



**INTERNATIONAL
COFFEE
ORGANIZATION**

**Statement by the Executive Director of the
International Coffee Organization, Mr Robério Oliveira Silva, at the
55th General Assembly of the InterAfrican Coffee Organisation and its
3rd African Coffee Symposium, Luanda, Angola
23 to 27 November 2015**

Your Excellency, Mr José Eduardo dos Santos, President of the Republic of Angola,

Honourable Ministers,

Excellencies, Members of the Diplomatic corps

Mr Vice-President of the African Development Bank Group,

Your Excellency, Mr Afonso Pedro Canga, Chairman of the InterAfrican Coffee Organisation,

Mr Fred Kawuma, Secretary General of IACO

The representatives of International, Regional and Sub-regional organisations,

Distinguished Delegates,

Ladies and Gentlemen,

It is a very great honour as well as a true pleasure for me to address this Annual General Assembly of the Inter-African Coffee Organisation and its 3rd African Coffee symposium. Apart from my personal satisfaction at finding myself once more in Africa among friends and eminent personalities, my presence at this important event in the beautiful country of Angola is a testimony to the interest of the International Coffee Organization in IACO, which brings together the whole of the African coffee community.

The theme of the present third symposium, **“Focusing on gender and youth in Africa’s coffee industry”**, reveals the current debate on the sustainability of the coffee sector in producing countries, especially in Africa.

Women are more active as economic agents in Africa than anywhere else in the world. According to the United Nations, women comprise 50% of the agricultural labour force and make up to 20% of the landowners producing an important share of Africa’s food.

However, as producers, African women are concentrated in subsistence-level agriculture and marginal activities, often in the informal sector. Women have less access than men to productive resources. There is a significant gender gap for access to land, credit, pesticides and fertilisers as well as extension services.

Women are also often more constrained by time due to the double burden of domestic and farm work. Households headed by women have smaller landholdings and less marketable output.

The challenge is to close this gender gap and help women to become more productive. The FAO estimates that if women had the same access to resources worldwide, their yields could increase by up to 30%. Therefore, increasing the productivity of women is a key element in achieving inclusive growth.

Youth in coffee

Inclusion has another dimension: youth. With close to 70% of the African population aged below 25, Africa is the youngest continent in the world.

Unfortunately, many of these young people in Africa face underemployment and need to be provided with economic opportunities, not only in urban but also rural areas. At the same time it can be observed that young people are less and less inclined to follow in their parents' footsteps and engage in agricultural activities including coffee farming. Not tapping into youth's potential is a severe loss for the economy as rural youth is often better educated and more entrepreneurial than their parents' generation.

Hence, young people can be an important driver of change in the agricultural sector. Young growers are more likely to adopt technological innovations and implement modern farming techniques which are crucial to increase productivity in the coffee sector.

There is a widespread concern in the coffee industry that the lack of a new generation of young growers could negatively affect the supply of high quality coffee beans. Getting young people involved is therefore a major factor in the sustainability of the coffee industry.

Innovative approaches and activities need to be developed and funded, as youth needs to be enticed into agriculture. I hope your deliberations over the next three days will bring concrete and effective approaches to address these issues.

Current market situation

At this opening ceremony I would like to highlight the current situation of the world coffee market and its prospects.

The current market situation of coffee shows a reverse of the downward trend in prices observed towards the end of coffee year 2014/15, with the average level of the ICO composite indicator price at 118.43 US cents per pound in October 2015 compared to 113.14 cents in September, a slight increase of 4.7%.

In terms of the market fundamentals driving these prices, world production for crop year 2014/15 is currently estimated at 143.3 million bags, representing a decrease of 2.3% over the previous year when production was 146.6 million bags. Total Arabica production for crop year 2014/15 is estimated at 85 million bags, representing 59% of the world total compared to 58.3 million bags for Robusta, or 41% of the total.

In Africa, after a long period of negative growth following the disappearance of mechanisms for direct intervention in the market and the liberalization of marketing systems in early 1990s, production has been stabilized at around 16 to 17 million bags.

Africa will account for 12% of world total production in 2014/15. As we are in Angola, the country that accounted for an average 5% of annual world production until the mid-1970s has lost its place among the regional's leading producing countries, with just 35,000 bags in 2014/15, compared to 4 million bags in 1972/73.

However, the coffee rehabilitation programme sponsored by the ICO is expected to reverse the downward trend in the near future provided that the Government continues to support the process.

World consumption has shown strong growth over the last ten years, reaching an estimated 149.2 million bags in 2014. This development of world consumption is attributable to growing demand in emerging markets, mainly rising domestic consumption in exporting countries.

In Africa, total consumption has increased significantly since 1990, from just over 4 million bags to 10.8 million bags today. This increased consumption has been driven in large part by economic growth and development, but also by a growing population. Indeed, per capita coffee consumption has increased less dramatically and now stands at under 600 grams per person. This suggests that there is significant potential for further growth in coffee consumption in Africa.

Prospects for continuing demand for coffee remain promising, particularly in emerging markets and exporting countries, in addition to the growth of niche markets. This buoyant world consumption should help maintain a fair balance between supply and demand, sustaining prices at relatively high levels.

However, there are a number of cross-cutting issues that may affect the world production. In many producing countries, particularly in Africa, coffee growers face severe structural

problems. Productivity remains low while the cost of production increases. In addition, new challenges such as climate change are affecting the industry.

I share the view that a number of these challenges can be addressed through strong cooperation with bilateral and multilateral financial institutions. Therefore, coordination of the efforts of our two organisations to support the coffee industry in producing countries becomes more vital than ever.

I would like to conclude by assuring the Government of Angola that the ICO is completely at its disposal to work together in the rehabilitation of its coffee industry for the well-being of many coffee growers.

I thank you!