



The World Bank



International Coffee Organization

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**ICO & World Bank high-level round-table
“International Coffee Crisis –
Looking for Long-Term Solutions”**

The International Coffee Organization (ICO) and the World Bank, today announced that a high-level round-table on the international coffee crisis will be held at the ICO headquarters in London, on Monday, 19 May 2003.

The round-table, “International Coffee Crisis – Looking for Long-Term Solutions” will bring together producers from developing countries, government officials, experts from international organizations, advocacy groups and industry representatives to discuss alternatives such as diversification, quality, added value and market development in order to help coffee producers increase their income and improve living standards.

Coffee prices are currently at their lowest levels in 30 years (the ICO composite indicator stood at 49.65 US cents/lb on 14 April 2003), and in 100 years in real terms. In almost all coffee producing countries, such prices are unable to cover production costs and have led to serious social and economic problems, including increased poverty, indebtedness and abandonment of coffee farms.

Confirmed speakers include:

- Glenys Kinnock, MEP, **European Parliament**
- Phil Bloomer, Head of Advocacy, **Oxfam GB**
- Kevin Cleaver, Director, Agriculture and Rural Development, **World Bank**
- Saint-Cyr Djikalou, former Minister of Commerce, **Côte d’Ivoire**
- Linneu Carlos da Costa Lima, Secretary for Production and Marketing, **Ministry of Agriculture Brazil**
- Simon Kester, Chairman, **European Coffee Corporation**
- Michael Neumann, **Neumann Gruppe GmbH**
- Bernard Petit, Director, Directorate General for Development, **European Commission**
- Juan Manuel Santos, former Minister of Finance, **Colombia**
- Gabriel Silva Luján, General Manager, **Federacafé, Colombia**
- Olle Tegstam, Senior Vice-President, **Nestec Ltd.**
- Bruce Tozer, Managing Director, Structure, Trade and Commodity Finance, **Rabobank International**
- Annemieke Wijn, Senior Director, Commodity Sustainability Programms, **Kraft Foods Inc.**

Néstor Osorio, ICO Executive Director said “*Never before have coffee producing countries had to endure a crisis in the coffee sector of the magnitude seen in the last two years. More than 100 million people in Africa, Asia and Latin America have seen their income cut by half, leading to increased*

poverty and social disruption. There is an urgent need to strengthen the mechanisms of cooperation between producers and consumers in order to attain a better balance in this crucial market. International agencies must also act in a coherent manner. The ICO constitutes the specialized forum to coordinate action to this effect and welcomes the assistance of the World Bank in seeking realistic and effective solutions to the coffee crisis”.

According to Kevin Cleaver, Director of the Agriculture and Rural Development Department of the World Bank, *“In the short-term the key issue is addressing the impact of low prices on poor families that depend on coffee growing. But, at the same time we need to find alternatives to address the longer-term declining trend of coffee prices, and the periodic negative shocks from that trend. The solution for coffee, as for most commodities, lies within the overall rural development strategy of poor countries. However, agricultural subsidies and specially rich country protectionism represent a limit to the options for diversification to other crops and value added processes.”*

The World Bank and the International Coffee Organization (ICO) have been working together to analyze the problems arising from the present coffee crisis in line with the preoccupations of governments and civil society groups.

About the ICO:

Established as an intergovernmental organization in 1963 to serve the international coffee community, the ICO is the focus for international cooperation on coffee matters, coordinating activities with other international agencies and bringing together producing and consuming Governments and private sector representatives to exchange views and address policy issues. In October 2001, the latest International Coffee Agreement entered into force, with new objectives including promoting quality, promoting coffee consumption and encouraging the development of a sustainable coffee economy. The ICO provides the following services: up-to-date information and statistics; innovative projects to benefit the world coffee economy; economic studies; and promotion of coffee consumption in emerging markets.

About the World Bank:

The World Bank is one of the world's largest sources of development assistance. The Bank's objectives in rural poverty reduction, and for rural development in general, are geared to helping poor countries accelerate economic growth so that it is shared by the poor. The Bank's agriculture and rural development strategy focuses on: fostering an enabling environment for broad-based and sustainable rural growth; enhancing agricultural productivity and competitiveness; fostering non-farm economic growth; improving social well-being, managing and mitigating risk, reducing vulnerability; and enhancing the sustainability of natural resource management.

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