

***Your Excellency Yoweri Kaguta Museveni, The President of the Republic of Uganda;***

- ***Your Excellency Azali Assoumani, The President of the Union of Comoros and Chairperson of the African Union;***
- ***Excellencies Heads of State and Governments here present;***
- ***Distinguished Participants, Ladies and Gentlemen.***

It is an honour and privilege to participate in the opening of the Second G25 African Coffee Summit on behalf of Her Excellency Dr. Samia Suluhu Hassan, the President of the United Republic of Tanzania. I thank His Excellency Yoweri Kaguta Museveni, the President of the Republic of Uganda for hosting this Summit and for the warm reception accorded to me and my entourage.

***Excellencies, Ladies and Gentlemen;***

The G25 African Coffee Summit remains to be an important platform that brings together members of the Inter-African Coffee Organization (IACO) to discuss and strategize on how to transform the coffee sub-sector in the region. I commend the progress made in implementation of the May 2022 "Nairobi Declaration" and welcome the theme for 2023 Summit, that is "***Transforming the African Coffee Sector through Value Addition***". Indeed, it encapsulates well the very essence of our journey towards a thriving coffee industry.

***Excellencies;***

Nearly half of African countries grow coffee and for some of us, it constitutes a major source of our foreign exchange earnings and among vital contributors to GDP. Given this importance and our enormous endowment of vast arable land, favorable climate and demographic dividend of youth labor, it is timely that we have the 2023 G25 Summit, and I underscore that we should use this platform to unanimously push for a declaration of coffee as a strategic commodity in harmony with the AU Agenda 2063; promote value addition; agree on how to expand regional coffee trade; and discuss remedial measures to underlying risks to this important cash crop.

***Excellencies:***

According to *World Bank's Commodity Market Outlook Reports*, world coffee prices maintained a long-term positive trend, with the price of Arabica coffee increasing more than two-fold from an average of USD 2 per Kg in 2001/02 to USD 5 in 2022/23. Similarly, the price of Robusta coffee more than tripled from USD 0.7 per Kg in 2001/02 to USD 2.4 per Kg, in 2022/23. Such developments in coffee prices culminated into USD 466 billion global traded value in 2021, with Africa earning

only 0.5% of the traded value. Despite the price advantage over the past 20 years, Africa remained at the tail end, as it accounts for merely 12 percent of the world's production and the trend in the region has been steadily declining. This appeals for a ground breaking solution to reverse the pattern and take actions to unlock the untapped potential of the coffee industry, capitalizing on the rising world prices and our expanding regional market of nearly 1.4 billion people.

***Excellencies:***

In Tanzania, we have continued to devise new measures aimed at consolidating successes in revamping the coffee industry. For example, the Government has continued to increase the agriculture budget for three consecutive fiscal years to among others, roll-out fertilizer subsidy programme and up-scale supply and distribution of high-yielding Arabica coffee seedlings free of charge through Tanzania Coffee Board and Tanzania Coffee Research Institute (TaCRI). The target is to raise and distribute 20 million seedlings per annum. In 2022/23, 17.8 million seedlings have been distributed so far.

Other interventions encompass, strengthening of coffee research and development through the Tanzania Coffee Research Institute (TaCRI). Due to effects of climate changes which have had detrimental effects in coffee production such as increased incidences of pests and diseases, erratic rainfall which made some areas unsuitable for coffee production. Tanzania has taken steps to mitigate this situation by developing coffee varieties which are drought resistant. We do hope that these varieties will be released in the coming few years after assessment trials in the field are completed. We have also scaled-up extension services through Local Government in collaboration with Cooperatives; and introduction of a one-year *Certificate Course in Coffee Quality and Trade* at Moshi Cooperative University, to address the shortage of extension officers. On markets, we have introduced zonal coffee auctions, such that Agricultural Marketing Cooperative Societies (AMCOS) that used to be the sole buyers are now competing with other market players and prices are benchmarked to world prices.

***Excellencies:***

On involvement of women and youths in the coffee value chain, Tanzania has made some steps in mainstreaming gender. The efforts include establishment of the Tanzania Women in Coffee Association (TAWOCA) which brings together women in the coffee value chain and encourage/empower them to grow their business in the coffee value chain. Moreover, the Government has established a program to train the youths in coffee quality and trading for the purpose of building

their capacity to participate in activities along the coffee value chain and fill the gap of skilled personnel in the Tanzania coffee sub sector.

In tackling financial constraints, we have re-capitalized the Tanzania Agricultural Development Bank. In collaboration with commercial banks, we have re-established credit and export guarantee scheme to address shortfalls in collateral and introduced a facility at Bank of Tanzania to support affordable agriculture financing at interest rates not exceeding 9 percent.

Some of the achievements from the above interventions include increased coffee production by **19 percent** from **66.5 thousand tones** in 2018/19 to **82.5 thousand tones** in 2022/23. Foreign exchange earnings from coffee exports nearly doubled to **USD 235.6 million** in 2022/23 compared with **USD 123.2 million** in 2018/19. Coffee cultivated area increased from **218,966 hectares** in 2018/19 to **265,000 hectares** in 2022/23.

***Excellencies:***

As we convene here today, let us renew our commitment to the transformation of the African coffee:

**First**, let us embrace value addition as our guiding principle. I therefore, call upon governments and private sector to direct more energy and resources to acquire modern coffee processing facilities, roasteries, and quality packaging;

**Second**, I urge our farmers to increasingly adopt eco-friendly farming methods to ensure that our coffee industry leaves a positive footprint on both the environment and the people it touches;

**Third**, I remind the Secretariat of the Inter-African Coffee Organization, to fast-track development of the Africa Coffee Center of Excellence in Tanzania as already agreed. I assure you that the Tanzania Government will provide all the required support.

***Excellencies, Ladies and Gentlemen:***

To conclude, I am pleased to note that Tanzania will be hosting the 3<sup>rd</sup> G25 African Coffee Summit next year, 2024. In that regard, on behalf of President *Dr. Samia Suluhu Hassan* I wish to warmly welcome you to Tanzania for our next summit and continue with our journey to transform the coffee sub-sector. Together, we can.

**I thank you for your kind attention.**

