



International Coffee Organization
Organización Internacional del Café
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Organisation Internationale du Café

PR 259/03

25 September 2003

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PRESS RELEASE

**International Coffee Council
Cartagena, Colombia
17 – 19 September 2003**

New Action Plans

The Executive Director of the International Coffee Organization (ICO), Mr. Néstor Osorio, today issued the following declaration:

“The International Coffee Council and the Executive Board met for the 89th Session of the Council from 17 to 19 September 2003 in Cartagena, Colombia at the invitation of the Colombian Government to commemorate the 40th anniversary of the Organization. The meeting occurred at the time of the worst crisis facing coffee in history, with low prices causing growing levels of poverty, unemployment, social violence and urban insecurity in producing countries. The value chain is skewed against producing countries and world consumption is stagnant. Nevertheless there is a growing awareness of the problem in the international community that action is needed, which has been reflected in this Council Session.”

Political support

The Council was formally opened on 16 September by the President of Colombia, H.E. Mr. Álvaro Uribe, in the presence of the President of Brazil, H.E. Mr. Luiz Inácio Lula da Silva, and the President of Honduras, H.E. Mr. Ricardo Maduro. The inaugural ceremony was attended by over 500 delegates from the 55 Member Governments of the ICO, the coffee private sector and international organizations, and concluded with the award to the ICO of the Silver Cross of the Order of Boyacá, presented by the President of Colombia.

During informal talks, the three Presidents requested me to convene talks with leaders of the largest multinational coffee companies and themselves to seek ways to address the price crisis, a challenge which I will take up immediately.

The European Community, the National Coffee Association of the USA and the World Bank were among the organizations to have sent messages recognizing the contribution of the ICO to international cooperation on coffee issues, and its work to help coffee producing countries since 1963. Copies of the presidential statements and messages sent are available on the ICO Website: www.ico.org.

The Council took the following decisions:

Coffee Quality-Improvement Programme

The Council expressed its support for the continuation of the implementation of the ICO Coffee Quality-Improvement Programme (CQP) established by Council Resolution number 407, which was implemented on 1 October 2002. The CQP had resulted in a political commitment towards the improvement of quality internationally and had succeeded in developing progressively wider awareness of the importance of the issue for the future of the coffee sector. A large number of exporting countries had taken actions which had resulted in around 3.5-4 million bags of substandard coffee being taken from the market; this should be seen in the context of very high world production in coffee year 2002/03.

Increasing worldwide consumption of coffee

An Action Plan to increase worldwide consumption of coffee was approved. World coffee consumption is currently stagnant and in some traditional importing markets is falling, contributing to an aggravation of the crisis. Moreover the lack of promotion in new markets makes it difficult to reach potential consumers. Poor quality and the switch to other beverages are having a negative effect on coffee consumption and exacerbating the imbalance between supply and demand. The Plan will focus on market development with activities tailored to the geographical areas of coffee producing countries, emerging markets such as Russia and China, and traditional markets. Members agreed that the ICO should play a catalytic role in mobilizing and harmonizing resources and cooperation from the industry and other sources. Four key areas have been identified for the increase in consumption of coffee:

- Dissemination of positive health-related information on coffee;
- Improvement of quality;
- Promotion of consumption in producing countries; and
- Promotion of consumption in new and emerging markets.

The implementation of the Plan will be reviewed by the Steering Group on Promotion, which will also consider the arrangements for a pledging meeting to be held in May 2004 to seek resources from Members, non-members, other organizations and the private sector.

Poverty in producing countries

The Council considered a report on the impact of the coffee crisis on poverty in producing countries. Fourteen countries provided information on the adverse consequences of the crisis which included social and environmental as well as economic effects. It noted that in the late 1980s earnings by coffee producing countries were some US\$10-12 billion, while today coffee producing countries received only some US\$5 billion.

Membership

The Council welcomed the support of the U.S. Congress Committee of International Relations for U.S. membership of the ICO. The Committee wrote earlier this month to the Secretary of State, the Hon. Colin Powell to stress the importance of ICO membership in revitalizing the Colombian coffee industry and in supporting market-based solutions to the coffee crisis.

The Council also adopted Resolution number 417, inviting other non-member countries including Canada, China, Peru, the Russian Federation and other non-member countries to join the 2001 Agreement.

World Coffee Conference

The Council decided that the next World Coffee Conference, grouping leaders of public and private sector would be held in Salvador, Brazil on 18 and 19 September 2004, followed by meetings of the International Coffee Council and the Executive Board.

Office holders for coffee year 2003/04

The Council appointed the following office holders for 2003/04:

Council

Chairperson: Mr. Roberto Gieseemann (Executive President, Consejo Mexicano del Café)
1st Vice-Chairperson: H.E. Mr. Gilberto Buta Lutucuta (Minister for Agriculture and Rural Development, Angola)
2nd Vice-Chairperson: Mrs. Ina Grohmann (Federal Ministry of Economics and Labour, Germany)
3rd Vice-Chairperson: Mr. Brendan Nevin (Embassy of Ireland, London)

Executive Board

Chairperson: Mr. Markus Schlagenhof (Counsellor, Economic Affairs, Embassy of Switzerland, London)

Vice-Chairperson: Mr. Enzo Barattini (Deputy Head of Unit VIII/B/1, Directorate General for Development, European Community)

Private Sector Consultative Board

Chairperson: Mr. Roberto Giesemann (Executive President, Consejo Mexicano del Café)

Vice-Chairperson: Dr. Euan Paul (Executive Director, British Coffee Association)

Composition of the Executive Board 2003/04

Exporting Members: Brazil, Colombia, Costa Rica, Ethiopia, Guatemala, Indonesia, OAMCAF, Papua New Guinea

Importing Members: European Community (E.C., Belgium, Germany, Italy, Spain, United Kingdom), Japan, Switzerland

***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.*

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