



Rwanda Fully Washed Coffee Chain and Poverty Reduction

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Coffee in Rwandan Economy

=> Poverty reduction (Study findings)
(education, health, investments, ...)

=> Economic growth (NISR statistics)

Year	Export Earnings	Percent of total exports
2009	\$38.3 Millions (First)	18.1%
2010	\$57.1 Millions (second)	24.0%
2011Q3	\$55.8 Millions (First)	47.6%



Secret behind Coffee Performances

- Increased quality
- Strategic marketing
- Government and Development partners investments
- Favorable climate and geographic conditions
- Good variety
- Clear vision and strategic planning

Coffee Washing Station



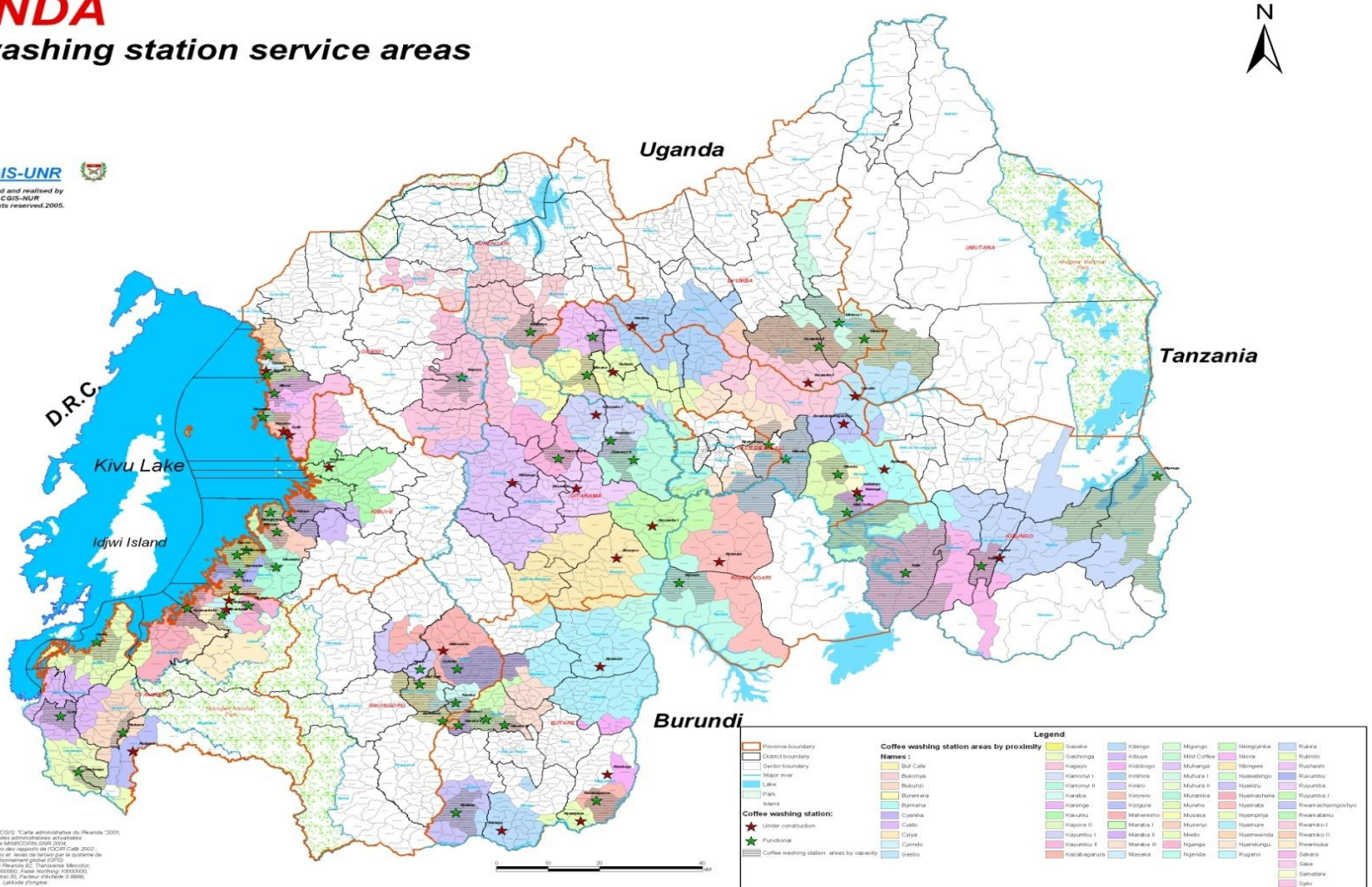
Key Inputs

- Coffee beans
- Clean Water
- Electricity
- Manpower

Spatial Distribution of CWS

RWANDA Coffee washing station service areas

GIS CGIS-UNR
Established and realised by
the CGIS-UNR
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EDPRS 2008-2012 Target (EDPRS 2007)

- 37% Fully washed coffee in 2012
- 100% Fully washed coffee by year 2018

Situation by end of 2010

=> Fully washed coffee represents 22% of the total exported coffee

Is it achievable? How?

- Challenges
 - Access and use of coffee washing stations by all small coffee farmers
 - Improved smallholder coffee yields (quantity and quality)
 - Profitability of coffee washing stations
 - Partnership between coffee farmers and CWS owners (fair prices to farmers)
 - Sustained and efficient marketing
 - Financing of the coffee sector

Option 1. The private sector takes over the SPREAD activities in FWC chain

- CWS operate below the installed capacity
 - High operating costs
 - Are located in easily accessible areas alongside the roads
 - Operate few months in the year
- ⇒ Little future investment in remote areas and the 100% FWC objective will not be achieved
- ⇒ Rwanda will export more Ordinary coffee

Option 2. Continued GVT support to the FWC chain through the promotion of construction of CWS

Advantages

- Better access to CWS by coffee farmers in remote areas and hence faster poverty reduction
- Lead to attainment of 100% FWC faster with increased earnings from exports
- Issue of concern: sustainability at the end of GVT support since the costs of operation will be higher compared to CWS in easily accessible areas

Preferred Option

Option 3. The Government of Rwanda and USAID support the private-sector Actors involved FWC chain towards achieving the sustainability and expansion of achievements of the PEARL/SPREAD projects

- *reinforcement of capacities of actual actors in the system in management and marketing*
- *increase the catchment area of CWS at low cost*
- *prioritize areas where CWS are installed for electrification to reduce costs of CWS operations*
- *Specify roles and responsibilities of each actor in the system (farmers, Gvt, Community, CWS owners, Dvpt partners)*



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