



INTERNATIONAL COFFEE ORGANIZATION
ORGANIZACIÓN INTERNACIONAL DEL CAFÉ
ORGANIZAÇÃO INTERNACIONAL DO CAFÉ
ORGANISATION INTERNATIONALE DU CAFÉ

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**Core Group for the
Consultative Forum on Coffee Sector Finance**

**2nd Forum on 6 March 2012 –
Statement of problem**

1. At its 107th Session in September 2011, the Council decided that the 2nd Consultative Forum should take place in March 2012. It elected Ms Amy Karpel of the USA and Mr Rodolfo Trampe of Mexico as the Chairperson and Vice-Chairman of the Forum, and appointed the following to serve on the Core Group for the Consultative Forum in 2011/12:

Exporting Members: Brazil, Colombia, Côte d'Ivoire and Mexico

Importing Members: European Union, Switzerland and the USA

Ex-officio Member: Executive Director

Assisted by: Chairman of the PSCB

2. Following intersessional consultations by the Group, the following topic was selected for consideration in the Forum: The role that producer associations, governments and other entities (e.g. the private sector, non-profit organizations or public-private partnerships) play, or could play, in making risk management and financing tools more accessible, and more workable, for small- and medium-sized growers. A document containing a statement of the problem and methodology is attached.

3. Experts identified by the Group will be invited to participate in discussions on this topic on the afternoon of 6 March 2012 during the 108th Session of the Council.

CORE GROUP FOR THE CONSULTATIVE FORUM ON COFFEE SECTOR FINANCE

2ND FORUM ON 6 MARCH 2012

Statement of problem

1. One of the central themes that emerged from the 1st Consultative Forum on Coffee Sector Finance in September 2011 was the important role that intermediaries can play in furthering small- and medium-scale growers' understanding of and access to risk management and finance tools.

2. During the Forum, the Governments of Mexico and Brazil, as well as representatives of producer organizations in Colombia and Guatemala, highlighted programmes where they have successfully mitigated price volatility for coffee growers in their countries. Panel participants, Mr David Browning of TechnoServe and Mr Oscar Schaps, also provided examples from the private sector, non-profit organizations, and public-private partnerships that improved small- and medium-scale growers' ability to understand and access risk management tools. Additionally, Members expressed interest in expanding this theme to address challenges faced by small- and medium-scale growers in gaining access to credit and other means of finance.

3. The Core Group has selected the following topic for the March 2012 Forum meeting:

The role that producer associations, governments and other entities (e.g. the private sector, non-profit organizations or public-private partnerships) play, or could play, in making risk management and financing tools more accessible, and more workable, for small- and medium-sized growers.

4. In addressing this topic, presenters might address how producer associations, cooperatives, governments and other entities:

- Effectively communicate with farmers about the benefits of risk management products and achieve buy-in
- Overcome financial literacy and communication barriers
- Create enabling environments that generate innovative products and methods
- Attract lenders and other sources of finance to serve small- and medium-sized farmers

- Improve farmers' understanding of debt practices and insurance products
- Adapt technologies that improve productivity and access to market information for small- and medium-sized coffee growers
- Disseminate information on past lessons learned and best practices

Methodology

5. It is envisaged that the Core Group will invite a number (probably no more than 5) of experts to address the topics, each giving a 10 minute presentation and engaging in an exchange of views and discussion with other speakers, ICO Members, observers and invited guests. The discussion will be led by a moderator who may or may not be the Chairman of the Core Group. Speakers will be briefed beforehand to ensure that they are aware that they will be engaging in a discussion rather than just a presentation. Core Group members in particular are encouraged to come prepared to engage actively in the discussion. During the session, the moderator should encourage participation by the Members present as well as from observers and invited guests.