

SUPPLY CHAIN MANAGEMENT

growing together

Cafédirect puts great store on enabling its suppliers to build sustainable businesses and communities. So it invests eight per cent of gross profits on a programme to help them

In the fiercely competitive coffee and tea business, it's not uncommon for major brands to know little if anything about their suppliers. Many prefer to work through the anonymity of the trading floor than to get their hands dirty in the far-flung fields where their raw materials originate.

UK-based Cafédirect plc, however, has made a virtue of trying to establish a close bond with the people who grow its products. As Britain's largest Fairtrade hot drinks company, with an annual turnover of £17.3million, (\$30m) it might be expected to take a more holistic approach to the relationship with its 250,000 coffee, tea and cocoa producers around the world. But its ambitious Producer Partnership Programme has gone the extra mile.

A key plank in the company's aim of building a fair and just trading supply chain in 11 countries, the programme was set up to provide tailor-made business development and training support to grower organizations. It also plays a key role in reinforcing Cafédirect's stance on social and environmental issues and its fair trade ethos.

One of the main elements of the programme is to invite key individuals within farmers' groups to the UK for training on issues such as quality control and new product development, so they can then pass on the knowledge when they get back to their home

Cafédirect's strategy is to build long-term relationships with small growers in developing countries

countries. But the programme also features field visits by PPP team members, who help farmers identify the best growing areas and talk to them about the best production techniques.

The team has also worked to help coffee producers convert to organically certified farming, and has held 'price risk management' workshops in East Africa and Latin America that give tips to producers on how to cope with and react to volatile world markets and low coffee prices.

Ensuring coffee growers have a stable financial base is also important, so the programme helps producers find new markets and buyers. In Uganda, for instance, the Kayonza Growers Tea Factory has been set up with full internet and email access. The benefits are already being felt, with the factory managers now able to receive valuable market information immediately – and to respond much more rapidly to queries. Prior to this the nearest fax was 100km (63 miles) away.

But once new business is on offer, money becomes important. Crucially, the PPP team helps producers, who are also shareholders, raise funding for projects from local and international sources.

There is play as well as work, however. One of the programme highlights is a biennial 'Producers' conference' where growers meet for five days to share ideas and new working practices – but also to mix socially and let their hair down at a party. In Cafédirect's vision of supplier relationships, there is space for the dance floor as well as the trading floor.

■ Further information: Helen Ireland at hireland@cafedirect.co.uk

■ Alejandro Perez Olquin (below), a coffee farmer from Cocta, Peru, is one of the many small farmers to have benefited from the advice offered by Cafédirect's specialist support team

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comment
CAFÉDIRECT

Cafédirect is helping a quarter of a million farmers from whom it buys coffee, tea and cocoa to develop business and organizational skills – and to convert to organically certified farming.

features of particular interest are:

- some training for producers is held in the UK
- price risk workshops are a novel feature
- help is given on fund raising for special projects
- assistance is provided for producers to find new markets and buyers

SIMON WEBLEY, INSTITUTE OF BUSINESS ETHICS

