

GUMUTINDO

UGANDAN TOP SCALE COFFEE



The story of coffee is an integral part of the story of fair trade. Higher and guaranteed purchase prices, social premiums, support for production investments, coaching and training... are all specific and structural elements of fair trade that help alleviating the problems that coffee-growers face in developing countries. Confronted with volatile market prices and the scheming multinationals of the coffee sector, groups that committed themselves to certified coffee production have better resisted the jolts on the world markets and their devastating economic and social consequences.

To ensure sustainable economic growth in the production sector (the best guarantee for the long-term well-being of farming communities), the fair trade actors (cooperatives, importers etc.) today dedicate themselves to delivering high-quality products. The goal is clear: higher sales prices and better producer margins by focusing in particular on market niches with high added value.

That is how, for several years, specialised import organisations have encouraged the production chains to invest in the production of fair and organic coffee, for which there is a growing demand on western markets.

GUMUTINDO COFFEE COOPERATIVE ENTERPRISE

In Uganda, the main coffee-growing sites are in Mbale district, eastern Uganda, close to the Kenyan border, on the slopes of Mount Elgon, the highest mountain in the country. The subtropical climate and the fertile volcanic soil of these provinces provide an ideal environment for coffee production. It is in this region that the Gumutindo Coffee Cooperative Enterprise (Gumutindo means "good farmer" in the Bugisu language) was created in 2000 by some of the basic cooperatives (Primary Societies), which emerged from the ruins of the older Ugandan cooperative system. It aims at producing high-quality coffee to be sold at the best of prices.

In 2003, the production of Gumutindo was certified Fairtrade by FLO and the following year EcoCert certified all products of related farms as organic.

Today, the Gumutindo Coffee Cooperative Enterprise consists of 11 major basic cooperatives (Primary Societies), which represent about 6,500 farmers.

THE ECONOMIC AND SOCIAL ADVANTAGES OF FAIR AND ORGANIC TRADE

The list of collective initiatives carried out by the Gumutindo cooperative under the fair trade system is impressive: the purchase of new warehouses and modern offices in 2006, expansion of the clinic, construction of three primary schools and a secondary school, establishment of two local health centres, electricity supply to the villages, to name but a few.

Fair trade importers, such as Café-Direct or Equal Exchange, pay the "Premium" price (set in function of the quality of the product) for the coffee produced by the Gumutindo cooperative, which is considered excellent. Indeed, the growers are paid 2.70 dollars a kilo, while the average price on the world market has been 1.60 dollars a kilo for the last six years.



"The money I received from the Fairtrade Premium last year has allowed me to pay for my daughter's school. I have told my friends and my children we must devote our time to producing coffee of a very high quality. And since the other farmers have seen us receive the premium, they are trying to imitate us and the quality is improving".

Difasi NAMISI, a producer affiliated with Gumutindo¹

QUALITY IS AN ECONOMIC MUST

Taking into account the quality of the end product constitutes one of the characteristics of the Gumutindo system. The system strongly encourages the associated farmers to commit in this sense, to be aware of the fact that it is the excellent quality of the product which justifies the higher sales prices in the end. Lydia Nabulungi, in charge of quality at the Gumutindo cooperative, manages the technical laboratory, gives advice to producers and hosts the tasting workshops. As she explains, her job is to *"make farmers understand that they must produce coffee of excellent quality to obtain a good price and to increase their revenues to improve the livelihoods of their families"*.



GOURMET COFFEE, SPECIALTY COFFEE

After the successes of fair and organic certification of its production, Gumutindo today is entering into new niche markets with very high added value: specialty coffees. The key idea of this approach is to produce fair and organic coffees of very high quality that are selected with the greatest care to meet the specific demands of the importers. These importers, indeed, want to offer top scale coffees to certain very profitable market segments.

The prices paid for these specialty coffees are definitely higher than those paid for fair or organic coffee. That is why the people in charge of the Ugandan cooperative explore, and successfully so, Western and Far Eastern markets to sell these high-scale products to new customers.



GAINING NEW MARKETS

The Trade for Development Centre of BTC, the Belgian development agency, supports this commercial venture through a project that was started by Gumutindo in November 2009. It aimed at creating and commercialising specialty coffees on certain European markets with a strong potential such as France, Denmark and the Scandinavian countries. To do so, the Ugandan cooperative set up a global action plan, including the creation of superior quality coffees of "Single Origin" that meet the criteria required by the European importers, the development of a commercial prospecting campaign in these regions, and the creation of communication and promotional tools adapted to these markets (especially, the creation of a modern and dynamic website).

To find out more:

www.gumutindocoffee.co.ug
www.wheresmycoffee.co.uk
www.twin.org.uk
www.fairtrade.org.uk
www.cafedirect.co.uk

THIS PROJECT, WHICH ENDED JANUARY 2011, ACHIEVED ITS OBJECTIVE. PROMISING CONTACTS HAVE BEEN ESTABLISHED WITH NEW EUROPEAN SPECIALTY COFFEE IMPORTERS, THE SALES VOLUMES HAVE INCREASED AND THE MARKETING AND PROMOTIONAL STRATEGY OF GUMUTINDO IS BEING DEPLOYED ONTO NEW MARKETS.

THE TERRIFIC "SINGLE ORIGIN" SPECIALTY COFFEES OF GUMUTINDO ARE ON THEIR WAY.

SAVOURING THEM IS A MUST.

KEY FIGURES

BTC contribution: 36 574 euros

Project duration: 1 year

Beneficiaries: 3 000 smallholder producers



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