

Annual Review
Anuario

Rétrospective
Retrospectiva



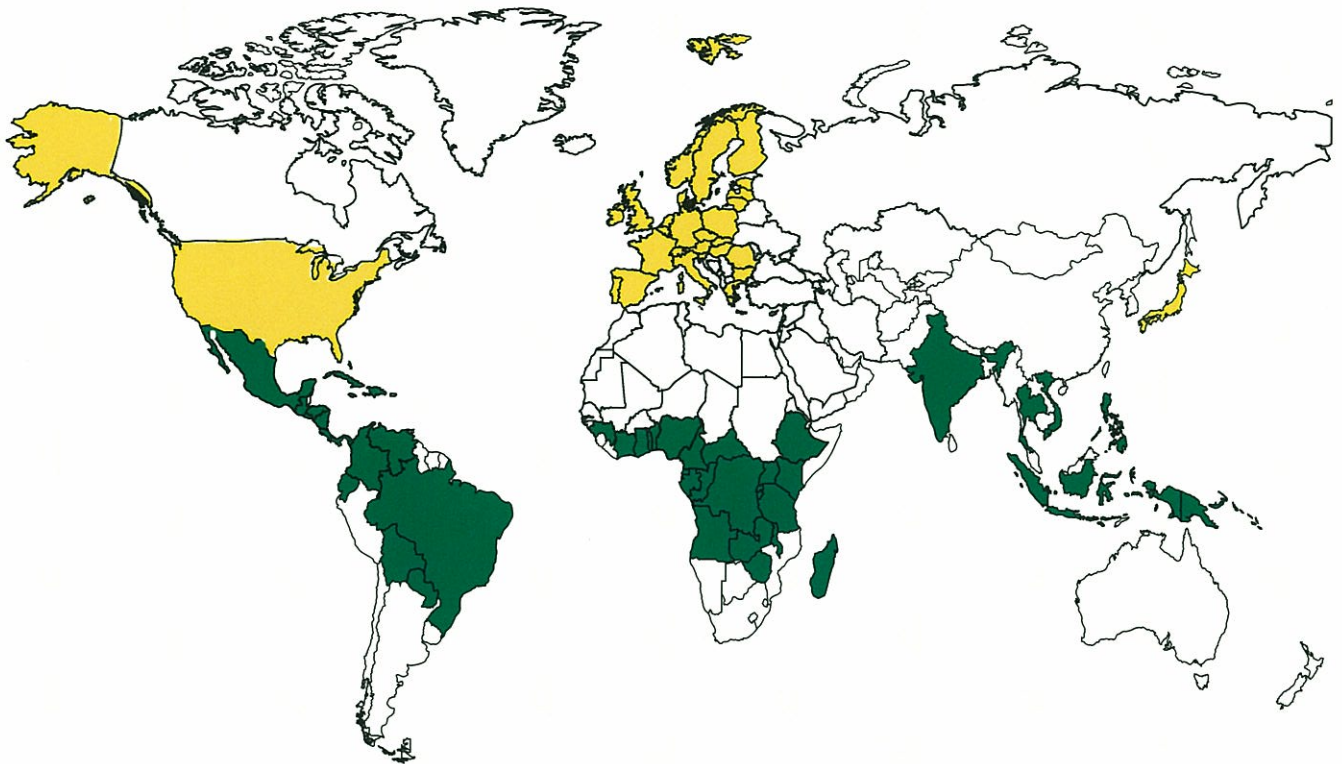
2007 - 2008



ORGANIZACIÓN INTERNACIONAL DEL CAFÉ
ORGANIZAÇÃO INTERNACIONAL DO CAFÉ
ORGANISATION INTERNATIONALE DU CAFÉ

INTERNATIONAL COFFEE ORGANIZATION

ICO MEMBERS



Exporting Countries

Angola - Benin - Bolivia - Brazil - Burundi - Cameroon - Central African Republic - Colombia - Congo, Democratic Republic of - Congo, Republic of - Costa Rica - Côte d'Ivoire - Cuba - Dominican Republic - Ecuador - El Salvador - Ethiopia - Gabon - Ghana - Guatemala - Guinea - Haiti - Honduras - India - Indonesia - Jamaica - Kenya - Madagascar - Malawi - Mexico - Nicaragua - Nigeria - Panama - Papua New Guinea - Paraguay - Philippines - Rwanda - Tanzania - Thailand - Togo - Uganda - Venezuela, Bolivarian Republic of - Vietnam - Zambia - Zimbabwe

Importing Countries

European Community (*Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, United Kingdom*) - Japan - Norway - Switzerland - United States of America

MISSION

The International Coffee Organization (ICO) is the main intergovernmental organization for coffee, bringing together 77 exporting and importing Governments to tackle the challenges facing the world coffee sector through international cooperation. It makes a practical contribution to the world coffee economy and to the improvement of living standards in developing countries by:

- enabling government representatives to exchange views and coordinate coffee policies and priorities at regular high-level meetings;
- encouraging a sustainable world coffee economy;
- initiating coffee development projects to add value and improve marketing;
- increasing world coffee consumption through innovative market development activities;
- promoting the improvement of coffee quality;
- working closely with the global coffee industry through a 16-strong Private Sector Consultative Board which tackles issues such as food safety; and
- ensuring transparency in the coffee market by providing objective and comprehensive information on the world coffee sector by means of statistics and market studies.

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Front and back cover: Drying beans, Kenya (ICO image bank)
Inside back cover: ICO conference facilities, courtesy of John Ross
World map: MAPS IN MINUTES™

FOREWORD BY THE CHAIRMAN OF THE COUNCIL

Coffee year 2007/08 was a quiet as well as a very busy year for the International Coffee Organization (ICO). We have lost Dr Ernesto Illy, popularly known as ‘Papa Bean’. In my view Dr Illy’s death left a huge vacuum that cannot be filled. In the ICO as Chairman of the Promotion Committee, Dr Illy was instrumental in initiating several measures in his own persuasive way to involve both producing and consuming countries in various promotional efforts. Thanks to his perseverance and untiring efforts, coffee promotion programmes incorporated the latest available scientific findings. The International Coffee Council at its 100th Session in May 2008 paid tribute to Dr Illy. All Members remembered his contributions to the coffee industry and conveyed the condolences of the Council to his son, Dr Andrea Illy, and other members of the Illy family.

For the first time, the ICO itself has become the Depositary of the International Coffee Agreement (ICA) by virtue of Council Resolution 436. It is a new responsibility for the Executive Director and the Secretariat. I congratulate the Executive Director and Secretariat for having ably performed the role of Depositary by smoothly facilitating the process of signature and ratification by Members. For want of fulfilment of the conditions for the ICA 2007 to enter into force before 30 September 2008, the Council in September 2008 further extended the ICA 2001 for one year from 1 October 2008, or until the entry into force of ICA 2007, whichever is the earlier. Importing Members have already fulfilled the requirements for the entry into force of the ICA 2007, however exporting Members have not yet fulfilled the requirements. Therefore the Council also extended the time limit for signature as well as for ratification, acceptance or approval of the ICA 2007 until 25 September 2009.

As part of the preparations for the implementation of the ICA 2007, the Council considered the revision of the Rules of the Organization, Rules on Statistics and terms of reference for the Consultative Forum for Coffee Sector Finance, Private Sector Consultative Board and new Committees under the ICA 2007. Most aspects relating to these Rules have been agreed by the Council. The quality of deliberations by Members has been very high and I appreciate the efforts of and congratulate all Members on contributing to the deliberations even beyond the normal working hours.

The Seminar on Geographical Indications for Coffee held along with the 100th Session of the Council in May 2008 was well received and presentations were highly educational and informative. Most producing Members felt that this was one of the most useful seminars conducted by the ICO. I congratulate the Executive Director in putting together this event. For the coming coffee year the Council has decided to hold a seminar on the Coffee Berry Borer, alongside the 102nd Session of the Council.

Another interesting presentation was a report by the Sustainable Coffee Partnership on the Committee on Sustainable Assessment (COSA) project. The presentation on this project raised more questions than it attempted to answer. Members of the Council appreciated the limitations of the study and accordingly adjusted their expectations on its possible outcomes.

Coffee year 2007/08 also saw the approval of the following ICO projects by the Common Fund for Commodities (CFC): ‘Increasing the resilience of coffee production to Leaf Rust and other diseases in India and four African countries’, ‘Access to finance for the development of diversification crops in coffee producing areas’ and ‘Enhancing competitiveness of the African coffee sector’.

I am happy that the quality of scrutiny of projects at the ICO level improved significantly during the year. The quality of statistics was also enhanced during the year, thanks to the persistent efforts and guidance of the Statistics Committee.

The Council has decided to accept the invitation of Guatemala to host the next World Coffee Conference in Guatemala City from 26 to 28 February 2010, followed by the Council and other ICO meetings from 1 to 4 March 2010.

The ICO CoffeeClub Network created with funding from the Promotion Fund became operational during the year. I congratulate the consultants (P&A International Marketing and Radiumsystems) for having put together a platform which can change the way that coffee trade takes place in the world in the coming years. It is my expectation that this platform can bridge the huge gap that exists between the roasters and the growers on one side, and the roasters and the retailers/baristas on the other side for the mutual benefit of important stakeholders in the coffee chain.

I would like to congratulate Dr Néstor Osorio, Executive Director, on his well-informed guidance to the Council, especially while dealing with issues on which opinions were diverse. I also would like to express my deep gratitude to all Members of the Organization and the staff for their overwhelming support and cooperation.

I also acknowledge the outstanding contribution of Mr David Brooks of the USA as Chairman of the Executive Board during 2007/08 and extend my best wishes to him as Chairman of the Council for the next coffee year.

G. V. Krishna Rau, IAS

Chairman of the International Coffee Council 2007/08

Chairman, Coffee Board of India

OVERVIEW BY THE EXECUTIVE DIRECTOR

Coffee year 2007/08 saw significant progress in the transition to the new International Coffee Agreement (ICA), which was approved by Members in September 2007. In January 2008, the Council appointed the ICO as the Depositary of the 2007 Agreement. The ICO has taken the necessary steps to perform the functions of Depositary in a transparent and efficient manner and 33 Governments had signed the ICA 2007 by the end of the coffee year. Particularly welcome is the presence of four new Members (Liberia, Timor-Leste, Turkey and Yemen), who will enrich the workings of our Organization and make it even more representative of the world coffee economy.

Despite these encouraging developments, the requirements for the ICA 2007 to come into force had not been met at the end of September. Therefore, by Resolution 438, the existing Agreement has been extended for a further year, to allow more time for Governments to complete the procedures for membership. I expect that this process will advance in a smooth and rapid fashion, so that the new Agreement can come into force as soon as possible.

Meanwhile, significant progress has been made on the preparation of strategic documents which will provide the foundations for the future work of the ICO, such as the terms of reference for new ICO bodies, a strategic action plan and Rules on Statistics.

In May 2008, the Council accepted the offer of Guatemala to host the next World Coffee Conference, to be held in early 2010. This prestigious event will provide leading experts with an opportunity to discuss the major issues facing the world coffee community. The ICO looks forward to planning the Conference with the organizers during the upcoming year.

During coffee year 2007/08, the performance of the world coffee market was positive. Prices of all types of coffee improved in relation to the previous year, with increases of 19.4% for Colombian Milds, 19.1% for Other Milds, 20.4% for Brazilian Naturals and 28.6% for Robustas. As in the preceding period, the benefits of these price rises were not fully felt by many growers, since they were offset by exchange rate movements and increases in costs, such as fertilizers and freight. Exports reached 95.3 million bags, a decrease of 3% in relation to 2006/07, but still a strong performance in historical terms. These numbers show that demand for coffee continues to be buoyant, especially in emerging markets and in coffee producing countries.

This generally favourable outlook took a significant turn for the worse at the end of the coffee year, when widespread turbulence in world financial markets began to affect commodities in general, including coffee. The fundamentals of the coffee market remain constructive: stocks in producing countries are at very low levels, production is only sufficient to cover existing demand and consumption is not expected to suffer major adverse effects from the economic slowdown that is on the horizon. Although coffee supply and demand are tightly balanced,

prices fell sharply and have now returned to the levels prevailing in the middle of 2007. At the time of writing, the prospects for coffee prices are still uncertain and subject to developments in the financial marketplace. Although higher than in the crisis years of 2000 to 2004, current price levels are now below production costs in many countries. If such values were to persist for a long period of time, there could be a negative impact on the capacity of the world coffee sector to meet future increases in demand.

In the current uncertain market environment, one of the most effective initiatives used by growers to boost the value of their coffee is to differentiate it from that of their competitors. As part of its commitment to disseminating knowledge about the coffee sector, the ICO held a seminar in May about one such differentiation strategy, the use of Geographical Indications. Experts from both exporting and importing countries presented the pros and cons of this interesting tool, which under the right conditions can be a powerful part of the marketing strategy of coffee producers.

The promotion of coffee quality also plays an important role in market development in the long term. The ICO Coffee Quality-Improvement Programme is now in its sixth year and has made important progress. The overwhelming majority of Arabica exports already comply with the Programme's voluntary target quality standards. Nonetheless, practical obstacles have so far prevented its adoption in many Robusta exporting countries. Efforts will continue to be made to achieve a wider participation in the Programme.

The value of the ICO portfolio of coffee development projects increased by US\$7.2 million during the year with the approval by the CFC of two new project proposals and a Fast Track Study, which will provide tangible benefits to producing countries. We will continue to encourage and assist producing Members in presenting projects aimed at improving production conditions or solving different problems.

The 2007/08 coffee year also saw the launch of the ICO CoffeeClub Network, an innovative web-based initiative to create social networks that explore various coffee-related themes, which will be a useful forum to promote the development of the world coffee market.

I would like to state my appreciation to Mr G.V. Krishna Rau, of India, and Mr David Brooks, of the USA, as Chairmen of the Council and Executive Board respectively, who helped us to make important advances in the process of adapting the Organization to the demands of the new Agreement. My thanks also go to Mr Christian Rasch Topke of ANACAFÉ, Guatemala for his contribution as Chairman of the Private Sector Consultative Board (PSCB) for the last two years.

In conclusion, I am confident that the future for the world coffee sector remains bright and our Organization is ready to play its specific role in its development.

Néstor Osorio
Executive Director
International Coffee Organization

WORLD COFFEE MARKET

Prices

The price recovery was consolidated during coffee year 2007/08 despite a few downward corrections. The annual average of the ICO composite indicator price for the coffee year was 126.67 US cents per lb compared with 104.24 US cents per lb for coffee year 2006/07, an increase of 21.5% (Table 1). This increase was more marked in the case of Robusta prices. However, the end of coffee year 2007/08 saw a downturn in prices, which was accentuated in the first months of coffee year 2008/09, with the monthly average of the composite indicator price down from 131.14 US cents per lb in August to 126.69 US cents per lb in September and 108.31 US cents per lb in October. This decline was partly offset by the appreciation of the US dollar in relation to the currencies of many exporting countries and the falling prices of oil products, which had reached an all-time high in July 2008.

**ICO composite indicator price
Annual averages:
coffee years 2000/01 to 2007/08**

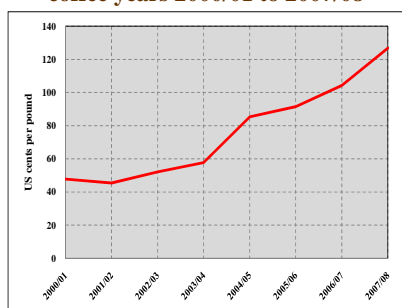


Table 1: ICO indicator and futures market prices (coffee year averages)

Coffee year	ICO composite	Colombian Milds	Other Milds	Brazilian Naturals	Robustas	New* York	London*
1995/96	106.39	130.23	121.66	123.92	91.10	112.45	83.01
1996/97	126.94	188.05	177.38	153.55	76.50	151.95	71.75
1997/98	115.23	155.61	148.72	137.15	81.72	136.38	76.00
1998/99	88.53	115.61	104.85	88.97	72.21	105.32	68.58
1999/00	72.86	112.66	96.88	86.61	48.83	103.81	46.63
2000/01	47.84	77.05	65.81	57.53	29.88	66.24	27.27
2001/02	45.46	63.74	59.21	43.72	26.85	52.36	21.83
2002/03	52.17	65.89	64.89	48.94	37.23	65.89	34.56
2003/04	57.77	74.41	73.51	62.07	36.37	73.24	33.16
2004/05	85.30	112.29	111.22	98.22	46.05	108.03	42.72
2005/06	91.44	113.04	110.84	100.86	61.45	108.17	54.61
2006/07	104.24	122.08	120.08	108.35	82.73	118.70	74.71
2007/08	126.67	145.79	142.98	130.44	106.36	140.37	98.28
% change 2007/08 & 2006/07	21.52	19.42	19.07	20.39	28.56	18.26	31.55

In US cents per lb

*Average of 2nd and 3rd positions

Market fundamentals

Market fundamentals remained favourable to firmness in prices during coffee year 2007/08, with output in crop year 2007/08 relatively low in relation to production in the previous crop year and dynamic growth in world consumption continuing.

Production

Production for crop year 2007/08 totalled 116.2 million bags, a fall of 8.4% compared with crop year 2006/07, when production totalled 126.8 million bags. This reduction is attributable to lower production in Vietnam and Brazil (Table 2). In Brazil, Arabica production follows a biennial cycle, with a good crop in one year followed by a much smaller crop in the next. Increased production in other countries was not sufficient to compensate for the reduced production in Vietnam and Brazil. Production of Arabica fell by 9.7% and Robusta by 6.2%.

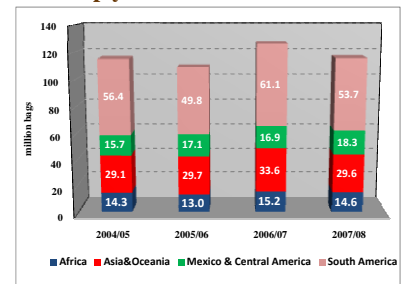
In **Africa**, coffee production was 0.6 million bags lower than the level of 15.2 million bags recorded in 2006/07. With the exception of Ethiopia and Uganda, the region's main exporting countries are all experiencing difficulties. Africa's share in world production for crop year 2007/08 was 12.6% compared to 12% in 2006/07. Ethiopia is the region's leading producer with 4.9 million bags, followed by Uganda (3.3 million bags) and Côte d'Ivoire (2.2 million bags).

In **Asia/Oceania** production fell by 11.8% from 33.6 million bags in 2006/07 to 29.6 million bags in 2007/08. The three leading exporters in the region all recorded a fall in their production: India (-18.3%), Vietnam (-14.9%) and Indonesia (-4.2%). The region's share in world production was 25.5% in crop year 2007/08 against 26.5% in 2006/07.

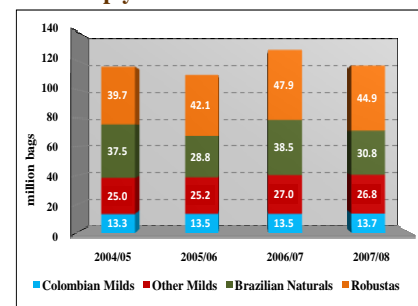
In **Mexico and Central America** production increased, totalling 18.3 million bags in 2007/08 compared with 16.9 million bags in 2006/07. Nearly all countries in the region recorded increased production. The region's share in world production was 15.7% in 2007/08 compared with 13.4% in 2006/07.

In **South America** production fell by 12.1% from 61.1 million bags in 2006/07 to 53.7 million bags in 2007/08. This fall in production was mainly attributable to lower production in Brazil and Peru whereas production in Colombia rose slightly. The region's share in world production fell to 46.2% in 2007/08 compared with 48.2% in 2006/07.

**Total production by continent
Crop years 2004/05 to 2007/08**



**Total production by group of coffee
Crop years 2004/05 to 2007/08**

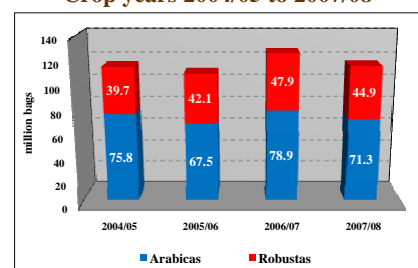


**Table 2: Total production by group
(crop years 2004/05 to 2007/08)**

	2004/05	2005/06	2006/07	2007/08	% change 2007/08 & 2006/07
TOTAL	115 558	109 630	126 820	116 212	-8.36
Colombian Milds	13 325	13 487	13 488	13 685	1.46
Other Milds	25 020	25 206	26 974	26 843	-0.48
Brazilian Naturals	37 463	28 829	38 476	30 778	-20.01
Robustas	39 750	42 107	47 882	44 906	-6.22
Arabicas	75 808	67 523	78 938	71 307	-9.67
Robustas	39 750	42 107	47 882	44 906	-6.22
TOTAL	100.00%	100.00%	100.00%	100.00%	
Colombian Milds	11.53%	12.30%	10.64%	11.78%	
Other Milds	21.65%	22.99%	21.27%	23.10%	
Brazilian Naturals	32.42%	26.30%	30.34%	26.48%	
Robustas	34.40%	38.41%	37.76%	38.64%	
Arabicas	65.60%	61.59%	62.24%	61.36%	
Robustas	34.40%	38.41%	37.76%	38.64%	

In thousand bags

**Total production by type of coffee
Crop years 2004/05 to 2007/08**

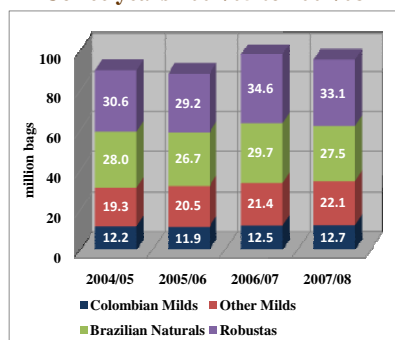


Stocks

Opening stocks in exporting countries for crop year 2007/08 are estimated to have been 25.3 million bags. There has been a steady drawdown of these stocks in recent years and preliminary information for crop year 2008/09 indicates that they are just over 17 million bags, the lowest levels in recorded history. At the end of September 2008, the volume of stocks held in importing countries is estimated at 22.3 million bags, compared to 22.7 million bags in the same month of the previous year.

Exports

Exports by group of coffee
Coffee years 2004/05 to 2007/08



Total exports for coffee year 2007/08 are provisionally estimated at 95.3 million bags compared with 98.2 million bags in 2006/07, a fall of 2.9%. However, exports of Colombian Milds and Other Milds increased by 1.5% and 3.2% respectively (Table 3). The value of total exports during coffee year 2007/08 is estimated at US\$15.2 billion compared with US\$12.5 billion in coffee year 2006/07 (Table 4). If this preliminary estimate is confirmed, export revenues in 2007/08 will be a record in nominal terms, surpassing the US\$14.3 billion recorded in 1985/86.

Table 3: Total exports

Coffee years	2006/07	2007/08	% change
TOTAL	98.21	95.34	-2.92
Colombian Milds	12.51	12.71	1.54
Other Milds	21.37	22.06	3.23
Brazilian Naturals	29.73	27.47	-7.63
Robustas	34.59	33.11	-4.29
Arabicas	63.62	62.23	-2.18
Robustas	34.59	33.11	-4.29

In million bags

Volume and value of total exports
Coffee years 2004/05 to 2007/08

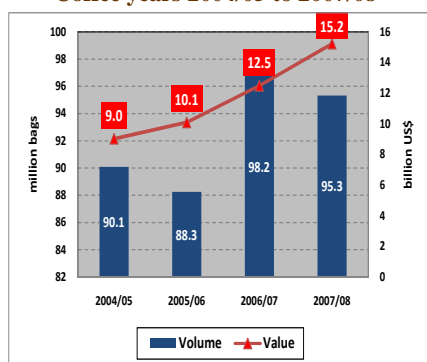


Table 4: Volume and value of exports

Coffee years	2004/05	2005/06	2006/07	2007/08 1/
Colombian Milds				
- Volume	12.19	11.88	12.51	12.71
- Value	1.72	1.80	2.02	2.43
Other Milds				
- Volume	19.32	20.49	21.37	22.06
- Value	2.53	2.87	3.20	3.89
Brazilian Naturals				
- Volume	27.95	26.68	29.73	27.47
- Value	3.04	3.29	4.02	4.47
Robustas				
- Volume	30.62	29.20	34.59	33.11
- Value	1.72	2.12	3.24	4.43
Total				
- Volume	90.09	88.25	98.21	95.34
- Value	9.01	10.08	12.48	15.22

Volume in million bags - value in billion US\$

1/ Estimated

World consumption was around 125 million bags in 2007 compared with 121.4 million bags in 2006, an increase of 3%. If recent rates of growth are maintained, world consumption could reach 128 million bags in 2008. The dynamic growth of consumption is attributable mainly to both emerging markets and some coffee producing countries. Domestic consumption in exporting countries is increasingly significant, particularly in Brazil (17.1 million bags), Mexico (2.2 million), Indonesia (2 million), Ethiopia (1.8 million), Colombia (1.4 million) and India (1.4 million).

During coffee year 2007/08 prices were even firmer than in 2006/07, reaching levels which had not been seen for ten years. Nonetheless, there was a strong downward correction after the end of the coffee year. The appreciation of the US dollar in relation to the currencies of a number of exporting countries and the fall in prices of oil products cushioned the impact of the downward turn in prices at the end of coffee year 2007/08 and the first few months of 2008/09. It is worth noting that consumption remains stable in traditional markets despite the world financial crisis, which seems to be evolving into an economic crisis. However, the situation in emerging markets in relation to the impact of this turmoil on coffee consumption is still uncertain.

Consumption

Conclusions and prospects

INTERNATIONAL COFFEE AGREEMENT 2007

Significant progress was made during the year towards the implementation of the ICA 2007, the seventh Agreement since 1962. The Council took a historic decision to appoint the Organization as Depositary, the new Agreement opened for signature, 33 Governments, including the European Community (EC) with 27 Member states, signed the Agreement and new strategic documents were prepared.

Following the adoption of the 2007 Agreement by 77 Member Governments in September 2007, a Verification Committee reviewed the text in October to ensure consistency in the four official languages (English, French, Spanish and Portuguese). The Agreement was subsequently circulated to all Members and made available on the ICO website where it was downloaded over 9,000 times during the year.

At an extraordinary Session of the Council on 25 January 2008, ICO Members adopted Resolution 436, designating the Organization as the Depositary of the 2007 Agreement, an option provided for under the 1969 Vienna Convention on the Law of Treaties. As the Depositary, the ICO is committed to undertaking new functions including: preparing the original text of the Agreement for signature; preparing certified true copies of the Agreement; issuing Depositary Notifications to communicate actions relating to the Agreement; and receiving signatures and instruments of ratification, acceptance or approval.

Preparations for implementation

Depositary

Actions already taken by the ICO in its new role have included transmitting certified true copies of the ICA 2007 to all Governments eligible to sign it. A section has been established on the ICO website where information and key documents relevant to membership and Depositary functions are posted. These include procedures for membership, the benefits of membership, up-to-date reports on the status of the ICA 2007 and photographs of signatory ceremonies. By the end of the coffee year, 42 Depositary Notifications advising Governments about actions such as signatures and deposit of instruments had been issued.

Opening for signature

The 2007 Agreement opened for signature at the ICO headquarters in London on 1 February 2008 and the Ambassador of Yemen, H.E. Mr Mohamed Taha Mustafa, was the first representative to sign the Agreement on 27 February. By 30 September, ambassadors and high-level representatives of 33 Governments (29 exporting and 4 importing) had signed the ICA 2007. In addition, four exporting Members holding 18.8% of the votes of exporting Members (Ecuador, India, Kenya and Vietnam) and two importing Members holding 89.8% of the votes of importing Members (the EC with 27 member States, and the USA) had ratified, accepted or approved the new Agreement.

Signatory Governments to the ICA 2007 as at 30 September 2008

<i>Exporting Governments:</i>	Gabon Ghana Guatemala Guinea Honduras India * Indonesia Kenya * Liberia Malawi Nigeria Panama Rwanda	Tanzania Timor-Leste Togo Vietnam * Yemen
Angola Brazil Cameroon Central African Republic Colombia Costa Rica Côte d'Ivoire Cuba Ecuador * El Salvador Ethiopia		<i>Importing Governments:</i> European Community * Switzerland Turkey USA *

* Governments which had completed all membership formalities by 30 September 2008

Four new Members



Liberia



Timor-Leste



Turkey



Yemen

Four new countries were among those to sign the ICA 2007: three coffee producing countries (Liberia, Timor-Leste and Yemen, which respectively have average annual coffee production of around 10,000, 200,000 and 250,000 60-kg bags), and one coffee consuming country (Turkey, with an annual consumption of around 450,000 60-kg bags). In the case of Timor-Leste, the Vice Prime-Minister, H.E. Dr José Luís Guterres, flew to London to sign the Agreement on 19 August.

The ICA 2007 will enter into force once signatory Governments with two-thirds of the votes of exporting and importing Members, respectively, have deposited their instruments of ratification, acceptance, approval or notifications of provisional application. The requirement for votes has already been met in the case of importing Members, with the deposit of instruments by the EC and the USA. Once the requirement for votes has also been met by signatory exporting Governments, the new Agreement will enter into force.

Entry into force

At its 101st Session from 22 to 26 September 2008, the Council approved Resolutions 439 and 440, which respectively extend the time for Governments to sign the 2007 Agreement and deposit instruments of ratification, acceptance or approval until 25 September 2009. To allow for sufficient time for countries to complete the necessary legal procedures for the ICA 2007, the Council also approved Resolution 438, extending the current Agreement, the ICA 2001, for a further year until 30 September 2009. The Resolution includes provision for the 2007 Agreement to enter into force as soon as the conditions for its provisional or definitive entry into force are met.

New deadlines

A draft strategic action plan setting out the overall direction and priorities of the Organization under the ICA 2007 for the first five years after its entry into force was prepared during the year, which will be further reviewed by the Council in 2008/09.

New strategic documents

The ICA 2007 establishes four new bodies: the Consultative Forum on Coffee Sector Finance, the Promotion and Market Development Committee, the Projects Committee and the Finance and Administration Committee. The Consultative Forum is a particularly important innovation, responding to the need for increased access to information on topics related to finance and risk management in the coffee sector, with particular emphasis on the needs of small- and medium-scale producers. Draft terms of reference have been prepared to assist the Council in establishing rules of procedure for the functioning of all the new bodies, including their composition and mandate. These will be finalized during the next coffee year.

Finally, the Council reviewed proposals for revisions to the Rules of the Organization and Financial Regulations and Financial Rules of the Organization during the year. The Rules on Statistics – Statistical Reports were updated to reflect new provisions on statistics in the 2007 Agreement and approved by the Council in September 2008. Proposals for revisions to Rules on Certificates of Origin and Indicator Prices will be discussed further in 2008/09. The new Rules are scheduled to take effect upon the entry into force of the ICA 2007.

COFFEE DEVELOPMENT PROJECTS

Coffee development projects and the mission of the ICO

ICO project activities contribute to the Organization's mission and help to improve living standards of coffee farmers in producing countries by:

- assisting beneficiary Governments with the submission of project proposals in line with their national coffee policies and priorities;
- involving qualified coffee experts from Member countries in the screening and development of proposals in order to increase their chances for financing by international donors;
- promoting technical exchanges among producing countries on diversification and quality-improvement practices based on the use of innovative and environmentally-friendly technologies;
- sponsoring projects that take into account gender and environmental issues and pay due respect to the role of the private sector and civil society;
- working closely with public and private donors that provide resources to tackle coffee development issues;
- disseminating successful project results and supplying comprehensive information on the methodology of concluded projects and the institutional background for further action; and
- continuously updating the ICO projects webpage with project results and methodologies so as to reach a wide number of beneficiaries in a timely manner.

Pipeline

Fifteen project proposals have been approved by the Council and are currently in the pipeline. Funding amounting to almost US\$71 million is being sought for the proposals which address the needs of coffee producing countries. Responding to these needs is the ultimate goal of project development activities at the ICO.

ICO project activities continue to be characterized by a funding scheme whereby the Common Fund for Commodities (CFC) contributes around 50%, with the balance provided by bilateral and multilateral donor institutions, in the form of co-financing, and by the beneficiary countries, in the form of counterpart contributions.

The funding that the ICO has secured from the CFC over the last 14 years has allowed it to strengthen its partnership with the Fund, collaborate with other international agencies, consolidate in-house procedures for appraising and prioritizing project proposals prior to their submission for funding and improve methods for supervising and monitoring project implementation activities so as to ensure the delivery of results.

The way forward

As the Organization's project activities provide tangible benefits to producing countries, Governments and specialized agencies are increasingly interested in addressing specific coffee development issues through ICO projects. The new Agreement strengthens the emphasis on project activities by establishing a Projects Committee which, together with a new Consultative Forum on Coffee Sector Finance, will assist in further promoting international cooperation and securing funding for proposals aimed at improving living standards for coffee farmers.

In order to achieve this goal, two categories are envisaged for projects in the pipeline; one for proposals which relate directly to activities that are in line with CFC priorities. The second category – no less important – involves research projects aimed at addressing other essential issues that affect the coffee sector. In the first case, the ICO continues to rely on support from the CFC, while in the second case, new avenues must be explored to involve strategic partners who can provide financial and/or practical support.

Details of projects currently in the pipeline are given in the table on page 19, where project proposals are classified into projects under consideration by the CFC, under reformulation and under consideration by the ICO.

With regard to project proposals considered by the ICO in 2007/08, 10 new proposals were evaluated by the Virtual Screening Committee (VSC), of which four were endorsed by the Council for submission to potential donors, five were recommended for revision and one was rejected.

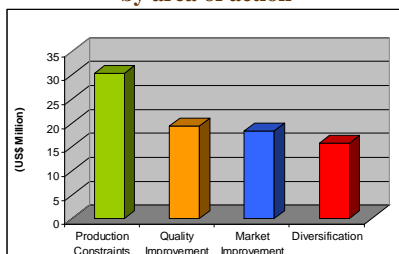
Of the four proposals endorsed, three meet the criteria for submission to the CFC. The fourth proposal 'International research and development services for the durable genetic control of two destructive diseases affecting Arabica coffee', although technically sound, does not meet CFC criteria and therefore alternative donors need to be sought.

During the past coffee year, the CFC Consultative Committee approved three project proposals submitted by the ICO, namely 'Increasing the resilience of coffee production to Leaf Rust and other diseases in India and four African countries', 'Access to finance for the development of diversification crops in coffee producing areas' and 'Enhancing competitiveness of the African coffee sector'. The Committee also granted a Project Preparation Facility (PPF) to two proposals: 'Competitive coffee enterprises programme' involving Guatemala and Jamaica, and 'Raising income security of smallholder coffee farmers in Malawi and Tanzania through sustainable commodity diversification' which will replicate in Africa two diversification projects currently being implemented in Latin America.

Projects approved by the CFC

Portfolio

**Project portfolio (US\$83.8 million)
by area of action**



As at 30 September 2008, the ICO has sponsored and secured financing for 30 coffee development projects with a total value of US\$83.8 million, some US\$45 million of which has been financed by the CFC, with the balance of US\$21.4 million provided by bilateral and multilateral donor institutions in the form of co-financing, and around US\$17 million by the beneficiary countries, in the form of counterpart contributions. In total, 19 projects have been concluded and 11 are still being implemented. The value of the projects portfolio increased by US\$7.2 million in 2007/08 with the approval by the CFC of two new projects and a Fast Track study.

The graph on the left shows how the current portfolio is distributed by the main strategic areas of action.

During 2007/08, four projects were launched in Africa, one with the participation of India, and another four were concluded in the same continent. A brief outline of each of these eight projects is given below.

Developing the potential of Gourmet Robusta coffee in Gabon and Togo (launched 11/07 - ongoing)

This project will enable participating Robusta producing countries to implement solid strategies for increasing the value and improving the marketing of gourmet coffee in order to benefit from higher prices. It was launched in Gabon in November 2007 and in Togo in January 2008. Coffee farmers, researchers, private companies and government officials attended the inauguration workshops, which contributed to raising awareness of all stakeholders in Togo and Gabon and invited their contribution to the successful implementation of the project.

The total cost of the three year project is US\$2.5 million of which the CFC is contributing US\$1.8 million and the participating countries US\$0.63 million. CABI-Africa will act as the Project Executing Agency (PEA).

Increasing the resilience of coffee production to Leaf Rust and other diseases in India and four African countries (launched 04/08 - ongoing)

The objective of this project, launched in April 2008 in India, is to enhance the genetic endowments of Arabica coffee in the context of disease resistance to Coffee Leaf Rust (CLR) and Anthracnose. The results of the project will be disseminated to four African countries, namely Kenya, Rwanda, Uganda and Zimbabwe. The total cost of the project is US\$4 million, which will be invested over five years. Of this, the CFC is contributing US\$2.9 million as a grant, including US\$0.5 million given by the OPEC Fund. Additional financing of US\$1.1 million will be provided by the participating countries as a counterpart contribution. In collaboration with scientists of the Coffee Board of India, CABI is acting as the PEA.

“Many thanks to the ICO for sponsoring the programme of the coffee authorities to boost the coffee industry in Gabon.”

Coffee farmer,
Haut Ogooue, Gabon

Coffee Leaf Rust
project workshop, India



Access to finance for the development of diversification crops in coffee producing areas (launched 03/08 - ongoing)

The main objective of this project is to develop and implement a sustainable credit programme for diversification in coffee-producing areas and promote food security. Specific objectives include: designing a credit scheme for alternative crops; promoting diversification crops in coffee growing areas; promoting food security in coffee growing areas; developing strategies for adding value to new crops; training to strengthen capacities of growers to manage savings and credit; disseminating a sustainable crops/activities diversification credit system in other coffee producing countries. The project was launched in Burundi and Côte d'Ivoire in March and April 2008, respectively.

The total cost of the project is US\$3 million, of which the CFC is contributing US\$2.7 million and the participating countries US\$0.3 million. The Guarantee Fund of Coffee and Cocoa Cooperatives (FGCCC) and the Coffee Board of Burundi (OCIBU) will act as Project Executing Agency (PEA) in Côte d'Ivoire and Burundi respectively.



Addressing coffee farmers in Kroziale (Côte d'Ivoire)

Enhancing competitiveness of the African coffee sector (09/08 - ongoing)

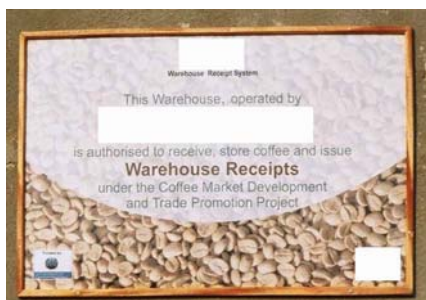
The aim of this Fast Track proposal is to revitalize production, quality and trade in smallholder coffees in Africa. As a result, household income of the resource-poor coffee farmers is expected to improve, thereby contributing to poverty alleviation amongst the coffee-dependent rural population.

The proposal was approved by the CFC in April 2008, recognizing that the study will improve the prospects for sustainable production of coffee and that the project was demand driven. A Fast Track Project Implementation Agreement has been signed by the InterAfrican Coffee Organisation (IACO) and the CFC. CABI, together with consultants from the selected countries, has been appointed to prepare the study that will generate a full project proposal that will comprise the following components: i) definition of constraints and opportunities based on a detailed sub-sector analysis; ii) setting out a vision for coffee revitalization in selected pilot countries and building consensus amongst stakeholders; and iii) project coordination, supervision and monitoring. The IACO is the PEA and will coordinate and monitor the study which is expected to be ready by September 2009.



Access to coffee farm (Lieupleu, Côte d'Ivoire) – an impediment to the development of the coffee industry in Africa

Concluded projects



Coffee market development and trade promotion in Eastern and Southern Africa

Coffee market development and trade promotion in Eastern and Southern Africa (launched 10/00 – concluded 09/07)

This project developed and tested coffee marketing systems to respond to producer and trade needs, and strengthened the capacity of public and private institutions to operate the systems. It promoted improved access to the international market and introduced measures to minimize exposure to technical and price risks through the following components: promotion of a privately-run warehousing system and establishment of a collateralizable warehouse receipt system; development of a basic information system for coffee production and marketing; and development of a coffee quality assurance and quality certification system.

The total cost of the project was US\$9.1 million. Of this, the CFC contributed US\$5 million as a grant, with US\$2.5 million of co-financing given by international and local banks. An additional US\$1.5 million was provided by the participating countries as a counterpart contribution. The United Nations Office for Project Services (UNOPS) acted as the PEA.



Improving coffee quality in East and Central Africa through enhanced processing practices in Rwanda and Ethiopia

Improving coffee quality in East and Central Africa through enhanced processing practices in Rwanda and Ethiopia (launched 10/04 – concluded 02/08)

The aim of this project was to improve the production of quality coffees, which command premium prices, through improved methods of primary processing by farmer groups/associations at the village level (enhanced wet processing or sun-drying methods). This should lead to an increase in income generation, thereby improving the livelihoods of small-scale coffee farmers and their families. A final dissemination workshop took place in February 2008 during the Eastern African Fine Coffees Association (EAFCA) conference in Uganda and the summary of the final report was circulated to the Council in May 2008.

“The project was aimed at making small farmers independent from the middleman by improving primary processing methods at the village level. If successful, it would be an important model for small farmers worldwide.”

Dr Ernesto Illy at the CFC/ICO workshop on coffee development priorities held on 27 September 2006

The total cost of the project was US\$2.9 million. Of this, the CFC contributed US\$2 million as a grant and US\$0.1 million of co-financing was given by Illycaffè. An additional US\$0.8 million was provided by the participating countries as a counterpart contribution. CABI-ARC acted as the PEA.

Improvement of coffee production in Africa by the control of coffee wilt disease (tracheomyces)
(launched 02/01 – concluded 02/08)

Coffee wilt disease (tracheomyces) causes widespread losses to small farmers in Africa who are dependent on coffee for their income. The project was implemented as a regional programme to improve management practices to contain the disease and develop an information and training programme for small producers. The project generated specific guidelines for Integrated Pest Management, in particular, good agricultural practices for the control of wilt disease. These guidelines are available on CD-Rom on request from the Secretariat. A final workshop took place during the EAFCA conference in February 2008 in Uganda, and a summary of the final report was circulated to the Council in May 2008.

The total cost of the project was US\$8.9 million. Of this, the CFC contributed US\$3.5 million as a grant, and US\$4.3 million of co-financing, including US\$3.2 million from the EC and US\$1.1 million from other international agencies. An additional US\$1 million was provided by the participating countries as a counterpart contribution. CABI-ARC and CIRAD acted as the PEAs.



Improvement of coffee production in Africa by the control of coffee wilt disease (tracheomyces)

Robusta quality and marketing improvement by optimal use of coffee terroirs (launched 06/05 – concluded 03/08)

The aim of this project was to improve the quality of Robusta coffee cultivation and its profitability, by identifying varieties which are superior in quality, and making optimal use of coffee soils. The project was launched in June 2005 in Abidjan. A mid-term evaluation took place in 2006 which recommended that the project be extended for a further year. A final dissemination workshop took place in Abidjan in August 2007. The CFC agreed a further extension of six months until March 2008. The Government of Côte d'Ivoire has announced its intention to take over the project and extend it to all coffee producing areas, and has provided additional funding to complete the remaining activities.

The total cost of the project was US\$0.94 million, of which the CFC contributed US\$0.45 million and the participating countries over US\$0.49 million. The African Coffee Research Network (ACRN) acted as the PEA.

For further information on projects, visit the ICO website page www.ico.org/what_we_do.asp.



Training African experts

PORTFOLIO PROJECTS	Total cost	CFC	Co-fin.	CC	STATUS OF PROJECT IMPLEMENTATION*		
					(in thousand US\$)	1995/96 - 2005/06	2006/07
PROJECTS CONCLUDED (19)	43,630	21,371	13,689	8,570			
Development of gourmet coffee potential (10/96 - 05/00)	1,412	1,018	110	284	Concluded		
Integrated management of the coffee berry borer (10/96 - 05/02)	5,467	2,968	850	1,649	Concluded		
Study on coffee marketing systems and trading policies in selected coffee-producing countries (04/97 - 05/00)	289	244	0	45	Concluded		
Coffee market development and trade promotion in Eastern and Southern Africa (10/97 - 09/07)	9,101	5,012	2,540	1,549	Concluded		
Improvement of coffee production in Africa by the control of coffee wilt disease - tracheomycosis (04/98 - 02/08)	8,952	3,517	4,349	1,086	Concluded		
Characteristics of the demand for Robusta coffee in Europe (10/98 - 2001)	29	29	0	0	Concluded		
Enhancement of coffee quality through prevention of mould formation (10/98 - 09/05)	5,593	2,526	2,067	1,000	Concluded		
Coffee processing study – Rwanda (10/99 - 05/00)	68	68	0	0	Concluded		
Strengthening the commercial, financial, management and business capacity of small coffee producers/exporters in Mexico and Nicaragua (10/00 - 12/05)	5,330	910	3,468	952	Concluded		
Coffee price risk management in East Africa (10/01 - 2002)	60	60	0	0	Concluded		
Study of the potential for commodity exchanges and other forms of market places in COMESA countries (10/01 - 06/03)	60	60	0	0	Concluded		
Workshop on structured short- and medium-term finance to small-scale farmers in Africa (10/00 - 04/01)	30	30	0	0	Concluded		
Workshop on coffee quality through prevention of mould formation in Ecuador (10/01 - 2001)	65	60	0	5	Concluded		
Integrated white stem borer management in smallholder coffee farms in India, Malawi and Zimbabwe (10/01 - 06/07)	3,104	2,262	123	719	Concluded		
Regional workshop on the coffee crisis in Central America (04/03 - 09/03)	40	40	0	0	Concluded		
Sustainable coffee development in Eastern Africa (07/03 - 09/05)	30	30	0	0	Concluded		
Worldwide comparative analysis of coffee-growing areas (10/03 - 09/06)	120	60	60	0	Concluded		
Improving coffee quality in East and Central Africa through enhanced processing practices in Rwanda and Ethiopia (04/04 - 02/08)	2,937	2,029	122	786	Concluded		
Robusta quality and marketing improvement by optimal use of coffee terroirs (10/02 - 03/08)	943	448	0	495	Concluded		
PROJECTS ONGOING (11)	40,255	24,105	7,718	8,431			
Pilot rehabilitation of the coffee sectors in Honduras and Nicaragua (04/00 - ongoing)	6,837	4,220	505	2,112	Ongoing		
Pilot rehabilitation of neglected coffee plantations into small family production units in Angola (10/00 - ongoing)	8,530	4,750	2,980	800	Ongoing		
Coffee price risk management in Eastern and Southern Africa (04/01 - ongoing)	2,529	1,829	0	700	Ongoing		
Pilot short- and medium-term finance to small-scale coffee farmers in Kenya (10/01 - ongoing)	3,045	1,445	1,000	600	Ongoing		
Diversification of production in marginal areas in the State of Veracruz, Mexico (04/05 - ongoing)	4,467	2,552	1,118	797	Ongoing		
Reconversion of small coffee farms into self-sustainable agricultural family units in Ecuador (10/05 - ongoing)	3,199	1,118	858	1,223	Ongoing		
Enhancing the potential of gourmet coffee production in Central American countries (04/07 - ongoing)	1,874	618	1,257	0	Ongoing		
Developing the potential of Gourmet Robusta coffee in Gabon and Togo (04/07 - ongoing)	2,469	1,842	0	626	Ongoing		
Increasing the resilience of coffee production to leaf rust and other diseases in India and four African countries (10/07 - ongoing)	4,014	2,919	0	1,096	Ongoing		
Access to finance for the development of diversification crops in coffee producing areas (10/07 - ongoing)	3,007	2,692	0	313	Ongoing		
Enhancing competitiveness of the African coffee sector (04/08 - ongoing)	284	120	0	164	Ongoing		
PORTFOLIO TOTAL (30)	83,885	45,476	21,407	17,001			

* The starting point for portfolio projects is the date of approval by the CFC Executive Board.

CC = Counterpart contribution

PIPELINE PROJECTS	Total Cost	CFC	Co-fin.	CC	STATUS OF PROJECT CONSIDERATION*		
					2000/01 - 2005/06	2006/07	2007/08
	(in thousand US\$)						
UNDER CONSIDERATION BY THE CFC (5)	22,920	13,219	894	8,809			
Competitive coffee enterprises programme (ICO: 05/07)	6,000	4,000	0	2,000			CFC CC
Building capacity for coffee certification and verification in Eastern Africa (ICO: 05/07)	2,869	2,869	0	0			CFC CC
Trifinio sustainable coffee project (ICO: 05/07)	2,729	1,836	894	0			CFC CC
Study of the potential for commodity exchanges and other forms of market-places in West Africa (ICO: 05/08)	106	94	0	13			CFC CC
Integrated management of the Coffee Berry Borer (CBB) with a quality and sustainability component for coffee-growing in Central America (ICO: 05/08)	11,216	4,420	0	6,796			CFC CC
UNDER REFORMULATION (3)	22,250	14,356	4,995	2,898			
Enhancing use of coffee germplasm - an African perspective (ICO: 05/01)	10,930	8,566	0	2,363			Reformulation
Improvement and diversification of coffee production of smallholders in Central America (ICO: 09/02)	7,858	3,790	4,068	0			Reformulation
Cost-benefit analysis of sustainability practices in the coffee sector (ICO: 05/06)	3,462	2,000	927	535			CFC PAC
UNDER CONSIDERATION BY THE ICO (7)	25,580	19,744	997	4,836			
Qualitative and quantitative rehabilitation of coffee with the aims of improving living conditions of coffee farmers afflicted and displaced by war and their restoration to their areas of origin as well as the protection of their biophysical environment in the Democratic Republic of Congo	3,801	2,319	418	1,064			VSC
Sustainable coffee production by smallholder farmers in Ethiopia: An integrated approach for quality improvement, poverty reduction and biodiversity conservation	4,694	2,961	379	1,353			VSC
Improving coffee quality in Eastern and Central Africa: Scaling up of enhanced processing practices in Ethiopia and Rwanda	8,678	7,387	0	1,290			VSC
Characterization, enhanced utilization and conservation of <i>Coffea</i> germplasm diversity	3,000	3,000	0	0			VSC
Raising income security of smallholder coffee farmers in Malawi and Tanzania through sustainable commodity diversification	30	30	0	0			VSC
Enhancing resource use efficiency in coffee production and processing by Farmer 2 Farmer learning	2,680	2,480	200	0			VSC
International research and development services for the durable genetic control of two destructive diseases affecting Arabica coffee	2,696	1,567	0	1,129			VSC
PIPELINE TOTAL (15)	70,748	47,318	6,886	16,543			

* The starting point for projects under consideration by the CFC and other donors is the ICO Council approval date, and the submission date in the case of projects under consideration by the ICO.

CC = Counterpart contribution

CFC CC = Consultative Committee of the CFC

CFC PAC = Project Appraisal Committee of the CFC

VSC = Virtual Screening Committee

SUSTAINABILITY

The 2007 Agreement will strengthen the existing activities of the Organization in the area of sustainability, particularly those that provide direct support to coffee producing countries to enhance production conditions and improve living standards for coffee farmers.

The overall aim of the ICO Development Strategy for Coffee is to promote a sustainable coffee economy. To this end, coffee projects sponsored by the Organization make a practical contribution to sustainable development and poverty reduction by:

"If I could speak to other producers I would tell them that this is the type of wet processing that we need. It's a complete change from the rustic processing I've been using all my life."
Félix Cantalicio Hernández, smallholder who participated in the project 'Pilot rehabilitation of the coffee sectors in Honduras and Nicaragua' sponsored by the ICO and financed by the CFC and the Government of Nicaragua.

- responding to national coffee policies and priorities in beneficiary countries (demand driven);
- promoting technical exchange among producing countries (South-South cooperation);
- encouraging the use of innovative and environmentally-friendly technologies;
- paying due regard to gender and environmental issues;
- sponsoring the participation of the private sector and civil society; and
- guaranteeing that learning and knowledge generated from projects will help primary stakeholders to continue project activities after their conclusion.

Four diversification projects currently being implemented in Africa and Latin America offer coffee producers a practical approach to reducing the risks of low coffee prices and using available resources in a sustainable way. They generate a number of benefits including:

- (a) encouraging agro-forestry systems where coffee is combined with other perennial and short-cycle crops, which generates positive externalities such as erosion control, soil quality improvement, water quality supply, high biodiversity levels and agricultural diversity in rural areas;
 - (b) on the food security side, diversification projects support farmers in cultivating other food crops such as cassava, banana and other fruit trees, together with husbandry;
 - (c) cultivation of organic coffee has been very successful as the coffee market provides incentives for coffee produced in this way. Farmers have been encouraged to apply integrated pest management (IPM), which has substantially reduced the use of pesticides and therefore chemical contamination;
 - (d) on the economic development side, the diversification process has contributed to diminishing the rural exodus to urban centres; and
 - (e) rural tourism has benefitted from the conservation of the environment, maintenance of rural heritage and provision of recreational opportunities with the transformation of traditional coffee farms into businesses which are compensated for the benefits that they provide to society.
-

Finally, diversification projects provide coffee farmers with a better understanding of the beneficial links between agricultural production and positive environmental externalities, helping to create a favourable setting for future diversification and contributing to poverty reduction in rural areas by diversifying sources of income.

Committee on Sustainable Assessment (COSA)

At its 101st Session in September 2008, the Council received presentations on the initial results of the Committee on Sustainable Assessment (COSA) impact assessment tools, and on research on the costs of transition to sustainable practices (GAP analysis), together with a report on the COSA preliminary analysis of sustainability initiatives in the coffee sector (document ICC-101-4). The cost-benefit analysis of sustainability practices in the coffee sector project was originally approved by the Council in May 2006 but funding for the proposal was not approved by the CFC. Members noted that the results were preliminary and further information will be provided in due course.

COOPERATION WITH OTHER AGENCIES

Cooperation with specialized coffee agencies and other international organizations continued to be important during coffee year 2007/08, enabling the ICO to benefit from the experience and expertise of relevant bodies.

The Organization sought technical assistance from specialized international development agencies, such as the Food and Agriculture Organization of the United Nations (FAO) and the International Trade Centre UNCTAD/WTO (ITC), to assist Member countries' technical expertise to prepare project proposals and to encourage enterprise-oriented aspects of coffee trade development, respectively. It also explored new avenues of cooperation with the United Nations Environment Programme (UNEP) on issues related to the environment, and initiated discussions with the African Development Bank (ADB), with a view to securing alternative sources of funding or co-financing for projects as appropriate.

In the case of Codex Alimentarius, the Organization is a member of an electronic working group on ochratoxin A (OTA) and is actively contributing to the development of a code of conduct for the prevention of this mould.

PROMOTING CONSUMPTION

Dr Ernesto Illy



Dr Ernesto Illy, Chairman of the ICO Promotion Committee and honorary Chairman of Illycaffè, died in Italy on 3 February 2008 at the age of 82. In May 2008 all Members of the International Coffee Council paid tribute to his leadership, recognizing his remarkable contribution to developing the institutional participation of the private sector in the Organization and important coffee and health initiatives, such as the Positively Coffee Programme and the Healthcare Professions - Coffee Education Programme. In his keynote address to the 22nd International Conference on Coffee Science – ASIC 2008, the Executive Director described him as:

“a great champion of the science of coffee and an outstanding human being... The services rendered by Dr Illy to the coffee world are invaluable and deserve praise and admiration. He was a real leader of innovation and technological development. He created out of the coffee bean a fascinating universe and with his wisdom, intelligence and dedication he devoted his life to a permanent search in order to discover and to understand the chemistry of coffee, its physiological effects, secrets of coffee production and the improvement of quality.”

ICO CoffeeClub Network

A new ICO initiative to promote coffee consumption, the ICO CoffeeClub Network, was launched in May 2008. The Network was financed by the ICO Promotion Fund and developed by consultants, P&A International Marketing and Radiumsystems. It is a collaborative community on the Internet, which will act as a platform for countries to demonstrate different ways of promoting coffee, and help to reach young people, the consumers of the future.

The Network can be accessed either directly (www.coffeeclubnetwork.com) or from the homepage of the ICO website. By September 2008, it had attracted 200 members from around the world. Over 30 discussion communities mediated by expert mediators have been established, where resources such as videos, photos, presentations, opinions, news and links to relevant sites are posted. These communities deal with topics ranging from coffee promotion ideas, the art of espresso and trading matters, to urban coffee and coffee and travel.

ICO CoffeeClub Network



ICO Members have been invited to nominate representatives to mediate communities, and to establish links to the Network on government and other websites in their countries to expand the use of and assist with the future development of this initiative.

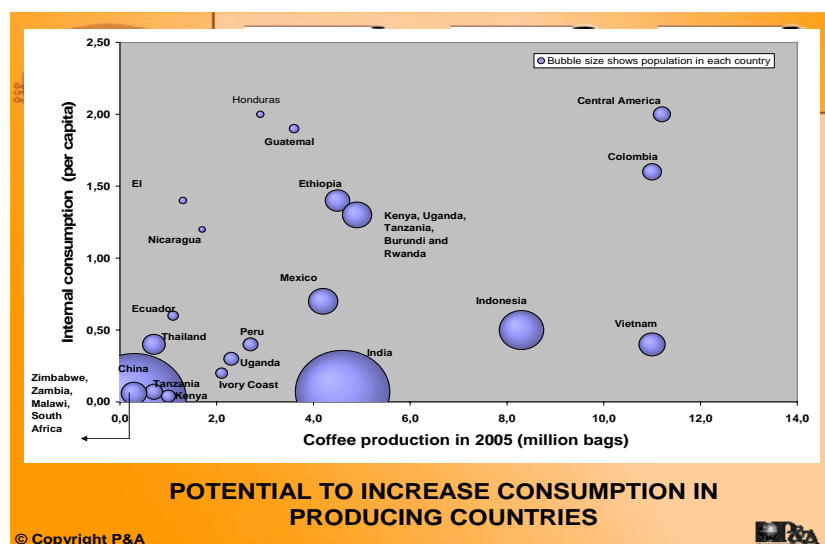
The ICO Step-by-Step Guide to Promote Coffee Consumption builds upon the experience of promotion programmes in Brazil, where internal consumption has increased by almost 50% in the last 10 years. This publication provides practical guidelines for promoting coffee consumption and is available for downloading free of charge in English, French and Spanish from the ICO website.

The Guide seeks to enhance the considerable potential to expand consumption in coffee producing countries. For example, India, Indonesia and Mexico, which have a combined population of 1.5 billion, currently consume only five million bags a year.

Since the Guide's publication in 2003, some US\$25 million has been invested in promotion programmes in at least eight producing countries, with further investments in the pipeline. The initial investment by the ICO Promotion Fund of US\$287,000 has thus had a multiplier effect of 80. Applications of the Guide have included workshops in eight countries, promotion programmes in Colombia, El Salvador, India and Mexico, and consumer surveys in Colombia, El Salvador, India, Indonesia, Mexico and Nicaragua.

Programmes to promote coffee consumption

Potential to increase consumption in producing countries



Coffee and health

Exporting Members agreed to contribute a further US\$50,000 from the ICO Promotion Fund towards the Positively Coffee Programme, an important initiative to provide information on the positive aspects of coffee consumption (see page 25). They also approved financial support of US\$10,000 for the 22nd International Conference on Coffee Science – ASIC 2008, which took place in Campinas, Brazil from 14 to 19 September 2008. Over 400 scientists from 30 countries attended the Conference and presented the latest findings in scientific research and technological developments in the area of coffee, including coffee and health.

PRIVATE SECTOR COOPERATION

The Private Sector Consultative Board (PSCB) met twice during the year, chaired by Mr Christian Rasch Topke of ANACAFÉ. It conducted regular reviews of food safety issues, including updates on the research into issues such as ochratoxin A (OTA), acrylamide and furan. In all cases the Board has monitored legislative developments globally and has reported on the latest methods adopted by scientists to assess risk factors with a view to keeping the coffee community informed about developments. In the case of OTA, the PSCB noted that the Codex Alimentarius had approved a proposal for new work on a Code of Practice to prevent OTA contamination in coffee. This is being developed by an electronic working group, which includes the ICO among its members. The PSCB also re-examined the question of the maximum residue levels of pesticides permitted by coffee importing countries. Other matters discussed during the year included the next World Coffee Conference, which will take place in Guatemala in 2010, and the issue of Geographical Indications for Coffee which has been included as a regular item on the Board's agenda, following the ICO Seminar on this topic in May 2008.

The PSCB also reviewed preparations for the entry into force of the ICA 2007, including procedures for new ICO bodies, and agreed the draft terms of reference for the PSCB under the 2007 Agreement.

The PSCB has continued its active support of the Positively Coffee Programme which was set up under the auspices of the PSCB and which is funded jointly by the Institute for Scientific Information on Coffee (ISIC) and the ICO's Promotion Fund. The Board supports the Healthcare Professions – Coffee Education Programme which is also funded by ISIC and the relevant national coffee associations of the countries involved. Both programmes are designed to ensure that scientifically sound information is made available in the public domain, with a particular focus on coffee associations which form the membership of the PSCB. Further information on both programmes can be found on pages 25 to 27.

POSITIVELY COFFEE PROGRAMME

Positively Coffee website

The objective of the Positively Coffee Programme is to translate sound scientific information on the positive aspects of coffee consumption into a format which is easily accessible and comprehensible to the layman. The coffee sectors in all producing and consuming countries are able to gain access to the information and use it in all four ICO languages in the form of brochures, newsletters, websites and media briefings.

The Programme ensures a steady flow of scientifically valid, consistent information drawn from studies published in peer reviewed journals. This has generated a library of information on a variety of topics for the use of coffee associations, ICO Members and the general public. The Programme is funded jointly by ISIC and the ICO Promotion Fund.

The Programme's website, www.positivelycoffee.org, is the main medium for the dissemination of all information. It operates in the four official languages of the ICO. The number of views has steadily increased over the period under review and now stands at over 20,000 per month. The website is consistently among the top ten favourite websites for coffee, and the web address is included as an active link on over 100 websites, including those of coffee companies and research institutions.

• Answer: It takes 2,000 coffee cherries i.e. 4,000 beans

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Español Português

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"Two cups of coffee is all it takes to overcome fatigue"

Millions of people around the world love nothing more than to start their day with a steaming cup of coffee. The smell, the taste, the caffeine lift and the shared experience of coffee have become a staple of our modern life and culture.

In addition, there is significant authoritative information available that drinking coffee has many benefits for our health and well being.

topics

To find out more about the many beneficial effects of drinking coffee on our health and well being, select one of the topics below

- Coffee & Mental Performance
- Coffee in the Workplace
- Coffee and Antioxidants
- Coffee and Liver Function
- Coffee and Exercise Performance
- Coffee and Parkinson's Disease
- Coffee and Diabetes
- Coffee and Health - Some Surprising Findings
- Coffee and Safer Driving
- Coffee and Social Pleasure
- Coffee and Cancer
- Coffee and Hydration

This Positively Coffee website is part of the Positive Communication programme of the International Coffee Organization (ICO). Our aim at the ICO is to share that accurate, balanced and consistent information with all of you who have an interest in learning more about the beneficial aspects of drinking coffee.

what's new?

Coffee and mental performance
INTERVIEW WITH DR ASTRID NEHLIG

- How does coffee affect mental performance?
- Can coffee help boost my memory?
- At what time of day does coffee drinking have its greatest effect?

Dr Astrid Nehlig is a research director at the French Medical Research Institute, INSERM in Strasbourg. She has authored or co-authored over 250 articles, books and book chapters and is a regular speaker at international meetings and research centres.

[read more](#)

Newsletters

The Positively Coffee Newsletter is the other major means of communication. The English edition is distributed at conferences and seminars around the world, while the French, Portuguese and Spanish versions are available in electronic format on the website. Other information available on the website includes a podcast on “Coffee and Mental Performance”. The Newsletters are among the most popular pages visited on the website, and many coffee sector organizations distribute the latest issue electronically via their own networks or add the Newsletter link to their websites.

A sign-up facility, advising site visitors when new issues of the Newsletter are available, has generated an excellent response. Over 1,500 individuals from 90 countries, mainly from the coffee sector, have registered to receive this alert. In addition, there has been a high degree of interest from the media, academic establishments and individuals.

Positively Coffee prepares articles and other materials for the coffee trade media, and has participated in coffee sector conferences, exhibitions and other national communication activities to create awareness of the role which communication of up-to-date scientific information can play in promoting coffee consumption. It also provides representatives of the coffee sector with auxiliary resources such as banners and topic slides for the preparation of presentations. In coffee year 2007/08 representatives from the Programme made a number of presentations at coffee events in Cameroon, Côte d’Ivoire and El Salvador. The Programme also provided support for coffee associations in Central and South America through the distribution of materials and support with website development.

...positively coffee
Newsletter from the International Coffee Organization

Coffee and hydration - the facts

Somewhere in the world today it is a hot sunny day, and amongst all the warnings we are given about the consequences of such heat, there is always one about not becoming dehydrated.

The caffeine in coffee has a mild diuretic effect, increasing the frequency of urination but not the amount of fluid passed. For many years health and exercise experts thought that, as a consequence, coffee and other caffeinated beverages promoted dehydration and didn't count as a source of fluid in the diet. We now know this is not true and there is no scientific evidence to support these views. Caffeine in fact is no more a diuretic than water¹. The truth is that a moderate intake of coffee and other caffeinated drinks does not lead to dehydration and does count towards daily fluid intake.

How did this myth start?

The normal average daily loss of water is around 2500ml of which urine accounts for approximately half. A further 3000ml is from water loss through the skin and most of the remainder is from the lungs. This amount will of course vary and, in conditions of extreme heat and exercise, daily fluid loss may exceed 10 litres as we sweat more.

Urine output is often used as an indicator of dehydration. Earlier studies² only collected urine samples over a 2-4 hour period after caffeine consumption, not over 24 hours. It is now known that the period over which urine is collected is a significant factor. The small increase in urine output after 3 hours is compensated for by a decrease in output later in the day i.e. total urine output over the day remains unchanged³. In one study⁴, the effect had already disappeared within 4 hours.

What is the latest evidence?

Professor Lawrence Armstrong, an avid runner and well respected scientist, decided to review the scientific literature to see whether abstaining from coffee and other caffeinated drinks was scientifically justified. In his published report⁵ he concluded:

- After drinking a caffeinated drink, the body does retain most of the fluid (up to 84% has been reported in some studies)
- Moderate consumption does have a mild diuretic effect, but the overall effect is very similar to water

Moderate intakes of caffeinated drinks have no long term effect on hydration and count towards daily fluid intake

- Regular consumers of caffeinated drinks have a higher tolerance to the diuretic effect
- There is no evidence that consuming caffeinated drinks causes an imbalance of fluids and electrolytes, such as sodium and potassium, in the body or that it is detrimental to health or exercise performance.

In 2006⁶ a further review of scientific studies published between 1996 and 2002 concluded that: "The most ecologically valid of the published studies offers no support for the suggestion that consumption of caffeine containing beverages, as part of a normal lifestyle, lead to fluid loss in excess of the volume ingested or is associated with poor hydration status".

These conclusions are further supported in the most recent review⁷ where it was noted also that in relation to hydration, there was no evidence to support caffeine restriction.

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Autumn 2007

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HEALTHCARE PROFESSIONS – COFFEE EDUCATION PROGRAMME (HCP-CEP)

Data from market research studies regularly highlight negative views among the general public about coffee and health. These views persist because the public's understanding may often be based on outdated scientific literature and a lack of awareness of recent scientific research findings. It is often thought that these concerns about health limit the consumption of coffee, and that healthcare professionals may be a key source of such information for consumers. It is therefore important for these professionals to be well informed about current scientific findings on the health effects of coffee consumption. This has been the basis of the HCP-CEP, which has been running successfully since 2004. Facilities were established at the ICO to coordinate the project, which is funded jointly by ISIC and the national coffee associations in the participating countries. The Programme was originally implemented in six countries: France, Finland, Italy, the Netherlands, the Russian Federation and the United Kingdom. It was extended to three other countries during coffee year 2007/08: Germany, Portugal and Spain.

Initial work in the new participating countries has consisted of developing scientific advisory procedures; identifying audiences and core messages; setting up communication channels such as Newsletters, monographs and websites; and participation in medical congresses. In order to evaluate the situation at the beginning of the Programme, surveys among healthcare professionals were conducted in all three markets. Positive findings included recognition that coffee can be part of a healthy diet because of its positive effects on mental performance and promotion of energy endurance. However, in Portugal 64% of healthcare professionals advised their patients to stop drinking or to drink less coffee, mainly because of concerns over sleep quality and stomach complaints. The result in Spain was similar: 55% advised patients to reduce coffee consumption.

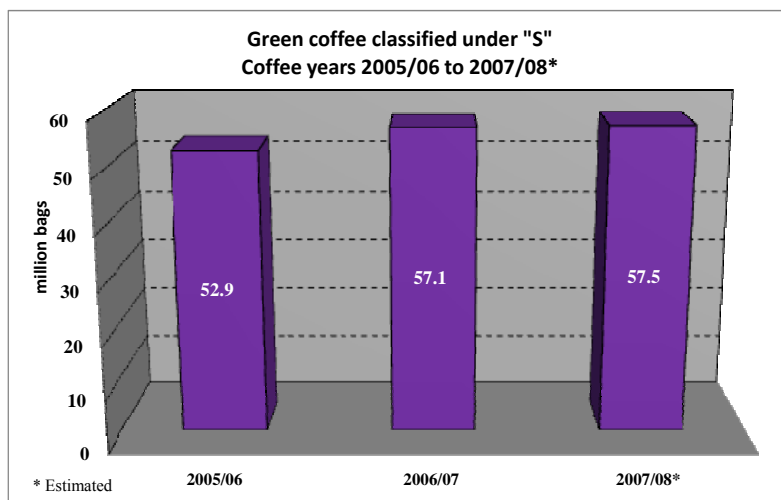
Comparable results were originally recorded in those countries where the Programme has been functioning for a longer time. In these cases, the number of healthcare professionals who advised against coffee consumption declined during the implementation of the Programme. The survey findings in Germany, Portugal and Spain show that there is considerable scope for the success of such an initiative.

In addition to this expansion of the Programme, work continued in the other countries, consisting of publishing new editions of newsletters and monographs, updating websites, and participation in medical congresses and symposia.

COFFEE QUALITY-IMPROVEMENT PROGRAMME (CQP)

The ICO Coffee Quality-Improvement Programme (CQP) was introduced in October 2002, under Resolution 407. This Resolution was superseded by Resolution 420, which came into effect on 1 June 2004. It is important to note that Resolution 420 is totally voluntary and does not impose any restrictions on the coffee trade. It essentially requests exporting Members to declare the quality of green coffee shipments through appropriate codes in Certificates of Origin that identify quality standards for defects and moisture content. The main objective of the CQP is to ensure that coffee meets certain basic quality standards, making it more attractive to both retailers and consumers and helping to prevent the presence of certain contaminants in coffee shipments.

In coffee year 2007/08, 28 exporting Members (together accounting for 69% of total exports of green coffee) indicated the quality of their green coffee on the Certificates of Origin issued to cover their coffee shipments. Over 91% of Arabica coffee exported by these countries was in compliance with the defects and moisture targets established in Resolution 420, compared to just over 25% of Robusta coffee exports. The low level of compliance of Robusta shipments with the target quality standards continues to be a matter for concern.



Although Vietnam is the origin of most Robusta coffee graded below CQP standards by the London International Financial Futures and Options Exchange (LIFFE), the Vietnamese authorities have announced the introduction of some gradual measures to address this issue which could potentially have a positive impact on the results of the CQP in the future.

The Inter-Continental Exchange (ICE) also posts a monthly analysis on Arabica coffee by grade and by special characteristics, such as cup flavour and bean colour. High pass levels were consistently achieved in coffee year 2007/08, which is most encouraging for Arabica producers. Higher quality coffee attracts better prices, adds value to exports, and leads to increased consumption as the intrinsic characteristics of coffee are enjoyed by the consumer at cup level.

Coffee authorities in exporting Members should consider making use of their compliance with CQP standards in marketing their coffee with a view to increasing their exports. Likewise, roasters should consider the benefits of marketing coffee in full compliance with CQP standards which could have a positive impact on both retailers and consumers.

The Organization will continue to issue regular reports on the CQP and Members are invited to provide information on their experiences in implementing the Programme guidelines to eliminate practical problems and to consider using it in developing marketing strategies.

STATISTICS

The Organization's statistical database is one of its main assets and is recognized by market experts and coffee authorities worldwide as a unique source of reliable data on coffee. A new statistical system, fully operational since July 2007, integrates the statistical databases, synchronizing all variables in the supply-demand analysis which are linked with seven modules: exports, imports, re-exports, prices, production, Certificates of Origin and votes. The system will be expanded under the 2007 Agreement to include a wide range of information such as: area under coffee; number of coffee trees; data on niche markets and other market segments, and additional information on exports provided on a voluntary basis such as quality, special characteristics, Harmonized System codes and the FOB value of shipments.

During coffee year 2007/08 the Statistics Committee held two meetings. The main topics discussed were:

- Compliance with the provision of statistical data: on average, exporting Members achieved 87% satisfactory or full compliance with the statistical rules, whereas importing Members achieved 98%.
- Technical assistance: discussions were held on how best to provide technical assistance to exporting Members with low or non-existent compliance with the statistical rules.
- Statistics on organic coffee exports: documents have been produced to track the development of trade in organic coffee and efforts will be made to expand this information to include other niche markets, where possible.
- Exports to exporting countries: the increasing volume of coffee exported to exporting countries continues to be monitored closely. The Committee regularly reviews reports on this topic and has recommended that under the 2007 Agreement it should be compulsory for exporting Members to report on their imports of coffee by origin and form/type.
- Requests for information on specific topics such as costs of production and area under coffee, with a view to gathering data for future studies.



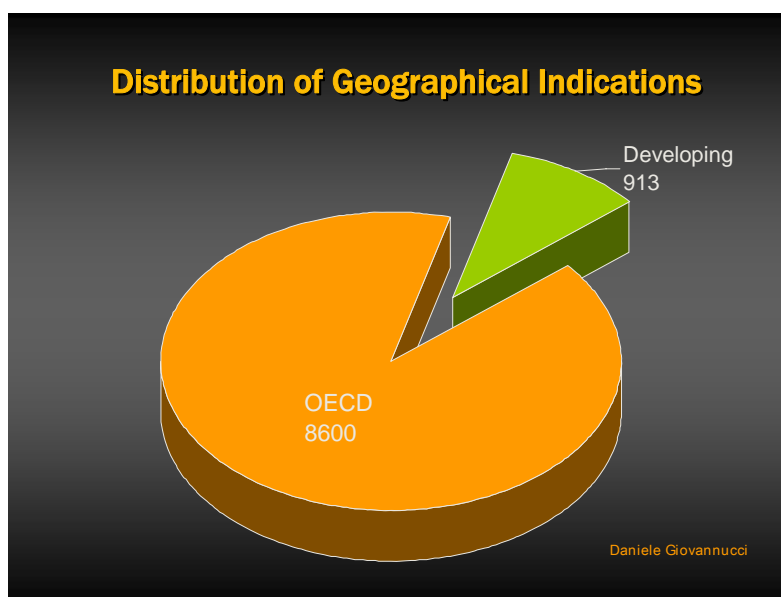
In addition to its regular work, the Committee finalized revisions to Rules on Statistics – Statistical Reports in the light of the new Agreement and reviewed changes to Certificates of Origin. The Committee will continue to consider scope for future improvements to statistics with a view to enhancing market transparency, and to urge Members to cooperate in providing timely and accurate data which will permit the Organization to carry out studies and socio-economic analysis to assist the coffee community in its decision-making.

GEOGRAPHICAL INDICATIONS FOR COFFEE

Background

The ICO held a Seminar on Geographical Indications (GIs) for Coffee on 20 May 2008 to inform Members about the concept of GIs, and their development and possible importance for the coffee industry. The Seminar provided an opportunity for representatives of the world coffee sector to learn about the latest findings on this topic, to share the experiences of countries which had already secured GI status for their coffees, and to benefit from first-hand information on how some important consumer markets were regulating this key tool.

GIs identify a product as originating in a specific geographical territory, region or locality, where a given quality, reputation or other characteristic is essentially attributable to its geographical origin. In other words, this concept is used to differentiate a product that has a specific geographical origin and possesses special features that are due to that place of origin. This concept can be used in marketing strategies to develop an image of a product grown or produced in certain geographical areas to enhance consumer awareness and, under some circumstances, receive premiums above the market price. Some coffee producers have followed the lead of a number of companies and producers of other commodities in implementing this marketing strategy.

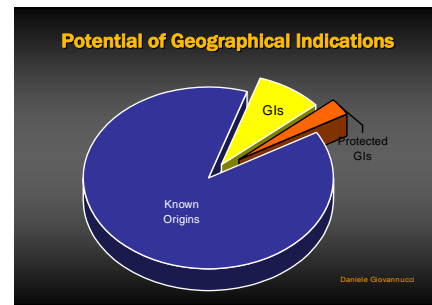


The event was chaired by Mr Max Schnellmann, Counsellor (Economic Affairs, Commodities), Embassy of Switzerland, London. It was divided into four sections: overview of key issues; use of GIs; issues of labelling, traceability and certification; and current legal issues. Presentations were made by eight international experts from the European Commission, Ethiopian Intellectual Property Office, Indonesian Coffee and Cocoa Research Institute, International Trade Centre UNCTAD/WTO (ITC), Ministry for Foreign Affairs of Italy, National Federation of Coffee Growers of Colombia, United States Patent and Trademark Office and the World Intellectual Property Organization.

The Chairman presented a summary report to the Council, which included the following conclusions:

- GIs and other forms of intellectual property (IP) protection (trademarks, certification marks, etc.) are not a magic solution for the world coffee economy. Nevertheless, they are unique and powerful tools that can potentially offer considerable benefits.
- GIs should be seen as complementary to trademarks, rather than as substitutes. They are one more tool in a range of options for coffee marketing strategies based on origin differentiation.
- A successful GI strategy requires the long-term commitment of resources, with the prospect of benefits also only in the long-term. This must be taken into consideration when considering embarking on a GI-type strategy.
- The country presentations showed that there is already a considerable wealth of practical experience and knowledge in this area. These countries are acutely aware of the pros and cons of GIs and other IP protection tools; they made a careful cost-benefit analysis at the outset, evaluated all the possible options and each chose an innovative and well-thought out approach, taking into account their level of development and their administrative and marketing capacities.
- The Seminar also facilitated a useful and civilized exchange about how GIs and other IP protection tools are dealt with at the international level.
- The ICO, with its unique comparative advantage as the established neutral forum on world coffee matters, can make a difference by encouraging more Member and non-member countries to share their practical experiences with GIs and other IP protection tools, thus contributing to its aim of achieving greater market transparency.

Copies of the Chairman's report and presentations made at the Seminar are available on the ICO website (www.ico.org/workshop.asp).



Conclusions

STUDIES

Survey on pests and diseases

In the light of concerns raised by Members about the proliferation of pests and diseases affecting coffee, the Organization conducted a survey on four leading coffee pests and diseases (coffee berry borer, coffee leaf rust, white stem borer and coffee wilt disease – tracheomycosis). Responses were received from 20 Members, representing close to 75% of world production. A summary report of these responses was published in May 2008 (document EB-3948/08).

Members indicated that the coffee berry borer was the most prevalent pest among the countries responding to the questionnaire, with 14 countries considering it a problem and three a major problem. As a result of the findings of the survey, Members decided to hold a seminar on the subject of the coffee berry borer in March 2009.

Table 5: Presence of coffee berry borer (survey on coffee pests and diseases)

A major problem	3	Cameroon, Democratic Republic of Congo, Jamaica
A problem	14	Brazil, Colombia, Costa Rica, Côte d'Ivoire, Ecuador, El Salvador, Ghana, Honduras, Kenya, Mexico, Nicaragua, Panama, Togo, Vietnam
Present	2	Central African Republic, Tanzania
Not present	1	Malawi

Coffee leaf rust was reported as the second most troubling plant health issue. It is either a problem or present in all countries of Latin America and the Caribbean region, and a problem or a major problem in all but one African country.

The white stem borer is present in all African countries except Ghana and deemed a major problem for Cameroon and the Democratic Republic of Congo, as well as a problem in three other countries. Worryingly, the disease has worsened in most affected African countries in recent years.

Coffee wilt disease (tracheomycosis) is a problem in some African countries, although producers in Latin America and the Caribbean region describe a stable or improving situation.

Obstacles to consumption

Article 33 of the ICA 2001 provides that Members shall recognize the utmost importance of achieving the greatest possible increase of coffee consumption as rapidly as possible, in particular through the progressive removal of any obstacles, such as taxes and duties applied to coffee exports and imports, which may hinder such increase.

A report containing updated information received from Members on obstacles to consumption was circulated in May 2008 (document ICC-100-6 Rev. 1), in order to enable the Council to assess compliance with the provisions of Article 33. The study contains information on taxes and duties, laws and regulations applied to coffee exports and imports by Member countries, as well as information on VAT in importing Members and in selected non-member countries where information is available.

INFORMATION SERVICES

Library/Information Section

The Organization's Library/Information Section is a unique research facility accumulating knowledge from a diverse array of sources and disseminating it to individuals and institutions across the globe, while also ensuring the supply of information essential to the development of the Organization's activities. During the past year Information Section staff have conducted research on issues such as productivity, production costs, sustainability, niche markets, tariffs, commodity exchanges and the historical origins of coffee.

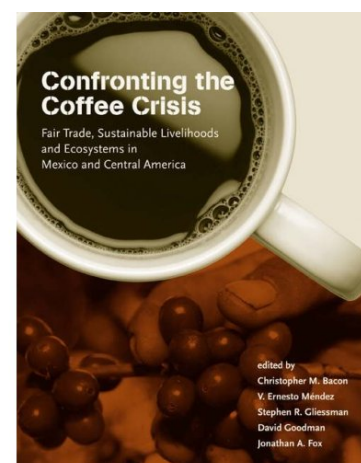
As well as providing a comprehensive reference source to ICO Members, the Library continues to open its doors to visitors from every corner of the coffee community. During the past year researchers from government and non-governmental organizations, the coffee industry, the media and academe have all benefitted from this valuable resource. In line with the ongoing commitment of the ICO to international cooperation on coffee, the Section hosted four interns from Member countries. In the same period the Section responded to almost 2,000 enquiries, ranging from straightforward requests for basic information or statistical data to enquiries of varying degrees of complexity.

The Organization's principal research tool is the *Coffeeline* database, a searchable online catalogue of material identified and processed by the Organization from 1973 through to the present, currently amounting to almost 38,000 entries. During 2007/08 the Section indexed 926 records for input on to *Coffeeline*, which is accessible via the ICO website (www.ico.org), together with the newly updated *Coffeeline search guide and thesaurus 2008*, which will facilitate the accurate identification of relevant material.

The website received more than 34,000 visitors per month on average during 2007/08 (an increase of almost 15% on the previous year) and continued to facilitate access to information generated by the Organization. Translation of the website into French, Portuguese and Spanish continued during the year, with the majority of the website now available in the four languages.

In addition to over 200 market reports and academic papers acquired during the review period, the Library has maintained its policy of acquiring significant new publications on every aspect of the coffee industry. Notable among them are *Confronting the Coffee Crisis: Fair Trade, Sustainable Livelihoods and Ecosystems in Mexico and Central America* by Christopher M. Bacon *et al*; *Making Sustainability Work: Best Practices in Managing and Measuring Corporate Social, Environmental, and Economic Impacts* by Marc J. Epstein; *Organic Coffee: Sustainable Development by Mayan Farmers* by Maria Elena Martínez-Torres; *Costs of In-Situ Conservation of Arabica Coffee in Montane Rainforest of Ethiopia* by Aseffa Seyoum; *The Hawaii Coffee Book* by Shawn Steiman; *Sacred Trees, Bitter Harvests: Globalizing Coffee in Northwest Tanzania* by Brad Weiss and *Plant-Parasitic Nematodes of Coffee* by Ricardo M. Souza.

New publications



In addition to the revenue generated through subscriptions to ICO documents and publications, the provision of a unique and comprehensive information service continues to make an important contribution in terms of generating goodwill and maintaining the ICO's reputation as the hub of the global coffee community.

FINANCE AND ADMINISTRATION

The Organization is financed by contributions from Member Governments. Members in each category of exporting and importing countries pay a contribution based upon their average coffee exports or imports as a percentage of total exports or imports. The total expenditure budget in 2007/08 was £2.9 million.

The Organization employs 30 people of 13 different nationalities and is headed by the Executive Director, Mr Néstor Osorio.

Two long-serving members of staff retired during the year: Mr Richard Marks, Head of Information Services and Ms Lucía Pérez-Valdés, Personal Assistant, who served the Organization for over 36 and 25 years respectively.

The Organization has extensive conference facilities at its headquarters in London, consisting of a Council Chamber and a Board Room which can accommodate over 280 people and 100 people, respectively. Both rooms have spacious lounges attached which can be used for a variety of meeting and entertainment functions. They have also been refurbished recently and equipped with the latest audio-visual and sound/interpretation equipment.

The Organization's regular meetings, seminars and workshops take place at these conference facilities. However, they are also hired out to a wide variety of international organizations and companies: use of the facilities has increased by over 120% in terms of revenue over the past two years. This is because the conference rooms are not only an attractive venue for parliamentary style meetings and presentations, but also constitute one of the few facilities in the United Kingdom with provision for simultaneous interpretation.

OFFICE HOLDERS

International Coffee Council

Chairman: Mr G.V. Krishna Rau (India) ■ 1st Vice-Chairman: Mr Iván Romero (Honduras) ■ 2nd Vice-Chairman: Mr Manuel Altimira (Spain) ■ 3rd Vice-Chairman: no nomination

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Chairman: Mr Christian Rasch Topke (ANACAFÉ) ■ Vice-Chairperson: Ms Florence Rossillion (ECF) ■ **Producer representatives:** *Colombian Milds:* Asociación de Exportadores de Café de Colombia (ASOEXPORT) ■ Eastern African Fine Coffees Association (EAFCA) ■ *Other Milds:* Asociación Mexicana de la Cadena Productiva del Café (AMECAFE) ■ Asociación Nacional del Café (ANACAFÉ) ■ *Brazilian and other Natural Arabicas:* Conselho dos Exportadores de Café do Brasil (CeCafé) ■ Conselho Nacional do Café (CNC) ■ *Robustas:* Association of Indonesian Coffee Exporters (AEKI) ■ Bourse du Café et du Cacao (BCC) ■ **Consumer representatives:** All Japan Coffee Association (AJCA) ■ European Coffee Federation (ECF) ■ ECF ■ ECF ■ Institute for Scientific Information on Coffee (ISIC) ■ National Coffee Association of the USA (NCA) ■ Specialty Coffee Association of America (SCAA) ■ Speciality Coffee Association of Europe (SCAE)

Promotion Committee

Chairman: Mr Mick Wheeler (Papua New Guinea)

Steering Group on Promotion (2006/07 – 2007/08)

Chairman: Executive Director ■ Vice-Chairman: Mr Mick Wheeler (Papua New Guinea) ■ **Exporting Members:** Brazil, Colombia, Côte d'Ivoire, Indonesia ■ **Importing Members:** France, Italy, Japan, United Kingdom ■ **PSCB:** Chairman and Vice-Chairman ■ **Promotion Committee:** Chairman and Vice-Chairman ■ **ICO:** Executive Director

Statistics Committee (2006/07 – 2007/08)

Chairman: Mr Jaime Junqueira Payne (Brazil) ■ Vice-Chairman: Mr Neil Rosser (Neumann Kaffee Gruppe, Germany) ■ **Exporting Members:** Mr Thiago Siqueira Masson (Brazil), Ms María del Pilar Fernández (Colombia) ■ **Importing Members:** Mr Rob Simmons (LMC International Ltd., UK), Mr Neil Rosser (Neumann Kaffee Gruppe, Germany) ■ **Executive Director:** Mr David Brooks (USA), Mr Corneille Tabalo (Democratic Republic of Congo)

Finance Committee (2006/07 – 2007/08)

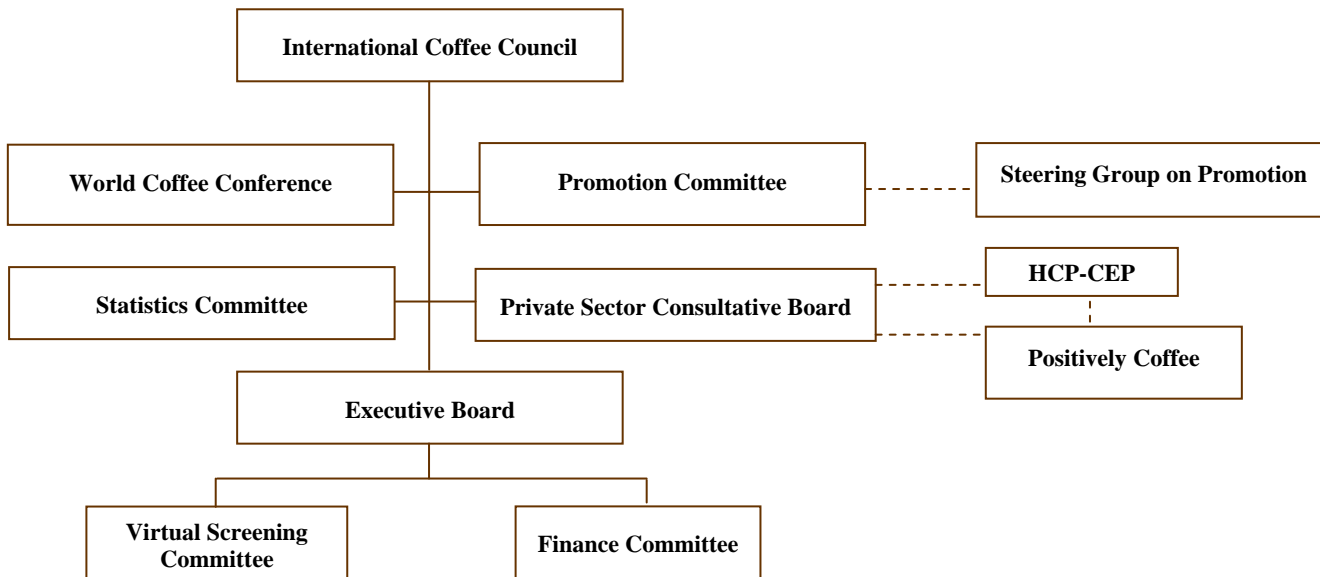
Chairman: Mr Mick Wheeler (Papua New Guinea) ■ **Exporting Members:** Brazil, Colombia, Côte d'Ivoire, Papua New Guinea ■ **Importing Members:** EC – Spain, Japan, Switzerland, USA

Virtual Screening Committee

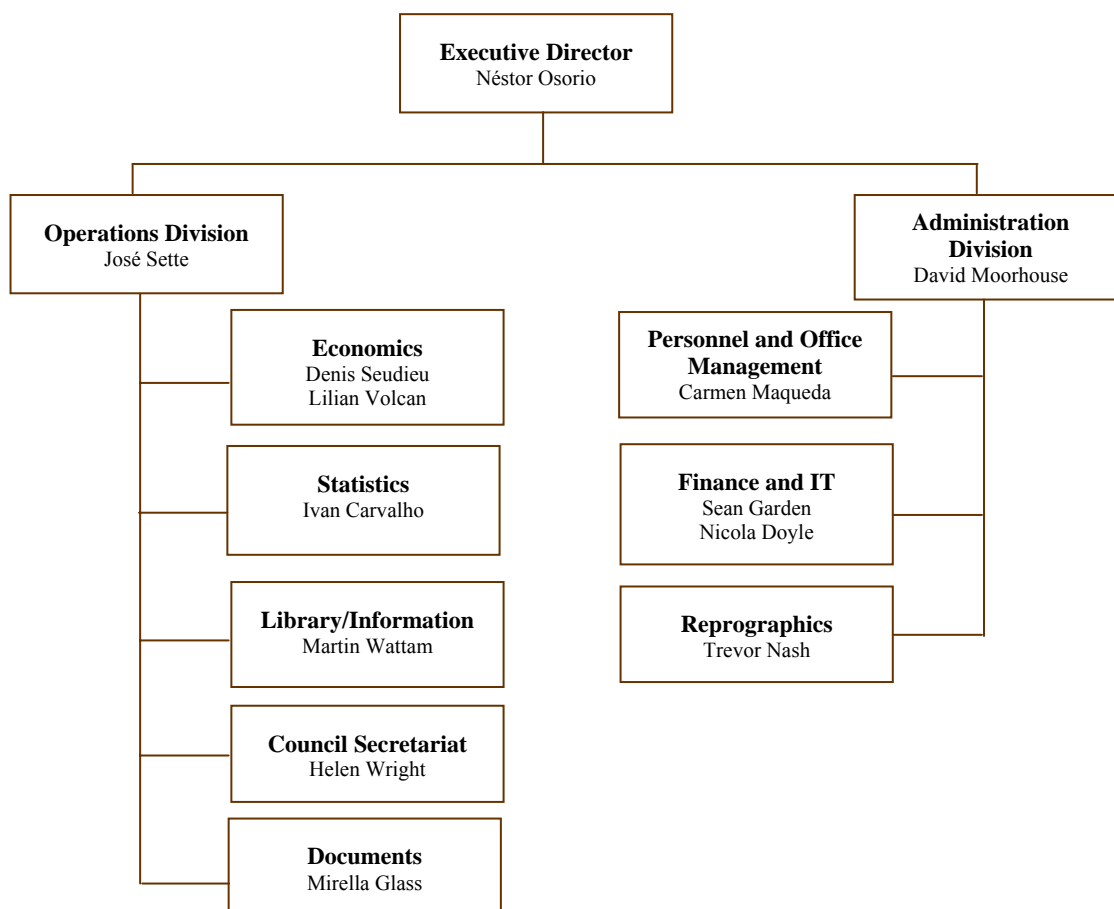
Chairman: Executive Director ■ **Exporting Members:** Brazil, Côte d'Ivoire, Guatemala, Indonesia ■ **Importing Members:** Germany, Italy, Spain, USA

ICO STRUCTURE

ORGANIZATIONAL STRUCTURE



SECRETARIAT STRUCTURE



Conference facilities at the International Coffee Organization



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Delegates Lounge



Conference Lounge



Board Room



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