

## OFFICE OF THE DEPUTY PRESIDENT

## SPEECH BY H.E RIGATHI GACHAGUA, EGH, THE DEPUTY PRESIDENT OF THE REPUBLIC OF KENYA DURING THE REOPENING OF THE NAIROBI COFFEE EXCHANGE ON AUGUST 15, 2023

The Cabinet Secretary, Cooperatives and MSME Development, Hon. Simon Chelugui; The Cabinet Secretary, Investments, Trade and Industry,

Hon. Moses Kuria;

The Cabinet Secretary, Agriculture, Hon. Mithika Linturi;

The Acting CEO, Nairobi Coffee Exchange, Ms. Lisper Ndung'u;

The Principal Secretary, Cooperatives Mr. Patrick Kilemi Other Coffee Stakeholders; Distinguished Farmers; Distinguished Guests;

On this momentous occasion for our coffee farmers, I bring you greetings from His Excellency President William Ruto. It is a historic day for the Coffee farmer as I RING the BELL marking the reopening of the Nairobi Coffee Exchange auction.

The BELL we RING today signifies that the small-scale farmer, who has been toiling and sweating for peanuts, will meet the buyer and negotiate the price of their coffee- not through middlemen. Not Again. Indeed, the journey to putting the money to where it belongs- the pocket of the farmer- is firmly on course.

Among a raft of other changes, it is also a milestone as the Direct Settlement System through the Cooperative Bank of Kenya has been implemented to ensure the farmer is paid on time. Counties will license millers while the auction will be under the Capital Market Authority for stronger governance. On the other hand, the Agriculture and Food Authority will license buyers.

This is just the beginning of delivering the Coffee Subsector Reforms, which began as President Ruto instructed me under Executive Order No. 1 of the 2023. The reforms we are undertaking are based on the resolutions of the Coffee Subsector Stakeholders Conference, which I convened in Meru County in June.

**Distinguished Guests;** 

Agriculture is at the heart of the Kenya Kwanza Administration's Bottom-up Economic Transformation Agenda.

The Sector is employing more than 40% of our population and over 70% of the rural people.

It is immensely contributing to our economy directly and through interlinkages.

Coffee was once the pride of Kenya, fetching us foreign exchange.

But with the capture of the subsector by cartels and brokers, the crop lost value to the farmer as it benefited those who worked least. It is one of the reasons production has dropped from an average of over 130,000 metric tonnes in the late 1980s to as low as 34,000 metric tonnes.

We want to boost the crop production per bush from an average of 2kg to about 8kg in the next one year as we target at least 200,000MT by 2027. This will boost our foreign exchange earnings and contribute to sustaining a stable economy. That is why the we have set aside funds for fertiliser subsidy, coffee cherry fund, besides enhancing the capacity of the Coffee Research Institute. Distinguished Guests;

During the Coffee Stakeholders' Conference, it was recommended that the Coffee Board of Kenya and the New Kenya Planters Cooperative Union be redesigned for farmer-centred operations. We are reforming these agencies to serve the farmer better. As we also work on value addition and Marketing through SPECIALTY COFFEE ROUTE, our interest and focus remain in the farmer, especially the small-holder, earning more at the international market. I wish to assure our farmers that the reforms are unstoppable.

With the support of the Ministries of Cooperatives, Agriculture, Trade and Parliament, we are aligning legislative and administrative frameworks for sustainable reforms in the subsector. I, therefore, ask the actors in the subsector to take measures to comply with the raft of reforms we are making because we shall not retreat until the farmer is the King.

## ASANTENI SANA.