



Feed the Future Country Fact Sheet

Online Version: <https://www.feedthefuture.gov/article/arkansas-coffee-company-teams-smallholder-farmers-rwanda>

Arkansas Coffee Company Teams Up with Smallholder Farmers in Rwanda



OPIC

Women sort coffee beans at a washing station.

The hilly terrain of Rwanda is optimal for growing coffee beans, but the country's coffee industry has suffered in recent years from insufficient investment. In 2009, an Arkansas businessman, Scott Ford, recognized the business opportunity this presented and formed Rwanda Trading Company (RTC) to modernize the country's coffee sector, increase production and help local farmers export to international markets.

Around the same time that he formed RTC, Ford also formed a Little Rock, Arkansas coffee roasting company, Westrock Coffee Holdings, to help establish an international buyer for the Rwandan coffee.

RTC purchased and rehabilitated a coffee mill in Kigali as well five coffee cherry washing stations around the country. It also established an agricultural extension loan program for local farmers and washing stations, and technical assistance and training programs to help introduce modern farming practices including the use of compost and fertilizer.

In 2012, the Overseas Private Investment Corporation (OPIC) – which works with host governments, private sector partners and other stakeholders to spur investments in agriculture in emerging markets – developed and provided political risk insurance that addresses the specific risks facing the project. The insurance included coverage for regulatory risks such as potential interest rate caps that could interfere with its ability to provide loans to farmers, imposition of a change in coffee tariffs, and trade route disruptions as well as coverage for potential business interruption related to expropriation or political violence that could impact coffee growers.

OPIC also created new multi-country transport coverage for agriculture businesses in landlocked countries that need to get export products to port. For RTC, this insurance covered coffee shipments through Uganda, Tanzania and Kenya to ports in Mombasa, Kenya and Dar es Salaam, Tanzania.

"Westrock Coffee was established as a for-profit business with the goal of making a sustainable difference in the lives of the poorest of the poor by providing them better access to the global marketplace," says Ford. "OPIC insurance has been a key difference maker in this endeavor by allowing us to be aggressive in our facility expansion and farmer outreach programs while reiterating to our international trading partners and lenders the economic viability of this type of transformative investment."

OPIC's insurance support has helped RTC build and expand a major coffee production and exporting operation over the past

two years that has helped improve the lives and the earnings potential of thousands of small-scale Rwandan farmers. RTC currently processes about five million pounds of export grade green coffee a year in Rwanda, which now accounts for about 15 percent of all Rwanda's coffee exports. Westrock coffee, much of which comes from Rwanda, is available for sale online and in several major U.S. retail outlets, including some Walmart, Sam's Club and Winn-Dixie stores. For smallholder farmers, this connection to global markets is a game changer for their earning potential and long-term success in the agriculture sector.

In Rwanda, RTC continually reinvests its profits in the community and the local coffee growers, in part by providing free seed and fertilizer and low-interest loans to farmers. RTC also invests in infrastructure around its coffee washing stations to provide access to clean water for local communities.

RTC supports 120 permanent and 350 seasonal jobs in Rwanda, all which pay above average wages and provide other benefits.

"RTC is providing Rwanda with a state-of-the-art model for all facets of its coffee industry, from production and management practices to its impact on local economic growth," says OPIC President and CEO Elizabeth L. Littlefield. "The project at its most basic level will improve the lives of Rwanda's coffee farmers. Because coffee in Rwanda is grown by poor smallholders, who make up 90 percent of the population, positive changes in coffee's terms of trade like those produced by this project will benefit them directly."

This story [originally appeared](#) on OPIC's website.