

Article

Role of KOPAKAMA in promoting socio-economic development of coffee farmers

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Coffee is the main source of income for a large number of households and provides major foreign currencies for the national economy. Although it covers only 6.3% of cultivated areas, coffee is produced by 500,000 households in Rwanda. Since its introduction in the country in 1904, coffee has always been operated by individual producers. However, after the liberalization of the coffee sector in 1998, the quantity and quality produced are steadily decreasing which affects the price and the income of coffee growers. To search for a solution, the Rwandan government has striven to consolidate coffee growing cooperatives in different parts of the country by building coffee washing stations (CWS). These stations were mainly meant to help coffee growing cooperatives produce high quality coffee which is competitive on the international markets. The goal is to produce a fully washed coffee, exportable and better valued on the international market, which can provide better income for peasant producers. Coffee washing stations are then seen as tools to produce quality coffee and are mainly run by cooperatives, which are structural elements in the rural world. Through these facilities and structures put in place, jobs are created for coffee producers, loans are granted, farmers are motivated due to the increase of income, the market is guaranteed and the prices become attractive for the members. Thus, the socio-economic welfare of coffee growers is improved, which reduces poverty among coffee growers' households. This study focuses on the analysis of the role resulting from the structuring action of the peasants through CWS and coffee cooperative KOPAKAMA Rutsiro District, Western Province of Rwanda on the socio-economic development and technical assistance of members and the surrounding world.

Key words: KOPAKAMA Cooperative, coffee, coffee washing stations (CWS), growers, socio-economic development.

INTRODUCTION

The Rwandan economy is mainly based on agriculture. This sector occupies close to 87.3% of the labor force and generates about one third of national income in rural areas, against 2.6% in industry and 10.1% in services (MINECOFIN, 2011). The agricultural sector in Rwanda contributes up to 36% of the GDP, compared to 14% for

the industry and 44% for the services respectively, at constant prices of 2006¹. Agriculture provides more than 61% of exports including coffee, tea and pyrethrum which represent more than 70% of total agricultural exports (NBR², 2012). Rwanda's development is dependent on the progress of the agricultural sector, particularly agricultural exports. This provides currency essential to the development of the country and commodity

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¹Adjustments are 6% in constant 2006 prices.

²NBR: National Bank of Rwanda.

producer's remunerative prices for the best. The number of coffee trees is estimated at about 800 million (OCIR-Café, 2008). Since its introduction in the country in 1904 by German Missionaries, coffee has been operated by individual producers, generally poor and isolated, in the coffee growing areas of the country. After the liberalization of the coffee sector in Rwanda started in 1998, farmers have formed cooperatives to produce and market a good quality coffee, which can secure better prices on the international market. The purpose of this structure was to bypass intermediaries in order to fight against poverty that struck most producers households living in rural areas. It is in this context that the growers of the area of Mushubati sector have formed the Kopakama coffee growers cooperative and built the coffee washing station in 2005 in order to produce and export the fully washed coffee. This transformation is justified by socio-economic benefits and techniques offered by the cooperative and the coffee washing station, especially in rural areas of Rwanda. The structure of farming in coffee-growing cooperative and coffee washing stations (CWS) stimulates income to improve the welfare of producers: the price increase, extension, jobs created, health, nutrition, children education, housing, credit, market and other services benefit to members.

The Kopakama Coffee Cooperative has emerged with many purposes: (i) production of high quality coffee through washing station, (ii) to be involved in the provision of services to growers and (iii) Improvement of farmer's participation in the coffee sector. In the case of Mushubati sector before the existence of Kopakama Coffee Cooperative, there were many problems: (1) coffee production was characterized by the use of poor methods like mixed cropping, poor methods of punning and lack of washing station that result into poor quality of products, (2) lack of proper storage facilities and this made the coffee farmers vulnerable to vagaries of weather affecting the production before it is sent to the market, (3) coffee was not catered farmers could see coffee as useless and (4) there was poor quality coffee due to poor technology, where peasant could harvest coffee and expose it to the sun where sometimes the thieves could steal it, now the situation was changed (KOPAKAMA, 2011). To eradicate the above-mentioned problems in the whole coffee areas, the government of Rwanda set agricultural policy in which the main attention must be drawn to traditional export crops, especially coffee, although it makes all effort for increasing the value of coffee exportation. The Rwandan government has striven to consolidate coffee growing cooperatives in different parts of the country by building coffee washing stations (CWS). The goal is to produce a fully washed coffee, exportable and better valued on the international marker, which can provide better income for the producers. It's for that purpose the farmers of Mabanza created the Kopakama cooperative.

KOPAKAMA is an abbreviation of "*Koperative*

y'Abahinzi ba Kawa ba Mabanza", which means "Coffee growers cooperative of Mabanza". This was founded by small scale coffee growers of Ex-Mabanza Commune located in Western Province, Rutsiro District. The Kopakama Coffee Cooperative was created on October 15th 1999 in its first General Assembly which took place in Rubengera sector, ex-Mabanza Commune, and took Legal personality in 2006 while before KOPAKAMA worked as an association. The cooperative is spread across the highest mountain of the Western Province of Rwanda. It is the very rooftop of Africa, the watershed between the two great rivers, Nile and Congo extending from the natural forests like Gishwati, Mukura and Nyungwe of the South to the volcanoes of the North. The Kopakama has a coffee of the highest quality. To reach its objectives KOPAKAMA built a coffee washing station at Mushubati from a long term credit. It has 7 permanent employees, a Judicial personality with a Trading Licence N° RCA/1032/2009 of July 27th, 2009. It is a member of Misozi coffee company which has a certified license by *Fair Trade*. Following these considerations the research questions that this study will attempt to answer are: (1) Does the Kopakama cooperative contribute to socio-economic development of farmers? (2) How the Kopakama cooperative and coffee washing stations contribute to increase income and employment opportunities of members? In order to respond to these questions, the following assumptions have been given in the research: (i) the Kopakama cooperative plays a big role in promoting social-economic development of the farmers of Mushubati sector in general and its members in particular, (ii) through the activities realized by the coffee washing station of the KOPAKAMA, the members' income is increasing and the employment opportunities are provided during the harvesting and the treatment of coffee berries, which stimulates the socio-economic development of growers.

Objectives of the study

- (i) To analyze the role of the presence of coffee washing stations and a coffee-growing cooperative in the process of structuring the peasantry in Mushubati sector.
- (ii) Assessing the socio-economic effects of CWS and the KOPAKAMA cooperative on the welfare of the members.
- (iii) To evaluate how coffee growers have access to the credits from their cooperative.

METHODOLOGY

The research was carried out on Kopakama Coffee Cooperative in Mushubati sector, Rutsiro District, Western Province of Rwanda. Some parts of the Western Province are found in a region covered by a chain of mountains with a multitude of rivers snaking between them that produce attractive scenery. Farming and livestock are the dominant sectors in the Western Province largely due to high soils fertility. On numerous hills and valleys found in the province a multitude of crops are grown. These include food crops and cash

Table 1. Categories and sample considering by Coffee Cooperative - KOPAKAMA.

Members of Kopakama Coffee Cooperative				
Category	% of farmers	Male	Female	Total frequencies
Category A	50% x 61	23	8	31
Category B	40% x 61	18	6	24
Category C	10% x 61	4	2	6
Total		45	16	61

Source: Our survey, July 2012.

crops (coffee, tea and pyrethrum) of which there are respectively washing stations, factories and drying grounds. The methodology is based on participation of growers in the collection and interpretation of field data to analyze the impact momentum provided by the coffee cooperative and coffee washing station (CWS) in improving the socio-economic welfare of producers, development from this structure for cooperators and the rural environment. The analysis of the coffee growing households relations: CWS-Producer's-cooperative, operating the treatment and marketing involves the use of a systems approach for analyzing the relationship between the various components of the system. The study analyzes the technical advantages and socio-economic development provided by the CWS of the KOPAKAMA cooperative to the members in the area. It's based on empirical and inductive approach of primary and secondary data. The methodological approach is hinged on the survey method and direct observations. Multi-stage sampling technique was employed in the selection of farmers and respondents. In the first stage, we selected members of the Kopakama chosen purposively for this study due to the nature of their activities with the CWS and the cooperative. The rational choice is needed on the farm, because the systems are interdependent and mutually reinforcing. These producers were selected according to a number of predefined criteria: (i) to be a grower with at least 150 coffee trees, with an experience of over 5 years in the coffee activities, (ii) to be a member of a cooperative for over three years at least, (iii) a household of at least 3 people and (iv) an active involvement with the cooperative and CWS activities. Households to be surveyed were identified by their activities through the lists, reports and statistics of CWS and Kopakama cooperative for the considered period. Reasonable choice was favoured in the selection of producers in their operations. Data was therefore essentially sourced from members of Kopakama, leaders of CWS and of the cooperative.

Secondary information through documentation research, various documents, books, and annual reports and other information from the records kept by the cooperative collect the relevant information to the study. This information was important in order to assess the contribution of Kopakama Coffee Cooperative to the socio-economic development of farmers. We look if the flow of funds through Kopakama cooperative in general and CWS in particular improve the socio-economic development of farmers. Data were analyzed using descriptive statistics to realize the objectives. Specifically the socio-economic profile was analyzed in the assessment of the factors that influence the coffee grower's attitude towards the CWS and the cooperative. In the last July 2012 the members were 610 composed by 253 women and 357 men through whom the researcher should have been used to get the perfect information for the research. Analyses were made to determine the sample size, incorporating the additional data under observation and interviews with various stakeholders in the coffee sector (Fairbairn, 2003).

According to surveys conducted by OCIR-Café (2008) and NIRS (2010) three categories of coffee farmers coexist in Mushubati sector, Rutsiro District:

- (i) Category A: 50% of growers have 150 to 500 coffee trees;
- (ii) Category B: 40% have between 500 and 1000 coffee trees;
- (iii) Category C: Only 10% of producers have over 1000 coffee trees.

The survey was conducted during the coffee campaign 2012 (from mid-April to mid-July) in 5 zones covered by Kopakama coffee-growing cooperative and its CWS. The numbers of farmers and their respective areas are: Mageragere (138), Sure (126), Gitwa (116), Bumba (117) and Cyarusera (113). Due to inadequate resources, it was difficult to investigate the whole population, a sample of 10% for the total members was therefore deemed necessary. After analysis the purposive sampling size was 61 cooperative members of Kopakama (Table 1).

In search of the information regarding to the current management of the cooperative and the CWS of Kopakama, interviews and observations were conducted with some key resource persons responsible for the daily management of these organizations (Borgen, 2004). It includes: 1 technical manager of CWS, 1 Executive Secretary of the cooperative, the President of Kopakama, 1 member of the Board of Directors (BoD), the Chief accountant, 1 member of the Committee of supervisory board, 1 Agronomist and the Head of the cooperatives in Mushubati sector. In order to have the needed information 5 leaders in charge of monitoring and supervision of growers 1 by each coffee zone were also interviewed. The survey was administrated on a sample of 61 producers: 45 men and 16 women (representing 25% of the members of Kopakama). A structure survey instrument was developed and pre-tested in a pilot survey/focus-group discussion of 25 farmers (5 members by 5 zones, 16 men and 9 women). This was to help to validate the questions and check information to be supplied later by the individual farmers. A farmer to farmer visit was next undertaken to collect data, which include farmer's opinion on the trend of social and economic changes since they became members of the Kopakama cooperative.

RESULTS AND DISCUSSION

The socio-economic role of Kopakama on producers is substantial. With the coffee washing station of Mabanza, coffee growers received the equivalent of 3 times the price of coffee in the local market. This allowed the growth of additional income in the households of the producers, a significant and outstanding contribution. The average price of coffee on the international market is three times better than those prevailing locally. From 2002 to 2012, the arithmetic average price of 2.18 times the local prices, 3.84 times in 2006 (527 to 2.022 Rwf). The favorable year in terms of local prices compared deemed best for the other years, was evaluated at 902 to coffee growers received the equivalent of 3 times the

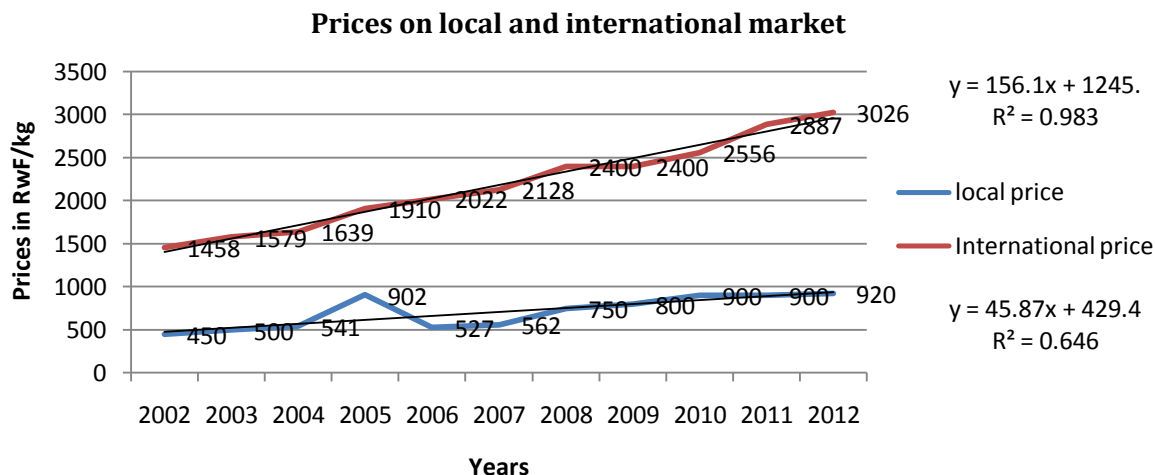


Figure 1. Evolution of coffee prices on local and international market (2002-2012).

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impacts of Kopakama Coffee Cooperative and CWS are confirmed by the respondents: 78.1% of farmers are buying food in order to ameliorate their health conditions, 68.9% of them are having clothes in order to change their style of wearing. The cooperative facilitates to pay school fees for their children (87.8%) and to ensure medical insurance scheme of the family members (98.7%). The Kopakama Coffee Cooperative assist the members to acquire skills through trainings on coffee production, harvesting, cooperative management, income generating (73.4%). The economic impacts are seen through the Kopakama and CWS activities: employment opportunities during the harvesting and treatment of coffee (97.6%) where they work in coffee transportation, washing sorting and drying. This situation leads to the social cohesion since working together enhances personal partnership assumed respondents. Otherwise, the farmers recognize that saving is an important issue relevant to positive impacts of the cooperative (85.6%) because all payments are done through UMURENGE SACCO³ or Popular Bank of Mushubati sector where some amounts are saved by beneficiaries with the interest of 1.5%⁴ a month.

Modern houses were built and have been repaired (39.7%), through trainings, workshops and visits of technicians. 2.4% of farmers of Mushubati sector participate in buying and repairing machines used in agriculture like mills, sprayers and hand chaff cutters and others, 36.5% bought domestic animals (especially cow). A cow is a symbolical sign of growth and elevation in Rwanda. It provides milk and organic fertilisers for

³ SACCO: *Saving and Credit Cooperative*. Through the cooperative saving become a culture for every member so as to enhance the development, no country can develop without saving and no individual either, every farm work with the sole purpose of improving his social welfare and the only way to achieve this is through savings.

⁴ In other financial institutions the rate of interest are between 2 and 2.5% a month.

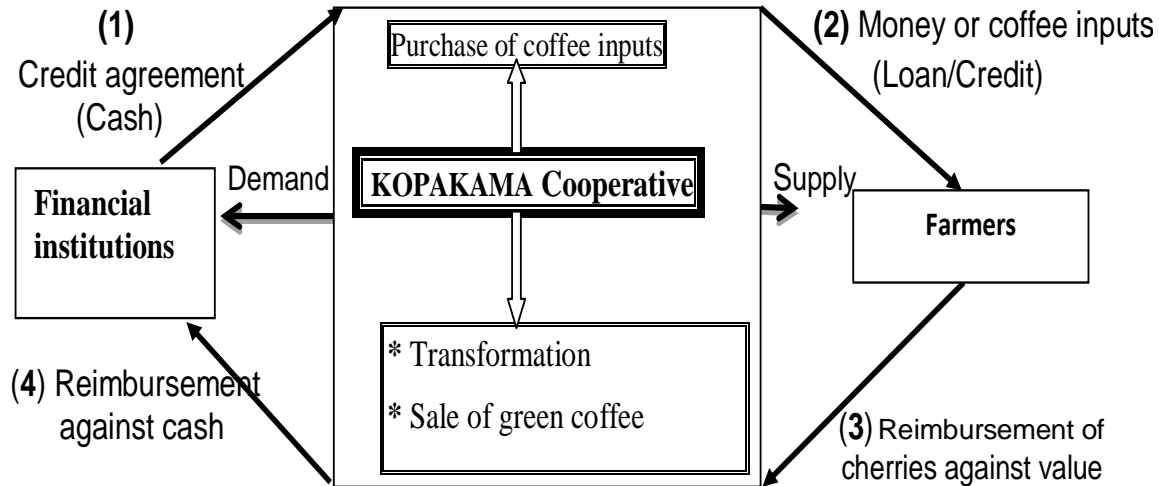


Figure 2. Cycle of the demand and the repayment of credit through the cooperative.

subsistence farming. One litre of milk is valued 200 RwF, (400 RwF a day) which assists the household in satisfying their needs. 92.5% of respondents emphasize on bank credit access as one among solutions to improve coffee production because different activities to manage coffee plantations cannot be done only by the farm owner, at the same time 90.2% consider the land use consolidation as well (Mukarugwiza, 2010). Other variables are to be taken into account, besides, 85.6% assume that the policy and good governance are of a great importance in this deal, farmers participate more in community activities decided by the government. 73.2% of the respondents confirm that self-confidence should be strengthened so as to deal with the problems observed. The land use consolidation is a solution to land portion through this program, farmers produce more than expected where they use the same land for one chosen crop. This fact leads to production boost. Then, the self-confidence will let farmers to access to bank credits where in accordance with the government policy farmers may have to gain training and the practical skills to increase coffee quality. The above results show that Kopakama and CWS are a great pillar in socio-economic development of farmers of Mushubati sector and at national level because jobs are provided especially for women during the harvesting and the coffee drying. The good prices of coffee are given where the farmers find the money to buy the many things they need in order to ameliorate life conditions and develop their families while allowing savings and investments for the future. The impact of Kopakama Coffee Cooperative on the surrounding community is very significant. It helped a large proportion of the population (79.1%) to have access to safe water and electricity energy. The Kopakama serves as an intermediary between the coffee growers and the bank granting the credit. It acts as collateral in favour of cooperative members and refunds are done

through cherries during the harvesting period. Members repay debt (either in coffee inputs or cash) during the coffee harvesting. After processing and sale of parchment, the cooperative does the same for the amount borrowed from the People's Bank Ltd or SACCO of Mushubati sector. All these benefits and advantages of access to the credit are given to member growers. Application procedures and granting of credit with the bank are simpler and less harsh for cooperative members grouped in a collective organization. Most often their credit applications are endorsed by the OCIR-Café, the national coffee monitoring and promotion institutions.

After selling the green coffee, farmers get also the bonus given by the cooperative, calculated at 23RwF/kg in July 2012. The cycle of demand and supply of credit can be presented as shown in Figure 2.

The production cycle of coffee by the Kopakama, the sales and the transfer of funds can be represented as shown in the Figure 3.

The coffee growers sell their coffee cherries at the coffee washing station, which treat them into the parchment coffee, then the green coffee to be exported. The CWS affects the quality of the coffee, which increases the price, a sign of encouragement for coffee producers. Producers are paid by the cooperative within 7 days after delivery via the nearest Popular Bank Ltd or SACCO of Mushubati sector.

The CWS and the Kopakama cooperative cause very significant benefits for the members, they created very strong social ties, social capital very important for members. These links relate to styles of social cohesion, solidarity, mutual aid and mutual knowledge, initiatives, courage, self-confidence, training, entrepreneurship, self-creation, etc. Membership in the cooperative helped the development of members by giving them the opportunity to share, to have a place of value in society and their responsibilities. Often these actors undertake joint social

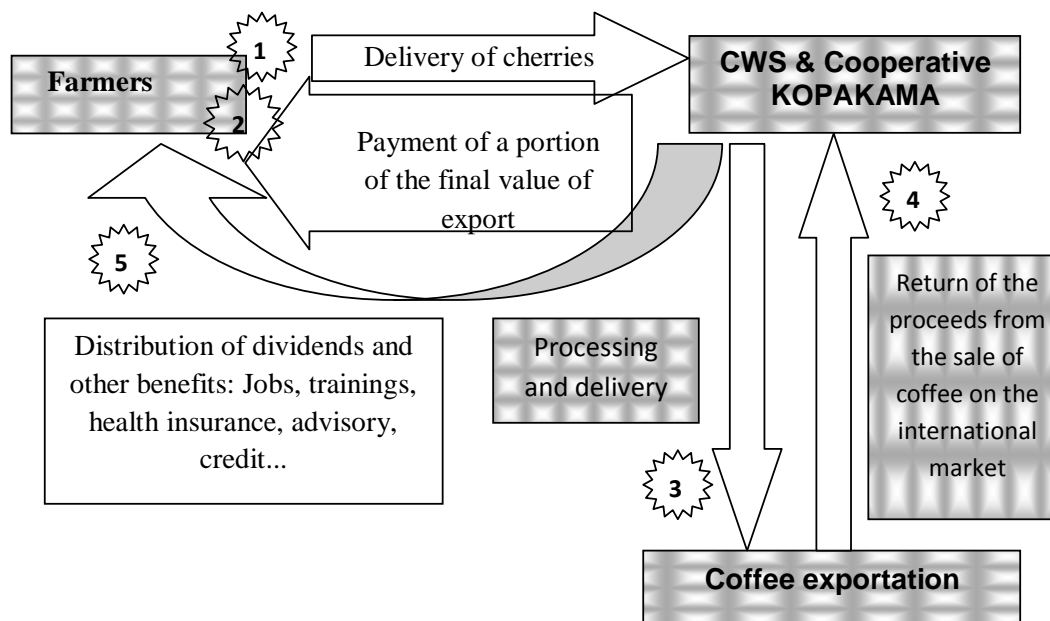


Figure 3. Process of sales and refunds coffee through the KOPAKAMA Cooperative (2012).

or economic activities outside the scope of their cooperative. Friendships are created and become a force to operate between members within the hill, or between members of Tontine (*Ikimina*) as confirmed by 87.3% of respondents. Cooperative structure can strengthen the bonds of mutual aid and solidarity often involving other family members. The Kopakama strengthens unity and reconciliation of their members regardless of gender, ethnicity, origin or religion. It assists widows and orphans of the genocide against Tutsi in 1994 who have not enough means to meet their needs. Since its creation, Kopakama cooperative assists poor persons to resolve the problems and pay for the scholar of their children. The cooperative is also involved in their surrounding community: education of orphans of the genocide, fight against HIV-AIDS, assistance to child-headed households and the poor elderly and other vulnerable persons (ILO, 2001). Through these cross actions, the cooperative organizes training sessions related to the development of the coffee economy, literacy, the fight against malnutrition, body hygiene and housing, family farming, market gardening, non-violence, small income-generating projects.

Conclusion

The findings of the study clearly reveal that the Kopakama Coffee Cooperative and its coffee washing station have well improved the socio-economic development of the farmers in Mushubati sector. When observing the whole data the members have come out of their problems and traditional bound. Self-help groups

created in the Kopakama have paved the way to bring the rural people in the main stream of social and economic progress of the community. The Kopakama has contributed to the change of economic conditions, social status, decision making and increases the number of women in outdoor activities. It plays a very important role in social and economic development of the farmers and the surrounding community development in the area.

We argue that the coffee farming through rural organizations (cooperative and coffee washing station) set up in rural areas, allow producers to earn best prices and other services and facilities to the farmers. The acquaintance on farming techniques by the farmers, the income increases due to jobs which are created in rural area have allowed to meet different needs of the members. The new jobs created by CWS and Kopakama cooperative have reduced unemployment in Mushubati sector; have allowed to fight against poverty and rural exodus of the young people. The presence of the coffee washing station and the Kopakama cooperative helped to decongest these environments through the channel of its activities. Economies of scale are created, allowing growers to be stable in their farms and be attached and motivated by their coffee.

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