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International Coffee Organization
Organización Internacional del Café
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Organisation Internationale du Café

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PRESS RELEASE

ICO World Coffee Conference

The Chairman of the World Coffee Conference, Dr. Jorge Cárdenas, of Colombia, today issued the following statement:

1. The World Coffee Conference, bringing together leaders and decision-makers in coffee producing countries, major private sector companies and a wide range of other organizations dealing with coffee will be held in London from Thursday to Saturday this week.
2. The Conference comes at a time of crisis when many coffee producing countries are suffering from historically low prices which in many cases does not allow them to cover the costs of production. This is a matter of wide concern to development-oriented organizations as well as to Member countries of the International Coffee Organization (ICO), since coffee growing is a key economic activity in many poor developing countries. Moreover, since the prices for coffee on the commodity markets represent only a small proportion of the retail price, consumers are not benefiting either, and in fact there are fears that low prices may lead to a deterioration of overall quality.
3. The present situation largely arises from a situation of excess supply of coffee in relation to demand. Coffee prices respond to market forces and have reacted accordingly. This issue will be one of the key topics to be considered by the Conference, which brings together some of the most influential decision-makers in the industry, with full representation from producer and consumer interests. This should allow a free exchange of views and ideas. It is of course crucial if the situation is to be improved that any decisions should be realistic and command enough wide support to be implementable.
4. Possible ideas for solutions both in the short and long term will be addressed at the Conference. The aim would be to adjust supply to bring it more in line with demand by

creating greater discipline in the market or by considering schemes such as the elimination from beverage use of low-grade coffees (the subject of a new ICO study). But in general the Conference provides a unique opportunity to search for constructive and practical solutions to the crisis.

5. In the longer term an increase in global consumption of coffee can play a vital part in balancing the supply/demand equation. The ICO has with limited funds been highly successful in promoting coffee in new markets such as Russia and China, where coffee consumption is now growing at annual rates in excess of 15 percent. Promotion both of volume and quality is a key feature of the new International Coffee Agreement 2001 due to enter into force on 1 October 2001. A Workshop on Promotion to be held on 17 May should help to reinforce this area of action.

6. Finally I should like to add that new data on the positive effects on health of coffee consumption will be released at a Press Conference on 18 May.

About ICO: The International Coffee Organization is an intergovernmental organization of 63* Member countries which serves the international coffee community. Established in 1963, the ICO is unique in bringing producing and consuming countries together to exchange views and address policy issues. Its 45* producing Members export some US\$10 billion worth of coffee each year, and account for 97% of world coffee production, and its 18* consuming Members import some US\$10 billion worth of coffee, and account for 66% of world coffee consumption. The ICO provides the following services: up-to-date information and statistics; innovative projects to benefit the world coffee economy; country coffee profiles and economic studies; and promotion of coffee consumption in emerging markets.

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