

ICO/World Bank high-level round-table
“International Coffee Crisis – Looking for long-term solutions”
ICO Headquarters, London, 19 May 2003

Presentation by Mrs. Annemieke Wijn, Senior Director,
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Thank you Panos.

Excellencies, members of the coffee community,

This is the last intervention of quite a number this afternoon so I'll get right to the point and the point is, if I understand it, what can and will Kraft do to help out?

Well, Kraft has been in the business of building coffee blends for over a hundred years and we want to continue to be successful in doing that. Success is a matter of mutual dependency. We depend on growers, for the long-term supply of good quality coffee products and they, in turn, depend on us to make markets for their product.

Satisfied consumers are at the core of the long-term success of the entire coffee industry, all of us together, from producers to traders and roasters. That is not a trivial point. Consumers have many alternatives to coffee, they do not have to buy and drink it and the recent publicity over the problems of coffee has not contributed to making it a more attractive beverage to consumers. So it's necessary and gratifying that the discussion is moving away from hand-wringing and finger-pointing to specific realistic measures such as some of those we have heard today. What then can we contribute to making this industry vibrant again for all the participants?

First, on a macro-economic level, Kraft firmly believes that any solutions should be based on market-based principles. That is why we are working in the World Economic Forum agricultural trade task-force to help lobby for an even playing-field between North and South, to urge liberalisation of global agricultural trade and reduction of market-distorting subsidies that have been addressed several times today. We also believe that practical, concrete steps can be taken to help assure the long-term sustainability, here is that word again, of our industry and we have been taking them.

We are actively participating in the project to develop Common Codes for the Coffee Community, a worldwide truly multi-stakeholder initiative that attempts to set an ecological, economic and environmental framework for mainstream coffee growing and processing.

Just last week, representatives from Brazil, Colombia, Africa, Vietnam, Mexico, and Guatemala joined together with representatives from multinational roasters and traders, and the European Coffee Federation, as well as the International Union of Food Workers and non-government organizations such as Oxfam, Green Peace, the Rainforest Alliance and FIAN to begin to develop these codes. And when we left, we were still good friends.

Why do this? There are already so many codes, much has been said about that today. There are two main reasons:

One is, this is not meant to substitute for existing codes. These codes are making useful contributions but they are very specific and can usually only be used for a small portion of the world coffee. The other is that we need a framework for mainstream coffees. Mainstream coffee growers cannot work with such a large variety of codes...if you'll let me paint this picture, I think I did it the first time when I visited Néstor, of a palm tree with seven different codes from seven different industries pinned on it that some small farmer would have. That is a clear impossibility so this project is an attempt to find a standard that is specific enough to work in the different growing settings but has a commonality that makes it tradable. It's a project that will have clear common criteria, that by its very nature, the very nature of its worldwide participation will have broad acceptance by consumers and producers, will allow access to all coffee growers in the world, not just those that fit specific criteria and that will fit a mainstream marketing system.

The result of the project, which will be completed by the end of next year, will be a tool that should greatly ease the trade in sustainable coffee, give farmers clear guidelines and broad access to this emerging market, traders a generally accepted standard, and, importantly, our consumers the assurance that their coffee is produced with due respect to social, economic and environmental conditions.

Where it is implemented it will bring about improvements in the living and working conditions of plantation workers and farmers. We urge all producers to participate in this programme in order to represent the interests of producers, workers and their families, to actively shape this standard, rather than just to follow what happens to come out of some group sitting around somewhere in London. To make sure that the specific situation of growers in your area is taken into account.

And also to pre-empt regulatory measures by markets and their governments. In the coming years, there will be regulations to do with food safety, with traceability and so on. We can learn a lot about how to shape them by working together on this code. Also, to profit from the added value that these coffees will bring and not least of all to preserve the coffee lands for our children and grandchildren's generations.

Let's make no mistake, while the development of the code will not be easy, implementing it will be a huge task that will require people and monetary resources, development agencies, institutions, local and international development as well as the participants in the project.

We have heard this morning and this afternoon about the specifics that are needed: structure-building, technical assistance, information management so that farmers can take better decisions. All of that needs to be done so that farmers can reach improve their farm management and can actually profit from sustainable coffee growing. It will be a huge task and there will be enough to do for all of us.

We at Kraft have started such capacity-building projects a number of years ago in cooperation with national and international development agencies and the results show that these efforts do make a difference.

We are committed to continuing them and to bring what experience we have gained into the Common Codes project.

Then, sustainable coffee will need a market and we will not wait for this common codes project to come to a conclusion. We have been buying and marketing the coffees from the projects in which we have been involved and we are looking to expand these efforts.

Lastly, let me come back to the beginning. We continue to believe that a healthy, vibrant consumer market is the best assurance for the long-term success and prosperity of producers. Some of this market-building may be better and more

efficiently done in pre-competitive efforts by the industry as a whole. That is why we have also joined with other major roasters in shaping the positively coffee market development programme that Ole Tegstam just spoke to you about.

Now, all of these measures still will not solve the coffee crisis tomorrow. But, we do believe that they are real steps that will make a difference. There's a lot of work to be done and I invite you all to roll up your sleeves, sometimes literally, it's good to work out in the fields a little bit and get away from here, to join in so that, two years from now, we can meet again and talk about real progress and begin to look forward to a vibrant coffee market in which all the participants can prosper.

Thank you very much.