



International Coffee Council
108th Session
5 – 8 March 2012
London, United Kingdom

**Statement by Mr Robério Oliveira Silva,
Executive Director of the ICO, to the
International Coffee Council**

Dear Delegates,

Good morning and welcome back to Berners Street for the 108th Session of the International Coffee Council, and the first for the current coffee year.

Since this is my first meeting after the honour of being appointed to lead the ICO, I want to share with you what I have been doing since I took office on 1 November as Executive Director.

However, before I update you on the progress we've made over the last four months, I'd like to take a moment to address what I see as the major concerns facing the coffee industry at the moment, and what I believe the ICO can do to help tackle them.

At the very heart of the ICO's agenda is the issue of sustainability. The new International Coffee Agreement 2007 identifies three pillars of sustainability: economic, social and environmental. This means ensuring that all stakeholders in the coffee value chain – from producers to traders to consumers – receive a positive benefit from the coffee sector. Growers need to receive a remunerative price, which encourages them to reinvest in their crop and produce a quality good; the industry needs a reliable supply of beans to process; and consumers need an enjoyable beverage at a reasonable price.

Since I started as Executive Director of the ICO, I have met with leaders of the coffee industry from all over the world, and they all express their willingness to cooperate with us, particularly in this issue of sustainability. This is an opportunity to really engage with the coffee market, and establish the ICO at the centre of all coffee-related matters.

We all know that price instability is a significant threat to coffee growers. Less than 10 years ago, we were recovering from one of the worst crises the industry has ever seen, yet just last year we saw the highest coffee prices in 34 years, only for them to lose 20% of their value by today. This degree of variation and uncertainty is not healthy for the industry – we want to see **stability** in the market place.

Unfortunately, some extent of price risk is unavoidable, but we can help to prepare producers for any eventuality. To that end, we will be holding this week the 2nd Consultative Forum on Coffee Sector Finance, following the success of the 1st meeting in September. I have been cooperating closely with Amy Karpel, the Chair of the Core Group and the Forum, to put together a programme for tomorrow's meeting. We have a very distinguished and expert cast of international speakers, who will certainly greatly enhance our knowledge about the most efficient ways in which to help small- and medium-scale farmers manage price risk.

Secondly, we need to remember that coffee is predominantly grown in developing countries, and a main concern of the ICO should be poverty alleviation. This is an issue we have addressed directly through our Projects programme, which has successfully developed over 33 projects globally – mostly in Africa and the Americas.

To build on that work, I am also very happy to present to the Council a Memorandum of Understanding between the ICO and the Agência Brasileira de Cooperação, the arm of the Brazilian Ministry of Foreign Affairs responsible for technical cooperation activities. I am sure that, once signed, this agreement will significantly enhance the ICO's capacity to assist exporting Members, particularly the Least Developed Countries which are most deserving of our attention.

Finally, one area I intend to dedicate particular attention to is the question of promoting consumption. Over the last decade, world consumption has grown at record rates, partly as a result of ICO activities, such as the Step-by-Step Guide to Promoting Coffee Consumption and several programmes in the area of coffee and health. I would like to highlight the importance of continuing to build on the excellent work that we have already undertaken, and the need to develop fresh ideas and seek new sources of funds for promoting demand for coffee. Furthermore, I will be presenting later this week a 10-year outlook for coffee demand, which will demonstrate the dynamic growth we expect to see continuing in the future. Particularly important in this regard is the growth of consumption in exporting countries and emerging markets, which show strong potential for further expansion.

In these last four months, much of my time has been given over to administrative issues. Although these do not constitute the substance of the work of the Organization, they are very important in providing a sound footing for the future work of the ICO.

By far the most significant administrative concern has been the question of premises. As you will recall, in September important decisions were taken with regard to laying down a series of conditions that would need to be met to enable Members to make an informed decision on this subject. As a result, I conducted a series of meetings with the landlord, architects, surveyors and estate agents and I am glad to say that many questions have now been clarified.

As this is a matter that will directly affect the welfare of the staff of the Organization, I have also sought their involvement through staff meetings and the establishment of a task force to assist with this process. In order to speed things up as much as possible, an intersessional meeting of the Finance and Administration Committee was held, by conference call, on 22 February. I wish to thank all the delegates participating in this important body for their hard work. The meeting was very productive and made some progress on this issue, which will be the subject of further discussion in that Committee during this week. Overall, I can say that we are now much closer to reaching an outcome that will help reduce the large proportion of the ICO's budget represented by the cost of premises.

Although this is not an exhaustive list, I do think it highlights the variety of challenges that lie before us, and I count on all delegations to provide input on these important issues for the Organization. I look forward to working with all of you to enhance the capacity of the ICO to serve the world coffee community.

Thank you.