

Longitudinal case study – KOAKAKA
Koperative y’ abahinzi ba Kawa Karaba
‘The Co-operative of Coffee Growers of Karaba’



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Longitudinal Case Study Research

Shared Interest Society is an ethical investment organisation offering fair finance to producers worldwide. Our model enables 11,300 individuals to come together and make a positive difference by contributing to social change. These members pool their funds and make a much larger impact than they would be able to achieve individually. Last year, these combined investments totalled £52.3m and this enabled us to make payments totalling £51.9m to 204 organisations in 45 countries, improving the livelihoods of 388,320 farmers and artisans in some of the world's most disadvantaged communities.

In 2004, Shared Interest Society established a subsidiary, Shared Interest Foundation. The charity delivers technical assistance, business support and climate change mitigation projects to small-scale producer organisations and community groups across Africa and Latin America.

Our mission is 'to provide financial services and business support to make livelihoods and living standards better for people as they trade their way out of poverty. We work collaboratively and innovatively with those who share our commitment to fair and just trade. With a community of investors and the support of our donors and volunteers, we seek to contribute to a world where justice is at the heart of trade finance.'

Our monitoring and evaluation process involves portfolio-wide social and financial due diligence, and case studies of the organisations we support. Our regional teams maintain regular contact with the producers, organise producer committees and surveys and undertake annual reviews.

In 2015, we began to supplement our social and environmental metrics with deeper studies of selected customers and project beneficiaries to evaluate whether and how these businesses support farmer and artisan livelihoods and verify that we are truly reaching underserved businesses.

These case studies are primarily intended to demonstrate two levels of impact: that of our financial support to the producer organisations, and the wider impact on the livelihoods of the smallholder farmers or artisans they serve. We qualitatively describe other types of impact on their communities, as well as on the surrounding environment. Finally, we situate this impact within the broader context of the country and value chain, to illustrate how these businesses, end-buyers and social financiers like Shared Interest work together to grow rural prosperity for smallholder producers and their communities.

These studies enable us to better understand both levels of impact (enterprise-level and household-level) and to provide both Shared Interest and our customers with the information necessary to continuously improve our services.

Background

Agriculture remains the mainstay of most economies in Africa, accounting for 37% of gross domestic product (GDP), nearly 60% of export earnings, and over 76% of employment¹. Over the decades, agricultural value added (adding value to a raw product by taking it to at least the next stage of production) has averaged 17%, growing at a slow rate of 1.4%. This has been driven primarily by low use of modern technologies such as improved crop varieties, fertilisers and other complementary inputs, which in turn is an artefact of limited access to agricultural finance. The direct consequence of low agricultural productivity is the high rates of poverty and malnutrition on the continent.

According to the Integrated Household Living Conditions (EICV) survey², the agricultural sector plays a critical role in supporting Rwanda's economy with 86% of the adult population involved in agriculture whether as its main source of income or employment. Since 2014, agriculture has a growth of 6% and in the last quarter of 2018, it contributed 27% to Rwandan GDP.

Rwanda is a landlocked country; thus, the importation of products such as fertilisers and improved seeds can be costly due to high taxes and transportation fees, making them too expensive via the local market. Another major challenge faced by farmers in Rwanda and Africa as a whole, is the limited access to finance, caused by the following factors: Firstly, there are typically about four to five months between planting and harvesting, during which farmers invest a lot of resources, energy and time. Subsequently, farmers need payment at harvest time, when prices usually decrease due to excess supply. Additionally, a readily available market offering rewarding prices for their crops is not always guaranteed, as intermediaries habitually distort the market by paying the farmers very low prices. Secondly, agriculture commodity buyers (traders, off takers, agro-processors, etc.) often do not have all the required financial resources to purchase the needed raw materials to cover the whole season. Thus, they tend to lower prices to maximise their profits, at the expense of farmers. Lastly, commercial banks perceive agriculture as particularly risky, and smallholder farmers more so. It is estimated that less than 10% of all loans go to the agricultural sector. Compounding this are the lending requirements expected by many financial institutions, such as audited financial statements, sound governance structures, provision of collateral, securities and guarantees which can be quite difficult for farmers to fulfill and/or access (CGAP, 2017)³.

Like many of its East African neighbours, Rwanda began commercially cultivating coffee during European occupation and colonisation when the Belgian colonial government ordered the mass planting of coffee trees. By the 1970s, coffee farming was Rwanda's most important source of income, accounting for more than 70% of the country's export revenues. The global coffee price crisis hit in the early 1990s, followed by the devastating genocide in 1994. By early 2000, it is said that Rwanda did not have a single functioning coffee washing station and farmers were producing semi-processed coffee, which attracted low prices. A decade later, and the Rwandan coffee industry began to recover due to the Government initiated projects, which encouraged Rwandans to grow speciality coffee to revitalised the economy and restore GDP. This enabled Rwanda to access international buyers and create a niche agricultural market.

¹ <https://link.springer.com/content/pdf/10.1007/978-3-030-42148-9.pdf>

² <https://www.statistics.gov.rw/publication/rwanda-household-survey-20192020>

³ <https://www.cgap.org/sites/default/files/publications/Brief-CGAP-Funder-Survey-2017-Jan-2019.pdf>

It was soon discovered that specialty coffee bean pricing generally remained stable, even during general market volatility. This led to the establishment of private and co-operatively-owned coffee washing stations, the replacement of older coffee trees, the adoption of improved production techniques and increased access to finance. In 2004, with the support of USAID (United States Agency for International Development), the first washing station was constructed and a Cup of Excellence auction⁴ was hosted, which established Rwanda as a producer of high-quality coffee.

In 2016, the Rwandan government implemented a 'zoning policy'⁵ in the coffee sector. The scheme run by The National Agriculture Exports Development Board (NAEB)⁶, aimed to better organise the industry, improve quality and traceability of coffee, and cut out intermediaries. The strategy calls upon coffee washing stations and factories to extend their support to farmers in their respective geographical areas, through measures such as promoting fertiliser application, pests and disease control and management, weeding and pruning, as well as teaching proper harvesting techniques. In addition, this strategy contributes to strengthening the relationship between farmers, coffee washing stations and factories.

There is also a higher proportion of female coffee producers in Rwanda when compared with other coffee-growing countries. Sadly, this is a direct impact of the genocide in 1994, which killed many more men than women. This accelerated a change in law that enabled women and children to inherit land and to open bank accounts and gain education. It is also not uncommon to see women in management positions in mills, washing stations and co-operatives.

There are currently 309 coffee washing stations across the country. Rwanda exports most of its semi-washed coffees to Switzerland, and most of the fully washed and higher grades coffees to the US. Other coffees exported from Rwanda are Robusta varieties, roasted coffees, and since recently also natural and honey processed coffees.

Rwandan Coffee

The coffee-export sector now plays a key role in the country's economy, through its contribution to foreign exchange earnings and to the monetisation of the rural economy. Currently, coffee is grown in most provinces of the country on a total area of 42,000 hectares and employs 400,000 smallholder farm families, with the average size of a coffee farm being less than a hectare (around 2.5 acres) containing 200 trees. (Rwandan Development Board 2020)⁷.

Most of the farms or smallholdings in the country are usually situated somewhere between 1200m - 2000m above sea level. This high altitude is perfect for producing high quality coffees that are complex, sweet and distinct.

About 97% of Rwanda's coffee plants are the Arabica varietal, Bourbon, as the country has the ideal conditions due to the rich volcanic soil, rainfall patterns, and moderate temperature. Also cultivated are smaller quantities of the Catuai and Caturra varietals. The local growing season typically begins in either September or October and continues until harvesting takes

⁴ <https://cupofexcellence.org/>

⁵ https://www.environment.gov.rw/fileadmin/user_upload/Moe/Publications/Policies/Revised_National_Land_Policy-Final_Version_2019.pdf

⁶ <https://www.naeb.gov.rw/index.php?id=1>

⁷ <https://rdb.rw/wp-content/uploads/2021/04/2020-RDB-annual-report.pdf>

place between March and July. Within those months, the harvesting tends to peak from May onwards.

Both washed and dry processed coffees start with the same plant but are processed differently. In dry processing, the cherries are dried first before being pulped. Wet processed, or washed coffees are dried after the pulp is removed. When the beans are semi-washed the coffee is classed as 'ordinary' and the fully-washed coffee is called specialty coffee. Washed coffees are usually fermented to loosen any remaining pectin (a soluble fibre (polysaccharide) found inside fruit) before the coffee beans are washed and then dried. Washed coffees are sought after for their transparency, clean and distinct aromas.

KOAKAKA (Koperative y' abahinzi ba Kawa Karaba) (The Co-operative of Coffee Growers of Karaba)

Located in the Southern Province of Rwanda, 150 km from the capital city, Kigali, three coffee farmer associations, operating independently in the Karama, Kinyamakara and Rukondo communities, came together in 1999 with the purpose of strengthening their position in the local coffee sector and increasing their access to international markets. This union was later formalised in 2002 and they named themselves KOAKAKA (Koperative y' abahinzi ba Kawa Karaba) (The Co-operative of Coffee Growers of Karaba).

Starting with 867 farmers, the co-operative now has 1,316 members (297 women) and each farmer must have a minimum of 300 trees to be part of the organisation.



KOAKAKA photograph showing the Karambi Coffee Washing Station

KOAKAKA produces fully washed Arabica Bourbon coffee, grown on the edge of the Nyungwe rainforest, a protected natural reserve that is also known as the 'green lung' of the region. Characteristically, this coffee has clean, bright flavours with fruity sweetness and floral notes.

Almost all of the members are small-scale farmers, owning on average a quarter of hectare of land, where they grow around 400 coffee trees together with other crops such as bananas, corn and beans. These crops provide food for the household and the surplus is sold on the local market for additional income.

According to their coffee buyer, Kilimanjaro Speciality Coffees, members of KOAKAKA have consistently improved their financial situation and negotiating position in the coffee industry since 2003. Before the proliferation of washing stations and co-operatives like KOAKAKA, the Rwandan market was dominated by a single exporter Rwanda Trading Company (RTC), which was a monopolistic and inefficient system. This, together with the decline in world coffee prices during the 90s, brought severe hardship to farmers at that time, many of whom ended up definitively abandoning the cultivation of coffee.

One buyer, Coffee Kilimanjaro⁸, went on to say: “KOAKAKA is producing lots of exceptional quality year after year, opening new markets and creating business opportunities that until recently, were unimaginable.”

KOAKAKA has been a member of the African Fine Coffee Association (AFCA) and the International Women Coffee Alliance (IWCA), a global network championing women’s empowerment in the international coffee community, since 2016. The AFCA represents the coffee sector in 11 member countries and its members are representatives from the private and public coffee sector, producers, exporters and roasters. Members are supported by the AFCA to attend speciality coffee events, network with stakeholders in the coffee sector and receive capacity building training. KOAKAKA was recognised nationally for coffee quality and the co-operative received awards at the Rwanda Cup of Excellence, placed in the top 10 in 2007, 2011, 2012, 2013, 2015 and 2018 and first in 2016.

“In 2016, our coffee was chosen as the best coffee in the country with the cupping score of 90.3% which added value to our overall productivity.” (KOAKAKA)

Overview of the coffee production process at KOAKAKA

KOAKAKA receives coffee from members at one of their three coffee washing stations. The members transport their coffee to the station on the same day it is harvested for best results. This involves farmers either carrying the coffee in sacks on their head, by bicycle, or using small trucks, which collect the coffee at a central collection point, organised by KOAKAKA.

(1) At the coffee washing station, the cherries are inspected to ensure only the mature cherries have been delivered. A colour chart showing the correct colour of the coffee cherry is displayed at the entrance to the coffee washing site so the farmers can be sure to bring in the ripe cherries. The coffee cherries are then weighed, and the farmer paid accordingly.



Image shows the initial hand selection of coffee cherries at Karambi coffee washing station.

⁸ <https://www.coffeekilimanjaro.com/rwanda-rwamweru-0604.html>

They then begin the process of washing the cherries to remove the outer shell and skin and begin grading the coffee beans.

(2) The cherries are put through a pulping machine, which pushes the coffee bean out of the cherry skin. It is still contained within the mucilage. The mucilage lies beneath the cherry skin and is full of sugars, forming a sweet, sticky skin around the coffee bean, which contributes to its final flavour. The machine separates the beans and any that float are removed, as that is a sign of defect.



Image bottom shows the cherries passing through the pulping machine

(3) After pulping, the coffee is dry fermented for 12-18 hours before being washed and flushed through floatation channels. This process grades the coffee based on weight. The coffee beans that sink are the best and the highest grade. KOAKAKA has two levels of floatation tanks to ensure grading accuracy. The beans are then fermented for a second time, where they soak in clean water for 24 hours. A second selection then occurs when the coffee is hand-sorted when wet to remove any defects.



Image shows the beans passing through the floatation channels at Karambi coffee washing station

(4) After the beans have been sorted and double-fermented, they are laid on racks in the sun for drying. This process can take on average two weeks, depending on the level of sun and moisture in the air.



Image shows the beans drying in the sun

(5) When the moisture content reaches 11-12%, the coffee is packaged and labelled to indicate the date it was harvested, whether it is organic or grown by women, and the grade.

(6) The beans are transported by KOAKAKA's truck to their dry mill where they are de-husked and the parchment removed. The final sorting stage is done by hand. From July to November, the coffee is processed at the coffee washing stations and the dry mill. During this period, KOAKAKA employs up to 500 workers (95% women) at the dry mill who sort the coffee by hand, removing any beans damaged by pests or disease. This final stage ensures the coffee being sent to the buyer is of the best quality.

(7) The final product is transported to Kigali, where it is loaded up and taken to the port in Mombasa, Kenya, for shipping.



Image Left: Coffee beans are processed at the dry mill. Image Right: the final sorting is carried out by hand by seasonal workers.

KOAKAKA business overview and development

In addition to receiving financial support from Shared Interest, KOAKAKA has facilities with COGEBANK (local bank) and (social lender) Root Capital.

In 2003, KOAKAKA opened their first coffee washing station at Karambi in Huye District near to the head office. This washing station became certified organic in 2020. A further washing station was opened at Muganza in 2005 and then a third coffee washing station was opened in Gaseke in 2018.

After the introduction of the Zoning Policy (mentioned on page 6), farmers were required to sell their product to their closest coffee washing station. This meant that KOAKAKA lost some members. They recovered through constructing a third coffee washing station.

The establishment of additional coffee washing stations has enabled KOAKAKA to serve their members better and reduce the distance some need to travel with their coffee post-harvest. It also enabled them to increase the volume of coffee they can receive and process.

In 2018, they built a dry mill in partnership with United States Africa Development Fund (USADF). The dry mill removes the husks and enables the coffee to be processed to different grades depending on the buyer specification. The construction of the dry mill was a significant achievement and enabled them to process the coffee 'in-house' as they were previously paying two other co-operatives to mill their coffee, which increased their cost of production.

"We have other infrastructure improving the core value chain of coffee from field to export activities. In creation, the co-operative has one coffee washing station, but now this year we have three coffee washing stations. In addition, we have a dry mill. The dry mill turns the parchment into green coffee. It means that the processing of coffee, the value chain of coffee, is done at KOAKAKA." (Safari Bonaventure, GM)



Once processed, the cherries are exported to international buyers in Japan, UK, Australia, Belgium and USA.

KOAKAKA also produces organic coffee (approximately one third) and coffee grown solely by women known as 'Women's Grown Coffee'. They earn a premium for each of the three certifications, and this is used to support both member and community development initiatives.

Support from Shared Interest

KOAKAKA first received support from Shared Interest in 2013 with a Commercial Order Export Credit (COEC) facility of 200k USD (US Dollars) in order to pre-finance their coffee harvest. Shared Interest was the first international finance provider to support KOAKAKA.

Before securing this facility, KOAKAKA faced challenges in paying farmers for their coffee each season. They relied on their local bank, but the funds often came late, meaning they were not able to purchase all the coffee from their members. At the start of the season, they would buy coffee from their members using their own funds and on credit, but this slowed down their activities, as they also required capital to process the cherries. This led to low production and low income for members. The facility from Shared Interest enabled KOAKAKA to begin purchasing all the coffee from their members, in turn increasing their production volume and increasing member satisfaction and loyalty.

In 2014, Shared Interest provided KOAKAKA with a Term Loan of 27k USD to purchase a truck. This reduced their production costs, as they previously had to hire vehicles to transport their coffee from the washing stations to Kigali for processing. On average this cost the organisation 13 million RWF (10,300 GBP) per year. Now they have their own truck they have reduced their cost of transportation to between five and 7.5 million RWF each year (3,960 to 5,940 GBP). The truck makes 23 trips per year from Nyamagabe to Kigali and the co-operative is in the process of purchasing a second truck, which will reduce transportation costs further.

“We have farmers’ located long distance away from coffee washing stations. We help farmers to bring cherries using the truck. And the work of truck is to increase the quality because after harvesting we process the coffee cherries.” (Safari Bonaventure, GM)

He further explained the importance of the truck to the business of KOAKAKA: *“Because after processing activities the co-op is located in Southern Province and the export is done in Kigali, 160 km away. We use our truck to transport the green coffee and to reduce the cost of production.”(Safari Bonaventure, GM)*

In addition to supporting the business to grow through reduced production costs, the truck has also had a social impact:

“The truck is also to help farmers if they have a problem for example if they attend a funeral, the truck is used to set up the ceremony, or if employees are getting married the truck is used in the ceremony for transportation.” (Safari Bonaventure, GM)



Truck bought with finance from Shared Interest

In 2016, we converted 50% of KOAKAKA’s original 200k USD COEC facility into a Stock Facility, to enable them to buy the coffee from their members whilst they waited for a contract from their buyers. This reduced the loan they required from their local bank, and as the interest rate from Shared Interest was lower than they had previously been paying to their bank, it meant that KOAKAKA’s interest payments reduced, and they were able to increase the bonus they paid to their members.

In 2022, KOAKAKA received a second Stock Facility for their coffee harvest season to help them to start to buy coffee cherries from their members. The Export Credit accessed during the months of May through to July also assisted them to process these orders with their buyers.

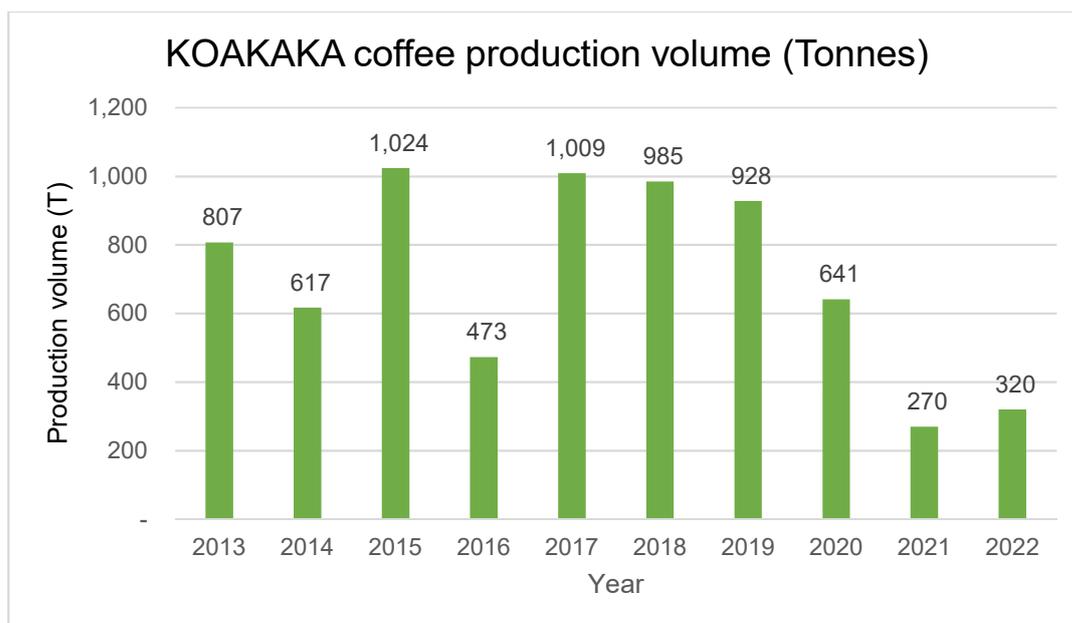
“Those loans helped our co-operative to develop our activities because our activities of our co-op we use money but the co-op does not have working capital. The working capital we request from Shared Interest.” (Safari Bonaventure, GM)

Safari commented on how Shared Interest’s due diligence process encouraged them to secure their Fairtrade certification, generating a Premium, which is then used to deliver social impact projects. Through the due diligence process and Annual Review reporting carried out by Shared Interest, KOAKAKA was asked how their production protects the environment, which encouraged and motivated them to implement the initiatives described in the Social Impact section of this study.

Business growth and sustainability

Production and sales

Graph 1: Coffee production (Tonnes) between 2013 and 2022



Between 2014 and 2015, production increased following the successful introduction of the coffee intensification project coordinated by the Rwandan Government. This was aimed to

increase production of high value commercial crops as one way of reducing levels of household poverty, which led to the planting of more coffee trees in 2011. Favourable weather conditions in early 2015 contributed towards an increase in production. These plants started producing coffee in 2014 and production increased from 617 T in 2014 to 1,024 T in 2015. The loan from Shared Interest in 2013 also enabled KOAKAKA to purchase a higher volume of coffee from their members, which contributed towards this increase.

Production dropped significantly in 2016, in accordance with a nationwide trend due to a long period of high temperatures believed to be caused by climate change. This was compounded by an influx of private companies that came to their region to look for cherries. As result, KOAKAKA constructed a third coffee washing station to reduce the chance of farmers selling their product to other buyers.

In 2017, production recovered when KOAKAKA used the Stock Facility provided by Shared Interest to purchase coffee from their members.

In 2019, sales declined, as KOAKAKA was unable to sell all their coffee, as buyers had not cleared their 2018 coffee stocks. Stocks in 2018 were high following a higher than normal coffee production in Brazil, which prompted buyers to purchase in bulk.

Covid-19 had a considerable impact between 2020 and 2022, leading to a decrease of 71% on coffee production. KOAKAKA Board member and producer, Anatholie Tuyisenge, commented on the impact of the pandemic and strict country lockdowns.

“Covid-19 also caused problems as due to the strict lockdowns, farmers were unable to travel around to maintain their farms and unable to travel to sell their harvest to KOAKAKA so instead sold to private companies”.

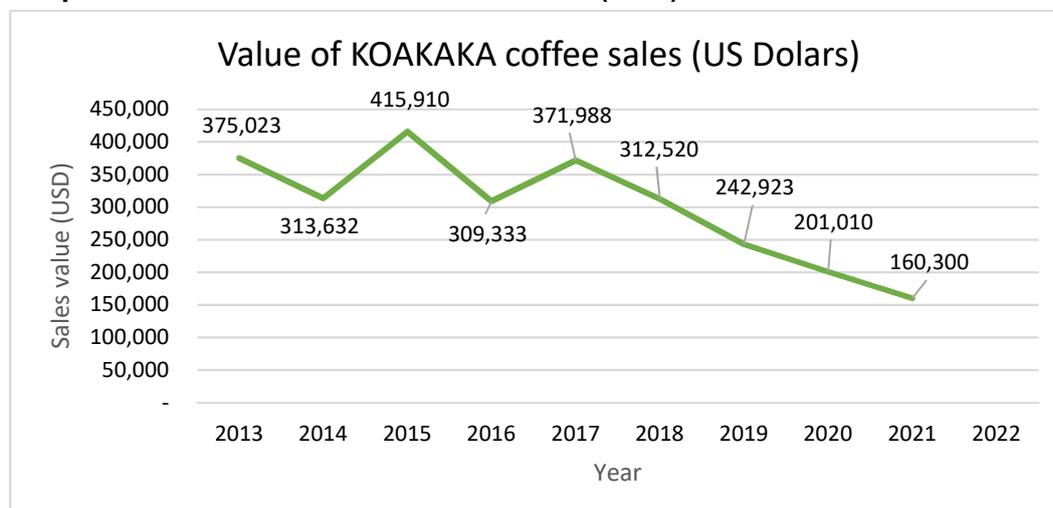
KOAKAKA Agronomist Marie Goretti Umuhoza shared how the increase in cost and decrease in availability of fertiliser is also causing production to decrease:

“The price of fertilisers has gone up; even NAEB has decreased the quantity of fertilisers they used to supply. The production is not increasing as it should.”

To mitigate this impact, KOAKAKA took the decision to purchase organic manure and fertilisers themselves to distribute to their farmers.

The change in production rate is also reflected in KOAKAKA’s sales between 2013 and 2021, as demonstrated in the graph below.

Graph 2: Value of KOAKAKA coffee sales (USD)



Price paid to producer

The National Agricultural Export Development Board of Rwanda (NAEB)⁹ set a minimum price for coffee cherries to be paid to the farmer called the ‘farm-gate’ price. This is determined by the global coffee market price and other factors that would influence the coffee business at large, and subsequently can fluctuate significantly year to year.

After NAEB sets the price, the washing stations compete with each other to attract farmers to deliver their facility, sometimes driving the price up.

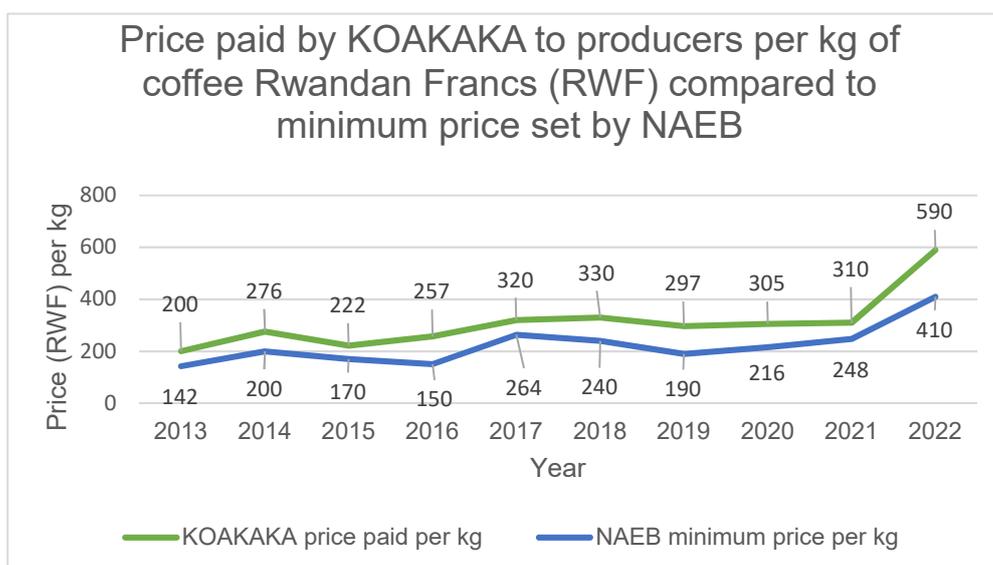
“Price paid to farmers is high because here in Rwanda during the harvesting period we have an organisation in charge of export crops, NAEB, which sets the minimum price to pay to farmers. We also have the challenges of private companies processing coffee near our area. Those private companies also have non-members. They buy cherries from non-members but sometimes if they have an order to send a lot of production, the private companies are able to increase the price paid for the coffee cherries. If private companies increase the price, KOAKAKA takes the decision to also increase their price to retain members.” (Safari Bonaventure, GM)

Farmers at KOAKAKA receive a first payment for their harvest. At the end of the financial year, once loans, salaries and taxes are paid, KOAKAKA uses the balance to provide a second payment (a bonus) to their members. They believe that this is important for retaining members’ loyalty. The bonus paid to the farmer is determined by the volume of cherries they provided. For every 1kg delivered, they receive 30,000 RWF (2.36 GBP).

“We always exceed the minimum price from NAEB. After paying those price during harvesting to the farmers, we pay second payment to farmers based on volume produced.” (Safari Bonaventure, GM)

The graph below shows the price paid by KOAKAKA per kg compared to the minimum price set by NAEB. On average, the price paid per kg by KOAKAKA was 41% higher than the minimum price set by NAEB.

Graph 3: Price paid by KOAKAKA per kg of coffee compared to the minimum price set by NAEB in Rwandan Francs (RWF)



⁹ <https://naeb.gov.rw>

Buyers

Currently KOAKAKA has five buyers, in Japan, UK, Australia, Belgium and USA.

KOAKAKA is also a member of RWASHOSCCO, a farmer-owned business, which focuses on the marketing, export and roasting of Rwanda's highest quality coffee beans.

KOAKAKA built their dry mill, shown previously, to process different grades of coffee depending on the request of the buyer.

“We have a good relationship with our buyers because the co-op is created by farmers and those farmers are also shareholder of co-operative. The buyers after buying our coffee give also premium and the premium we use in social activities of co-op and also to help our region and the communities around the coffee washing stations.” (Safari Bonaventure, GM)

Certifications held by Koakaka

- FLO (Fairtrade) certified in 2010
- UTZ and Rainforest Alliance certified in 2017
- Organic certified in 2020 after receiving demand from international buyers for organic coffee. The organic certification is used at one of their three coffee washing station (Karambi).

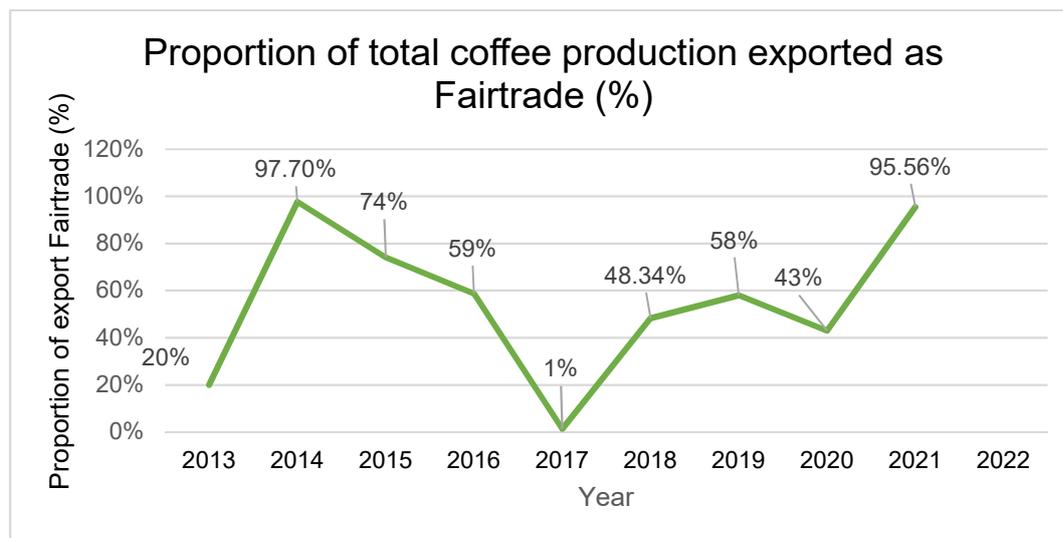
General Manager Safari Bonaventure explained: *“Our certifications is to help our co-operative to improve our market product, to increase our consumers, to receive premium for different social impact activities, helping farmers, helping employees and helping also non-members. The standard of certification is to help us continue our environmental protection.”*

He also described how the coffee price and the premium paid for the organic certified coffee is higher than that of other certifications. Organic manure is used on the farms surrounding Karambi. This manure is produced from coffee pulp and the manure from the livestock of farmers. The farmers are taught the benefits of organic production both in terms of crop growth and also environmental protection as the organic fertiliser is not harmful to the soil.

Currently 240 farmers are producing organic coffee, and on average 30% of coffee produced by KOAKAKA is organic. The target production is three containers (approximately 54 tonnes). In five years, they hope to increase this to five containers (approximately 90 tonnes) produced by 420 farmers.

The graph following illustrates how the proportion of Fairtrade coffee exported can fluctuate. General Manager Safari explained that this was determined by the demands of the buyers. In 2017, the volume exported as Fairtrade decreased to 1% due to KOAKAKA selling the coffee to a non-Fairtrade buyer offering a higher price. The volume of coffee exported determines the value of the premium KOAKAKA will receive.

Graph 4: Proportion of total coffee exported as Fairtrade (%)



Social Impact

KOAKAKA has used the premium received from their Fairtrade, Organic and Women Grown coffee to implement social impact projects, supporting employees, members and the surrounding communities.

In 2016, KOAKAKA used the Fairtrade Premium to create the Karambi washing station specifically for the Women in Coffee range, to keep it separate from other coffee cherries to improve traceability. The group is called Icyerekezo Women's Coffee Association. (Icyerekezo translates from Kinyarwanda as 'Vision'.)

In the same year, the Premium was also used to connect 12 families in Karambi to electricity. Previously, the small community had no access to electricity and services in the area were limited.

Coffee farmer Marcel Myasiro lives in Karambi and describes the impact of the connection to electricity:

“The changes are that there are hair salons, machines, and an animal market that has electricity. The person who rents a house does it because there is electricity.”

In 2018, the Fairtrade Premium was partly used to construct waste water treatment facilities at Karambi and Gaseke coffee washing stations. These facilities protect the environment surrounding the coffee washing station, including farmland, from contamination from the waste water produced during the coffee washing process, by managing and recycling.

In 2019, KOAKAKA used the Fairtrade Premium to dig a borehole to provide a permanent source of water to 50 families living around the Muganza coffee washing station.

The Premium has also been used to provide financial management training to KOAKAKA employees and KOAKAKA has been able to establish a number of self-funded initiatives. KOAKAKA pays for the health insurance of their members. Members also have access to a credit fund for home loans and farming equipment and inputs such as seeds, fertiliser and organic compost, at a zero-interest rate.



Road constructed by KOAKAKA leading to Karambi coffee washing station.

“The Fairtrade Premium helps employees of KOAKAKA to increase skills through training. Cashiers at the coffee washing station are trained how to manage the cash. It helps KOAKAKA to buy the system we use in financial management of cash – Quickbooks. Software called QuickBooks helps employees with reporting.” (Safari Bonaventure, GM)

During the harvest period, KOAKAKA provides seasonal employment to, on average, 300 workers at the coffee washing station. At the dry mill, an additional 500 workers (95% women) sort the beans.

In 2007, KOAKAKA received an interest free loan from SPREAD (a rural enterprise development project funded by USAID). This loan was used to purchase 400 bicycles, which the co-operative sold to farmers, with interest free payment instalments from their coffee harvests over the next three years. Prior to this, farmers would carry sacks of coffee weighing approximately 30kg on their head to the washing stations. On a bicycle, farmers can carry up to 400kg of cherries.



Bicycle provided to a coffee farmer as part of the loan scheme.

In 2021, KOAKAKA constructed a new 1.25km road with financial contributions from their members, which connects the Karambi coffee washing station with the main highway. Previously, the road was unsuitable for vehicles and challenging for bikes taking the coffee to the coffee washing station. The new road has increased accessibility to the coffee washing station, enabling the trucks to collect the washed coffee and transport it to the dry mill.

Women in Coffee Project

Women's development is a priority at KOAKAKA and they have implemented a number of projects to increase opportunities for women in the coffee sector. The most prominent is the Women in Coffee project, which was developed in 2014.

Women have their own association called Icyerekezo Women's Coffee Association. (Translates from Kinyarwandan as Women's Coffee Vision). Currently, there are 652 women involved in the project (297 are female members of KOAKAKA. The remaining 355 are the wives of male members, who have each been given a proportion of their husband's land.)

The group support themselves financially with additional activities, including basketweaving and creating handcrafts from banana leaves, which they sell on the local market. KOAKAKA is currently looking for an export market for these products.



Examples of the handcraft items created by members of the Women in Coffee project.

The Fairtrade Premium received in 2016 was used to create the Karambi tank for washing the coffee grown by the women, to keep it separate from the other coffee brands. KOAKAKA constructed separate tanks for fermentation and as well as drying tables. The women also received training from agronomists.

As the coffee currently sold locally is deemed to be low quality, KOAKAKA is planning to establish a women's organic coffee-roasting enterprise in the district. The project, which would see women's organic coffee roasted and then sold locally for extra income, had previously been suspended due to Covid-19.



Women in Coffee group at KOAKAKA

Women in Coffee Case Study: Marie Claire Munganyinka

Marie Claire began coffee farming in 2005, and later that year became a member of KOAKAKA. She lives with her husband and her five children. Her husband is also a coffee farmer. She received her first plot of land from her parents where she planted 324 trees. The plot was 0.12 hectares.

Marie Claire is a member of KOAKAKA's Women in Coffee project, which she was invited to join in 2015. She explains her motivation to be part of this project:

“Although we owned coffee farms, we didn't have much say on them. But when the Women in Coffee project came, as women, we were encouraged to have access to and ownership of our farms. That encouraged us to put in more effort knowing the fields were ours. Another component is that the bonus is higher compared to people growing coffee but who are not part of the women's coffee group. That encouraged us to work for the women's coffee and benefit from that higher bonus without putting in too much effort.”



Since joining KOAKAKA, Marie Claire has increased the number of trees on her farm to 720, and over half of these are organic. With the increased income she now makes from her coffee, Marie Claire has been able to make improvements in her life:

“Changes are here, resulting from the co-operative and resulting from the women's group. We learn to plant agroforestry trees that add more shades to the coffee fields, and we learn proper mulching techniques, and proper techniques to apply manure and mulch them. We have agronomists who visit us and who show us what to do in coffee fields.

Other changes, I own a cow and I got it from coffee farming, I also own a house, it was in pretty bad shape but I was able to modestly renovate it thanks to coffee farming. Coffee farming has led me to good achievements. I never lack insurance for my children, for the family. And my children can't lack food as a result of working on the coffee farm. So, there is change.”

Environmental Initiatives

KOAKAKA implements a number of initiatives to support and encourage their members to protect the local environment and biodiversity as this leads to enriched soil and improved coffee production.

The co-operative is committed to increasing the production of organic compost to distribute to their membership.

They are also encouraging members with livestock to use the manure as fertiliser. The manure is mixed with grass and left to decompose for two weeks before it is ready to be used. The fertiliser is applied twice a year, in October and March.

KOAKAKA is supporting members who do not have livestock by producing compost through decomposing coffee pulp (by-product of the coffee production process) under banana leaves. (Image on right)



Finally, they have recently begun using worms to aid the decomposition of the coffee pulp.

Over next five years, KOAKAKA plans to deliver training to farmers in organic production, delivered by KOAKAKA agronomists.

KOAKAKA is exploring the potential of using coffee husks collected at the dry mill to create briquettes as a biofuel as an alternative to the charcoal used by farmers for cooking at home. This will reduce the impact on trees, which are used to create charcoal, and contribute towards protecting the local environment.

To support their members, KOAKAKA has prepared a coffee nursery (as shown adjacent). Each year they prepare 20,000 coffee seedlings, which they receive from Rwanda Agricultural Board (RAB). Agronomists coordinate the distribution of the seeds to members based on the farmers needs and provide training in planting and crop maintenance. Farmers are supported to expand their farms and replace old and ageing trees.



The co-operative also grows and distributes shade trees to their members, to plant on their coffee farms. In total they have distributed 113,000 trees, which provide important shade to the coffee seedlings, reducing the scorching of leaves and soil erosion.

“The agronomists, after receiving the challenges of climate change, we committed to prepare a nursery of trees to support the coffee plantation of our farmers. We train farmers to protect the coffee plantation using techniques to control erosion. The shade trees protect the environment and also protect the coffee.” (Safari Bonaventure, GM)

KOAKAKA also provides training to their members in household waste management and recycling to reduce the pollution in their local environment and increase their members’ awareness of the impact of pollution.

“The farmers are now able to differentiate the waste. For example, the use of plastic in home (water bottles, plastic bags) our farmers know to manage it and separate it in their waste. Waste is used in composting and to reduce waste and pollution in the local environment”. (Safari Bonaventure, GM)



Metal drying tables at Karambi coffee washing station

In 2021, KOKAKA started to transition from using wooden tables to dry the coffee beans on to metal tables across all three of their coffee washing stations. Previously, the wooden tables had to be replaced every two years, which required chopping down trees.

Case Study 1: Marie Goretti Umuhoza (Agronomist at KOAKAKA)

Marie is the Chief of Karambi coffee washing station and an agronomist at KOAKAKA. She has worked at KOAKAKA for 11 years where she started in the role of storekeeper. She went to school and studied agronomy and agriculture studies. Marie is one of three agronomists at KOAKAKA and she supports over 700 farmers at her washing station.

Marie describes her key roles as an agronomist at KOAKAKA:

“As an agronomist, I wish to support farmers to increase their land surface. Another thing is to increase the number of young people, here in KOAKAKA, we produce coffee for the youth but they are still few. I also wish the number of youth members of KOAKAKA to increase because when you look around, you find out that most coffee farmers are old. Another component is to promote women’s coffee because it has value on the market compared to other coffee markets. Another thing is, due to climate change issues, we continue to encourage farmers to take care of their coffee fields while supplying them with agroforestry species that offer shade so that the production is not wasted.”

(Shade trees include Grevilia, Witch Hazel, Thorn trees, Calliandra, Leucena)



In recent years, Marie observed the challenges facing farmers. She found that coffee production is not increasing at the rate it should, partly due to NAEB providing less fertiliser. Climate change is also impacting coffee production as too much rain damages trees and plantations, and too much sun causes the trees to wither.

To support farmers’ climate resilience, Marie assists farmers to plant shade trees correctly to provide shade to the coffee to protect from the sun. The leaves also protect the coffee trees from damage from hail.

She has also introduced measures to fight against soil erosion. Different types of grass are planted alongside the coffee trees to increase soil stability.

Marie is also responsible for receiving coffee seeds from NAEB. She checks them to make sure they are of good quality before coordinating their distribution to farmers.

Marie shared that, during her time with KOAKAKA, she has noticed a change in the role of women within the coffee sector in Rwanda:

“In the Rwandan traditional culture, coffee was a crop only managed by men. Even whenever a woman would have helped during the field activities, at harvest time, the coffee was for the man.

The main goal to establish women’s coffee was for women to also identify themselves as coffee farmers. We have also trained their husbands so they could understand that coffee didn’t solely belong to them. At harvest time, there would be fights at home because whenever a man was supplying coffee and not providing & resolving money-related issues at home, it would lead to conflicts.

But since women’s coffee was established, even their husbands would give up on a portion of their coffee farm and give it to their women. Another thing is that when there is a market for women’s coffee, women get a higher bonus than men. Since their husbands have given them permission, there are fewer conflicts. Coffee is no longer for men only, but they work together. When they have worked together in the field, even at harvest time, coffee benefits the entire family.”

Marie told us her hopes for the next five years:

“Together with farmers, we think that in the next five years, the co-operative can have multiple buyers who will buy the farmers’ production, farmers’ production would have increased, the land size would have expanded, and the co-operative would have gained more buyers to purchase the products from farmers. Another element is that in the next five years, KOAKAKA farmers would have become professional coffee farmers who grow sufficient, organic coffee and the youth would have increased their coffee farmland size.”

Case study 2: Anatholie Tuyisenge (Farmer and KOAKAKA Board member)

Anatholie is a coffee farmer and a Board member. She lives with her husband and two children. She has been a coffee farmer for the past 22 years and became a member of KOAKAKA in 2008.

Before joining KOAKAKA, Anatholie cultivated the unwashed ‘ordinary’ coffee, which she sold on the local market. Unwashed or ordinary coffee differs from fully washed coffee, which is a more complex and costly production process. She would process her coffee using a local pulping machine, which was labour intensive and the quality of the coffee was low.

Anatholie explained to us her motivations for choosing to join KOAKAKA co-operative;



“What motivated me to join the co-operative is because working together with others is a very good thing, as it has allowed me to attend the training that allowed me to grow refined and tasty coffee and increase its volume.”

After joining KOAKAKA, she received training in how to prepare her coffee plantation, proper use of organic manure, how to increase the climate resilience of her farm through planting shade trees and how to harvest good cherries. As a Board member, she also received training in good governance, leadership and gender equality.

“In addition to buying the production of its members, the co-operative also takes care of them. They support and train us. The first change was a training on gender equality within the family setting that has allowed us to ensure harmonious relationships among family members at home. Another change is the improved livelihoods. I got increased production, I got knowledge. Coffee allowed me to reach a good standard.”

Anatholie also works as a secondary school teacher, teaching the national language, Kinyarwanda. In addition to this, she grows other crops including maize and beans; a portion of which is used to feed her family and the rest is sold on the local market. She also has a cow and a goat. The milk from her cow is given to her children and also sold to other families.

Anatholie has been a Board member for six years. She felt she had the skills to represent women and was committed to help the Board move in a good direction. She shared:

“I was a part of the co-operative and other members of the co-operative elected me since they thought that I could contribute with my ideas. That honour gave me the drive to work for the co-operative members in a diligent way.”

According to Anatholie, the Board of Directors is *“the heart of the co-operative”*, they meet formally four times per year, and extra meetings are arranged to resolve specific problems.

“One of the achievements of the board is to serve as the head of other farmers. This means that we try to support the co-operative in its management, thinking to a level where we can work with other stakeholders, be it other staff or the local leadership as well as the farmers to ensure the effectiveness of the co-operative management as well as the wellbeing of co-operative members.”

Case Study 3: Etienne Nkurunziza (Farmer)

Etienne Nkurunziza is a coffee farmer and member of KOAKAKA. Whilst Etienne has been a member of KOAKAKA since 2007, he has been a coffee farmer since he was 15 years old. He started on a small coffee plantation of less than a hectare, given to him by his parents. When he left school three years later, he joined KOAKAKA co-operative. In addition to coffee, Etienne also farms beans and maize. These provide food for the household and generate additional income as the majority he sells on the local market.



Etienne standing with his bicycle purchased by the cooperative, loaded with a sack of coffee

Etienne's parents and grandparents are coffee farmers and they passed on their farming knowledge. With the support of KOAKAKA, he has been able to receive training and expand his farming knowledge.

Etienne's farm is now one hectare. He works in partnership with his wife on the coffee farm. They also employ two casual workers to support them with the farming activities, as their farm is too large to manage independently. The workers support Etienne and his wife with harvesting activities, digging holes for new coffee trees, planting seeds and applying fertilisers. Etienne practices organic farming and uses the manure from his livestock as organic fertiliser.

He explained how his weekly farm activities are determined by the season and the weather:

“Every Tuesday, I have to visit my field, despite everything else that might be going on. I have to visit the field to assess what is going on and see if there is any problem. I plan other activities on other days.”

“Depending on the timing in the season, I plan activities that I will do every day. If it's mulching day, I have to identify a place to get the mulch from, and I take it to the field. If it is manure, I have to carry it that day on the field depending on the month because I can't bring manure to the field every day. I apply it during the wet season so that my manure doesn't dry up. On every field visit, I assess which activities are required as time passes. That's how I plan it, depending on months and seasons.”

Before Etienne joined KOAKAKA, he described himself as a casual farmer. He shared how KOAKAKA's bicycle scheme was his primary motivation to join the co-operative:

“What motivated me, after acquiring a coffee field where I could harvest and supply, is that the co-operative offered loans in the form of bicycles. I was then a young man. They said that every farmer who would supply 400 kg of coffee would qualify for a loan in the form of a bicycle that they would repay in a three-year period. As a young man, that wasn't impossible to do. I harvested and reached the volume target and I was able to get that bicycle that I used as a means of transport and to deliver my production. That's how I loved coffee and when I became a member, things continued to be greater. I was able to easily get everything I needed without any problem. It's from then that I got the strength and motivation to love KOAKAKA.”

Since joining KOAKAKA, Etienne has observed an improvement in his farming practices and his crop;

“How we used to grow coffee is not how we grow it now. There have been changes due to the fact that KOAKAKA avails agronomists who monitor our farming activities, who visit our fields, there are changes when you look at how we grow other trees that offer shades during the dry season, the mulch we use and that we didn't have before. There is a change compared to 2007. There are trees that offer shades that were planted in coffee fields, with mulching shrubs. Before we used to cut the mulch from forests but now the mulch lives in the coffee fields. Those are the main changes that I observed. We also learned harvesting methods, pruning ... we were trained on all of that. Which is different from our former practices.”

Despite the positives, Etienne has faced some challenges. He reported that in the past, hailstones destroyed some of his coffee trees. Climate change has also impacted Etienne's farm as drought, soil erosion and unpredictable weather negatively affected his harvest.

“There was a time when we experienced hail. There are also times when we experience a lot of sun that dries the flowers of the coffee plant and that highly decreases the production.”

“Depending on the location of everyone’s field, there are people whose fields get damaged by land-sliding, heavy rains damage the coffee plantation and erodes the applied manure and mulch away.”

He received support from the agronomists at KOAKAKA to plant some tall trees to provide protection to his coffee trees.

Etienne explained that KOAKAKA gave him financial stability by providing him with a market for his coffee. He told us about the impact of this stability on his life:

“A lot has changed. I can start with my livelihoods. I was able to build a house in the village. I was able to get married. Another benefit from KOAKAKA was access to agriculture training and other general knowledge that leads to one’s development.”

“In my daily life at home, change is visible every season and every year. And this change is there because I am a coffee producer. That’s why, I can give you tangible examples, every year, at the end of each season, there is progress milestone that I hit be it in my farming activities, or (improved) livelihoods at home, or in my animal husbandry activities since it’s where I get the manure to apply to my coffee field. I buy livestock. I also expanded my property so that my land gets bigger because where I live and the fields, I own were not gifts, I bought them thanks to the coffee production. It’s where I get everything I need and the money the household needs to advance.”

Etienne has also noticed positive changes in his community as a result of KOAKAKA:

“In Rwanda, there are people’s houses that were covered with tiles, with no paved floors in the houses, or with people living on dangerous terrains. You get to see development during these months of coffee harvesting. Some people have replaced tiles with metal sheets, others have paved their house floors, as a result from coffee production. These are changes you can see everywhere.”

Over the next five years, Etienne hopes to continue to grow his coffee farm business and make further changes in his life:

“I am expanding my house at home and cleaning around. I am also preparing a field where I will plant 200 seedlings. Those are activities I am planning and the seedlings are being prepared, even today I was visiting the nursery bed where they are planted. Those are the activities I am planning to do.”

Case study 4: Marcel Myasiro (Farmer)

Marcel has been a coffee farmer since 2004 when he started with a small plot of land that was 27m long and 15m wide. He joined KOAKAKA in 2009 and lives close to the co-operative. He said: *“Koakaka purchases the coffee and pays the farmers on time for their harvest.”*

Marcel currently has four coffee farms in total, which when combined, reach 200m in length. His first farm is located 1.5km from KOAKAKA’s Karambi coffee washing station, and his three other farms are located on average 3km from his home.

Both of Marcel's parents were coffee farmers and they gifted him his first farm. His younger brother is also a coffee farmer. His family help him on his farm with planting and maintenance activities.

In his early years as a farmer, Marcel's main challenge was transporting his harvest to the co-operative as he, his wife and his labourer had to carry the coffee cherries in baskets on their heads. Marcel received a bicycle through the co-operative scheme, which he now uses to transport his coffee to the washing station. He explained:



“The trips I used to make to transport the coffee were exhausting. I tried to overcome it by purchasing a bicycle after getting some money. And I am able to transport coffee to the factory.”

Marcel holds some coffee beans ready to sell

Since joining KOAKAKA, Marcel has noticed big developments in his farming business. KOAKAKA pay him on time for each harvest and he has used this income to expand his farm. He also plans to open a pub in his town, which he will name 'Developing himself, growing coffee'. The pub will be an additional business to support his income.

“The main change I observed is that they store our coffee production after harvest and are able to give us our money at any time of our convenience. When one has made enough savings, they can contribute to a given activity. For instance, they gave me money last month that I used to buy another small field and a cow. Another year, I was able to purchase a piece of land at the village where I will build a bar, as an investment for retirement years.”

Marcel has noticed changes in his community, which he attributes to KOAKAKA. There was previously no source of electricity in his village. In 2016, KOAKAKA connected Marcel's village to the power grid.

Over the next five years, Marcel hopes coffee will continue to provide him with a good income so he can pay the school fees of his children and explore other new business ideas. He also has a second plot of land in his village and in 2024, he hopes to build a house, which he will rent for additional income.

KOAKAKA's Business and Social plans for next five years

- Purchase second truck
- By 2023, KOAKAKA will have their own Women's Grown Coffee brand in local and international markets and continue to expand the project
- Continue providing jobs for local communities
- Production of coffee will continue to increase
- Continue to help farmers increase their environmental resilience through provision of training
- Create a school to train young people in coffee cupping
- Expand number of young people involved with KOAKAKA by developing a 'youth in coffee project' and support them with basic finance and savings skills. They also hope to encourage members to give a proportion of their land to young farmers
- In 2025, they would like to start producing garlic, as a second export product for additional income. KOAKAKA began producing garlic in 2020, which they sell on the local market as they do not yet have an international buyer
- Double number of buyers, to have a total of 10
- Support members to manage their farms as a business, illustrated by the following quote:

“Farmers will know how to calculate the money they use in the household, how much they use in the year, how to compare yield from this year and last year, and also farmers know the calendar of activities to do throughout the year. If we have climate change or long sun or more rain, farmers are comfortable and can adapt to those climate changes.” (Safari Bonaventure)

Conclusion

Since KOAKAKA's formation in 2002, this study shows how it has developed into a resilient organisation, responsive to the changing needs of its members and the coffee industry as a whole.

The finance provided by Shared Interest in 2013 and 2014 supported KOAKAKA to increase production and improve transportation, which contributed towards the organisation's subsequent growth.

The co-operative established an additional washing station in 2018, and membership has grown by almost 500 farmers. KOAKAKA further improved their production when they opened their dry mill in 2018. This enabled them to reduce costs and secure a better price for their coffee.

KOAKAKA has demonstrated its commitment to supporting the social and economic development of surrounding communities, with a clear focus on environmental resilience and gender equality. A notable achievement was securing organic certification in 2020 at the Karambi coffee washing station. KOAKAKA is now piloting innovative methods of organic compost production to increase the production of organic coffee.

The development and success of the Icyerekezo Women's Coffee Association should also be recognised. This project has increased the earning potential of their female members and provided an opportunity for other women to access land and begin farming coffee.

During a visit to KOAKAKA in July 2022, Shared Interest colleagues noted Safari's dedication to the co-operative and its farmers. KOAKAKA's plans for the next five years indicate the co-operative's commitment to sustainable growth and improving the livelihoods of members and their families.