National coffee policy

Statement by H.E. the Minister for Rural Development of the Central African Republic to the 113th Session of the International Coffee Council on 26 September 2014

Chairman of the International Coffee Council;

Executive Director of the International Coffee Organization;

Secretary General of the InterAfrican Coffee Organisation;

Ministers responsible for Coffee Matters;

Distinguished Delegates,

The 113th Session of the International Coffee Council in which I have the honour to be participating today provides me with the opportunity to give you a picture of the current state of the coffee chain in my country and to make a plea for financing the revival of this chain.

Coffee is one of main cash crops produced by a large share of the rural population in the Central African Republic. On its own, the crop covers all the forest areas of the South-West and South-East regions of the country.

Coffee is not only the Central African Republic’s second most important agricultural export product after cotton, but is also the product that provides the highest remuneration for a day’s work on family farms and directly or indirectly affects over a third of the Central African population.
In 1986, the monetary earnings distributed among family coffee farmers represented more than 5 billion CFA francs. Today this income has decreased to around 1.5 billion CFA francs.

In addition, coffee contributes over 1 billion CFA francs annually to the fiscal earnings of the State’s financial institutions from export taxes and the minimum fiscal duty (IMF) on exports.

Unfortunately, since the year 2000, the coffee sector was weakened, rapidly falling into a profound and unparalleled crisis, which led to a quantitative and qualitative decline in production, the logical outcome of a number of limiting factors, including:

- **The fall in world prices and consequently in domestic indicator prices**

  The fall in both international and domestic indicator prices led producers to destroy 30% of their coffee trees and to start growing food crops or turning to other income-generating activities, which entailed the de facto loss of the country’s foreign exchange earnings.

  In addition to the abandoning of coffee farms by producers, some operators in the coffee chain (buyers and exporters) who used their own funds to carry out their activities were no longer sufficiently involved in coffee collection operations or exporting activities. As for the banks, they simply abstained from financing coffee crops on account of the high risks of non-repayment of the credits granted.

- **Aging of farmers and coffee farms**

  Only a few farmers who began to grow coffee before or during the 1970s are still farming and the same applies to farms. Young people are no longer interested in coffee activities since coffee has ceased to be attractive. The elderly producers of the 1970s no longer have the strength to carry out maintenance of their farms, and these are tending to disappear. The number of producers has fallen from 70,000 in 1998 to 45,000 at present. Over this period, farm areas have shown the same downward trend, shrinking from 64,000 to 49,000 hectares.

- **The disappearance of industrial plantations**

  The high level of Central African coffee production in the period 1970-1990 was due to the combined production of industrial plantations and family farms. Currently, industrial plantations no longer exist and the production level has fallen sharply from 22,000 tonnes of green coffee in 1988/89 to 1,500 tonnes in 2005/06. Production of green coffee in crop year 2013/14 totalled 4,500 tonnes.
There is good reason, therefore, for the revival and development of family farms.

It is against this background that the Government initiated a project with which Cameroon became associated. This sub-regional joint project of the Central African Republic and Cameroon is known as the ‘Promoting coffee sustainability through increases in productivity, with particular focus on the participation of young people and women in Cameroon and the Central African Republic’.

The aim of the project is to support efforts made by the Governments of Cameroon and the Central African Republic to revive and rehabilitate their declining coffee sector in order to stimulate the rural economy, to generate earnings for agricultural communities and to reduce poverty among coffee producers, contributing to social cohesion and peace and providing better support for our various organizations since a strong organization should be based on a strong membership.

The Transitional Government, through my voice, wishes to thank the International Coffee Council which approved the project at its Session in London held from 4 to 8 March 2013.

The project was submitted to the Common Fund for Commodities (CFC) in July 2013, but following a change of approach by the Fund for financing projects, the project was not eligible.

In a constant effort to seek financing for its Member countries, the Executive Director of the ICO and his technical staff refocused the project and forwarded it to the President of the African Development Bank (Banque Africaine de Développement). I applaud this initiative of the Executive Director and wish to express my profound gratitude.

My presence at this Session of the International Coffee Council shows that the Government of the Central African Republic is fully determined to mobilize the financial resources needed to settle its outstanding contributions to international and regional organizations (£17,652); and to provide counterpart funds to permit the start-up of this project as soon as possible for the benefit of our coffee farmers.
Mr Chairman of the International Coffee Council;

Executive Director of the International Coffee Organization;

Secretary General of the InterAfrican Coffee Organisation;

Ladies and Gentlemen;

Distinguished Delegates,

Central African coffee growing is today threatened with disappearance on account of the Tracheomycosis (Coffee Wilt Disease) which is affecting the country’s Eastern region. This fungal disease which has already ravaged over 400 hectares of coffee farms in the area referred to can menace current efforts to revive coffee production. To prevent the propagation of this scourge, the Central African Republic needs the experience of Member countries of our common Organization that were affected by this disease and managed to eradicate it thanks to the superior knowledge of coffee plant research networks.

In addition, I would like to appeal to fund donors, the private sector, international and regional organizations to give their support to the Central African Republic, a post-conflict country, in developing its immense agricultural potential, in particular in the field of coffee and other cash crops, including cocoa, hevea, pepper and oil palm.

The revival of these cash crops, which once placed the Central African Republic among the leading producers, are among the top priorities of the Transitional Government which wants to include the revival of agriculture, and the development of export crops in particular, its war horse in the fight against poverty in rural areas.

Thank you for all the attention you have kindly given to our request.

Dr David Banzoukou
Minister for Rural Development