

II World Coffee Conference

FINAL REPORT



Salvador - Bahia - Brazil
23 - 25 September 2005



MINISTÉRIO DA AGRICULTURA, PECUÁRIA E ABASTECIMENTO

Presentation

With the objective of providing inputs for the implementation of similar events in the future, I present the report of the 2nd World Coffee Conference, organized by the Ministry of Agriculture, Livestock and Food Supply (MAPA) in partnership with the International Coffee Organization (ICO).

Held in September of last year in the city of Salvador, the event was attended by President Luiz Inácio Lula da Silva and the President of Colombia, Álvaro Uribe Vélez.

The 2nd World Coffee Conference constituted a milestone in the history of coffee by bringing together leading figures from the public and private sectors to evaluate and debate key questions for a sector that remains of crucial importance to the social and economic development of many countries, especially those that produce coffee.

For Brazil, the Conference represented a landmark in the relations between government and national and international forums and has entered the history of our coffee sector, which began in 1727 when the first seedlings of coffee trees reached Brazilian territory.

Therefore, in name of all Brazilian coffee producers, I wish to express my sincere gratefulness to the ICO and all the member states of this organization that, directly and indirectly, contributed to the success of the 2nd World Coffee Conference.

ROBERTO RODRIGUES
Minister of Agriculture, Livestock and Food Supply

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INTRODUCTION

Promoted by the Brazilian coffee sector by delegation of the International Coffee Organization (ICO), the 2nd World Coffee Conference was held in Salvador, Bahia, from 23 to 25 September 2005. Under the chairmanship of the Minister of Agriculture, Livestock and Food Supply, Roberto Rodrigues, the event mobilized approximately 2,000 people from 48 countries on 5 continents. The event's program included presentations by leading international experts, a trade exhibition and a field visit, in addition to social and entertainment activities. After the end of the Conference, Brazil was host to the regular ICO meetings, which took place at the same location, from 26 to 29 September 2005.

The objective of this document, which summarizes the activities of organization, preparation and execution of the 2nd World Coffee Conference, is to transfer the experience acquired by the organizers to future events of the same type. The main aim is not to describe the event, which is amply covered in the CD-ROM that is part of this document, but to discuss successes and problems in order to provide guidance for the work of the promoters of future World Coffee Conferences.



The CD-ROM contains all the promotional material of the event, the program, the document providing guidance for the speakers, the full text of all the presentations, the conclusions of the Conference, a map of the stands and names of the exhibitors, a clipping of press articles about the Conference, and a complete album containing approximately 850 photographs.





PREPARATION

The starting point was an agreement between the ICO and the Brazilian coffee sector, represented by the Ministry of Agriculture, Livestock and Food Supply (MAPA), for Brazil to be the host of the 2nd World Coffee Conference. A considerable amount of time was consumed to enable the project to be executed within the rigid rules that regulate the use of government funds. The planning of the Conference effectively started after the signing of an agreement between the MAPA and the Associação de Agricultores e Irrigantes da Bahia (AIBA) [Association of Farmers and Irrigators of Bahia] – a non-profit trade



association which had the conditions and flexibility required to organize the conference.

AIBA played a leading role in the event in coordination with a working group from the Secretariat of Production and Agro-Energy (SPAÉ) of the MAPA and its Coffee Department (DCAF), with the support of the Ministry of Foreign Affairs (MRE) and a contact group defined by the ICO. AIBA was directly responsible for finances and contracted three private companies to organize the event:

- RD Eventos, responsible for logistics (registrations, accommodations, shuttles, convention center, audio-visual support, etc.) and operations per se;
- P&A International Marketing, responsible for promoting the event in Brazil and abroad, attracting participants and seeking sponsors; and
- Tempo de Comunicação, responsible for media relations.

The planning activities were overseen by the Organizing Committee, established by a Decree dated 23 November 2004, which was composed of public and private institutions linked to the coffee sector, including: Ministry of Agriculture, Livestock and Food Supply; Ministry of Foreign Affairs; Ministry of Development, Industry and Foreign Trade; Ministry of Tourism; Council of Brazilian Coffee Exporters; Congressional Coffee Interest Group; National Coffee Council; Brazilian Confederation of Agriculture and Livestock; Brazilian Coffee Industry Association; Brazilian Soluble Coffee Industry Association; Bahia Coffee Growers Association; Association of Farmers and Irrigators of Bahia; Brazil Specialty Coffee Association; São Paulo Merchandise and Futures Exchange; State Government of Bahia; and the Office of the Mayor of Salvador.

The Coffee Policy Council (CDPC), the most important decision-making body in the Brazilian coffee sector and responsible for the administration of the National Coffee Fund (FUNCAFÉ), approved the decisions of the organizers and authorized the transfer of the necessary public funds.

Lessons

Governments are not usually endowed with the flexibility necessary to organize events of this size and it is advisable to contract specialized firms to execute certain activities.

Questions about the financial viability of the event prevented the contracting of private firms to organize the event on a risk basis. It became necessary to contract these firms at market prices using advances of public funds.





CONTENTS & SPEAKERS



One of the greatest concerns at the beginning of the organization of the event was to assure the presence of “world famous personalities”, such as one or two Nobel Prize winners, not only for their contribution in terms of content, but also to attract attendance and lend importance to the event. This concern proved to be groundless, since a top class program was offered, comprising speakers of the highest quality, without any detrimental effect on attendance.

The choice of the subject matter and composition of the sessions were crucial for the definition of a logical sequence and integration of the presentations. The presentations were organized into three sessions with the following themes:

- Lessons emerging from the crisis,
- Coffee policies in a market economy, and
- How to develop a sustainable coffee economy.

The choice of speakers was one of the main activities in the preparation phase, executed jointly by MAPA and the ICO. This decision took into consideration factors such as: the quality of the speakers, technical knowledge and presentation skills, relationship with the coffee sector and relevance of the theme to the coffee sector.

The thematic document prepared by the ICO, the full text of which can be found in the CD-ROM, sought to provide guidance for speakers with regard to the main themes of the conference and thus provide a focus for the presentations. Contrary to initial fears, an

underlying thematic line arose as a result of the surprising degree of convergence of opinion among the speakers, which facilitated the preparation of the conclusions of the event that will serve to guide the negotiations of a new International Coffee Agreement.

The Ministry of Agriculture, Livestock and Food Supply, through Minister Roberto Rodrigues, sent more than 100 letters of invitation to the nominated speakers, to ministers of ICO member countries and other guests. In turn, the President of the Federative Republic of Brazil, Luiz Inácio Lula da Silva, sent letters of invitation to the Heads of State of several countries.

The full list of speakers is presented in the CD-ROM, both in the section covering the conference program as well as in the text of their presentations.



Lessons

It was important to reach an early decision about the themes of each session, to define the speakers bearing in mind their affinity with the chosen themes and to provide them with guidance by means of a document that summarizes the current state of the sector.

It was possible to attract a large attendance that is representative of the world coffee sector without resorting to expensive speakers who transcend the boundaries of this sector.

The logistics of travel and accommodation of the speakers has the potential to introduce unforeseen costs due to changes in flight class and types of accommodation.



PROMOTION & SPONSORS

The promotion of the Conference effectively began only in April 2005 because of the time spent to define AIBA as the body responsible for the execution of the event. Although the period for promotion was extremely short for an international event of this size, three times the number of attendees of the 1st Conference were attracted. Similarly, revenue from sponsors exceeded that of the 1st Conference, held in London in September 2001, but was still insufficient to cover the costs of the event.



The event's Promotional and Sponsorship Plan is available on the CD-ROM, in the form of a PowerPoint presentation. The Marketing Plan was almost entirely fulfilled, with the exception of adjustments in dates, media outlets, etc., which may be considered to be normal during the implementation of any program. The Sponsorship Plan was also fulfilled with regard to the search for sponsors, although, however, the amounts and components of the sponsorship packages had to be modified in order to comply with the requirements of the sponsors.

The strategy for publicizing the event was similar in Brazil and abroad. The implementation of the strategies and the materials produced were, however, different because of language differences and the characteristics of the target public. The basic strategy consisted of advertising in the specialized coffee press, direct mailing (first by mail and then by e-mail) and publicity in events of the coffee sector, always with support from the Conference website and the media relations agency.

All the material used in the publicity of the 2nd Conference (folders, advertisements, direct mailings, posters, etc.) is available on the CD-ROM, with notes on the type of material and the date of publication where applicable.

Advertisements

Advertisements in English were published in the major trade magazines that specialize in coffee, whose circulation includes key decision-makers in the main coffee producing and consuming countries. In Brazil, in addition to specialized coffee magazines with a nationwide circulation (Revista do Café and Jornal do Café), advertisements were published in newspapers in coffee producing regions and internal bulletins of leading cooperatives and producer associations. A bilingual advertisement was published in the Brazilian Coffee Yearbook, which circulated before and during the Conference.



Direct mailing

The international direct mailings were based on information supplied by leading coffee trade associations, which furnished mailing lists or distributed the materials by themselves. In the case of Brazil, the mailing lists of the contracted firms were used, since they have extensive knowledge of the country's coffee sector.

A direct mailing was sent by mail to each area — abroad and Brazil — followed by four direct

mailings via e-mail, two in English and two in Portuguese, to the same addressees. The content of the direct mailings was incremental, with new information being added as it became available.



Publicity in events

The first event used to publicize the 2nd Conference was the meeting of the ICO Council in May 2005, when all the delegations received printed material for the promotion of the event in their countries.

Promotion in international events was based on the distribution of folders and personal contacts at stands of countries and private companies. In Brazil, this promotion took the form of the insertion of slides and messages at the opening and closing ceremonies of events and even between presentations.

Specific events were also held to promote the Conference in Brazil, such as the inauguration of the Organizing Committee by Minister Roberto Rodrigues and the visit to Brazil of the Executive Director of the ICO in July 2005.



Posters

The display of posters in cooperatives and coffee trade associations and other locations with large agglomerations of the target public constituted an important element of publicity of the event in Brazil.



Media relations

The media relations agency supplied content for the domestic and foreign press before, during and immediately after the event. The members of the international press media contacted were affiliated with specialized magazines and on-line information services. A wide range of Brazilian media were contacted, including major newspapers and television, on-line information services, specialized magazines and newspapers, as well as the internal media of cooperatives and trade associations.

One of the strong points of the media relations program was the pre-Conference visit made by Mr. Néstor Osorio to São Paulo, Brasília, Salvador, Rio de Janeiro and Santos. During the visit, the Conference received intense publicity in the national press and TV, as well as in the main media outlets in the cities visited, with later repercussion in the specialized and regional press.

More than 50 journalists took part in the Conference representing domestic and foreign media outlets. The coverage exceeded the expectations of the organizers and persisted after the conclusion of the Conference.

Overall, the event received more than 2,000 insertions, including around 30 minutes of exposure on nationwide television networks. The CD-ROM contains a clipping of all the reports published in the written press, organized in chronological order.

Website

All the printed material of the Conference displayed prominent references to the website, in order to inject more dynamism into the promotion of the event. The bilingual site was frequently updated, as the Conference program became more defined, speakers were confirmed and the social events presented in detail.



Search for sponsors

The search for foreign sponsors proved to be an excellent opportunity for the Brazilian coffee sector to extend relations with foreign clients. After being nominated as Executive Director of the Conference by Minister Roberto Rodrigues, Secretary Linneu da Costa Lima made a series of international trips to visit leading buyers of Brazilian coffee with the

objective of publicizing the event, attracting sponsors and, above all, forging closer ties with the market. This pioneering contact between the Secretary, representing the government, and leading buyers was an excellent public relations exercise that helped promote Brazilian coffee and should be repeated in the future as a demonstration of a more proactive stance in relation to consuming markets.

In Brazil, the organizers and high MAPA officials also made many visits to potential sponsors and to publicize the event. This task, always easier in the country where the Conference is being held, was facilitated by the use of direct mailing, advertising and, above all, the great exposure of the event in the media.

Almost all the funds collected came from institutions and not private corporations. Contributions from Brazilian sources far outweighed income from foreign sources, which is surprising considering the eminently international nature of the Conference.

The list of sponsors can be found in the CD-ROM.

Lessons

The growing importance of direct mailing as a means of information and reminder requires relevant and updated mailing lists that could be developed by the ICO itself for future Conferences and other uses.

The institutional nature of the Conference and the great participation of government representatives do not encourage private corporations or producing countries to sponsor the event, which is not perceived as an opportunity for doing business. The attraction of a larger volume of funds may require a redefinition of the program and/or target public of the Conference.

The inclusion in sponsorships of items that imply additional costs (e.g. meals and cocktails) must be re-evaluated since the net contribution of the sponsorship ends up being greatly diminished by the costs involved.



LOGISTICS

The logistical preparation for the event consumed time and resources but played a fundamental role in the success of the Conference.

Choice of hotels

At the beginning, there arose the question of whether to hold the event in Salvador itself or in a resort outside the city. The city of Salvador was chosen because it allows a greater integration of the participants with local culture and offers better options for entertainment, in contrast with the standardized environment of resorts, which tend to be similar in all parts of the world. Another important factor in the decision to hold the event in the city was the possibility of using a group of hotels that offered a variety of price levels within walking distance of one another. The use of several hotels also helped in arranging the security of government officials.



Hotels

The four hotels chosen for the event offered a total of 1,200 rooms, of standards ranging from 3 to 5 stars.

The Hotel Pestana Bahia was the seat of the event and accommodated the majority of the participants. All the Conference activities, the trade exhibition and the ICO meetings took place in the hotel's convention center. The restaurants of the hotel were prepared to serve all the conference participants, even those lodged in neighboring hotels, thereby minimizing the need for back and forth movement. The business center was

equipped with a special telephone system, exclusively for the Conference, which enabled participants to make international telephone calls at market rates, as occurs at the ICO in London, thereby avoiding the high tariffs charged by hotels.

The coffee service of the hotels was provided by the Conference organizers in order to assure a standard of excellence compatible with the high quality of Brazilian coffee and to allow visitors to taste coffee from several Brazilian producing regions. In addition to the coffee, the event organization also contributed training, equipment, cups and baristas.

Registrations

The registrations, made through the site www.worldcoffeeconference.com or by filling out a form and sending it via fax or e-mail, did not proceed as smoothly as expected by the organizers due to factors beyond their control.

The system required by credit card companies to receive payments created problems for some participants. On the other hand, the need to make a block reservation of a large number of hotel rooms required all conference participants to pay for their entire stay in advance and not just the first night, as is usual in such situations.



The large number of free registrations drastically reduced the volume of funds received. As agreed from the start, each member country of the ICO had the right to two free registrations, to which must be added the registrations of the ICO staff and the event organization. However, the significant number of invited officials, both foreign and Brazilian, and the participation of a significant number of

high government officials and politicians led the number of free registrations to rise much more than originally forecast.

The pricing of registrations at a much lower level than those of the 1st Conference, in order to compensate the higher cost of air travel, was another factor that reduced income from the event, which was aggravated by the lower registration price for Brazilian participants.

Heads of State

The decision to invite Heads of State required a series of specific logistic activities, such as reservation of presidential suites in several hotels, security measures (armored cars, involvement of a large number of people from a variety of government agencies, communications, etc.), coordination of the Conference program with several protocol departments and other related tasks. In addition to the costs involved – higher in Salvador than in Brasília, São Paulo or Rio de Janeiro, where such infrastructure is always available –, the need for security inevitably causes inconveniences to participants, as in fact happened because of the need to pass through metal detectors at the beginning of the inaugural session, blocked elevators and streets, etc.

Site and Participant Manual



Full information about the Conference (program, registrations, social events and hotel reservations) and about Salvador and Bahia were made available on the website, including downloads.

A Manual for Delegates with information could be printed from the site. This information is available on the CD-ROM.

Convention Center

The 2,535 square-meter event area of the Hotel Pestana Bahia was fully occupied by the Conference. The convention center can hold up to 2,400 participants simultaneously, in more than 25 rooms with variable capacity and an auditorium for 1,500 persons.

A full infrastructure of supporting rooms was established, both for the Conference and the ICO meetings that were held immediately afterwards. This infrastructure included:



- offices for the Minister of Agriculture and the Executive Director of the ICO,
- ample VIP room, decorated with Brazilian artwork with a coffee theme, with full coffee service, to receive officials and speakers,
- press room with state-of-the-art communications equipment,
- room for press conferences,
- room for ICO staff, with equipment for copying of documents,
- room for MAPA staff,
- room for security details,
- rooms of assorted sizes that could be requisitioned for meetings in parallel with the event, in addition to usual arrangements to provide support for conference attendees: registration desk, tourism desk, special help desk, etc. With

the exception of the rooms for parallel meetings and the desks, all the environments described above were equipped with broadband Internet connections, international telephone access and coffee service.

Between the end of the Conference and the beginning of the ICO meetings, the main auditorium was totally transformed in order to create meeting rooms for the Executive Board and the Council, with interpretation in four languages (Portuguese, English, French and Spanish) in both rooms.



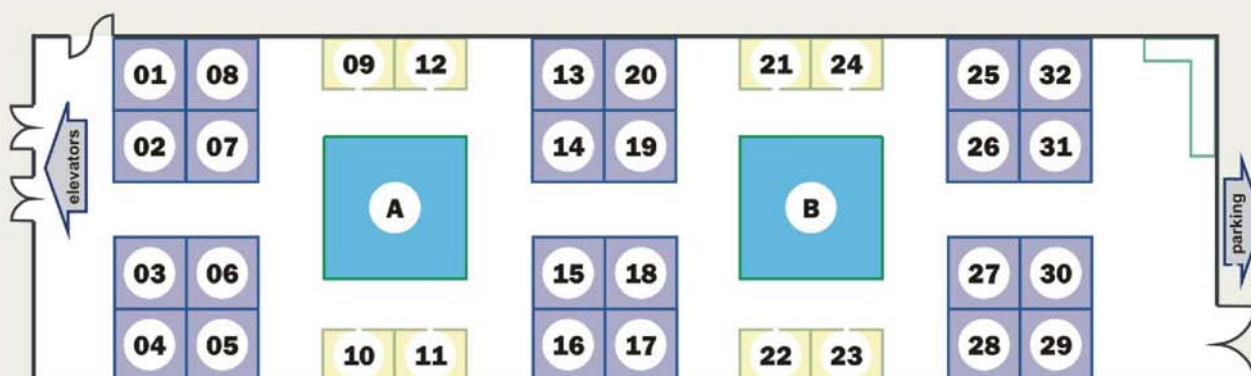
The simultaneous use of four languages was one of the most important challenges during the organization of the event, since it was necessary to integrate the local and ICO interpreting staffs and also to install modern translation equipment for a large number of people in several environments. The transfer of the ICO meetings to the Conference locale represented an additional challenge that required attention to specific details such as the need for rapid reproduction of a large number of documents, inability to obtain immediate access to the files at ICO headquarters in London, use of only part of the ICO staff in order to reduce costs, etc.



Products and services exhibition

Although the stands were fully sold and demand existed for additional stands, without, however, justifying the allocation of additional space so close to the date of the event, the exhibition of products and services was not a commercial success. The institutional, multinational and heterogeneous nature of the public attracted by the Conference did not stimulate the presence of firms that are accustomed to exhibit in more focused events, for example, specialty coffee fairs.

In spite of the relatively low price of the stands, the exhibition attracted more institutional than commercial interest, even on the part of private corporations that were more concerned with brand image than with conducting business deals. The exhibition covered its costs but did not contribute to the financial viability of the Conference.



Entertainment

The entertainment program included an inaugural cocktail, folkloric dinner and closing dinner. The organizers took the decision that the social program, as well as meals during the event, would be provided at no cost to the participants. This decision, typical of Brazilian hospitality, caused a negative impact on the economic viability of the event.



Field trip

The time consumed in the planning of the field trip to highly technified growing areas in Western Bahia was not compatible with the number of visitors attracted. Subsidized by the Brazilian government, which provided the airplanes used for transportation, the visit was not scheduled for the day immediately after the Conference, as would have been desirable, but at the end of the ICO meeting, when most Conference participants had already left.



Lessons

The holding of another Conference in a producing country must take into careful consideration any location outside the nation's capital due to access problems (airline connections), infrastructure for the reception of Heads of State and government officials, additional costs, etc.

The definition of the price of registrations, a crucial element in the financial viability of the event, is extremely complex because of the location of the Conference (which may require high travel costs), the cost of hotels, the services covered by the registration price and, above all, the need to attract an attendance that is representative of the world coffee sector and compatible with the importance of the event.

The volume of free registrations must be forecast with the greatest precision possible and the criteria established for their concession must be rigorously enforced.

Free meals and entertainment should only be offered if a guarantee of sufficient funding exists.

The trade exhibition is not essential to the success of the event. It should be treated as an institutional complement of the Conference and not as a generator of business or revenue.

The field visit, which is considered recommendable whenever the Conference is held in a producing country, should be scheduled for the day immediately after the end of the event in order to attract the greatest possible number of participants.



THE CONFERENCE

The Conference was inaugurated by President Luiz Inácio Lula da Silva in a ceremony with the presence of President Álvaro Uribe Vélez, of Colombia, the Governor of the State of Bahia Paulo Souto, of Ministers Roberto Rodrigues, Waldir Peres, Jacques Wagner and Márcio Fortes, of more than ten foreign Ministers of State, the Executive Director of the ICO, Néstor Osorio, the Mayor of Salvador João Henrique Carneiro, in addition to members of Congress, the Secretaries of Agriculture of Bahia, Minas Gerais and Espírito Santo, heads of delegations to the ICO of producing and consuming countries, executives and leaders of all areas linked to the coffee sector.



The Conference, under the chairmanship of Minister Roberto Rodrigues, followed the program distributed to all participants and which is available on the CD-ROM.

Launch of commemorative stamp

The official postage stamp and postmark of the 2nd World Coffee Conference were launched on the evening prior to the inauguration. The design of the stamp was based on the logo of the event.



Official opening

More than 1,500 persons were present at the inauguration of the conference including special guests, speakers, participants, exhibitors and the domestic and foreign press. The speeches received wide coverage in Brazil and abroad.



The opening speech of Minister Roberto Rodrigues, the Conference Chairman, analyzed the world coffee market, inserted Brazil within this context and proposed a positive agenda for coffee. This idea was referred to many times during the event.

All the speeches of the inaugural ceremony, including the text and slides of the speech of Minister Roberto Rodrigues, are available on the CD-ROM.

Working sessions

The 22 presentations were divided, according to their subject matter, in three large blocks:

- Session 1: Lessons emerging from the crisis, chaired by Minister Roberto Rodrigues,
- Session 2: Coffee policies in a market economy, chaired by the Executive Director of the ICO, Néstor Osorio, and
- Session 3: How to develop a sustainable coffee economy, chaired by the Secretary of Production and Agro-Energy of the MAPA, Linneu da Costa Lima.



In spite of the great diversity of subjects discussed by a group of first-rate international speakers, a broad convergence of views occurred and a rich and interesting list of suggestions and recommendations appeared, the summary and conclusions of which will serve as a guide in the negotiations on the new International Coffee Agreement.

The program was followed in its entirety, with the exception of some presentations whose times were changed for reasons of continuity.

All the presentations are on the CD-ROM, some with both text and slides.

Conclusions

Minister Roberto Rodrigues presented the conclusions of the Conference during the closing ceremony, which was chaired by the Minister and the Executive Director of the ICO, Néstor Osorio.

These conclusions, which are included in the CD-ROM, will be an important source of ideas for the definition of ICO policies in the future.

Products and services exhibition

The products and services exhibition was significantly larger than the one at the 1st Conference. Even so, its size was modest. Overall, there were 21 exhibitors, distributed in 34 stands. Only three stands were sold to

foreign firms and institutions. With regard to Brazilian exhibitors, half were from the private sector and the other half consisted of institutions linked to the coffee sector.

Cafés do Brasil were represented by a large central stand, which was occupied by the associations that compose the Brazilian coffee sector. Activities included the tasting of coffee from a variety of Brazil's coffee growing regions, exhibition of videos about Brazilian coffee and distribution of promotional material. Some producing regions chose to participate with their own stands. Both Embrapa and Conab had stands outside the exhibition area, in the hall leading to the main auditorium, where they distributed materials about state-of-the-art coffee research and crop forecasting respectively.



A map of the exhibition area and a complete list of the exhibitors can be found in the CD-ROM, which also contains photographs of the exhibition.

Social program

The opening cocktail was held in the exhibition area and in the foyer of the conference rooms after the launch of the commemorative stamp and the inauguration of the products and services exhibition. Canapés based on local cuisine were served and entertainment was provided in the form of Brazilian popular music.



After the inaugural session of the Conference, Minister Roberto Rodrigues offered a lunch to government officials, special guests and speakers. The other participants were treated to a buffet of Brazilian food in the main restaurant of the Hotel Pestana Bahia, to which all participants were treated on the second day.

The dinner with Bahian cuisine, accompanied by a folkloric show based on Afro-Brazilian culture and a Bahian singer, occurred at the end of the first day of the Conference, in an environment especially prepared for the event. The closing dinner was held at the ocean's side, with music, both Brazilian and international, that was appropriate for dancing. Both dinners were extremely well attended and encouraged social intercourse in a relaxed and informal environment.

Field visit

The objective of the field visit was to present the irrigated coffee growing region of Western Bahia. The location chosen was the Agronol Estate, in the municipality of Luís Eduardo Magalhães. This plantation has 8 million coffee trees, spread over 3,700 hectares with an average production of 110,000 bags of 60 kg of coffee per annum. The timing of the visit was ideal since it coincided with the flowering of the coffee trees.

The participants in the visit, who came from 22 different countries, represented a cross-section of the world coffee sector. The fascination of the visitors with the coffee trees in full flower, the daring nature of the project



and, especially, with the application of technology in the production of top quality coffee, with high yields and a profound social and environmental responsibility, was evident. Many comments were heard about how this project is an indicator of the future of technified coffee production in the world.

Implanted in the “cerrado” of Bahia as recently as 1995/96, using central irrigation pivots and mechanized harvesting, production in the region has now reached the one million bag mark. Western Bahia has achieved a prominent place in the Brazilian coffee sector because of the excellent quality of its beans and its high yields, three times greater than the national average.

Photographs included in the CD-ROM provide ample documentation of the one-day field visit.

Lessons

The field visit was held after the ICO meetings, in other words, five days after the end of the 2nd Conference, which caused a reduction in the interest in participation. The number of visitors — 80 persons from 22 countries, a majority of which were foreigners — would have been significantly greater if the visit had been scheduled for the day immediately following the end of the Conference. As a result of the large number of interested persons, the holding of a second field visit on this alternative date received serious consideration. However, the scheduling of a visit immediately after the Conference might have had a negative impact on the first day of the ICO meeting.



PARTICIPATION

Approximately 1,150 persons from 48 countries participated in the 2nd Conference. Their names and country of origin are in the CD-ROM.

Almost 2,000 persons were involved in the Conference, products and services exhibition and support services. The products and services exhibition involved 200 persons in addition to those registered for the Conference. The remaining people were used in the organization and logistics of the event, protocol, coffee service in the Conference and in the hotels where guests stayed, security, etc.

Lessons

The high ratio of people involved to the number of Conference registrations was mainly due to

the participation of Heads of State in the inauguration of the event, which required protocol, security, specific logistics, etc. Evidently, the large number of additional people involved generates costs that must be duly taken into consideration by the organizers of future Conferences.



ICO MEETINGS

The ICO meetings, held during the four days immediately following the Conference, flowed normally, using the infrastructure that was especially prepared for this purpose.

Holding the ICO meetings immediately after the Conference had a significant impact on costs since specific infrastructure and services were required, such as: auditoriums for the Executive Board and the Council, interpretation in four languages, support office with communications equipment and fast copy machines, external copy services, transportation of staff and support materials, etc.

Lessons

No matter how high the quality of the specific infrastructure arranged for ICO meetings, it cannot be fully equivalent to that which exists at the headquarters in London. The copy services do not have the accumulated

experience of the ICO staff. The number of ICO staff members participating in the event will never be as large as would be ideal because of cost constraints. In addition, the full staff, files, library and other services cannot be made available for consultation. Also because of cost considerations, it is necessary to combine and integrate local and ICO interpreters, with a natural risk of conflict and loss of efficiency. Therefore, it is necessary to bear in mind that, despite the additional costs incurred, there will always be a loss of efficiency when ICO meetings are held away from the headquarters in London in the days following the Conference.





FINANCIAL VIABILITY

The total cost of the 2nd Conference was approximately US\$ 1.1 million. The Funcafé was the main source of funds for the event, being responsible for 59% of the total cost. Revenue from sponsors covered 27% of costs, followed by the income generated by registrations (11%), the sale of stands (2%) and registrations for the technical visit (1%).

The financial statements of the event are filed at the MAPA, where they will remain at the disposal of the organizers of future Conferences.

Lessons

Several lessons regarding this subject have already been presented in previous items. Here we add the following further considerations.

The intention of the organizers in promoting the Conference also as a way to demonstrate the organization and strength of the Brazilian coffee sector was amply justified. The

resources invested brought significant returns to Brazil and its coffee sector, with immense benefits for the image of Brazilian coffee.

The additional costs of holding the ICO meetings after the Conference are also highly relevant, especially because of the required support infrastructure (offices, copy machines, etc.) and interpretation in four languages.

The offer of the entertainment program (cocktail and dinners) and other meals to all participants had a significant negative impact on the financial viability of the event.

The holding of the Conference outside one of the main Brazilian capital cities (Brasília, São Paulo and Rio de Janeiro) entailed additional expenditures on several items, such as air fares, but especially for the reception of the Heads of State.

The presence of Heads of State at the inauguration of the event caused significant additional costs, which were absorbed by the Brazilian government and are not included in the financial statements.





BENEFITS

In spite of the high cost and the difficulties in the arrangement of financing, the 2nd World Coffee Conference generated benefits that extend throughout the world coffee sector.

The participants attended presentations made by highly renowned experts, were able to interact with them during the event and came away with an excellent understanding of the trends in the coffee market over the coming years. The Brazilian public was provided with a unique opportunity to participate in a world class event held in their own country and, in addition, to learn more about the workings of the world coffee market and the ICO itself, since many important Brazilian opinion-makers attended the ICO meetings as observers.

The organizers (MAPA, AIBA, Organizing Committee, firms under contract, etc.) gained valuable experience from organizing the most important event in the world coffee calendar. This task was accomplished in exemplary fashion, as demonstrated by the compliments on the organization made by the overwhelming majority of the participants.

The Brazilian coffee sector and the country itself demonstrated their capacity to organize a World Coffee Conference with flair, efficiency, a first-class program and a record number of participants, thereby erasing any negative impressions that may have remained

from the need to postpone the event due to reasons beyond the control of the Brazilian coffee sector.

The investment of funds from the Funcafé in order to make the event possible was compensated by the opportunity to promote our country, its agriculture and, above all, its coffee sector. In addition to showing a strong capacity of organization, ability to attract participants and the prestige necessary to bring together a unique group of speakers, the Brazilian coffee sector also benefited from the opportunity to present its coffee and the institutions responsible for production of this delicacy, thus demonstrating that Brazil has achieved maturity in terms of technology, productivity and product quality.

The International Coffee Organization benefited from the opinion of leading international specialists, at a time when discussions about a new International Coffee Agreement are getting under way. In addition, the event presented an opportunity for the ICO to reinforce its image and show its inner workings to a host country that is the world's largest producer and exporter of green coffee, the main exporter of soluble coffee and the second largest consuming market in the world, as well as the largest single contributor to the upkeep of the Organization.



PHOTOGRAPHS

The CD-ROM contains a complete album of photographs of the 2nd Conference. There are approximately 850 photographs, which provide full coverage of the event, from the inauguration to the closing ceremony and including the ICO meetings and the technical visit.





II World Coffee Conference

Organizaçao Internacional do Cafe
Organizacão Internacional do Café
Organisation Internationale du Café
International Coffee Organization

CAFES DO BRASIL

Salvador - Bahia - Brazil
23 - 25 September 2005

EXPO BRASILEIRA DO CAFE DA BAHIA



Ministry of
Agriculture, Livestock
and Food Supply

