



**IWCA Convention 2015
'Coffee & trade beyond barriers'**

**Opening remarks of the Executive Director of the
International Coffee Organization**

Bogota, 15 October 2015

Friends of coffee,

I would like to express my gratitude to the Colombian Coffee Growers Federation (FNC) and to the International Women's Coffee Alliance (IWCA) for the invitation to speak here in Bogota at the IWCA Convention 2015.

This is the fourth session of this important Conference and I would like to congratulate the President of the IWCA, Mery Santos, and her organisation and the Chief Executive Officer of the Colombian Coffee Growers Federation (FNC), Roberto Vélez Vallejo, for drafting an extremely interesting conference. Since 2003, the IWCA has been successfully campaigning for women's economic empowerment in the global coffee community. This effort is very much appreciated by the International Coffee Organization (ICO). We believe that gender equality is an important element for a sustainable coffee sector.

The coffee industry has come a long way addressing the challenge of producing and sourcing quality coffee which meets improved environmental, social and economic criteria. Sustainability has become a core feature of coffee production strategies and over the past decade we have witnessed a transformation of the coffee industry. Due to the efforts of various stakeholders – including the IWCA – gender equality has become an integral part of the agenda but there is still more we can do in terms of collective action.

Over the next few minutes, I would like to share with you a few thoughts on the future of the coffee sector. In particular, I would like to highlight how a strengthened role of women in the sector will contribute to address the challenges ahead of us successfully. Finally, I will briefly outline how I think we can work together to promote gender equality.

Market outlook

Let me begin by providing some context on the coffee market.

At no point in history has the world been drinking more coffee than today. 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 by another 25 million and reach 175 million bags.

This positive trend is driven by three factors: first, by the rising demand for coffee in producing countries; second, by strong growth in consumption in emerging markets; and finally, by increasingly dynamic traditional markets.

Since we are in Colombia, let me turn first to the producers. Over the past four years we have seen demand increasing by 2.5 per cent across all coffee producing countries. Consumption has reached 46 million bags which is 31 per cent of the world total. In Colombia, however, growth was more dynamic due mostly to the success of the Programme “Toma Café” developed by the Federation in partnership with the national coffee industry. Thanks to this Programme, coffee consumption grew at a rate just over 5 per cent per annum in the same time period, with a positive outlook for the future.

Nonetheless, emerging markets make the biggest contribution to growth in global demand. Over the past decade, the average annual growth rate of consumption in non-traditional coffee nations such as China, South Korea and the Russian Federation has been 6.5 per cent. This is more than six times higher than growth in traditional markets. The main drivers of this impressive development are continued change and transformation in the emerging coffee nations. For example, urbanisation and rising per capita income fuel coffee consumption. In these countries per-capita consumption is still low, for example in China it stands at only 83 grammes compared to 2.3 and 3.5 kilogrammes per head in South Korea and Japan, respectively. There is still significant room for further growth.

In traditional markets which have been regarded as quite saturated, we observe that new consumer trends such as specialty coffee reinvigorate growth. 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. Colombia takes advantage of this

trend – the thriving ExpoEspeciales provides a great example for how well this country has positioned itself in the specialty segment.

The increased demand will have to be met by coffee producers around the globe. In many parts of the world, however, growers and the coffee industry face severe structural problems. At the same time new challenges arise. Productivity remains low in important growing regions while the cost of production increases. There is an urgent need to increase skills at farm level and to 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, drought 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 often lack the instruments to mitigate risks and hence are among those hit hardest.

Colombia is a good example of a country that has experienced these challenges. But it is also a country that has been very successful in strengthening its coffee sector. Subsequent to the 2008 outbreak of coffee leaf rust, combined with weather shocks such as severe flooding in parts of the country, output decreased by 30 per cent from 11.5 to 7.7 million bags. As a result of investment in the sector, such as new trees and improved extension programmes, there has been a remarkable recovery of production. Colombia has not only made up previous losses, but this year realised a record harvest of 13.3 million bags. This is a 56 per cent increase over the low point following the 2008 problems.

Empowering women to increase the productivity of the coffee sector

Strengthening the resilience of farmers against such shocks is of utmost importance. However, there is more we must do in order to meet the increasing demand for coffee. A key to higher productivity in the sector is the empowerment of women along the coffee value chain.

We need to recognise the important role women play in the agricultural sector and we need to work together to provide women with the opportunities to unfold their potential fully.

There is strong evidence about the importance of women in agriculture – from seminal work by the Food and Agriculture Organization of the United Nations (FAO) to a comprehensive study by the Coffee Quality Institute, which was presented at the Global Coffee Forum, two weeks ago in Milan.

The FAO estimates that – depending on the country – women comprise between 20 and 50 per cent of the agricultural labour force and make up 3 to 20 per cent of the landowners.

However, women have less access than men to productive resources. There is a significant gender gap for access to land, credit, pesticides and fertilisers as well as extension services. Women are also often more constrained by time due to the double burden of domestic and farm work. Households headed by women have smaller landholdings and less marketable output.

It is precisely this imbalance which makes women less productive than men – with severe economic implications. An empirical study undertaken by the London-based NGO ‘Twin’ indicates that in some areas of East Africa income of female farmers derived from coffee production is 40 per cent lower compared to male coffee producers.

Nonetheless, research shows that the gender gap can disappear if women are provided with the same access to production factors and skills. Women reach the same productivity levels as men and can significantly improve the farm income. According to the FAO, closing the gender gap could increase the output of farms headed by women by 20 to 30 per cent.

Working towards gender equality in the coffee sector

There is a need to continue working together in order to overcome the constraints which currently hold back female producers.

For example, women need to be included in technical training. Women’s access to finance need to be improved. Women’s role in the marketing cash crops need to be strengthened – this also means overcoming barriers resulting from established cultural norms. These steps are crucial in order to increase productivity in the coffee sector.

However, efforts to promote gender equality should not be limited to the producer. It is extremely important to strengthen the role of women along the entire coffee value chain. For example, women are still underrepresented in producer organisations and too few women hold leadership roles in the sector.

Over the past few years, the coffee sector has made significant progress in translating the call for gender equality into concrete actions. It is heartening to see many initiatives of various stakeholders in the coffee sector which aim at promoting equal opportunities through initiatives for coffee producers, coffee consumers as well as policymakers.

The ICO – as an intergovernmental organisation – facilitates the exchange between the public and the private sectors on gender issues. As part of the public private partnership ‘Vision 2020’, gender has been identified as one of the core programmes. In July 2015, a workshop organised by the ‘Sustainable Coffee Program’ and co-hosted by ICO and the 4C Association brought together key stakeholders from the coffee sector.

The ICO has also incorporated gender mainstreaming through a dedicated gender analysis in the design of its projects and developed interventions that support empowerment of women, e.g. through female producer groups.

These are important steps, but there is much more we can do. Hence, the ICO continues to work with its members and partners towards creating a deeper understanding of the importance of gender equality in the coffee sector.

Ultimately, it is important to realise that gender equality is both a fundamental human right and a necessary foundation of an economically prosperous coffee community. This notion is well reflected in the new sustainable development agenda which was adopted by the United Nations on 25 September in New York: achieving gender equality and empowering all women and girls has become the fifth Sustainable Development Goal.

Conclusion

I would like to conclude by reiterating, that 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 increase not only the environmental but also social sustainability of coffee production. We need to create an enabling environment for women to thrive and become leaders in all areas of the coffee sector.

Thank you very much for your attention.