



**Interactive workshop at EXCO 2019:
'Price volatility and sustainability: Development challenges and solutions for smallholder farmers in the coffee value chain'**

1. The Executive Director presents his compliments and wishes to remind Members, observers and members of the Private Sector Consultative Board, that they are warmly invited to an interactive workshop on 'Price volatility and sustainability: Development challenges and solutions for smallholder farmers in the coffee value chain', held as part of EXCO 2019 – the first international exhibition dedicated to international cooperation – on 16 May 2019 from 11:15 to 13:00 in Rome, Italy.

2. Hosted by the ICO, in partnership with the Directorate General for Development Cooperation of the Italian Ministry of Foreign Affairs and International Cooperation, this workshop forms part of the ICO's 'Structured Sector-Wide Dialogue' which the ICO is leading as part of its actions to implement Resolution 465 on Coffee Price Levels.

3. Participants will focus on the sustainability of the coffee sector to give an opportunity to understand the constraints and the sustainability challenges of the coffee value chain and to identify innovative solutions, focusing on price volatility, productivity and climate change. The discussion at EXCO2019 will seek to identify potential public-private partnerships to find solutions for the coffee sector to implement the 2030 Sustainable Development Agenda. A concept note and updated programme is attached at the Annex.

Attendance at the ICO-led events

5. Further to the decision of the International Coffee Council at its 124th Session, Members expressed their commitment to mobilize their diplomatic representations in Italy and to international organizations in Rome to ensure active participation.

6. We encourage all Members, observers and members of the Private Sector Consultative Board to attend as part of the structured sector dialogue that is an integral part of the implementation of Resolution 465.

7. In order to attend the conference, all interested parties must register at:

<http://survey.fieraroma.it/execute/survey?surveyID=registrazione-exco2019&action=start&lang=en>

exco2019



PRICE VOLATILITY AND SUSTAINABILITY Development Challenges, Opportunities and Solutions for Smallholder Farmers and the Coffee Value Chain

INTERACTIVE WORKSHOP

THE INTERNATIONAL COOPERATION EXPO
SALA AURELIA (HALL 10), FIERA DI ROMA
16 MAY 2019, 11:15 - 13:00



INTERNATIONAL
COFFEE
ORGANIZATION



*Ministry of Foreign Affairs
and International Cooperation*

BACKGROUND

The global coffee sector involves over 12 million farming households in coffee-producing countries, and the coffee value chain supports over 120 million jobs all over the world with has an annual turnover greater than US\$200 billion.

The prices of green coffee have declined by over 30% since 2016 reaching alarmingly low levels in 2018. The coffee community recognizes that urgent action must be taken to alleviate the damaging impact of this situation on the livelihood of millions of coffee-farming families. Trends in early 2019 show that prices are further declining and are not expected to improve significantly in the short-term, even though coffee consumption continues to grow at around 2% every year. Therefore, the burden placed on coffee growers and their families is expected to become even heavier.

The livelihoods of smallholder coffee farmers are being seriously compromised by shrinking income, since prices paid to farmers, in many instances, are insufficient to cover production costs. This imbalance increases food insecurity and reduces access to health and education, especially for the youth and women, and has the potential to increase social unrest, and even rural to urban and overseas migration flows.

The coffee price crisis is also negatively impacting both the quality and quantity of coffee produced by coffee farmers, who cannot invest in the good management or maintenance of their coffee trees. Their productivity is also jeopardized by the growing impact of climate change, which poses a serious threat to the future availability of supply and the sustainability of the coffee sector. Current low coffee price levels also foster concentration of production in a small number of highly competitive origins. Today, just five countries produce over 70% of the world's coffee. Losing diversity of origins increases the global coffee sectors' vulnerability to severe market shocks such as extreme weather events or pests and disease affecting any of the top producers with a potentially dramatic impact on industry, workers and consumers.

In September 2018, at its 122nd Session in London, the International Coffee Council, the highest authority of the ICO, adopted Resolution 465 on "coffee price levels" to address the impact of low prices on the livelihoods of coffee farmers as well as long-term sustainability of the sector. This Resolution provides the ICO with a strong mandate to respond to currently low coffee prices by launching a sector-wide stakeholders dialogue that engages all value chain actors as well as the international community.

The objective of the Sector Dialogue is to (i) identify long-term and transformational solutions that can be implemented jointly by coffee growers and other sector stakeholders to address price levels and volatility, and (ii) foster commitments by the ICO Member governments and downstream coffee value chain actors (traders, roasters, retailers) to endorse and support the implementation of the recommended solutions in order to foster the economic, social and environmental sustainability of the sector.

The stakeholders dialogue is being implemented through: a Sustainability Seminar in Nairobi (March 2019), two events at the United Nations HQ (April 2019), this workshop at EXCO 2019 in Rome (May 2019) and the forthcoming one at European Commission in Brussels (June 2019).

This process culminates in a CEO Forum involving industry leaders and top policy-makers to be held as part of the 125th Session of the International Coffee Council that will take place from 23-27 September 2019 in London where a joint declaration of intent with concrete actions and a roadmap is expected to be signed.

The significant platform provided by EXCO2019 – the first global international cooperation expo – which is supported by the Ministry of Foreign Affairs and International Cooperation of Italy, together with the Italian Agency for Development Cooperation (AICS) and by the European Commission's Directorate-General for Cooperation and Development, is a key component of the ICO strategic process.

The ICO-led workshop¹ will engage representatives of the coffee industry, financial institutions, governments, development agencies, international organizations and NGOs that support the coffee sector. Participants will explore constraints, sustainability challenges and opportunities for the coffee sector, as well identify innovative solutions, including public-private partnerships options. The focus will be on develop programmes and projects addressing the social and economic impact on coffee farmers of price levels and volatility, climate change and low productivity, in order to fight poverty and increase the sustainability of the coffee sector as a whole. These efforts will also contribute to the implementation of the 2030 Sustainable Development Agenda – the Sustainable Development Goals (SDGs).

AUDIENCE

ICO members and their diplomatic representations in Italy and to international organizations in Rome, public and private representatives of the coffee sector (coffee growers and their associations, traders, roasters and retailers), development partners, civil society, experts, academia.

LANGUAGE

The Workshop will be held in English. No interpretation will be provided.

ABOUT THE INTERNATIONAL COFFEE ORGANIZATION (ICO)

Founded by the United Nations in 1963, the ICO is a multilateral inter-governmental organization that works through international cooperation to strengthen the global coffee sector and promote its sustainable development in economic, social and environmental terms. ICO Member Governments represent 98% of the world's coffee production and over two-thirds of world consumption, providing a unique forum for the global coffee community. Italy is a member of the ICO through the European Union that as signatory of the International Coffee Agreement ICA (2007) represents all its current 28 EU Members.

The ICO is committed to contributing to the implementation of the 2030 Sustainable Development Agenda.

¹ The Workshop, in Davos style, will also provide the opportunity to discuss the development of joint programmes (ICO, FAO, IFAD, UNIDO, Italian Cooperation...) on the coffee value chain, livelihood and decent income for smallholder farmers and sustainability.

AGENDA

Introduction and moderator, **Gerardo Pataconi**, Head of Operations, ICO

PANEL I: Challenges and opportunities of the Coffee Sector: Development Cooperation and Public-Private Partnerships to meet the SDGs

- **José Sette**, Executive Director, International Coffee Organization (ICO)
- **Andrea Illy**, Chairman, illycaffè Spa
- **Gloria Isabel Ramírez Ríos**, Ambassador of Colombia in Italy, Italo-Latin American Institute (ILLA)
- **Giorgio Marrapodi**, Director-General, Development Cooperation, Ministry of Foreign Affairs and International Cooperation (MAECI)

PANEL II: Innovative Solutions, Tools and Best Practices to make Coffee Sustainable

- **Nicola Bellomo**, Ambassador, European Union, Rwanda
- **Domenico Nardelli**, Director and Treasurer, Financial Operation Department, International Fund for Agriculture and Development (IFAD)
- **Dejene Tezera**, Director, Agri-business Development Department. United Nations Industrial Development Organization (UNIDO)
- **Josef Schmidhuber**, Deputy-Director, Trade and Markets Division, Food and Agriculture Organization of the United Nations (FAO)
- **Ruggero Pietrafesa**, International Financing, Cassa Depositi e Prestiti (CDP)
- **Paolo Sertoli**, Technical Office, Italian Agency for Development Cooperation (AICS)

Interaction with the public and conclusions

Signature: Joint Declaration between the United Nations Industrial Development Organization (UNIDO) and the International Coffee Organization (ICO)

REGISTRATION

In order to attend the workshop, all interested parties must register at:

<http://survey.fieraroma.it/execute/survey?surveyID=registrazione-exco2019&action=start&lang=en>

For additional information please contact the ICO: Sarah Friend (friend@ico.org).

SPEAKERS



Jose Sette, Executive Director, ICO



Nicola Berllomo, Ambassador
EU Delegation of the
European Union in Rwanda



Andrea Illy, Chairman,
illycaffè Spa



Domenico Nardelli,
Director and Treasurer,
IFAD



Gloria Isabel Ramírez Ríos,
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Dejene Tezera, Director,
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UNIDO



Giorgio Marrapodi, Director-
General, Development
Cooperation, MoFAIC



Josef Schmidhuber,
Deputy-Director, Trade and
Markets Division, Food and
Agriculture, FAO

Moderator



Gerardo Pataconi,
Head of Operations, ICO



Ruggero Pietrafesa,
Development Finance Officer,
Cassa Depositi e Prestiti



Paolo Sertoli, Technical
Advisor, AICS