

A Guide to

Café Africa's Approach



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Introduction

Agriculture is today recognised as one of the key factors in the development of Africa's economy. The growing needs of the burgeoning populations, as well as growth in demand for agricultural commodities as global incomes rise, represent an unprecedented opportunity for Africa's millions of small-holder farmers.

The emphasis is on production aimed at food security to replace food aid. Cash crops, such as coffee, play an important part in achieving the objectives of stabilising income security for small-holders, while at the same time making significant contributions to food security.

With Africa's long history and experience in supplying coffee to world markets, this is one commodity where Africa has a unique potential to benefit from these trends. Coffee is almost entirely small-holder produced, and working to improve productivity and quality is a good opportunity to increase incomes in a large number of rural households.

At the same time, the strong growth in global coffee consumption points towards the need for increased production in the coming 5–10 years. Africa is well placed to respond to this growing demand, and can at the same time enhance the environment, if the development is carefully implemented.



John Schluter
CEO Café Africa

Outline of Approach

Café Africa was founded in 2006 with the objective of **working with** Africa's coffee industry to find ways to restore Africa's coffee production to its former place in world markets. There was a need for new vision and improved productivity across the industry. We aim at a sector-wide approach (SWAP), to include all the coffee farmers, country by country.

FOUR FOUNDATION ELEMENTS

Our approach has four foundational elements:

System thinking	Which sees the sector as an integrated whole, improves integration of stakeholders and helps institutions towards sustainable change.
Relational thinking	Which seeks to build shared vision and values in the sector, to draw out the wealth of tacit knowledge, and to build better channels of communication across the industry.
Scientific thinking and technical expertise	Applied within the industry to correct imbalances, resolve problems, and lead to enhanced productivity and production.
Adaptive thinking	Which is the flexible application of experience to specific circumstances.

The impact of the implementation of a national strategic plan for the coffee sector, within a national agricultural plan, may take time to feed through into the national export statistics, but is the only sustainable basis for ensuring long-term growth.

In practical terms, this is worked out through:

- *Diagnosis and consultation of the existing state of the industry. In most countries detailed reports have already been written. These are analysed and the findings discussed informally with stakeholders throughout the supply chain.*
- *Develop a strategic plan. This is done through a Multi-Stakeholder Process, working with the Coffee Board of Authority and other stakeholders, and defines a shared vision with clear objectives and a detailed work plan and budget.*
- *Implementation of the plan in collaboration with the industry's principal stakeholders, if requested to do so. While the full benefit of this process takes several years, some outcomes, such as bringing stakeholders together in an annual meeting, organising a steering committee, or focusing extension service effort on coffee in key districts can provide some immediate gains.*

To be effective, the system needs to accommodate a level of Public Private Partnership, which in most countries is still relatively unfamiliar. To achieve this requires patience and commitment from both sides, and a shared vision and purpose.

THREE IMPLEMENTATION COMPONENTS

The four foundation elements expanded

SYSTEM THINKING This is concerned with the integration and balance of the sector:

- *The whole sector is taken as an integrated system, within the context of the country's agricultural development agenda*
- *Identifying how to bring greater integration among the institutions and organisations operating in the sector*
- *Analysing how each part influences and impacts the other parts*
- *Identifying any areas of imbalance in the system, so that these can be addressed with appropriate action, so that the sector as an integrated system works better*
- *Working towards building capacity within existing institutions to respond to the rapid changes in the industry, so as to motivate people to adapt*
- *Assessing areas of systemic risk, to identify precautionary measures which may be needed*

RELATIONAL THINKING This is concerned with the dynamics of the relationships in the sector:

- *Building commonality of purpose and values within the system (shared vision)*
- *Analysing and developing the relationships between key stakeholders within the system*
- *Building mutual respect – parity which does not deny authority, but recognises the unique and important contribution that each group of stakeholders has to make*
- *Drawing on the breadth and depth of knowledge within the system, and how this can be effectively applied for the benefit of the whole. This acknowledges the importance of applying science and technology to the issues, but the tacit knowledge in the system may be overlooked at considerable cost*
- *Recognising the story line of relationships within the system, how this has developed in the past, how it is impacting the present, and the expectations for the future*
- *Working towards improving communications between stakeholders – institutions and individuals – throughout the system*

There are enormous resources of scientific and technical information available to the coffee industry. Most countries in Africa have a considerable depth of expertise in most areas of production, processing and marketing. These resources may be held in institutions which have not been designed for their dissemination. They are not therefore available to stakeholders when and where needed. Facilitating access to this expertise is the third foundational element. This includes:

- *Planting material with the propagation and multiplication of new improved varieties*
- *Pest and disease control*
- *Soil management*
- *Productivity enhancement measures/good agricultural practice*
- *Coffee quality*
- *Post-harvest handling and processing planning and logistics*
- *Marketing – opportunities and constraints*
- *Short and long-term trends and changes in the market*
- *Strategies to mitigate the impact of climate change*

Technology transfer, to be effective, needs to be planned and intentional. This implies the provision of resources specifically allocated for this purpose.

Circumstances vary widely. Any application of the approach must be flexible enough to engage all the major stakeholders. Already experience has shown that success can be achieved by varying the approach.

SCIENTIFIC THINKING & TECHNICAL EXPERTISE

ADAPTIVE THINKING

Three components of implementation expanded

TOWARDS A NATIONAL COFFEE SECTOR STRATEGIC PLAN

Implementation is worked out through the development of a practical plan which leads to a programme of action. Any such plan needs to fit within the Government's broader framework Agricultural Sector Strategy. Unless there is ownership within the industry, ownership which reaches from the farmer through to ministerial level in government, it is unlikely that any plan can be successfully implemented. Coffee is essentially a commercial activity for the growers and those directly involved in the supply chain. If production has declined, the fundamental reason is that coffee is not considered profitable by farmers. It may be that they have other activities which they find more profitable, or deem more essential, e.g. production of food. This braiding of the public sector's guardianship priorities with the private sector's commercial priorities may bring to the surface some tensions between the two. It can be in addressing these that sustainable change starts to happen.

It is evident from the generally rather low yields across the industry in Africa that coffee is far from realising its full potential for growers. With the competitive pressure on the resources needed for coffee production, coffee will only survive and thrive as a cash crop if both productivity and quality problems can be addressed. In our view this requires concerted and sustained action over a 3 to 5 or even 7 year period. The specific components include diagnosis, development of a plan, and putting the plan into action.

Diagnosis

Study the industry in the country, reading the existing reports	In most cases, there already exists a substantial body of information relating to the coffee industry in each country. The challenge is that the recommendations in these reports have often not been implemented.
Talk with the key industry stakeholders	From growers, through processors, traders, financiers, exporters, government agricultural officials, coffee boards, research institutions, ministries, etc. The purpose is to identify with them the key opportunities and constraints, and to start to build a vision for what the industry might fix as objectives in a 5–10 year time-frame. This is also to identify what is working well, the conditions that make that possible and how they can be replicated. We aim to start from what is working, rather than from what is not, as a more effective way of releasing peoples' energy.

Development with the sector of a coordinated strategic plan

WORKING GROUPS To examine key opportunities and constraints which have been identified. This may include the areas of:

- *research and multiplication of seedlings*
- *provision of extension services*
- *inputs supply and soil management issues*
- *availability of credit to farmers*
- *organisation of farmer groups for better representation and marketing*
- *efficiencies of the internal marketing system*

Our objective at this stage is to access some of the tacit knowledge which exists within the industry that is not being applied for its benefit. The growers often have ideas on how best they may resolve the challenges which they face; exporters usually have useful input on how things may be improved. National extension services are often open to reviewing improvements and strengthening their capacity. Researchers generally welcome more contact with the other sector players. By listening to the stakeholders, and having their direct input into the process, not only is their knowledge used to benefit the industry, but they also begin to take ownership of the process of change. To ensure ownership of a strategy this requires an ongoing Multi-Stakeholder Process.

STAKEHOLDERS MEETING Bringing together the different sectors of the industry, to review and discuss the findings and recommendations of the groups under the different headings. The goal of such meetings is to agree the outline and objectives of a strategic plan for the coffee sector, and how it can be implemented. It also agrees the priorities which need to be addressed first. The stakeholders' meetings may then become an annual event in the coffee sector, for the purpose of reviewing the effectiveness of the implementation of the agreed plan, the successes and failures of the previous year, and agreeing a work plan for the following year. The review covers what is going on in both the social and commercial environment, and includes an element of accountability.

Putting the plan into action

The implementation of an agreed plan, based on a vision shared by the stakeholders of where the coffee sector wants to go in the coming 5–7 years is a major challenge, and a long-term commitment.

If Café Africa is asked to assist with putting a plan into action, then within the first 12–18 months, we aim to establish a National Steering Committee (NSC), elected by a stakeholder meeting, and with clear terms of reference. It is vital that there be strong representation from both the public and private sectors. One of the critical challenges is to involve the private sector operators in a national level strategy. They may already be involved in local projects with growers, and will usually have severe time constraints. The benefits of participation in a long-term revitalisation of production need to be explained, if they are to outweigh the short-term constraints of the “bottom line”.

**PUBLIC
PRIVATE
PARTNERSHIP**

Our experience shows that if the public sector does not take an active part the committee will focus too much on narrow, short term commercial project issues of the private sector, without also bringing the focus of government resources in areas such as research and extension which are vital if the whole sector is to be impacted. If on the other hand the private sector does not take an active part, their entrepreneurial drive and results orientation is lost, which is so vital for accountability and achieving targets.

With the priorities identified in the stakeholder meeting, this group would have the task of developing a detailed work programme, and then liaising with the different stakeholders who have the task of implementing the activities. This usually includes specific activities relating to accelerating multiplication of improved varieties, as demand for these is generally quite strong from small-holders. This NSC does not have any “authority” of its own, and generally operates on a minimal budget. Its strength lies in its ability to bring stakeholders together, its propositional capacity, and the recognition it gains from the dynamism it brings to the task.

In the following 12–18 months, the formation of regional or district steering groups becomes the priority, so as to ensure that at local level, farmers are beginning to receive better services. This includes extension advice from district agricultural officers, inputs supply, and possibly also addressing issues of savings and credit. This provides a valuable forum to promote the sector's goals and needs.

In order to reach the large numbers of small-holder farmers, the government institutions, which have traditionally played that role, but which in recent years have stepped back from many areas of involvement, need to be motivated and mobilised into action. For change to be sustainable, it is not sufficient to adopt only a project approach. This is mainly because of the short-term nature of most projects, and the long-term nature of addressing the problems of Africa's production. Much has been learned from coffee projects across Africa. However, the time has come to up-scale these experiences. This means taking them beyond short-term projects or electoral cycles, and integrating them into the fabric and regular activity of organisations, both public and private sector, to provide the required services.

Work through a National Steering Committee	Appointed by the first stakeholders' forum, which would then become an annual meeting of the sector. The Terms of Reference of the Steering Committee are to develop the agreed plan into a detailed annual work plan, and then take this out into the coffee growing districts/ regions. Decentralisation is a key theme in modern thinking relating to Agricultural Development. Much of the budgetary control is devolved to the regions. In most countries, it is the provincial, regional or district authorities which are the most important in working out the implementation of a plan aimed at covering the large numbers of small-holder farmers who grow coffee.
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Action at regional and district level	Therefore, while it is important to work at national level, there is much to be done with the farmers in the production zones. This depends on the ownership of the vision and the cooperation and motivation of the different institutions and organisations at local level which need to interface with the growers themselves to bring about the changes required.
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The nature of the “ad hoc” Steering Committees

In establishing both national and local steering committees, it needs to be recognised that, as “ad hoc” committees, they do not have authority to direct or manage activities. This remains the responsibility of the organisations and institutions, both public and private sector, which have this role. The Committees can continue to monitor and study the state of the industry and the specific needs. By identifying the critical issues, and proposing priority activities, they can influence the actions taken on the ground. They are a forum for review and assisting with the coordination and support of the institutions involved. A better level of accountability and collaboration can thus be achieved to maximise the benefit to sector stakeholders, especially the farmers.

INSTITUTIONALISATION

They need to be recognised for their usefulness, which should become increasingly self-evident. However, if they become institutionalised in too formal a manner, there is the risk that they lose their dynamics as a public private partnership. The risk is of being overtaken by bureaucracy.

The implementation of the plan will need, therefore, the establishment of local committees or working groups at regional or district level. Such groups would include representatives of the stakeholders involved in production, including farmers, traders, processors, and regulators. The fact of regular meetings can greatly enhance communication, cooperation and a shared vision of the sector at the local level. They also provide ownership among farmers of the national plans and objectives, and give coffee its proper place on the district agendas. In recent years coffee has been subordinated to other crops perceived to be more important (such as food production), more “modern” (such as horticulture or floriculture) or more interesting (such as spices, vanilla or other exotic plants). Coffee continues to be one of the potentially most remunerative crops for small-holders. Coffee combined with certain food crops can enhance productivity of both of the crops, and improve farmer incomes and income

security. However, in order to achieve reasonable rates of return, it is vital that productivity and quality receive the attention needed to reach consistent and remunerative levels.

Conclusion

With less than 20% of the world's population today drinking coffee, and the strong growth in the newer consuming markets, as well as in the producing countries themselves, the demand for coffee is on a steady upward trend. Against a current demand estimated at nearly 7.9 million tons (132 million bags), within the next 10 years, according to the International Coffee Organisation (ICO), demand is expected to reach 9 or even 10 million tons (150–170 million bags). Even in the midst of the current economic down-turn, coffee consumption has remained remarkably consistent. Annual growth may be slightly slower than the 2.0–2.25% of the last 10 years, but coffee is becoming part of the daily life of a rapidly growing population. Positive health effects of coffee are also helping consumption.


Africa's 25 coffee producing countries offer a rich diversity of farming systems and climates, and a wealth of germ-plasm, Africa is uniquely placed to meet some of the growing needs of the world's consumer markets in the coming 10–20 years. In addition, Africa produces some of the world's finest qualities.

One of the main characteristics of Africa's coffee sector is that it is more than 90% small-holder production. In many countries, the average small-holding is around 0.5–2.0 hectares. This presents a challenge, as it makes direct involvement by the private sector problematic. It has proven extremely difficult to develop sustainable long-term relationships with farmers or even farmer groups in a competitive market environment.

As cash crops such as coffee face pressure from the current priority of food security, it is sometimes not recognised that they provide a means of stabilising farm incomes on a long-term and sustainable basis. The rise in mobile technology is an unprecedented opportunity to provide farmers with market and growing information. Not only can they improve their agricultural practices, but they can market their crop much more effectively with the better knowledge of market prices through

the mobile telephone. The use of more modern technology may also help to attract the young generation into production.

The low prices of the early 2000's were certainly a major disincentive to growers, but since then prices have recovered. In many growing areas, there is a renewed interest in coffee as a cash crop. The above outline aims to provide the framework on which a programme can be developed for the rehabilitation and revitalising of a country's coffee sector.



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