

135th Session of the International Coffee Council

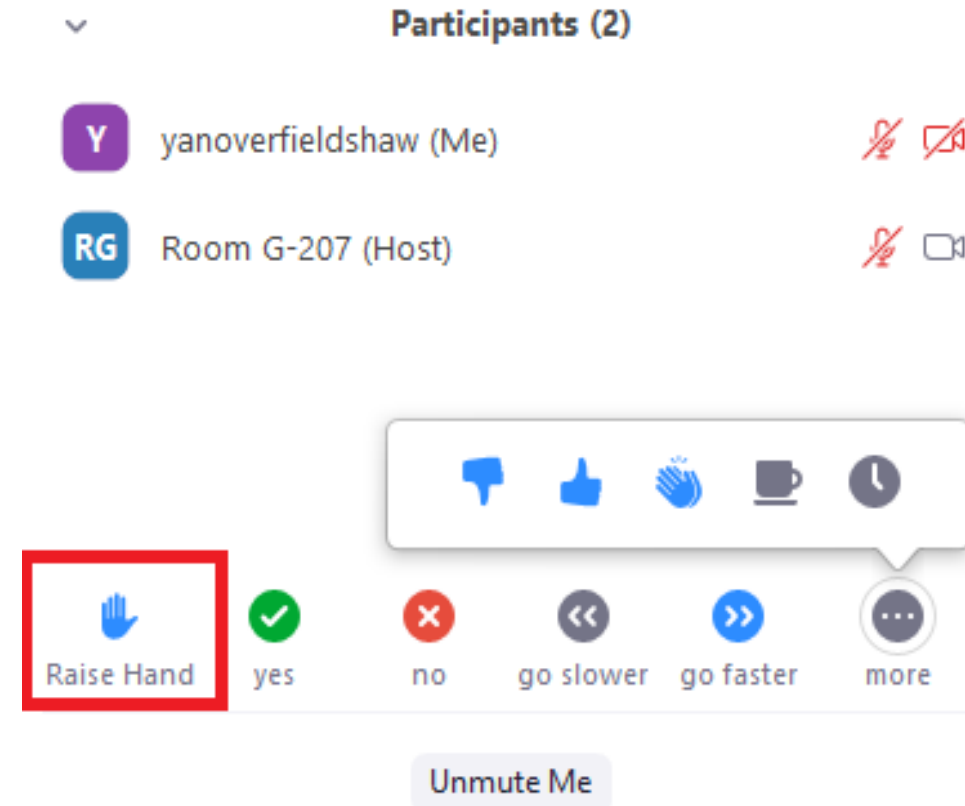
Chair:
*Massimiliano
Fabian*

30 March 2023



PROCEDURES ON HOW TO MAKE AN INTERVENTION

1. All Members are on 'mute' except for the Chair and the Executive Director. This is to reduce noise interruptions during the meeting.
2. To make a verbal intervention, please click on the 'Raise Hand' button and wait for the Chair to give you the floor.
3. When asking a question Members are kindly invited to share their camera if they wish.
4. Interpretation is available into Spanish, English, French, and Portuguese. Select the "Interpretation" button on Zoom panel to select the language. Keep this language selected for the duration of the meeting & please only speak in this selected language.
5. Speak slowly and clearly.



OPENING REMARKS

135th Session of the International Coffee Council

***Chair:
Massimiliano
Fabian***

EU - Italy



OPENING REMARKS

135th Session of the International Coffee Council

***Vice-Chair:
Enselme
Gouthon***

Togo



INTERNATIONAL
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ORGANIZATION



OPENING REMARKS

**135th Session of the
International Coffee Council**

***Executive Director
Vanússia Nogueira***



INTERNATIONAL
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Item 1: Draft Agenda

ICC 135-0 Rev. 2 – to approve



ICC 135-0 Rev. 2

- 1. Draft Agenda – to adopt**
- 2. Votes**
- 3. Report on the work of the ICO and market situation**
- 4. International Coffee Agreement (ICA) 2022**
- 5. Sustainability and Partnerships**
- 6. Financial and administrative matters**
- 7. World Coffee Conference**
- 8. Office holders and committees**
- 9. Credentials**
- 10. Future meetings**
- 11. Other business**
- 12. Closing session**

Item 2: VOTES

*Item 2.1: Redistribution of votes for
coffee year 2022/23*

ICC 135-1 Rev. 1 – to approve



***Item 3: Report on the work of the
ICO and market situation***

October 2022 to March 2023





ENGAGEMENT



10-14/10/22

ITC partnerships meetings +
14th Swiss Coffee Forum,
Switzerland



27-29/10/22

10th edition of Triestespresso
Expo 2022, Italy

27-29 OCTOBER 2022
TRIESTE CONVENTION CENTER TRIESTE OLD PORT ITALY



ENGAGEMENT



13-15/11/22

62nd annual meeting of the Inter-African Coffee Organization, Togo



17-18/11/22

Illy Caffè Award + Colloquium "The future of the coffee sector - Funding opportunities to fight climate change and build farmers' resilience", Italy

ENGAGEMENT



23-26/11/22

Visit at Honduran Coffee Institute and participation in PROMECAFE's IV Sustainability Summit, Honduras



13/12/22

Joint Declaration between ASEAN Coffee Federation and ICO + celebration of Vietnam's ICD

14-15/12/22

CPPTF meetings, private sector engagement + WCPF, New York, USA

ENGAGEMENT



30/01 - 3/02/23

Mission to Uganda with ITC



13-14/02/23

III World Coffee Producers Forum, Rwanda



15-17/02/23

19th African Fine Coffee Conference & Exhibition, Rwanda

ENGAGEMENT

26-27/02/23

Mission to Brussels – meetings with EU Commissioner ENV + EU DG INTPA + Civil Society groups

Resilience &
2023 ANNUAL CONVENTION
Reinvention
MARCH 9-11 IN TAMPA, FLORIDA



9-11/03/23

National Coffee Association
Annual Convention, U.S.A.

**Consultation in Latin America and the Caribbean:
Nature-positive trade for sustainable agricultural supply
chains**

**In person, Sao Paulo, Brazil
and online**

The consultation invites stakeholders from the public and private sector, civil society, academia, and financial institutions to discuss priorities, challenges and opportunities in the region and provide recommendations to promote a sustainable, fair and inclusive Nature-positive trade that supports sustainable and resilient agricultural supply chains.

**27 and 28
March 2023**



REGISTER HERE

27/03/23

UNEP Regional Stakeholders
Consultation on 'Nature-
positive trade
for sustainable agricultural
supply chains'

I. Coffee Market Trends



NEW METHODOLOGY FOR DOMESTIC CONSUMPTION

- Main legacy methodology for calculating the domestic consumption is:

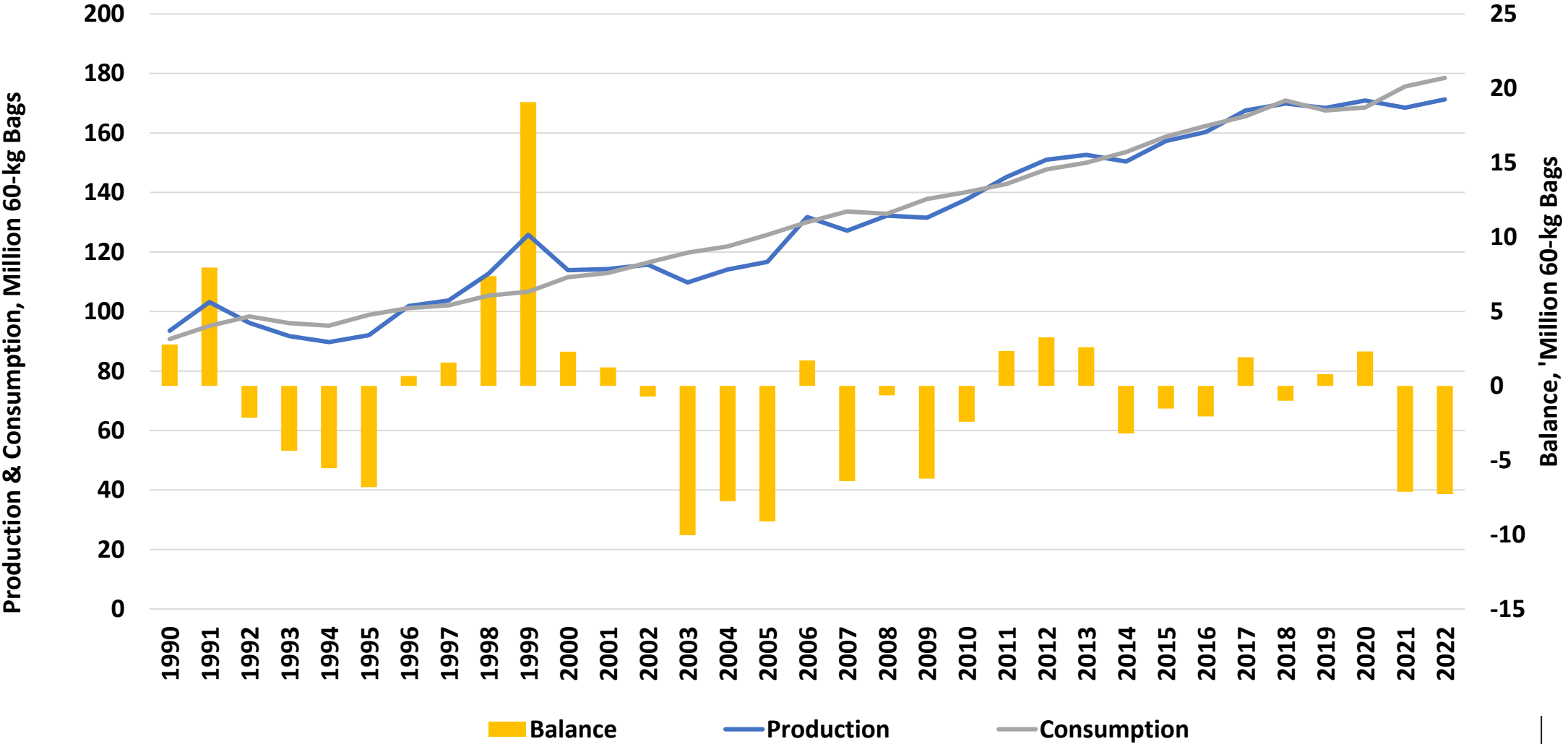
$$\text{Production} - \text{Exports} + \Delta \text{ Stock}$$

- A new methodology has been adopted to address the omission, and now uses the following formula in **conjunction with checks and balances** to estimate domestic consumptions:

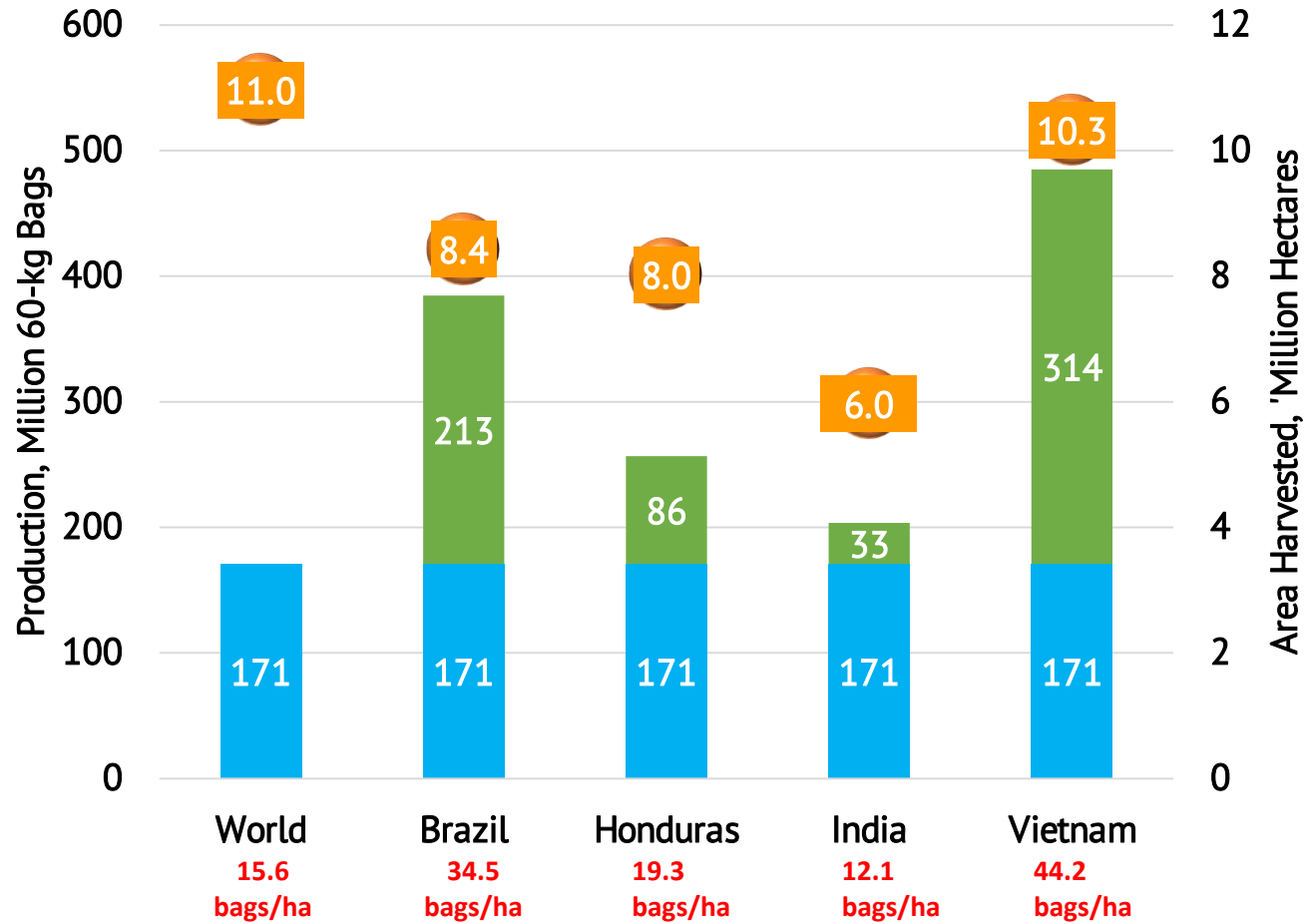
$$\text{Production} + \text{Imports} - \text{Exports} + \Delta \text{ Stocks}$$

- **New methodology increases the domestic consumption** for a large number of producing countries

World Coffee Market - Summary



Production Scenarios



LEGENDS

- **Orange** figures refer to the coffee area harvested
- **Yellow** bars refer the world coffee production in coffee year 2020/21
- **Blue** bars refer to the potential increase in world coffee production
- **Red** data refers average yield in 60-kg/ha

FOUR SCENARIOS

- **Brazil** - There are 50 origins, with a combined 8.4 million hectares of area harvested, with yield below 34.5 bags/ha. Raising the yield to that of Brazil will bring about an additional 213 million bags of coffee per year.
- **Honduras** - There are 44 origins, with a combined 8.0 million hectares of area harvested, with yield below 19.3 bags/ha. Raising the yield to that of Honduras will bring about an additional 86 million bags of coffee per year.
- **India** - There are 38 origins, with a combined 6.0 million hectares of area harvested, with yield below 12.1 bags/ha. Raising the yield to that of India will bring about an additional 33 million bags of coffee per year.
- **Vietnam** - There are 51 origins, with a combined 10.3 million hectares of area harvested, with yield below 44.2 bags/ha. Raising the yield to that of Vietnam will bring about an additional 314 million bags of coffee per year.

A woman wearing a blue hijab and glasses is smiling while working in a coffee processing facility. She is holding a large white funnel or hopper. In the background, there are stacks of coffee beans and other equipment.

II. Implementation of the PoA 2022-23 (INTERIM REPORT)

II. Mandatory Activities - PoA for 2022/23 (interim results)

Statistics & Economics

All reports (I-CIP, CMR, MTS) published on time

Engagement with Members SFP and partners

Updating I-CIP

CDR 2021 published and webinar
CDR 2022 ongoing

Engagement and ICCs

135th ICC and 136th ICC planned

CPPTF/TWs and partnerships

Engagement with India for WCC and plan CGLF

ICA 2022

Advocacy & promotion

Projects and fund raising

New website & enhanced communications

60th ICO's anniversary

II. Priorities for 2022/23 – Interim results

Engagement with ICO Members

Stronger link ICC Chair/Vice-Chair

Engagement with members and partners

Engagement/fund mobilisation with coffee stakeholders and donors

Expanding CPPTF membership

Training and new funding options for Circular economy and coffee fund

Engaging with development banks

Addressing impact of Regulatory framework

Policy Paper on Deforestation

Mission to Brussels with ICC Chair

II. Priorities for 2022/23 – Interim results

Mobilizing "new" ICO Members

Implemented
strategy direct
contact with
previous and new
members

New membership:
**MOZAMBIQUE
AND
TRINIDAD &
TOBAGO**
advancing
discussions



18

Notes Verbales sent to Diplomatic
Representations in the United Kingdom since
February 2023

4

Meetings held so far, namely:

- Egypt
- Trinidad and Tobago
- Uganda
- United Arab Emirates

Next: Saudi Arabia

Meeting with the USA scheduled for
the 4th week of April

Review and operationalization of partnerships

MoUs - Cooperation Agreements – Joint Declarations



**GLOBAL COFFEE
PLATFORM**
for a sustainable coffee world



iila



**International
Labour
Organization**



**Specialty
Coffee
Association**



**International
Trade
Centre**

Coffee Sustainability & Resilience Fund (C-SR Fund) - OBJECTIVES

To create a dedicated pool of capital (blended) to finance high-impact opportunities in the coffee sector to achieve positive social and environmental impact throughout the value chain and to address key concern of the industry

•To fight climate change and ensure a sound balance between supply & demand

•To ensure farmers' livelihood reducing living income gap and pursue prosperity

To de-risk the impact of climate change and price volatility

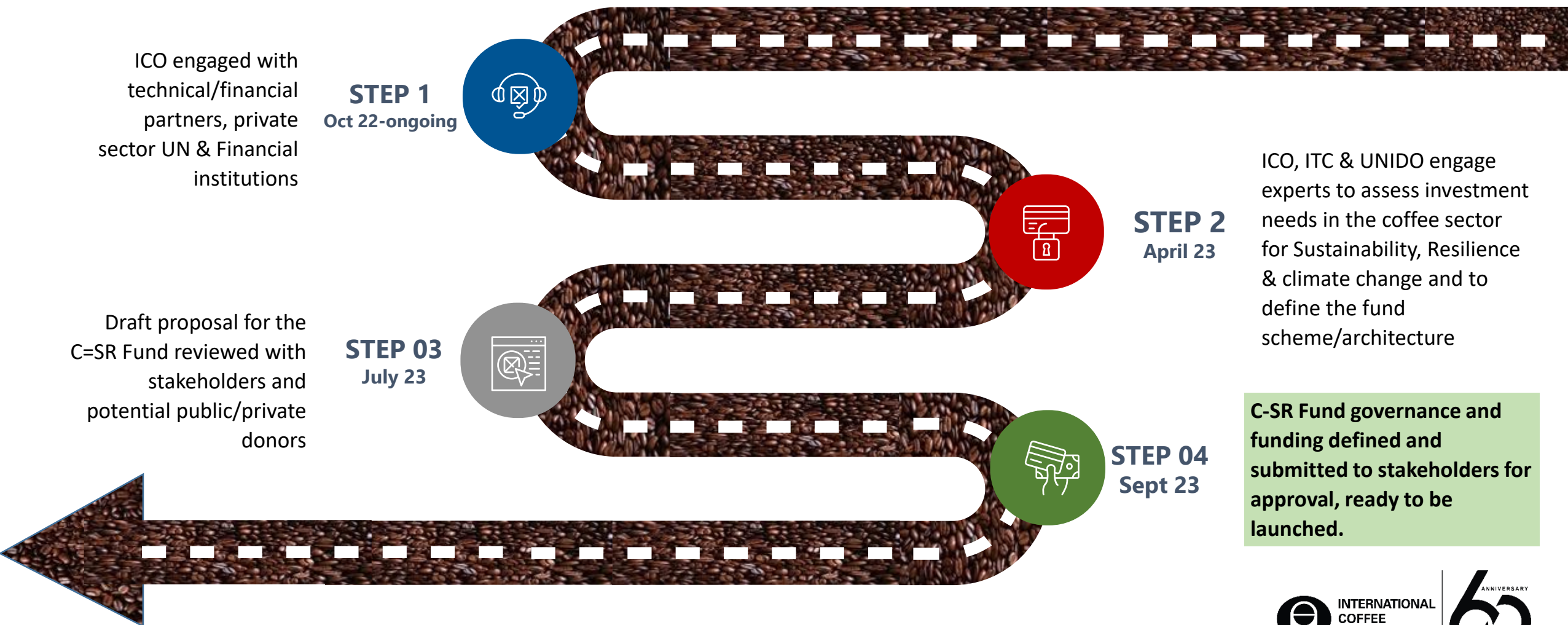
•To increase sustainability and contribute to SDGs implementation

•To increase productivity, quality and safety + compliance

•To pursue a better value distribution

Coffee Sustainability & Resilience Fund (C-SR Fund)

To address sustainability, climate change mitigation/adaptation + farmers resilience & prosperity



C-SR Fund governance and funding defined and submitted to stakeholders for approval, ready to be launched.

Coffee Sustainability & Resilience Fund (C-SR Fund) - PARTNERS



Yunus Social Business.

Establishment of a Center for Circular Economy in Coffee



The Center for circular economy in coffee



FONDAZIONE
GIUSEPPE & PERICLI LAVAZZA ONLUS



Establishment of a Center for Circular Economy in Coffee



The Center for circular economy in coffee

PROPOSAL



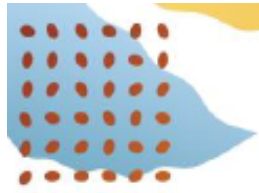
Proposal

The Center for circular economy in coffee is a **precompetitive open-source platform for enhancing Circular Economy in the coffee sector**. This Platform will be a hub managed by the Lavazza Foundation in Turin, Italy, and supported by ICO and ITC, with the ambition and objective to collect and share all good practices, solutions, studies and practical information about circular economy as applied to the coffee value chain, from the coffee farming to the consumption and end of life.

The main focus will be on **gathering together the know-how related to the Circular Economy in the coffee sector** and make it available to companies, associations, universities, and government bodies in order to **improve the economic and environmental performances of the producers** and to **connect experts by contributing to the circular economy acceleration in the coffee sector**.



Establishment of a Center for Circular Economy in Coffee



The Center for circular economy in coffee

The Activities

PROPOSAL



The activities to be performed at the Center for circular economy in coffee will mainly consist in:

- **Improve and promote Circular Economy culture**
- **Creating a multi-stakeholder knowledge sharing network** to develop and disseminate evidence-based good practices in coffee sector
- **Marketplace platform** for connecting waste producers with companies/entities who can recover it, process it and reintroduce it into a new production cycle
- **Support** to every entity that will ask for help in **developing ideas** or that will want to share its know-how about sustainability projects in the coffee sector.
- **Advocacy**

ICO's 60th ANNIVERSARY



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ORGANIZATION



ORGANISATION
INTERNATIONALE
DU CAFÉ



ORGANIZAÇÃO
INTERNACIONAL
DO CAFÉ



ORGANIZACIÓN
INTERNACIONAL
DEL CAFÉ



60 years of ICO development projects

All ICO projects implemented from 1963 to 2023 totalled US\$319 million¹, enabling the Organization to assist and finance project activities in Member countries. Project activities can be categorized into three main areas or interventions which are also characterized by three models of fund mobilization and allocation: (i) Diversification; (ii) Promotion; and (iii) Upgrading coffee production and marketing.

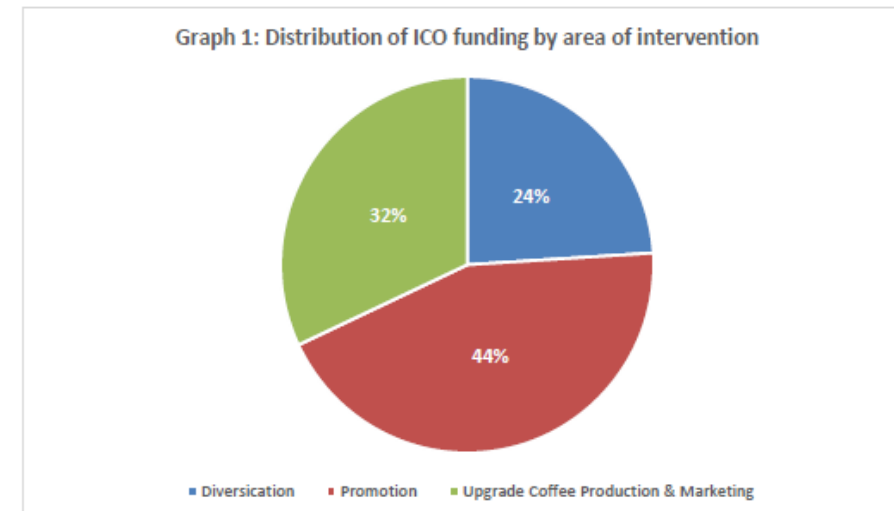


THE INTERNATIONAL COFFEE ORGANIZATION 1963-2023:
60 years of ICO development projects to build a sustainable coffee industry

Sixty years ago, the International Coffee Organization (ICO) was established following the conclusion of the first International Coffee Agreement 1962 under the auspices of the United Nations. Since its inception, the ICO has been consistently engaged in assisting its Members with the development, fund mobilization, implementation, monitoring and evaluation of coffee sector development projects aiming to promote sustainable growth for the benefit of all stakeholders, from coffee farmers to consumers.

All ICO projects implemented from 1963 to 2023 totalled US\$319 million¹, enabling the Organization to assist and finance project activities in Member countries. Project activities can be categorized into three main areas or interventions which are also characterized by three models of fund mobilization and allocation: (i) Diversification; (ii) Promotion; and (iii) Upgrading coffee production and marketing.

Graph 1: Distribution of ICO funding by area of intervention



II. Priorities for coffee year 2022-23 – status of implementation

ICO 60 years	Logo and plans for WCC
Digital platform for Certificates of Origin	discussions with members
Database of Circular Economy best practices	With ITC and Lavazza
Global information hub on Living Income	Within CPPTF/TWs
ICO recognized by UNGA and UN ECOSOC	Pending
CPPTF Private sector companies to share/provide access to trainings	Pending
Accreditation coffee excellence and training centres	Under discussion
Joint training with SCA (ICO team and members)	Under discussion
Management improvements	ongoing

Item 4: ICA 2022

Item 4.1: Membership of the ICA 2022

WP 331/23 – to approve





Membership of the ICA 2022

3

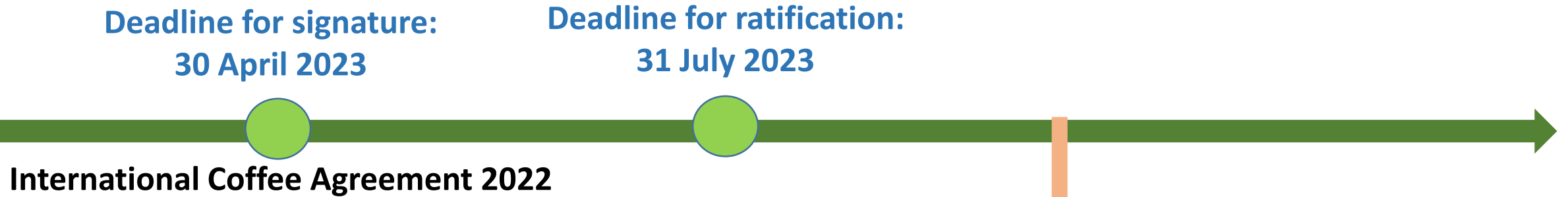
New signatories since the opening for signature in Bogotá: Japan, Switzerland and Indonesia

11

ICO Members signed the ICA 2022
54.4% Exporting Members
15.2% Importing Members

Next signature: UK on 20 April 2023

ICAs 2007 and 2022



ENTRY INTO FORCE:
2/3 EXPORTING
2/3 IMPORTING

An orange arrow points downwards from the timeline to an orange rectangular box containing the text "ENTRY INTO FORCE: 2/3 EXPORTING 2/3 IMPORTING".

WP-Council 331/23 – DRAFT RESOLUTION



Extend the ICA 2007 until **1 February 2025**



Allow signature of the ICA 2022 until **30 April 2024**



Allow ratification, acceptance or approval of the ICA 2022 until **31 July 2024**

Item 4: ICA 2022

Item 4.2: Preparations for the implementation of the ICA 2022

WP 329/23 Rev. 1 – to approve



WP-Council 329/23 Rev.1 – WORKING GROUP

Documents to be drafted:

ToRs Economics Committee

Transitional mechanisms for
Members with increased
contributions

ToRs Coffee Public-Private
Working Party (CPPWP)

ToRs Board of Affiliate
Members (BAM)

Documents to be revised:

Rules & Regulations (Financial,
Statistics, Organization, Staff etc.)



draft and review documents
required for the entry into
force of the ICA 2022

Participation open to all Members

Working language: English

Item 5: Sustainability and partnerships



***Item 5.1:
Report on the implementation of
MoUs and new cooperation
agreements***



Review and operationalization of partnerships

MoUs - Cooperation Agreements – Joint Declarations

INTERNATIONAL ORGANIZATIONS

MoU ICO / IILA



MoU ICO / ILO-VZF



MoU ICO/FAO
24/11/2004



MoU ICO/ITC-
WTO/UNCTAD –
28/11/2000



NEW

UNDER REVISION

SECTOR ORGANIZATIONS



Joint Declaration ICO/ACF
SIGNED in Dec 2022



MoU ICO/GCP - 29/09/2017
expire on 28/11/23
new MoU at Sept. ICC



MoU ICO / SCA



C/A ICO/CTC (regional hub)

Item 5.2:
Coffee Public-Private Task Force

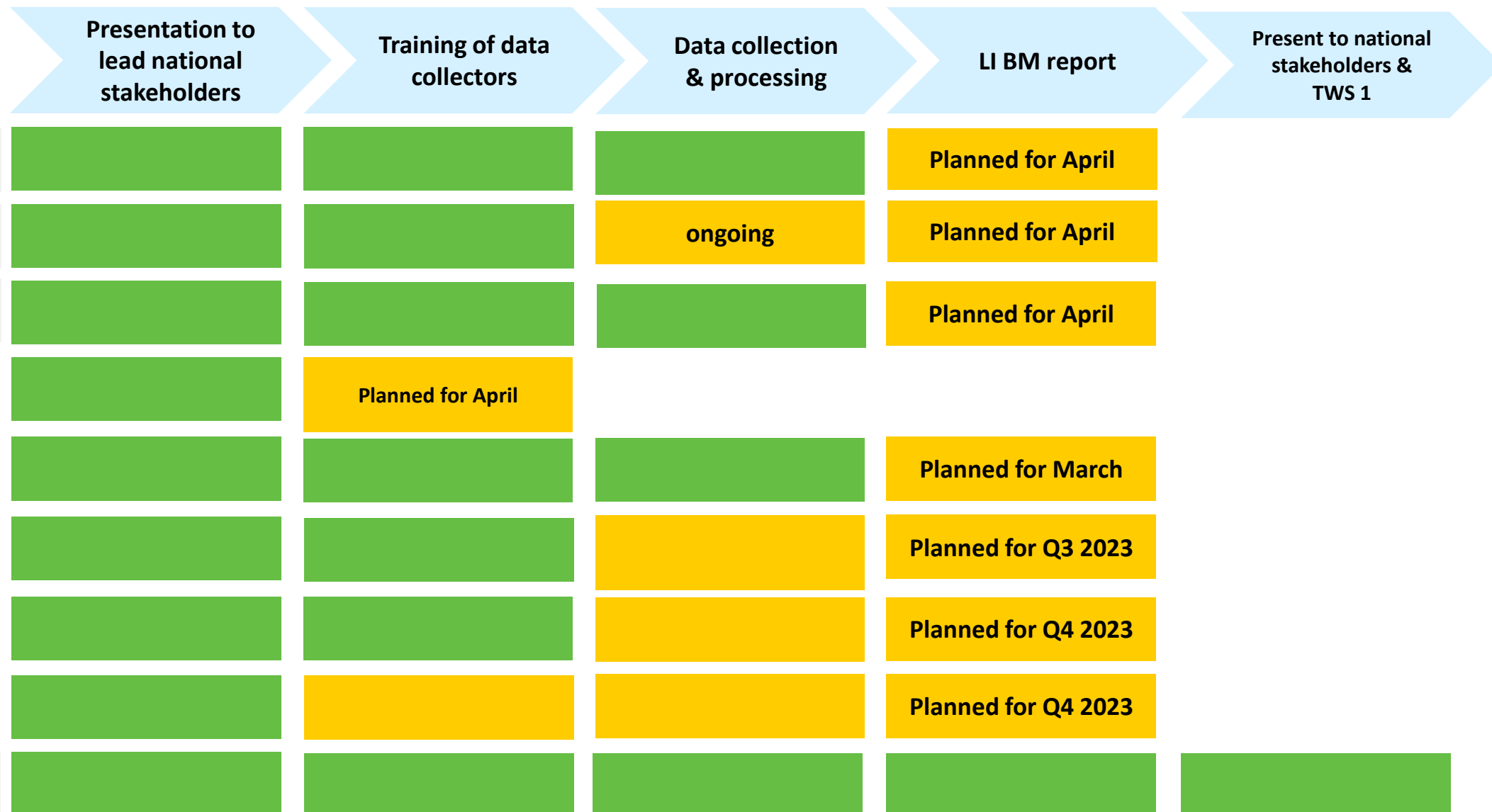
October 2022 to March 2023



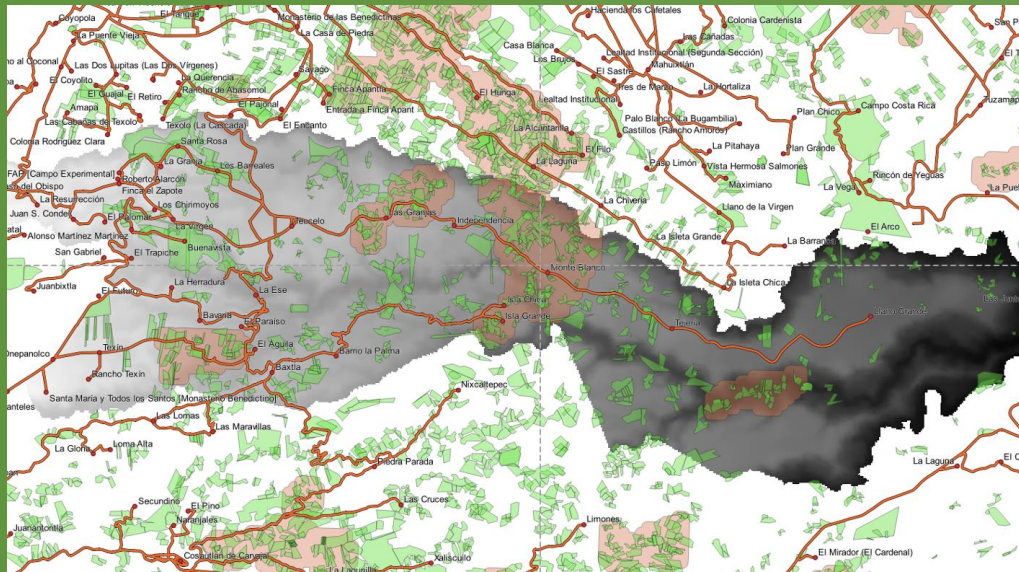
KEY POINTS

The ICO - CPPTF continues to implement projects of the Technical Workstreams in origin countries and progress has been made

ICO Task Force TW1 LI Benchmark Accelerator Project Update March 2023 | Peru and Vietnam most advanced, followed by Rwanda, Honduras, Mexico and Indonesia; Togo and Ethiopia work in progress for second step of Training data collectors. Angola behind.



Activities of TW 2 Data Transparency



- INIFAP/ Mexico and High Lands Centre of Leadership for Development (HC)
- Rwanda staff has been trained and field work for data collection was carried out
- Now analysis of data



TW3 Importing Members proposal: 3 tracks

**Track 1: Policy
dialogue and
information**

**Track 3: Partnerships
and support**

**Track 2: Technical
solutions**



Broad stakeholder collaboration in producing countries



- Development or strengthening of national multi-stakeholder spaces in ICO producing countries (Honduras, Mexico, Papua New Guinea and Rwanda)
- Co-design of a national multi-stakeholder collaborative space/process
- Planned: National coffee sustainability plans with broad stakeholder buy-in



LANDSCALE

**TW4
Resilient
Landscapes**

**Peru,
*San Martin***

Alto Mayo



**Kenya
*Mt. Kenya***

**Embu, Nyeri
and Kirinyaga**



**Vietnam
*Central
Highlands***

**Krong Nang
Dak Lak**



Task Force work across various TWS: the cases of Mexico and Rwanda – national institutions taking the lead

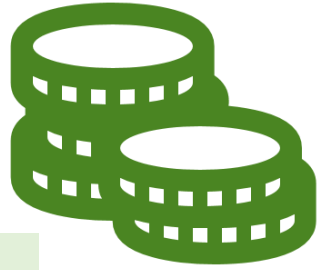
- Living Income Benchmark
- Cost-of –production / efficiency gap
- National dialogue advancing



- Living Income Benchmark
- Cost-of–production / efficiency gap
- National dialogue initiating



RESOURCES



Global Funding Mechanism: C-SR Fund

- UNIDO will support with investment needs assessment (climate and living income) with LSE and ITC on the financial options; engaged are also EU, FAO, IFAD and WB so far

Operational Budget 2023 secured (£1,326,000 of which private sector contributions is £168,500

Work of TWS still mainly funded by GIZ only

OUTREACH



SPECIALTY COFFEE
EXPO

Specialty Coffee Expo coming to Portland, OR April 21-23, 2023.

EU Regulation on Deforestation-Free Products



INTERNATIONAL
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COFFEE
DEVELOPMENT REPORT

A Flagship Report of the International Coffee Organization

THE FUTURE OF COFFEE

Investing in youth for a resilient and sustainable coffee sector

2021

WORLD COFFEE PRODUCERS FORUM



WORLD OF COFFEE ATHENS

JUNE 22-24 2023

ATHENS METROPOLITAN EXPO
ATHENS INTERNATIONAL AIRPORT
"EL. VENIZELOS"
SPATA 190 19, GREECE



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Item 5.3:
CPPTF Proposal TW3 Sector
Transformation: Importing
Members
CPPTF-10/23 - to approve



TW3 Importing Members proposal: 3 tracks

**Track 1: Policy
dialogue and
information**

**Track 3: Improved
orientation,
collaboration and
innovation of
support, partnerships
and alternative
financial mechanisms**

**Track 2: Information,
learning and sharing
regarding technical
solutions for
compliance**



Item 5.4:
Coffee sector regulations and
due diligence
CPPTF 9/23



conduct country level assessments on the readiness to fulfill the new EU legislation

timely information and capacity building on the regulation needed

Impact on smallholder coffee farming families

discussion needed on how data should be managed, by whom, as well as on data ownership

Sector-specific guidelines are required + how to differentiate between forest and coffee agroforestry systems

LUNCH BREAK

**The Session of the Council will
resume at 2.00 pm BST**



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Item 6
Financial and administrative
matters



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ITEM 6: FAC MATTERS

Item 6.1: Finance and Administration Committee (FA-340/23)



ITEM 6: FAC MATTERS

Item 6.1: Financial situation at 31 January 2023 (FA-340/23)

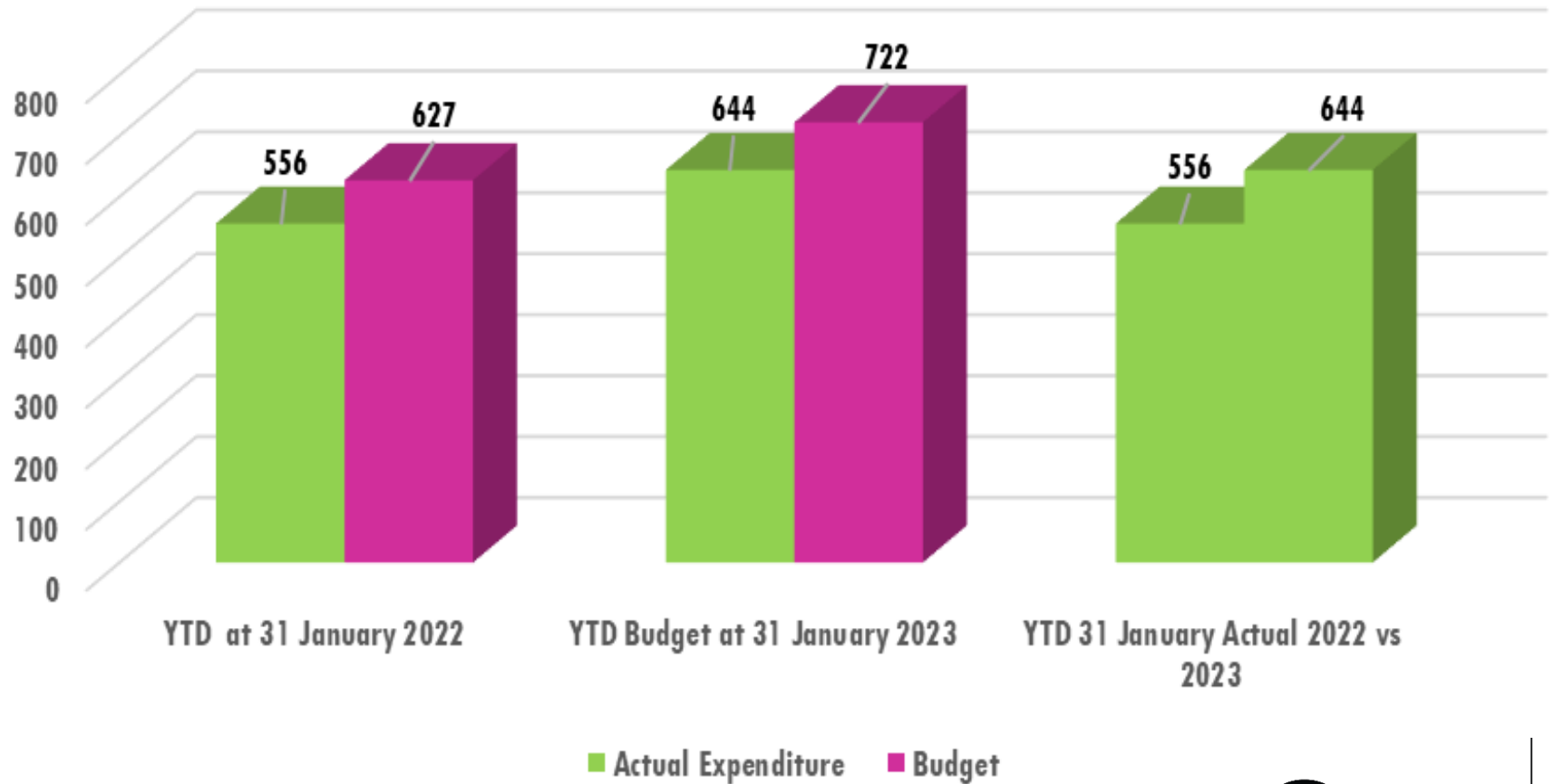


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EXPENDITURE (Actual vs Budget) at 31 January (€000)

EXPENDITURE- ACTUAL VS BUDGET (IN €000)



ITEM 6: FAC MATTERS

Item 6.1: Draft Administrative Budget 2022/23



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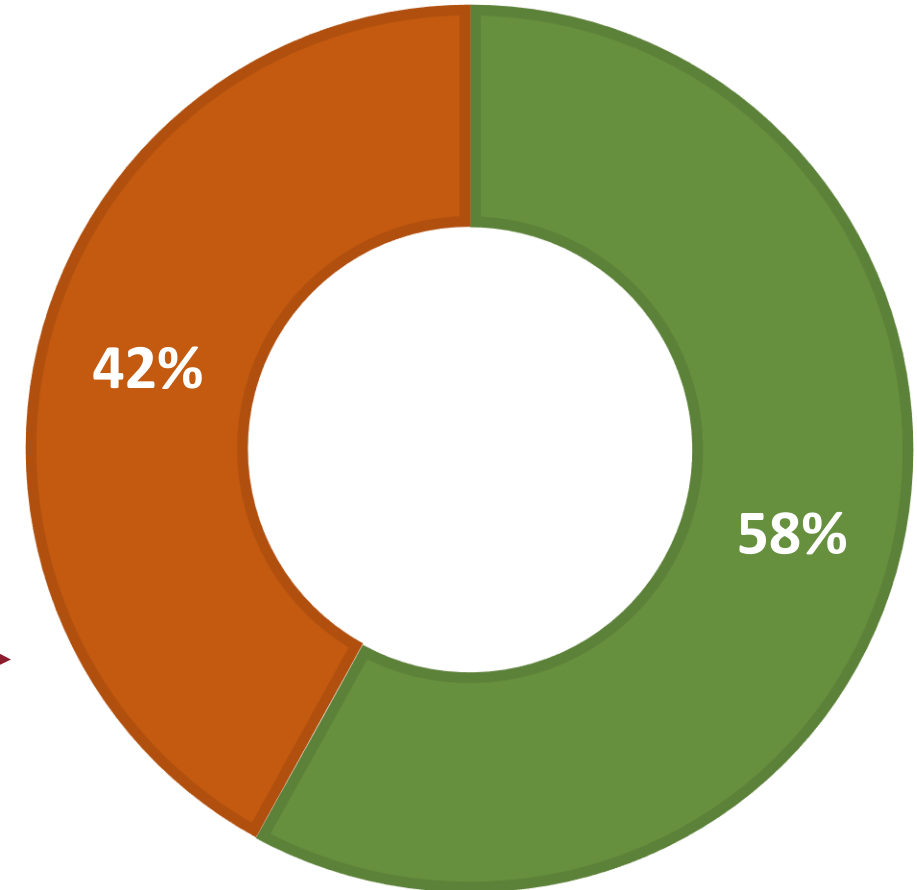
ITEM 6: FAC MATTERS

Item 6.2: Report on collection of contributions from Members in arrears (FA-341/23)



2022/23 CONTRIBUTIONS AND ARREARS AT 14/3/2023 (in £000)

	2022/23 ASSESSED (TABLE A)	RECEIVED TO 14/3/22 (TABLE A)	OUTSTAND -ING TO 14/3/23 (TABLE A)	ARREARS (TABLE B,C)
MEMBERS	2,232	1,284	948	606
FORMER MEMBERS				217
TOTAL	2,232	1,284	948	823



■ Received
■ Outstanding

2023 CASH BALANCE FORECAST (Month End in GBP)



■ Cash Balance at month end

— Costs for Liquidation (£ 1,438,000)

ITEM 6: FAC MATTERS

***Item 6.3: Administrative Accounts of the
Organization 21/22 &
Auditors' Report (FA-343/23) - to approve***



ITEM 6: FA MATTERS

***Item 6.4: Accounts of the SPECIAL FUND
21/22 & Auditors' Report
(FA 344/23) - to approve***



ITEM 6: FAC MATTERS

***Item 6.5: Accounts of the TRUST
FUND 21/22 & Auditors' Report
(FA-345/23) – to approve***



ITEM 6: FAC MATTERS

Item 6.6: Promotion Fund (FA-346/23)



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ITEM 6: FAC MATTERS

Item 6.7: Salary scales and basis for contributions to the Provident Fund (FA-347/23) – to approve



ITEM 7:
World Coffee Conference
ED 2434/23
ED 2435/23



New dates 5th WCC and 136th ICC

NEW PROPOSED DATES:

23 September 2023

-

1 October 2023



ITEM 8:
Office holders and committees

WP Council 330/23 – to approve



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WP-Council 330/23 – DRAFT ToRs Joint Committee

STATISTICS COMMITTEE

PROMOTION AND MARKET
DEVELOPMENT
COMMITTEE

PROJECTS COMMITTEE

CONSULTATIVE FORUM ON
COFFEE SECTOR FINANCE

JOINT COMMITTEE

1 Chair
1 Vice-Chair
from different categories



8 representatives of Exporting Members
3 representatives of Importing Members

ITEM 8: Office holders and committees

Item 8.1: Chair and Vice-Chair and Composition of Committees

WP Council 327/22 Rev. 1 – to approve



Composition of Committees 2022/23



Chair: Ms Vera Espindola – MEXICO
Vice-Chair: Mr Zoltan Agai – EU Commission
Members to be appointed:
6 Exporting Members; 5 Importing Members



Chair: to be appointed
Vice-Chair: to be appointed
Members to be appointed:
8 Exporting Members; 3 Importing Members



Chair: to be appointed
Vice-Chair: to be appointed

Item 9: Credentials



Item 10: Future meetings



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Future meetings

**5th WCC and 136th Session of the Council
23/09 – 01/10/2023 – Bangalore, India**

**137th Session of the Council
1 day - 18-23/03/2024 – online**

**138th Session of the Council + 6th CGLF
3 days - 16-20/09/2024 – to be discussed**

Item 11: Other business



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CLOSING SESSION

135th Session of the International Coffee Council

Chair:

***Massimiliano
Fabian***



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