

THE COFFEE GARDENS

GOING BEYOND BEING AN 'OFF-TAKER':

DO SOCIAL PROGRAMS OFFER ADDITIONAL
VALUE TO THE COMMUNITY AND HOW DOES
THIS IMPACT FARMER LOYALTY?

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Acronyms

GLC – Great Lakes Coffee

GVC – Global Value Chain

LSE – London School of Economics

MNC – Multinational Corporation

NGO – Non-governmental Organization

OECD – Organization for Economic Co-operation & Development

SDGs – Sustainable Development Goals

TBL – Triple Bottom Line

TCG – The Coffee Gardens




EXECUTIVE SUMMARY

What is the role of the private sector in rural development? While the significance of the private sector in emerging markets is not new, the concept of social entrepreneurship is a budding field (Rivera-Santos et al., 2015). Social enterprises are proliferating across the world and inherent to many of their models is the prioritization of the triple bottom line (TBL): people, planet, and profit (Tate & Bals, 2018). By blurring the lines between for-profit and non-profit sectors, these corporations are moving beyond simply maximizing shareholder wealth to transforming business into a force for social good, striking the balance between “doing good” and “doing well” (Stecker, 2016). In this way, the private sector can in fact act as a “catalyst for social transformation,”

particularly in rural contexts such as Eastern Uganda (Nguyen et al., 2015).

Despite immense potential for corporations to drive rural development, empirical evidence shows that this is not often the case, particularly for those working with farmers in the coffee sector. Globally, coffee is a significant part of daily life for many, representing a multi-billion-dollar market (Bager & Lambin, 2020). However, at such a large scale, the coffee sector overall has severe sustainability issues tied to environmental degradation and exploitation (Bager & Lambin, 2020). Coffee farmers, like the majority of agricultural producers in Africa, are the last level of the supply chain. With little agency to negotiate out of imbalanced terms and being dependent on Multinational Corporations (MNCs) to access the international market, farmers are left vastly underpaid – not earning enough from coffee alone to achieve a quality standard of living (Baffes, 2006).



Going against the grain, The Coffee Gardens (TCG) has distinguished itself as a coffee business that prioritizes people over profit. Established in 2017, the social business is based in Eastern Uganda producing traceable Arabica coffee in partnership with select coffee farmers. TCG works to better understand farmer needs and create better incentives (Padamsey, 2019). As a social business, TCG has made specific social decisions, including financial literacy training, agroforestry training, hiring from the local community, as well as setting up a micro-coffee processing station in Sironko, located at the foothills of Mount Elgon, to allow farmers easy access to TCG.

At present, TCG faces a puzzling situation. In November of 2021, global prices for coffee were at the highest they have been in 10 years (ICO, n.d.). It would be expected that in such an open market, farmers would follow these high prices, yet they remain loyal to TCG. As such, this report aims to **understand if and how TCG's business model and its implementation of social programs offers additional value to the community beyond simply being an 'off-taker' and how these programs impact farmer loyalty.**

This research seeks to identify the outcomes of particular social programs to understand if they are contributing to the empowerment of the communities TCG is based as well as increasing the sustainability of TCG as a business. Given the specificity of this work, along with the exploratory nature of the 'people' component of TBL, the team of LSE researchers chose a qualitative approach relying on primary data collected from both farmers and third-party stakeholders who have worked directly with TCG in the past.

The team found that TCG's social programs do bring value to the community, contributing to the empowerment of farmers by providing them with the tools to have an increased business mindset, to have greater resilience against unexpected shocks or financial hardship, and to build honest and meaningful relationships with not only each other but also with TCG. Additionally, the farmer focus groups revealed that TCG's employment practices have not only enhanced the role of women in the community but have also reduced crime by employing idle youth in the community. Third-party stakeholder interviews highlighted TCG's distinct approach – building personal relationships, promoting transparency with farmers and external partners, and establishing trust based on fulfilled promises and honest interactions – as what makes TCG unique to other coffee producers and potentially explains farmer loyalty. This was also reinforced in the focus groups. However, the team did find that while programs have high value for farmers, there were some that had low participation rates due to lack of awareness.

Based on these findings, the team recommends four key strategies for TCG to continue to maintain and build upon its existing farmer loyalty and improve its social programming for the community:

-
- Continue and prioritize their highly appreciated programs: transparency, records of transactions, local hiring practices, and women's inclusion in operations.
 - Increase awareness and participation among highly valued but under-marketed programs, including financial literacy training and loan distribution.
 - Embrace its role as convener, particularly in coordinating savings groups to include a broader range of farmers.
 - In the long-term, consider partaking in infrastructural enhancements and having an increased environmental focus.

Ultimately, this research shows that TCG does help to ensure that farmers are no longer at the mercy of large MNCs who buy coffee at low prices. TCG's social programs help steer farmers away from this extractive and exploitative path and instead empower them to build better lives for themselves and their families. Investigation into TCG's work with farmers has shed light on the potential of the private sector in furthering rural economic and social development. TCG has been able to go beyond its role simply as an 'off-taker' of coffee by generating community value and establishing farmer loyalty through trust between staff and farmers. The implemented social programs come at an additional cost to the organization, but from this report, it can be judged that such extra investments are worth the effort.



INTRO- DUCTION

Coffee is, globally, a multi-billion-dollar market (Bager & Lambin, 2020). Uganda's coffee industry is a key pillar of the economy, and the country is the largest coffee exporter in Africa. Over 98% of Uganda's coffee is grown on small family farms, with an average farmer producing one to two tons of coffee cherries (Mason & Weiss, 2020). However, at such a large scale, the coffee sector overall has severe sustainability issues tied to environmental degradation and exploitation (Bager & Lambin, 2020). Although integral to the production process, farmers remain vulnerable because of these issues. Uganda's estimated 1.7 million coffee farmers are considered one of the most at-risk populations in the world (Mason & Weiss, 2020).

Firstly, in Uganda, farm practices depend on manual labor, including unsustainable behaviors such as cutting down trees for land and using agro-chemicals, and high coffee defect counts are common. As a result, yields in the country only range from 500-1600kg of export green per hectare, which pales in comparison to Vietnam's 2.4 tons/hectare and Brazil's 1.4 tons/hectare and, as such, contributes to the lack of stable income for farmers in the area (Mason & Weiss, 2020). Built upon exploitative colonial institutions, Uganda's coffee sector is also dominated by a few large MNCs who, continuing the extractive cycle, buy from small farmers for cheap and turn around to sell at the actual global price. With little agency to negotiate out of such imbalanced terms and dependent on MNCs to access the international market, farmers are left vastly underpaid – not earning enough from coffee alone to achieve a quality standard of living (Baffes, 2006).



UGANDA'S COFFEE HISTORY

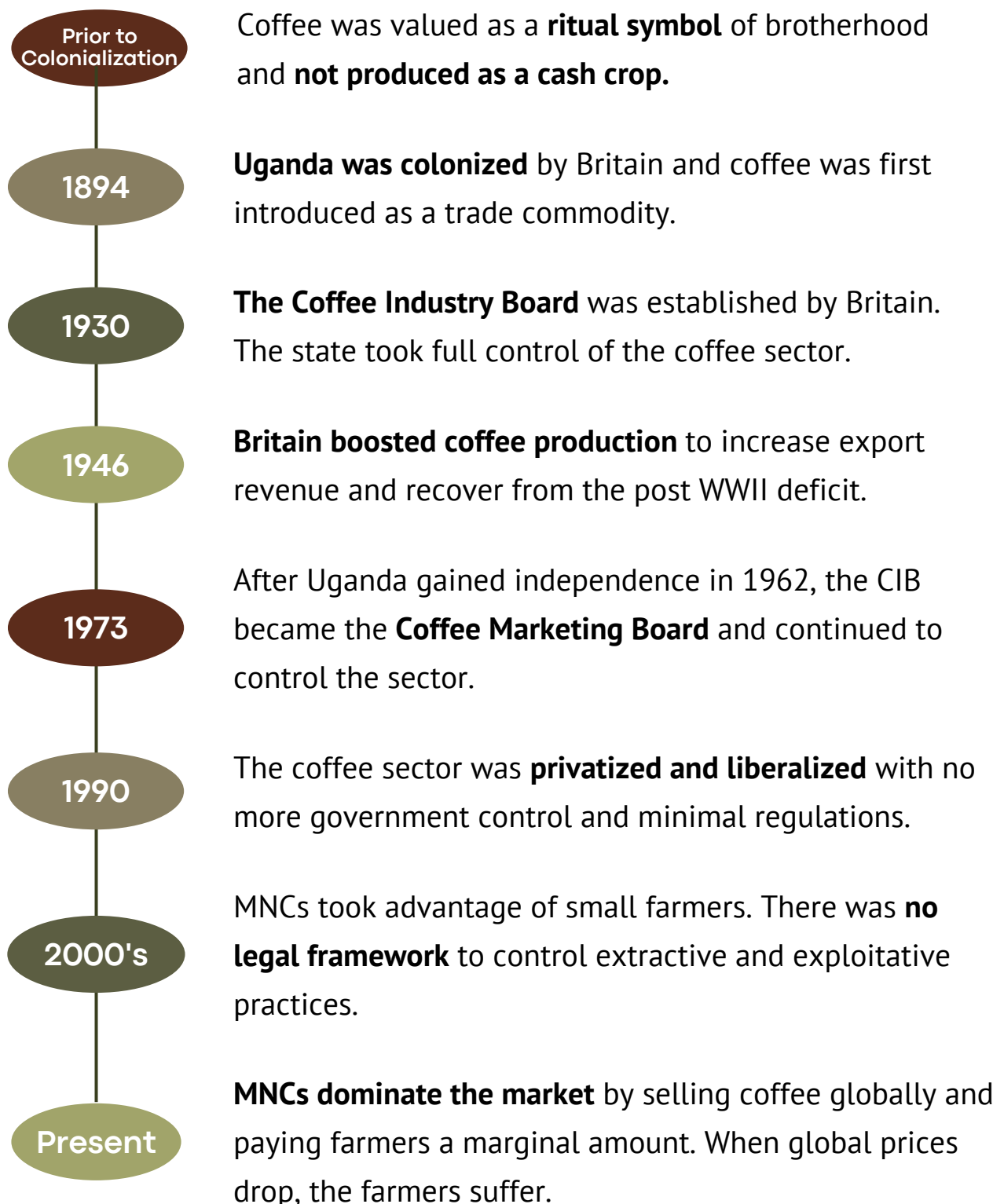


Figure 1: Uganda Coffee Timeline

Figure Citations: (Baffes, 2006; Cooper, 2002; Kaberuka, 1987; Kasozi, 2006; Nunn & Wantchekon, 2011)

BREAKING THE EXTRACTIVE CYCLE

Established in 2017, TCG is a social business based in Eastern Uganda that produces traceable Arabica coffee in partnership with select coffee farmers. In 2018, TCG set up a micro-coffee processing station in Sironko, located at the foothills of Mount Elgon. This station was built strategically near coffee farms, making transportation less demanding on farmers. TCG is breaking the extractive nature of the coffee institution by prioritizing TBL in their business operations. As a purpose-driven business, TCG has made specific social decisions beyond simply being a coffee “off-taker.” These include efforts to increase farmers’ economic empowerment and skills, improve environmental protection, offer local employment, and provide transparent communication. Although additional social programs increase costs, they are intended to strengthen TCG.

PROJECT BACKGROUND AND PURPOSE

In 2020-2021, LSE researchers worked with TCG to assess whether the TBL business model reshapes farmers’ incentives. They found that TCG’s role as a trusted coffee taker was very important to the farmers, as they value the long-term relationships and trust. This year, TCG was interested in whether their social programs have a positive effect on the community, influence their relationships with the farmers, and ultimately contribute to the long-term success of the business. This report thus aims to understand: With the implementation of extra social programs, how does TCG’s business model offer additional value to the community beyond simply being an ‘off-taker’ and how does this impact farmer loyalty? Does this investment bring additional value to TCG that makes it worthwhile? How do these programs go above and beyond what other companies in the sector are doing? And ultimately, how does this investment contribute to the wider discussion on the private sector’s role in encouraging rural development?

The findings of this report are intended to inform TCG’s current and future social programs to maximize its mission to “improve the conditions for smallholder coffee farmers in Eastern Uganda” and break the cycle of the extractive coffee institution. The recommendations advise TCG on how to maintain and increase farmer loyalty to ensure the longevity of the business.

DEFINING SOCIAL PROGRAMS

As it relates to this research, it is necessary to clarify the term social program. We use the term social program broadly to encompass TCG’s efforts that go beyond the normal operations of an ‘off-taker’ of coffee and that are intended to bring added value within the communities TCG operates. To date, TCG has offered a wide range of social and environmental programs, including trainings conducted in partnership with Solidaridad Network and Vi Agroforestry, and practices, less traditionally thought of as social programming, which are inherent to daily operations, such as local hiring practices and transparency.

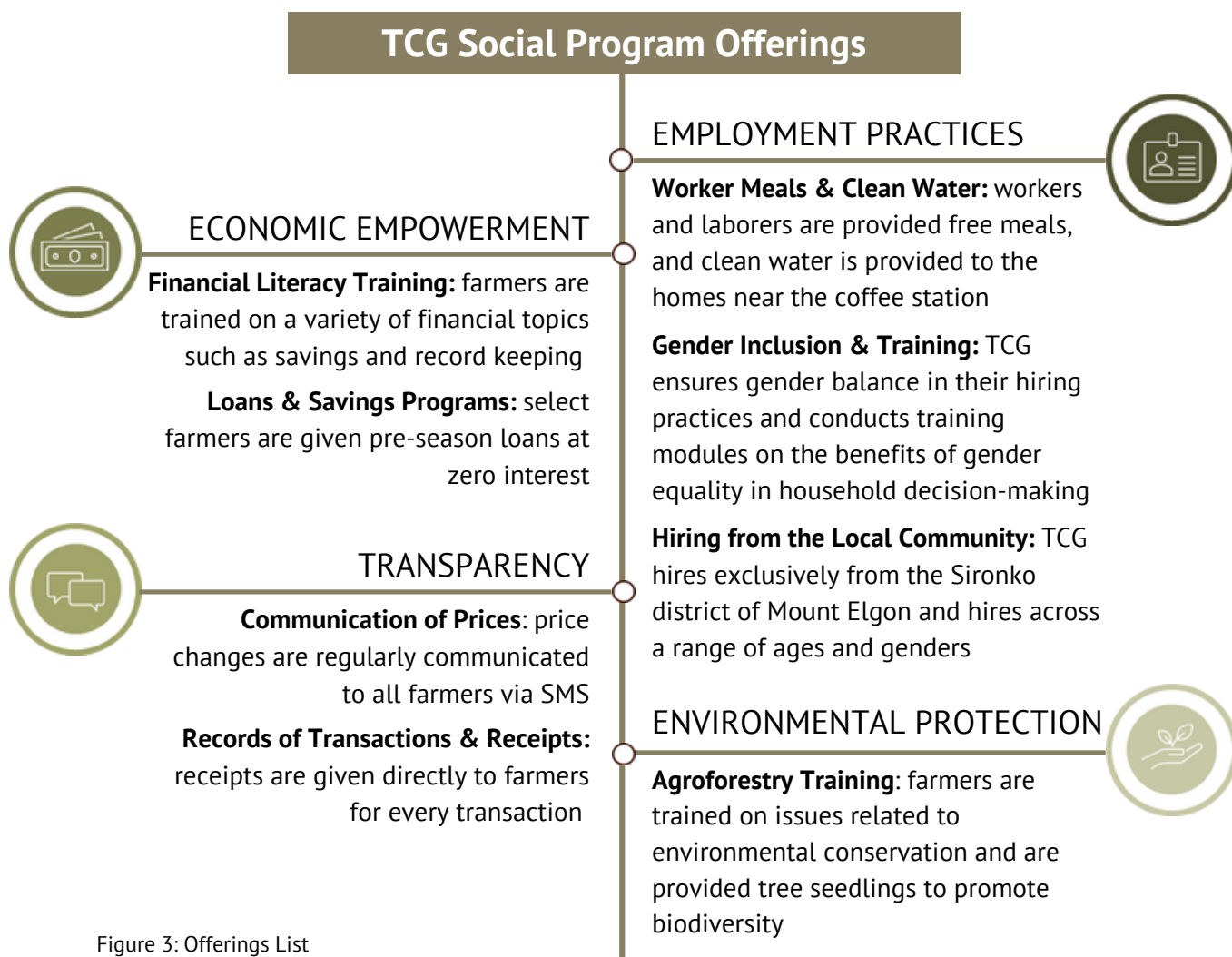


Figure 3: Offerings List

METHODOLOGY

This research seeks to identify the outcomes of particular social programs to understand if they are contributing to the empowerment of the communities TCG is based as well as increasing the sustainability of TCG as a business. Given the specificity of this work, along with the exploratory nature of the ‘people’ component of TBL, the team chose a qualitative approach relying predominantly on primary data collected from both farmers and third-party stakeholders who have worked directly with TCG in the past.

Prior to collecting data, the team carried out a literature review looking first to management theory to ground the research in larger trends regarding social enterprises; and second, analyzing development and anthropological theories to define the intended goals of the social programs – ‘Community Value’ and ‘Loyalty.’ These literature-based indicators were verified with TCG to ensure applicability and focus groups with farmers, across both high and low altitudes, were conducted. Including additional information provided during third-party stakeholder interviews, the team was then able to code responses back to the defined indicators, offering key recommendations to TCG while extrapolating results into broader findings on social enterprises and their effect on rural development.

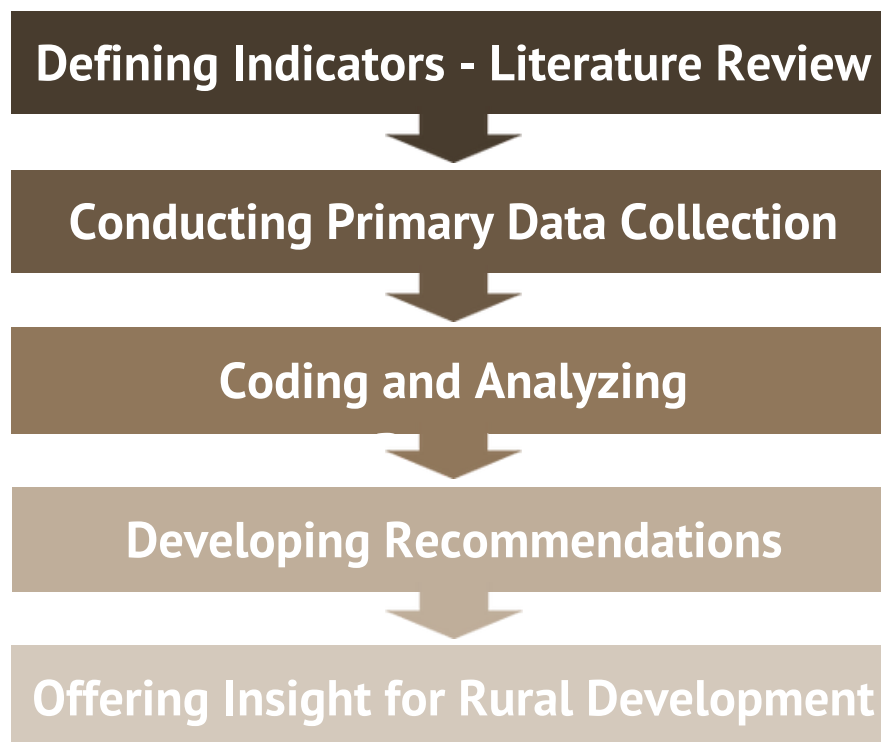


Figure 2: Methodology

However, due to time constraints, budget restraints and language barriers, there are inherent limitations to our research. Only four focus groups were conducted, including 29 farmers. While participants were randomly selected, the results cannot be said to be fully representative of the 500+ farmers who work with TCG. Although the 'people' component of TBL should include all possible stakeholders impacted by the business, other community members besides farmers were not surveyed. As such, we recommend that additional research be conducted with a larger sample of farmers and community members. Additionally, generalizations regarding rural development more broadly should not be taken as certainty without further verification.



LITERATURE REVIEW

PART ONE

Both development and management literature points to the significance of the private sector in rural development. While the private sector in emerging markets is not new, Rivera-Santos, et al. (2015) discuss how the concept of 'social entrepreneurship' as a development strategy is becoming increasingly relevant as seen through the rise of impact investing and social business movements around the UN Sustainable Development Goals (SDG). The notion of social entrepreneurship is framed around Freeman's stakeholder theory which argues that businesses are responsible for their impact on all stakeholders, not just shareholders (Freeman, 1998). While there is debate on a cohesive definition for social

entrepreneurship, social enterprises are broadly distinguished by the "added value of using their profit to maximize social, community or environmental benefits" (Maseno & Wanyoike, 2020). Social enterprises prioritize TBL: people, planet, and profit (Tate & Bals, 2018). By blurring the lines between for-profit and non-profit sectors, corporations can move beyond simply maximizing shareholder wealth to transform their business into a force for social good, eliminating the choice between "doing good" and "doing well" (Stecker, 2016). In this way, the private sector can act as a "catalyst for social transformation," particularly in rural contexts (Maseno & Wanyoike, 2020; Nguyen et al., 2015; Rivera-Santos et al., 2015). As such, by using a TBL model, it is possible TCG is having a similar effect.

With this in mind, it is also necessary to recognize the importance of history and path dependence on the growth trajectory of a country like Uganda (Nunn, 2009). The experience

of colonization put African societies on an extractive institutional path in which economic rewards are steered towards almost always elites (Acemoglu & Robinson, 2012). In this exact manner, Britain's colonization of Uganda and the privatization of the coffee sector after independence has since led to the establishment of an exploitative coffee sector (Kasozi, 2006). TCG's goal is to break this cycle of extractive institutions by developing long-term relationships with farmers and paying them above market rates. However, these cycles are extremely difficult to overcome and it's possible that not all TCG's social programs are a long-term solution in breaking down such institutions.

There is also evidence that private sector actors have the potential to reduce crime within the communities they operate. While there are varied causes for engagement in crime, research shows that a lack of means to make a living is a significant motivation (Dininio & Poggiali, 2020). Private sector actors can promote "alternative livelihoods" by providing employment, resources, and skills that help enhance social and economic progress and thus reduce incentives to engage in illicit activities (Dininio & Poggiali, 2020, p. 7; UNODC, 2010). Research has also shown that public-private partnerships work on a broader level to bolster programs which address the root causes of crime (UNODC, 2010). It is important that workers have a sense of control and freedom which empowers them to make their own decisions and work compensation can provide this tangible benefit (Goodman, 2013). Providing employment opportunities is thus beneficial to the security and stability of both businesses and affected communities; such findings in this research could point to the broader success of TCG's social programs in achieving the TBL model.

But how can we measure such effects? In management literature, impact measurement is a significant aspect of social enterprises' role in rural development. It is the process of systematically identifying social and/or environmental impact through inputs, outputs, and outcomes in a particular context (McLoughlin et al., 2009). The process of measuring impact is important to ensure a social enterprise is achieving its intended outcomes for beneficiaries. However, this is extremely challenging to measure and there is a lack of consensus as to the most effective ways to measure. Molecke & Pinkse (2017) discuss how using internationally recognized standards often cannot be generalized across contexts. McLoughlin et al. (2009) similarly note the complexity of impact measurement when using quantitative standards. Despite these challenges, research points to the significance of enterprises finding a methodology that fits their specific culture, including community insight. Maseno & Wanyoike (2020)



analyze ten social enterprises in East Africa, measuring impact using a bottom-up approach of listening directly to farmers and managers' challenges. They find that such participation of local actors is crucial to create sustainable change.

Other organizations have innovated as well, measuring impact through a 'bricolage approach' which entails creating customized indicators based on the specific needs of their organization (Molecke & Pinkse, 2017). For this research, a bricolage impact framework is the best way to determine the effects of TCG social programs given their dual purpose of adding community value and building loyalty. As such, the next part of the literature review looks to research in both development and organizational resilience to help form our measurement strategy in defining 'community value' and 'loyalty.' Without these definitions it would be impossible to analyze the effects TCG's social programs are having on the region and on the business itself.

PART TWO

COMMUNITY VALUE

TCG farmers, like many agricultural producers in Africa, are the last level of the supply chain. They have little power and are vulnerable to the variability of the market. In 2013, the Global Value Chain (GVC) concept garnered worldwide attention as the solution to rising unemployment and high levels of informality (Meagher, 2019). The international development community sees GVC as a win-win situation. At the OECD forum in Paris, Secretary General Angel Gurría stated that "encouraging the development of and participation in global value chains is the road to more jobs and sustainable growth for our economies" (OECD, 2013). However, there is little evidence that on its own GVC is reducing vulnerability at the level TCG farmers reside. In fact, evidence points to GVC furthering poverty, and the model has been criticized, being called the Global Poverty Chain (Selwyn, 2019). Mere involvement in the coffee supply chain is thus not enough to reduce vulnerability. Instead, the value that a business, like TCG, creates for farmers must go further. Empowerment of these farmers and their communities could do just that. The OECD recognizes this in their Role of Empowerment report, framing empowerment to concepts "relating to power, participation, capability, autonomy, choice, and freedom," and saying "it happens when people, individually or collectively, conceive of, define, and pursue better lives for themselves" (OECD, 2012, p. 3).



In general, supply chains are vulnerable to factors such as deliberate threats, external pressures, resources limits, and connectivity (Pettit et al., 2010). To address this, Pettit et al. developed a comprehensive framework including 14 capabilities that businesses should enhance to strengthen any type of complex supply chain. Bringing together both the concepts of GVC and empowerment, a study conducted in 2018 with Brazilian coffee farmers aimed to understand if value co-creation projects strengthened the supply chain (Candelo et al., 2018). Using Pettit et al.'s framework, the authors contend that six of the 14 capabilities, efficiency, adaptability, anticipation, collaboration, organization, and financial strengths, applied directly to the last level of the supply chain – the farmers (Candelo et al., 2018). From this, they developed a framework of empowerment around four capacities that embody the six Pettit capabilities, skills, and attitudes which farmers could use to overcome the vulnerabilities they face and in turn strengthen the overall supply chain. These capacities or indicators are:

- **'Business Mindset'**: “a set of attitudes and behaviors in which stakeholders are enabled to reduce threats from the external environment, recognize potentialities, and then turn these factors into business opportunities by supporting low-power stakeholders with funds and organizational structures” (Candelo et al., 2018, p. 5).
- **'Cooperation'**: “a set of joint efforts to enhance the value created by the business and the relationships. Enabling low-power stakeholders to develop a cooperative strategic posture with other stakeholder groups is a necessary step for value to spread inside and through the community” (Candelo et al., 2018, p. 5).
- **'Adaptability'**: “a process through which stakeholders (i) are allowed to understand and face the changes within the external environment and the business; (ii) react promptly to any changes; and (iii) ideally, anticipate the changes” (Candelo et al., 2018, p. 5).
- **'Interaction and Awareness'**: “a set of principles and tools that can lead stakeholders to a higher consciousness of their role within the business, the environment, and the community; interaction and awareness are primarily based on communication activities initiated by more powerful stakeholders” (Candelo et al., 2018, p. 5).



For the purposes of this research, this empowerment framework is an ideal fit for defining ‘community value.’ TCG aims for farmers to pursue a better life for themselves and their families; empowering their farmers to overcome the vulnerabilities they face in being part of a complex and exploitative supply chain. These indicators offer a broad and encompassing definition, like OECD’s understanding of empowerment, in which tangible outcomes, such as sending children to school, and intangible outcomes, such as understanding self-worth, can be included.

However, organizational literature also identifies ‘resilience’ as a key feature of the value created by social programs. Resilience can be understood as “the positive psychological capacity to rebound, to ‘bounce back’ from adversity, uncertainty, conflict, failure or even positive change, progress, and increased responsibility” (Luthans et al., 2006, p. 702). Rivera-Santos, et al. (2015) describe resilience in the context of ‘successful’ social enterprises operating in emerging markets. Baker and Nelson (2005) further elaborate on the value of having resilient employees, including farmers, in the workplace. Thus, in alignment with our bricolage framework, we see ‘resilience’ as a fifth pillar of our ‘community value’ definition:

- **‘Resilience’:** a set of attitudes and behaviors that equip stakeholders to reconfigure resources, overcome obstacles, and recover quickly from crises. They develop the ability to continually improvise while maintaining optimism and confidence.

LOYALTY

If TCG is empowering farmers and reducing their vulnerability, why do they choose to keep working with TCG despite competitors offering a higher price for coffee? In November of 2021, global prices for coffee were at the highest they have been in 10 years (ICO, n.d.). It would be expected that farmers would follow these high prices, yet they remain loyal to TCG.

Loyalty has been defined as devotion or attachment towards another and, more specifically, employee loyalty refers to employees’ commitment towards an organization’s success and the belief that working with this organization is in their best interests (Iqbal et al., 2015). Organizations make certain investments in infrastructure, training, and salaries to develop loyal employees (Jha & Mishra, 2019). As such, it is in a business’ best interest to develop loyalty across the company, and TCG’s social programs can be considered as an investment to achieve this.



To further understand certain dynamics of loyalty, literature on job embeddedness investigates why people stay in their current positions even though there are other, and sometimes better, opportunities elsewhere.

Dechawatanapaisal (2017) describes embeddedness as integration into a social system and finds that it is enhanced by activities which change attitudes and behaviors, such as training. Skill-enhancing practices can also influence workers' sense of belongingness to an organization (Feldman & Ng, 2007). Thus, as many TCG social programs are focused on skill building, we could expect to see an increase in embeddedness within the business.

Loyalty represents workers' sense of ownership in an organization (Williams, 1966). This is enriched when employees feel that their work is valued, allowing them to deeply connect to the organization (Maslow, 1942). Personal relationships are also considered crucial to developing loyalty. Duska (1985) refers to ties based on self-sacrifice without expectation of a reward and Feldman and Ng (2007) highlight relationships as a tool to enhance group cohesiveness. Further, Prabhakar (2016) discusses how job security and stability can increase job satisfaction and commitment to an organization. Through their commitment to transparency and offering competitive market prices, it is possible that TCG is generating loyalty as a result of core operations.

There are several case studies outlining such dynamics of corporate-community relationships. For example, chili growers in Malaysia participate in contract farming with private companies. Incentives to participate include entry into inaccessible markets, stable income, and skills transfer (Arumugam et al., 2012). In the Peruvian Amazon, smallholders participated in partnerships because these companies provided basic services like infrastructure, market access, and even healthcare and education (Bennett et al., 2018). In a study on farmers in Benin, contracts guaranteeing a set price are found to be just as significant to farmers as contracts offering training or input loans, suggesting that TCG's farmers may remain loyal due to coffee price consistency rather than the additional social programs (Arouna et al., 2019).

It is worth noting that, however, literature focuses mainly on customer or employee loyalty. TCG farmers do not fit strictly within these categories as they act as vendors by selling their coffee cherries to TCG. Thus, in alignment with our bricolage framework, the indicators of loyalty used in this research also rely on literature regarding brand loyalty to reflect the unique position of TCG farmers. A study in 2017 used five indicators from the European Customer Satisfaction Index (ECSI) model to measure farmers' loyalty to Indian fertilizer brands and two stand



out for the purposes of this study: ‘brand image,’ concerning customers beliefs and emotions about products and services, and ‘expectation’ which describes the anticipation of certain benefits from the use of a product, such as improving crop yield (Mohanty & Senthil Kumar, 2017).

Together these indicators and those from organizational employee loyalty literature offer a nuanced understanding of loyalty appropriate for the unique positionality of TCG farmers who are neither solely customers nor employees. ·‘Upskilling’: Investment in human capital by enhancing workers organizational skills helps to embed them in their organization; workers are able to gain and share new expertise and develop as businesspeople, valuing their training and their enhanced skillset as a result.

- **‘Productivity’**: Organization are able to engage workers in a way that makes them more committed to their work, thus increasing the efficiency of their productive activities and the quality of the service they provide.
- **‘Personal Relationships’**: Workers are able to build links between each other and other people associated with the organization which can evolve into deeper emotional bonds that help to embed them in their job.
- **‘Image’**: Workers’ knowledge and beliefs about the products and services offered by a brand or company and their emotions towards the image of the brand or company.
- **‘Prestige’**: Workers respect the organization, perceive it as prestigious and feel a sense of pride by being associated with it; as this pride increases, so does the extent to which they identify themselves as part of the organization.
- **‘Stability and Consistency’**: Workers feel secure in their work environment, confident that they have a long-term relationship with TCG and a sense of freedom and control which empowers them to make their own choices.

This holistic definition allows for an in-depth examination of reasons why farmers continue to work with TCG and helps build connections between such reasons and the investments TCG makes in its social programs.

CLIENT WORKSHOPS

To validate the relevance of our ‘community value’ and ‘loyalty’ definitions to this research and distill potential key words or phrases that tie closely to each indicator, the LSE team hosted two client workshops –



the first with TCG executives and the second with TCG staff members who interact regularly with farmers.

WORKSHOP ONE

The LSE team asked the executives to rank each indicator based on its applicability to TCG from ‘unrelated’ to ‘very relevant’. For community-value, there was agreement that each indicator was applicable to TCG (see Appendix A, Image 1). Based on this response and subsequent discussion, the indicator definitions were refined as follows:

- 1** | **BUSINESS MINDSET**
Farmers have developed attitudes and behaviors that enable them to **recognize and take action to both mitigate threats and capitalize on opportunities** for their coffee business or other endeavors.
- 2** | **COOPERATION**
Farmers have the skills and are willing to **develop and maintain strategic cooperation with other stakeholders**, understanding its necessity to increase the value of their coffee business or other endeavors and to spread this value throughout the community.
- 3** | **ADAPTABILITY**
Farmers have the tools to (i) **understand the changes** their coffee business or other endeavors may face because of forces they cannot control, including the market and the environment; (ii) **react promptly** to any changes that do arise; and (iii) ideally, **anticipate these changes** before they occur.
- 4** | **INTERACTION AND AWARENESS**
Farmers have achieved a **higher consciousness of their role, value, and entitlements** within the global value chain, and have the **confidence and agency to claim these entitlements** when they are not being met by players further up the supply chain.
- 5** | **RESILIENCE**
Farmers have **instilled a strong sense of optimism and confidence** within themselves and their community that will support them in **overcoming obstacles and recovering quickly from crises** which is necessary to reduce overall vulnerability.



For loyalty, the indicators had more varied responses (see Appendix A, Image 2). Based on these findings, the indicator definitions were refined as follows:

- 1** | **UPSKILLING**
Farmers **gain new skills** through working with TCG that can be applied both to their coffee business and other endeavors, and value the means by which they learn these skills.
- 2** | **EXPECTATIONS OF PRODUCTIVITY**
Farmers **expect an increase in coffee yields and personal income** as a result of the provision made by TCG.
- 3** | **PERSONAL RELATIONSHIPS AND IMAGE**
Farmers cultivate **meaningful connections within TCG, fostering a sense of belongingness and trust** which helps them to feel confident in the organization. Farmers have a positive image of TCG staff, believing them to be credible and trustworthy.
- 4** | **REPUTATION**
There is a **widespread respect of the organization**; farmers **feel personal pride** as part of the TCG community and **perceive the quality of their coffee to be higher** because of their association to the organization.
- 5** | **STABILITY AND CONSISTENCY**
Farmers **experience consistent work with TCG and can maintain a stable income** to meet their and their family's basic needs; the consistency of TCG coffee prices allows them to **confidently plan for the future**.

WORKSHOP TWO

Using these finalized definitions, three staff members were then asked to think about what farmers' responses would be regarding the value TCG has brought to their business and their community, as well as why they are loyal to TCG. The following phrases were distilled from this discussion and matched to the relevant indicator (see Appendix A, Image 3 and 4):



Business Mindset:

- Farm management
- Record keeping
- Off-season business
- Investments
- Season farm preparation
- Income

Cooperation:

- Women inclusion
- Respect of women

Resilience:

- Improve physical health
- Provide for family
- Child education
- Build a home

Reputation:

- Quality of product

Stability and Consistency:

- Income
- Security

If any of these phrases were mentioned during the focus groups, the team considered it as a marker signaling that a specific TCG program is having an effect toward the corresponding indicator. The more an indicator was mentioned, the greater the effect. However, the workshop did not obtain phrases for each indicator. As a result, the team pulled additional phrases from the literature as well as executive conversations to have a complete list to reference during the data analysis process (see Appendix A, Image 5).



FOCUS GROUPS

DESIGNING

The team chose to conduct focus groups to collect farmer responses which were then coded back to the “community value” and “loyalty” indicators. Focus groups were the best approach as it allowed for follow-up questions, giving the opportunity to learn more than a standard survey. Based on ‘focus group best practices,’ our intended sessions included 8 farmers each, representing about 6.4% of the close to 500 TCG farmers. To ensure equal participation and comfort, while also randomizing the sample, we divided the groups based on common characteristics including gender, parish, and farm location – categorized by altitude. A variety of ages ranging from 21-77 were also included in each group. Due to language and cultural barriers,

Ugandan enumerators, who had previously worked with TCG, facilitated the focus groups.

Using the indicators as a guide, we developed key questions specific to each of the social programs. The result was a comprehensive facilitator guide designed to make the focus group sessions function as an open conversation rather than a formal interview (see Appendix B, Document A). The guide included three key sections: ice-breaker questions, general open-ended questions about the farmers experience with TCG, and program specific questions.

The team also created a note-taking guide for the enumerators to hand write detailed notes during each discussion (see Appendix B, Document B). Once approved by TCG, we used both the facilitator guide and note-taking guide to train the lead enumerator through a zoom workshop. This included a step by step walk through of the questions, along with a high-level overview of key principles and ‘best practices’ for facilitation.



EXECUTION AND LIMITATIONS

Over two days, the lead enumerator and note-takers facilitated the four focus groups on site at different farm locations. The team was in constant communication with the enumerator during this time to answer any questions and offer clarification when needed. Following the sessions, the team was given a summary of each focus group conversation and a handwritten, translated copy of the full meeting which was then digitally transcribed by the LSE team. There were, however, certain limitations to our data collection due to time and resource constraints. Of the 500 farmers, only 29 participated, which is not a full representation of farmer opinions. Additionally, only 10 of the 32 farmers that were initially selected participated. However, as our intended participant list was randomized and the actual groups still included gender and altitude divisions, we do not see this as a significant risk and do not assume such changes altered our findings. It is also important to note that many of the farmers had not participated in the opt-in social programs such as trainings. Therefore, many of the findings are ‘potential’ outcomes, as farmers describe the value they would have gained if they participated, rather than ‘actual’ outcomes.

QUANTITATIVE FINDINGS

The following tables represent the high-level results of the focus groups including the number of participants within each program, if applicable, and the overall number of times each indicator was mentioned for the specific program.

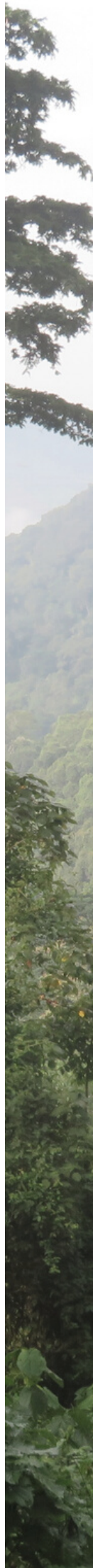
		Higher Altitude Farmers			Lower Altitude Farmers		
		Men	Women	Total	Men	Women	Total
Financial Literacy Training	<i>Participated</i>	0	8	8	1	0	1
	<i>Did Not Participate</i>	8	0	8	5	7	12
TCG Loans	<i>Participated</i>	1	1	2	0	0	0
	<i>Did Not Participate</i>	7	7	14	6	7	13
TCG Saving Groups	<i>Participated</i>	0	0	0	0	0	0
	<i>Did Not Participate</i>	8	8	16	6	7	13
Agroforestry Training	<i>Participated</i>	0	8	8	6	7	13
	<i>Did Not Participate</i>	8	0	8	0	0	0
Transparent Communication	<i>Participated</i>	8	8	16	6	7	13
	<i>Did Not Participate</i>	0	0	0	0	0	0
Records of Receipts	<i>Participated</i>	8	8	16	6	7	13
	<i>Did Not Participate</i>	0	0	0	0	0	0
Clean Water and Meals	<i>Participated</i>	0	0	0	0	0	0
	<i>Did Not Participate</i>	8	8	16	6	7	13

Table 1: Participation by Program; if applicable*

*Gender equality training and local employment practices are not included as they do not require active participation

Indicator Count										
	Business Mindset	Cooperation	Interaction and Awareness	Adaptability	Resilience	Upskilling	Personal Relationships and Image	Reputation	Stability and Consistency	Expectations of Productivity
Financial Literacy Training	10	1	1	-	2	3	-	-	-	-
TCG Loans	2	-	-	-	-	-	9	-	1	3
TCG Saving Groups	1	5	1	-	5	-	1	-	-	1
Agroforestry Training	3	-	-	4	3	9	-	-	-	5
Transparent Communication	14	-	4	-	1	-	-	2	-	2
Record of Transactions	12	-	2	-	-	-	1	2	6	-
Clean Water and Meals	-	-	-	-	-	-	5	-	2	1
Local Employment Practices	2	-	-	-	3	-	3	-	9	-
Enhanced Role of Women	-	4	4	-	5	-	2	-	-	1
Gender Equality Training	-	5	-	-	-	-	-	-	-	-
Other – Introductions and Closeout	5	-	4	-	11	-	3	1	2	2
Total Count:	49	15	14	4	30	12	24	5	20	15

Table 2: Indicator Count by Program
 A complete list of full quotes can be found in Appendix A





QUALITATIVE FINDINGS

OVERALL

Overall TCG social programs are working in dual-functionality as intended – bringing community value and generating loyalty. Across the four focus groups, communities are experiencing enhanced business mindset and increased resilience. With 42 references, business mindset is the most significant indicator of community value. Through these programs, farmers are gaining an improved set of attitudes and behaviors to reduce threats and recognize potential business opportunities, particularly because of financial literacy training, transparent communication, and record of transactions. Farmers have also improved their ability to overcome obstacles in their personal lives and improvise while maintaining confidence, as seen by the 30 direct references to ‘resilience.’ The programs are also adding value to TCG itself by generating loyalty specifically through personal relationships which was referenced 24 times.

However, regarding participation, our findings show that TCG farmers are not regularly participating in all programs. The LSE team recognizes this is a select group, and even with the randomization of participants, it is recommended that further research be done to determine if this participation rate holds true. Nevertheless, findings do reveal an uneven participation rate across the social programs that require farmers to opt-in, such as trainings, rather than those built in to TCG operations such as transparent communications. Women in the high-altitude regions group were disproportionately participating in these opt-in style programs with a 100% participation rate. In contrast, zero farmers from the men in high-altitude regions group participated in this style of program, with equally low participation in both low-altitude groups.

Nonetheless, the results across all the focus groups strongly indicate that TCG’s social programs have generated community value and as a result, have also contributed to strengthening farmer loyalty to the business which may support the longevity of the organization.

PROGRAM SPECIFIC

The following findings are specific to each of the analyzed programs:

FINANCIAL LITERACY TRAINING

Of the 29 farmers, 9 participated in the financial literacy trainings and agreed the program was very important. Across the participants, the primary benefit was greater financial management skills, contributing to an increased business mindset. Participating farmers cited how the training enabled them to better understand personal finances and make improved investment decisions to increase their future income. Similarly, the training helped to increase their resilience by informing them on how to better prepare for unpredictable circumstances. The training also contributed to increased cooperation between farmers, with participants in the high-altitude women's group creating a savings group after the training. The data also reveal that farmers have become empowered with greater self-awareness of the benefits of selling coffee to a particular entity.

While some farmers had heard about the training only after it was held, others were surprised to hear the training was even offered. Those who did not participate cited a lack of awareness which prevented them from taking part. However, farmers indicated that there is a need for this training as it enables farmers to better invest their money in profitable activities, and ultimately increases their incomes.

TCG LOANS

Although only two farmers have received loans from TCG (many noting financial stability as reason for not participating), the data reveals that there are tangible benefits in receiving loans. The program enables farmers to improve their business mindset, provides greater stability, and increases their trust in TCG. Regarding business mindset, farmers noted a greater understanding of the importance of punctual loan repayment. Loans also provide liquid capital to purchase fertilizers and insecticides, further boosting agricultural productivity. The program has also supported farmers with security and stability during times of need, with one farmer commenting that TCG loans helped with paying for school fees. Most significantly, the program has also bolstered farmer loyalty through personal relationships. TCG's patience for repayment and interest-free loans are highly valued among farmers. One farmer expressed that she chose to take a loan from TCG because of the trust she has in the organization, with all members visibly expressing their agreement with the statement.

TCG SAVINGS GROUPS

None of the farmers participated in a savings group by TCG. However, some have formed their own savings groups separate from the purview of TCG because of the financial literacy training mentioned earlier. Farmers highlighted the several benefits of having a potential TCG savings groups, including having access to readily available funds during times of crises. Furthermore, farmers appreciated the cooperative aspect of savings groups, stating that through a TCG program they would be able to include all farmers from both altitudes which would increase the size of possible loans.

AGROFORESTRY TRAINING

Of the 15 women and 6 men who participated in the agroforestry training, respondents indicated the positive effects of the programs, particularly the lessons surrounding soil erosion prevention. The farmers' improved terracing and contour digging skills have helped them adapt for the rainy season as their soil is less likely to be washed away. Along with improved soil fertility and protection, farmers gained a heightened awareness of environmental conservation, as well as a form of adaptation to external threats and repurposing such as “selling trees as timber” and “using the trees for construction”. The upskilling from the training has contributed to overall improved TCG farming techniques along with farmers' confidence in their personal farming.

Farmers who had not participated also voiced the significance of the program as “many farmers grow trees without the proper knowledge.” Additionally, they expressed disappointment in the lack of awareness of the training as they would have liked to partake. The tree seedling distribution, which was coupled with this program, also strengthened overall farmer productivity and business mindset. However, for farmers who had not participated in the training and yet still received tree seedlings, some of the trees did not grow as anticipated. Thus, it is important to provide the knowledge needed to properly grow native and sustainable trees.

TRANSPARENT COMMUNICATIONS

All 29 farmers received transparent communications regarding pricing from TCG and strongly agreed that this program is extremely valuable. Regarding loyalty, participants pointed to how the program has bolstered the reputation of TCG and created expectations of increased incomes, encouraging greater productivity for the future. For the community itself, the program has empowered farmers by strengthening their business mindset, enabling greater interaction and awareness, and improving their resilience.

Overwhelmingly, farmers have become planners, capitalizing on the opportunity advance knowledge from this program brings to improve their business. Indirectly, the program has also supported participants in recognizing their value as farmers. It has helped to increase their agency to demand the entitlements they deserve, such as respect for their time and not being cheated out of market value prices. From these findings, it is evident that transparent communications can be an important tool in reducing the vulnerability of farmers and in turn strengthening the business and overall value chain by generating trust between stakeholders.

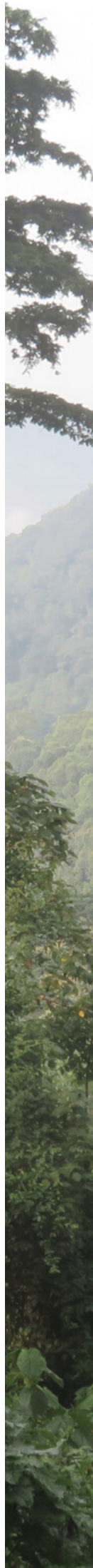
RECORDS OF TRANSACTIONS

All 29 farmers received records of transactions and receipts from TCG and were adamant that this program is very important. Similar to transparent communications, the program has brought value to the community by improving their business mindset as well as enhancing their interaction and awareness of their individual value in the industry. For loyalty to TCG, participants indicated how this program offers stability and consistency, and how it bolsters the reputation of TCG in the area.

The program, coupled with transparent communications, strengthens farmers' ability to plan for the future by giving them the opportunity to compare across seasons and recognize potential weaknesses of their business that need to be resolved. In tandem, the consistency of this program has bolstered farmers' confidence in their relationship with TCG, giving them a sense of freedom to think in the long-term rather than live in survival mode. Farmers also expressed the importance of these receipts in receiving their annual bonus – offering them further income stability. As a result, records of transactions seem to have an even greater effect than transparent communications in terms of generating loyalty to TCG. Thus, the program can be seen as a cornerstone effort in sustaining and growing the business overall.

CLEAN WATER AND MEALS

None of the farmers who participated in the focus groups expressed that they had received subsidized meals or clean water from TCG. Although we understand that this program, as it stands, is provided on an ad hoc basis to hired staff, most farmers noted the significance of the program and an interest in receiving the benefit moving forward, particularly following Covid-19 restrictions and during heavy rains. The potential outcome of this social program correlates with improved farmer productivity as it will “encourage the farmers to work hard.” More importantly, the provision of meals and clean water was noted as a potential to boost personal relationships and the image of TCG as it will show the appreciation the business has toward the farmers, thus strengthening farmer loyalty.





LOCAL EMPLOYMENT PRACTICES

TCG's local employment practices appeared to be of substantial value to farmers across all four groups. Responses consistently pointed to both the immediate and long-term effects that TCGs hiring practices have had on the community, particularly for youth. The lack of employment opportunities for youth in the Eastern Uganda region has led to increased crime, such as theft, drug abuse, alcoholism, etc. (Asiimwe, 2022). Participants expressed how TCG's emphasis on youth hiring has minimized crime rates as the youth are now occupied with consistent work and do not resort to alcohol or illicit activities. Youth are also developing their own business mindset and becoming more resilient, enabling them to purchase their own assets and start their own projects. In addition, the local employment practices have heightened personal relationships between TCG and community members, pointing to the deep care and concern TCG has for the farming communities. One farmer voiced how it "shows that TCG came to help and develop our community."

ENHANCED ROLE OF WOMEN

Farmers strongly believe that TCG's involvement in their communities has changed the role of women in coffee production. Women now actively participate in the business and are encouraged to increase their cooperation with other coffee producers by aiding the movement of coffee to the factory for example. Results also indicate an enhancement of women's interaction and awareness of their role within coffee production as being equally as important as that of their husband's and other men. For instance, female farmers demonstrated their entitlement to transparent communication of prices and highlighted this as an important program to them. TCG's inclusion of women in coffee production has allowed women not only to recognize the value of coffee but also to improve their business mindset and resilience. Female farmers stressed that they expect an increase in their yield and income through their hard work on the coffee plantations, illustrating their interest and passion for working for TCG. Many also reported the ability to make investments like purchasing cattle and land, as well as the ability to earn a stable income to provide for their families and be independent.

GENDER EQUALITY TRAINING

None of the farmers indicated participating in a training centered on gender equality, stating they had never been called for such a program. Although we understand this program is embedded within training modules on coffee as a business and not explicitly described as a gender training, farmers did emphasize that women and men have equal roles in TCG, with there being no gendered segregation in employment or participation in work activities. Coupled with the findings from enhanced role of women program, this feedback could indicate the

intended effect of increasing cooperation is happening through inclusion of women. However, because all participants believe that TCG treats both men and women equally, they did not seem to find much value in the possibility of gender equality training if it was to be offered in the future and marketed as such.

OTHER - INTRODUCTION AND CLOSEOUT THOUGHTS

During the close of each focus group, participants expressed great appreciation to TCG for helping to improve their business mindset, as the ability to purchase cows and land allows them to start secondary projects and increase their farming. Farmers described how before working with TCG they were unable to get money quickly enough for their families. External co-operatives proved inconvenient and caused many challenges. After partnering with TCG, farmers have been able to receive money promptly which they know they are entitled to – showing an increase in their awareness of their value and entitlements within the coffee value chain. Farmers have become more resilient, describing an improvement in their own personal health habits and self-esteem as well as in their ability to take care of their children. Regarding loyalty, farmers expressed expectations of higher yields of coffee due to provisions of fertilizer and farm equipment for their gardens. Farmers appreciate the consistency of TCG payments upon the delivery of coffee and value the job opportunities the organization has given to youth in the community. Overall, farmers laud TCG for positively changing the community and their lives, with one farmer even expressing their hope that TCG “last forever.”





THIRD-PARTY INTERVIEWS

DESIGNING

To further understand the value TCG brings to the community and discover other potential reasons for farmer loyalty, the team also conducted interviews with external stakeholders who have partnered with TCG in the past. Questions were created with the intention to learn about the stakeholders' motivations in partnering with TCG, their thoughts on how TCG's work differs from other coffee producers in Uganda, their insight into how coffee producers typically work and retain farmers, and why they personally believe farmers remain loyal to TCG. A complete interview guide was developed to ensure consistency across the interviews, including the order of questions (see Appendix C).

TCG offered to connect the team with five possible stakeholders, including:

- **Solidaridad Network:** an NGO that serves as an implementing partner and funder for TCG.
- **Great Lakes Coffee (GLC):** a large coffee processing and exporting company, and a longstanding partner with TCG.
- **Falcon Coffee:** a large coffee importer and a longstanding TCG customer.
- **Rabobank Foundation:** a financial institution that provides TCG with grants and loans.
- **Sub County Chief:** a representative of local government in the region TCG operates.

The team attempted to conduct virtual interviews with all stakeholders. Unfortunately, the sub-county chief was unable to be interviewed over Zoom, WhatsApp, or email due to technical difficulties.

In future research, the team recommends including this stakeholder as his insights into the changes experienced within the community could be invaluable to understanding the effects of TCG social programs.

Additionally, Rabobank Foundation was unable to speak with us over the phone but provided brief answers to the questions via email. This limited the team's ability to ask for elaboration or greater detail. Lastly, the representative from GLC had left the organization prior to speaking with us, meaning they were not a present representative of the organization and were unable to provide the most up-to-date insights. Nonetheless, as this data was intended to act as supplementary to the focus groups, we do not believe these limitations significantly distort the results.

INTERVIEW FINDINGS

Overall, the findings across the four interviews better inform and reinforce the findings from the farmer focus groups, further confirming TCG social program outcomes particularly those related to 'loyalty.' Together, the interviews highlight three points that not only make TCG unique to other coffee producers but also help to explain farmer loyalty – personal relationships, transparency, and trust.

GLC commented that the closer TCG staff and leadership are to the farmers, the greater impact TCG will have on the community. If farmers continue to see the same faces and are continuously treated with respect, TCG will continue to have a positive role. Solidaridad reinforced this recommendation, stating that TCG is unique in that it focuses on personal relationships and is genuinely connected to the farmers, with TCG staff even living within the community. They noted that TCG farmers feel like TCG is their own coffee company, and therefore have a vested interest in the success of TCG. Falcon Coffee agreed, asserting that the presence of TCG's founders in the community may be contributing to farmer loyalty as well.

Stakeholders also stressed the importance of TCG's transparency, commenting that the company's transparency is even atypical, surprising not only the farmers but surrounding partners too. GLC commented that TCG's approach to transparency with farmers and suppliers is very progressive, and TCG has removed ambiguity in transactions. Solidaridad added that most companies do not have the degree of transparency that TCG uses. Falcon Coffee reinforced this saying TCG's transparency is "second to none," almost "unusual," and in that regard, TCG is leading the way. The Rabobank Foundation said, "it's uncommon to have companies transparent about the pricing and what they earn from the farmers."



Further, Rabobank commented that farmers have grown to value TCG's transparent approach, and that their loyalty may be explained by farmers seeking to build a long-term relationship with an honest organization rather than making a quick sale.

Beyond personal relationships and transparency, the stakeholders highlighted the trust and competence of TCG. GLC noted that while it's common for many coffee producing companies to offer trainings, one of the most important qualities of TCG is paying farmers promptly and consistently. Solidaridad pointed out that while TCG relies heavily on personal relationships, this does not sacrifice the professionalism of their work. Falcon Coffee reported that TCG has stayed true to their word, which is likely why farmers trust TCG. They commented that while TCG founders have built a trustful relationship, they also don't bend the rules for anyone which has contributed to building respect among farmers. Solidaridad also lauded TCG's bottom-up approach, recognizing that it is unique compared to other coffee producers. This approach was also mentioned by Falcon Coffee, who discussed TCG's practice of hiring staff from the local area, and how, given that maintaining a trustful relationship in Uganda can be challenging, TCG's approach to relationship building and commitment to establishing trust is unique.

Coupled with the findings on loyalty in the focus groups, the results strongly indicate that TCG's efforts in relationship building and transparency through their social programs like records of transactions have contributed to farmer loyalty.

Drawing from the focus groups, stakeholder interviews, and existing literature, the team suggests four key recommendations to support TCG in maintaining and building upon the existing community value and farmer loyalty that its social programs have created.



RECOMMENDATIONS

KEEP DOING WHAT YOU'RE DOING

TCG should continue and prioritize highly valued social programs, including transparent communications, records of transactions, local hiring practices, and the enhanced role of women.

Transparent Communications and Records of Transactions

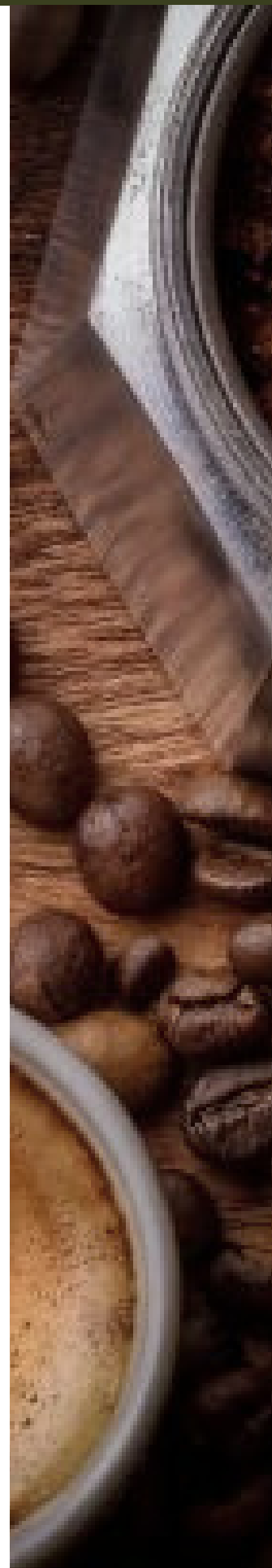
Both transparent communications and records of transactions and receipts are appreciated across all farmers. Both programs are providing additional community-value and simultaneously increasing loyalty to TCG. Because of this and the program's relatively low cost of implementation, they should be maintained and continue to be a priority for TCG.

Local Hiring Practices

Although this research did not produce empirical evidence on the reduced crime rates in the region, the numerous farmer responses point to the substantial importance of TCG's youth hiring practices in doing so. By creating job opportunities for youth, TCG is contributing to the empowerment of people, particularly youth, in the Eastern Ugandan region. To expand upon this program, TCG could intentionally target at-risk youth by providing training and support along with general employment.

Enhanced Role of Women

TCG's intentional employment practices and farmer selection process have enhanced the role of women in the community. Such inclusion should continue to be a prioritized within TCG operations to maintain and grow the level of resilience and business mindset the program has generated within the community. Therefore, while TCG could incorporate gender-focused training in TCG's social programs, it may not be necessary as a standalone training program given the fact that female inclusion in hiring practices is satisfying female farmers' needs.



RECOMMENDATIONS

SPREAD THE WORD AND INCREASE PARTICIPATION

TCG should increase awareness and participation among highly valued but under-marketed programs, including financial literacy training and loan distribution. Participants recorded high value and interest for each of these programs, yet participation was low - 7% for loans and 31% for the financial literacy training. For both of these programs, male farmers in higher altitudes had the lowest participation rates, indicating there may be a need for increased awareness within this specific demographic.

Financial Literacy Training

Although only a third of participants participated in the training, those that participated benefitted from greater financial management skills. Therefore, we suggest that TCG increases awareness surrounding financial literacy trainings. With increased participation, TCG could expect to see farmers benefitting from greater financial management skills and an enhanced business mindset. GLC also stressed the importance of this training because without a way to improve their financial skillset, agriculture can easily become a poverty trap.

Loans

The farmers expressed their appreciation and gratitude for access to loans from TCG. By offering more opportunities to access interest-free loans with flexible repayment plans, TCG could help strengthen the resilience of farmers, who may need financial support during challenging times.

RECOMMENDATIONS

EMBRACE BEING A CONVENER

TCG should embrace its role as convener for the region, particularly in coordinating savings groups.

Just as TCG intentionally located their factory close to the farmers, TCG should consider convening farmers in other ways to further generate community-value and enhance loyalty to the business. Although some farmers have started their own savings groups separate from TCG, there is value in TCG coordinating savings groups to include a broader range of farmers. During focus groups there was high interest in such a program, with one farmer saying, “If we had a group that combines all the farmers from the upper and lower section... there will be higher interest on personal savings.” In fact, during one session, a group was inspired to form a savings group of their own after learning more about the potential of such an initiative. By enhancing coordination across all TCG farmers, TCG could also improve the possibility of receiving certifications in the future which could increase revenue and farmer income.



RECOMMENDATIONS

LOOK TO THE FUTURE

In the long-term, TCG should consider supporting infrastructure enhancements in the region and furthering their environmental focus. At the end of the focus group interviews, farmers were asked to provide feedback on how TCG activities could further improve their work and well-being. There was an overwhelming response focusing on infrastructural improvements. TCG should consider taking part in such projects as they could add additional community value such as increasing coordination, resilience, and expanding farmers' business mindset.

a) Road improvements or building another TCG branch at a higher altitude:

One farmer mentioned the challenges of manually transporting coffee from higher altitude plantations down to the TCG factory, especially during the rainy season which makes paths slippery. Farmers suggested improving the road network or building another branch at a higher altitude to mitigate this issue.

b) Expansion of TCG storage capacity:

At times of high yield, farmers noted that TCG is sometimes unable to accommodate their harvest because the factory had reached capacity. This has resulted in farmers selling their cherries cheaply to other buyers. TCG should consider expanding their storage capacities or beginning the collection process earlier to enable more coffee to be purchased from farmers, which would increase loyalty and potentially increase profits for the business.

c) Water, sanitation, and hygiene (WASH):

During the program-specific section of the focus groups, farmers mentioned the importance of having clean water and sanitation infrastructure, which is also one of the SDGs. By expanding the current program of providing clean water to homes beyond those near the factory, TCG could expect to see increased resilience in farmers and as a result generate even greater farmer loyalty.



Additionally, although the social and environmental effects of the agroforestry program contribute to TCG's overall goal to prioritize TBL, it is currently the only program that creates added value to the planet aspect. Therefore, we not only recommend this program continue and expand as TCG grows its business, but TCG should also explore other avenues that can increase the organization's environmental focus particularly with the farmer's own attitudes and behaviors.

The work of this evaluation could be enhanced by incorporating more focus groups in order to obtain a more representative outlook on the effects of TCG's social program. With a limited number of farmers who participated, this research cannot be not said to be characteristic of all TCG farmers, farmers in the Mount Elgon region of Uganda, nor all rural coffee farmers.



CONCLUSION

The aim of the report was to investigate whether social programs implemented by TCG bring additional value to the communities where it operates and if such programs affect farmers' loyalty. The findings from focus groups and stakeholder interviews reveal that TCG social programs do in fact generate community-value and increase loyalty. Overall, TCG programs are supporting farmers by helping them no longer be at the mercy of large MNCs who buy their coffee at low prices. TCG's programs help steer farmers away from this extractive and exploitative path and instead empower them by increasing their business mindset and resilience. By fostering a successful corporate-community dynamic, TCG has been able to create and maintain long-term relationships with farmers

built on trust and transparency. Stakeholder interviews bolster these findings by demonstrating these unique elements of TCG's work as a primary motivator of farmer loyalty.

Beyond TCG as a standalone business, this report has shed light on the potential of the private sector in furthering rural economic and social development. The reduction in crime rates due to TCG's hiring practices aligns with research which discusses how the private sector can reduce incentives to commit crimes by providing employment opportunities and bringing resources and skills, and thus social stability, to a community (UNODC, 2010). Further, this research also aligns with Candelo et al.'s (2018) findings that empowerment through public-private partnerships can allow farmers to focus more on cash flow, capabilities to be inherited by successors, and production, thus enhancing their business mindset. The enhanced role of women in TCG also corroborates Mudege et al.'s (2015)

Moreover, this research contributes to understanding the effects of investing in the 'People' component of the TBL model, which is underrepresented in the literature. TCG's investment in social programs shows there can be positive outcomes in such investments for both the stakeholders of the business and the business itself. By developing indicators of community value and loyalty specific to farmers, this research also highlights the importance of considering the specific needs of the stakeholders being studied over internationally recognized standards of impact measurement. This bottom-up and context specific approach allows for an evaluation of whether a unique business is achieving its intended outcomes; and the bricolage framework the team implemented could be carried forward in other impact evaluation projects.

The work of this evaluation could be enhanced by incorporating more focus groups in order to obtain a more representative outlook on the effects of TCG's social program. With a limited number of farmers who participated, this research cannot be not said to be characteristic of all TCG farmers, farmers in the Mount Elgon region of Uganda, nor all rural coffee farmers. Further research should include insights from farmers' families and other residents of the community to allow a better grasp of how this social enterprise affects other stakeholders.

Nevertheless, this report confirms that TCG has been able to go beyond its role simply as an 'off-taker' of coffee by generating community value and establishing farmer loyalty. Although, the implemented social programs come at an additional cost to the organization, from our findings, it can be judged that such extra investments are worth the effort. These programs improve farmer resilience, enhance their business mindset, as well as establish personal relationships that strengthen the loyalty farmers have to TCG. The 'people' efforts of a social enterprise working to achieve the Triple Bottom Line, like TCG, can have paramount effects on the wider community and, in turn, sustain the business for the future.

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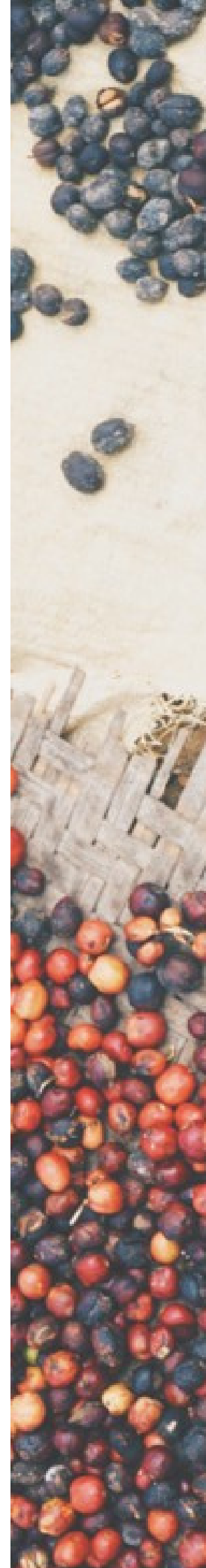
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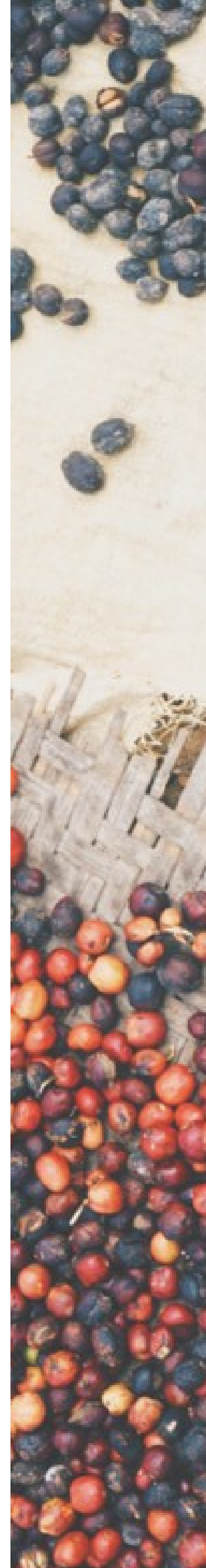
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Appendix A – Workshop Data Collection

1
2
3

Literature Findings | Potential Community Value-Add Indicators

Using the Stamp Feature, please mark each of the following community value-add indicators found in literature, based on their relevance to TCG:

	Unrelated	Not Relevant	Somewhat Relevant	Relevant	Very Relevant
Business Mindset - set of attitudes and behaviors in which farmers are enabled to reduce threats from the external environment, recognize potentialities, and then turn these factors into business opportunities				★	★
Adaptability - the process through which farmers (i) are allowed to understand and face the changes within the external environment and the business; (ii) react promptly to any changes; and (iii) ideally, anticipate the changes					★★
Interaction and Awareness - the set of principles and tools that can lead farmers to a higher consciousness of their role within the business, the environment, and the community					★★
Cooperation - Farmers are enabled to develop a cooperative strategic posture with other stakeholder groups which is a necessary step for value to spread inside and through the community					★★
Resilience - Farmers are equipped to reconfigure resources, overcome obstacles and recover quickly from crises. They develop the ability to continually improvise while maintaining optimism and confidence					★★

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Image 1: Executive Workshop - Community Value Indicator Responses

1
2
3

Literature Findings | Potential Loyalty Indicators

Using the Stamp Feature, please mark each of the following loyalty indicators found in literature, based on their relevance to TCG:

	Unrelated	Not Relevant	Somewhat Relevant	Relevant	Very Relevant
Upskilling - Farmers are learning new skills through TCG that can be applied both to their coffee business and other endeavors			★	★	
Increased productivity - Farmers experience an increase in the efficiency of their agricultural production as a result of working with TCG				★	★
Personal relationships between farmers and TCG - Farmers cultivate meaningful links within the organization, fostering a sense of belonging which helps to embed them in the TCG community					★★
Image of TCG - Farmers have a positive image of TCG's role in the community and therefore are more loyal to the business					★★
Prestige working with TCG - There is a widespread respect among community members of TCG and farmers feel proud to be working for TCG				★	★
Work stability and consistency - farmers experience consistent work with TCG and are confident they can maintain a stable income to meet their family's basic needs					★★

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Image 2: Executive Workshop - Loyalty Indicator Responses

Overall Indicators

Business Mindset: Farmers have developed attitudes and behaviors that enable them to recognize and take action to both mitigate threats and capitalize on opportunities for their coffee business or other endeavors.

Cooperation: Farmers have the skills and are willing to develop and maintain strategic cooperation with other stakeholders, understanding its necessity to increase the value of their coffee business or other endeavors and to spread this value throughout the community.

Adaptability: Farmers have the tools to (i) understand the changes their coffee business or other endeavors may face because of forces they cannot control, including the market and the environment; (ii) react promptly to any changes that do arise; and (iii) ideally, anticipate these changes before they occur.

Interaction and Awareness: Farmers have achieved a higher consciousness of their role, value, and entitlements within the global value chain, and have the confidence and agency to claim these entitlements when they are not being met by players further up the supply chain.

Resilience: Farmers have instilled a strong sense of optimism and confidence within themselves and their community that will support them in overcoming obstacles and recovering quickly from crises which is necessary to reduce overall vulnerability.

Brainstorming Activity | Community Value-Add

Using the Annotation Feature in the space below, please jot down a few phrases or outcomes you think farmers would say about **the value TCG brings to their business and the community**. We will then discuss as a group.

<p>management of farm has improved</p> <p>know how to keep records</p> <p>maintain coffee farm for a good yield</p> <p>they are preparing their farms for a strong yield</p> <p>steady inflow of income</p> <p>Investing funds in other businesses, buying other properties, and off season activities</p>	<p>take my kids to school</p> <p>build a house</p> <p>Improving their health</p> <p>able to get basic necessities for family</p> <p>sustain families and themselves because coffee is their greatest source of income</p>	<p>women can grow and manage coffee farms</p> <p>respect women as farmers</p> <p>women now have responsibility of their gardens as well as their</p>
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Image 3: TCG Team Workshop – Community Value Phrase Responses

Overall Indicators

Upskilling: Farmers are gain new skills through working with TCG that can be applied both to their coffee business and other endeavors and value the means by which they learn these skills.

Expectations of Productivity: Farmers expect an increase in coffee yields and personal income because of the provision made by TCG.

Personal Relationships and Image: Farmers cultivate meaningful connections within TCG, fostering a sense of belongingness which helps them to feel confident in the organization. Farmers gain a positive image of TCG staff, believing them to be credible and trustworthy.

Reputation: There is a widespread respect of the organization; farmers feel personal pride as part of the TCG community and perceive the quality of their coffee to be higher because of their association to the organization.

Stability and Consistency: Farmers experience consistent work with TCG and can maintain a stable income to meets theirs and their family's basic needs; the consistency of TCG coffee prices allows them to confidently plan for the future.

Brainstorming Activity | Loyalty

Using the Annotation Feature in the space below, please jot down a few phrases or outcomes you think farmers would say about **why they are loyal to TCG**. We will then discuss as a group.

<p>consistency in activities within areas of operation</p> <p>transparency , traceability of coffee from start to end;</p> <p>receipts of transactions</p> <p>openness of communication through SMSs, sending monthly transaction reports</p> <p>constant communication around prices, other</p> <p>farmers know that TCG will always be an available market for them</p> <p>farmers are registered with TCG, signing contract gives confidence in their partnership</p>	<p>moving beyond business, feel part of TCG, farmers feel sense of ownership</p> <p>social programs help them feel connected to TCG</p> <p>social inclusion programs, TCG staff are part of the community: sports, maintaining a bridge, funerals</p> <p>farmers can interact with members of their own communities</p> <p>agricultural practices training brings long term benefits preferable to other organisations</p> <p>training during off-season on management of farms for better yield</p>	<p>feedback about sales of coffee given to farmers helps them feel proud</p> <p>giving advances e.g. to buy inputs</p> <p>end-of-season bonuses in times of need</p> <p>bonuses are of great value</p>
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Image 4: TCG Team Workshop – Loyalty Phrase Responses

Additional Key Phrases From Literature and Executive Conversations

<p>Business Mindset</p> <ul style="list-style-type: none"> • Productivity • Quality • Sustainable production • Competences • Expenses 	<p>Upskilling</p> <ul style="list-style-type: none"> • Specialization • Enhanced knowledge • Training in agricultural practices • Off-season farm management training
<p>Cooperation</p> <ul style="list-style-type: none"> • Certification • Cooperatives • Shared Technology • Shared practices 	<p>Personal Relationships and Image</p> <ul style="list-style-type: none"> • Belongingness • Intimacy • Trust • Social inclusion programs • Community interaction • Open communication
<p>Interaction and Awareness</p> <ul style="list-style-type: none"> • Transparency in cooperation • High contact • Nature and fairness of payment • Role as a farmer • Farmer value • Entitlements 	<p>Reputation</p> <ul style="list-style-type: none"> • Recommendation to others • Sense of ownership • Sense of pride • Feedback about sales
<p>Adaptability</p> <ul style="list-style-type: none"> • Training • Climate change • Experience • Understanding • Roasting capabilities • Recognition of risks 	<p>Stability and Consistency</p> <ul style="list-style-type: none"> • Income • Security • Consistency of operational activities • Traceability of coffee production • Available market • Off-season & end-of-season bonuses • Advances • Record of transactions
<p>Resilience</p>	<p>Expectations of Productivity</p> <ul style="list-style-type: none"> • Timely production • Efficiency • Farm management for better yield

Image 5: Additional Key Phrases

Appendix B – Focus Groups

Focus Group Question Guide (Document A)

Notes for the enumerator: This script is meant to act as a guide. You are welcome to adjust the language as you see fit.

Welcome! My name is [_____]. Thank you all for taking the time to participate in this focus group. The reason we have asked you to be here is to learn about and discuss your experience working with *The Coffee Gardens*. The purpose of this focus group and the research that follows is to give TCG information about the strengths and weaknesses of their current programs and practices.

I will be leading our discussion today by asking you all questions and facilitating our conversation. We will be here for about 90 minutes. I do not work for The Coffee Gardens, so you can speak freely. I also would like you to know this focus group will be recorded and used for further research. Your identity will remain anonymous and no personal information will be disclosed. Before we get started, I will need your verbal consent to participate by saying yes (*pause to get verbal yes from participants*).

Thank you again. We really value all of your unique insights and opinions!

Ground Rules

I will go over a few ground rules for us to keep in mind during our conversation:

1. There are no “wrong answers,” just different opinions. Say what is true for you, even if you’re the only one who feels that way. We value all voices and experiences.
2. Only one person should speak at a time. This will ensure we capture your thoughts and experiences accurately. (It is difficult to capture everyone’s experience and perspective on our audio recording if there are multiple voices at once)
3. You do not need to answer every question, but we would like to hear from each of you today throughout the conversation.
4. Don’t be afraid to be creative with your responses. Please share stories and examples whenever possible.
5. Throughout the session, let me know if you need a break. The bathrooms are **[location]**.

Are there any questions before we get started?

Ice-Breaker Questions

Notes for the enumerator: These questions should be asked to each farmer individually and are meant to help the participants feel more comfortable with yourself as the facilitator and with each other. This part of the focus group should take about 15 minutes.

1. Please share your name, how many people are in your household, and how long you've lived in this community.
2. How long have you been a coffee farmer and of those years, how long have you been working with The Coffee Gardens (TCG)?

Main Discussion

Notes for the enumerator: These questions should be asked to the whole group with the goal to have each farmer contribute to the discussion. This part of the focus group should take about 75min

General Information (About 30 minutes)

1. Tell us about your experience as a coffee farmer working with TCG.
2. Why do you continue to choose to work with TCG?
3. Are there stories you would like to share that describe a memorable moment with TCG?

Notes for the enumerator: If the conversation is slow, please ask the following questions:

- *Have you considered working with other coffee businesses? Why or why not?*
- *How has your work with TCG been different from other work experiences you have had?*
- *Are there other stories or examples you have about your work with TCG you would like to share?*

Program Specific (About 45 minutes)

Notes for the enumerator: If you're not receiving many detailed responses for the program specific questions below, please consider asking them to describe a story regarding their experience with each of the programs.

Economic Empowerment

- *Have you participated in TCG's financial literacy training?*
 - *Why have you participated in the financial literacy training?*
 - *Why have you not participated in the financial literacy training?*
 - *Is financial literacy training from TCG important to you? Why or why not?*
- *Have you received a loan from TCG?*
 - *Why have you chosen to take a loan from TCG?*
 - *Why have you chosen to not take a loan from TCG?*
 - *Is the ability to receive a loan from TCG important to you? Why or why not?*

- *Have you participated or are you participating in a savings group with TCG?*
 - *Why are you participating in a savings group with TCG?*
 - *Why are you not participating in a savings group with TCG?*
 - *Is the ability to participate in a savings group with TCG important to you? Why or why not?*

Environmental Protection

- *Have you participated or are you participating in TCG's agroforestry training?*
 - *Why have you chosen to participate in agroforestry training?*
 - *Why have you chosen to not participate in agroforestry training?*
 - *Is the ability to receive agroforestry training important to you? Why or why not?*

Transparency

- *Do you receive transparent communication of coffee prices from TCG?*
 - *Is receiving transparent communication important to you? Why or why not?*
 - *What has receiving transparent communications done for you and your farming business?*
- *Do you receive a record of transactions and receipts?*
 - *Is receiving a record of transactions and receipts important to you? Why or why not?*
 - *What has receiving records of transactions and receipts done for you and your farming business?*

Employment Practices

- *Is TCG's practice of hiring from the local community important to you? Why or why not?*
- *Have you received meals and clean water from TCG?*
 - *Is receiving meals and clean water important to you? Why or why not?*

Gender Equality

- *In the past few years, has the role of women in the coffee farming business changed in your community?*
 - *For those that believe the role of women has changed, do you think that TCG has contributed to this change? If so, how?*

Note for enumerator: if gender equality trainings are not mentioned by the participants, please ask the following questions:

- *Have you received gender equality training from TCG?*
 - *Is this training important to you? Why or why not?*

Conclusion:

- Is there anything else you would like us to understand about your experience with TCG?

Suggested closing for the enumerator: Thank you all for being here. We really value all your unique insights and opinions!

Focus Group Note Taking Guide (Document B)

Thank you all for taking the time to participate in this focus group. Your notes are a very important part of our research. We will use your detailed notes to find common themes that will inform our research.

1. Using the template below, start by identifying which question is being asked and then writing detailed notes below each question.
2. Take notes word for word as much as possible to capture everything that the participants say.
3. Provide direct quotes when feasible and indicate them with quotation marks.
4. Please note when a new participant is speaking.
5. Write down nonverbal notes about the participants behavior and attitudes while answering questions. For example: facial expressions, laughter, body language, etc.

Template:

Focus Group Number:

Date:

Number of focus group participants:

Provide description of make-up for the focus group (gender, age, etc):

Questions:

1. Have you participated in TCG's financial literacy training?
 - a. **Why have you participated in the financial literacy training?**
 - b. **Why have you not participated in the financial literacy training?**
 - c. **Is financial literacy training from TCG important to you? Why or why not?**

Question #	Notes	Note Taker Comments
1	Detailed notes...	Laughter.
1a.		

1b.		
1c.		

2. Have you received a loan from TCG?
 - a. **Why have you chosen to take a loan from TCG?**
 - b. **Why have you chosen to not take a loan from TCG?**
 - c. **Is the ability to receive a loan from TCG important to you? Why or why not?**

Question #	Notes	Note Taker Comments
2		
2a.		
2b.		
2c.		

3. Have you participated or are you participating in a savings group with TCG?
 - a. **Why are you participating in a savings group with TCG?**
 - b. **Why are you not participating in a savings group with TCG?**
 - c. **Is the ability to participate in a savings group with TCG important to you? Why or why not?**

Question #	Notes	Note Taker Comments
3		
3a.		
3b.		
3c.		

4. Have you participated or are you participating in TCG's agroforestry training?
 - a. **Why have you chosen to participate in agroforestry training?**
 - b. **Why have you chosen to not participate in agroforestry training?**
 - c. **Is the ability to receive agroforestry training important to you? Why or why not?**

Question #	Notes	Note Taker Comments
4		
4a.		
4b.		
4c.		

5. Do you receive transparent communication of coffee prices from TCG?
- Is receiving transparent communication important to you? Why or why not?
 - What has receiving transparent communications done for you and your farming business?

Question #	Notes	Note Taker Comments
5		
5a.		
5b		

6. Do you receive a record of transactions and receipts?
- Is receiving a record of transactions and receipts important to you? Why or why not?
 - What has receiving records of transactions and receipts done for you and your farming business?

Question #	Notes	Note Taker Comments
6		
6a.		
6b.		

7. Is TCG's practice of hiring from the local community important to you? Why or why not?

Question #	Notes	Note Taker Comments
7		

8. Have you received meals and clean water from TCG?
a. Is receiving meals and clean water important to you? Why or why not?

Question #	Notes	Note Taker Comments
8		
8a.		

9. In the past few years, has the role of women in the coffee farming business changed in your community?
a. For those that believe the role of women has changed, do you think that TCG has contributed to this change? If so, how?
b. Have you received gender equality training from TCG? Is this training important to you? Why or why not?

Question #	Notes	Note Taker Comments
9		
9a.		
9b		

10. Is there anything else you would like us to understand about your experience with TCG?

Question #	Notes	Note Taker Comments
10		

Focus Groups Complete List of Quotes (Image C)

Quotes in red indicate a potential outcome of the program as farmers who were quoted had not participated.

Financial Literacy Training

Business Mindset

- “Eager to hear...how to increase our income”
- “To buy inputs for our coffee, we always run to the savings group”
- “Buy assets like cows”
- “You should not get money and just eat; you need to plan for the money before you start spending”
- "I wanted to be informed on how I can spend on my income in profitable activities or ventures that can yield and make me grow financially."
- "I was not able to plan for my finances, but the training helped me manage my income flow."
- “I was able to get knowledge and skills on how to manage and handle financial issues”
- "They had even told us to keep our money in cows or goats in case you got a problem, you can sell that animal and resolve it as well. “
- "This literacy training from TCG is very important because it helps to inform coffee farmers on how they can spend their money well or invest money in profitable activities and businesses."
- "It will inform us on how we can spend our incomes, how we can invest and again get higher returns on our incomes (profits)."

Cooperation

- “We as farmers all decided to come up with a savings group where the minimum saving was set at 1000. We did this for a whole year...we had saved up to 8M”

Interaction and Awareness

- "Enables to know what is the benefit of selling our coffee to a particular person ... can help the farmers to understand the benefits of trading with one particular buyer"

Adaptability

Resilience

- “Pay for your children’s fees ... land, among other things” (All members nodded in support and looked very happy)
- “I was given ways to reinvest my income for multiplication and to protect myself for the unpredictable circumstances.”

Upskilling

- “Enabled us with the knowledge to start up a saving group”
- “I participated in the training because I wanted to learn and gain more skills and knowledge.”
- “Yet also other members said that there must be such trainings in order to help them know what they don’t know.”

Personal Relationships and Image

Reputation

Stability and Consistency

Expectations of Productivity

Other

- "I have participated in the financial literacy training but very few farmers showed up since there was minimal sensitization.
- "I had not participated in this activity because I was not informed."
- "I only realized later after weeks that there was a financial literacy training, but I was really in need of such an opportunity"
- “All of the farmers but one had not participated in the training”
- “I was not informed in time, so I didn’t manage to attend”

TCG Loans

Business Mindset

- “They don’t demand [loans back] but it’s you yourself to remind yourself that you took a loan and then take back the coffee and clear your loan from TCG”
- "I have got one and I paid back coffee according to the agreed loan taken and the interest as agreed in the terms and conditions of the loan."

Cooperation

Interaction and Awareness

Adaptability

Resilience

Upskilling

Personal Relationships and Image

- “I chose to get a loan from TCG because of... the trust I have seen in them”
- “They are patient”
- “Once you run to them, they ease your life”
- “They do not put on pressure to pay the loan”
- "TCG is not a pressurizing company, "
- " They don’t put interest on their money"
- “So, it’s better to get a loan from TCG than any other financial institution which instead will hike the interest and at the end of the day they take away all your coffee."
- “It’s very important to receive a loan from TCG because at times you might be stuck and lack anywhere to go, but when you run to TCG your life changes.”
- “They don’t top even a single coin, what they gave me is what I take back”

Reputation

Stability and Consistency

- "I chose to take a loan from TCG because I had challenges that needed money, yet it was not a season of coffee harvest. So that loan helped me solve my problems of school fees, purchases of pesticides and fertilizers which was greatly in demand."

Expectations of Productivity

- "Yes, taking or receiving loans would boost coffee farming as well as growing of other crops. Loans would help us purchase fertilizers and insecticides to spray coffee plantations that are affected by pests and insects, hence boosting coffee."
- “It’s important to receive a loan because when planting trees, coffee there is a lot needed”
- “With a loan, I can be able to get all this equipment.”

Other

- “I did not have too much need for the money”
- “Some of us did not have the need for the money”
- "Personally, I have never got any loan neither told there is an opportunity of getting loans."
- “Most farmers of this village were uninformed about the availability of loans at TCG"
- "I did not choose to take up a loan from TCG but more farmers including me were uninformed about the availability of loans at TCG premises.”
- "I was just unlucky that by the time I wanted the loan, they had already stopped giving out loans”
- “I was not aware of the availability of loans of TCG because it was [not] there from the start”
- “I was not aware that TCG was giving out loans“
- “When I heard that there were loans, by then [they] had already stopped giving them out due to lack of forms.
- “I was not aware of the availability of the loan”

TCG Savings Group

Business Mindset	<ul style="list-style-type: none"> • "But you people have now asked, and we are going to form a group and call in TCG women savings group lower, because this is a really great idea"
Cooperation	<ul style="list-style-type: none"> • "We do our own savings ... we can get small loans which we return with interest and use it to solve some emergencies" • "If we had a group that combines all the farmers from the upper and lower section...at the end of the day there will be higher interest on personal savings" (All members clapped in response to this answer) • "We shall be able to understand everyone better because we all know that we get money during the harvest season after bringing coffee to the company ... the members will be very much patient with one another because we all understand the time in which we get money" • "If there were savings groups then almost all farmers would be members in savings groups" • "People will have respect for one's money ... we all know the struggles we go through to get the money"
Interaction and Awareness	<ul style="list-style-type: none"> • "If TCG forms savings groups and allows us farmers to join, we shall have much opportunities like financial training that we have never had a chance to have"
Adaptability	
Resilience	<ul style="list-style-type: none"> • "Use it to solve some emergencies, for example, when we get sick to clear the hospital bills" • "Will be able to get bigger loans that will enhance development in their families" • "Savings groups important because they help farmers and locals save their money for future use" • "Important because they help farmers stand a chance to get loans to solve their daily income challenges" • "I have a savings group outside TCG that [I] am participating in. I participate in this saving because when I am in urgent need of money, I can easily run to them, and they lend me some money and I finish my problem"
Upskilling	
Personal Relationships and Image	<ul style="list-style-type: none"> • "Controlled by TCG because with this, we shall be assured of much savings"
Reputation	
Stability and Consistency	
Expectations of Productivity	<ul style="list-style-type: none"> • "All members were very happy and supportive that if there was a savings group created by TCG, we would be willingly to join because we shall be sure of access to quick loans in case, we need some finances to buy farm equipment."
Other	<ul style="list-style-type: none"> • "I am willing to join in case savings groups were created" • "No, we are not participating in any savings group with TCG at all" • "Right now, there is no savings group that has been set up by TCG because we have not heard of any information that there is any saving group that was started by TCG as a company." • "We have not participated in any savings group with TCG; we have not yet heard that TCG has started any savings group with its members." • "I personally have never seen any savings group that [was] put up by TCG, however if given the opportunity I would willingly participate,"

Transparent Communication on Pricing

Business Mindset

- "It helps me on how to plan earlier even before I pick my coffee"
- "I can make a proper budgeting"
- "This helps me know if I have any profits or am I in a loss"
- "I start calculating how much profit I am getting this year and I compare with what I have been getting in previous years"
- "Encouraged the growth of my farming business because when I receive the price at which TCG buying coffee, I can evaluate myself to see how much I have put in coffee and how much I expect as the outcome"
- "It helps me to choose the best person to sell my coffee to, and hence this helps on minimizing losses in my business"
- "I can be able to plan on ... how much I can put back in the coffee business."
- helps them to calculate how much profit they are to make out of the coffee once sold.
- "We can be able to plan for our money before even taking the coffee"
- "Enabled us to plan in advance and even start calculating on how much profits we are expecting to get that year."
- "It helped me on how to plan earlier "
- "Receiving transparent communication has helped me get informed about prices of coffee, proper handling of coffee, find better coffee buyers"
- "It's important to me because it helps me to get organized and budget basing on the harvest"
- "Because it helps us to plant even before taking the coffee to the factory"

Cooperation

Interaction and Awareness

- "It saves our time"
- All members agreed saying "it's very good"
- "I get the energy to go to the garden and pick up the coffee"
- "This practice is very good because every coffee farmer is informed, and this helps us to avoid cheaters in the coffee produce."

Adaptability

Resilience

- "Helps in proper planning of the family I that I can be able to plan on how much I can spend on the family affairs "

Upskilling

Personal Relationships and Image

Reputation

- "It shows TCG is trusted"
- "It also helps me to build and trust TCG as my sole consumer of my coffee producer"

Stability and Consistency

Expectations of Productivity

- "We expect the prices to increase in another season, so earlier updating about prices is very important"
- "Receiving transparent communication has helped me ... be informed on how to grow good coffee that will be yield highly or increase my productivity."

Other

Records of Transactions

Business Mindset

- "They help you know the quantity of coffee you have supplied"
- "We use them for reference and comparison between seasons"
- "This helps us find where we went wrong or right"
- "We are always in position of knowing how many kilos we have supplied and there after we use these records in receiving the bonus"
- "That they help me to compare my productions between different years"
- "They help me to calculate how much I have put throughout the season and how much I have for from the coffee after selling"
- "Helps me to determine my profits"
- "It helps us to compare changing seasons"
- "These receipts that we keep help us to manage and know what we have produced that year."
- All farmers that take their coffee harvest to the Coffee Gardens always gets receipts for record keeping to aid in reference purposes
- "So, the receipts help me in keeping all my harvest records and during the end of the season, I add up my receipt kilos which helps to know whether it has been a low produce season or high compared to the previous seasons. "
- "It helps me to see where my strength and weakness is realized. So, I find where to make changes where necessary as I organize for the next season. Helps in knowing where my loss and profit is and why."

Cooperation

Interaction and Awareness

- "Shows consistence and proof of the farmer being liable to the bonus given out.
- "it's an assurance to me that I will be able to chew the bonus"

Adaptability

Resilience

Upskilling

Personal Relationships and Image

- "These receipts of our enable us and our families to continue trusting TCG"

Reputation

- "They show we are dealing with genuine and serious people"
- "The receipts TCG always gives out shows that am a fully TCG coffee producer member. So, all coffee farmers that sell to TCG get receipts that shows membership and commitment to TCG. "

Stability and Consistency

- "It reaches a time when we take back those receipts and receive a bonus"
- All members expressed excitement and laughter when bonuses were mentioned
- "They help us calculate our bonus"
- "It's important so that we can always receive our bonus"
- All farmers that take their coffee harvest to the Coffee Gardens always gets receipts
- "These receipts are very important in that they remind us of the kilos that we supplied to TCG because we always expect bonuses for them."

Expectations of Productivity

Other

Local Employment Practices

Business Mindset

- "A number of youths have been able to purchase their own property like cows."
- "They have started their own projects because of TCG"

Cooperation

Interaction and Awareness

Adaptability

Resilience

- "They have constructed houses"
- "The hired locals earn a living which helps in boosting their homestead"
- "Increases their standards of living. "

Upskilling

Personal Relationships and Image

- "It shows that TCG came to help and develop our community.""
- "They trust each other too."
- "Hiring from the local community is very important because all community members know each other"

Reputation

Stability and Consistency

- "My children who were idle have always got jobs of carrying coffee to take to the factory and get paid money"
- "All the members seemed happy with the idea of hiring within the community in that it has been beneficial, especially to their children. "
- "Our own children are the ones benefiting because ... our children carry it to the factory, and they are paid money"
- All members expressed appreciation when this was mentioned
- "Crimes have been reduced." (TBD)
- "Our youths were jobless which has resorted to bad character. (drunkenness and stealing from others). Since TCG now hires them to come and work at the factories... crimes have been reduced"
- "Most youths had become a problem in the community ... but ever since TCG came, the youths have become occupied"
- "Hiring locals most especially youths has helped in reduction of crime rate" in the village because youths get occupied hence time to NOT do crimes such as theft, drug abuse, alcoholism, rape, etc.
- "They [crimes] are all minimized."

Expectations of Productivity

Other

Agroforestry Training

Business Mindset

- "Once that tree grows, you can sell it as timber"
- "Trees are special in the coffee gardens in that their leaves act as manure"
- "It was my obligation to attend any training that was put up by TCG because this will be for my personal benefit"

Cooperation

Interaction and Awareness

Adaptability

- "Previously, we were not making them in a proper way and most of our soil could be washed away in rainy seasons"
- "Wanted to receive trees that would improve soil fertility"
- "I wanted to learn how to protect the soil, my land"
- "I also wanted to get new ideas of how I can control soil erosion"

Resilience

- "Once that tree grows... you can use it for constructing a house"
- "So, our soil had been washed away by rain. However, this method of terracing has enabled us to conserve the soil."
- "To control the soil erosion"

Upskilling

- "Teach us proper soil erosion conservation methods"
- "Given us a proper way of digging contours in the garden and the soils are no longer being washed away"
- "Wanted to learn modern ways of combating soil erosion"
- "I am really interested in attending such programs of agroforestry training because most farmers grow trees without proper ideas of how, why when"
- "They told us they were going to teach us how to dig contours in the garden"
- "I found out that I was digging contours in the wrong way and after the training, I put into practice what was taught"
- "I managed to get knowledge on how to dig the proper contours in my garden."
- "We chose to participate in the training because at first we did not know how to terrace our gardens but through this training we were taught how to build terraces in our gardens"
- "This kind of training has been important in that we planted the best trees"

Personal Relationships and

Image

Reputation

Stability and Consistency

Expectations of Productivity

- "I only got tree seedlings that did not grow up as I expected, and this was all over the same to all farmers that got seedlings."
- "We needed that training and better tree seedling for planting."
- "I am really interested in attending such programs of agroforestry training because most farmers grow trees without proper ideas of how, why, when and other conditions attached to agroforestry. So, I need to get more informed about tree planning and other information attached to it."
- "They were going to give us tree seedlings and these trees were to increase social fertility."
- "I was able to receive tree seedlings, despite the fact that these trees have not yet grown to maturity, their leaves act as a manure which we are very happy with"

Other

- "TCG gave us tree seedlings and we planted them, but they didn't do well with growth"
- "I did not participate in agroforestry training because there has not been any opportunity of that kind. I only got tree seedlings that did not grow up as I expected, and this was all over the same to all farmers that got seedlings."
- "I did not intentionally choose to not participate but the agroforestry training itself has never been brought to farmers except giving out the seedlings only."

Free Meals and Clean Water

Business Mindset

Cooperation

Interaction and Awareness

Adaptability

Resilience

Upskilling

Personal Relationships and Image

- "This is like an appreciation to the community members"
- "It helps in building the image of the organization in the community"
- "this will encourage us and make us love the company we are dealing with more and more"
- "This creates a good image for the company. "
- "Receiving meals and clean water is important because it times it gives appreciation to most of the farmers and the community at large

Reputation

Stability and Consistency

- "Yes, receiving meals and clear water is very important because since farmers are from the covid-19 period that was with restrictions.
- Farmers have just started normalizing. However, the issue of clean water is also alarming most especially during heavy rains. So, we request TCG to always find a way of repairing, maintaining, or even contracting for us to clean water sources."

Expectations of Productivity

- "It encourages the farmers to work hard"

Other

- "During intense covid period, TCG promised to supply beans, maize and other food stuff to demonstration farmers, but it did not implement the idea"
- "None of us have received food or clean water from TCG, instead we have been promised to build 3pik Latrine for our schools without our communities by TCG."

Enhanced Role of Women

Business Mindset

Cooperation

- “[The changing role of women] has been due to women’s involvement in coffee production as well as the employment given to the local women in our community.”
- “With the coming of TCG, I also participate in the carrying of the coffee to the factory. They pay me money”
- “This has motivated me to get involved in any kind of work that is needed to make our coffee reach the factory”
- “Now women participate actively in the business, even in the garden.”

Interaction and Awareness

- “I prepare my garden well because in these three years, I have realized the value of coffee”
- "This has also made women informed about the prices that possibly their husbands have been hiding."
- “Even from my childhood, coffee work was handled by men, they are the ones who knew the price of coffee among other things but right now even me I can receive a message from TCG tell me about the price of coffee”
- “There was serious change with the women in the coffee farming business with TCG.”

Adaptability

Resilience

- “I was able to purchase a cow”
- “I was able to purchase land worth 4M in Buyaga and managed to put up a structure of 70 pieces of iron sheets”
- “I started working with TCG, I also started earning some money from the coffee and I can also provide for my family”
- "Yes, the role of women in TCG in my community has made women take up or solved some income challenges in their homes ...This has increased in the standards of households compared to the period before TCG came to our area."
- “The husband and the wife were always in disagreement...But since there is transparency, women were also participating in the coffee business... fully because the lady was also registered at the company...this stabilized their marriage and the lady managed to own her own house and later also bought a calf.”

Upskilling

Personal Relationships and Image

- "Yes, I believe that TCG presence in our community has greatly led to the role of women to change.”
- “TCG has contributed a lot with this change”

Reputation

Stability and Consistency

Expectations of Productivity

- “Now we are motivated to seriously work hard in my coffee garden to see that everything comes out well”

Other

Gender Equality Training

Business Mindset

Cooperation

- “All genders are treated the same in TCG”
- All members expressed agreement when this was mentioned
- "No kind of segregation because even when they are giving our jobs, all men and women are employed"
- “There is not division or segregation of work in terms of gender with TCG.”
- “There is no segregation when it comes to employment and participating in activities organized by TCG.”

Interaction and Awareness

Adaptability

Resilience

Upskilling

Personal Relationships and Image

Reputation

Stability and Consistency

Expectations of Productivity

Other

- No one had participated in gender training.
- “We have not received an official training concerning gender equality because we have never been called for one,”
- “We have never received any gender quality training but when it comes to work with TCG”

Other – Introductions and Closeout Thoughts

Business Mindset

- “We have been able to buy cows for ourselves and right now we also take milk”
- “I sold coffee and bought a cow”
- “When we started working with TCG my sons have been able to start small projects like cattle keeping, poultry farming, among others”
- “I have been able to purchase a cow”
- “We have bought pieces of land to increase our farming”

Cooperation

Interaction and Awareness

- “We could get very high yield but were not benefiting from the coffee because by the time we got money, it would take a long time”
- “We were not able to quickly get money to care for our families and also take our children to school”
- “Sometimes coffee could get lost from there [cooperative] after all the efforts you have put in”
- “Those days when we were still dealing with co-operatives, we suffered a lot. By the time we got money from our coffee, it was not so easy”

Adaptability

Resilience

- “I bought a piece of land in the year 2021”
- “I still sold my coffee to TCG, and I have been able to construct a 70-iron sheet house”
- “I was able to pay school fees for my children”
- “My sons have been able to roof their houses with iron sheets”
- “My sons have also bought solar panels and now sleep under light”
- “I am able to pay fees for my children”
- “We have been able to take our children to school”
- “Even their eating habits have greatly changed... previously they used to eat hard yams...they now eat rice and posho”
- “I am 62 years old, but I look beautiful and young”
- “I have 9 children, 6 have been picked on by TCG and that’s what makes me to comfortably say that I have 9 children because the rest are living an independent life out of the benefits from TCG”
- “[Since] I started with TCG my children have been able to start some small businesses and projects like Piggery”

Upskilling

Personal Relationships and Image

- “For us we are still working with TCG, and we are so happy because our life has changed”
- “Ever since TCG came into our community, there are changes registered in the community”
- “Ever since TCG came into our community ... there is development in that before TCG”

Reputation

- “I say that TCG should last forever”

Stability and Consistency

- “I appreciate the company because as you bring your coffee to the company, they pay you there and there, they never tell you to come back the next day, cash on delivery”
- “The youths had become a problem, they were smoking and doing all other sorts of crime which is not the case right now, therefore we appreciate what TCG has done in our community.”

Expectations of Productivity

- “Nowadays they carry cow dung to the gardens... in order to get higher yields our of well-maintained gardens.”
- “Our coffee had started depreciating in value in that we did not have the morale of maintaining our gardens, but since TCG come in our community, we get enough money from the coffee which we inject back in the gardens to get high production”

Other

List of Farmer Recommendations

- “One is they [TCG] delay in giving out the bonus”
- “The money we request from them [TCG] to buy fertilizer and other things to prepare our gardens, they delay in giving us that support”
- “TCG starts operating in September but by this time, some farmers have supplied their coffee to other traders; TCG should consider beginning operations in August”
- “My personal request is to help farmers most especially with road network. The farmers at high altitude face a huge challenge of transport network to move down the premises of TCG. Whenever its rainy season, the hills tend to be slippery, and it becomes worse most especially when carrying coffee on heads as the major means of transport to TCG. So, this is a request if its possible TCG should consider creating another branch at the upper altitude.”
- “My humble request is to increase on the opportunities for job seekers. Even the employed locals stay on the lower altitude, so at least TCG should think of finding means on how to employ more locals from the upper altitude.”
- “My idea is that we farmers get challenges most especially those who do very early harvests and those who do very late harvests. Early harvests always find them when TCG premises...so farmers end up being cheated by a few village buyers which is always the same to farmers whose harvest is always late.”
- “My other experience is that to some extent, when produce is very high, TCG sometimes fails to accommodate all the harvest from farmers that their premises or store is full to capacity which makes other farmers to sell their produce cheaply to other buyers.”
- Farmers requested more transparency about when they are giving out loans and to give them out in April.
- Farmers also suggested that TCG should go ahead and carry consistent training on what quality of coffee that farmers should bring at the factory.
- “I request that TCG management to organize another [financial literacy] session so that all coffee farmers are involved, and this can be done through intensive sensitization about the program.”
- “I request in case of such opportunities [TCG Loans], communication may be effective to all farmers of coffee.”
- “Some of us were not able to get any info about the availability of loans from TCG, so we hope that next time when TCG is giving loans, they will let us know or call or gather us for a meeting”
- “We request that by April, when the loan scheme is running, that’s when we can be able to get the money from TCG and buy fertilizer, farm equipment and other things related to coffee growing.”

Appendix C – Third-Party Stakeholder Interviews

Stakeholder Interview Question Guide

Welcome! My name is [____]. Thank you for taking the time to participate in this interview. The reason we have asked to speak to you is to learn about and discuss your experience working with and/or your opinions on *The Coffee Gardens*. The purpose of this interview and the research that follows is to give TCG information about the strengths and weaknesses of their current programs and practices. Before we get started, I will need your verbal consent of your willingness to have this information shared in our final report (*pause to get verbal yes from interviewee*).

Thank you again. We really value your unique insights and opinions!

Main Discussion

General Information (to all participants)

- Why did you choose to partner with The Coffee Gardens?
- How do you think The Coffee Gardens' work with smallholder farmers differs from other coffee producers in Uganda?
- From your experience, how do coffee businesses generally retain farmers?
- Why do you think farmers remain loyal to The Coffee Gardens instead of other organizations?

Participant Specific

Solidaridad Network

- What outcomes have you seen from the training you provide to The Coffee Gardens' farmers? Please give examples of specific training programs and their outcomes.

Great Lakes Coffee

- Which of the key services that you provide to The Coffee Gardens do you find most valuable to farmers and why?

Falcon Coffee

- Which of the key services that you provide to The Coffee Gardens do you find most valuable to farmers and why?

Conclusion:

- Is there anything else you would like to share about your experience with TCG?

Thank you for taking the time to speak with us. We really value your insights and unique perspective!

Appendix D – The Terms of Reference

LSE/ID Project Proposal	
Organization and Department	The Coffee Gardens
Project Working Title	Can coffee producers - above and beyond their role as a socially-conscious off-taker -create effective and broad based sustainable rural development? A case study of The Coffee Gardens, Uganda
Background: Two short paragraphs. In the first, please provide a brief description of your organization and its objectives. In the second, please provide a brief introduction to the topic to be addressed by the project. Why is the organization interested? Why is the subject itself interesting?	<p>The Coffee Gardens is a social business working with smallholder coffee farmers in eastern Uganda. We built a micro-processing factory situated in a rural village in the foothills of Mt Elgon, where we produce coffee for export markets. Our aim is to produce high quality coffee in a way that is economically viable and benefits the farming community and the environment - achieving a triple bottom line. Typically, smallholder coffee farmers are paid low prices, which disincentivizes quality or environmental protection. Instead, we use high prices as a way of breaking this cycle, which are possible because of the higher quality. Through a high degree of transparency, we have built a relationship with farmers based on trust. This has allowed us to provide the wider community with a range of long-term training programs and services such as loans and tree-seedlings. To date, we have around 500 registered farmers, several training partnerships with NGOs, employ 150 people from the community, and have distributed nearly 10,000 trees.</p> <p>Uganda has experienced waves of different approaches to rural development. State-led development post-independence was seen as inefficient and corrupt. The liberalization and market-oriented reforms that followed the civil war have not delivered their anticipated development goals i.e., growth in rural incomes, economic dynamism and sector diversification. In the coffee sector specifically, market liberalization coupled with the collapse of the cooperative movement, although creating different market exit options, has concurrently</p>

	<p>produced a highly extractive sector, with smallholder farmers working in a labor-intensive manner on fragmented plots of land, earning very little income. Even when prices rise, many coffee buyers engage in “spot” purchasing, rather than developing long term relationships with farmers. In 2020-21, LSE student researchers explored whether The Coffee Gardens could be an effective vehicle for rural development by reshaping farmers’ incentives by prioritizing transparency and investing in long-term relationships.</p> <p>We believe that the private sector has an important role in rural development, beyond simply as an off-taker for a raw cash crop. Coffee accounts for a small proportion of many farmers’ incomes, and in most cases doesn’t approach providing a living wage. Thus, sustainable rural development by the private sector should also involve creating positive change for the wider community – job creation, skills development, and positive externalities such as secondary and tertiary businesses development in response to the injection of money into a rural area. However, it can also result in negative externalities, such as an increase in waste and environmental degradation, exacerbate existing inequalities and an increase in unplanned children. We believe that by focusing on a wider view, we can understand in what ways business models such as ours can benefit the whole community and where there are areas for improvement. We should also learn whether this is something that is in fact recognized by the community themselves, and thus contributing towards building a greater degree of ownership and loyalty.</p>
<p>Question: (One or two sentences. What is the motivating question? What is it, specifically, that your organization would like to know?)</p>	<p>What has been the impact of The Coffee Gardens on the wider farming community as a result of opening a small factory, creating employment and initiating a range of social projects - beyond being an off-taker of raw coffee cherries? What are the positive and negative effects of a business model which has invested in a hard-to reach area, compared to businesses which extract raw materials and</p>

	<p>transports them to an urban center? What benefits, if any, does our approach in turn bring back to the business?</p>
<p>Objective: (Short paragraph that explains what you hope to get out of the answer and how you may use the students' work to advance organizational objectives.)</p>	<p>Coffee buying is highly competitive in Uganda. Many companies and traders differentiate themselves based on the price they offer. However, we believe that focusing on such a narrow understanding of farmers' incentives not only misses the point, it also creates businesses with a very fragile "unique selling point". Moreover, farmers play complex roles in the community: farmer, parents/family members, skilled workers, broker/trader, shop/restaurant owner, motorcycle-taxi driver, etc.</p> <p>Having previously learned more about how our business model influences farmers' loyalty and decision-making, we now want to understand the influence of our presence and business model on the wider community. This research would inform the wider debate on rural development approaches, demonstrating whether or not private sector investments in rural areas can effectively instill rural development above and beyond purchasing raw materials. It will also inform us whether or not investing in additional social projects for the community offers a return on investment for the business.</p>
<p>Methodology: How the students are expected to answer the question. E.g. desk research, interviews, survey, review of internal documents, etc. If you wish the students to define the methodology please say so.</p>	<p>Students may design their own methodology using, for example, a combination of desk research, interviews and a review of internal documents. The Coffee Gardens would make available employees, farmers, and members of the community (through a translator) for interviews. Last year, we supported the selection of enumerators who the LSE student researchers recruited to conduct interviews. We would also assist the students in identifying other actors in the sector and making introductions where possible.</p> <p>It would be valuable to separate the effect of the different interventions (employment, externalities, social projects, etc). We would welcome the students to narrow their focus as much as possible.</p>

	We have several years' worth of internal data which we are willing to share.
Contact: (The name and contact information of the person within your organisation who will be responsible for liaising with the students.)	Shakeel Padamsey, shakeel@thecoffeegardens.com Michael Buteera Mugisha, michael@thecoffeegardens.com

