



ETHIOPIA COMMODITY EXCHANGE የኢትዮጵያ ምርት ገበያ

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STATEMENT TO THE PRESS

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Specialty Coffee Association of America (SCAA) commits to work with the Ethiopia Commodity Exchange (ECX)

Addis Ababa— In a letter addressed to H. E. Prime Minister Meles Zenawi on May 1, the Specialty Coffee Association of America (SCAA) conveyed its commitment to work with Ethiopia Commodity Exchange (ECX) in developing a sound specialty coffees market strategy. This commitment is a result of the SCAA symposium discussions that took place in Atlanta in mid-April where ECX CEO Dr. Eleni Gabre-Madhin presented key information on the development and function of the ECX trade system. In addition, Dr. Eleni highlighted the strategic goals of ECX which incorporate bringing quality control, risk management, price discovery, and market liquidity to the agricultural market stakeholders in Ethiopia. The SCAA, acknowledging that it shares various purposes with the ECX and the overall Ethiopian coffee sector, **“commits its support to the Ethiopian coffee sector in these efforts and pledges to be a collaborative and respectful partner in helping to achieve these goals”**.

SCAA possess strong interest in preserving the value and brand equity already established for Ethiopian coffees in the higher value specialty sector and believes that there is market demand for “some 7200 tons with a total dollar value in excess of US\$30 million” for speciality coffee qualities. The SCAA has proposed a working group that will strive towards developing a specialty coffees strategy which protects the mutual interests of the Ethiopian Coffee sector and speciality coffee buyers. In addition to the ECX management and key Ethiopian market stakeholders from the production side, SCAA has suggested to enlist the input of the International Relations Council of the SCAA, the Coffee Quality Institute, selected importer representatives, selected buyer representatives, and the Executive Management team of the SCAA. Through the efforts of the working group SCAA envisions to identify key issues and successfully “identify the steps necessary to creating a viable, sustainable and scalable market channel for specialty coffees while preserving the structure and pursuing the success of the ECX model”.

ECX, established in April 2008, integrated coffee into its trade system in December 2008. ECX adds value to the Ethiopian coffee sector by protecting the interests of both sellers and buyers, guaranteeing the quality and weight of the deposited coffees, ensuring a rapid and reliable clearing and payment system, and providing real-time price transmission to market stakeholders. The ECX trading system is backed by global standard automated back office operations that reduce the risks and costs of trading. ECX is currently trading 20 spot coffee contracts (for immediate delivery), each up to 10 grades. Contracts for Washed coffees are: Sidama A, Sidama B, Sidama C, Yirgachefe A, Yirgachefe B, Limmu A, Limmu B, Tepi, Bebeke, and Lekemti. Contracts for Unwashed coffees are: Sidama A, Sidama B, Sidama C, Jimma A, Jimma B, Harar A, Harar B, Lekemti, and Forest.

ECX. Growing the market and growing Ethiopia.

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