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Senate Committee on Appropriations

Subcommittee on State, Foreign Operations, and Related Programs

Scott Ford, CEO of Westrock Group, LLC

Chairman Graham, Senator Leahy, and members of the Committee, my name is Scott Ford and I thank you for this opportunity to share a brief history of Westrock Coffee's entrepreneurial activities in East Africa.

In 2004, after being involved in post-genocidal charity work for a few years, and while still CEO of Alltel Corporation, I took my three sons to visit Rwanda. While there, I had the opportunity to spend considerable time with President Paul Kagame. I discovered we were like-minded in our view that the free market system of open, competitive trade is the only system that offers sustainable economic hope - along with personal dignity - to those most deeply mired in poverty.

The crux of our conversation centered on our shared belief that the State – through its attendant bureaucracies and the rule of equally applied law, can, from the top down, ensure Safety and Security, Political Freedom, and even Religious Freedom – but that the State, beyond policy making, is relatively powerless to bring about true and lasting Economic Freedom. Prosperity, in other words, can only be created from the ground up, so to speak, by private individuals who, upon learning how to organize and operate a for-profit business, support and mentor others in that process. And paradoxically, the group that experiences the greatest relative benefit of genuine economic prosperity in a society is actually the poorest portion of the community.

In light of our common economic views, President Kagame asked me to join his Presidential Advisory Council and challenged me to someday return to Rwanda to invest in its future. Five years later, after Alltel was sold to Verizon, I returned to explore opportunities to follow through on his request to help build a company that

would, in his words, “help the poorest of the poor taste the benefits of the free market system”.

After looking at several business opportunities, I settled on coffee exporting for a number of reasons but primarily because there were only two major market participants operating in the coffee export sector in Rwanda. It was clear; there was room for a third participant to make a reasonable profit while paying considerably more for coffee than was being offered to farmers at the time.

Rwanda, it turns out, was an anomaly in terms of typical coffee industry practices, but knowing nothing more about the coffee industry than that, we founded Rwanda Trading Company and purchased, at auction, a bankrupt, abandoned, coffee-processing export mill in the capital city of Kigali. Our intent was to make a profit and to attain enough market share that the other two exporters would have to increase the price they paid to farmers in order to stay competitive with us – thereby giving every farmer in the country - whether they sold to us or one of our competitors – an immediate and substantive raise! In our first six months, we saw the price paid to farmers rise between 30% and 50% compared to the established local market price.

In addition to impacting the price paid to farmers, we continue to invest to help them improve their yields and quality and make certain that our mill employees are paid and treated in a manner that is fair and honorable.

Based on the success of our coffee business in Rwanda, we expanded our export operations into southern Tanzania as Tembo Coffee Company and have partnered with Falcon Coffees in the United Kingdom to finance and procure similarly sourced coffees from other parts of East Africa including Uganda, Ethiopia, and most recently, behind the leadership of and in cooperation with the Eastern Congo Initiative, the Democratic Republic of Congo.

In order to directly connect East African coffee farmers with the American consumer, we started a coffee roasting operation in Little Rock, Arkansas, which roasts and

packages coffee under the Westrock Coffee brand and is available through retailers such as Kroger, BI-LO / Winn-Dixie, Walmart, and online at westrockcoffee.com. We also offer coffee service to corporations, airlines, restaurants, and hotel chains.

Starting these businesses from scratch has been risky, but the impact our efforts have on the employees and farmers we work with is the reason we continue to expand. Last year, in Rwanda and Tanzania combined, we employed over 140 people full-time and 1,150 part-time and financed and procured coffee from over 60,000 individual coffee farmers.

Collectively, we estimate that the sum total of our coffee activities in Rwanda alone, over the past six years, put upwards of \$100 million directly into the pockets of small-holder coffee farmers, and our experience indicates this income most immediately goes to educational and nutritional advances for their children.

Additionally, where need and opportunity align, we build community water facilities and partner with governmental and social impact organizations like Heifer International, the Eastern Congo Initiative, TechnoServe, the German Investment and Development Corporation, and others - many of which are partially funded by the United States government and private citizens like Mr. Gates and Mr. Affleck. We also work with OPIC, through which we purchase political risk and investment insurance, and with fellow members of the private sector that help finance the tremendous working capital requirements of these ventures.

Senators, I appreciate your time and the invitation to share our story. I recognize that we are just one company operating in a limited sphere of influence, but I hope we serve as an example of how an American private sector participant - when aligned with like-minded organizations – can produce benefits that are, quite literally, tasted by “the poorest of the poor” around the globe – I hope and I believe, to America’s credit.

Thank You.