Tanganyika Coffee Growers Association

Presentation to the 9th National Coffee Conference

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Dodoma

Presented by: Trevor Gifford

Stimulating the roots in order to build success

- The Honourable Prime Minister has put coffee firmly on the National Agenda.
- Key areas of Focus:
- 1) Farmers Organisations.
- 2) Extension.
- 3) Seedlings.
- 4) Marketing.
- The coffee industry in Tanzania has been stagnant for some time. There is an urgent requirement for a pragmatic National plan to revive our industry and make Tanzanian coffees relevant and sought after in the world market.

SOME REASONS FOR THIS LACK OF GROWTH OCCURRING

1. Poor returns from coffee. (Low international prices, poor quality and coffee passing through many hands before reaching the end user.)
2. Uprooting of coffee to allow cultivation of crops which give a better return to farmers.
3. Poor investment, crop husbandry and crop protection.
4. Lack of finance.
5. Viability and sustainability are of paramount importance to the survival of the Tanzanian Coffee Industry. Viability is dependent on many principles and the following are major considerations:

Grower`s representation, traceability of production, market information and lobby

1. Growers representation across the industry is very weak.
2. Presently millers and traders are dominating this space, which is creating a conflict of interest.
3. Market and production best practice information.
4. All growers to have a grower`s number.
5. All sales linked back to a grower`s number.
6. Grower statistics to recorded under their grower`s number.
7. The Coffee Board should only be a regulatory authority. (You cannot be a player and a referee.)

Structured finance and cost of production

1. There is a need for coffee to be declared a strategic crop so that Donor agencies may be willing to help fund the rebuilding of the Tanzanian Coffee Industry.
2. There is a need for coffee to feature as a priority in District Development Plans.
3. Make farmers and farmer groups accountable and bankable. This could be done through the joint and several principle of co-shared liability.
4. Public Private Partnerships (SDG 17) could have a huge impact on production and quality given a clear framework and terms of reference for engagement.

EXTENSION SERVICES, RESEARCH AND DEVELOPMENT

1. Extension officers need to be well versed in modern crop husbandry practices with broad practical knowledge of the broad spectrum of the coffee industry.
2. Research must be industry driven.
3. Research must be relevant to the vision of the industry.
4. There is need for international cooperation. (Regrettably Tanzania did not participate in a global assessment of Arabica coffee varieties which was undertaken by World Coffee Research.)

GOOD AGRICULTURAL PRACTICE

1. Minimum residual levels of chemicals within the bean.
2. Allow S.A.D.C and C.O.M.E.S.A chemical and fertilizer registrations to be acceptable within Tanzania.
3. Regulator of chemicals to be pragmatic in this ever-changing industry.
4. Educational material on withholding periods, new products and banned products to be made available to all farmers.
5. Disposal of empty chemical containers.
6. Sensible crop protection.
7. Mulching.
8. Water harvesting in the rains for use in the dry months.
9. Environmental management.

GOOD PLANTING MATERIAL, PLANT POPULATIONS AND CROP PROTECTION

1. Suitable coffee varieties for the climate and altitude in which they will be grown.
2. Coffee nurseries to be grown by those who have the ability to grow seedlings of a high standard.
3. Large scale estates could be contracted on a commercial basis to grow good quality seedlings to an official order.
4. A coffee plant has a certain genetic potential.
5. Proven plant material with the ability to give very good cup quality, resistance to coffee leaf rust and coffee berry disease should be given the green light for importation into Tanzania.
6. White Stem coffee borer is out of control in Tanzanian plantations.
7. Coffee producers adjoining wildlife areas are having to, at huge cost to themselves, fence off their coffee plantations.

WET MILLS ,DRYING FACILITIES, STORAGE AND OPPERATORS TRAINED IN BEST PRACTICE

1. A large number of wet mills around Tanzania are no longer serviceable.
2. This is having a serious impact on quality of coffee in these areas.
3. Need for best practice to be maintained throughout the process.
4. Hygiene and cleanliness is important.
5. Good quality of water for washing coffee.
6. Proper effluent disposal.
7. Bad drying facilities and poor drying impacts on quality.
8. Mould and scents will affect coffee quality.
9. Storage.

Bulking up of small holder coffees

1. Bulking together deliveries.
2. Quality and revenue.
3. High standards of crop husbandry and attention to detail.
4. Large coffee estates which have cupping expertise could assist with classification of coffees.
5. Without the correct expertise, the quality of coffee put to the market will be compromised, and the price realised will reflect that of the lowest quality in the blend of coffees.

Traceability, quality assurance and accountability of dry mills

1. When a dry mill receives coffee it should be recorded to a grower`s number, samples should be drawn and screened to assess bean size, and sample should be cupped to assess quality.
2. Independent drawing of samples for auction.
3. Colour sorters.
4. Milling costs should be transparent and reflective of actual cost recovery and sustainability of the mill.
5. Milling equipment to be kept in good condition.

PRODUCER OWNED AND OPERATED DRY MILL

1. There should be better transparency at grower owned mills.
2. Transparent marketing as there is a separation between milling and trader.
3. Ability to bulk up like coffees in order to fill containers and allow small producers to benefit from better prices on bulk shipments.

Payment for coffee

1. Growers must be paid promptly for their crop.
2. Growers` payments must be reflective of the quality of their deliveries and not a blend price.
3. Warehouse receipt system could be used in order to facilitate a part payment on delivery of coffee to a dry mill.
4. Further reductions in levies and taxes need to be considered.

Unrestricted marketing of coffee

1. Market transparency.
2. Single trading platform.
3. Arabica coffee is the second most traded commodity after oil.
4. Our aim should be to increase the premium paid for our coffees.
5. The auction is only effective as a means of trading if there are many buyers chasing the same product.
6. It is very probable that under a single trading platform we will see total revenue receipts for Tanzania coffee decrease and transfer pricing being legitimised.
7. Established long-term relationships with roasters.
8. Consistency of policy would attract more buyers to Tanzania.
9. Unnecessary bottlenecks at our ports.

ONE STOP EXPORT FACILITATION OFFICE

1. All documents relating to the export of coffee should be issued from one office.
2. This would ensure that the true state of the coffee industry can be understood, leading to effective appreciation of:

- Quality of coffee exported.
- Volume of coffee exported.
- Volume relative to grade of bean.
- Price realised per size of bean.
- Price realised per quality grade.
- Destination.

3. This would enable Tanzania to create an effective marketing strategy.
4. Using this data, it will become apparent where our industry needs to focus in order to increase quality and productivity.
5. Production areas facing problems with sustainability will be exposed.

Promotion and publicity of Tanzanian coffee

1. This is best driven in conjunction with growers!
2. Growers are more knowledgeable and passionate on their product and invariably commit their life to the industry.
3. Producers are better positioned to create the market linkage between speciality niche markets and the plantations.
4. Lack of flexibility in the marketing of coffee in Tanzania will lead to a lack of passion to develop new markets and build better relationships with roasters and consumer markets.

In CONCLUSION

1. We believe that a phased approach to the recent directive by the Honourable Prime Minister would enable our industry to transform.
2. A great deal of capacity building is required at all levels within our industry in order to achieve the set out goals.
3. Our fear is that a fast track approach will be disruptive to our industry.
4. There is need for dialogue on a National level to deal with the points outlined in this and other submissions.
5. Our appreciation to the Minister of Agriculture and Tanzanian Coffee Board for affording us the opportunity to share our ideas at this most esteemed forum.
6. We need to ensure that the Coffee Industry has healthy vibrant roots that will allow expediential growth within our industry.

Thank You.