



Organización Internacional del Café
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**Enhancing income of smallholder farmers
groups in the coffee producing belt of
Nigeria**

Background

1. This document summarises a new project proposal for the Common Fund for Commodities aimed at improving the income of smallholder farmers in the coffee sub-sector through capacity building and the quality of coffee produced.
2. This project proposal has been submitted by the Federal Government of Nigeria.

Action

The Board is requested to note this project outline, which requires further analysis and conceptual development. The proposal has been sent to the Virtual Screening Committee for technical consideration.

Project Summary

Project Title:	Enhancing income of smallholder farmers groups in the coffee producing belt of Nigeria
Duration:	5 years
Location:	Nigeria
Nature of Project:	Capacity building through training, baseline studies and strengthening of institutions relating to coffee activities.
Brief description:	The main objective is to improve income earning for smallholder farmers in the coffee sector through capacity building and improvement in quality of coffee to access the international market.
Estimated total cost:	US\$5,822,400
Financing Agency:	Common Fund for Commodities
Financing sought from the Fund:	US\$4,822,400
Mode of Financing:	Grant
Co-financing:	Federal Government of Nigeria
Mode of co-financing:	N/A
Counterpart contribution:	N/A
Project Executing Agency:	National Inter Ministerial Steering Committee
Supervisory Body:	International Coffee Organization
Estimated starting date:	N/A

Introduction

The extent of coffee cultivation in Nigeria is estimated to be between 30,000 and 40,000 hectares. The potential area for production is about 400,000 hectares. Of the existing holdings, about 10,000 hectares are cropped with Arabica, while the balance is Robusta coffee. Available data indicates an average yield of 350 kg of green coffee per hectare or an average output of 8,000 tonnes of green coffee per annum.

The bulk of existing holdings were cultivated over 45 years ago, and the sector is dominated by subsistence and resource poor farmers in smallholdings of less than 1 hectare of land. Primary processing is mainly by dry method, where cherries are sun-dried on earthen slabs or platforms. Coffee buyers are irregular and usually itinerants. This leads to low farm-gate prices, which discourages farmers. This scenario reveals that the smallholder farmers have suffered low prices and incomes and for sustainability there is need to create means of improving their incomes hence this proposal.

Broad Goals

- i. Initiate action on a detailed baseline study and/or feasibility study in the 14 producing states.
- ii. Enhance producer capacity through training/workshops/seminars for smallholder groups/cooperatives on harvest and post-harvest handling.
- iii. Achieve poverty eradication through improved productivity, quality and income levels.
- iv. Develop marketing structures to adequately access the international market.
- v. Introduce and sustain intermediate processing techniques.

Specific Objectives

- i. To revitalize the coffee sub-sector.
- ii. Increase farmers income and standard of living
- iii. Create a new structure and ethos for the coffee economy thereby increasing average farm yield.

Project Justification

The project is in line with the ICO objective of securing remunerative prices to producers. The project will help improve and sustain the real income of Nigeria through increased export earners. Important quality management and marketing skills will be transferred to the small-scale coffee producers in Nigeria. Significant benefits will be yielded to the country where a large proportion of the population is dependent on coffee for employment and economic welfare.

Another aspect of income enhancement is that done through institutional capacity building. The starting point for this is data codification through a sound baseline studies and strengthening of all public and private owned institutions and co-operatives whose activities are based on coffee or coffee related matters.