



International Coffee Organization
Organización Internacional del Café
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Organisation Internationale du Café

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Report

**Report of the Private Sector
Consultative Board
on the meeting of 25 January 2007**

1. The Private Sector Consultative Board (PSCB), chaired by Mr. Christian Rasch Topke of ANACAFE, met on 25 January 2007.

Item 1: Adoption of the Agenda

2. The PSCB adopted the draft Agenda contained in document PSCB-97/06 Rev. 1.

Item 2: Report on the meeting of 27 September 2006

3. The PSCB approved the Report on the meeting of 27 September 2006 contained in document PSCB-96/06.

Item 3: Food safety aspects

OTA Legislation

4. The Chairman invited Dr. Euan Paul to give an update on the status of OTA legislation. Dr. Paul reported that the legislation had not yet been published due to delays in the translation of documents. There was therefore no definitive conclusion, but it seemed unlikely that the EU would impose any limits on green coffee.

5. While this news was welcome, there was less good news on a different aspect of OTA: a number of shipments of soluble coffee from Ecuador had shown results greatly in excess of the 10 ppb limit, sometimes by as much as six-fold. Several warnings had been received and the danger existed that, if this were to continue, it might engender a change of attitude by the EU. The information received was that the shipments were coming from one

source. The Executive Director asked for the information to be supplied to the Secretariat with a view to contacting the relevant authorities in the country concerned. It was also noted that, according to the information received, Ecuador was a leader amongst producers in the import and re-export of coffee: this meant that neighbouring countries should also be concerned about the problem.

Acrylamide

6. Dr. Paul reported that acrylamide remained a key issue in Europe and, although little could be done about this in the short term, it was likely to attract attention world-wide. The delegate from the NCA reported that there was some pressure on the FDA to investigate acrylamide, but he thought it unlikely that there would be legislation on this subject since the FDA tended to have a similar view to the EU.

Furan

7. Dr. Paul reported that the problem with furan was the nature of the analytical procedure: the scientific community was close to developing a reliable form of analysis, but had not yet achieved this. When such a procedure was developed, it would be necessary to undertake a similar study to that already conducted on acrylamide.

Pesticides

8. The Chairman noted that an action plan had been circulated previously on the maximum residue levels of pesticides. He made a detailed presentation on the actions taken by ANACAFE to investigate the presence of pesticides in exports to Japan. The conclusion was that, after exhaustive tests had been conducted in a laboratory in Japan followed by further tests in New Zealand, no residues of pesticides were detected over the threshold limits in coffee beans.

9. The Chairman of the Steering Group on Promotion recalled a scientific paper showing that the statistical error inherent in such tests was normally in the order of 1 ppb: this was not a reflection on the quality of the laboratory. A further problem arose in that the time taken to conduct the tests was normally 2 weeks, which meant that any action which might need to be taken in relation to a shipment was already late. One delegate noted that a zero default regime was in operation. Another delegate congratulated ANACAFE on the thoroughness of its approach: the outcome had never been in doubt, but the problem lay in the effort and cost required to prove that this was the case. The delegate from AJCA also noted his appreciation for the action taken by ANACAFE: Japanese consumers were very quality conscious and sensitive to the issue of pesticides. The Chairman noted that ANACAFE's tests had covered

green coffee, but that the consumer was more worried about roasted and milled coffee. The representative of the ECF agreed, but noted that the EU only addressed the issue of green, not roasted coffee.

10. The PSCB took note of these reports on food safety aspects.

Item 4: International Coffee Genome Network (ICGN)

11. Dr. Pétiard of the ICGN gave a presentation on the possible impacts of genetics and biotechnology on the coffee supply chain and industry. He talked about the latest developments within the International Union for the Protection of New Varieties of Plants (UPOV) whose members are states or intergovernmental organizations. He observed that three complementary approaches existed: a better knowledge and use of existing planting material, conventional breeding guided by DNA markers, and modern biotechnology for tailor made improvement. Most of the results and recommendations generated by biotechnology approaches had nothing in common with the issue of GMOs: they sought to analyse which coffee was best suited for which region in terms of yield, robustness, disease and time to market. The objective was to produce a genetic map of coffee and the application of genotyping could improve many aspects of coffee production: the cost was minimal and the technique was used routinely in the case of corn and many other crops. However, research on coffee had only just begun.

12. The Chairman thanked Dr. Pétiard for his informative presentation. The Executive Director noted that, while no commercially available genetically modified coffee existed, there was a common misconception: many people believed that it did exist and he posed the question of whether there might ever be a need for GM coffee. Dr. Petiard thought that, if it were impossible to breed a particular type of plant, there might be a need for GM coffee, but that this was by no means the case yet. He understood that a large industrial agricultural firm had coffee on the list of GM plants to be developed, but had not done so yet. He commented that his own company's policy had been defensive: to publish its research findings in order to pre-empt patents from being filed.

13. The Chairman commented that the quality of coffee was not just a question of the quality of the bean, but was subject to many influences including climate, the environment, the soil and other factors. Dr. Pétiard agreed with this observation, with the caveat that a good quality bean was a prerequisite, but that the bean in itself was not enough.

14. The PSCB took note of this information.

Item 5: Coffee and health

15. The Programme Co-ordinator gave a presentation on the Positive Coffee Programme. The year's activities had seen a number of advances: new topics such as coffee and social pleasure and coffee and cancer had been covered and the website had been made more accessible, particularly since it was now operating fully in all four ICO languages. The Programme's seventh Newsletter had been published and the activities of the Programme had been publicised in a number of national newspapers and specialist coffee publications. Funding for the 2007 Programme had been secured and the same strategic approach was proposed: to bring information to the coffee sectors and to assist them with the use of those materials.

16. The Programme Co-ordinator gave an update on the Health Care Professions – Coffee Education Programme. The first stage of the project was nearing completion and very encouraging results had been reported from the six participating countries. In each country the objective was to counter subliminal fears that drinking coffee represented a health risk, to publicise recommendations about the health benefits of coffee consumption; and to create awareness of current authoritative scientific data. The approach in each country was specific and tailor-made to suit each market. ISIC's Board had confirmed in October 2006 that it would continue to fund the project on a reduced scale in each country until 2009, while new countries would be funded on a 50:50 basis with the national coffee associations for the next three years. Seven countries were currently submitting proposals for stage two of the project, including five existing and two new countries.

17. In discussions on this item, the delegate from the NCA reported that they had developed a new website on coffee and nutrition and they expected a considerable amount of interest in this. The Executive Director underlined the value of the Positively Coffee Newsletter, and especially the scientific basis on which it was founded, as well as the circumstance that it could be read equally by scientists and laymen. He asked the Board to continue to support the Positively Coffee Programme as an extremely valuable activity.

18. The PSCB took note of these reports and thanked the Programme Co-ordinator for her contribution.

Item 6: Implementation of the Coffee Quality-Improvement Programme (CQP)

19. The Executive Director introduced a report on the CQP (WP-Board 1025/07). He noted that progress had continued, with the number of countries implementing the Resolution up to 25 in January 2007. In the period covered by this report (October 2005 to September 2006) the exporting Members implementing the Resolution had exported 54.36 million bags,

of which 51.91 million bags complied with the defects and moisture targets. However, the low volume of robusta coffee exporting countries complying with the Resolution continued to cause concern.

20. He reported on consultations with the terminal markets and private sector associations on harmonizing elements of the ISO standard on green coffee defects which had been circulated in September as document WP-Board 1005/06. He had written to NYBOT and LIFFE inviting their comments: NYBOT would consider the request shortly and inform the Organization of the outcome, while LIFFE would be governed by its members, who had not yet submitted a proposal. The ICO had also consulted CeCafé about its views on the application of the Standard: it concluded that the Standard needed to be refined but it would not yet be appropriate to consider applying the Standard instead of the current system in Brazil.

21. The Board took note of these reports.

Item 7: Future of the International Coffee Agreement (ICA) 2001

22. The Executive Director gave a synopsis of the progress made by the Working Group on the Future of the Agreement during the week: procedures had been established; documents covering the five areas of the Agreement and summarising the proposals received had been produced, covering all sections paragraph by paragraph. Discussions had been conducted in a positive and constructive way. A considerable degree of convergence had been seen in some areas, while other issues required further discussion. Emphasis had been laid on the importance of the private sector: this was a constant theme and represented an appreciation of the positive input of the PSCB. Members were still considering proposals to enhance the role of the PSCB. The structure of the ICO was being reviewed, including the existence and purpose of the Executive Board. A new document consolidating comments and proposals would be produced. The next meeting of the Working Group had been set for 19 and 20 March. The objective remained to produce a near final draft in time for the May meetings.

23. The Chairman commented that, in its consultative capacity, the PSCB should look at the forthcoming document when it was available and make comments as appropriate. The Executive Director added that the status of the EU had been discussed: there was a convergence of views that the EU was a Contracting Party, which had implications for votes and contributions within the Organization. One delegate noted that it was important to see the synthesis document and whether the PSCB's ideas had been reflected. There was some discussion about procedural matters. The Chairman concluded that the PSCB should review the document and communicate comments through him, while he would liaise with the Executive Director.

Item 8: PSCB Vice-Chairperson for 2006/07

24. The delegate from the ECF confirmed that Ms. Florence Rossillion had been nominated as Vice-Chairperson of the PSCB for 2006/07 and her election was duly confirmed by the Board.

Item 9: Other business

Cooperation with other organizations: the 4Cs

25. The rapporteurs of the 4Cs introduced a progress report contained in document PSCB-98/07 and said that the first full interim Board of the 4Cs was present at the meeting, as well as members of the Secretariat. The 4Cs had evolved from being a project to an association established under Swiss law; it was a not-for-profit, business to business association. It would hold its first General Assembly in March 2007, until when the interim Board would be the decision making body. The association would be based in Bonn from 5 February 2007. A support system and a budget were still to be established. The 4Cs was now entering the implementation and operations phase, in which all stakeholders needed to be involved. An Executive Director would be recruited, the verification process had been tested and training courses would be set up. Workshops were being planned imminently in a number of countries.

European Coffee contract

26. The delegate from the ECF reported that the latest contract could now be found on the ECF website. No substantial changes had been made, but some amendments had been introduced relating to notification procedures, taking into account new forms of communication, although proof of receipt remained an important element.

EU Customs Code

27. The delegate from the ECF advised the PSCB of changes in the EU Customs Code. The document, which had recently been published, followed the FDA's regulations in terms of bio terrorism. The EU would in future require electronic transmission of shipment information 24 hours prior to loading. This would have to be sent to the first point of entry into the EU. The new regulations would be introduced on 1 July 2009. Although this sounded like adequate notice, time would be needed to decide upon the appropriate format, including software systems. He would send a copy of the document to the Secretariat so that this could be made available to interested parties.

The role of the PSCB

28. The Chairman noted that the PSCB had a mandate, but no governance structure. He would canvass members' opinions on a number of matters, including promotion, coffee and health, the role of science and NGOs, where he felt the PSCB could be of assistance. He would be grateful for any comments or suggestions in this respect.

29. The PSCB took note of these reports.

Item 10: Future meetings

30. The PSCB noted that its next meeting would take place on 23 May 2007.

List of acronyms used in this report

4Cs	Common Code for the Coffee Community
AJCA	All Japan Coffee Association
ANACAFE	National Coffee Association [Guatemala]
ECF	European Coffee Federation
EU	European Union
FDA	Federal Drugs Administration
GM	genetically modified
GMOs	genetically modified organisms
ICA	International Coffee Agreement
ICGN	International Coffee Genome Network
ISIC	Institute for Scientific Information on Coffee
NCA	National Coffee Association of the USA
OTA	Ochratoxin A