

PSCB 165/20

28 September 2020 English only



Report of the 49th meeting of the Private Sector Consultative Board held on 8 September 2020

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1. The Private Sector Consultative Board (PSCB), chaired by Mr Anil Kumar Bhandari of the India Coffee Trust (ICT), held its 49th meeting online, on Tuesday, 8 September 2020.

Item 1: Adoption of the Agenda

2. The Board adopted the draft Agenda contained in document <u>PSCB-162/20 Rev. 2</u>.

Item 2: Report of the 48th meeting held on 28 March 2019

3. The Board approved the report of the meeting held on 28 March 2019 contained in document PSCB-160/20.

Item 3: Coffee Public-Private Task Force (CPPTF)

4. The members of the PSCB received a report by the Chair on the progress of the Coffee Public Private Task Force (CPPTF) and the roadmap for the implementation of the London Declaration and Resolution 465. The members of the PSCB stressed the importance of the involvement of the private sector in the process and reiterated that economic sustainability remains the key challenge faced by the coffee sector, in particular farmers, that needs to be addressed urgently.

Item 4: Next International Coffee Agreement

5. The Board discussed the role of the private sector in the new International Coffee Agreement. A presentation on a possible new governance structure inspired by the International Telecommunication Union (ITU) was given by the Head of Operations. Members took note of the presentation and, in the subsequent discussion, recommended that PSCB Members provide input to the deliberations of the Working Group on the Future of the ICA.

Item 5: Communication by the European Coffee Federation (ECF)

6. The members of the PSCB received a presentation by Eileen Gordon, the Secretary General of the European Coffee Federation (ECF), on the revision of European Union regulations covering maximum residue levels of pesticides on green coffee (PSCB-164/20). She provided an estimate of the impact of changes to the framework on international trade and recommended mitigating actions including reinforcing Good Agricultural Practices in countries of origin. She also encouraged members of the PSCB to approach relevant EU institutions on this matter. The PSCB took note of the presentation which is attached to this Report.

Item 6: Coffee Exporters Guide

7. The representatives of the International Trade Centre (ITC), Philip van der Goltz and Nick Rosser, reported on the progress of the update of the very successful Coffee Exporters' Guide, that has emerged as a key resource for coffee sector stakeholders. The fourth edition was scheduled to be published in 2021. The ICO was directly involved in the process providing key data and knowledge. The representative invited the members of the PSCB to support the process. The PSCB took note of this report.

Item 7: Other business

8. There was no other business.

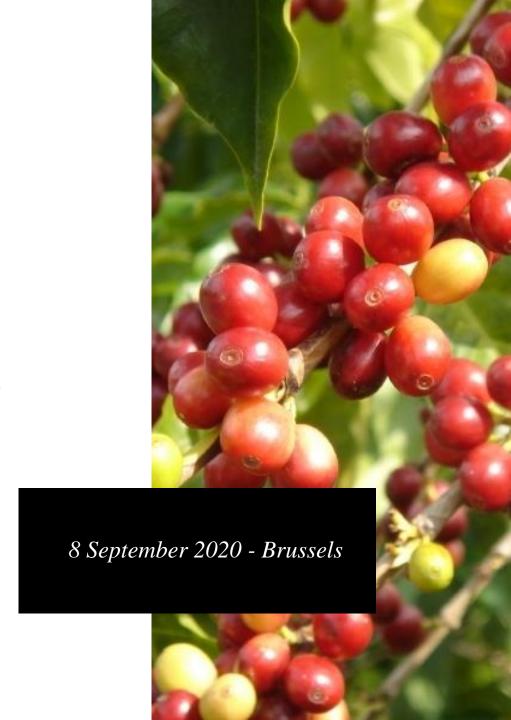
Item 8: Date of next meeting

9. The Board noted that the next meeting would take place in place during the week of the 128th Council Session.



PRESENTATION TO THE ICO PSCB

EU PESTICIDES REGULATORY FRAMEWORK





WHO WE ARE

Since 1981, we are the <u>single voice</u> of the <u>European coffee trade and industry</u>, facilitating the development of an environment in which our industry can meet the needs of consumers and society, while competing effectively for sustainable growth.

We embody 14 National Associations and 31 direct members, representing over 700 companies. The <u>total import</u> volume amounts to 40 million coffee bags (35% of the world trade volume).

SETTING THE SCENE: EU CROP PROTECTION REGULATORY FRAMEWORK

The EU crop protection sector is heavily regulated by:

(EC) <u>Regulation</u> No 1107/2009

Provides rules for governing

Plant Protection Products & Active Substances

contained in those products

Hazard-based cut-off criteria

Level of exposure to a risk will NOT be taken into account

if the substance falls in 3 specific categories: (i) carcinogen, mutagen or reproductive toxicant, (ii) Persistent bioaccumulative toxic, (iii) Endocrine Disrupter.



Before 2009

Directive & Risk Based Assessment

(EC) Regulation No 396/2005

Provides rules for setting

Maximum Residue Levels of pesticides
in or on food of plant and animal origin





OBJECTIVE

Guarantee the highest level of consumer protection,
Safeguard the environment,
Guarantee the free movement of goods.





SETTING THE SCENE: EU POLITICAL LANDSCAPE



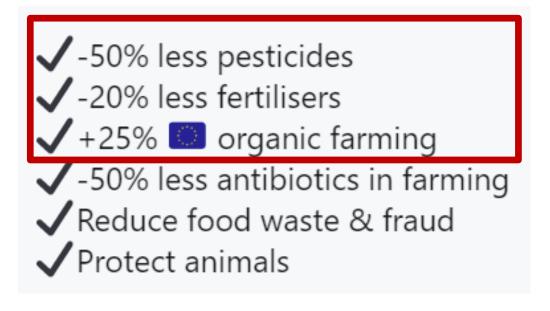
EC ambitious plan to put Europe on a pathway to a sustainable future so it may become the first climate-neutral continent.

Different
Transformative
Policies

"I want the Green Deal to become Europe's hallmark"
Ursula von der Leyen, President of the EC









REGULATORY FRAMEWORK: ENCOUNTERED CHALLENGES

Pesticide and pesticide residues are becoming more of an issue for the Food & Drink industry:

- 1. Growing number of active substances that are NOT re-authorized for use in the EU.
 - MRLs fall to the Limit of Detection.
 - Import tolerances are removed.



In Jan 2020 the EC withdraw authorisations for PPP containing chlorpyrifos-methyl and chlorpyrifos.

The MRL was immediately reduced to the default MRL 0.01 mg/kg as from 13 November 2020

- 2. The approval process for new pesticides is becoming more complex, time consuming & expensive.
 - The number of new products coming onto the market is reducing.
 - Which is the alternative?



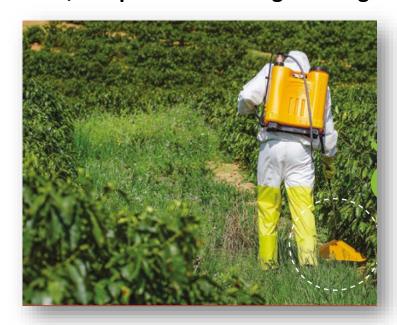
As a coffee sector we have only limited involvement.

We are however the recipients of the policy impacts.

GLYPHOSATE MRL CONTEXTUALIZATION



1. Glyphosate is not naturally present in green coffee, nor produced during roasting.



The presence of traces of the molecule in the green coffee is consequence of the use of Glyphosate at origin as an herbicide for weed control.

- 2. The current MRL for Glyphosate in green coffee is set at 0.1 mg/kg in EU.
 - Tea (2 mg/kg);
 - Lentils, rye and wheat (10 mg/kg);
 - Oats or barley (20 mg/kg).
- **3. Level of consumption.** Coffee has a low level of consumption compared with other commodities.
 - The average amount of coffee consumed per day, based on R&G coffee used for the preparation of 5 cups of coffee, hardly exceeds 30 g.
 - The average wheat consumption for the European population ranges between 100 g and 200 g per day.

REGULATORY PROCEDURES: GLYPHOSATE



December 2017

Controversial 5-year EU Renewal of Glyphoaste as an active substance Regulation 1107/2009



The renewal triggered the Review of the existing MRLs
Article 12 of Reg (EC) 396/2005



ON-GOING PROCESS

Decision to be taken in the coming months

EU Renewal procedure of Glyphosate as an active substance Regulation 1107/2009

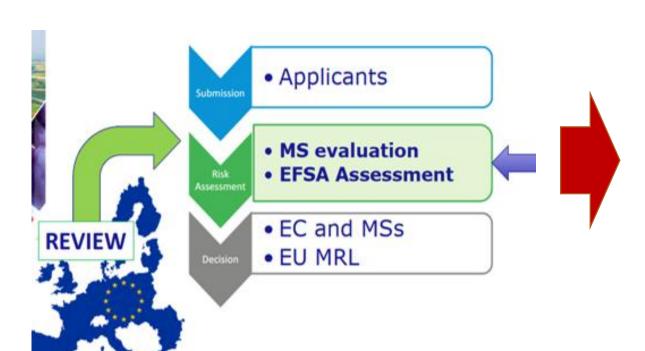
ON-GOING PROCESS

Decision to be made by 15 December 2022

IMMEDIATE CONCERN



Review of the existing MRLs Article 12 of Reg (EC) 396/2005



REASONED OPINION



ADOPTED: 27 September 2019

doi: 10.2903/j.efsa.2019.5862

AMENDED: 16 March 2020

Review of the existing maximum residue levels for glyphosate according to Article 12 of Regulation (EC)

No 396/2005 – revised version to take into account omitted data

European Food Safety Authority (EFSA)



MISLEADING ASSUMPTIONS

INMEDIATE CONCERN: EFSA OPINION





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B.4. Proposed MRLs

B.4.1. Main residue definition for enforcement

Code number	Commodity	Existing EU MRL (mg/kg)	Existing CXL (mg/kg)	Outcome of the review	
				MRL (mg/kg)	Comment
Enforce	ment residue definition	on: glyphosate			
620000	Coffee beans	0.1	- (0.05*	F rther consideration needed ^(b)

Tentative MRL is derived from a GAP evaluated at EU level, which is not fully supported by data but for which no risk to consumers was identified; no CXL is available (combination E-I in Appendix E).

MISLEADING ASSUMPTIONS

Coffee beans:

- **NO RESIDUE TRIALS are** available.
- The application is done on soil: before seedling, transplanting and after harvest
- **NON-RESIDUE SITUATION IS** ANTICIPATED.
- No residue trials are required

INMEDIATE CONCERN: EFSA OPINION





THE PROPOSAL to

reduce the MRL from 0.1 mg/kg to 0.05 mg/kg is solely based on the GAP of a handful of coffee plantations in the Agaete Valley of the Canary Islands (Spain) that produce 80 bags of coffee a year!!



MISLEADING ASSUMPTIONS

The conclusions are generalized to the 170 million coffee bags that are cultivated in the rest of the world!!

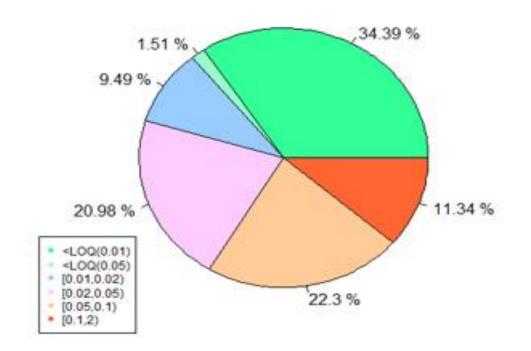
OUR REQUEST: MAINTAIN the current MRL for green coffee A non-residue situation is not to be anticipated



ECF 2018-2019 DATABASE: OVERVIEW



Total (n= 4848)



Conclusion

If the MRL is set at 0.05 mg/kg,

1/3 of the database entries

would be over the MRL value.

MRL exceedance at 0.1 mg/kg: 11.34%
MRL exceedance at 0.05 mg/kg: 33.64%

CONSEQUENCES & MID-TERM SOLUTIONS



IMPACT ON TRADE

- EUR 2 BILLION OF GREEN COFFEE IMPORTS WOULD BE AFFECTED.
- Origins representing 60% of our imported volume would be directly affected. Dificultes:
 - The G MRL in Brazil is set at 1 mg/kg (ten times higher than the EU MRL)
 - The Vietnamize Government:
 - banned the import of Glyphosate in April 2019
 - informed WTO that the active substance may only be traded and used until 30 June 2021.



N

G

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GOOD AGRICULTURAL PRACTICES

DEVELOPMENT.

- Specific GAP's only started developing in late 2018.
- GAP are specific to each country, region.
- IMPLEMENTATION.
 - 80% of green coffee is produced by 25 million smallholders.

COOPERATION. The challenge is COMMON, encouraging collaboration

OUR REQUEST FOR YOUR CONSIDERATION



In view of what has been mentioned,

we THANK YOU for supporting our advocacy towards the EU in order to (in this first phase)

Maintain the current MRL for green coffee

- Reach out to the Rapporteur MS (Germany)
- React once you receive the WTO notification

Thank You!



Thank you for your attention