

PN-ABS-797

TRAINING CO-ORDINATOR REPORT

TRAINING PROGRAMME - MARKETING DEPARTMENT

FOR

THE NORTH WEST CO-OPERATIVE ASSOCIATION - BAMENDA - CAMEROON

7th FEBRUARY TO 28th MARCH 1994

BY

P.RESTA - TRAINING CO-ORDINATOR

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IMPLEMENTATION

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BY - MR.NDIKA FRED FON.

SUMMARY

THIS REPORT COVERS THE TRAINING PROGRAMME WHICH WAS DESIGNED AND IMPLEMENTED BY THE TRAINING CO-ORDINATOR FOR THE MARKETING STAFF OF N.W.C.A. LIMITED, BAMENDA, CAMEROON.

IN GENERAL THE REPORT COVERS TOPICS SPECIFIED IN THE CONTRACT NO.631-0083-0-00-4525-00-USAID-CAMEROON. AREAS SPECIFICALLY COVERED IN THIS REPORT ARE:

I TRAINING CO-ORDINATOR'S REPORT.

Final report describing all the activities undertaken in the course of the training programme.

II PARTICIPATION AND EFFORTS BY THE TRAINEES.

Level of participation and effort of the NWCA trainees.

III IN-HOUSE TRAINING ACTIVITIES.

Description of the facilities provided and why the in-house training was suggested.

IV EVALUATION AND PERFORMANCE OF THE TWO TRADING HOUSES.

Describing the performance of the two trading houses, the reasons they were chosen.

V THE FUTURE TRAINING NEEDS FOR THE NWCA MARKETING - DEPARTMENT STAFF.

Suggested future training needs for NWCA Ltd., Marketing - Department Staff.

TRAINING CO-ORDINATOR - DRAFT REPORT

TRAINING CO-ORDINATOR: Mr. Philip Resta.
TRAINEES: Mr. Mongwe Christopher Mbah.
Mr. Ndika Fred Fon.

INTRODUCTORY COMMENTS:

Mr. Philip Resta, was employed as a Consultant (Coffee Marketing Specialist) short term, from July 1992 to June 1993. During this period three visits were made to NWCA Ltd., Bamenda, Cameroon.

Mr. Mbah and Mr. Ndika, are employed by "The North West Co-operative Association, Bamenda", Cameroon. Their position is in the Marketing Department, selling coffee to International markets.

During the last visit to NWCA, Mr. Resta recommended further training in Europe after the local training programme was completed.

THE TRAINING PROGRAMME:

Mr. Resta designed the training programme using the knowledge he had of the two trainees. "Training programme A" was submitted in the last report dated 12th May to 16th June 1993.

OBJECTIVE:

The suggested training will give further knowledge to the staff of the Marketing Department (see Appendix I) giving them confidence so that by the end of USAID's input they will be able to sell coffee with minimum of external assistance.

LOCATION:

Two major coffee trading locations in Europe. London (Robusta market) and Hamburg (European quality Arabica centre). The two Companies chosen for the training were trading houses with many years experience in Robusta and Arabica coffees.

THE DETAILED TRAINING PROGRAMME.

The training programme was designed by Mr. Resta using the knowledge he has of the two trainees' abilities. A copy of the Training programme is enclosed as "APPENDIX 1" and every effort was made to follow this programme. USAID - Yaounde, accepted the Training programme and made funds available for the trainees to come to Europe.

It was also necessary to bear in mind that the suggested Marketing programme set out in Mr. Resta's last report, 12th May to 16th June 1993, had not been followed.

LONDON - TRAINING PROGRAMME.

The trainees arrived in London, on Sunday 6th February 1994, in the evening. The Training co-ordinator met them, accompanied them to the hotel, and stayed with them for the first five days.

The first two days were spent familiarising the trainees to the way of life in London, shopping for warmer clothing and for general briefing.

The training started on the third day, Wednesday 9th February at the offices of Coffee Commodity Company. The Managing Director, Mr.A.Kerr, welcomed the trainees, and an office was allocated.

The training started as per the programme.

Lectures were held on:

- a) Reading market information and forming a market view.
- b) Mock trading and using opinions from other traders.
- c) Writing Coffee contracts and learning the legal implications.
- d) The method of covering various currencies when sales were made.
- e) Reading the market monitors and following the minute to minute market movements in London and New York.
- f) Shipments and acceptable shipping procedures and shipping documents.
- g) Warehousing of coffee for the Coffee Commodity Exchange.
- h) Quality controls, weight control, preparation/packing for shipments.
- i) Cup tasting and roasting, description in the tasting, what Roasters expect from their purchases.
- j) Business approach and how to obtain better prices.
- k) The use of the "Futures Market", hedging to a price and option trading, which could be another way of trading coffee.

VISITS: - Planned in order for the trainees to see and understand for themselves the practical side of the coffee business.

- a) Machado (UK) Ltd. - Coffee Dealers with their main office in New York, they are interested in buying coffee for the U.S.A. market.
- b) Alan J. Ridge and Breminer Ltd. - The visit was arranged as this Company has the most modern "cup tasting" facility, one of their directors lectured on roasting and tasting procedures.
- c) Rudolf Wolff - A leading commodity house in London, a founder member of the Exchange established in 1866. This Company offered extensive knowledge of both physical and the futures markets in coffee.
- d) London Commodity Exchange. - Visited as guests of Rudolf Wolff, various explanations by their traders who man their own "floor seat" as to the trading on the "floor" were given.

VISITS (continued)

- e) Sucden (U.K) Ltd. - A leading Commodity Company with offices world-wide. The trainees were given detailed explanation of the benefit of hedging, and how to use the "Futures Market", benefiting NWCA Ltd. marketing policy.
- f) London Commodity Exchange. - Visited the Coffee "floor" market as guests of Sucden (U.K.) Ltd., where trading practices were explained to the trainees.
- g) Luke & Murcott - International Warehouse keepers. The warehouses visited store mainly coffee for the "London Commodity Exchange", coffee was from many producing countries. To keep coffee in a warehouse at a constant temperature the warehouse walls and roof must be protected from the outside temperature. Fumigation facilities are also available.
- h) The Port of Dover - This port is one of the main outlets for the United Kingdom to Europe. The trainees saw the traffic of goods.

EVALUATION OF THE LONDON TRAINING PROGRAMME

The trainees missed out on the fourth visit by the "Marketing Specialist" in NWCA Ltd., as planned in the overall training programme. This meant that some changes to the programme were necessary and the first days in London involved repetition of previous teaching.

The following topics will have to be repeated at a later date:

- a) "Futures Market" This topic can only be explained and understood to a working level by the trainees taking part in the trading procedures over a period of several weeks. NWCA Ltd should plan for further training as it will be beneficial to the farmers to utilise all methods available to trade and obtain best prices.
- b) Coffee Contracts/Arbitration: Several lectures were held on this subject by very experienced speakers; however more time will be needed in the future for the trainees to use contract conditions to the benefit of NWCA and feel very positive when negotiating with buyers. At all costs NWCA cannot afford to enter into any dispute/arbitration.
- c) Shipping Procedures/Shipping Coffee Documents - Several lectures were given and procedures that must be followed were explained, however time did not allow for the trainees to feel confident to be able to fully control this part of the business. They would still rely on the "Shipping Agents" to dictate conditions. This part of the coffee business is a business on its own and profit can be obtained by being skilful in any negotiations. Further training will be necessary.

EVALUATION OF THE TRAINING PROGRAMME

- d) Currency Consideration in Trading Coffee - This subject was covered in the programme however as at present all the business executed by NWCA is in "French Franc" the lectures were conducted purely as information. Currency trading in coffee business often governs the profit factor. Further training will be necessary to be able to dictate the currency the seller would like to use in trading.
- e) General Business Practice - The trainees were shown the importance of understanding business practices, how to maximise relevant information and how "economics" plays an important part in any decision making. Time did not permit for trainees to attend a series of lectures from a Business Institution.

CONCLUSION TO THE LONDON TRAINING PROGRAMME

- a) The Trainees - Both trainees settled quickly to the training and took the programme very seriously by working hard in their spare time. There are many factors to be considered which were foreign to the trainees, especially one who was visiting Europe for the first time; the weather, the food, and how everyone is so busy during the day.
- b) The time factor was the worst enemy against the programme and strict management had to be implemented in every aspect, realising that some subjects were covered partially and that the trainees could only absorb so much information and no more. The trainees kept written records: this helped in discussing certain points with the Training Co-Ordinator while travelling by car and during spare time.
- c) The trainees were well-liked, and they developed a certain type of friendship which was pleasing to everyone. Language was not a problem generally and this gave confidence to the trainees to ask as many questions as possible and to take part in discussions.
- d) The London part of the training helped the trainees by preparing them for the rest of the programme which was planned to take place in Germany.
- e) Both trainees were given a letter by Coffee Commodity Company Ltd., stating that they completed the training. (Copy enclosed - APPENDIX 2)

HAMBURG - TRAINING PROGRAMME

Period - 2nd March to 19th March 1994.

Location - In Hamburg. It was arranged that the venue for the training was - ECA Kaffee - Agentur GMBH - to be referred to in this report as ECA.

Location (continued)

ECA is a Brokerage House, has been NWCA's Broker for the last two years and has negotiated sales of coffee for NWCA, the sales made were mainly to German buyers who purchase quality coffee. ECA has played an important part in the new development of marketing NWCA's coffees, by selling the majority of the yearly crop.

Timing - The first two days were spent in the office of ECA familiarising the way of coffee trading in Germany. The time was also spent in getting to know the Staff of ECA and understanding their way of speaking the English language.

General discussion on the "Coffee Market in Germany" - Mr. Bonnaker Senior, the founder of ECA, explained the expectation of the German buyers as to the quality and the reliability of coffee from producing countries, he also emphasised the importance of coffee to the population in Germany, giving also the breakdown of costing per cup of coffee against other drinks. (See APPENDIX 3)

Quality Market - General discussion was held with ECA quality controller, Mr. Wolfgang Walter. The trainees were shown ways of roasting coffee for cup-tasting and various coffee samples were used, Guatemala, Costa-Rica, Vietnam, Cameroon, Kenya and Brazil. Various comparisons were made with the cup tasting and discussions were held as to the growing of coffee in various countries. Cameroon can produce good quality coffee therefore it was important to stress this issue to the trainees so that they can encourage their growers, the German market could very easily consume all the good quality coffee produced by Cameroon and the buyers are prepared to pay higher prices.

Training - Trading Desk:

The trainees spent several days sitting at ECA trading desk and following the way that business was conducted by the Staff, the following procedures were recorded:

Placing offers: The trainees were shown how to place offers to potential buyers and when negotiation begins with a buyer the importance of giving the potential buyer all the conditions which will later appear in the sale contract.

Misunderstanding can later become costly for the seller.

Establishing Seller's price: The trainees learnt that the best way to sell is for the seller to nominate the price instead of asking the buyer to give the seller a price.

Shipping documents and advising the buyer: The trainees were explained the importance of advising the buyers of all information regarding the parcel purchased which has been documented and will be shipped. The following procedures are necessary; sending a "shipping advice" and the composition of the shipping documents, "Bills of Lading", "Invoices" and various certificates, weight, quality, and "Insurance".

The European Contract for Coffee: Discussions were held on the various conditions stipulated in ECC contracts and the reasons why certain conditions are included. The conditions are amended every so often; therefore it is important to have the latest edition of the ECC booklet. (Last edition January 1991.)

Hedging: The trainees were shown that many buyers lock in their purchased price by hedging. (In theory they sell the futures market equal to the purchase of the physical coffee, either deliver the coffee to the Commodity Exchange or buy back the futures position originally sold.)

NWCA Ltd. marketing methods: Past coffee contracts were scrutinised and mistakes were explained to the trainees for future reference. The method of offering coffee was scrutinised and the trainees have a better understanding for future business.

VISITS: HAMBURG/BREMEN

The visits made during the training programme were part of the practical work which was necessary for the trainees to realise the importance of the Coffee Industry in Germany.

- a) Visits - Bernard Rothfos - Coffee Dealer - (Mrs.G.Peterson)
This visit was arranged because of the past business relation between NWCA and Bernard Rothfos, who are the giants in coffee world-wide and who have played a part in Cameroon - developing the coffee business. The day was spent discussing policies for the future and market views and coffee prices. One of the employees of Bernard Rothfos, Mr. Karl Reher, who in the past worked at NWCA and knows the farmers, joined the various discussions and planned with us the visits to the Warehouses and the port of Hamburg, which was part of the practical training programme.
- b) Cup Tasting - Bernard Rothfos - The visit was arranged so that the trainees were able to taste NWCA's coffee which was sold during 1992/93, and the buyer, Bernard Rothfos, complained of the poor quality. The buyer still has this parcel and finds it difficult to sell.
- c) Port of Hamburg - The trainees were shown a film of the port of Hamburg and the activities in coffee and how coffee is an important commodity to the income of the Port. Warehousing in Hamburg is big business and because of the quantity entering the port large Silos have been constructed storing coffee from coffee-producing countries world-wide.

- d) Warehouses - Storing Coffee: The trainees visited several warehouses where coffee is stored in bags. They also saw coffee bags being off-loaded from ships in containers. These containers are specially made as ventilation is essential when they are filled with coffee bags loaded at the docks of the producer country. More than half of the coffee that now arrives in Hamburg is containerized.
- e) Kaffee-Lagerei CSC - The trainees saw a film about Kaffee Lagerei, which is the largest storing complex in the world, and equipped with the very latest cargo-handling technology to cope with any consignment of coffee, regardless of how it arrives, whether stowed in sacks in the ship's hold, bagged up inside a container or as containerized bulk cargo.
- The silo complex: Kaffee Lagerei built a large silo complex and processing plant as the centrepiece of their operations at Sandtorkai (free port). This complex is one of the most modern of its kind in the world, designed to hold 7200 tonnes of green coffee, it has a handling capacity of 80 tonnes per hour for incoming shipments and around 160 tonnes per hour for outgoing shipments. Each batch of coffee received at this complex is individually inspected. All the processing procedures in the Silo complex are controlled with the aid of a freely-programmable computer system. The trainees were amazed at the investment made by the Coffee Industry.
- f) The Hamburg Coffee Association: The association has, Roasters, Traders, Store-keepers, Shippers and Agents as their members. The trainees were able to ask questions of the Chief Executive. They realise the importance of having such an association which advises the German Government on the Coffee Industry. The association also supplies information about German buyers to Exporters should they require it and can supply names of Arbitrators who are known in the Coffee Industry.
- g) Idee Kaffe - Roasting Factory: The visit was organised so that the trainees saw a roasting plant which takes in raw green coffee and after processing procedures produces a 250 grms packet of coffee that can be purchased in any food shops. All the roasting procedures are computerised and the quality control is done in a sophisticated laboratory. The products produced by this Roaster are of high standard and well known world-wide. The chief coffee trader accompanied the trainees and he explained that some 8 years ago he purchased Cameroon Arabica high-quality coffee, he would like to purchase a small quantity as he is looking for a good high altitude coffee. To help the trainees to distinguish high-altitude coffee he donated a sophisticated Altimeter, to be used by the growers.

- h) Coffein Compagnie - Bremen This company was founded in 1931. They use a patented decaffeinating process invented by the founder of the company. Due to a more health-determined attitude, decaffeinated coffee and mild coffees have become more important in Germany. This plant is one of the largest processing plants in the world, which contracts work for major roasters like Nestlé. The decaffeination is carried out by steaming. The natural pure caffeine extracted out of coffee is used further after an expensive refining process.

EVALUATION OF THE HAMBURG TRAINING PROGRAMME

The German market is very important for the Cameroon Arabica coffee, and NWCA must cater for this. The training had to be partly in Hamburg for the trainees to realise the importance of the German Coffee Industry, of the European countries there is no doubt that the Germans have developed the Coffee Industry further than any other. Time factor was again the worst enemy against the programme and strict management had to be implemented to achieve the aims.

CONCLUSION TO THE HAMBURG TRAINING PROGRAMME

- a) The trainees settled to life in Germany in spite of the cold weather. The hotel accommodation was expensive and facilities very limited; this is the present trend in Hamburg since the re-unification of Germany.
- b) If time had permitted, more visits to Roasters would have been organised. Visits to other dealers who had purchased NWCA's coffees would have been organised and the trainees would have noted certain comments from the buyers.
- c) The trainees were well liked by all the people they met and language was not a problem. The various discussions held throughout the training programme gave the trainees certain confidence which is necessary in business. The outcome that one foresees is that a more aggressive attitude will develop: this will improve the marketing strategy which will help the aim for better market prices.
- d) The trainees have learnt and seen a lot during this training period and now it will be up to them to advise the farmers the best way to sell their coffee. The Training Co-ordinator noticed great changes in the trainees' attitudes, namely gaining confidence, which will benefit NWCA Ltd., Marketing Department.

LONDON WRITING REPORTS AND FINAL EVALUATION OF THE PROGRAMME

- PERIOD - 20th to 28th March 1994
- LOCATION - London
- OBJECTIVE - To write reports about the training programme, these reports to be written by the trainees. The Training Co-ordinator had to evaluate the reports and where necessary clarify any points which were not fully understood by the trainees.

FUTURE PLANNING FOR FURTHER TRAINING -

The Trainees' Suggestions - Both trainees agreed that further training will be necessary in order to keep up to date with any changes in trading and the Coffee Industry.

The Training Co-ordinator's recommendations -

- a) After this training programme it will be necessary to update the trainees on any changes in the Coffee Industry.
- b) In order for the trainees to be fully effective in their job with NWCA Ltd., the Board members should have certain knowledge about various ways of marketing coffee, this will help the trainees to carry out their duties professionally. Certain Board members should come to Europe for an overall training programme.
- c) The Training Co-ordinator strongly recommends that the two trainees (Mr.C.Mbah and Mr.F.Ndika) should have further training to specialise in certain aspects, quality/cup-tasting control, business planning/economics, contractual/legal obligations and any other topics that will make them an authority in the Coffee Industry in NWCA and Cameroon.
- d) **CONCLUSION -**

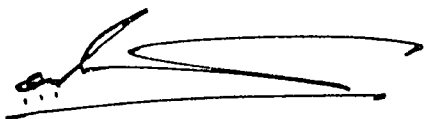
Everyone who was involved in this training programme enjoyed being part of the team but above all enjoyed getting to know Mr.C.Mbah and Mr.F.Ndika, who were a credit to their country.

The training co-ordinator hopes that this is the beginning of a long business relation with the staff of NWCA Ltd.

Trainees' Reports - Copies of their reports are enclosed. See - Appendix 4.

c) CONCLUSION -

Trainees' Reports - The reports were checked by the Training Co-ordinator making sure that the trainees fully understood the subjects they wrote about. The reports give true records of the training programme, and they were written by the trainees.



Philip Resta
Training Co-ordinator

London: 14-04-94.

TRAINING CO-ORDINATOR'S REPORT - NWCA TRAINEES PARTICIPATION

- A. Mr. Mongwe Christopher Mbah.
- B. Mr. Ndika Fred Fon.

The trainees will be referred to in this report as Christopher and Fred.

A. Christopher has great self-confidence and a pleasant manner. He was therefore able to overcome any major difficulties. As an older more experienced man, he was over-shadowing Fred at first, therefore it was necessary to make efforts to get Fred more involved in discussions etc. With the lecturer's co-operation these efforts proved successful.

Christopher started by asking questions and it was soon apparent that a gap in the original training programme designed by the Marketing Specialist (who is now the Training co-ordinator) existed and therefore a more detailed training was essential, it was necessary to repeat some subjects, at the same time keeping within the schedule.

Christopher was very eager to learn and his participation by describing the various procedures in NWCA Ltd. helped the lecturers understand the local conditions quickly and adapt their lectures accordingly. Christopher participated in compiling sets of questions prior to various meetings, he certainly did his homework, and where necessary research work to be able to ask relevant questions. He left a good impression with the lecturers, and this will help him when selling coffee as most of the lecturers are also coffee traders.

B. Fred at the beginning had to struggle to follow the way of life in Europe as this was his first visit out of Cameroon. Due to the cold weather certain items of clothing had to be purchased. The type of food was also strange to him and education was necessary for him to be able to know what he was eating, although Fred went through some embarrassing moments he learnt very quickly how to make himself comfortable. He settled into the training programme quickly, eager to learn and trying to put certain issues into practice with the ways in NWCA Ltd. Fred constantly asked: how will this benefit NWCA, and Cameroon? Some of Fred's ideas were good, however due to lack of experience not practical or impossible to implement either in NWCA or in Cameroon. Most of the lecturers discovered that Fred was quick to understand procedures, keen to develop his thinking and he has the ability to understand certain issues very clearly. His participation in asking questions and making his views understood was appreciated by many people who were involved in the training programme.

Conclusion: The Training Co-ordinator is happy with the progress made by the two trainees and the good behaviour overall helped them gain as much knowledge as possible.

REPORT ON IN-HOUSE TRAINING ACTIVITIES

The two Trading Houses chosen were:

COFFEE COMMODITY COMPANY LIMITED - 63 Union Street, London.
In this report will be referred to as CCC.

ECA KAFFEE - AGENTUR GMBH - Brook 1 D-20457 Hamburg.
In this report will be referred to as ECA.

a) The reason for choosing these two Trading Houses -

CCC was chosen for the following reasons:

1. Small Trading House with all the facilities available for trading.
2. The traders have many years of experience trading coffee from East Africa, Indonesia, and Brazil.
3. CCC has trained people from East Africa several times successfully, therefore the traders are very familiar with African customs.
4. CCC were willing to undertake this training programme, some Trading Houses are not keen to train anyone except their own employees.
5. CCC could be a buyer for NWCA in the future.

ECA was chosen for the following reasons:

1. ECA has been a Broker for the last two years for NWCA, and has sold coffee to the German buyers.
2. ECA has in the past trained Africans from East Africa.
3. The Staff of ECA have many years experience in trading coffees from producing countries to roasters and they have experienced staff who understand the good quality coffees.
4. This Company has all the latest equipment which is necessary for trading coffee and because of its reputation receives information from all coffee producing countries.
5. ECA has a traffic department which ships and receives coffee from all over the world.
6. The policy of ECA is to work in close co-operation with coffee producing countries.

b) The reasons for choosing two small companies: The two small companies were chosen because the Training Co-ordinator believes that the traders have better opportunities to give full attention to the trainees. The time spent lecturing and discussing with the trainees was more on the personal basis, this also allowed the trainees to get to know the traders and develop a business relationship. The relationship which developed allowed the trainees to feel part of the team and they worked hard to prove themselves.

- c) The reasons for choosing active trading Companies: The choice was made by the Training Co-ordinator to find active companies trading coffee with experienced traders, with the idea that the trainees would take part in trading. The trainees were involved with the traders on several occasions as part of a team and experienced the way to sell coffee when sitting at a trading desk.

EVALUATION AND PERFORMANCE OF THE TWO TRADING HOUSES

London - Coffee Commodity Company Ltd. (Known as CCC)
Hamburg - ECA Kaffee-Agentur GMBH. (Known as ECA)

LONDON - CCC's performance was an important part of the training programme. The Training Co-ordinator had every help and support from staff to make the course a success. The main factor against the course was time especially when on certain days repetition work had to be fitted into the programme.

CCC who trades mainly Robusta coffee was able to show the trainees coffee samples from other origins, and encouraged the trainees to increase the robusta production at NWCA as it is well known that Cameroon is able to produce good quality robusta.

CCC traders encouraged the trainees through various discussions giving them confidence that they will one day achieve better prices and that the buyers will accept NWCA as a reliable coffee supplier.

The Staff are known to the Training Co-ordinator, who expected them to treat the trainees with respect and sympathy during the course - this was achieved.

HAMBURG - ECA is the Broker appointed by NWCA two years ago, therefore there was already a business relationship between the two companies.

The Training Co-ordinator has known this company for more than 15 years, therefore he had every confidence that the trainees would be happy to be trained by ECA - this proved correct. ECA has good buyers for quality coffee and helped the trainees to see they could establish markets in Germany. The trainees were happy to get to know the people who speak to them on a regular basis.

CONCLUSION:

The Training Co-ordinator was satisfied with the choice made but what was more important the trainees were happy and felt at home in both companies.

Lectures and discussions took place as per the programme and the Training Co-ordinator filled in lecturing when staff were busy with their business, his role of following the programme was imperative to the outcome of the course. Everyone worked hard and achieved what was the main purpose: to train the Marketing Department Staff of NWCA Ltd. The trainees achieved as much knowledge as possible during their seven weeks in Europe.

THE FUTURE NEEDS FOR NWCA LIMITED
MARKETING DEPARTMENT STAFF

A - BACKGROUND ON NWCA LIMITED:

NWCA is managed by Board Members, who elect other members to the Management of NWCA, they are the official policy-makers. Further recommendations for training any member of NWCA must be designed in a way that the Board members are fully in agreement and understand what is to be achieved. Training will not take place without the Board members understanding and backing the trainees.

C - RECOMMENDATION FOR TRAINING SOME BOARD MEMBERS:

We would advise now that some Board members should be trained Europe and that the Training programme they follow would be an educational tour, seeing for themselves various modern ways of trading coffee, and to gain knowledge of what buyers are expecting from the coffee producers. This type of training will help the staff of NWCA to implement certain policies with the help of the Board members.

D - FUTURE TRAINING NEEDS FOR NWCA MARKETING DEPT. STAFF

We assume that the future training would be for: Mr. Mongwe Christopher Mbah and Mr. Ndika Fred Fon.

Mr. Philip Resta has played a part in the development of the careers of the two trainees and therefore his plan for future training is based on the knowledge he has of the capabilities of the two trainees.

The recommendations which we make are based on further education with the emphasis on the Coffee Industry of tomorrow.

Our recommendation is given under various headings:

- 1 - Creating Practical Marketing Plans. As the rate of change in competitive markets accelerates, the need for marketing plans that work - rather than mere documents produced by back room theorists.
 - a) Marketing strategy.
 - b) Developing a marketing plan.
 - c) Marketing organisation.
 - d) Self-awareness.
 - e) Pricing.
 - f) Budgeting.
 - g) Negotiation.
 - h) Making use of external agencies.
 - i) Using Information Technology.

2 - Objectives.

By the end of the training programme, the trainees will be able to:

- a) Strengthen the essential linkage between Marketing and other functions.
- b) Identify the key factors in their own personality which will help them relate more effectively to others.
- c) Compare their Marketing operation with those of other businesses.
- d) Increase their power and influence within the organisation.
- e) Produce a personal development plan.

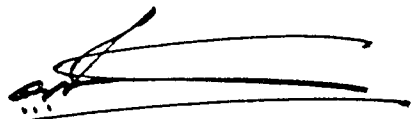
3 - The Benefits Anticipated.

Participant will benefit from:

- a) Knowing how to apply marketing tools to current problems and opportunities in a practical way.
- b) Knowing how to develop a marketing plan which can be implemented.
- c) To be able to improve Marketing's contribution to corporate objectives.

Conclusion:

An efficient Marketing Department is essential for future survival for any type of business, therefore we strongly recommend to NWCA management to continue to develop their marketing plan. Mr. Philip Resta will be happy to be of any assistance in any future development policy at NWCA Limited.



Philip Rests.

DETAILED TRAINING PROGRAMME.DAY TO DAY : TIME TABLE.

London : DAY WORK - 9.30 a.m. to 5.30 p.m.(1 hour lunch)
 Hamburg : DAY WORK - 9.00 a.m. to 6.00 p.m.(2 hours
 break)

LONDON.

- Day one - Arrival to London, meeting trainees at Airport and accompany to hotel, hold general briefing.
- Day two - Initial orientation and briefing. Recording any comments by the trainees.
- Day three - Shopping ~~for~~ books and other requirements. Completing the briefing and any discussion on the Training Programme.
- Day Four - Introducing Trainees to Coffee Commodity Company Office, Staff, and allocation of desks. The Managing Director will welcome the trainees and he will explain - MOCK TRADING -
- Day Five - Full Day - MOCK TRADING - Recording certain ways of trading accepted Internationally.
- Week-End - Tours will be organised.
 End of first week.

WEEK TWO :

- Day one - Practical work - Mock trading. Market price monitoring. Costing, freight, insurance information, how to obtain this information.
- Day two - Lecture - Daily market movements, explaining information available and how to record it. Initial discussion on "cup tasting " and on the merit of producing quality coffee.
- Day Three - Visit to the London Commodity Exchange - Coffee Market, spending most of the morning as the guests of the Commodity Exchange. Afternoon back in the office evaluating the morning visit, and recording any information or discussion.
- Day Four - Lecture on Brazilian Coffee Industry, how Brazil has diversified their Coffee Industry into Instant / Soluble coffees. Afternoon cup tasting various coffees from origins producing Arabica coffees - Cup tasting some Robusta Coffee to discover various tastes.
- Day Five - Full Day out of the office, visiting Warehouses where coffee is stored for the London Commodity Exchange - Coffee Market - The reasons ~~for~~ coffee grading and the various points awarded.

DETAILED TRAINING PROGRAMME.

CONT.from page 1.-----

Week-End - Tours will be organised.
End of second week.

WEEK THREE:

- Day one - Practical work - Mock trading, morning.
Lecture on "The European Coffee Contract".
The legal aspects of a contract between seller and buyer. Arbitration conditions and the legal standing of an Arbitration claim.
- Day two - Visit to shipping Agents and visit to a port receiving containers of coffee. Spending time with shipping Agents when processing Coffee Shipping Documents. This visit could be full day if a ship is in port off loading coffee.
- Day three - Morning visit a major commodity trade house - dealing in various origins, and re-selling. Talking to their research department, reasons for buying or selling, and information they supply to their shippers.
Afternoon evaluating the training programme mid-course, emphasis of progress achievement.
- Day four - Visit to a major Roaster - Lyons or Nestlé. The day will be spent discussing, preparation of coffee at origin, quality, reliability in description of coffee sold. Reliability on shipment.
The trainees will also visit the factory see the process in roasting, grinding, packing of coffee.
- Day five - Practical work - Mock trading. Market information how to analyse information. Writing a mock report on market views.
Cup tasting and writing a mock report on the quality of coffee.
- Week-End - Tours will be organised.
End of third week.

WEEK FOUR :

- Day one - Lecture Banking procedures, how to speed up payments to the seller. How to clearly state Bank charges for seller's account, or for buyer's account.
Afternoon, mock preparation on coffee documents giving specific instruction to the Bank.
Preparation of a coffee contract with difficult conditions asked by the buyer.

DETAILED TRAINING PROGRAMME.

CONT.from page 2.-----

WEEK FOUR:

Day two - Practical work- Last day with Coffee commodity Company.Evaluation of the training achieved over the last 13 working days.Working lunch with some of the lecturers/speakers for a period of question time.Spending time to write any notes and making sure that relevant information is properly documented.

Day three - Check out of the hotel and prepare for travelling to Hamburg.
Arrive Hamburg and travel to the Hotel-
Initial orientation and briefing.

HAMBURG .

Day four - Introduce Trainees to ECA Coffee Agency.
The Managing Director will welcome the trainees and he will introduce them to his staff.
Discussion will be held on the programme for training and any specific topic that more time will have to be allocated.A new Mock trading book will be opened.

Day five - Practical work- Mock trading.Market prices monitoring.A talk by Mr.Bonecker on the coffee market,his views on the future.He will explain to the trainees about NWCA coffee sold via ECA to European buyers and any reaction.

Week-End - Tours will be organised.
End of fourth week.

WEEK FIVE :

Day one - Visit to one of the main clients of NWCA - Rothfos - (Mrs.G.Peterson) Discuss the coffee market in general,visit their trading room,and if possible their Silo storage of coffee.Plan for a return visit to their Cup tasting and quality control department.

Day two - At ECA office,discussion on using the "Future Market" for hedging purposes.Lecture how the New York "C" contract works for producers/buyers and how NWCA should follow the "NY C " market.
Mock trading will be followed.

Day Three - Visit the Free Port of Hamburg,visiting warehouses,meeting clearing agents,meeting shipping agents.If possible visiting the container terminal and seeing containers of coffee being off-loaded.

DETAILED TRAINING PROGRAMME.

CONT.from page 3.-----

WEEK FIVE:

- Day four - Practical work - Mock trading - Trading with the assistance of NY"C" market prices. Spot selling and forward selling. Monitoring the currency value viz a viz U.S.DOL/French Franc. Lecture by ECA Staff how to evaluate the market and the various offers of coffee.
- Day Five - Visit a Roaster who uses Cameroon coffee in his blend, discussion on quality and cup tasting. Visit some of the retail outlets in Hamburg or Bremen, visit a typical coffee shop.
- Week-End - Tours will be organised.
End of fifth week.

WEEK SIX:

- Day one - Practical work - Mock trading. Discussion on quality of various coffees, what Roasters in North Europe prefer from the arabica coffee from African producing countries. What information can be passed on to the coffee growers who are members of NWCA.
- Day two - Visit "Coffee Association of Hamburg" to find out how important the coffee trade is in Germany and have some discussions with reference the trade, coffee contracts, arbitration procedures. Be prepared to meet some experienced traders, quality controllers, and graders. Prior to this meeting a questionnaire will be prepared by the trainees.
- Day three - Re- visit B. Rothfos, divide the day in two: first part with the shipping department, last part with the quality control, cup tasting and conclude the visit by discussing future business with Mrs. G. Peterson - buyer of Cameroon coffee.
- Day four - Question time with all the staff of ECA all aspects concerning the coffee trade. The chief cup taster of ECA will hold a test for trainees on cup tasting and description of green and roasted coffee beans.
- Day five - Practical work - writing up all notes checking that all relevant information is recorded. Spending the remaining day asking questions. Evening a small farewell party will be held in honour of the two trainees.
- Week-End - Flying arrangements will be made so that the trainees will be in London ready for work on Day-one of seventh week.

DETAILED TRAINING PROGRAMME.

CONT. from page 4.-----

Comments - Hamburg Visit.

The allocated number of days in Hamburg is 13 days, the programme states only 12 days, the reason is that the one day may be spent in BREMEN visiting Roasters. Bremen was the main coffee city in Germany. The plan is to visit on the way back to England.

WEEK SEVEN:

- Day one - Visit Bremen at the invitation of some Roasters. En - Route to England.
- Day two - Guests of Norjoint, using their London office for writing the trainees report.
- Day three- Completing writing the reports by the trainees.
- Day four - Holding a Seminar where the trainees knowledge gained in Europe will be evaluated by various people.
- Day five - The trainees will give their ideas of any further training requirements that they feel is necessary. The Training Coordinator will evaluate for his report and any further recommendation. A farewell party will be held in honour of the two trainees.
- Week-End - The trainees will fly back to Cameroon via Paris, the training coordinator will make all the arrangements.

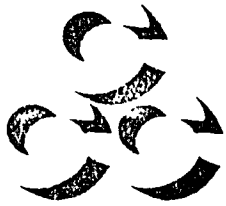
CONCLUSION:

The 5 pages of the Training programme is worked out as; 35 working days, fully allocated to the Training Programme. The week ends, if necessary will be used to discuss any problems that the trainees may encounter. The training coordinator will also test the trainees in case there are problems with the language. In Europe at present it is winter and the change of climate may cause some suffering to the trainees. Some allowance has been taken by appointing a professional person to monitor any illness or discomforts that the trainees may experience.

Communication between England, Germany and Cameroon will be available by telephone, telefax, and telex. The trainees will be given the facility.

We have tried to design a Training programme on the basis of past experience of similar training carried out for other managerial candidates from East-Africa.

We are confident that the trainees from Cameroon will be made to feel at home in Europe by all the people they will meet.



Coffee Commodity Company Ltd

Telephone: 071-357 7007
Telefax: 071-357 7006
Telex: 8812914 Cofcom G

63, Union Street • London • SE1 1SG

25th March 1994

To Whom It May Concern

We hereby certify, that

MONGWE CHRISTOPHER MBAH

has participated in a training programme at our Company from the 9th February 1994 until 1st March 1994. Coffee Commodity trades in raw and soluble coffee on a worldwide basis.


The training programme was initiated and co-ordinated by the USAID - Cameroon Project 631-083-C-00-4525-00 and NORJOINT Consultancy Services, London.

Mr. Mbah's training covered practical work in day to day trading activities which would include receiving and marketing offers of physical coffees from various producing countries, trading on the New York and London futures markets, the hedging of coffee purchases/sales and protecting exposure on forward purchases/sales in various currencies.

On the administrative side, Mr. Mbah was introduced to all aspects of shipping documentation, e.g. Bill of Ladings, Certificates of Origins and Duty Preference Certificates. In addition, the training covered banking procedures in respect of the handling of shipping documents whether against cash payments or against documentary credits. Contractual issues, being of fundamental importance in trading, were explained as well as were arbitration issues.

Mr Mbah had the opportunity of participating first hand in many aspects of the coffee trade and we are confident that this knowledge will assist him in his future career at NWCA Ltd.

Yours faithfully
Coffee Commodity Company Ltd


Michael P. Flynn



Coffee Commodity Company Ltd

Telephone: 071-357 7007
Telefax: 071-357 7006
Telex: 8812914 Cofcom G

63, Union Street • London • SE1 1SG

25th March 1994

To Whom It May Concern

We hereby certify, that

NDIKA FRED FON

has participated in a training programme at our Company from the 9th February 1994 until 1st March 1994. Coffee Commodity trades in raw and soluble coffee on a worldwide basis.

The training programme was initiated and co-ordinated by the USAID - Cameroon Project 631-083-C-00-4525-00 and NORJOINT Consultancy Services, London.

Mr. Fon's training covered practical work in day to day trading activities which would include receiving and marketing offers of physical coffees from various producing countries, trading on the New York and London futures markets, the hedging of coffee purchases/sales and protecting exposure on forward purchases/sales in various currencies.

On the administrative side, Mr. Fon was introduced to all aspects of shipping documentation, e.g. Bill of Ladings, Certificates of Origins and Duty Preference Certificates. In addition, the training covered banking procedures in respect of the handling of shipping documents whether against cash payments or against documentary credits. Contractual issues, being of fundamental importance in trading, were explained as well as were arbitration issues.

Mr. Fon had the opportunity of participating first hand in many aspects of the coffee trade and we are confident that this knowledge will assist him in his future career at NWCA Ltd.

Yours faithfully
Coffee Commodity Company Ltd


Michael P. Flynn



ECA KAFFEE - AGENTUR GMBH
H A M B U R G

TO WHOM IT MAY CONCERN

Hamburg, March 19th, 1994

This is to certify, that

Mr. MONGWE CHRISTOPHER MBAH

has participated in a training programme at our company from MARCH 2nd, 1994 until MARCH 19th, 1994. ECA is a worldwide operating rawcoffee agency and brokerage firm.

The training programme has been initiated and coordinated by the USAID - Cameroon project 631-083-C-00-4525-00 and NORJOINT consultancy services, London

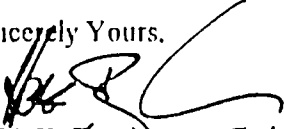
Mr. C. Mbah 's training covered practical work with the rawcoffee commodity market such as marketing physical coffees from various producing countries, inclusive Cameroon, trading with the New York C Market, hedging of commodities while monitoring the international currency trade.

On the administrative side of the training , Mr. C. Mbah has been introduced to the important details of shipping documentation in Bill of Ladings, Certificates of Origins and Duty preference certificates. Another part dealt with Bank matters and international money transfers.

During his stay, Mr. C. Mbah had the chance to talk to the GERMAN COFFEE ASSOCIATION, learned about arbitration procedures, visit modern warehouse systems, collect knowledge in a high quality coffee roasting factory and see a leading decaffeination plant.

We are sure, that the knowledge, Mr. Mongwe Christopher Mbah has obtained during his training programme will be a great advantage in his future carrier and we wish him all success on his way.

Sincerely Yours,


ECA Kaffee-Agentur GmbH
H A M B U R G



ECA KAFFEE - AGENTUR GMBH
H A M B U R G

TO WHOM IT MAY CONCERN

Hamburg, March 19th, 1994

This is to certify, that

Mr. NDIKA FRED FON

has participated in a training programme at our company from MARCH 2nd, 1994 until MARCH 19th, 1994. ECA is a worldwide operating rawcoffee agency and brokerage firm.

The training programme has been initiated and coordinated by the USAID - Cameroun project 631-083-C-00-4525-00 and NORJOINT consultancy services, London.

Mr. F. Fon 's training covered practical work with the rawcoffee commodity market such as marketing physical coffees from various producing countries, inclusive Cameroun, trading with the New York C Market, hedging of commodities while monitoring the international currency trade.

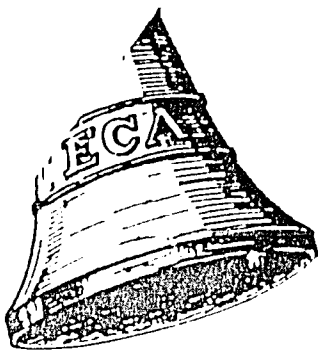
On the administrative side of the training , Mr. F. Fon has been introduced to the important details of shipping documentation in Bill of Ladings, Certificates of Origins and Duty preference certificates. Another part dealt with Bank matters and international money transfers.

During his stay, Mr. F. Fon had the chance to talk to the GERMAN COFFEE ASSOCIATION, learned about arbitration procedures, visit modern warehouse systems, collect knowledge in a high quality coffee roasting factory and see a leading decaffeination plant.

We are sure, that the knowledge, Mr. Ndika Fred Fon has obtained during his training programme will be a great advantage in his future carrier and we wish him all success on his way.

Sincerely Yours,

ECA Kaffee-Agentur GmbH
H A M B U R G



Market Bell

5th March, 1992

ECA Kaffee-Agentur G.m.b.H., Brook 1, 2000 Hamburg 11, Telefon: 36 45 49, Telex: 02 14208 eucof, cables: eurocol

Dear Sirs,

GERMAN CUSTOMS' CLEARANCES 1991 APPROX. 7% UP FROM 1990 - Details as usual

overleaf. Since the figure for 'others' is rather substantial, we hope to give a complete breakdown for this with our next report. More than half of the 1991 increase against 1990 is made up by COLOMBIA covering approx. 37% of German roastings, 10% originate from Brazil. The rest shows relatively minor changes and participation.

WHAT GERMAN DRINK AND PAY TO QUENCH THEIR THIRST! - Is a total of abt. 690 liter of

beverages per annum for which they spend approx. DM 73 Billion.
Please find details hereunder:

<u>Beverage</u>	<u>Liters per annum</u>	<u>DM (in Billions) per annum</u>
COFFEE	190	6.8
Beer	143	20.0
Soft Drinks	85	7.4
Mineral Water	85	4.9
Milk	80	10.0
Fruit Juices	40	5.5
Tea	25	0.8
Wine	21	7.8
Coffee Substitutes (ecological Grain/chicory)	9	0.1
Hard Liquor	6	7.8
Champaign (local/Foreign)	5	2.1

IN CONCLUSION! - Coffee is a price-worthy drink!

The DM 6.8 Billion spend for Coffee per year includes DM 2.1 Billion of flat Coffee-Tax imposed on all coffee irrespective of its origin, plus abt. another 0.5 Bn. DM of VAT. The Coffee Tax is going to prevail also after Jan. 1st, 1993 on introduction of the Unified European Market, VAT is likely to increase by 0.5%.

DM 2.1 Bn. COFFEE TAX ON ABT. 10 M. BAGS OF GREEN COFFEE IMPORTS! -

works back to approx. US\$ 130,-- per bag, or US\$ 0.99 cts/lb. against an average green price (based pro rata of German imports from Colombia/Brazils/Other Milds/Robustas) of abt. US\$ 0.68 cts/lb. ***

Whilst we do not wish to qualify this, sheer arithmetics tell us, German Coffee-Tax is abt. 150% of the present Coffee (green) price! i.e. US\$ 0.68 cts/lb Coffee + US\$ 0.99 cts/lb Tax = 1.67 cts/lb Gross.

Yours faithfully,
ECA KAFFEE- AGENTUR GMBH

*** based on ICO indicators of 2nd March

REPORT ON 7 WEEKS EUROPEAN TRAINING OF N.W.C.A LTD.
MARKETING STAFF ON MARKETING.
BY MONGWE CHRISTOPHER MBAH

INTRODUCTION:

In accordance with the Memorandum of Understanding signed between USAID-Cameroon and the North West Cooperative Association Ltd and under PRAMS 1, the marketing department of NWCA Ltd had to be established with an acceptable marketing capability by the end of PRAMS 1. In pursuance of the above, USAID-Yaounde organised and sponsored the training of two NWCA Ltd marketing staff, the basis for which this report is written.

PROGRAMME SCHEDULE:

A programme of training was drawn up by Mr. Philip Resta, training coordinator, and accepted by USAID-Yaounde, beginning February 7th 1994 and ending March 29th 1994 when trainees return to Cameroon. Basically the training programme was broken down into two major parts:- One part detailing training activities in London and the other detailing the programme for Hamburg. (see detail programme attached.)

PROGRAMME COORDINATOR:

Mr. Philip Resta, training coordinator (marketing specialist) hired on consultancy basis by USAID-Cameroon. He is also the consultant who established the marketing department of NWCA Ltd, then hired by ISTL.

THE LONDON PART OF THE TRAINING:

The base for the London part of the training was the Coffee Comodity Company. The company has not traded with NWCA Ltd coffee before. Mock trading and lectures were the principle methods used. Areas covered include:- Coffee contracts, market information, currency and market prices, quality of coffee, cup tasting, shipment and shipping information, business approach, storage of coffee or warehousing, the futures markets, Arabica and Robusta coffee world markets. Visits were conducted for example to Machado(UK)Ltd. Machado Ltd showed a lot of interest to do business with NWCA Ltd and would very much like to introduce NWCA Ltd coffee to the U.S coffee market. Alan J. Ridge And Breminer Ltd also visited, had the pleasure to do and talk about cup tasting. At Rudolf Wolff trainees had the opportunity to watch a film on the history and activities of the company. Trainees were taken for the first time to the floor of the London Terminal Market and an introduction on how the market functions was made. Another place visited but more interesting was Sueden(UK) Ltd. At Sueden, a talk was given to trainees on hedging and the futures market. Very important here was the fact that the understanding of hedging and the futures market by trainees would go a long way to improve the marketing of NWCA Ltd coffee.

UNDERSTANDING OF TRAINEES PRIOR TO AND AFTER RECEIVING INFORMATION:

Prior to the training, trainees had some broad ideas on some of the topics handled. During the training, trainees had the opportunity to ask questions, and full explanations were given. This led to a wider and better understanding of marketing by the trainees. After receiving the information the trainees went with a feeling of having gained more

knowledge and were able to realise mistakes made earlier in the performance of their duties.

THE FUTURE FOR MARKETING NWCA LTD COFFEE WITH THE INFORMATION AND KNOWLEDGE GAINED:

The trainees will go back to NWCA Ltd with improved skills to market NWCA Ltd coffee at the best prices. A better business approach and relations will be developed. The management of contracts will be better done and shipping operations will have to improve. In short trainees will be more efficient in discharging their duties and become more servicable to the farmers of the North West province.

CONCLUSION OF THE LONDON TRAINING PROGRAMME:

As reported elsewhere in this report, London has not yet traded in coffee with NWCA Ltd. Thus, there was no opportunity to evaluate past business transactions in comparison with what was learnt. Rather, the London programme provided the base of the training by teaching the fundamental theory of Coffee Marketing. It should be understood that, the trainees for the first time had formal teaching ideas on such topics as hedging, the futures market, market information analysis, switches, market volumes and screen information reading and recording. The London training programme actually was the strong foundation to the rest of the training activities.

THE HAMBURG PART OF THE TRAINING:

In Hamburg, the training base was ECA Kaffee-Agentur GMBH. They are for the moment brokers to NWCA Ltd. Much of NWCA Ltd coffee has been sold to buyers in Hamburg. Therefore, training in Hamburg was more linked to the realities and experiences of past trade transactions as opposed to London where no trade activities had taken place between London and NWCA Ltd. The training approach was therefore more of analysing, evaluating and discussing past activities with a view for trainees to gain more knowledge that will improve marketing performance on return to Cameroon. Areas covered centred around:-

The German coffee market. which is basically a quality market.

Roasting. Trainees had the opportunity to roast and cup taste coffees from Vietnam, Costa Rica, Guatemala, Indonesia and Cameroon.

Placing offers. Trainees realised that in placing offers a lot of mistakes have been repeatedly made. It was learned that offers should contain as much as possible the information that will later appear in the contract. Furthermore, it was learnt that making offers asking customers for their best price ideas has not been of benefit to NWCA Ltd. NWCA Ltd should determine their prices before making offers.

Shipping documents and verification. Emphasis were made on the need to ensure that shipping documents such as, Shipping advice, Bills of Lading, Invoices, Certificates etc were properly verified and timely dispatched.

The European Contract For Coffee. This was reviewed with particular reference to the ammendments made to it and effective from 1st July 1994. Trainees were given three copies of the ammended document.

Hedging. Due to changing prices of the New York C, many dealers lock in their prices by hedging. NWCA Ltd as at the moment cannot go into hedging because of both the cost and the knowledge of the system, which NWCA Ltd has still to overcome.

NWCA Ltd sales method . It was realised forced buyers to buy all grades of coffee(a-f) in each of their offers. The sale of coffee by grades was thought to be advantageous to NWCA Ltd as those interested for various grade will give better prices without fear of being forced to buy what they might not need. This idea was noted by trainees for further study on return to NWCA Ltd.

PLACES VISITED IN HAMBURG:

Bernhard Rothsos GMBH. General discussions on the world coffee market and quality problems were discussed. Trainees had the opportunity to see coffee bought from NWCA Ltd during the 1992/93 season but cannot be sold because of bad quality. A cup tasting exercise was carried out to acquaint trainees with the various off-cup tastes common to bad quality coffee. Trainees were shown a film of Hamburg port activities in coffee some 800 years ago. Warehouses of the port were shown to trainees and of much interest the coffee Silos with sorting and blending facilities.

Hamburg Coffee Association. The association has Roasters, Traders, Store keepers, Shippers, and Agents as its members. Its main function is to lobby for its members in the German coffee trade. The association also advises the German government on technical issues concerning the coffee market. The role it plays to help exporters is the creation of a secretariat for arbitration. Exporters on request are given a list of arbitrators from which they can choose those to handle their arbitration matters. Of course an arbitration file must be presented and fees paid before the Association can take necessary action.

Coffein Compagnie Bremen. The company is specialised in decaffeination of coffee. 90% of its decaffeinated coffee is for German customers who export worldwide and 10% is exported to Spain, USA and Portugal. Annual decaffeination is about 90,000 tons and the main roaster is Tchibo. Decaffeinated coffee is bought from traders and agents. Trainees were pleased to see decaffeinated coffee from Cameroon. It is interesting to note that machines used by this company are designed and made by themselves. All the by-products are used to produce animal feeds, drinks and pharmaceuticals. The company indicated their interest to buy and decaffeinate coffee from NWCA Ltd.

IDEE Kaffee. This is a roasting company that prepares special roasts through steam for the German market. They roasted Cameroon coffee some eight years ago. They are very interested to buy and roast large volumes of NWCA Ltd coffee. It was an opportunity for trainees to meet such a roaster because it is beneficial for NWCA if it had to sell its coffee directly to roasters. However, it is important for trainees to educate growers on return to Cameroon on the necessity to produce a consistent reliable volume of coffee if they have to get the full benefits of direct sales to the roasters. IDEE Kaffee showed their interest to buy NWCA coffee by giving an altimeter as a gift, which will help in grouping coffee according to altitudes of production.

Kaffee Lagerei. Kaffee lagerei is a modern warehouse with a capacity of 1500 sq. meters. It has a silo facility, the largest in Europe, with flood proof services, connected with cleaning, screening, polishing, destoning and electronic sorting by colour blending. The process is run by computer and assures the utmost in speed and accuracy. Trainees had the opportunity to witness container loading - a system likely to be used in the future for loading NWCA Ltd coffee for export.

UNDERSTANDING OF CERTAIN ISSUES AND INFORMATION RECEIVED

There is no doubt that NWCA LTD coffee has a market in Germany. All NWCA Ltd has to do is explore ways of getting a good channel to the market, and as much as possible try to meet up with the demands of the market. As earlier remarked Germany is highly a quality coffee market. NWCA Ltd has to consider seriously the quality of her coffee with emphasis on fermentation, elimination of stinkers, bad smell, and mixing washed and unwashed Arabica coffee. Trainees were eye witnesses to these weaknesses either at the warehouses or at the cup tasting rooms. Acidity in coffee varies according to the altitude of the area it is produced. Trainees were given the impression that buyers have had difficult times with NWCA Ltd coffee because coffee from different altitudes or unions were mixed to complete lots or contracted quantities. This costed much money to buyers in sorting and regrouping. The roasters on their part have complained of unreliable taste due to such mixtures. NWCA Ltd, it is said will in future take responsibility for such inconsistent qualities.

HOW WILL THE TRAINING COURSE IN HAMBURG HELP NWCA LTD IN THE FUTURE:

Germany has been and remains a key player as far as marketing NWCA Ltd coffee is concerned. Much has been learned about NWCA Ltd coffee already bought and roasted by clients in Germany. Positive points were discussed and encouraged. The weaknesses have been of interest to the trainees. This is because NWCA Ltd will have a reputation in the coffee market when the weaknesses are overcome. The training in Hamburg is like a mirror from which NWCA Ltd can look at itself objectively to improve performance where it was not properly done in the past. NWCA Ltd is service orientated to her growers. The knowledge gained can only go to improve the services rendered to the growers in marketing their crop. The training has equally made a base for good future business relationship and approach to those who will in future do business with NWCA Ltd. The knowledge acquired will not only help NWCA Ltd in future to do business with Europe, but equally will be used by trainees to explore other better markets around the globe for NWCA Ltd.

CONCLUSION OF THE TWO TRAINING PROGRAMMES:

The attitude of persons involved in the two training programmes was very cordial and friendly. Language was not a problem and in few occasions when trainees could not understand any of the speakers due to intonation, trainees asked for a repeat which was always happily done. There was no problem in approach and the message went through from speakers to trainees. The outcome of such a good approach gave confidence to trainees and because of the confidence more knowledge was gained as would have been otherwise. With more knowledge, trainees feel more confident and are geared towards greater achievements in the performance of their duties. A more aggressive marketing approach and strategy is expected as soon as they return to Cameroon. The outcome will of course be judged more by the growers to whom better services are expected to be rendered by trainees.

EXHIBITS:

During the training, certain write-ups, brochures and information letters were presented to trainees as instructional material. A few are exhibited here-in for reading and appreciation.

Fact Sheet. The document broadly explains or talks on futures, trade options, traders, grading and warehousing, and the London Clearing House.

Reuters New York C and London Market Information. This is important because if NWCA had such a facility the marketing department will daily be trading and recording market movements. From the information, analysis can be made and conclusions drawn for better market decisions.

Rudolf Wolff And Co. Ltd. This is still about market information. It shows how different persons and companies can produce market information reports and the variety of information that can be reported by different person. It is up to the reader of such information to exploit the information to his advantage.

Coffee Contract Of The Green Coffee Association Of New York City Inc. The document when expoitied gives an idea of the US coffee market and the difference between it and the European Contract For Coffee.

Arbitration. It is a write up by one of the lecturers (Mr M P Flynn). Readers will find the document very useful to dealers in the coffee trade.

Abbreviations When Tasting. The paper spells out clearly what should be looked for during testing and the abbreviations used. The paper will be very useful to trainees in the cup tasting room of NWCA Ltd.

FMCA

MONSIEUR C. MIBAH

LONDON 28-03-74

NEWSLETTER OF THE EUROPEAN TRAINING STAFF OF NWCA LTD TO FARMERS, UNION AND SOCIETY MANAGERS.

The only two staff of the NWCA Ltd marketing department attended a 7 weeks training course in London and Hamburg from 7th February to 29th March 1994. It is important that the trainees transmit some important information received during training to the Growers and Managers.

- 1/ Traders and roasters contacted during the training all agree that NWCA coffee has a promising position in the European coffee market.
- 2/ In order to make its presence felt in the market, NWCA has to increase its volume of production and improve in quality standards.
- 3/ A consistent and reliable presence in the market is important. It is better to be in the market daily with smaller quantities to offer than bigger quantities sold in few occasions and particularly at certain parts of the year. When you stay out of the market, you risk losing "touch and feel" of the market.
- 4/ Not all of NWCA coffee has the same quality. Quality varies with altitude. When coffee from different unions is mixed to make a lot or a contract, a mixed taste is produced. That taste or quality is not reliable because the next lot or contract will produce some different taste or quality. Buyers find it difficult and expensive to sort and regroup such coffees. Roasters are not sure of consistent taste for various blends. We must study this issue seriously to find a solution to these problems which only go to tarnish the image of NWCA Ltd in the International coffee market.
- 5/ Our coffee is graded A to F. As much as is available we have always placed on offer all the five grades at once. Some buyers don't like this method because they are forced to buy grades of coffee which they might not have a market for. The tendency is for such buyers to bid very low prices to cover the cost of the grades they find difficult to dispose of. The suggestion is to place offers on a grade by grade basis so as to get the best prices for each grade. It should however be noted that some buyers are knowledgeable about certain markets for various grades of coffee. It is an expressed opinion that we examine this method for possible exploitation if found profitable.
- 6/ **Education.** Marketing of coffee involves people at various levels from grower to consumer. For marketing practices, ideas and principles to be appreciated, at least top management (bods and managers) of unions should have basic training in marketing so as to appreciate and realise the importance. Unfortunately, training has always been regarded as an unnecessary expense. Training is often thrown out of budgetary allocations. We are only a penny wiser but being a pound foolish. If the will and determination is there, there can always be a way out of the problem. It is necessary to re-examine the approach towards this crucial aspect of the business.
- 7/ **Coffee prices.** coffee prices normally rise and fall. For the last month the tendency has been for prices to remain stable at current levels with the possibility of an upward movement for later shipment. If we do not spread our sales throughout the marketing season, we are not likely to take advantage of any rise in prices. It is unlikely that prices will fall to the lows of 1993.

8/ The future of coffee. From every indication coffee remains the second world traded commodity after oil. This means coffee will continue to be an important foreign exchange earner. Our ambition should be to increase our volume of production and improve on the quality of what we produce. Remember, with money from coffee the first zinc houses were constructed in the North West Province. With money from coffee most of the now important sons and daughters of our country were educated. What of other development projects like construction of roads, bridges, schools, health centres etc, etc. Coffee production will remain our key source of income and development, in the North West province.

CONCLUSION:

The training programme was well drawn to absorb the basic needs by the Marketing Staff of NWCA Ltd. The programme was followed as scheduled and parties involved satisfied with the level of achievement. If any weaknesses were observed they are highlighted as recommendations for future consideration.

RECOMMENDATIONS:

1/ Timing of training programme. It is common knowledge that winter is not the best period for such a training session to have taken place in Europe and more so for participants from Tropical Africa. The weather conditions were rather too harsh for trainees and consequently affected their health. This aspect has to be seriously considered when planning for future training projects.

2/ Health Insurance Policy For Trainees. In future it would be highly appreciated if such insurance policies are acquired in advance, before participants arrive in the country of training. A bit of time was wasted in trying to acquire health insurance covers. This could have been avoided if arrangements were made in advance.

3/ Marketing of coffee. Marketing of coffee is a wide and dynamic subject. Training in this field needs constant follow ups in order to keep abreast with current norms of the business. Contact visits to roasters and buyers once every six months is normal in the profession. Variety in short term seminars, handling various aspects of marketing is not a luxury. Top management and board members of NWCA Ltd should be involved in marketing training if it is to be appreciated. Other African countries are successfully involved in the coffee industry. It is important to visit such countries (Kenya, Tanzania) to share their experience with a view to improve on the NWCA Ltd situation.

4/ Communication. The use of telephone and fax for marketing of NWCA coffee is inadequate and legally does not conform to the provisions of the European Contract For Coffee which NWCA uses for most of her coffee sales. A telex is the legal provision and is strongly recommended for use.

5/ Coffee Sales Approaches. Trainees discussed at length with buyers two important issues.

a) The idea of selling coffee grade by grade.

b) Regrouping of NWCA Ltd coffee for sales according to the altitude of the area of production. The board of NWCA Ltd with management should examine the views of buyers and take a stand.

6/ The broker/agent relationship of ECA Kaffee Agentur GMBH Hamburg with NWCA Ltd is not contracted or defined. The two parties need to draw a proper contract that determines the role of each party. The current situation creates room for doubts and confusion. This situation should be reviewed immediately to avoid any unforeseen problems.

ACKNOWLEDGEMENTS:

Trainees express great appreciation to USAID - Yaounde who made the sponsorship of the training possible. It will ever remain green in memory. We are also happy and thankful to Mr Philip Resta for drawing and coordinating the programme to its successful end. Trainees furthermore are most grateful to the following, for the role they played in training the participants:-

Coffee Commodity Company, London.

Mr Angus Kerr, for brilliant lectures on the coffee business and market information gathering.

Mr M P Flynn, for putting through to trainees the very important facts on arbitration and banking.

Mr M Cumming, for his interesting talk on the coffee industry in Brazil.

Mr R Kerr, for helping in the office logistics and typing reports.

In Hamburg.

Mr Bonacker snr. and Mr Bonaker jnr. for pains taken to talk to trainees on the situation of NWCA Ltd coffee in the German market and the various topics on marketing which they lectured.

Sylvia, Mr Walters, Nele, all of ECA, for the role they played in running the training programme in Hamburg.

Madame Petersen, and Mr K Reher of Bernhard Rothfos, for the time spent to talk to trainees on aspects of the coffee market and particularly taking trainees to the warehouses where much was learnt on the spot.

In short, we are grateful to every one for the hospitality shown to us. Once more we use this medium to express appreciation.

8

BMIN

MONGLOE G. MABAH

LONDON 28-03-94

REPORT ON TRAINING IN EUROPE
BY MR NDIKA FRED FON.

OBJECTIVE:

To train members of the North West Cooperative Association Ltd, Marketing Department to trade coffee to the International Market.

INTRODUCTION:

Mr. Ndika Fred Fon of NWCA Ltd Marketing Department was chosen to be one of the candidates to train in Europe.

DETAILS OF THE TRAINING PROGRAMME:

USAID-Cameroon financed two members to Europe and hired the services of Norjoint Consultancy Services(Mr Philip Resta) to coordinate the programme. The training programme was designed by Mr Philip Resta and accepted by USAID. (copy of the programme is enclosed) The venue of the training programme was designed for the first part to be in London and the last part in Hamburg. The two companies selected were, Coffee Commodity Company Ltd in London and ECA Kaffe Agentur in Hamburg, these companies trade coffee daily internationally.

LONDON PROGRAMME - 9th FEB to 1st MARCH 1994:

On the 9th February I was introduced to the staff of Coffee Commodity who will be lecturing, Mr Angus Kerr, Mr Michael Flynn, Mr Michael Cumming, and Robert Kerr. Mr Philip Resta lectured and filled in whenever the Coffee Commodity staff were occupied.

TOPICS THAT WERE OF INTEREST:

Reuters Screen:- I was introduced and taught how to read and interpret market information on the Reuters Screen.

Daily News Report:- I was taught how to analyse information and how to record this information for the benefit of understanding market movement higher or lower.

Coffee Roasting And Cup Tasting:- I participated in several trials of coffee roasting and cup tasting and I learned to identify the different tastes of coffee from different origins. I found this very interesting and if I was given the opportunity, I would like to pursue this further as I believe that my contribution to the farmer can only improve the quality of coffee they export. I have realised that competition exists between the well known origins like Columbia, therefore for Cameroon coffee to compete, which it can, quality and reliability is most important and in my opinion cup tasting plays an important part.

Coffee Contracts:- Several lectures were given on coffee contracts concerning the importance and implications involved in establishing a contract. I learnt that all important communications concerning a contract such as confirmation of sale and shipping advice to buyer must be mailed through telex because the telex is a legal confirmation and the fax is not legally accepted. I also learned trade terminology - firm

offer and firm bid. I received a lecture on arbitration and learnt that places for arbitration must be indicated on contracts and the language of arbitration and all other communications shall be in the language of the contract. The two forms of arbitration - quality and technical were introduced to me. (enclosed please find copies of lecture on contracts and arbitration.)

Banking:- I attended a lecture on the procedure of banking, involving the transferring of funds from buyer to seller and I understood that bank charges on transfer of funds are for the account of the seller because documents are submitted directly to buyers bank by the seller on request.

Forward Sales:- I was shown how to calculate values for forward sales using the futures currency rates.

PLANTS

Rudolf Wolff, one of the largest commodities houses in London.

I was taken to Rudolf Wolff and I realised from discussions that people traded on the futures market without physical coffee. It occurred to me that NWCA Ltd could benefit from such a facility through hedging its coffee but I was told that NWCA Ltd needs a substantial amount of margin money to deposit with them before participating in the coffee future market.

Alan J. Ridge, coffee roasting and cup tasting.

I attended a lecture on coffee roasting and the importance of cup tasting. Coffee quality can be improved at farmers level and unclean taste resulting from overfermentation eliminated. This can be achieved by carrying out education at farmers level to emphasise the disadvantages of storing fresh coffee for long before pulping. Coffee pulpers are an essential tool. Stinker beans are also very harmful to coffee taste so investment in coffee sorting machines at processing centres will be helpful. This company which represents Kenyan and Columbian coffee interest in the UK gave me the opportunity to taste some samples from Columbia, Kenya and Zaire.

Machado & Co. UK Ltd, coffee trader.

The training offered me the opportunity to talk to the vice president of Machado company who is a good outlet to the American market. The company will be interested in Arabica and Robusta coffees from Cameroon with good acidity and quality for North America and other European countries.

London Commodity Exchange.

I visited the L.C.E. coffee floor in the World Trade Centre and every stage of trade was explained to me by one of the floor traders.

Sudden UK Ltd, Large Commodity House.

Here I received further information on the Futures Market. Option trading was the new idea introduced, where a premium is paid to cover a position bought on the Futures Market. This company showed interest in supplying daily market information to NWCA Ltd.

Warehouse - Luke & Murcott.

We visited a commodity warehouse which stores coffee for traders and brokers. Fumigation facilities were available on the premises.

ADVANTAGES OF TRAINING TO NWCA LTD IN THE FUTURE FOR MARKETING COFFEE.

- a) After my London training I have a clear picture of the quality of coffee produced by NWCA Ltd compared to other world coffees. This is important because we shall be able to determine our prices and can embark on a programme of improvement and control of quality.
- b) I have a better understanding of a coffee contract and know all the areas to contact in case of difficulty.
- c) A good Robusta coffee market exists in London and NWCA could carry out studies on improving to produce washed Robusta coffee. This will improve farmers income.
- d) NWCA should be able to use all the information and knowledge gained through me from this training to organise a proper marketing office that meets the worlds standard so that the best prices can be obtained for all crops produced by the cooperative.

CONCLUSION:

The London programme was well organised and all the trading houses we visited were happy to receive us and are ready to do business with NWCA Ltd.

HAMBURG PROGRAMME - 2nd MARCH to 19th MARCH:

I was introduced to the management team of ECA Kaffee Agentur Hamburg by Mr Philip Resta. I received lectures from Senior Heinz Bonaker, Junior Bonaker who is director of ECA, Sylvia Hosien, Nele and Wolfgang Walter. Hamburg is a coffee quality centre and has traded in Cameroon coffee. The Germans mainly trade in raw Arabica coffee.

TOPICS TREATED:

Coffee roasting and cup tasting.

We roasted and cup tasted coffee samples from Guatemala, Costa Rica, Vietnam, Cameroon, Kenya and Brazil. I was shown how to conduct a good roast in order to preserve the flavour of the coffee. I was also taught how to differentiate washed from unwashed coffee grains after roasting a mixture of the two. We tested several cups of coffee at Rothfos and were able to identify the bad cups. We were shown samples of some poor quality coffee exported from NWCA Ltd. We were advised to ensure that the quality of coffee produced is consistent.

Coffee Quality.

A lecture was given involving the production of good coffee. We were advised to seek possibilities of grouping our coffee according to altitudes in order to maintain a regular taste because coffee from 2000m above sea level cannot contain the same acidity as coffee from areas below 1200m for example.

Coffee Marketing.

The advantages of being present for the twelve months of the year in the market were explained - we were encouraged to sell coffee in smaller quantities according to grades and not combining all grades on one offer. We were taken to the trading desk and all

important instruments used for marketing were available as follows:- seven telephone lines to ensure that all communications between the organisation and trading partners were received and responded to immediately. Computers and calculators were available to all staff on the trading desk. A copy of the European Coffee Contract. An A to Z telephone book. A telex and fax machine. The importance of the office equipment was explained. We received a lecture on how information obtained from the Reuters screens could be used to determine FOB prices. We received information on the functions of the Terminal Market. We were shown samples of Arabica Triang sold at 480F CFA FOB and other Arabicas bought at higher prices than have been paid to NWCA Ltd.

Documentation.

A file of all documents involved in coffee shipment were presented and discussed. The buyer has 48 hours on receipt of documents to examine and authorise payment. Bill of Lading date is very important and must never be forgotten because it dictates the shipment date.

Shipping Advice.

Whenever coffee has been loaded on a ship a shipping advice must be sent by telex to the buyer.

Hedging.

The terminal market offers opportunities for future sellers to cover position for coffees to be delivered in the future. But NWCA cannot benefit from this facility. A lot of information was given on all stages involved in coffee marketing and I left the office quite confident and satisfied with the knowledge gained. This report is only a summary of the activities carried out.

VISITS:

Bernard Rothfos, Coffee Trader.

Bernard Rothfos is a major German Trader who has bought greater quantities of NWCA coffee for many years. In 1993 before the training some quality claims were made in respect of some coffee lots shipped by NWCA Ltd. The training provided an opportunity for us to examine the samples and we were satisfied that the errors were our friend because we relied on coffee samples supplied to us by unions. The final product that was shipped did not conform to the samples received by the buyer. The matter will be discussed further when we return to Cameroon. Bernard Rothfos was impressed with the quality of NWCA Ltd coffee bought through Unidaf. The fears nursed by Rothfos on the future of NWCA were discussed and all efforts carried out to improve the coffee quality at NWCA through farmers education were explained to Rothfos. The representative of B. Rothfos Mrs Peterson then promised to continue business with NWCA. She also promised to assist the marketing office in future with regular supply of marketing information and to buy new Robusta coffee.

Meeting with Thomas M Pfaff.

While at Bernard Rothfos the trainees were introduced to Mr Pfaff of EDE Consulting for coffee. Mr Pfaff informed participants of a study to be carried out for washing stations to be constructed in north west province. The studies will begin in May 1994.

Warehousing.

We were shown modern warehousing facilities constructed around the free port of Hamburg. We visited Kaffee Lagerei which is equipped with the very latest cargo handling technology to cope with any consignment of coffee, regardless of how it arrives, whether stored in sacks in the ships hold, bagged up inside the container or as containerised bulk cargo. In order to process and store the incoming shipments of containerised green coffee quickly and efficiently and to have sufficient capacity for future storage requirements, Kaffee Lagerei planned a large silo complex and processing plant as the centre piece of their operations. The complex is designed to hold 7200 tonnes of green coffee. It has a handling capacity of 80 tonnes per hour for incoming shipment and 160 tonnes per hour for outgoing shipment. All operations in the silo complex are controlled with the aid of a freely programmable computer system. The importance of shipping regular qualities was again emphasized because it is very costly to recondition coffee in Europe. I received information on the inspection and quality of good coffee containers. With the knowledge acquired on storage I will be able to contribute ideas on the improvement of coffee stores in Cameroon.

Visit To Idee Kaffee - Roasting Factory.

We visited a roasting factory in Hamburg founded in 1927. We were conducted around the factory and shown all the stages involved in the roasting process. They have laboratories to check quality produced at all stages. All their operations were computerised. Packaging equipment was supplied in bulk by specialised industries. Some roasters in Europe own shops for sale of roasted coffee, while some sell through super markets. Mr Dieter Nagel was happy to receive guests from Cameroon and told us that he was interested in Cameroon Arabicas and the last time he bought Cameroon coffee was eight years ago. He was interested in uniform grades and of regular bulk for his industry. I realized that the Industry was quite advanced in coffee roasting. ECA Kaffee Agentur was to introduce NWCA coffee to IDEE Kaffee and we hope to do business with the Company. We were advised to market our coffee according to altitudes and this opinion was facilitated by a gift of an Altimeter from IDEE Kaffee.

Visit To Coffein Compagnie.

We visited a coffee decaffeination plant situated at Bremen and held discussions with Mr Marco Boschen who represented the Company. We were taken around the factory and I was amazed with the great developement in the coffee industry. I realized for the first time that there is a market for all by products derived from coffee- skins, wax, pure caffeine, and these have ready markets with Coca Cola, Pepsi Cola and the medical industry. 90% of decaffeinated coffee produced is sold through German traders and 10% is sold to Spain and USA. A lot of decaffeinated coffee is used in the USA. The company is 75 years old in coffee business and their factory works throughout the year.

Visit To German Coffee Association.


We visited the German coffee association and spoke with Mr Hans Arno Petzold. The association was formed by coffee roasters, traders, agents and storekeepers. They act as a lobby group between coffee dealers and the government of Germany. The organisation can advertise NWCA amongst the Coffee Companies in Germany. They also have information on coffee buyers and roasters all over the world. They have facilities to handle coffee arbitration, should one require their

ADVANTAGES OF HAMBURG TRAINING TO NWCA LTD:

Hamburg training provided the trainees with the opportunity to meet traders and roasters - useful discussions were held on problems encountered in trading NWCA coffee and how better such coffee could be marketed in future to obtain better prices. NWCA will be able to determine new approaches in marketing raw coffee directly to roasters. While in Hamburg some coffee from NWCA was placed on offer and we experienced all the difficulties encountered in getting information from Germany to Cameroon by telephone and we hope to talk to the authorities of post and telecommunication in Bamenda. We collected a lot of information on coffee production in other African countries like Tanzania and Kenya. In Kenya a by product called Kahawa Charcoal is processed from coffee husks. We saw and collected information on the huge investment carried out in the coffee industry and I hope this information will spur the Cameroonian farmer to realize the importance of the coffee plant.

CONCLUSION:

I am grateful to all the Trading houses which contributed with lecturers, hand outs, and daily market information which made our training in Europe very successful. All the people we met were very friendly and we felt quite at home in Europe.

 28/03/94 AT LONDON.
Ndika Fred Fon

NEWSLETTER ON VISIT TO EUROPE.

Dear members of..... Union/Society.

The marketing department of NWCA Ltd has taken another giant step forward. Thanks to the continuous assistance offered by USAID-Cameroon through the prains 1 project. In January 1994 we informed you of a training trip to Europe for the two members of the marketing department, Mr Mongwe Christopher Mbah and Mr Ndika Fred Fon. The trip was financed by USAID. We arrived in Europe during the winter and went through the harsh weather in order to acquire knowledge that will help our coffee growers to sell their crop at the best price. We were received in London airport by USAID Coffee Consultant Mr Philip Resta. Our training covered the period 7th February to 29th March 1994. The training was designed in two parts (by Mr Philip Resta). The first part in London and the second part in Hamburg-Germany.

Brief Description Of The London Visit.

We received our training at Coffee Commodity Company, who trades coffee daily Internationally and are principally Robusta coffee buyers. We were taught the following subjects:- Market information, coffee roasting and cup tasting, how to handle coffee contracts, and arbitration. We received lectures on banking.

Visits.

We visited commodity houses trading with the futures market:- Machado & Co Ltd(coffee trader), London Commodity Exchange at the World Trade Centre, and a warehouse. The Robusta Terminal Market is situated in London. During the visits we were shown coffee samples from other African and South American producing countries.

Brief Description On Hamburg Training.

Hamburg is the main buyer of Arabica coffee from Cameroon. We arrived in Hamburg on 2nd March and returned to London on 19th March. The training in Hamburg was at ECA Kaffee Agentur. ECA is a broker to NWCA Ltd. We visited Bernhard Rothfos and discussed quality problems concerning 1992/93 coffee supplied by NWCA from Santa and Central Unions. The stocks received by Rothfos did not conform to the samples forwarded by the two unions and were of inferior quality. We visited a Roaster who was interested in Cameroon coffee and will want to introduce NWCA coffee to its blend. Another visit took us to Bremen where we saw a big plant decaffeinating coffee for American markets. It was interesting to see that some ingredients extracted from coffee were used in making Coca Cola and medicines. In the industry, everything in coffee is used and they have ready markets. We also visited the German Coffee Association.

Advantages Of Training.

The staff of NWCA marketing department are now able to determine market prices for coffee to be offered. From the training we obtained, we intend to develop a new marketing approach that will enable NWCA to sell over a period of twelve months of the year. We shall market according to grades and also according to union areas of production. The procedure will enable NWCA to obtain better prices on a yearly

average. Unions producing good quality coffee will be equally rewarded and this development will increase the demand for Cameroon Coffee.

Improvement Of The Marketing Unit.

We still need to equip the marketing unit with an additional telephone line so that communication by telephone and fax between NWCA and the International Business Community is opened throughout working hours and that there is no delay in sending or receiving information. A telex machine is also necessary for sending important messages because the fax is not a legal document should a dispute develop.

A Reuters Screen is necessary for the marketing unit to obtain on the spot prices from London and New York coffee markets. This facility exists in UCCAO and ONCC Douala. We should develop a programme to purchase this facility in the future, when our quantity of coffee exportable increases.

Coffee Quality.

We visited several warehouses and were impressed with the careful handling of coffee in Europe. We should realize that the coffee we produce is consumed and used in drugs for our health. We should intensify education on quality control from the time coffee is harvested, until the time that is shipped to our customers. In some African countries.

The coffee industry has developed to a stage where coffee is sorted by machines. Kenya also for example now manufactures charcoal from coffee husks. We should think about getting to this level.

Coffee Prices.

Coffee prices have been on the rise. The general feeling among the Coffee Industry is an upward trend for prices.

Stock Reporting.

Unions should control stocks very well and only report accurate figures to the marketing department. This is because if we sell coffee which cannot be supplied then NWCA is in default and has to pay compensation to the buyer.

CONCLUSION.

My impression from the European trip is that the coffee industry is quite big and employing a lot of people all over the world so the coffee plant should be protected. This to me, should become a concern of everybody involved in the Coffee Industry, including Governments.

Attached to this report is information on coffee production in Tanzania and Kenya. More information will be available in the next issue.

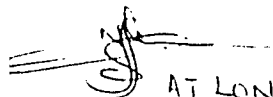
RECOMMENDATIONS.

The idea to develop the present co-operatives in Cameroon to market their products into a free market should be encouraged. This in my opinion will enable the ~~peasant~~ farmer who had never known the importance of the crop he produces, the cost at which produce was sold, and the consumers of his product to understand the market and fully appreciate his crop. It is because of this awareness that coffee quality and quantity will improve. Assistance in the line of farm inputs such as fertilizers, insecticides and processing equipment like pulpers, wheel barrows etc from donor organisations will be useful to the farming population. Farmers education with visits to developed farms in

some African countries like Kenya and Tanzania will spur Cameroonian farmers. The marketing department of NWCA Ltd still needs to be equipped with one additional telephone line and Reuters screens installed to facilitate the daily task of marketing. I would like to recommend future training for staff of the Marketing Department and some farmers' leaders to be trained in the USA. This will give them the opportunity to exchange ideas with coffee traders in the U.S.A.

Conclusion:- I wish to extend profound gratitude to the authorities of USAID - Cameroon and the United States Government for Assistance to the North West Province and promise that the knowledge gained from this training will be utilised for the benefit of the farming population.

END

 AT LONDON 28/03/94
NDIKA FRED FON .