



Business and Investment Snapshot

Specialty Coffee

Sector(s):	Agriculture: Commercial and specialty coffee production, processing and exports
Location(s):	In Guji zone of Oromia regional state specifically in Shakiso Woreda, Addis Ababa, contact office
Product Line(s):	Commercial coffee export, specialty coffee export
Management:	Managed by senior management team having over 14 years of experience in coffee export business
Opportunity:	<p>Established in 2006, this Company is seeking an investment to scale its commercial coffee farm from its current size of 521 Ha to 821 Ha. Currently, the farm sells coffee to international buyers, and, over the past five years, has shown substantial year-to-year growth. In the most recent period, annual sale volume grew from 54 MT to 270 MT, while the revenue grew from \$250K in 2009 to \$1.4M in 2012/2013. The vision of the Company is to be identified as a producer and exporter of high quality, shade-grown, highland Arabica specialty coffees. It is envisaged that in the future at least 80% of the total annual production will be specialty grade, selling for a premium on the international market.</p> <p>The Company seeks an investment of \$6.3M over five years, to replant or clear and plant an additional 300 Ha, procure new machinery, construct buildings for a processing plant and obtain vehicles for transportation and collection. Out of the total financial requirement, \$2.1M would be used for CAPEX, and \$4.2M would be for working capital.</p> <p>The investment is for land development, installing coffee processing facilities and working capital. The investment plan assumes a five-year implementation period with additional rounds of financing.</p>
Market Trends:	Although Arabica coffee beans from Ethiopia have historically attracted lower prices (about 30% discount) than similar coffee from Brazil/Columbia due to poor processing, more Ethiopian farmers are shifting to specialty (premium grade coffee) coffee farms. Specialty coffee normally fetches 40% more than the normal coffee bean.
Investment Amount:	\$6.3M
Current Revenue:	\$1.4M
Impact on Value Chain:	Establish a presence along the entire specialty coffee value chain from crop to cup.
Social Impact:	Anticipated 30 new FTE, over 100 PTE; support to 200 out-grower farmers.

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