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**Statement by the President of the
Republic of Kenya, made at the
opening ceremony of the
124th Session of the Council**

Your Excellences Members of the Diplomatic Corps,
Distinguished ICO Delegates,
Fellow Kenyans,
Ladies and Gentlemen,

Good Morning,

Let me say how delighted I am to join you all on this auspicious occasion of the 124th Session of the International Coffee Organization (ICO) Council proudly hosted by the City of Nairobi.

The choice of Kenya to host this Session is a welcome recognition, by the International Coffee Organization Fraternity, of our country's contribution as a Member of the ICO, as well as our place within the Global Coffee Sector.

On behalf of the People of Kenya, I extend our warmest thanks and appreciation to the International Coffee Organization Council for granting our Nation this privilege. You are all welcome to Magical Kenya, Karibuni Kenya.

Ladies and Gentlemen,

The International Coffee Organization's mission statement of "strengthening the Global Coffee Sector and promoting its sustainable expansion within a market-based environment for the betterment of all participants in the Coffee Sector", recognises four (4) fundamental truths about Coffee in today's World.

Firstly, Coffee is a cash crop that provides livelihoods to millions of persons living in coffee-growing and exporting Countries. Many people in this room owe their education, prominence and prosperity to Coffee; having been raised in homes where Coffee was the principal income-generating cash crop. Whole communities and even National Economies are immeasurably better because of Coffee.

Secondly, the Mission Statement recognizes that there is still room to strengthen the Coffee Sector, both within importing and exporting Countries themselves, as well as Globally.

Ladies and Gentlemen,

Thirdly, the International Coffee Organization's mission statement acknowledges that, strengthening and expansion of coffee industry must be sustainable.

The development of the coffee Sector that we all desire must be done in a way that meets the needs of the present without compromising the needs of future generations. An environmentally conscious coffee trade, across the entire length of the supply and consumption chain that secures the Sector today and tomorrow.

Lastly, the International Coffee Organization mission statement recognizes that the benefits of sustainable development and expansion of the Coffee Trade, both at local and international levels, must be shared by all its participants. Coffee's future cannot be bright if some of the participants in the coffee industry do not receive their just dues.

Ladies and Gentlemen,

Coffee is the most traded commodity globally after Petroleum. Its production has increased from slightly over 95 million bags in 1988/1989 Crop Year to 158 million bags in 2017/2018. Nevertheless, this growth has taken place against the backdrop of broad stagnation of the Sector within sub-Saharan African countries.

It is notable that between 1990 and 2016, Africa's share in the total value of Coffee's global exports fell from 21% in 1990 to only 9.4% in 2016. This is not good news for Africa, and this story must change.

The industry's development in Africa has been slowed down by a myriad of challenges, which include, among others, rising costs of production, international coffee price volatility, land-use pressures, to mention but a few.

In Kenya, the sub-sector has also experienced a steady downward trend, with production falling from a high of about 130,000 MT in 1988/89 Crop Year to a low of about 40,000 MT at present. But interestingly, notwithstanding the decline in production, Kenyan Coffee continues to fetch premium prices in international markets, largely on account of its high quality.

But paradoxically, these premium prices do not trickle down to the farmers, who by and large, are small-scale producers. This phenomenon though not unique to Kenya, represents the single greatest challenge to the continued prominence of the Coffee industry.

Ladies and Gentlemen,

In recognition of the importance of coffee sub sector in the promotion of our overall development agenda and in particular the “Big Four” Agenda, my Administration has initiated a number of institutional, legal and support-services interventions, which are intended to reverse the negative trends in Coffee industry and assure the future of Coffee farming in Kenya.

Some of the key interventions we made include the ambitious rehabilitation of 500 pulping stations (factories) in 31 coffee-growing Counties, the rehabilitation and provision of planting materials and advancements in research and extension services.

Furthermore, and with a view to comprehensively resolve the problem of undue delays in the payment cycle, we have set up a Ksh.3billion Cherry Advance Revolving Fund to be operational from July 1, 2019.

Consequently, all Coffee Farmers across the Country will be able to access the Cherry Advance at a modest interest rate of 3%.

At the heart of Kenya’s reform package for the Coffee Sector is our operationalizing of the long overdue Kenya’s Commodities Exchange. This new regulatory framework will liberalize the Coffee Sector, ushering in an era of “direct marketing” by cooperative societies from across the country.

To protect the sweat of the brow of Coffee Farmers, My Administration has embarked on a programme to entrench the principles of good corporate governance within the internal management of Co-operatives across the Country.

This intervention is in line with the aspirations of Members of all Co-Operatives for well-managed, financially stable, efficient units; able to deliver on their mission of enhancing benefits accruing to individual Members through enhanced resource mobilization and economies of scale.

In this regard, we have, through the State Department of Co-operatives embarked on the task of formulating an appropriate legal framework for Annual Audits of all Co-operatives in the Country; with the ensuing Audited Accounts being presented to the Cabinet Secretary within six months of the end of every calendar year, with simultaneous release to the entire Membership of the Co-operative and the Public.

The inaugural Audits under the forthcoming enhanced regulatory framework will cover the Calendar Year 2019, and shall be submitted by all Co-operatives on or before 31 December, 2019.

These reforms are Farmer-Centric, and have been designed to boost production, reduce the costs of processing and milling as well as transaction costs in the auction market.

In addition, we have taken steps to incentivise the youth and women to participate in the value chain and in consequence increase domestic consumption of coffee and mitigate against Price Volatility.

Like many Exporting-Nations, we are also targeting increasing municipal consumption while at the same time increasing the brand prominence and recognition of our Coffee in international markets.

As part of this strategy, we are aggressively marketing globally to increase Kenya market shares in Europe and USA and the emerging Asian markets.

It is worth emphasising, in all our efforts to reposition coffee industry in Kenya, we remain well guided and are therefore adopting methods and technologies that prioritize environmentally sound cultivation, just labour conditions, fair remuneration and pricing, and which preserve current players while attracting new ones.

With these efforts already underway and beginning to reap rewards, it is my pleasure to confirm to you all that the status of Coffee in Kenya is strong, and its future outlook remains positive.

Your Excellences,
Delegates,
Ladies and Gentlemen,

As I conclude, I urge this Conference to reflect deeply on the issues facing the Coffee Sector, and focus your discussions towards developing lasting solutions that resonate with the needs, desires and realities of all participants in the Sector. I look forward to receiving your proposals and assure you of our readiness to embrace them to grow this important sub sector.

Let me also at this point, thank all those who have worked tirelessly to make this Conference a success. Lastly, I urge you at the end of the Conference to find time to tour this wonderful City, and, if you can, extend your stay in Kenya and sample some of the attractions that our beautiful Nation has to offer.

With these remarks, it is now my pleasure to declare this 124th Session of the International Organization Coffee Council, officially open.

Thank you and God Bless you all.