



SEMINAR ON  
**COFFEE AND THE ENVIRONMENT ■ 27 AND 28 MAY 1996**  
HELD AT THE  
**INTERNATIONAL COFFEE ORGANIZATION ■ LONDON ■ ENGLAND**

**THE PERCEPTION OF ENVIRONMENTAL ISSUES  
IN THE COFFEE TRADE**

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## The perception of environmental issues in the coffee trade

Presentation held at the ICO International Seminar on Coffee  
and the Environment,  
London, 28 May 1996

### 1. Introduction

Over the past 20 years, the European and particularly the German Consumer has become more and more conscious about food and health risks. Several catastrophies - like Chernobyl - and scandals - like BSE, the so-called "mad cow disease" or glycole wine sweetened with the help of an anti-freeze-liquid - increased public pressure on governments and parliaments to enforce legislation on „consumer protection“. At the same time, environmental issues became increasingly virulent and important. The relation between „clean environment“ and „healthy food“ is, if not obvious, in any case understandable.

The discussion on the environment means a twofold challenge to everybody trading, as the trade is always in the center and in the focus, and very often everybody's sin-goat. But it becomes especially challenging when you are trading foodstuffs:

Firstly, the importer of e.g. coffee is responsible for the compliance of the products with the respective legislation. So, if there is any limit of, to say something familiar, herbicides on green coffee, the importer will be held for observing this limit by the authorities and, of course, by his customer, the roaster or the soluble manufacturer. As you know, the procedure of sampling and testing coffee in a laboratory is costly and time-consuming, and nobody wants to run the risk of his coffee being rejected. So, it is in the interest of the importer to convince his supplier in the country of origin only to deliver "clean" coffee that is inside the range of legal limitations.

Incineration, even if for energy-recovery, was prohibited or at least under strict regulation until recently, and in any case emissions must be kept within very narrow limits. So we thought of various alternatives that would facilitate the process for the law-abiding coffee-trader. Next to using the bags for rough carpets or insulation material, composting was

opened by a machine, or at least not along the sewing. Even in East Germany, heating with coal is becoming more and more out of fashion so that there is little need for those bags that might be left intact for transport. Re-sewing the bags would be too costly.

Coffee bags nowadays are hard to re-use, as they are mostly responsible for the disposal is the importer, in our case the green coffee trader - or the roaster, if he buys directly or via a broker. Packaging material is also covered by this legislation. Material must be re-usable or recyclable. Of course, imported then in other countries and the EU demands that packaging • **Packaging:** Waste Management legislation first in Germany,

## 2. Actual Questions in particular

is regress, so we have to continuously improve our work. with environmental officials or action groups. But standards generations, making it a lot easier to discuss these issues coffee trade is well aware of their responsibility for future left empty-handed from tomorrow on. My experience is that the well be that one could yield a higher profit today, but then be possibilities and capacities that you have at present. It may or not to be able to earn a living - not to overstretch the tomorrow's quality and quantity - and thus a question of that a little earlier than many others. It is a question of *infinitum*. Trading with natural products, coffee people knew cannot exploit this planet and its natural resources ad Secondly, it is nowadays widespread understanding that we

joint action. I shall refer to this again later on. importer or agent in one of the European ports, it calls for chemicals undoubtedly have. This task is too big for the single and the health of the worker - that some of the traditional protection, without the negative effects on the environment - find alternatives that give you the same results, the same fertilizer, to protect it of pests and insects. The task is to need to grow the coffee tree properly, to supply it with But then we come to the problem of production necessities, the

the idea. But also in this case the bags must meet certain specifications.

Within the European trade and industry, we have gathered all the available knowledge and come to a list of requirements with regard to jute and sisal bags that has today been generally accepted also in neighbouring branches like cocoa and dry fruits:

1. They must generally be free of mineral batching oil - a specification has been worked out by the International Office of Cocoa, Chocolate and Sugar Confectionary (IOCCC) in cooperation with the European Coffee Federation (ECF).
2. The bags must not contain any residues of herbicides and/or pesticides used in the process of growing the jute or sisal plants.
3. They must not contain any plastic fibres or yarns.
4. They must be free of metal badges.
5. All colours used on the bags must be foodstuff-clean and biodegradable, that means they must not hamper the process of incineration or composting.

These specifications have also been conveyed to the International Jute Organisation in order to help them become internationally accepted trade standards. The European green coffee trade association CECA is also planning to refer to these standards in the European Contracts for Coffee and to disseminate a respective press release after their Annual General Meeting in June.

- **Pesticides/Herbicides/Fertilizer:** Maximum residue values have to be met as there is rather strict legislation and constant control by official bodies as well as consumer organisations. The improvement in technology has made it possible to detect ever smaller quantities of residues in foodstuffs like green coffee. Even substances that were unknown some years ago can now be detected. Every new trace then calls for a deeply concerned statement of a consumer organisation, usually accompanied by a scientific study from a well-reputed professor. Consequently, new and/or lower residue limits are demanded from the legislator, and very often imposed upon the importer and the industry.

This regulation covers European and imported products. It imposes a very strict framework of production requirements, and controls from origin on, including transportation, handling, and storage both in producing and consuming

Quite a lot of agricultural producers or traders claimed to sell organic food and where traced as liars or betrayers. Of course, the press spread these news widely. So, the consumers and their organisations called for a strict legislation and even stricter control on food bearing a label relating to "organic", "bio-dynamic", or similar. The result was the European Regulation (EEC) No 2092/91 of 24 June 1991 on "organic production of agricultural products and indications referring thereto ...", with several amendments and annexes.

and the EU legislation puts up high hurdles. difficulties on the farm, the consumer has become suspicious, prices, and perfect marketing. But apart from practical combination of quality, protection of the environment, better Organic Farming: This is often regarded as the perfect

Still, we all want to deliver a product of best quality to our customers. And OTA can well be avoided, as it only appears on certain forms of mould, which only grow on the coffee when the moisture is too high. Let me therefore take the opportunity to underline what Celstus Lodder on behalf of the ICO wrote to all its members this time last year: Treat your coffee carefully from harvesting on, avoid too high degrees of moisture, then you avoid mould, and OTA as well.

at all for the health of the coffee drinker. OTA found in the finished product does not raise any problems Commission in Brussels. The findings show that the amount of discussions, also at the ICO in London and at the European appearance of this toxic substance in coffee which has led to a very high degree of scientific research and various Ochratoxin A (OTA): All of you will have heard of the

I do not want to bore you with all the different figures laid down in the various laws and regulations. They are available from Embassies, Chambers of Commerce, or even our office in Hamburg. But I want to make it clear that the use of these substances - necessary as they may be from the point of view of the farmer - may keep our product well away from the European market or at least reduce consumer acceptance on the whole. That means that every effort must be made to reduce the use of chemicals during growing to an absolute minimum.

countries if a product shall be labelled as "organic". The reward of a long and partly very bureaucratic procedure then is the permission to refer to the EEC regulation when advertising and labelling your product.

Integrated farming then is the key-word. It means that no pesticides, herbicides, artificial fertilizer are used. Coffee trees are combined with for example banana trees, giving shade and lots of leaves that can be composted. Harmful insects are eaten by birds having their nests in other trees on the plantation, and the whole farm is to a high extent self-sustaining. You also have to keep your products separate when handling, storing, and shipping.

This may sound romantic, and it cannot be the solution for all questions raised in this context. But there are examples of even quite large *fincas* having practised organic, integrated farming for more than 60 years now. The outcome is very often not only "clean" coffee, but also one of high quality, earning a double premium on today's market.

- **Rain Forest and clean water:** Is coffee farming harmful to the natural environment and the resources of producing countries? Does coffee farming deteriorate drinking water and the world climate? At least, there are activists in Europe arguing against consumption of coffee using this scenario. They say that by drinking one cup of coffee the consumer pollutes one litre of drinking water in the country of origin where the coffee was processed.

We know that in Costa Rica there is a project under way, in co-operation with the European Union, to cover this issue and to help find ways to reduce the use and pollution of drinking water. We have also been contacted by a German Environment Research Institute who claim to have a solution. There is not much we can do, except bring these people together and act as an information exchange center. But this what we did and are always ready to do.

Also, certain groups in various European countries claim that cutting down the rain forest in order to expand coffee plantations would cause a global change of the climate. So, the environmentally friendly consumer should not drink coffee. As a lawyer, I cannot judge this. But I can see that such arguments have certain effects on certain people, and that these effects are growing with a growing concern especially among the younger generation for global problems.

I am well aware that here, too, there are no easy solutions applicable to all countries and all farms and plantations. But I felt this issue should not be left out even if - at the moment - it raises more questions than there are answers available.

### 3. Summary

The law and the consumer want a clean product which does not affect environment nor health - be it in the cup or on the plantation. Increasingly, the consumer asks questions to the roaster to the importer, the importer to the exporter, the exporter to the farmer. And the respective answer determines the future of the respective business.

The standing of coffee as a beverage in Europe is no longer as untouched as it used to be. Like in the U.S., soft drinks in varieties so far unseen are strongly competing, especially in the younger generations. And these are the most environmentally conscious customers. They are not fixed on coffee, they chose, they select. And once they have chosen not to have coffee in their households, when will their children ever get used to it? Or, once they are used to buying coffee only in small, expensive quantities in so-called "Third-World" - or "Eco-shops", what do they think of "standard" coffees sold cheaply in the stores of the big retail chains?

The trade has understood the message as to avoid as much as possible any negative effects on our natural environment. So the task is to improve the quality - not only in the cup, but already on the plantation.

To improve the quality of our coffee and our opportunities on the market by improving the quality of our natural environment is not contradictory - on the contrary! Environmentally sound products sell better on the markets, even if distributed through the traditional channels. But what exactly is environmentally sound? What are the exact requirements in Europe, in the U.S., Australia, New Zealand? What are the alternatives to "traditional farming" - which, by the way, is not at all traditional, as there were no chemicals 150 or 200 years ago.

We know that several public sector agencies active in the field of development aid and international economic cooperation devote part of their time and money to environmental questions. We also know that there is a lot of knowledge available from



universities all over the world. And many traders are more than willing to advise their suppliers on these issues. But the problem is to bring together knowledge, people, and funds for realization.

Within the framework of the 1994 International Coffee Agreement, there is strong commitment to sustainable development and to the cooperation with the Common Fund for Commodities. We should very much appreciate the extension of CFC projects to environmental subjects on the basis of a close integration of and exchange among all interested parties, as there are producers, exporters, importers, universities, state agencies, and the ICO as the center and the turn-table. In addition, the execution of local or regional projects by national agencies should in our view always incorporate the expertise of the coffee trade with their widespread knowledge of market demand, including the various regulations and expectations.

We have only borrowed this planet from our children. So we have, altogether, a general responsibility for their future. Let us also make sure that they can always live on and enjoy a beautiful cup of coffee.

