

US Trade Representative Susan Schwab welcomes conclusion of a new International Coffee Agreement

The White House's Office of the U.S. Trade Representative issued the attached news release.

U.S. Trade Representative Susan C. Schwab welcomed the successful conclusion of negotiations for a new International Coffee Agreement (ICA) - the ICA 2007.

"The new International Coffee Agreement caps an eventful two years for the International Coffee Organization since the United States rejoined in 2005," said Ambassador Schwab. This result comes more than a decade after the United States left the International Coffee Organization (**ICO**) in opposition to its efforts at that time to intervene in markets to set an international coffee price.

Since rejoining the **ICO** in February 2005, the United States has stressed the need for structural and operational reforms to create new relevancy for the organization and provide an example of the potential role of international commodity organizations in facilitating international trade and sustainable development in economic, social and environmental terms and in a manner consistent with market principles. Renegotiation of the agreement began in January of this year and concluded at the September meeting of the International Coffee Council at the headquarters of the organization in London.

The new agreement is designed to enhance the **ICO's** role as a forum for intergovernmental consultations, increase its contributions to meaningful market information and market transparency and ensure that the organization plays a unique role in developing innovative and effective capacity building in the coffee sector, including promoting sustainable approaches to coffee production and enhancing the value of production for small-scale farmers in key developing country trading partners.

The new agreement establishes a first-ever "Consultative Forum on Coffee Sector Finance" to promote the development and dissemination of innovations and best practices that can enable coffee producers to better manage financial aspects of the inherent volatility and risks associated with competitive and evolving markets. Other notable changes include: expanding the organization's work in providing relevant statistical and market information; strengthening efforts to develop, review and implement capacity building projects; and strengthening the Council through the elimination of an Executive Board."