

**Report of the Promotion and Market
Development Committee on the 6th meeting
held on 9 September 2013**

1. The Promotion and Market Development Committee met in Belo Horizonte, Brazil on 9 September 2013 for the sixth time under the 2007 Agreement. The Committee was chaired by the Executive Director, Mr Robério Oliveira Silva, in the absence of the Chairperson and Vice-Chairperson, in accordance with procedures agreed by the Finance and Administration Committee in March 2013.

Item 1: Adoption of the Agenda

2. The Committee adopted the draft Agenda contained in document [PM-26/13 Rev. 1](#).

Item 2: Promotion and market development under the ICA 2007

3. The Executive Director reported that implementation of the Plan for Promotion and Market Development was continuing, and invitations had been sent to potential stakeholders to engage on a voluntary basis in a multi-stakeholder network initiative.

4. The Committee viewed videos of plans for Expo 2015 and a presentation by the Chairperson of the Committee, Mr Andrea Illy. Mrs Anna Illy of illycaffè outlined plans for Expo 2015 in Milan. The theme would be 'Feeding the planet, Energy for life', with the main exhibition developed in nine clusters dedicated to different products including coffee. It would be the largest event ever held on coffee. Illycaffè was the cultural advisor for coffee and had planned a Coffee Culture Global tour of eight different cities which had begun in Belo Horizonte with an exhibition of photographs of coffee plantations taken by Sebastião Salgado. Two coffee ambassadors would be chosen for each country. In the case of Brazil, they were Mr José Carlos Grossi, a coffee grower, and Mr Sebastião Salgado. Mr Roberto

Morelli made a presentation on the highlights of Expo 2015 which would involve at least 130 countries and was expected to attract 20 million people. Fundraising activities had commenced and a number of countries had already confirmed their participation in the Coffee Cluster which would tell the story of coffee, including the people working in coffee. A copy of his presentation is available on the technical presentations section of the ICO website at <http://www.ico.org/documents/cy2012-13/presentations/pm-expomilano.pdf>.

5. The Committee took note of this information and further noted that an invitation by the Government of Italy to host the 4th World Coffee Conference would be considered by the Council during its 111th Session. The Committee further noted that exporting and importing Members were requested to inform the Executive Director about the four exporting and two importing Members who would participate on a Steering Group on Promotion for 2013/14 and 2014/15 to assist the Committee in implementing the Plan for Promotion and Market Development, as provided for in the terms of reference for the Group (Annex IX of document [ICC-110-13](#)).

Item 3: Fundraising and communication strategy

6. The Head of Operations introduced document PM-30/13 containing a summary of a fundraising and communication strategy for the ICO which had been prepared by a consultant. A copy of the full version of the strategy was available from the Secretariat upon request. Exporting Members had been requested to consider allocating £150,000 from the Special Fund to implement the strategy and would consider this proposal during consultation meetings during the 111th Session of the Council. The Committee took note of this information.

Item 4: Promotion and Special Funds

7. The Committee noted that in September 2012, the Finance and Administration Committee had agreed that the question of the potential uses of the Special Fund should be referred to this Committee and to exporting Members. The current balance of the Special Fund was US\$1.37 million. As noted under Item 3, the Executive Director had circulated document PM-30/13 for consideration by exporting Members, proposing that resources be allocated from the Special Fund for a fundraising and communication strategy for the ICO.

Item 5: Implementation of the Coffee Quality-Improvement Programme (CQP)

8. The Head of Operations introduced document [PM-28/13](#) containing a report on the CQP for calendar years 2005 to 2012 and from January to June 2013. Since 2004,

32 exporting Members of the ICA 2007 had implemented Resolution 420 and 21 exporting Members and three exporting non-members were currently implementing the CQP fully or partially. The volume of green coffee exported by the countries currently implementing the CQP amounted to 34.1 million bags in the first six months of 2013, representing 65% of world exports of green coffee by exporting countries in the period. Document [PM-27/13](#) contained a report on gradings for Arabica and Robusta coffees for calendar years 2005-2012 and from January to June 2013. In the period January – June 2013 a level of just under 83% pass on the original analysis was recorded by ICE gradings for Arabica coffee. The levels achieved on the analysis of cup, grade and colour were 79%, 93% and 94%, respectively. The total volume of coffee graded amounted to 0.58 million bags in the period. NYSE-Liffe gradings for Robusta coffee showed that 726,500 bags were graded in the period January to June 2013, of which only 1.9% (14,167 bags) were deemed to be below the standards of the CQP. Finally, the Head of Operations introduced document [PM-29/13](#) containing a report on information on national quality standards received from Members in response to ED-2151/13 and previous documents requesting information from Members about their national standards. The Committee took note of this information.

Item 6: Other business

CFC/ICO project on the Development of gourmet coffee potential

9. The Executive Director of the Alliance for Coffee Excellence Inc., Ms Susie Spindler, made a presentation on the historical contribution of the ICO to promotion activities which had had a huge ripple effect on coffee consumption and could serve as a model for the future. The ICO had contributed funds from the Promotion Fund to the promotion of coffee in the youth market in the USA at a time when consumption had been very low, and this had helped to turn the tide of consumption. A decade later, with the Common Fund for Commodities (CFC) and the International Trade Centre (ITC), the ICO had developed a project on gourmet coffee to develop the specialty coffee sector. The project had focussed on increasing returns from gourmet coffee in five countries (Brazil, Burundi, Ethiopia, Papua New Guinea and Uganda). Demand for gourmet coffee from each country had increased with roasters willing to pay a premium for it. A competition had been developed to encourage interest in Brazilian gourmet coffee and an internet auction had been held in 1999, in collaboration with the Specialty Coffee Association of America (SCAA) and the ICO, which had provided a loan to purchase the coffee from the producers. The auction had proved very successful and had led to the development of a Cup of Excellence and the Alliance for Coffee Excellence, as well as changes in pricing and transparency to farmers, and she expressed her great appreciation to the ICO and the Promotion Fund for their support. The Committee took note of this report.

Item 7: Date of next meeting

10. The Committee noted that the next meeting would take place in London at the time of the 112th Council Session from 3 to 7 March 2014.