

MISSION

The International Coffee Organization (ICO) is the main intergovernmental organization for coffee, bringing together exporting and importing Governments to tackle the challenges facing the world coffee sector through international cooperation. Its Member Governments represent 94% of world coffee production and over 75% of world consumption. The ICO's mission is to strengthen the global coffee sector and promote its sustainable expansion in a market-based environment for the betterment of all participants in the coffee sector. It makes a practical contribution to the development of a sustainable world coffee sector and to reducing poverty in developing countries by:

- Enabling governments and the private sector to exchange views on coffee matters, market conditions and trends, and coordinate policies at high-level meetings.
- Developing and seeking finance for projects that benefit the world coffee economy.
- Promoting coffee quality through a Coffee Quality-Improvement Programme.
- Promoting market transparency by providing a wide range of statistics on the world coffee sector.
- Developing coffee consumption and markets for coffee through innovative market development activities.
- Encouraging the development of strategies to enhance the capacity of local communities and small-scale farmers.
- Promoting training and information programmes to assist the transfer of technology relevant to coffee.
- Facilitating information on financial tools and services to assist producers.
- Providing objective and comprehensive economic, technical and scientific information on the world coffee sector.

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FOREWORD BY THE CHAIRPERSON OF THE COUNCIL



**Ambassador José Ángel
López Camposeco
Vice-Chairperson of the Council**

The International Coffee Organization has now been established for 50 years and in celebrating this anniversary we commemorate the valuable contribution it has made during its lifetime to the worldwide management of relations between coffee importing and exporting countries. Even more, however, we celebrate the upward path the Organization has taken in placing coffee in a special position, now in emerging nations that are being incorporated as significant consumers of the beverage.

A strategic vision remains a constant in the coffee growing context, and as an interesting instance of this I will mention the way the coffee production chain has adapted in moving from a regulated quota market (economic clauses) to a free process of international trade governed by supply and demand. Moreover, technological exchange between producing countries and greater awareness of environmental responsibility in production can also be acknowledged as a very positive contribution of the ICO in celebrating its first 50 years.



**50th anniversary meetings
Expominas, Belo Horizonte**

For over two hundred years we have faced vicissitudes in coffee producing activities, but we have always managed to move forward.

On the one hand, the current situation of coffee prices presents an unfavourable panorama. We look forward to a change that will enable the world coffee community to improve its income. For this, it is important to continue efforts to promote consumption in emerging markets and to emphasize best agricultural practices, focussing on economic, social and environmental sustainability. For their part, governments must develop policies designed to support and stimulate producers, so as to face these challenges successfully.



**50th anniversary meetings
Expominas, Belo Horizonte**

On the other hand, although the suffering caused by recent outbreaks of coffee leaf rust in Central America, Mexico and the Caribbean has been considerable, it has not proved an obstacle to tackling the problem head-on, with the solidarity of all bodies involved in coffee worldwide.

In this regard, we must make special mention of Resolution 451, approved by the International Coffee Council on 8 March 2013, with the following main provisions: a) to request ICO Members to support the activities being carried out by the Central American countries to combat this scourge; and b) to call on the international community to promote technical training, exchange of information and application of best practices.

History has shown that challenges also bring great opportunities. The constant search for solutions and strategies to achieve a sustainable coffee industry will surely bring encouraging scenarios for those of us who love coffee and have grown up with it. This is why significant activities such as the 3rd Consultative Forum on Coffee Sector Finance and the Seminar on trends in new coffee consuming markets provide fertile ground for innovative initiatives for facing the present and future of coffee.

Being Chairperson of the Council during the commemoration of the 50th anniversary of the Organization was a privilege for my close relationship with coffee both as a producer and as representative of my country, Guatemala, to this Organization. My acknowledgement and thanks to the Government of Brazil, the Government of the State of Minas Gerais and the Legislative Assembly of the State of Minas Gerais, for their warmth in dealing with the various delegations, for the support and logistical arrangements to ensure that the celebration of this 50th anniversary and the meetings of the 111th Session of the International Coffee Council would be a great success. In emphasizing the excellent attention of our hosts, I would like to extend particular greetings to His Excellency the Governor of the State of Minas Gerais, to the Secretary of Agriculture of Minas Gerais and to the distinguished Ambassador who is Representative of Brazil to the ICO, as well as to all those who made our stay so agreeable and enjoyable.

Finally, I would like to express my thanks to all delegations for having afforded me the privilege of presiding at this important Session, to the Executive Director and his team, who have always shown their professionalism and sense of cooperation, and to all those persons and volunteers who have collaborated in the work of this meeting, possibly performing more simple but important tasks for the happy outcome of this session of meetings in the city of Belo Horizonte.

My thanks to this city and its people for their warmth and my thanks to all for their friendship.

Ambassador José Ángel López Camposeco
Vice-Chairperson of the International Coffee Council 2012/13
**Permanent Representative of Guatemala to the
 International Coffee Organization**



**50th anniversary of the ICO
 Opening ceremony**



**Entrance to plenary meeting room
 Belo Horizonte**



**50th anniversary meetings
 Expominas, Belo Horizonte**



**50th anniversary banner
 Expominas, Belo Horizonte**

OVERVIEW BY THE EXECUTIVE DIRECTOR



Robério Oliveira Silva
Executive Director

Now in my second year as Executive Director, it is with great satisfaction that I review the highlights of coffee year 2012/13 and the challenges that lie ahead as I continue restructuring the core functions of the International Coffee Organization (ICO).

First and foremost, the ICO successfully celebrated its 50th anniversary and 111th Council Session in Belo Horizonte, Brazil, an event that brought together the world coffee community and confirmed the full commitment of ICO Members to the Organization. In parallel with the Council Session, participants had the opportunity to attend workshops on two very topical issues: climate change and coffee, and pollination and crop protection for coffee. Members and observers alike had the chance to enjoy the generous hospitality of our Brazilian hosts throughout the Council Session and visit a coffee farm. The anniversary meetings provided a unique opportunity to share with Members and the private sector a very special moment in the history of the Organization.

Of particular importance during the week was the 3rd Consultative Forum on Coffee Sector Finance. The Forum was created to facilitate consultations on topics related to finance and risk management in the coffee sector, with a particular emphasis on the needs of small- and medium-scale producers and local communities in coffee producing areas. During the 3rd Forum, participants worked on the topic of aggregation and how farmer organisations can build capacity and enhance their access to finance. With the support of 22 experts from five continents and a wide variety of institutions from cooperatives to donors, from both the public and private sectors, participants explored strategies and barriers to farmer aggregation to support producer organisations in the world coffee market.



50th anniversary meetings
Belo Horizonte



3rd Consultative Forum
Belo Horizonte

Along the same lines, we are developing in partnership with the World Bank a study on risk and finance in the coffee sector which will identify risks and constraints at different stages of the value chain. This is expected to improve the availability of finance and to reduce costs. This is because, even though there is a direct link between risk and access to finance, often neither the potential borrower nor lender really understands the risks attached to different stages of the coffee value chain. Ultimately, we hope that the study will improve the identification of major risks, and the means for managing such risks across all stages of the supply chain, enabling supply chain participants to tackle risks and hence improve their attractiveness to lenders. Similarly, helping lenders to understand better the risks facing the coffee sector will enable them to assess the creditworthiness of their client better. An initial report on the study was presented to the Council in September, and a final version will be published in 2014.

Looking at the market situation, it is with concern that we have witnessed coffee prices falling continuously over 2012/13, with decreases in the monthly average of the ICO composite indicator recorded in 10 out of

12 months. The monthly average in September 2013 stood at 111.82 US cents/lb, 26.1% down on the same time last year. All four group indicators also fell during 2012/13, with the annual averages of Colombian Milds, Other Milds, Brazilian Naturals and Robustas down 28.8%, 28.1%, 32% and 4.2%, respectively compared to last year.

Total production for the year was estimated at 145.1 million bags, compared to world consumption in calendar year 2012 at around 142 million bags. There was therefore a clear surplus of coffee in the market which weighed heavily on prices. The on-year crop in Brazil, along with a strong recovery in Colombia and a large crop in Vietnam, contributed to this record harvest, which was 9.7% higher than in 2011/12. Consequently, total exports during the year also reached a record volume of 111.1 million bags, replenishing stocks in both importing and exporting countries.

The issue of market transparency is of key importance for the better functioning of the global coffee market and is one of the four goals in the ICO's Strategic Action Plan. To enhance this area, the Organization has initiated an informal round table on coffee statistics with a group of leading analysts from industry and market research institutions, to discuss and compare ICO results in a spirit of collaboration. This is an on-going activity that will bear fruit in the mid- and long-term.

Of particular concern has been the coffee leaf rust crisis affecting Central America, with total damage in the region estimated at 2.7 million bags, costing around US\$500 million in 2012/13. In response to the crisis the Council adopted Resolution 451 and I subsequently visited all the affected countries in May 2013, witnessing at first hand the impact of this pest and offering all available resources to combat its spread. As a result, the ICO produced a report on the outbreak of coffee leaf rust in Central America and an Action Plan to combat it.

Throughout the year, the ICO was represented at numerous events such as the 2nd Latin American Coffee Summit, 1st International Coffee Leaf Rust Crisis Summit, 1st International Ethiopian Coffee Conference, United Nations Forum on Sustainability Standards, 10th African Fine Coffees Conference and Exhibition, 8th China Food Expo, a Forum on African Robusta coffee and an interagency technical mission to Nicaragua. On each of these occasions, our aim was to present an unbiased view of the market, accessible to all and promoting greater market transparency.

Finally, I would like to acknowledge the hard work of the heads of ICO advisory and consultative bodies, in particular that of David Braun of Switzerland and Ambassador José Ángel López Camposeco of Guatemala who respectively chaired the March and September Sessions of the International Coffee Council.

Robério Oliveira Silva
Executive Director
International Coffee Organization



Planting a coffee tree to commemorate the 50th anniversary of the ICO



**50th anniversary meetings
Belo Horizonte**



**Visit to coffee farm
Minas Gerais**



**ICO meetings
Belo Horizonte**

WORLD COFFEE MARKET

Prices

A marked downward trend in prices characterized the coffee market during coffee year 2012/13, reaching levels already damaging for growers. The average of the ICO composite indicator price fell to 127.86 US cents/lb compared to 169.82 US cents/lb in 2011/12 and 205.65 US cents/lb in 2010/11. All ICO indicator prices as well as prices on the New York and London futures markets experienced the same negative trends (Table 1).

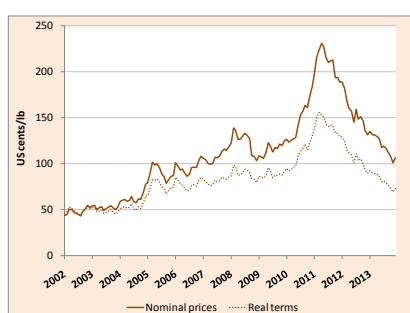
Table 1: ICO indicator and futures market prices
Coffee year averages 2002/03 to 2012/13

	ICO Composite	Colombian Milds	Other Milds	Brazilian Naturals	Robustas	New York*	London*
2002/03	52.17	65.89	64.89	48.94	37.23	34.56	65.89
2003/04	57.77	74.41	73.51	62.07	36.37	33.16	73.24
2004/05	85.30	112.29	111.22	98.22	46.05	42.72	108.03
2005/06	91.44	113.04	110.84	100.86	61.45	54.61	108.17
2006/07	104.24	122.08	120.08	108.35	82.73	74.71	118.70
2007/08	126.67	145.79	142.98	130.44	106.36	98.28	140.37
2008/09	111.80	164.37	135.43	110.14	78.62	71.43	122.16
2009/10	134.41	209.90	176.46	138.17	73.85	66.74	149.06
2010/11	205.65	281.32	268.55	236.82	107.34	100.66	249.66
2011/12	169.82	222.95	206.77	195.77	102.41	91.38	197.84
2012/13	127.86	158.77	148.63	133.12	98.11	88.48	140.70
% change 2011/12 - 2012/13	-24.7	-28.8	-28.1	-32.0	-4.2	-3.2	-28.9

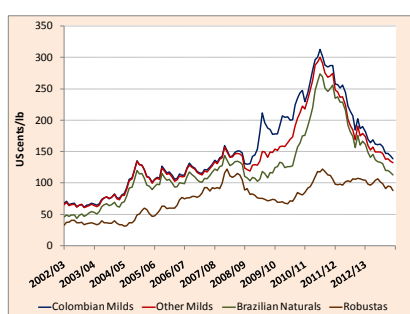
In US cents/lb

*Average price for 2nd and 3rd positions

This seems to indicate another period of low coffee prices following the crisis experienced at the beginning of the previous decade when the coffee year average of the ICO composite indicator price was below 50 US cents/lb.

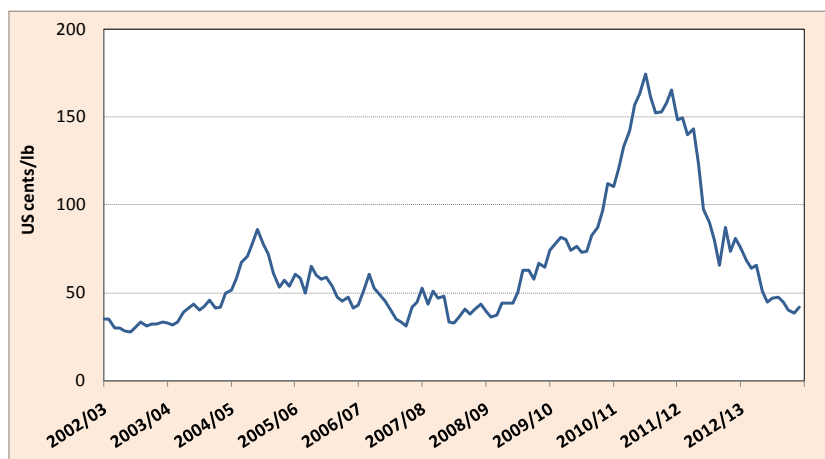


ICO composite indicator price
in current and constant (2000) terms
Coffee years 2002/03 to 2012/13



Group indicator prices
Coffee years 2002/03 to 2012/13

Arbitrage between New York and London futures markets
Coffee years 2002/03 to 2012/13



Total production in crop year 2012/13 increased by 9.7% to 145.1 million bags compared to 132.3 million bags in 2011/12 (Table 2).

**Table 2: Total production by region, group and by type
Crop years 2009/10 to 2012/13**

Crop year commencing	2009	2010	2011	2012	% change 2011-12
World Total	122 952	132 983	132 304	145 116	9.7
Africa	16 000	16 053	15 708	16 650	6.0
Asia & Oceania	37 222	36 016	37 896	42 359	11.8
Mexico & Central America	16 685	18 021	20 298	18 541	-8.7
South America	53 045	62 893	58 403	67 565	15.7
Colombian Milds	9 160	9 705	8 715	11 967	37.3
Other Milds	26 529	28 793	32 051	29 078	-9.3
Brazilian Naturals	37 195	45 610	41 114	47 805	16.3
Robustas	50 069	48 876	50 424	56 266	11.6
Arabicas	72 883	84 108	81 880	88 850	8.5
Robustas	50 069	48 876	50 424	56 266	11.6

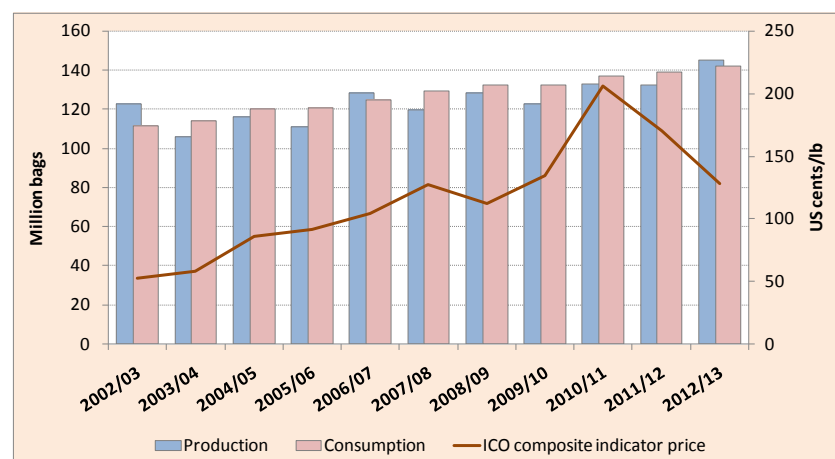
In thousand bags

The production level of crop year 2012/13 was the highest ever recorded. The steady decline in prices seems to reflect the imbalance between supply and demand due to an excess of production over consumption. The downward trend started when total production was slightly below world consumption. Moreover the ratio between supply and demand remained unchanged at 1.3 since coffee year 2007/08 (Table 3).

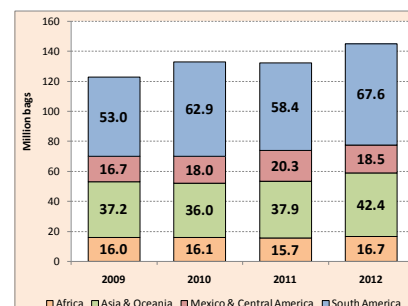
**Table 3: Ratio between global supply and world consumption
Coffee years 2002/03 to 2012/13**

2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
1.71	1.58	1.49	1.43	1.42	1.29	1.29	1.28	1.26	1.27	1.27

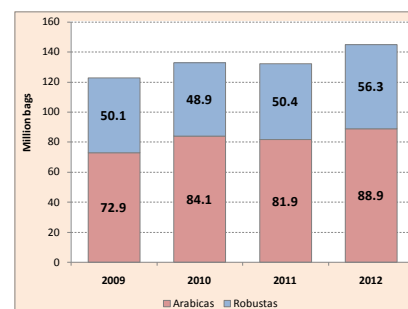
**Production, consumption and ICO indicator prices
Coffee years 2002/03 to 2012/13**



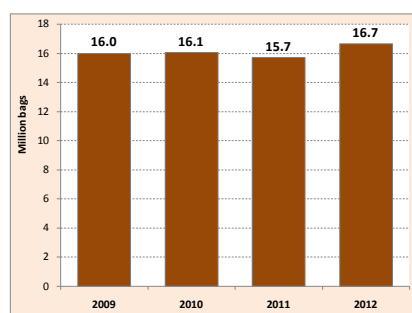
Market fundamentals



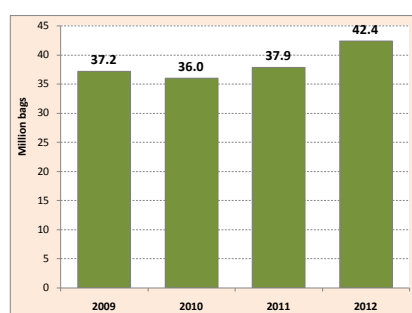
**World production by region
Crop years commencing 2009 to 2012**



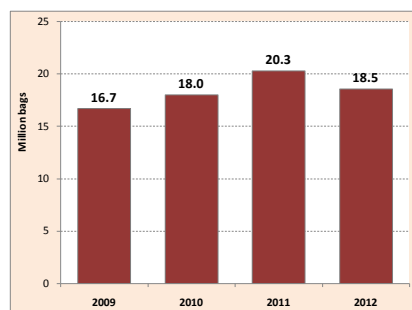
**World production by type
Crop years commencing 2009 to 2012**



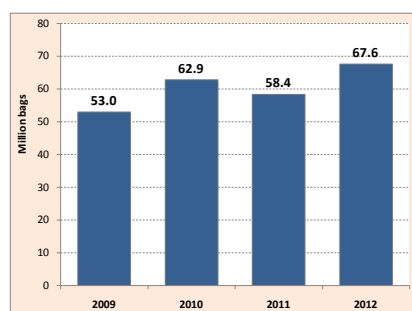
Total production in Africa
Crop years commencing 2009 to 2012



Total production in Asia and Oceania
Crop years commencing 2009 to 2012



Total production in Mexico and Central America
Crop years commencing 2009 to 2012



Total production in South America
Crop years commencing 2009 to 2012

Production increased by 16% in **Africa** from 15.7 million bags during crop year 2011/12 to 16.7 million in 2012/13, representing 11.5% of world production. The main producing countries in the region recorded increases in production. Ethiopia remains the largest producing country in Africa with 6.4 million bags in 2012/13, followed by Uganda (3.7 million), Côte d'Ivoire (2 million) and Tanzania (1.1 million).

Despite a decrease in production in Vietnam from 22.3 million bags in 2011/12 to 22 million in 2012/13, as reported by the coffee authority, total production in **Asia and Oceania** increased by 11.8% from 37.9 million bags to 42.4 million. Production increased in Indonesia by 74.7% from 7.3 million bags in 2011/12 to 12.7 million in 2012/13. India also recorded an increase of 3.6% from 5.1 million bags to 5.3 million. Production fell by 49.3% and 26.8% in Papua New Guinea and Thailand respectively. The region produced 29.2% of world production during crop year 2012/13.

Aggregate production in **Mexico and Central America** was affected by the current outbreak of coffee leaf rust, which expanded in many coffee producing areas. Total production in crop year 2012/13 fell by 8.7% from 20.3 million in 2011/12 to 18.5 million in 2012/13, representing 12.8% of world production. Mexico, Guatemala, Honduras and Nicaragua respectively lost 5.2%, 3.6%, 23.1% and 15.3% of their production in 2012/13 compared to figures for 2011/12. However, El Salvador and Costa Rica recorded increases in production in 2012/13. The impact of coffee leaf rust in both countries may become apparent during crop year 2013/14.

As Brazil was in the on-year of its production cycle and with the progressive recovery in Colombia, total output in **South America** was 67.6 million bags in crop year 2012/13, representing an increase of 15.7% and reinforcing its position as the world's largest coffee producing region with 46.6% of total world production. Brazil recorded a record crop of 50.8 million bags representing an increase of 16.9%, as reported by CONAB. There is evidence of recovery in Colombia as total production in crop year 2012/13 was 10.4 million bags compared to 7.7 million in 2011/12, an increase of 35.5%. The production level in Ecuador was almost the same as in crop year 2011/12 while it decreased by 17.2% in Peru.

Table 4: Ten leading producing countries in crop year 2012/13

	Production	% share of world total
1. Brazil	50 826	35.0
2. Vietnam	22 030	15.2
3. Indonesia	12 730	8.8
4. Colombia	10 371	7.1
5. Ethiopia	6 366	4.4
6. India	5 303	3.7
7. Honduras	4 537	3.1
8. Peru	4 450	3.1
9. Mexico	4 327	3.0
10. Guatemala	3 703	2.6

In thousand bags

As a result of a substantial recovery in Colombia and Tanzania, the production of Colombian Milds increased by 37.3% from 8.7 million bags in 2011/12 to 12 million. Brazilian Naturals and Robustas also increased by 16.3% and 11.6%, respectively while the production of Other Milds fell by 9.3% due mainly to the outbreak of coffee leaf rust in Mexico and Central America.

The total volume of exports in coffee year 2012/13 reached a new record of 111.1 million bags, an increase of 3.2% on 2011/12. More significant increases of exports were observed for Colombian Milds and Brazilian Naturals. Exports of Robustas were only 3.6% higher than the previous coffee year. Exports of Other Milds were 7.7% lower than in 2011/12. In other words, the driving force behind this increase was exports of Colombian Milds and Brazilian Naturals.

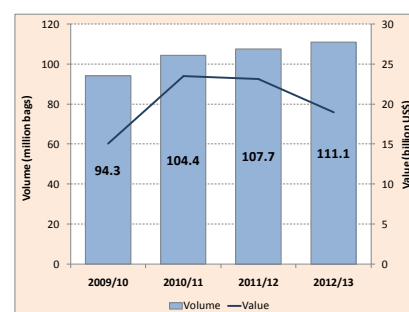
**Table 5: Volume and value of exports
Coffee years 2009/10 to 2012/13**

	2009/10	2010/11	2011/12	2012/13	% change 2011/12 - 2012/13
Volume (thousand bags)					
Total	94 309	104 375	107 704	111 147	3.2
Arabicas	61 538	67 650	66 869	68 827	2.9
Colombian Milds	8 113	9 232	8 412	10 178	21.0
Other Milds	22 067	25 107	27 482	25 357	-7.7
Brazilian Naturals	31 358	33 311	30 975	33 292	7.5
Robustas	32 771	36 725	40 834	42 320	3.6
Value (US\$ million)					
Total	15 063	23 503	23 173	18 995	-18.0
Arabicas	11 646	18 737	17 862	13 699	-23.3
Colombian Milds	2 109	3 227	2 741	2 426	-11.5
Other Milds	4 353	7 412	7 388	5 122	-30.7
Brazilian Naturals	5 185	8 097	7 734	6 151	-20.5
Robustas	3 417	4 766	5 311	5 296	-0.3
Re-exports					
Volume (thousand bags)	38 638	40 127	41 458	36 307	-12.4
Value (US\$ million)	10 453	14 247	14 823	13 402	-9.6

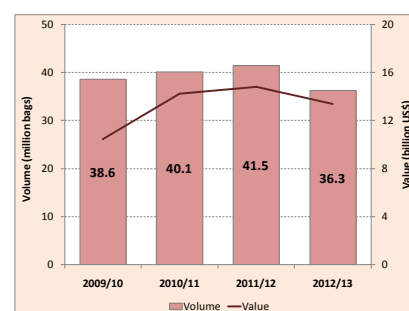
Despite the record export level of 111.1 million bags in coffee year 2012/13, the total value of exports is estimated at US\$19 billion, a fall of 18% compared to US\$23.2 billion in 2011/12 for a volume of 107.7 million bags.

The value of re-exports of all forms of coffee by importing countries in coffee year 2012/13 was US\$13.4 billion for a volume of 36.3 million bags. The volume and value of re-exports have declined by 12.4% and 9.8%, respectively compared to their levels in 2011/12.

Exports

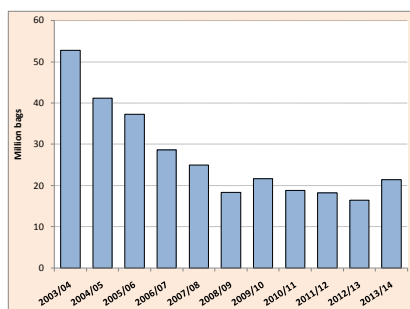


**Volume and value of exports
Coffee years 2009/10 to 2012/13**



**Volume and value of re-exports
Coffee years 2009/10 to 2012/13**

Stocks



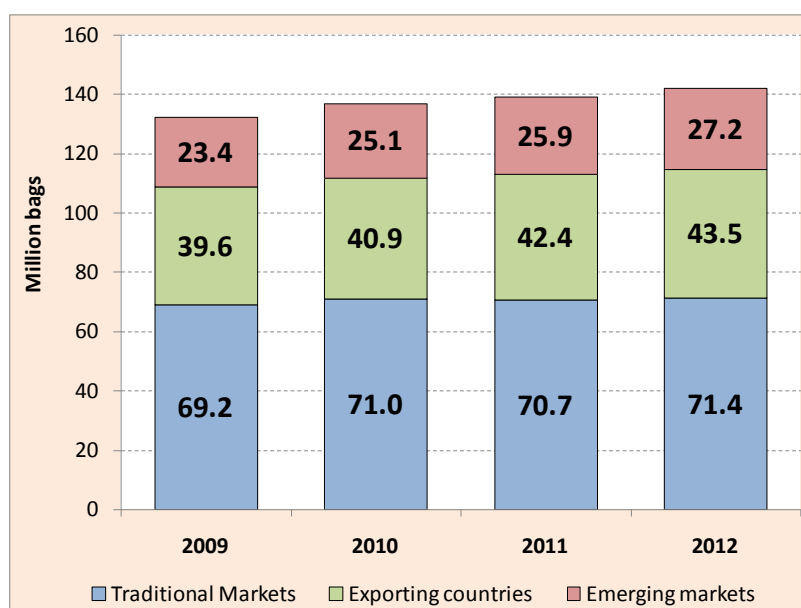
Opening stocks in exporting countries
Crop years 2003/04 to 2013/14

Opening stocks in exporting countries for crop year 2013/14 were estimated at 21.4 million bags, representing an increase of 30.6% in relation to 16.4 million bags for the previous crop year. Green coffee inventories held in importing countries were estimated at 21.6 million bags at the end of June 2013. World stocks increased considerably during coffee year 2012/13 as high production levels weighed heavily on the market.

Consumption

World consumption during the last four calendar years has shown a sustained upward trend at 142 million bags in calendar year 2012 compared to 139 million bags in 2011. This buoyancy in world consumption is attributable mainly to the growth of domestic consumption in exporting countries and consumption in emerging markets. Indeed, domestic consumption in exporting countries was estimated at 43.5 million bags in calendar year 2012 compared to 71.4 million bags in traditional markets and 27.2 million bags in emerging markets. If the growth of world consumption continues, it is expected to tighten the ratio of global supply/consumption and contribute to easing the current difficult market conditions for coffee growers.

World Consumption
Calendar years 2009 to 2012



Conclusion and prospects

Despite an increasing level of world consumption coffee prices reached alarming levels during coffee year 2012/13. Total production for crop year 2012/13 was higher than consumption but the downward trend of prices started when production was slightly below world consumption. Moreover, the ratio between global supply and world consumption remains relatively low. The current price levels represent a risk of reduced production and low quality coffee due to poor maintenance of coffee farms as a result of high costs of agricultural inputs and labour.

3rd CONSULTATIVE FORUM ON COFFEE SECTOR FINANCE

The 3rd Consultative Forum on Coffee Sector Finance took place in Belo Horizonte, Brazil on 10 September 2013. It was facilitated by Robert Nelson of the National Coffee Association of USA and sponsored by the All Japan Coffee Association and the World Bank. The report of the Forum is contained in document CF-10/13.

The objective was to identify best practices and disseminate information about farmer aggregation as a platform through which access to finance and risk management could be achieved more effectively (see document ED-2159/13). Expert remarks and presentations on the state of farmer aggregation and the basic principles of cooperative development were made by Alex Serrano of CLUSA International; Lakshmi Venkatachalam of the Asian Development Bank and Dan Zook of Dalberg, Global Development Advisors.

The presentations were followed by discussions assisted by 22 international experts in the field of aggregation on seven case study scenarios. Small groups identified a number of recurring themes offering guidelines for best practices in the sector, and the main concerns encountered in the development of successful cooperatives. The recurring themes included governance, capacity, quantity versus quality, sustainability and risk management.

Case studies on aggregation

- **The pre-cooperative phase: The first step in farmer organizations**
- **The emerging phase: Registration as a legal entity**
- **The growth phase: Reaching critical mass**
- **The growth phase: Meeting the never-ending challenges**
- **The emerging cooperative phase: Deciding to stay together**
- **The established and growing phase: How should we grow**
- **Mature cooperative phase: Growing and consolidating a coffee relationship**

The second part of the Forum involved a force-field problem solving exercise to identify current environmental factors which are supportive of farmer aggregation (driving forces), and those that create barriers to aggregation (restraining forces). Participants identified 105 driving forces facilitating aggregation, and 82 restraining forces inhibiting it. From this list seven forces were prioritized (listed below) and specific actions and strategies to facilitate the establishment of farmer organizations were identified for development by the ICO at future meetings.

Priority driving forces

- **Market incentives:** How to use market forces and economic incentives to encourage farmer aggregation and create an enabling environment for producer organisations.
- **Examples of successful cooperatives:** How to create a sense of excitement around the concept of farmer aggregation.
- **Management and leadership skills:** How to enhance the administrative capacity of farmer organisations.

Sponsors of the 3rd Forum



All Japan Coffee Association



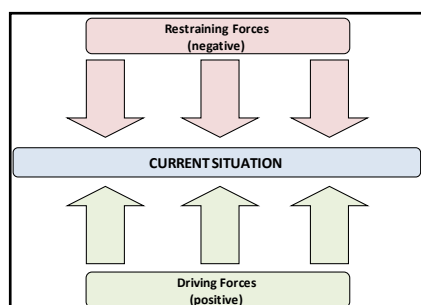
World Bank



Discussions with experts
3rd Consultative Forum



Robert Nelson, Facilitator
3rd Consultative Forum



Force-field problem-solving model

Priority restraining forces

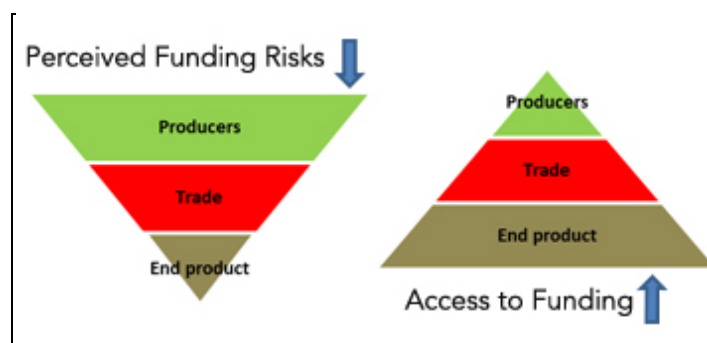
- **Lack of female participation:** The disenfranchisement of women from engaging in the running and composition of cooperatives was considered a major obstacle to future development.
- **Lack of education about cooperatives:** This issue has two aspects. Firstly, members of a cooperative can be uninformed about its benefits and details; secondly, there can be a lack of awareness outside the organisation about how it works and how to work with them.
- **Poor legal framework and corruption:** This issue is intertwined with the local political situation in many countries. Although considered one of the most important impediments to successful aggregation, there is a limit to the extent of potential actions. Any programmes in this area need to be well targeted with tenable objectives.
- **Risk aversion and risk management:** The element of risk contains two main factors. Farmers may be risk averse and therefore unwilling to join a cooperative. There is also the element of price risk management which affects coffee farmers across the spectrum, not just in cooperatives.

Core Group

Meeting of the Core Group
Belo Horizonte

The Core Group on the Consultative Forum met on two occasions during the year. The Group is assisted by four external advisors: Marc Sadler, World Bank; Noemí Pérez, Finance Alliance for Sustainable Trade (FAST); Silas Brasileiro, National Coffee Council, Brazil; and Nicolas Tamari, Sucafina S.A.

In addition to discussing the preparations and outcomes of the 3rd Forum, the Group reviewed an interim report on a World Bank/ICO study on risk and finance in the coffee sector (document CG-12/13). The study is aimed at policy-makers, traders, exporters and producers and will include innovative case studies demonstrating best practices around the world which could be replicated elsewhere. Initial findings indicate that risk is a major factor in limiting access to finance and increasing costs. There is also a need for funding across the value chain and to identify ways to reduce risks at the production end of the chain to increase access to finance. Producers also need support to understand how to access under-utilized sources of finance, and there is potential for scaling-up programmes in the alternative finance community and socially oriented lenders with support from government and other actors.

Perceived funding risks, World Bank/ ICO study
on risk and finance in the coffee sector

50th ANNIVERSARY OF THE ORGANIZATION

The ICO celebrated the 50th anniversary of the establishment of the Organization in 1963 by holding the 111th session of the Council in Belo Horizonte, Brazil, from 9 to 13 September 2013. This was made possible thanks to the invitation of the Government of the State of Minas Gerais, the largest coffee producing state in Brazil. The Council Session was formally opened by the Acting Minister of State of Foreign Affairs, Ambassador Eduardo dos Santos, the Minister of State of Agriculture, Livestock and Food Supply, Antônio Andrade, the Minister of State of Development, Industry and Foreign Trade, Fernando Pimentel and the Governor of the State of Minas Gerais, Antonio Anastasia. The meetings took place in the Expominas Conference Centre alongside an International Coffee Week, and were impeccably organized by the Governor's team.

Extracts from opening statements and tributes to the ICO on the occasion of the 50th anniversary follow:

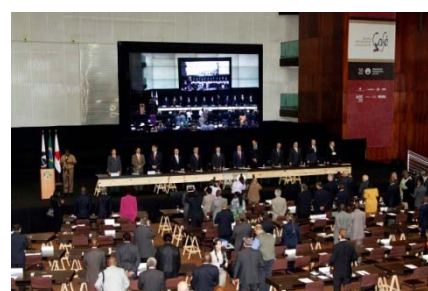
"...On behalf of the Ministry of Foreign Affairs, I would like to congratulate the ICO and its Members for all its efforts in promoting better working conditions in coffee farming, in reducing volatility in international coffee prices, and in providing the necessary encouragement for achieving a more sustainable coffee sector and a higher quality product...." Ambassador Eduardo dos Santos, Acting Minister for State of Foreign Affairs, Brazil.

"...I can only applaud the initiatives of the ICO in discussions on sustainability in coffee production, and on matters related to the identification of origins and continual improvement in productivity. These are important instruments and I am sure all producing countries will welcome them...." Antonio Anastasia, Governor, Minas Gerais.

"It is with great satisfaction that we can affirm that the work of over half a century has crystallized and the relation between exporting and importing countries has been regulated with the adoption of joint measures that aim for coffee market unity" Ambassador Afonso Pedro Canga, Minister of Agriculture, Angola.

"...we can all be proud of the journey we have shared during the last 50 years. The ICO has proved itself able to bring together so many members, so many representatives of the coffee world from both producing and consuming countries from all continents to provide a forum for sincere and productive dialogue and to promote international cooperation on one of the most important commodities in international trade". Juan Monfort Bernat, Head of Trade and Investment Section, EU Delegation, Brasilia.

".. our appreciation goes also to the ICO ... for the support it has provided to Burundi for different projects that have made a positive impact on the livelihood of our small farmers". Aloys Ntakirutimana, General Director, Burundi Regulatory Authority of the Coffee Sector.



Opening Ceremony
Belo Horizonte



Negotiating the
Belo Horizonte Declaration



50th anniversary banner
Expominas, Belo Horizonte



Logo for International Coffee Week



Exhibition of coffee-growing photos by Sebastião Salgado

Belo Horizonte Declaration



Press conference to announce Belo Horizonte Declaration



Visit to coffee farm Minas Gerais

"Indonesia highly values the importance of the ICO and the meetings of its bodies.... The ICO is the appropriate place in which both coffee producing and consuming countries cooperate to attain the best possible benefit for all, and equitably". Ambassador Bayu Krishnamurti, Vice Minister of Trade, Indonesia.

"The National Federation of Coffee Growers of Colombia (FNC) congratulates the ICO on its 50th anniversary. The FNC has proudly represented Colombia at the ICO for half a century and can attest to its commitment to improve the livelihoods of coffee farmers all over the world, while promoting quality, transparency and efficiency in the global market". Luis Genaro Muñoz, Chief Executive Officer, FNC, Colombia.

In addition to attending the Council Session and 3rd Consultative Forum, delegates were able to view a special exhibition of photos of coffee-growing by the renowned Brazilian photographer Sebastião Salgado, and participate in a technical visit to a coffee farm. Members also enjoyed a Colonial coffee event with the Governor of Minas Gerais, a performance by the Philharmonic Orchestra of Minas Gerais, a reception at the State Assembly of Minas Gerais at which a commemorative postal stamp was launched, and a banquet at the Museum of Arts.

The 50th anniversary meetings culminated with the adoption by the Council of Resolution 453 on the critical situation in East and Central Africa caused by the black coffee twig borer, and the Belo Horizonte Declaration. The text of the Declaration appreciated both the invaluable contribution of former representatives to the ICO, as well as former Executive Directors and acknowledged the work of the ICO as follows:

"For 50 years, the ICO has fostered international cooperation in the sector, contributing to the development of a sustainable world coffee economy and to poverty reduction. It has promoted synergies within the commodity market, initiated a programme to improve coffee quality, and provided accurate and reliable data on the coffee economy. The ICO has launched promotion campaigns that were instrumental in encouraging dynamic growth in consumption in emerging markets, and was the birthplace of the specialty coffee movement. It has channelled over US\$100 million in development projects for the benefit of small coffee farmers throughout the world". Belo Horizonte Declaration.



Commemorative stamp

INTERNATIONAL COFFEE AGREEMENT 2007

Background

The International Coffee Agreement 2007, the seventh Agreement since 1962, entered into force on 2 February 2011 and will last for ten years, with the possibility of extension for a further eight years. The objective of the Agreement is to strengthen the global coffee sector and promote its sustainable expansion in a market-based environment for the betterment of all participants in the sector. The world coffee trade is important for exporting as well as importing countries, generating export earnings of around US\$22 billion in calendar year 2012 for producing countries while over 600 billion cups are consumed every year throughout the world.

Membership of the 2007 Agreement continued to expand during the coffee year. On 1 July 2013, the ICO welcomed Croatia as a new importing country represented at the Organization, following the accession of this country to the European Union. This was followed by the deposit of an instrument of ratification by the Government of Paraguay on 21 August 2013.

As at 30 September 2013, the ICO had 45 Member Governments compared to 44 in the previous coffee year. Taking into account the European Union with 28 member States, a total of 73 Governments are represented under the 2007 Agreement. A further five Governments have signed the 2007 Agreement and are finalizing internal procedures for membership (Benin, Democratic Republic of Congo, Guinea, Madagascar and Nigeria).

At its 111th Session in September 2013, the International Coffee Council adopted Resolution 452 extending the deadline for the deposit of instruments of ratification, acceptance, approval or accession to 30 September 2014.

During the coffee year, the Executive Director visited China and Peru to discuss the benefits of membership. He was invited by the Ministry of Commerce in China to participate in the 8th China Food Expo in October 2012, and gave a presentation on the international coffee market and the role of the ICO. In Peru, he attended an international Conference and the 20th anniversary celebrations of the Coffee Board of Peru and discussed membership with the Vice-Ministers of Agriculture, Foreign Trade and Tourism. During the year the Government of Peru settled its outstanding contributions with a view to rejoining the ICO.

In March 2013, the Executive Director met representatives of the Government of the Russian Federation which has stated its commitment to joining the ICO. Other non-member countries which have expressed interest in membership include, Lao People's Democratic Republic, Nepal and Sri Lanka. The following non-member Governments were represented at International Coffee Council Sessions in 2012/13: China, Japan, Lao People's Democratic Republic, Nepal, Sri Lanka and the Russian Federation.

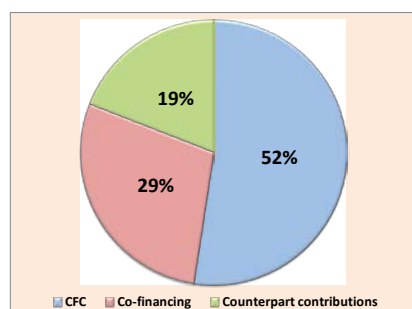
Expansion of membership



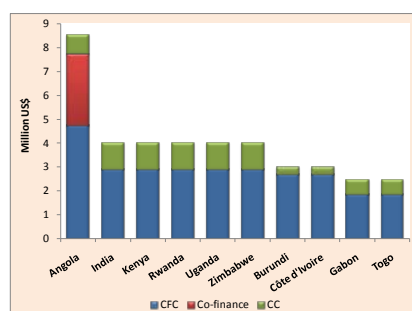
Paraguay
Ratification: 21 August 2013

COFFEE DEVELOPMENT PROJECTS

Coffee development projects and the mission of the ICO



Sources of finance (all projects)



Coffee development projects:
Top ten beneficiaries – funding sources
Coffee year 2012/13

Projects approved by the CFC

ICO project activities contribute to the Organization's mission of strengthening the entire coffee value chain and improving the living standards of coffee farmers in producing countries. They provide practical assistance to the world coffee economy, contributing to poverty reduction in developing countries and sustainable development by improving the prospects of coffee growers all over the world.

Over the last 18 years the ICO has sponsored and secured funding for 38 projects with an aggregate value of around US\$104 million, benefitting more than 40 producing countries. The main funding agency has been the Common Fund for Commodities (CFC), which has provided finance of US\$55 million, with US\$29 million provided by bilateral and multilateral donor institutions in the form of co-financing, and around US\$20 million by beneficiary countries in the form of counterpart contributions. In total, 29 projects have been concluded and 9 are being implemented. ICO sponsored project activities enable producing countries to participate in pilot projects aimed at increasing national sector competitiveness while addressing challenges faced by small producers through timely policies and solutions to meet priority needs.

However, the CFC has changed its funding policy, moving away from grants to repayable loans. The new guidelines for its operations include inviting proposals for funding through an open call for proposals by any individuals or institutions without necessarily using the channel of International Commodity Bodies. The Organization is therefore facing new challenges including diversifying sources of financing for coffee development projects.

Revitalization of the coffee industry in Yemen

During coffee year 2012/13, the CFC approved one project: Revitalization of the coffee industry in Yemen. This project will promote a holistic, integrated, more demand-responsive approach to the strategic development of the coffee industry concentrating on improving productivity at the farm level and quality, promoting more efficient use of water, capacity-building and enhancing connectivity at all stages of the coffee value chain. The aim is to enhance incomes of growers, upgrade and improve processing capabilities, create a more efficient internal marketing structure, and facilitate the formation of cooperatives and other groups based around providing technical services to all sectors of the industry. One of the specific objectives of the project is to slow down the rate of increase in qat production by demonstrating that well-managed coffee can provide farmers with significantly better returns. The total cost of the project is US\$4.9 million. Under its new guidelines the CFC will contribute a grant of US\$250,000 while Yemen and the ICO will mobilize additional funding.

ONGOING PROJECTS (9)	DESCRIPTION
Coffee price risk management in Eastern and Southern Africa (04/01 – to be started)	The project will provide a suitable and sustainable price risk management scheme to reduce the exposure of coffee farmers to fluctuations in world market prices and secure better incomes from coffee growing. Following some administrative issues between the World Bank (PEA) and the CFC, the CFC has put the project on hold.
Building capacity in coffee certification and verification for specialty coffee farmers in EAFCA countries (04/09 – ongoing)	This proposal originated as the result of a study on 'Setting up a fine coffee certification programme in Eastern Africa' financed by the CFC in 2005. The overall goal of the project is to build capacity in coffee certification and verification in Eastern Africa.
Competitive coffee enterprises programme for Guatemala and Jamaica (10/09 – ongoing)	The project aims to strengthen the coffee sectors in Guatemala and Jamaica through a Coffee Competitiveness Programme which includes the following: Sustainable development; Income diversification; Marketing intelligence; Marketing; Funding; and Institutional strengthening.
Sustainable credit guarantee scheme to promote scaling up of enhanced processing practices in Ethiopia and Rwanda (04/10 – ongoing)	This project proposal is designed to improve livelihoods of small-scale coffee farmers in Eastern and Central Africa on a sustainable basis through promoting better access to credit and banking services. This will be achieved by promoting the production of high quality coffee, through the adoption of enhanced coffee processing practices. The high quality coffees will subsequently attract premium prices in the market thereby translating into improved household income.
Economic Crises and Commodity dependent LDCs: Mapping the exposure to market volatility and building resilience to future crises (10/10 – ongoing)	The project will examine and analyse the impact of the economic crisis on LDCs with a view to proposing policy responses for recovery and measures to insulate/reduce impact of such crisis on their economies in future. In particular, it would look into the vulnerability of commodity dependent LDCs resulting from their large exposure to external markets, limited diversification and poor capital base.
Qualitative and quantitative rehabilitation of coffee with the aim of improving living conditions of coffee farmers afflicted and displaced by war in the Democratic Republic of Congo (10/11 – to be started)	The aim of this project is to rehabilitate the coffee sector through the creation of centres for propagation and distribution, the establishment of extension and support teams and making available to farmers high performance cuttings, essential inputs and appropriate guidance.
Promoting the intensification of coffee and food crops production using animal manure in areas covered by the project CFC/ICO/30 in Burundi (02/12 – ongoing)	The central objective of the Fast-Track project is to consolidate income and food security through the promotion of environmentally friendly farming practices under the existing credit revolving fund. The project will also assist in strengthening extension services with Good Agricultural Practices using livestock waste as fertilizer for food and coffee production. It will also contribute to the improvement of farmers' capacity in credit and savings management.
Building a Financial Literacy Toolbox to enhance access to commodity finance for sustainable SMEs in emerging economies (02/12 – ongoing)	This project aims to facilitate access to finance for developing country Small and Medium Enterprises (SMEs) producing commodities in accordance with internationally recognized practices for sustainable production. The project will develop the core elements of a generic, publicly accessible, financial literacy toolbox and apply the toolbox through a series of training workshops with technical assistance providers and SMEs in the East African region.
Revitalization of the Coffee Industry in Yemen (04/13 – to be started)	The project aims at improving and increasing production and boosting the productive capacity in Yemen by helping and encouraging small farmers to develop agricultural capacity through introducing modern methods in agricultural and harvesting operations, and improving water efficiency.

New projects approved in 2012/13 by the Council for funding

Concluded projects in coffee year 2012/13



Premium Robusta coffee in Gabon



Processing facilities before the project in
Burundi and Côte d'Ivoire



Processing facilities after the project –
adding value

During 2012/13, the Council approved six new project proposals for submission to the CFC and other donors:

- Promoting coffee sustainability through increase in productivity, with particular focus on the participation of young people and women in Cameroon and the Central African Republic.
- Promoting a sustainable coffee sector in Burundi.
- Quality, sustainability and networking to improve the competitiveness of the Veracruz coffee sector in Mexico.
- Empowering women in Brazilian coffee cooperatives to improve coffee quality.
- International research and development services for durable genetic control of the coffee leaf rust disease in Arabica coffee.
- Best practice management of coffee berry borer and coffee leaf rust to improve Panama's capacity to export specialty coffees.

In September 2013, the Council approved the first proposal for implementation in accordance with the Memorandum of Understanding signed between the ICO and the Brazilian Agency for Cooperation (ABC), for the promotion of triangular technical cooperation in coffee producing countries. The proposal was submitted by Cameroon and involves a cooperative framework between Cameroon and Brazil. A field visit took place in Brazil by delegates from Cameroon and an ICO official.

Developing the potential of gourmet Robusta coffee in Gabon and Togo CFC/ICO/42 (11/08 – 05/13)

The aim of this project was to improve quality through improved husbandry, harvesting and processing practices with a view to marketing top quality Robusta coffee in niche markets. The total cost was US\$2,532,731, including a CFC grant of US\$1,781,850 and a counterpart contribution from the participating countries of US\$750,881. The project facilitated better access to improved planting materials with 1.5 hectares of existing nurseries rehabilitated in Togo, while Gabon imported high yield varieties from Cameroon. Production increased by 20% and quality also improved as the production of grade 1 Robusta coffee increased by 50% in both countries. Although farmers in Gabon received good premium prices (the farmgate price for Washed Robusta was CFA1,200/kg and CFA700/kg for sun-dried Robusta compared to CFA500 for ordinary coffee), there was limited improvement in Togo where the premium was only CFA5 above conventional coffee.

Access to finance for the development of diversification crops in coffee producing areas CFC/ICO/30 (03/08 – 02/13)

The aim of this project was to promote income security and reduce poverty in coffee producing areas in Burundi and Côte d'Ivoire through promoting a sustainable credit scheme to finance diversification programmes for small-scale farmers. It also addressed food security

issues in coffee farming communities. The total cost of the project was US\$3 million. In view of the positive results, both governments increased their counterpart contributions, bringing the total cost to US\$4.4 million. Almost 2,000 coffee farmers benefitted from the project. A revolving fund was set up in Burundi and is being used as collateral to continue financing farmers. Infrastructure, including 17 warehouses, transport equipment and processing facilities, has increased value in the coffee chain in both countries. All project farmers are now familiar with the banking sector. Another positive outcome is the increase in food supplies which has reduced the food deficit, particularly in Burundi.

Increasing the resilience of coffee production to leaf rust and other diseases in India and four African countries CFC/ICO/40 (04/08 – 03/13)

This project was designed to contribute to sustainable coffee production by reducing crop and quality losses caused by coffee leaf rust (CLR) and coffee berry diseases in India, Kenya, Rwanda, Uganda and Zimbabwe. The total cost was US\$4 million. The project improved the knowledge of smallholder farmers of the diseases, increased coffee productivity and promoted Good Agricultural Practices to better manage coffee pests and diseases. New resistant varieties were developed in India and Kenya, and activities relating to coffee germplasm conservation were implemented with the rehabilitation of gene banks in participating countries. Another positive outcome was the reduced use of chemicals in smallholder coffee farming systems. The project also contributed to promoting scientific cooperation between research institutions with effective transfer of technology between India and African countries participating in the project. A link to a DVD on coffee leaf rust management produced by the Coffee Board of India is available on the ICO website.

Pilot rehabilitation of neglected coffee plantations into small family production units in Angola CFC/ICO/15 (05/06 – 05/13)

The aim of this project was to rehabilitate neglected coffee plantations and promote the resettlement of displaced families and demobilized soldiers from the civil war through coffee and food production. The total cost was US\$8.5 million including US\$4.8 million in grants and loans from the CFC and a counterpart contribution of US\$3.7 million from the Government of Angola. More than 2,000 families were resettled and coffee production in the project areas increased to an average of 2,000 tonnes per year. A microcredit system was developed, marketing systems improved and farmers received higher farm gate prices as they produced high quality coffee. The project also contributed to building social infrastructure, in particular schools and nurseries. Farmers and their cooperatives are grateful to the project for assisting them in improving productivity and reducing food insecurity while contributing to the return of displaced families and former soldiers.



Providing solutions to transport problems in rural areas in Burundi and Côte d'Ivoire



Farm field trial, India



Unripe Batian, new Kenyan high yield resistant to CLR and other diseases



Rehabilitated school, Gabela, Angola



Rehabilitated coffee farm, Angola

SUSTAINABILITY

Coffee and climate change



Coffee & Climate workshop
Belo Horizonte



ICO Projects Committee
March 2013

The ICO is a focal point for dissemination of information on the challenges faced by the world coffee sector in the face of environmental concerns, paying special attention to the effects of climate change on present and future supplies of coffee, which is expected to result in shifts on where and how coffee is produced in the future.

Several adaptation and mitigation strategies for coffee producers have been put forward. Short-term adaptation strategies include improved farming practices and better post-harvest processing. Longer-term strategies include capacity-building, improved monitoring of climate data, enhancing soil fertility, introducing or preserving different production models, and developing drought and disease-resistant varieties. In more extreme cases, the solution may be to diversify out of coffee or shift production to more suitable areas. Mitigation strategies include calculating and reducing greenhouse gas emissions on the farm, and facilitating the creation of carbon sinks. What has been missing is a practical and easily available source of information for farmers to adopt a hands-on approach to tackle the challenges of climate change.

For this purpose, the ICO has engaged in a dialogue with the *Coffee & Climate* initiative, to enhance its outreach in this field and inform Members about its recently launched toolbox, which will enable coffee farmers around the world to access a practical guide on adapting to climate change and mitigating its harmful effects. ICO Members received two presentations on the development of the toolbox during the year, and had the opportunity to attend workshops on the initiative organized during the International Coffee Week taking place in Belo Horizonte at the time of the 111th Council Session.

In parallel with these activities, the ICO focuses on poverty eradication, promoting value addition in developing countries and contributing towards achieving the Millennium Development Goals (MDGs). The ICO has worked in partnership for over 17 years with the Common Fund for Commodities, serving as a bridge for allocating resources for coffee development projects. Currently, the ICO is transforming the way in which it handles communications with a view to strengthening its ability to seek funding for projects to continue to benefit Members. In September 2013, the ICO launched a new website, enhancing its capacity to disseminate information, reach out to potential new donors and provide up-to-date information on the current status of projects.

The ICO is also strengthening the Virtual Screening Subcommittee, in charge of assessing the technical and financial soundness of projects under consideration, making sure that only those with the highest standards are brought forward for external funding, as the credibility of the project work rests on the quality of the proposals that the ICO sponsors.

COOPERATION WITH OTHER AGENCIES

Cooperation with other organizations on global coffee matters is an important element of the ICO's work and includes representation at international coffee conferences as well as collaboration with intergovernmental and other organizations during Council Sessions.

In June 2013, the ICO participated in an interagency visit to Nicaragua. Agencies participating in the visit included the Food and Agriculture Organization of the United Nations (FAO), International Fund for Agricultural Development (IFAD) and the Brazilian Agricultural Research Agency (EMBRAPA). The aim of the mission was to analyse coffee production in Nicaragua, taking into account trends in the world coffee market and the potential impact of climate change. The strengths and weaknesses of the sector were reviewed and the conclusions will contribute to the development of a National Programme for Transformation and Development of Coffee Production for the country. The mission concluded with a Coffee Forum attended by more than 300 people, including three ministers of state, producers, exporters, representatives of cooperatives and international development agencies.



Interagency mission to Nicaragua

In September 2013, Members received a presentation from the Director of the Brazilian Agency for Cooperation (ABC) on the mandate of the Agency. The first proposal for implementation under the Memorandum of Understanding (MOU) signed with the ABC was received from Cameroon and approved in September 2013.



Brazilian Agency for Cooperation

The Arthur Dobbs Institute held two workshops on the topic of 'Pollinators, production, pest and disease suppression for coffee production' during the 111th Session of the Council in September 2013. Other cooperation has included collaborating with the IDH sustainable trade initiative on the development of its project preparation facilities, with Hanns R. Neumann Stiftung which presented the *Coffee & Climate* initiative developed with CABI to the Council, and with the 4C Association whose representative made a presentation on cooperation with the ICO to Members in September 2013.

The Executive Director and senior ICO officials represented the ICO and made presentations on the world coffee market and related topics at a wide range of global coffee events in 2012/13 including:

- 8th China Food Expo, Sichuan Province, China (26 to 29 October 2012)
- First International Ethiopian Coffee Conference, Addis Ababa, Ethiopia (8 and 9 November 2012)
- 'Peru on the world coffee stage in 2021: challenges and commitments', and the 20th anniversary celebrations of the Junta Nacional del Café, Lima, Peru (15 to 18 January 2013)
- Forum on sustainability and competitiveness of African Robusta coffee and 2nd General Assembly of the African and Malagasy Robusta Coffee Agency (ACRAM), Libreville, Gabon (30 and 31 January 2013)



Pollinators workshop
Belo Horizonte



Coffee leaf rust mission
Central America

- 10th African Fine Coffees (AFCA) Conference and Exhibition, Kampala, Uganda (14 to 16 February 2013)
- United Nations Forum on Sustainability Standards (UNFSS), Geneva, Switzerland (21 and 22 March 2013)
- 1st International Coffee Leaf Rust (CLR) Crisis Summit, Ciudad de Guatemala, Guatemala (18 to 20 April 2013), followed by a mission to Central American countries (22 April to 4 May 2013)
- ISEAL Alliance Workshop 'Growing coffee without endosulfan', London, United Kingdom (11 June 2013)
- 4C Association Workshop 'Vision 2020 for a sustainable coffee sector', Hamburg, Germany (18 and 19 June 2013)
- Interagency technical mission to Nicaragua (24 to 27 June 2013)
- 2nd Latin American Coffee Summit, Puebla, Mexico (1 to 3 August 2013)

PROMOTING CONSUMPTION

Background

ICO promotion programmes made a positive contribution to developing the coffee sector during the coffee price crisis (2000 to 2005) as part of an overall strategy to reduce imbalances between demand and supply in traditional and emerging markets. Since 2001, annual growth rates of coffee consumption have averaged around 2.4%, compared to under 2% in the 1990s.

One of the central objectives of the 2007 Agreement is to promote the development of consumption and markets for all types and forms of coffee. A long-term strategy could help to reduce volatility, and promoting consumption when prices are higher could help to avert a future crisis if coffee supplies increased in response to increases in prices.

Cooperation with ASIC



Presentation on Expo 2015
6th Meeting of the Promotion and
Market Development Committee

The 24th International Conference on Coffee Science took place in Costa Rica in November 2012, organized by the Association for Science and Information on Coffee (ASIC). The ICO made a financial contribution of US\$5,000 from the Promotion Fund to the Conference, in view of the importance of support for science and coffee. ASIC Conference proceedings are available for consultation in the ICO Library.

The Promotion Committee met in March and September 2013, and received presentations on Expo 2015. This event will take place in Milan in 2015 on the theme of 'Feeding the planet, Energy for life' with clusters on different products including coffee.



The coffee cluster – the project

4.427 sq. m., of which 3000 sq. m. for common areas

Placed in a central position within the exhibition area

Idea behind the project linked to the coffee route

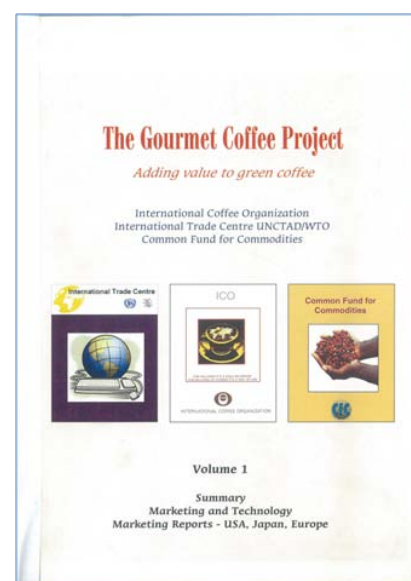


Presentation on Expo 2015: coffee cluster

During the year, the Chairperson of the Promotion and Market Development Committee, Andrea Illy, oversaw the implementation of the Plan for Promotion and Market Development which was approved by the Council in September 2012 (document ICC-109-13). The focus of activities under the Plan will shift from promoting coffee consumption to promoting value and differentiation through a multi-stakeholder network of partners.

Preliminary discussions on the implementation of the network have taken place and invitations to participate have been sent out to over 60 potential stakeholders. Stakeholders have been invited to engage on a voluntary basis with promoting the positive values of coffee as a way to stimulate coffee consumption worldwide, within their existing PR activities; sharing information relevant to coffee consumption and market development made available by the ICO through its website and liaising with the ICO to coordinate activities that they consider opportune to implement within the framework of the Plan.

The Executive Director of the Alliance for Coffee Excellence made a presentation to the Committee on the historical contribution of the ICO to promotion activities. She noted that this had a huge ripple effect on coffee consumption and could serve as a model for the future. Using funds from the Promotion Fund, a project was developed on gourmet coffee. Demand for gourmet coffee subsequently increased in the five participating countries (Brazil, Burundi, Ethiopia, Papua New Guinea and Uganda), and the project led to the development of the Cup of Excellence and Alliance for Coffee Excellence.



Gourmet coffee project publication

PRIVATE SECTOR COOPERATION



**36th meeting of the PSCB
March 2013**

The Private Sector Consultative Board (PSCB) met on two occasions during the year, chaired by Ricardo Villanueva of Anacafé, Guatemala. Diverse matters concerning the global coffee market were discussed, including food safety issues, existing and proposed legislation affecting coffee, and developments in coffee consumption in a variety of countries and continents. The question of litigation in the United States was discussed with respect to Proposition 65 in California. The Board also considered legislation concerning Maximum Residue Levels worldwide, food safety and phytosanitary concerns such as acrylamide and furan in Europe, as well as labelling of origin regulations in the European Union. The Board also kept a number of items under review, including progress on the Coffee-Quality-Improvement Programme (CQP), the Healthcare Professions – Coffee Education Programme (HCP-CEP), and suggestions concerning interactions between the private and public sectors of the coffee world.

The Board received presentations on a wide variety of topics. These included presentations on coffee consumption in Canada, China, the Russian Federation and South Korea. Other presentations concerned caffeine and health claims in the European Union relating to mental and physical performance, as well as private coffee association management issues. PSCB members discussed in detail the issue of coffee leaf rust affecting Central America and its effect on the coffee farmers, their families, and their societies in general, as well as the possible consequences for the supply of coffee in consuming markets. Finally, a presentation was given on the 'Coffee Day' in Germany which had been organized for seven years with considerable success. The PSCB recommended that the Council should introduce an International Coffee Day to increase awareness of all aspects of coffee and to celebrate coffee worldwide.

中国咖啡产业规模

中国咖啡最大的咖啡生产基地在云南省，栽种面积及产量分别占全国咖啡种植面积的96%、98.5%。全国咖啡种植面积140万亩(93333公顷)、商品豆产量8.3万吨。

The Scope of Coffee Industry in China

Yunnan Province is the largest coffee growing region in China. The plantation areas reach around 96%, and production yields are 98.5% of all China. There are 93,000 hectares plantation areas and the bean production sums up to 83,000 tons.



**Presentation by the representative of the China Coffee Association
to the PSCB, Belo Horizonte, September 2013**

COFFEE AND HEALTH

The PSCB assists coffee and health programmes, including the HCP-CEP, which is funded and administered by the Institute for Scientific Information on Coffee (ISIC) and is designed to ensure that information disseminated in the public domain is scientifically sound.

ISIC organises a website on Coffee and Health, www.coffeeandhealth.org, which provides balanced and topical scientific information on coffee, caffeine and health to health professionals, academics and specialist health media. The website builds on a collaborative venture originally managed by the ICO and ISIC – the Positively Coffee website which was jointly funded by both organizations. The Coffee and Health website draws on ISIC's scientific database which encompasses hundreds of published peer-reviewed studies and includes scientific information on a wide range of coffee-related topics, helping users to obtain a comprehensive and balanced perspective on each topic.

Three dedicated information centres can be found on the website: these are tailored to the specific needs of healthcare practitioners, as well as a topics centre, which provides a summary of research on a wide range of coffee and health issues. The website includes fully referenced, balanced information based on the latest scientific research. It also has background data sourced from relevant authoritative bodies on a range of health topics including cardiovascular health, fluid balance, liver function, pregnancy, sports performance, type 2 diabetes and cancer. It includes abstracts of recent coffee and health research papers, which are highlighted on the home page following publication in peer reviewed journals.

The website also includes podcasts on subjects such as sports performance, fluid balance and neurodegenerative disease, as well as a 'fact or fiction' leaflet. A quarterly News Bulletin highlights the latest developments and updates. Finally, Coffee and Health can be followed on Twitter (@coffeeandhealth).

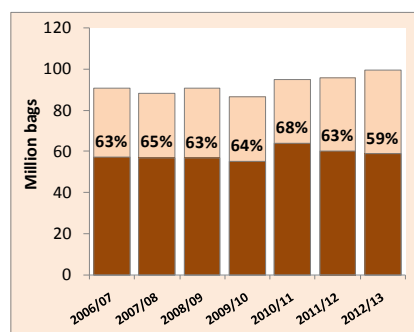
The HCP-CEP programme is aimed at supporting a network of European health professionals and specialist media in eight countries: Denmark, Finland, Germany, Italy, the Netherlands, Portugal, Spain and the United Kingdom. A workshop which included representatives from other geographical markets took place in Madrid in April 2013. Participants in the workshop shared information on recent and forthcoming activities and were informed about research on coffee and hydration. Practical arrangements were made to facilitate the use of available information in the various national markets.



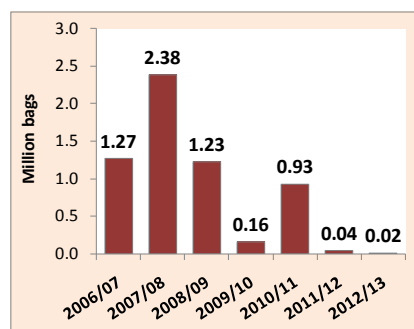
Coffee and Health website

Healthcare Professions – Coffee Education Programme

COFFEE QUALITY-IMPROVEMENT PROGRAMME (CQP)



Share of green coffee exported by the countries participating in the CQP
Coffee years 2006/07 to 2012/13



Liffe gradings below CQP standards
Coffee years 2006/07 to 2012/13

Council Resolution 420 requests exporting Members to indicate information on the quality of the coffee exported, with regard to the number of defects and moisture content. The Coffee Quality-Improvement Programme (CQP) is conducted on a voluntary basis, and allows for monitoring compliance levels with the target standards set out in the Resolution.

Under the current membership of the International Coffee Agreement 2007, 25 out of the 39 exporting Members fully implemented the Resolution in their countries and have provided information on quality regularly since June 2004. The status of exporting countries participating in the CQP in coffee year 2012/13 can be summarized as follows:

- Members providing data regularly: 13
- Members yet to issue Certificates of Origin: 16
- Members that appear to have opted not to issue Certificates of Origin: 1
- Members providing partial data: 7
- Members not providing data on quality: 1

There are also three exporting countries that send information on quality who are yet to become Members of the ICO under the ICA 2007: the Democratic Republic of Congo, Dominican Republic and Jamaica.

The total volume of green coffee exported in coffee year 2012/13 by the exporting countries providing information on quality amounted to 59 million bags, equivalent to 59.2% of world exports.

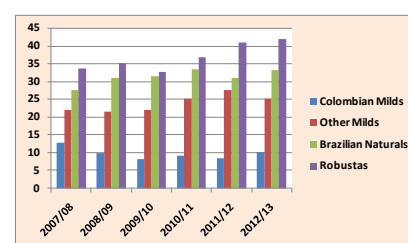
The London futures market, NYSE Euronext (Liffe), systematically carries out Robusta coffee gradings. In coffee year 2012/13, it graded a total of 1,049,500 bags, of which 17,167 were below the standards of Resolution 420. Of this amount, 64% came from Vietnam, 21% from Indonesia, 10% from Liberia and 5% from Madagascar. There were also 3,000 bags graded 'P' for *Premium Class*, which refers to coffee that exceeds the usual classification standards.

The New York futures market, Intercontinental Exchange (ICE), also posts monthly results on Arabica coffee by grade, as well as by cup flavour and bean colour. In coffee year 2012/13, there was a pass rate of 93% on grade quality, with 78.5% passing on cup quality and 91.8% on colour quality.

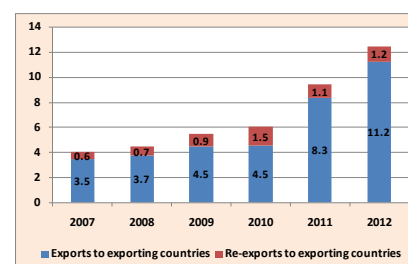
STATISTICS

The Statistics Committee met in March 2013 and discussed the following:

- Chairperson and Vice-Chairperson: Jawaid Akhtar of India was elected Chairperson and Mary Ryckman of the USA Vice-Chairperson.
- Compliance with the provision of statistical data: on average, 74% of exporting Members achieved full or satisfactory compliance with the Rules on Statistics, while importing Members achieved almost 100%.
- Exports to exporting countries: the Organization continues to monitor this increasingly important flow of trade. Improved reporting of the volume of imports by exporting Members will enhance greater market transparency. In 2012 the volume exported to exporting countries grew to 11.4 million 60-kg bags, compared to 9.4 million bags in 2011.
- Statistics on exports of organic and differentiated coffees: improved reporting by exporting Members indicates a continuing growth in the volume of organic and differentiated coffee exports reported based on both Certificates of Origin and Statistical Reports.
- The Statistics Committee noted that inventories held in European ports collected by the European Coffee Federation continued to be incorporated into the Organization's database.
- The use of Harmonized System 10 to 12 digit codes to report coffee trade by importing Members will enable the preparation of reports with greater detail of certain segments of the market, such as decaffeinated soluble trade. Only the USA has so far adopted this practice, but the Statistics Committee encouraged other importing Members to adopt 10 to 12 digit codes as soon as possible.
- A video has been prepared and will serve as a 'manual on compliance' for exporting Members. It has been made available to exporting Members and will assist in improving the provision of statistical data from exporting countries.
- Rules on Statistics – Indicator Prices: the Council approved revised market shares and group weightings for the Indicator price system. These came into effect on 1 October 2013 (see below).



**Total exports by group
Coffee years 2007/08 to 2012/13**



**Exports to exporting countries
Calendar years 2007 to 2012**



Video – Manual on compliance

Share of each market in the four groups:			Calculation of the ICO composite indicator price weighted as follows	
	EU	USA		
• Colombian Milds:	46%	54%	• Colombian Milds:	9%
• Other Milds:	62%	38%	• Other Milds:	24%
• Brazilian Naturals:	74%	26%	• Brazilian Naturals:	31%
• Robustas:	84%	16%	• Robustas:	36%

SEMINAR

Seminar presenters



J. Ross Colbert
Rabobank
International



Ramah Chanturiya
Rusteacoffee



Marcela Jaramillo
Toma Café



Lee Yunson
Terarosa



Rob Simmons
LMC International



Judy Ganes-Chase
J. Ganes
Consulting LLC



Carlos Brando
P&A International
Marketing

The ICO held a Seminar on trends in new coffee-consuming markets on 5 March 2013, chaired by Andrea Illy of the European Union (Italy). The terms of reference for the Seminar (document ED-2150/13) were developed by a working group comprising Brazil, Colombia, the European Union, Guatemala, India, Indonesia, Mexico, Uganda and the USA.

The Seminar covered trends in emerging consuming markets in Eastern Europe, producing countries and Asia. Other topics included Coffee 2013: Ready for take-off, the impact of new markets on the world supply/demand balance, outlook for soluble coffee in new markets and out-of-home consumption.

Presentations were made by seven speakers from the following organizations: Rabobank International, Rusteacoffee, Programme for Toma Café, Promotion of Domestic Consumption in Colombia, Terarosa, LMC International, J. Ganes Consulting LLC and P&A International Marketing, Brazil.

A report on the Seminar was presented to the Council (see document ICC-110-15) which included the following conclusions:

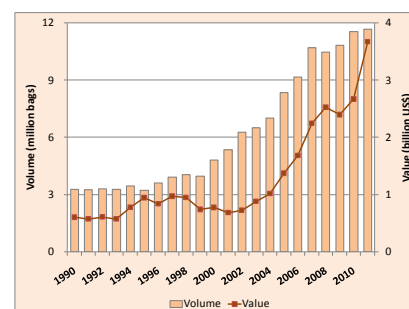
- Increasing consumption in new markets was important for producing countries, particularly in terms of promotion and market development;
- Such efforts would be more effective if concentrated on emerging markets where growth was more dynamic;
- There was a need for more information regarding China, which was of great interest to producing countries;
- The importance of developing a domestic market for coffee in producing countries, particularly for countries in Africa where consumption was in the early stages of growth;
- The Seminar could continue on a rolling basis, focusing on different regions or themes each time.

Copies of the report, video recordings and presentations made at the Seminar are available on the ICO website (www.ico.org/workshop.asp).

ECONOMIC STUDIES

Re-exports of coffee by Germany

This study (document ICC-110-4) provides a detailed analysis of the flow of imports and exports of coffee by Germany from 1990 to 2011. It is divided into two sub-periods: the first ten years of the free market period (1990 to 1999) and the last twelve years (2000 to 2011), reflecting recent developments in the coffee trade. Germany is the largest re-exporter of coffee in the world as its total re-exports reached an average annual level of 8.6 million bags between 2000 and 2011, accounting for 28.1% of the world total. The USA, Poland, Austria, the Netherlands and France are the main destinations for its re-exports. Germany was responsible for 46.2% of world re-exports of green coffee, 21.9% of roasted coffee and 18.8% of soluble coffee during the period 2000 to 2011, and earned an annual average of US\$1.3 billion for re-exports of 6.3 million bags between 1990 and 2011. Average re-exports of around 3 million bags of green coffee earned Germany US\$468 million annually. The study also indicates that re-exports of Germany account for 48.3% of average annual imports of 17.7 million bags. The increase in re-exports, particularly those of green coffee, is largely attributable to Germany's extensive transport network, which handles coffee imported from producing countries and re-exports it to other destinations.

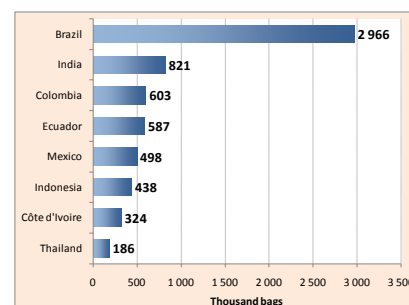


Volume and value of re-exports of all forms of coffee by Germany 1990 to 2011

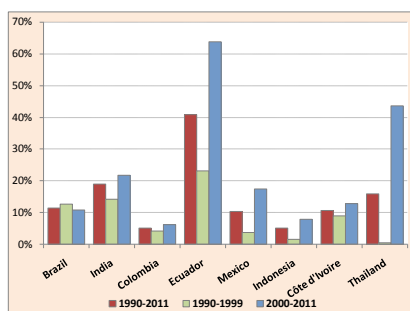
World trade of soluble coffee

The ICO carried out an analysis of trends in the world soluble coffee trade from calendar year 1990 to 2011 and also compared performance using two shorter periods: 1990 to 1999 and 2000 to 2011 (see document ICC-110-5). The average annual volume of soluble coffee exports by exporting countries from 1990 to 2011 was 5.4 million bags. Overall, exports by all exporting countries grew steadily at an average rate of 5.2%. The increase was far more marked in recent years, with an annual average growth rate of 7.5% for the period 2000 to 2011 compared to 1.9% from 1990 to 1999. Exports of soluble coffee in 2011 totalled 10.5 million bags compared with 4.7 million bags in 2000 and 3.6 million bags in 1990.

Many exporting countries have encouraged the establishment of soluble coffee processing units, mostly in partnership with two multinational companies which control over 75% of the world market. Although significant increases were observed in some exporting countries, the percentage share of soluble coffee in exports of all forms of coffee continues to be around 12.5% for the period 2000 to 2011. Ecuador, Thailand, India and Mexico stand out in having larger percentage shares of soluble coffee in their total exports of all forms of coffee.



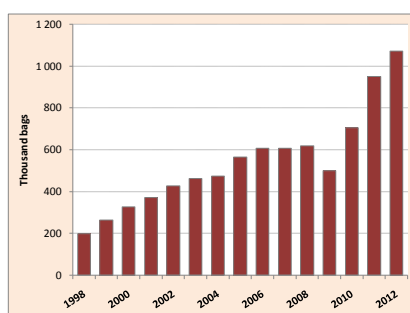
Leading exporters of soluble coffee Average 2000 to 2011



Percentage shares of soluble coffee of all forms of coffee exported by exporting countries

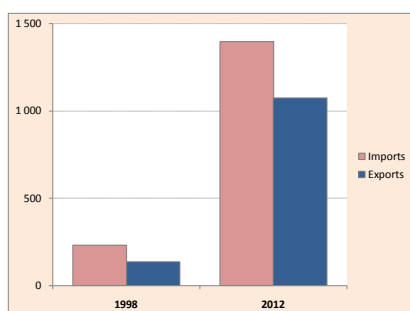
The share of imports of soluble coffee in total imports of all forms of coffee by importing countries is relatively low, averaging 11.2% for the period 1990 to 2011. This share has increased to 12.9% annually since 2000. Imports of soluble coffee continue to account for a significant share of imports of all forms of coffee by some countries. The soluble coffee trade with emerging markets shows considerable momentum, with imports increasing rapidly, particularly in the Russian Federation, Turkey, Ukraine and many other countries. Among the traditional markets, soluble coffee accounts for a significant share of imports by Greece and the United Kingdom. On the other hand, soluble coffee re-exports are dominated by Germany, even though they account for less than 25% of total re-exports of all forms of coffee. Finally, the study indicated that the world soluble coffee trade has grown very rapidly since 2000, suggesting an increase in consumption of this form of coffee, particularly in emerging markets.

Coffee in China



Coffee consumption in China

Given the precedent of Japan, a traditional tea-drinking country which is now the world's fourth largest coffee consumer, the current economic development of China raises questions as to how this will affect the coffee industry (see document ICC-111-8). Production in 2012 is estimated at 748,000 bags compared to 104,000 in 1998, representing an average annual growth rate of 15.1%. The coffee producing regions are Yunnan, Hainan and Fujian. All benefit from good organization and efficient management on the part of the government and the large multinational companies that are continuing to invest in increased production. Average annual consumption in China from 1998 to 2012 is estimated at 543,000 bags. In the last 15 years, consumption increased from 199,000 bags in 1998 to around 1.1 million bags in 2012, an average annual growth rate of 12.8%. Other reliable sources showed that China's total consumption was around 1.6 million bags in 2011 compared to 1 million bags in 2006, an average annual growth rate of 9.5%.



**Imports and exports of all forms of coffee by China
Calendar years 1998 and 2012**

The figures above indicate the need for caution about prospects for coffee consumption in China, despite its strong potential. The absolute level of consumption remains relatively low. Even if conditions for reaching 2.8 million bags by 2020 are met, per capita consumption would only be around 125 grams. Moreover, China is still a traditionally tea-drinking country. However, annual consumption in Japan in the late 1960s was roughly the same level as consumption in China is now, and it then accelerated to exceed 7 million bags since 2004. Given China's vast population and strong economic growth in recent years, there is certainly potential for it to do the same. Furthermore, the opening up of investment opportunities, particularly in the roasting industry, could help to change consumer habits, creating a vast potential market for coffee consumption. In this regard, the development of soluble coffee is supporting strong growth in the country's coffee consumption.

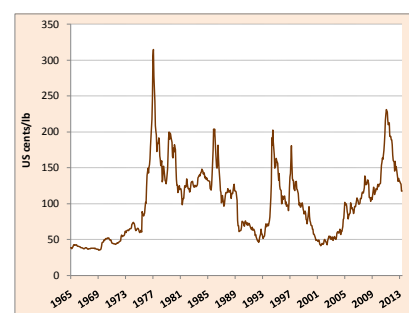
World coffee outlook

An analysis of the world coffee outlook from 1963 to 2020 was carried out (document ICC-111-5). During the last 50 years, the coffee market was characterized by a regulated market period with direct intervention in the market through an export quota system, and a second period without direct intervention from 1990 to the present.

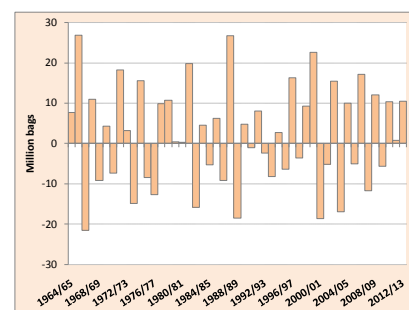
Price levels during the regulated market period were relatively high since both upward and downward trends were corrected through the application of export quotas. Under this system, export quotas were in effect during the periods between 1963 and September 1972, from October 1980 to February 1986 and from 5 October 1987 to 4 July 1989. The free market period beginning in 1990 had two sub-periods of markedly low price levels: 1989 to 1993 and 1999 to 2004. The latter sub-period recorded the longest crisis of low prices ever recorded, with negative consequences on the coffee economies of exporting countries. It should be noted, however, that the price recovery which began in coffee year 2004/05 seems to be slackening somewhat, while costs of coffee production inputs, particularly fertilizers and labour, continue to rise. As in the case of most agricultural commodities, the factors responsible for excessive coffee price volatility should be considered initially in terms of market fundamentals, particularly those related to supply. Supply is frequently influenced either by exogenous factors related to climate, or by quasi-cyclic mechanisms, in the sense that a period of short supply may be followed by a period of over-production and vice versa. Developments in market fundamentals may, therefore, favour or prevent the emergence of speculative factors.

To the extent that it is the main source of price instability, the supply situation is one of the major concerns of the world coffee market. The dynamics of world production are generally characterized by marked instability, with a large crop in one year followed by a smaller crop in the next. There has been a steady growth of world coffee production, interspersed with periodic falls. The average growth rate of production from crop years 1963/64 to 2012/13 was 2.3%, with 2.8% for the controlled market period and 2% during the free market period. Average production during crop years 1990/91 to 2012/13 was 112.8 million bags compared with 76.3 million bags for the period 1963/64 to 1989/90. With the exception of Africa, all coffee-growing regions recorded a steady growth in their production.

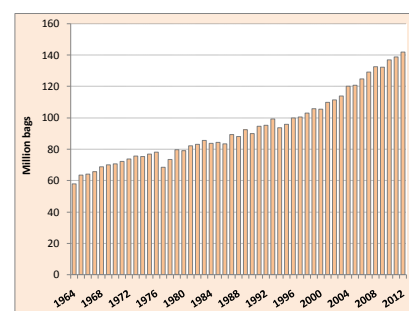
World consumption increased at an average annual growth rate of 1.9% during the last 50 years, from 57.9 million bags in 1964 to 142 million bags in 2012. This increase was higher during the period 1990 to 2012 with an average growth rate of 2.1% compared to 1.9% during the controlled market period. During the last decade world consumption grew considerably, from 105.5 million bags in 2000 to 142 million bags in 2012, an increase of 34.6% in 12 years.



ICO composite indicator price
Monthly averages:
March 1965 to July 2013



Annual variations in
world production
Crop years 1964/65 to 2012/13



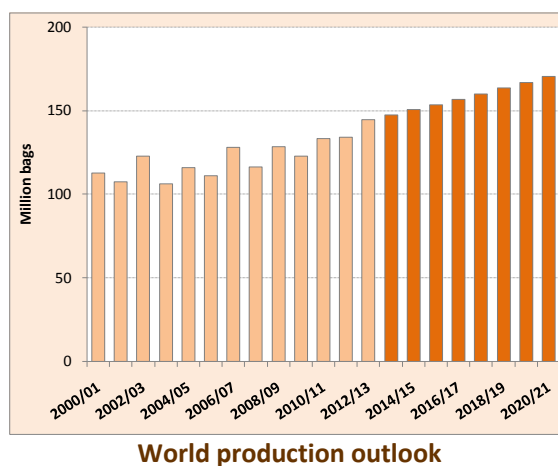
World consumption
Calendar years 1964 to 2012

Spearheaded by Brazil, domestic consumption in exporting countries has grown significantly from a level of 10.4 million bags in 1964 to 43.5 million bags in 2012, an average annual growth rate of 3%. The average growth rate for the period 1990 to 2012 was 3.7% compared to 2.6% between 1964 and 1989. Between 2000 and 2012 domestic consumption in exporting countries increased by 64.7% from a level of 26.4 million bags to 43.5 million bags, accounting for 30.6% of world consumption in 2012.

Total consumption in importing countries was estimated at 98.6 million bags in 2012 compared to 70.4 million bags in 1990 and 47.5 million bags in 1964. The average annual growth rate for consumption by all importing countries was 1.5% for the period 1990 to 2012, compared to 1.7% for the period 1964 to 1989. Despite the increase in population, consumption growth in traditional importing markets continues to be weak, at an average rate of 0.7% for the period 1990 to 2012 compared to 1.3% for the period 1964 to 1989.

Coffee consumption in emerging markets has increased considerably in the last 50 years. From 2.9 million bags in 1964, it grew to 27.9 million in 2012, representing an increase of 855.1%. An increase of 173.4% was recorded between 1990 and 2012 meaning that the average annual growth rate of consumption during the period 1990 to 2012 was 4.7%. Emerging markets are, therefore, a significant source of growth in world consumption over the next few years.

The study indicates that world production grew steadily during the last 50 years despite climatic shocks. It will be difficult to maintain this trend, however, mainly on account of the continued rise in production costs as well as problems related to pests and diseases which could affect this steady growth in production. Moreover, climate change could also have a negative impact on production in many countries unless urgent research is carried out on adaptation measures. On the other hand, prospects for growth in world coffee demand remain promising, mainly in emerging markets and exporting countries, in addition to the expansion of niche markets in traditional consuming countries. This growth in consumption could help to maintain a balance between supply and demand.



INFORMATION SERVICES

Library/Information Section

The Information Section is one of the pillars of the ICO, housing the Library with a collection of over 50,000 books, periodicals, maps, documents, DVDs and CD-Roms. In the past year the Library welcomed visitors from different parts of the United Kingdom and countries further afield, including Brazil, Canada, Colombia and Slovakia. Apart from ICO delegates and staff, users range from students to representatives of the private sector. The Library can also be accessed through *Coffeeline*, our searchable online catalogue (<http://ico.heritage4.com/>), with over 50,000 entries and a vast collection of materials from Member and non-member countries developed over the last 50 years.

In the last coffee year 665,000 users accessed the ICO website over 21,669,500 times, an increase of 25.4% on the previous year. The website was redesigned and relaunched in September 2013 to facilitate access to information on the coffee sector.

The Library's comprehensive archive of coffee materials includes books from 1830 to the latest publications and it also boasts a slide collection soon to be made available online. It continues to adapt and provide resources benefitting users from both the public and private sectors as well as being an invaluable tool for students, researchers, small farmers, cooperatives and others around the world who can access its services through the Internet. Library enquiries come in daily from the four corners of the world and vary from requests for basic information about coffee-making to more elaborate ones such as the composition of coffee, diseases, how to open a coffee shop, information on Member and non-member countries and more.



ICO Library



Homepage
ICO website – new look

FINANCE AND ADMINISTRATION



**Finance and Administration Committee
Belo Horizonte**

The ICO employs 24 people of 12 different nationalities. It is headed by Robério Oliveira Silva, a Brazilian national who was appointed as Executive Director in 2011. Three members of staff left during the year: José Sette, who served as Head of Operations from 2007 to 2012 and also served as Executive Director a.i. during 2010/11, Martin Wattam, the Library/Information Officer and Matthew Elliott, the Statistical Assistant. Mauricio Galindo, a Colombian national, joined the Organization as Head of Operations in January 2013.

The Organization is financed by contributions from Member Governments who pay a contribution based upon their average coffee exports or imports. The total expenditure budget amounted to £3.2 million in 2012/13.

The ICO's headquarters have been based at 22 Berners Street, London W1T 3DD for 42 years. The premises were extensively modernized in 2012. The space occupied by the ICO was reduced by 33% and the entire Secretariat is now accommodated in a modern, open plan style office. At the same time, the 33% which had previously been occupied by the Organization and which continues to be let under a lease expiring in March 2017, was refurbished. The latter was sub-let in July 2013 to a US headquartered, publicly listed company under the terms of a sub-lease which expires at the same time as the Organization's head lease.

The ground floor consists of a large, parliamentary style conference room which can accommodate up to 280 people with built-in facilities for interpretation. The ICO continues to hold its regular meetings, seminars and other conferences at these facilities. At the same time it generates revenue by hiring out the facilities to external bodies through a professional conference organizer. Please see their website www.cavendishconferencevenues.co.uk for further information.



International Coffee Council, Council Chamber, March 2013

OFFICE HOLDERS 2012/13

International Coffee Council**Chairperson:** David Braun (Switzerland) ■**Vice-Chairperson:** José Ángel López Camposeco (Guatemala)**Private Sector Consultative Board (2011/12 – 2012/13)****Chairperson:** Ricardo Villanueva (Anacafé) ■ **Vice-Chairperson:** Ric Rhinehart (SCAA)

■ **Producer representatives:** **Colombian Milds:** Federación Nacional de Cafeteros de Colombia (FNC), *Sociedad Exportadora de Café de las Cooperativas de Caficultores (EXPOCAFÉ)*, African Fine Coffees Association (AFCA) ■ **Other Milds:** Asociación Mexicana de la Cadena Productiva del Café (AMECAFÉ), Asociación Nacional del Café (Anacafé) ■ **Brazilian and Other Natural Arabicas:** Associação Brasileira da Indústria de Café (ABIC), *Associação Brasileira da Indústria de Café Solúvel (ABICS)*, *Conselho dos Exportadores de Café do Brasil (CeCafé)*, Confederação da Agricultura e Pecuária do Brasil (CNA), *Conselho Nacional do Café (CNC)* ■ **Robustas:** Conseil du Café/Cacao (3C), Indonesian Coffee Exporters Association (GAEKI), *Uganda Coffee Federation (UCF)* ■ **Consumer representatives:** All Japan Coffee Association (AJCA), Coffee Association of Canada (CAC), European Coffee Federation (ECF), Institute for Scientific Information on Coffee (ISIC), National Coffee Association of USA (NCA), Russian Association of Tea and Coffee Manufacturers (Rusteacoffee), Specialty Coffee Association of America (SCAA), Speciality Coffee Association of Europe (SCAE)

Note: Alternates are shown in italics

Consultative Forum on Coffee Sector Finance**Chairperson:** Mary Estelle Ryckman (USA) ■ **Vice-Chairperson:** Rodolfo Trampe (Mexico)**Core Group for the Consultative Forum (2011/12 – 2012/13)**

Exporting Members: Brazil, Colombia, Côte d'Ivoire and Mexico ■ **Importing Members:** European Union, Switzerland and the USA ■ **Ex-officio Member:** Executive Director ■ **Assisted by:** Chairperson of PSCB and four advisors: Marc Sadler (World Bank), Noemí Pérez (FAST), Silas Brasileiro (National Coffee Council of Brazil) and Nicolas Tamari (Sucafina S.A.)

Promotion and Market Development Committee**Chairperson:** Andrea Illy (EU-Italy) ■ **Vice-Chairperson:** Rodolfo Trampe (Mexico) ■

Exporting Members: Brazil, Cameroon, Colombia, Costa Rica, India, Indonesia, Mexico and Tanzania ■ **Importing Members:** European Union, Switzerland and the USA

Projects Committee

Chairperson: Juan Diego Stacey Chiriboga (Ecuador) ■ **Vice-Chairperson:** Anna Toftén (EU-Sweden) ■ **Exporting Members:** Brazil, Colombia, Ecuador, Guatemala, Kenya, Indonesia, Uganda and Vietnam ■ **Importing Members:** European Union, Switzerland and the USA

Finance and Administration Committee

Chairperson: Ina Grohmann (EU-Germany) ■ **Vice-Chairperson:** Aly Touré (Côte d'Ivoire) ■ **Exporting Members:** Brazil, Colombia, Côte d'Ivoire, India, Mexico and Vietnam ■ **Importing Members:** European Union, Switzerland and the USA

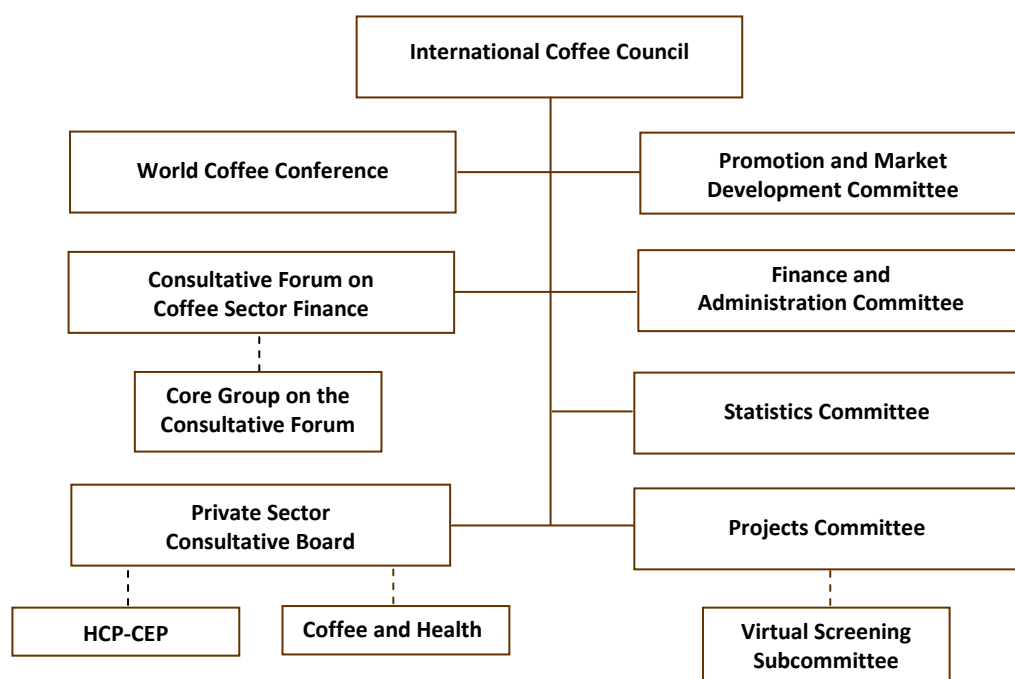
Statistics Committee

Chairperson: Jawaid Akhtar (India) ■ **Vice-Chairperson:** Mary Estelle Ryckman (USA) ■ **Exporting Members:** Angola, Brazil, Colombia, Ecuador, Ghana, Guatemala, India and Indonesia ■ **Importing Members:** European Union, Switzerland and the USA

Virtual Screening Subcommittee

Chairperson: Executive Director ■ **Exporting Members:** Brazil, Côte d'Ivoire, Guatemala and Indonesia ■ **Importing Members:** European Union and the USA

ORGANIZATIONAL STRUCTURE



SECRETARIAT STRUCTURE

