Linking family farms to markets

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PRESENTATION

ECOM EAST AFRICA

By

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ECOM EAST AFRICA

Presented by Kamau Kuria
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ECOM East Africa...

• Our supply chain is dominated and governed 100% by farmer groups. “Supporting farmers is in our genetics”.

• Work with 300,000 farmers in the Region.

• Access 15,000 MT of coffee annually.

• Financing & marketing coffee for over 210 smallholder farmer groups in the region.

• 120 different certification standards supply chains.

• Increased market access for farmers by direct exports and auction sales.
Ecom Theory of Change

Objectives

- Higher yields & quality
- Higher income
- Improved farmer livelihood

Services

- Ecom
- Ecom Group of Companies
- Farmer

Key drivers

- One-stop solution
- Need-based approach

- Farm Management
- Pre-financing Coffee Production
- Coffee Processing
- Market Linkage
- Price Risk Management
- Accountancy Services
- Offer Competitively Priced Authentic Agro-inputs
- Certification Compliance- Utz, RFA, 4C, FLO, Café Practices & Organic.
- Project Management
- Environmental Audits
Where we are....

Kenya

- Ecom has 3 drymills in the Kenya
- 7hr/ton mill in Karatina
- 2hr/ton in Eldoret
- 7hr/ton in Thika

We are well spread out in the coffee growing areas to serve both the east and west of the great rift valley.

Uganda

- Both Robusta and Arabica coffee
  - Robusta to the East
  - Arabica to the West
- 5 wetmills
- 1 drymill warehouse
- 2 Robusta processing units

Rwanda

- Our operations in Rwanda are focused mostly in the West where most of the specialty coffee is grown.
- 14 Wetmills
- 1 drymill and warehouse

Tanzania

- ECOM Tanzania Currently works across Tanzania:
- In the North, the South and the West. We focus where coffee makes geographic and economic sense.
- 41 wetmills
- 2 drymills
- 2 warehouses
Farmer Support Model

Surrounding Our Farmers with technical Support through Participation. Transforming co-operatives into sustainable business hubs. Ensuring Continuous Improvement
ECOM Partners and Partnerships

Ecom Public Partners

IFC - International Finance Corporation
Hivos - people unlimited
Bill & Melinda Gates Foundation
KFW
Solidaridad
Eastern & Central Africa Expertise Centre

Ecom Private Partners

Nestle
Starbucks
Tchibo
FAIRTRADE INTERNATIONAL
UTZ Certified
Rainforest Alliance Certified

PRODUCER COOPERATIVES

AGRA - Growing Africa’s Agriculture
SNV
Harambee
Niche Market Linkage

ACCESS TO MARKET

- Improved Agricultural and Processing practices
- Improved productivity, quality and product differentiation
- Better prices, Certification premium, Improved household incomes
- Improved social, economic and environmental conditions
- Sustainable business model

Happy Farmers

Certified logos:
Scalability and Sustainability

Coffee Farmers

- Poor GAPs skills
- Inadequate extension services
- Need for Certification
- Food Insecurity
- Climate Change Effects
- Poor Governance
- Lack of Finance

In the long term, farmers are able to reinvest to close the gaps

Global Market

- Linkages
- Relationships
- Sustainable coffee
- Quality & quantity

Coffee Farmers
ECOM - NESTLE CREATING SHARED VALUE INITIATIVE

Problem Statement:
- Declining Farm Productivity
- Lack of Extension Services
- Inadequate Agronomical Knowledge in Youths
- Poor Access to Finance
- Climate Change and Emerging Market Demands

The Two Pillar Concept:
- Pillar 1: Farmers Connect
- Pillar 2: Kenya Plant Expertise and Provision

Creating Shared Value Concept

The Engagement:
- Farmers training (GAPS & GPPS)
- Training on Governance
- 4C verification
- Competitively priced Agro-inputs
- Demo plots
- Soil analysis
- Nursery and seedling provision

41,770 farmers

Improved Productivity and quality:
- Production of cherry rose to 14,175,058 kg 2013/14 from 4,847,526 kg at project inception.
- 16% more premium grades being registered from the units translating to improved income to farmers.
- On average, the three year production for the CSV increase is 83% up.
- One Unit Barichu had a 6 times increase from historical averages in 2013/14

Scaling up and market linkages

Access to Niche Market (Nestke)

Sustainability - promoter farmers model

More income to farmers

Community Projects - Coffee Aroma Scholarship
### 4S@Scale (Sustainable, Secure Smallholders at Scale)

- **Partners:** Dutch Government, Hivos
- **Targets:** 90,000 farmers (60,000 KE, 30,000 UG, 10,000 TZ)
- **Components:** GAPS, Dairy, Biogas, Gender
- **Duration:** 5 years (2013 – 2018)
- **Results:**
  - 144 promoter farmers trained on GAPS (38 female)
  - 5184 farmers reached through promoter farmer to farmer farm visits (1274 women and 58 youth)
  - 51 cooperative society board members were trained on GAPS
  - 4 tree and coffee nurseries established
  - Milk cooler worth KShs. 5 Mil bought through support of the county government
  - Plant collecting 130 liters of milk per day.
  - 59 promoter farmers, 532 farmers were trained in Dairy production
  - 53 farmers received credit amounting to KShs. 4.6Mil for purchase of dairy cows.

### FOSEK

- **Partners:** Dutch Government, Solidaridad
- **Targets:** 40,000 farmers (KE)
- **Components:** GAPS, Nursery establishment for coffee & food crops training, Market linkages
- **Duration:** 7 years (2013 – 2020)
- **Results:**
  - 14688 farmers trained in GAPS and agri-nutrition
  - 150 TOTs trained in GAPS and agri-nutrition
  - 179 TOTs trained in food crops
  - 250 fuel efficient cook stoves distributed to farmers

### CPT Coffee Partnership for Tanzania

- **Partners:** Bill & Melinda Gates Foundation, KFW, Solidaridad, Hivos
- **Targets:** 40,000 farmers (TZ)
- **Components:** GAPS, Nursery establishment, CPU installation, diversification, gender
- **Duration:** 4 years (2012-2016)
- **Results:**
  - 41,223 farmers trained
  - 80% adoption of GAPS
  - 50% increase in yield realised
  - 2500 received input finance
  - USD 7.5 Million input and harvest finance extended to farmer groups
  - 22 nurseries established
  - 268,912 seedlings distributed to farmers
  - 31,170 farmers are organized in registered producer organizations
  - 29,450 supported towards RFA, 4C and CP certification
  - 76 wetmills installed
  - Female participation stands at 25%
Policy Challenges - Kenya

- Lack of Clear Coffee Policy on Production Processing and Marketing
- Legal Reforms - Mostly not informed on solid agreed Coffee Policy that are detrimental to private investments
- Conflict of Policies between National and County governments
- Taxation Policies - VAT unclear – Increases cost
- Co-operative Movement by-laws that require changing of service providers annually cause instability and lack of stable medium term supply agreements.
Policy Challenges Cont’d

• Inadequate Extension Services from County Government
• Poor enforcement of Regulatory functions by those concerned leading to confusion.
• Ever changing regulatory policy that are barriers to investment
• Judicial processes take too long and this can discourage potential investments.