



**Report of the Private Sector Consultative
Board on the meeting of 24 September 2014**

1. The Private Sector Consultative Board (PSCB), chaired by Mr Ric Rhinehart of the SCAA, met in London, United Kingdom on 24 September 2014.

Item 1: Adoption of the Agenda

2. The PSCB adopted the draft Agenda contained in document [PSCB-141/14 Rev. 2](#).

Item 2: Report on the meeting of 5 March 2014

3. The PSCB approved the report of the meeting of 5 March 2014 contained in document [PSCB-140/14](#).

Item 3: Coffee market situation

4. In the interest of saving time and avoiding repetition, this item was skipped.

Item 4: Sustainability

5. The Chairperson of the Vision 2020 Task Force gave a presentation on 'Vision 2020 for a sustainable coffee sector'. He explained that Vision 2020 was a multi-stakeholder engagement effort, which had started with the 4C Association, as a platform to bring people together. Coffee was at the forefront of sustainability efforts, and people looked up to coffee in terms of progress. There was also an opportunity in coffee to do more, to bring farmers together and to increase private sector cooperation, and this could be done through the Vision 2020 framework. The Board took note of this update and noted that the ICO also had a role to play in bringing stakeholders together.

Item 5: World Coffee Research

6. The Executive Director of World Coffee Research gave a presentation on the outbreak of coffee leaf rust in Central America, '[The Rust Crisis within the Rust Crisis](#)'. It was emphasized that there is still a rust crisis in Central America, with Peru particularly badly hit in 2014. The incidence remained around 50%, and climatic conditions continued to be favourable for rust. In terms of solutions, the most effective short-term solutions were fungicides combined with good agricultural practices. However, this is not good for the environment or for organic coffee. In the long-term, the only sustainable solution is the development of rust-resistant varieties. However, for this to happen there needs to be a facility to test and screen for resistance, and the only place in the world where this happened was the CIFC in Portugal, which had been operating since 1955. The funding for the CIFC had recently been cut and its future was extremely uncertain. This affects everyone, and something needs to be done about it. There was a possibility that a trimmed-down version of the CIFC could be hosted at a former USDA tropical research centre in Texas, but this was a second-best solution. The Board took note of this presentation, and agreed to make a strong recommendation to the Council that this was a dire situation, and that alternative solutions need to be fully explored.

Item 6: Coffee Quality Institute

7. The representative of the Coffee Quality Institute made a presentation on '[Leveraging Capabilities to Meet Supply Chain Risks](#)', which centred on a new initiative on gender and coffee. It was proposed that this should be seen as an opportunity, not a problem. There were numerous data and studies available on gender poverty, which showed that of the world's 1 billion poor, an estimated 70% were women; that women produce half the world's food, yet own less than 2% of the world's land; and that women work two-thirds of the world's working hours, yet earn only a tenth of its income. To address this, the CQI had recently launched the Partnership for Gender Equity, to take a strategic approach to gender, making sure that the great work going on worldwide was being done in a meaningful way. This was a multistage process, which was currently in the first research stage. This initiative was fully supported by the Board, and the Secretariat indicated that the ICO should capture more data on gender in its coffee statistics.

Item 7: Coffee consumption

8. The President and CEO of the NCA, made a presentation on the [US coffee market](#). Consumption had remained relatively constant in the US, although there were a couple of different trends happening at the same time. Consumption was moving towards gourmet coffee beverages, particularly espresso-based drinks. Furthermore, the average age of

consumption was decreasing, with consumers between 18 and 24 accounting for more of the total. Ownership of single-cup brewers was also increasing, up to around 15% of coffee drinkers in 2014. In terms of health perceptions, the observation was made that 57% of consumers thought that coffee was good for their health, but 56% said that they did not pay any attention to news about coffee and health. So there was clearly an opportunity for the industry to intervene and inform consumers. There was a concern over potential new legislation on food labelling, which could increase requirements and actually contribute to confusion over nutrient content. This would not be in the interests of consumers or the industry. Furthermore, the ongoing scrutiny caffeine was facing due to some cases of young people overdosing on energy drinks was a matter of some concern.

Item 8: Food safety aspects

9. The representative of the European Coffee Federation gave an update on the [EFSA opinion on caffeine and acrylamide](#). In terms of caffeine, the scientific basis currently used was outdated, and applicable to pregnant women, which was not helpful. EFSA was currently reviewing the data on caffeine from several sources, not just coffee, and was expected to report by the end of 2014. In terms of acrylamide, EFSA had been asked by the Commission to look into the effects on health, and its draft opinion was published on the 1st July 2014. The opinion noted that coffee and coffee substitutes had the highest level of acrylamide of all food products, but the ECF wished to make the point that coffee and coffee substitutes are not the same product, and thus should be treated differently. There would be a stakeholder meeting in late 2014 or early 2015, and the ECF position was to avoid maximum levels for acrylamide, and to prepare a 'soft landing' for the EFSA opinion.

Item 9: Consultative Forum on Coffee Sector Finance

10. The Chairman of the Core Group gave an update on the 4th Consultative Forum, which had taken place on 23 September 2014. He reported that the event had been a significant success, and the most interesting part had been getting everyone together in the same room. The focus had been mostly on public private partnerships, and this was the beginning of a dialogue which now needed to be converted into action. This was an important opportunity which needed to be made the most of.

Item 10: International Coffee Day

11. The representative of Oxfam gave a presentation on a potential fundraising campaign leading up to the International Coffee Day. Oxfam were participating in the Expo 2015 in Milan, and were looking to explore synergies with the ICO. They were using the idea

of a *caffè sospeso* for poverty, introducing an app and looking to engage with participants. A specific programme had not yet been identified, and would be explored in more detail in the Promotion and Market Development Committee.

12. The representative of the All Japan Coffee Association expressed his appreciation that the International Coffee Day would be held on 1 October, the same day as the current national coffee day in Japan, which would be attended by the Executive Director of the ICO in the next week.

Item 11: World Coffee Conference

13. This item was skipped in the interest of time.

Item 12: Coffee Quality-Improvement Programme

14. The Secretariat made a recommendation that this agenda item be moved exclusively to the Statistics Committee for their consideration. The representative of the SCAE wished to reserve the right to reinstate this item at a later date, but it was agreed that the timing was not right.

Item 13: PSCB office holders

15. The Board agreed to defer this item until the March meetings.

Item 14: Other business

16. The representative of GAEKI reported on some developments in Indonesia regarding the taxation of coffee. The imposition of VAT on coffee had been suspended in 2007, but had recently been re-enacted by the Supreme Court. The representative requested that the Secretariat provide some assistance in showing that other coffee exporting countries do not impose VAT on domestic coffee. The Secretariat agreed to collect this information from producing Members and make it available.

Item 15: Future meetings

17. The PSCB noted that the next meeting would take place in London during the 114th Council Session in March 2015.

LIST OF ACRONYMS USED IN THIS REPORT

CEO	Chief Executive Officer
CIFC	Coffee Rust Research Centre
CQI	Coffee Quality Institute
CQP	Coffee Quality-Improvement Programme
ECF	European Coffee Federation
EFSA	European Food Safety Authority
EU	European Union
GAEKI	Indonesian Coffee Exporters Association
ICO	International Coffee Organization
NCA	National Coffee Association USA
PSCB	Private Sector Consultative Board
SCAA	Specialty Coffee Association of America
SCAE	Speciality Coffee Association of Europe
USDA	United States Department of Agriculture