



**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 invites Members, observers and members of the Private Sector Consultative Board, 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.
4. A concept note and agenda 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>

8. Details of additional events held as part of the ICO's Structured Sector-Wide Dialogue will follow shortly.

EXCO2019

The International Cooperation Expo
Fiera di Roma: 15-16-17 May 2019

Interactive Workshop
16 May 2019, 11:15 – 13:00

Price Volatility and Sustainability: Development Challenges, Opportunities and Solutions for Smallholder Farmers and the Coffee Value Chain

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 and has an annual turnover greater than US\$200 billion.

With prices of green coffee declining by over 30% since 2016 and 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 not expected to improve, 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 sustainability of the coffee sector.

To address the impact of price volatility, Members of the International Coffee Organization (ICO) – both coffee-exporting and -importing countries – adopted *Resolution 465 on Coffee Price Levels* in September 2018. This Resolution mandates the ICO to take immediate actions, by engaging all links in the coffee value chain and the international community.

The ICO has set up a comprehensive implementation strategy, including a series of economic studies, in partnership with prestigious academic institutions and experts, and targeted sector dialogue events in order to mobilize all coffee stakeholders and development partners to help coffee growers, especially smallholders, to cope with current price levels, the high costs of inputs and logistics and low productivity. This engagement strategy is designed to identify innovative, feasible market-based solutions and financial schemes. The solutions identified will be discussed at the Coffee CEO Forum, which will be held as part of the 125th Session of the International Coffee Council in September 2019 in London.

The ICO-led sector dialogue includes consultative events at the United Nations in New York, at the European Union in Brussels, and also during International Coffee Council meetings in Nairobi and London. The significant platform afforded 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, can only strengthen this dialogue further.

The ICO-led workshop¹ will engage representatives of the coffee industry, financial institutions, governments, development agencies, international and non-governmental organizations that support the coffee sector. Participants will explore the constraints, sustainability challenges and the opportunities of the coffee sector, as well identify innovative solutions, including public-private partnerships. The focus will be on addressing the impact on coffee farmers of price volatility, climate change and low productivity, in order to fight poverty and increase the sustainability of the coffee sector, while also contributing to the implementation of the 2030 Sustainable Development Agenda – the Sustainable Development Goals (SDGs).

Agenda

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

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

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

Innovative Solutions, Tools and Best Practices to make Coffee Sustainable

- **Mario Cerutti**, Chief Institutional Relations and Sustainability Officer, Lavazza and President, European Coffee Federation (ECF) and Italian Coffee Committee
- **Daniela Fatarella**, Vice Director General, Save the Children Italia
- **Domenico Nardelli**, Director and Treasurer, Financial Operation Department, International Fund for Agriculture and Development (IFAD)
- **Dejene Tezera**, Director, Agribusiness Development Department United Nations Industrial Development Organization (UNIDO) TBC
- **Josef Schmidhuber**, Deputy-Director, Trade and Markets Division, Food and Agriculture Organization of the United Nations (FAO)

Interaction with the public and conclusions

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: Challenges and innovative solutions for smallholder farmers to cope with price volatility and sustainability and decent living income.