



Organización Internacional del Café  
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Organisation Internationale du Café

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London, England

**Future of the International  
Coffee Agreement (ICA) 2001**

**Communication from Kenya**

## **Background**

The following proposals for amendments to the ICA 2001 have been received from Kenya, in response to the decision taken by the International Coffee Council at its 95<sup>th</sup> Session that Members should submit proposals on the future of the ICA 2001.

## **Action**

The Executive Board and the International Coffee Council are requested to consider this document.

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When replying please quote:

**AG/7/1**

Ref: .....

Date: .....

21 September 2006

Mr. Nestor Osorio  
Executive Director  
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**RE: KENYA'S POSITION ON I.C.A.**

Find here attached a paper on the above mentioned, for your inclusion in the documents for discussion during ICO Meetings.

A handwritten signature in black ink, appearing to read 'A.K. Barno'.

**A.K. Barno**  
**Agricultural Attaché**  
**KENYA HIGH COMMISSION**

## REPUBLIC OF KENYA



# **KENYA'S POSITION AND PROPOSED AMENDMENTS ON INTERNATIONAL COFFEE AGREEMENT (ICA) 2001**

## **1.0 THE POSITION**

Kenya advocates for extension of the current International Coffee Agreement (ICA) 2001 with the relevant amendments in accordance with article 52 paragraph (2) and article 53 paragraph (1) for the next 6 years.

## **2.0 THE AMENDMENTS**

In this respect, Kenya proposes amendments in the following areas:-

### **2.1 ARTICLE 1 - OBJECTIVES**

In the development of the global coffee sector, new dynamics which were hitherto unknown have come up. These include the entry of new players such as Non Governmental organizations [NGO's], development partners and the private sector among others who cannot be excluded in discussing coffee matters.

It is therefore important that the objectives be expanded in order to cover the emerging developments and issues that inform the coffee business today and possibly into the future.

## **2.2 ARTICLE 39 - SUSTAINABLE COFFEE ECONOMY**

Kenya subscribes to sustainability initiative which is now widely embraced in coffee and other exportable commodities. However, there seems to be an undue emphasis on the social, environmental and safety issues in comparison with economic issues that touch on producers' equity.

In the last few years, coffee producers have received meager returns due to the global coffee crisis and returns that are skewed in favour of the trade.

There is therefore a need for re-stating and re-defining the concept of sustainability in order to attain a balance between the economic and the other components of sustainability.

### **2.3.0 INSERTION OF NEW ARTICLES**

#### **2.3.1 Diversification Initiatives**

The concept of diversification initiatives i.e vertical and horizontal will need to be adopted as a measure to support the coffee economy.

Vertical diversification if supported would shorten the hitherto long value chain, thereby accruing more returns and thus motivate the growers who are essentially the primary producers. Currently the imbalance in profits is highly skewed in favour of the trade.

Horizontal diversification too, should be encouraged especially in enterprises that bring synergies to each other, for instance coffee and dairy farming, coffee and poultry, coffee and bees or coffee and appropriate fruit trees for shade or bird friendly grown coffee.

### **2.3.2 HEALTH AND FOOD SAFETY ISSUES**

Research has shown that Ochratoxin A (OTA) could occur at any level along the supply chain either at the production, processing, storage, transport (land and sea) port of entry and even in the consumer warehouses. It is therefore important to put measures in place at all levels to contain the OTA problem.

As a result of consumer awareness on health and food safety issues, pressure has increased creating the need to put in place measures that would regulate these aspects. This will include consideration of the minimum residue levels (MRLs) and OTA in coffee beans among others.

There is therefore a need for a clause to be included in the current ICA agreement to provide for the mechanism of dealing with this problem.

### **3.0 CONCLUSION**

The current International Coffee Agreement (ICA) in our view as a country has served us reasonably well. Kenya therefore advocates that there is no need of renegotiating a new pact as this is not only time consuming but also unnecessarily costly. However, there is need for some minor amendments and insertions to be introduced within the framework of the current pact in order to capture the new emerging issues.