



SOURCING CASE STUDY: MOYEE COFFEE

Moyee Coffee is the world's first FairChain company, and is committed to producing sustainable coffee while creating skilled roasting jobs. Moyee's philosophy centers around the FairChain model by creating a 50/50 enterprise with local entrepreneurs. Within the model Moyee provides the 20% FairChain premium for the coffee farmers. With roasting and packing in the country of origin, Moyee is leaving 300% more money in the coffee-producing country.

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Sourcing Commitment

Moyee commits to work directly with smallholder farmers and procure premium coffee at a premium price. By partnering with sister company FairChain Farming they aim to train 300 smallholder farmers with 25 trainers, through the FairChain train-trainer-program in Limu, Ethiopia, by 2018.

TARGET DATE: 2020

Partners in Sustainable Sourcing

Moyee partners with its 350 farmer families and small coffee farms, and a local company in Ethiopia called Dedessa which provides the use of their washing station. Moyee also partners with Bext360 and their own team of block chain developers.

Business Case

The FairChain Farming business case from which Moyee sources is based on the FairChain principles. The goal is to reach a living income for the farmers, by increasing yield through training in which they invest from their own coffee revenues, by value chain integration (washing station) and by scaling up (model farm).

Strategy

For Moyee, the strategy is as straight forward as

establishing agreements between the companies and the farmers, purchasing the cherries and providing a washing station. Moyee's commitment is paying 20% on top of the established market price in order to adhere to their FairChain philosophy. At the end Moyee is able to receive a high quality bean while fairly rewarding the farmer. Buying cherry is short term, the goal is for farmers to own and manage the washing station and act as a serious green bean supplier for western roasters.

Progress

Moyee shares that for the last harvest they have fully reached their sustainable sourcing commitment. As Moyee looks into the future, their commitment is more about helping the farmers reach a living income that allows them to live a dignified life. At the end, Moyee's ultimate goal is to cultivate long-term business relationships with farmers while helping them increase their yields and quality. Eventually enabling each farmer reach a living income from growing coffee.

Monitoring & Evaluation

Moyee monitors progress by using blockchain technology. Through this method, they are able to keep track of many parameters efficiently and accurately. Moyee tracks other indicators such as soil fertility, biodiversity and other endpoint indicators relating to the farmers lives. Moyee uses the International Wealth Index to measure and track the economic situation of their farmers. Moyee also states



that it provides a self assessment questionnaire that assists in determining farmers wellbeing and best practices.

Key lessons

- Maintain focus on the farmer
- Importance in choosing the right communicator of your message
- Be persistent and maintain an open communication channel with your providers

Advice to Others

Moyee emphasizes the importance in starting a sustainable sourcing journey with a mission in mind. Moyee states that they recognize that there was something wrong with the coffee industry so they started working with farmers appreciating the work that they do and in turn rewarding them accordingly. Moyee also states that it is important to get to know the producers of your coffee at a personal level. This is hard to do, but at the end this relationship is an asset that can give you a competitive advantage.



“For decades the world has enjoyed the finest of Ethiopia’s Arabica coffee, while the majority of the profit has failed to reach the farmers. My vision for Moyee is to establish the world’s first specialty coffee brand that is as equitable as it is delicious. A company that produces quality beans and still delivers fair value.”

– Ahadu Woubshet, Managing Partner Moyee Coffee, Ethiopia
