



A member of the Tuzamurane Cooperative picks a pineapple on her farm in Kirehe District, Eastern Rwanda. She uses the income from pineapples to support her family. Photo: Aurelie Marrier d'Unienville

TUZAMURANE PINEAPPLE COOPERATIVE, RWANDA

Empowering smallholder farmers to benefit from the global market

Poverty is widespread among the small-scale farmers and workers who produce and process our food, in an industry worth billions of dollars. Oxfam's new campaign highlights the systemic inequality and human suffering in food supply chains – and shows how action by supermarkets, governments, small-scale farmers and workers could lead to a decent and dignified standard of living for millions of people.

This case study looks at the positive example of the Tuzamurane Cooperative in Rwanda, which has enabled women farmers to access the lucrative international export market for dried pineapple. The combination of a community-focused business model and a positive relationship with an ethical distributor has enabled these farmers to move out of poverty, with benefits for the wider community.

It is one of a series of case studies to supplement the global campaign report, *Ripe for Change*, drawing attention to the plight of specific groups of small-scale farmers and workers in international food value chains and/or promoting successful alternative approaches.

1 INTRODUCTION

In Rwanda, poverty and malnutrition remain a huge challenge. In Kirehe District in Eastern Rwanda, there are many women-headed households, a legacy of the 1994 genocide. Many have had little option but to try to earn a living from their small parcels of land.

The pineapple-growing cooperative of Tuzamurane was established by the community 10 years ago to equip women with horticultural skills and improve their access to markets and savings schemes. The community identified pineapples as a potentially high-value crop that is well suited to local conditions. However, the local market price for pineapples can be very low – as little as 50 Rwandan Francs (RWF), approximately 6 cents per pineapple.

Since its establishment, Tuzamurane Cooperative has secured increased incomes for approximately 300 farmers in the district, nearly half of them women. Farmers are now paid as much as RWF 200 per fruit, as well as receiving training, inputs such as seeds and fertilizer, and social benefits. This has enabled them to move out of poverty.

Oxfam has worked with Tuzamurane since 2015 through its Enterprise Development Programme (EDP), which enables small and medium enterprises in some of the world's poorest countries to become viable businesses.¹ With Oxfam's support, Tuzamurane has been able to attain organic certification, increase its supplier base, invest in a drying room and processing facilities, and access finance. Oxfam has also helped to strengthen the enterprise's management capacity, and trained production staff in food hygiene. As a result, the cooperative is now linked to the much more lucrative market for high-margin, certified organic dried pineapple, and shares significant value with its member farmers. It now exports the dried pineapple to countries across Africa and as far away as France.

The increased income from pineapples has had a major impact on women-headed households in particular. Women farmers have been able to invest in land, housing and livestock, and to pay household expenses such as health insurance and school fees. The cooperative has also invested its profits in initiatives that benefit the wider community. This success story demonstrates how support at the farmer enterprise level – and a positive relationship with a European distributor, Agro Sourcing, that is willing to invest in the supply chain – can increase economic opportunities for smallholder farmers and lift them out of poverty.

'The challenges I was facing were ones of poverty and not enough resources. Before joining the cooperative, my life was not good. I felt it was short and that there was no vision.'

Valerie Mukangerero,
Tuzamurane Cooperative
member

'When I couldn't afford school fees, the children could not go to school. They had to stay at home. I had no peace of mind.'

Theresie Nyirantozzi, Tuzamurane
Cooperative member

2 ACCESSING THE RIGHT MARKET

Oxfam's experience of supporting cooperatives suggests that such enterprises can often help farmers to develop their products, gain access to new markets and improve their negotiating position in the value chain. This increases the incomes that farmers are able to secure. However, farmers face huge challenges in setting up a cooperative. Members often need training, including business and management support, before cooperatives can become viable business entities.

When Oxfam first got involved, the Tuzamurane Cooperative was selling (and continues to sell) fresh pineapple to both the local market and to the Rwanda-based Inyange Industries, which makes juice for the domestic market. However, the domestic market for organic fresh fruit is limited; whereas in European markets not only is demand high, but an organic premium exists. Oxfam therefore identified an opportunity for the cooperative to access this market by producing organic dried pineapple for export. Because Tuzamurane's production methods were already aligned with organic principles, only small changes and extra record-keeping were required for supplier farmers to gain organic certification.

Since 2015, with Oxfam's support, Tuzamurane's members have trained in organic production techniques and propagation of pineapple plants; the cooperative has also invested in building a drying facility, strengthened its management capacity and improved its financial record-keeping. As in all its work, Oxfam's support for Tuzamurane includes addressing barriers to women's economic empowerment.² This involves, for example, insisting on the employment of women, targeting women-headed smallholdings as suppliers, providing training in suitable cultivation techniques and facilitating women's access to finance.

However, the most transformational element of Oxfam's support has been to connect the enterprise with an ethical distributor to European markets. The distributor is committed to paying a fair price for the product, and its contract with Tuzamurane ensures the price is renegotiated each year to take into account any changes, such as increases in production costs.

Oxfam is continuing to assist Tuzamurane to access new markets, for example, by funding training in Hazard Analysis and Critical Control Point (HACCP) procedures to improve the consistency of production and meet international food safety standards, and by working towards the internationally recognized ISO 22000 certification. The European distributor is supporting Tuzamurane to attain Fairtrade certification. Acquiring these two certifications (in addition to the organic certification and Rwanda Standards Board certification required by the national government) is expensive – prohibitively so for most small Rwandan agricultural enterprises. It is, however, essential to broadening access to export markets.

The export market is challenging. It is not a given that it will be more profitable for an enterprise to sell a processed product for export rather than focusing on production of the primary product. For exports, there needs to be significant investment in quality control and administration, including many levels of certification. The cost and complexity of these processes are often barriers to new enterprises entering the export market.

Oxfam's support is enabling Tuzamurane Cooperative to overcome these barriers. The enterprise has also been fortunate in that it has been able to establish a positive, two-way relationship with its European distributor. The distributor considers itself a partner, and actively invests time, money and expertise in the success of Tuzamurane and similar smallholder farmer groups worldwide. This level of support is laying the foundations for the longer-term success of Tuzamurane Cooperative and its member farmers.



Valerie Mukangerero walks to her pineapple farm in Rwamurema village, Eastern Rwanda. Valerie grows and sells organic pineapple with the Tuzamurane cooperative, and has seen her income grow enough to extend her house and buy a cow. Photo: Aurelie Marrier d'Unienville/Oxfam

3 IMPACT ON FARMERS AND THE COMMUNITY

It is too early for formal evaluation studies, but there is already strong anecdotal evidence about the positive impact of Tuzamurane's success on its membership and the local community.

Because of the enhanced income from pineapple farming, women report that they have been able to improve their homes and pay for household expenses, school fees and health insurance (see Box 1). They have been able to invest in livestock and new land for cultivation, and to hire local labour to help at busy times. Cooperative members have moved out of the poorest income categories, as defined by the Rwandan government. Many farmers are consciously reducing the area of land allocated to growing low-value staple crops, in favour of more lucrative pineapple production. The risks of doing so are mitigated by the income security that comes from cooperative membership and access to the global organic export market.

Thanks to the exports of dried pineapple to Europe, Tuzamurane is now a profitable cooperative enterprise, whose benefits are being felt by the wider community. It also sells produce from non-members to the local market and funds community initiatives from its own profits, with members deciding at the beginning of the year how the money will be spent. In 2016, for example, households benefitted from fuel-efficient stoves, reducing firewood costs and the time spent cooking, which is usually done by women. This means they can spend more time tending their pineapple fields or doing other things. As part of the cooperative's wider social objective, it also pays health insurance premiums for community members who are unable to afford them, as a community dividend.

'When I joined the cooperative, we were trained, we learned and I felt relieved that I would have a good life one day. I was going to change my life [...] What makes me proud in life is when I buy clothes or food when my children need it, and when I can afford school uniforms without worrying.'

Valerie Mukangerero,
Tuzamurane Cooperative
member

Box 1: Theresie's story

Theresie supplies Tuzamurane Cooperative with pineapples from her farm. Before joining the cooperative, the 60-year-old was farming cassava and beans, but her income was so poor that she struggled to buy basic items such as food, clothes and soap. Since becoming a member, Theresie has been able to support her five children. She has also bought a calf with her profits, and uses the manure to fertilize her field. Being a successful member of the cooperative has given Theresie a sense of pride, as she no longer needs to ask her husband for money for things like clothes. She says:

'I would tell other women to come and join the cooperative and become pineapple farmers. I would tell them that they shouldn't be cultivating on their own, but should work together with others to increase their production.'

4 SUCCESS FACTORS

Tuzamurane Cooperative is a positive business model which can be replicated. It demonstrates how a people-centred approach to building a supply chain can lift smallholder farmers out of poverty. The cooperative's success can be attributed to several factors.

Most importantly, Tuzamurane is a community-led initiative. The community identified that pineapple offered significant income potential compared to traditional staple crops. Pineapple production is also well suited to women, as pineapples can be grown on relatively small plots of land, which is commonly what women have access to. This made the fruit an ideal choice in an area where there are many women who head households and are highly motivated to improve the situation for their families.

With NGO assistance and investment, the enterprise has been able to overcome barriers to entry to more lucrative markets – in particular, the high cost and administrative effort to gain the certification required for products to be sold in international markets.

Tuzamurane has also benefitted from having a direct relationship with a European distributor. By reducing the layers of middlemen, more value can be kept at the farmers' level and shared within the community.

The enterprise has benefitted greatly from the nature of this relationship. The distributor not only pays a fair price for the produce but is willing to actively invest in the enterprise to broaden its market. When stakeholders in a value chain have a genuine interest in investing to ensure the long-term success of their suppliers, farmers are able to benefit. While it may be difficult for international exporters to work directly with individual smallholders, they can buy from enterprises such as cooperatives, which aggregate smallholder produce and make sure that farmers' interests are represented.

Through its new campaign, Oxfam is calling for an end to human suffering in food supply chains, and promoting alternative business models that give the people behind the products a fair share of the value. To find out more about the campaign, and to read the full set of recommendations, see [*Ripe for Change*](#).

NOTES

- 1 Read more about Oxfam's Enterprise Development (EDP) programme here: <http://edp.oxfam.org.uk/>
- 2 Women's economic empowerment (WEE) is fundamental to women's ability to move out and stay out of poverty. Oxfam's work in this area seeks to change economic systems (thinking, practices, roles, policies) that systematically discriminate against women, in order that economic development contributes sustainably to gender justice. Find out more here: <https://policy-practice.oxfam.org.uk/our-work/gender-justice/womens-economic-empowerment>

© Oxfam International June 2018

This case study was written by Brenda Pennell and Ruth Segal. Oxfam acknowledges the assistance of the Oxfam Enterprise Development Programme in its production.

For further information on the issues raised in this paper please email policyandpractice@oxfam.org.uk

This publication is copyright but the text may be used free of charge for the purposes of advocacy, campaigning, education, and research, provided that the source is acknowledged in full. The copyright holder requests that all such use be registered with them for impact assessment purposes. For copying in any other circumstances, or for re-use in other publications, or for translation or adaptation, permission must be secured and a fee may be charged. Email policyandpractice@oxfam.org.uk

The information in this publication is correct at the time of going to press.

Published by Oxfam GB for Oxfam International under ISBN 978-1-78748-266-1 in June 2018. DOI: 10.21201/2018.2661
Oxfam GB, Oxfam House, John Smith Drive, Cowley, Oxford, OX4 2JY, UK.

OXFAM

Oxfam is an international confederation of 20 organizations networked together in more than 90 countries, as part of a global movement for change, to build a future free from the injustice of poverty. Please write to any of the agencies for further information, or visit www.oxfam.org.