



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

WP Promotion No. 7/06

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English only

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Promotion Committee
25 May 2006
London, England

**Expansion and development of the coffee
market in selected producing countries**

Background

1. In May 2001, a number of Member countries in the Promotion Committee expressed an interest in activities designed to expand consumption of coffee in producing countries (see paragraph 11 of document PC-724/01). In September 2001, these Members and others suggested that a project should be prepared for submission to the Common Fund for Commodities (CFC) to develop domestic markets in a number of countries (see paragraph 7 of document PC-727/01). As a result of this, an outline project was prepared as document WP-CGP No. 4/02 which was approved in principle by the Promotion Committee in September 2002 (paragraph 6 of document PC-5/02). The issue of promoting domestic consumption was also incorporated in the Action Plan to increase coffee consumption (document PC-13/03 Rev. 2) approved by the Council in September 2003.

2. The Executive Director made a number of consultations to seek funding for this project, costed at £3.25 million, but was unsuccessful. Subsequently it became clear that the CFC might be more receptive to financing action in this area and a request for Project Preparation Facilities to develop a full project was submitted to the CFC Consultative Committee for consideration in January 2006. Although this request was rejected, the CFC indicated that it would consider a fully developed project in this area and the Executive Director was subsequently informed that some European Community funds could be made available through the CFC for market development.

3. In these circumstances, the Executive Director consulted with a number of Members, with the result that India, Indonesia and Mexico indicated their willingness to each contribute up to US\$15,000 to cover the costs of preparing a full project, involving appropriate activities in their countries to increase domestic consumption of coffee. In discussions within the Steering Group on Promotion the names of some specific consultants to undertake the formulation of a full project were proposed (see paragraph 10 of document PC-33/06).

Action

4. The Committee is requested to consider supporting the engagement of an appropriate consultant (up to a total cost of US\$45,000), to be funded by the three Member countries mentioned in paragraph 3 above, to prepare a pilot project for submission to the CFC.