

Low prices killing coffee farms – expert

By Faridah Kulabako

East African countries need to increase the average price for coffee farmers to enable them earn a reasonable living wage. If that is achieved, the farmers will be able to improve their livelihoods and invest more in farms to increase production and productivity, an expert has said.

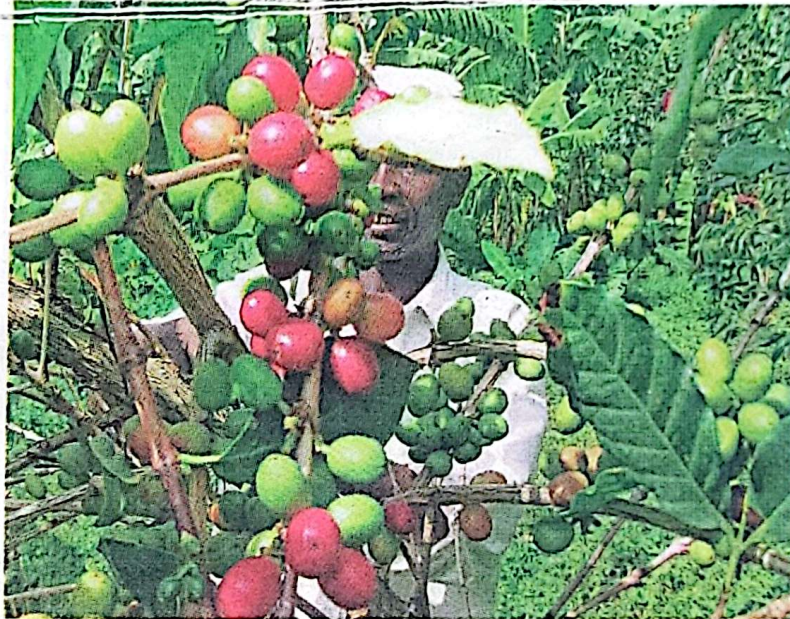
The global coffee director at TechnoServe Ethiopia, Paul Stewart, said while the average incomes in big coffee producing countries are higher, their East African counterparts earn peanuts, estimated at about 7%-10% the retail price.

Stewart proposed that prices need to increase to enable farmers earn more for their investment.

On average, farmers in Uganda earn about \$120 (about sh430,000) per acre per season, \$250 (about sh900,000) for Ethiopian farmers while their Kenyan counterparts earn about \$68 (about sh245,000), according to Stewart.

He noted that prices in Uganda need to increase 16 fold to about \$1,920 (about sh6.9m) while that for Ethiopia needs to increase eight fold to \$2,000 (about sh7.2m).

Kenya on the other hand needs to increase the price 20 times to \$1,360 (about sh4.9m). Stewart said low farmer coffee prices have contributed



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to the low crop production as they discourage farmers from the trade in favour of other crops, such as beans, maize and matooke.

He was speaking during the second day of the 16th African Fine Coffees Association (AFCA) conference and exhibition at the Kampala Serena Hotel in Kampala last week.

In addition to higher farmer prices, Stewart also noted that there is need for consolidation of the small coffee farms and putting in place fertiliser credit to increase farmers' access and use of fertilisers to increase production and productivity and ensure sustainability of the coffee industry, he said.

Uganda misses premium price

The Falcon Coffees chief executive officer, Konrad Brits also urged Ugandan farmers to improve their practices to ensure high quality coffee to earn the country a premium price at the world market.

Brits added that while other coffee producing countries in East Africa are earning a premium price for their Arabica coffee, Uganda gets a low price for its coffee because of poor quality.

He attributed the low differential price for Uganda's coffee to unselective picking of coffee beans, poor post-harvest handling processes, such as fermentation, washing and drying of coffee beans, which compromises quality.

"East Africa as a region generally commands a high price premium because of the quality of the coffees produced here, but Uganda is at a discount because the traditional supply chain has not taught farmers the correct practices," he said, adding that training farmers and creating access to resources will enable Uganda fetch a premium price.

He noted that Uganda loses huge revenue as a result of the poor coffee quality. It should be noted that following the formulation of the National Coffee Policy in 2013, coffee stakeholders in

Uganda have for the last four years been advocating for the swift enacted of law to enforce the policy, but it is yet to be done.

The law seeks is expected to streamline production and marketing of coffee, provide standards for pre and post-harvest handling and put in place punitive measures for offenders.

Sustainability

Experts said there is need to invest in ensuring sustainability of the coffee industry through sustainable production and productivity.

The International Coffee Organisation (ICO) executive director, Jose Sette, noted earlier that there is need to create an efficient supply chain especially for logistics to enable a higher share of the export price to be transferred to farmers in order to motivate them.

Most farmers are currently being cheated by middlemen who are profiteering at their expense by offering them low prices. This has demotivated many farmers forcing some to cut coffee trees.

Sette said while the global coffee demand has increased by over 50% from 100 million bags, of 60-kgs, in the mid-1990s to 159 million bags currently, the continent's share of the global output decreased from 17.6% in 1990 to 10.8% in 2016/17.