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MINISTERE DU COMMERCE

MINISTRY OF COMMERCE

CIRCULAR LETTER No. 0355 /MINCOMMERCE/CAB OF 02 AVR 2018
TO ORGANISE THE 2017/2018 COFFEE SEASON

**TO GOVERNORS
SENIOR DIVISIONAL OFFICERS
DIVISIONAL OFFICERS,
THE DIRECTOR GENERAL OF THE NCCB
THE PRESIDENT OF THE INDUSTRY SECTOR**

} COFFEE GROWING AREAS

As in the past, the objectives of this Circular Letter are: 1) to recall the legislative and regulatory framework governing unroasted coffee marketing operations for the new 2017/2018 season; 2) to generate the impetus to underpin the action of all stakeholders to better take into account the national strategic issues arising from economic policy guidelines set by the Head of State, without losing sight of international market requirements

The following season framework is the base thereof, in a context marked:

internationally by :

- price stabilization due to a balance between global supply and demand ;
- robust world consumption, which reached a record 158.5 million bags during the 2016/2017 ;
- a reduction in global stocks in the New York and London futures markets;

- growing exports to some countries such as Vietnam.

nationally by :

- a drop in marketed national production, down from 24 500 to 20 270 tonnes between the 2015/2016 and 2016/2017 marketing years, including 2, 392. 316 tonnes of Arabica and 17, 877. 676 tonnes of Robusta, or overall, a decrease of 4,230 tonnes in absolute terms and 17% in relative terms ;
- a producer price which increased by 5% between the 2015/2016 and 2016/2017 seasons for Arabica (988 CFA F / kg, compared to 938 CFA F/ kg), and 36% as regards Robusta (813 CFA F/Kg, against 521 CFAF/ Kg) ;
- a remarkable increase in the quantities processed locally, up from 3,786 tonnes in the 2015/2016 marketing year to 5,610 tonnes in 2016/2017 season, or a 48%-increase in relative terms and 1,824 tonnes in absolute terms ;
- a consistent intensification of the campaign for promoting domestic and proximity consumption, with a view to holding down the effects of a heavy reliance on export market.

1- GENERAL PROVISIONS

1.1 The 2017/2018 coffee season will take place throughout the national territory, in accordance with Law No. 2004/025 of 30 December 2004 to amend and supplement certain provisions of Law No. 95/11 of 27 July 1995 to organise the marketing of cocoa and coffee, according to the following schedule:

- Arabica Coffee : from 1 October 2017 to 15 September 2018;
- Robusta Coffee : from 1 December 2017 to 15 November 2018.

1.1.1 Robusta and Arabica coffee marketing operations shall also be subject to the provisions of the following texts:

- Law No.2015/018 of 21 December 2015 governing Commercial Activity in Cameroon ;
- Law No.2015/002 of 21 April 2004 governing Legal Metrology in Cameroon ;
- Decree No.2005/1213/PM of 27 April 2005 to regulate the packaging and marketing of unroasted coffee ;
- Order No.00002/ MINCOMMERCE/CAB of 20 January 2016 to lay down general conditions for the marketing of Arabica and Robusta coffee beans.
- Circular No. 000692 / MINCOMMERCE / CAB of 11 December 2017 to lay down the detailed arrangements for the deployment of the Divisional Joint Mobile Brigades for the supervision and control of cocoa and coffee marketing;

2 - Marketing of unroasted coffee

2.1 The marketing of unroasted coffee shall be open only to:

- coffee producers ;
- organisations set up by producers in keeping with the laws and regulations in force ;
- economic operators that have declared their existence in keeping with the legislation in force;
- local roasting plants properly set up.

2.2 Unroasted coffee shall be freely bought and sold in all coffee producing areas at competitive rates.

Consequently, the following shall be forbidden :

- monopoly concession in buying areas ;
- collusions between exporters, mill owners or their representatives in charge of collecting coffee to impose a single price on producers or divide buying areas;
- the purchase of coffee by night or door-to-door buying of coffee

3- BUYING OPERATIONS

3.1 Only hulled coffee shall be marketed.

It must be properly dry and free from all foreign matter.

The moisture content must in no case be above 12 %.

3-2 Buying and selling coffee shall be carried out freely in hulling mills listed on the National Roster of Mill Owners published by the Minister in charge of the marketing of coffee.

The Ministry in charge of coffee marketing, the Cocoa and Coffee Interprofessional Council (CCIC) and the National Cocoa and Coffee Board (NCCB) , at the initiative of the NCCB, shall jointly conduct the annual update on the said roster.

3.3 Any sale carried out with a coffee mill not listed on the National Roster shall be considered fraudulent and the product exposed to a seizure followed by an auction in accordance with the regulation in force.

3.4 Hulling, product quality control and weighing operations shall be carried out in the presence of the producer - owner of the batch, or a delegate duly appointed by the organisation of which he/she is a member, under the joint supervision of the National Cocoa

and Coffee Board (NCCB) and the Cocoa and Coffee Interprofessional Council (CCIC). H

3.5 All batches of hulled coffee for sale must first be weighed and their quality controlled. The results of this verification shall be entered in a sales slip issued by the mill owner

3.6 The price paid to the farmer shall be negotiated and set by mutual agreement, based on reference prices published by the Sector Information System. It shall take into account the type and quality of coffee as well as transport and hulling costs.

3.7 The National Cocoa and Coffee Board (NCCB) and the Cocoa and Coffee Interprofessional Council (CCIC) shall, after consultation with the producers and mill owners involved, agree on programming the said operations and inform the local administrative authority.

4- OBLIGATIONS OF MILL OWNERS, EXPORTERS, BUYERS AND THEIR REPRESENTATIVES IN CHARGE OF COLLECTING COFFEE

4.1 Mill owners, exporters and their representatives in charge of collecting coffee must be holders of professional cards issued by the Interprofessional Council and a receipt showing that they are listed on the National Roster of Mill Owners or Exporters. The representatives must be registered in the in the Trade and Personal Property Credit Register. These documents must be presented upon request.

4.2 At the beginning of the season, the Sector (CCIC) shall be required to forward to the Ministry in charge of marketing, as well to the NCCB and administrative authorities, the list of exporters and their representatives in charge of collecting coffee, holders of a professional card.

Only the representative in charge of collecting coffee, who is a holder of a professional card issued by the Sector (CCIC), shall be entitled to purchase coffee.

4.3 For the purposes of identification from outside, mill owners shall be required to post on their factory frontage a plaque stating the name and references of the valid declaration of existence issued by the Ministry in charge of coffee marketing

Mobile hulling units shall be and remain forbidden.

4.4 For the purposes of economic statistics for each Division, mill owners and exporters shall be required to report on the first Tuesday of each month to the National Cocoa and Coffee Board and the Cocoa and Coffee Interprofessional Council as well as competent Senior Divisional Officers and Trade Divisional Delegates, the quantities of hulled coffee or collected following commercial types under unroasted coffee packaging regulations.

In the same as mill owners and exporters, roaster owners shall be required to give information on processed quantities under the same conditions.

4.5 In order to monitor storage operations and to inform relevant international organizations in the field of coffee, exporters must report to the National Cocoa and Coffee Board and Cocoa and Coffee Interprofessional Council quantities exported, stocks held and their weight by brand and as well as storage points.

4.6 All batches of coffee being transported must be accompanied with a road manifest indicating the origin of the

product, the registration number of the vehicle, the name of the driver, the quantity transported and their destination.

4.7 The vehicles collecting unhulled coffee or coffee in husk either for bundling and/or transportation to the hulling mill shall be required to carry the identification plate of the hulling mill, which must be visible at a distance.

4.8 Under the supervision of the Ministry in charge of coffee marketing, and at the joint request of the National Cocoa and Coffee Board (NCCB) and the Sector (CCIC), the National Roster of Mill Owners must be updated between 15 November and 1 December of each year, with the aim of striking off the names of non-authorized operators.

4.9 Coffee export operations shall be conducted only as part of the e-force platform.

4.10 Coffee entering local processing units shall remain exempt from export charges.

5- ROLE OF ADMINISTRATIVE AUTHORITIES

5.1 As part of their economic promotion and general policing mission, administrative authorities shall ensure that joint mobile brigades for the supervision and control of coffee marketing are put in place.

In this regard, through the said brigades, they shall ensure the legality of all transactions relating to coffee, including its merchantability, compliance with packaging materials and transport conditions, but also the regularity of factories operating in their jurisdictions.

5.2 Administrative Authorities must insist that mill owners and buyers who collect unhulled coffee or coffee in husk from the producers in their jurisdictions produce documents testifying that they are listed on the National Roster of Mill Owners or their professional card issued by the Sector (CCIC) as well as the list of their representatives in charge of collecting coffee.

5.3 Senior Divisional Officers must insist that mill owners and exporters produce, on the first Wednesday of the month, the quantities of commercial types of hulled coffee under unroasted coffee packaging regulations.

6- VIOLATIONS

Violations of the provisions of the legislative and regulatory framework shall include:

6.1. With regard to stakeholders (farmers, buyers, exporters or mill owners):

- the purchase of commercial coffee by unregistered structures;
- the operation of mills that are not listed on the National Roster;
- the purchase of commercial coffee without a professional card ;
- the purchase of commercial coffee without a business license;
- collusion between mill owners or exporters;
- the entry into service of mobile hulling machines.

6.2. With regard to marketing :

- buying wet coffee;
- buying coffee by night;

- buying coffee through fraudulent weighing;
- mixing different botanic species of coffee, different commercial types and harvests ;
- door-to-door purchase of coffee;
- transportation of unhulled coffee or coffee in husk in vehicles not carrying a plate identifying the coffee mill;
- exports of undeclared unroasted coffee ;
- exports of unroasted coffee without a certified quality control slip ;
- exports of undeclared roasted coffee ;
- failure to comply with shipping conditions ;
- absence of relevant accounting documents from the mill ;
- lack of labels on the batches ;
- failure to declare purchases;
- failure to display the identification plate of coffee mills.

6.3 Offences shall be ascertained by the sworn staff of the Ministry in charge of the marketing of coffee and those of the NCCB, in the exclusive context of the joint mobile brigades provided for in Article 11 above and according to the terms and conditions in Circular No. 000692 / MINCOMMERCE/CAB of 11 December 2017 to lay down detailed arrangements for the deployment of the divisional joint mobile brigades for the supervision and control of cocoa and coffee marketing.

7 - Final provisions

The assigned objective remains in line with the previous seasons, namely, to ensure the sustainability of the sector, give it a more significant added value by enhancing local processing and promote, through dedicated campaigns, domestic and local consumption.

In this regard, I order:

- **the Sector (CICC) to:**

- intensify training on good farming practices;
- extend PURCCAFE Programme to all coffee growing areas;
- disseminate among all the segments concerned the sectoral self-control guide;
- go on with New Generation Programme for the youth.
- extend monthly coffee tasting promotional days to other sites and towns, beyond the courtyard of the Ministry of Trade and the city of Yaoundé;
- jointly develop and implement the MINCOMMERCE/CICC/ONCC/UCCAO project for establishing Coffee Points throughout the national territory.

- **to the National Cocoa and Coffee Board to :**

- have a good command of the quality control of our export products in order to improve the image of our origin on the international market ;
- structure and train roasters/ local coffee processors ;
- look for roasted coffee outlets in sub regional, emerging and developed countries' markets.

- **to the Cocoa and Coffee Internal Marketing Enhancement Project (PA3C) to :**

- speed up the construction and rehabilitation of storage rooms in all growing areas, and equip them with hulling machinery.

- **To the producers to;**

- sell coffee only after dehulling or hulling at a moisture rate which must be less or equal to 12%, in order to avoid allowances, a phenomenon which is often contested,
- promote bundling;
- systematically give "coxeurs" (dubious and dishonest cocoa traders) away to Administrative Authorities

I urge all stakeholders to put hands on deck for good results in these various areas .-

Copies :

- MIN/SG/PR
- SG/PM
- MINADER
- MINATD
- DGSN
- SED
- Administrative authorities of coffee growing areas
- Regional or Divisional Trade Delegates

