FROM SURVIVAL TO EXPORTS: NYAMIRIMA

By Stephen Nuwagira

The story of Nyamirima Mutegaya Co-operative Society is the story of Uganda in many ways. Established at the eve of Uganda's independence in 1961, the society has weathered the country's turbulent times to stay afloat to date. The group that started as a service co-operative under Banyankore Kweterana Co-operative Union is now independent, does export trade and plans to start producing coffee powder (*kawa*) by the year's end.

This strong testament points to its resilience as many primary co-operative societies across the country were swept aside by the tide, first the hard times during president Idi Amin's regime and secondly, following the liberalisation of the economy at the onset of the 1990s, says Nyamirima board chairperson Isaiah Kakuba.

The co-operative is building a drying facility that will be powered by solar as one of efforts to ensure quality beans

FIGHTING EXPLOITATION

Kakuba says the co-operative, located in Nyimirima, Bufunda division in Ibanda municipality, was established following farmer grievances over exploitative practices by Asian coffee buyers and middlemen in the 60s. They were cheating the farmers by fixing prices and using suspect weighing scales, he adds.

Before the liberalisation of the economy, service co-operatives used to bulk coffee from farmers and deliver it to the union at no profit. Only facilitation was offered for some committee members involved in these activities, according to Kakuba.

SETBACKS

The good old days of the late 60s and the early 80s were instrumental, enabling the co-operative to acquire assets such as land. It was to use such assets later to re-establish itself after years of inactivity during Amin's regime.

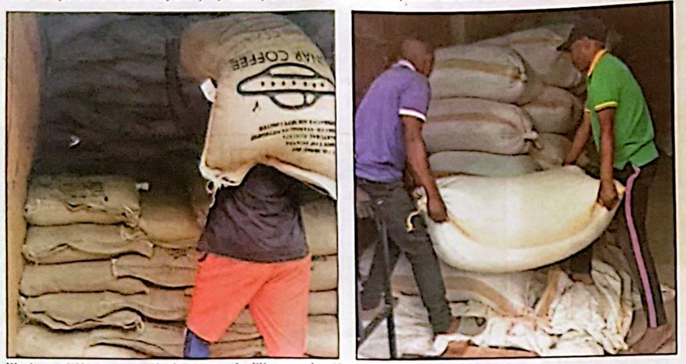
Kakuba says: "During Amin's time, there was virtually no marketing of coffee and sometimes it would be dumped into River Nyabukurungu, near Ibanda town". He adds that: "Later, some people started to smuggle it to Rwanda using porous borders."

REVIVAL

However, the situation normalised during Obote II, with all the coffee from Uganda being exported by the Coffee Marketing Board, the then only coffee exporting agency owned by the Government.

However, the liberalisation of the economy by the National Resistance Movement government opened up the coffee sector. But this hit many coffee co-operatives hard countrywide, as they couldn't stand the competition. Nyamirima did flow with the new tide and is now "used to the competition and competes favourably," says Kakuba.

Presently, Nyamirima buys coffee from members and other farmers, processes it, grades the beans and exports them under its brand name. It is in advanced stages to install a coffee roaster, grinder and packaging facility to make coffee powder, says Kakuba.



Workers at the co-operative's storage facility carrying the coffee to the store

COFFEE MARKETING

Prior to 2021, Nyamirima used to market its coffee through the Banyankore Kweterana Co-operative Union. This changed when the union ran into financial challenges and stopped doing export business.

"Although the co-operative is one of the oldest in the region, we weren't directly involved in coffee marketing. But when the union experienced problems, we were forced to get involved in coffee marketing and related activities," explains Kakuba.

Initially, Nyamirima was trading the coffee locally, but took the big leap into export trade after securing fair-trade certification and an export license in 2024. Kakuba says the change has come with challenges,but the rewards are immense as they are able to shape their destiny as farmers.

Last year, the co-operative exported 22 containers or 230.4 tonnes of coffee, of which 38.4 tonnes were for speciality coffee destined for the Netherlands market, while the rest was sold under the fair-trade arrangement, explains the manager, Jane Kafura. These export volumes compare to three containers of 61.2 tonnes that were shipped out by Nyamirima in 2024.

Generally, the co-operative buys the coffee from members and other farmers, bulks, processes, grades and packages the beans as per each grade in 60-kg bags, she explains. It then hires trucks and containers to ferry the coffee for onward shipment to buyers.

POST-HARVEST HANDLING

The co-operative trains members on product handling and other practices that help to maintain quality along the coffee value chain, from the plantations to the co-operative. Kakuba says the co-operative emphasises picking of only the red cherries and post-harvest handling practices, like drying the coffee on tarpaulins, concrete or raised racks to ensure a rich aroma that gives its coffees character.

"We encourage the farmers to set up drying tables or buy tarpaulins and to have proper storage facilities to avoid moulding that affects quality and taste," says Kakuba.

That's why the co-operative provides free storage for members, with the facility able to hold 100 tonnes of coffee. This is small considering that the co-operative gets about 250 tonnes of coffee each season. "We plan to expand the storage facilities so more farmers can access it," Kakuba notes.

Moreover, the co-operative envisages a situation where all the coffee that smallholder farmers dry from their villages is collected and dried at the plant to control quality.

LEVELS OF VALUE ADDITION

Nyamirima exports green coffee beans. Firstly, the co-operative mills the coffee, producing clean coffee or fair average quality.

Level two of value addition includes grading of the beans according to screens – that is, screen 18 (top), screen 15, screen 12 and non-grade (low quality) beans.

Kafura says the coffees are then sold as per their grade, with screen 18 fetching sh16,000 per kilogramme presently, while screen 15 is at sh15,300 and screen 12 costs sh15,000, and no-grade beans range from sh7,000-10,000 a kilogramme. Speciality coffee (Arabica coffee variety) ranges between $5 or sh18,000 a kilogramme.

Another level involves exporting the coffee under the co-operative's brand name and logo. Kafura explains that besides the logo, the bags containing its coffee indicate the origin and exporter of the coffee, the coffee type and the buyer, among others.

"Selling the coffee under the fair-trade arrangement means that farmers are assured of an extra sh1,600 per kilogramme of coffee exported," Kafura adds.

WHY NYAMIARAMA STANDS OUT

Nyamirima's involvement in almost the whole coffee value chain demonstrates its uniqueness as a farmer group. From coffee plantations to the end of the pyramid marketing at the global market, the co-operative ensures members benefit maximally from their coffee, says the manager, Jane Kafura.

Moreover, its revival underlines the importance of a collective marketing model, given its ripple effect on community wellbeing and general advancement.

It also has a large membership, is active and pays promptly.

"I can say the co-operative is increasingly looking more self-sustaining and profitable. The future is promising for the co-operative and farmers. We expect strong growth in the next 65 years," notes Kafura.

MUTEGAYA CO-OPERATIVE DEFIES ODDS

EMPOWERING FARMERS

Information is power. That could explain why Nyamirima emphasises information dissemination on key issues as part of deliberate efforts to empower and protect them from unscrupulous sector players.

Kakuba says the members are regularly sensitised on various issues, including crop management and care, the importance of proper post-harvest handling practices, as well as joining organised farmer groups and the benefits of collective marketing.

"This is usually done during the zonal meetings, where topical issues are discussed and new information passed on to the members and stakeholders," Boaz Muhanguzi, the co-operative treasurer, says.

Muhanguzi explains that the co-operative offers competitive prices that it always publishes. This protects our members from being hoodwinked and cheated by middlemen, he adds.

FARMER BENEFITS

Members pay a subsidised fee of sh150 per kilogramme for milling at the co-operative's plant, which officials say is to cover power charges.

They also get extension services for free and were recently given free tarpaulins to support post-harvest handling of coffee. The co-operative always carries out sensitisation campaigns at the zonal level; its members are grouped into over six zones.

This is in addition to the sh1,600 farmers get per kilogramme of coffee exported under the fair-trade arrangement.

INNOVATIONS

As part of efforts to strengthen the push for proper drying of the coffee, the co-operative is setting up solar driers at its main offices. The facility will work as a demonstration and training facility for farmers.

"With this facility, we will be able to control the quality of the coffee, ensuring it has a distinct character and identity to stand out in the market," said Kafura. The facilities will hold up to 5,000kg of the product per drying when completed, Kakuba says.

The co-operative chairperson Kakuba

Kafura

Muhanguzi

ACCESS TO FINANCE

The co-operative has secured funding from the Government through Centenary Bank (Ibanda branch) where members can access low-interest loans. Kakuba says their members get agro-loans and pay after the coffee harvest season (per six months) at 12% per year or 1% a month.

"This was a timely intervention and huge boost for farmers, which will go a long way in boosting crop production and productivity besides supporting modern farming initiatives," he adds.

"Members can now get loans to buy planting materials, spray pumps, pesticides, fertilisers or mulches, among others," adds Mable Ninsiima, a member of the co-operative. The first beneficiaries got the loans in December 2025.

Kakuba, however, says co-operatives still lacked access to affordable finance, forcing many of them to get funds from money lenders at 3% per month to stock coffee. "This is high and cripples the operations of cooperatives," he says, explaining that if they don't borrow from money lenders, farmers will sell their coffee to buyers with ready cash.

But the co-operative continues to search for affordable funding through lobbying of financial institutions for friendly rates.

FIGHTING CLIMATE CHANGE

The co-operative promotes climate-smart and climate-resilient approaches, including agroforestry with native tree species, trenching and crop mulching to conserve the soil and boost water retention, among others.

It also encourages members to use organic fertilisers and pesticides, targeting the organic niche market. Kafura says Nyamirima is partnering with Solidaridad and the Catholic Relief Services, promoting afforestation and agroforestry among the smallholder coffee farmers.

Solidaridad is an international civil society organisation that promotes sustainable and resilient solutions among smallholder farmers. The organisation also fosters more sustainable supply chains.

Kakuba notes that close to 200 farmers have already embraced these initiatives, planting indigenous tree species, like *emitooma* (barkcloth fig-ficus natalensis), *omushisa* (coral tree-erythrina abyssinica), *omukunyu* (fig tree - ficus sur) and *omushambya* (East African albizia - albizia coriaria). These species are coffee and climate-friendly.

They can be planted in the coffee plantations and along land boundaries as windbreakers, to check erosion, to boost soil fertility and shield crops from the effects of long dry spells.

The farmers are also discouraged from encroachment on wetlands, growing of coffee near water bodies or forested areas to help protect the environment and biodiversity, Ninsiima notes.

BOOKKEEPING

Kakuba says the co-operative has a robust computer system that aids in the computation of statistical and other data. Kafura says the system helps track financial information, including periodic sales, earnings, purchases, overhead costs, transport costs, inputs, insurance, workers and their pay, as well as records on farmers and farmer clusters, among others.

MANAGEMENT PRACTICES

Members elect office bearers during the annual general meetings, while employees are selected through an open and transparent system, says Muhanguzi. Members are also able to give views through the annual general meetings and other fora, like zonal meetings. This ensures that no one is left behind and promotes accountability and transparency, he adds.

MISTAKES

A few years back, the co-operative extended advance pay to 30 farmers who had never supplied the coffee as agreed, locking up some of their working capital.

Kakuba says: "We scrapped the arrangement because of this bad experience. But it has strained the co-operative's relationship with some farmers as we are planning to sue the defaulters."

FUTURE PLANS

"We are looking to see that all the farmers' coffee is exported; 50% for the speciality market and the other 50% marketed through the fair-trade arrangement," says Kafura.

The co-operative is also working to start a roastery and grinder to produce powder (*kawa*) by the end of this year, targeting the western Uganda market.

The co-operative also aims to strengthen its zones as it moves to increase membership to over 2,000 in the next three years.

We also want to encourage farmers to embrace modern farming practices like crop irrigation to counter the negative impacts of climate change, Kakuba notes.

ACHIEVEMENTS

Nyamirima is not all about the dark side of things. Despite the difficulties encountered in its over 68 years of existence, including periods of not operating, the society stood the bad storms that left many co-operativess across the country 'dead'.

From just over 30 members in 1961, Nyamirima now boasts 1,046 active members. It has a number of assets, including land and a store at Nyamirima trading centre, two plots on Ibanda-Mbarara road, as well as about an acre of land that hosts the processing plant, stores, offices and the solar dryer facility currently under construction.

Besides the mill, a coffee grading machine is awaiting commissioning.

However, one of the significant milestones has been the acquisition of an export licence, acquired in 2024, which farmers and officials say positions the co-operative well to "boldly and confidently face the future". Nyamirima also secured the fair-trade certification in the same year.

CHALLENGES FACED

Some farmers still dry the coffee on bare ground, while others store it in goats or chickens, exposing it to contamination. The co-operative is trying to address this issue through continuous farmer sensitisation, says Muhanguzi.

Kafura says the 2% export value tax eats into earnings and should be reviewed. This is compounded by the high interest rates charged by banks, but we are working to find low-cost financing.

This will help us to buy coffee and pay the farmers on delivery, making us competitive in the purchasing market.

Competition from middlemen and multinationals, who have a lot of money, means that some of the members sell to these buyers who always pay cash on delivery. This affects our operations as it takes a long time for us to raise quotas needed by buyers.

Others are price fluctuations on the global market and the unpredictable forex market, which eats into the group's earnings.