

## PSCB 144/15

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# Report of the Private Sector Consultative Board on the meeting of 4 March 2015

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1. The Private Sector Consultative Board (PSCB) met in London on 4 March 2015.

### Item 1: Adoption of the Agenda

2. The PSCB adopted the draft Agenda contained in document PSCB-143/14 Rev. 3.

## Item 2: Ratification of the Chairman and election of the Vice-Chairman for 2014/15

3. The PSCB ratified the appointment of Mr Ric Rhinehart of the SCAA as the Chairman and elected Mr Leman Pahlevi of GAEKI as the Vice-Chairman.

## Item 3: Report on the meeting of 24 September 2014

4. The PSCB approved the report of the meeting of 24 September 2014 contained in document PSCB-142/14.

#### Item 4: World Coffee Research

5. The Chairman gave an update on the work of WCR. WCR is the only multinational coffee research foundation primarily funded by the private sector, and has advanced rapidly over the last year. It is currently implementing a dozen active projects, which are already showing results. He highlighted four main supply constraints to coffee in the 21<sup>st</sup> century, including climate change, ageing tree stock, disease and insect pressures, and increasing consumer demand. Recent research highlights for WCR have included providing resistant varieties to farmers in Central America, improving the seed options for farmers and expanding genetic diversity. WCR has also been implementing an International Multi-Location Variety Trial to exchange information on varieties and expand the amount of variety material available. It was emphasised that the activities of WCR are critical to the global coffee sector, and its work should be supported enthusiastically.

#### Item 5: Coffee leaf rust

6. The representative of USAID gave an update on its work on <u>coffee leaf rust</u> in Central America. It was emphasised that the rust crisis has not gone away, it is just covered less in the news. There is still a need for research, finance, technical assistance and coordination. USAID had been working in partnership with organizations like World Coffee Research, Root Capital, Smuckers and TechnoServe on these issues, and had also funded a coordinator position in PROMECAFÉ in Costa Rica. In discussions on this item, it was noted that at the

5<sup>th</sup> Consultative Forum on Coffee Sector Finance, held on 3 March 2015, it was made clear that there was significant finance available worldwide for projects, yet there seemed to be a disconnection between this availability and delivering the money at the farm level.

## Item 6: Coffee Quality Institute (CQI)

7. The representative of CQI gave an update on its work on gender since September 2014, specifically the <u>Partnership for Gender Equity Initiative</u>. This represented a real opportunity to move forward from talking about women to the more general issues of supply sustainability and the future of the coffee business. This approach was characterised as 'All hands on deck', getting all voices to the table and fully using the resources available. The CQI was currently in phase one of its initiative, research and development, and a report on this would be available by the next ICO Council Session in September 2015. Finally, the CQI invited all PSCB members to collaborate, and any feedback or comments regarding the initiative would be greatly welcomed.

#### Item 7: Vision 2020

8. A representative from the 4C Association gave a presentation on the work of <u>Vision 2020</u>, emphasising the use of collective action to bring the supply chain together to pool resources. This was an ongoing initiative, with a workshop scheduled for April 2015 to discuss further, an invitation to which was extended to the Board. The SCAA and the SCAE both confirmed that they would like to be represented at this workshop. The PSCB also discussed the proposed Memorandum of Understanding between the ICO, the 4C and IDH, and agreed that this would be a significant step forward in advancing collaboration.

#### Item 8: Food safety aspects

9. The representative of the ECF gave an update on developments in Europe regarding food safety. The EFSA had delivered its draft opinion on caffeine and health in January 2015, which was generally considered positive and reasonable. Its main conclusions were that for adults, single doses of caffeine up to 200mg and daily intake of up to 400mg were considered safe, and that for pregnant women, caffeine intake of up to 200mg a day were considered safe for the foetus. It was emphasised that there was a difference between safe limits and maximum limits. There was now a period of public consultation until March 2015, and a final opinion would be expected in April. The difference between caffeine and coffee must be highlighted, and it was noted that the caffeine content of a cup of coffee can vary widely.

- 10. There had also been developments in Europe regarding the issue of acrylamide in food. A draft opinion on acrylamide had been released by EFSA in July 2014, and a final opinion was expected in summer 2015. Acrylamide had been named as a "public health concern", even though "human studies... had provided limited and inconsistent evidence of increased risk of developing cancer". Once this opinion was final, the European Commission and member States were expected to consider possible regulatory measures.
- 11. It was recommended that the ICO Secretariat continue to follow these developments closely, including similar concerns in the USA, and keep Members informed.

#### Item 9: World Coffee Conference

12. The delegate from Ethiopia introduced the two potential themes which had been suggested for the 4<sup>th</sup> World Coffee Conference, which would be held in Ethiopia in 2016. These were 'Celebrating coffee culture, from seed to cup' and 'Increasing consumption through diversity and culture'. It was suggested by the Board that these two themes could be merged, as the cultural context of consumption is essential in enhancing the pleasure of drinking coffee. It was also noted that the standard had been set high in Guatemala in 2010, with a wide and engaging set of speakers.

#### Item 10: Other business

- 13. The PSCB received a presentation from a climate change risk company called <u>Nehme Commodities</u>, who offers rainfall insurance to agricultural producers. This was considered an interesting presentation, but in the following discussions, it was emphasised that agricultural risk is complex, and such tools can be complicated. Insurance against rainfall does not offer protection against coffee leaf rust, for example, and the more events one tries to protect against, the higher the insurance premium will be. There is a fine balance between complexity and coverage.
- 14. The ECF informed the Board that the results of an ICO/CFC project on the prevention of mould formation had previously been made available on an FAO website, but this had now been discontinued. However, the information from this project was still highly relevant, and needed to be made available somewhere. The Head of Operations agreed that this information was useful, and that it could be maintained on the ICO website, which was currently in the process of being updated.
- 15. Finally, the PSCB discussed the forthcoming International Coffee Day, and expressed its collective opinion that this day should be a celebration of coffee, not a fundraising opportunity, and that the ICO should stay independent in this matter. It was also noted that

the idea for International Coffee Day originated from a recommendation from the PSCB, based on the German national coffee day. It was hoped that the Board's opinion would be taken into account by the Council.

## Item 11: Future meetings

16. The PSCB noted that the next meeting would take place during the 115<sup>th</sup> Session of the Council in Milan, Italy from 28 September to 2 October 2015. The Chairman informed Board members that he would be in contact in the forthcoming months to solicit thoughts and suggestions on the Agenda for the upcoming meeting.

### LIST OF ACRONYMS USED IN THIS REPORT

CFC Common Fund for Commodities

CQI Coffee Quality Institute

ECF European Coffee Federation

EFSA European Food Safety Authority

EU European Union

FAO Food and Agriculture Organization of the United Nations

GAEKI Indonesian Coffee Exporters Association

ICO International Coffee Organization

PSCB Private Sector Consultative Board

SCAA Specialty Coffee Association of America

SCAE Speciality Coffee Association of Europe

WCR World Coffee Research