

USAID CATALYZE MARKET SYSTEMS FOR GROWTH (MS4G)

Coffee Farm Enterprises Programme

FINAL PROJECT ACTIVITY REPORT

Technical Assistance & Business Support to 150 Coffee Farm Enterprises

Part I — Technical Assistance to 150 Coffee Farm Enterprises
Part II — Business Support to the Top 40 Coffee Farm Enterprises

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Programme Overview

The USAID CATALYZE Market Systems for Growth (MS4G) activity engaged Soil & More Ethiopia to deliver a year-long programme of technical and business advisory support to 150 pre-selected coffee farm enterprises engaged in the cultivation and marketing of specialty coffee. The programme built on the domestic and international market linkages first established through the Cup of Excellence (CoE) competition, with the overarching aim of strengthening the productivity, quality standards, market access, and overall competitiveness of Ethiopia's specialty coffee sector.

Recognising that the 150 enterprises operated at different levels of maturity, Soil & More Ethiopia structured its support around two complementary tracks, reported here as Part I and Part II of this final report:

- **Part I — Technical Assistance to 150 Coffee Farm Enterprises.** Approximately 110 of the 150 enterprises were operating at a foundational level and required broad-based capacity building. All 150 enterprises benefited from this track, which covered post-harvest handling and agronomic practice, digital literacy, and financial literacy, together with market promotion activities such as international sample testing and participation in the African Fine Coffees Association (AFCA) conference.
- **Part II — Business Support to the Top 40 Coffee Farm Enterprises.** The remaining 40 enterprises — the top performers from the 2022 Cup of Excellence competition — were positioned at a more advanced stage and received targeted, one-on-one business advisory support. This track focused on firm-level diagnostics, individualised strategic business plans, and implementation support aimed at achieving sustainable revenue and sales growth of at least 10% annually.

Together, the two tracks formed a single, coherent programme: a broad foundation of technical, digital, and financial capacity building across all 150 enterprises, layered with intensive, individualised business advisory support for the 40 highest-performing enterprises. This report presents the objectives, activities, outcomes, challenges, and key learnings of both tracks in full, organised as Part I and Part II below.

Shared Programme Objectives

- Enhance the caliber and quality of the specialty coffee produced by the coffee farm enterprises.
- Exploit increased domestic and international demand through improved marketing and digital literacy.
- Improve post-harvest and agronomic practices in line with internationally accepted sustainable agriculture and value-chain standards, covering harvesting, drying/washing/hulling, packaging, and storage.
- For the top 40 enterprises specifically, achieve a minimum of 10% annual growth in sales and revenue through tailored business planning and advisory support.

How This Report Is Organised

This document merges the two final reports submitted by Soil & More Ethiopia into a single reference document for the MS4G Coffee Farm Enterprises programme. All narrative content, findings, and figures from the original reports are retained in full; only the presentation and formatting have been redesigned for clarity and consistency.

- **Part I** (page overleaf) presents the technical assistance programme delivered to all 150 coffee farm enterprises — baseline survey, post-harvest and agronomic training, financial and digital literacy, and market promotion.
- **Part II** presents the business support programme delivered to the top 40 coffee farm enterprises — enterprise diagnostics, individualised strategic business plans, and implementation support.

PART I — Technical Assistance

Technical Assistance

to 150 Coffee Farm Enterprises

1. Introduction

The USAID CATALYZE MS4G activity contracted Soil and More Ethiopia to facilitate the growth of 150 selected specialty coffee—producing coffee farm enterprises. Over the course of one year, the project provided training and resources to improve farmers' knowledge and equip them with financial and digital management skills, leveraging domestic and international market linkages started by the Cup of Excellence (CoE) to help these enterprises maximise their market potential.

The project entailed various forms of support, including training in post-harvest management, agronomic practices, digital literacy, and financial literacy. Post-harvest management is particularly critical for the coffee industry as it directly impacts the quality and value of the final product. Through training and the provision of necessary resources, the project enhanced farmers' knowledge and skills in post-harvest and agronomic practices, while also strengthening their understanding and use of digital tools and technologies.

Collaborating closely with the 150 selected coffee farm enterprises, Soil & More Ethiopia worked to improve post-harvest practices, digital literacy, and financial management skills. Among these enterprises, 40 were identified for specialised business support advisory services due to their high ranking in the previous CoE cup scoring — this component is reported separately in Part II. A baseline survey was conducted before the project's commencement to establish a foundational understanding of the enterprises' current status and requirements, laying the groundwork for targeted interventions.

2. Objective

The objectives of the project were to:

- Enhance the coffee farm enterprises' capacity to increase the caliber and quality of the specialty coffee produced.
- Exploit increased domestic and international demand through marketing and digital literacy.
- Improve post-harvest and agronomic practices to follow internationally acceptable sustainable agriculture and value-chain practices, including harvesting, drying/washing/hulling, appropriate packaging, and storage.

3. Project Activities

3.1 Conduct Baseline Survey

A baseline survey was conducted in two clusters — the Hawassa cluster and the Jimma cluster — based on the geographical location of the coffee farm enterprises. The survey aimed to identify knowledge gaps in coffee agronomic practices, the coffee market, and pre- and post-harvest practices; assess the status and performance of selected enterprises and their capacity-building needs; and support sustainable agricultural practices for natural resource conservation. It also collected demographic characteristics, farmland utilisation, and location specifics of coffee farmers.

The baseline surveys used purposive sampling from the 150 coffee farm enterprises. Primary and secondary data were collected through structured-questionnaire interviews with farmers or their representatives, covering pre- and post-harvest practices, farm management, enterprise profiles, harvesting and processing methods, legal status, marketing strategies, and compliance with sustainable agricultural practices.

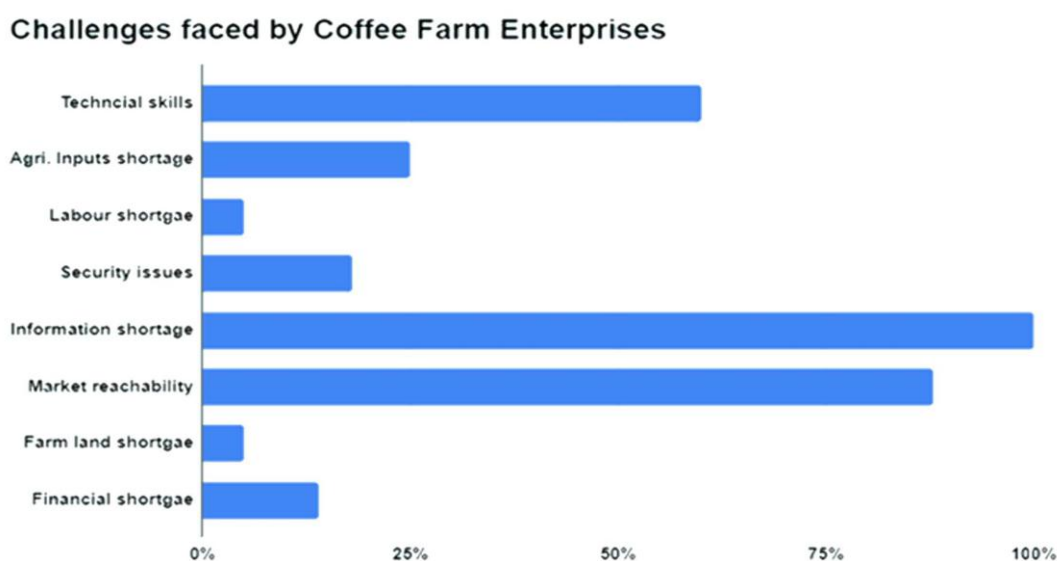


Figure 1: Challenges faced by coffee farm enterprises, as identified in the baseline survey

The survey found that the major challenges facing coffee farm enterprises included a lack of information, limited market reach, technical skill gaps, shortages of agricultural inputs, financial constraints, farmland constraints, labour shortages, and security issues. The most prominent constraints were difficulty accessing information and reaching markets, reflecting obstacles in obtaining insights into market dynamics, pricing mechanisms, and consumer preferences, and a limited ability to engage with potential buyers.

Around 60% of the surveyed enterprises acknowledged skill gaps and a need for technical assistance in specific areas of coffee farming. Addressing these gaps through tailored training in post-harvest handling and processing, financial management, and information exchange was expected to yield significant benefits in productivity and quality — leading directly to the training programme in post-harvest handling and processing, agronomic practice, digital literacy, and financial management described below.

3.2 Coffee Post-Harvest and Processing Technical Assistance

Recognising the importance of enhancing farmers' knowledge and skills, the project provided comprehensive training on best agronomic practices and post-harvest processing. In addition, Soil and More Ethiopia offered training on best agronomic practices through both theoretical sessions in three cities (Agaro, Yirgalem, and Dilla) and practical demonstrations at selected sites. Tools such as pruning shears, buckets, alcohol, and gauze were provided to enhance the learning experience and practical application of the training content.

3.2.1 Training Methodology

The training followed a structured approach combining theoretical sessions held in three cities with practical demonstrations at selected sites, providing a holistic learning experience. Theoretical sessions were conducted in urban centres to reach a wider audience, with expert agronomists and industry professionals delivering accurate, up-to-date content. Practical demonstration sites gave farmers hands-on experience with activities such as pruning, harvesting, and soil management, using tools including pruning shears, buckets, alcohol, and gauze.

3.2.2 Training Content

The training content covered a wide range of topics aimed at improving the productivity, quality, and sustainability of coffee production:

- **Pruning techniques:** proper pruning methods to promote healthy growth and fruit development, with practical demonstrations of technique and impact on plant health and yield.
- **Soil management:** soil fertility, compost use, and preparation to help farmers optimise soil conditions for improved crop growth.
- **Pest and disease management:** identification of common pests and diseases and implementation of integrated and organic pest-control methods.
- **Harvesting and post-harvest practices:** timing and methods for harvesting ripe cherries and proper processing to maintain coffee quality and value.
- **Dry coffee processing:** best practices for sun- and mechanical-drying of coffee cherries, including timing, methods, and conditions for quality and consistency.
- **Wet coffee processing:** pulping, fermenting, washing, and drying, with emphasis on cleanliness and quality control.
- **Anaerobic processing:** a special focus on fermenting coffee beans in an oxygen-free environment to enhance flavour development and unique taste profiles, including the principles of the technique, the fermentation process, and its potential benefits.

3.2.3 Training Workshop on Coffee Farming Capacity Enhancement

Workshops were conducted in Dilla, Yirgalem, and Agaro, with locations selected based on the clustering of coffee farm enterprises by geographical proximity. Each session spanned a full day, covering coffee tree structure, canopy management, soil health and productivity, shade and weed management, disease and pest management, coffee harvesting, quality control, and post-harvest handling through visual presentations.



Workshop sessions in Yirgalem (Fura Institute) and Agaro city

The training workshops witnessed high attendance rates, with the lower attendance in Yirgalem attributed to an unexpected scheduling conflict with the Ethiopian school leaving examinations, which caused transportation challenges for participating enterprises.

Training Period	City	Expected Attendance	Actual Attendance	Attendance %
July 12–13, 2023	Agaro	55	53	96%
July 24–25, 2023	Yirgalem	45	30	67%
July 27–28, 2023	Dilla	48	44	92%

Participants exhibited great enthusiasm and engagement throughout the workshops, expressing appreciation for the knowledge and skills gained in technical, financial, and digital literacy, and demonstrated a strong willingness to independently pursue export opportunities.

3.2.4 Practical Training Sessions at Seven Selected Farm Sites

Practical training sessions were conducted at seven farm sites from November 6–17, 2023, on strategically selected farmlands owned by enterprises supported by the project, aiming to enhance knowledge and skills in farm management, post-harvest handling, and processing practices. Overall, more than 112 coffee farm enterprises attended these full-day sessions, reflecting the strong dedication and commitment of the farm enterprises to the project.



Practical pruning demonstration at one of the seven selected farm sites

Activity 1: Coffee Farm Management Training

- **Main pruning techniques:** demonstrations of correct pruning methods, including removal of dead or diseased branches, to maintain plant health and productivity.
- **Sucker management practices:** identifying and safely removing suckers to ensure optimal plant growth and yield.
- **Pest and disease management:** identifying common pests and diseases and applying integrated, environmentally friendly control measures.
- **Weed control methods:** manual weeding and mulching techniques for maintaining a weed-free farm environment.
- **Organic fertiliser application and mulching:** correct application methods and the benefits of mulching for moisture conservation and weed suppression.

Activity 2: Coffee Post-Harvest Handling and Processing Training

Participants were shown different harvesting and processing techniques — sun-dried, washed, and anaerobic — with each method explained in detail, including its advantages and considerations. Special emphasis was placed on anaerobic processing given its recent technological advancement and potential to produce coffee of superior quality and higher market pricing.

Anaerobic processing is a fermentation method that creates an oxygen-free environment during fermentation, allowing precise control of temperature, humidity, and fermentation time and resulting in unique flavour profiles and enhanced cup quality. Farmers were introduced to its benefits — increased sweetness, complexity, and aroma — and guided through the practical steps: transferring coffee beans to a fermentation barrel and monitoring temperature and duration to achieve the desired flavour profile.



Anaerobic coffee fermentation setup, demonstrated at a farm enterprise

Farmers showed great enthusiasm for adopting anaerobic processing on their own farms, recognising its potential for improved coffee quality and higher pricing. Following the training, a significant number of farmers had already begun implementing the technique, opening access to specialty coffee markets where unique, high-quality coffees command premium demand.

Materials Provided

- **Pruning shears** — provided at each farm demonstration site to practise pruning techniques.
- **Alcohol bottles** — for sanitising pruning shears and other equipment to prevent disease spread.
- **Cotton gloves** — provided for cleaning equipment and tools.
- **Big buckets** — for practical exercises such as collecting harvested cherries and demonstrating post-harvest handling.

3.3 Financial Literacy

The financial literacy training programme aimed to enhance participants' financial knowledge and skills to support informed decision-making and improve financial management practices critical to sustainability and success. Interactive sessions covered:

- Concept and benefits of financial literacy
- Basic financial concepts and terms
- Financial statements
- Financial goals and objectives
- Budget and expenses management
- Credit, saving, and investment
- Financial record keeping
- Financial regulations in coffee farming

Representatives from Awash Bank provided insights on financial services and the benefits of banking, resulting in 12 enterprises opening bank accounts — enhancing financial management practices and expanding

opportunities for the enterprises involved. Continued support and follow-ups reinforced financial literacy skills for sustained impact.

3.4 Digital Literacy

The digital literacy training programme aimed to empower participants with essential digital skills to navigate the digital landscape effectively and enhance their presence in the global market. Sessions were conducted in Agaro, Yirgalem, and Dilla, covering internet connectivity, online engagement, creating email accounts, market research, social-media marketing, and establishing direct connections with international buyers, reinforced through practical, hands-on demonstrations.

Key Outcomes Achieved

- **Enhanced understanding of digital tools:** participants gained a comprehensive understanding of digital tools and technologies for accessing information and resources online.
- **Creation of email accounts:** practical demonstrations facilitated the creation of email accounts for direct communication with buyers, exporters, and suppliers worldwide — more than one hundred email addresses were established.
- **Online market research:** participants learned to conduct online market research, identify potential buyers, and gain insight into market trends.
- **Social media engagement:** participants learned to create social-media accounts and use platforms such as Facebook and Telegram to showcase products and engage with buyers; a dedicated Telegram group now connects more than 130 active coffee farm enterprises.
- **Access to information and buyers:** participants gained the skills to search for information and buyers online, exploring new market opportunities and establishing direct international connections.

Individual coffee farm enterprise profiling was also conducted to showcase products and stories, supported by a dedicated web portal (www.originofcoffees.com) that helps participants maintain a strong online presence and access market opportunities. Continued follow-up and support will further enhance participants' digital capabilities and long-term success in the digital age.

4. Promotion of Market for the Coffee Farm Enterprises

Soil and More Ethiopia made significant progress in promoting market access for the coffee farm enterprises, notably through market facilitation with a South Korean coffee buyer, YOLK. Following outreach to coffee buyers in different countries and the establishment of communication with YOLK, Soil and More Ethiopia facilitated sample testing and initial contact between Ethiopian coffee farm enterprises and the South Korean company. A total of 53 coffee samples, representative of the previous year's production and drawn from enterprises with unsold coffee, were carefully selected and shipped to South Korea in two rounds.



Coffee samples labelled and packaged for shipment to South Korea

The samples underwent cupping and testing by YOLK's experts, who evaluated aroma, flavour, acidity, body, and overall quality to confirm the samples met YOLK's standards and requirements. The positive results paved the way for further collaboration between Soil and More Ethiopia, YOLK, and the coffee farm enterprises, creating confidence and excitement among the enterprises about the possibility of a direct international market link.

Based on the sample results, YOLK sent representatives Ms. Sena and Mr. Kimun Sam on a two-week visit to selected coffee farm enterprises in Ethiopia, aimed at gaining first-hand knowledge of agronomic practices and assessing coffee quality — demonstrating YOLK's commitment to a direct, ongoing relationship with the enterprises and long-term partnership.



Field visit by YOLK representatives to coffee farm enterprises in the Jimma and Hawassa clusters

YOLK has a history of buying Ethiopian coffee from coffee farm enterprises and labelling the processed coffee by enterprise name. During the visit, one coffee farmer, Yoseph Kasaye, discovered his own processed coffee among the packages brought by the YOLK representatives — a significant morale boost for all the enterprises, showcasing the recognition and value YOLK places on their coffee.



A 10-gram sample of processed Ethiopian coffee sold in South Korea, from Mulugeta Muntasha coffee farm enterprise

A second market-facilitation channel was the enterprises' representation and exhibition at the 20th African Fine Coffees Association (AFCA) conference, which connected the coffee farm enterprises with over 2,000 international participants, mostly coffee buyers. Enterprises distributed promotional materials and connected with coffee farmers from other African countries, diversifying their exposure and experience.

5. Challenges Faced

5.1 Transportation Challenge

Training sessions, particularly in Dilla and Yirgalem, coincided unexpectedly with the Ethiopian school leaving examinations, which hindered transportation availability for some coffee farm enterprises.

5.2 Limited Access to Smartphones

Limited smartphone access among some participants was addressed by using slide-screen demonstrations alongside participants' own smartphones, and by assisting participants in acquiring and configuring smartphones after training sessions to ensure continued access to digital tools and platforms.

5.3 Limited Access to Finance

Coffee farm enterprises faced challenges accessing finance due to credit caps imposed by the National Bank. These limitations hindered their ability to secure funding for growth strategies, working capital, infrastructure investment, and operational expansion, impacting their capacity to achieve sustainable growth and competitiveness.

5.4 Security Concerns in Oromia Region

Enterprises operating in the Oromia region faced security issues that posed a significant challenge to operations and market access. Security threats made it difficult for international buyers to conduct market visits, limiting opportunities for business expansion, partnership development, and market exposure.

Notwithstanding these obstacles, the project worked to address the challenges encountered by the coffee farm enterprises, offering support, guidance, and resources to overcome these barriers, foster favourable outcomes, and promote knowledge exchange within the local community.

6. Outcomes and Impact

- **Baseline survey conducted:** the major constraints facing coffee farm enterprises were identified and used to design targeted interventions.
- **Knowledge and skill development:** 147 coffee-producing farm enterprises were trained in post-harvest technology, digital literacy, and financial literacy as a direct result of project implementation.
- **Enhanced market competitiveness:** targeted training in digital literacy, post-harvest handling, and financial literacy contributed to improved market access, particularly through training on social-media usage that exposes farmers to new market opportunities.
- **Digital presence:** coffee farm enterprises now have a web portal where their profile and contact information are clearly posted, making them easily accessible to international coffee buyers.
- **Sustainable growth and resilience:** project activities promoted sustainability considerations — environmental stewardship, social responsibility, and ethical sourcing — supporting long-term growth and adaptability to changing market conditions.
- **Economic empowerment:** increased revenues and sales translated into job creation, income generation, and economic opportunities for farmers, workers, and stakeholders along the coffee value chain.

7. Major Achievements

AFCA and CoE

The African Fine Coffees Association (AFCA) and the Cup of Excellence (CoE) are esteemed coffee grading systems that play a vital role in recognising and promoting outstanding coffee beans. AFCA distinguishes itself through inclusivity — welcoming any specialty coffee into its cupping events and evaluating entries from all African coffee-producing nations — fostering intense, continent-wide competition among specialty producers. The Cup of Excellence, by contrast, has a narrower focus on specialty farmers, which can restrict its participant pool.

In collaboration with Soil & More Ethiopia, the 150 listed farmers took part in the AFCA event, showcasing their beans and encouraging innovation and diversity in the coffee sector. One coffee farm enterprise secured an impressive 3rd-place ranking in the continental AFCA competition this year, and of the participants, 32 received a CoE membership certificate — a testament to the exceptional capabilities and quality of the coffee farm enterprises supported by the project.

Web Portal

A professionally developed web portal, www.originofcoffees.com, now serves as a central hub where coffee enthusiasts, industry professionals, and farmers can converge to exchange knowledge, expertise, and high-quality coffee beans. The portal embeds every piece of information a coffee buyer needs about the participating coffee farm enterprises, including the GPS location of the farmland.



Screenshots of the Ethiopian Coffee Farmers Portal, www.originofcoffee.com

Market Access

Representatives from South Korea — all costs covered by Soil & More Ethiopia — visited farmers' coffee production sites, creating a strong opportunity for market linkage and facilitating the export of the enterprises' coffee production. The enterprise that ranked 3rd place in the AFCA competition sold all of its produced coffee.

8. Conclusion

The holistic technical assistance programme has successfully equipped coffee farm enterprises with essential skills in digital literacy, financial literacy, post-harvest practices, and agronomic techniques. Through a comprehensive approach to training and support, participants gained the knowledge and capabilities to navigate the digital landscape, make informed financial decisions, and enhance their agricultural practices. The active engagement and high participation rates across all training sessions underscore the enterprises' commitment to embracing technological advancement and improving their business operations.

By integrating technical skills in post-harvest and agronomic practice with digital and financial literacy, the enterprises are well positioned to enhance productivity, quality standards, and market competitiveness. The transformative impact of these multifaceted training initiatives sets a solid foundation for sustainable growth, innovation, and resilience within the coffee farming sector, empowering enterprises to thrive in a dynamic and competitive market environment.

PART II — Business Support**Business Support***to the Top 40 Coffee Farm Enterprises*

1. Introduction

The USAID CATALYZE Market Systems for Growth (MS4G) activity embarked on a transformative initiative aimed at supporting 150 pre-selected coffee farm enterprises dedicated to cultivating and marketing specialty coffee. The primary objective was to leverage domestic and international market linkages started by the Cup of Excellence (CoE) to enable these enterprises to maximise their market potential. Soil & More Ethiopia was entrusted by MS4G to deliver tailored business advisory services to the coffee farm enterprises, with the overarching goal of enhancing their productivity, quality standards, market access, and overall competitiveness.

Recognising the diverse operational levels and needs of the 150 enterprises, Soil & More identified that approximately 110 of them were operating at a foundational level, necessitating comprehensive capacity-building interventions to elevate their coffee production, quality, marketing strategies, and governance and management systems (reported in Part I of this document). The remaining 40 enterprises were positioned at a more advanced stage, requiring targeted advisory services to fine-tune their operations and unlock sustainable revenue and sales growth of at least 10% annually.

This Part II component focused on specialised business support delivered to the top 40 coffee farm enterprises selected from the 2022 Cup of Excellence (CoE) competition. Through a collaborative and strategic approach, Soil & More Ethiopia worked closely with these high-performing enterprises to develop and implement tailored business plans aimed at driving operational efficiency, market expansion, and revenue optimisation. This section presents the outcomes, impacts, challenges, and successes of that work.

2. Project Components

The scope of work involved providing targeted business advisory technical assistance to the 40 winning coffee farm enterprises, with the aim of helping them achieve their strategic objectives. Efforts included strategy work, business development, capacity building, mentoring, coaching, and management development.

a. Firm-Specific Diagnostic

A firm-level business diagnostic was conducted to identify gaps, critical issues, and immediate future needs of the coffee farm enterprises, aimed at driving business improvement and efficiency. The diagnostic assessed challenges and opportunities and proposed the changes required to achieve sales and revenue growth

objectives, outlining a recommended strategy, work plan, and timeline for achieving a minimum of 10% sales and revenue growth by 2023/24.

Area of Diagnosis	Findings	Recommendations
Business planning	The surveyed enterprises did not have a developed or completed business plan.	Provide business-plan development support outlining mission, vision, and objectives in a clear, understandable way.
Operational management	Most enterprises scored low on operations-management assessment factors.	Invest in proper storage facilities with professional management; train on quality standards and implement quality-management systems.
Resource management	Most enterprises had a low level of systematic, deliberate organisational design, people management, and performance measurement.	Implement proper people- and financial-management systems and practices.
Marketing	Enterprises performed below average in overall marketing and sales practices.	Adopt modern marketing techniques such as digital marketing; focus on high-quality specialty coffee to increase bargaining power with off-takers.
Legal status	Some enterprises lacked legal status such as a trading licence, business licence, legal certification, or supplier/client contracts.	Establish legal entity status to protect rights and interests, access financing and investment, export directly, and collaborate with other farmers.

The above diagnosis points were fully addressed in this project, in line with the recommendations that arose from the diagnostics reports.

b. Technical and Managerial Skills Training

Tailored technical and managerial skills training, coaching, and mentoring were provided to each coffee farm enterprise to accelerate growth. Training was designed to address the specific needs of each business, focusing on practical solutions to real challenges rather than theoretical, classroom-based approaches.

Soil & More Ethiopia conducted practical training sessions at seven locations, focusing on key areas such as financial management, human resource management, inventory management, and sales management, equipping the enterprises with the skills and knowledge needed to improve operations and maximise profitability. All 40 enterprises actively participated in these sessions, demonstrating their commitment to enhancing their business practices.



Business coaching and mentoring sessions conducted at selected farm sites

c. Operational Support

Support was offered to the farm enterprises in developing accounting and operational procedures, human resources management, short- and long-term business planning, financial management including forecasting, and implementing risk management processes. This assistance aimed to strengthen operational capacity and enhance overall business performance across the enterprises.

3. Activities: Supporting 40 Higher-Level Coffee Farm Enterprises

Soil & More Ethiopia understood that the 40 coffee farm enterprises that performed well at a relatively good level (compared to other beneficiary enterprises) were selected for further support to improve their business performance and boost revenues and sales growth by at least 10% annually. Business growth was understood to require three main factors:

- A mechanism of achieving more sales (volume of goods sold) and revenue per unit.
- A mechanism of reducing both direct and indirect costs.
- A mechanism to sustain the growth in sales and management of costs.

These 40 enterprises were the winners of the Cup of Excellence 2022 competition and had already been pre-selected by Cup of Excellence. With this in mind, Soil & More undertook the following activities during the one-year project period.

Activity 1: Conducted Enterprise Diagnostics

Soil & More Ethiopia embarked on a thorough and meticulous enterprise diagnostic survey aimed at delving into the operational intricacies of each of the 40 selected high-performing coffee farm enterprises. This exercise was designed to cover ten core business areas, ensuring a holistic assessment of each enterprise's operational landscape:

- **Market analysis:** prevailing market trends and demands, competition, pricing strategies, and segmentation, informing strategic positioning within the market.
- **Financial analysis:** review of financial statements (where available) — income statements, balance sheets, and cash flow — to evaluate profitability, liquidity, and solvency, and identify areas for financial optimisation.
- **Operational analysis:** evaluation of harvesting, processing, and packaging efficiency, including the use of technology and automation.
- **Risk assessment:** potential risks such as weather, price fluctuations, and supply-chain disruption, and the adequacy of existing risk-management strategies and contingency plans.
- **Sustainability analysis:** environmental and social impact considerations, sustainable farming practices, waste reduction, and fair labour practices.
- **Marketing analysis:** effectiveness of branding, advertising, and promotional activities, target-market identification, customer preferences, and digital marketing channels.
- **Human resources analysis:** employee retention, training and development, compensation and benefits, and organisational culture and structure.
- **Legal and regulatory analysis:** compliance with relevant laws and regulations, intellectual property rights, contract adherence, and permit requirements.
- **Supply chain analysis:** suppliers, logistics management, inventory control, sourcing strategies, and supplier relationships.
- **Technology analysis:** effectiveness of current technological solutions and opportunities for future technology integration.

As part of the diagnostic process, Soil & More Ethiopia introduced the top 40 coffee farm enterprises to anaerobic processing. All enterprises received training on the advanced technique, and nearly all adopted it to some extent during the year. Anaerobic coffee processing has the potential to elevate flavour characteristics through extended, oxygen-free fermentation, resulting in distinctive, sophisticated profiles highly valued by coffee connoisseurs — helping enterprises differentiate their products and secure premium prices.

Following successful follow-up on their coffee processing methods, some enterprises had already begun selling anaerobic-processed coffee. One example is the coffee farm enterprise Tadesse Yonka, who prepared 1,800 kg of anaerobic coffee and sold it for USD 13 per kilogram.

To facilitate the enterprise diagnostics, Soil & More Ethiopia:

- Designed a comprehensive enterprise diagnostic tool tailored to the specific needs of the coffee farm enterprises.

- Implemented the diagnostic survey across the 40 selected enterprises, ensuring a standardised and systematic approach to data collection.
- Analysed the gathered data to produce enterprise-specific diagnostic reports, highlighting strengths, areas for improvement, and actionable recommendations to enhance business performance and achieve the targeted 10% annual growth objectives.

The culmination of this activity was the delivery of 40 detailed, tailored enterprise-specific diagnostic reports, providing a roadmap for strategic enhancement and operational optimisation to drive sustainable growth and success.

Activity 2: Developed Custom Individualised Strategic Business Plans

Soil & More Ethiopia engaged in a collaborative and strategic process to support the 40 selected high-performing coffee farm enterprises in developing or updating their individualised strategic business plans, translating the insights and recommendations from the diagnostic exercise into actionable, goal-oriented strategies for growth and sustainability.

- **Co-creation approach:** enterprises actively participated in defining their vision, mission, goals, and strategic objectives, ensuring alignment with their unique strengths, challenges, and aspirations and fostering ownership of the process.
- **Vision and mission definition:** enterprises worked with Soil & More Ethiopia to articulate long-term vision and mission statements guiding their strategic direction and purpose within the coffee industry.
- **Goal setting and target establishment:** through detailed analysis of diagnostic findings and market dynamics, enterprises set ambitious yet achievable goals — key performance indicators, revenue targets, market-share objectives, and operational milestones.
- **Bankability assessment:** business plans were designed to demonstrate investment-readiness to banks and investors, with Soil & More ensuring the plans were clear and attractive to potential funders.

By the end of this activity, each of the 40 coffee farm businesses had a personalised business plan outlining its goals, strategies, and steps to grow and succeed in the competitive coffee industry.

Activity 3: Providing Support for Business Plan Implementation

- **Regular meetings:** Soil & More conducted regular one-on-one meetings with each of the 40 enterprises to monitor progress, address challenges, and provide guidance and support, keeping businesses on track with their plans.
- **Capacity building:** training and technical advice were provided to improve skills and knowledge in marketing strategy, operational efficiency, financial management, and other key aspects of running a successful coffee farm business.
- **Connecting with financiers:** Soil & More facilitated connections with potential financiers, including banks and investors. Following financial literacy training, twelve bank accounts were opened for coffee farm enterprises at the training site that had not previously engaged with banking services, improving financial management, access to financial services, and transparency in business practices; Awash Bank dispatched branch representatives to the workshops to support the account-opening process.

- **Participation in industry events:** Soil & More sponsored participation in industry events such as the African Fine Coffees Association 20th coffee conference, providing valuable networking opportunities and exposure to potential buyers from around the world.
- **Progress reporting:** Soil & More compiled and submitted quarterly progress reports to USAID CATALYZE MS4G, detailing support provided, challenges faced, and key learnings, ensuring alignment with growth targets and allowing timely adjustments.

Through these efforts, Soil & More played a vital role in supporting the 40 coffee farm enterprises in implementing their business plans effectively, fostering growth, sustainability, and success within the coffee industry.

4. Challenges Faced

Limited Access to Finance

Despite the development of bankable business plans, the coffee farm enterprises encountered challenges in accessing finance due to credit caps imposed by financial institutions. These limitations hindered their ability to secure funding for growth strategies, infrastructure investment, and operational expansion, impacting capacity to achieve sustainable growth and competitiveness.

Disruption in Support Services

Following the discontinuation of Cup of Excellence (CoE) support in 2022/23, the coffee farm enterprises experienced a period of low sales and limited support until the project began in 2024. This interruption affected their ability to sustain operations, implement growth initiatives, and navigate market challenges effectively, leading to a temporary setback in business performance.

Security Concerns in Oromia Region

Enterprises operating in the Oromia region faced security issues that posed a significant challenge to operations and market access. Security threats made it difficult for international buyers to conduct market visits, limiting opportunities for business expansion, partnership development, and market exposure.

Market Disruptions

Security challenges and the discontinuation of support services contributed to market disruptions. The inability to attract international buyers, limited access to support programmes, and fluctuations in market demand impacted sales performance and revenue generation, creating uncertainty and instability within the sector.

Operational Resilience

Coffee farm enterprises had to navigate operational challenges and build resilience amid market disruption, security concerns, and limited access to finance. Developing strategies to mitigate risk, maintain production continuity, and sustain operations in a volatile environment required concerted, adaptive effort to ensure long-term sustainability and growth.

Despite these challenges, the project led by Soil & More Ethiopia worked towards addressing the obstacles faced by the coffee farm enterprises, providing support, guidance, and resources to overcome these hurdles and drive positive outcomes for the businesses and local communities.

5. Outcomes and Impact

- **Improved business performance:** the 40 high-performing enterprises experienced enhanced business performance as a result of project activities, optimising operations, increasing sales, and achieving revenue growth of at least 10% annually.
- **Enhanced market competitiveness:** targeted capacity-building and participation in industry events strengthened marketing, operational efficiency, and networking, better positioning businesses to attract customers, expand reach, and secure sustainable growth.
- **Access to finance:** support in developing bankable business plans enabled enterprises to access funding from commercial financiers by demonstrating technical feasibility, financial viability, and social desirability.
- **Sustainable growth and resilience:** incorporating environmental stewardship, social responsibility, and ethical sourcing into operations supported long-term growth and adaptability to changing market conditions.
- **Knowledge and skills development:** training, technical advisory support, and mentorship equipped enterprises to make informed decisions, implement best practices, and drive innovation within their operations.
- **Economic empowerment:** increased revenues and sales generated job creation, income generation, and economic opportunities for farmers, workers, and stakeholders along the coffee value chain.

6. Key Learnings

- Financial literacy training is crucial for empowering coffee farm enterprises to effectively manage their finances.
- Opening bank accounts for previously unbanked enterprises can significantly improve their access to financial services.
- Collaboration with financial institutions, such as Awash Bank, can streamline the process of opening accounts and promote transparency in business operations.
- Enterprises typically did not prioritise maintaining financial records, highlighting the importance of implementing practices to enhance financial record-keeping for improved business management.
- Business support gaps were identified as a significant hindrance to enterprise growth, at times resulting in exclusion from international competitions — addressing these gaps is crucial to fostering global competitiveness.

7. Conclusion

Despite facing multiple challenges, the majority of the coffee farm enterprises involved in the project have demonstrated improved revenue generation this year following the successful implementation of the strategic business plans. While some enterprises are still in negotiation and awaiting the 2024 Cup of Excellence to sell their coffee, the project has undeniably had a significant positive impact on the overall activity of these top 40 coffee farm enterprises.

The project, spearheaded by Soil & More Ethiopia, has enabled these businesses to enhance their market competitiveness, access finance, develop sustainable practices, and build resilience in the face of operational and market challenges. Through collaborative efforts, capacity-building initiatives, and strategic planning support, the enterprises have navigated obstacles, leveraged opportunities, and achieved tangible growth outcomes within the coffee industry.

As the businesses continue to implement their business plans, engage in market activities, and pursue opportunities for growth and expansion, the project's lasting impact is expected to further solidify their position as key players in the coffee sector — contributing not only to the coffee farm enterprises themselves, but to the overall development and resilience of the coffee value chain and the communities it serves.

In conclusion, the project's success lies in its ability to empower and support these coffee farm enterprises in overcoming challenges, seizing opportunities, and driving positive change within the industry. The dedication, collaboration, and resilience demonstrated by the businesses, coupled with the strategic guidance and support provided by Soil & More Ethiopia, have paved the way for sustainable growth, market resilience, and continued success for the top 40 coffee farm enterprises involved in the project.