USADF brings hope

In 2022, the cooperative received a grant of UGX 870,053,200 from the United States African Development Foundation (USADF) to improve the standard of living and economic welfare of farmers. Among others, the grant is being used to upgrade the coffee factory, purchase and install a complete coffee processing plant, improve management, financial, and institutional capacity through provision of working capital, financial systems upgrade as well as training in Cooperative Governance and Financial Management.

### 0.1 Coffee factory upgrade

With support from USADF, the cooperative is expanding the working area and strengthening the floor of an older factory to accommodate a new coffee processing plant. Once completed, it will house a complete coffee grading equipment that will produce high quality export grade coffee and yield higher revenues for the farmers.



Figure 1: Construction of a modern factory nearing completion

## 0.2 Purchase and installation of a complete coffee processing plant

The new equipment which includes bucket elevators, pre-cleaners, huller, destoners, size grader, gravity separator, holding bins and silos are being fabricated and will be installed by November 2023. The equipment will enable the cooperative to realize an increase in volumes of high-quality coffee which will attract better prices from buyers, a factor that will boost earnings and improve farmers' livelihood. This will increase per capita income of farmers as a result of selling better quality coffee collectively at higher prices. Increased earnings will be a big pull factor to coffee production and productivity. Farmers will produce more good quality coffee as a result of motivation from increased earnings, affordability to procure extension services and good quality agricultural inputs.

## 0.3 Website

With support from USADF, the cooperative has established a digital presence through creation of a Website ([www.rwandarocoffee.com](http://www.rwandarocoffee.com)). This is enabling the society to gain more international market exposure and help buyers learn about the organization's business, farmers, and quality of coffee being produced.



Latest score at a cupping evaluation conducted in July 2023 by Sustainable Harvest on behalf of Ethos Agriculture



*Figure 2: Some of the furniture and computers purchased from the grant*

#### **0.4 Office furniture and computers**

The grant supported the cooperative to procure office furniture and computers to provide a conducive working environment. This has enabled the cooperative to work more efficiently; implementing activities and reporting in time.

#### **0.5 Establishing a crop finance fund**

To address the challenge of limited working capital, the grant provided a crop finance fund of UGX 97,500,000, which was used to buy 48,500Kgs of fresh red cherries. Some of this coffee is part of the coffee that was exported to The Netherlands in July 2023 as green bean. The fund has enabled the cooperative to generate considerable volumes to venture into the export market, a factor that will further boost farmers' earnings.



*Figure 3: Buying of coffee using crop finance at one of the collection centers after hand sorting*

**The cooperative highly appreciates the support received from USADF**

*End*