



COFFEE

COFFEE IN RWANDA

In Rwanda, nearly 80 percent of the population relies on subsistence agriculture. Rwanda's major foreign exchange earners include coffee, tea, tourism and mining, and growth in these sectors will be critical for economic development and poverty reduction.

RESPONSE

Since 2000, the United States Agency for International Development (USAID) has committed \$12 million to develop Rwanda's specialty coffee industry.

In 2006, USAID renewed its commitment to the industry's growth by funding Sustaining Partnerships to enhance Rural Enterprise and Agribusiness Development (SPREAD), a five-year project dedicated to improving value chain management. The project is implemented by Texas A&M University in cooperation with the National University of Rwanda. SPREAD works to better the industry's links "from the seed to the cup."

One of SPREAD's objectives is to map the coffees of Rwanda. Similar to the geography of wines in France, SPREAD will identify the regional taste characteristics of coffees. This will allow consumers and buyers to select coffees from specific areas of Rwanda and know what to expect.

RESULTS

Due in large part to USAID's assistance, Rwanda has enjoyed growth in both tons of specialty coffee produced and export revenue. In 2000, the country did not export any specialty coffee. In 2009, 3,045 metric tons of specialty coffee was exported. Export revenue in this sub-sector grew from zero dollars in 2001 to \$11.6 million in 2009. Coffee is one of the country's largest export earners and specialty coffee contributes to the industry's growth and sustainability.

In 2009, 500,000 Rwandan coffee growers and their families benefited from the extraordinary growth and improvements in the sub-sector.

An example of the industry's success includes the Abahuzamugambi cooperative in Maraba. This was the first cooperative to achieve international recognition and it now has more than 1,200 paying members and three washing stations.

Today, the U.S. and international demand for Rwanda's world-renowned specialty coffee exceeds supply (which remains one of the industry's key challenges). Rwandan coffee has been featured as a "Black Apron Exclusive" by Starbucks and praised as the "best of the best" by Green Mountain Coffee. In 2008, Rwanda hosted "The Cup of Excellence" - the first time this world-renowned coffee competition was held in Africa.

GROWTH IN THE COFFEE SECTOR

	2002	2003	2004	2005	2006	2007	2008	2009
No. of Washing Stations	1	10	25	45	76	112	112	120
Tons of Green Specialty Coffee Exported	30	300	800	1,200	3,000	2,300	2,455	3,045
No. of Specialty Coffee Buyers	2	8	16	25	30	30	n/a	n/a
Total Value of Specialty Coffee Exported	\$90,000	\$0.72 mln	\$1.85 mln	\$3.19 mln	\$8.0 mln	\$7.8 mln	\$8.06 mln	\$11.6 mln
No. of Specialty Coffee Growers	600	5,000	8,000	12,000	50,000	50,000	70,000	110,860

ECONOMY AT A GLANCE

- GDP in 2008: \$3.4 billion^[1]
- GDP Growth: 11.2 percent^[3]
- GNI per capita: \$370^[3]
- Population below poverty line: 57 percent^[2]
- Labor force, by occupation: agriculture 90 percent, industry and services 10 percent^[2]
- Major foreign exchange earners: Tourism, coffee, tea^[2]

^[1] U.S. State Department

^[2] UNDP

^[3] Government of Rwanda