

UWEAL SUCCESS STORIES – Annet Soyekwo Turns Untended Coffee Trees into Treasure



Tired of being a housewife, a seemingly thankless job that brought in no income, Mrs. Annet Soyekwo started a stationary shop in Kapchwora town in 2007. For two and a half years, competition was stiff and the returns were not impressive. Furthermore, sales were seasonal. Mrs. Soyekwo sat in the stationary shop every day for three years, without realizing that she had a neglected gold mine in the form of 200 untended coffee trees at home.

Mrs. Soyekwo knew absolutely nothing about the coffee business. Indeed, she first tasted coffee three months after she got married. Annet badgered her mother-in-law into making her a drink from the aromatic berries and it turned out to be the most delicious drink Annet had ever had. She started drinking it every day but, did not think of it as a commercially viable opportunity until she joined Uganda Women Entrepreneurs' Association Limited (UWEAL) in 2010.

Today, Mrs. Soyekwo runs Elgon Coffee General Enterprise Company Limited (ECGECL), a multi-million shilling enterprise registered in 2012. It deals in the production and sale of both raw and processed Arabica coffee. Conditions in Kapchorwa are ideal for the premium priced

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coffee. Mrs. Soyekwo started processing coffee on a small scale in 2013, under the brand name, Elgon Coffee.

Beginning the commercial coffee journey

When the late Wilson Chemusto, a prominent farmer in Kapchorwa district encouraged her to join Uganda Women Entrepreneurs' Association Limited (UWEAL), Annet was hesitant. She finally registered with UWEAL in 2010 and was immediately selected to attend an entrepreneurship training in Kampala, where participants were exposed to identifying viable project ideas, including harnessing opportunities in the coffee value chain.

Upon her return to Kapchorwa, Mrs. Soyekwo was keen to pursue commercial coffee farming but was reluctant to withdraw working capital from her stationary shop in order to pursue the venture. After all, coffee is a perennial crop that takes three years to mature.

At around that time, the family was forced to sell a cow in order to raise funds to cover unexpected medical expenses. The cow fetched Ushs 1.2 million; UShs 250,000 covered the bill and the remaining Ushs800,000 funded the purchase of 300 coffee seedlings which Mrs. Soyekwo planted on half an acre of family land. She also hired someone to help tend the 200 previously neglected coffee trees on the land.

A year later, Annet harvested 600 kilogrammes of coffee from the older coffee trees, and sold the unprocessed coffee berries for Ushs1 million. This encouraged her to plant more trees. In 2012, she asked her husband for more land to expand the coffee plantation. Although reluctant, he was finally won over by his wife's persistence. Mrs. Soyekwo planted 800 coffee seedlings. Each year since then, she increases the acreage under coffee. Today, she has 6,000 new coffee trees on nine acres of land. She will be harvesting coffee berries from 3,000 trees this year (approximately six tonnes of berries) and another 3,000 next year. Mrs. Soyekwo currently supplements the coffee harvest from her coffee trees with purchases from local farmers (both men and women) amounting to over 100 metric tonnes of coffee a year.

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While at a coffee conference and exhibition in Kigali, Rwanda in 2013, she learned about coffee value addition and its benefits. Upon returning to Uganda, she was determined to venture into coffee processing. She picks red coffee cherries from the farm, pulps them to remove the red covers and then ferments them for 48 hours before drying them on a raised tray for four days. After that, she takes the coffee beans to a processing factory in Mbale. She transports the ground coffee back to Kapchorwa where she packs it into 450 gram plastic jars and 150 gram sachets. The ground coffee is sold for Ushs8,000 and Ush1,000 respectively.



She sells the processed coffee in her stationary shop in Kapchorwa town, supplies two supermarkets in the district as well as the Kapchorwa local government. She also sells her coffee to other women entrepreneurs every time she attends a workshop. The coffee has not yet been certified by the Uganda National Bureau of Standards (UNBS), but Mrs. Soyekwo hopes to get this done by the end of 2017. Although not yet certified, the coffee receives rave reviews, from local coffee connoisseurs. Ms. Soyekwo attributes this to her “processing secret,” handed down by her mother-in-law. It derives tremendous joy from being able to share her favourite beverage with the public.

Grateful to UWEAL

Mrs. Soyekwo been fortunate to attend several coffee trainings, conferences and exhibitions almost every year since 2013. She credits UWEAL, the International Trade Centre (ITC) and TradeMark East Africa (TMEA) for the opportunities through which she has gained knowledge, built her network and had the opportunity to market her products. As a result of her UWEAL membership, she has traveled to Rwanda, Tanzania and Ethiopia. “I have been able to go places to exhibit my products and acquire business knowledge because of UWEAL. I was in a box and UWEAL is steadily un-wrapping my agribusiness potential. I did not even know about UNBS certification until I attended a workshop at UWEAL! It has indeed been an eye opening journey,” she says.

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Challenges

Lack of affordable capital: “The cost of capital is quite high yet coffee is a capital intensive business. If you do not have money, you cannot move fast enough. It takes a lot of time to fill up the store. My store’s capacity is 10 tonnes, yet I only produce 1.8 tonnes of coffee. I therefore need at least Ushs100 million per season in order to purchase coffee directly from farmers.” Over the years, she has built up trust with outgrowers who now supply her coffee on credit and get paid after she sells the coffee. She however has to compete with much larger buyers from other parts of the country, who have large stores in every coffee growing sub-county in Kapchorwa and deep pockets able to immediately pay cash to the farmers.

Lack of affordable capital has also slowed down the speed at which she would have installed a processing machine that she acquired in lieu of payment for a coffee shipment to a coffee processor (see story below).

Lack of machinery: After pulping and drying the coffee beans, Mrs. Soyekwo transports them to Mbale town for processing. She then transports the processed coffee back to Kapchorwa where she packages it. “If I had even the simplest of machines or could afford to

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have my machine assembled, I would produce much more and use every opportunity, like meetings in Kampala to market my products.”

Partner failure to honour contracts: ECGECL supplied coffee worth Ushs88 million to a Kampala-based coffee processor who did not pay for over four years. This greatly affected ECGECL’s operations. “I supplied the company premium green coffee and they did not pay. Life became very difficult because I had obtained a bank loan for the first time in order to supply the requested 500 kilogrammes of processed green coffee. Every time I called the processor to find out when a payment would be made, he requested me to be patient!”

This challenge however, turned out to be a **blessing in disguise**. Feeling frustrated and having given up all hope of ever getting paid, late last year Annet paid a visit to the processor’s premises. While there, she noticed a *wet mill machine* lying idle in a corner. Upon inquiry, she learned that the processor had not been able to ship it to his desired location. Mrs. Soyekwo successfully negotiated a deal in which she would accept the Ushs 115 million machine in lieu of money owed and top up an additional Ushs27 million. Mrs. Soyekwo has since delivered the machine to Kapchorwa and will install it in time for the coffee harvesting season this year.

Drought: Prolonged dry spells always affect coffee production and coffee bean quality. To minimize the impact of drought, Annet has dug trenches in her coffee gardens, to serve as water reservoirs when it rains.

Achievements

Business partnerships lead to growth: have helped grow ECGECL. While attending a coffee conference and exhibition in Kigali in 2013, Mrs. Soyekwo forged partnerships with two coffee entrepreneurs - Coffee World, a Uganda-based enterprise that roasts and packages green coffee beans as well as a Rwanda-based entrepreneur. The two businesses have been her ECGECL customers since then and between them, purchase over 100 tonnes of coffee from ECGECL per season.

Improving the lives of women coffee farmers: To help create a reliable coffee supply to meet ECGECL’s demand, Mrs. Soyekwo organized 300 women coffee farmers into 10 groups. The women sell ECGECL over 50 tonnes of coffee a year. In return, ECGECL

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provides a ready and assured market for their coffee. The land on which the women grow coffee is family land because local customs forbid women from owning land. The women declare their earnings to their husbands who then determine how it is to be spent. The women find however, that as their earnings increase, they have a greater say in determining how their earnings are spent in the home.

Cooperative formation: With support from UWEAL, Mrs. Soyekwo organised the women groups she works with into a cooperative – the Sebei Women Agribusiness Cooperative, which Mrs. Soyekwo chairs. The cooperative will have a significant positive impact on the lives of its members. It will ensure increased bargaining power in obtaining decent coffee prices and will also allow its members to negotiate for favourable prices from vendors who provide supplies and services.

Give back to the community: “When you empower a woman, you empower the community and the country. Many women in my community now have small income generating businesses because I have transferred the skills.”

Give credit where it is due: Mrs. Soyekwo attributes her success to support, guidance and motivation from UWEAL and TMEA, hard work, persistence, resilience and a supportive husband. “Persistence has helped me a lot because there is no quick money in coffee. It takes patience, persistence and family support to reap from it. It really helps if you love what you do!”

Future plans

Mrs. Soyekwo dries, roasts and grinds about two tonnes of coffee a year, under her brand, Elgon Coffee. Once her wet mill machine is up and running, she plans to package up to 10 tonnes of ground coffee a year. Furthermore, she hopes to export the ground coffee as soon as it receives UNBS certification. “There are so many steps to follow in the export process but UWEAL, ITC and TMEA have trained me on how to go about it.”