



International Coffee Organization  
Organización Internacional del Café  
Organização Internacional do Café  
Organisation Internationale du Café

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**Future of the International  
Coffee Agreement (ICA) 2001  
Communication from Japan**

## **Background**

The following communication on the future of the ICA 2001 has been received from Japan.

## **Action**

The International Coffee Council and Executive Board are requested to consider this document.

## **PRELIMINARY VIEWS OF JAPAN RELATED TO THE FUTURE OF THE INTERNATIONAL COFFEE AGREEMENT**

### **1. Basic position**

Japan, the third largest importer of coffee in the world, depending on imports completely for its coffee demand, has been participating in the International Coffee Agreement for the viewpoints of the assistance for developing countries and the stable supply of quality coffee.

Moreover, the All Japan Coffee Association, representing coffee traders in Japan, has been actively taking part in the Private Sector Consultative Board (PSCB) and exchanging information with counterparts of the Member countries.

### **2. Assessment of the current Agreement**

Japan has appreciated activities under the current Agreement including the promotion of quality through the Coffee Quality-Improvement Programme and the implementation of the “Enhancement of coffee quality through prevention of mould formation” project, as Japanese consumers express a deep interest in quality and safety.

Though various statistical data collected by the ICO are useful for the market analysis by the coffee industry, it is desirable that the ICO should further analyse the statistical data and forecast world coffee supply and demand.

The PSCB is very important for the Japanese coffee industry to exchange information with the producing countries. Information exchange at the Board allows us to take an immediate countermeasure when trade issues, including pesticide residues and toxic mould, arise.

In order to supply coffee beans to the consuming countries stably, it is indispensable for the producing countries to produce them in an economically sustainable way while considering environmental safeguards. Japan has therefore appreciated the importance of encouraging a sustainable coffee economy, which is one of the main objectives of the current Agreement.

### **3. The future of the ICA**

As mentioned above, Japan has appreciated the contribution of the current Agreement to the world coffee economy. It considers however that the next Agreement should introduce a couple of new objectives in order to tackle issues including diversified consumer needs and food safety, which now confront the world coffee community.

Regarding the issues of quality and safety, as consuming countries including Japan have begun to define the criteria by setting a positive list of pesticide residues, producing countries are requested to seek stricter quality control. When a problem of pesticide residues or toxic mould arises, it is desirable that the cause should be immediately investigated and consumers should obtain information on the security and safety of coffee, for example records of production, processing and distribution. Considering the above, Japan proposes that the following two objectives be introduced into the next Agreement:

- a) to provide a forum for consultations on coffee matters to investigate and prevent safety problems such as pesticide residues, toxic mould, etc.; and
- b) to ensure the security and safety of coffee.

Japan agrees to a proposal by the Chairman of the Promotion Committee to introduce customer satisfaction as a new objective into the ICA. As the proposal is described, monitoring customer satisfaction can help marketing departments understand feed-back messages sent by consumers. Since demand for high quality beans such as “specialty coffee” has recently risen in many consuming countries including Japan, it is necessary to establish a system that enables feed-back information on customer satisfaction to the producing countries.

Dissemination of research results showing that drinking coffee has good effects on human health is considered to be one of the factors underlying the recent increase of coffee consumption in Japan. Japan therefore proposes that to make good use of results of research and studies on “Coffee and Health”, this element should be introduced into the objectives of the ICA, though the promotion of research and studies already comprises part of the objectives of the current Agreement.

Regarding the issue of membership and voting related to the participation of Regional Economic Integration Organisations (REIOs), raised by the United States, careful consideration is needed so that their member countries and non-members of REIOs would be treated impartially. It stands to reason that REIOs should not have dual representatives and voting with their member countries. In addition to that, issues including votes distribution should be carefully examined in terms of equity in representation and decision making.

Should negotiating a new Agreement be found to be time consuming, the extension of the current Agreement should be considered as a transition measure to reduce or eliminate a gap between a new Agreement and the current Agreement.