



Coffee Innovation Fund – Ethiopia

Supporting innovative and scalable solutions to increase profitability and market access of small-holder coffee farmers

Using digital applications to facilitate market access for unorganized smallholder coffee producers

Smallholder coffee producers struggle to obtain sufficient profits from their harvests – in part due to lack of access to consistent, more profitable markets. A complex supply chain, fragmented regulatory environment, language barriers, and lack of network access all pose serious blockades to the successful export of coffee by smallholder producers. Producers get few chances to meet contract obligations and deadlines and face numerous hurdles; if they fail, it leads to diminished demand and a loss of repeat sales.

Registering 100 smallholder exporters on a digital marketplace

Although several marketplace options for smallholders exist, without support from a local entity with international reach the probability of successfully finding a buyer and fulfilling contractual obligations is extremely low. There is a current need to help organize, market, and manage the export of coffee to meet both the requirements of smallholders and coffee buyers alike.

Konjo LLC, a small coffee importer and roaster in the United States, has developed a service delivery model that partners with local export processors and works directly with smallholder producers. Konjo's solution entails the development of a digital marketplace, Arkena Coffee Market to register and organize smallholders, connect producers to credentialed buyers, ease communication, and facilitate the execution of business transactions throughout the export process.

Smallholders will retain higher net profits compared to selling through the Ethiopian Commodity Exchange

Arkena hopes to be Ethiopia's largest and most reliable digital solution for sustainable, traceable, and transparent smallholder coffee. The system will streamline the export process, reduce inefficiencies, and prevent mishaps – thereby reducing costs and keeping more money in producers' pockets. With better margins for small producers, farmers can become stronger community leaders, invest back into local businesses and their communities, and become a driving force for sustainable and lasting development.



Project overview

Term: 2021-2022
Region: Oromia & SNNP regions, Ethiopia
Partner: Konjo LLC
Volume: EUR 41,917 (supported by the fund)
EUR 87,171 (total volume)

Goals

- ❖ Promote transparency and traceability in the coffee supply chain by encouraging direct trade.
- ❖ Streamline and reduce supply chain inefficiencies.
- ❖ Reduce hurdles of export for smallholder coffee producers to improve their access to foreign markets and obtain better net profits.
- ❖ Export no less than two containers (38.4MT) of smallholder coffee during the 2021/22 coffee season.