

THE INTER AFRICAN COFFEE ORGANIZATION (IACO) HOLDS A 2-DAY PLANNING MEETING

Introduction:

IACO organized a 2-day Planning Meeting at its headquarters in Abidjan, Cote d'Ivoire on 26 and 27 March, 2009, with the main objective to developing a medium to long term program for its Economics Department. This medium/long term program would be expected to serve as the basis for short term/yearly development of projects for implementation in member countries.

Other minor objectives of the meeting included:

- Review past projects of relevance to IACO's Economics Department – their state of implementation and what follow up actions need to be carried out in the immediate term to promote traction.
- With a focus on coffee marketing, consumption and improved coffee pricing, identify the challenges faced by producing countries in the marketing of coffee, including the policy environment of producing countries.
- Agree on specific problem areas where projects need to be designed to address these challenges.
- Identify and agree on specific projects and their implementation strategies with time frame and country locations – broken down into fast track projects, short term, medium term and long term projects.
- Agree on activities to be carried out in each of the identified projects.
- Agree on funding sources and approach.

Participation

IACO invited experts from selected member countries and 2 International Consultants to participate in the discussions. Below is the full list of the meeting participants:

- | | | |
|------------------------|---|---------------|
| • Mrs Nko'o Etoungou | - | Cameroon |
| • Momah Bicharr Edward | - | Cameroon |
| • Charles K. Kukah | - | Ghana |
| • Charles Agwanda | - | CABI |
| • John Schluter | - | Consultant |
| • SK Surendra | - | Consultant |
| • Mr Diarassouba Mory | - | Côte d'Ivoire |

These participants were joined by the following IACO officers:

- | | | |
|-------------------------|---|--------------------------------|
| • H.E. Mme Josefa Sacko | - | Secretary General |
| • Kwaku Owusu Baah | - | Director, Economics Studies |
| • Bayetta Bellachew | - | Director, Research/Development |
| • V. Djouka | - | Rapporteur |

Synthesis:

The global coffee market has seen significant dislocations since the early 1990s with pricing tumbling to all time low. Prices have started to pick up in the last couple of years due to tight supplies and delayed harvests, but these prices are below the pre-1989 prices.

African coffee producers are yet to benefit from the increasing prices. Additionally, African coffee production has declined. Africa now controls about 12 percent of global coffee exports, down from 32 percent in 1970. Poor prices forced coffee farmers to cut back on their production. As a solution, several suggestions have been put across, aimed at improving Africa coffee prices.

Among them are seeking new markets for African coffee, increasing domestic consumption of coffee in African producing countries, improving the quality of coffee to attract premium prices, rehabilitation of old and abandoned coffee farms to increase production and productivity, adopting the value chain approach for local coffee production and marketing, influencing Governments' policy to benefit the coffee industry etc.

IACO has taken the lead in designing and implementing some projects aimed at boosting coffee production in Africa and promoting improved pricing structure. As an intergovernmental organization, IACO's role and influence in finding antidotes to challenges faced by African coffee producers will continue to be prominent and crucial. It is in line with IACO's mandate that the Planning Meeting was organized.

Output of Meeting

The meeting identified 12 thematic areas of importance as follows:

- Improving Collection and Publication of Statistical Data
- Carrying out Comparative Value Chain Analysis in Member Countries
- Conduct Studies in Production, Productivity Quality and Environment (sustainability)
- Embark on Market Intelligence to Make Projections
- Have a Comparative Study on Production Costs and Costs From Farmgate to FOB
- Study and Provide Policy Advice on Production, Processing and Marketing
- Income Diversification
- Finance and Credit
- Promotion and Development of Domestic and Non Traditional Markets
- Build Public/Private Partnerships
- Input, Output Marketing Operations and Certifications
- Impact of Liberalization.

These thematic areas will form basis for developing annual projects for the next 5 years and to seek funding from the donor community to implement same.