OROMIA COFFEE FARMERS COOPERATIVE UNION (OCFCU)

ETHIOPIA

"We used to sell our coffee to exporters who would cheat us and sometimes they did not pay us at all. Now we know the value of our coffee and we receive profits from the coffee sold by the Union."

Miju Adula, Chairman Kilenso Mokonisa Cooperative, OCFCU

Ethiopia, the birthplace of coffee, has more than 1.2 million coffee growers and approximately 15 million households dependent on coffee for their livelihoods. Coffee accounts for more than half of Ethiopia's export earnings.

OCFCU is the largest Fairtrade Certified coffee union in Ethiopia. It was founded in 1999 when 23,691 members from 35 small Ethiopian cooperatives came together to export their coffee directly to the speciality market. OCFCU's Fairtrade coffee sales to Australia and New Zealand have experienced strong growth since 2005, which has increased their total Fairtrade Economic Benefit.

The Total Fairtrade Premium paid to OCFCU between 2004/8 by Australian and New Zealand Fairtrade businesses was AU$206,291. OCFCU's Fairtrade Premium supports a number of projects democratically chosen by the members of the cooperative:

- 4 primary schools, and 17 additional classrooms have been built (see box).
- The health of farmers, their families and communities has also been addressed with the construction and running of 4 health posts, the purchase of medical equipment, and the provision of clean water for drinking and cooking thanks to 2 new water supply stations.
- The cooperative has installed a cereal grinding machine to reduce the cost to mill the grain for farmers. More money is now available to spend on other essentials. This has increased food security for farmers in the area.
- 2 washing stations have been purchased to wash the coffee which increases the value of their product on the market.
- A fund for the repair of de-pulping machines has been started.
- The high cost of transporting farmers produce is being addressed through investments of the Fairtrade Premium into projects such as the repair of the old lorry at the Yirgacheffe cooperative.

These measures are safeguarding the organisation's capacity to produce high quality washed Arabica coffee and building their ability to develop and integrate more of the value adding processes of the production of coffee. They are also creating a stronger community and a better future. You can find out more by watching the documentary, Black Gold at www.blackgoldmovie.com.

OCFCU, Ethiopia, Courtesy Jasper Coffee

Fairtrade at Work: Schools from Fairtrade

The Fairtrade Premium has funded the building of three primary schools in Bebo, Ragol and Bogi villages. This is an ongoing project.

Over 80% of OCFCU's Fairtrade Premium funds in 2008 were invested in education.

"With the extra income from the coffee we have built a school and given dividends to our members who are now able to pay school fees for their children."

Dulecha Gobena – Chairman, Kilenso Resa Cooperative, Yirgacheffe.

School built with the Fairtrade Premium, OCFCU, Ethiopia, Courtesy OCFCU

FLO ID: 897

Fairtrade Certified since: 2002

Fairtrade Certified products: Coffee

Number of members: 128,361 farmer members

Total volume purchased for the ANZ market between 2004/8: 896,027kg of Arabica coffee

The Oromia Coffee Farmers Cooperative Union (OCFCU) Story

Six varieties of OCFCU's Highland Coffee are grown by indigenous farmers of the South Western rainforest of Ethiopia. Fairtrade is supporting forest conservation in the area and giving farmers increased food security.

The people of Yirgacheffe, one of the regions where OCFCU cooperatives are based, have been cultivating Shade Grown coffee in their forests for hundreds of years. This regional practice has protected the native forests. Through Fairtrade sales, Fairtrade is supporting the continued conservation of the forests.

The high quality of the coffee is achieved through organic, shade grown, chemical-free farming and intercropping to enhance soil fertility. The coffee bushes are interspersed with plants such as cardamom and ginger, fruits such as papaya, mangoes and avocadoes, and root crops such as sweet potatoes. The food crops greatly improve families' food consumption and can also be sold in the local market, adding to their income.

"With Fairtrade, coffee farmers in Ethiopia are getting their deserved reward. To simply put it, the picture of unequal dynamics is being reversed day by day, week after week, month after month. And over the past few years, I can see a ray of hope…" Tadesse Meskela, OCFCU's general manager.

Fairtrade has transformed the lives of OCFCU's farmer members.

Revenue from the Fairtrade Premium has been invested to improve the working and living conditions of farmers and their families and invested in the diversification of local income earning opportunities.

COUNTRY PROFILE: ETHIOPIA

Ethiopia is Africa's oldest independent country. But the nation is better known for its periodic droughts and famines, its long civil conflict and a border war with Eritrea.

Ethiopia is one of Africa's poorest states. Almost two-thirds of its people are illiterate. Many Ethiopians depend on food aid from abroad.

The economy revolves around agriculture, which in turn relies on rainfall. The country is one of Africa's leading coffee producers. Coffee is a key export and vulnerable to price fluctuations

Country Statistics (2008)

HDI rank: 169 out of 177 placing Ethiopia in the bottom 6%.
The Human Development Index (HDI) measures the average achievements in a country in three basic dimensions of human development: a long and healthy life, knowledge and a decent standard of living.

Life expectancy at birth: 55 years
38% of children under five years old are underweight.

GDP per capita: US$800
Gross Domestic Product (GDP) per capita is obtained by dividing the annual GDP, at current market prices, by the population of a country. GDP is the total value of all goods and services produced in a particular economy.

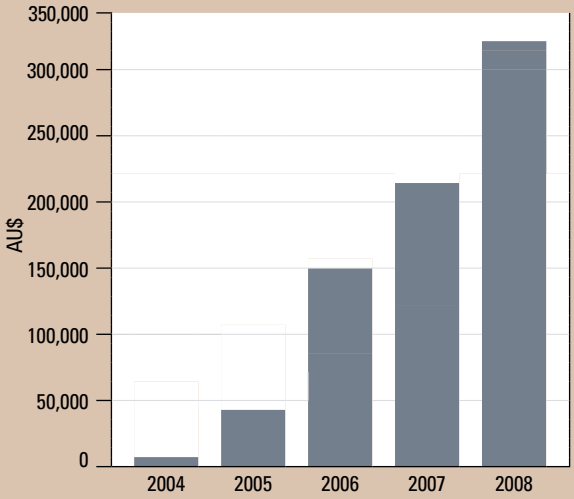
Unemployment rate: Not available.

Export commodities: coffee, qat, gold, leather products, live animals, oilseeds.

Rainforest, OCFCU, Yirgacheffe, Courtesy Jasper Coffee

Australia and New Zealand have been buying Fairtrade coffee from OCFCU since 2004. Sales to the Australian and New Zealand market have experienced sustained growth.

OCFCU'S FAIRTRADE ECONOMIC BENEFIT FROM FAIRTRADE COFFEE IMPORTS TO AUSTRALIA AND NEW ZEALAND BETWEEN 2004 AND 2008



The Fairtrade Economic Benefit is equal to the sum of the Faitrade Price Benefit, the Organic Price Differential and the Fairtrade Premium. For an explanation of these terms please refer to our report Tackling Poverty Through Trade at www.fairtrade.com.au/Producersandimpacts

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Exchange rates: A single average was calculated for the period 2004 to 2008 using monthly averages from the New Zealand Reserve Bank.

AU$1 = US$0.79

www.rba.gov.au/

This report has been produced by Fairtrade Labelling Australia & New Zealand (FLANZ) and Oxfam Australia. Analysis has covered the period of Australian and New Zealand Fairtrade purchases and sales from 1 January 2004 to 31 December 2008.

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To read the report *Tackling Poverty Through Trade* and more Producer profiles visit www.fairtrade.com.au/Producersandimpacts or www.oxfam.org.au/coffee. For fact sheets on Fairtrade Certification and Fees visit www.fairtrade.com.au/Producersandimpacts.

FAIRTRADE Guarantees a **better deal** for Third World Producers

Oxfam Australia