SPEECH PRESENTED BY THE DIRECTOR GENERAL OF THE NATIONAL COCAO AND COFFEE BOARD (ONCC), DURING THE "4C" WORKSHOP HELD IN DOUALA ON JULY 27 2006.

The Governor of Littoral Province;
The Senior Divisional Officer for Wouri;
The Divisional Officer for Douala 1;
Excellencies, ladies and Gentlemen,

The coffee sub-sector in Cameroon is in disaster. For us to understand the situation these figures are necessary. The average production in the last five years was 47, 000 metric tons: 41,000 MT for Robusta and 6,000 MT for Arabica. We should recall that at the end of the eighties, these figures were 90,000MT and 30,000 Mt respectively.
As regards the prices, it was around 1,268 FCFA/Kg CAF in 1994/95 and dropped to 558 FCFA/Kg CAF in 2000/2001. Since the end of 2004, we noted with happiness a reverse in the falling price tendency. The reasons for this disaster are many and have been sufficiently stated. Let us recall some amongst others.

- An ill –starred restructuring of the sector which led to serious dysfunctioning of the system;
- An upset in the international coffee environment with the coming in of new competitive actors (like Vietnam who in few years moved from tens of thousands of tons to over one million tons);
- The hegemony of liberal ideas succeeded in abolishing certain safeguards which benefited the farmers (economic clauses in agreements, stabilization of farmer's revenue);
- Sociological changes at the origin of cultural concerns: equitable trade, consumers' satisfaction, coffee and health.

The combination of all these elements apparently left Cameroonian coffee farmers by the wayside. Cameroon, an average producer not too long ago, is today a small producer of coffee whose produce is totally unknown in the world market, yet conditions exist which could boost the sector for the benefit of our farmers. These conditions are the produce, the people and the environment. Concerning the product, Cameroon has an essential advantage. It produces the two principal varieties of coffee (Arabica and Robusta) necessary in blending to achieve an excellent aroma and flavour that characterizes good coffee. As regards the people, whether the administrators or the farmers themselves, both have enormous experience in the area of coffee which could be used within the frame work of re-launching the sector.

Finally, the environment of the organizational and functional level is potentially well structured. There exists (state structures, Inter-professional, farmers' structures, Trade – Unions). The government reacted within the framework of its poverty reduction strategy by recommending a plan to boost the coffee sector. This plan will materialize at horizon 2015 with the increase of coffee production by relying on the creation of new farm lands with quality vegetative material or by regenerating existing land to increase output.

Nevertheless, it is necessary to take into consideration a certain number of informed facts:

1. Even with an increased production at horizon 2015, the situation of Cameroon as regards coffee cultivation shall not be comparable to that of the big producers (Brazil, Vietnam, Colombia and Ivory Coast). In fact, some are already transforming locally more than half of their production, thus keeping within the country, the corresponding added value. Others produce at very low cost yielding (2 MT to the hectare against 300 to 400kg for Cameroon) in a way that the notion of price of coffee in London is irrelevant to their profit.
2. The International Coffee Market has evolved a lot these last years to the point that new factors must be taken into consideration by any operator interested in this market so as to better make use of the exigencies. (Niche markets, coffee and health etc). The reaction of small farmers to this new deal must be specific. Likewise to ascertain the success of the new impetus in the coffee sector, it is necessary to iron out certain aspects.
3. A good organization of the rural world through the different forms of organizations provided for by the texts (cooperatives, CIG, Associations etc). Properly organized rural organizations will allow an improvement in the relationship with buyers.
4. The development of local consumption of coffee will sustain local transformation. This aspect is still undeveloped. In fact, today we transform 4,000 MT of coffee an insignificant and ineffective amount to truly give impetus to the coffee sector. A sensitization drive by the different stakeholders each at his level, will witness the doubling of this figure by 1015.

THE GOVERNOR, LADIES AND GENTLEMEN.

In the light of the recent development observed in the International Coffee market, we have to note with satisfaction some positive developments and have hopes:

- The coffee market has witnessed a reversal in trends since the beginning of 2005. The indicative price of the International coffee organization (ICO) rose from 62.15 cents in 2004 to 89.36 cents in 2005.
- The market bases are encouraging. (Brazilian production is in control thanks to its local consumption, world consumption is on the rise for a long time now, global stocks have reduced).
- The market will witness an increase in its margin with the arrival of new consumers of coffee in the emerging countries (China, India and Russia).
- At the local level, the creation of the fund for the development of the coffee/cocoa sector which will be operational soon, is a driving factor for the boosting of the coffee sector.
- It is our place here to salute the Initiative of the 4C and to welcome them to Cameroon. Intended to stimulate sustainability in the green coffee chain, the initiative of the 4C (Common Code for the Coffee Community) can be perceived from an economic, social and environmental angle.

For our part, sustainability being advocated by 4C will entail a favourable balance of our farmers whose situation had been deteriorating as earlier indicated. Notwithstanding, this sustainability can be envisaged in the green coffee chain only if we take into considerations the following elements:

1. Assistance in all forms to helpless small farmers faced with well organized private interests.
2. The putting in place of a solidarity mechanism to offer farmers a better income than that of the market based on the quality of their produce.
3. Provide adapted assistance to farmers so as to enable them better organize in order to benefit from the emerging specialized markets.
4. As concerns quality, create a desirable equilibrium with consumers’ demands in order to prove that better quality should fetch better reward or payment.

I thank you.