Building Coffee Farmers Alliances





A project focusing on farmer aggregation in Uganda created an enabling environment for future R&R projects

Building Coffee Farmers' Alliances in Uganda - HRNS

R&R type

Grant-based technical assistance and capacity building

Uganda¹ Country

~USD 4 million

2009 - 2013

Cost **Dates**

Project context

Objectives, activities, and results

- Coffee farmers in Uganda typically have low yields, are unorganized, and have weak connections to markets. There is a lack of aggregation points to reach farmers and to implement project activities.
- The project seeks to improve livelihoods of coffee SHFs through improved coffee production and increased revenues. The first step is to aggregate producers into organized groups.
- The project aggregated SHFs into two-tiered organizations:
 - o 570 "Producers Organizations" (PO) at village level;
 - o 32 "Depot Committees" (DC) combining 20-30 POs at subcounty level.
- The project also created the apex organization "Uganda Coffee Farmers Alliance (UCFA)". Its key function is to support the marketing of the coffee bulked by the DCs and facilitating linkages with other service providers (e.g. inputs, technical assistance)
- These organizations serve as entry points to implement various activities that lead to positive results:
 - o Yield uplifts (from 1kg per tree per year to 2.5-2.7kg).
 - o Quality improvement (adoption of better harvesting and post-harvesting practices)
 - o Positive outcomes in gender-related activities (e.g. joint household planning and decision making, equitable access to household resources).
- Value creation: strengthened SHF capacity, increased yields of least productive SHFs, and improved livelihoods
- Value capture: the program finances a public good finance providers do not directly capture the value created.

Figure 1: Apex organization and two-tiered organizations created through the **Building Coffee Farmers' Alliances project**

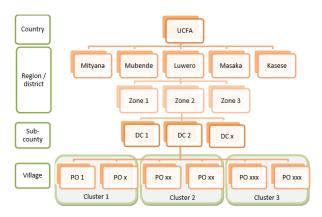
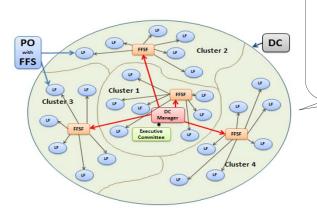


Figure 2: Organization at Depot Committee level



Each DC company has a similar structure: a board (with legal. financial and marketing committees), a manager, Farmer Field School facilitators and a number of lead farmers.

Legend

DC: Depot Committee

PO: Producer Organization

FFS(F): Farmer Field School (Facilitator) LF: Lead Farmers

Building Coffee Farmers Alliances





A project focusing on farmer aggregation in Uganda created an enabling environment for future R&R projects

Project context		Management of the three R&R components	
Coffee viability	 Relevance: SHFs in Uganda are on five times less productive than Vietnamese SHFs. There is an important potential for yield uplift by applying GAP and R&R. Willingness: High competition between traders promotes the trading and sale of poor quality coffee, with few incentives for the farmers to invest in the improvement of the quality of their product. Price premiums for quality would incentivize farmers to invest. 	Inputs	 Providers: HRNS, DCs, POs, third party companies. Challenges faced: Only 34% of SHFs used inputs before the start of project. Solution: Access to inputs, for demonstrations, was a key component of the program. Various activities such as the distribution of free seedlings and fertilizers to farmers holding demonstration plots led to a doubling in the use of inputs by SHFs. Providers: Various sources¹ Challenges faced: Farmers, in general, lack access to finance and are not able to cover expenses associated with improved production techniques. Solution: The project supported the formation of several "Village Saving and Loan Associations" by strengthening financial literacy of farmers. A pilot project for commercial lending has been designed by KFW, Opportunity Bank, HRNS, and UCFA. Providers: HRNS, DCs Challenges faced: Lack of managerial and agronomic knowledge at organization and farmer levels. Solution: HRNS has trained DC leadership in managerial capacities (coffee management, book keeping and planning, auditing, market information, etc.) and farmers in good agricultural practices through the establishment of Farmer Field Schools . DCs monitor the ongoing FFS activities.
Farmer segmentation	 Country situation: 1.7 million farmers are growing coffee in Uganda, mostly Robusta. They are typically small farmers (average of 200 trees), mostly unorganized and weakly connected to markets. Program segmentation: The program targets disconnected and unorganized farmers. 	Finance	
R&R need	 Country need: Coffee trees in Uganda are on average 50 years old. Most of them would require renovation or intensive rehabilitation alongside with GAP. Program objectives: The program does not focus on R&R per se, but creates farmers structures that can later serve as entry points for R&R implementers. 	Knowledge	

Lessons learned

- Organizing farmers is a prerequisite to be able to implement R&R program Providing R&R packages to disconnected farmers comes at high cost and with low efficiency. The structures created by HRNS (POs, DCs and UCFA) enable third parties and sector stakeholders to easily reach farmers with their services, paving the way for future R&R programs. They also served as entry points for other structures (e.g. NGOs specialized in health and education).
- Success largely depends on the ability to provide technical advice to farmer organizations (DCs and POs) Farmer organizations should have the ability to provide TA and to manage loans to farmers. Currently, DCs have weak management and financial capacities and require more assistance. UFCA has not enough capacity to fully support TA to DCs, and relies heavily on external finance (approx. 75%) This has improved to about 60%.
- Farmer organizations should provide extension services to farmers on a professional basis The farmer adoption rate of GAP was, on average, high, but providing extension services on a purely voluntary basis is not sustainable. Farmer organizations need to hire staff specifically dedicated to implementing extension services.

For more information, please contact: Stefan Cognigni, stefan.cognigni@hrnstiftung.org