



ORGANIZACIÓN INTERNACIONAL DEL CAFÉ
ORGANIZAÇÃO INTERNACIONAL DO CAFÉ
ORGANISATION INTERNATIONALE DU CAFÉ

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**Report of the Promotion and Market
Development Committee on the meeting
held on 30 September 2011**

1. The Promotion and Market Development Committee, chaired by Mr Henry Ngabirano of Uganda, met in London on 30 September 2011 for the second time under the 2007 Agreement.

Item 1: Adoption of the Agenda

2. The Committee adopted the draft Agenda contained in document PM-6/11 Rev. 1.

Item 2: Promotion activities

Item 2.1: ICO CoffeeClub

3. The consultant made a presentation on the ICO CoffeeClub, a copy of which is available on the technical presentations section of the ICO website (<http://dev.ico.org/presents/presentation1011.htm>). He reported that the website had been relaunched with new features, and work was continuing on improving profiles, developing a messaging system for users and other innovations. It was a free and easy-to-use social network with over 1,380 members, attracting some 50,000 visits and 140,000 page views per year from 170 different countries. The partnership with the ICO website had proved very successful with 15% of visitors referred through the ICO website in the last year. He encouraged all Members to use the ICO CoffeeClub and to promote it in their countries by including links to it on their websites.

4. The Committee took note of this information and of document PM-9/11 containing a report on the ICO CoffeeClub for the period June 2010 to June 2011 and further noted that the consultant would explore the suggestion to link the ICO CoffeeClub to the 'LinkedIn' website.

Item 2.2: Programmes to promote coffee consumption

5. The consultant made a presentation on coffee consumption trends in traditional, producing and emerging markets, a copy of which is available on the technical presentations section of the ICO website (<http://dev.ico.org/presents/presentation1011.htm>). He reported that coffee consumption at home was growing in traditional markets. Soluble coffee continued to be popular in both producing and emerging markets, with young people in emerging markets showing a preference for '3 in 1' coffee. In Indonesia, where consumption was growing at 10% a year, this product accounted for 30% of the market. He highlighted the increase in the use of domestic machines such as single-serve machines in mature and new markets, and outlined trends in coffee shops in China, India and Vietnam. Issues in the contemporary food industry such as practicality, quality, health, ethics, sustainability and the value of origin were also relevant for coffee. The world financial crisis had seen an increase in home consumption and use of single-serve machines in traditional markets, however producing and emerging markets continued to offer opportunities for continued growth. In conclusion coffee consumption was likely to continue to grow by over 2% a year and demand from consumers would need to be matched by production and quality.

6. In discussions on this item the point was made that it would be helpful to know more about the impact of quality on coffee consumption. It was also suggested that it would be useful to look at methodology and indicators for measuring growth in consumption and that consideration could be given to developing a project to assist with this. The Executive Director a.i. noted that ICO data on consumption took into account re-exports of coffee in individual countries, and gave a good overall indication of trends. The Committee took note of this information and of the potential for cooperation with the Projects and Statistics Committees on matters relating to promotion and market development.

Item 2.3: Coffee and health

7. The Executive Director a.i. said that the Private Sector Consultative Board (PSCB) had discussed coffee and health programmes at its meeting on 28 September 2011, including a report on the Healthcare Professions – Coffee Education Programme (HCP-CEP), which was co-funded by the Institute for Scientific Information on Coffee (ISIC) and national coffee

sectors. Nine countries (Denmark, Finland, Germany, Italy, Netherlands, Portugal, Spain, UK, and the Russian Federation) were participating in the Programme which had resulted in tangible benefits. A new Coffee and Health website (www.coffeeandhealth.org) had been launched on 19 May 2011 under the auspices of ISIC, and provided resources for health professionals, academics and specialist health media. The Committee took note of this information.

**Item 3: Implementation of the
Coffee Quality-Improvement Programme (CQP)**

8. The Executive Director a.i. introduced document PM-8/11 containing a report on the CQP for calendar years 2005 to 2010 and January to June 2011. He said that 23 of the 33 Members of the ICA 2007 were fully implementing Resolution 420, accounting for around 67.4% of world exports in the period 2005 to 2010 and 72.1% in the first six months of 2011. During this period, the volume of green coffee exported by Members who regularly provided information averaged 76.9 million bags out of total world exports of green coffee of 87.6 million bags.

9. The Executive Director a.i. also introduced document PM-7/11 containing a report on gradings for Arabica and Robusta coffees for calendar years 2005 to 2010 and January to June 2011. In the case of Arabica coffee graded by ICE during the period covered by the report, the pass levels on grade and colour analysis were over 90%. The cup analysis results had improved from pass levels of 72% in 2006 to over 85% in 2010, while pass levels of colour analysis fell from 98% in 2005 to just over 86% in 2010. There appeared to be a drop in performance on grade and cup analysis in the first six months of 2011 (83.8% and 80.27% respectively), which might be the result of higher volumes subject to gradings analysis, while colour analysis results had improved (92.01%). The volume of Robusta coffee graded by NYSE Euronext from January 2005 to June 2011 deemed to be below the standards of Resolution 420 amounted to 8.32 million bags (45.3%) out of a total of 18.36 million bags graded in that period. Vietnam was the origin of the highest volume of coffee rejected with 5.88 million bags in total (70.7%) during the period.

10. The Executive Director a.i. also reported that he had circulated ED-2111/11 requesting Members to send the ICO the latest information about their national coffee quality standards including grading and classification systems, with a view to considering quality standards at a future meeting. Only Brazil, Colombia, Costa Rica, Ecuador, Haiti and Mexico had replied to date and he urged all Members to send this information to the ICO. Finally he noted that the PSCB had received a presentation on the Global Coffee Quality Research Initiative (GCQRI) at its meeting on 28 September 2011, a copy of which was available on the technical presentations section of the ICO website. The Committee took note of this information and of documents PM-7/11 and PM-8/11.

Item 4: Phytosanitary matters

11. The Executive Director a.i. said that the PSCB had received an update on phytosanitary matters at its meeting on 28 September 2011. The Secretariat had circulated ED-2100/10 Rev. 1 requesting Members to send details of Maximum Residue Levels (MRLs) for pesticides used in the coffee production process and details of the methodology used for calculating MRLs, together with copies of relevant studies. Replies had been received from Brazil, Colombia, Costa Rica, Ecuador, the European Union, Haiti, Indonesia, Kenya, Rwanda and the USA. He requested all Members to send updated information so that a report could be prepared for a future meeting.

12. He reported that the EU Food and Safety authority had published an update on furan which stated that coffee was a major contributant to the presence of this substance. Currently there was little that could be done about this as when coffee was roasted for a longer period, it contained less acrylamide but more furan, and when roasted for less time, the reverse applied. The EU would introduce new legislation at the end of 2011 on acrylamide and further information was awaited about this. The National Coffee Association of the USA (NCA) had informed the PSCB that litigation cases relating to acrylamide were continuing in the USA, and the NCA was coordinating a defence of the industry in California.

13. The Committee took note of this information and reiterated its request to the Secretariat to invite the representative of the EU to attend the next meeting to clarify and report on new EU directives on food safety including whether these were scientifically based, and their implications for producing countries, given that the imposition of barriers was contrary to WTO legislation.

Item 5: Promotion and market development under the ICA 2007

14. The Executive Director a.i. said that an action plan for promotion developed under the previous Agreement had been circulated for information (document PC-13/03 Rev. 2). The terms of reference for the Committee (Annex IV of document ICC-106-4) provided that it should advise and make recommendations to the Council on the promotion of consumption and market development matters and on the arrangements for financing promotion and market development activities. Members had been invited to submit ideas on how to develop activities and finance in this area at previous meetings, most recently in March 2011, however no proposals had been received as yet. Only US\$9,139 remained in the Promotion Fund and resources were urgently needed to replenish it and to enable

activities to continue in the area of promotion and market development. The Committee took note of this information and urged Members to consider ways of financing activities so that this matter could be further discussed at the next meeting.

Item 6: Other business

15. The Committee noted that the Council would consider the composition of the Committees for 2011/12 at its 107th Session this week, following which the Committee would appoint a Chairman and Vice-Chairman for 2011/12 from among the designated Members at its first meeting in March 2012.

Item 7: Date of next meeting

16. The Committee noted that the next meeting of the Promotion and Market Development Committee would take place in London at the time of the 108th Council Session in March 2012.