



CASE STUDIES: COOPERATIVES

CASE STUDY 1: Kibinge Coffee Farmer's Cooperative Society, Uganda

In 1995, 4 coffee farmers in Kibinge, Central Uganda, formed an association in the hope that collectively they could improve the quality and volume of their coffee production. The original association was run as a company, but as it grew it struggled to turn a profit. In 2009 the management decided that the business should be converted into a member-owned, registered cooperative. The cooperative has since grown rapidly, and currently has around 2,000 registered members, one-third of whom are women. Furthermore, in 2011 KCFCS became Fairtrade certified.¹



Farmers of the Cocamu Coffee Cooperative, Rwanda. Credit, Ana Lukatela, UN Women

The cooperative employs 'promoter farmers' who work directly with the farmers as a link to the cooperative to ensure good communication and high standards. Farmers are divided into Promoter Farmer Coffee Zones and subdivided into groups with an elected coordinator. KCFCS buys the coffee from the farmers and then processes and exports the coffee on their behalf. They also provide regular training on good agricultural practices, ensuring higher productivity and quality.

With the extra funds generated from Fairtrade certification price premiums, KCFCS decided to establish a KCFCS Farm Supply Shop in 2013 that is conveniently located and offers inputs at competitive prices. Members can also buy inputs using credit obtained through the KCFCS Savings & Credit Unit, also established in 2013. Additionally, the cooperative runs social, economic and environmental projects in the local area such as a project to supply the local health centre with electricity and improve, grade and repair local roads. In 2014 KCFCS won the Fairtrade Africa small-producer of the Year award.²

CASE STUDY 2: Ghana Grains Partnership

Yara and Wenco (a local Ghanaian input provider) partnered to develop the Ghana Grains Partnership (GGP) in 2008, inviting a bottom-up dialogue including local growers to establish the farmers organization Masara N'Arziki, meaning "Maize for Prosperity." Masara N'Arziki has grown to become one of West Africa's largest grain growing associations. Yara and Wenco financed the initial input requirements through the creation of a revolving fund for input credits and two long-term loans totaling \$3 million. On behalf of its members, Masara N'Arziki purchases the farmers' maize and pays them minus the cost of inputs they received. Masara N'Arziki then sells the crops on their behalf. Meanwhile the GGP provides storage, transport, seeds and fertilisers on affordable credit terms.



Salima Alidu from the Masara N'Arziki group. Credit, TechnoServe





As a result, Masara N'Arziki farmers have seen yield levels triple. The estimated revenues to the farmers were about US\$4 million in 2012, or on average about US\$369 per farmer per hectare, after costs were repaid. In 2009, Masara N'Arziki started with 2,200 members. By 2013 more than 8,000 members joined, cultivating 28,600 acres, with 95% of farmers remaining in the programme each year. The debt recovery rate from the programme reached 92% in 2011, despite a drought affecting 1 in 5 farmers in the programme.³

CASE STUDY 3: Meki Batu Fruit and Vegetable Grower Farmer Cooperative Union, Ethiopia

The Meki Batu Union was established in 2002 in Oromia, Ethiopia, as the first irrigated farmer cooperative union in the country. The union aims to sell its members' produce to local and foreign markets; supply their members with agricultural inputs, credit and timely market information; and provide training and support to member farmers. From an initial 12 cooperatives with 527 members, there are now 135 cooperatives in the union with almost 7,000 individual farmer members.



Meki Batu. Credit, Self Help Africa

The union produces more than 50,000 tonnes of vegetables and fruits per year, which are supplied to local market outlets as well as exported to Djibouti and Holland. The union also produces hybrid maize seed, meeting 68% of regional seed demand. Overall the union's capital base has increased 60-fold over eight years.

Initially, Self Help Africa provided capital to start the union, including support for irrigation pumps and building warehouses; equipment or seed to farmers; staff salaries and training in management, planning and leadership, as well as developing its value chain. The union now operates independently with no further direct support from Self Help Africa.⁴

¹ Fairtrade Foundation (no date), *Kibinge Coffee Farmers' Co-Operative Society, Kenya* Available From: <http://www.fairtrade.org.uk/en/farmers-and-workers/coffee/kibinge> [29 June 2015].

² Kibinge coffee (no date), *Who We Are* Available From: <http://kibingecoffee.com/who-we-are/> [15 June 2015].

³ Yara (no date), *Partnership in action: A New Global Partnership with Business* Available From: www.yara.com [29 June 2015].

⁴ Self Help Africa (no date), *Cooperative Development and Farmers Associations*, Available from <<http://www.selfhelpafrica.org/ie/how/farmers-associations-cooperatives>> [29 June 2015].

