

GIs AND THE RURAL DEVELOPMENT IN KENYA

LOISE W. NJERU (MRS)

MD - COFFEE BOARD OF KENYA

Presented by Simon Ndaba Mwangi

INTRODUCTION

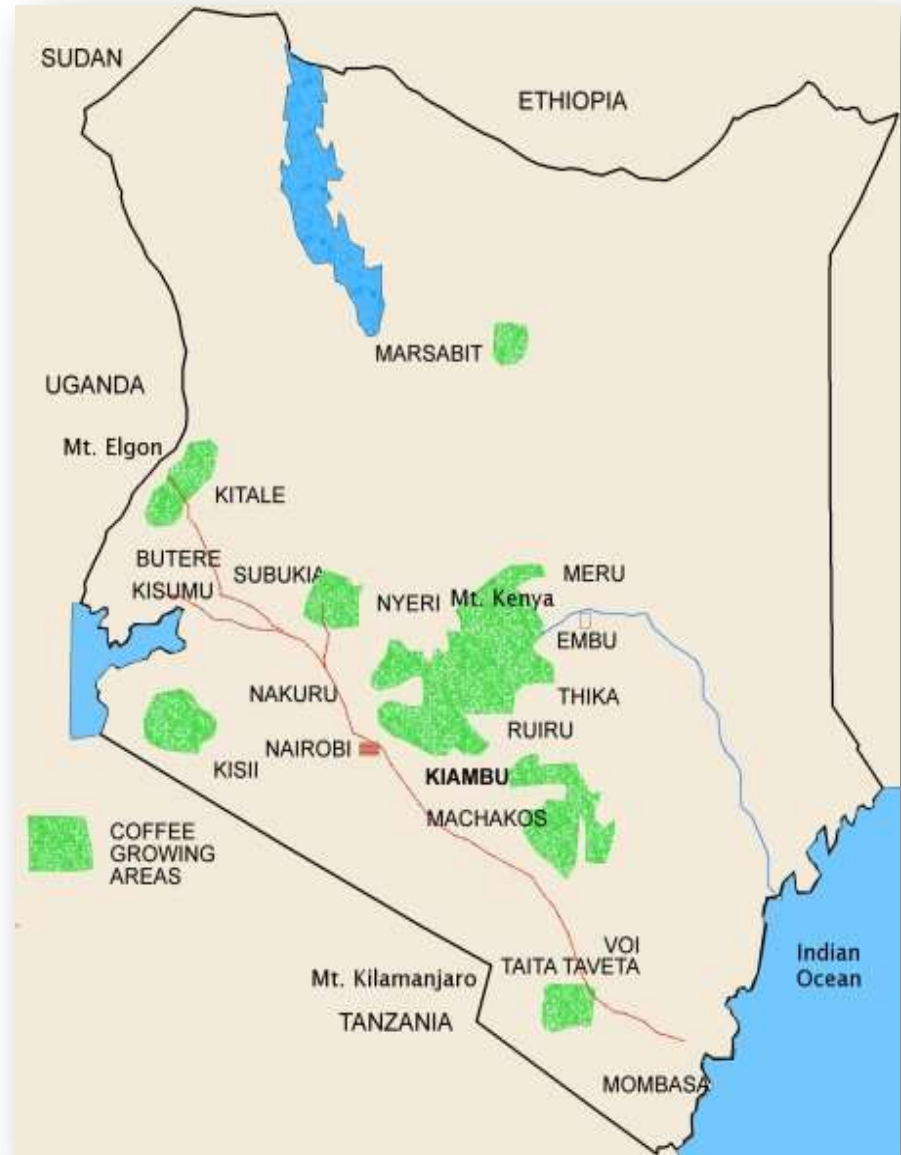
- Over the past few decades, Geographical indications have become a major **intellectual asset** to variety of agricultural goods/products.
- GIs are acting as **tools protective** to consumer interests reinforcing **confidence** in high-quality of local products.
- They have become **legal** and **economic tools** for the development of rural areas and a platform for preserving cultural heritage.
- Currently, GIs have become a global issue regulated in international law by WTO & attracting much attention world-wide.

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- In the recent times, there's been a widespread awakening as to its **business value** particularly in many developing countries.
- Kenya's agricultural sector have not been left behind and already are into the **bandwagon** associating their products with places of origin and working towards developing external markets sensitive to some of these local products.
- It's believed that this will protect **indigenous knowledge** and **reward** holders of knowledge thereby developing regions associated with providing to the markets such good and reputable attributes that are much sought after.
- Among the key sectors in Kenya that are already steadfast into these initiatives includes among others: **Coffee and Tea sectors**

Role of GIs in rural development?

- Coffee in Kenya is grown in the following **administrative provinces/counties**;
- **Eastern** - Meru, Embu, Machakos
- **Central** - Nyeri, Kirinyaga, Murang'a, Kiambu
- **Nyanza** - Kisii, Kuria
- **Western** - Bungoma, Mt. Elgon, Kitale
- **R/Valley** - Nakuru, Nandi, Kericho, Baringo



County governments



- The role of GIs in coffee in the development of rural areas in Kenya is a very opportune idea whose time has come.
- Since the promulgation of the new constitution in Kenya in Aug 2010, the inclusion of county governance is envisaged.
- These counties, in addition to, receiving money from the national kitty, are expected to generate their **own revenues** for sustainability.

Coffee Kenya CTM

- Use of GI in Kenya coffee by specific counties (regions), therefore would be **strategic** in sustaining their local economies owing to the benefits accrued by this venture that has already worked elsewhere.
- **Coffee Kenya** is locally registered as CTM in 2009 by KIPI (Reg No: 66945)
- International application via WIPO done in 2010. Reg No: 1076798
- Territory GIs (Murang'a) project envisaged to start in early 2012.
- Specific roles that GIs will play in Kenya's rural development includes:



1.Added value created – (a) Premium prices & better distribution of returns to coffee growers

- Kenya coffee products bearing a GI mark is identifiable and have an added value for which consumers will be ready to pay a premium price for origin-guaranteed products.
- Kangunu FCS – 2010/11 >> 750\$/50 KG
- Kangocho FCS – 2010/11 >>800\$/50 KG
- Thus, GIs will **unlock the value** by capitalizing on consumers desire for **authentic, quality** products.
- Consequence – products bearing GIs enjoys a higher retail price than that of similar products



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- **Lessons:** -from countries where statistics show a gap on average prices before and after a product's GI registration i.e.
- **France** – Cheese – 30% higher; Wines – 230%
- **China** – Zhangqui scallions – 20-30%
- In addition, primary producers will benefit from **participation** in the production of coffee bearing their GIs by getting a higher price that can be able to plough back and improve on their lives.
- Entices producers to **focus** on their farming activities as business

(b) - Increase in Kenya coffee production

- Registration of GIs has been shown to increase **production output** and **value of land**.
- The certainty afforded by legal protection creates opportunities for investment in coffee and in these regions.
- Multiplier effect? – Growers will find comfort in coffee because demand will supersede supply, thus the desire to produce more to meet requests, subsequently more incomes to producers



2. A branding strategy - ease of access/retention of markets



- Kenya coffee products bearing GIs will encourage variety and diversity in the market, thereby offer a **choice** that most customers look for.
- This goes in handy with efforts of **decommoditizing** “Kenya’s coffee” in the consumers mind as opposed to “Coffees”. This is inline with Kenya’s Vision 2030.
- Being **different** is key to strategically penetrating existing and emerging markets.

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- Producers will therefore be able to produce by orienting farming with the **needs(wants)** and **expectations** of the market.
- Producers aware of the market needs, work from the point of known, a key element/asset in developing their skills of marketing their geographically indicated coffee.
- This will builds more on their **negotiation skills**



3. GIs will preserve local know-how and resources



- Producers for long time practiced and built **competence** of processing coffee in a very unique way
- Using more of hands than machines thus perfecting their skills and improving on results.
- Coupled with **home-based information** obtained from CRF & other institutions, growers have internalized how to do it better and keep improving.
- GIs would consolidate their confidence, i.e. what they have been practising for long has borne fruits of recognition and reward in the market.
- Results - consumers sustainably will get a unique and consistent coffee product.

4. A drive factor to promote county developments

- GIs will provide Kenya's rural areas a **boosted vitality** by giving the right owners opportunity to get **economic benefits** and the right to **exclude non-entitled users** by creating a barrier to entry into a particular market segment.
- These attributes will translate into an **equitable distribution** of value and benefits to GI owners & communities.
- Subsequently, economic incentives will then produce other incentives to nurture/sustain traditional knowhow, which will contribute to inter-generational equity.



Meru Central Co-op Union building in Meru Town, Kenya

5. Other Indirect GI benefits to Kenya's rural areas

- Creation of **employment** – especially among the youth (Labour in coffee growing areas is a big challenge currently)
- Retention of the **rural population** in coffee regions (No rural exodus) – thus rural attention
- Possibility to revive **rural tourism** – Coffee Safaris were very popular during bumper coffee years in Kenya. These will benefit rural communities >>> roads, IT access, awareness creation.

Conclusion

- Developing countries like Kenya are rich in **traditional knowledge**, generated and transmitted over generations.
- Appropriate use of a GI scheme will help **tap** and **transform** this knowledge and competence into marketable products that will reach out to international markets.
- The benefits accrued will therefore be translated into **equitable distribution of value** and will serve as revenue generator to the producers (owners) and the entire Kenya rural communities.

THANK YOU

Asante sana