

NGUVU Empowering Female Coffee Farmers in Kenya

Impact measurements report 2022









This is the second impact reporting done by NGUVU ApS. The report is a guide to our work in Kenya, in order to assess if we are on track in reaching our goal of empowering female coffee farmers. The report is also for our customers, for them to see and follow the difference they make consuming our coffee. And of course, for our partners, who are the backbone of all our work.

Feel free to reach out with any questions, comments or thoughts on how we further can improve our work.

Enjoy reading!



TABLE OF CONTENTS

ABOUT NGUVU AND THE COFFEE INITIATIVE IN KENYA

The target group - female coffee farmers The NGUVU women How we are organised

IMPACT MEASUREMENTS

Behind the data

ECONOMIC IMPACT

Better payment Above the poverty line

ENVIRONMENTAL IMPACT

Improving farming skills Farm assessments Access to water Expanding the coffee farms Cows and manure

SOCIAL IMPACT

Survey: asking the women Collaboration with a local school

LOOKING AHEAD

ABOUT NGUVU AND THE COFFEE INITIATIVE IN KENYA

When you drink the NGUVU coffee, the beans have already been handpicked by female coffee farmers in Meru, pulped and dried at the wet mill, graded and put in bags at the dry mill, transported to the warehouse in Nairobi, trucked to the harbour in Mombasa, sailed the Suez Canal, maybe changed ships, been off loaded, been in storage, on lorries, roasted, packaged and received by you.

It is a long and complex value chain, but we take on the responsibility to ensure that the highest possible value creation happens at the first and most important step; the female coffee farmers. Even though the women do all the hard work on the farms all year round, they have traditionally been held in poverty because of poor payment for their coffee cherries. Moreover, the women often received the payment one year in arrears, which further worsened their situation and increased their debts.

NGUVU stands side by side with the female coffee farmers in Meru. We insist that everything we do, shall empower the women and enable them to grow their small coffee businesses. That is our DNA, and that is why everything we do must support this.

In this impact report we will take you through the NGUVU business model to show you how we secure the women a fair payment on time, and at the same time help improve their farms, so they can increase the yield year by year.

To sum it up, we make sure you can drink great coffee while improving the living conditions of the women, their children and grandchildren in Meru.



THE TARGET GROUP - FEMALE COFFEE FARMERS

Kenya has about 700,000 coffee farmers and about 99.63% are small-scale farmers with less than five acres. Almost no small-scale coffee farmers can solely depend on coffee farming to pay their bills, hence they must engage in diversified farming practices to earn a living. The challenges are even harder if you are a woman. While women's role and impact in farming has increased over time, women have less access to resources, such as land, inputs, information, credit, and training. This in turn reinforces patterns of female disempowerment.

The goal with NGUVU is to help challenge the gender gap, enabling women to stake their claim and succeed on their own terms.

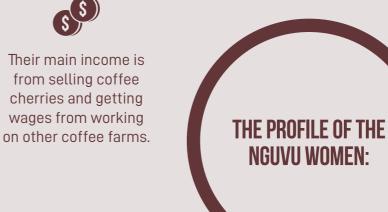
Women's economic empowerment is central to gender equality. Various studies have shown that putting more money into women's hands, compared to men, is the smart thing to do¹. Women invest their money in their families and communities, which are the foundations of strong societies.

THE NGUVU WOMEN

In 2022 the NGUVU coffee initiative includes a group of 215 women. They are all small-scale coffee farmers in the Meru region, around 225 kilometres north from Nairobi.

We are proud to say that NGUVU has grown from a small group to 215 women in the 2022 summer harvest. Throughout the years we have changed the definition of being a NGUVU member. Going forward the female coffee farmers are defined as NGUVU members when they have completed the free training provided for them and when they are delivering coffee cherries to NGUVU. These are the two requirements that need to be fulfilled before receiving additional services and for NGUVU to collect data.

The women are providing for an average of 1,87 children or grandchildren.





Their main income is

from selling coffee

cherries and getting

wages from working

91 percent of the women state that they are single.



All women have experienced been paid poorly and always too late. Often, they got their payment one year after delivering the coffee cherries.







On average each woman has 286 trees that deliver coffee cherries to NGUVU.



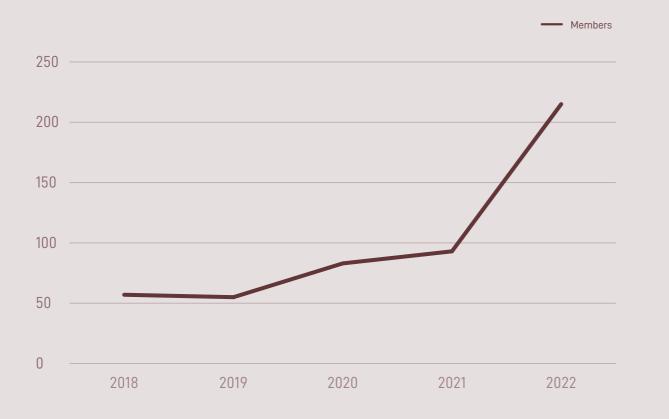
Their average age is 50 years (YOB 1972).



Out of the current 215 members 208 women have supplied their coffee cherries to NGUVU. The remaining 7 women will supply NGUVU in the fall harvest. Only three women have not yet completed the free training, but they are scheduled to do so in September/October.

NGUVU MEMBERS FROM 2018-2022

The chart below shows the increase in NGUVU members from 2018 to 2022. Note that the numbers from 2018-2021 cover women who have delivered coffee cherries to NGUVU whether or not they have completed the free training.



HOW WE ARE ORGANISED

NGUVU is a Danish company founded in 2016 by Rune Sandholt. Teresa Labriola is part owner of NGUVU and was in Kenya for seven months in 2019 to implement various initiatives. Together with our Advisory Board we form the strategies, set the directions and run the everyday business.

Thanks to our coffee customers in Denmark, both companies and private consumers, we are able to secure female coffee farmers fair payments on time.

Together with our main partners Zibra A/S and Novozymes, we are able to provide extra services for the women. For example Zibra A/S has funded training with agronomists, our coffee nursery and cows, while Novozymes has funded water tanks.

In Kenya NGUVU collaborates with the local NGOs, Riziki Kenya and Ugima Foundation. They are key partners in running the activities in Meru, monitoring progress, handling local and national rules and interacting with the local community, so everybody understands how NGUVU wants to be an active player in the local development.

The 215 female coffee farmers are divided into six groups based on location and each group has a team leader, who helps coordinate all our work. They also make sure messages reach all women in time. If some of the women have challenges or issues they are able to communicate it to the team leaders, who will take it forward to Riziki Kenya and Ugima Foundation and eventually to NGUVU in Denmark.

IMPACT MEASUREMENTS

NGUVU has one fundamental goal, which is to empower female coffee farmers in Kenya, so they can grow their small coffee businesses. We aim to measure our efforts, yearly, to assess if we are on track.

BEHIND THE DATA

The quality of our data is improved every year; both in data collecting and defining the data needed. But we also acknowledge that our data have some insecurities, especially concerning:

Historical data: it is often difficult to access validated data from prior to the women joining NGUVU. We mostly rely on the women's own statements. This is why we have discrepancies in comparing data from before and after joining NGUVU.

Consistent data: it can be difficult to streamline data intake. At the beginning many of the women reported data covering family land and not only their own small farm. Still today we see a few women including coffee beans from e.g. their sister's farm, when they deliver coffee beans to NGUVU. That is of course not acceptable and we try to clean our data from inconsistencies.

Marital status: around 90 percent of the women in NGUVU state that they are singles. But we know relationships can be complex and it can be difficult to tick the right box. Moreover, the women know that we aim to primarily include single women into NGUVU, which can affect their answers.

The following data and impact measurements are therefore the best possible picture that we can give at this moment.



Alice, Janet, Sabina and Violenza – four of our six team leaders. Dorothy and Julia are missing.

ECONOMIC IMPACT

BETTER PAYMENT

One of the main objectives for NGUVU has been to secure the female farmers a fair price for their coffee cherries². Increasing earnings is essential for the women and their children to cover basic needs like food, water, education, healthcare and shelter. Moreover we pay the women on time right after harvest, so they don't have to take up unnecessary loans. That was the case before they joined NGUVU, when they would wait almost one year to receive funds for their coffee.

In our last report we compared the women's payments before and after joining NGUVU. This showed that the women on average had a 155 % increase in payment per kilo of coffee cherries since they joined NGUVU.

Going forward we will look at the market prices in the Meru area, so we can compare our payments with nearby factories. That gives a more accurate picture of how much the women would receive for their coffee cherries had they not been a member of NGUVU. In the 2022 summer harvest, we paid 90 KES (around 0.9 USD) per kilo of coffee cherries, which we estimate to be 15 percent more than the market price in Meru. Moreover, NGUVU also pays for transportation of coffee cherries and for labour at the wet mill, which add up to 10 KES per kilo of coffee cherries. Costs that farmers in the area normally pay themselves.

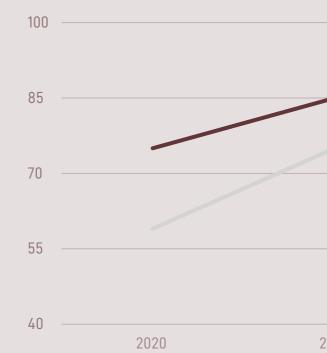
OUR COMMITMENTS AND FUTURE GOALS

We commit to secure the NGUVU women a payment that is always on time and at least 10 percent higher than the market price in Meru. In 2023 we have a goal of paying the women in advance, so they are able to further improve their farms by investing in inputs, new tools etc.

² The coffee plant is a fruit tree. The fruits are similar in appearance to berries. They start green, and as they ripen, they turn redder. After being picked, the skin and pulp are removed and what's left is the seeds. The seeds are eventually roasted, and they are then known as 'coffee beans.'

PRICE PER KILO COFFEE CHERRIES (KES)

This chart shows the difference in payment per kill NGUVU and nearby factories in Meru from 2020 to have made payments in 2022, so that figure is bas



lo of coffee cherries between o 2022. Note that no factories sed on our own expectations:		
NGUVO payment	Market Price in Meru	
	-	
	-	

2021

2022

ABOVE THE POVERTY LINE

In 2022 we had a large increase in members. 208 women have delivered 50,058 kilos of coffee cherries to NGUVU during the summer harvest. The remaining seven members will deliver the next harvest which begins in October. Going forward these 215 women will be our core group and the year 2022 will be our baseline. We will collect data on how many kilos of coffee cherries they deliver to NGUVU during the two annual harvests. We will also collect data when they deliver to other factories, because some continue to have obligations from former contracts. That way we get a total picture of how many kilos of coffee cherries the 215 women sell annually and how much they get paid.

OUR COMMITMENTS AND FUTURE GOALS

All women in NGUVU have other incomes, e.g., through working on other farms, selling milk, eggs, fruit or vegetables. But our goal is to bring the women above the poverty line with earnings only from their coffee businesses. The poverty line defined by The World Bank is 1.9 USD per day; that equals an annual income of 693.5 USD. However, in the fall of 2022, it will increase to 2.15 USD equating to 784,75 USD annually.

We can only reach our goal in a step by step process, where we focus on improving and expanding the women's farms in the long run. In the short term it can actually result in a decline of harvested coffee cherries, because some of the women need to change trees, complete comprehensive pruning and turn all trees into single stems.

ENVIRONMENTAL IMPACT

It is important to note that only around 20% of a coffee cherry is the actual bean, and that weight further decreases, when the bean is roasted. Furthermore, we don't know the quality of the coffee beans upon delivery. That is the risk we take with the NGUVU business model and this is why both the women and NGUVU depend on continuously improving the farms, so we can bring a larger share of the coffee beans to the Danish Market - primarily AA and AB grades. From these two grades we get a cupping score from 83,5 to 85³. The cupping score is the specialty coffee category, ranging from 80 to 90.

Due to the diversity in quality, NGUVU has 3-4 female coffee farmers that can guarantee the quality. The goal is to be less dependent on these few women, once all members have implemented their training and best practices and the quality improves overall.

IMPROVING FARMING SKILLS

Since 2019 NGUVU has been providing free training for its members to enable the women to have better outputs from the trees and thereby earning them a higher income. There is a solid focus on enabling and ensuring the members participate in the training and complete it, as it is the only way we can actively aid the farm improvements. It is important to note that unless the farm production and cherries quality improves, NGUVU's model will not be coherent or successful, as NGUVU is paying top market price for beans that cannot be sold.

OUR COMMITMENTS AND FUTURE GOALS

By the end of 2022 we will reach our goal of having all 215 women completing our free training with agronomists. We will continuously make sure that the women are up to date with new knowledge, methods and tools within coffee farming. Both through our farm assessments and new training sessions.

³ Cupping is a way to taste, evaluate, and compare the flavor, quality, and potential of a given coffee. coffees scoring 80 points or above get the 'specialty coffee' badge of honor. Commercial-grade coffee normally scores anywhere from 60 to 80.

FARM ASSESSMENTS

To aid the implemented and completed training, NGUVU developed a Farm Productivity Assessment Tool in collaboration with the agronomists and coffee technicians. This tool is not meant for control but as a single estate tracking tool that provides specialised farm guidance and enables correct follow up and help throughout the year. The tool encompasses ten aspects where each is scored from 1-10 (10 being the best) ranging from pruning, mulching, inputs and climate farming, specific to the member's farm. The Farm Productivity Assessment Tool is used twice a year, in between each harvest, hence twice a year each member is visited by an agronomist who provides guidance based on the last assessment score.

We are happy to see that the average total score has improved from 44,04 to 45,47 when we compare the first farm assessments in January 2022 with the second assessments in April 2022. The increased score indicates that the women are on the right track, which we hope will be reflected in their earnings within two harvests.

In 2022 NGUVU and the team leaders have decided that donations of cows and water tanks are provided for the members who improve their farm quality and farm assessment score between harvests. This will add to the incentives for the women to keep up the progress.

OUR COMMITMENTS AND FUTURE GOALS

Our goal is to help all women to reach a total farm assessment score above 45,47 by the end of 2023. In April 2022 118 women still had a score below 45,47 even though we saw a slight increase in the total average score compared to the first farm assessments in January 2022. We are committed to supporting these women, so they can further improve their farms and in the end deliver better coffee beans to NGUVU.



A screenshot of our Farm Productivity Assessment Tool.











ACCESS TO WATER

Next to low coffee prices, climate change is the biggest challenge named by coffee farmers around the world. Rising global temperatures and weather patterns that are increasingly extreme and unpredictable are threatening the livelihoods of coffee farmers.

Major droughts currently occur every ten years, and moderate droughts or floods every three to four years, with devastating results. As many as 28 droughts have been recorded in the past 100 years, at an increasing frequency⁴. During the Summer in 2022 Kenya is again hit by longer dry periods. That makes it even more crucial for the women to have better access to water.

NGUVU is donating water tanks to the women – thanks to the support from Novozymes, Zibra A/S and a few private persons. Collecting water at the farms gives the women better opportunities to water the coffee trees and at the same time it helps the women to save time and costs, when they do not have to fetch water far from home. The women also use water from the tank for cooking, washing, doing laundry and for cattle and other livestock.

74 women have so far been given a 3000 L water tank and we have received donations to hand out 20 more tanks in 2022⁵. That means 44 percent of the women will have a water tank from NGUVU by the end 2022. Due to spacing between farms, which can be quite small, some of the women are sharing their water tanks with their neighbours.

Novozymes has once again decided that the employees can donate their Christmas gift to NGUVU in 2022. The full amount donated is earmarked for buying more water tanks. In 2021 the result was 30 new water tanks donated by Novozymes employees, so our goal and hope is that at least 124 women have received a water tank by the end of 2023, which equals 58 percent of all NGUVU women.

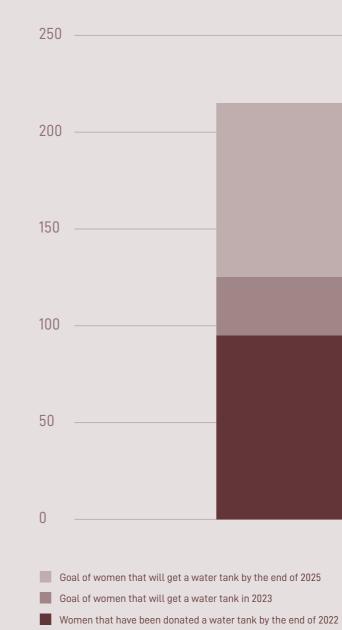
OUR COMMITMENTS AND FUTURE GOALS

Our goal is that all 215 women have a water tank by the end of 2025. Better access to water is a growing challenge that we are committed to tackle together with the women.



⁵ Four more tanks have been handed out earlier on, but to women that are no longer members of NGUVU.

DONATIONS OF WATER TANKS





Lucy received a water tank in March 2022.

EXPANDING THE COFFEE FARMS

In the end of 2019, we planted 60,000 coffee seeds at our coffee nursery in Meru financed by Zibra A/S. Our goal was to hand out new coffee trees to the NGUVU women and at the same time sell some of the trees in the local area, so the coffee nursery could sustain itself going forward. Because of heavy rain the result was only 5,640 coffee trees out of the 60,000 planted and we decided to hand out all the trees to the women to make sure they could grow their coffee farms as quickly as possible.

Some women do not have space for the new coffee trees, and some must wait until appropriate time for a lifecycle change amongst their trees.

Therefore, 84 women ended up receiving the 5,640 coffee trees from the nursery. That is an average of 67 coffee trees each. On average the women have 286 coffee trees used for NGUVU, meaning the new trees will help them increase the production significantly, when the trees start giving cherries, which some have done during the Summer harvest in 2022. Moreover, the coffee trees from the nursery are more resistant to diseases and to climate changes, because they are hybrids from the varieties SL28 and Ruiru 11.

In the beginning of 2022, a new round of trees, 20.000 seeds, were planted in our nursery with the aim of providing new members with seedlings and new trees by the end of 2022.

OUR COMMITMENTS AND FUTURE GOALS

Our goal is that all 215 women will have the opportunity to get 100 new coffee trees for free from our nursery. That equals 21,500 coffee trees in total, which means we still need to hand out 15,860 coffee trees. It is our hope and ambition that all or most of these trees will be handed out to the women by the end of 2022. That means the women on average will grow their total number of coffee trees with 35 percent.

Here is Catherine with one of the coffee trees she received from our nursery a few years ago. In total she got 100 trees that started giving coffee cherries during the Summer harvest in 2022.



COWS AND MANURE

The cows give the women better access to manure, and it also gives them a small income from selling some of the milk. 17 members have received a cow thanks to donations by Zibra A/S and private persons in Denmark.

We already have donations for 32 cows this year, so by the end of 2022 a total number of 49 women will have received a cow from NGUVU and partners.

We don't have a specific goal of how many cows we will donate to the women, but we will do our utmost to hand over cows to as many women as possible.



Catherine received a cow in March 2022.

SOCIAL IMPACT

SURVEY: ASKING THE WOMEN

Every other year NGUVU conducts a survey amongst the women. This was done in 2021 and will be carried out again in 2023; please see last year's report for survey questions.

This year we have asked all the group leaders, and also the coffee technicians what they think about the programme, and the following came out very strongly:

Training: both women and the leaders believe that the training offered was very informative and helpful, the delivery method was simple and it was very practical.

Payments are prompt, timely and prices are above other factories. **The additional benefits of tanks** were mentioned as the best intervention. Given the situation where rains are failing the tanks are very helpful in storing the little water they get.

Leaders appreciate the **single stem system** of cultivation towards producing higher quality of beans progressively. **Assessments** are good as they offer women an opportunity to evaluate their farms, ask questions and plan improvement activities.

Cows are also mentioned as an important and innovative intervention to improve the livelihoods of coffee farmers.

COLLABORATION WITH A LOCAL SCHOOL

NGUVU collaborates with Hillsville School in Meru. Together with Zibra A/S we have renovated 8 toilets and built 15 new zinks, so students and teachers can wash their hands. Moreover we have built a shower house for the girls at the school.

In the beginning of 2022 we handed out 231 school books to the 21 students in 5th grade. The books cover all subjects and were donated by People Ventures in Denmark.

The school management observes that incomes from coffee have generally increased for both NGUVU members and other parents from the community. Consequently the school has witnessed a downward curve amongst coffee farmers struggling to meet their payment of school fees. Deadlines are now met and outstanding balances are less. The school appreciates the timely payment of cherries by Nguvu, as it enables parents to pay their school fees within the academic year.



Students in 5th grade show the school books they received in the beginning of 2022 thanks to the donation from People Ventures in Denmark.

LOOKING AHEAD

No impact report is complete without looking into the future. Opening up to new challenges, NGUVU wants to remove negative and enhance positive impact on the environment. Working from "People, Planet, Profit and Passion" we are now ready to improve our impact on the world through collaboration with innovation partners.

NGUVU would like to move more towards climate friendly farming, with interventions that fall under regenerative farming. This means understanding the steps needed to make the coffee industry adhere to best practices and giving the soil more than we take. For 2023 we have identified a step to focus on, while maintaining the same number of members and increasing the quality of green beans.

Firstly, we would like to make a new circular model for farm inputs. Based on the input needs for each tree we have calculated the costs, to provide every member on each farm with the adequate organic farming inputs, for each of their NGUVU trees. This is no small expenditure, and we are therefore looking in 2022 to raise those funds and make a model in which NGUVU and Ugima Foundation purchases the inputs and distributes them to each member. Through the improved quality and quantity of each farm, the members repay NGUVU and Ugima Foundation for input costs which then fund the bulk purchase (and therefore better price) for the next year – making it a continuous model that can grow along the farms.

Secondly to further aid the individual farms, we want to start composting all the cherry skins and fruit leftovers from the wet mill. Not all members have cows or access to manure, so by providing composting (fertilisers) based on their own cherries, we can help each member to save money and to improve their farm and therefore their earnings. Thus bringing us one step closer to getting each member above the global poverty line.



THANK YOU

NGUVU could not carry out the work in Kenya without our partners and customers.

NGUVU partners in Kenya

The local NGOs Riziki Kenya and Ugima Foundation

NGUVU partners

Social Foodies Zibra A/S Novozymes One Life Foundation

NGUVU private customers

Thanks to everyone who support the women by buying their coffee beans: **www.nguvu.dk**

NGUVU Advisory Board

Jeanette Fangel Løgstrup Lene Brendstrup Lone Andersen Bente Mølgaard

NGUVU coffee customers Mindfuture

Ferm Living Netlight Makio Hudson Chromaviso Roccamore Bespoke Hillerød Lilleskole Big Bio Holstebro Bencon Kemi A/S BevTec Twisted Leaf Valcore Samsø Mikro Kafferisteri Elsewhere Studio GSOL Energy Danske Gymnasier Danoffice IT ITCHY ApS 21-5 Friluftsrådet 5 Media



Rune Sandholt (to the right) received the award "Verdensmålsprisen 2022" in the category "Ildsjæleprisen" for NGUVU's work with empowering female coffee farmers in Kenya.

The award is established by The 2030-Panel, an advisory body formed by the Danish Parliament's All Party Coalition for the Sustainable Development Goals (The 2030-Network).

The event took place at Folkemødet in Bornholm and the award was given by Rasmus Prehn, Danish Minister for Food, Agriculture and Fisheries.



Read more about NGUVU and our work in Kenya at **www.nguvu.dk.**

Feel free to reach out to us: kontakt@nguvu.dk or 51398247.