

Safeguarding Child Well-Being Through Economic Empowerment

Kochore Coffee Farmer's Co-operatives Revitalization Support Project

World Vision
Ethiopia





Overview

World Vision's economic development approach is focused on value chain development including equipping and empowering producer groups, strengthening market linkages, building business skills, encouraging savings, and creating access to credit. Farmers and producer groups are supported with savings and basic value chain development approaches throughout Ethiopia in World Vision Ethiopia (WVE) Area Programs (APs). The more focused Market/ Business Facilitation approach is promoted amongst producer groups working with high value commodities including coffee, honey, dairy, vegetables, and fruits.

Strategic Focus Areas

Strengthening functionality and market access for producer groups, business facilitation, promotion of savings groups



**TO EMPOWER PARENTS
AND CAREGIVERS
TO SUPPORT AND PROVIDE
FOR THEIR DEPENDENTS
THROUGH INCREASED
ECONOMIC CAPACITY**

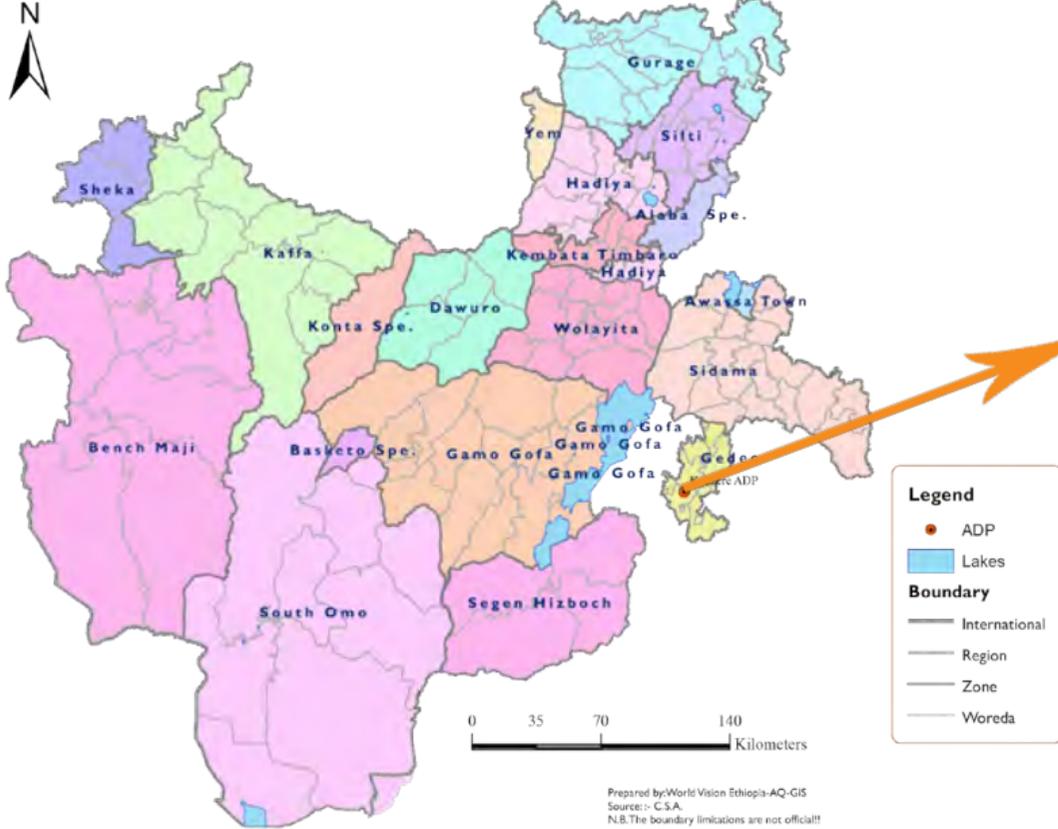
impacted
the
lives of
183,407
children



Kochore Coffee Farmer's Co-operatives Revitalization Support Project

Kochore Coffee Farmer's Cooperatives Revitalization Support Project aims to increase farmer's productivity by building their capacity, teaching them improved agricultural practices, post-harvest storage and processing techniques, creating an efficient and competitive marketing system that guarantees farmers access to sustainable markets so that they can graduate from subsistence to commercial farming. The project was a grant project implemented by Kochore Area Program (AP) in strong partnership with government sector offices, coffee growers, cooperatives and Yirgacheffe Coffee Farmers' Cooperatives Union (YCFCU), the community, and Jasper Coffee who are now a buying partner in Australia from September 2006 -2014 in Kochore, Yirgacheffe, Gedeb, Wenago, Bulie, and Dilla Zuria districts. The eight year long project implementation funded by World Vision Australia has brought about versatile and significant change at household, community, primary cooperative, and union levels.

Location of Kochore AP in SNNP Regional State



Kochore

Kochore Area Program (AP) is located in Gedeo zone, about 375km southeast of Addis Ababa and 90km from Hawassa, the regional capital.

Gedeo zone is one of the 14 administrative zones found in Southern Nations Nationalities and Peoples' Regional State of Ethiopia. There are six woredas (county) under Gedeo zone administration.

The Gedeo zone and its adjacent community have centuries of experience in organic, forest-based garden coffee cultivation. The natural climate, geography, and ecosystem are ideal for the production of high quality Arabica coffee.

Area Program

Hence, coffee remains a means of livelihoods for all families in Gedeo. For a long time, small coffee growers in the area have been organized into primary cooperatives and lately into a union, called Yirgacheffe, for better market opportunities and economic development. Currently there are 23 cooperatives in the six woredas of Gedeo zone under the Yirgacheffe Union (YCFCU).

In spite of this, due to poor organizational administration and management along with lack of competent marketing skills, the union and cooperatives were not able to bring about the expected services and economic growth for their members, which has negatively impacted the livelihood of the community.

Before

- * 75% of the children were malnourished
- * Only 45% children went to school
- * School dropout rate was 20%
- * Low preventive health behavior among the community
- * Capacity to health access was 19%
- * YCFCU members income was very low

The project

- * More than **650** model nursery growers were trained on seedling nursery establishment and management, coffee processing, and quality improvement and equipped with startup nursery materials including improved coffee seed.
- * Established approximately **700** mini-nursery sites which have the capacity to produce over **17.5 million** improved seedlings per annum
- * Established coffee value chain forum with stakeholders
- * Provided **1,320** model growers trainings of trainers in different areas such as promotion and marketing skills, management capacity etc., and linked YCFCU to more than **20** certified coffee buyers across the globe
- * Trained **129** industry technicians and managers on maintenance and servicing, quality tracing and operations
- * Organized more than **1,300** primary cooperatives to Coffee Grower Groups (CGGs)
- * Facilitated experience sharing visits on technology transfer
- * **22** coffee primary cooperatives of YCFCU are organic and fair trade certified

AVERAGE COOPERATIVE
MEMBERS' INCOME



INCREASED BY

75%

CHILDREN HEALTH
CARE INCREASED BY



12%

AWARENESS ON BALANCED DIET,
PRENATAL AND ANTENATAL



CARE, AND FAMILY

PLANNING INCREASED BY 75%

COFFEE FARM GATE
PRICES ARE STABILIZED AND
INCREASED BY



70%,

HOUSEHOLDS EXPENDITURE



ON EDUCATION
AND HEALTH REACHED
AVERAGE OF

38% OF THEIR INCOME

CHILDREN SCHOOL



ENROLMENT HAS
INCREASED BY

17%

AVERAGE ORGANIC AND QUALITY
COFFEE PRODUCTION



INCREASED FROM

4.5 QT/ HA TO 8.2 QT /HA



- * Diversified marketing strategies from merely wet milling industry to sundry coffee, natural specialty coffee, skin & hide, hotel tourism, etc
- * Export quality has increased from 65% in 2006/7 to 90% in 2013/14
- * Cooperatives processing capacity increased from 20,000kg in 2006/7 to 70,000kg in 2013/14
- * Developed & implemented competent business & strategic plan as well as financial system
- * Increased export volume from one thousand tons in 2006/7 to 1.8 thousand tons in 2013/14
- * Increased marketing linkage from two in 2006/7 to more than 30 international buyers in 2013/14
- * Average union annual net profit has increased from negative profit in 2006/7 to 2.57 million USD (51.4 million birr) in 2013/14
- * Average cooperative members dividend has grown from zero in 2006/7 to 459 USD (9 thousand birr) in 2013/14 per year
- * Businesses are led by professional staff
- * Annual cooperative profit has increased from negative profit in 2006/7 to 151,000 USD (over 3 million birr) in 2013/14
- * Implemented social community projects like schools, water supply, bridges, gravel roads, electricity, flour mill, etc.
- * Progressed from renting office, warehouse, and processing huller, to owning office, warehouse, field & office vehicles, processing huller etc.
- * Improved financial negotiation skill and cleared primary cooperatives historical bad loans amounting to 4,062,500 USD (over 81 million birr)
- * Sell their organic and fair trade certified coffee to specialty market with premium price, despite the fact that the conventional coffee market is decreasing
- * From 2011-2014 alone the cooperatives have generated more than 1.2 million USD (24 million birr) premium for social projects



Potable water supply was one of the challenges of the community. Most people, if not at all, were making use of spring water sources and were exposed to various water born diseases. In an effort to ease the challenge of clean water supply, the union has drilled three hand dug wells and developed six water springs that benefited more than 8,000 people.

With significantly improved access to potable water and hygiene and sanitation education, woreda health officials say the rate of water and sanitation related disease prevalence has been reduced from 56% to 28% over the last eight years. Potable water coverage, which was under 18.1%, has been raised to its current level of 49.7%.

The average travel time to collect water has been reduced from four hours to 40 minutes. It is evident that the potable water supplied at close proximity resulted in saving time and energy for women and girls that could be spent for other productive purposes. This is cause to believe that World Vision has been positively impacting the health of its community, notably children, by building the capacity of the union and cooperatives.



Almaz Mekuria

Almaz Mekuria, 45, lives in Boji village of Kochere District. She is a member of Hama Coffee primary cooperative. “Before this water came to existence, we used to fetch water from a river, walking about 2 hours back and forth. The water was so dirty. We and our children used to get sick of diarrhea frequently. I remember once there was a massive diarrhea incidence in our village which affected the health of many children/community members and the government had to send a group of health workers to treat us. But today, thanks to our cooperatives, we are drinking clean water;” happily explains Almaz. More than 400 people are benefiting from this water source.

Based on the trainings on maternal and child nutrition by WVE, the cooperatives have played a significant role in increasing awareness of the community which has significantly impacted the lives of many children. For example accordingly to the recent Gedeo Zone Marketing and Cooperatives Development Department (GZMCDD) annual report, coffee growers have increased 25% of their income for child nutrition which was 13% in 2009.



Through cooperatives WVE trained community members to save money on a regular basis. So far, 261 village saving groups with 43,396 members were established. In addition, 400 new village associations with 38,190 members have also been registered. The village saving groups have reached capital of 1 million USD (20 million birr). These groups provide the members the opportunity to take out small loans to enable them start new or grow existing businesses. In 2013 the saving groups dispersed more than 46,026 USD (920,520 birr) as loans to coffee growers.

The community has also improved the saving culture and developed awareness on cash saving with banks and micro finances. According to the 2013 district commercial bank reports, 102,000 growers have saved more than 3,446,153 USD (close to 69 million birr). Moreover, in Yirgacheffe District, 12 village saving associations are rapidly advancing and established a saving and loan union with the name Ejersa Union. Currently the Union is in the process of establishing a micro enterprise and micro finance institution. 103 village saving groups were also linked with financial institutions with collateral functioning. Members have also started child saving accounts for every child for higher education. According to the 2013 zone cooperative report, the percentage of growers opening bank accounts and micro finances has increased by 55%.

According to the GZMCDD annual report, 2,013 coffee growers have increased their income for savings and assets buildings to 22%, which is higher than the estimated 10% for asset building in 2009.



As a result of the Kochore Coffee Farmer's Co-operatives Revitalization Support Project quality and access to education has been significantly improved.

Reinvesting in public education schools, implementing universal education programs, reducing class sizes, and fostering community engagement have been focus areas for the cooperatives. Where there are shortages, they built additional class rooms. They have upgraded first cycle (1-4) schools into second cycle schools (5-6) to provide access to their children close to the homes and place of work. So far, **36 additional blocks** (72 class rooms) have been built that benefited **more than nine thousand** children.

“We have benefited a lot from fair trade. We have two elementary schools (grade 1-4) in our village. Through fair trade revenue, we were able to construct two additional blocks for each of the schools. We've also upgraded one school to (grade 5-6)”. If it had not been for our contribution, the schools wouldn't accommodate all children in our village. Those who completed grade four would be forced to walk long distances every day to attend 5th and 6th grade. Most of the time the girls drop out because of challenges such as abduction during the long walk,“ says Kassu Ebra, Hafursa Coffee Cooperative Vice Chairman.



IMPROVED

Due to lack of accessible roads and bridges, the coffee farming community was facing challenges to access reasonable markets, especially in the rainy season. For this reason, they had to sell their coffee products for lower prices in the local markets. Similarly, taking their sick families to better health institutions was impossible. To lessen these challenges, the cooperatives have constructed three gravel roads and three bridges to connect the community to different towns and national markets, as per the needs of the community. More than **15,000** people have benefited from the bridges and gravel road construction.

INFRASTRUCTURE

“The bridge that we used to cross the river was made of logs. It was only used for people. When the water overflowed, crossing became very dangerous. We had to stay until the water subsided. The community was not accessing a better coffee market. But today, a bridge that connected us to the nearest town is constructed. Vehicles can cross the river and we are able sell our coffee products for better prices,” explains Bereket Beyene Finchiwa Cooperative Manager.





In Konga village, people did not have access to electricity. They had to use kerosene lamps, which were expensive and even dangerous. Children had to study their lesson with kerosene lamps and in turn it was affecting their sight and respiratory system. Since there was no electricity the villagers also were not able to have flour mills in their vicinity. People had to travel long distances carrying loads of grain on their back to get flour mill services. In the past it would take as much as one full day to get to the nearest mill service. Besides wasting their time and energy, women and girls who are responsible faced many challenges on the way to and from the flour mill.

In regard to this, Konga and Hafrusa cooperatives have provided two villages with electricity and benefited more than **3,200 households**. In addition, Chichu and another nine cooperatives have installed nine cereal grinding machine/flour mills that can benefit about **13,400 cooperative members** and more than **23,000 non-cooperative members**.

“An electric line was passing through our village, but we didn’t have the capacity to have that light in our village. We were using kerosene lamp. Our children were suffering a lot with respiratory infections and sight problem. It was a life changing investment both to ourselves and children.”
Fikru Beyene, Konga Cooperative Manager.

“Before this flour mill was in place, we had to travel about 3-4 km to get flour mill service, carrying a bag of grain on our back. It was a terrible and tiresome experience. We were staying up to one full day to get service. But today our cooperative has constructed us a flour mill in the center of our village. Now we access the service in a short time. We are very much delighted,” Birtukan Worku, member of Chechu Cooperatives.





Most community members had to travel to bigger towns to purchase their basic supplies for their day to day life. The goods in private shops were very expensive. In an effort to solve these problems, most cooperatives are constructing general shops in the midst of the community to serve their members with reasonable prices. So far, **four cooperatives** have already constructed general shops benefiting more than **nine thousand** community members.

“We had to travel longer distances, wasting our energy and time to buy goods and other basic needs. The prices of the goods were beyond the reasonable prices. But we had no options. Today, our cooperative has opened us a general shop which can provide goods at affordable prices,” happily explains Tigist Shuta, a member of Finchiwa Cooperative. More than **3,000** people are benefiting from this shop.

WAY FORWARD

A short and long term strategic and business development plan was implemented successfully. Cooperatives and unions are well managed to a level that can benefit coffee growers substantially and make them competitive both in the national and international markets. Yirgacheffe Union has also started construction of a multiuse construction building, condominium houses for growers' students, and a Yirgacheffe lodge for promotion of their coffee as well as tourism. It has purchased a warehouse for a huller, storage, and office buildings at Addis Ababa. Going forward, the Yirgacheffe Union is also planning to establish Yirgacheffe Bank at Addis Ababa, Awassa, Dilla and in the six respective woredas of the cooperatives to increase the union's revenue.

Our vision for every child,
life in all its fullness;
Our prayer for every heart,
the will to make it so.

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