



INTERNATIONAL COFFEE ORGANIZATION
ORGANIZACIÓN INTERNACIONAL DEL CAFÉ
ORGANIZAÇÃO INTERNACIONAL DO CAFÉ
ORGANISATION INTERNATIONALE DU CAFÉ

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**Report of the Promotion and Market
Development Committee on the 5th meeting
held on 4 March 2013**

1. The Promotion and Market Development Committee, chaired by Mr Andrea Illy of the EU-Italy, met in London on 4 March 2013 for the fifth time under the 2007 Agreement.

Item 1: Adoption of the Agenda

2. The Committee adopted the draft Agenda contained in document PM-20/12 Rev. 1.

Item 2: Election of the Chairperson and Vice-Chairperson for 2012/13

3. The Committee decided to re-appoint Mr Andrea Illy of the EU-Italy as Chairperson and Mr Rodolfo Trampe of Mexico as Vice-Chairperson for 2012/13.

Item 3: Promotion and market development under the ICA 2007

4. The Chairperson reported that since the last meeting, he had worked closely with the Secretariat to prepare for the implementation of the Plan for Promotion and Market Development agreed by the Council in September 2012 (see document ICC-109-13). He had received positive feedback on the Plan and support for its implementation from leading exporting and importing countries and the private sector. Expo 2015 in Milan would provide an excellent opportunity to promote coffee with around 20 million visitors expected, and he was continuing to explore the possibility of Italy hosting the next World Coffee Conference at that time, in view of synergies with Expo. Under the Plan, ICO activities would focus on promoting value through quality, health and sustainability. No budget was proposed, as the ICO would act as a catalyst by developing a multi-stakeholder network of partners and promotion agents who would implement the Plan on a voluntary basis. Document PM-24/13 contained draft agreements with promotion agents and partners, as well as a list of potential promotion agents.

The latter would be instrumental in recommending partners who would participate in the network on the invitation of the ICO, and coordinating their activities. The agreements were flexible and proposed guidelines within which the different parties would operate, under the overall management of the Committee and a Steering Group, to ensure that communications and activities reflected the values of the Plan. With respect to the idea of a holistic claim such as 'Coffee, good life' to be used on a voluntary basis in communications, following further discussions with potential partners, this might not be necessary given the many different linguistic and cultural factors in participating countries.

5. Members noted that more time was needed to consider document PM-24/13 which had only just been circulated and suggested that it would be preferable to have a more streamlined approach, rather than a formal agreement which could be a constraint. The point was also made that a promotion agent could be either an individual or an institution such as a national coffee association.

6. The Committee noted that, as suggested at the last meeting, document PM-21/12 containing draft terms of reference for a Steering Group on Promotion had been prepared to assist the Chairperson of the Committee in implementing the Plan. The document had been reviewed by a working group composed of Brazil, Costa Rica, the EU, India, Indonesia, Mexico, Tanzania and the USA, and open to all interested Members, and had been circulated to all Members for comments by **4 February 2013**. No comments were received by that date. Following discussions on this item, the Committee decided adopt the terms of reference for the Steering Group, noting that it would comprise four exporting Members and two importing Members who would operate for a period of two years from October 2013.

7. With respect to CoffeeClub, the Committee noted that P&A International Marketing had continued to operate it in accordance with the contract with the ICO. The number of participants had not yet recovered to levels before it was updated to be compatible with the Internet 2.0. To recover participation levels, it would be necessary to have more proactive mediation including postings in languages other than English; however this was not compatible with the current business model. P&A International Marketing would continue to try to develop a viable business model and was at the disposal of Members to investigate ways in which CoffeeClub could support the new Plan and strategies being developed. A link to CoffeeClub was available on the ICO webpage and Members were encouraged to participate in it actively.

8. Regarding coffee and research, the Committee noted that the Executive Director had participated in the 24th International Conference on Coffee Science (ASIC) in Costa Rica in November 2012, and as agreed in September 2012, ICO Exporting Members had made a financial contribution of US\$5,000 from the Promotion Fund towards the event.

Item 4: Promotion and Special Funds

9. The Committee noted that at the last meeting, the Chairperson had advised that, if exporting Members decided to allocate Special Fund resources to further develop coffee and health programmes with the Institute for Scientific Information on Coffee (ISIC), ISIC would consider the possibility of providing matching funding. The Chairperson reported that ISIC was open to considering a proposal from exporting Members and the possibility of matching funds. Following consultations, exporting Members were willing in principle to consider using some of the Special Fund for promotion activities, on the understanding that matching funds would be provided by importing Members, and the balance for projects. Clarification was needed on how the resources would be used before a final decision could be taken. The Chairperson would discuss this with representatives of Brazil, Côte d'Ivoire, Guatemala and Indonesia this week, following which exporting Members would consider this issue further. The Committee also noted that Turkey had considerable experience in the promotion of hazelnuts including establishing a fund and activities to promote health aspects and was willing to share this with Members. Members expressed their appreciation for this offer.

**Item 5: Implementation of the
Coffee Quality-Improvement Programme (CQP)**

10. The Head of Operations introduced document PM-23/13 containing a report on the CQP for calendar years 2005 to 2012 and said that 32 exporting Members of the ICA 2007 were implementing Resolution 420, of which 25 fully complied with the parameters set out in the Resolution. These 32 Members accounted for around 70% of average world exports in the period 2005 to 2012. The Head of Operations also introduced document PM-22/13 containing a report on gradings for Arabica and Robusta coffees for calendar years 2005 to 2012. The Committee took note of this information.

Item 6: Other business

11. There was no other business to discuss.

Item 7: Date of next meeting

12. The Committee noted that the next meeting would take place in Belo Horizonte, Brazil at the time of the 111th Council Session from 9 to 12 September 2013.