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PRESIDENT MUSEVENI ROOTS FOR COFFEE VALUE ADDITION AT G-25 AFRICA COFFEE SUMMIT

H.E the President says there's a need to conduct internal struggles among coffee producing countries to add value to their raw materials.

President Yoweri Kaguta Museveni has reiterated his call to add value to Ugandan and African Coffee at large. He says, if such a step is taken, the producers of the prestigious agricultural commodity will be able to get a fair share of the global market.

“In the last 60 years, I have been involved in the struggle against this modern slavery for Africa – the curse of producing raw-materials for cleverer people in the world to add value to those raw-materials and get much more value from them. A kg of bean coffee of good quality may go for US\$2.5 per kg. The same quantity of coffee roasted, ground and packaged may go for US\$40. This is where there is massive hemorrhage of money from the global South to the global North. It is not only the loss of money per kg. It is also the loss of jobs. If you take the whole spectrum of raw-materials

from agriculture, minerals, forest products, etc., the loss to Africa is massive,” President Museveni said.

The President made the remarks today while officiating at the opening of the three-day second G-25 Africa Coffee Summit, held at Speke Resort Munyonyo. Running under the theme: “Transforming the African Coffee Sector through value addition”, the summit attracted hundreds of stakeholders from top coffee producing and exporting countries in Africa.

H.E Museveni explained that Uganda has managed to build an Independent and self-sustaining (with both vertical and horizontal integration) economy with registered success in some sectors such as the dairy, fisheries, textiles, sugar, leather among others. However, in many sectors including that of coffee, the country is still losing a lot of money and jobs, on account of exporting unprocessed raw materials abroad.

“The biggest opposition to our plan of building an integrated national economy has been, mainly, internal, from some elements of the political and bureaucratic classes who perform the role of the comprador bourgeoisie – agents of foreign interests, Mao Tse Tung talked about in China. Unlike the national bourgeoisie who build our economy, the comprador bourgeoisie (raw-materials exporters, importers of foreign products that can be made here, commission agents), bleed our economy. The national bourgeoisie (manufacturers, hotel owners, tourism operators, professional service providers such as doctors who treat people here instead of patients going out for treatment, internal distributors of our products such as food), build our economy,” he stressed.

President Museveni advised that as raw material producing countries, they need to conduct internal struggles in their respective countries to add value to these raw-materials, including coffee – so that they earn more from their sweat and create more jobs for their youth instead of dying in the Mediterranean going to Europe.

He further noted that they also need to sensitize their partners in the countries that have been buying their raw-materials at semi-slave prices, that their economics is defective.

“What will the USA or Europe or Asia lose, if Africa sells added value coffee to them instead of the raw-material form and earn more money? What if the value addition is done to the other raw-materials – copper, gold, iron-ore, lithium, etc.? Money to Africa, will mean higher purchasing power for Africa. The Africans who now lack electricity, will be able to afford to pay for electricity. Where will the turbines come from? Will they not come for Europe, USA, Russia, China, or from other partners? How can greed obscure rationality to such an extent? Global affluence will benefit everybody. Down with Imperialism, down with parasitism, long live the win-win strategy,” President Museveni emphasized.

The President of the Federal Democratic Republic of Ethiopia, H.E Sahle-Work Zewde expressed optimism that the summit will provide an opportunity to keep and accelerate the momentum of the coffee sector in Africa.

“I'm here because we also believe in collective action for us to occupy our rightful place in the global market,” H.E Zewde said.

She however, expressed concern that despite being one of the most traded commodities globally, and consumed by people from all corners of the world, coffee didn't receive the proper attention it deserves compared to even some less traded commodities.

The President attributed the setback to the weak bargaining power of the producers and lack of strong organizations committed to work on behalf and for the benefit of the producers and exporters.

“Filling this gap should be the aim and priority of the Inter- African Coffee Organization. I believe this 2nd G-25 Africa Coffee summit will encourage such a mandate. The food farmers sweat to produce the best quality coffee to the international market but it's the traders who decide the international coffee price in the absence of the producers or the rightful representation. The very producers are price takers and remain at the receiving end throughout the market chain. We all must work to end this market unfairness together,” H.E Zewde stated.

“With just simple value addition, it's possible to increase the benefit of smallholder farmers and enable them to get a fair share of their efforts. It is important to promote African coffee in the global market. Ethiopia is not just the origin of Arabica coffee as Uganda for Robusta, it's the largest, best quality, organic Arabica coffee producer and exporter in Africa and the world.”

On the other hand, the Vice President of Uganda, H.E Jessica Alupo said coffee is an important crop in Uganda and continues to be one of her main cash crops. She said the crop is grown on an estimated 583,000 hectares of land by about 1.8 million smallholder farmers, some of them being female-headed families.

H.E Alupo further narrated that more than 9 million people in Uganda are estimated to derive their livelihoods from coffee related activities along the value chain hence its strategic positioning in the National Resistance Movement (NRM) Manifesto 2021-2026.

“Your Excellencies, the Financial Year 2022/2023 which has just ended, Uganda earned USD845 million from export of 5.8 million-60-kilogram bags of coffee up from 3.5 million- 60 kilogram bags of coffee, seven years ago due to government's deliberate efforts in coffee replanting. We thank the farmers of Uganda for embracing the government programs especially those of agriculture,” she said.

“Your Excellencies, coffee is one of the commodities that stands to benefit from the African continental free trade area that hinges on leveraging comparative and competitive advantages of African countries. Under the Parish Development Model, coffee is one of strategic enterprises and we expect that it will contribute significantly to elevating our people from poverty while applying the 4-acre model in the NRM manifesto,” she added.

The Vice President of Tanzania, Dr. Philip Isdor Mpango said nearly half of Africa's countries grow coffee and for some countries such as Tanzania, it constitutes a major source of foreign exchange and among a vital contributor of their GDP.

“Given this importance, its timely that we have the G-25 Africa Coffee Summit and I want to underscore that we should use this platform to unanimously push for a declaration of coffee as a strategic commodity in harmony with the AU agenda 2063; promote value addition, agree on how to expand the original coffee

trade and discuss remedial measures to underline risks to this important cash crop,” he said.

The Minister of Agriculture of Ethiopia and Chairman of the Inter-Africa Coffee Organisation (IACO). Hon Dr. Girma Amente called for solidarity and commitment among the African coffee producing countries to pursue their common goal to find solutions to the development of the sector on the continent.

“For centuries, coffee has been a source of inspiration, a catalyst for conversation and a symbol of hospitality. Moreover, it has been a valuable economic commodity that supports the lives of millions of people on our continent. The G-25 Africa Coffee Summit was created on 18th November 2021 under the auspice of the Inter-Africa Coffee Organization to reevaluate the overall performance of the coffee sector on the continent with the first summit held in Nairobi, Kenya, last year,” Hon. Amente said.

He however, decried the huge inequality gap in the coffee value chain, saying that it could be explained by the fact that Africa obtains only 0.6 percent out of the total global value chain.

“One of the reasons for the inequality is that 99 percent of the value chain of the coffee produced by Africa is being captured abroad. Africa is operating at the lower end of the supply chain. This is due to lack of investment in the processing plants, technology and low level of coffee consumption among others,” he said, adding that, “Over the last two decades, domestic consumption has been on an increasing trend but sadly these demands have been served predominantly through the importation of processed coffee from abroad. This is optimal for Africa because it is increasing the

import bill and making coffee consumption within Africa more expensive.”

On his part, Kenya's Prime Cabinet Secretary, H.E Musalia Mudavadi noted that the summit was an affirmation that there's a collective will to support transformative reforms in Africa's coffee sector. He also lauded the initiatives under the Inter- Africa Coffee Organization of transforming the African coffee sector through value addition.

“It is on this firm commitment that Kenya hosted the first G-25 Africa Coffee Summit in Nairobi last year which was attended by 41 African countries. Coffee is a major source of employment, poverty alleviation, food security, foreign exchange and generally contributes to the lives of many Kenyans and it is estimated to directly and indirectly over 5 million Kenyans along the coffee value chain,” the Prime Cabinet Secretary said.

At the same event, the African coffee producing countries signed a Kampala Declaration. The Minister of Agriculture, Animal Industry and Fisheries, Hon. Frank Tumwebaze signed on behalf of Uganda whereas other coffee producing countries were represented by Dr. Girma Amente, the Chairman of the Inter- Africa Coffee Organization and Minister of Agriculture of Ethiopia.

The declaration will support among others; research in coffee value addition to enable innovation and development of new products, generate new knowledge on best practices, improved technologies and studies on varieties resilient to harsher climatic conditions, pests and diseases; investment in value addition of coffee and its products and promote domestic coffee consumption; Vocational

training in coffee for the youth and women for job creation; and Enhance access to finance for coffee value addition projects through the AU/AfCFTA framework and Institutions which include the African Development Bank, African Export– Import Bank (Afrexim Bank) and African Coffee Facility Fund.

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