




Socio-economic/corporate impact of GM coffee

Seminar on GM Coffee,
International Coffee Organization, London
17 May 2005


François Meienberg, Berne Declaration



GMOs are the solution – but what was the problem?


Main problems identified during the coffee crisis:

- balance of supply and demand
- low prices
- quality



Questions


- Could GM coffee solve these problems?
- Will GM coffee have an impact on price, quality, supply or demand?
- Negative or positive?
- What are the possible advantages and disadvantages of GM coffee?
- Is it possible to balance these potential advantages and disadvantages before introducing GM coffee?
- Who decides?



Consumer Perception


European attitude towards GMOs (Eurobarometer 2001) :

- I do not want this type of food: 70.9% (disagree: 16.9%)
- Even if GM food had benefits, it is fundamentally unnatural: 71% (disagree: 10%)
- GM food is simply not necessary: 56% (disagree: 17%)



- Coffee is marketed as a natural product (advertisements). This image could be destroyed by GM Coffee
- Until now GMOs are sold essentially as fodder (corn, soybean) or cotton. GM Coffee would cause more sceptical reactions of consumers.

THESIS 1: GM Coffee will not be accepted by consumers in a medium term and could even have a negativ impact on the demand of Coffee in general.



Different impacts on rich and poor farmers

It is foreseeable that GM coffee varieties will be more capital intensive than conventional ones.

- Therefore, if there is a commercial advantage of GM coffee, the gain will be made in the agribusiness-sector. Smallholder farmers could find their profits further eroded.



Impact of Patents

As a difference to conventionally bred crops, GMOs are patented.

- Impact on research and breeding (access to germplasm)
- Impact on the price for new trees
- Impact on trade (Argentinian case)
- Concentration in the breeding sector
- More lawsuits (patent infringements)



Necessity of having two separate coffee supply chains

- The consumers want to have the right to choose between GMOs and non-GMOs (Eurobarometer: I want to have the right to choose: 94,6%)
- Therefore it is inevitable to create two separate coffee supply chains.
- Additional costs for producers, traders, roasters and retailers?



Thesis 2:

GM Coffee will

- **Deepen the gap between smallholder farmers and the plantation industry**
- **Accelerate the concentration process within the coffee sector**
- **Bring additional costs for producers, traders and retailers**



Specific Case: Delayed ripening coffee

Campaign by Action Aid (UK) and Berne Declaration (Switzerland), 2001/2002.

Main potential impacts:

- Those who rely on picking coffee for their income will suffer when plantations take up mechanised harvesting and reduce their workforce.



- It will be even harder for smallholder farmers to compete as plantation output increases and global coffee prices drop further.

- Wider impacts: Dependency on agrochemical companies; potential environmental impacts (loss of biodiversity, more intensive use of agrochemicals, risk of genetic contamination).



Coffee Shops and retailers will reject

- In the UK a pledge has been made by Starbucks, Coffee Republic, Caffee Nero, Costa Coffee and others to Action Aid not to buy GM ripening controlled coffee.

- ● ● |
 - In Switzerland the biggest retailers and coffee shop chains – Coop, Migros, Mövenpick, Merkur and Starbucks – pledged not to use GM Coffee.
 - A spokesperson for Coop told Swiss media that he didn't believe that there was a public demand for GM Coffee in Switzerland and that the chain had strict guidelines for not stocking GM Products, if they have any social, environmental or ethical impacts.

- ● ● |

Opposition in Hawaii

November 2003 the Hawaii Coffee Association and others agreed on the following resolution:

 - „The state of Hawaii needs to provide farmer protection from Genetically Engineered coffee including;
 1. no GE coffee field or greenhouse tests and no commercially grown GE coffee in the state of Hawaii.
 2. holding the biotech industry liable for economic, environmental or health problems, as a result of the introduction of GE coffee, that may occur.“

● ● ● |
Thesis 3:
The potential advantages of GM Coffee do not balance the possible negative socio-economic impacts of GM Coffee.