



Coffee Innovation Fund – Vietnam

Supporting innovative and scalable solutions to increase profitability and market access of small-holder coffee farmers

Business Model for Organic Fertiliser Production

An inclusive approach to organic fertiliser production and supply to boost the quality and profitability of smallholder farmers in Huong Hoa district

Khe Sanh Agri-Product Cooperative was formally established in 2019 with seven founding members to create more sustainable farming approaches, improve the quality of coffee production, access new markets and increase the profitability of individual farmers.

Soil degradation and impoverishment

At present, coffee cultivation in the area is not sustainable: the overuse of chemical fertiliser and herbicides is contributing to soil degradation and a downward cycle of coffee quality and yield.

In addition, the current supply chain framework and the coffee price crisis have led to an impoverishment of smallholder coffee farmers in the district, an increasing number of whom are switching to other alternative crops.

Transparent and equitable business model via organic fertiliser production

Large-scale organic fertiliser production will provide the farmers with access to organic fertilisers at substantially lower costs than chemical fertilisers. The subsequent commercialisation of the fertiliser beyond the cooperative also provides an additional source of income for the cooperative's members.

The application of organic farming practices will increase both the quality and the quantity of coffee beans and thus the profitability of coffee farmers.



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Project overview

Term: 2019-2020
Region: Quang Tri, Vietnam
Partner: Khe Sanh Agri-Product Cooperative
Volume: EUR 46,660 (supported by the Fund)
EUR 92,960 (total volume)

Goals

- ❖ Establish organic fertiliser production at the cooperative to provide cost-efficient fertiliser and an additional source of income to its farmers.
- ❖ Increase coffee quality and reduce soil degradation.
- ❖ Increase the number of farmer members up to 100 based on a transparent, accountable and equitable value sharing model between farmers and processor.
- ❖ Access higher priced markets for its products.

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