

Communiqué – Statement by Belgian Foreign Affairs Minister Louis Michel on the International Coffee Problem at the European Union’s Council of General Affairs and External Relations (CAGRE), 19 November 2002 in Brussels

Deputy Prime Minister and Foreign Affairs Minister Louis Michel used the Council of General Affairs and External Relations’ meeting to draw his colleagues’ attention to the worrying developments in the coffee market and the drastic impact of the crisis on small farmers and the economies of the coffee exporting nations.

There was, he said, no simple solution to the crisis, which is the result of a structural imbalance between supply and demand. What was required, rather, were a range of responses which would include restructuring the coffee sectors, diversifying production, and improving the quality of the product.

These concerns and assessment were echoed by the Commission and Ministers from various delegations. It was suggested that, in the short term, the Community request the International Coffee Organization to undertake a study on the economic viability of coffee production in the different countries and regions and, in the long term, assess means of supporting the implementation of national restructuring plans. Other speakers underlined the need for diversification and affording the possibility of access to the markets of the developed nations.

Emphasis was also placed on the World Bank’s ability to afford protection against price fluctuation risk and on the need for a code of conduct to govern relations between the private sector and producers, which could be taken up in the International Coffee Organization.

The Commission also referred to diversification, and emphasised that the possibility of achieving it is not always great, the stumbling block sometimes being the thorny issue of market access. In response to the various delegations, it stated that a global assessment of the commodities issue was planned which would concentrate on diversification and market access.

Underscoring the Council’s concerns regarding the coffee market situation and the latter’s dramatic impact on small producers, the Danish Presidency said it was desirable that workable conclusions be reached. It said that the debate should be integrated in the framework for sustainable development and that the Community endorsed the International Coffee Organization’s Coffee-Quality Improvement Programme. It further said that the Council was calling on the Commission to submit suggested measures for combating the crisis.