The International Coffee Council, 9-13 Sept 2013

Excellencies,
Ladies and Gentlemen;

The Secretary General presents his compliments and wishes to make some observations from the recent ICO meetings in Brazil.

There were five key areas from the Brazil meetings that I will highlight here: the coffee market situation, climate change, the Africa Group, the critical situation of the black coffee twig borer, and the Belo Horizonte Declaration.

Coffee Market Situation
The coffee prices, as monitored by ICO, which had risen significantly between 2011 and 2012, have slumped again, falling below the levels of 2009, thus bringing some distress among the producers. However, this is very typical of commodity prices, and what is needed is for us to address the issues of efficiency at the production level and therefore the ability to withstand price variations, and thereby we would improve the margins at the farm level. We also need to address bottlenecks in the value chain which escalate costs and reduce our competitiveness.

Climate Change
Climate change was an important part of the discussion during the meetings, due to its real impact on coffee production. In Africa, this has grave effects on smallholders with no access to irrigation. Research has therefore to explore the development of drought resistant varieties, appropriate practices like agro-forestry and diversity of technologies to mitigate the effect of climate change on coffee production in Africa. Brazil has taken significant steps in this regard and they are in the process of generating viable technologies. Africa would do well to take important lessons from Brazil.

The Africa Group
In order for African producers to make a significant impact during the ICO meetings, it is imperative that we are organised and coordinated as a group so as to make impactful presentations and contributions in the discussions. It was possible for the Africa Group to have a meeting before the 111th ICO council sessions, and further consultations in-between the sessions helped members to articulate important positions, and agree on the interventions to be made. This is a positive development which we would like to improve further and facilitate the consultations and interactions by IACO members in preparation for each ICO Council meeting.

Black Coffee Twig Borer in East & Central Africa
The Ugandan delegation reported the outbreak of the black coffee twig borer (BCTB) which was noted to have reached epidemic levels in Uganda and has spread within East and Central Africa. It is also reported to be the worst impact seen since this pest appeared in Africa in 1993. This outbreak could have grave impact on the livelihoods of millions of coffee growers in the regions, and could also affect the wellbeing of more millions who depend on the coffee value chain for their livelihoods. Following the Councils adoption of the resolution presented by Uganda, I hope that this will be followed by actions and measures that will reverse this infestation.
Belo Horizonte Declaration

A declaration was adopted by the Council on 12th September 2013, known as the Belo Horizonte Declaration, which noted the achievements of ICO, its current focus and future outlook. Of particular interest, the ICO will continue to provide support and technical assistance to countries affected by pests and disease, promote consumption globally, provide data on production and stocks and source financing for coffee development projects. We indeed give tribute to all who have contributed to making the ICO what it is today.

Field Visit

The week was concluded with a tour of a coffee farm, and one of the cooperatives, which had important lessons for us to learn as African coffee producers regarding the commodity value chain approach and how a well organized cooperative operates.

The Challenge

Africa’s influence in the global coffee business has declined significantly. The amount exported by African countries has declined from 18.9 million bags in the 1971/72 coffee season, when African countries together accounted for 32% out of world coffee exports of 58.6 million bags. However, in the last coffee year (2011/12) our total exports were 10.5 million bags, out of the global total of 110.6 million bags. Thus, Africa accounted for a mere 9% percent of coffee exports, and production has declined in almost all countries, except in Ethiopia; and to some extent, Uganda. We note that between 1971/72 and 2011/12 global coffee exports grew by 88.7% from 58.6 to 110.6 million bags, but Africa was not part of that growth, instead our exports reduced by 44%. While global demand (including domestic consumption in producing countries) is projected to increase from 140 million to 160 million bags, Africa may not enjoy part of this increase unless decisive steps are taken to address key constraints faced by Africa’s coffee sector.

IACO is therefore calling upon the member countries to urgently give attention to addressing the constraints facing the sector in Africa, with specific attention to the issues in the individual member countries. The African coffee symposium to be held in Lomé, Togo, on 18-19th November 2013, will provide an opportunity for key issues affecting Africa’s coffee sector to be addressed. It will include a private sector forum and a policy forum where high policy makers including Ministers from IACO countries will participate in a discussion to chart the way forward. I hope we will use the opportunity to agree on the critical path that we can take in regaining the lost ground.

Veuillez agréer l’assurance de ma très haute considération

Sincerely

Frederick S.M. KAWUMA
Secretary General