



**Decisions and Resolutions adopted by the
Promotion Committee at its 15th meeting**

1. The Promotion Committee, chaired by Mr Mick Wheeler of Papua New Guinea, met for the 15th time under the 2001 Agreement on 17 March 2009.

Item 1: Adoption of the Agenda

2. The Committee adopted the draft Agenda contained in document PC-52/08 Rev. 1.

Item 2: Promotion activities and proposals

Item 2.1: ICO CoffeeClub Network

3. The consultant, Mr Carlos Brando of P&A International Marketing, made a presentation on the implementation of the ICO CoffeeClub Network (www.coffeeclubnetwork.com) which was funded by the Promotion Fund. A copy of his presentation is available on the technical presentations area of the ICO website (<http://dev.ico.org/presents/presentation0809.htm>). The Network had been operational for 10 months and had over 500 members and 40 communities. He stressed the need to find active mediators, as mediation was essential to the success of the initiative, and said that the Executive Director had formally invited all Members to nominate mediators and to establish links to the Network on their websites (see document ED-2048/08). Mr Brando also outlined options for the future development of the Network, including incorporating existing country networks (for example the *Cafés do Brasil* network); integrating the scientific coffee community by establishing a special community for scientific coffee papers and enabling researchers and stakeholders to discuss coffee and science; and creating a 'Coffeepedia', along the lines of the Wikipedia model. The Network could also be used for inbound

marketing (where organizations and companies are found by potential clients, who are attracted by the content of the website such as blogs, papers, photos etc.), search engine optimization (web 2.0 technologies) and social media (coffee websites, other networks and blogs). Consideration could also be given to integrating the operation of the Network with the ICO website. The challenge was to attract young people to become mediators, as they would be critical to the future success of the Network.

4. The Committee took note of this report and expressed its appreciation for the work that had been carried out. It further noted that the Network could be a valuable tool for companies to promote new products for the coffee sector.

Item 2.2: Programmes to promote coffee consumption

5. The consultant, Mr Carlos Brando of P&A International Marketing, reported on the implementation of programmes to promote coffee consumption based on the Step-by-Step Guide to promote coffee consumption. A copy of his presentation is available on the technical presentations area of the ICO website (<http://dev.ico.org/presents/presentation0809.htm>). Activities would shortly commence in Colombia, a structure would be designed in Costa Rica during 2009, and discussions had taken place with African Members and with Vietnam. He described trends in producing Members and said that in the case of positioning coffee to consumers, low-income groups were in the majority and specific approaches were required, such as functionality (health/sports/attention), pleasure and socialization. He gave examples of activities undertaken by producing Members (El Salvador, India and Mexico) to promote consumption in their countries, which could be valuable to Members at this time of economic crisis.

6. During discussions on this item, the Committee noted that in the case of Indonesia, internal consumption was estimated at over 2.5 million bags a year, reflecting the importance of developing domestic consumption in producing countries, which could benefit growers when export prices were weak. In the case of India, the Committee noted that the Indian Government had introduced a new scheme to assist entrepreneurs who wanted to set up coffee businesses by providing a subsidy of 25% of the costs of the equipment. This had been very well received by entrepreneurs in non-coffee drinking areas in the north of the country. It should result in a shift in the pattern of consumption in the country. The Executive Director highlighted the importance of receiving up-to-date data on domestic consumption and said that he would write to exporting Members about this after the meeting.

7. The Committee took note of this information and further noted that the initial investment by the Promotion Fund had resulted in investments of over US\$30 million in promotion programmes to date, with more resources in the pipeline.

Item 2.3: Coffee and health

8. The Executive Director said that Ms Joanna Scott was the new coordinator for the Positively Coffee Programme and the Healthcare Professions – Coffee Education Programme (HCP-CEP), and had made a presentation on both programmes to the Private Sector Consultative Board (PSCB) meeting on 16 March 2009. The Institute for Scientific Information on Coffee (ISIC) and exporting Members had contributed financing for 2008/09 to the Positively Coffee Programme (US\$50,000 from the Promotion Fund in the case of exporting Members). ISIC would review the future of the programme at a forthcoming meeting, and he invited Members to consider whether the ICO should continue to cooperate with it or develop the programme on its own, noting that the resources remaining in the Promotion Fund (around US\$17,000) were very limited.

9. The Committee took note of this report and further noted that the Chairman of the Promotion Committee represented producing Members on the Steering Group on Coffee and Health. The programme had been very beneficial to producing Members, who needed to discuss the future of the programme in their group, and the extent and form of ICO participation.

10. It was suggested that as the Promotion Fund was almost exhausted, consideration could be given to recapitalizing it. The Chairman noted that while this could be included on the Agenda, the Committee would need a proposal on how recapitalization could be achieved. He invited all Members to consider this, and submit a proposal for consideration at the next meeting.

Item 3: Financial matters

Item 3.1: Accounts of the Promotion Fund for the financial year 2007/08 and Report of the Auditors

11. The Head of Finance and Administration introduced document PC-53/09 containing the Accounts of the Promotion Fund for the financial year 2007/08 and the Report of the Auditors. In response to a question about a loan of US\$40,000 from the Promotion Fund to Vanderbilt University, he confirmed that this had been repaid and had been written back to the Accounts. The Accounts of the Promotion Fund for the financial year 2007/08 and the Report of the Auditors contained in document PC-53/09 were approved by exporting Members.

**Item 3.2: Accounts of the Special Fund for the financial year 2007/08
and Report of the Auditors**

12. The Accounts of the Special Fund and Report of the Auditors for the financial year 2007/08 contained in document SF-41/09 were approved by exporting Members.

13. The Executive Director invited Members to consider a proposal made at a previous meeting to use some of the interest accrued in the Special Fund to fund specific promotion programmes, such as seminars and other activities of interest to producing Members.

14. In discussions on this topic, reference was made to the fact that the Special Fund had been set up for a specific purpose. In the case of some countries, their legislation might not allow resources allocated for one purpose to be used for another activity. Some countries which had contributed to the Fund were no longer members of the Organization. It was suggested that it would be preferable to wait until a significant project had been identified, rather than spending resources on a number of smaller activities. Promotion benefitted both producing and consuming Members, and generated considerable benefits in relation to the amount of resources involved, and all Members should consider contributing to this activity. Exporting Members might need to consider whether a project in their countries might be more appropriate if no contributions were forthcoming from consuming Members. The value of using some of the resources for activities such as health, or investing them in a domestic consumption project which was important at this time of economic crisis, was also noted.

15. The Committee took note of this information.

Item 4: Other business

16. There was no other business to discuss.

Item 5: Date of next meeting

17. The Committee noted that the next meeting of the Promotion Committee would take place during the 103rd Session of the Council during the week of 21 to 25 September 2009.