



# ssnup

Smallholder Safety Net  
Upscaling Programme

## PRICE RISK MANAGEMENT RWANDA



Africa



Latin America



Asia



Financial services



Non-financial services



Market building



Internal management

### CONTEXT

In 2020, Rwanda's agricultural sector accounts for about 29 percent of GDP and employs about 72 percent of the active population. It is the dominant source of income for the majority of the poor living in rural areas and is of significant importance in achieving the national priority objectives of sustainable economic growth, food security, and poverty alleviation. Coffee is a key export commodity in Rwanda and an important source of foreign exchanges. Rwanda is a price taker on international coffee markets and remains vulnerable to high price fluctuations.<sup>1</sup>

### CURRENT STATUS OF THE INVESTEES

This project targets ten smallholder aggregators, among which eight are smallholder farmer cooperatives and two are Agri-SMEs - direct actors of the coffee value chain. The two SMEs are partners of Oikocredit and hold Rainforest Alliance certification. The cooperatives are not yet partners but through this project their management capacities will be strengthened making them investable partners for Oikocredit or other international lenders in the near future.

### OBJECTIVE OF THE PROJECT

The project aims at making smallholder aggregators more resilient against price volatility by strengthening their price risk management capacities, which should eventually benefit more than 10,000 farmers. The Price Risk Management (PRM) program aims at making sure the smallholder aggregators understand the conditions of a coffee contract, comply with them and close them at the right price to avoid losing money. In order to do so, the program consists in ensuring that the smallholder aggregators have all the necessary processes and policies in place for a successful PRM, in particular for harvest projection, harvest evaluation, market analysis and physical coverage strategy.

In the first phase, the main activities of the project are:

1. Sector & market analysis and baseline assessment of investees
2. Digitalization & adaptation of the training material and tools
3. Implementation of PRM Basic training
4. Knowledge sharing & engagement of financial sector stakeholders

### IMPACT INVESTOR



**AGGREGATOR / INVESTEE**  
2 Agri-SMEs & 8 cooperatives

**TARGETED N° OF FARMERS**  
More than 10,000 farmers

**AGRICULTURAL VALUE CHAIN**  
Coffee

**STARTING DATE**  
01/09/2021

**DURATION**  
7 months

**TOTAL TA BUDGET**  
€ 113,650  
Including € 78,814 (69%)  
contribution from SSNUP

<sup>1</sup>Rwanda Food and Agriculture Policy Monitoring Review 2020, <http://www.fao.org/publications/card/en/c/CB2403EN/>

