



Promoting Social Responsibility

**Remarks by Mr. Mumo Kivuitu, Executive Director, Ufadhili Trust,
During the official launch of the Kenya Coffee Producers Association (KCPA)
Wednesday, 24th March, 2010
Co-operative College of Kenya, Nairobi**

It is a great pleasure to finally witness the launch of the Kenya Coffee Producers Association. I congratulate the entire coffee producer's community on this milestone.

This is an opportune time to launch this association because of several opportunities that are available to the coffee sector. For example, prices both internationally and at the local auction have been remarkably good. A national effort to brand Kenyan coffee has recently been launched. Coffee quality has remained high particularly in the small holder sector. Attention within the media and among donor partners has increased and even the government has recently spoken favorably of this forgotten sector. The potential for this sector remains extremely incredibly high.

KCPA should be bold enough to address the many challenges that face the coffee sector. Issues like the unfair and often exploitative practices that have plagued the coffee value chain. There is no running away from the reality of the madness that has characterized coffee marketing this year. Nor can we ignore the almost monotonous but necessary discourse on the need to improve the governance and management of coffee cooperatives.

In some neighboring countries, coffee cooperatives are able to negotiate contracts using complex financial instruments like futures on the New York Commodities Market. We unfortunately are still struggling to weigh coffee berries accurately.

As we launch KCPA, the future of the giant KPCU that was built on coffee farmer's money is uncertain. I do not want to venture into the issues of the youth, and their almost allergic reaction to tilling the soil, or the unprecedented pressure by real estate developers seeking land within key coffee growing regions or the obsolete and inefficient technology still being used by most coffee cooperatives.

Farmer associations which have a combination of large and small producers tend to give greater emphasize to those who have the influence, power, resources and knowledge. KCPA should avoid this pitfall and remain true to the small holder farmer.

We cannot afford to disappoint, yet again, a group of people who have continued faithfully in coffee production through the years despite the enormous challenges that have affected the sector. It is evident that the current value chain is highly unsustainable and if sector players decline to change their business and production practices, coffee output will continue to decline and the sector risks becoming irrelevant.

We assure you of Ufadhili's continued support and once again congratulate you for the successful elections and launch of the KCPA.