

# **AFRICAN** **FINE COFFEES** REVIEW MAGAZINE

Jan - March 2015 | Volume 4 Issue 2

## **AFCA-ITC FIRST B2B EVENT**

A HUGE SUCCESS FOR AFRICAN PRODUCERS  
AND INTERNATIONAL BUYERS

THE IMPACT OF **CLIMATE  
CHANGE** ON WORLD PRODUCTION  
AND OPPORTUNITIES FOR ARABICA

SIMPLE **INNOVATIONS** TO  
INCREASE PRODUCTIVITY  
BASED ON A TRUE STORY

**MY THOUGHTS  
TOWARDS A  
RESURGENT  
AFRICAN COFFEE  
ENTERPRISE**



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# A WORD FROM THE CHAIRMAN



**From the 12th to 14th February 2015, Kenya held the 12th African Coffee Conference and Exhibition at the Safari Park Hotel and Casino, under the theme, Productivity – The Key to Sustainable Resurgence of the African Coffee Industry. The heartbeat of Africa played host to over 1000 delegates per day. It drew African Coffee Enthusiasts and Producers from all over the world**

On behalf of the Board of Directors, I would like to express my gratitude to the Kenya Host Country Conference Committee chaired by Karugu Macharia for their efforts in mobilizing sponsorship and attendance of the conference in large multitudes.

Special appreciation goes out to Robério Oliveira Silva, Executive Director of the International Coffee Organisation, Duncan Pollard AVP – Nestle and Pius Ngugi, Chairman of Thika Coffee Mills who all called for the resurgence of the African Coffee Industry to new levels.

Finally appreciation over and above the call of duty goes out to Joseph Kimemia.

The conference offered a unique coffee safari through beautiful Kenya, held the highly successful fourth sustainability forum, held two AFCA Institute lead Trainings, showcased Africa's finest coffees and top baristas, hosted amazing social events, provided informative sessions on the markets and a beautiful exhibition in heart of Nairobi Kenya.

The conference also facilitated and allowed business to flow through the Business to Business Meetings and highly vibrant exhibition Area.

This publication highlights three topics that stuck out this year:

- 1. My Thoughts towards A Resurgent African Coffee Enterprise*
- 2. The Impact of Climate Change On World Production And Opportunities For Arabica*
- 3. Simple Innovations to Increase Productivity Based On A True Story*

Lastly, I invite you all to Dar es Salaam, Tanzania for the 14th African Fine Coffees Conference & Exhibition on the 18th -20th February 2015. The Entire Tanzania Chapter invites you for another beautiful conference.

We hope to see you there!

**Abdullah Bagersh**  
**Chairman**  
African Fine Coffees Association

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# MY THOUGHTS TOWARDS A RESURGENT AFRICAN COFFEE ENTERPRISE



**The Cabinet Secretary, Ministry of Agriculture, Livestock and Fisheries, The Principal Secretary, State Department of Agriculture. All distinguished guests from AFCA fraternity, Coffee industry stakeholders represented, My fellow coffee farmers. All protocols observed Ladies and Gentlemen....**

It is indeed my pleasure to stand here on this auspicious occasion of the 12<sup>th</sup> conference and exhibition of African Fine Coffees Association. It gladdens me further as coffee is a crop I passionately champion for and it remains close to my heart.

Eleven years ago today, AFCA held its first conference right here at the Safari Park Hotel. It is yet another memorable occasion that we gather here to celebrate the 12<sup>th</sup> Annual Conference of a rebranded organization whose membership has grown.

Please allow me to highlight a few of issues and steps made in the coffee sector. Coffee being the second most traded commodity in the world, is a highly strategic crop for African countries. It therefore calls for a lot more involvement by the stakeholders in ensuring Africa has a larger stake in the world market.

#### **Ladies and Gentlemen....**

For the AFCA member producing countries it is imperative for the governments to put measures in place that will motivate growers by creating and

overseeing supportive and progressive policies.

For example Ethiopia and Uganda government have purposed to facilitate an enabling environment for increased production.

Today, Uganda is churning into the market about 3 million bags of coffee annually. We should learn a few things from these two countries and emulate them in our resident coffee producing countries.

#### **Ladies and Gentlemen....**

The Kenyan situation plays out a little differently as the industry has experienced a number of challenges that have seen production go down substantially. I need not dwell on this other than to mention that statistics vindicate this. Coffee productivity in Kenya and across the African continent today is estimated at below 2.0kg/tree per year.

Whereas there are many factors that contribute to this, the returns to investment is the key factor that





has been discouraging the farmers. You all know that Kenya for example, about 35% of the price is deducted for agents fees and statutory deductions and a further percentage to servicing obligations accorded to the farmers by financial institutions in the past years. This indeed remains a major demotivating factor.

#### **Ladies and Gentlemen.....**

I applaud and resonate with the theme of the conference...**Productivity The Key to Sustainable Resurgence of the African Coffee Industry.** We thank many African governments for instituting measures and policies in support of the coffee farming business. However, I challenge the government(s) for further reforms to support deeper private sector engagement with coffee farmers. This will include but not limited to the following: -

#### **Resource development-**

The subsector should have clear policies around production as this is at the centre of the entire value chain. In this respect therefore, the governments should embrace and put in place mechanism that urge each and every investor at the different levels to engage in production. It is important to note that if players are compelled to develop resources to meet their needs, production will without question rise and thus reverse the current negative production trends in Africa. The government should therefore encourage participation of all stakeholders in resource development to fully utilize the available capacity.

#### **Coffee Processing –**

The model adopted by Uganda where smallholder coffee farmers can process their coffee at any licensed processor can be replicated in other African countries with great results. This arrangement as it is has and will create healthy competition and a sense of complementarity among players in coffee processing and increase efficiency across board.

#### **Marketing & Coffee Prices-**

I am aware that the Kenyan government through Coffee Directorate has created, and intends to launch and operationalize the Coffee Mark of Origin. Marketing of a country is no mean feat and should thus not be left to the private sector but should be Public Private Partnership initiative with the our governments creating funds that will be used in popularizing the Africa coffee brands in the world market. It is a known fact that most of the African coffee are used to blend coffee of various other

origins. A move to popularize Marks of Origin should be adopted by the entire AFCA membership of the producing countries. If we get it right, it will certainly give the African coffee its true identity in the world market. I do also believe that the current pricing methods are inadequate. It is my humble request through the governments and organization as AFCA to find alternative mechanism to coffee valuation to place true value to our coffee.

#### **Research**

Most of us appreciate the value of research in agriculture. Any agricultural enterprise that is supported by a well-funded and strong research and development component will be able to acquire the vibrancy required in today's challenging business world. I therefore call upon African governments with countries in the African Fine Coffees Association to give more robust budgetary support to Coffee Research Institutions in their respective countries to develop and address the primary issues of production.

#### **Ladies and Gentlemen.....**

It is a fact that the current structures in the coffee industry are not favouring growth and need to be addressed. At the centre of the structures, is the conflict of interest for agents who are allowed to play roles of buying and offering a service to the farmers that may pose a compromise on service delivery. It is very important for the policies developed or in the process of being developed to address this conflict by defining the roles of the various players in the value chain.

As I conclude my remarks, I wish to state that I do believe that the governments should be at the forefront of creating enabling environments for investors to put more resources in the coffee production and put policies in place that will ensure sustainability.

I finally challenge us to create the long overdue regional exchange that will take advantage of the regionalism that would determine the true value of our coffee. If we achieve this, this sub-sector can without a doubt regain its glory and indeed start conforming to the edict of the theme of this conference.... Resurgence!!!

Thank you and may God bless you all....

*Enjoy a cup of coffee and stay Healthy*



# SIMPLE INNOVATIONS TO INCREASE PRODUCTIVITY - PERU



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Short Resume: Considered a very influential person in modern Latin American agricultural trends and has been former Director General of the Peruvian Ag-R&D Institute (ranked as Vice-Minister of Agriculture), and founder of ACM, Peru's leading management and development consulting company focusing on the agribusiness and food industry sectors. He has served in many national and international Committees and Boards, gathering professional experience in over 25 countries. Being a coffee farmer as well, he has led consulting teams for studies, roadshows and workshops along different links of the specialty coffee value chain in Peru, El Salvador, Guatemala, Costa Rica, Honduras, Colombia, Brazil, and in the US. Dr. Salas holds an MS and a Ph.D. in Crop Science from NCSU and an MBA from Purdue.

## **Simple Innovations to Increase Productivity – Based on a True Story**

While globalization and information have reduced middlemen intervention and open diversified markets access for medium and large ag-producing companies, little has changed for small coffee farmers. The most challenging tasks are the broad changes in production, depending on biological production processes that are subjected to unpredictable biological predators (disease, insects, pathogens, etc.), combined with variable climatic/ weather/heat/rainfall patterns, results in significant variability in production and processing conditions and thus efficiency and output. Furthermore, pricing system for specialty foods is distorted by the fact that they are linked to commodity pricing of conventional goods. Therefore the most significant variable farmers can work on, besides cost reduction and good quality... is yields.

High yields are obtained sustainably by a combination of technical and managerial practices which involve pruning, soil and weed management, adequate shading,

but principally applying the right nutrients at the right time, in a way that increases the efficiency in plant uptake.

ACM has undergone research to develop innovations to increase crop yields with efficient field technologies. The success of the proposed production practices in the Peruvian coffee industry is based on the understanding of the current grower's technology base line and applied agricultural sciences, while trying to break out of paradigms.

Small coffee growers applying the proposed technologies currently average 45 bags/ha, starting from 10 bags, just 3 years ago. That technology has been proven to work in very small plots as well as very large ones. Technical and economical results were presented to demonstrate the audience the science and the numbers backing up the proposed system. This radical innovation in the field - jointly developed with Cosmoagro from Colombia and Inka Café from Peru - has increased low yielding coffee plantations to reach records of 40-50 qq/ha in COPACEYBA, a small coop managed by ACM in Chanchamayo, Junín – even under strong yellow rust outbreaks.



*Picture 1: A 16 months old coffee tree (after planting) using drench technologies in COPACEYBA (Peru).*







In Peru, generally, solid fertilizers are applied once a year during the mid-season, just before the raining period. Solid fertilizers are highly dependent on soil moisture for efficient uptake and due to climate change most of the farms cannot forecast steady seasonal cycles. The innovations propose multiple applications of nutrients in a liquid form (drench system) depending on the phenological state of the coffee plant. By understanding the nutrient uptake and the different needs of the plant to produce (i) leaves, (ii) flowers, (iii) fill-up grains and (iv) concentrate harvest, small coffee growers will find the presented technologies not only logical, but simple to apply in their own fields.

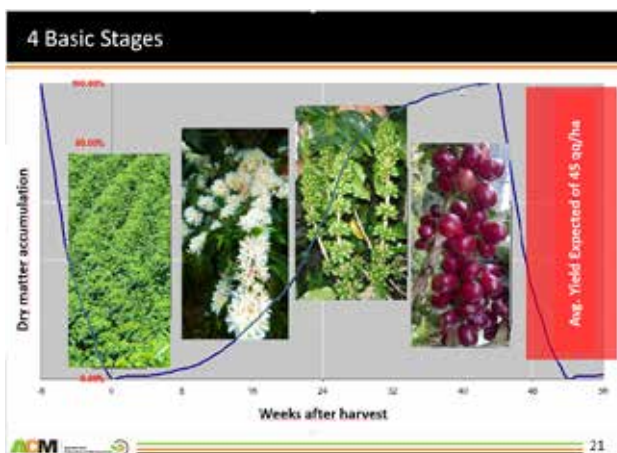
About 80-90 kg of specific nutrients - depending on foliar and soil analysis - are mixed in a 200 liter barrel and applied in "drench" using a special dosifier backpack (see photo). Two people can finish 1 ha application in 1 day, and the system is based on that low pH reduces the plant absorption and that the plant doesn't "eat" it "drinks".

*Picture 2: Inka Café's technician demonstrating the "drench" application on a COPACEYBA's farm plot.*



It is important to state that this technology is not for every farmer, it takes work and discipline – besides "drench" should not be used in coffee as a replacement of standard practices, but it should be complementary solid nutrients and soil pH correctors such as dolomite and limestone, for a good fertilization management program, being this the most efficient form to quickly nourish the plants.

*Figure1: Cosmoagro/Inka Café's Physionutritional Drench & Foliar Application Program*



Depending on plant phenology, liquid fertilizers should be applied as a foliar feed or as a soil drench. Foliar feeds are sprayed over the plant's leaves and can be applied together with preventive phytosanitary treatments; soil drenches are poured over the soil around the plant to be absorbed by its roots. Adequate pruning and phytosanitary measures, and programs that conserve soil, soil structure, soil moisture and reduce soil temperature (shade and mulch management) need to be part of the presented integrated crop management system. Yields are in the hands of the growers - it's a matter of decision.

Small coffee growers applying the proposed technologies currently average 45 bags/ha, starting from 10 bags, just 3 years ago. That technology has been proven to work in very small plots as well as very large ones.

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## STATEMENT BY **ICO'S EXECUTIVE DIRECTOR** AT THE 12TH AFRICAN FINE COFFEE CONFERENCE & EXHIBITION

Your Excellences' Ministers of State, Ambassadors, Mr Bagersh Abdullah, Chairman of AFCA, Mr Samuel Kamau, Executive Director of the African Fine Coffees Association (AFCA), Mr Fred Kawuma, Secretary General of the Inter-African Coffee Organization (IACO), Distinguished Delegates, Ladies and Gentlemen, This week all eyes in the world coffee community will be looking at the continent that gave birth to coffee and that will host next year's World Coffee Conference (to be held in Ethiopia). I would like to congratulate Kenya for organizing this year's AFCA conference, and in particular AFCA's Executive Director, Mr. Samuel Kamau, a good friend and someone who has steered with great success the association.

As we all know, over the past two decades we witnessed a challenging environment that brought about the decline in production from some African countries. I believe the time has come for a reversal of this trend, and a new era of African growth to become the new paradigm for the coffee sector in this continent. This new growth will come no doubt anchored on the three pillars of sustainability, aided by the economic dynamism that the region has been experiencing over recent years.

As we gather here in Nairobi, is it important to remember that coffee has played a key role in Kenya's economy due to its substantive contribution to foreign exchange earnings, family farm incomes, employment creation and also food security. In terms of foreign exchange earnings, coffee ranks fourth after tourism, tea and horticulture. My wishes are for this not only to continue, but to expand and become an ever greater

engine for rural growth and higher standards of living.

The opportunities are certainly great. Kenya's coffee ranks amongst the finest and most coveted in the world. As global demand for specialty coffee soars, the appetite for Kenyan coffee to supply world markets has been never been so high. To take full advantage of this positive scenario, it is necessary to foster cooperation between public and private sector, aimed at ensuring that a fully integrated coffee supply chain can bring to the farmer the current trend in prices.

We at the ICO have been focusing on access to finance and risk management, in particular for small coffee farmers, recognizing it as one of the most powerful barriers to increased productivity and ultimately, increased overall sustainability. But key as finance is to the sector, we also like to highlight that only the concerted action of government and private sector can deliver the long term conditions for

a truly profitable coffee economy. This means continued government support to provide extension and research services, as well as an efficiency and transparent marketing system. They will allow our coffee farmers to reap the full benefits from higher international coffee prices. I am aware Kenya has been taking specific action to strengthen its coffee sector. I would like to highlight the country's success in developing coffee varieties allowing to combat pests and diseases and improve cup quality. On the quality front, the famous AA coffee grade, an internationally accepted quality measure, is of Kenyan origin.

The International Coffee Organization is ready to assist Kenya and the whole African coffee industry in their efforts to re-invigorate this key sector, so that a truly integrated coffee value chain allows once again the full deployment of its potential. Kenya joined the International Coffee Organization at its inception in 1963 and has been an active member ever since. In fact, Kenya chaired the ICO Council in coffee year 1985/1986 and again for the year 1993/1994. At the same time, Kenya was an active member of the ICA 2007 drafting committee and again the international community congratulates Kenya for its active participation in global coffee matters.

I cannot finish without mentioning my good friend, Bagersh Abdullah, who as Chairman of AFCA is also responsible for the success of this vibrant association. Since its creation, AFCA has been instrumental

in coordinating the efforts of all stakeholders of the coffee sector to raise the profile of African coffee to world standards. Its main challenge is to improve productivity to secure a sustainable coffee sector in Africa as stated clearly by the theme of this current conference.

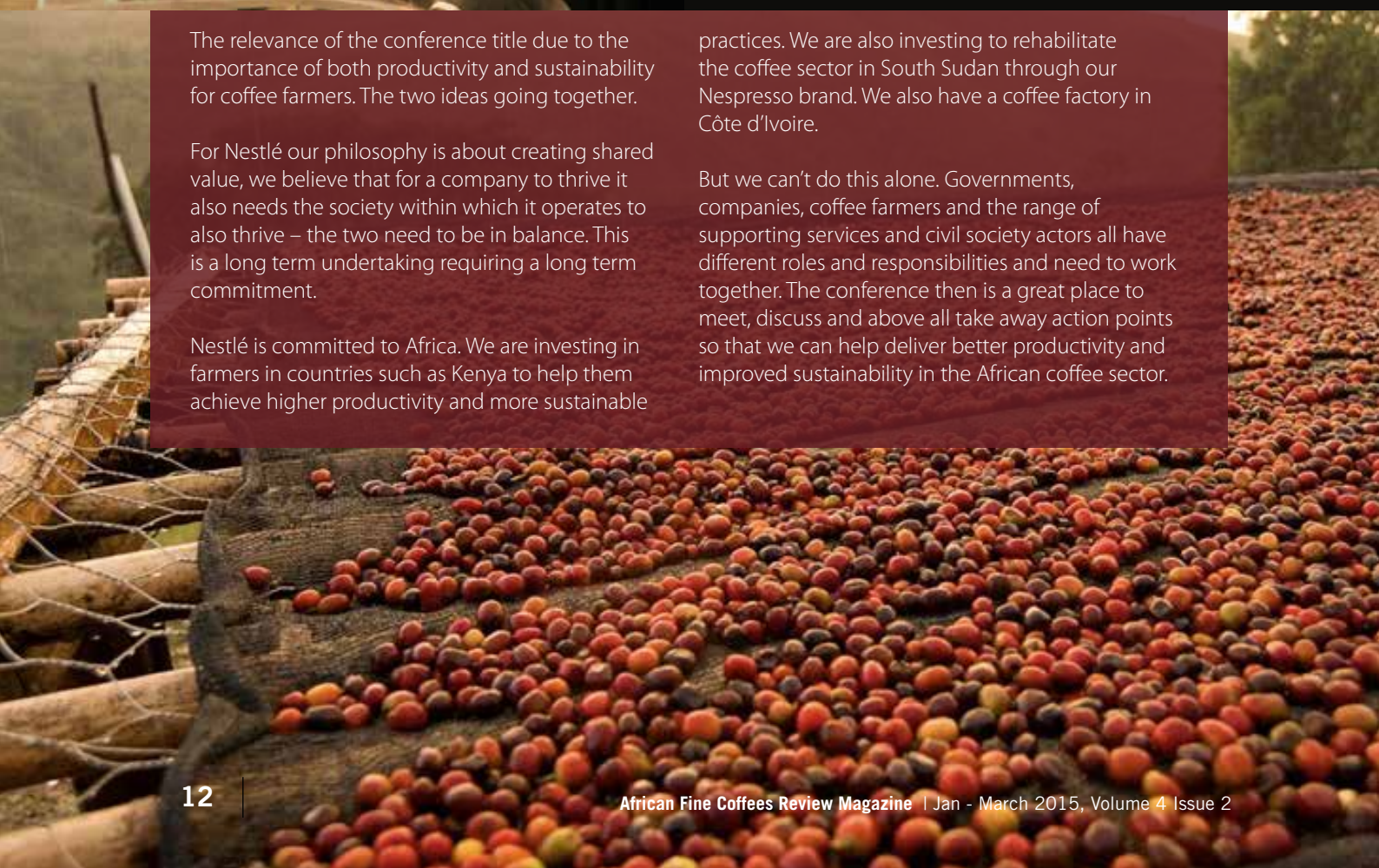
I remain convinced of the need to do everything possible to ensure the continuity of AFCA and its success in addressing challenging issues the coffee community is facing today in Africa. I would like to assure all of you that I am completely at your disposal, together with my team, to respond to any requests you may wish to make to strengthen our cooperation. I am convinced that the Members of AFCA will continue to combine their efforts to ensure a sustainable coffee economy in Africa.

On this note I take this opportunity to express my good wishes to AFCA and to wish a long and successful life to the African coffee industry.

**Thank you.**



## PRODUCTIVITY – THE KEY TO SUSTAINABLE RESURGENCE OF THE AFRICAN COFFEE INDUSTRY



The relevance of the conference title due to the importance of both productivity and sustainability for coffee farmers. The two ideas going together.

For Nestlé our philosophy is about creating shared value, we believe that for a company to thrive it also needs the society within which it operates to also thrive – the two need to be in balance. This is a long term undertaking requiring a long term commitment.

Nestlé is committed to Africa. We are investing in farmers in countries such as Kenya to help them achieve higher productivity and more sustainable

practices. We are also investing to rehabilitate the coffee sector in South Sudan through our Nespresso brand. We also have a coffee factory in Côte d'Ivoire.

But we can't do this alone. Governments, companies, coffee farmers and the range of supporting services and civil society actors all have different roles and responsibilities and need to work together. The conference then is a great place to meet, discuss and above all take away action points so that we can help deliver better productivity and improved sustainability in the African coffee sector.



# THE IMPACT OF **CLIMATE CHANGE** ON WORLD PRODUCTION AND **OPPORTUNITIES** FOR AFRICA

Recent years have witnessed climate-change induced losses in Arabica production in several areas of Latin America while Robusta production has grown continuously. Key Arabica grower Colombia has only now started to benefit from a renovation plan that coincided with adverse climate that hampered flowering for years in a row. Costa Rica, Guatemala and other Central American countries, Mexico and Peru squeezed the specialty and washed Arabica markets when they were affected by coffee leaf rust ("roya") induced by warmer and wetter climate starting in 2011/12. Most of these countries are yet to reach "pre-roya" production levels. Brazil's 2014 drought came next with the loss of 5 million Arabica bags and further losses expected in 2015 due to the previous drought and perhaps a milder one and high temperatures now.

If Colombia's losses affected the market for quality washed Arabica, Central America's the specialty markets and Peru's and Mexico's the organic market, Brazilian losses were by far the largest in one single year with impacts not only on the naturals market but also on prime-washed / pulped natural supply. Although Brazilian inventories made up for the Arabica losses – the country had

a record export year in 2014 and occupied space left by Arabica losses elsewhere – the picture may be very different in 2015 whose crop is likely to be similar to 2014 for the reasons above but in a scenario of depleted Brazilian stocks.

Theories to explain the 2014 drought have ranged from a one-of-a-time exceptional phenomenon, to a

cyclical occurrence likely to repeat itself at about every 40 years, to a series of succeeding droughts of losing intensity over 3 to 5 years. Brazilian climate last January – rainfall and temperatures – may be hinting at a phenomenon that goes beyond one single year and may fit into the third pattern just described. It may be too early to say this but there is good reason to speculate. How will Brazilian Arabica growers react if drought-caused losses happen again in 2015 and the probability of losses in 2016 increases?



The most immediate answer is irrigation but this faces growing hurdles: availability of water, the cost of water rights, and the need to adapt husbandry to irrigation, not to mention the costs of implementing and running irrigation systems. In addition, in some areas even irrigated coffee suffered from high temperatures. Should the tendency toward drip irrigation be reviewed in favor of spray irrigation if it has the side-effect of lowering temperatures in irrigated coffee fields? Using shade trees in existing plantations may help conserve moisture and lower temperatures but productivity will fall and mechanical harvesting may be hindered. Coffee quality may however improve as cherries will take longer to ripe which has a positive correlation with acceptable cup features. Drought and high temperatures resistant varieties are a longer term solution that should not be discarded considering all indications of global warming available today. It may be too early to expect the migration southward of Brazilian coffee plantations; the high costs and difficulties of this option render it to be the last resort, to be used after all other possibilities are exhausted.

Since except for irrigation all possible solutions are mid to long term and a drought pattern may be in the making in important Brazilian coffee areas, the loss in Brazilian production, current but especially future, creates interesting opportunities for Arabica. Brazilian losses of about 5 million bags/year in 2014 and 2015 are substantial and relevant if compared with Africa's

recent annual production of 10 to 11 million bags of Arabica and almost 7 million bags of Robusta. The space left by Brazil is mostly in Arabica naturals but there are opportunities in Arabica prime washed and Robustas too, especially in 2015. Can Africa occupy this space in the short and mid terms?

With world consumption growth to remain healthy and demand growing for all coffee qualities, the opportunities for Africa are first in Arabica specialty coffees, washed and naturals too, with interesting price and value addition possibilities. There are also opportunities in Arabica fine coffees, prime washed and naturals, providing that volume is available and quality is consistent. Robusta specialty is another interesting market to be tapped. A quick look at African coffee production figures – 80% of total production concentrated in 4 countries (Ethiopia, Uganda, Ivory Coast and Tanzania), 70% of Arabica produced in Ethiopia alone and 75% of Robustas coming from Uganda and the Ivory Coast – it is not difficult to predict what the biggest beneficiaries may be. Ethiopia with Arabica and Uganda and the Ivory Coast with Robusta are the countries that have a role to play in volume markets. Ethiopia, Uganda and several other growers – e.g.: Kenya, Tanzania and Rwanda – also have opportunities in the specialty and quality markets. The future can be bright for African Robusta growers that increase yields and efficiency or improve quality, perhaps going into washed Robustas.



Africa has indeed a wonderful window of opportunity with the climate-change induced losses in Latin America. In order to use this temporary window of opportunity to create the conditions for sustainable competitive advantage Africa has to attack the productivity challenge and this entails actions inside farm gate, that are easier to implement, and beyond farm gate, that are much harder and more complex to bring about. Without higher productivity the future of African Arabicas lies mostly on the specialty and quality segments and with restrictions if other competing producing countries become more competitive. The future of Robustas is more difficult to predict because the obstacles are greater. The need for systemic, beyond the farm gate solutions is even more significant for lower-priced Robustas but also critical for Arabicas.





## AFCA-ITC FIRST B2B EVENT A HUGE SUCCESS FOR AFRICAN PRODUCERS AND INTERNATIONAL BUYERS.

The B2B Match Making Service pre-arranged 142 bi-lateral appointments of 15 and 30 minute each for 43 selected and invited companies from 15 countries (Burundi, Cameroun, D.R. of Congo, Ethiopia, Germany, Italy, Kenya, Rwanda, South Africa, Switzerland, Tanzania, Uganda, United Kingdom, United States and Yemen).

The meetings took place in parallel with other conference sessions and activities on 13th and 14th February 2015 at the Mount Elgon pavilion of the Safari Park Hotel in Nairobi.

The matching of companies was based on information contained in a Profile Form that was completed by companies that expressed an interest in participating. Subsequently these profiles were scanned and analyzed to identify complementary business interests.

Prior to the conference, selected participants received a provisional list of proposed contacts (Trade Leads Line Up) for review and modification. A finalized individual

schedule of appointments was distributed to participants on 12 February at 17h00.

A booklet containing all company profiles was made available prior and during the B2B meeting to serve as reference material and to facilitate contacts in addition to the pre-arranged meetings.

ITC also attended to on-the-spot business enquiries which resulted in a number of additional consultations outside the pre-assigned timeslots.

Without exception all participants indicated that the B2B MatchMaking Service added value to AFCA and they all would recommend other companies to participate. In addition all participants indicated that they would like to participate in future B2B meetings.

Twelve women vendors indicated to have initiated or concluded 20 business deals with a total volume of over 19 containers (20 foot) and an estimated total value USD 1.6 million.



## **AFCA Coffee Institute Holds Two Trainings alongside the 12th AFCC & E**

On the 14th February 2015, AFCA held two exporter targeted trainings. The trainings attracted participation of 6 people each. Topics covered in the training were Coffee Contracts & Coffee Exporting Logistics and Getting Grounded in Coffee Trade in Africa and International Trading.

The lead trainers included John Edward Schluter - Executive Director at Café Africa, Ishak Lukenge - Managing Director at KDS Coffee Limited, Robert Waggwa Nsibriwa – 4C Association Board Chairman and David Barry – Managing Director at Kyagalanyi Coffee.



## **The AFCA Taste of Harvest Pavilion**



The Coffees cupped and showcased in the Taste of Harvest Pavilion were the top member coffees from the different countries where the national tastes of harvests competitions were carried out way before the conference namely Malawi, Tanzania, Uganda, Democratic Republic of Congo, Kenya and Ethiopia. There was also cupping for the Women in Coffee organized by both AFCA and ITC.

AFCA had a second run of the Taste of harvest cupping Pavilion where the winning coffees from our member countries were show cased.

The number of cuppers varied from session to session. There were around 8 to 15 cuppers per session and there were others who just came to watch the proceedings.

The greatest success came from buyers who were interested in coffees and made contacts with the owners. An example was shown by a chinese buyer in Finca Coffee –a Women's coffee which passed through Taste of Harvest, Soprocopiv from DRC and in Nano Challa from Ethiopia.





# Coffee is **Cool** Safari

The field trip, supported by The Sustainable Coffee Program (SCP) powered by IDH is part of a joint initiative spearheaded by AFCA, to influence a coordinated approach to Women and Youth empowerment and to guide industry best practice in productivity, production and sustainability.

This Safari builds upon the “CoFFEE is Cool” workshop held on 11<sup>th</sup> February 2014 at Roca Golf Hotel in Bujumbura in which AFCA Women in Coffee Initiative which gathered over 50 industry professionals from across Africa and the globe for a unique 1 day gathering themed of the day: “Coffee Farming as a Family business” Here, AFCA together with ITC and Hivos presented the strategy on Coffee Farming Families Enterprise Engagement, CoFFEE is Cool! A strategy developed during the strategic planning workshop in Nairobi which is part of the AFCA strategic plan for the period 2014-2018.

During the one day's excursion, coffee industry and development leaders better understood the effects of gender inequality on coffee production, spent a day with the farmers, conceptualized what issues they have and found a ground where a direct link can be created with them – and strengthen input into how we can collectively support gender equity within our supply chains.

Delegates witnessed first-hand impact of the gender intervention on the lives of the local community as well as overall improvement in the socio-economic indicators of the areas especially in terms of business growth and livelihoods. Two locations were chosen for this excursion;

- Mutheka Farmers' Cooperative Society Nyeri, Kenya
- Kinogerama Farmers' Cooperative Society situated in Gatanga District, Muranga county about 70 KMS from Nairobi city.

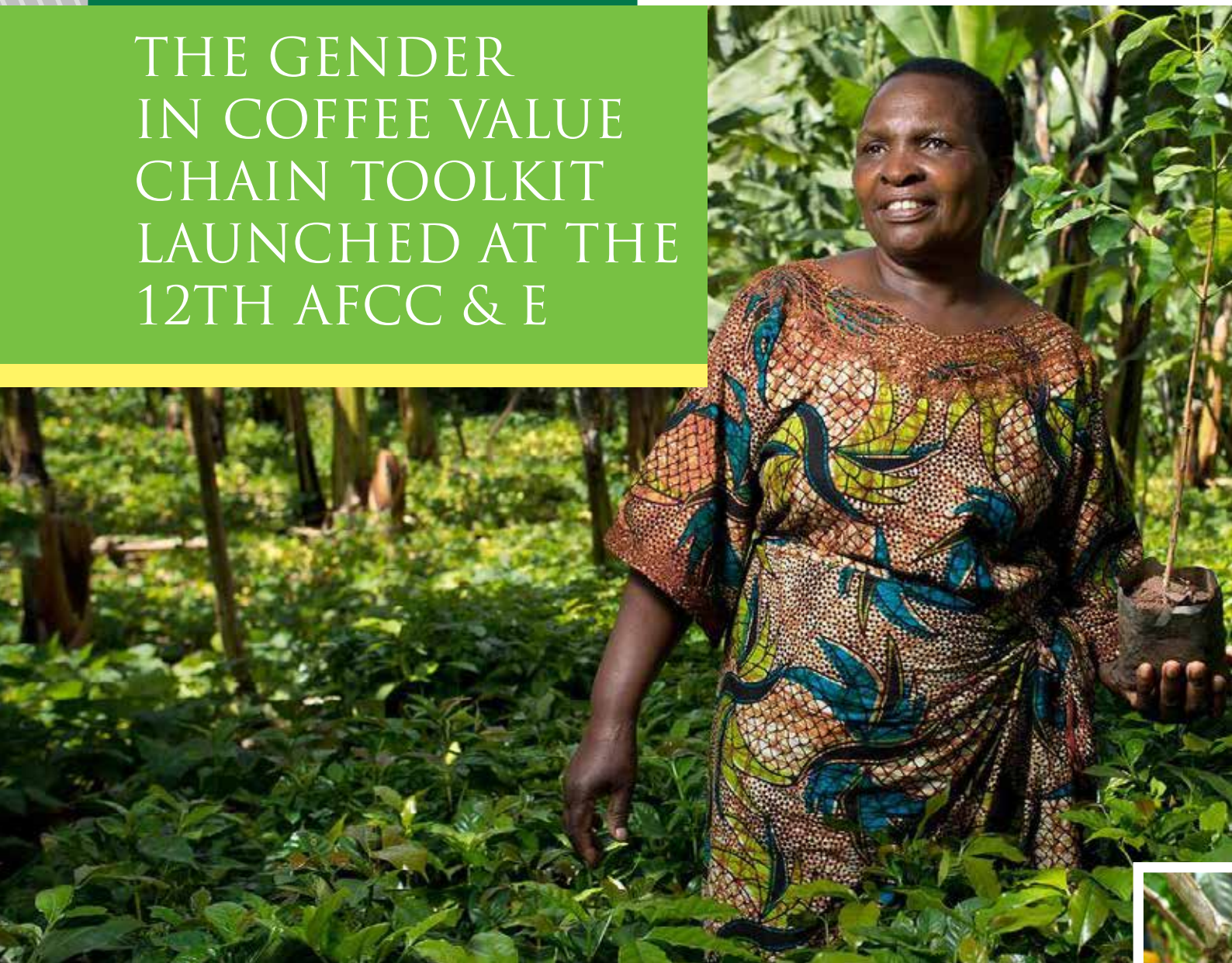
## Concrete Takeaways

- In using the GALS methodology, the society has managed to bring Men, Women and the youth as active participants in the farming business.
- In using the GALS methodology the men, women and youth are able to identify themselves with a particular activity of the family business enjoying the full benefit.
- For the farmers of Kinogerama FCS, coffee farming is a means to an end, but not the end. Using the methodology the households are able to see coffee and farmer organisation (kinogerama in this case) as an opportunity they can utilize to achieve their household dreams.
- Men & Women need to produce high quality coffee—otherwise nobody will buy them regardless of what measures may be put in place. However, even with high quality coffee, uptake is still low, more commitment and policies are needed from the public sector.
- Access to finance limitations is preventing more producers farmers more especially women owned enterprises from succeeding. The private sector must also play a role. We also need a mentality change to give the message that women owned business help social and economic development. More capacity building is needed in areas like credit skills and marketing.
- During the discussions, participants commented on the positive ripple effects of investing in women on the economy when 90% of profits go back to families. Capacity building is also important, along with diversifying the sectors where women are active in business.

Evidently, as result, a significant number of women are coming forward to join coffee farming



# THE GENDER IN COFFEE VALUE CHAIN TOOLKIT LAUNCHED AT THE 12TH AFCC & E



## **Challenges to and importance of engaging women and youth in the coffee sector**

In many producing countries the average age of coffee farmers is increasing, youth are not motivated to stay in coffee as they lack ownership of land, coffee trees, access to training and finance and benefits derived from coffee. As a result they increasingly leave rural areas and look for employment in cities. The continuation of coffee production by the “next generation” is therefore at stake, which poses a great risk to the coffee sector as a whole. Additionally, women form the majority of the world’s estimated 25 million coffee farmers, yet coffee is seen as a men’s crop. Women are responsible for many of the production activities, but men tend to benefit more from training in sustainable coffee practices, inputs, income and other benefits derived from coffee sales. This unequal distribution leads to many inefficiencies in the coffee chain, and hampers the development of the coffee sector generally, and production in particular.





### About the toolkit

The toolkit was developed for the coffee industry, in response to the demand for knowledge on how to best integrate women and youth in the coffee value chain and provides practical approaches and tools for stakeholders and service providers. The contents of the toolkit should serve to motivate and assist coffee roasters, traders and their practitioners to apply an inclusive approach to developing better functioning coffee chains, benefiting both men and women of different age groups equally. The interventions recommended may also trigger increased production, improved quality and ensure a steady supply of sustainable coffee now and in the future. For this purpose, the toolkit provides practical approaches and tools, which can be applied in the daily work of farmers, producer organizations, traders and roasters, extension and financial services, standard certification bodies and networks. For each group the toolkit provides a range of customized tools for planning, implementation or monitoring and evaluation of interventions. The reader can differentiate between tools specifically designed for women, young men and women, or both groups. Most of the tools do require experienced trainers for implementation. Coaches and trainers with specific tool experience are available in different countries to assist.

### Resources used in development

The toolkit is based on the Gender in Value Chains Toolkit developed by Agri- ProFocus, which is applicable for different value chains, tools included were selected from existing gender focused manuals, including those produced by USAID, Enclude, GALS, ILO, Care and other organisations . In addition, Hivos contributed its experience in the coffee sector worldwide, to enrich the original toolkit with case studies, from which new tools were developed. In this way, knowledge and best practices that had been contained in different organizations and have now been redrafted and new tools developed. This toolkit is a product of the cooperation between Hivos, Agri-ProFocus and the Sustainable Coffee Program, powered by IDH the Sustainable Trade Initiative. It was developed by Catherine van der Wees, Hivos, Angelica Senders and Marjoleine Motz of Fair & Sustainable Advisory Services, Anna Lentink of Enclude (formerly Triodos Facet), independent consultant Mieke Vanderschaeghe, and Jacqueline Terrillon, coach of the gender in value chains coaching track of Agri-ProFocus in Uganda.



The **GENDER IN VALUE CHAIN TOOLKIT** was launched on the 14th February 2015 at the 12th African Fine Coffees Conference and Exhibition in Nairobi Kenya.

#### Contact

cwees@hivos.org + 3136164480  
[www.hivos.org/coffee](http://www.hivos.org/coffee)

#### The toolkit is available for download at;

[www.agriprofocus.com/gender-in-valuechains](http://www.agriprofocus.com/gender-in-valuechains)  
[www.sustainablecoffeeprogram.com/en/resources](http://www.sustainablecoffeeprogram.com/en/resources)  
[www.sustainabilityxchange.info](http://www.sustainabilityxchange.info)



Visit by the Executive Director International Coffee Organization Mr. Robério Oliveira Silva to Coffee Research Institute Kenya during the 12th AFCC& E on 9 February 2015. Left to Right; Mr. James Minae (Advisory), Mr. Joseph Ngigi (Soil Scientist), Hamida Ebrahim (ICO), Dr. Elijah Gichuru (Institute Director), Dr. H.M. Mugo (deputy Institute Director) and Dr. Joseph K. Kimemia (Chairman AFCA Kenya)

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# BARISTA REPORT



## ISHAN NATALIE WINS THE 6TH AFRICA BARISTA CHALLENGE COMPETITION

This year were 7 participants registered for the 6th ABC; 2 competitors from Uganda, 2 from Kenya, 1 from Rwanda, 1 from Burundi and 1 from South Africa. The competition had 4 sensory Judges namely Catherine Maringi, Naomi Njeri, Batte Godfrey, Claire Rwakatogoro, 2 technical Judges namely Edwin Gumbe and Mutie Mbalo and Head Judge Ms Teija Lublinkhof.

The Competition kicked off in the morning of 14th February 2015 and the Title of the Africa Champion was lifted by Ishan Natalie of South Africa. Below is the ranking of the Competition

Position	Name	Scores	Country
Winner	Ishan Natalie	520	South Africa
1st Runner up	Mark Okuta	490	Uganda
2nd Runner up	Martin Shabaya	452.5	Kenya
4th	Martin Opiyo	420.5	Kenya
5th	Annet Nyakaisiki	395	Uganda
6th	Yves Niyongabo	253	Rwanda
7th	Abdullah Bahizi	148	Burundi



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## SUMMARY OF COFFEE & CLIMATE AFCA WORKSHOP

■ **“Adaptation of African coffee production to climate change – development of cornerstones for a coherent strategy”** was the theme of a multi-stakeholder workshop held at the 12th AFCC & E in Nairobi, Kenya 12th February, 2015, chaired by Adolph Kumburu, Director General of the Tanzania Coffee Board.

The African Fine Coffee Association (AFCA) and the initiative for coffee & climate (c&c) brought together a select group of AFCA member representatives, members of coffee authorities and organizations involved in coffee extension. The International Coffee Organization (ICO) and International Institute of Tropical Agriculture (IITA) provided significant inputs and are strong partners of an all-encompassing coalition of Member countries, donors, international organizations and private sector that will be required to deal with the adverse impacts of climate change. “The challenge posed by climate change to the global coffee sector is perhaps the greatest one our generation will have to face” were introductory remarks of Robério Oliveira Silva, Executive Director of ICO. Laurence Jassogne from IITA summarized that interventions at all

levels of the system are needed and highlighted stronger involvement of research.

One possible approach to enable coffee farmers to effectively respond to climate change was presented by the initiative for coffee & climate. This so-called c&c approach is a 5-step process, developed on regional experiences and lessons learnt in four different key coffee producing areas worldwide, provides the tools and methodologies to stimulate climate change adaptation at producer level in a systematic and participatory manner. The c&c sourcebook ‘Climate Change Adaptation in Coffee Production’ was officially launched on the occasion of this international climate change workshop in Nairobi.

Providing an excellent starting point for a coherent, sustainable and

coordinated common action, the c&c experiences could be upgraded and adjusted according to the different needs.

This year, 2015, provides a window of opportunity for the coffee sector to build awareness and gain financing in the context of the United Nations Framework Convention on Climate Change (UNFCCC). A ‘Guide for Financing Climate-Related Activities in the Coffee Sector within the context of INDC process in 2015’.

However, the challenging features of climate change – challenging features e.g. public good, high uncertainty, complexity of factors and impacts, context specific; makes it clear that only a joint action can have sustainable impacts on helping coffee farmers in becoming more climate resilient.



## SECTOR COLLABORATION PUSHES ACCESS TO AFFORDABLE FINANCE FOR COFFEE FARMERS TO THE FOREGROUND

February saw the crucial and complex issue of access to agricultural finance pushed onto the coffee sector's agenda by a group of key coffee stakeholders.

In many parts of the world and especially in Sub Saharan Africa, the lack of information, limited entrepreneurial and financial skills, low productivity and cash flow challenges faced by African smallholders are exacerbated by a gap between the demand and supply of financial products. This gap is governed by risks with often insufficient mitigation instruments. The 5th African Coffee Sustainability Forum and a one-day workshop on improved access to input finance facilities therefore proved instrumental in collectively addressing these systemic issues.

The action-oriented finance workshop on 10th February brought together a distinct group of experts from farmer associations, traders, micro-finance and financial institutions, input providers, social lenders, sustainability standards, and donors. They examined risk perspectives and mitigation measures on input finance facilities, drawing on international best practices and the findings of a study by the International Coffee Organization (ICO) and the World Bank.

The outcome of the workshop includes a set of concrete action items and generic collaborative models of risk mitigation for short-term input finance. These actions can, in combination with other ongoing measures to improve the productivity and sustainability of smallholder coffee farmers, be applied and scaled in multiple African countries.

One of the workshop's organizers, Ian Lachmund, Project Director of the Coffee Partnership for Tanzania (managed by DEG - Deutsche Investitions- und Entwicklungsgesellschaft mbH) complements these promising results: "the interest already shown by many of the stakeholders present signifies a very strong potential for the various models of input finance developed at the workshop to be rolled out at a country or regional level". Ted van der Put, Director at IDH, The Sustainable Trade Initiative and co-initiator of this event as Chair of the Sustainable Coffee Program also concluded: "It became clearer than ever for me that access to input finance can be solved addressing two challenges: how to engage the marketing agent (exporter, trader) and how to share the input finance risk in the value chain between producers, trade, input providers and roasters".

### **The 5th African Coffee Sustainability Forum**

The outcome of this workshop provided a stimulating

base for the 5th African Coffee Sustainability Forum the following day. Through expert panel sessions, interactive presentations and working groups, the forum explored a range of inclusive finance models and the role access to finance can play in increasing productivity and sustainability. With over 160 participants, the sustainability forum offered a unique opportunity for coffee stakeholders to provide their input into addressing these issues and collectively devise solutions that will benefit all members of the coffee supply chain.

An encouraging result was the proposal made to the African Fine Coffees Association's General Meeting to further explore the topic of financial literacy for farmers. Commitment to this topic was also echoed in the keynote speech of Roland Weening, President Coffee of Mondelēz International, who said: "Coffee farming needs to become more attractive to the next generation. Through our Coffee Made Happy program, we will enable coffee farmers to become coffee entrepreneurs by helping them run profitable, sustainable and respected businesses".

Apart from the need for financial literacy training, the importance of enabling more smallholder farmers to satisfy their basic needs and build capital was flagged. Hence, with a tailored approach, more entrepreneurial farmers will take advantage of more favorable financial products, thus allowing them to grow their business and increase productivity. According to Mauricio Galindo, Head of Operations at ICO, "the forum was vital to the future of the African coffee sector as it brought all the relevant actors to collectively address the systemic issues of productivity, access to finance and increased public-private collaboration – all of which are critical elements to the sustainability of the coffee industry".

Final reports, speaker presentations and follow up information shall be made available at [www.4c-coffeeassociation.org](http://www.4c-coffeeassociation.org) and [www.sustainablecoffeeprogram.org](http://www.sustainablecoffeeprogram.org). The next African Coffee Sustainability Forum is set to take place in Dar es Salaam, Tanzania in February, 2016. For more information on either of these events or on the topic of access to finance, please contact the Project Manager of the 4C Association, Lars Kahnert or the Senior Program Manager of SCP, Jenny Kwan.

### **Organizing Partners:**

5th African Coffee Sustainability Forum (11/2/2015)  
4C Association | AFCA | Café Africa | SCP Powered by IDH

### **Finance Workshop (10/2/2015)**

4C Association | ICO | DEG | IDH, The Sustainable Trade Initiative | AFCA | SCP Powered by IDH



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Solidaridad's structure is designed to maximize international development cooperation, transparency, accountability, results based performance and impact. Nico Roozen as chair of the Executive Board of Directors is responsible for steering the strategic policy agenda.

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Our strategic papers identify these commodities of soy, textiles, aquaculture, cocoa, oil palm, sugarcane, fruits and vegetables, coffee, gold, livestock, tea and cotton as having the greatest potential to positively impact livelihoods of producers and associated value chain actors globally.

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## CONFERENCE IN PICTURES























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- AFCA • Africa Tea & Coffee, Mombasa Kenya • CTCS UK • Star café Ltd • Savannah Commodities
- Supremo Coffee • Ankole Coffee Producers Cooperative union • KDS Coffee, Ltd • National Union of Coffee
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# 14<sup>th</sup> African Fine Coffee Conference & Exhibition

Date: **3<sup>rd</sup> - 5<sup>th</sup> February 2016,**  
**Sea Cliff Resort & Spa, Zanzibar**

Theme:-  
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