

**The Executive Director, Mr. Néstor Osorio, addressed the 17th National Coffee Conference of Guatemala on 24 July 2006.**

The Congress was inaugurated by the President of Guatemala, Oscar Berger Perdomo and was presided over the President of the Asociación Nacional del Café (ANACAFE) Ambassador José Angel López Camposeco and its Vice-President Mr. Christian Rasch Topke. In his address the Executive Director presented an analysis of the current market situation for coffee. He stressed that although prices have improved in comparison with the crisis years of 2000-2004 the effects were reduced because of weakness of the dollar and high petroleum prices. In addition farmers were still coping in many cases with heavy debt repayments. Mr. Osorio indicated that there was now a close balance between supply and demand and the continuing drawdown in stocks, particularly in producing but also in importing countries, made the markets vulnerable to unforeseen events. He emphasized the importance of coffee growers focusing on renovating planted areas and increasing productivity rather than expanding the coffee frontier in any part of the world through new plantings.