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**COFFEE TRADE AND SUSTAINABLE DEVELOPMENT  
ORGANIC COFFEE: THE CHALLENGES AND OPPORTUNITIES**

Thomas B. Harding, Jr., President  
Organic Crop Improvement Association International (OCIA)

**International Seminar on Coffee  
And The Environment  
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**I. INTRODUCTION**

First, I want to "thank you" the International Coffee Organization for this special invitation and the privilege to participate in this most important and timely seminar on Coffee Trade and Sustainable Development. Also, I apologize for changing the title of my presentation slightly. I prefer this one and I have chosen it from a positive action point-of-view.

• **My Background**

For the last twenty (20) years, I have worked strictly with the development of organic production and trade, throughout the international community. The past fifteen (15) years with organic coffee (and other related crops) in over twenty (20) countries. I continue this work today and I maintain an organic family farm in Pennsylvania, U.S.A.

• **The Organization I Represent**

OCIA International is the largest producer-owned certification organization, with nearly forty (40,000) thousand producer-members, and three (300) hundred corporate members in thirty-five (35) countries. Over forty (40%) percent of our membership are located in developing countries. I have provided our complete information package in four (4) languages for your further reference of OCIA.

OCIA is Accredited by the International Federation of Organic Agriculture Movements (IFOAM). IFOAM is the global umbrella federation of the organic community and industry - with nearly five hundred (500) member organizations, like OCIA in over one-hundred (100) countries.

I had the privilege to serve as IFOAM President and Chairperson of the first two (2) Organic Coffee Conferences held in Switzerland (1991) and Chipas, Mexico (1994). The proceedings of these conferences are available from IFOAM.

- **ICO/Kenya**

It is ironic that I speak to you today at the International Coffee Organization World Headquarters about the benefits of organic coffee. Some ten (10) years ago, I came here and asked the ICO to support the production and trade of organic coffee - everyone thought I was crazy and asked me to leave!

With regards to Kenya, with all due respect to the honorable delegate and chair from the Kenya Coffee Board. In 1994 I was in Kenya - met with both the President of Kenya and the Kenyan Coffee Board about supporting organic coffee production and trade and no one seemed interested. Please let me know if you are ready to reconsider this opportunity - the world awaits **Certified Organic Kenyan Coffee**.

- **Global Leadership and BIOFAIR**

I briefly want to mention that major leaders around the world are now committed to sustainable developments, maintaining biodiversity and developing a social, economic and environmentally responsible agriculture production system and fair trade. One such leader, the President of Costa Rica and Honorary President of BIOFAIR is one of those new leaders. Heads of governments all over the world are establishing target goals of five (5%) and ten (10%) percent of their agriculture production to be certified organic in the next ten (10) years!

- **Why Are We Here?**

To learn all we can from one another and I hope to open up our eyes, ears and ecological hearts and most certainly to remove our fears; particularly our *fear-to-change*. Remember, if everything was perfect in the coffee business, maybe we would not be here - I am pleased that we are!

**Note/Remember:** The only thing that is permanent in life is change itself. Accept this let's make the world a better place for everyone!

## **II. WHAT IS CERTIFIED ORGANIC AGRICULTURE/COFFEE PRODUCTION**

Please refer to the OCIA Standards, and recognize the opportunity for regional and crop specific standards particularly organic coffee.

Also recognize, as the World Bank and FAO has, that a goal of a sustainable agriculture is no longer a sufficient goal for our global community. We must commence to restore and regenerate our vital soils. the organic matter and a naturally available nutrient stream!

- **Defining Certified Organic Production and Trade**

The industry and the legal system is still being defined but suffice it be - basically the exclusion of synthetic chemicals and certain natural chemicals for at least twenty-four (24) to thirty-six (36) months from the farm system. It is an integrated diverse whole-system approach (from field-to-table).

- **Why Organic Agriculture, the Green Revolution and the Myths**

As I said before if everything was perfect with coffee, we may not be here - well it isn't and that is also true about most mono-cultured commodities, based on an extremely supported cheap food-policy by most of the Western World. A global "Common Agriculture Policy" must be developed based upon a real-cost basis, whereas we "internalize our externalities" instead of shifting them down stream. This is particularly true with coffee in many parts of the world.

- **The Green Revolution**

I will only say - because of time limitations that the so-called "Green Revolution" has failed in almost every category. Our intensive use of agriculture chemicals have not solved the problems of global hunger or poverty.

We now have over six hundred (600) species of insects and mites that are in part or totally resistant to some of the most toxic chemicals on earth. The twenty (20) most economically damaging pests are almost totally resistant to our most toxic and ecologically damaging chemicals. So, we are **not** winning the battle and for sure not the war. **Carefully watch the 2nd Curve of the Green Revolution - Genetic Engineering**

- **The Myths of Organic Agriculture**

First, let me say that we do not support agriculture and specifically organic agriculture-by-neglect - man must be positive, proactive and interactive at all times with the ecological system.

**Myth #1 - Organic Agriculture Low Yield**

And, it cannot feed the world - high yield is much less important to quality-yield and particularly if those yields are not agriculturally-chemically/energy dependent.

Remember, for over six thousand (6,000) years, organic agriculture production fed the world. Why are most conventionally produced foodstuffs fortified/enriched? I leave the answer to you.

### **Myth #2 - More Labor Intensive**

Poly-cultures, without intensive chemical use do require proactive management and in some areas of the world more labor due to the lack of appropriate technology and credit.

However, a major problem is available qualified labor in the rural communities of the world, due to the under-valuation of labor and the importance of agriculture as a principle industry of less importance than industrial/service-based urban jobs. This is a non-sustainable practice - rural employment and value-added systems are essential to sustainability and are economically essential to sustainable urban areas as well as rural community-centered agriculture and industry.

### **Myth #3 - No Input/Only Small Farms**

Organic producers use inputs (and some are natural/biological chemicals) but emphasis is on on-farm nutrient and resource management, in other words producing as much as possible of the production needs of your farm system within the system - including locally available natural/recycled resources.

Our producers are large and small and sustainable organic production systems are practiced at all farm sizes, obviously appropriate technology and management systems must be developed accordingly. These farms/fincas and community-centered production systems range from less than a hectare to several thousand hectares.

### **Myth #4 - Organic Products are of Poor Quality/Inconsistent Supply**

Nothing is further from the truth - organic products are nutritious, tasteful, healthy and safe - our products do not require sixty-five (65%) percent of all toxic pesticides used for strictly cosmetic quality only. Our coffee cup-quality is excellent and continues to integrate into the highest premium-markets of the world.

### **Myth #5 - Organic Products Are Expensive**

No food or fibre system is more costly/expensive to the consumer than conventionally produced products. Consider the down-line unaccountable cost such as environmental contamination (water, soil, air/food system), health risk to producers and consumers from pesticide use, environmental clean-up and lack of recycling/restoring of natural resources. When these external costs are internalized the real cost of non-organic

products far exceeds organic products. Educating the consumer on the real cost benefits of organic products is our most important job. We value our biodiversity!

There is much more but my time is short.

### **III. INTERNATIONAL STANDARDS, REGULATION AND CERTIFICATION/GREEN SEALS**

It is important to recognize that most organic production standards come from the producers themselves, way before the consumer demand and the current market trend. Their first concern was to pursue the vital natural resources, soil health and quality, regional ecosystems and biodiversity and rural communities and family farm systems and the economic well-being of local community-centered agricultural systems.

Over twenty (20) years ago, the IFOAM Standards were first developed and shortly thereafter came the OCIA Standards (the inclusive) and other similar groups. These standards require strict resource management, allowed materials, farm/processor history (maps) documentation, specific crop cultured practices, audit trail and annual inspection and product certification. A whole systems' approach (field-to-shelf).

#### **• Regulations**

Today there are over twenty (20) countries who have and/or are now developing and implementing organic production, labeling and marketing regulations.

The European Union was first in 1992, although the United States Law (OFPA) passed in 1990, it should be implemented in 1996 and Japan has a six (6) point set of guidelines - only one (1) point is specific to certified organic production.

Codex Alimentarius Commission, through its' Food Labeling Committee now considers (at the sixth step) the Organic Production, Labeling and Marketing Guidelines; hopefully they will be approved at the 1997 session.

International policymakers (World Bank, FAO & UNDP) have now adopted serious environmental/sustainable agriculture policies - and I know that the ICO has an environmental plank as well. The ICO must be a leader in the commodities business, don't wait for government mandate.

- **Green Seals**

Certainly there are all kinds of environmental and social claims made in the international marketplace. There are Green Seals for everything. Whatever the coffee industry decides to do, I hope you will do it with absolute product integrity, never misrepresent the product, its' origin and/or its' values. What we do not need to do is to further confuse the consumer on product values and their holistic benefits. More seals/label claims will not solve the real and serious problems of an under priced poorly positioned, mono-culture - that keeps the primary producers (smallholders) poor. **Quality Seals**, must truly represent "total product quality" **not** a single claim and they must also benefit all coffee producers, improve their quality of life and build consumers confidence in product integrity.

#### **IV. Some Challenges and Opportunities**

Maintaining old varieties that produce a good, recognize cup-quality is essential, especially to smallholders.

Shade versus no-shade, no question in most quality coffee-producing areas, integrated shade, when properly maintained is a benefit.

Terraces and other soil/water conservation measures are a must if quality, long-term coffee production is to continue in most regions.

Resource management, including agroforestry (integrated shade), recycle coffee pulp through composting and waste water management from coffee beneficios are environmentally essential and have cost benefits.

Appropriate pest and disease management and nutrient maintenance programs must be developed with minimum outside inputs and local technology.

Alternative food production crops through multi-use of the coffee canopy has serious economic and food security benefits.

Community-centered value-added processing facilities (wet and dry) to serve the smallholders and to increase product quality must be developed and must include export capability.

A "**Total Quality Management Program**" must be developed at the international industry level - a field-to-cup approach.

### **Special Note:**

At the current under-valuing of the coffee product (non-internalization of the externalities) and the world market price mechanism - coffee cannot compete with illegal crop (drug) production. However, premium quality coffees and certified organic coffee "fair priced" (all cost inclusive) and professionally positioned in the marketplace with product identity and integrity could provide serious incentives to these producers. The social, economic, environmental and cultural damage, caused by illegal drugs is inexcusable and must **not** be accepted by the International Coffee Organization (ICO) or the industry - you must provide leadership here!

### **V. BRIEF OVERVIEW OF THE INTERNATIONAL MARKETPLACE**

Certified organic coffees and fair trade products may exceed \$500 Million (USD) annually and annual growth continues to exceed twenty (20%) percent.

Specialty/Premium Coffee market is stated to exceed thirty (30%) percent of the U.S. Coffee Market?

Organic/Natural Products exceed \$10 Billion (USD) annually and will grow beyond \$100 Billion by the year 2000.

Retail market opportunities for value-added product is excellent and needs to be thoroughly developed and educated/

Fair trade products will continue to have strong growth especially in Europe and now include many products other than coffee.

Other products from multiple-use coffee canopies could yield excellent additional income (cocoa, fruits, herbs, etc.)

Mainstream crossover (Shearson Reports a Trend Market) into certified organic products continues to grow over twenty (20%) percent annually - and is certain to increase its SKU's as quality value-added products become available. A "breakfast blend/table coffee" for the average mainstream has excellent potential!

Quality supply and demand continues to drive the global marketplace - the EU, U.S.A, and Japan continue strong annual growth in certified organic production - but still represent less than two (2%) percent of the global market opportunities.



## **VI. SOME OTHER THOUGHTS**

The ICO and its' industry must assist producers of any size in these areas:

Develop, maintain and innovate local coffee technology.

Incorporate agro-forestry, food production and Multiple-Use Land Management Programs wherever possible and it is essential to maintain biodiversity and fully utilize it.

A "holistic" approach is essential - incorporate the interdependent principles of environmental, economic social, cultural, agricultural and fair trade values - "think with the end-in mind (long term)".

Wildlife is an essential part, remember the canary was an indicator for the coalminer. Let's eliminate any further loss of our ecology - work in harmony.

Remove all trade barriers - market access to most developing countries is more valuable than credit, particularly credit with long strings.

Keep agrarian people on the land, productive and provide for an earned equity and fair quality of life.

Provide the mechanism for community-centered entrepreneurial development - local economies multiply many times. Rural community health is essential - our cities are already beyond their carrying capacity.

## **VII. SOME RECOMMENDATIONS TO THE ICO AND THE INDUSTRY**

You are an important global body with an essential task "bring about significant change to an industry that has resisted change and that may fear change" but change you must! Some thoughts for you to consider:

1. ICO establish an "International Advisory Committee On Organic/Fair Trade Products".

2. Seek **partnerships** with UNDP, UNEP, FAO, World Bank/IFC (note Biodiversity Fund for Latin America), AID Programs and the Social Venture Capital Network.

3. Set a high Research and Development agenda (basic and applied research) and work with local producers wherever possible and do comparative analysis (chemical intensive - non-chemical approach).

4. Identify and build on successful models (be holistic not only economic in your approach).
5. Internalize your externalities and develop a real/fair cost price.
6. Develop trade and consumer relations to create sound realistic economic instruments and market mechanisms with integrity.
7. Provide production system alternatives; give the consumers a choice, a fair choice.
8. Educate the marketplace on the benefits of your social, economic and environmentally responsible program and educate the producers too! Educate - Educate - Educate.
9. Set the **International Coffee Industry Standards Alternative Program Guidelines and Total Quality Management (field-to-cup) Programs** at the highest possible quality level. Allow for incremental achievement.
10. Be the global leader in setting the pace for essential change, be proactive and lead-by-example.

## VIII. IN CLOSING

Some books for you to consider reading and sharing with your membership:

*The Ecology of Commerce*

*Silent Spring*

*Our Stolen Future*

*The End of Nation States/The Rise of Regional Economies*

*Who Will Feed China*

*National Academy of Science Report - Pesticides In Baby Foods*

And finally, may I leave you with these thoughts:

“When you try to change any single thing, you find it connected to everything else in the universe” The beauty and greatness of our ecology and our partners in nature!

Again, I thank you for the privilege to be here today at this most important seminar to allow me to share my thoughts with you.

The Greatest Success to the ICO.