

SUSTAINABLE COFFEE FARMING: BUSINESS OPPORTUNITIES FOR AFRICAN FARMERS

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Your Excellency the President of the Republic, Honourable Ministers, distinguished delegates:

I am delighted today to be back in Africa, the homeland of coffee, and especially in Burundi, with the opportunity and honour of addressing you on a topic of global importance which is crucial to the coffee community: sustainability.

Sustainable production of coffee focuses on environmental, social and economic aspects. This is reinforced by Article 36 of the International Coffee Agreement 2007 which refers to the principles and objectives on sustainable development contained in Agenda 21 adopted at the United Nations Conference on Environment and Development, and those adopted at the World Summit on Sustainable Development.

The Organization is working to promote an awareness of the need for a sustainable coffee economy by making stakeholders in the coffee sector aware of the threat to sustainability posed by negative economic conditions for producers, and proposing measures in areas such as quality, promotion, and diversification to maintain balance in the world coffee market.

We need a comprehensive plan to tackle all three aspects of sustainability to be implemented by the national coffee authorities and associations of each individual country.

I would like to highlight four basic points:

1. Following sustainable principles is important and can provide concrete benefits to most stakeholders involved in the coffee business;
2. Improving productivity should be a key element in any sustainable initiative;
3. Farmers need institutional support to obtain appropriate certification; and
4. Methodologies exist to evaluate the various certification schemes on offer;

An important objective of the present International Coffee Agreement is to encourage Members to develop a sustainable coffee sector in economic, social, and environmental terms.

This is reflected in all our work and I should like to convey my particular satisfaction that last year the International Coffee Council approved a project, managed by the Kawahatu Foundation, aiming to promote a sustainable coffee sector here in Burundi.

Global initiatives imply codes of conduct and standards which need to be validated through certification. A number of codes have now been developed by special interest groups and others, ranging from those designed to protect forest cover for migratory birds or aiming to secure premiums for producers, to those addressing standards for the mainstream market with the support of large roasters.

At an ICO Seminar in September 2012 (ICC 109-14) we learnt that certified sustainable coffee, around 1 per cent of the total market in 2000, would rise to 18 per cent by 2015.

We need to accept, however, that the impact of the various schemes varies considerably and cost-benefit information is hard to obtain.

It is clear that, over and above the question of price premiums to farmers, the production of certified coffee will enhance its marketability, as well as facilitate improvements in farming methods and overall quality, providing of course that care is taken to secure the conditions for successful implementation of the most appropriate scheme.

However, for small holder farmers to switch to the production of certified coffee, they need institutional advice and assistance, typically from cooperatives, other producer bodies or government services which have the capacity to provide it.

With this in mind, the ICO has sponsored a project amounting to US\$4.5 million in funding from the Common Fund for Commodities and the European Union, managed by AFCA.

The aim is to build capacity in the area of certification for sustainable coffees through an intensive programme of training of trainers which targets more than 6,000 beneficiaries over 5 years in nine African countries (Burundi, Ethiopia, Kenya, Malawi, Rwanda, Tanzania, Uganda, Zambia and Zimbabwe).

So how does one choose from the large number of schemes now being promoted?

It is clear that for producers the benefits of participation may vary considerably depending on the particular conditions and priorities.

I would like to add a brief comment on quality.

For the highest price premiums involving exemplary coffees, marketing channels are different from those for mainstream coffees, involving for example specialist gourmet retailers, as described in the report on the ICO Gourmet Coffee Project.

The Alliance for Coffee Excellence, which further developed the techniques such as Internet auctions pioneered by the ICO project, reported that at its Cup of Excellence programme here in Burundi last year the winning coffee was sold - to a Japanese company - for 25.20 US dollars per lb, at a time when the C Contract was around 130 cents.

In the mainstream market price premiums for quality are relatively modest.

Nevertheless, I must emphasise that compliance with the standards required for certification should still lead to improvements in quality which are of great importance for long-term sustainability.

To conclude, it is with great pleasure that I can reiterate that the ICO is committed to the concept of a sustainable coffee economy worldwide and is ready and able to facilitate contacts between organizations in Africa and the operators of the various sustainability initiatives, and ensure that information for decision-making is both comprehensive and readily available.

I know that these aims are shared with AFCA and would like to thank them, together with our host country, Burundi, for organizing this excellent and highly topical Conference.

Thank you.