



**INTERNATIONAL
COFFEE
ORGANIZATION**

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English only

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International Coffee Council
119th Session
13 – 17 March 2017
London, United Kingdom

Post of Executive Director

**Presentation by Ms Delima Hasri Darmawan,
Indonesia**

Background

A copy of the presentation made to the 119th Session of the Council by Ms Delima Hasri Darmawan of Indonesia, is attached.

Action

The Council is requested to take note of this document.



II. ABOUT ICO



Mission:

"bringing together exporting and importing Governments to tackle the challenges facing the world coffee sector through international cooperation"

Established in 1963 with adopted of International Coffee Agreement (ICA)

Consists of 76 Members with 42 members of Coffee Producing and Exporting Countries and 33 members of Coffee Importing countries.

Account for 98% of world coffee production and 83% of world coffee consumption.

III. Current Coffee Industry Landscape



- In 2016, the total production is 151.6 million of 60 kg bag of coffee. Increased 0.1% from 2015.
- Arabicas Coffee increased 7.9% while Robustas decreased 10.7% between 2015-2016.
- Some producing countries experience lower production (e.g. Indonesia, Vietnam, Costa Rica, and Venezuela).
- Meanwhile, total world consumption in 2016 is 155.7 million of 60 kg bag of coffee. Increased 1.9% from 2015.

IV. SOME CHALLENGES (1)



- **Unfulfilled Demand.** As we see from the data, world demand are still not fulfilled. Demand is growing much faster than production.
 - Productivity issues.
 - Complexity of coffee chain.
 - Natural environment factor: drought, water shortage, dry climate.
- **Issues of Quality.**
 - Fulfilling Different and Complex Standards.
 - Environmental and Social issues.

IV. SOME CHALLENGES (2)



- **Understanding Consumer Behavior.** Consumer behavior change.
 - For example, in modern era, consumer would want to brew their own coffee at home.
 - Understanding new emerging markets such as Asian countries
- **Price volatility.**
 - Recent development shows increase in price due to shortage of supply, making manufacturers and roasters profit decline.
- **Small farmers livelihood.**
 - Low productivity.
 - Limits in market penetration.
 - Weak bargaining position.

V. VISION AS EXECUTIVE DIRECTOR OF ICO



Strengthening ICO position as the leading International Organization for Coffee that promotes sustainable production, livelihood oriented and providing fair share of benefit for all stakeholders.

VI. Mission (1)



1. Promoting coffee production and trade cooperation to fulfill world's demand.
2. Bridging the supply and demand requirement between coffee producing countries (exporters) and coffee-consuming countries (importers) through supply chain management.
3. Promoting uniqueness of coffee's landscapes and biodiversity that create many single origin coffee those have variety of specialities
4. Bringing global understanding on putting coffee not only as products and favorite beverages but as one of Earth sustainability guardian

VI. Mission (2)



5. Promote consciousness of environmental and sustainability issues in coffee industry, this includes, among others, setting series continuous campaign on the important of coffee's ecosystem and biodiversity.
6. Mitigate climate change by cultivating coffee trees which shade by other varieties of trees to maintain biodiversity (shade-grown coffee) and adopting biotechnology
7. Increasing skills for coffee production and consumption through information and technology exchange among members.
8. Strengthening research collaboration, particularly in finding solution to increased productivity of smallholders and coffee production

VII. WORK PROGRAM (1)



1. Finance and Administrative:

Prudent and governance in finance and administrative management by efficient and effective in income and spending policy.

- More transparency in order to avoid potential miss management and lost trust
- Evaluate staff benefits
- Eliminate unnecessary budgets
- Avoids low impact activities/projects
- Innovative financial sources, instead of fully relying on contribution, ICO needs to access various available sources fund such as CFC, WB, PIS AGRO, IDH and solidaridad.

VII. WORK PROGRAM (2)



2 Sustainable Project Oriented

Giving priority to the sustainable coffee development project in small-coffee producing countries to increase smallholder's livelihood security and rural development

- Replacing the piece-meal approach of the projects with integrated programmatic approach
- Coordination with researchers to promote analysis of the projects and their communities
- Pursuing grants and other fundings to support projects and efforts
- Coordination of efforts between ICO and other organizations regarding technical, content-related and business-related ventures
- Assisting the ICO in fulfilling its mission of providing free knowledge to coffee smallholder producers

VIII. WORK PROGRAM (3)



3. Promotion and Market Development:

The Market development

- Proposing different ways to raise the profile of coffee production of ICO's members in domestic, regional and international market.
- Intending to enhance the effectiveness and focus promotional efforts of various industry stakeholders by playing role of strategic coordinator to champion coffee brand in a holistic manner.

Promotional Activities

- Promoting sustainable coffee production starting from Good Agricultural Practices, Good Handling Practices and Good Management Practices using international sustainability standard
- Actively participated in several International events in close collaboration with stakeholders and promoted coffee as a leading commodities in the world
- Illustrated the competitiveness of coffee production in the global market

VII. WORK PROGRAM (4)



4. Statistical Collection

- In charge of collection, processing, and disseminating statistical data on the production, consumption, export, import, price, trade and cost production of the coffee in all member countries.
- Developing skill and expertise of statistical analysis using Information Communication Technology (ICT)

5. Private Sector Consultative

- Actively enhancing Public Private Partnership in elevating coffee production by mitigating the impact of climate change in coffee production and increasing the productivity of coffee production in smallholders coffee producing countries.
- Reboosting coffee consumption through socialization of healthy coffee drinking
- Enhancing Research collaboration in tackling pest and diseases and other agronomic challenges
- Facilitating financial access particularly for smallholders coffee producers.

VIII. CLOSING REMARKS



I will be very delighted if I have the opportunity to hold the Executive Director position at the ICO. I am passionate in this industry; I believe that I have the experience, knowledge, and capability to lead the organization; and it would be a great opportunity to share those experience and knowledge with the international community as well as hearing other people's experience from different parts of the world to create a global community of coffee industries that are diverse, lively, and united.



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