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The screenshot displays the Arkena Coffee Market dashboard for a user named Tijani Aba Jobir from Oromia, Ethiopia. The interface features a sidebar with navigation icons and a main content area. At the top, a product card shows the following details: Process Type: Honey, Grade: 1, Estimated Price (USD): \$3.75/lb, and Available Stock (60kg bags): 50. An 'Add to cart' button is present. Below this, the 'Cup Profile' section lists attributes: Aroma (Coffee Pulp), Acidity (Winey, Pointed), Flavor (Pineapple, Apricot, Apple), Body (Juicy, Smooth, Medium), and After Taste (Lingering, Clean). The 'Producer Intro' section includes a profile picture and name for Tijani Aba Jobir, a 'Producer Message' section with the text 'No Bio...', and a map view showing the producer's location with 'Terrain' and 'Satellite' tabs.

Screenshot of dashboard of the  
Digital Marketplace. © Arkena Coffee Market



# COFFEE INNOVATION

Facilitating Access to Premium  
Markets for Smallholder Farmers

A Digital Application to Optimize  
Smallholder Coffee Export Potential

# OVERVIEW: ARKENA COFFEE MARKET (ETHIOPIA)



## CHALLENGE

There is a lack of market access and process optimization for smallholder farmers. Conversely, small buyers in the international market lack a platform from which to source directly and ways to connect efficiently with small producers.

## INNOVATION

### ETHIOPIA'S LARGEST DIRECT TRADE DIGITAL MARKETPLACE FOR SMALLHOLDER PRODUCERS

The ecosystem contains a field app, management portal, landing page and marketplace. They are all interconnected so that farmers can find the best buyer for their coffee and control ownership of their coffee until it is purchased by the final consumer. Processing, specifically hulling, is done by the farmers. Arkena then completes quality control by screening the coffee through hand sorting and checking for color and sampling. They are also in charge of the physical delivery of coffee for export.



## COMPANY DESCRIPTION

Arkena's founders came from Sucafina, a global coffee trading company. They have experience with smallholder farmers selling to sales offices and wanted to create sustainable connections between smallholder farmers in Ethiopia and international buyers.

## KEY COMPANY STATS

### NUMBER OF PRODUCER PARTNERS

505 farmers

### NUMBER OF STAFF

Two



## COST

### COSTS

No cost to farmers, 10 % fee on the contract price (including milling, jute and ecotact, transport, customs, port fees etc.)

### EFFECTS ON REVENUE

Could not be determined



## PREPARATION

### TIMELINE

Two to three months (mostly for field data collection and samples)

### MATERIALS AND EQUIPMENT

For farmers:

- Smart phone (farmer app)
- Browser-enabled device (laptop, computer, tablet, smart phone) for access to the portal, landing page and marketplace
- SMS phone (price updates weekly)

### STAFFING REQUIREMENTS

Each farmer can manage their own



## LESSONS LEARNED

### CHALLENGES

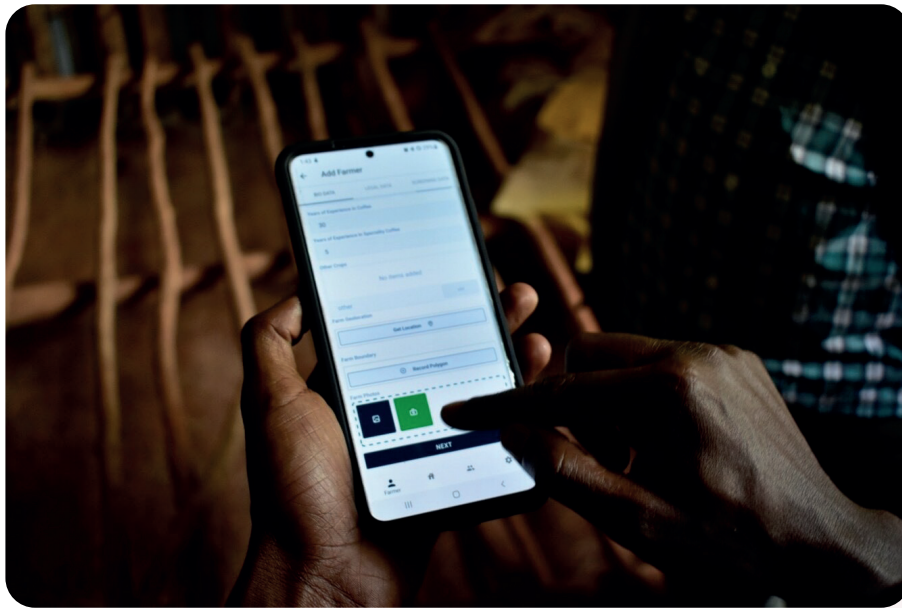
- Timing of onboarding farmers vis-a-vis harvest is important, since farmers are busy during harvest.
- Farmer selection and onboarding is important to ensure that participants are motivated, digitally literate and understand the process.
- Scalability has been difficult on the farmer side (virtual container consolidation).

### TAKEAWAYS

- The initial success of the platform has inspired new features, including plans to develop a Web3 capability that could create value for sustainability and other initiatives at the smallholder level.
- Onboarding is expensive. Rather than hiring field staff the new farmer app will simplify onboarding and incentivize farmers to collect data and they will be paid for it.
- In order to expand to include other buyers and regions, Arkena plans to create a whitelabel version of the platform for importers to allow their buyers to arrange purchases directly.

## RESULTS: ARKENA COFFEE MARKET (ETHIOPIA)

As a result of Arkena Coffee Market's deployment of the new Arkena app:



Showcasing the app: functions. © Arkena Coffee Market



### 100 SMALLHOLDER FARMERS

registered in the first year, 11 of whom are women, representing over 500 hectares of coffee benefitted from new market connections.



### TWO METRIC TONS CONTRACTED

in the first year through the app, a 500 % growth in demand. Nearly 1,000 % growth expected in 2024.



### THE MONEY STAYS IN PRODUCING COMMUNITIES

and can be used for new businesses, household needs, education costs and more.



### 34 % NET INCREASE IN PROFIT

for producers, achieved by direct sales.



### 252 WOMEN AND 350 YOUTH BENEFITTED

“

We have unmatched visibility into the farm and farmers' operations, tracking from the farm to port, automatic updates for farmers and buyers, and this all adds up to unmatched marketing of coffee, farmers and doing business directly.

”

## IMPLEMENTATION: ARKENA COFFEE MARKET (ETHIOPIA)

### STEP

1

Onboarding: Arrange visit by field agents for farmer profile

### STEP

2

Documentation: Prove farmer has license for export, agreement with Arkena

### STEP

3

Sample: Farmers bring samples (one to two kg) to Arkena at the end of harvest

### STEP

4

Sell: Goes live in marketplace (several prices are set by the farmer—including desired and lowest acceptable, accounting for ECX export floor price)

### STEP

5

Send volumes as contracted

### STEP

6

Payments are sent to farmers directly



Coffee drying process. © Arkena Coffee Market

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**MISSION:** The Fund's objective is to increase the profitability of smallholder coffee farmers, and foster greater, more equitable value distribution along the supply chain through promoting innovative farming systems, transparent and inclusive business models, and access to new markets.

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