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SWFLG Briefing Note 11: Forest Enterprise

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# Forest Enterprise

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WCC-PFM 2015  
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## Summary

The WCC project is testing an innovative approach to *in situ* conservation of wild coffee (*Coffea arabica*) by exploring the potential of Participatory Forest Management (PFM). In this approach the local people are seen as part of the solution, not part of the problem, and are empowered to sustainably manage the forest. This includes devolving forest tenure to community based Forest Management Groups (FMGs) and giving them use rights to non-timber forest products such as coffee, honey and spices. 'Making the forest pay' is crucial if communities are to be motivated to protect the forest and its genetic resources. The establishment of three forest product marketing cooperatives aims to support the community by improving their livelihoods, thereby creating motivation to maintain the forest.

The cooperatives also play an important role in supporting the sustainability of the Forest Management Association, through the payment of a fee for forest management services. This provides an income source to support wereda Forest Management Association meetings and activities, which include forest improvement and monitoring.

With project support, the forest enterprises have succeeded in improving the volume, quality and price secured for coffee and honey, and have established national and international trade links. A number of production and purchasing challenges are being addressed in particular increasing the volume of wild coffee collected from the natural forest following strict rules and maximising the capital available for purchasing coffee. Opportunities to diversify the range of forest products traded have been explored with promising results.

## Forest coffee and wild coffee

Forest coffee refers to coffee grown on the forest fringe; here, the forest understory has been removed, the canopy thinned with just a few shade trees remaining and wild coffee plants - relocated from the natural forest- planted densely. Wild coffee refers to naturally established coffee growing *in situ* in the natural forest.

The three community-led co-operatives supported by the WCC project bring together coffee pickers and community members and help them market the coffee to increase income. Table 1 shows the sales and prices achieved by the co-operatives.

Name of co-operative	Total Members	Traded Forest Products			
		Type of Product	kg	Price/kg	Revenue (Ethiopian birr)
Forest Coffee Marketing Cooperative	78	Forest coffee	2,135	114	243,641
Amoragedel Wild Forest Product Marketing Cooperative	54	wild coffee	1,799	127	229,002
		baboon coffee	2	2000	1,600
Mejenger Honey Producers Cooperative	45	honey	760	45	34,200

\*Revenue is from actual sales. Volumes produced exceeded volumes sold.

Table 1: Forest products traded by WCC-PFM marketing cooperatives

## Achievements

- Three forest product co-operatives established marketing wild coffee, forest coffee and honey with national and international links developed and products sold to Addis Ababa and Europe;
- Top quality coffee produced from both coffee co-operatives. Forest Coop coffee achieved Grade 3 and the Wild Product Co-op Specialty Grade Q2; the first time coffee from Bench-Maji Zone has achieved a Q2 grading;
- Wild coffee has been sold for the highest price ever for sun-dried coffee in Ethiopia - three times the average non-wild price;
- Honey marketing links expanded and productivity improved, building on those established through the previous NTFP-PFM project;
- Livelihoods strengthened through improved market linkages to national and international markets.



Sorting and drying wild coffee berries

## Challenges

Co-ops need to build up their working capital and track record so that they can get credit from banks. They need to gain the confidence of their members such that they are willing to provide coffee on credit. The Forest Coffee Marketing co-op struggled to get credit from members in

its first year of operations, but this was less of an issue in the second year of operation as, having experienced a successful season, the provision of coffee on credit until the harvest is sold was more acceptable. Some other challenges are listed in the following tables:

Issue	Impact	Action
<b>Production Challenges</b>		
Accessing wild coffee in some areas due to illegal plot holders restricting access.	Reduced amount of wild coffee collected.	FMA and FMGs taking this up with plot holders with project support.
Mejengir customary ownership ('jaan') of some areas restricted access of coffee pickers.	Reduced amount of wild coffee collected.	Meetings with Mejengir so they can benefit from higher prices achieved by the Coops for wild coffee rather than sell poorly processed wild coffee in the local market.
Payment of wild collectors is currently a set % of coffee collected. However this payment system did not work for them as wild coffee is spaced further apart than in coffee forest, so total collected per day is much less.	Reduced amount of coffee collected.	Compensation system to be changed to include a % of coffee collected plus a 'labour contribution', a payment which earns a dividend payment from the coop. The top twenty collectors eligible to become coop members, something people are eager to do.
Mixed performance by the wild coffee collectors.	Reduced amount of coffee collected.	Clear criteria to be set of who should become a collector with re-selection and training prior to each new season.

<b>Purchasing Challenges</b>		
Some larger traders willing to pay more, often illegally, for forest coffee creates unfair competition.	Small traders, including project supported coops, pushed out of the market.	Coop members will receive a dividend payment as well as sale price for coffee, so better off even if the sale price for the coffee is initially slightly lower. Farmers encouraged to become Forest Coop members and benefits explained.
High transport costs between buying and drying centers; red cherries need to start the drying process the same day to optimise quality.	Costs impacted on profits.	Transport costs will always be high due to the nature of the processing demands. Exploring establishing two new drying centers. Transport costs offset by high coffee price.

<b>Export challenges</b>		
Delays in polishing the coffee and in finalizing paperwork for export.	Delay in payment and additional storage costs in Addis Ababa.	Having been through the process once and established relationships with international customers, banks and shipping companies the process should be much smoother in future years.

## Conclusions and Next Steps

Many of these challenges can be classed as 'teething problems' and can be resolved without major inconvenience or cost. Progress towards several of the challenges has already begun and agreements should be reached ahead of the next production and marketing season. Perhaps most importantly, the volumes produced, the processing skills acquired, the prices paid and the lessons learned have given members of all three cooperatives confidence in the system and confidence in themselves. And the national and international buyers have confirmed their desire to continue to trade with the cooperatives.

There are also additional opportunities worthy of exploration, for instance there is scope to diversify the range of forest products produced beyond honey and coffee. Promising products include:

- Timmiz – a spice used extensively in cooking which has a national and international export potential.
- Luya (*Trichilea dregeana* also known as Forest Mahogany). Luya is found throughout the natural forest. Tree oils with similar properties are used in

skin and hair care products in Southern Africa and exported internationally.

- Forest fruits/jam – fruits such as Butiji, Chau, Gomu and Chik (local language); not currently brought to market but with potential to do so.

This diversification of forest products reduces trading risks, compensating for poor years or prices with one product, and broadens the number of people involved in forest enterprise and so interested in maintaining the forest. Luya and forest fruits in particular provide opportunities for women in collection and production.

Furthermore, the development of enterprises selling a greater diversity of products will help to promote the widest possible diversity in the forest and help to prevent over selection of a particular product/plant.

In the future carefully monitored sustainable commercial harvesting of timber and other woody forest products should be allowed for the community to exploit the full potential of the forest.

## South West Forests and Landscapes Grouping

SWFLG is an informal grouping of organisations which are interested in the development of an ecologically sound and socio-economically sensitive approach to the management of the south west landscapes of Ethiopia. The members of the grouping to date are: University of Huddersfield (UK), Ethio-Wetlands & Natural Resources Association and Sustainable Livelihood Action/Wetland Action EEIG (the Netherlands). They have been partners in projects funded by the EU and several other international donors since 1996 and have built up specific expertise in the areas outlined above.

The grouping currently has two projects in this area besides the recently completed NTFP-PFM Project. These are:

**Wild Coffee Conservation by Participatory Forest Management Project (WCC-PFM)** led by the University of Huddersfield with contributions from EWNRA and SLA and funding from the European Union, the Horn of Africa Regional Environment Centre and Network and the UK Government Darwin Initiative.

**REDD+ Participatory Forest Management in South West Ethiopia (REPAFMA-SW Ethiopia)** led by Ethio-Wetlands and Natural Resources Association in association with the Development Fund of Norway with contributions from SLA and UoH, and funding from NORAD.

*The Project is implemented with financial contributions from the European Union Delegation to Ethiopia, the Horn of Africa Regional Environmental Centre and the Darwin Initiative of the British Government. The authors are solely responsible for the views expressed in this document and they do not necessarily reflect those of the funders.*

## WCC-PFM Project Summary

The “Wild Coffee Conservation by Participatory Forest Management” (WCC-PFM) Project seeks to test and fine-tune PFM so that it can contribute to *in situ* conservation of wild coffee in the forests in southwest Ethiopia. At present the project is working in parts of Southern Nations, Nationalities and People’s Regional State (SNNPRS).

The focus of this approach to *in situ* conservation is the engagement of the communities so that they own and lead the process of PFM and forest management plan development and implementation. The plans include different forest management practices - development, protection and utilisation, including activities to ensure *in situ* conservation. The PFM process is driven by the way in which rights can be devolved to communities and forest-based enterprises developed which help forests become an attractive land use for communities, competing against other land uses and so “pay their way”.

Further details can be found at:

<http://wetlandsandforests.hud.ac.uk/forests.html>

All SWFLG Briefing Notes can be found at:

[http://wetlandsandforests.hud.ac.uk/wcc\\_publications.html](http://wetlandsandforests.hud.ac.uk/wcc_publications.html)

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## Project Funding Agencies



European Union,  
Environment Budget



Horn of Africa  
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Centre and Network



Darwin Initiative of the  
UK Government

## Project Partners



The University of  
Huddersfield



Ethio-Wetlands and Natural  
Resources Association.



Sustainable Livelihood Action



Ethiopian Institute of  
Biodiversity



Southern Nations, Nationalities  
& Peoples Regional State,  
Bureau of Agriculture