Building win-win investor–smallholder relationships

By

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The views expressed are those of the author and do not necessarily reflect the views of UNCTAD.
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Who We Are?

• Family Business and a private, commercial company

• Trading commodities since 1905

• East African coffee since 1950s

• Presence in All East African countries

• Lead exporter in Uganda, Rwanda, and Burundi
Burundi & Coffee

- 10 million people
- 2\textsuperscript{nd} poorest country (GDP per capita)
- 11.8\% urbanization
- 59.55 year life expectancy

- Pre-war coffee exports: 40,000 MT
- Post-war: 11,000-20,000 MT
- 600,000 to 800,000 smallholders

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Potential Impact

- Cost to provide healthcare to a family in Burundi: $2 per year
- Cost to provide healthcare to one person in Switzerland: >$5,000 per year
- Coffee is 64% of export income
- Agriculture is 30% of GDP and 89% of employment
- Aid is 42% of the national income
- Brazil yield: 30 bags per hectare
- Burundi yield: 5 bags per hectare
Transition and improve Policies

- **Transition**
  - **DRC**
  - **Burundi**
  - **Uganda**
  - **Brazil**
  - **Vietnam**
  - **Costa Rica**

- **Expected Profitability**
  - Logistics, Energy costs too high for small operations
  - Local Exporters
  - Informal Economy Only

- **Investment Environment**
  - Clients source directly
  - High Labor Cost Strangles Coffee Production

- **International Competition**

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Investor-Smallholder relationship & the SDGs

Smallholders = SME = Job Creation

Profitability – Quality – Direct Sourcing
“An integrated, sustainable supply chain, created during a transitional phase and developed through PPPs, is our license to operate for the next decade.”