

Project backgrounder

Reviving high quality coffee production in South Sudan

Partners: Nestlé Nespresso, TechnoServe, George Clooney, Ministry of Agriculture, Forestry, Cooperatives and Rural development of Republic of South Sudan
Location: South Sudan
Scope: Farmer welfare, economic development, coffee quality, coffee traceability

Background

The first major coffee company to re-enter South Sudan in 2011, *Nespresso* discovered high quality coffee, which could be maintained through centralized processing. Willing to bring this exceptional coffee to consumers worldwide, while helping farmers and their families secure their future by building new sources of sustainable business, *Nespresso*, together with TechnoServe and the Ministry of Agriculture, Forestry, Cooperatives and Rural development of Republic of South Sudan, set to revive high quality coffee production in the country by implementing its AAA Sustainable Quality™ Program and thus contribute to economic development. As part of the program, *Nespresso* plans to be the first company to offer coffee from the country following its independence.

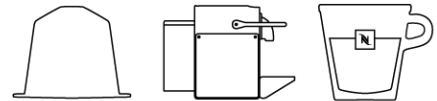
South Sudan has a long coffee history, but its coffee industry was largely destroyed during the civil war. Unlike Ethiopia and Kenya, the coffee industry needs to be rebuilt from the ground up. Trees need to be replanted and smallholder farmers require basic access to inputs and technical support. The infrastructure to support coffee commercialisation needs to be developed. For example, marketing channels do not currently exist.

The opportunity to have a positive impact in South Sudan is significant. The country's economy is heavily dependent on oil and foreign aid, and coffee would be its first major agricultural export. Coffee has the potential to facilitate a "grassroots" form of wealth generation and economic development, in contrast to the country's centralized and politicized oil sector. Coffee would provide much needed income and security for thousands of farmers and their families living in coffee communities and has the potential to play an important role in helping to diversify the economic base in the country.

About the revival of the coffee sector in South Sudan

As announced in July 2013, *Nespresso* will invest in reviving the production of high quality South Sudanese coffee. The company's two-year upfront investment of about CHF 700'000 since 2011 has demonstrated the potential for commercial coffee production in the country. As part of the expansion of the AAA Program in Africa, *Nespresso* will invest about CHF 2.5 million in the coming years in South Sudan.

The initial program hopes to support 2,000 smallholder coffee farmers in the next couple of years and up to 8,000 in the coming 6 years, provided the project can attract additional funding from private and public donors. The program focuses on improving yields and coffee quality through the establishment of central wet mills and by providing training to farmers to improve



their agricultural practices, while developing commercial channels to enable the sale and export of South Sudanese coffee.

Focusing on supporting farmers in Yei, where existing coffee production is concentrated, the partners have established a coffee replanting program and agronomy and quality training support for local coffee growers. The program also works to identify local entrepreneurs for coffee marketing services and perform leaf and soil surveys to rehabilitate soils for coffee production in the Yei region.

Progress and achievements

Since 2012, the three first coffee cooperatives have been established, and their wet mills to process the coffee have been constructed in Yei. Indeed, buying coffee cherries from farmers and processing them in central wet mills ensures a better control of the process and improve the quality. Thanks to this processing method, *Nespresso* can buy high quality washed robusta, a new category of coffee in South Sudan, while at the same time taking advantage of the intrinsic quality of the local Robusta coffee plants that have survived the long war period.

Nespresso has managed to source several tons of South Sudanese washed Robusta parchment coffee in 2013, 2014 and 2015.

Around 300 farmers have integrated the three newly created coffee cooperatives, which have received support to enable farmer mobilization, registration and quality processing, as well as trainings to form a well-designed and -managed coffee cooperative. The farmers in each cooperative have elected leaders and oversight committees to constitute strong governance.

Coffee cooperatives are responsible to buy coffee cherries from the farmers and perform some post-harvesting practices to produce parchment. They will play a major role in building a coffee commercial value chain. The coffee is then transported to Uganda to be hulled and screened to meet *Nespresso* quality requirements before being exported to Europe.

December 31, 2014 marked the end of the startup phase of this ambitious project that will create much positive impact in South Sudan. After 18 months of support, *Nespresso* and *TechnoServe* have laid the foundation for the resurgence of a vibrant, inclusive coffee industry in South Sudan.

Next steps

Nespresso and *TechnoServe* will continue to support the three established coffee cooperatives by providing coaching on coffee quality and business skills to the farmers and develop the marketing channels for coffee. They will also continue increasing the number of farmers taking part in our AAA Sustainable Quality™ Program in South Sudan.

Both partners will leverage the initial investments in South Sudan made by *Nespresso* to attract additional funding from private and public donors, with the aim of scaling up the program from 2016 to 2020.