



OFFICIAL LAUNCH OF GLOBAL COFFEE FORUM

**OPENING REMARKS OF THE EXECUTIVE DIRECTOR
INTERNATIONAL COFFEE ORGANIZATION**

MILAN, 29 SEPTEMBER 2015

Your Excellencies
Honourable Ministers
Representatives of the Diplomatic corps
Distinguished delegates
Ladies and Gentlemen

On behalf of the International Coffee Organization, I would like to convey my warmest appreciation and gratitude to the Italian Government, in particular Mr Maurizio Martina the Italian Minister of Agriculture and Forestry, for hosting the 115th Session of the the International Coffee Council here in Milano.

I would like to also acknowledge my gratitude to Mr Andrea Illy, Chairman of the ICO Promotion and Market Development Committee, as well as Mr Mario Cerutti, President del Comitato Italiano del Caffè, who as part of the Organising Committee have prepared this event with such exceptional professionalism.

The Global Coffee Forum is a joint effort of the public and private sector. Over the next two days, coffee experts and representatives from coffee producing and consuming countries will get together with a wider audience to discuss a variety of topics important to the coffee sector.

Strongly supported by Illy and Lavazza, two of Italy's leading coffee companies, Jacob Douwe Egberts, Fiera Milano Congressi, and EXPO Milan, the event is jointly organised by the Italian Ministry of Agricultural and Forest Policy, the Italian Coffee Committee, and the International Coffee Organization.

Ladies and gentlemen, this is a very important moment for the coffee sector. Coffee has never been more popular. We have seen consumption soaring over the past two decades. Today, almost 150 million bags of coffee are consumed annually which is 50 per cent more than 20 years ago. All indicators point to further growth in the future. We estimate that by 2025 world coffee consumption will increase at least by another 25 million and reach 175 million bags. This is due to the rising demand in emerging markets and in producing countries.

Over the past decade, the average growth rate of consumption at 6 ½ per cent in non-traditional coffee nations such as China, South Korea and Russia has been more than six times higher than growth in traditional markets. This phenomenal development is due to continued change and transformation in those countries such as urbanisation and rising per capita income, still leaving significant room for further growth.

Another important factor is new consumer trends such as specialty coffee which are re-energising the growth in markets that have been regarded as traditionally quite saturated.

In the view of more and more consumers, coffee currently undergoes a transformation from a staple into a lifestyle good. With the rise of specialty coffee, flavours and origins as well as roasting styles are becoming increasingly important and promote the differentiation of coffee. Value is added to the bean, with economic benefits to both producers and processors.

On the one hand, the prospect of growing demand for coffee and the “de-commodification” of the bean is certainly most welcomed by the more than 25 million families in less developed countries whose livelihood depends on coffee farming as well as millions more worldwide who are engaged in the coffee industry.

On the other hand, many structural problems faced by growers and the coffee industry remain while new challenges arise. Productivity in many growing regions remains low while the cost of production increases. There is an urgent need to increase skills at farm level and improve access to markets while promoting equal opportunities in order to enable male and female growers to produce more and better quality coffee in an environmentally sustainable way.

In the near future, the impact of climate change on coffee production is likely to become increasingly visible. More frequent extreme climatic events – frost, draught or prolonged rainfall – could have severe negative effects on the crops, ultimately affecting the global coffee market. Volatility of coffee prices, which is already high, could further increase. Small producers especially – 70 per cent of the world coffee output comes from small farms – often lack the instruments to mitigate risks and hence are among those hit hardest.

In order to foster growth in the coffee sector that is inclusive and viable in the long-term, we need to develop solutions which help to further increase both the environmental and social sustainability of the entire value chain. There is no doubt that the coffee sector currently faces many challenges and thus the timing is right for this event.

The Global Coffee Forum is extremely well placed here in Italy. This country has a long and rich history in coffee and is home to a world renowned coffee culture. In fact, it was via Italy that the bean was first introduced to Europe. Italian style coffee has come a long way since the first “café” opened in the late 17th century in Venice, which at the time was also a major hub for the coffee trade. Today, with annual consumption of almost 6 million bags, Italy has

established itself as the second largest coffee nation in Europe. The skill of Italy's roasters and the ingenuity of this country's equipment manufacturers have been vital in creating global brands that are cherished ambassadors of Italian coffee culture. The strong and aromatic brew, produced by forcing water through tightly packed ground beans, which we all know by the name "Espresso", has conquered the world and nowadays can be found virtually everywhere around the globe. Out of all Italian cities, Milano is particularly well placed to hold the Global Coffee Forum. Hosting the EXPO 2015 with its theme "Feeding the Planet, Energy for Life", Milan has become a major hub for exhibiting and enabling discussion about food and agriculture in a global context. It is expected that until October some 20 million visitors will have come to EXPO 2015. Milan has also hosted various food and agriculture related events including major scientific conferences and workshops. Important messages on the future of food and farming have been formulated here in Milan and were sent out to the world.

It is precisely this spirit and momentum we are going to build on for the Global Coffee Forum, as – for the next two days – we will turn Milan into the coffee capital of the world.

Today and tomorrow, the discussion is going to focus on issues extremely relevant to the coffee sector.

The first Global Coffee Forum is going to be a truly interdisciplinary event with leaders and experts in the coffee sector contributing to a better understanding of the challenges and opportunities ahead of us.

Finally, I would like to express my gratitude to the distinguished panellists who have generously accepted our invitation and agreed to share with us their experience and knowledge.

The Global Coffee Forum will provide us with a concrete vision of a sustainable world coffee sector. It is my hope that the results of the two days of intensive discussion will contribute to the pool of ideas which has so far emerged at the many important events held here in Milan during this EXPO year. I am convinced that the results of the Global Coffee Forum will help us in the process of forming and implementing the vision of a sustainable, global coffee sector.

Ladies and Gentlemen, I wish you all two informative, inspirational and productive days here in Milan!

Thank you very much for your attention.