

Rikolto (previously known as VECO) has developed the Inclusive Business Scan, powered by SenseMaker, to gain real-time insights into inclusive business principles within smallholder supply chains.

The Inclusive Business Scan collects the experiences of many smallholder farmers on the inclusivity of a supply chain. The stories are interpreted by the farmers themselves.

In so doing, respondents make a primary assessment of their stories, adding a deeper layer of meaning to the stories and removing the potential bias of a third party interpreting the data.

Pattern-detection software analyses the micro-narratives and turns the original qualitative data into aggregated visual patterns and statistical data, which offers insight into real-time issues and fast-response measures.

SenseMaker offers a powerful, natural and intuitive tool to gain new insights and information from multiple perspectives on the complex relations between farmers and buyers.

**Voices
that
Count**



Photos: Tom Van den Steen

Value chain:

Arabica coffee

Cooperative:

Kawa Kanzururu

Country:

DR Congo

Collection period:

November 2017



Kawa Kanzururu

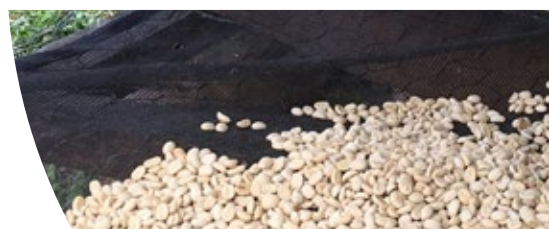
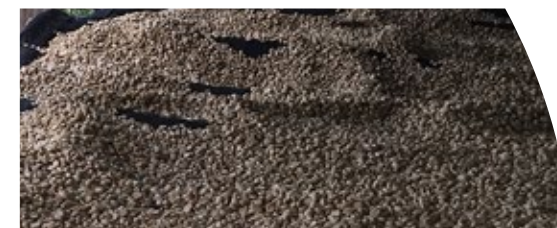
On the slopes of the Ruwenzori Mountains, bordering the Virunga National Park in the eastern Democratic Republic of Congo, small family farms grow Arabica coffee of superior quality. Many coffee growers in the region are members of the Kawa Kanzururu cooperative (COOKKANZ).

This organisation was created in 2014 with support from Rikolto; 875 members (645 men and 230 women) now collectively sell their quality coffee through this cooperative to several companies in the international speciality coffee market.

The cooperative is built around coffee processing centres, called micro-washing stations (MWSs), each one serving between 50 and 100 coffee growers. The members co-invest 50% with the cooperative, both in kind and in cash, in the purchase of the equipment needed to build their MWS. The initial joint investment came from Rikolto.

The members bring their ripe coffee berries to the MWS. Here, the coffee undergoes high-quality, centralised treatment to give the parchment (thin skin of the bean, removed after milling) the colour of the “Iwanzururu”, the perpetual snow of the Ruwenzori. The parchment coffee is then taken to the factory either in Beni or in Butembo to produce the cherished green coffee stamped K3, ready for export.

And to carry out all of these operations, the Kawa Kanzururu cooperative needs business capital. Since the cooperative belongs to its members, they each contribute at least one member share worth USD 25, remunerated pro rata to the annual net profit.





Introduction to the survey

In November 2017, Rikolto in the Democratic Republic of Congo used the Inclusive Business Scan to collect stories from members of the Kawa Kanzururu Arabica coffee cooperative in Beni Territory. The aim was to understand what the members think about having access to the micro-washing station and about the relationship between members and MWS, and between MWS and the cooperative. This will help pave the way for the Kawa Kanzururu cooperative being able to operate independently without Rikolto's support.

A total of 521 members shared their stories, which were collected in Kinande and Kiswahili and then translated into French and English.

Chart 1: MICRO-WASHING STATIONS THAT PROVIDED THE STORIES

A total of 521 coffee growers from 16 micro-washing stations (MWSs) of the Kawa Kanzururu cooperative shared their stories in the Arabica coffee value chain.

30% of the participants in the survey were under 35 years of age. One in three respondents were women.

Chart 2: FEELINGS ASSOCIATED WITH THE STORIES

62% of the stories elicited positive feelings.

Chart 3: WHAT WERE THE STORIES ABOUT?

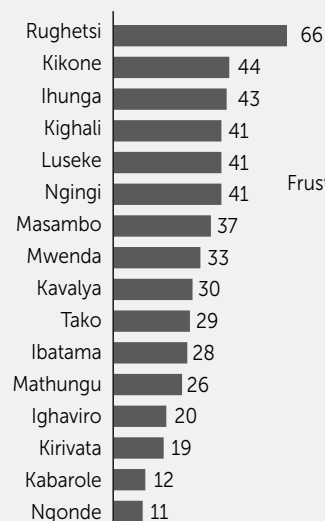
Price, production and processing of superior-quality coffee, good growing practices and yield were the main concerns of the respondents. In terms of figures, many respondents shared stories about price (50%), yield and good growing practices (39%), as well as production and processing of superior-quality coffee (37%).

Most of the stories were associated with positive feelings. However, three out of ten elicited negative feelings.

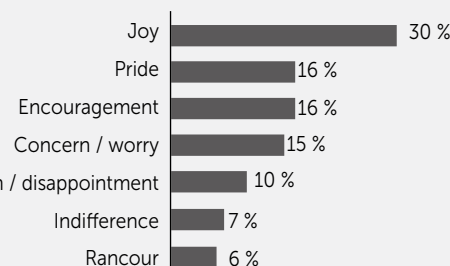
In these cases, the main worries and frustrations of the coffee growers seemed to be:

- Rust, coffee berry disease (anthracnose), insect attacks, coffee stem borers;
- Poor harvests due to the dry season;
- Price instability.

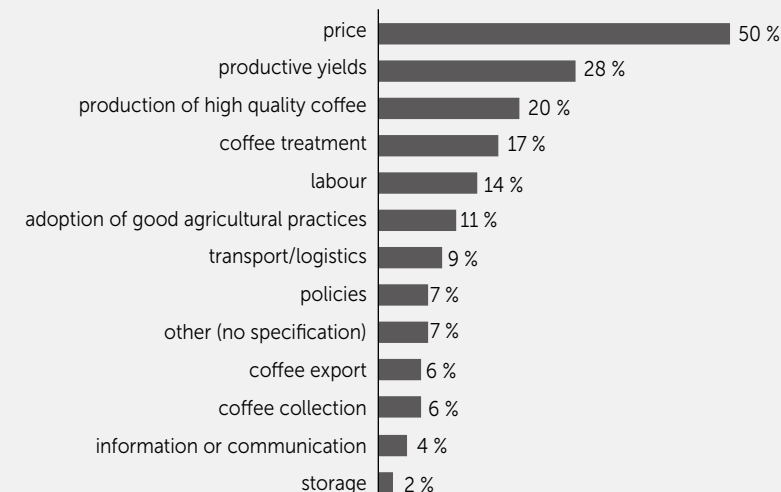
1 Number of stories collected per micro-washing station



2 Emotions linked to the stories



3 My story is mainly about... (max. 2 choices)



Participation in decision-making

34% of the respondents think that decision-making on the management of COOKKANZ is shared between the stakeholders within the chain. Conversely, 32% of the coffee growers surveyed believe that COOKKANZ management decisions are in the hands of the cooperative leadership. There is no significant difference between young people and adults who think that decision-making on the management of COOKKANZ is shared between the stakeholders.

Broadly:

- One in three respondents believe that the members, the MWS managers and the cooperative leadership are all involved in managing the cooperative together. However, one in four think that it is primarily the COOKKANZ leadership that manages the cooperative's affairs.

- The coffee micro-washing stations that have the strongest perception of joint involvement in cooperative management are Kighutu, Kavalya and Kirivata. These three are located close to the cooperative's office. Their members therefore call into the office on market day in Lume, seeking information relating to their business.

The MWSs that perceive the cooperative leadership as being more interventionist are Kikone, Kabarole and Ngingi, which are all a long way from Lume, where the cooperative's office is located. The members of these MWSs are younger and are desperate to know what is happening in their cooperative: the distance means that they are less informed than those of Kighutu, Kavalya and Kirivata.

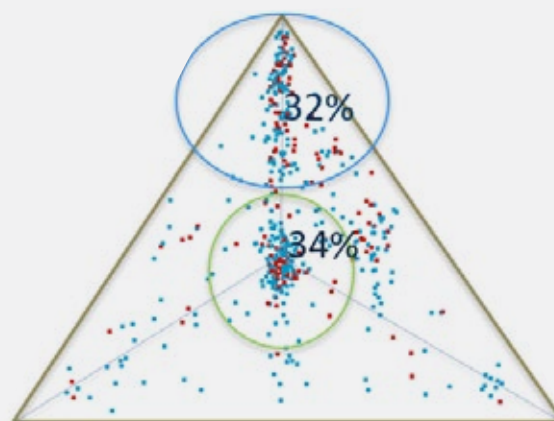
Effects of market participation on coffee production

According to 43% of the respondents, participating in the market through the cooperative has a positive effect. In this regard, the coffee growers adopt good growing practices, enlarge the area planted with coffee and buy new varieties originating from commercial nurseries.



4 In your story, management decisions within Kawa Kanzururu are in the hands of ...

the leaders of Kawa Kanzururu

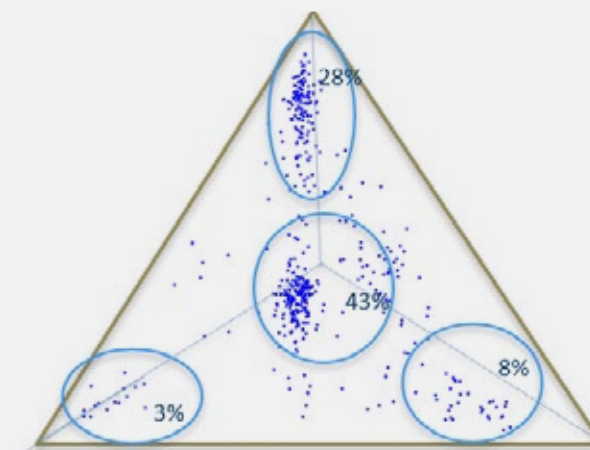


the producers

the leaders of the micro-washing station

5 In your story, market participation of the producers via Kawa Kanzururu has influenced...

apply good agricultural practices



buying new varieties from commercial tree nurseries

expansion of coffee plantation



«I'm really happy about the fact that our MWS is currently well governed, which means that each of us can earn a lot of money in a transparent manner. And that encourages us to expand our fields to make more profit. Before, we had a guy in charge who wasn't very effective. But once we voted in a new boss, things started looking up on the coffee front; for me personally, my children are able to study thanks to the money I've earned selling my coffee to Kawa Kanzururu.»

Happy coffee grower from Ibatama

«Last season I arrived at the MWS at a time when there was no money and I really needed to pay my kids' school fees. I was promised that the money would be there in two days so I went off and signed a form saying that I had to pay after the two days. Strangely enough, when I went back to the MWS, the chairman told me that he had already used my money in his business.»

Dissatisfied coffee grower

Benefits of cooperative membership

Lying closer to Lume, the site of the cooperative's office, the coffee micro-washing stations of Ihunga, Rugetsi, Masambo, Mathungu and Kighali are the most enthusiastic about membership, because they have benefited substantially from the cooperative. The respondents from these MWSs are prouder and often more outspoken about:

- The benefits being well worth the effort;
- Their confidence in COOKKANZ to find the best deal;
- Their appreciation of collective marketing;
- The link between the production of high-quality coffee and the adoption of good practices, on the one hand, and a high price obtained at the time of sale, on the other;
- Prices that enable them to invest in the future.

Direct advantages of membership of the MWS

What benefit is there in being a member of a coffee micro-washing station?

For the vast majority (more than 70%), the purchase of coffee berries clearly stands out as the main advantage, followed by access to a viable sales channel (65%) and access to the services provided by the cooperative (50%).



6 In your story, the direct advantages of being a member of the MWS are mainly...



Testimonial from an enthusiastic coffee grower:

«I'm very happy that Kawa Kanzururu has been set up here. The best thing is that we sell at a good price, compared to the days before the cooperative was created. In fact, I used to have to carry my coffee all the way to Uganda – on my head! I would arrive in Uganda, exhausted, and would be forced to sell my coffee at a ridiculously low price. I was never able to invest in the future or cover my household expenses. It also took a lot of energy. Thanks to Kawa Kanzururu, I now have a good deal and my experience of selling in Uganda is just a bad memory.»

Testimonial from a female coffee grower:

«I'm very happy to be a member of the Kawa Kanzururu cooperative. Last season my mother became seriously ill and had no money for treatment. I had just sold my coffee berries at a good price so I used the money I received from the MWS and went to Butembo to look after her. She's now made a full recovery. I feel great joy because, thanks to my membership of the cooperative, I was able to sell my berries at a good price and save my mother's life.»



Confidence in COOKKANZ

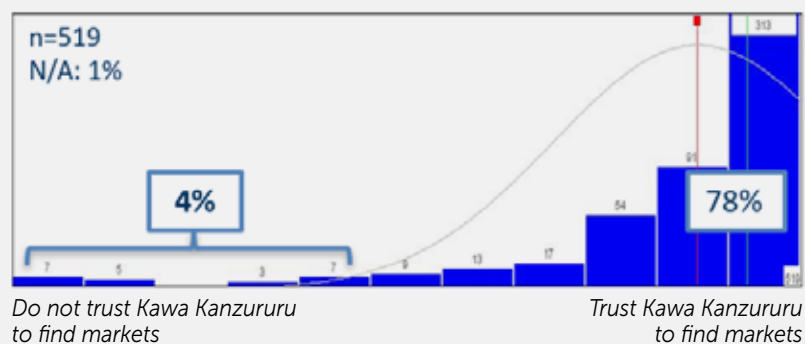
78% of the coffee growers surveyed have confidence in Kawa Kanzururu's ability to find a profitable market, while 4% do not.

This confidence is more marked among the respondents who shared stories about adopting good agricultural practices (93%, more than half of whom come from the Ihunga, Kighali, Masambo, Mathungu and Rugetsi MWSs) and among the respondents who are proud of the subject of their stories (92%, three-quarters of whom come from the Ihunga, Kighali, Masambo, Mathungu and Rugetsi MWSs).

Assessment of the price paid

68% of the respondents like the price paid by the Kawa Kanzururu cooperative and it enables them to make investments. However, 7% of the respondents think that the price paid to producers by the cooperative results in financial losses.

7 In your story, the producers...



8 In your story, the prices paid by Kawa Kanzururu...

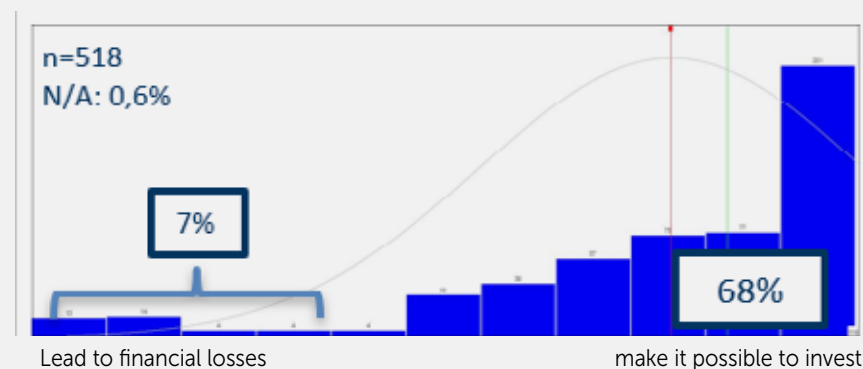




Photo: Ivan Godfroid

Testimonial about good practices:

«Since I joined the Kawa Kanzururu cooperative, I no longer have to contend with the many problems I used to have. I can honestly say that, before COOKKANZ, we really didn't sell here, in the true sense of the word. I was suffering so much that it felt like I was actually being robbed of my coffee. I had already started uprooting my coffee trees, because I just couldn't see the point any more. But after selling to the station last season, I was encouraged by the price I got, the shorter distance involved and the tips I picked up at the MWS. This year I've even started to replant, because the Kawa Kanzururu cooperative has really motivated me.»

Concerns of a woman from Ngingi MWS:

«A bowl of coffee berries used to sell at 1300 Ugandan shillings. But nowadays the price has dropped to 1100 shillings. Yet I have to do a lot of work before coming here to sell them. When you look at those people who sell to fraudsters without much effort being involved in processing the coffee, I think they earn more than us.»

Motivation factors for contributing member shares

For 23% of the members, the main motivation to contribute a share is its dividend. According to 19% of the respondents, the decision to contribute their member share is motivated by a combination of the desire to ensure that they benefit from dividends, are less dependent on lenders and can provide COOKKANZ with business capital. According to 15% of the respondents, the contribution of member shares is primarily motivated by the desire to provide the cooperative with business capital.

As we can see, the respondents who replied that the contribution of member shares is chiefly motivated by the desire to ensure that they benefit from dividends also indicated that the main benefit of membership is the purchase of their coffee berries and not the services provided. Does this mean that the services are not worthwhile? Far from it! The ultimate aim for the coffee growers is that the cooperative must be tangible in the members' wallets.

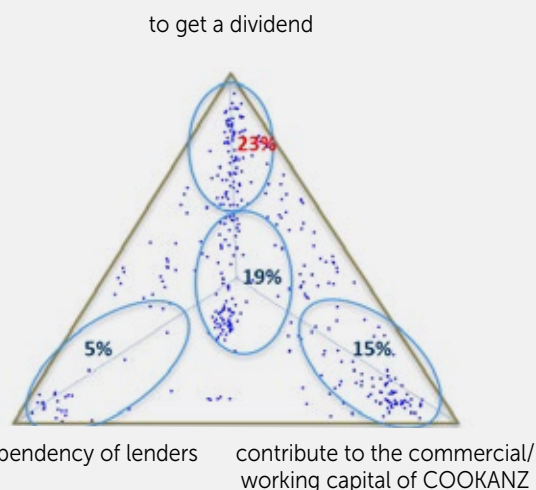
Main services provided by the MWS to the producers

The respondents think that the main services provided by the micro-washing station are access to markets (76%) and training on good practices (63%) both at production level and on how to process the coffee after harvesting. Collective marketing (28%), price negotiation (21%), provision of information (21%), infrastructure (18%) and loans (18%) are considered to be secondary services of the MWS.

Information about contracts with buyers

35% of the respondents think that the information they receive about the coffee buyer contracts meets their needs and is provided transparently. The Luseke (46%), Mathungu (54%), Thako (52%), Kavalya (47%) and Mwenda (45%) MWSs are the most positive. In terms of the categories of respondents, employees of the Kawa Kanzururu cooperative (60%) have more positive opinions. Conversely, 24% of the respondents have a negative opinion regarding the sharing of information on buyer contracts. The Ibatama (50%), Kikone (36%) and Ighaviro (35%) MWSs are the most negative.

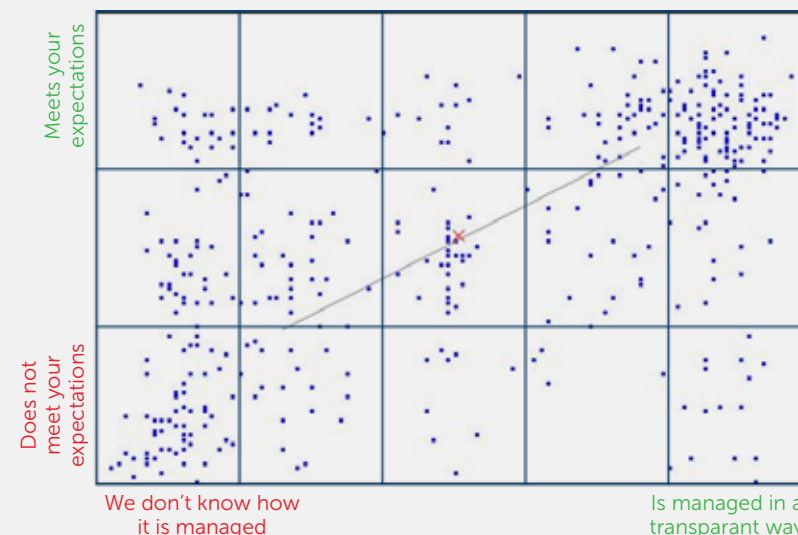
9 In your story, the motivation to contribute a share to provide COOKKANZ with capital, is motivated by...



10 In your story, the motivation to contribute a share to provide COOKKANZ with capital, is motivated by... (max. 3 choices)



11 In your story, the information about the contracts between the coffee buyers and COOKKANZ...



Conclusions and action items

Many of the coffee growers who are members of the Kawa Kanzururu cooperative have a positive view of their cooperative business. 70% of them sell their coffee berries to their cooperative because they prefer it over competitors. It is therefore a conscious choice they are making: they identify with their cooperative business and do not regard it as just another buyer. And for this reason, the coffee growers are prepared to provide their cooperative with business capital for the purchase of berries, centralised processing and export to the international market.

In fact, 51% of the respondents think it is highly appropriate to contribute member shares (for 23% of them, motivated by the desire to ensure that they benefit from dividends and have business capital at their disposal in order to make them less dependent on lenders).

The members of the Board of Directors and the staff of the cooperative take ownership of the findings of this survey. Accordingly, during the regular general assembly of the members, held in Lume on 21 April 2018, the directors and managers reaffirmed their commitment to turning the challenges into opportunities. The leadership has grasped the fact that sharing information is the key. This led to the introduction of the cooperative's in-house newsletter (Taarifa ya Kawa Kanzururu), which is displayed in the form of a poster in the various micro-washing stations each month.

And what about the Rikolto programme officers?

Rikolto staff are advising the cooperatives on better ways to explain the benefits of membership to their members, in particular by drawing up business plans at coffee farm, MWS and cooperative levels. This involves clearly showing the production costs at all three levels to give a breakdown of the costs for each container sold.

Also, a manual will be designed to clearly explain what a cooperative is, and the benefits of membership: purchasing of berries, dividend, payment in shares in case of profit, etc.

Another challenge is to work on efficient communication to put the coffee growers at the heart of the whole process. The coffee growers are not mere suppliers; they are the owners of the cooperative. We have to work on changing attitudes. There must be a mechanism that empowers the coffee grower members.

Another important aspect of our work is to support the cooperatives in negotiating a minimum price with the buyers, so that each cooperative is in a better position to anticipate profits and will no longer be exposed to the volatility of coffee prices on the New York Stock Exchange. This will help us envision how this cooperative can operate independently – and indeed all the cooperatives that Rikolto supports, as challenges are almost the same everywhere.



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