



Organización Internacional del Café
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Report of the Steering Group on Promotion on the meeting of 26 January 2005

1. The Steering Group on Promotion, chaired by the Executive Director, Mr. Néstor Osorio, met on 26 January 2005.

Item 1: Draft Agenda

2. The draft Agenda contained in document WP-SGP No. 8/04 Rev. 1 was adopted.

Item 2: Projects

Guide to promote coffee consumption

3. Mr. Carlos Brando (P&A International Marketing, Brazil) introduced the final version of the guide to promote coffee consumption in producing countries which had been revised and improved taking into account suggestions made at the ICO meetings in September 2004 and at subsequent workshops held in India and in Costa Rica. Modifications included design hints, new strategy sections on institutional coffee and coffee growing areas, a SWOT analysis section and an example of a consumer survey. In addition to workshops which had already taken place, a workshop would take place during the East African Fine Coffee Association Conference in Zambia in March 2005 and his company undertook to hold up to three further workshops in 2005 free of charge, if local sponsors met the costs of travel and accommodation. The guide was currently available in the format of a CD-Rom. The Spanish and French versions of the guide were being translated by the ICO and should be available in May 2005. Finally, Mr. Brando stressed that the suggestions for promoting coffee consumption could work just as well in consuming countries as in producing countries.

4. The Steering Group expressed its appreciation for this valuable and comprehensive resource which would facilitate the development of national coffee consumption. It welcomed the offer of further workshops which would provide practical demonstrations on how to use the manual. The point was also made that the second phase of the project involving actions to promote domestic consumption was crucial.

5. With regard to the dissemination of the guide, the Executive Director noted that while the manual had been financed by producing countries through the Promotion Fund, it would be difficult to prevent the CD-Rom from being reproduced. He therefore proposed that the guide should be distributed openly and as widely as possible. Two copies would be distributed to each Member country, with a letter requesting them to keep him informed of the use of the guide. In addition, he proposed that the guide should be made available for downloading on the ICO website free of charge. Finally, he stressed that the next step would be to develop specific projects to promote coffee consumption.

6. The Group agreed that the guide should be made freely available, noting that it would be useful to request those who were interested in downloading it from the website to provide details about themselves, so that the ICO had data about who was interested in the material. It also would be useful to include this as a permanent item on the Group's agenda so that the use of the guide in developing domestic coffee consumption could be monitored.

7. The Group further noted that the Coffee Board of India had just completed a research project to develop a retail manual for coffee which had just been published, a copy of which was given to the Executive Director at the meeting.

China

8. The Executive Director reported that he had visited China in October 2004. He had met representatives of a number of coffee companies and agencies in Shanghai, including Hill & Knowlton, the company used by the ICO in previous promotion campaigns, to discuss the possibility of identifying appropriate options to promote coffee consumption in China, and build on previous generic promotion campaigns undertaken from 1998 to 2001. Promotional activities undertaken by the ICO during this period had been very effective, and there was great interest in continuing to develop this. China was a very important market and offered a great opportunity to promote coffee consumption. He had received several proposals to renew promotional activity, including a proposal from Hill & Knowlton with two alternative activities, contained in document WP-Promotion No. 5/04. In addition, copies of new proposals entitled "Coffee promotions in China – Reverse wrongful coffee image and stimulate consumption" and "Reveal coffee myth: Reverse the wrongful image – Stimulate coffee consumption" had been made available informally at the meeting. The sums sought were relatively small and as the ICO currently had no promotion officer, it would be a way of kick-starting promotion activities once again. The Executive Director proposed that

authorization be given to proceed with the first alternative activity in document WP-Promotion No. 5/04, for the amount of US\$7,756, which was designed to identify appropriate promotional activity in China.

9. In discussions on this matter, an exporting Member stated that the request should be addressed to producing Members. Under the 2001 Agreement, the Promotion Committee was composed of all Members of the Organization and a clear distinction should be made between the previous Promotion Fund, established with contributions from producing Members, and a new Promotion Fund, which would need to be made up of monies pledged by both producing and consuming Members. A pledging conference had been devised for this purpose but had not yet been held. While producing Members had funds available for promotion, and could be requested to consider putting these into a new Promotion Fund, seed money would also need to be pledged by consuming Members before expenditure could be authorized. The Steering Group could not therefore make a recommendation with respect to this proposal.

10. The Group took note of this information and further noted that China was a very important market and had great potential for increasing coffee consumption. It requested the Executive Director to investigate whether the private sector was interested in undertaking activities to promote coffee and if so, advise Members so that activities could be developed in partnership with the coffee industry.

Item 3: Resources for promotion and pledging meeting

11. The Executive Director said that he had held discussions on the question of resources for promotion with the Common Fund for Commodities (CFC) at a meeting of International Commodity Bodies held in Washington in October 2004. He had stressed that achieving a sustainable balance in the world coffee market was crucial and had highlighted the ICO's proposed three-pronged approach to improve the market balance including the development of consumption in producing countries, the development of traditional markets and the development of new growth markets. He would pursue this matter further with the new Managing Director of the CFC.

12. The representative of the EC advised the Group that there were no resources specifically earmarked for promotion in the context of the EU Action Plan on Commodities.

13. The Group took note of this information.

Item 4: Coffee and health

14. Mrs. Sylvia Robert-Sargeant reported on the Health Care Professions – Coffee Education Programme. Copies of her presentation and of a presentation on the Positively Coffee Programme were circulated at the meeting and are available on request from the Secretariat.

15. The Chairperson of the Promotion Committee informed the Group that there had been some articles about the high levels of caffeine in some coffees sold by the Starbucks Coffee Company in the United States.

16. The Group took note of this information.

Item 5: Other business

17. There was no further business to discuss.

Item 6: Dates of meetings in 2005

18. The Group noted that the Executive Director would arrange a meeting of the Group if he considered that there was a particular issue to discuss, otherwise the next meeting would take place around the time of the ICO meetings in May 2005.