



SUCAFINA

**DISCOVER
THE ORIGIN OF
BURUNDIAN COFFEE**

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UNDERSTANDING A COLONIAL PAST

2019 has been one of the most challenging crop years in Burundi for coffee.

Long-term partnerships and investments in origin are crucial to the long-term success of the coffee industry in the country. Bugestal – Sucafina’s subsidiary in Burundi and the Kahawatu Foundation – Sucafina’s sustainability implementer in the region, have been working closely with farmers to improve crop yields and harvesting techniques to ensure the highest quality coffees

Bugestal operates nine washing stations throughout the coffee-producing regions in Burundi, at altitudes ranging from 1500 to 1700 meters above sea level. Its efforts at improving sorting and processing methods have vastly raised the level of quality of coffee produced from Burundi.

Let’s first take a jaunt through the past to better understand the current state of coffee production in Burundi. Coffee trees were introduced in Burundi during the 1930 & the 40s by the Belgian colonial government, who officially controlled the Belgian Congo from 1908 to 1960 and the twin territory of Ruanda-Urundi from 1922 to independence in 1962.

The Belgian government made coffee-growing mandatory during their rule. When the Belgian government withdrew, many stopped tending their trees because it

was no longer compulsory, and coffee was seen as a symbol of colonial oppression. However, many also saw the economic advantages of continuing to grow coffee, and the industry quickly became essential to Burundi’s national economy.

The coffee industry in Burundi remained in the public sector until the start of the 21st century when the government slowly began privatizing some parts of the coffee chain. As a result of this relatively recent change, there are very few foreign companies involved in Burundi’s coffee sector.

Today, Burundi’s coffee industry is fueled by the 600,000 smallholders, which translates to around 5 million people with their families. To put this number in perspective, consider that the entire population of Burundi is only a little under 11 million people:

smallholder coffee producers and their families comprise almost half of the total population. On top of this, coffee represents nowadays over 80% of Burundi’s exports.

Despite the ubiquity of coffee growing in the country, Burundi has the lowest yield in the world. The average smallholder has approximately 250 trees. Each tree yields an average of 0.7 kilos of cherry, so the average producer only sells less than 200 kilos of cherry annually. The small size of yield is compounded by the fact that as land is passed on to the next generation, coffee holdings get smaller and smaller. Coffee is “a survival crop.” However, unless some fundamental changes are made in the coffee-growing sector, this survival may be tenuous.

Change is on the horizon. Bugestal is making waves in the industry on both coffee quality and farmer livelihoods.

WRITING A BETTER FUTURE

Quality-wise, Bugestal is working holistically from seed-to-bean to increase yields and quality. All coffee trees in Burundi are Red Bourbon, which is tightly controlled by the government for quality reasons. Because of the increasingly small size of coffee plantings, the aging rootstock is a significant issue in Burundi. Many farmers have trees that are over 50 years old, but with small plots to farm, it is difficult to justify taking trees entirely out of production for the 3-4 years it will take new plantings to begin to yield. To encourage farmers to renovate their plantings, Bugestal gets seeds from the Institut des Sciences Agronomiques du Burundi (ISABU), establishes nurseries and sells the seedlings to farmers at or below cost. The impact of this project is already measurable: farmers enrolled in the project have seen their yields double, from 0.7kg to 1.5kg per tree, and therefore a great income increase.

Bugestal knows that even small distances can be time-consuming and expensive to travel for 20,000 partner farmers, and they know that receiving cherry immediately after harvest is crucial to quality. Therefore, smallholders can bring their cherries either directly to a Coffee Washing Station (CWS) or one of the 10-15 collection sites surrounding each of the 9 CWS. Farmers are paid the same for their quality cherry regardless of which site they bring their cherries. In this way, farmers are not disadvantaged due to their location, and they do not have to bear the time and cost of transport to CWS's.

Quality assurance begins as soon as farmers deliver their cherry. All cherry is floated in small buckets as a first step to check its quality. Bugestal still purchases floaters (damaged, underripe, etc.) but immediately separates the two qualities and only markets floaters as lower quality cherry. After floating, the higher quality cherry is sorted again by hand to remove all damaged, underripe and overripe cherries.

After sorting, cherry is de-pulped within 6 hours of delivery. During pulping, cherry is separated in to high- and low-grade by density on a McKinnon 3-disc pulper outfitted with an additional separation disk. The coffee is then fermented for 10-12 hours, depending on the ambient temperature. Trained agronomists check the beans by hand regularly to ensure fermentation is halted at the perfect time.

After fermentation is completed, coffee is run through washing and grading canals. As the beans flow through, wooden bars that are laid across the channel prevent beans of specific densities from passing through. These bars are spaced across the channel. While the first blockade stops the most-dense beans, the next is arranged to stop the second most-dense beans and so on. In total, the channel separates beans into five grades according to density.

The beans are then transported to the drying tables where they will dry slowly for 2-3 weeks. Pickers go over the drying beans for damaged or defective beans that may have been missed in previous quality checks. The beans are covered with tarps during periods of rain, the hottest part of the day and at night. On the table, the beans are dried to 11.5%.

Once dry, the parchment coffee is then bagged and taken to the warehouse. Bugestal's team of expert cuppers assess every lot (which are separated by station, day, and quality) at the lab. The traceability of the station, day, and quality are maintained throughout the entire process, thanks to a robust IT system recording each farmer with an individual ID and each cherry delivery.

Before shipment, coffee is sent to Budeca, Burundi's largest dry mill. The coffee is milled and then hand sorted by a team of hand-pickers who look closely at every single bean to ensure zero defects. It takes a team of two hand-pickers a full day to look over a single bag. UV lighting is also used on the beans to check bacterial activity. This allows pickers to remove the beans that already show bacterial activity (which provokes a deterioration of the coffee), increasing the shelf life of the beans. The result is a coffee that fades more slowly, which is particularly important for a coffee grown in a landlocked country such as Burundi, as transit time from origin to the buyer is usually longer.



DRIVING CHANGE

Bugestal ensures quality in its product, but just as importantly, the Company is also contributing to general livelihoods in Burundi. Budeca Dry Mill demonstrates the scale of this impact. The mill produces an average of 300 containers of 320 bags per year. Budeca is located in Burundi's new capital city, Gitega, with a population of around 120,000 people. Since approximately 3,000 people – which all of them are women, are working at the mill, mostly as hand pickers, this means that Budeca employs nearly 2.5% of the total population in Gitega for at least half the year (during the milling season). The same is true in the provinces of Ngozi and Kayanza, where Bugestal is the first employer in the region during the coffee harvest season. This has an incalculable impact on a country like Burundi, with unemployment rates above 50%, especially in rural areas and among young people.

In addition to its stringent quality standards, another way Bugestal is improving quality and livelihoods is through education for farmers. Over 2785 individual and group training sessions were delivered in Burundi since the Kahawatu Foundation was created in 2012. Moreover, with the support of the Foundation, an average of 9800 farmers are trained each year at Bugestal. Two agronomists are stationed at every CWS and provide training to all the farmers. They provide information about the cycles of coffee trees, the importance of pruning and replanting, and how to optimize a coffee farm. They also provide valuable resources and lessons on managing finances.

Our partners are also in the field, directly impacting the farmers' bottom line. Due to the cyclical nature of coffee in Burundi, you can have one great year and one very bad year. This is due mostly to the trees being very old. Production this year was significantly lower than last year's harvest. But no one is giving up. Instead, they have turned their attention to optimizing the production to get better prices for smaller volumes of higher quality. 853,000 coffee seedlings and 8643 tool kits were distributed to Farmers.

The Kahawatu Foundation, Sucafina's sustainability implementer in the region, works with farmers on both improving agricultural techniques and strengthening programs that work to increase equality and raise livelihoods in coffee-growing communities. Justin Archer, Chief operating officer in East Africa and sustainability manager for Sucafina, says that Kahawatu Foundation's programs do demonstrate that you can double the yields of an inefficient farmer within a year if the farmer implements what they are taught. And they can probably triple or increase yields by five

times over the next three to five years if they follow through on it." The resulting increased revenue should help families to meet their basic needs, including the costs related to their access to health care and schooling of their children.

The Kahawatu Foundation's programs range from agronomist-led training for coffee farmers to teaching financial literacy. It also facilitates gender equality in communities through community-driven programs such as supporting savings and loans group and women-led cooperatives to helping farmers prepare for impending changes caused by climate change. 420 Village Savings & Loans Associations (VSLA) were formed, with annual savings in the community of US\$ 100,000. Some of its specific programs, such as the famous "Goat & Pig Project," have also had an important echo in the country: 1,281 pigs and 492 goats were distributed to farmers through a solidarity chain. 1500 beehives were also distributed to farmers for bee farming.

Moreover, Sucafina innovates once again in East Africa via the creation of a new initiative in December 2018 "Farmer Hub"- to help coffee farmers increase their income from more than just coffee.

Coffee farmers in East Africa produce some of the world's finest coffees but are also among the poorest in the world. The "Farmer Hub" harnesses

the new possibilities of digitalization in the rural environment. By looking beyond coffee, Sucafina has identified opportunities to support the farmer in growing and commercializing other crops, provide new digital banking services that pave the way for credit, and facilitate access to inputs and other goods tailored to farmer needs: access to retail goods, access to bicycles and foodstuffs that are not easily available in rural areas.

This new concept already has a positive impact. The country teams are inspired and motivated by the opportunity to refocus attention on improving the lives of farmers. It is unlocking creativity and energy in the local staff. New partnerships with local banks, off-takers, and input suppliers are emerging, showcasing the potential to transform the business. Donor partners have seen the developmental relevance of the Farmer Hub concept and have shown their eagerness to contribute.

Working towards a better future for coffee farmers in Burundi through long-term partnerships, Sucafina and its local partners on the ground contribute to bringing positive and lasting change to the global supply chain.

"OUR TWO MOST VALUABLE ASSETS DON'T SHOW UP ON THE BALANCE SHEET: OUR STAFF AND OUR NETWORK OF COFFEE FARMERS. THIS PROJECT IS ABOUT UNLOCKING THE CREATIVITY OF OUR STAFF TO CREATE YEAR-ROUND, WHOLE-FARM, MAYBE EVEN WHOLE-LIFE RELATIONSHIPS WITH FARMERS. THIS INTENSE FOCUS ON THE NEEDS OF COFFEE FARMERS REVEALS NEW OPPORTUNITIES FOR BOTH FARMERS AND OUR BUSINESS." SAYS NICOLAS A. TAMARI, CEO OF SUCAFINA.

